Annual Report

as at December 31, 2010

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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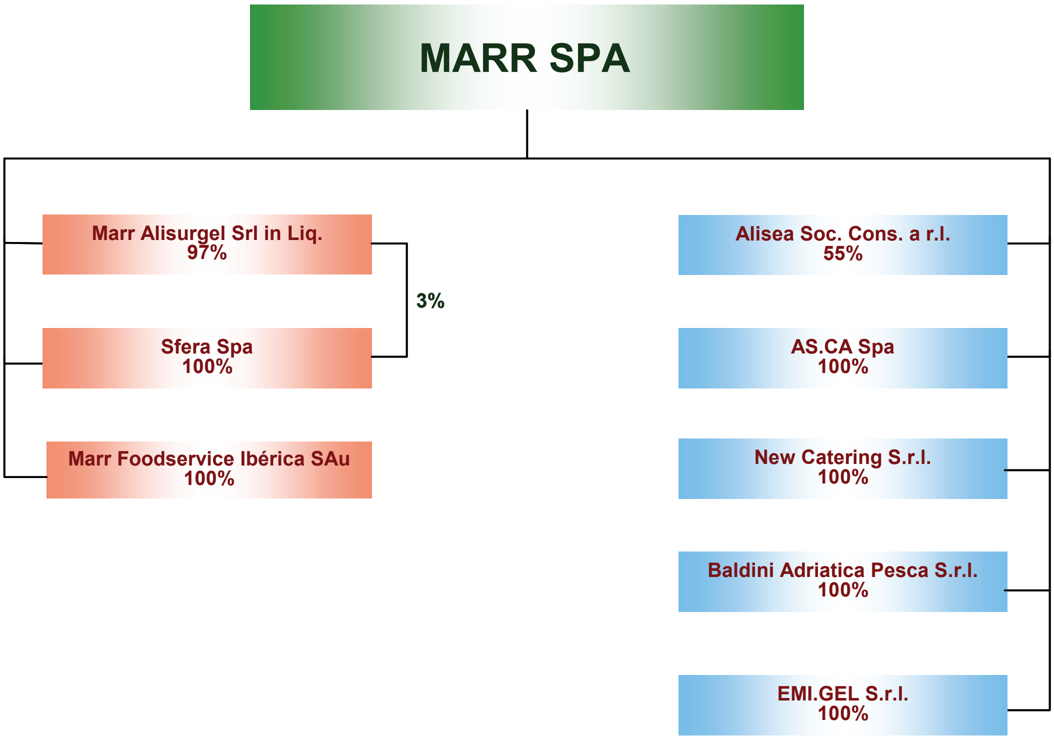
MARR GROUP ORGANIZATION

Situation as at 31 December 2010



The structure of the Group as at 31 December 2010 does not differ from that at 31 December 2009.

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

MARR S.p.A. Via Spagna n. 20 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. Via del Carpino n. 4 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. 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. Via del Carpino n. 4 – Santarcangelo di Romagna (RN)	Commercialisation and distribution of fresh and frozen seafood products
EMI.GEL. S.R.L. 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 Santarcangelo di Romagna (RN)	Non-operating company leasing going concern to other companies of the MARR Group
MARR FOODSERVICE IBERICA SA.U. Calle Goya n. 99 - Madrid (Spagna)	Non-operating company.
MARR ALISURGEL S.r.l. in liquidazione 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[1]
Chief Executive Officer	Ugo Ravanelli
Directors	Illias Aratri
	Giosué Boldrini
Independent Directors	Alfredo Aureli[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	Italo Ricciotti
	Massimo Conti
Alternate Auditors	Davide Muratori
	Marinella Monterumisi

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 business year 2010

As provided by Legislative Decree 38 dated 28 February 2005, in accordance with regulation no. 1606/2002 approved by the European Parliament, MARR has adopted the International Accounting Standards for the consolidated and MARR S.p.A. financial statements.

In 2010, in an economic context that is still uncertain and is showing weak and discontinuous signs of growth, the value of the out of home food consumption confirmed an increase ("Hotels, non-domestic meals and consumption": +1.8%) in excess of the overall increase (+0.3%) of the Italian families spending (Confcommercio Studies Office, February 2011).
It should also be pointed out that among the countries in the Euro zone, where there has been a general reduction of the out of home in favour of domestic food consumption, the positive performance of out of home food consumption in Italy is an exception, the main reasons for which are to be found in the structure of a consumer model in which the convivial component is particularly accentuated (FIPE Studies Office, February 2011).

In this context, in 2010 the MARR Group, thanks to its operational solidity, the flexibility of its business model, the capacity to adjust its offer and improve its level of service, managed to achieve its growth objectives, and closed another year of growth, thus strengthening its leadership on the Italian market for the commercialisation and distribution of fresh, dried and frozen food products to foodservice operators.

In particular, in 2010 total consolidated revenues reached 1,193.0 million Euros, an increase of 4.8% compared to the previous year which is well in excess of that in the Foodservice market and confirms the capacity of the Group to grow organically by increasing its own market share.

As regards the sector of activity represented by "Distribution of food products to the Foodservice", the sales can be analysed in terms of client categories as follows.

Sales to clients of the "Street Market" and "National Account" categories amounted to 932.4 million Euros in 2010, an increase of 3.6% compared to 899.9 million Euros in 2009.
Among those categories, sales in the "Street Market" (restaurants and hotels not belonging to groups or chains) registered an increase of 3.8%, reaching 720.9 million Euros while those in the "National Account" (chains and groups and canteens) amounted to 211.6 million Euros.

Sales to clients of the "Wholesale" category reached 243.1 million Euros, an increase compared to 225.2 million Euros in 2009.

In the following table we provide a reconciliation between the revenues from sales by category and the revenues from sales and services indicated in the consolidated financial statements:

	MARR Consolidated (€thousand)	*31.12.10*	*31.12.09*
	Revenues from sales and services by customer category		
	Street market	720,851	694,555
	National Account	211,588	205,333
	Wholesale	243,152	225,166
	Total revenues form sales in Foodservice	1,175,591	1,125,054
(1)	Discount and final year bonus to the customers	(13,962)	(13,150)
(2)	Other services	5,432	3,644
(3)	Other	(274)	(328)
	Revenues from sales and services	1,166,787	1,115,220

Note
(1) Discount and final year bonus not attributable to any specific customer category
(2) Revenues for services (mainly transport) not referring to any specific customer category
(3) Other revenues for services not referring to any specific customer category

Organisation and logistics

The organisational structure and logistics of the MARR Group as at 31 December 2010, indicating the availability of properties, is as follows:

Branches and Subsidiaries

Branches		
Marr Uno	Rimini, Santarcangelo di Romagna (Rn) and Costermano (Vr)	Leasehold by affiiliated company of Cremonini S.p.A. and leashold by third party
Marr Romagna	San Vito di Rimini	Leasehold by a company where Marr S.p.A. is stakeholder
Marr Supercash&carry	Rimini	Leasehold by third party
Marr Elba	Portoferraio (Li)	Property and leasehold by third party
Marr Genova	Carasco (Ge)	Leasehold by third party
Marr Napoli	Casoria (Na)	Leasehold by third party
Marr Roma	Capena (Roma)	Leasehold by third party
Marr Milano	Opera (Mi)	Leasehold by a leasing company
Marr Puglia	Monopoli (Ba)	Leasehold by third party
Marr Sanremo	Taggia (Im)	Leasehold by third party
Marr Venezia	S. Michele al Tagliamento (Ve)	Property
Marr Sardegna	Uta (Ca)	Property
Marr Sicilia	Cinisi (Pa)	Leasehold by third party
Emiliani (Fish and Seafood products branch)	Santarcangelo di R. (Rn)	Property
Carnemilia (Meat-processing branch catering)	Bologna	Leasehold by a company where Cremonini S.p.A. is stakeholder
Marr Battistini	Cesenatico (Fo)	Leasehold by third party
Marr Torino	Torino	Leasehold by third party
Marr Dolomiti	Pieve di Cadore (Bl)	Leasehold by third party
Marr Sfera	Riccione (Rn)	Leasehold by third party
Marr Calabria	Spezzano Albanese (Cs)	Property
Marr Toscana	Bottegone (Pt)	Property
Marr Cater	Roma	Leasehold by third party
Marr Arco	Arco (Tn)	Leasehold by third party
Marr Valdagno	Valdagno (Vi)	Leasehold by third party
Subsidiaries		
Alisea Soc. Consortile a r.l.	Different Localities	Gratuitous bail by third party
AS.CA S.p.A.	Castenaso (Bo)	Property
New Catering S.r.l.	Forlì (Fc) e Rimini (Rn)	Leasehold by third party
Baldini Adriatica Pesca S.r.l.	Riccione (Rn)	Leasehold by third party
EMI.GEL S.r.l.	Bentivoglio (Bo)	Leasehold by third party

Below are the figures, re-classified according to current financial analysis procedures, with the income statement, statement of financial position and financial data for 2010, compared to the previous year.

Analysis of the re-classified Income Statement

MARR Consolidated (€thousand)	*31.12.10*	*%*	*31.12.09*	*%*	*% Change*
Revenues from sales and services	1,166,787	*97.8%*	1,115,220	*98.0%*	*4.6*
Other earnings and proceeds	26,200	*2.2%*	23,227	*2.0%*	*12.8*
Total revenues	1,192,987	*100.0%*	1,138,447	*100.0%*	*4.8*
Cost of raw materials, consumables and goods for resale	(935,237)	*-78.4%*	(877,230)	*-77.1%*	*6.6*
Change in inventories	14,997	*1.3%*	(10,022)	*-0.9%*	*(249.6)*
Services	(143,221)	*-12.0%*	(130,775)	*-11.5%*	*9.5*
Leases and rentals	(7,403)	*-0.6%*	(7,433)	*-0.6%*	*(0.4)*
Other operating costs	(1,908)	*-0.2%*	(1,865)	*-0.1%*	*2.3*
Value added	120,215	*10.1%*	111,122	*9.8%*	*8.2*
Personnel costs	(37,187)	*-3.2%*	(37,271)	*-3.3%*	*(0.2)*
Gross Operating result	83,028	*6.9%*	73,851	*6.5%*	*12.4*
Amortization and depreciation	(4,625)	*-0.4%*	(4,753)	*-0.5%*	*(2.7)*
Provisions and write-downs	(7,310)	*-0.5%*	(5,916)	*-0.5%*	*23.6*
Operating result	71,093	*6.0%*	63,182	*5.5%*	*12.5*
Financial income	2,186	*0.2%*	1,586	*0.1%*	*37.8*
Financial charges	(4,638)	*-0.4%*	(6,108)	*-0.5%*	*(24.1)*
Foreign exchange gains and losses	233	*0.0%*	(197)	*0.0%*	*(218.3)*
Value adjustments to financial assets	0	*0.0%*	0	*0.0%*	*0.0*
Result from recurrent activities	68,874	*5.8%*	58,463	*5.1%*	*17.8*
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	68,874	*5.8%*	58,463	*5.1%*	*17.8*
Income taxes	(23,189)	*-2.0%*	(19,912)	*-1.7%*	*16.5*
Total net profit	45,685	*3.8%*	38,551	*3.4%*	*18.5*
(Profit)/loss attributable to minority interests	(564)	*0.0%*	(440)	*0.0%*	*28.2*
Net profit attributable to the MARR Group	45,121	*3.8%*	38,111	*3.4%*	*18.4*

As at 31 December 2010 the consolidated economic results are as follows: total revenues of 1,193.0 million Euros (+4.8%); EBITDA[1] of 83.0 million Euros (+12.4%); EBIT of 71.1 million Euros (+12.5%).

In particular, the improvement in the gross margin (Total Revenues net of the purchase costs for goods and variations in inventories), the % incidence of which on total revenues increased from 22.0% in 2009 to 22.9% in 2010 should be highlighted, as it confirms the capacity of the Group to consolidate and improve the margin in both deflationary (first few months of 2010) and inflationary (second part of 2010) contexts, thanks to its particularly flexible business model.

As concerns the operating cost (Cost for services, Costs for leases and rentals, Other operating charges) it should be pointed out an increase in services, which is linked to the increased costs for the handling of goods and logistics services, due to the sales increase in quantity.

[1] 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.

The cost of employment remained stable, despite the effect of the increases in remuneration provided by the renewal of the labour contract defined in 2008, thanks to a careful management of the overtime and the lower employment of seasonal workers and an intensification of the use of leave.

The result from current activities amounting to 68,9 million Euros has been characterised by the decrease of the net financial charges, also due to the decrease in interest rates, whose effect has been established during the course of last period of the year whit expectations of increase for the coming months.

The tax rate for the 2010 business year remains stable compared to the previous year, notwithstanding the positive effect of the deferred taxation.

As at 31 December 2010 the total net consolidated profit reached 45,7 million Euros, increasing by 18.5% compared to the previous year.

Analysis of the re-classified statement of financial position

MARR Consolidated (€thousand)	*31.12.10*	*31.12.09*
Net intangible assets	100,333	100,978
Net tangible assets	55,817	58,149
Equity investments in other companies	297	296
Other fixed assets	14,734	9,706
Total fixed assets (A)	171,181	169,129
Net trade receivables from customers	350,583	342,743
Inventories	99,585	84,588
Suppliers	(260,020)	(236,928)
Trade net working capital (B)	190,148	190,403
Other current assets	47,883	33,723
Other current liabilities	(21,505)	(21,479)
Total current assets/liabilities (C)	26,378	12,244
Net working capital (D) = (B+C)	216,526	202,647
Other non current liabilities (E)	(138)	(46)
Staff Severance Provision (F)	(10,035)	(10,063)
Provisions for risks and charges (G)	(13,469)	(12,675)
Net invested capital (H) = (A+D+E+F+G)	364,065	348,992
Shareholders' equity attributable to the Group	(206,579)	(191,736)
Shareholders' equity attributable to minority interests	(1,131)	(999)
Consolidated shareholders' equity (I)	(207,710)	(192,735)
(Net short-term financial debt)/Cash	(49,285)	(112,844)
(Net medium/long-term financial debt)	(107,070)	(43,413)
Net financial debt (L)	(156,355)	(156,257)
Net equity and net financial debt (M) = (I+L)	(364,065)	(348,992)

Analysis of the Net Financial Position [II]

The following table represents the trend in Net Financial Position.

	MARR Consolidated (€thousand)	*31.12.10*	*31.12.09*
A.	Cash	4,047	2,982
	Cheques	165	2
	Bank accounts	51,234	36,778
	Postal accounts	31	21
B.	Cash equivalent	51,430	36,801
C.	Liquidity (A) + (B)	55,477	39,783
	Current financial receivable due to Parent Company	3,098	915
	Current financial receivable due to Related Companies	0	0
	Others financial receivable	2,667	9,310
D.	Current financial receivable	5,765	10,225
E.	Current Bank debt	(103,392)	(146,556)
F.	Current portion of non current debt	(6,173)	(14,572)
	Financial debt due to Parent Company	0	0
	Financial debt due to Related Companies	0	0
	Other financial debt	(962)	(1,724)
G.	Other current financial debt	(962)	(1,724)
H.	Current financial debt (E) + (F) + (G)	(110,527)	(162,852)
I.	Net current financial indebtedness (H) + (D) + (C)	(49,285)	(112,844)
J.	Non current bank loans	(105,919)	(41,291)
K.	Other non current loans	(1,151)	(2,122)
L.	Non current financial indebtedness (J) + (K)	(107,070)	(43,413)
M.	Net financial indebtedness (I) + (L)	(156,355)	(156,257)

At the end of 2010, the net financial indebtedness amounted to 156.4 million Euros, therefore in line with the amount registered in the previous year and with a ratio of net financial position on EBITDA of 1.88 (2.12 at the end of 2009).

It should be pointed that, as at 31 December 2010, the net indebtedness is mainly linked to the performance of ordinary management and that during the year the following operations occurred:

- payment on 27 May 2010 of dividends amounting to a total of 30.3 million Euros (28.3 million Euros paid out in 2009);
- financial outgoing of 0.7 million Euros for the payment of the final instalment relating the acquisition of the subsidiary EMI.GEL S.r.l..

[II] The Net Financial Position used as a financial indicator of indebtedness 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.

It should be highlighted that the non current financial indebtedness has increased significantly compared to the previous year, due to the effect of the subscription in 2010 of new medium and long term loans aimed at stabilising the financial exposure of the Group.

Especially it must be pointed the sign off in August by the Parent Company MARR of a loan amounting to 65 million Euros with Banca IMI S.p.A. (as agent bank) in pool with Cassa dei Risparmi di Forlì e della Romagna S.p.A., Banca Carige S.p.A., Banca Popolare di Milano Soc. Coop. a r.l. (as lending banks).
The due date of the loan, with a duration of 36 months, is 5 August 2013. The loan has been signed with the purpose to consolidate the medium and long term indebtedness of the Company.

In the contest of the above mentioned operation and with the consequent liquidity, in the month of September MARR paid in advance the last instalment of the loan with Efibanca for a total amount of 8.1 million Euros.

Finally we point out:
- the sign off in January 2010 of a mortgage loan with Centrobanca, amounting to 10 million Euros and with due date December 2019;
- the advanced extinction, for a total amount of 25 million Euros, of a loan with Banca Nazionale del Lavoro, expiring in March 2011, and the consequent sign off with the same bank of a new loan, for the same amount, with due date June 2012.

Analysis of the Trade Net Working Capital

MARR Consolidated (€thousand)	*31.12.10*	*31.12.09*
Net trade receivables from customers	350,583	342,743
Inventories	99,585	84,588
Suppliers	(260,020)	(236,928)
Trade net working capital	190,148	190,403

As at 31 December 2010 the trade net working capital amounts to 190.1 million Euros, improving compared to the previous year.

The increase in trade receivables (+7.8 million Euros) is linked to the increase in revenues and improves compared to the previous year (+40.6 million Euros).

The increase in inventories of 15.0 million Euros (-10.0 million Euros in 2009) is principally linked to the purchases made in the seafood division following certain trade opportunities which arose towards the end of the year in this market.

The increase in the item "Suppliers" (+23.1 million Euros) si linked to the increase in inventories and is more than compensated by those in trade receivables and inventories themselves.

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

Re-classified cash-flow statement

MARR Consolidated (€thousand)	*31.12.10*	*31.12.09*
Net profit before minority interests	45,685	38,551
Amortization and depreciation	4,625	4,753
Change in Staff Severance Provision	(28)	56
Operating cash-flow	50,282	43,360
(Increase) decrease in receivables from customers	(7,840)	(40,575)
(Increase) decrease in inventories	(14,997)	10,022
Increase (decrease) in payables to suppliers	23,092	6,877
(Increase) decrease in other items of the working capital	(14,134)	9,286
Change in working capital	(13,879)	(14,390)
Net (investments) in intangible assets	159	(3,400)
Net (investments) in tangible assets	(1,813)	(1,924)
Net change in financial assets and other fixed assets	(5,029)	149
Net change in other non current liabilities	886	(707)
Investments in other fixed assets and other change in non current items	(5,797)	(5,882)
Free - cash flow before dividends	30,606	23,088
Distribution of dividends	(30,277)	(28,302)
Capital increase	0	0
Other changes, including those of minority interests	(427)	(351)
Cash-flow from (for) change in shareholders' equity	(30,704)	(28,653)
FREE - CASH FLOW	(98)	(5,565)
Opening net financial debt	(156,257)	(150,692)
Cash-flow for the period	(98)	(5,565)
Closing net financial debt	(156,355)	(156,257)

In the following table we provide a reconciliation between the "free-cash flow" and the "increase/decrease in cash flow" reported in the cash flow statement (indirect method).

MARR Consolidated (€thousand)	*31.12.10*	*31.12.09*
Free - cash flow	(98)	(5,565)
Increase in current financial receivables	4,460	(3,542)
Decrease in non-current net financial debt	63,657	14,513
Increase in current financial debt	(52,326)	3,779
Increase (decrease) in cash-flow	15,693	9,185

Investments

During 2010 business year ordinary investments were made mainly on the category "Buildings", "Plants and machineries" in the distribution centres of the parent company and "Other assets" for the purchase of electronic machineries and vehicles.

As regards the item "Land and buildings", the purchase by MARR S.p.A. of a plot of land instrumental to its activities, located in Spezzano Albanese (Cammarata locality), adjacent to the Marr Calabria branch, should be highlighted.

It should be noted a decrease in the item "Goodwill", due to the accounting of the price adjustment for the purchase, made by the subsidiary Baldini Adriatica Pesca S.r.l. during the year 2009, of the going concern of the company F.lli Baldini s.r.l..

The following is a summary of the net investments made in the 2010 business year:

(€thousand)	*31.12.10*
Intangible assets	
Patents and intellectual property rights	91
Concessions, licenses, trademarks and similar rights	0
Fixed assets under development and advances	0
Other intangible assets	0
Goodwill	(250)
Total intangible assets	(159)
Tangible assets	
Land and buildings	424
Plant and machinery	885
Industrial and business equipment	209
Other assets	295
Total tangible assets	1,813
Total	1,654

Research and development activities

The main research and development activities concerned the expansion of its private labels product line.

Transactions with subsidiary, associated, holding and affiliated companies

The following is some information on the shareholdings held, to complement the information already outlined in the "MARR Group Organization" section.

The following is a summary of the principal data concerning subsidiary companies:

(€ thousand)	*Annual report*	*Value of production*	*Cost of production*	*Profit (loss) for the year*	*Investments*	*Employees (number)*	*Net Equity*
Foodservice Companies							
Alisea Soc. cons. a rl	31/12/2010	14,523	12,661	1,230	1	158	2,408
Sfera S.p.A.	31/12/2010	1,272	803	312	0	0	1,065
AS.CA S.p.A.	31/12/2010	39,570	37,581	1,233	198	35	4,816
New Catering S.r.l.	31/12/2010	10,310	9,493	533	125	14	911
Baldini Adriatica Pesca S.r.l.	31/12/2010	20,186	20,002	24	40	21	43
EMI.GEL. S.r.l.	31/12/2010	11,502	11,254	160	20	22	2,572
Marr Foodservice Ibérica S.A.	31/12/2010	0	21	(17)	0	0	437
Other Companies							
Marr Alisurgel Srl in Liq.	31/12/2010	0	4	13	0	0	177

It must be pointed out that the value of MARR's consolidated purchase of goods by Cremonini S.p.A. and affiliated companies represented 4.1% (as in the following table) of the total consolidated purchases. All the commercial transactions and supply of services occurred at market value.

The economic and financial data for the 2010 business year is contained in the following table, classified by nature and by company:

COMPANY	FINANCIAL RELATION						ECONOMICS RELATIONS								
	RECEIVABLES			PAYABLES			REVENUES				COSTS				
	Trade	Other	Financial	Trade	Other*	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	her operating charg	Financial charges
From Parent Companies:															
Cremonini Spa (*)	634		3,098	143	1,787		9		1	12		965			9
Total	634	0	3,098	143	1,787	0	9	0	1	12	0	965	0	0	9
From unconsolidated subsidiaries:															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Associeted Companies															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Affiliated Companies(**)															
Cremonini Group															
Buffet di Arezzo S.r.l. (mergered at 01/11/10 in Chef Express S.p.a.)	3						20								
Chef Express S.p.A. (ex Moto S.p.a.)	2,616	15		2			7,209	1,845				47			
Consorzio Centro Commerc.Ingrosso Carni S.r.l.		42		529								134	1,105		
Cremonini Sec S.r.l. in liq.															
Fiorani & C. S.p.a.	4			74					5		205				
Frimo S.a.m.															
Ges.Car. S.r.l.															
Global Service Logistics S.r.l.															
Global Service S.r.l.		5		466					4			785			
Guardamiglio S.r.l.	1						2								
Ibis S.p.a.				116							349				
Inalca Algerie S.a.r l.	9											11			
Inter Inalca Angola ltda	156														
Inalca Brazaville Sarl															
Inalca Kinshasa Sarl	248														
Inalca JBS S.p.a.	72	3		5,447	4		670		4		32,063	2,026			
Interjet S.r.l.															
Marr Russia llc	77						371								
Montana Alimentari S.p.a.	123	4		1,803			22		167		5,638				
Real Beef S.r.l.				2								2			
Roadhouse Grill Italia S.r.l.	799				2		2,271	64	4			1			
Salumi dell'Emilia S.r.l.															
Tecno-Star Due S.r.l.															
Time Vending S.r.l.	24								20						
From not Affiliated Companies															
Farmservice S.r.l.	19						51								
Food & Co S.r.l.	26														
Bell Carni S.r.l. (ex Italbeef S.r.l.)											284				
Le Cupole S.r.l.													672		
Prometex Sam															
Total	4,177	69	0	8,439	6	0	10,616	1,909	204	0	38,539	3,006	1,777	0	0

(*) The item in the Other Payables column relates to the IRES charge transferred from MARR within the scope of the National Consolidated tax base, while the item in Trade receivables and payables includes the net amount of VAT transferred to Cremonini within the scope of the Group VAT liquidation.

(**) The total amount of trade receivables and payables are reclassified under "Receivables from customer" and "Suppliers" respectively.

Other information

The Company neither holds nor has ever held shares or quotas of parent companies, no such is hold through third party persons and/or companies; during the 2010 business year, the company never purchased or sold the above-mentioned shares and/or quotas.

In the context of the *"buy back"* programme, in 2010 no ordinary MARR shares have been purchased or sold; 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 year, the Group did not carry out atypical or unusual operations.

It must also be pointed out that the fulfilments provided by the "Code for the Protection of Personal Data" (Legislative Decree 196/2003) have been fulfilled, also in regard to those contained in the "Technical discipline concerning minimum safety measures" (Appendix B to the Code). According to the article 34 paragraph 1 letter g) of the Code, the MARR S.p.A. Safety Planning Document is correctly updated.

With reference to the report on the reconciliation between the result for the period and the net Equity of the group, and the same values for the parent company, refer to Appendix 3 of the consolidated financial statements.

Report on corporate governance and the ownership structure

As regards the information required by art. 123 bis of the Consolidation Act on Finance, see that contained in the "Annual Report on Corporate Governance and the Ownership Structure", drawn up in compliance with the regulations in force and filed together with this report at the company headquarters and by the Italian Stock Exchange, and also available on the website www.marr.it, Investor Relations section – Corporate Governance.

It must be pointed out that MARR S.p.A. adheres and conforms to the new Self-Regulatory Code published by the Italian Stock Exchange in March 2006.

Significant events during 2010

At the beginning of January, the Regional Agency Intercent-ER communicated an increase of the current agreement with MARR S.p.A., concerning the supply of food and non-food products to Public Administrations in the Emilia-Romagna region, for a total amount of 12.4 million Euros, amounting to 2/5 of the initial value.

On 14 February, the National Meeting of the MARR sales management ("*Sicuramente MARR*") was held, an event which saw the participation of over 700 people among sales agents and commercial management. The event was an opportunity to present new lines of private label products (including Scottish meat under the "Aberdeen meat" brand name, new and expanded lines of products for the happy hour under the name "King taste" and a line of gluten-free products for celiac sufferers) and a new release of proprietary software for the management of sales activities ("MARR Sales"), which includes a new and more efficient tool for credit management.
These changes are aimed on one hand at a continuous improvement of the market offer and increasing the trust of customers through private label products with a high level of service content and, on the other hand, at providing more tools for sales agents , also for the management of credit.

On 23 April 2010 the Shareholders' Meeting approved financial statements for the business year as at 31 December 2009 and the distribution to shareholders of a gross dividend of 0.46 Euros per share, with "ex coupon" (n. 5) on 24 May and payment on 27 May.
Furthermore the Shareholders' Meeting authorised the purchase and sale of treasury shares pursuant to and by effect of art. 2357 of the Civil Code, delegating the Board of Directors for the purpose.

On 14 May the Board of Directors, on the basis of the authorisation given by the Shareholders' Meeting dated 23 April 2010, decided to start a new plan for the buy back of its own shares, by delegating the execution to the Chief Executive Officer within the terms provided by the law and in accordance with the decision of the aforementioned general shareholders' meeting.
The operation will be undertaken with the aim of contributing towards the stability of the value of shares on the stock exchange.

Dividends of 0.46 Euros per share were distributed to shareholders on 27 May 2010, with ex coupon (n. 5) on 24 May 2010.

Events after the closure of the year

In January 2011, MARR S.p.A. was definitively awarded the Consip (Public Authority for the Raionalisation 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, can be implemented by the Public Administration structures in 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 and Abruzzo), Lot 7 (Lazio), Lot 9 (Basilicata, Puglia and Calabria) and Lot 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 anda 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 is 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.

Outlook

The Group results in the first two months of the year, although not significant in terms of their contribution to the entire business year, are encouraging and in line with the established goals.

In a market in which recovery is still weak and discontinuous, company management has confirmed its orientation towards strengthening its market leadership, keeping the management of the trade net wording capital under control and confirming the profitability levels achieved during the course of 2010, also thanks to its particularly flexible business model.

Main risks and uncertainties

In carrying out its activities, the Company is affected by risks of a financial nature, as described in more details in the Explanatory notes to the financial statement, these risks being intended as: market risks (as a combination of the risk concerning foreign currencies for purchases abroad, the exchange rate risk and price risk), credit risks and liquidity risks.

It should also be considered that although the company operates in the food distribution sector, which is characterised by its mainly stable nature, it is affected by the general state of the economy and is therefore exposed to the uncertainty of the current macro-economic scenario, albeit to a lesser extent than other sectors.

As pointed out in the Directors' Report of the previous years, the 2010 business year has also been characterised by a volatility of the financial markets and difficulties in accessing credit, together with a reduction in consumption; this has led the management to maintain its focus on the dynamics of credit management and policies for the containment of costs aimed at preserving the trade margin.

As regards the development of the financial situation of the Group, this depends upon numerous conditions, including the performance of the banking and monetary segments, which are also affected by the current economic situation, in addition to the achievement of the pre-established objectives in terms of management of the trade net working capital.

With reference to the occurrence of the ongoing political events in certain countries in North Africa, the company would point out that it has no receivables due from companies based in Libya and Egypt. As regards the ongoing relations with other countries in the northern Africa region, especially Mauritania, Morocco, Tunisia and Algeria, this current crisis has not yet had an impact on normal trade relations. Company management is constantly monitoring the development of the situation in order to safeguard the supply agreements ongoing with suppliers in the countries in the area in question.

As regards the specific risks and uncertainties involved in the activities of MARR and the Group, please refer to what described in detail in the paragraph entitled "provision for non-current risks and charges" in the Explanatory notes to the financial statements.
It should be stated that at the closure of these financial statements, the disputes with the Guardia di Finanza , IV Group of Sections in San Lazzaro di Savena – BO – and the Customs Authorities (already highlighted in the financial statements as at 31 December 2009) are still ongoing.
In consideration of the technical consultations, which are completely in agreement with each other, drawn up by four authoritative professionals, three of them appointed by the Tributary Commission, all of whom reached conclusions fully in favour of MARR S.p.A, and considering the opinion expressed by the lawyers called upon to defend the Company before the Court of Cassation, it can be reasonably assumed that the dispute will be resolved favourably, confirming what already highlighted in the Directors' Report of the previous year.

It should be pointed out that during the first half of 2010, the "Agenzia delle Entrate" (Major contributors office of the Bologna DRE) conducted a fiscal inspection of a general nature with reference to the 2007 tax period (partially extended to the 2005 and 2006 business years). In this regard, the Directors believe that they can offer a complete demonstration that the contestations raised by the verifiers in the PVC and in the deeds concerning 2005 received during last December are unfounded.

Human Resources

As of December 2010, the employees of the MARR Group were 984 (including 7 Directors, 33 Managers, 434 Employees and 510 Labourers), compared to 996 at the end of the previous year; there was thus a slight decrease in the workforce (about -1.2%).
The average number of employees during the course of 2010 was higher (1,028) compared to the figures for December mainly because of the effect of the dynamics following the employment or workers on seasonal contracts, aimed at dealing with peaks of business activities, but less than the average number of employees for the previous year, due to more careful management in terms of seasonal work.
In addition to dependent personnel, the Group has more than 650 sales employees and a network of truck drivers with over 700 motor vehicles, through agency and service contracts.

Training
The principal characteristics constituting the basis of MARR's competitive advantage are: the range of products offered (MARR commercialises a range of 10,000 food products), competence in terms of its commercial structure, the efficiency of its logistical system and its ability to produce innovative goods.
This is why MARR focuses strongly on the valorisation and training of its human resources, through periodical training programmes (ForMARR) oriented towards the training of internal personnel and its sales workforce.
In 2010, the training programme dedicated to the management of the sales workforce continued, aimed at spreading an increasing knowledge of the instruments available to it, the increased involvement in commercial decisions and better managerial competence with training sessions focussing especially on the fundamental characteristics of this role and the IT tools that the company has available for use.
Specific attention has also been dedicated to the training of personnel carrying out activities which influence the quality of products, services and processes, to the extent that in 2010, the training initiatives for employees were subscribed to by over 600 participants, mainly in the hygiene and food safety sectors.

The attention paid to training as regards safety in the workplace (Legislative Decree 81/08 and subsequent amendments and integrations) was also significant, first aid and fire emergency training having been provided to over 80 employees, in addition to periodically for the Employee Safety Representatives.

Safety in the workplace
The number of injuries, excluding those sustained while travelling, registered a reduction of about 2% (it should also be specified that there were no fatal injuries), proving that MARR is constantly committed towards continuously improving safety in the workplace through training and informative initiatives, structural improvements and the dynamic management of the documentary supports for the prevention of risk situations.

Personnel costs
By effect of an increasingly careful management and despite increases in the remuneration provided by the renewal of the National Collective Labour Contract for employees of tertiary sector of distribution and services companies in 2008, but with increases established until 2010 (approximately +12% overall), the cost of employment incurred in 2010 is substantially in line with that in 2009, registering a slight reduction of approximately 0.2%.
This reduction in costs was achieved mainly through a more limited recourse to seasonal employment and an increasingly rigorous management of overtime work, in addition to the intensification of the use of leave.

Environmental information

There are no pending or sanctioning procedures ongoing for the Group as regards damage caused to the environment.

In this regard, it should be pointed out that the quality of waste water discharged through the sewers or on the surface is monitored through periodical analyses conducted under self-control to verify the respect of the limits provided by the Law and that our operating units are in possession of discharge authorisations as provided by Legislative Decree 152/06.
As regards atmospheric emissions, these are insignificant, given that there are no production/cooking procedures carried out.
The waste produced by our activities, constituted by leftover packaging such as paper, plastic and glass, and sub-products of animal origin deriving from the processing carried out in some local units, is disposed of in compliance with the dispositions of the Law concerning environmental and sanitary matters, almost totally through public utilities and partly through private disposal firms.

Fulfilments ex art. 37 of Regulation 16191/2007 (Market Regulation)

The Board of Directors certifies the non applicability of the conditions inhibiting flotation on the stock market pursuant to art. 37 of Market Regulation 16191/2007 concerning companies subject to the management and coordination of others.

MARR S.P.A. – Parent Company

Below are the results of the Parent Company MARR S.p.A. drawn up according to the International Accounting Standards.

Re-classified Income Statement of the parent company MARR S.p.A.

MARR S.p.A. (€thousand)	*31.12.10*	*%*	*31.12.09*	*%*	*% Change*
Revenues from sales and services	1,078,097	*97.8%*	1,033,207	*98.0%*	*4.3*
Other earnings and proceeds	24,212	*2.2%*	21,211	*2.0%*	*14.1*
Total revenues	1,102,309	*100.0%*	1,054,418	*100.0%*	*4.5*
Raw and secondary materials, consumables and goods for resale	(871,915)	*-79.1%*	(820,052)	*-77.8%*	*6.3*
Change in inventories	14,087	*1.3%*	(8,861)	*-0.8%*	*(259.0)*
Services	(129,592)	*-11.8%*	(118,919)	*-11.3%*	*9.0*
Leases and rentals	(7,612)	*-0.7%*	(7,653)	*-0.7%*	*(0.5)*
Other operating costs	(1,698)	*-0.1%*	(1,638)	*-0.2%*	*3.7*
Value added	105,579	*9.6%*	97,295	*9.2%*	*8.5*
Personnel costs	(30,233)	*-2.8%*	(30,353)	*-2.9%*	*(0.4)*
Gross Operating result	75,346	*6.8%*	66,942	*6.3%*	*12.6*
Amortization and depreciation	(3,768)	*-0.3%*	(3,908)	*-0.4%*	*(3.6)*
Provisions and write-downs	(6,635)	*-0.6%*	(5,604)	*-0.5%*	*18.4*
Operating result	64,943	*5.9%*	57,430	*5.4%*	*13.1*
Financial income	5,493	*0.5%*	5,239	*0.5%*	*4.8*
Financial charges	(4,490)	*-0.4%*	(5,898)	*-0.5%*	*(23.9)*
Foreign exchange gains and losses	311	*0.0%*	(287)	*0.0%*	*(208.4)*
Value adjustments to financial assets	(17)	*0.0%*	(12)	*0.0%*	*41.7*
Result from recurrent activities	66,240	*6.0%*	56,472	*5.4%*	*17.3*
Non-recurring income	*0*	*0.0%*	0	*0.0%*	*0*
Non-recurring charges	*0*	*0.0%*	0	*0.0%*	*0*
Profit before taxes	66,240	*6.0%*	56,472	*5.4%*	*17.3*
Income taxes	(21,131)	*-1.9%*	(17,928)	*-1.7%*	*17.9*
Total net profit	45,109	*4.1%*	38,544	*3.7%*	*17.0*

Re-classified Statement of financial position of the parent company MARR S.p.A.

MARR S.p.A. (€thousand)	*31.12.10*	*31.12.09*
Net intangible assets	71,358	71,579
Net tangible assets	48,859	50,892
Equity investments in other companies	33,537	33,557
Other fixed assets	14,420	9,421
Total fixed assets (A)	168,174	165,449
Net trade receivables from customers	324,798	318,214
Inventories	93,060	78,973
Suppliers	(241,895)	(220,566)
Trade net working capital (B)	175,963	176,621
Other current assets	46,782	32,405
Other current liabilities	(19,214)	(19,292)
Total current assets/liabilities (C)	27,568	13,113
Net working capital (D) = (B+C)	203,531	189,734
Other non current liabilities (E)	(138)	(41)
Staff Severance Provision (F)	(8,425)	(8,561)
Provisions for risks and charges (G)	(10,646)	(9,918)
Net invested capital (H) = (A+D+E+F+G)	352,496	336,663
Shareholders' equity	(202,682)	(187,843)
Shareholders' equity (I)	(202,682)	(187,843)
(Net short-term financial debt)/Cash	(42,771)	(105,701)
(Net medium/long-term financial debt)	(107,043)	(43,119)
Net financial debt (L)	(149,814)	(148,820)
Net equity and net financial debt (M) = (I+L)	(352,496)	(336,663)

Re-classified Net Financial Position of the Parent Company MARR S.p.A.

	(€thousand)	*31.12.10*	*31.12.09*
A.	Cash	3,956	2,871
	Cheques	0	0
	Bank accounts	48,799	34,329
	Postal accounts	31	21
B.	Cash equivalent	48,830	34,350
D.	Liquidity (A) + (B)	52,786	37,221
	Current financial receivable due to Parent Comany	7,242	5,962
	Current financial receivable due to Related Companies	3,098	915
	Others financial receivable	2,566	9,299
E.	Current financial receivable	12,906	16,176
F.	Current Bank debt	(100,208)	(142,183)
G.	Current portion of non current debt	(6,004)	(14,242)
	Financial debt due to Parent Company	0	0
	Financial debt due to Subsidiaries	(1,377)	(1,169)
	Financial debt due to Related Companies	0	0
	Other financial debt	(874)	(1,504)
H.	Other current financial debt	(2,251)	(2,673)
I.	Current financial debt (F) + (G) + (H)	(108,463)	(159,098)
J.	Net current financial indebtedness (I) + (E) + (D)	(42,771)	(105,701)
K.	Non current bank loans	(105,919)	(41,123)
M.	Other non current loans	(1,124)	(1,996)
N.	Non current financial indebtedness (K) + (M)	(107,043)	(43,119)
O.	Net financial indebtedness (J) + (N)	(149,814)	(148,820)

Re-classified Cash Flows Statement of the parent company MARR S.p.A.

(€thousand)	*31.12.10*	*31.12.09*
Net profit before minority interests	45,109	38,544
Amortization and depreciation	3,768	3,908
Change in Staff Severance Provision	(136)	15
Operating cash-flow	48,741	42,467
(Increase) decrease in receivables from customers	(6,584)	(36,863)
(Increase) decrease in inventories	(14,087)	8,861
Increase (decrease) in payables to suppliers	21,329	6,593
(Increase) decrease in other items of the working capital	(14,455)	8,912
Change in working capital	(13,797)	(12,497)
Net (investments) in intangible assets	(88)	(615)
Net (investments) in tangible assets	(1,432)	(1,467)
Net change in financial assets and other fixed assets	825	(160)
Net change in other non current liabilities	(4,979)	(690)
Investments in other fixed assets and other change in non current items	(5,674)	(2,932)
Free - cash flow before dividends	29,270	27,038
Distribution of dividends	(30,277)	(28,302)
Capital increase	0	0
Other changes, including those of minority interests	13	(115)
Cash-flow from (for) change in shareholders' equity	(30,264)	(28,417)
FREE - CASH FLOW	(994)	(1,379)
Opening net financial debt	(148,820)	(147,441)
Cash-flow for the period	(994)	(1,379)
Closing net financial debt	(149,814)	(148,820)

Directors', Auditors', managing directors' and managers' shareholdings

As at 31 December 2010, only Directors held shareholdings in MARR and its subsidiaries, as follows:

First name and last name	Office held	Company	Number of shares held at 31.12.2009	Number of shares bought after the listing date	Number of shares sold after the listing date	Number of shares held at 31.12.2010
Board of Directors						
Vincenzo Cremonini	Chairman	Marr S.p.a.	10,850	0	0	10,850
Ugo Ravanelli	Chief Executive Officer	Marr S.p.a.	416,806	0	0	416,806
Total			427,656	0	0	427,656

Nature of proxies conferred on Directors

With reference to the Self-Regulatory Code and Consob Recommendation dated 20 February 1997, the proxies conferred on individual Directors are detailed below:

- the Chairman Mr. Vincenzo Cremonini has powers of legal representation as per art. 20 of the by Laws,
- the Chief Executive Officer Mr. Ugo Ravanelli, in addition to the powers of legal representation as per art. 20 of the by Laws, has also been conferred all the powers required to carry out all deeds concerning company activities, to be exercised with free and individual powers of signature, in the context of the proxies conferred by decision of the Board of Directors on 24 April 2008.

In the current structure of the Corporate Bodies, there is no Executive Committee.

During the course of the year, both the Chairman and the Chief Executive Officer used the powers conferred on them only for the ordinary management of company affairs, while significant operations, by type, quality and value, are submitted to the Board of Directors for approval.

Transactions with subsidiary, associated, holding and affiliated companies

As regards the relations with subsidiary, associated, holding and affiliated companies, for which refer to the analyses contained in the note to the financial statements, as required by Civil Code art. 2497-bis, the following is a list of the types of ongoing relations:

Company	Nature of transactions
Subsidiaries	Trade and general services
Parent Companies - Cremonini Spa	Trade and general services
Associated companies - Cremonini Group's companies -	Trade and general services

It must be pointed out that the value of the purchase of goods of MARR S.p.A. by Cremonini S.p.A. and affiliated companies represented 4.31% (as in the following table) of the total purchases made by MARR itself. All the commercial transactions and supply of services, etc. occurred at market value.

The following table reports economical and financial data of the 2010 business year, classified by nature and by company.

COMPANY	FINANCIAL RELATION						ECONOMICS RELATIONS								
	RECEIVABLES			PAYABLES			REVENUES				COSTS				
	Trade	Other	Financial	Trade	Other*	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	her operating charg	Financial charges
From Parent Companies:															
Cremonini Spa (*)	576		3,098		1,970		9		1	12		965			8
Total	576	0	3,098	0	1,970	0	9	0	1	12	0	965	0	0	8
From unconsolidated subsidiaries:															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Associeted Companies															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Affiliated Companies(**)															
Cremonini Group															
Buffet di Arezzo S.r.l. (mergered at 01/11/10 in Chef Express S.p.a.)	3						20								
Chef Express S.p.A. (ex Moto S.p.a.)	2,617	15		2			7,209	1,845				47			
Consorzio Centro Commerc.Ingrosso Carni S.r.l.		42		529								134	1,105		
Cremonini Sec S.r.l.															
Fiorani & C. S.p.a.	4	0		74					5		205				
Frimo S.a.m.															
Ges.Car. S.r.l.															
Global Service Logistics S.r.l.															
Global Service S.r.l.		5		461					4			769			
Guardamiglio S.r.l.	1						2								
Ibis S.p.a.				116							349				
Inalca Algerie S.a.r l.	9											11			
Inter Inalca Angola ltda	156														
Inalca Brazaville Sarl															
Inalca Kinshasa Sarl	248														
Inalca JBS S.p.a.	72	3		5,403	4		670		4		31,789	2,026			
Interjet S.r.l.															
Marr Russia llc	77						371								
Montana Alimentari S.p.a.	122	4		1,731			22		159		5,269				
Real Beef S.r.l.				2							0	1			
Roadhouse Grill Italia S.r.l.	799			0	2		2,271	64	4			1		0	
Salumi dell'Emilia S.r.l.															
Tecno-Star Due S.r.l.															
Time Vending S.r.l.	24								20						
From not Affiliated Companies															
Farmservice S.r.l.	19						51								
Food & Co S.r.l.	26														
Bell Carni S.r.l. (ex Italbeef S.r.l.)							0				284				
Le Cupole S.r.l.													672		
Prometex Sam															
Total	4,177	69	0	8,318	6	0	10,616	1,909	196	0	37,896	2,989	1,777	0	0

(*) The item in the Other Payables column relates to the IRES charge transferred from MARR within the scope of the National Consolidated tax base, while the item in Trade receivales and payables includes the net amoun of VAT tranfered to Cremonini within the scope of the Group VAT liquidation

(**) The total amount of trade receivables and payables are reclassified under "Receivables from customer" and "Suppliers" respectively.

COMPANY	Trade	Other	Financial	Trade	Other*	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	her operating charg	Financial charges
From Affiliated Companies															
Alisea Soc. Cons. a r.l.	195			0			913	83							
Asca S.p.A.	19		4,417	43			1,041	237	10	28	215				
Baldini Adriatica Pesca S.r.l.	4		887	101			780	93	4	5	1,381				
Emigel S.r.l.	5			1		215		22	2	0					1
Marr Alisurgel S.r.l. in liquidazione						792		3							22
Marr Foodservice Iberica S.A.u				72		358									3
New Catering S.r.l.	47			8		12	298	20	2	0					0
Sfera S.p.A.	8		1,938	380				4		14		2	1,264		
Total	278	0	7,242	605	0	1,377	3,032	462	18	47	1,596	2	1,264	0	26

Proposal for the distribution of the 2010 profits and distribution of dividends

Dear Shareholders,

Before concluding and deciding on this matter, we would like to confirm that the draft financial statements closed on 31 December 2010 submitted for your examination and approval in this meeting, have been drafted in respect of the legislation in force.
In submitting the 2010 financial statements for approval, we propose to:

a) distribute the profits amounting to Euro 45,109,220 as follows:

- to dividend of 0.50 Euros for each ordinary share with the right, excluding own shares hold at the ex coupon date;
- to Extraordinary Reserve the remainder.

b) to pay the dividend on 26 May 2011 with ex coupon (No. 6) on 23 May 2011, in accordance with the Italian Stock Exchange regulations.

The Board of Directors would like to express its sincere thanks to all employees and collaborators who contributed in 2010 to the achievement of the Company's objectives through their commitment.

Rimini, 11 March 2011

The Board of Directors
The Chairman
Vincenzo Cremonini

MARR GROUP

Consolidated Financial Statements

as at December 31, 2010

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(€thousand)	Notes	31.12.10	31.12.09
ASSETS			
Non-current assets			
Tangible assets	1	55,817	58,149
Goodwill	2	99,658	99,908
Other intangible assets	3	675	1,070
Investments in other companies		297	296
Non-current financial receivables	4	4,679	1,485
Deferred tax assets	5	7,120	6,432
Other non-current assets	6	6,427	5,583
Total non-current assets		174,673	172,923
Current assets			
Inventories	7	99,585	84,588
Financial receivables	8	5,749	10,214
relating to related parties		*3,098*	*915*
Financial instruments / derivative	9	16	10
Trade receivables	10	347,091	338,944
relating to related parties		*4,811*	*3,518*
Tax assets	11	6,389	5,108
relating to related parties		*0*	*0*
Cash and cash equivalents	12	55,477	39,784
Other current assets	13	41,494	28,615
relating to related parties		*69*	*82*
Total current assets		555,801	507,263
TOTAL ASSETS		*730,474*	*680,186*
LIABILITIES			
Shareholders' Equity			
Shareholders' Equity attributable to the Group	14	206,579	191,736
Share capital		*32,910*	*32,910*
Reserves		*123,606*	*115,340*
Retained Earnings		*(3,477)*	*(3,477)*
Profit for the period attributable to the Group		*53,540*	*46,963*
Shareholders' Equity attributable to minority interests		1,131	999
Minority interests' capital and reserves		*567*	*559*
Profit for the period attributable to minority interests		*564*	*440*
Total Shareholders' Equity		207,710	192,735
Non-current liabilities			
Non-current financial payables	15	107,070	43,413
Employee benefits	16	10,035	10,063
Provisions for risks and costs	17	3,168	2,991
Deferred tax liabilities	18	10,301	9,684
Other non-current liabilities	19	138	42
Total non-current liabilities		130,712	66,193
Current liabilities			
Current financial payables	20	110,527	162,852
relating to related parties		*0*	*0*
Financial instruments/derivatives		0	0
Current tax liabilities	21	3,787	4,562
relating to related parties		*1,787*	*2,946*
Current trade liabilities	22	260,020	236,927
relating to related parties		*8,828*	*8,938*
Other current liabilities	23	17,718	16,917
relating to related parties		*6*	*1*
Total current liabilities		392,052	421,258
TOTAL LIABILITIES		*730,474*	*680,186*

CONSOLIDATED INCOME STATEMENT

(€thousand)	*Notes*	31.12.10	31.12.09
Revenues	24	1,166,787	1,115,220
relating to related parties		*12,534*	*11,074*
Other revenues	25	26,200	23,227
relating to related parties		*205*	*133*
Other non-recurring revenues and income		0	0
Changes in inventories	7	14,997	(10,022)
Capitalised costs		0	0
Purchase of goods for resale and consumables	26	(935,237)	(877,230)
relating to related parties		*(38,539)*	*(41,837)*
Personnel costs	27	(37,187)	(37,271)
Amortization, depreciation and write-downs	28	(11,935)	(10,669)
Other operating costs	29	(152,532)	(140,074)
relating to related parties		*(5,871)*	*(4,492)*
Other non-recurring operating costs		0	0
Financial income and charges	30	(2,219)	(4,718)
relating to related parties		*3*	*(12)*
Non-recurring financial income and charges		0	0
relating to related parties		*0*	*0*
Income (cost) from associated companies		0	0
Pre-tax profits		68,874	58,463
Taxes	31	(23,189)	(19,912)
Profits for the period		45,685	38,551
Atributable to:			
Shareholders of the parent company		45,121	38,111
Minority interests		564	440
		45,685	*38,551*
basic Earnings Per Share (euro)	32	0.69	0.58
diluted Earnings Per Share (euro)	32	0.69	0.58

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€thousand)	*Notes*	*31.12.10*	*31.12.09*
Profits for the period (A)		45,685	38,551
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect		4	(16)
Total Other Profits/Losses, net of taxes (B)	*33*	4	(16)
Comprehensive Income (A + B)		45,689	38,535
Atributable to:			
Shareholders of the parent company		45,125	38,095
Minority interests		564	440
		45,689	*38,535*

CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHODERS EQUITY
(note 14)

Description	Share Capital	Other Reserves: Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for residual stock options	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve ex art. 55 (DPR 597-917)	Total reserves	Trading on share reserve	Reserve for profit (losses) on own share	Total own shares	Profits carried over from consolidated	Business year profits (losses)	Total Group net equity	Total third party net equity
Balance at 1st January 2009	32,918	60,192	5,919	13	36,496	433		1,475	7,296	23	1,521	113,367	(3,390)	(9)	(3,399)	39,150		182,036	801
Allocation of 2008 profit			733			1,260						**1,993**				(1,993)			
Distribution of parent company dividends																(28,302)		(28,302)	
Distribution of subsidaries company dividends																			(242)
Effect of the trading of own shares	**(8)**												(77)	(1)	**(78)**			(86)	
Other minor variations											(4)	**(4)**				(3)		(7)	
Consolidated comprehensive income 2009:																			
- Profit for the period																38,111		38,111	440
- Other Profits/Losses, net of taxes										(16)		**(16)**						(16)	
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
Allocation of 2009 profit						8,267						**8,267**				(8,267)			
Distribution of parent company dividends																(30,277)		(30,277)	
Distribution of subsidaries company dividends																			(432)
Other minor variations											(5)	**(5)**						(5)	
Consolidated comprehensive income 2010:																			
- Profit for the period																45,121		45,121	564
- Other Profits/Losses, net of taxes										4		**4**						4	
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

CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	31.12.10	31.12.09
Profit for the Period	45,685	38,551
Adjustment:		
Amortization / Depreciation	4,625	4,761
Allocation of provison for bad debts	7,130	6,187
Allocation of provision for inventories	0	200
Capital profit/losses on disposal of assets	(290)	(153)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and losses	2,452	4,522
relating to related parties	*(3)*	*12*
Foreign exchange evaluated (gains)/losses	(68)	145
Dividends Received	0	0
	13,849	15,662
Net change in Staff Severance Provision	(28)	56
(Increase) decrease in trade receivables	(15,277)	(43,633)
relating to related parties	*(1,293)*	*905*
(Increase) decrease in inventories	(14,997)	9,822
Increase (decrease) in trade payables	23,092	6,604
relating to related parties	*(110)*	*(1,268)*
(Increase) decrease in other assets	(13,723)	499
relating to related parties	*13*	*82*
Increase (decrease) in other liabilities	1,074	(67)
relating to related parties	*5*	*(1)*
Net change in tax assets / liabilities	21,831	18,954
relating to related parties	*18,435*	*16,689*
Interest paid	(4,638)	(6,108)
relating to related parties	*(9)*	*(17)*
Interest received	2,186	1,586
relating to related parties	*12*	*5*
Foreign exchange gains	1,121	898
Foreign exchange losses	(1,053)	(1,043)
Income tax paid	(23,958)	(15,030)
relating to related parties	*(19,594)*	*(11,296)*
Cash-flow from operating activities	35,164	26,751
(Investments) in other intangible assets	(91)	(24)
Net disposal in other intangible assets	0	0
(Investments) in goodwill	0	(99)
Goodwill write-off	0	0
(Investments) in tangible assets	(3,394)	(2,315)
Net disposal of tangible assets	1,871	664
Net (investments) in equity investments (subsidiaries and associated)	0	0
Net (investments) in equity investments in other companies	(1)	(1)
Outgoing for (acquisition)/divestment of subsiaries or going concerns during the year	(662)	(3,656)
Cash-flow from investment activities	(2,277)	(5,431)
Distribution of dividends	(30,277)	(28,302)
Increase in capital and reserves paid-up by shareholders	0	0
Other changes, including those of third parties	(427)	(351)
Net change in financial payables (excluding the new non-current loans received)	(87,855)	(11,708)
relating to related parties	*0*	*0*
New non-current loans received	100,000	30,000
relating to related parties	*0*	*0*
Net change in current financial receivables	4,559	(3,542)
relating to related parties	*(2,183)*	*374*
Net change in non-current financial receivables	(3,194)	1,768
Cash-flow from financing activities	(17,194)	(12,135)
Increase (decrease) in cash-flow	15,693	9,185
Opening cash and equivalents	39,784	30,599
Closing cash and equivalents	55,477	39,784

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Corporate information

MARR Group operates entirely in the commercialisation and distribution of food products to the Foodservice sector.

In particular, the parent company MARR S.p.A., with headquarters in Via Spagna 20, Rimini, operates in the commercialisation and distribution of fresh, dried and frozen food products to the Foodservice.

The consolidated financial statements for the business year closing as at 31 December 2010 were authorised for publication by the Board of Directors on 11 March 2011.

Structure and contents of the consolidated financial statements

The consolidated financial statements as at 31 December 2010 have been prepared in conformity 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 as acknowledged by Legislative Decree 38 dated 28 February 2005 and subsequent CONSOB amendments, communications and decisions.

Reference to the international accounting standards, adopted in the preparation of the consolidated financial statements as at 31 December 2010, is indicated in the "Accounting policies" section.

For the purposes of the application of IFRS 8 it is noted that the Group operates in the "Distribution of food products to the Foodservice" sector only; as regards performance levels in 2010, see that described in the Directors' Report on management performance.

The consolidated financial statements as at 31 December 2010 include, for comparative purposes, the figures for the year ended on 31 December 2009. 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.

Appendix 2 contains the Statement of financial position, Income statement, Statement of Comprehensive Income, Cash Flows Statement and the Statement of changes in the MARR S.p.A. shareholders equity. This report omits the explanatory notes concerning the accounting situation of the Parent Company, as this does not contain significant additional information compared to that contained in the MARR Group Consolidated Financial Statements, as highlighted in the table below, illustrating the impact of the parent company MARR S.p.A. on the Group consolidated data.

(€thousand)	31.12.10 MARR Consolidated	31.12.10 MARR S.p.A.	Impact %
Revenues from sales and services	1,166,787	1,078,097	92.4%
Total assets	730,474	698,507	95.6%
Net profit for the period	45,121	45,109	100.0%

All amounts are indicated in Euros.

The statements and tables contained in this consolidated financial statements are shown in thousand of Euros.

These financial statements have 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 statement of financial position'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 consolidated financial statements as at 31 December 2010 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 subsidiaries included in the consolidation area as at 31 December 2010, with an indication of the method of consolidation, are attached in Appendix 1.

The scope of consolidation as at 31 December 2010 does not differ from that at 31 December 2009.

Accounting policies

The most significant Accounting policies adopted for the preparation of the consolidated financial statements as at 31 December 2010 are indicated below:

Tangible assets

Tangible assets are entered at their purchase cost or production cost, inclusive of directly allocated additional charges required to make the assets available for use. As permitted by IFRS 1, in the contest of the first time adoption of the International Accounting Standards, the Company has measured certain land and buildings owned at fair value, and has adopted such fair value as the new cost subject to depreciation.

No revaluations are permitted, even if pursuant to specific laws. Assets subject to capital lease are entered under tangible assets against a financial payable to the lessor, and depreciated in accordance with the criteria below.

Tangible assets are systematically depreciated on a straight-line basis over their expected useful life, based on the estimate of the period over which the assets will be used by the Company. When the tangible asset is made up of a number of significant components, each with a different useful life, depreciation is made for each single component. The depreciation value is represented by the book value minus the presumable net transfer value at the end of its useful life, if material and reasonably determinable. Land is not depreciated, even if purchased together with a building, and neither are tangible assets held for sale, measured at the lower between the book value and fair value after transfer charges.

Costs for improvement, upgrading and transformation increasing tangible assets are entered in the statement of financial position, in compliance with the requirements of the IAS 16.

The recoverability of the book value of tangible assets is determined by adopting the criteria indicated in the section "Impairment of non-financial assets".

The rates applied are the following:

- Buildings	3% - 4%
- Plant and machinery	7.50%-15%
- Industrial and business equipment	20%
- Other assets:	
- Electronic office equipment	20%
- Office furniture and fittings	12%
- Motor vehicles and means of internal transport	20%
- Cars	25%
- Other minor assets	10%-30%

The remaining accountable value, useful lifetime and amortization criteria are reviewed on closure of each business year and adjusted if necessary.

Goodwill and other intangible assets

Intangible assets are assets that lack physical substance, controlled by the Company and capable of generating future economic benefits, as well as goodwill, whenever purchased for a financial consideration.

Intangible assets are entered at cost, measured in accordance with the criteria established for tangible assets. No revaluations are permitted, even if pursuant to specific laws.

Intangible assets with a definite useful life are systematically amortized over their useful life, based on the estimate of the period over which the assets will be used by the Company; the recoverability of their book value is determined by adopting the criteria indicated in the section "Impairment of non-financial assets".

Goodwill and other intangible assets, if any, with an indefinite useful life are not subject to amortization; the recoverability of their book value is determined at least each year and, in any case, whenever in the presence of events implying a loss of value. As far as goodwill is concerned, verification is made on the smallest aggregate upon which Management, either directly or indirectly, assesses the return on the investment, including the goodwill itself (cash generating unit). Write-downs are not subject to value restoration.

Other intangible assets have been amortized by adopting the following criteria:

- Patents and intellectual property rights	5 years
- Concessions, licenses, trademarks and similar rights	5 years / 20 years
- Other assets	5 years / contract term

The period of amortization and amortization criteria for intangible assets with a definite lifetime are reviewed at least on closure of each business year and adjusted if necessary.

Equity investments in associated and other companies

Equity investments in associated companies are valued at equity, while equity investments in other companies, given their lack of significance, are valued at purchase, subscription or contribution cost, as indicated in Appendix 1 and in the following explanatory notes. The recoverability of their book value is determined by adopting the criteria indicated in the section "Impairment of assets".

Inventories

These are entered at the lower of purchase or production cost, calculated by the FIFO method and the presumed realizable value in consideration of the market trend.

Receivables and other short-term assets

Trade and other short-term receivables are initially entered at their fair value and then valued at their amortized cost, after write-down, if any. Upon entry, the face value of receivables represents their fair value on said date. Given the high receivables turnover, application of amortized cost produces no effects. Provision for bad debts as at said date, represents the difference between the book value of receivables and the reasonable expectation of financial flows forecasted from their collection.

Impairment of non-financial assets

In the event of circumstances implying the impairment of an asset, the recoverability of its value is determined by comparing the book value with the relevant recoverable value, which is the higher between the fair value, net of disposal charges, and the value in use.
In the absence of a binding sales agreement, fair value is estimated on the basis of the value expressed by an active market, by recent transactions or on the basis of the best available information reflecting the sum the Company may gain by selling the asset.
The value in use is determined by discounting back the expected cash flows deriving from the use of the asset and, if material and reasonably determinable, from its transfer of the end of its useful life. Cash flows are determined on the basis of reasonable assumptions, to be supported by documentary evidence, representing the best estimate of future economic conditions occurring over the remaining useful life of the asset, attaching greater importance to external indications. Discounting back is made at a rate that considers the risks inherent in the specific line of business.
Evaluation is made for each single asset or for the smallest identifiable group of assets generating autonomous incoming cash flows deriving from constant use (the so-called cash generating unit). When the reasons for write-downs carried out no longer apply, the assets, except for goodwill, are revalued and the adjustment is entered in the income statement as a revaluation (value restoration). Revaluation is made at the lower between the recoverable value and the book value before write-downs previously made, minus the amortization and depreciation rates that would have been allocated should no write-down have been made..

Employee benefits

As provided by IAS 19, staff severance provisions are part of the so-called defined benefit plans forming post-employment benefits. The accounting treatment established for such forms of benefit requires an actuarial calculation, which allows for a future estimate of the amount of Staff Severance Provision already accrued and for discounting it back, in order to consider the time elapsing before actual payment. The actuarial calculation weighs variables such as average staff employment period, inflation levels and expected interest rates. Liabilities are valued by an independent actuary. The profits and losses deriving from carrying out the actuarial calculation are attributed in the income statement as cost of income if the net value accumulated by the "actuarial" profits and losses, which are not relevant for each plan on closure of the previous year, exceeds by more than 10% the higher value between the obligations concerning defined benefit plans and the fair value of the assets concerning the plans at that date.

Following the recent revision of the pertinent national regulations, for companies with more than 50 employees, the Staff Severance Provision accrued from 1st January 2007 onwards is classified as a defined contributions plan, the payments relative to which are entered directly in the income statement, as expenses, when recorded The Staff Severance Provision accrued up to 31.12.2006 continues to be a defined benefits plan, but without the future contributions. Accordingly, it is now valued by the independent actuaries solely on the basis of the expected average residual working life of the employees, without further consideration of the remuneration received by them over a predetermined employment period. The Staff Severance Provision "accrued" before 1st January 2007 thus undergoes a change in calculation, due to the elimination of the previously foreseen actuarial hypotheses linked to pay increments. In particular, the liability relative to "accrued Staff Severance Provision" is actuarially valued as at 1st January 2007 without applying the pro-rata (years already worked/total years worked), as the employees' benefits relative to the entire period up to 31st December 2006 can be considered almost entirely accrued (with the sole exception of revaluation) in application of paragraph 67 (b) of IAS 19. It follows that for the purposes of this calculation, the "current service costs" relative to the future services of employees are to be considered null insofar as represented by the contribution payments into the supplementary pension scheme fund or the INPS Treasury Fund.

Provisions for risks and charges

Provisions for risks and charges involve specific costs and charges, considered definite or probable, for which the amount or due date could not yet be determined at the end of the year. Provisions are recognized when: (i) the existence of a current, legal or implied obligation is probable, arising from a previous event; (ii) the discharge of the obligation may likely involve charges; (iii) the amount of the obligation may be reliably estimated. Provisions are entered at the value representing the best estimate of the amount the Company would reasonably pay to redeem the obligation or to transfer it to third parties at the end of the period. When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is discounted back; the increase in the provision associated with the passage of time, is entered in the income statement under "Financial income (charges)". The supplementary clientele severance indemnity, as all other provisions for risks and charges, has been appropriated, based on a reasonable estimate of probable future liabilities, and taking the elements available into consideration.

Financial liabilities

Financial liabilities are initially valued at their fair value, equal to consideration received at such date, then measured by amortized cost, adopting the actual interest-rate method.

Income taxes

Current income taxes are calculated on the basis of the estimated taxable income. Tax assets and liabilities for current taxes are recognized at the value expected to be paid/recovered to/from the Tax Authorities, by applying the rates and tax regulations in force or basically approved as at the end of the period.
Deferred taxes and deferred tax assets are calculated on the provisional differences between the value of assets and liabilities entered in the financial statements and the corresponding values recognized for tax purposes. Deferred tax assets are recorded when their recovery is probable. Deferred tax assets and liabilities for deferred taxes are classified under non-current assets and liabilities and are offset if referring to taxes which may themselves be offset. The offsetting balance, if an asset, is entered under "deferred tax assets"; if a liability, it is entered under "Liabilities for deferred taxes". When the results of the operations are directly recognized in the shareholders' equity, current taxes, assets for prepaid taxes and liabilities for deferred taxes are also recorded in the shareholders' equity.
Deferred tax assets and deferred taxes are calculated on the basis of the tax rates expected to be applied in the year said assets will realize or said liabilities will extinguish.

Currency conversion

Receivables and payables initially expressed in foreign currency are converted into Euro at the exchange rates prevailing at the date of the relevant transactions. Exchange rate differences generated upon collection of receivables and payment of payables in foreign currency are entered in the income statement. At the date of preparation of this report, receivables and payables in foreign currency are converted at the exchange rates in force on such date, and the relevant effects are entered in the profit income statement. Upon the date of preparation of this report, the Company had no derivative financial instruments.

Business combinations

The business combinations occurred prior to 1 January 2010 are accounted through the application of the so-called *purchase method* (purchase methods defined by IFRS 3 as "Business combinations"). The purchase method requires that, after having identified the buyer involved in the business combination and having determined the purchase cost all the assets and liabilities purchased (including the so-called contingent liabilities) must be valued at fair value. For this purpose, the company is required to value any intangible assets purchased in specifically. Any goodwill is to be calculated in a residual manner, as the difference between the cost of the business combination (including additional charges and any contingent considerations) and the share pertaining to the company of the difference between the assets and liabilities purchased, valued at their fair value.
The business combinations occurred subsequently to 1 January 2010 are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the noncontrolling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.
If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.
Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not remeasured until it is finally settled within equity.
Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed.
If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Any goodwill emergesing as above described in this manner, similarly to any other intangible assets with indefinite life spans that may be recorded, must not be amortized but subjected to an impairment test at least once every year.

Revenue and cost recognition

Revenues from sales of goods are recognized upon transfer of all the risks and charges deriving from ownership of the goods transferred, which is generally their shipment or delivery date.
Financial income and revenues from services are recognized on an accrual basis.
Costs are recognized when related to goods and services acquired and/or received over the period to which they refer.

Accounting treatment of financial assets/instruments

Marr S.p.A. uses derivative financial instruments to cover its exposure to exchange rate risks.
These derivative financial instruments are initially registered at their fair value on stipulation; subsequently, this fair value is adjusted periodically; they are registered in the accounts as assets when the fair value is positive and liabilities when the fair value is negative.

The fair value of the derivative financial instruments used is determined on the basis of market value when it is possible to identify the market to which they actively belong. However, if the market value of a financial instrument is not easily calculable, but its components or those of a similar instrument are calculable, the market value is determined through the evaluation of the individual components of the instrument or of the similar instrument. Furthermore, for those instruments for which an active market is not easily identifiable, the evaluation is carried out by using the value resulting from generally accepted evaluation models and techniques which ensure a reasonable approximation of the market value.

Derivatives are classified as hedging instruments when the relation between the derivative and the object of the hedging is formally documented and the hedging, assessed periodically, is highly effective. If derivatives cover a risk concerning the cash flow variations of the instruments covered (cash flow hedge; for example hedging of cash flow variability of assets/liabilities by effect of oscillations in exchange rates), the variations in the fair value of derivatives are initially recorded at net equity and subsequently attributed to the profit and loss account coherently with the economic effect produced by the operation covered. The variations in fair value of the derivatives which do not satisfy the conditions required in order to be classified as coverage are recorded in the profit and loss account for the business year.

Own shares

The own shares of the company are registered in the net equity. The original cost of own shares and the income deriving from subsequent sale are recorded as changes in net equity.

Main estimates adopted by management and discretional assessments

The preparation of the Group financial statements requires that the directors carry out discretional assessments, estimates and hypotheses that influence the value of revenues, costs, assets and liabilities, and the indication of potential liabilities at the time of the financial statements. However, uncertainty as to these hypotheses and estimates may lead to outcomes that will require future significant adjustments on the accounting value of these assets and/or liabilities.

Estimates and hypotheses used

Below is an outline of the key hypotheses concerning the future and other significant sources of uncertainty in estimates at the date of closure of the financial statements that could be the cause of significant adjustment to the value of assets and liabilities in coming business years. The results achieved could differ from these estimates. The estimates and assumptions made are periodically revised and the effects of all changes are immediately reflected in the profit and loss account.

- Estimates adopted to evaluate the impairment of non-financial assets

In order to measure any impairment of goodwill and the consolidation differences entered in the financial statements, the Company has adopted the method previously illustrated in the section on "Impairment of assets".
The recoverable value has been determined on the value in use basis.
For 2011 cash-flows generating units attributable to each goodwill/consolidation derive from the Budget approved by the Board of Directors, for years from 2012 to 2015 adopting a growth rate of 1%; for the 2016 and *the terminal value* based on the assumption of a constant growth rate amounting to 1.1%. The Weighted Average Cost of Capital (WACC) has been adopted as the discount rate, which is 7.75% (in line with the previous year and the estimates of the financial analysts covering the Company). The measurement of any impairment of assets (Goodwill) was made by referring to the situation as at 31 December 2010.

- Estimates adopted in the actuarial calculation in order to determine the benefit plans defined in the context of post-employment obligations:

- The expected inflation rate is 2%;
- The discounting rate used is 4.15%;
- The annual rate of increase of the severance plan is expected to be 3%;
- A 9% turnover of employees is expected.

- Estimates adopted in the actuarial calculation in order to determine the provision for supplementary clientele severance indemnity:

- The rate of voluntary turnover is expected to be 13% for MARR S.p.A., 7% for AS.CA S.p.A., 5% for New Catering S.r.l. and 6% for Emi.gel S.r.l.;
- The rate of corporate turnover is expected to be 2% for MARR. S.p.A. and for EMI.GEL S.r.l., 10% for AS.CA S.p.A., 7% for New Catering S.r.l.;
- The discounting rate used is 3.9%.

- Estimates used in calculating deferred taxes

A significant discretional assessment is required by the directors in order to determine the total amount of deferred taxes receivable to be accounted. They must estimate the probable occurrence in time and the total value of future fiscally chargeable profits.

- Other

Other elements in the financial statements that were the object of estimate and assumptions by Management are inventory write-down, the determination of amortizations and evaluation of other assets.

New accounting principles, amendments and interpretations applicable starting to January 1, 2010

- IFRS 3R Business Combination and IAS 27/R Consolidated and separate financial statements. These two principles entered into force in the first business year subsequent to 1 July 2009. IFRS 3R introduces changes in the accounting of business combinations which will change the amount of goodwill recorded in the result of the business year in which they are purchased and on the results of subsequent business years. IAS 27R requires that changes in the quotas of shareholdings in subsidiary companies should be accounted for a capital transaction. Consequently, this change will not have an impact on the goodwill and will not originate either profits or losses. Furthermore, the reviewed principles introduce changes to the accounting of losses sustained by subsidiaries and also the loss of control over a subsidiary. The changes introduced by principles IFRS 3R and IAS 27R must be applied in a forward looking manner and will have an impact on future acquisitions and transactions with minority shareholders. This new principle has not been applicable to the Group consolidated financial statements.
- IFRS 2 Payments based on shares – Conditions for accrual and cancellation. This amendment to IFRS 2 "Payments based on shares" was published in January 2008 and entered into force in the first business year subsequent to 1 January 2009. This principle restricts the "conditions for accrual" to one condition which includes an explicit or implicit obligation to provide a service. Every other condition is a "non-vesting condition" and must be taken into consideration in order to determine the fair value of the instrument representative of the capital assigned. In the case in which the premium does not accrue as a consequence of the fact that it does not satisfy one of the "non-vesting conditions" which is under the control of the entity or counterparty, it must be recorded in the accounts as a cancellation. The company has not undertaken any operations with payments based on shares and, consequently, this amendment has not had an impact on the equity and financial position of the Group.
- IAS 39 "Financial instruments: recognition and measurement – Eligible Hedged Items". This amendment clarifies that an entity is allowed to designate a portion of the variations in the fair value or cash flows of a financial instrument as a hedged item. The amendment also includes the designation of inflation as a hedged risk or as a portion of the risk under certain circumstances. This amendment has not been applied in the Group financial statements.
- IFRIC 15 – "Agreements for the construction of real estate property". The interpretation of IFRIC 15 was emanated in July 2008, providing clarifications and orientations as regards when the revenues from the construction of real estate properties should be recognised and in relation to the application of IAS 11 Long-term tenders and IAS 18 Revenues to an agreement for the construction of a real estate property. This interpretation has not been applied to the Group financial statements.
- IFRIC 16 *"Hedging of a shareholding in a foreign company"*, through which the possibility of applying hedge accounting to operations for the hedging of exchange rate differences between the operating currency of the foreign subsidiary and the currency used in the consolidated financial statements was removed. This interpretation has not been applied to the Group financial statements.
- IFRIC 17 "Distribution of non-cahs assets to the Owners", which provides indications on the accounting of the distribution of non liquid assets to the shareholders. This interpretation clarifies when to recognise a liability, how to assess it, how to assess the assets associated to it and when to proceed with the cancellation of assets and liabilities. This interpretation is applicable for the business years which started after 1 July 2009, but has not been applied to the Group financial statements.
- IFRIC 18 "Transfer of assets from customers"; clarifies the accounting treatment to be adopted if the company stipulates a contract in which it receives a tangible asset from one of its customers which it

will then use to connect the customer to a network or to provide it with specific access to the supply of goods and services (such as for example the supply of electricity, gas and water). This interpretation has been applicable prospectively since 1 January 2010 and has not been applied to the Group financial statements.

Accounting principles, amendments and interpretations applicable to the financial statements of business years starting after 1 January 2010

- IFRIC 14 *"Prepayment of a minimum funding requirement"*. This amendment was emanated during November 2009 by the International Financial Reporting Interpretations Committee (IFRCI) 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 a minimal funding requirement, the amendment to IFRIC 14 imposes to treat this prepayment as an asset, in the same way as any other advance payment. The Group does not believe that this amendment will have a significant effect on the consolidated financial statements.
- IFRIC 19 "Extinguishing financial liabilities with equity instruments". 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 is effective for annual periods beginning after 30 June 2010. The Group does not expect effects from the application of this interpretation.
- 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 will be applicable from the first business year starting after 31 December 2011. The adoption of this amendment will not have any effect from the viewpoint of assessing items in the financial statements.
- *IAS 32 – "Financial instruments: presentation, classification of rights issues*". 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 the Group 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.

Lastly, certain amendments have been emanated which will enter into force in subsequent business years but for which, as of the presentation of the financial statements, the homologation process by the European Union required for their application has not been concluded:

- *IFRS 7 - "Financial instruments: additional information",* emanated in October 2010 and applicable for business years starting after 1 July 2011 and aimed at improving the understanding of the transactions involved in the transfer of financial assets.
- *IFRS 1 – "First-time adoption of the International Financial Reporting Standards (IFRS),* emanated in December 2010 and applicable as of 1 July 2011.
- *IAS 12 – "Income tax",* emanated in December 2010 and applicable from 1 January 2012 concerning the assessment of deferred taxes deriving from an asset in use.

It is believed that the adoption of these amendments will not have significant effects on the Group financial statements.

Capital management policy

As regards the management of capital, the Group's priority is to maintain an appropriate level of its own means in relation to debts accrued (Net debt/Equity or "gearing" ratio), so as to guarantee solidity in terms of equity as befitting the management of cash flows.

Taking into account the fact that the financial requirements, because of the characteristics of the Company's core business, are calculated in terms of trade net working capital, which is the main indicator for cash flow management and is summarily represented by the performance of the ratio between trade net working capital and revenues ("Trade NWC on total Revenues").

Still in relation to the seasonal nature characterising its business, the Company also monitors the performance of the single components of trade net working capital (trade receivables and payables and inventories) in terms of both absolute value and exposure.
The management of capital is also measured in terms of the principal indicators of financial best practice, such as ROS, ROCE, ROE, Net debt / Equity and Net debt / EBITDA.

Financial Risks Management

The financial risks to which the Group is exposed in the performance of its business activities are as follows:

- market risk (including currency risk, interest rate risk and price risk);
- credit risk;
- liquidity risk.

The Group employs derivative financial instruments solely for the purpose of covering some non-functional currency exposures.

Market risk

(i) Currency risk: The Group operates at an international level and is consequently exposed to currency risk above all with regard to trade transactions denominated in US dollars. The currency risk arises when reported assets and liabilities are expressed in a currency other than the enterprise's functional currency. The manner of handling this risk in the Group is to enter into forward contracts to purchase/sell the foreign currency, specifically designed to hedge the individual trade transactions, if the forward rate is favourable compared to the rate at the date of the operation.

As at 31 December 2010, a 5% appreciation in the exchange rate in relation to the US dollar, all else being equal, would have given rise to a decrease in pre-tax profit of 66 thousand Euros (198 thousand Euros in 2009), due to exchange rate gains (losses) on trade payables and receivables denominated in dollars (because of the change in the fair value of current assets and liabilities).
The other equity items would have shown a downward variation of 46 thousand Euros ascribable to variation in the amount of the *cash flow hedge* fund (due to the variation in the fair value of forward contracts on exchange rates).
On the other hand, at the same date, a 5% drop in the exchange rate in relation to the US dollar, all else being equal, would have been reflected by a pre-tax profit increase of 74 thousand Euros (218 thousand Euros in 2009).
The other equity items would have shown an upward variation of 51 thousand Euros ascribable to variation in the amount of the *cash flow hedge* fund (due to the variation in the fair value of forward contracts on exchange rates).

(ii) Interest rate risks: risks concerning changes to interest rates affect loans. Variable rate financing exposes the Group to the risk of cash flow variations due to interest rates. Fixed rate financing exposes the Group to the risk of changes to the fair value of the finances themselves.

In 2010 business year, a hypothetical upward or downward fluctuation of 10% in the interest rate, all else being equal, would have produced a pre-tax cost increase or decrease (with corresponding equity decrease or increase respectively) of approximately 243 thousand Euros on a yearly basis (316 thousand Euros as at 31 December 2009).
The Group did not make use of derivative financial instruments for the purpose of hedging interest rate risks in 2010.

(iii) Price risks: the Group makes purchases and sales worldwide and is therefore exposed to the normal risk of price oscillations typical of the sector.

Credit risk

The Group deals only with known and reliable customers. It is a matter of Group policy to subject customers who request deferred terms of payment to creditworthiness ascertainment procedures. In addition, credit balance monitoring is performed during the year to ensure that the amount of the overdue is not significant.

The credit quality of non-overdue financial assets that have not undergone impairments of value can be evaluated with reference to the internal credit management procedures.

The customer monitoring process consists essentially of a preliminary phase in which data and information is collected on new customers, and a post-activation phase featuring the granting of a credit line and supervision of the customer's credit position.
The preliminary phase consists of acquiring the essential administrative/fiscal data necessary to be able to carry out a complete and accurate assessment of the risks entailed by the new customer. Activation of the customer is dependent on the completeness of the aforementioned data and approval, possibly following more detailed investigations, by the Customers Office.
Every new customer is given a credit line: its granting depends on some additional items of information (years in business, terms of payment, reputation) that are indispensable so as to be able to assess the customer's solvency level. Once the overall picture has been put together, the documentation on the potential customer is submitted for approval to the various business units.

Overdue management is differentiated on the basis of length of time overdue (overdue bands).
For the arrears bands up to 60 days, reminder procedures are activated at branch level or directly by the Customers Office; for accounts that are over 15 days overdue or that have exceeded the amount of the credit line granted, an IT control blocks the supply to the non-performing customer. For credits in the "over 90 days" band, legal actions are taken when necessary.
Receivables comprised in the "not yet due" band, which total 206,680 thousand Euros as at 31 December 2010, represent about 59.6% of the receivable accounts reported in the financial statements.
This procedure defines the operating rules and mechanisms that are guaranteed to generate a cash flow by assuring the Company of the customer's solvency and the profitability of the commercial relationship.

At the reference date of the financial statements, the maximum exposure to credit risk for each of the following categories of receivables was as shown below:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Current trade receivables	347,091	338,944
Other non-current receivables	6,427	5,583
Other current receivables	41,494	28,615
Total	395,012	373,142

For the comments on the various categories, please refer to note 6 on "Other non-current receivables", note 10 on "Trade receivables" and note 13 on "Other current receivables".

The fair value of the above categories is not shown, as the book value constitutes a reasonable approximation of the former.

As at 31 December 2010, overdue but non-depreciated trade receivables amounted to 140,411 thousand Euros (131,825 thousand Euros in 2009). The breakdown of these receivables by due dates is as follows:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Expiry:		
Less than 30 days	43,244	37,206
betweeen 31 and 60 days	23,129	21,301
betweeen 61 and 90 days	20,707	17,051
Over 90 days	53,331	56,267
Total expired trade receivables	140,411	131,825

The amounts shown above refer to overdue debts calculated on the basis of the nominal terms agreed with the customer at the time of first assessment. This table also includes the "overdue" exposure of the particularly important customers most closely loyal to the Group, with whom special terms of payment are agreed yearly and that are more extensive than those agreed at the time of first assessment. As at 31 December 2010, this particular category of customers accounted for 8,676 thousand Euros, of which 4,650 thousand Euros were in the "Over 90 days" band (at 31 December 2009, 16,266 thousand Euros of which 10,249 thousand Euros classified as "over 90 days").

At the same date, the nominal amount of the disputed trade receivables (all classified in the category of expired "by more than 90 days"), which had undergone a write-down, amounted to 26,883 thousand Euros (21,919 thousand Euros in 2009). These receivables were mainly related to clients in economic difficulties and the Group expects to recover at least part of these receivables. The remaining part is covered by a fund.

Liquidity risk

The Group manages liquidity risk with a view to maintaining a liquidity level sufficient for its operational management. Its management of this risk is based mainly on constant central treasury monitoring of the collection and payment flows of all the member companies. This makes it possible, in particular, to monitor the resource flows generated and absorbed by its normal business activity.
Given the dynamic nature of the sector concerned, to meet the requirements of the business's routine management and seasonal trends preference is given to funding requirements by availing adequate lines of credit.

For the management of resources absorbed by investment activities, preference is generally given to funding through specific long-term loans.

The following table shows the breakdown of financial liabilities and derivative financial liabilities on the basis of contractual expiry dates at the reference date of the financial statements. It is noted that the amounts shown do not reflect the book values in as much as they consider the future expected cash flows. Given the high volatility of the interest rates, which from 2009 decreased significantly compared to 2008, the financial flows of floating loans have been estimated using a rate determined by the IRS over five years increased by the average spread applied to our medium-long term loans.

(€ thousand)

At 31 december 2010	Less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years
Borrowings	114,944	52,800	52,659	7,398
Derivative financial instruments	(16)	0	0	0
Trade and other payables	260,020	0	0	0
	374,948	52,800	52,659	7,398

At 31 december 2009	Less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years
Borrowings	164,491	35,631	5,708	3,694
Derivative financial instruments	(10)	0	0	0
Trade and other payables	236,927	0	0	0
	401,408	35,631	5,708	3,694

As highlighted in Directors' Report and in the note 15 "Non-current financial payables" of the explanatory notes, the increase in long term quota is due to the sign off of new loans with due date outside of the year.

Classes of financial instruments

The following items are reported in keeping with the accounting rules relative to financial instruments:

(€thousand)		31 December 2010		
Assets as per balance sheet		**Loans and receivables**	**Derivatives used for hedging**	**Total**
Derivative financial instruments		0	16	16
Non Current financial receivables		4,679	0	4,679
Other non-current assets		6,427	0	6,427
Current financial receivables		5,749	0	5,749
Current trade receivables		347,091	0	347,091
Current tax assets		6,389	0	6,389
Cash and cash equivalents		55,477	0	55,477
Other current receivables		41,494	0	41,494
	Total	467,306	16	467,322
Liabilities as per balance sheet		**Other financial liabilities**	**Derivatives used for hedging**	**Total**
Non-current financial payables		107,070	0	107,070
Current financial payables		110,527	0	110,527
Derivative financial instruments		0	0	0
	Total	217,597	0	217,597

(€thousand)		31 December 2009		
Assets as per balance sheet		**Loans and receivables**	**Derivatives used for hedging**	**Total**
Derivative financial instruments		0	10	10
Non Current financial receivables		1,485	0	1,485
Other non-current assets		5,583	0	5,583
Current financial receivables		10,214	0	10,214
Current trade receivables		338,944	0	338,944
Current tax assets		5,108	0	5,108
Cash and cash equivalents		39,784	0	39,784
Other current receivables		28,615	0	28,615
	Total	429,733	10	429,743
Liabilities as per balance sheet		**Other financial liabilities**	**Derivatives used for hedging**	**Total**
Non-current financial payables		43,413	0	43,413
Current financial payables		162,852	0	162,852
Derivative financial instruments		0	0	0
	Total	206,265	0	206,265

In compliance with that required by the modifications introduced to IFRS 7 with validity from 1 January 2009, we would point out that the derived financial instruments, constituted by contracts for the coverage of exchanges, are classifiable as "Level 2" financial assets, in as much as the inputs which have a significant effect on the fair value registered are market figures observable directly (exchange market).[III]

[III] The Group identifies as "Level 1" financial assets and liabilities those for which the input which has a significant effect on the fair value registered are represented by prices quoted on an active market for similar assets or liabilities and as "Level 3" financial assets and liabilities those for which the input is not based on observable market figures.

Comments on the main items of the consolidated statement of financial position

ASSETS

Non-current assets

1. Tangible assets

(€thousand)	Balance at 31.12.10	Purchases / other movements	Net decreases	Depreciation	Balance at 31.12.09
Land and buildings	47,870	476	(2)	(1,610)	49,006
Plant and machinery	4,726	897	(12)	(1,478)	5,319
Industrial and business equipment	945	212	(3)	(223)	959
Other assets	2,276	1,810	(1,482)	(834)	2,782
Fixed assets under development and advance	0	(83)	0	0	83
Total tangible assets	55,817	3,312	(1,499)	(4,145)	58,149

The increase in the item "Land and buildings" partially refers to works carried out in some of the distribution centres of the parent company, especially that one in Venezia, Roma and Rimini; this is partly linked to the purchase made in December of a portion of land instrumental to the premises located in Spezzano Albanese, Cammarata locality, and close to the Marr Calabria property.

The investments made in the item "Plant and machinery" also refer to some investments made by the subsidiaries of MARR, particularly by Marr Calabria for the realisation of a new cold room in the Carnemilia and Santarcangelo di Romagna distribution centres.

The investments made in the item "Other assets" mainly refer to the purchase made by the parent company of 1,024 thousand Euros worth of motor vehicles and 540 thousand Euros for the purchase of electrical/electronic machinery that includes, for about 185 thousand Euros, the purchase of new notebooks for sale force. The decreases amounting to 1.482 thousand Euros for the business year refer mainly to the sale of motor vehicles.

As indicated subsequently, in the commentary on the item current and non-current financial payables, mortgages are due for a total of 71,536 thousand Euros in favour of credit institutes registered to cover the mortgages granted on the properties in Uta (CA) – Macchiareddu locality, Santarcangelo di Romagna (RN) – Via dell'Acero 2 and 4 and Via del Carpino 4, San Michele al Talgiamento (VE) Via Plerote 6, Spezzano Albanese (CS) Coscile locality, Castenaso (BO), Villanova locality, Bottegone (PT), Francesco Toni 285/297 Street and Portoferraio (LI) via Degli Altifoni 29/31.

For details of the changes in fixed assets please refer to the information provided in Appendix 5.

The following table shows the effects of revaluations of land and buildings at the date of transition to the international accounting standards (1st January 2004).

1 January 2004	CONSOLIDATED STATUTORY FINANCIAL STATEMENTS	APPRAISAL	DIFFERENCE
(€thousands)			Totale
Land located at Via Emilia Vecchia 75-San Vito (RN) c/o CAAR	3,396	7,066	3,670
Property located at Via Cesare Pavese-Opera (MI); (under lease-back in 2004 - at which the property was transferred to the leasing company)	5,561	7,000	1,439
Property located at Macchiareddu-Uta (CA) Industrial Zone	4,564	5,401	837
Property located at Via del Carpino 4-Santarcangelo di Romagna (RN)	925	2,724	1,799
Property located at Via dell'Acero 2 e 4- Santarcangelo di Romagna (RN)	4,557	7,252	2,695
Property located in Loc. Antiche Saline -Portoferraio (LI)	601	2,430	1,829
Property located at Via Plerote 6-San Michele al Tagliamento (VE)	3,650	4,500	850
Total	23,254	36,374	13,120

As highlighted above, application of the fair value to the item Land and Buildings compared to the values in the MARR S.p.A. Financial Statements as at 1 January 2004 (gross of taxation) implies a difference of 13,120 thousand Euros.

Fixed Asset Leasing:

Below are the summary details of the operation concerning the property located in via Cesare Pavese in Opera (MI) subject to a lease-back operation in 2004, as it is deemed to be the most significant:

- Start of the financial lease: 21 October 2004
- Duration of the contract: 8 years
- Number of instalments: 96
- Value of the asset financed: 7 million Euros
- Amount paid on signature of the contract: 700 thousand Euros
- Amount of the monthly instalments: 72 thousand Euros (plus adjustments for interest rate indexing)
- Indexed rate: 3 monthly Euribor + 1% spread
- Redemption price: 350 thousand Euros (plus VAT)
- Total of the instalments paid during the 2010: 834 thousand Euros
- Net book value of the asset at 31 December 2010: 6,058 thousand Euros
- Remainder at 31 December 2010: 1,938 thousand Euros.

2. Goodwill

Below is the detail of the item "Goodwill":

(€thousand)	Balance at 31.12.10	Purchases / other movements	Balance at 31.12.09
Marr S.p.A. e Sfera S.p.A.(*)	84,720	0	84,720
AS.CA S.p.a.	8,634	0	8,634
New Catering s.r.l.	2,217	0	2,217
Baldini Adriatica Pesca s.r.l.	2,570	(250)	2,820
EMI.GEL S.r.l.	1,517	0	1,517
Total Goodwill	99,658	(250)	99,908

(*) Goodwill related to the subsidiary Sfera S.p.A. (amounting to 14.9 million Euros) is indicated together with the one of Marr S.p.A., because the company is not operating jet and has leased its going concernes to the parent company.

We point out, as indicated in the notes to the financial statements of the previous year, that the management considers MARR S.p.A. and the individual subsidiaries as the smallest aggregates on the basis of which Management has evaluated the return of the investment, including goodwill (Cash Generating Unit).

We would point out that on the basis of the impairment test carried out on the basis of the considerations outlined above, the total goodwill value of 99,658 thousand Euros would appear to be fully recoverable.

As regards this evaluation, management believes that, also given the prudential viewpoint used in the definition of the key hypotheses used and explained in the section entitled "Main estimates adopted by management and discretional assessments", is not be reasonable to expect to be changes in them such as to determine a recoverable value in unit terms less than their accounting value.

The variation of the item, compared to 31 December 2009, is linked to the accountancy of the price adjustment for the purchase by the subsidiary Baldini Adriatica Pesca S.r.l. of the going concern of the company F.lli Baldini s.r.l. made in 2009.

Business combinations realised during the year

No further aggregations combinations occurred during the year.

Business combinations realised after closure of the financial statements

No further aggregations were realised after the date of closure of the financial statements.

3. Other intangibles fixed asset

Below t is the movements of the item during the year:

(€thousand)	Balance at 31.12.10	Purchases / other	Net decreases	Depreciation	Balance at 31.12.09
Patents	620	104	(13)	(480)	1,009
Concessions, licenses, trademarks and similar rights	10	0	0	(2)	12
Intangible assets under development and advances	36	0	0	0	36
Other intangible assets	9	0	0	(4)	13
Total Other Intangible Fixed Assets	675	104	(13)	(486)	1,070

4. Non-current financial receivables

As at 31 December 2010 this item amounted to 4,679 thousand Euros. The item includes the quota, beyond the business year, of beneficiary financial receivables of the parent company from the following partnership companies: La Cascina Soc. Coop. a r.l. (3.900 thousand Euros) and Adria Market (140 thousand Euros), in addition to the quota, outside of the year, of receivables from transporters following the sale to the latter of the transport vehicles with which MARR goods are transported (for a total amount of 639 thousand Euros).

5. Deferred tax assets

As at 31 December 2010, this amount refers almost totally to the taxation effect (Ires and Irap) calculated on the taxed provisions allocated by the Company and to the amortizations deductible in future business years, as illustrated below:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
On taxed funds	6,666	6,097
On costs deductible in cash	20	23
On costs deductible in subsequent years	434	311
On other changes	0	1
Pre-paid taxes	7,120	6,432

6. Other non-current assets

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Non-current trade receivables	3,492	3,799
Accrued income and prepaid expenses	126	63
Other non-current receivables	2,809	1,721
Total Other non-current assets	6,427	5,583

"Non-current trade receivables" show a slight improvement compared to the previous year.
The item "other non-current receivables" mainly includes, for 2,149 thousand Euros, other receivables from the State treasury for VAT on losses on trade receivables.

There are no receivables and other assets with expiry dates over 5 years.

Current assets

7. Inventories

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Finished goods and goods for resale		
Foodstuff	25,763	24,387
Meat	13,388	14,257
Seafood	50,716	42,701
Fruit and vegetables	27	22
Hotel equipment	1,552	1,625
	91,446	82,992
provision for write-down of inventories	(750)	(750)
Goods in transit	8,204	1,785
Packaging	685	561
Total Inventories	99,585	84,588

The inventories are not conditioned by obligations or other property rights restrictions.

The increase in inventories is mainly linked to the purchases made in the seafood division, following some business opportunities which arose towards the end of the year on this market.

8. Current financial receivables

The item "Current financial receivables" is composed of:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Financial receivables from parent companies	3,098	915
Receivables from loans granted to third parties	2,651	9,299
Total Current financial receivables	5,749	10,214

The *Receivables for loans granted to third parties,* all of which are interest-bearing, refer to financial debts owed by truck drivers (amounting to 425 thousand Euros) consequent to the sale to the latter of the trucks used by them to transport MARR products, by service-supplying partners (100 thousand Euros), by other companies in commercial partnership and not (2,120 thousand Euros) in order to strengthen the commercial relationships and toincrease sales, and for loans granted to the agents (6 thousand Euros).
The decrease compared to the previous year is linked to the renewal of some agreements with certain customers in partnership and to their classification as medium and long-term items as provided contractually.

9. Financial instruments / derivatives

The amount as at 31 December 2010 refers to forward contracts signed by the partent Company MARR S.p.A. and in existence at that time, specifically intended to hedge exchange-rate risks on purchases and sales in currencies other than the functional currency. These hedges have been entered as hedges on financial flows.

10. Current trade receivables

This item is composed of:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Trade receivables from customers	368,161	358,940
Trade receivables from parent companies	634	143
Total current receivables	368,795	359,083
Provision for write-down of receivables from customers	(21,704)	(20,139)
Total current net receivables	347,091	338,944

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Trade receivables from customers	363,984	355,565
Receivables from Affiliated Consolidated Companies	4,132	3,336
Receivables from Affiliated not Consolidated Companies	45	39
Total current trade receivables from customers	368,161	358,940

The receivables from customers due within the year, deriving in part from normal sales operations and in part from the supply of services, have been valued on the basis of that indicated above. Receivables are shown net of bad debt provision of 21,704 thousand Euros, as highlighted in the table below.

The "receivables from parent companies" (634 thousand Euros), "from affiliated companies consolidated by the Cremonini Group" (4,132 thousand Euros) and "from affiliated companies not consolidated by the Cremonini Group" (45 thousand Euros), are analytically outlined, together with the corresponding payable items, in the table exposed in the Directors' Report. These receivables are all of a commercial nature.

Receivables in foreign currencies have been adjusted to the exchange rate valid on 31December 2010.

The depreciation fund as at 31 December 2010 is broken down as follows:

(€thousand)	Balance at 31.12.10	increases	decreases	Balance at 31.12.09
- Tax-deductible provision	2,109	1,820	1,783	2,072
- Taxed provision	18,692	5,310	3,782	17,164
- Provision for default interest	903	0	0	903
Total Provision for write-down of Receivables from customers	21,704	7,130	5,565	20,139

11. Tax assets

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Ires/Irap tax advances /withholdings on interest	5	0
VAT carried forward	1,500	1,068
Irpeg litigation	4,730	3,879
Other	154	161
Total Tax assets	6,389	5,108

As regard the item *"Irpeg litigation"*, refer to that contained in the paragraph 17 "Provisions for non-current risks and charges".

12. Cash and cash equivalents

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Cash and Cheques	4,212	2,985
Bank and postal accounts	51,265	36,799
Total Cash and cash equivalents	55,477	39,784

The balance represents the liquid assets available and the existence of ready cash and values on closure of the period. In regard to the changes of the net financial position, refer to the cash flows statement of 2010.

13. Other current assets

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Accrued income and prepaid expenses	408	436
Other receivables	41,086	28,179
Total Other current assets	41,494	28,615

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Other accrued income (from loans)	0	2
Prepaid expenses		
Leases on buildings and other assets	73	71
Maintenance fees	10	45
Commercial and advertising costs	148	238
Other prepaid expenses	162	39
Other prepaid expenses from Parent Companies	15	41
	408	434
Totale Current accrued income and prepaid expenses	408	436

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Guarantee deposits	134	134
Other sundry receivables	969	936
Provision for write-down of receivables from others	(2,290)	(2,290)
Receivables from social security institutions	185	278
Receivables from agents	3,311	3,162
Receivables from employees	31	23
Receivables from insurance companies	189	256
Advances to suppliers and supplier credit balances	38,503	25,639
Advances to suppliers and supplier credit balances from Associate	54	41
Total Other current receivables	41,086	28,179

The item *Advances to suppliers and supplier credit balances* includes payments made to foreign suppliers (non-EU) for the purchase of goods with "f.o.b. clause"; at the closing of the year, there were goods on the road worth 8,204 thousand Euros. This item is offset by the item "Suppliers" of the payables for invoices to be received. Receivables from foreign suppliers in foreign currencies have been adjusted to the exchange rate valid on 31 December 2010.

The "Provision for write-down of receivables from others" mainly refers to receivables relating to suppliers and agents.

Breakdown of receivables by geographical area

The breakdown of receivables by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial receivables	4,679	0	0	4,679
Deferred tax assets	7,120	0	0	7,120
Other non-current assets	6,427	0	0	6,427
Financial receivables	5,749	0	0	5,749
Financial instruments / derivative	16	0	0	16
Trade receivables	323,848	16,055	7,188	347,091
Tax assets	5,836	553	0	6,389
Cash and cash equivalents	55,343	134	0	55,477
Other current assets	17,954	4,939	18,601	41,494
Total receivables by geographical area	426,971	21,681	25,789	474,441

LIABILITIES

14. Shareholders' Equity

As regards the changes within the Shareholders' Equity, refer to the statement of changes in the shareholders' equity.

Share Capital

The Share Capital as at 31 December 2010, amounting to 33,263 thousand Euros, is represented by 66,525,120 MARR S.p.A. ordinary shares , entirely subscribed and paid up, with regular benefit, of a nominal value of 0.50 Euros.

The indicated value of 32,910 thousand Euros, unchanged with respect to the amount as of 31 December 2009, is net of the nominal value (equal to 353 thousand Euros) of n. 705.647 own shares held by the parent company as of December 31, 2010.

Share premium reserve

The total reserve as at 31 December 2010 amounted to 60,192 thousand Euros and does not appear to have changed since 31 December 2009. It is pointed out that part of this reserve, amounting to 3,477 thousand Euros, is to be considered as unavailable ex art. 2357-ter of the Civil Code to cover the purchase of its treasury shares of which in the following paragraphs.

Treasury shares

This item amounted to 3,477 thousand Euros and is equal to the difference between the cost of its treasury shares and their nominal value, highlighted in the table of movements in net equity under the items "exceeding of nominal value of treasury shares" and "reserve for profits/losses on treasury shares". This item is unchanged with respect to the amount as of 31 December 2009 as no further purchases or sales of treasury shares occurred during the year .

Legal reserve

This Reserve amounts to 6,653 thousand Euros, unchanged with respect to 31 December 2009.

Shareholders' contributions on account of capital

This Reserve did not change in 2009 and amounts to 36,496 thousand Euros.

Reserve for transition to IAS/IFRS

This is the reserve (amounting to 7,296 thousand Euros) set up following the first time adoption of the international accounting standards.

Extraordinary Reserve

The increase as at 31 December 2010, amounting to 8,267 thousand Euros, is attributable to the allocation of part of the profits for the year closed on 31 December 2009, as per shareholder meeting's decision made on 23 April 2010.

Cash Flow Hedge Reserve

This reserve is related to the stipulation of contracts for hedging exchange rates and the performance of the Dollar against the Euro.

Reserve for exercised stock option

This reserve has not changed during the course of the year, as the plan was concluded in April 2007 and amounted to 1,475 thousand Euros.

Whit regard to the reserves in taxation suspension (ex. Art. 55 DPR 917/86 and 597/73 reserve), amount to 1,511 thousand Euros as at 31 December 2010, the relevant deferred tax liabilities have been accounted for.

On 23 April 2010 the Shareholders' meeting approved the MARR S.p.A. financial statements as at 31 December 2009 and consequently decided upon allocation of the business year profits, and the approval of a dividend of 0.46 Euros for each ordinary share with the right to vote, excluding own shares in the portfolio at the date of the coupon detachment.

Non-current liabilities

15. Non-current financial payables

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Payables to banks - non-current portion	105,919	41,291
Payables to other financial institutions - non-current portion	1,151	2,122
Total non-current financial payables	107,070	43,413

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Payables to banks (1-5 years)	99,144	38,119
Payables to banks (over 5 years)	6,775	3,172
Total payables to banks - non-current portion	105,919	41,291

As outlined in the Directors' Report on management performance, during the course of the business year, the parent company subscribed new medium-term loans aimed at stabilising the company's medium/long term financial exposure.

In this regard we point out:
- the sign off in January 2010 of a loan amounting to 10 million of Euros with Centrobanca, with due date in December 2019;
- the payment in advance of the loan with Banca Nazionale del Lavoro for an amount of 25 million Euro, with due date in March 2011 and the consequent sign off with the same bank of a new loan having equal amount and due date in June 2012;
- the sign off in August by the Parent Company MARR of a 36-monthes loan amounting to 65 million Euros with Banca IMI S.p.A. (as agent bank) in pool with Cassa dei Risparmi di Forlì e della Romagna S.p.A., Banca Carige S.p.A., Banca Popolare di Milano Soc. Coop. a r.l. (as lending banks).

In the contest of the above mentioned operation and with the consequent liquidity, in the month of September MARR paid in advance the last instalment of the loan with Efibanca for a total amount of 8.1 million Euros.

Below is the breakdown of the medium and long-term portion of the payables to banks, including the interest rates applied:

Credit institutes	Interest rate	Expiry	Portion from 2 to 5 years	Portion beyond 5 years	Balance at 31.12.10
Pop.Crotone-nr. 64058	Euribor 6m+1%	14/01/2015	1,129	0	1,129
Pop.Crotone-nr. 64057	Euribor 6m+1%	14/01/2015	936	0	936
Carim - n. 410086	Euribor 6m+1.05%	30/06/2014	844	0	844
Carisp Pistoia	Euribor 6m+0.48%	31/01/2020	1,953	2,344	4,297
Financing with BNL	Euribor 1m+0.95%	29/06/2012	24,975	0	24,975
Centrobanca	Euribor 3m+1.4%	31/12/2019	4,430	4,431	8,861
Financing in pool - IMI Bank	Euribor 3m+1.35%	05/08/2013	64,877	0	64,877
			99,144	6,775	105,919

Below is the breakdown of the security on mortgages concerning the Group's real estate:

Credit institutes	Guarantee	Amount	Property
Pop.Crotone-nr. 64058	mortgage	7.172	Locality Coscile-Spezzano Albanese (CS)
Pop.Crotone-nr. 64057	mortgage	5.942	Locality Coscile-Spezzano Albanese (CS)
Carim - n. 410086	mortgage	4.500	Via Plerote-S.Michele al T. (VE)
Mps-Merchant	mortgage	9.546	Locality Macchiareddu-Uta (CA)
Mps-Merchant	mortgage	9.547	Via dell'Acero 2/4 and Via del Carpino 4 in Santarcangelo di R. (RN)
Banca di Imola S.p.A.	mortgage	4.829	Locality Villanova - Comune di Castenaso (BO)
Cassa di Risparmio di Pescia e Pistoia	mortgage	10.000	Via Francesco Toni 285/297 - Bottegone (PT)
Centrobanca	mortgage	20.000	Via dell'Acero 2/4 e Voa del Carpino 4 - Sanatarcangelo di R. (RN); Via Degli Altiforni n. 29/31 - Portoferraio (LI); locality Macchiareddu - Uta (CA)
Total		71.536	

Payables to other financial institutions (beyond the year) concern the accounting, according to the finance lease method, of the leasing contract.

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Payables to other financial institutions (1-5 years)	1,151	2,122
Total payables to other financial institutions - Non current portion	1,151	2,122

The value at 31 December 2010 is mainly represented (for 1,023 thousand Euros) by non-current payables for the contract stipulated with Unicredit Leasing S.p.A. (formerly Locat S.p.A.).

Lastly, it must be pointed out that:

- the ongoing financing with Banca Nazionale del Lavoro (signed in 2010) provides the following financial and commercial covenants:

NET DEBT / EQUITY =< 2
NET DEBT / EBITDA =< 3
Annual trade transactions (as of the date of subscription of the contract) worth at least 100 million Euros.
Financial covenants are punctually calculated with reference to the consolidated MARR Group data of the year and of the half year, while the commercial covenant is constantly monitored on the data of the parent company and punctually calculated at the end of the first year. Non-respect of the financial covenants will imply that the Company will lose the right to request the renewal of the loan at due date, while the non-respect of the trade covenants will imply as penalty clause the adjustment by the bank of the annual spread

- the ongoing financing with Centrobanca (signed in January 2010) provides the following covenants to be verified on a yearly basis with reference to the consolidated MARR Group data at year-end.

NET DEBT / EQUITY =< 1.5
NET DEBT / EBITDA =< 3.60

Non-respect of the limits of the financial indices will constitue a cause for the termination of the contractual rights.

- the ongoing financing with Banca IMI (signed in August 2010) provides the following financial covenants, to be verified on a yearly basis with reference to the consolidated MARR Group data at year-end.

NET DEBT / EQUITY =< 1.5
NET DEBT / EBITDA =< 3. 0
Non-respect of the financial indices will imply that the company withdraws from the benefits of the term.

As regards the financial covenants, it should be pointed out that these have been widely respected, while as regards the trade covenant required for the loan from the Banca Nazionale del Lavoro, this will be verified on expiry of the loan, on 29 June 2012. As of the current date, however, it is believed that the required limit will be able to be fully respected.

The comparison of the book values and relative fair values of the non-current financial payables is as follows:

(€thousand)	Book Value		Fair Value	
	2010	2009	2010	2009
Payables to banks - non-current portion	105,919	41,291	102,034	40,035
Payables to other financial institutions - non-current portion	1,151	2,122	1,105	1,992
	107,070	43,413	103,139	42,027

The difference between the fair value and the book value lies in the fact that the fair value is obtained by discounting back future cash flows, while the book value is determined by the amortised cost method.

16. Employee benefits

This item includes the Staff Severance plan, for which changes during the period are reported:

(€thousand)	
Opening balance at 31.12.09	10,063
changes in scope of consolidation	0
use for the period	(820)
provision for the period	944
other changes	(152)
Closing balance at 31.12.10	10,035

The employment contract applied is that of companies operating in the "Tertiary, Distribution and Services" sector.

17. Provisions for non-current risks and charges

(€thousand)	Balance at 31.12.10	Others	Provisions	Uses	Balance at 31.12.09
Provision for supplementary clients severance indemnity	1,834	0	180	(3)	1,657
Provision for specific risk	1,334	0	0	0	1,334
Total Provisions for non-current risks and charges	3,168	0	180	(3)	2,991

The "Provision for specific risks" covers probable liabilities connected to certain ongoing legal disputes.

In relation to the fiscal dispute currently ongoing deriving from the verification carried out by the "Guardia di Finanza", IV Group Section in San Lazzaro di Savena (BO), because of presumed breaches in terms of direct tax (1993-1999 fiscal years) and VAT (1998 and 1999 fiscal years) finalised in the month of July of the year 2000, it should be pointed out that on 28 February 2004, the recourses for direct tax (1993-1999 fiscal years) and VAT (1998 and 1999 fiscal years) were discussed in a public hearing. The amount involved in the dispute concerning taxes and the relevant sanctions, for the main inspection known as "C.R.C." (the other inspections concerning insignificant amounts or others that were abandoned) amounts to approximately 4.7 million Euros plus interest.
In its sentence no. 73/2/04, the Rimini Provincial Tributary Commission, Section II, accepted the recourse presented for IRAP referring to the main inspection, while it partly rejected, with reference to the other inspections, the recourses presented, confirming the conclusions of the Inland Revenue.
On 20 December 2004, MARR S.p.A. impugned the aforementioned sentence, presenting an appeal to the Rimini Section of the Bologna Regional Tributary Commission.
The matter was discussed before Section 24 of the Emilia Romagna Regional Tributary Commission on 16 January 2006.

As regards the reasons put forward by the company in the documentation for the second stage of the proceedings, the Bologna Tributary Commission disposed in Order 13/24/06 on 3 April 2006, that a technical consultancy be carried out, assigning the duty to a board of three professionals to provide an opinion, among other things, on the disputed matter, and asked them to ascertain, on the basis of contractual agreements and economic and financial relations effectively ongoing between the parties involved in the complex operation, whether the cost sustained by MARR S.p.A. and being disputed concerns the business of the company or not.
On 18 November 2006, the board of consultants deposited its report, concluding that: "in summary, it can be stated that these capital losses are relevant in as much as they are objectively referable to the business of the company".
On 15 January 2007, the dispute was again discussed in a public hearing during which the findings in the report of the board of consultants were again presented.
In sentence 23/10/07, the Bologna Tributary Commission reviewed its first phase sentence in favour of MARR S.p.A. as regards the four findings subject of the dispute but, without providing any motivation, it completely rejected the conclusions drawn by the technical consultants it itself appointed with reference to the principal inspection known as "CRC", thus confirming that established by the judges in the first phase of the proceedings.
By reason of this, a recourse was presented on 22 April 2008 before the Supreme Court of Cassation. The State Bar met to discuss the matter on 3 June 2008.
Although the outcome of the second phase was negative, although it must be pointed out that there were two technical consultancies in perfect agreement with each other during this phase, comprising four undoubtedly authoritative professionals, three of them appointed by the Tributary Commission itself, the opinions expressed being undoubtedly fully in favour of MARR Spa, and considering the opinion expressed by the defence lawyers representing the Company before the Court of Cassation, it is reasonable to expect that the dispute will be resolved favourably.

During the course of 2007, several disputes arose with the Customs Authorities concerning the payment of preferential customs duties on certain imports of fish products. With reference to the most significant of these disputes, involving import duties amounting to approximately 250 thousand Euros concerning the purchase of certain goods from Mauritania, it must be pointed out that the judges in the first phase of proceedings rejected the recourses presented by the Company in May 2008, but in any case accepted the fact that the company was entirely extraneous to the claimed irregularities, as they were attributable exclusively to its suppliers, from whom, as already formally notified to them, all expenses and costs inherent and/or consequent to the aforementioned dispute will be reclaimed.
In any case, also by reason of the new documentation acquired by the customs and trade authorities in Mauritania, through the principal foreign supplier of the company, MARR Spa, on 11 September 2008, presented a claim for self-protection to the Customs Office in Livorno for the imposition deeds issued and in any case, on 24 December 2008 and 19 January 2009, impugned the sentences passed in the first phase of the proceedings before the Florence Regional Tributary Commission.

During the course of the first six months of 2010, the "Agenzia delle Entrate" (Office for major contributors of the DRE in Bologna) carried out a fiscal verification of a general nature with reference to the 2007 taxation period (partially extended to the 2005 and 2006 business years), which concluded with a summary of the inspection being drawn up. The major part of the rectifications proposed is related to the costs sustained for participation in the securitisation operations carried out by the Cremonini Group. The tax act consequent to the above fiscal verification concerning the 2005 taxation period only were notified last December. The consultants of the company designated for the purpose pointed out that the contestations raised by the Financial Administration were largely unfounded.

As at 31 December 2010, MARR S.p.A. had paid 4,730 thousand Euros as payment of taxes while awaiting judgement; this amount was classified under tax receivables.

18. Deferred tax liabilities

As of 31 December 2010 the breakdown of this item, amounting to 10,301 thousand Euros (9,684 thousand Euro on 31 December 2009), is as follows

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
On capital gains in instalments	0	13
On goodwill amortisation reversal	3,912	3,018
On funds subject to suspended taxation	473	475
On leasing recalculation as per IAS 17	535	509
On actuarial calc. of customers supplementary indemnity fund	0	(198)
On amortised cost calculation	0	(21)
On actuarial calc. of severance provision fund	178	230
On fair value revaluation of land and buildings	4,094	4,259
On allocation of acquired companies' goodwill	929	993
Others	180	406
Deferred tax liabilities fund	10,301	9,684

As regards the taxation effect on the customers supplementary indemnity fund, it should be pointed out that this was correctly re-classified under the item "Deferred tax assets".
The caption "Others" includes the effect calculated on the companies controlled by MARR S.p.A..

19. Other non-current payables

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Other non-current accrued income and prepaid expenses	138	42
Total other non-current payables	138	42

This item is represented principally by the quota beyond the year's end of prepaid expenses on cutomers interest.
There is no accrued income and prepaid expenses over 5 years.

Current liabilities

20. Current financial payables

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Payables to banks	109,565	161,128
Payables to other financial institutions	962	1,724
Total Current financial payables	110,527	162,852

Current payables to banks:

(€thousand)		Balance at 31.12.10		Balance at 31.12.09
Current accounts		8,317		6,434
Loans/Advances		95,075		139,632
Loans:				
- MPS-Merchant	1,856		1,781	
- Pop.Crotone-nr. 64058	307		300	
- Pop.Crotone-nr. 64057	255		248	
- Efibanca	0		8,053	
- Carim - n. 410086	319		309	
- Banca di Imola S.p.A.	169		330	
- Cassa di Risp.di Pescia e Pistoia	470		228	
- Cassa di Risp. Vignola	1,686		3,313	
- Cassa di Risp. Lucca	0		500	
- Centrobanca	1,111		0	
		6,173		15,062
		109,565		161,128

The decrease compared to 31 December 2009 is due, in addition to the partial reimbursement of the expiring quotas, to the undertaking by the parent company of certain loans which have enabled its financial indebtedness to be stabilised. For more details, see that outlined in the Directors' Report on management performance and paragraph 15 "Non current financial payables".

We point out that the entry for "Loans/Advances" consists mainly of 3,354 thousand Euros for advances on exports/imports of the Parent Company, 66,473 thousand Euros for advances on invoices and 25,415 thousand Euros for other short-term loans.

The decrease of the item "Payables to other financial institutions", compared to 31 December 2009, is mainly to the payment, in the month of July, of 662 thousand Euros for the final instalment relating the acquisition of the subsidiary EMI.GEL S.r.l. and to the definition of the price adjustment for the purchase made in 2009 by the subsidiary Baldini Adriatica Pesca S.r.l. of the going concern of the company F.lli Baldini s.r.l.

As at 31 December 2010 the item is mainly due to the current quota of the leasing contract stipulated with the company Unicredit Leasing S.p.A. (formerly Locat S.p.A.) amounting to 818 thousand Euros.

The book value of the short-term loans is the same as the fair value, as the impact of discounting back is not significant.

21. Current tax liabilities

The breakdown of this item is as follows:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Irap/Ires	645	238
Ires trasferred to parent company	1,787	2,946
Other taxes payables	120	130
Irpef for employees	1,065	1,046
Irpef for external assistants	170	202
Total current tributary payables	3,787	4,562

This item relates to taxes payable of a determined and certain amount.

As regards MARR S.p.A., the 2006 and following business years can still be verifiable by the fiscal authorities, by reason of the ordinary verification deadlines and excluding currently pending fiscal litigations.

22. Current trade liabilities

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Payables to suppliers	251,192	227,989
Payables to associated companies consolidated by the Cremonini Group	8,439	8,128
Payables to associated companies not consolidated by the Cremonini Group	0	58
Payables to other associated companies	246	247
Trade payables to Parent Company	143	505
Total current trade liabilities	260,020	236,927

The liabilities refer mainly to settlements deriving from commercial operations and payables to Sales Agents. They also include "Payables to Associated Companies consolidated by the Cremonini Group" for 8,439 thousand Euros, "Payables to other Correlated Companies" for 246 thousand Euros and "Trade payables to Parent Companies" for143 thousand Euros, the details and analysis of which are reported in Directors' Report.

23. Other current liabilities

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Accrued income and prepaid expenses due	1,733	1,672
Other payables	15,985	15,245
Total other current liabilities	17,718	16,917

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Other accrued expenses	164	78
Amounts due for remuneration of employees/directors	1,052	1,051
Other prepaid expenses	52	34
Deferred income for interests from other loans	3	14
Prepaid payments due to clients	462	495
Total current accrued expenses and deferred income	1,733	1,672

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Inps/Inail and other social security institutes	1,874	1,887
Enasarco/ FIRR	506	526
Payables to personnel for emoluments	4,755	4,827
Advances from customers, customers credit balances	6,898	5,694
Payables to insurance companies	462	379
Other sundry payables	1,490	1,932
Total other payables due	15,985	15,245

The item "*Payables to personnel for emoluments*" includes current salaries not yet paid as at 31 December 2010 and allocations for leave accrued but not taken, with relevant charges.

The item *Advances from customers, customers credit balances* includes the credit notes to be issued to customers for end of year premiums and contributions.

Breakdown of payables by geographical area

The breakdown of payables by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial payables	107,070	0	0	107,070
Employee benefits	10,035	0	0	10,035
Provisions for risks and charges	3,168	0	0	3,168
Deferred tax liabilities	10,301	0	0	10,301
Other non-current liabilities	138	0	0	138
Current financial payables	110,168	359	0	110,527
Financial instruments / derivative	0	0	0	0
Current tax liabilities	3,786	1	0	3,787
Current trade liabilities	208,762	37,551	13,707	260,020
Other current liabilities	17,568	12	138	17,718
Total payables by geographic area	470,996	37,923	13,845	522,764

Guarantees, sureties and commitments

These are guarantees granted by both third parties and our companies for debts and other obligations.

Guarantees (totalling 20,618 thousand Euros)
These refer to:

- guarantees issued on behalf of MARR in favour of third parties (amounting to 18,334 thousand Euros) and are guarantees granted on our request by credit institutions to guarantee the correct and punctual execution of tender and other contracts of a duration of both within the year both outside of the year;
- guarantees issued by the subsidiaries of MARR in favour of public bodies totalling 10 thousand Euros. In particular Baldini Adriatica Pesca S.r.l. for 5 thousand Euros and Alisea Soc. Cons. a r.l. for 5 thousand Euros.
- guarantees issued by MARR S.p.A. in favour of financial institutes in the interest of subsidiary companies. This item amounted to a total of 2,274 thousand Euros as at 31 December 2010 and refers to credit lines granted to subsidiaries. On closure of the period, the following guarantees had been granted in favour of the following subsidiary companies:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Guarantees		
Marr Foodservice Iberica S.a.u.	800	800
Alisea Soc. Cons. a r.l.	1,436	1,436
Baldini Adriatica Pesca S.r.l.	38	38
Total Guarantees	2,274	2,274

Collaterals
Collaterals in favour of third parties refer mainly to mortgages on properties owned and are analysed in detail in the comment on the item "Non-current financial payables".

Other risks and commitments
This item, amounting to 15,989 thousand Euros refers to credit letters issued by certain credit institutes to guarantee obligations undertaken with our foreign suppliers.

Comments on the main items of the consolidated income statement

24. Revenues

Revenues are composed of:

(€thousand)	31.12.2010	31.12.2009
Revenues from sales - Goods	1,147,164	1,099,270
Revenues from Services	13,734	11,838
Other revenues from sales	610	559
Advisory services to third parties	0	0
Manufacturing on behalf of third par	34	46
Rent income (typical management)	92	73
Other services	5,153	3,434
Total revenues	1,166,787	1,115,220

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

See that described in the Directors' Report with regard to comments on the performance of revenues.

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

(€thousand)	31.12.2010	31.12.2009
Italy	1,073,414	1,030,614
European Union	67,844	63,807
Extra-EU countries	25,529	20,799
Total	1,166,787	1,115,220

25. Other revenues

The Other revenues are broken down as follows:

(€thousand)	31.12.2010	31.12.2009
Contributions from suppliers and others	23,493	20,556
Other Sundry earnings and proceeds	1,505	1,619
Reimbursement for damages suffered	555	596
Reimbursement of expenses incurred	315	242
Recovery of legal taxes	36	27
Capital gains on disposal of assets	296	187
Total other revenues	26,200	23,227

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

26. Purchase of goods for resale and consumables

This item is compose of:

(€thousand)	31.12.2010	31.12.2009
Purchase of goods for resale and consumables	929,912	872,010
Purchase of packages and packing material	4,261	3,928
Purchase of stationery and printed paper	695	665
Purchase of promotional and sales materials and catalogues	166	203
Purchase of various materials	570	571
Discounts and rebates from suppliers	(801)	(577)
Fuel for industrial motor vehicles and cars	434	430
Total purchase of goods for resale and consumables	935,237	877,230

27. Personnel costs

This item 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.

(€thousand)	31.12.2010	31.12.2009
Salaries and wages	26,501	26,569
Social security contributions	8,272	8,274
Staff Severance Provision	2,319	2,286
Other Costs	95	142
Total personnel costs	37,187	37,271

The breakdown of employees by category is highlighted in the following table :

	Workers	Employees	Managers	Total
Employees at 31.12.09	529	459	8	996
Net increases and decreases	*(19)*	*8*	*(1)*	*(12)*
Employees at 31.12.10	510	467	7	984
Average employees at 31.12.10	554.7	465.7	7.8	1,028.2

Personnel cost, amounting to 37,187 thousand Euros, is substantially in line with the previous year, despite the effect of the increases in remuneration concerning the last two tranches (September 2009 and March 2010) provided by the renewal of the labour contract defined in 2008.

This item includes all expenses for employed personnel, including accruals for holiday and additional monthly salaries as well as related social security charges, in addition to the severance provision and other costs provided contractually.

28. Amortizations, depreciations and write-downs

(€thousand)	31.12.2010	31.12.2009
Depreciation of tangible assets	4,139	4,222
Amortization of intangible assets	486	531
Provisions and write-downs	7,310	5,916
Total amortization and depreciation	11,935	10,669

(€thousand)	31.12.2010	31.12.2009
Allocation of taxable provisions for bad debts	5,310	4,200
Allocation of non-taxable provisions for bad debts	1,820	1,987
Provision for supplementary clientele severance indemnity	180	(281)
Other fixed assets depreciation	0	10
Total provisions and write-downs	7,310	5,916

For more details on provisions, reference is made to the relevant movements highlighted in notes 10 "Current trade receivables", 16 "Employee benefits" and 17 " Provisions for non-current risks and charges" in addition to that commented in the paragraph "Credit risk".

29. Other operating costs

(€thousand)	31.12.2010	31.12.2009
Operating costs for services	143,221	130,775
Operating costs for leases and rentals	7,403	7,433
Operating costs for other operating charges	1,908	1,866
Total other operating costs	152,532	140,074

(€thousand)	31.12.2010	31.12.2009
Distribution costs for our products	55,146	53,789
Commissions, miscellaneous agent costs, other sale expenses	37,900	35,509
Technical and logistics services (picking, etc)	18,220	15,772
Technical, legal, fiscal, administrative, commercial logistical consultancies, branch management, others	8,061	4,641
Energy consumption and utilities	6,768	6,883
Third-party production	3,380	3,129
Maintenance costs	3,828	3,770
Porterage and movement of goods	2,194	1,573
Advertising, promotion, exhibitions, sales (sundry items)	393	402
Directors' and statutory auditors' fees	1,182	1,149
Insurance costs	800	729
Reimbursement of expenses, travel costs and sundry personnel costs	229	206
General and other services	5,120	3,223
Total operating costs for services	143,221	130,775

(€thousand)	31.12.2010	31.12.2009
Lease of industrial buildings	6,575	6,559
Lease of processors and other personal property	434	390
Lease of industrial vehicles	135	209
Lease of going concern	0	5
Lease of cars	117	149
Lease of plants, machinery and equipment	25	11
Rent fees and other charges paid on other personal property	117	110
Total operating costs for leases and rentals	7,403	7,433

The fees for the lease of industrial buildings include the rental fees, totalling 672 thousand Euros, paid to the correlated company Le Cupole S.r.l. in Castelvetro (MO) for the rental of the buildings in which the MARR Uno branch carries out its activities (Via Spagna 20 – Rimini) and 1,105 thousand Euros to the associate company Consorzio Centro Commerciale Ingrosso Carni S.r.l. in Bologna for the rental of the building in which the Carnemilia Division carries out its activities (Via Francesco Fantoni, 31 – Bologna).

(€thousand)	31.12.2010	31.12.2009
Other indirect taxes, duties and similar charges	1,238	1,166
Expenses for recovery of debts	271	201
Other sundry charges	203	288
Capital losses on disposal of assets	6	34
ICI	136	126
Contributions and membership fees	54	51
Total operating costs for other operating charges	1,908	1,866

The item "other indirect taxes, duties and similar charges" mainly includes: tax and register duties, local duties and taxes and car and vehicle ownership tax.

30. Financial income and charges

(€thousand)	31.12.2010	31.12.2009
Financial charges	4,638	6,108
Financial income	(2,186)	(1,587)
Foreign exchange (gains)/losses	(233)	197
Total financial (income) and charges	2,219	4,718

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

(€thousand)	31.12.2010	31.12.2009
Interest paid on other loans, bills discount, hot money, imports	1,550	1,888
Interest payable on loans	501	604
Interest payable on discounted bills, advances, exports	1,730	2,793
Other financial interest and charges	849	806
Interest and Other financial charges for Consolidated Parent Companies	8	17
Total financial charges	4,638	6,108

(€thousand)	31.12.2010	31.12.2009
Other sundry financial income (interest from customers, etc.)	(2,168)	(1,555)
Positive interest from bank accounts	(18)	(32)
Total Financial Income	(2,186)	(1,587)

The decrease of financial charges is due to the significant decrease in interest rates, whose effect has been stabilizd in the last part of the year, with an expectations of increase for the coming months.

31. Taxes

(€thousand)	31.12.2010	31.12.2009
Ires-Ires charge transferred to Parent Company	18,936	17,092
Irap	4,325	3,793
Net provision for deferred tax liabilities	(72)	(973)
Total taxes	23,189	19,912

Reconciliation between theoretical and effective fiscal charges

(€thousand)	*Year 2010*		*Year 2009*	
	Taxable amount	*Tax*	*Taxable amount*	*Tax*
I.R.E.S.				
Profit before taxation	71,629		62,200	
Taxation rate	27.50%		27.50%	
theoretical tax burden		19,698		17,105
Permanent differences				
Non-deductible depreciation	444		478	
Write-down of financial assets	17		12	
Other	421		731	
	882		1,221	
Deductible depreciation	(1,854)		(1,853)	
Dividends from Italian companies (95%)	(3,134)		(3,520)	
Other	(24)		0	
	(5,012)		(5,373)	
Temporary differences deductible in future years				
Allocation of taxed provision for bad debts	5,741		4,690	
Maintenance costs excess 5%	122		122	
Other	210		52	
Deductible entertainment expenses	5		5	
	6,078		4,869	
Reversal of temporary differences from previous years				
Surplus value deductible in future years	41		118	
	41		118	
Use of taxed provision for bad debts	(3,782)		0	
Use of others taxed provisions	0		(296)	
Amount deductible entertainment expenses	(26)		(42)	
Amount of Write-down of financial assets	0		0	
Amount of maintenance cost excess 5%	(92)		(85)	
Other	(653)		(391)	
	(4,553)		(814)	
Taxable income	69,065		62,221	
Taxation rate	27.50%		27.50%	
Actual tax burden		18,993		17,111
Mainstream IRES for past business years and roundings		(57)		(19)
Actual Tax burden of Period		18,936		17,092
I.R.A.P.				
Profit before taxation	71,629		62,200	
Cost not relevant for I.R.A.P.				
Income and burdens from shareholdings	17		12	
Financial income and expense	(1,049)		1,024	
Personnel costs	37,175		37,240	
Theorical taxable	107,772		100,476	
Taxation rate	4.00%		4.00%	
theoretical tax burden		4,308		40,016
Other	1,202		(4,415)	
Taxable income	108,974		96,061	
Taxation rate	4.00%		4.00%	
Actual tax burden		4,357		3,841
Mainstream IRAP for past business years		(32)		(48)
Actual Tax burden of Period		4,325		3,793

32. Earnings per share

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

(in Euro)	2010	2009
EPS base	0.69	0.59
EPS diluted	0.69	0.59

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

Earnings:

(€thousand)	31.12.2010	31.12.2009
Profit for the period	45,685	38,551
Minority interests	(564)	(440)
Profit used to determine basic and diluted earnings per share	45,121	38,111

Number of shares:

(number of shares)	31.12.2010	31.12.2009
Weighted average number of ordinary shares used to determine basic earning per share	65,819,473	65,820,848
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	65,819,473	65,820,848

It should be pointed out that for the calculation of profits per share, as at December 31, 2010 the weighted average of ordinary shares in circulation has been used, taking into consideration the purchases of own shares made until this date.

33. Other profits/losses

The value of the other profits/losses contained 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 negative taxation effect that amounts to approximately 2 thousand Euros as at 31 December 2010.
These profits/losses have been entered, in keeping with what is foreseen by the IFRS, in the net equity and highlighted (as foreseen by IAS 1 revised, applicable as from 1st January 2009) in the consolidated comprehensive income statement.

Net financial position

As regards the details of the components of the net financial position and indication of the payables and receivables to and from correlated parties, refer to that outlined in the directors' report on management performance.

	MARR Consolidated (€thousand)	31.12.10	31.12.09
A.	Cash	4,047	2,982
	Cheques	165	2
	Bank accounts	51,234	36,778
	Postal accounts	31	21
B.	Cash equivalent	51,430	36,801
C.	Liquidity (A) + (B)	55,477	39,783
	Current financial receivable due to Parent Company	3,098	915
	Current financial receivable due to Related Companies	0	0
	Others financial receivable	2,667	9,310
D.	Current financial receivable	5,765	10,225
E.	Current Bank debt	(103,392)	(146,556)
F.	Current portion of non current debt	(6,173)	(14,572)
	Financial debt due to Parent Company	0	0
	Financial debt due to Related Companies	0	0
	Other financial debt	(962)	(1,724)
G.	Other current financial debt	(962)	(1,724)
H.	Current financial debt (E) + (F) + (G)	(110,527)	(162,852)
I.	Net current financial indebtedness (H) + (D) + (C)	(49,285)	(112,844)
J.	Non current bank loans	(105,919)	(41,291)
K.	Other non current loans	(1,151)	(2,122)
L.	Non current financial indebtedness (J) + (K)	(107,070)	(43,413)
M.	Net financial indebtedness (I) + (L)	(156,355)	(156,257)

Events after the closing of the year

With regard to the events subsequent to the year end closing, refer to the Directors' report on management performance.

Information on the remuneration of the members of the Board of Directors and Statutory Auditors

Pursuant to the law, the total remuneration due to Directors and members of the Board of Auditors for 2010 for carrying out their activities, including those in other companies in the Group, are indicated below:

(€thousand)		Term of office	Expiration	Compensation for office held in MARR S.p.A					Non monetary benefit	Bonus and other incentives	Other compensations
				Compensation approved by the Shareholders' meeting	Compensation ex art. 2389 point 3 c.c.	Compensation as members of the Internal Auditing committee	Meetings partecipation and reimboursement	Total			
Board of Directors											
Vincenzo Cremonini	Chairman	01/01/2010 - 31/12/2010	Annual report 2010	20,000				20,000			
Ugo Ravanelli	Chief Executive Officer	01/01/2010 - 31/12/2010	Annual report 2010	20,000	685,000			705,000			199572
Illias Aratri	Director	01/01/2010 - 31/12/2010	Annual report 2010	20,000				20,000			
Alfredo Aureli	Director	01/01/2010 - 31/12/2010	Annual report 2010	20,000		8,000		28,000			
Giosué Boldrini	Director	01/01/2010 - 31/12/2010	Annual report 2010	20,000				20,000			
Paolo Ferrari	Director	01/01/2010 - 31/12/2010	Annual report 2010	20,000		10,000		30,000			
Giuseppe Lusignani	Director	01/01/2010 - 31/12/2010	Annual report 2010	20,000		10,000		30,000			
Total Board of Directors				140,000	685,000	28,000		**853,000**			**199,572**
Board of Statutory Auditors											
Ezio Maria Simonelli	Chairman of the Board of Statutory Auditors	01/01/2010 - 31/12/2010	Annual report 2010	27,000			3,235	30,235			
Massimo Conti	Statutory Auditor	01/01/2010 - 31/12/2010	Annual report 2010	18,000			2,324	20,324			11550
Italo Ricciotti	Statutory Auditor	01/01/2010 - 31/12/2010	Annual report 2010	18,000			2,324	20,324			
Total Board of Statutory Auditors				63,000			7,883	**70,883**			**11,550**
Total								**923,883**			**211,122**

■ including tax and social security burden

■■ compensation for offices in the subsidiaries

It must be pointed out that the stock option plans were concluded in the 2007 business year. The assignment of the remaining options was concluded during the same business year, and these were fully exercised within the required deadline.

° ° °

Rimini, 11 March 2011

The Chairman of the Board of Directors

Vincenzo Cremonini

Appendices

These appendices contain additional information compared to that reported in the Notes, of which they constitute an integral part.

- Appendix 1 – List of equity investments, including those falling within the scope of consolidation as at 31 December 2010
- Appendix 2 – Statement of financial position, Income statement, Statement of comprehensive income, Cash-flows statement and Changes in net equity of the Parent Company MARR S.p.A. as at 31 December 2010
- Appendix 3 – Table showing reconciliation between the Parent Company's Net Equity and the consolidated Net Equity.
- Appendix 4 – Table showing variations in Intangible Assets for the year ending 31 December 2010.
- Appendix 5 – Table showing variations in Tangible Assets for the year ending 31 December 2010.
- Appendix 6 – Table showing the essential data from Cremonini S.p.A. and consolidated financial statements as at 31 December 2009.
- Appendix 7 – Information as per art. 149-duodecies of the Consob Issuers Regulations.

MARR GROUP S.p.A.
LIST OF EQUITY INVESTMENTS
AT 31 DECEMBER 2010

Company	Headquarters	Share capital (€thousand)	Direct control Marr SpA	Indirect control Company	Indirect control Share held
COMPANY CONSOLIDATED ON A LINE-BY-LINE BASIS					
- Parent Company:					
MARR S.p.A. (*)	Rimini	32,910			
- Subsidiaries:					
Marr-Alisurgel S.r.l. in liq.	Santarcangelo di R. (RN)	10	97.0%	Sfera S.p.A.	3.0%
Alisea Società Consortile a r.l.	Impruneta, Tavarnuzze (FI)	500	55.0%		
Sfera S.p.A. (ex Sogema S.p.A.)	Santarcangelo di R. (RN)	220	100.0%		
AS.CA. S.p.A.	Santarcangelo di R. (RN)	518	100.0%		
Marr Foodservice Iberica S.A.u	Madrid (Spagna)	600	100.0%		
New Catering S.r.l.	Santarcangelo di R. (RN)	34	100.0%		
Baldini Adriatica Pesca S.r.l.	Santarcangelo di R. (RN)	10	100.0%		
EMI.GEL S.r.l.	Santarcangelo di R. (RN)	260	100.0%		
ASSOCIATED					
Masofico (**)	Nouakchott (Mauritania)	26	40.0%		
EQUITY INVESTMENTS VALUED AT COST:					
- Other Company:					
Centro Agro-Alimentare Riminese S.p.A.	Rimini	11,798	1.66%		

(*) The value of the share capital of MARR S.p.A. is net to the nominal value of its own shares purchased in the context of "buy back" programme.
(**) Share capital equal to 9,600,000 OuguiYa (equal to 25,981 Euro). The company is not operating, the investment in this company has been totally write-off in 2006 and its book value is equal to zero.

Appendix 2

MARR S.p.A. STATEMENT OF FINANCIAL POSITION

(€)	*Notes*	*31.12.10*	*31.12.09*
ASSETS			
Non-current assets			
Tangible assets	1	48,859,376	50,892,455
Goodwill	2	70,965,336	70,965,336
Other intangible assets	3	392,714	613,631
Investments in subsidiaries and associated companies	4	33,251,144	33,271,025
Investments in other companies	5	286,192	286,192
Non-current financial receivables	6	4,679,028	1,485,251
Deferred tax assets	7	6,805,575	6,146,997
Other non-current assets	8	6,426,927	5,472,289
Total non-current Assets		171,666,292	169,133,176
Current assets			
Inventories	9	93,059,656	78,973,234
Financial receivables	10	12,889,652	16,175,750
relating to related parties		*10,339,657*	*6,876,659*
Financial instruments / derivative	11	16,227	0
Trade receivables	12	321,306,083	314,530,032
relating to related parties		*5,031,208*	*3,691,247*
Tax assets	13	6,347,007	4,885,318
relating to related parties		*0*	*0*
Cash and cash equivalents	14	52,786,473	37,221,059
Other current assets	15	40,435,472	27,519,464
relating to related parties		*68,592*	*81,759*
Total current Assets		526,840,570	479,304,857
TOTAL ASSETS		*698,506,862*	*648,438,033*
LIABILITIES			
Shareholders' Equity	16	202,681,524	187,843,316
Share capital		*32,909,736*	*32,909,736*
Reserves		*125,646,652*	*117,373,599*
Retained Earnings		*(3,476,960)*	*(3,476,960)*
Profit for the period		*47,602,096*	*41,036,941*
Total Shareholders' Equity		202,681,524	187,843,316
Non-current liabilities			
Non-current financial payables	17	107,043,492	43,118,605
Employee benefits	18	8,425,027	8,560,823
Provisions for risks and charges	19	2,012,131	1,876,983
Deferred tax liabilities	20	8,633,809	8,041,099
Other non-current liabilities	21	138,418	41,627
Total non-current Liabilities		126,252,877	61,639,137
Current liabilities			
Current financial payables	22	108,462,645	159,097,729
relating to related parties		*1,377,297*	*1,169,479*
Current tax liabilities	23	3,623,742	4,336,990
relating to related parties		*1,970,301*	*3,024,996*
Current trade liabilities	24	241,895,233	220,566,053
relating to related parties		*9,167,917*	*8,695,883*
Other current liabilities	25	15,590,841	14,954,808
relating to related parties		*5,972*	*1,083*
Total current Liabilities		369,572,461	398,955,580
TOTAL LIABILITIES		*698,506,862*	*648,438,033*

MARR S.p.A. INCOME STATEMENT

(€)	*Notes*	*31.12.2010*	*31.12.2009*
Revenues	26	1,078,096,872	1,033,206,865
concerning related parties		*16,028,108*	*14,323,833*
Other revenues	27	24,212,132	21,210,808
relating to related parties		*214,980*	*136,603*
Changes in inventories	9	14,086,422	(8,860,700)
Internal works performed		0	0
Purchase of goods for resale and consumables	28	(871,915,035)	(820,052,055)
relating to related parties		*(39,492,044)*	*(42,760,922)*
Personnel costs	29	(30,232,178)	(30,353,278)
Amortization, depreciation and write-downs	30	(10,402,907)	(9,512,310)
Other operating costs	31	(138,901,769)	(128,209,845)
relating to related parties		*(7,119,293)*	*(5,740,063)*
Other non-recurring operating costs		0	0
Financial income and charges	32	(1,985,916)	(4,650,121)
relating to related parties		*25,486*	*(38,549)*
Non-recurring financial income and charges		0	0
relating to related parties		*0*	*0*
Income (charge) from associated companies	33	3,282,559	3,693,042
Profit before taxes		***66,240,180***	***56,472,406***
Taxes	34	(21,130,960)	(17,928,341)
Profit for the period		***45,109,220***	***38,544,065***
EPS base (euros)	35	0.69	0.59
EPS diluted (euros)	35	0.69	0.59

MARR S.p.A. STATEMENT OF COMPREHENSIVE INCOME

(€)	*Notes*	*31.12.2010*	*31.12.2009*
Profits for the period (A)		*45,109,220*	*38,544,065*
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect		11,765	(23,315)
Total Other Profits/Losses, net of taxes (B)	36	*11,765*	*(23,315)*
Comprehensive Income (A + B)		*45,120,985*	*38,520,750*

MARR S.p.A. CASH FLOWS STATEMENT (INDIRECT METHOD)

(€thousand)	*31.12.10*	*31.12.09*
Profit for the Period	45,109	38,544
Adjustment:		
Amortization / Depreciation	3,768	3,908
Allocation of provison for bad debts	6,500	5,900
Allocation of provision for investments in subsidiaries	17	12
Allocation of provision for inventories	0	200
Capital profit/losses on disposal of assets	(281)	(95)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and losses	2,296	4,363
relating to related parties	*(25)*	*39*
Foreign exchange evaluated (gains)/losses	(145)	235
Dividends Received	(3,299)	(3,705)
	8,856	10,818
Net change in Staff Severance Provision	(135)	14
(Increase) decrease in trade receivables	(13,276)	(39,749)
relating to related parties	*(1,340)*	*1,343*
(Increase) decrease in inventories	(14,087)	8,661
Increase (decrease) in trade payables	21,329	6,562
relating to related parties	*472*	*(1,209)*
(Increase) decrease in other assets	(13,870)	483
relating to related parties	*13*	*82*
Increase (decrease) in other liabilities	867	243
relating to related parties	*5*	*(1)*
Net change in tax assets / liabilities	19,655	17,028
relating to related parties	*17,311*	*15,417*
Interest paid	(4,490)	(5,898)
relating to related parties	*(34)*	*(44)*
Interest received	2,194	1,535
relating to related parties	*59*	*5*
Foreign exchange gains	1,015	779
Foreign exchange losses	(870)	(1,014)
Income tax paid	(21,896)	(12,845)
relating to related parties	*(18,366)*	*(9,773)*
Cash-flow from operating activities	30,401	25,161
(Investments) in other intangible assets	(88)	(23)
Net disposal in other intangible assets	0	0
(Investments) in goodwill	0	(120)
Devaluation of goodwill	0	0
(Investments) in tangible assets	(2,890)	(2,344)
Net disposal of tangible assets	1,739	991
Net (investments) in equity investments (subsidiaries and associated)	3	62
Net (investments) in equity investments in other companies	0	0
Outgoing for (acquisition)/divestment of subsiaries or going concerns during the year	(662)	(1,519)
Dividends Received	3,299	3,705
Cash-flow from investment activities	1,401	752
Distribution of dividends	(30,277)	(28,302)
Increase in capital and reserves paid-up by shareholders	0	0
Other changes, including those of third parties	14	(116)
Net change in financial payables (excluding the new non-current loans received)	(86,050)	(12,820)
relating to related parties	*208*	*(473)*
New non-current loans received	100,000	30,000
relating to related parties	*0*	*0*
Net change in current financial receivables	3,270	(6,783)
relating to related parties	*(3,463)*	*(2,108)*
Net change in non-current financial receivables	(3,194)	1,126
Cash-flow from financing activities	(16,237)	(16,895)
Increase (decrease) in cash-flow	15,565	9,018
Opening cash and equivalents	37,221	28,203
Closing cash and equivalents	52,786	37,221

MARR S.P.A. STATEMENT OF CHANGES IN THE SHAREHODERS EQUITY

Description	Share Capital	Other Reserves															Profits carried over	Business year profits (losses)	Total net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for residual stock options	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve ex art. 55 (DPR 597-917)	Surplus for mergers	Total reserves	Trading on share reserve	Reserve for profit (losses) on own share	Total own shares			
Balance at 1st January 2009	32,918	60,192	5,919	12	36,496	433		1,475	7,516	23	1,521	1,823	115,410	(3,390)	(9)	(3,399)	32,789		177,717
Allocation of 2008 profit			733			1,260							**1,993**				(1,993)		
Distribution of parent company dividends																	(28,302)		(28,302)
Distribution of subsidiaries company dividends																			
Effect of the trading of own shares	**(8)**													(77)	(1)	**(78)**			(86)
Other minor variations											(6)		**(6)**				(1)		(7)
Consolidated comprehensive income 2009:																			
- Profit for the period																	38,544		38,544
- Other Profits/Losses, net of taxes										(23)			**(23)**						(23)
Balance at 31 December 2009	32,910	60,192	6,652	12	36,496	1,693		1,475	7,516		1,515	1,823	117,374	(3,467)	(10)	(3,477)	41,037		187,843
Allocation of 2009 profit						8,267							**8,267**				(8,267)		
Distribution of parent company dividends																	(30,277)		(30,277)
Other minor variations											(5)		**(5)**						(5)
Consolidated comprehensive income 2010:																			
- Profit for the period																	45,109		45,109
- Other Profits/Losses, net of taxes										12			**12**						12
Balance at 31 December 2010	32,910	60,192	6,652	12	36,496	9,960		1,475	7,516	12	1,509	1,823	125,647	(3,467)	(10)	(3,477)	47,602		202,682

Appendix 3

Reconciliation between the Parent Company's Net Equity and the consolidated Net Equity

	Increase/(Decrease)	
	Shareholders' Equity	of which Net Profit for the period
Parent Company's shareholders' equity and profit/(loss) for the year	202,682	45,109
Effect of the consolidation on a line-by-line basis:		
-- Difference between the book value of the consolidated subsidiaries and the relevant portion of shareholders' equity	(24,846)	19
-- Allocation of the surplus of the purchase price paid for the acquisition of equity investments consolidated on a line-by-line basis, to lands, buildings and consolidation difference	25,673	(140)
-- Pro rata subsidiary profits (losses)	2,935	2,935
Allocation of the consolidation differences caudes by company amalgamations	2,718	0
Write-off of the godwill caused by company merged	(2,053)	0
Effect of the elimination of profits not yet realised from transactions between Group companies, net of the applicable tax effect	(1,948)	(3,321)
Adjustments to adapt the financial statements of some consolidated companies to Group Accounting Standards	1,418	519
Group's share of net equity and profit/(loss)	206,579	45,121
Minorities' share of net equity and profit/(loss)	1,131	564
Shareholders' equity and profit/(loss) for the year	207,710	45,685

Intangible fixed assets (in thousand of Euros)	OPENING BALANCE			MOVEMENTS DURING THE YEAR				CLOSING BALANCE		
	Original Cost	Provision for amortization	Balance 01/01/2010	Purchases/ reclassificatio	Consolidation Change	Net decreases	Amortization	Original Cost	Provision for amortization	Balance 31/12/2010
Start-Up and expansion costs										
Cost of research, development and advertising										
Cost of industrial patents and rights for the use of intellectual property	4,574	(3,565)	1,009	104		(13)	(480)	4,665	(4,045)	620
Concessions, licences, brand names, and similar rights	161	(149)	12				(2)	161	(151)	10
Goodwill	99,908		99,908			(250)		99,658		99,658
Intangible fixed assets under development and advances	36		36					36		36
Other intangible fixed assets	437	(424)	13				(4)	437	(428)	9
Total	**105,116**	**(4,138)**	**100,978**	**104**		**(263)**	**(486)**	**104,957**	**(4,624)**	**100,333**

Tangible fixed assets (in thousand of Euros)	Opening balance			Movements during the year							Closing balance			
	Original Cost	Provision for amortization	Balance 01/01/2010	Purchases/ reclassification	Consolidation Change	Decreases		Reclassification		Amortization	Original Cost	Revaluation	Provision for amortization	Balance 31/12/2010
						Original cost	Prov. for am.	Original cost	Prov. for am.					
Land and buildings	62,324	(13,318)	49,006	426		(2)		50		(1,610)	62,798		(14,928)	47,870
Plant and machinery	20,943	(15,624)	5,319	895		(43)	31		2	(1,478)	21,795		(17,069)	4,726
Industrial and commercial equipment	2,940	(1,981)	959	212		(35)	32			(223)	3,117		(2,172)	945
Other tangible assets	13,312	(10,530)	2,782	1,777		(2,020)	538	33		(834)	13,102		(10,826)	2,276
Tangible fixed assets under development and advances	83		83					(83)						
Total	**99,602**	**(41,453)**	**58,149**	**3,310**		**(2,100)**	**601**		**2**	**(4,145)**	**100,812**		**(44,995)**	**55,817**

Cremonini S.p.A.		in thousands of Euros		Consolidated
Main figures' Statement of the last Cremonini S.p.A. financial statements and consolidated financial statements - MARR S.p.A. parent company -				
Financial Statements as of December 31, 2009				
		BALANCE SHEET ASSETS		
76,428		Tangible assets		481,426
12		Goodwill and other intangible assets		170,099
262,901		Investments		11,446
2,662		Non-current assets		28,809
342,003		*Total non-current assets*		*691,780*
0		Inventories		173,398
51,290		Receivables and other current assets		528,733
8,035		Cash and cash equivalents		81,229
59,325		*Total current assets*		*783,360*
401,328		Total assets		1,475,140
		LIABILITIES		
78,018		Shareholders' equity:		236,556
	67,074	Share capital	67,074	
	296	Reserves	82,205	
	10,648	Net profit (loss)	17,854	
		Minority interest	69,423	
246,173		Non-current financial payables		357,421
581		Employee benefits		23,426
2,540		Provisions for risks and charges		7,599
5,842		Other non-current liabilities		37,754
255,136		*Total non-current liabilities*		*426,200*
55,028		Current financial payables		337,487
13,146		Current liabilities		474,897
68,174		*Total current liabilities*		*812,384*
401,328		Total Liabilities		1,475,140
		INCOME STATEMENT		
4,356		Revenues		2,200,736
506		Other revenues		41,854
		Changes in inventories		(400)
		Internal works performed		1,251
(52)		Purchase of goods		(1,490,587)
(6,256)		Other operating costs		(340,463)
(2,483)		Personnel costs		(279,694)
(1,620)		Amortization		(37,385)
(1,195)		Depreciation and Allocations		(13,992)
16,140		Income from investments		332
(9,281)		Financial income and charges		(25,050)
115		*Profit before taxes*		*56,602*
4,396		Taxes		(21,461)
4,511		Net profit (loss) before consolidation		35,141
		Minority interest's profit (loss)		(17,287)
6,137		Results for the period from discontinued operations		
10,648		Consolidated Net profit (loss)		17,854

The essential data for the parent company Cremonini S.p.A. contained in the summary report required by Civil Code article 2497-bis have been extracted from the relevant financial statements for the business year closed on 31 December 2009. For an adequate and full understanding of the Cremonini S.p.A. financial situation as at 31 December 2009, and the economic result achieved by the company during the business year closed on that date, refer to the financial statements which, supplemented by the audit company's report, is available in the forms and methods provided by the law.

Appendix 7

The following table, drawn up in accordance with art. 149-duodecies of the Consob Issuers Regulations, shows the fees pertinent to business year 2010 for services rendered to the Group companies by Auditing Firms or entities belonging to the auditing firms' network:

(€thousand)	Service Company	Client	Fees pertinent to business year 2010
Auditing	Reconta Ernst & Young S.p.A.	MARR S.p.A.	103
	Reconta Ernst & Young S.p.A.	Subsidiaries	22
Certification service			0
Other services			4
Total			129

STATEMENT OF CONSOLIDATED FINANCIAL STATEMENT PURSUANT TO ART. 154-BIS PARAGRAPH 2 OF LEGISLATIVE DECREE 58 DATED 24 FEBRUARY 1998

1. The undersigned Ugo Ravanelli, in the quality of Chief Executive Officer, and Pierpaolo Rossi, in the quality of Manager responsible for the drafting of the corporate accounting documents of MARR S.p.A., hereby certify, also taking into account that provided by art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated 24 February 1998:
- the adequacy in relation to the characteristics of the company and
- the effective application,

of the management and accounting procedures for the drafting of the consolidated financial statement, during the year 2010.

2. The assessment of the adequacy of the management and accounting procedures for the drafting of the consolidated financial statement as at 31 December 2010 was based on a process defined by MARR S.p.A. in coherence with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is an internationally accepted general reference framework.

3. It is also certified that:

3.1 the consolidated financial statements:

a. are drafted in conformity with the internationally applicable accounting principles recognised in the European Community pursuant to regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002;
b. correspond to the findings in the accounts books and documents;
c. are suited to providing a truthful and correct representation of the equity, economic and financial situation of the author and the group of companies included in the scope of consolidation.

3.2 The directors' report on management includes a reliable analysis of performance levels and the management result, and also on the situation of the issuer and the group of companies included in the scope of consolidation, together with a description of the main risks and uncertainties they are exposed to.

Rimini, 11 March 2011

Chief Executive Officer	Manager responsible for the drafting of corporate accounts documents
Ugo Ravanelli	Pierpaolo Rossi

Reconta Ernst & Young S.p.A.
Via Massimo D'Azeglio, 34
40123 Bologna

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Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated January 27, 2010
(Translation from the original Italian text)

To the Shareholders
of MARR S.p.A.

1. We have audited the consolidated financial statements of MARR S.p.A. and its subsidiaries, (the "MARR Group") as of and for the year ended December 31, 2010, comprising the statement of consolidated financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in the shareholders' equity, the cash flows statement and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of MARR S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. Our audit was performed in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 7, 2010.

3. In our opinion, the consolidated financial statements of the MARR Group at December 31, 2010 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the MARR Group for the year then ended.

4. The management of MARR S.p.A. is responsible for the preparation of the Directors' Report and the Report on Corporate Governance and Company's Ownership Structure in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Directors' Report and the information included therein in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c),

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma - Via Po, 32
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CC.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584
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Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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d), f), l), m) and paragraph 2, letter b) presented in the Report on Corporate Governance and Ownership Structure, with the financial statements, as required by the law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Directors' Report and the information reported therein in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) presented in the Report on Corporate Governance and Ownership Structure, are consistent with the consolidated financial statements of the MARR Group as of December 31, 2010.

Bologna, March 25, 2011

Reconta Ernst & Young S.p.A.
Signed by: Gianluca Focaccia, Partner

MARR S.p.A.

Financial Statements
as at December 31, 2010

STATEMENT OF FINANCIAL POSITION

(€)	Notes	31.12.10	31.12.09
ASSETS			
Non-current assets			
Tangible assets	1	48,859,376	50,892,455
Goodwill	2	70,965,336	70,965,336
Other intangible assets	3	392,714	613,631
Investments in subsidiaries and associated companies	4	33,251,144	33,271,025
Investments in other companies	5	286,192	286,192
Non-current financial receivables	6	4,679,028	1,485,251
Deferred tax assets	7	6,805,575	6,146,997
Other non-current assets	8	6,426,927	5,472,289
Total non-current Assets		171,666,292	169,133,176
Current assets			
Inventories	9	93,059,656	78,973,234
Financial receivables	10	12,889,652	16,175,750
relating to related parties		*10,339,657*	*6,876,659*
Financial instruments / derivative	11	16,227	0
Trade receivables	12	321,306,083	314,530,032
relating to related parties		*5,031,208*	*3,691,247*
Tax assets	13	6,347,007	4,885,318
relating to related parties		*0*	*0*
Cash and cash equivalents	14	52,786,473	37,221,059
Other current assets	15	40,435,472	27,519,464
relating to related parties		*68,592*	*81,759*
Total current Assets		526,840,570	479,304,857
TOTAL ASSETS		*698,506,862*	*648,438,033*
LIABILITIES			
Shareholders' Equity	16	202,681,524	187,843,316
Share capital		*32,909,736*	*32,909,736*
Reserves		*125,646,652*	*117,373,599*
Retained Earnings		*(3,476,960)*	*(3,476,960)*
Profit for the period		*47,602,096*	*41,036,941*
Total Shareholders' Equity		202,681,524	187,843,316
Non-current liabilities			
Non-current financial payables	17	107,043,492	43,118,605
Employee benefits	18	8,425,027	8,560,823
Provisions for risks and charges	19	2,012,131	1,876,983
Deferred tax liabilities	20	8,633,809	8,041,099
Other non-current liabilities	21	138,418	41,627
Total non-current Liabilities		126,252,877	61,639,137
Current liabilities			
Current financial payables	22	108,462,645	159,097,729
relating to related parties		*1,377,297*	*1,169,479*
Current tax liabilities	23	3,623,742	4,336,990
relating to related parties		*1,970,301*	*3,024,996*
Current trade liabilities	24	241,895,233	220,566,053
relating to related parties		*9,167,917*	*8,695,883*
Other current liabilities	25	15,590,841	14,954,808
relating to related parties		*5,972*	*1,083*
Total current Liabilities		369,572,461	398,955,580
TOTAL LIABILITIES		*698,506,862*	*648,438,033*

INCOME STATEMENT

(€)	Notes	31.12.2010	31.12.2009
Revenues	26	1,078,096,872	1,033,206,865
concerning related parties		*16,028,108*	*14,323,833*
Other revenues	27	24,212,132	21,210,808
relating to related parties		*214,980*	*136,603*
Changes in inventories	9	14,086,422	(8,860,700)
Internal works performed		0	0
Purchase of goods for resale and consumables	28	(871,915,035)	(820,052,055)
relating to related parties		*(39,492,044)*	*(42,760,922)*
Personnel costs	29	(30,232,178)	(30,353,278)
Amortization, depreciation and write-downs	30	(10,402,907)	(9,512,310)
Other operating costs	31	(138,901,769)	(128,209,845)
relating to related parties		*(7,119,293)*	*(5,740,063)*
Other non-recurring operating costs		0	0
Financial income and charges	32	(1,985,916)	(4,650,121)
relating to related parties		*25,486*	*(38,549)*
Non-recurring financial income and charges		0	0
relating to related parties		*0*	*0*
Income (charge) from associated companies	33	3,282,559	3,693,042
Profit before taxes		*66,240,180*	*56,472,406*
Taxes	34	(21,130,960)	(17,928,341)
Profit for the period		*45,109,220*	*38,544,065*
EPS base (euros)	35	0.69	0.59
EPS diluted (euros)	35	0.69	0.59

STATEMENT OF COMPREHENSIVE INCOME

(€)	*Notes*	*31.12.2010*	*31.12.2009*
Profits for the period (A)		*45,109,220*	*38,544,065*
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect		11,765	(23,315)
Total Other Profits/Losses, net of taxes (B)	36	*11,765*	*(23,315)*
Comprehensive Income (A + B)		*45,120,985*	*38,520,750*

STATEMENT OF CHANGES IN THE SHAREHODERS EQUITY

(note 16)

Description	Share Capital	Other Reserves															Profits carried over	Business year profits (losses)	Total net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for residual stock options	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve ex art. 55 (DPR 597-917)	Surplus for mergers	Total reserves	Trading on share reserve	Reserve for profit (losses) on own share	Total own shares			
Balance at 1st January 2009	**32,918**	**60,192**	**5,919**	**12**	**36,496**	**433**		**1,475**	**7,516**	**23**	**1,521**	**1,823**	**115,410**	**(3,390)**	**(9)**	**(3,399)**	**32,789**		**177,717**
Allocation of 2008 profit			733			1,260							**1,993**				(1,993)		
Distribution of parent company dividends																	(28,302)		(28,302)
Distribution of subsidiaries company dividends																			
Effect of the trading of own shares	**(8)**													(77)	(1)	**(78)**			(86)
Other minor variations											(6)		**(6)**				(1)		(7)
Consolidated comprehensive income 2009:																			
- Profit for the period																	38,544		38,544
- Other Profits/Losses, net of taxes										(23)			**(23)**						(23)
Balance at 31 December 2009	**32,910**	**60,192**	**6,652**	**12**	**36,496**	**1,693**		**1,475**	**7,516**		**1,515**	**1,823**	**117,374**	**(3,467)**	**(10)**	**(3,477)**	**41,037**		**187,843**
Allocation of 2009 profit						8,267							**8,267**				(8,267)		
Distribution of parent company dividends																	(30,277)		(30,277)
Other minor variations											(5)		**(5)**						(5)
Consolidated comprehensive income 2010:																			
- Profit for the period																	45,109		45,109
- Other Profits/Losses, net of taxes										12			**12**						12
Balance at 31 December 2010	**32,910**	**60,192**	**6,652**	**12**	**36,496**	**9,960**		**1,475**	**7,516**	**12**	**1,509**	**1,823**	**125,647**	**(3,467)**	**(10)**	**(3,477)**	**47,602**		**202,682**

CASH FLOWS STATEMENT (INDIRECT METHOD)

(€thousand)	*31.12.10*	*31.12.09*
Profit for the Period	45,109	38,544
Adjustment:		
Amortization / Depreciation	3,768	3,908
Allocation of provison for bad debts	6,500	5,900
Allocation of provision for investments in subsidiaries	17	12
Allocation of provision for inventories	0	200
Capital profit/losses on disposal of assets	(281)	(95)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and losses	2,296	4,363
relating to related parties	*(25)*	*39*
Foreign exchange evaluated (gains)/losses	(145)	235
Dividends Received	(3,299)	(3,705)
	8,856	10,818
Net change in Staff Severance Provision	(135)	14
(Increase) decrease in trade receivables	(13,276)	(39,749)
relating to related parties	*(1,340)*	*1,343*
(Increase) decrease in inventories	(14,087)	8,661
Increase (decrease) in trade payables	21,329	6,562
relating to related parties	*472*	*(1,209)*
(Increase) decrease in other assets	(13,870)	483
relating to related parties	*13*	*82*
Increase (decrease) in other liabilities	867	243
relating to related parties	*5*	*(1)*
Net change in tax assets / liabilities	19,655	17,028
relating to related parties	*17,311*	*15,417*
Interest paid	(4,490)	(5,898)
relating to related parties	*(34)*	*(44)*
Interest received	2,194	1,535
relating to related parties	*59*	*5*
Foreign exchange gains	1,015	779
Foreign exchange losses	(870)	(1,014)
Income tax paid	(21,896)	(12,845)
relating to related parties	*(18,366)*	*(9,773)*
Cash-flow from operating activities	30,401	25,161
(Investments) in other intangible assets	(88)	(23)
Net disposal in other intangible assets	0	0
(Investments) in goodwill	0	(120)
Devaluation of goodwill	0	0
(Investments) in tangible assets	(2,890)	(2,344)
Net disposal of tangible assets	1,739	991
Net (investments) in equity investments (subsidiaries and associated)	3	62
Net (investments) in equity investments in other companies	0	0
Outgoing for (acquisition)/divestment of subsiaries or going concerns during the year	(662)	(1,519)
Dividends Received	3,299	3,705
Cash-flow from investment activities	1,401	752
Distribution of dividends	(30,277)	(28,302)
Increase in capital and reserves paid-up by shareholders	0	0
Other changes, including those of third parties	14	(116)
Net change in financial payables (excluding the new non-current loans received)	(86,050)	(12,820)
relating to related parties	*208*	*(473)*
New non-current loans received	100,000	30,000
relating to related parties	*0*	*0*
Net change in current financial receivables	3,270	(6,783)
relating to related parties	*(3,463)*	*(2,108)*
Net change in non-current financial receivables	(3,194)	1,126
Cash-flow from financing activities	(16,237)	(16,895)
Increase (decrease) in cash-flow	15,565	9,018
Opening cash and equivalents	37,221	28,203
Closing cash and equivalents	52,786	37,221

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

Corporate information

The Company, with headquarters in Via Spagna 20, Rimini, operates in the commercialisation and distribution of fresh, dried and frozen food products to the foodservice.

The financial statements for the business year closing as at 31 December 2010 were authorised for publication by the Board of Directors on 11 March 2011.

Structure and contents of the financial statements

The financial statements as at 31 December 2010 have been prepared in conformity 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 as acknowledged by Legislative Decree 38 dated 28 February 2005 and subsequent amendments and CONSOB communications and decisions.

Reference to the international accounting standards, adopted in the preparation of the consolidated financial statements as at 31 December 2010, is indicated in the "Accounting policies" section.

For the purposes of the application of IFRS 8 it is noted that the Company operates in the "Distribution of food products to the Foodservice" sector only; as regards the performance levels in 2010, see that described in the Directors' Report on management performance.

The financial statements as at 31 December 2010 include, for comparative purposes, the figures for the year ended on 31 December 2009. 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.

All amounts are indicated in Euros.

As regards the data contained in these financial statements, the Statement of Financial Position, the Income Statement and the Statement of Comprehensive Income are shown simply in Euros whereas the Changes in Net Equity and the Cash Flows Statement are shown in thousands of Euros. Tables are shown in thousands of Euros.

These financial statements have been prepared using the principles and accounting policies illustrated below:

Accounting policies

The most significant Accounting policies adopted for the preparation of the financial statements as at 31 December 2010 are indicated below:

Tangible assets

Tangible assets are entered at their purchase cost or production cost, inclusive of directly allocated additional charges required to make the assets available for use. As permitted by IFRS 1, in the contest of the first time adoption of the International Accounting Standards, the Company has measured certain land and buildings owned at fair value, and has adopted such value as the new cost subject to depreciation.
No revaluations are permitted, even if pursuant to specific laws. Assets subject to capital lease are entered under tangible assets against a financial payable to the lessor, and depreciated in accordance with the criteria below.
Tangible assets are systematically depreciated on a straight-line basis over their expected useful life, based on the estimate of the period over which the assets will be used by the Company. When the tangible asset is made up of a number of significant components, each with a different useful life, depreciation is made for each single component. The

depreciation value is represented by the book value minus the presumable net transfer value at the end of its useful life, if material and reasonably determinable. Land is not depreciated, even if purchased together with a building, and neither are tangible assets held for sale, measured at the lower between the book value and fair value after transfer charges.
Costs for improvement, upgrading and transformation increasing tangible assets are entered in the statement of financial position's assets if they are respondent to the capitalisation requirements in IAS 16.

The recoverability of the book value of tangible assets is determined by adopting the criteria indicated in the section "Impairment of non-financial assets".
The rates applied are the following:

- Buildings	3% - 4%
- Plant and machinery	7.50%-15%
- Industrial and business equipment	20%
- Other assets:	
- Electronic office equipment	20%
- Office furniture and fittings	12%
- Motor vehicles and means of internal transport	20%
- Cars	25%
- Other minor assets	10%-30%

The remaining accounting value, useful lifetime and amortization criteria are reviewed on closure of every business year and adjusted with a view to the future if required.

Goodwill and other intangible assets

Intangible assets are assets that lack physical substance, controlled by the Company and capable of generating future economic benefits, as well as goodwill, whenever purchased for a financial consideration.
Intangible assets are entered at cost, measured in accordance with the criteria established for tangible assets. No revaluations are allowed, even if pursuant to specific laws.
Intangible assets with a definite useful life are systematically amortized over their useful life, based on the estimate of the period over which the assets will be used by the Company; the recoverability of their book value is determined by adopting the criteria indicated in the section "Impairment of non-financial assets".
Goodwill and other intangible assets, if any, with an indefinite useful life, are not subject to amortization; the recoverability of their book value is determined at least each year and, in any case, whenever in the presence of events implying a loss in value. As far as goodwill is concerned, verification is made on the smallest aggregate upon which Management, either directly or indirectly, assesses the return on the investment, including the goodwill itself (cash generating unit). Write-downs are not subject to value restoration.
Other intangible assets have been amortized by adopting the following criteria:

- Patents and intellectual property rights	5 years
- Concessions, licenses, trademarks and similar rights	5 years / 20 years
- Other assets	5 years / contract term

The period of amortization and criteria for amortization of intangible assets with a definite useful lifetime are reviewed at least on closure of the business year and adjusted with a view to the future if necessary.

Equity investments in associated and other companies

Equity investments in associated companies and in other companies, are valued at purchase, subscription or contribution cost, as indicated in Appendix I and in the following explanatory notes. The recoverability of their book value is determined by adopting the criteria indicated in the section "Impairment of assets".

Inventories

These are entered at the lower of purchase or production cost, calculated by the FIFO method and the presumed realizable value in consideration of the market trend.

Receivables and other short-term assets

Trade and other short-term receivables are initially entered at their fair value and then valued at their amortized cost, after write-down, if any. Upon entry, the face value of receivables represents their fair value on said date. Given the high receivables turnover, application of amortized cost produces no effects. Provision for bad debts as at said date, represents the difference between the book value of receivables and the reasonable expectation of financial flows forecasted from their collection.

Impairment of non-financial assets

In the event of circumstances implying the impairment of an asset, the recoverability of its value is determined by comparing the book value with the relevant recoverable value, which is the higher between the fair value, net of disposal charges, and the value in use.
In the absence of a binding sales agreement, fair value is estimated on the basis of the value expressed by an active market, by recent transactions or on the basis of the best available information reflecting the sum the Company may gain by selling the asset.
The value in use is determined by discounting back the expected cash flows deriving from the use of the asset and, if material and reasonably determinable, from its transfer of the end of its useful life. Cash flows are determined on the basis of reasonable assumptions, to be supported by documentary evidence, representing the best estimate of future economic conditions occurring over the remaining useful life of the asset, attaching greater importance to external indications. Discounting back is made at a rate that considers the risks inherent in the specific line of business.
Evaluation is made for each single asset or for the smallest identifiable group of assets generating autonomous incoming cash flows deriving from constant use (the so-called cash generating unit). When the reasons for write-downs carried out no longer apply, the assets, except for goodwill, are revalued and the adjustment is entered in the income statement as a revaluation (value restoration). Revaluation is made at the lower between the recoverable value and the book value before write-downs previously made, minus the amortization and depreciation rates that would have been allocated should no write-down have been made.
The period of amortization and criteria for amortization of intangible assets with a definite useful lifetime are reviewed at least on closure of the business year and adjusted with a view to the future if necessary.

Employee benefits

As provided by IAS 19, staff severance provisions are part of the so-called defined benefit plans forming post-employment benefits. The accounting treatment established for such forms of benefit requires an actuarial calculation, which allows for a future estimate of the amount of Staff Severance Provision already accrued and for discounting it back, in order to consider the time elapsing before actual payment. The actuarial calculation weighs variables such as average staff employment period, inflation levels and expected interest rates. Liabilities are valued by an independent actuary. The profits and losses deriving from carrying out the actuarial calculation are attributed in the income statement as cost of income if the net value accumulated by the "actuarial" profits and losses, which are not relevant for each plan on closure of the previous year, exceeds by more than 10% the higher value between the obligations concerning defined benefit plans and the fair value of the assets concerning the plans at that date.
Following the recent revision of the pertinent national regulations, for companies with more than 50 employees, the Staff Severance Provision accrued from 1st January 2007 onwards is classified as a defined contributions plan, the payments relative to which are entered directly in the income statement, as expenses, when recorded The Staff Severance Provision accrued up to 31.12.2006 continues to be a defined benefits plan, but without the future contributions. Accordingly, it is now valued by the independent actuaries solely on the basis of the expected average residual working life of the employees, without further consideration of the remuneration received by them over a predetermined employment period. The Staff Severance Provision "accrued" before 1st January 2007 thus undergoes a change in calculation, due to the elimination of the previously foreseen actuarial hypotheses linked to pay increments. In particular, the liability relative to "accrued Staff Severance Provision" is actuarially valued as at 1st January 2007 without applying the pro-rata (years already worked/total years worked), as the employees' benefits relative to the entire period up to 31st December 2006 can be considered almost entirely accrued (with the sole exception of revaluation) in application of paragraph 67 (b) of IAS 19. It follows that for the purposes of this calculation, the "current service costs" relative to the future services of employees are to be considered null insofar as represented by the contribution payments into the supplementary pension scheme fund or the INPS Treasury Fund.

Provisions for risks and charges

Provisions for risks and charges involve specific costs and charges, considered definite or probable, for which the amount or due date could not yet be determined at the end of the year. Provisions are recognized when: (i) the existence of a current, legal or implied obligation is probable, arising from a previous event; (ii) the discharge of the obligation may likely involve charges; (iii) the amount of the obligation may be reliably estimated. Provisions are entered at the value representing the best estimate of the amount the Company would reasonably pay to redeem the obligation or to transfer it to third parties at the end of the period. When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is discounted back; the increase in the provision associated with the passage of time, is entered in the income statement under "Financial income (charges)". The supplementary clientele severance indemnity, as all other provisions for risks and charges, has been appropriated, based on a reasonable estimate of probable future liabilities, and taking the elements available into consideration.

Financial liabilities

Financial liabilities are initially valued at their fair value, equal to consideration received at such date, then measured by amortized cost, adopting the actual interest-rate method.

Income taxes

Current income taxes are calculated on the basis of the estimated taxable income. Tax assets and liabilities for current taxes are recognized at the value expected to be paid/recovered to/from the Tax Authorities, by applying the rates and tax regulations in force or basically approved as at the end of the period.
Deferred taxes and deferred tax assets are calculated on the provisional differences between the value of assets and liabilities entered in the financial statements and the corresponding values recognized for tax purposes. Deferred tax assets are recorded when their recovery is probable. Deferred tax assets and liabilities for deferred taxes are classified under non-current assets and liabilities and are offset if referring to taxes which may themselves be offset. The offsetting balance, if an asset, is entered under "deferred tax assets"; if a liability, it is entered under "Liabilities for deferred taxes". When the results of the operations are directly recognized in the shareholders' equity, current taxes, assets for prepaid taxes and liabilities for deferred taxes are also recorded in the shareholders' equity.
Deferred tax assets and deferred taxes are calculated on the basis of the tax rates expected to be applied in the year said assets will realize or said liabilities will extinguish.

Currency conversion

Receivables and payables initially expressed in foreign currency are converted into Euro at the exchange rates prevailing at the date of the relevant transactions. Exchange rate differences generated upon collection of receivables and payment of payables in foreign currency are entered in the income statement. At the date of preparation of this report, receivables and payables in foreign currency are converted at the exchange rates in force on such date, and the relevant effects are entered in the profit income statement. Upon the date of preparation of this report, the Company had no derivative financial instruments.

Business combinations

The business combinations occurred prior to 1 January 2010 are accounted through the application of the so-called *purchase method* (purchase methods defined by IFRS 3 as "Business combinations"). The purchase method requires that, after having identified the buyer involved in the business combination and having determined the purchase cost all the assets and liabilities purchased (including the so-called contingent liabilities) must be valued at fair value. For this purpose, the company is required to value any intangible assets purchased in specifically. Any goodwill is to be calculated in a residual manner, as the difference between the cost of the business combination (including additional charges and any contingent considerations) and the share pertaining to the company of the difference between the assets and liabilities purchased, valued at their fair value.
The business combinations occurred subsequently to 1 January 2010 are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.
If the business combination is achieved in stages, the acquisition date fair value of the

acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.
Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not remeasured until it is finally settled within equity.
Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed.
If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Any goodwill emergesing as above described in this manner, similarly to any other intangible assets with indefinite life spans that may be recorded, must not be amortized but subjected to an impairment test at least once every year.

Revenue and cost recognition

Revenues from sales of goods are recognized upon transfer of all the risks and charges deriving from ownership of the goods transferred, which is generally their shipment or delivery date.
Financial income and revenues from services are recognized on an accrual basis.
Costs are recognized when related to goods and services acquired and/or received over the period to which they refer.

Accounting treatment of financial assets/instruments

Marr S.p.A. uses derivative financial instruments to cover its exposure to exchange rate risks.
These derivative financial instruments are initially registered at their fair value on stipulation; subsequently, this fair value is adjusted periodically; they are registered in the accounts as assets when the fair value is positive and liabilities when the fair value is negative.

The fair value of the derivative financial instruments used is determined on the basis of market value when it is possible to identify the market to which they actively belong. However, if the market value of a financial instrument is not easily calculable, but its components or those of a similar instrument are calculable, the market value is determined through the evaluation of the individual components of the instrument or of the similar instrument. Furthermore, for those instruments for which an active market is not easily identifiable, the evaluation is carried out by using the value resulting from generally accepted evaluation models and techniques which ensure a reasonable approximation of the market value.

Derivatives are classified as coverage instruments when the relation between the derivative and the object of the coverage is formally documented and the coverage, assessed periodically, is highly effective. If derivatives cover a risk concerning the cash flow variations of the instruments covered (cash flow hedge; for example coverage of cash flow variability of assets/liabilities by effect of oscillations in exchange rates), the variations in the fair value of derivatives are initially recorded at net equity and subsequently attributed to the profit and loss account coherently with the economic effect produced by the operation covered. The variations in fair value of the derivatives which do not satisfy the conditions required in order to be classified as coverage are recorded in the profit and loss account for the business year.

Own shares

The own shares of the company are registered in the net equity. The original cost of own shares and the income deriving from subsequent sale are recorded as changes in net equity.

Main estimates adopted by management and discretional assessments

The preparation of the Company financial statements requires that the directors carry out discretional assessments, estimates and hypotheses that influence the value of revenues, costs, assets and liabilities, and the indication of potential liabilities at the time of the financial statements. However, uncertainty as to these hypotheses and estimates may lead to outcomes that will require future significant adjustments on the accounting value of these assets and/or liabilities.

Estimates and hypotheses used

Below is an outline of the key hypotheses concerning the future and other significant sources of uncertainty in estimates at the date of closure of the financial statements that could be the cause of significant adjustment to the value of assets and liabilities in coming business years. The results achieved could differ from these estimates. The estimates and assumptions made are periodically revised and the effects of all changes are immediately reflected in the profit and loss account.

- Estimates adopted to evaluate the impairment of non-financial assets

In order to assess a potential loss of value of the Goodwill registered in order to measure any impairment of goodwill and the consolidation differences entered in the financial statements, the Company has adopted the method previously illustrated in the section on "Impairment of assets".
The recoverable value has been determined on the value in use basis.
Cash-flows generating units attributable to each goodwill difference have been inferred for 2011 from the Business Plan approved by the Board of Directors, for years form 2012 to 2015 adopting a growth rate of 1%; for the 2016 and *the terminal value* based on the assumption of a constant growth rate amounting to 1.1%. The Weighted Average Cost of Capital (WACC) has been adopted as the discount rate, which is 7.75% (in line with the previous year and the estimates of the financial analysts covering the Company). The measurement of any impairment of assets (Goodwill) was made by referring to the situation as at 31 December 2010.

- Estimates adopted in the actuarial calculation in order to determine the benefit plans defined in the context of post-employment obligations:

  - The expected inflation rate is 2%;
  - The discounting rate used is 4.15%;
  - The annual rate of increase of the severance plan is expected to be 3%;
  - A 9% turnover of employees is expected.

- Estimates adopted in the actuarial calculation in order to determine the provision for supplementary clientele severance indemnity:

  - The rate of voluntary turnover is expected to be 13%;
  - The rate of corporate turnover is expected to be 2%;
  - The discounting rate used is 3,9%.

- Estimates used in calculating deferred taxes

A significant discretional assessment is required by the directors in order to determine the total amount of deferred taxes receivable to be accounted. They must estimate the probable occurrence in time and the total value of future fiscally chargeable profits.

- Other

Other elements in the financial statements that were the object of estimate and assumptions by Management are inventory write-down, the determination of amortizations and evaluation of other assets.

New accounting principles, amendments and interpretations applicable starting to January 1, 2010

- IFRS 3R Business Combination and IAS 27/R Consolidated and separate financial statements. These two principles entered into force in the first business year subsequent to 1 July 2009. IFRS 3R introduces changes in the accounting of business combinations which will change the amount of goodwill recorded in the result of the business year in which they are purchased and on the results of subsequent business years. IAS 27R requires that changes in the quotas of shareholdings in subsidiary companies should be accounted for a capital transaction. Consequently, this change will not have an impact on the goodwill and will not originate either profits or losses. Furthermore, the reviewed principles introduce changes to the accounting of losses sustained by subsidiaries and also the loss of control over a subsidiary. The changes introduced by principles IFRS 3R and IAS 27R must be applied in a forward looking manner and will have an impact on future acquisitions and transactions with minority shareholders. This new principle has not been applicable to the company financial statements.
- IFRS 2 Payments based on shares – Conditions for accrual and cancellation. This amendment to IFRS 2 "Payments based on shares" was published in January 2008 and entered into force in the first business year subsequent to 1 January 2009. This principle restricts the "conditions for accrual" to one condition which includes an explicit or implicit obligation to provide a service. Every other condition is a "non-vesting condition" and must be taken into consideration in order to determine the fair value of the instrument representative of the capital assigned. In the case in which the premium does not accrue as a consequence of the fact that it does not satisfy one of the "non-vesting conditions" which is under the control of the entity or counterparty, it must be recorded in the accounts as a cancellation. The company has not undertaken any operations with payments based on shares and, consequently, this amendment has not had an impact on the equity and financial position of the Company.
- IAS 39 "Financial instruments: recognition and measurement – Eligible Hedged Items". This amendment clarifies that an entity is allowed to designate a portion of the variations in the fair value or cash flows of a financial instrument as a hedged item. The amendment also includes the designation of inflation as a hedged risk or as a portion of the risk under certain circumstances. This amendment has not been applied in the Company financial statements.
- IFRIC 15 – "Agreements for the construction of real estate property". The interpretation of IFRIC 15 was emanated in July 2008, providing clarifications and orientations as regards when the revenues from the construction of real estate properties should be recognised and in relation to the application of IAS 11 Long-term tenders and IAS 18 Revenues to an agreement for the construction of a real estate property. This interpretation has not been applied to the Company financial statements.
- IFRIC 16 *"Hedging of a shareholding in a foreign company"*, through which the possibility of applying hedge accounting to operations for the hedging of exchange rate differences between the operating currency of the foreign subsidiary and the currency used in the consolidated financial statements was removed. This interpretation has not been applied to the Company financial statements.
- IFRIC 17 "Distribution of non-cash assets to the owners", which provides indications on the accounting of the distribution of non liquid assets to the shareholders. This interpretation clarifies when to recognise a liability, how to assess it, how to assess the assets associated to it and when to proceed with the cancellation of assets and liabilities. This interpretation is applicable for the business years which started after 1 July 2009, but has not been applied to the Company financial statements.
- IFRIC 18 "Transfer of assets from customers"; clarifies the accounting treatment to be adopted if the company stipulates a contract in which it receives a tangible asset from one of its customers which it will then use to connect the customer to a network or to provide it with specific access to the supply of goods and services (such as for example the supply of electricity, gas and water). This interpretation has been applicable prospectively since 1 January 2010 and has not been applied to the Group financial statements.

Accounting principles, amendments and interpretations applicable to the financial statements of business years starting after 1 January 2010

- IFRIC 14 *"Prepayments of a minimum funding requirement*. This amendment was emanated during November 2009 by the International Financial Reporting Interpretations Committee (IFRCI) 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 a minimal funding requirement, the amendment to IFRIC 14 imposes to treat this prepayment should be dealt with as an asset, in the same way as any other advance payment. The Group does not believe that this amendment will have a significant effect on its financial statements.

- IFRIC 19 "Extinguishing of financial liabilities with equity instruments". 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 is effective for annual period after 30 June 2010. The Company does not expect effects from the application of this interpretation.
- 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 dispense public entities from certain informative requirements concerning operations with related parties. This interpretation will be applicable from the first business year starting after 31 December 2011. The adoption of this amendment will not have any effect from the viewpoint of assessing items in the financial statements.
- *IAS 32 – "Financial instruments: presentation, classification of rights issues*". 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 the Company 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.

Lastly, certain amendments have been emanated which will enter into force in subsequent business years but for which, as of the presentation of the financial statements, the homologation process by the European Union required for their application has not been concluded:

- *IFRS 7 - "Financial instruments: additional information",* emanated in October 2010 and applicable for business years starting after 1 July 2011 and aimed at improving the understanding of the transactions involved in the transfer of financial assets.
- *IFRS 1 – "First-time adoption of the International Financial Reporting Standards (IFRS),* emanated in December 2010 and applicable as of 1 July 2011.
- *IAS 12 – "Income tax",* emanated in December 2010 and applicable from 1 January 2012 concerning the assessment of deferred taxes deriving from an asset in use.

It is believed that the adoption of these amendments will not have significant effects on the Company financial statements.

Capital management policy

As regards the management of capital, the Company's priority is to maintain an appropriate level of its own means in relation to debts accrued (Net debt/Equity or "gearing" ratio), so as to guarantee solidity in terms of equity as befitting the management of cash flows.

Taking into account the fact that the financial requirements, because of the characteristics of the Company's core business, are calculated in terms of trade net working capital, which is the main indicator for cash flow management and is summarily represented by the performance of the ratio between trade net working capital and revenues ("Trade NWC on total Revenues").
Still in relation to the seasonal nature characterising its business, the Company also monitors the performance of the single components of trade net working capital (trade receivables and payables and inventories) in terms of both absolute value and exposure.

The management of capital is also measured in terms of the principal indicators of financial best practice, such as ROS, ROCE, ROE, Net debt / Equity and Net debt / EBITDA.

Financial Risks Management

The financial risks to which the Company is exposed in the performance of its business activities are as follows:

- market risk (including currency risk, interest rate risk and price risk);
- credit risk;
- liquidity risk.

MARR employs derivative financial instruments solely for the purpose of covering some non-functional currency exposures.

Market risk

(i) Currency risk: MARR operates at an international level and is consequently exposed to currency risk above all with regard to trade transactions denominated in US dollars. The currency risk arises when reported assets and liabilities are expressed in a currency other than the enterprise's functional currency. The manner of handling this risk in the Company is to enter into forward contracts to purchase/sell the foreign currency, specifically designed to hedge the individual trade transactions, if the forward rate is favourable compared to the rate at the date of the operation.

As at 31 December 2010, a 5% appreciation in the exchange rate in relation to the US dollar, all else being equal, would have given rise to a decrease in pre-tax profit of 55 thousand Euros (198 thousand Euros in 2009), due to exchange rate gains (losses) on trade payables and receivables denominated in dollars (because of the change in the fair value of current assets and liabilities).
The other equity items would have shown a downward variation of 46 thousand Euros ascribable to variation in the amount of the *cash flow hedge* fund (due to the variation in the fair value of forward contracts on exchange rates).
On the other hand, at the same date, a 5% drop in the exchange rate in relation to the US dollar, all else being equal, would have been reflected by a pre-tax profit increase of 61 thousand Euros (218 thousand Euros in 2009).
The other equity items would have shown an upward variation of 51 thousand Euros ascribable to variation in the amount of the *cash flow hedge* fund (due to the variation in the fair value of forward contracts on exchange rates).

(ii) Interest rate risks: risks concerning changes to interest rates affect loans. Variable rate financing exposes the Company to the risk of cash flow variations due to interest rates. Fixed rate financing exposes the Company to the risk of changes to the fair value of the finances themselves.

In 2010 business year, a hypothetical upward or downward fluctuation of 10% in the interest rate, all else being equal, would have produced a pre-tax cost increase or decrease (with corresponding equity decrease or increase respectively)) of approximately 232 thousand Euros on an yearly basis (303 thousand Euros as at 31 December 2009).

The Company did not make use of derivative financial instruments for the purpose of hedging interest rate risks in 2010.

(iii) Price risks: MARR makes purchases and sales worldwide and is therefore exposed to the normal risk of price oscillations typical of the sector.

Credit risk

MARR only deals with known and reliable clients. It is the Company's policy that clients who request delayed payment conditions are subject to verification procedures for their class of client. Furthermore, the credit collection is monitored during the course of the year so that the impact of overdue is not significant.

The credit quality of non overdue financial that have not undergone value impairments can be assessed with reference to the internal credit management process.

The customer monitoring process consists essentially of a preliminary phase in which data and information is collected on new customers, and a post-activation phase featuring the granting of a credit line and supervision of the customer's credit position.

The preliminary phase consists of acquiring the essential administrative/fiscal data necessary to be able to carry out a complete and accurate assessment of the risks entailed by the new customer. Activation of the customer is dependent on the completeness of the aforementioned data and approval, possibly following more detailed investigations, by the Customers Office.
Every new customer is given a credit line: its granting depends on some additional items of information (years in business, terms of payment, reputation) that are indispensable so as to be able to assess the customer's solvency level. Once the overall picture has been put together, the documentation on the potential customer is submitted for approval to the various business units.

Overdue management is differentiated on the basis of length of time overdue (overdue bands).
For the overdue bands up to 60 days, reminder procedures are activated at branch level or directly by the Customers Office; for accounts that are over 15 days overdue or that have exceeded the amount of the credit line granted a personal IT control blocks the supply to non-performing customer. For debts in the "over 90 days" band, legal actions is taken when necessary.
Receivables comprised in the "not yet due" band, which total 191,729 thousand Euros as at 31 December 2010, represent 59.7% of the receivables reported in the financial statements.

This procedure defines the operating rules and mechanisms that are guaranteed to generate a cash flow by assuring the Company of the customer's solvency and the profitability of the commercial relationship.

At the reference date of the financial statements, the maximum exposure to credit risk for each of the following categories of receivables was as shown below:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Current trade receivables	321,306	314,530
Other non-current receivables	6,427	5,472
Other current receivables	40,435	27,519
Total	368,168	347,521

For the comments on the various categories, please refer to note 8 on "Other non-current receivables", note 12 on "Trade receivables" and note 15 on "other current receivables".

The fair value of the above categories is not shown, as the book value constitutes a reasonable approximation of the same.
As at 31 December 2010, overdue but non-depreciated trade receivables amounted to 129,577 thousand Euros (122,658 thousand Euros in 2009). The breakdown of these receivables by due dates is as follows:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Expiry:		
Less than 30 days	40,373	34,586
betweeen 31 and 60 days	20,877	19,567
betweeen 61 and 90 days	19,059	16,308
Over 90 days	49,268	52,197
Total expired trade receivables	129,577	122,658

The amounts shown above refer to overdue debts calculated on the basis of the nominal terms agreed with the customer at the time of first assessment. This table also includes the "overdue" exposure of the particularly important customers most closely loyal to the Company, with whom special terms of payment are agreed yearly and that are more extensive than those agreed at the time of first assessment. As at 31 December 2010, this particular category of customers accounted for 8,676 thousand Euros of which 4,650 thousand were in the "Over 90 days" band (at 31 December 2009, 16,266 thousand Euro of which 10,249 thousand classified as "over 90 days").

At the same date, the nominal amount of the disputed trade receivables (all classified in the category of expired "by more than 90 days"), which had undergone a write-down, amounted to 25,719 thousand Euros (20,771 thousand Euros in 2009). These receivables were mainly related to clients in economic difficulties and the Company expects to recover at least part of these receivables.

Liquidity risk

Marr manages liquidity risk with a view to maintaining a liquidity level sufficient for its operational management. The Group manages liquidity risk mainly by constant central treasury monitoring of the collection and payment flows of all the member companies. This makes it possible, in particular, to monitor the resource flows generated and absorbed by its normal business activity.

Given the dynamic nature of the sector concerned, to meet the requirements of the business's routine management and seasonal trends preference is given to funding requirements by availing adequate lines of credit.

For the management of resources absorbed by investment activities, preference is generally given to funding through specific long-term loans.

The following table shows the breakdown of financial liabilities and derivative financial liabilities on the basis of contractual expiry dates at the reference date of the financial statements. It is noted that the amounts shown do not reflect the book values in as much as they consider the future expected cash flows. Given the high volatility of the interest rates which from 2009 decreased significantly compared to 2008, the financial flows of floating loans have been estimated using a rate determined by the IRS over five years increased by the average spread applied to our medium-long term loans.

(€thousands)				
At 31 december 2010	Less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years
Borrowings	112,876	52,779	52,659	7,398
Derivative financial instruments	(16)	0	0	0
Trade and other payables	241,895	0	0	0
	354,755	52,779	52,659	7,398
At 31 december 2009	Less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years
Borrowings	160,693	35,369	5,681	3,694
Derivative financial instruments	0	0	0	0
Trade and other payables	220,566	0	0	0
	381,259	35,369	5,681	3,694

As highlighted in Directors' Report and in the note 17 "Non-current financial payables" of the explanatory notes, the increase in long term quota is due to the sign off of new loans with due date outside of the year.

Classes of financial instruments

The following items are reported in keeping with the accounting rules relative to financial instruments:

(€thousands)	31 December 2010		
Assets as per balance sheet	Loans and receivables	Derivatives used for hedging	Total
Derivative financial instruments	0	16	16
Non Current financial receivables	4,679	0	4,679
Other non-current assets	6,427	0	6,427
Current financial receivables	12,890	0	12,890
Current trade receivables	321,306	0	321,306
Current tax assets	6,347	0	6,347
Cash and cash equivalents	52,786	0	52,786
Other current receivables	40,435	0	40,435
Total	444,870	16	444,886
Liabilities as per balance sheet	Other financial liabilities	Derivatives used for hedging	Total
Non-current financial payables	107,043	0	107,043
Current financial payables	108,463	0	108,463
Derivative financial instruments	0	0	0
Total	215,506	0	215,506

(€thousands)	31 December 2009		
Assets as per balance sheet	Loans and receivables	Derivatives used for hedging	Total
Derivative financial instruments	0	0	0
Non Current financial receivables	1,485	0	1,485
Other non-current assets	5,472	0	5,472
Current financial receivables	16,176	0	16,176
Current trade receivables	314,530	0	314,530
Current tax assets	4,885	0	4,885
Cash and cash equivalents	37,221	0	37,221
Other current receivables	27,519	0	27,519
Total	407,288	0	407,288
Liabilities as per balance sheet	Other financial liabilities	Derivatives used for hedging	Total
Non-current financial payables	43,119	0	43,119
Current financial payables	159,098	0	159,098
Derivative financial instruments	0	0	0
Total	202,217	0	202,217

In compliance with that required by the modifications introduced to IFRS 7 with validity from 1 January 2009, we would point out that the derived financial instruments, constituted by contracts for the coverage of exchanges, are classifiable as "Level 2" financial assets, in as much as the inputs which have a significant effect on the fair value registered are market figures observable directly (exchange market).[IV]

[IV] The Group identifies as "Level 1" financial assets and liabilities those for which the input which has a significant effect on the fair value registered are represented by prices quoted on an active market for similar assets or liabilities and as "Level 3" financial assets and liabilities those for which the input is not based on observable market figures.

Comments on the main items of the consolidated statement of financial position

ASSETS

Non-current assets

1. Tangible assets

(€thousand)	Balance at 31.12.10	Purchases / other movements	Net decreases	Depreciation	Balance at 31.12.09
Land and buildings	42,815	416	0	(1,471)	43,870
Plant and machinery	3,753	821	(9)	(1,234)	4,175
Industrial and business equipment	470	87	0	(93)	476
Other assets	1,821	1,614	(1,447)	(667)	2,321
Fixed assets under development and advances	0	(50)	0	0	50
Total tangible assets	48,859	2,888	(1,456)	(3,465)	50,892

The increase in the item "Land and buildings" partially refers to works carried out in certain distribution centres of MARR , especially that one in Venezia, Roma and Rimini; this is partly linked to the purchase made during December of a portion of land instrumental to the premises located in Spezzano Albanese, Cammarata locality, and close to the Marr Calabria property.

The investments made in the item "Plant and machinery" also refer to some investments made by the subsidiaries of the company, in particular in Marr Calabria for the realisation of a new cold room in the Carnemilia and Santarcangelo di Romagna branches.

The investments made in the item "Other assets" mainly refer to the purchase of 1,024 thousand Euros worth of motor vehicles and 540 thousand Euros for the purchase of electrical/electronic machinery that includes, for about 185 thousand Euros, the purchase of new notebooks for sale force. The decreases amounting to 1.447 thousand Euros for the business year refer mainly to the sale of motor vehicles.

As indicated subsequently, in the commentary on the item current and non-current financial payables, mortgages are due for a total of 66,707 thousand Euros in favour of credit institutes registered to cover the mortgages granted on the properties in Uta (CA) – Macchiareddu locality, Santarcangelo di Romagna (RN) – Via dell'Acero 2 and 4 and Via del Carpino 4, San Michele al Tagliamento (VE) Via Plerote 6, Spezzano Albanese (CS) Coscile locality, Bottegone (PT) - Francesco Toni 285/297 Street and Portoferraio (LI) - via Degli Altifoni 29/31.

For details of the changes in fixed assets please refer to the information provided in Appendix 3.

The following table shows the effects of revaluations of land and buildings at the date of transition to the international accounting standards (1st January 2004).

1° gennaio 2004	CONSOLIDATO CIVILISTICO	PERIZIA	DIFFERENZA
(in Migliaia di Euro)			Totale
Terreno Via Emilia Vecchia 75-San Vito (RN) c/o CAAR	3.396	7.066	3.670
Immobile Via Cesare Pavese-Opera (MI); (in lease-back nel 2004 - è stato considerato il valore di perizia a cui è stato ceduto alla società di leasing)	5.561	7.000	1.439
Immobile Zona industriale Macchiareddu-Uta (CA)	4.564	5.401	837
Immobile Via del Carpino 4-Santarcangelo di Romagna (RN)	925	2.724	1.799
Immobile Via dell'Acero 2 e 4- Santarcangelo di Romagna (RN)	4.557	7.252	2.695
Immobile Loc. Antiche Saline -Portoferraio (LI)	601	2.430	1.829
Immobile Via Plerote 6-San Michele al Tagliamento (VE)	3.650	4.500	850
Totale	23.254	36.374	13.120

As highlighted above, application of the fair value to the item Land and Buildings compared to the values in the MARR S.p.A. Financial Statements as at 1 January 2004 (gross of taxation) implies a difference of 13,120 thousand Euros.

Fixed Asset Leasing:

Below are the summary details of the operation concerning the property located in via Cesare Pavese in Opera (MI) subject to a lease-back operation in 2004, as it is deemed to be the most significant:

- Start of the financial lease: 21 October 2004
- Duration of the contract: 8 years
- Number of instalments: 96
- Value of the asset financed: 7 million Euros
- Amount paid on signature of the contract: 700 thousand Euros
- Amount of the monthly instalments: 72 thousand Euros (plus adjustments for interest rate indexing)
- Indexed rate: 3 monthly Euribor + 1% spread
- Redemption price: 350 thousand Euros (plus VAT)
- Total of the instalments paid during the 2010: 834 thousand Euros
- Net book value of the asset at 31 December 2010: 6,058 thousand Euros
- Remainder at 31 December 2010: 1,938 thousand Euros.

2. Goodwill

(€thousand)	Original figure	Balance at 31.12.10	Balance at 31.12.09
Goodwill	89,089	70,965	70,965
Total Goodwill	89,089	70,965	70,965

We point out that the management considers MARR S.p.A. as the smallest aggregates on the basis of which Management has evaluated the return of the investment, including goodwill (Cash Generating Unit).

On the basis of the impairment test carried out on the basis of the considerations outlined above, the total goodwill value of 70.965 thousand Euros would appear to be fully recoverable.

As regards this evaluation, management believes that, also given the prudential viewpoint used in the definition of the key hypotheses used and explained in the section entitled "Main estimates adopted by management and discretional assessments", is not be reasonable to expected to be changes in them such as to determine a recoverable value in unit terms less than their accounting value.

Business combinations realised during the year

No further aggregations combinations occurred during the year.

Business combinations realised after closure of the financial statements

No further aggregations were realised after the date of closure of the financial statements.

3. Other intangibles fixed assets

(€thousand)	Balance at 31.12.10	Purchases / other	Net decreases	Depreciation	Balance at 31.12.09
Patents	338	101	(13)	(304)	554
Concessions, licenses, trademarks and similar rights	10	0	0	(1)	11
Intangible assets under development and advances	36	0	0	0	36
Other intangible assets	9	0	0	(4)	13
Total Other intangible assets	393	101	(13)	(309)	614

The increase in the item "Patents" is mainly due to the purchase of software.

4. Investments in subsidiaries and associated companies

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
- Investment in subsidiaries		
Alisea Soc. Cons. a r.l.	30	30
Marr Foodservice Ibérica S.A.	436	453
Sfera S.p.A.	11,440	11,440
As.ca S.p.A.	13,852	13,852
Marr Alisurgel S.r.l. in liq.	10	10
New Catering S.r.l.	2,849	2,852
Baldini Adriatica Pesca S.r.l.	16	16
EMI.GEL. S.r.l.	4,618	4,618
Total Investments in subsidiaries and associated companies	33,251	33,271

We point out that the change in this item is mainly linked to the subsidiary Marr Foodservice Iberica S.A.U. that has been further depreciated by 17 thousand Euros.

A suitable list has been prepared (Appendix 5), indicating the information required by point 5 of Civil Code art. 2427 for each subsidiary company. This list also indicates the differences resulting between the book value in the statement of financial position and the corresponding fraction of the Shareholders' Equity resulting from the last financial statements or draft financial statements of the controlled company. We would explain that the positive differences are attributable to the future profit estimates, as follows:

- 10,375 thousand Euros attributable to the subsidiary company Sfera (formerly Sogema) S.p.A., as MARR, on acquiring the company, strengthened its own presence in the North West, an area previously served by the Marr Milan branch, making the management of its logistical and distribution network in Northern Italy more efficiently and synergetic;
- 9,036 thousand Euros attributable to the subsidiary company AS.CA S.p.A., as MARR, on acquiring the company, strengthened its own presence in the Bologna area, in coherence with a strategy aimed at increasing its presence in the major Italian cities.
- 1,938 thousand Euros attributable to the subsidiary company New Catering S.r.l., as this acquisition enables MARR to diversify its offerings by penetrating the market for foods supplied to coffee bars, whose consumption value was approximately 20 thousand million Euros in 2005, as compared to that of the market for meals consumed away from home, which was approximately 58 thousand million Euros (source: Istat).
- 2.046 thousand Euros attributable to the subsidiary Emi.gel S.r.l., as this acquisition enables MARR to reinforce its offerings of food products to bars and fast food operators.

5. Investments in other companies

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
- Other companies		
Centro Agro-Al. Riminese S.p.A.	280	280
Conai - Cons. Naz. Imball. - Roma	1	1
Idroenergia Scrl	1	1
Banca Malatestiana Cr.Coop.vo	1	1
Consorzio Assindustria Energia	1	1
Caaf dell'Industria dell'Em. Centrale S.p.A.	2	2
Total Other companies	286	286

6. Non-current financial receivables

As at 31 December 2010 this item amounted to 4,679 thousand Euros. The item includes the quota, beyond the business year, of beneficiary financial receivables from the following partnership companies: La Cascina Soc. Coop. a r.l. (3.900 thousand Euros) and Adria Market (140 thousand Euros), in addition to the quota, outside of the year, of receivables from transporters following the sale to the latter of the transport vehicles with which MARR goods are transported (for a total amount of 639 thousand Euros).

7. Deferred tax assets

As at 31 December 2010, this amount refers almost totally to the taxation effect (Ires and Irap) calculated on the taxed provisions allocated by the Company and the amortizations deductible in future business years, as illustrated below:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
On taxed funds	6,456	5,885
On costs deductible in cash	20	23
On costs deductible in subsequent years	330	238
On other changes	0	1
Pre-paid taxes	6,806	6,147

8. Other non-current assets

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Non-current trade receivables	3,492	3,684
Accrued income and prepaid expenses	126	68
Other non-current receivables	2,809	1,720
Total Other non-current assets	6,427	5,472

Non-current trade receivables show a slight improvement compared to the previous year.

The item "other non-current receivables" mainly includes 2,149 thousand Euros for other receivables from the State coffers for VAT on customer losses.
There are no receivables and other assets with expiry dates over 5 years.

Current assets

9. Inventories

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Finished goods and goods for resale		
Foodstuffs	23,818	22,467
Meat	12,408	13,387
Fish products	47,185	39,901
Fruit and vegetable products	27	22
Hotel equipment	1,501	1,620
	84,939	77,397
provision for write-down of inventories: to be deducted	(750)	(750)
Goods in transit	8,204	1,785
Packing	667	541
Total Inventories	93,060	78,973

The inventories are not conditioned by obligations or other property rights restrictions.

The increase in inventories is mainly linked to the purchases made in the seafood division, following some business opportunities which arose towards the end of the year on this market.

10. Current financial receivables

The item "Current financial receivables" is composed of:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Financial receivables from parent companies	3,098	915
Financial receivables from subsidiaries	7,242	5,962
Receivables from loans granted to third parties	2,550	9,299
Total Current financial receivables	12,890	16,176

As regards the items "Financial receivables from subsidiaries" and "Financial receivables from parent companies" (all of which interest bearing), the detailed analysis is indicated in the Directors' Report.
The "Receivables from loans granted to third parties" mainly refers to the financial receivables towards freight carriers (425 thousand Euros) following the sale to the latter of the motor vehicles with which MARR goods are ferried around, towards partner services suppliers (100 thousand Euros), other companies in commercial partnership (2,019 thousand Euros) in order to strengthen the commercial relationships and to increase sales, and for loans granted to the agents (6 Euro thousand).
The decrease compared to the previous year is linked to the renewal of some agreements with certain customers and to their classification in medium and long-term items as provided contractually.

11. Financial instruments / derivatives

The amount as at 31 December 2010 refers to forward contracts in existence at that time, specifically intended to hedge exchange-rate risks on purchases and sales in currencies other than the functional currency. These hedges have been entered as hedges on financial flows.

12. Current trade receivables

This item is composed of:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Trade receivables from customers	341,179	333,725
Trade receivables from subsidiaries	278	291
Trade receivables from parent companies	576	41
Total Current trade receivables	342,033	334,057
Provision for write-down of receivables from customers	(20,727)	(19,527)
Total current net receivables	321,306	314,530

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Trade receivables from customers	337,002	330,365
Receivables from Affiliated Consolidated Companies	4,132	3,321
Receivables from Affiliated not Consolidated Companies	45	39
Total current trade receivables from customers	341,179	333,725

The receivables from customers due within the year, deriving in part from normal sales operations and in part from the supply of services, have been valued on the basis of that indicated above. Receivables are shown net of bad debt provision of 20,727 thousand Euros, as highlighted in the table below.

The "receivables from subsidiaries" (278 thousand Euros), " from parent companies" (576 thousand Euros), "from affiliated companies consolidated by the Cremonini Group" (4,132 thousand Euros) and "from affiliated companies not consolidated by the Cremonini Group" (45 thousand Euros), are analytically outlined, together with the corresponding payable items, in the table exposed in the Directors' Report. These receivables are all of a commercial nature.

Receivables in foreign currencies have been adjusted to the exchange rate valid on 31December 2010.

The depreciation fund as at 31 December 2010 is broken down as follows

(€thousand)	Balance at 31.12.10	increases	decreases	Balance at 31.12.09
- Tax-deductible provision	1,700	1,700	1,700	1,700
- Taxed provision	18,124	4,800	3,600	16,924
- Provision for default interest	903	0	0	903
Total Provision for write-down of Receivables from customers	20,727	6,500	5,300	19,527

13. Tax assets

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Ires/Irap tax advances /withholdings on interest	4	9
VAT carried forward	1,408	798
Irpeg litigation	4,730	3,879
Other	205	199
Total Tax assets	6,347	4,885

As regard the item "*Irpeg litigation*", refer to that contained in the paragraph "Provisions for non-current risks and charges".

14. Cash and cash equivalents

The item represents the liquid assets available and the existence of ready cash and values on closure of the period.

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Cash and Cheques	3,956	2,871
Bank and postal accounts	48,830	34,350
Total Cash and cash equivalents	52,786	37,221

Regarding to the changes of the net financial position, refer to the cash flows statement of 2010.

15. Other current assets

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Accrued income and prepaid expenses	392	422
Other receivables	40,043	27,097
Total Other current assets	40,435	27,519

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Other accrued income (from loans)	0	0
Prepaid expenses		
Leases on buildings and other assets	73	71
Maintenance fees	10	45
Commercial and advertising costs	148	238
Other prepaid expenses	146	27
Other prepaid expenses from Parent Companies	15	41
	392	422
Total Current accrued income and prepaid expenses	392	422

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Guarantee deposits	107	107
Other sundry receivables	707	879
Provision for write-down of receivables from others	(2,290)	(2,290)
Receivables from social security institutions	114	200
Receivables from agents	3,223	3,158
Receivables from employees	26	21
Receivables from insurance companies	189	256
Advances to suppliers and supplier credit balances	37,913	24,765
Advances to suppliers and supplier credit balances from Associates	54	1
Total Other current receivables	40,043	27,097

The item *Advances to suppliers and supplier credit balances* includes payments made to foreign suppliers (non-EU) for the purchase of goods with "f.o.b. clause"; at the closing of the year, there were goods on the road worth 8,204 thousand Euros. This item is offset by the item "Suppliers" of the payables for invoices to be received. Receivables from foreign suppliers in foreign currencies have been adjusted to the exchange rate valid on 31 December 2010.

The "Provision for write-down of receivables from others" mainly refers to receivables with suppliers and agents.

Breakdown of receivables by geographical area

The breakdown of receivables by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial receivables	4,679	0	0	4,679
Deferred tax assets	6,806	0	0	6,806
Other non-current assets	6,427	0	0	6,427
Financial instruments / derivative	12,890	0	0	12,890
Financial receivables	16	0	0	16
Trade receivables	298,148	16,044	7,114	321,306
Tax assets	5,800	547	0	6,347
Cash and cash equivalents	52,652	134	0	52,786
Other current assets	16,900	4,934	18,601	40,435
Total receivables by geographical area	404,318	21,659	25,715	451,692

LIABILITIES

16. Shareholders' Equity

As regards the changes within the Shareholders' Equity, refer to the statement of changes in the shareholders' equity.

Share Capital
The Share Capital as at 31 December 2010, amounting to 33,262,560 Euros, is represented by 66,525,120 MARR S.p.A. ordinary shares, entirely subscribed and paid up, with regular benefit, of a nominal value of 0.50 Euros.
The indicated value of 32,909,736 Euros, unchanged compared to 31 December 2009, is net of the nominal value (equal to 353 thousand Euros) of n. 705.647 own shares held by the parent company as of December 31, 2010

Share premium reserve
The total reserve as at 31 December 2010 amounted to 60,192 thousand Euros and does not appear to have changed since 31 December 2009. It is pointed out that part of this reserve, amounting to 3,477 thousand Euros, is to be considered as unavailable ex art. 2357-ter of the Civil Code to cover the purchase of its treasury shares of which in the following paragraphs.

Treasury shares
This item amounted to 3,477 thousand Euros and is equal to the difference between the cost of its treasury shares and their nominal value, highlighted in the table of movements in net equity under the items "exceeding of nominal value of treasury shares" and "reserve for profits/losses on treasury shares". This item is unchanged since 31 December 2009 as during the year have not occurred further purchases or sales of treasury shares.

Legal reserve
This Reserve amounts to 6,652 thousand Euros and does not appear to have changed since 31 December 2009.

Shareholders' contributions on account of capital
This Reserve did not change in 2010 and amounts to 36,496 thousand Euros.

Reserve for transition to IAS/IFRS
This is the reserve (amounting to 7,516 thousand Euros) set up following the first time adoption of the international accounting standards.

Extraordinary Reserve
The increase as at 31 December 2010, amounting to 8,267 thousand Euros, is attributable to the allocation of part of the profits for the year closed on 31 December 2009, as per shareholder meeting's decision made on 23 April 2010.

Reserve for exercised stock option
This reserve has not changed during the course of the half-year, as the plan was concluded in April 2007 and amounted to 1,475 thousand Euros.

With regard to the reserves in taxation suspension (ex. Art. 55 DPR 917/86 and 597/73 reserve), amount to 1,509 thousand Euros as at 31 December 2010, the relevant deferred tax liabilities have been accounted for.

On 23 April 2010 the Shareholders' meeting approved the MARR S.p.A. financial statements as at 31 December 2009 and consequently decided upon allocation of the business year profits, and the approval of a dividend of 0.46 Euros for each ordinary share with the right to vote, excluding own shares in the portfolio at the date of the coupon detachment.

In completion of the commentary on the items comprising the Net Equity, the following should be pointed out:

(€thousands)	*at 31 December 2010*	Possible utilization	Available quote
Share Capital [(I)]	32,910	-	
Reserves:			
Share premium reserve [(II)]	56,715	A,B,C	56,715
Legal reserve	6,652	B	
Revaluation reserve	12	A,B,C	12
Shareholders contributions or capital acc	36,496	A,B,C	36,496
Extraordinary reserve	9,960	A,B,C	9,960
Reserve for exercised stock options	1,475	-	
Cash-flow hedge reserve	12	-	
Reserve for transition to the Ias/Ifrs	7,516	-	
Reserve ex art. 55 (DPR 597-917)	1,509	A,B,C	1,509
Surplus for mergers	1,823	A,B,C	1,823
Total Reserves	122,170		
Profits carried over	47,602	A,B,C	

[(I)] Share capital is net of the nominal value of the own shares, amounting to 353 thousand Euros.

[(II)] The indicated value is net of the purchase cost of the own shares less the nominal value ot the shares, amounting to 3,477 thousand Euros.

Notes:
A: for increase of share capital
B: for covering losses

Non-current liabilities

17. Non-current financial payables

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Payables to banks - non-current portion	105,919	41,123
Payables to other financial institutions - non-current portion	1,124	1,996
Total non-current financial payables	107,043	43,119

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Payables to banks (1-5 years)	99,144	37,951
Payables to banks (over 5 years)	6,775	3,172
Total payables to banks - non-current portion	105,919	41,123

As outlined in the Directors Report on management performance, during the course of the business year, MARR S.p.A. subscribed new medium-term loans aimed at stabilising the company's medium/long term financial exposure.

In this regard we point out:

- the sign off in January 2010 of a loan amounting to 10 million of Euros with Centrobanca, with due date in December 2019;
- the payment in advance of the loan with Banca Nazionale del Lavoro for an amount of 25 million Euro, with due date in March 2011 and the consequent sign off with the same bank of a new loan having equal amount and due date in June 2012;
- the sign off in August by the Parent Company MARR of a loan amounting to 65 million Euros with Banca IMI S.p.A. (as agent bank) in pool with Cassa dei Risparmi di Forlì e della Romagna S.p.A., Banca Carige S.p.A., Banca Popolare di Milano Soc. Coop. a r.l. (as lending banks). In the contest of the above mentioned operation and with the consequent liquidity, in the month of September MARR paid in advance the last instalment of the loan with Efibanca for a total amount of 8.1 million Euros.

Below is the breakdown of the medium and long-term portion of the payables to banks, including the interest rates applied:

Credit institutes	Interest rate	Expiry	Portion from 2 to 5 years	Portion beyond 5 years	Balance at 31.12.10
Pop.Crotone-nr. 64058	Euribor 6m+1%	14/01/2015	1,129	0	1,129
Pop.Crotone-nr. 64057	Euribor 6m+1%	14/01/2015	936	0	936
Carim - n. 410086	Euribor 6m+1,05%	30/06/2014	844	0	844
Carisp Pistoia	Euribor 6m+0,48%	31/01/2020	1,953	2,344	4,297
Financing with BNL	Euribor 1m+0,95%	29/06/2012	24,975	0	24,975
Centrobanca	Euribor 3m+1,4%	31/12/2019	4,430	4,431	8,861
Poll Financing with Banca IMI	Euribor 3m+1,35%	05/08/2013	64,877	0	64,877
			99,144	6,775	105,919

Below is the breakdown of the security on mortgages concerning the Group's real estate:

Credit institutes	Guarantee	Amount	Property
Pop.Crotone-nr. 64058	mortgage	7,172	Località Coscile-Spezzano Albanese (CS)
Pop.Crotone-nr. 64057	mortgage	5,942	Località Coscile-Spezzano Albanese (CS)
Carim - n. 410086	mortgage	4,500	Via Plerote-S.Michele al T. (VE)
Mps-Merchant	mortgage	9,546	Località Macchiareddu-Uta (CA)
Mps-Merchant	mortgage	9,547	Via dell'Acero 2/4 e Via del Carpino 4 in Santarcangelo di R. (RN)
Cassa di Risparmio di Pescia e Pistoia	mortgage	10,000	Via Francesco Toni 285/297 - Bottegone (PT)
Centrobanca	mortgage	20,000	Via dell'acero 2/4 e Via del Carpino 4 - Santarcangelo
Total		66,707	

Payables to other financial institutions (beyond the year) concern the accounting, according to the finance lease method, of the leasing contract.

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Payables to other financial institutions (1-5 years)	1,124	1,996
Total payables to other financial institutions - Non current portion	1,124	1,996

The value at 31 December 2010 is mainly represented (for 1,023 thousand Euros) by non-current payables for the contract stipulated with Unicredit Leasing S.p.A. (formerly Locat S.p.A.).

Lastly, it must be pointed out that:

- the ongoing financing with Banca Nazionale del Lavoro (signed in 2010) provides the following financial and commercial covenants:
  NET DEBT / EQUITY =< 2
  NET DEBT / EBITDA =< 3
  Annual trade transactions (as of the date of subscription of the contract) worth at least 100 million Euros.
  Financial covenants are punctually calculated with reference to the consolidated MARR Group data of the year and of the half year, while the commercial covenant is constantly monitored on the data of the parent company and punctually calculated at the end of the first year. Non-respect of the financial covenants will imply that the Company will lose the right to request the renewal of the loan at due date, while the non-respect of the trade covenants will imply as penalty clause the adjustment by the bank of the annual spread.

- the ongoing financing with Centrobanca (signed in January 2010) provides the following covenants:
  NET DEBT / EQUITY =< 1.5
  NET DEBT / EBITDA =< 3.60
  Non-respect of the limits of the financial indices will constitute a cause for the termination of the contractual rights.

- the ongoing financing with Banca IMI (signed in August 2010) provides the following financial covenants, to be calculated with reference to the consolidated MARR Group data of the year:
  NET DEBT / EQUITY =< 1.5
  NET DEBT / EBITDA =< 3. 0

  Non-respect of the financial indices will imply that the company withdraws from the benefits of the term.

  As regards the financial covenants, it should be pointed out that these have been widely respected, while as regards the trade covenant required for the loan from the Banca Nazionale del Lavoro, this will be verified on expiry of the loan, in other words on 29 June 2012. As of the current date, however, it is believed that the required limit will be able to be fully respected.

The comparison of the book values and relative fair values of the non-current financial payables is as follows:

(€thousand)	Book Value		Fair Value	
	2010	2009	2010	2009
Payables to banks - non-current portion	105,919	41,123	102,034	39,869
Payables to other financial institutions - non-current portion	1,124	1,996	1,079	1,866
	107,043	43,119	103,113	41,735

The difference between the fair value and the book value lies in the fact that the fair value is obtained by discounting back future cash flows, while the book value is determined by the amortised cost method.

18. Employee benefits

This item includes the Staff Severance plan, for which changes during the period are reported:

(€thousand)	
Opening balance at 31.12.09	*8,561*
use for the period	(530)
provision for the period	542
other changes	(148)
Closing balance at 31.12.10	8,425

The employment contract applied is that of companies operating in the "Tertiary, Distribution and Services" sector.

19. Provisions for non-current risks and charges

(€thousand)	Balance at 31.12.10	Provisions	Uses	Balance at 31.12.09
Provision for supplementary clients severance indemnity	1,329	135	0	1,194
Provision for specific risk	683	0	0	683
Total Provisions for non-current risks and charges	2,012	135	0	1,877

The "Provision for specific risks" covers probable liabilities connected to certain ongoing legal disputes.

In relation to the fiscal dispute currently ongoing deriving from the verification carried out by the "Guardia di Finanza", IV Group Section in San Lazzaro di Savena (BO), because of presumed breaches in terms of direct tax (1993-1999 fiscal years) and VAT (1998 and 1999 fiscal years) finalised in the month of July of the year 2000, it should be pointed out that on 28 February 2004, the recourses for direct tax (1993-1999 fiscal years) and VAT (1998 and 1999 fiscal years) were discussed in a public hearing. The amount involved in the dispute concerning taxes and the relevant sanctions, for the main inspection known as "C.R.C." (the other inspections concerning insignificant amounts or others that were abandoned) amounts to approximately 4.7 million Euros plus interest.
In its sentence no. 73/2/04, the Rimini Provincial Tributary Commission, Section II, accepted the recourse presented for IRAP referring to the main inspection, while it partly rejected, with reference to the other inspections, the recourses presented, confirming the conclusions of the Inland Revenue.
On 20 December 2004, MARR S.p.A. impugned the aforementioned sentence, presenting an appeal to the Rimini Section of the Bologna Regional Tributary Commission.
The matter was discussed before Section 24 of the Emilia Romagna Regional Tributary Commission on 16 January 2006.
As regards the reasons put forward by the company in the documentation for the second stage of the proceedings, the Bologna Tributary Commission disposed in Order 13/24/06 on 3 April 2006, that a technical consultancy be carried out, assigning the duty to a board of three professionals to provide an opinion, among other things, on the disputed matter, and asked them to ascertain, on the basis of contractual agreements and economic and financial relations effectively

ongoing between the parties involved in the complex operation, whether the cost sustained by MARR S.p.A. and being disputed concerns the business of the company or not.
On 18 November 2006, the board of consultants deposited its report, concluding that: "in summary, it can be stated that these capital losses are relevant in as much as they are objectively referable to the business of the company".
On 15 January 2007, the dispute was again discussed in a public hearing during which the findings in the report of the board of consultants were again presented.
In sentence 23/10/07, the Bologna Tributary Commission reviewed its first phase sentence in favour of MARR S.p.A. as regards the four findings subject of the dispute but, without providing any motivation, it completely rejected the conclusions drawn by the technical consultants it itself appointed with reference to the principal inspection known as "CRC", thus confirming that established by the judges in the first phase of the proceedings.
By reason of this, a recourse was presented on 22 April 2008 before the Supreme Court of Cassation. The State Bar met to discuss the matter on 3 June 2008.
Although the outcome of the second phase was negative, although it must be pointed out that there were two technical consultancies in perfect agreement with each other during this phase, comprising four undoubtedly authoritative professionals, three of them appointed by the Tributary Commission itself, the opinions expressed being undoubtedly fully in favour of MARR Spa, and considering the opinion expressed by the defence lawyers representing the Company before the Court of Cassation, it is reasonable to expect that the dispute will be resolved favourably.

During the course of 2007, several disputes arose with the Customs Authorities concerning the payment of preferential customs duties on certain imports of fish products. With reference to the most significant of these disputes, involving import duties amounting to approximately 250 thousand Euros concerning the purchase of certain goods from Mauritania, it must be pointed out that the judges in the first phase of proceedings rejected the recourses presented by the Company in May 2008, but in any case accepted the fact that the company was entirely extraneous to the claimed irregularities, as they were attributable exclusively to its suppliers, from whom, as already formally notified to them, all expenses and costs inherent and/or consequent to the aforementioned dispute will be reclaimed.
In any case, also by reason of the new documentation acquired by the customs and trade authorities in Mauritania, through the principal foreign supplier of the company, MARR Spa, on 11 September 2008, presented a claim for self-protection to the Customs Office in Livorno for the imposition deeds issued and in any case, on 24 December 2008 and 19 January 2009, impugned the sentences passed in the first phase of the proceedings before the Florence Regional Tributary Commission.

During the course of the first six months of 2010, the Inland Revenue (Office for major contributors of the DRE in Bologna) carried out a fiscal verification of a general nature with reference to the 2007 taxation period (partially extended to the 2005 and 2006 business years), which concluded with a summary of the inspection being drawn up. The major part of the rectifications proposed is related to the costs sustained for participation in the securitisation operations carried out by the Cremonini Group. The taxation consequent to the above fiscal verification concerning the 2005 taxation period only were notified last December. The consultants of the company designated for the purpose pointed out that the contestations raised by the Financial Administration were largely unfounded.

As at 31 December 2010, MARR S.p.A. had paid 4,730 thousand Euros as payment of taxes while awaiting judgement; this amount was classified under tax receivables.

20. Deferred tax liabilities

As of 31 December 2010 the breakdown of this item, amounting to 8,634 thousand Euros (8,041 thousand Euro on 31 December 2009), is as follows:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
On capital gains in instalments	0	13
On goodwill amortisation reversal	3,396	2,864
On funds subject to suspended taxation	473	475
On leasing recalculation as per IAS 17	513	466
On actuarial calc. of customers supplementary indemnity fund	0	(198)
On amortised cost calculation	0	(21)
On actuarial calc. of severance provision fund	153	230
On fair value revaluation of land and buildings	4,094	4,212
Others	5	0
Deferred tax liabilities fund	8,634	8,041

As regards the customers supplementary indemnity fund, it should be pointed out that this was correctly re-classified under the item "Deferred tax assets".

21. Other non-current payables

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Other non-current accrued income and prepaid expenses	138	42
Total other non-current payables	138	42

This item is represented principally by the quota beyond the year's end of prepaid expenses on customers interest.
There is no accrued income and prepaid expenses over 5 years.

Current liabilities

22. Current financial payables

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Financial payables to subsidiaries	1,377	1,169
Payables to banks	106,212	156,425
Payables to other financial institutions	874	1,504
Total Current financial payables	108,463	159,098

Current payables to banks:

(€thousand)		Balance at 31.12.10		Balance at 31.12.09
Current accounts		6,044		3,487
Loans/Advances		94,164		138,706
Loans :				
- MPS-Merchant	1,856		1,781	
- Pop.Crotone-nr. 64058	307		300	
- Pop.Crotone-nr. 64057	255		248	
- Carim - n. 410086	319		309	
- Efibanca	0		8,053	
- Cassa di Risp.di Pescia e Pistoia	470		228	
- Cassa di Risp. Vignola	1,686		3,313	
- Centrobanca	1,111		0	
		6,004		14,232
		106,212		156,425

The decrease compared to 31 December 2009 is due, in addition to the partial reimbursement of the expiring quotas, to the undertaking of certain loans which have enabled the financial indebtedness of Marr S.p.A. to be stabilised. For more details, see that outlined in the Directors Report on management performance and paragraph 17 "Non current financial payables".

We point out that the entry for "Loans/Advances" consists mainly of 3,354 thousand Euros for advances on exports/imports, 65,572 thousand Euros for advances on invoices and 25,404 thousand Euros for other short-term loans.

The decrease of the item "Payables to other financial institutions", compared to 31 December 2009, is mainly to the payment, in the month of July, of 662 thousand Euros for the final instalment relating the acquisition of the subsidiary EMI.GEL S.r.l..
As at 31 December 2010 this item is mainly due to the current quota of the leasing contract stipulated with the company Unicredit Leasing S.p.A. (former Locat S.p.A.) amounting to 818 thousand Euros.

The book value of the short-term loans is the same as the fair value, as the impact of discounting back is not significant.

23. Current tax liabilities

The breakdown of this item is as follows:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Irap	503	150
Ires transferred to the Controlling Company	1,970	3,025
Other taxes payable	109	125
Irpef for employees	906	895
Irpef for external assistants	136	142
Total Current taxes payable	3,624	4,337

This item relates to taxes payable of a determined and certain amount.

As regards MARR S.p.A., the 2006 and following business years can still be verifiable by the fiscal authorities, by reason of the ordinary verification deadlines and excluding currently pending fiscal litigations.

24. Current trade liabilities

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Suppliers	232,726	211,870
Payables to associated companies consolidated by the Cremonini Group	8,318	7,926
Payables to associated companies not consolidated by the Cremonini Group	0	58
Payables to Subsidiaries	605	139
Payables to Correlated Companies	246	247
Trade payables to parent companies	0	326
Total Current trade liabilities	241,895	220,566

The liabilities refer mainly to settlements deriving from commercial operations and payables to Sales Agents. They also include "Payables to Associated Companies consolidated by the Cremonini Group" for 8,318 thousand Euros, "Payables to subsidiaries" for 605 thousand Euros, "Payables to other Correlated Companies" for 246 thousand Euros the details and analysis of which are reported in Directors' Report.

25. Other current liabilities

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Accrued expenses and deferred income	1,353	1,373
Other payables	14,238	13,582
Total Other current liabilities	15,591	14,955

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Other accrued expenses	0	34
Accruals for emoluments to employees/directors	839	844
Other deferred income	52	0
Deferrals for interest income due to customers	462	495
Total Current accrued expenses and deferred income	1,353	1,373

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Inps/Inail and Other social security institutions	1,527	1,624
Enasarco/ FIRR	433	455
Payables to personnel for emoluments	4,159	4,219
Advances from customers, customers credit balances	6,658	5,552
Payables to insurance companies	462	379
Payables for acquisition of shares/equity investments	999	1,353
Total Other current payables	14,238	13,582

The item "*Payables to personnel for emoluments*" includes current salaries not yet paid as at 31 December 2010 and allocations for leave accrued but not taken, with relevant charges.
The item *Advances from customers, customers credit balances* includes the credit notes to be issued to customers for end of year premiums and contributions.

Breakdown of payables by geographical area

The breakdown of payables by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial payables	107,043	0	0	107,043
Employee benefits	8,425	0	0	8,425
Provisions for risks and charges	2,012	0	0	2,012
Deferred tax liabilities	8,634	0	0	8,634
Other non-current liabilities	138	0	0	138
Current financial payables	108,104	359	0	108,463
Financial instruments / derivative	3,624	0	0	3,624
Current trade liabilities	194,081	35,286	12,528	241,895
Other current liabilities	15,441	12	138	15,591
Total payables by geographical area	447,502	35,657	12,666	495,825

Guarantees, sureties and commitments

These are guarantees granted by both third parties and our companies for debts and other obligations.

Guarantees (totalling 20,608 thousand Euros)
These refer to:

- guarantees issued on behalf of MARR in favour of third parties (amounting to 18,334 thousand Euros) and are guarantees granted on our request by credit institutions to guarantee the correct and punctual execution of tender and other contracts of both within the year both more than one year;
- guarantees issued by MARR S.p.A. in favour of financial institutes in the interest of subsidiary companies. This item amounted to a total of 2,274 thousand Euros as at 31 December 2010 and refers to credit lines granted to subsidiaries. On closure of the business year, the following guarantees had been granted in favour of the following subsidiary companies:

(€thousand)	Balance at 31.12.10	Balance at 31.12.09
Guarantees		
Marr Foodservice Iberica SA	800	800
Alisea Soc. Cons. a r.l.	1,436	1,436
Baldini Adriatica Pesca S.r.l.	38	38
Total Guarantees	2,274	2,274

Collaterals
Collaterals in favour of third parties refer mainly to mortgages on properties owned and are analysed in detail in the comment on the item "Payables to banks".

Other risks and commitments
This item includes 15,122 thousand Euros related to credit notes issued by certain credit institutes to guarantee obligations undertaken with our foreign suppliers.

Comments on the main items of the MARR S.p.A. income statement

26. Revenues

Revenues are composed of:

(€thousand)	31.12.2010	31.12.2009
- Revenues from Goods sales		
Revenues from sales - Goods	1,143,972	1,066,812
Adjustments to Revenues	(71,616)	(37,611)
- Net Revenues from sales of goods	1,072,356	1,029,201
- Revenues from services		
Advisory services to third parties	463	453
Manufacturing on behalf of third parties	34	46
Rent income (typical management)	92	72
Other services	5,152	3,435
total	5,741	4,006
Total Revenues	1,078,097	1,033,207

The revenues from services mainly include revenues from companies in the group for insurance consultancies and assistance, technical consultancies, administrative management of personnel, administrative, legal and commercial assistance, processing, transport and dispatching and revenues from transport and similar costs from clients.

See that described in the Directors' Report with regard to comments on the performance of revenues.

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

(€thousand)	31.12.2010	31.12.2009
Italy	985,316	949,088
European Union	67,842	63,786
Extra-EU countries	24,939	20,333
Total	1,078,097	1,033,207

The breakdown by category of activity of the revenues from sales of goods is as follows:

(€thousand)	31.12.2010	31.12.2009
General food products	428,058	414,253
Meat	220,427	220,219
Seafood	404,081	375,705
Fruit and vegetables	25,089	24,301
Accessories	6,802	5,936
Sias Division	1,104	1,140
Trade discounts / year-end bonuses	(13,205)	(12,353)
Total Revenues from sales of goods	1,072,356	1,029,201

The revenues have been achieved within national territory, including the islands. Below is a list of the total revenues (in million of Euros) realised during 2010 by the Rimini Head Office and each unit (branches and divisions):

(€thousand)	31.12.2010	31.12.2009
Head Branch of Rimini (Marr Uno)	148	143
Branch: Marr Napoli	37	39
Branch: Marr Milano	68	65
Branch: Marr Roma	93	83
Branch: Marr Venezia	38	38
Branch: Marr Supercash&carry - Rimini	31	29
Branch: Marr Sardegna	43	40
Branch: Marr Romagna - Rimini	50	51
Emiliani Division - Rimini	207	190
Carnemilia Division - Bologna	12	15
Branch: Marr Sicilia - Palermo	31	31
Branch: Marr Sanremo	15	15
Branch: Marr Elba	7	7
Branch: Marr Genova	21	22
Branch: Marr Dolomiti	12	13
Warehouse: Santarcangelo	3	2
Branch: Marr Puglia	32	30
Branch: Marr Battistini	23	22
Branch: Marr Torino	50	48
Branch: Marr Calabria	34	33
Branch: Marr Sfera	39	37
Branch: Marr Arco	11	10
Branch: Marr Toscana	31	28
Branch: Marr Cater	39	41
Branch: Marr Valdagno	9	9
Divisione Sias	1	1
Others (trade discounts / year-end bonuses)	(13)	(13)
Total Revenues from sales of goods	1,072	1,029

27. Other revenues

The Other revenues are broken down as follows:

(€thousand)	31.12.2010	31.12.2009
Contributions from suppliers and others	21,998	19,155
Other sundry earnings	1,071	1,154
Reimbursements for damages suffered	523	549
Reimbursement of expenses incurred	304	226
Recovery of legal fees	33	25
Capital gains on disposal of assets	283	102
Total Other revenues	24,212	21,211

The "Contributions from suppliers and others" consist mainly of contributions obtained from suppliers for the commercial promotion of their products with our customers and has performed proportionately to the increase in the purchase cost of goods.

28. Purchase of goods for resale and consumables

This item is composed of:

(€thousand)	31.12.2010	31.12.2009
Purchases of goods for resale and consumables	867,528	815,718
Purchases of packages and packing material	3,789	3,538
Purchase of stationery and printed paper	577	565
Purchase of promotional and sales materials, and catalogues	166	189
Purchase of various materials	320	301
Discounts and rebates from suppliers	(717)	(503)
Fuel for industrial motor vehicles and cars	252	244
Total Purchase of goods for resale and consumables	871,915	820,052

29. Personnel costs

This item includes all expenses for employed personnel, including leave and additional monthly salaries as well as related social security charges, in addition to the severance provision and other costs provided contractually.

(€thousand)	31.12.2010	31.12.2009
Salaries and wages	21,508	21,609
Social security contributions	6,722	6,727
Staff Severance Provision	1,917	1,883
Other Costs	85	134
Total Personnel Costs	30,232	30,353

The breakdown of employees by category is highlighted in the following table :

	Workers	Employees	Managers	Total
Employees as of 31.12.09	341	405	8	754
Net increases and decreases	*(23)*	*4*	*(1)*	*(20)*
Employees as of 31.12.10	318	409	7	734
Average number of employees as of 31.12.10	359.2	409.3	7.8	776.3

Personnel cost, amounting to 30,232 thousand Euros, is substantially in line with the previous year, despite the effect of the increases in remuneration concerning the last two tranches (September 2009 and March 2010) provided by the renewal of the labour contract defined in 2008.

This performance is attributable to a careful management of resources, with specific reference to the management of leave and permits, overtime hours and seasonal work; it should be pointed out in this regard that the average number of employees in 2010 was 776.3, compared to the average of 801.5 employees in 2009.

This item 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.

30. Amortizations and depreciations and write-downs

(€thousand)	31.12.2010	31.12.2009
Depreciation of tangible assets	3,459	3,555
Amortization of intangible assets	309	353
Provisions and write-downs	6,635	5,604
Total Amortizations and Depreciations and Write-downs	10,403	9,512

(€thousand)	31.12.2010	31.12.2009
Allocation of taxed provision for bad debts	4,800	4,200
Allocation of non-taxed provision for bad debts	1,700	1,700
Provision for supplementary clientele severance indemnity	135	(296)
Total Provisions and write-downs	6,635	5,604

For more details on provisions, reference is made to the relevant movements highlighted in notes 12 "Current trade receivables", 18 "Employee benefits" in addition to that commented in the paragraph "Credit risk".

31. Other operating costs

(€thousand)	31.12.2010	31.12.2009
Operating costs for services	129,592	118,919
Operating costs for leases and rentals	7,612	7,653
Operating costs for other operating charges	1,698	1,638
Total Other operating costs	138,902	128,210

(€thousand)	31.12.2010	31.12.2009
Distribution costs for our products	51.757	50.652
Commissions, miscellaneous costs for agents, other sale expenses	33.989	31.791
Technical and logistics services (picking, etc)	15.156	14.033
logistic advisory, management of branches, others	7.708	4.006
Energy consumption and utilities	5.975	6.109
Third-party production	3.380	3.129
Maintenance costs	3.121	3.073
Porterage and movement of goods	1.789	1.184
Advertising, promotion, exhibitions, sales (sundry items)	323	334
Directors' and statutory auditors' fees	932	888
Insurance costs	661	611
Reimbursement of expenses, travels and sundry costs for personnel	217	187
General and other services	4.584	2.922
Total Operating costs for services	129.592	118.919

(€thousand)	31.12.2010	31.12.2009
Lease of industrial buildings	5,737	5,730
Lease of processors and other personal property	426	381
Lease of industrial vehicles	25	81
Rentals for lease of business premises	1,264	1,261
Lease of cars	59	91
Lease of plant, machinery and equipment	0	0
Rentals and other charges paid on other personal property	101	109
Total Operating costs for leases and rentals	7,612	7,653

The fees for the lease of industrial buildings include the rental fees, totalling 672 thousand Euros, paid to the correlated company Le Cupole S.r.l. in Castelvetro (MO) for the rental of the buildings in which the MARR Uno branch carries out its activities (Via Spagna 20 – Rimini) and 1,105 thousand Euros to the associate company Consorzio Centro Commerciale Ingrosso Carni S.r.l. in Bologna for the rental of the building in which the Carnemilia Division carries out its activities (Via Francesco Fantoni, 31 – Bologna).
The company lease fees refer to:

- the fee concerning the company "Sogema" in Turin owned by the subsidiary Sfera S.p.A. where the MARR Turin branch has carried out its activities since 1 November 2004, for 1,094 thousand Euros;
- the fee concerning the going concern in Sciaves which from a logistical and distribution viewpoint refers to the MARR Dolomiti branch since 2009, for 40 thousand Euros;
- the fee concerning the going concern in Arco (TN) where the "Marr Arco" branch has carried out its activities since 12 November 2007, for 130 thousand Euros.

(€thousand)	31.12.2010	31.12.2009
Other indirect taxes, duties and similar charges	1,115	1,083
Expenses for collection of debts	270	199
Other sundry charges	124	176
Capital losses on disposal of assets	2	7
ICI	136	126
Contributions and membership fees	51	47
Total Operating costs for other operating charges	1,698	1,638

The item "other indirect taxes, duties and similar charges" mainly includes: tax and register duties, local duties and taxes and car and vehicle ownership tax.

32. Financial income and charges

(€thousand)	31.12.2010	31.12.2009
Financial charges	4,490	5,898
Financial income	(2,194)	(1,535)
Foreign exchange (gains)/losses	(311)	287
Total Financial income and charges	1,985	4,650

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

Below the detail of financial charges and income:

(€thousand)	31.12.2010	31.12.2009
Interest payable on other loans, bills discount, hot money, import	1.550	1.881
Interest payable on loans	490	572
Interest payable on discounted bills, advances, export	1.706	2.761
Other financial interest and charges	710	641
Interest and Other financial charges for Parent Companies	8	17
Interest and Other financial charges for Subsidiaries	26	26
Total Financial charges	4.490	5.898

(€thousand)	31.12.2010	31.12.2009
Other sundry financial income (interest from customers, etc.)	2.119	1.502
Positve interest from bank accounts	15	28
Other sundry financial income for Parent Company	12	5
Other sundry financial income for Subsidiaries	48	0
Total Financial income	2.194	1.535

The decrease of financial charges is due to the significant decrease in interest rates, whose effect has been estabilished during the course of the year whit expectations of increase for the coming months.

33. Income and charge from associated companies

This item is detailed as indicated in the following table:

(in migliaia di Euro)	31.12.2010	31.12.2009
Dividends by subsidiaries	3,299	3,705
Svalutazione di partecipazioni	(17)	(12)
Total Income (charge) from associated companies	3,282	3,693

The item "Dividends by subsidiaries" as at 31 December 2010 (equal to 3,299 thousand Euros) consists mainly of the dividends distributed in 2010 by the subsidiary AS.CA. S.p.A. in the amount of 1,422 thousand Euros, by the subsidiary New Catering S.r.l. in the amount of 513 thousand Euros, by the subsidiary Alisea soc. cons. a r.l. in the amount of 528 thousand Euros, by the subsidiary Baldini Adriatica Pesca S.r.l. in the amount of 305 thousand Euros, by the subsidiary Sfera S.p.A. for 300 thousand Euros, by the subsidiary EMI.GEL S.r.l. in the amount of 218 thousand Euros and by the subsidiary Alisurgel s.r.l. in the amount of 13 thousand Euros.

As regard the cost for the write-off of the investment in subsidiaries (equal to 17 thousand Euros), this is attributable to the Spanish subsidiary MARR Foodservice Iberica S.A.U.

34. Taxes

(€thousand)	31.12.2010	31.12.2009
Ires - Ires charge transferred to the controlling company	17,321	15,444
Irap	3,880	3,362
Net provision for deferred tax liabilities	(70)	(878)
Total taxes	21,131	17,928

Reconciliation between theoretical and effective fiscal charges

(€thousand)	*Year 2010*		*Year 2009*	
	Taxable amount	*Tax*	*Taxable amount*	*Tax*
I.R.E.S.				
Profit before taxation	66,240		56,472	
Taxation rate	27.5%		27.5%	
theoretical tax burden		18,216		15,530
Permanent differences				
Non-deductible depreciation	414		428	
Write-down of financial assets	17		12	
Other	285		513	
	716		*953*	
Deductible depreciation	(1,854)		(1,853)	
Dividends from Italian companies (95%)	(3,134)		(3,520)	
Other				
	(4,988)		*(5,373)*	
Temporary differences deductible in future years				
Allocation of taxed provision for bad debts	5,108		4,400	
Maintenance cost excess 5%				
Other	210		52	
Deductible entertainment expenses	5		5	
	5,323		*4,457*	
Reversal of temporary differences from previous years				
Surplus value deductible in future years	41		118	
	41		118	
Use of taxed provision for bad debts	(3,600)			
Use of others taxed provisions	0		(296)	
Amount of taxed entertainment expenses	(25)		(41)	
Write down of financial assets				
Amount of maintenance cost excess 5%				
Other	(653)		(370)	
	(4,278)		*(707)*	
Taxable income	63,054		55,920	
Taxation rate	27.5%		27.5%	
Actual tax burden		17,340		15,378
Mainstream IRES for past business years and roundings		(19)		66
Actual Tax burden of Period		17,321		15,444
I.R.A.P.				
Profit before taxation	66,240		56,472	
Cost not relevant for I.R.A.P.				
Dividends/Adjustment to the value of financial assets	17		12	
Financial income and expense	(1,313)		945	
Personnel costs	30,232		30,353	
Theorical taxable	95,176		87,782	
Taxation rate	4.01%		4.01%	
theoretical tax burden		3,817		3,520
Other	2,380		(2,866)	
Taxable income	97,556		84,916	
Taxation rate	4.0%		4.0%	
Actual tax burden		3,912		3,405
Mainstream IRAP for pass business years and roundings		(32)		(43)
Actual Tax burden of Period		3,880		3,362

35. Earnings per share

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

(in Euro)	2010	2009
EPS base	0.69	0.59
EPS diluited	0.69	0.59

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

Earnings:

(€thousand)	31.12.2010	31.12.2009
Profit for the period	45,109	38,544
Profit used to determine basic and diluted earnings per share	45,109	38,544

Number of shares:

(number of shares)	31.12.2010	31.12.2009
Weighted average number of ordinary shares used to determine basic earning per share	65,819,473	65,820,848
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	65,819,473	65,820,848

It should be pointed out that for the calculation of profits per share, as at December 31, 2010 the weighted average of ordinary shares in circulation has been used, taking into consideration the purchases of own shares made until this date.

36. Other profits/losses

The value of the other profits/losses contained in the comprehensive income statement, that in 2010 was equal to a profit amounting to 12 thousand Euros, 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 Company to hedge the underlying goods purchasing operations. The item is shown net of a negative taxation effect that amounts to approximately 5 thousand Euros as at 31 December 2010.

These profits/losses have been entered, in keeping with what is foreseen by the IFRS, in the net equity and highlighted (as foreseen by IAS 1 revised, applicable as from 1st January 2009) in the comprehensive income statement

Net financial position

As regards the details of the components of the net financial position and indication of the payables and receivables to and from correlated parties, refer to that outlined in the directors' report on management performance.

	(€thousand)	*31.12.10*	*31.12.09*
A.	Cash	3,956	2,871
	Cheques	0	0
	Bank accounts	48,799	34,329
	Postal accounts	31	21
B.	Cash equivalent	48,830	34,350
D.	Liquidity (A) + (B)	52,786	37,221
	Current financial receivable due to Parent Comany	7,242	5,962
	Current financial receivable due to Related Companies	3,098	915
	Others financial receivable	2,566	9,299
E.	Current financial receivable	12,906	16,176
F.	Current Bank debt	(100,208)	(142,183)
G.	Current portion of non current debt	(6,004)	(14,242)
	Financial debt due to Parent Company	0	0
	Financial debt due to Subsidiaries	(1,377)	(1,169)
	Financial debt due to Related Companies	0	0
	Other financial debt	(874)	(1,504)
H.	Other current financial debt	(2,251)	(2,673)
I.	Current financial debt (F) + (G) + (H)	(108,463)	(159,098)
J.	Net current financial indebtedness (I) + (E) + (D)	(42,771)	(105,701)
K.	Non current bank loans	(105,919)	(41,123)
M.	Other non current loans	(1,124)	(1,996)
N.	Non current financial indebtedness (K) + (M)	(107,043)	(43,119)
O.	Net financial indebtedness (J) + (N)	(149,814)	(148,820)

Events after the closing of the year

With regard to the events subsequent to the year end closing, refer to the Directors' report on management performance.

Information on the remuneration of the members of the Board of Directors and Statutory Auditors

Pursuant to the law, the total remuneration due to Directors and members of the Board of Auditors for 2010 for carrying out their activities, including those in other companies in the Group, are indicated below:

(€thousand)		Term of office	Expiration	Compensation for office held in MARR S.p.A					Non monetary benefit	Bonus and other incentives	Other compensations
				Compensation approved by the Shareholders' meeting	Compensation ex art. 2389 point 3 c.c.	Compensation as members of the Internal Auditing committee	Meetings partecipation and reimboursement	Total			
Board of Directors											
Vincenzo Cremonini	Chairman	01/01/2010 - 31/12/2010	Annual report 2010	20,000				20,000			
Ugo Ravanelli	Chief Executive Officer	01/01/2010 - 31/12/2010	Annual report 2010	20,000	685,000			705,000			199572
Illias Aratri	Director	01/01/2010 - 31/12/2010	Annual report 2010	20,000				20,000			
Alfredo Aureli	Director	01/01/2010 - 31/12/2010	Annual report 2010	20,000		8,000		28,000			
Giosué Boldrini	Director	01/01/2010 - 31/12/2010	Annual report 2010	20,000				20,000			
Paolo Ferrari	Director	01/01/2010 - 31/12/2010	Annual report 2010	20,000		10,000		30,000			
Giuseppe Lusignani	Director	01/01/2010 - 31/12/2010	Annual report 2010	20,000		10,000		30,000			
Total Board of Directors				140,000	685,000	28,000		**853,000**			**199,572**
Board of Statutory Auditors											
Ezio Maria Simonelli	Chairman of the Board of Statutory Auditors	01/01/2010 - 31/12/2010	Annual report 2010	27,000			3,235	30,235			
Massimo Conti	Statutory Auditor	01/01/2010 - 31/12/2010	Annual report 2010	18,000			2,324	20,324			11550
Italo Ricciotti	Statutory Auditor	01/01/2010 - 31/12/2010	Annual report 2010	18,000			2,324	20,324			
Total Board of Statutory Auditors				63,000			7,883	**70,883**			**11,550**
Total								**923,883**			**211,122**

■ including tax and social security burden

■■ compensation for offices in the subsidiaries

It must be pointed out that the stock option plans were concluded in the 2007 business year. The assignment of the remaining options was concluded during the same business year, and these were fully exercised within the required deadline.

Rimini, 11 March 2011

The Chairman of the Board of Directors

Vincenzo Cremonini

Appendices

These appendices contain additional information compared to that reported in the Explanatory notes, of which they constitute an integral part.

- Appendix 1 – List of relevant equity investments in subsidiaries, associated companies and other companies as at 31 December 2010, indicating the criteria adopted for accounting.
- Appendix 2 – Table showing variations in Intangible Assets for the year ending 31 December 2010.
- Appendix 3 – Table showing variations in Tangible Assets for the year ending 31 December 2010.
- Appendix 4 – Table showing the essential data from the Cremonini S.p.A. financial and consolidated financial statements as at 31 December 2009.
- Appendix 5 – List of stockholdings in subsidiaries and associated companies as at 31 December 2010 (Civil Code art. 2427, paragraph 5).
- Appendix 6 – Information as per art. 149-duodecies of the Consob Issuers Regulations.

MARR GROUP S.p.A.
LIST OF EQUITY INVESTMENTS
AT 31 DECEMBER 2010

Company	Headquarters	Share capital (€thousand)	Direct control Marr SpA	Indirect control Company	Indirect control Share held
COMPANY CONSOLIDATED ON A LINE-BY-LINE BASIS					
- Parent Company:					
MARR S.p.A. (*)	Rimini	32,910			
- Subsidiaries:					
Marr-Alisurgel S.r.l. in liq.	Santarcangelo di R. (RN)	10	97.0%	Sfera S.p.A.	3.0%
Alisea Società Consortile a r.l.	Impruneta, Tavarnuzze (FI)	500	55.0%		
Sfera S.p.A. (ex Sogema S.p.A.)	Santarcangelo di R. (RN)	220	100.0%		
AS.CA. S.p.A.	Santarcangelo di R. (RN)	518	100.0%		
Marr Foodservice Iberica S.A.u	Madrid (Spagna)	600	100.0%		
New Catering S.r.l.	Santarcangelo di R. (RN)	34	100.0%		
Baldini Adriatica Pesca S.r.l.	Santarcangelo di R. (RN)	10	100.0%		
EMI.GEL S.r.l.	Santarcangelo di R. (RN)	260	100.0%		
ASSOCIATED					
Masofico (**)	Nouakchott (Mauritania)	26	40.0%		
EQUITY INVESTMENTS VALUED AT COST:					
- Other Company:					
Centro Agro-Alimentare Riminese S.p.A.	Rimini	11,798	1.66%		

(*) The value of the share capital of MARR S.p.A. is net to the nominal value of its own shares purchased in the context of "buy back" programme.
(**) Share capital equal to 9,600,000 OuguiYa (equal to 25,981 Euro). The company is not operating, the investment in this company has been totally write-off in 2006 and its book value is equal to zero.

Intangible fixed assets (in thousand of Euros)	OPENING BALANCE			MOVEMENTS DURING THE YEAR				CLOSING BALANCE		
	Original Cost	Provision for amortization	Balance 01/01/2010	Purchases/ reclassification	Consolidation Change	Net decreases	Amortization	Original Cost	Provision for amortization	Balance 31/12/2010
Start-Up and expansion costs										
Cost of research, development and advertising										
Cost of industrial patents and rights for the use of intellectual property	3,459	(2,905)	554	101	(13)		(304)	3,547	(3,209)	338
Concessions, licences, brand names, and similar rights	37	(26)	11				(1)	37	(27)	10
Goodwill	70,965		70,965					70,965		70,965
Intangible fixed assets under development and advances	36		36					36		36
Other intangible fixed assets	71	(58)	13				(4)	71	(62)	9
Total	**74,568**	**(2,989)**	**71,579**	**101**	**(13)**		**(309)**	**74,656**	**(3,298)**	**71,358**

Tangible fixed assets (in thousand of Euros)	Opening balance			Movements during the year				Closing balance		
	Original Cost	Provision for amortization	Balance 01/01/2010	Purchases/ reclassification	Decreases		Amortization	Original Cost	Provision for amortization	Balance 31/12/2010
					Original cost	Prov. for am.				
Land and buildings	55,184	(11,314)	43,870	416			(1,471)	55,600	(12,785)	42,815
Plant and machinery	18,276	(14,101)	4,175	821	(27)	18	(1,234)	19,070	(15,317)	3,753
Industrial and commercial equipment	1,660	(1,184)	476	87			(93)	1,747	(1,277)	470
Other tangible assets	11,493	(9,172)	2,321	1,614	(1,831)	384	(667)	11,276	(9,455)	1,821
Tangible fixed assets under development and advances	50		50	(50)						
Total	86,663	(35,771)	50,892	2,888	(1,858)	402	(3,465)	87,693	(38,834)	48,859

Appendix 4

Main figures' Statement of the last Cremonini S.p.A. financial statements and consolidated financial statements - MARR S.p.A. parent company -

Financial Statements as of December 31, 2009

Cremonini S.p.A.		in thousands of Euros		Consolidated
		BALANCE SHEET		
		ASSETS		
76,428		Tangible assets		481,426
12		Goodwill and other intangible assets		170,099
262,901		Investments		11,446
2,662		Non-current assets		28,809
342,003		*Total non-current assets*		*691,780*
0		Inventories		173,398
51,290		Receivables and other current assets		528,733
8,035		Cash and cash equivalents		81,229
59,325		*Total current assets*		*783,360*
401,328		Total assets		1,475,140
		LIABILITIES		
78,018		Shareholders' equity:		236,556
	67,074	Share capital	67,074	
	296	Reserves	82,205	
	10,648	Net profit (loss)	17,854	
		Minority interest	69,423	
246,173		Non-current financial payables		357,421
581		Employee benefits		23,426
2,540		Provisions for risks and charges		7,599
5,842		Other non-current liabilities		37,754
255,136		*Total non-current liabilities*		*426,200*
55,028		Current financial payables		337,487
13,146		Current liabilities		474,897
68,174		*Total current liabilities*		*812,384*
401,328		Total Liabilities		1,475,140
		INCOME STATEMENT		
4,356		Revenues		2,200,736
506		Other revenues		41,854
		Changes in inventories		(400)
		Internal works performed		1,251
(52)		Purchase of goods		(1,490,587)
(6,256)		Other operating costs		(340,463)
(2,483)		Personnel costs		(279,694)
(1,620)		Amortization		(37,385)
(1,195)		Depreciation and Allocations		(13,992)
16,140		Income from investments		332
(9,281)		Financial income and charges		(25,050)
115		*Profit before taxes*		*56,602*
4,396		Taxes		(21,461)
4,511		Net profit (loss) before consolidation		35,141
		Minority interest's profit (loss)		(17,287)
6,137		Results for the period from discontinued operations		
10,648		Consolidated Net profit (loss)		17,854

The essential data for the parent company Cremonini S.p.A. contained in the summary report required by Civil Code article 2497-bis have been extracted from the relevant financial statements for the business year closed on 31 December 2009. For an adequate and full understanding of the Cremonini S.p.A. financial situation as at 31 December 2009, and the economic result achieved by the company during the business year closed on that date, refer to the financial statements which, supplemented by the audit company's report, is available in the forms and methods provided by the law.

List of stockholdings in subsidiaries and associated companies as at December 31, 2010 (art. 2427 n.5 c.c.)
(€/thousands)

Company	Corporate Domicile	Capital Stock	Shareholder's equity		Net Profit (loss)		Percentage Held	Carrying Value (B)	Difference (B) - (A)	Last Financial Statements approved/ preliminary financial statements approved	Shareholders' equity pro-rata amount in accordance with art. 2426 n. 3 cc (C)	Difference (B) - (C)
			Total Amount	Pro-rata Amount (A)	Total Amount	Pro-rata Amount						
- **In subsidiares:**												
Alisea Soc.Cons. a r.l.	Tavarnuzze di Impruneta (Fi)	500	2,408	1,324	1,230	677	55.00%	30	(1,294)	31/12/2010	1,382	(1,352)
Marr Alisurgel S.r.l. in liq.	Santarcangelo di R. (RN)	10	177	172	13	13	97.00%	10	(162)	31/12/2010	172	(162)
Marr Foodservice Iberica S.A.	Madrid (Spagna)	600	437	437	(17)	(17)	100.00%	436	(1)	31/12/2010	437	(1)
Sfera S.p.a. (già Sogema)	Santarcangelo di R.(RN)	220	1,065	1,065	312	312	100.00%	11,440	10,375 *	31/12/2010	13,059	(1,619)
AS.CA. S.p.a.	Santarcangelo di R.(RN)	518	4,816	4,816	1,233	1,233	100.00%	13,852	9,036 *	31/12/2010	26,181	(12,329)
New Catering S.r.l.	Santarcangelo di R.(RN)	34	911	911	533	533	100.00%	2,849	1,938 *	31/12/2010	3,256	(407)
Baldini Adriatica Pesca S.r.l.	Santarcangelo di R.(RN)	10	43	43	24	24	100.00%	16	(27)	31/12/2010	230	(214)
EMI.GEL S.r.l.	Santarcangelo di R.(RN)	260	2,572	2,572	160	160	100.00%	4,618	2,046 *	31/12/2010	4,461	157

* See comment in the note to the financial statements

Appendix 6

The following table, drawn up in accordance with art. 149-duodecies of the Consob Issuers Regulations, shows the fees pertinent to business year 2010 for services rendered to the Company by Auditing Firms or entities belonging to the auditing firms' network:

(€thousands)	Service Company	Client	Fees pertinent to business year 2010
Auditing	Reconta Ernst & Young S.p.A.	MARR S.p.A.	103
Certification service			0
Other services			4
Total			107

STATEMENT OF FINANCIAL STATEMENT PURSUANT TO ART. 154-BIS PARAGRAPH 2 OF LEGISLATIVE DECREE 58 DATED 24 FEBRUARY 1998

1. The undersigned Ugo Ravanelli, in the quality of Chief Executive Officer, and Pierpaolo Rossi, in the quality of Manager responsible for the drafting of the corporate accounting documents of MARR S.p.A., hereby certify, also taking into account that provided by art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated 24 February 1998:

- the adequacy in relation to the characteristics of the company and
- the effective application,

of the management and accounting procedures for the drafting of the financial statement, during the year 2010.

2. The assessment of the adequacy of the management and accounting procedures for the drafting of the financial statement as at 31 December 2010 was based on a process defined by MARR S.p.A. in coherence with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is an internationally accepted general reference framework.

3. It is also certified that:

3.1 the financial statements:

d. are drafted in conformity with the internationally applicable accounting principles recognised in the European Community pursuant to regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002;

e. correspond to the findings in the accounts books and documents;

f. are suited to providing a truthful and correct representation of the equity, economic and financial situation of the author;

3.2 The directors' report on management includes a reliable analysis of performance levels and the management result, and also on the situation of the issuer, together with a description of the main risks and uncertainties they are exposed to.

Rimini, 11 March 2011

Chief Executive Officer	Manager responsible for the drafting of corporate accounts documents
Ugo Ravanelli	Pierpaolo Rossi

Reconta Ernst & Young S.p.A.
Via Massimo D'Azeglio, 34
40123 Bologna

Tel. (+39) 051 278311
Fax (+39) 051 236666
www.ey.com

Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated January 27, 2010
(Translation from the original Italian text)

To the Shareholders
of MARR S.p.A.

1. We have audited the financial statements of MARR S.p.A. as of and for the year ended December 31, 2010, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in the shareholders' equity, the cash flows statement and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of MARR S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. Our audit was performed in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 7, 2010.

3. In our opinion, the financial statements of MARR S.p.A. at December 31, 2010 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of MARR S.p.A. for the year then ended.

4. The management of MARR S.p.A. is responsible for the preparation of the Directors' Report and the Report on Corporate Governance and Ownership Structure in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Directors' Report and the information included therein in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) presented in the Report on Corporate Governance and Ownership Structure, with the financial statements, as required by the law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended

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by CONSOB. In our opinion, the Directors' Report and the information reported therein in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) presented in the Report on Corporate Governance and Ownership Structure, are consistent with the financial statements of MARR S.p.A. as of December 31, 2010.

Bologna, March 25, 2011

Reconta Ernst & Young S.p.A.
Signed by: Gianluca Focaccia, Partner