Annual Report
as at December 31, 2013

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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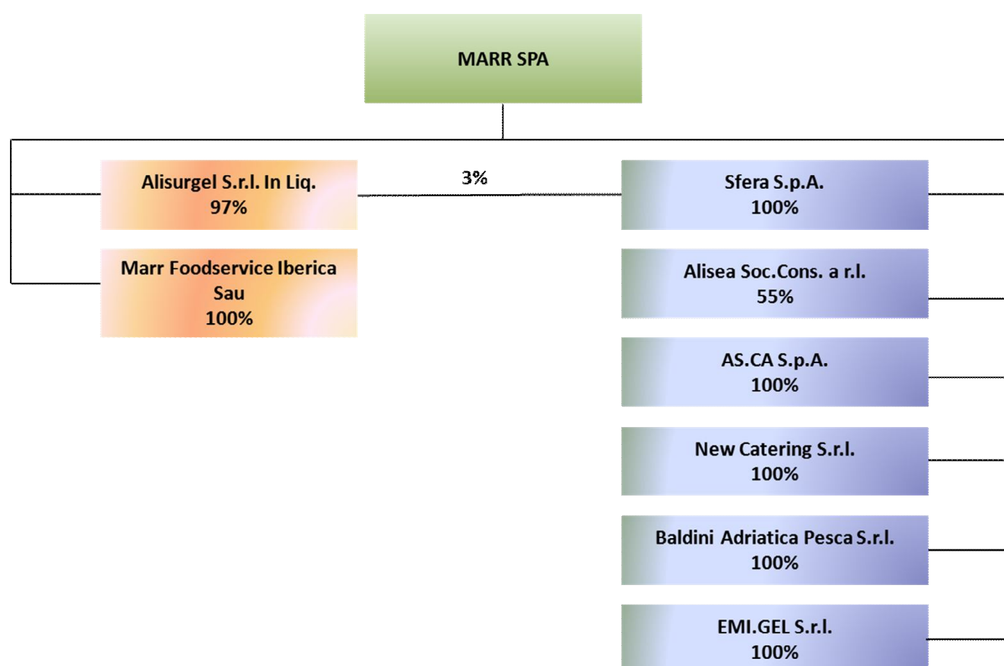
MARR GROUP ORGANIZATION

Situation as at 31 December 2013



The structure of the Group as at 31 December 2013 does not differ from that at 31 December 2012.

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	Marketing and distribution of fresh, dried and frozen food products for Foodservice operators.
AS.CA. S.p.A. Via dell'Acero n. 1/A 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 per Tavarnuzze n. 231/b, Tavarnuzze – Impruneta (Fi)	Hospital catering.
NEW CATERING S.r.l. Via dell'Acero n. 1/A – Santarcangelo di Romagna (Rn)	Marketing and distribution of foodstuff products to bars and fast food outlets.
BALDINI ADRIATICA PESCA S.r.l. Via dell'Acero n. 1/A – Santarcangelo di Romagna (Rn)	Marketing and distribution of fresh and frozen seafood products.
EMI.GEL. S.R.L. Via dell'Acero n. 1/A – Santarcangelo di Romagna (Rn)	Marketing and distribution of foodstuff products to bars and fast food outlets.
SFERA S.p.A. - Via dell'Acero n. 1/A Santarcangelo di Romagna (Rn)	Marketing and distribution of fresh, dried and frozen food products for Foodservice operators, by the going concern of "Lelli".
MARR FOODSERVICE IBERICA S.A.U. Calle Lagasca n. 106 1° centro - Madrid (Spagna)	Non-operating company.

ALISURGEL S.r.l. in liquidation Via Giordano Bruno n. 13 - Rimini	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 and Chief Executive Officer	Ugo Ravanelli
Directors	Illias Aratri
	Giosué Boldrini
	Claudia Cremonini
	Vincenzo Cremonini
	Pierpaolo Rossi
Independent Directors	Alfredo Aureli(1)(2)
	Paolo Ferrari(1)(2)
	Giuseppe Lusignani(1)(2)

(1) Members of the Remuneration and Nomination committee pursuant to the Rules of Self-discipline

(2) Member of Control and Risk Committee

Board of Statutory Auditors

Chairman	Ezio Maria Simonelli
Auditors	Marinella Monterumisi
	Davide Muratori
Alternate Auditors	Simona Muratori
	Stella Fracassi

Independent Auditors	Reconta Ernst & Young S.p.A.

Manager responsible for the drafting of corporate accounting documents	Antonio Tiso

DIRECTORS' REPORT

Group performance and analysis of the results for the business year 2013

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.

The 2013 business year closed with total consolidated revenues of 1,364.7 million Euros, an increase of approximately 105 million (+8.3%) compared to 1,260.0 million Euros in 2012.

Sales of the MARR Group in 2013 amounted to 1,343.0 million Euros, an increase of 103.5 million Euros (+8.4%) compared to 1,239.4 million Euros in 2012.
In particular, sales to customers in the "Street Market" and "National Account" segments reached 1,125.1 million Euros and increased by 11.9% (+119.4 million Euros), of which 7.6% was due to the contribution of the acquisition of Lelli and Scapa, in relation to which the MARR Group has been managing the relevant activities since 3 September 2012 for Lelli and since 23 February 2013 for Scapa.
The organic growth (+4.3%) of "Street Market" and "National Accounts" customers has been achieved in the context of a market which, on the basis of the statistics of the Confcommercio Studies Office (March 2014), the spending of Italian families for the item "Hotels, meals and out-of-home food consumption" decreased in value by 2.6%, although it should be noted that in the second half of 2013, this reduction slowed down to 1.5%.

The operating solidity of the MARR Group, the flexibility of its business model and capacity to adjust its offer and improve its service are therefore reconfirmed, thus strengthening its leadership of the Italian market for the commercialisation and distribution of fresh, dried and frozen food products destined for operators in non-domestic catering and the Foodservice sector.

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 in the "Street Market" category (restaurants and hotels not belonging to Groups or Chains) amounted to 823.3 million Euros (774.8 million in 2012), while those in the "National Account" category (operators of Chains and Groups and Canteens) reached 301.8 million Euros (230.9 million in 2012).

Sales to customers in the "Wholesale" category (sales to wholesalers) reached 217.9 million Euros, compared to 233.7 million in 2012.

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)	***31.12.13***	*31.12.12*
Revenues from sales and services by customer category		
Street market	823,328	774,837
National Account	301,793	230,910
Wholesale	217,868	233,704
Total revenues form sales in Foodservice	**1,342,989**	**1,239,451**
(1) Discount and final year bonus to the customers	(14,026)	(13,332)
(2) Other services	3,025	2,712
(3) Other	(97)	(55)
Revenues from sales and services	**1,331,891**	**1,228,776**

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 goods or services/adjustments to revenues not referring to any specific customer category

Organisation and logistics

The organisational structure and logistics of the MARR Group as at 31 December 2012, indicating the availability of properties, is as follows

Branches and Subsidiaries

Branches

Marr Uno	Rimini, Santarcangelo di Romagna (RN) e Costermano (VR)	Leasehold by parent company Cremonini S.p.A., property and leasehold 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)	Property
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	Surface ownership
Marr Battistini	Cesenatico (FC)	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
Marr Scapa	Marzano (PV)	Leasehold by third party
Marr Scapa	Pomezia (RM)	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
Sfera S.p.A.	Anzola dell'Emilia (Bo)	Leasehold by third party

Below are the figures, re-classified according to current financial analysis procedures, with the income statement, the statement of financial position and net financial position for 2013, compared to the previous year.

With regard to the figures of the year 2012, we point out that the application of the amendments to IAS 19 ("Employee benefits"), entered into force for business years starting on 1st January 2013 or later, has implied the restatement, for the 2012 business year, of the items Staff Severance provision, Deferred taxes fund with the relevant effects on Net Equity and on Profit for the period.
As at 31 December 2012 the application of this amendment implied the restatement of a Consolidated Net Equity minor for about 577 thousand Euros; the Consolidated Net Profit is greater for 88 thousand Euros.

Analysis of the re-classified Income Statement

MARR Consolidated (€thousand)	*31.12.13*	%	31.12.12*	%	% Change
Revenues from sales and services	1,331,891	97.6%	1,228,776	97.5%	8.4
Other earnings and proceeds	32,854	2.4%	31,192	2.5%	5.3
Total revenues	**1,364,745**	**100.0%**	**1,259,968**	**100.0%**	**8.3**
Cost of raw materials, consumables and goods for resale	(1,057,186)	-77.5%	(981,575)	-77.9%	7.7
Change in inventories	1,968	0.1%	2,573	0.2%	(23.5)
Services	(162,098)	-11.8%	(143,315)	-11.4%	13.1
Leases and rentals	(10,261)	-0.7%	(7,970)	-0.6%	28.7
Other operating costs	(2,370)	-0.2%	(2,517)	-0.2%	(5.8)
Value added	**134,798**	**9.9%**	**127,164**	**10.1%**	**6.0**
Personnel costs	(39,841)	-2.9%	(36,852)	-2.9%	8.1
Gross Operating result	**94,957**	**7.0%**	**90,312**	**7.2%**	**5.1**
Amortization and depreciation	(4,528)	-0.3%	(4,252)	-0.4%	6.5
Provisions and write-downs	(10,399)	-0.8%	(8,951)	-0.7%	16.2
Operating result	**80,030**	**5.9%**	**77,109**	**6.1%**	**3.8**
Financial income	3,589	0.3%	2,288	0.2%	56.9
Financial charges	(10,390)	-0.8%	(7,809)	-0.6%	33.1
Foreign exchange gains and losses	(59)	0.0%	(108)	0.0%	(45.4)
Value adjustments to financial assets	0	0.0%	0	0.0%	0.0
Result from recurrent activities	**73,170**	**5.4%**	**71,480**	**5.7%**	**2.4**
Non-recurring income	0	0.0%	0	0.0%	0.0
Non-recurring charges	(1,856)	-0.2%	0	0.0%	100.0
Profit before taxes	**71,314**	**5.2%**	**71,480**	**5.7%**	**(0.2)**
Income taxes	(23,996)	-1.7%	(24,040)	-1.9%	(0.2)
Reimbursement for taxes of previous years	0	0.0%	1,550	0.1%	100.0
Total net profit	**47,318**	**3.5%**	**48,990**	**3.9%**	**(3.4)**
(Profit)/loss attributable to minority interests	(581)	-0.1%	(608)	-0.1%	(4.4)
Net profit attributable to the MARR Group	**46,737**	**3.4%**	**48,382**	**3.8%**	**(3.4)**

* It should be noted that, as highlighted in the introduction to this Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS 19 ("Employee benefits") has implied the restatement of the items Personnel costs and Taxes concerning the year 2012.

As at 31 December 2013 the consolidated operating economic results are as follows: total revenues of 1,364.7 million Euros (1,260.0 thousand Euros in 2012); EBITDA[I] of 94.9 million Euros (90.3 million Euros in 2012); EBIT of 80.0 million Euros (77.1 million Euros in 2012).

[I] 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 % of incidence of the gross margin (Total Revenues net of the purchase costs for goods and change in inventories) on total revenues amount to 22.7% compared to 22.3% in 2012.

As regards operating costs, an increase in the costs for the performance of services was recorded, related to increased logistics costs which are the effect of: i) expenses for the reorganisation of distribution and storage activities linked to the management of ex Scapa warehouses in Marzano and Pomezia; ii) increase in the incidence on sales of transport costs, due to a shift of the sales mix towards Grocery products, which have a lesser unit value that Meat products.

The increase in Leases and Rentals Costs (stable the incidence on total revenues) is related to the fees for the leasing of industrial buildings concerning the activities involved in the lease of the going concerns "Lelli" and "Scapa" and to the relevant going concern lease instalments, that affected the income statement of the Group starting respectively from September 2012 and February 2013.

As regards personnel costs, the increase in absolute value is related to the personnel employed for the management of the "Lelli" and "Scapa" going concerns; the incidence on Total Revenues remains stable, thanks to the continuation of a resource management policy aimed at favouring the usage of leave and permits and minimising the use of extraordinary work.

The item Depreciation and write-downs include for 10.3 million Euros the provision for bad debts (8.5 million Euros as at December 31, 2012) and for the remainder refers to the provision to supplementary clientele severance indemnity.

The net financial charges amount to total 6.9 million Euros and their increase compared to 2012 (+1.2 million Euros) is mainly due to an higher cost of the money and the rescheduling of the financial debts on longer-term maturity, in addition to an increased average indebtedness related to the investments made during the course of the business year .

The result from recurrent activities of the year 2013 amounts to 73.2 million Euros (71.5 million Euros as at 31 December 2012) and has been affected by non-recurrent costs of 1.8 million Euros for the start-up of the ex Scapa warehouses.

The total net profit reached 47.3 million Euros, compared to 49.0 million profits in 2012, which had benefitted however from 1.5 million Euros of tax reimbursements (IRES) for the 2007 to 2011 business years.

Analysis of the re-classified statement of financial position

MARR Consolidated (€thousand)	***31.12.13***	*31.12.12**
Net intangible assets	99,980	100,050
Net tangible assets	68,282	52,573
Equity investments in other companies	304	296
Other fixed assets	36,951	31,262
Total fixed assets (A)	**205,517**	**184,181**
Net trade receivables from customers	400,210	380,511
Inventories	100,704	98,736
Suppliers	(274,334)	(270,373)
Trade net working capital (B)	**226,580**	**208,874**
Other current assets	56,196	48,056
Other current liabilities	(22,455)	(20,172)
Total current assets/liabilities (C)	**33,741**	**27,884**
Net working capital (D) = (B+C)	**260,321**	**236,758**
Other non current liabilities (E)	(438)	(337)
Staff Severance Provision (F)	(11,542)	(10,965)
Provisions for risks and charges (G)	(15,585)	(14,933)
Net invested capital (H) = (A+D+E+F+G)	**438,273**	**394,704**
Shareholders' equity attributable to the Group	(243,015)	(228,318)
Shareholders' equity attributable to minority interests	(1,127)	(1,162)
Consolidated shareholders' equity (I)	**(244,142)**	**(229,480)**
(Net short-term financial debt)/Cash	(29,541)	(111,755)
(Net medium/long-term financial debt)	(164,590)	(53,469)
Net financial debt (L)	**(194,131)**	**(165,224)**
Net equity and net financial debt (M) = (I+L)	**(438,273)**	**(394,704)**

*It should be noted that, as highlighted in the introduction to this Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement as at "31.12.2012" of the items Staff Severance provision, Deferred taxes fund and Net Equity.

Analysis of the Net Financial Position [II]

The following table represents the trend in Net Financial Position.

	MARR Consolidated (€thousand)	*31.12.13*	31.12.12
A.	Cash	8,056	9,354
	Cheques	36	20
	Bank accounts	24,578	43,035
	Postal accounts	154	186
B.	Cash equivalent	24,768	43,241
C.	**Liquidity (A) + (B)**	**32,824**	**52,595**
	Current financial receivable due to Parent Company	2,633	13,277
	Current financial receivable due to Related Companies	0	0
	Others financial receivable	2,706	2,354
D.	**Current financial receivable**	**5,339**	**15,631**
E.	Current Bank debt	(40,920)	(129,299)
F.	Current portion of non current debt	(26,029)	(50,672)
	Financial debt due to Parent Company	0	0
	Financial debt due to Related Companies	0	0
	Other financial debt	(755)	(10)
G.	Other current financial debt	(755)	(10)
H.	**Current financial debt (E) + (F) + (G)**	**(67,704)**	**(179,981)**
I.	**Net current financial indebtedness (H) + (D) + (C)**	**(29,541)**	**(111,755)**
J.	Non current bank loans	(133,945)	(53,469)
K.	Other non current loans	(30,645)	0
L.	**Non current financial indebtedness (J) + (K)**	**(164,590)**	**(53,469)**
M.	**Net financial indebtedness (I) + (L)**	**(194,131)**	**(165,224)**

As at 31 December 2013, the net financial indebtedness amounted to 194.1 million Euros, compared to 165.2 million Euros of the previous year; the ratio of net financial position on EBITDA amounted to 2.0, in line with the internal management parameters and less than the financial covenants, as stated in the Explanatory Notes.

In addition to the performance of ordinary management, the above-mentioned variation is linked to the following operations:

- on 1st February 2013, payment of 1.5 million Euros for the balance of the price for the purchase of a portion of the building in Santarcangelo di Romagna, Via Del Carpino 2 and 4;
- on 30 May 2013, payment of dividends for a total amount of 38.2 million Euros;

[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.

- payment, in the month of July 2013, of 15.5 million euros for the purchase from the Consorzio Centro Commerciale Ingrosso Carni Srl of the building located in Bologna, where the branch Carnemilia is based,

With reference to the breakdown of the Net Financial Position in current and non current quota, we point out that during the year the parent company MARR S.p.A., signed the following financing agreements:

- Syndicated loan for with BNP Paribas as Arranger and Coordinator, Rabobank (Arranger) and Banca Nazionale del Lavoro (Agent bank), disbursed on 18 June for 85 million Euros and composed of: a loan facility of 60 million Euros with expiring date in June 2018, and of a revolving facility of 25 million Euros with expiring date in June 2016. The loan facility was also integrated, under equal conditions, in October, with an additional 5 million Euros.
- Loan in Pool, with ICCREA Banca Impresa S.p.A. as Agent bank, disbursed on 27 June 2013 for a 13.5 million Euros and expiring date in December 2014.
- Private placement for US institutional investors of a bond closed on 11 July 2013. The bond loan, with an average coupon of about 5.1%, amounts to total 33 million Euro (initially 43 million dollar), of which 7.7 million Euro (initially 10 million dollar) with 7 years maturity and 25 million Euro (initially 33 million dollar) with 10 years maturity.
- Unsecured loan, granted on 2 September 2013 by Banca Carige for 8 million Euros and with maturity in February 2015.
- Unsecured loan, granted on 4 November 2013 by Banca Popolare di Milano for 10 million Euros and with maturity in May 2015.
- Mortgage granted on 4 December 2013 by Banca Popolare Commercio e Industria, for an amount of 5 million Euros, amortized and due to December 2020.

We point out that during the year the Parent Company has paid the last instalments of the loan in pool with Banca IMI as Agent Bank for a total amount of 43.3 million Euros and has also repaid in advance the loan of 22.5 million Euros with Banca Nazionale del Lavoro, expiring in 2014.

Those operations allowed MARR to diversify financial resources and lengthen maturities of its financial debts.

The net financial position as at 31 December 2013 remains in line with the company objectives.

Analysis of the Trade Net Working Capital

MARR Consolidated (€thousand)	***31.12.13***	*31.12.12*
Net trade receivables from customers	400,210	380,511
Inventories	100,704	98,736
Suppliers	(274,334)	(270,373)
Trade net working capital	**226,580**	**208,874**

As at 31 December 2013 the trade net working capital amounts to 226.6 million Euros (208.9 million Euros at the end of 2012), and the increase in net trade receivables is related to the increase in sales.
The value of inventories was essentially stable (+2.0 million Euros compared to 31 December 2012), with a recovery of efficiency in terms of higher inventory turnover.

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

Re-classified cash-flow statement

MARR Consolidated (€thousand)	*31.12.13*	*31.12.12**
Net profit before minority interests	47,318	48,990
Amortization and depreciation	4,528	4,252
Change in Staff Severance Provision	577	1,668
Operating cash-flow	**52,423**	**54,910**
(Increase) decrease in receivables from customers	(19,699)	(12,185)
(Increase) decrease in inventories	(1,968)	(2,573)
Increase (decrease) in payables to suppliers	3,961	10,651
(Increase) decrease in other items of the working capital	(5,857)	(8,455)
Change in working capital	**(23,563)**	**(12,562)**
Net (investments) in intangible assets	(93)	(188)
Net (investments) in tangible assets	(20,080)	(2,313)
Net change in financial assets and other fixed assets	(5,697)	(5,954)
Net change in other non current liabilities	753	424
Investments in other fixed assets and other change in non current items	**(25,117)**	**(8,031)**
Free - cash flow before dividends	**3,743**	**34,317**
Distribution of dividends	(38,175)	(42,124)
Capital increase	6,986	0
Other changes, including those of minority interests	(1,461)	(1,429)
Cash-flow from (for) change in shareholders' equity	**(32,650)**	**(43,553)**
FREE - CASH FLOW	**(28,907)**	**(9,236)**
Opening net financial debt	(165,224)	(155,988)
Cash-flow for the period	(28,907)	(9,236)
Closing net financial debt	**(194,131)**	**(165,224)**

The Cash Flow for the period is the result of the changes in Net Financial Position, Net Working Capital and Investments, as commented in the relevant paragraphs.

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)	*31.12.13*	*31.12.12**
Free - cash flow	(28,907)	(9,236)
Increase in current financial receivables	10,292	(12,111)
Decrease in non-current net financial debt	111,121	(3,432)
Increase in current financial debt	(112,277)	40,240
Increase (decrease) in cash-flow	**(19,771)**	**15,461**

*It should be noted that, as highlighted in the introduction to this Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement for the previous years of the items Staff Severance provision, Deferred taxes fund and Net Equity.

Investments

As regards the increase in "Land and Buildings" and "Plant and machinery", in addition to the purchase finalized on February 1, 2013 of a portion of the building in Santarcangelo di Romagna which managerial offices are located, we point out the purchase in July for a total of 15.5 million Euros of the building located in Bologna where the branch of Carnemilia is based.
The purchase of Carnemillia, that is centre strategic for processing activities (boning and cut), control, stocking and distribution of Meat to the singular commercial distribution centres, is part of the reorganization of the stocking platforms.

Finally, other investments in plants and machineries and in technical equipment were made in the new distribution centre Scapa, for a total amount of 406 thousand Euros.

The following is a summary of the net investments made in 2013:

(€thousand)	***31.12.13***
Intangible assets	
Concessions, licenses, trademarks and similar rights	93
Total intangible assets	**93**
Tangible assets	
Land and buildings	13,539
Plant and machinery	5,117
Industrial and business equipment	446
Other assets	978
Total tangible assets	**20,080**
Total	**20,173**

Research and development activities

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

Transactions with subsidiary, associated, holding and affiliated companies

In addition to that already reported in the "Group Structure" 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	31/12/2013	14,775	12,748	1,334	1	164	2,512
Sfera S.p.A.	31/12/2013	18,633	18,667	(108)	108	28	645
AS.CA S.p.A.	31/12/2013	47,979	45,310	1,751	76	36	5,334
New Catering S.r.l.	31/12/2013	13,548	12,536	661	81	19	1,038
Baldini Adriatica Pesca S.r.l.	31/12/2013	20,347	19,977	147	23	19	169
EMI.GEL S.r.l.	31/12/2013	11,341	10,658	465	39	14	2,878
Marr Foodservice Ibérica S.A.U.	31/12/2013	0	20	(13)	0	0	415
Other Companies							
Alisurgel S.r.l. in Liq.	31/12/2013	0	5	9	0	0	198

It must be pointed out that the value of MARR's consolidated purchase of goods by Cremonini S.p.A. and affiliated companies (as in the following table) represented 4.9% of the total consolidated purchases. All the commercial transactions and supply of services occurred at market value.

The economic and financial data for the 2013 business year is showed in the following table, classified by nature and by company:

COMPANY	FINANCIAL RELATIONS						ECONOMIC RELATIONS								
	RECEIVEBLES			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	Other operating charges	Financial charges
From Parent Companies:															
Cremonini Spa (*)	35	2,696	2,633	1,006			5		10	200		1,130	553		1
Total	35	2,696	2,633	1,006	0	0	5	0	10	200	0	1,130	553	0	1
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															
Bell Carni S.r.l. (ex Italbeef Srl)		1		1							(1)				
Chef Express S.p.A. (ex Moto S.p.A.)	1,125			2	0		5,628		9			18			
Fiorani & C. S.p.a.		1		26					1		39				
Frimo S.a.m.															
Ges.Car. S.r.l.															
Global Service Logistics S.r.l.															
Global Service S.r.l.		0		399								753		15	
Guardamiglio S.r.l.															
Inalca Algerie S.a r l.	8														
Inter Inalca Angola ltda	151														
Inalca Brazzaville Sarl															
Inalca Kinshasa S.a.r.l.	241														
Inalca Food and Beverage	112						102								
Inalca S.p.a.	157	8		5,958	0		491		0		46,855	257			
Interjet S.r.l.															
Marr Russia llc							2								
Italia Alimentari (ex Montana Alimentari S.p.a.)	16	75		1,083				0	141		4,634				
Real Beef S.r.l.											10				
Roadhouse Grill Roma S.r.l.	137						414	0	1						
Roadhouse Grill Italia S.r.l.	3,067			22	26		8,656	1	2		22	2			
Salumi D'Emilia S.r.l.															
Tecno-Star Due S.r.l.															
Avirail Italia S.p.a.	4						22								
Time Vending S.r.l.	30								25						
From Affiliated Companies															
Farmservice S.r.l.	11						99								
Food & Co S.r.l.	2														
Le Cupole S.r.l.													671		
Prometex Sam															
Total	5,061	85	0	7,491	26	0	15,414	1	179	0	51,559	1,030	671	15	0

(*) The item in the Other Receivables column relates to the IRES benefit transferred from MARR S.p.A. and its subsidiaries within the scope of the National Consolidated tax base (including the receivable for requsests of reimbursement regarding to the personel cost not deducted to Irap in the years 2007-2011) , while the item in Trade receivables and payables include the net amount of VAT transferred to Cremonini within the scope of the Group VAT liquidation. With reference to costs and revenues, the amounts include costs and revenues related to the relationship with Consorzio Centro Commerc. Ingrosso Carni S.r.l., merged in Cremonini in the month of December 2013.

(**) 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, even through third party persons and/or companies; consequently during the year 2013 the company never purchased or sold the above-mentioned shares and/or quotas.

On 17 October 2013, according to the terms set by the Shareholders' resolution of April 28, 2012, the company sold no. 705,647 ordinary MARR shares.

As at 31 December 2013 the company no longer owns own shares.

During the year, the Group did not carry out atypical or unusual operations.

As regards 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 Legislative Decree 58/198 (Testo Unico della Finanza), 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 on the website www.marr.it, Corporate Governance section and also available at the Company headquarters.
It should 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 and modified in March 2010 and in December 2011.

Significant events during 2013

As of 23 February 2013, the contract for the leasing of the going concern of Scapa Italia S.p.A. ("Scapa") became effective. This contract, which is included in the framework of a "*concordato preventivo*" (agreement among creditors enabling the continuity of the business) initiated by Scapa, was authorised – following clearance from the Antitrust Authority - by the Milan Law Courts on the last 12 February.
The lease of the going concern, with a duration of 12 months, involves the takeover of the active and passive contracts identified as instrumental in carrying out the activities, including the rental of the two warehouses, in addition to the acquisition of the inventories.
The contract also involves the acquisition of the going concern by MARR S.p.A., subject to the filing of the homologation by the Milan Law Courts of the "concordato preventivo".

On 19 April 2013 the Shareholders' Meeting approved the financial statements for the business year as at 31 December 2012 and the distribution to Shareholders of a gross dividend of 0.58 Euros with payment on 30 May 2013 and "ex coupon" (no. 9) on 27 May 2013, in accordance with the Italian Stock Exchange regulations.

With the view of extending maturities of its financial debts, in June, MARR finalized a syndicated credit line in Euros for a total amount of 85 million, which involves the participation of significant international financial institutions and is composed of a loan facility of 60 million Euros, with 5 years maturity and reimbursement in 9 instalments from June 2014, and of a revolving facility of 25 million Euros with bullet reimbursement at 3 years.

On 12 July, MARR notified the closing of a bond private placement amounting to 43 million dollars, for US institutional investors.
The bond loan, of which 10 million dollars with 7 years maturity and 33 million dollars with 10 years maturity, after the swap in Euros, has an average coupon of about 5.1%.
This is the debut for MARR on the US private placement market, and MARR is the only Italian company with sales concentrated in Italy to have finalised a USPP financing recently.
The operation will enable MARR to diversify its sources of financing and to extend their expiry dates, thereby giving more solidity to the process of consolidation of its own reference market.

In the framework of the reorganisation of the storage platforms, the purchase from the Consorzio Commerciale Ingrosso Carni Srl of the property located in Bologna where the branch of Carnemilia is based, which had been previously leased by MARR for an annual fee of approximately 1.1 million Euros, was finalised in July.

The price for the purchase of the real estate property and equipment installed therein has been determined at 15.5 million Euros, that was paid on signature of the purchase contract in July.
The reduced rental cost consequent to the purchase will have a positive effect, on an annual basis, of more than 1 million Euros on the EBITDA, effect that at the EBIT level and because of the increased depreciation costs, is reduced to approximately 580 thousand Euros. Net of the increased financial costs due to the purchase payment, the impact on the net profit is expected to be almost neutral.

On 17 October, according to the terms set by the Shareholders' resolution, MARR sold no. 705,647 ordinary MARR shares (amounting to 1.06% of the share capital) at a price of 9.90 Euros per share for a total amount of 6,985,905.30 Euros.

MARR had purchased own shares between the period 28 January 2008 and 6 March 2009 at an average price of 5.43 Euros.

In its meeting on 14 November 2013, the Board of Directors, among other things, updated the Corporate By-Laws to adjust the text to Law 120 dated 12 July 2011, concerning gender equality.

Events after the closure of the year

On 12 March last, MARR S.p.A. signed the contract for the purchase of the Scapa going concern, whose activities it had managed since 23 February 2013 under a lease contract of going concern..
The purchase price net of the liabilities for employees and sales agents and of the lease costs of the going concern already paid was determined as 1.7 million Euros, and this amount has already been paid on signing of the contract.

Following the start of the management of the Scapa going concern, MARR has reorganised its logistical activities in the ex Scapa warehouses in Marzano (Pavia) and Pomezia (Rome), in which it has concentrated the distribution activities to National Account customers and created two significant storage platforms.
Thanks to Scapa, MARR also has access to a significant portfolio of customers and consolidated specialisation, especially in the National Account segment, and is thus able to increase the level of services offered to its own customers.

Outlook

The results of the MARR Group in the first two months of 2014, although not significant in terms of their contribution to the entire business year, are positive. It should be recalled that, in 2013, the Easter festivities were between the end of March and the beginning of April and had a positive effect on the sales in that month, although this year on the other hand, Easter being in the second half of April and the long weekends of 25 April and 1 May 2014 could have a positive effect on the flow of tourists and therefore on out-of-home food consumption.
In general, it is expected that the out-of-home food consumption in 2014 could follow a trend similar to that in the second half of 2013, with signs of a tendency towards the stabilisation of the reduction in demand.

In 2014, the MARR Group will once again be developing the synergies consequent to the integration of the Scapa business activities and the increase in the level of service to its own customers.
For example, a sign of this is the recent launch of a section of the company website (www.marr.it) called "Sustainability", in which registered MARR customers can access a wide range of "Green Products", such as DOP and IGP products, organic farming products and products from sustainable fishing.
The initiative is part of the framework of policies such as the development of private label products (for example a line of quality hamburgers from various domestic and international sources) and the enhancement of skills and tools (for example new IT equipment) implemented by MARR with the goal of increasing the number of products sold per customer and therefore its market presence, through enhanced trust and the consequent further increase of its market share.

The Group's goal remains that of combining the strengthening of its market leadership by maintaining the levels of profitability achieved and keeping the management of the net trade working capital under control.

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.

The 2012 business year, so as 2011, has 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.

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.

Human Resources

There were 1,034 employees of the MARR Group in December 2013 (of which 8 Managers, 37 Middle Managers, 476 Employees and 513 Workers), an increase compared to the end of 2012 as a consequence of the continuation with MARR of the employment relations of the employees of the Scapa Italia going concern, taken over under lease by MARR from 23 February 2013. The average number of employees during the course of 2013 was higher (1,065.6) compared to the 2012 average for the same reason, and also compared to the figures for December, in this case mainly by effect of the dynamics due to the employment of workers on seasonal contracts, aimed at dealing with peaks in business activities, which in any case had a lesser impact compared to the previous year due to a management policy focusing more on resources.
In addition to dependent personnel, the Group also uses more than 650 sales agents and network of transporters with over 700 vehicles, through agency and service performance contracts.

Training
The principal characteristics constituting the basis of the competitive advantage of MARR are a wide range of products (MARR commercialises a range of over 10,000 food products), the skills of the commercial department, efficiency of the logistics system and goods innovation skills.
This is why the MARR Group focuses strongly on the valorisation and training of its human resources, through periodical training programmes (ForMARR) oriented towards the training of internal personnel and the sales workforce.
There was also significant focus in 2013 on the training of new sales agents, which was renewed compared to the 2011 training programme and based on IT tools dedicated to commercial activities.
Specific effort is also made in terms of the training of personnel performing activities which influence the quality of products, services and processes, to such an extent that in 2013, the training initiatives for employees on food health and safety attracted over 600 participants.
The focus on training in terms of safety in the workplace (Legislative Decree 81/08 and subsequent amendments and integrations) was also of great significance, with over 250 employees being trained, as provided by the State-Regions Agreement of 21/12/2011, in addition to training for first aid personnel and fire fighting personnel, training in the use of the load raising devices and the vertical overhead platforms and periodical training for the Workers Safety Representatives.

Safety in the Workplace
The number of injuries was substantially in line with that for 2012, and therefore still contained within reasonable limits (it should also be noted that there were no fatal injuries), witness to the constant effort made by MARR in terms of the continuous enhancement of safe working conditions through training and informative initiatives, structural enhancements and the dynamic management of documental supports for the prevention of risks.

Cost of employment
The impact of the inclusion of the personnel of the Scapa Italia going concern taken over under lease from 23 February 2013, in addition to that of the inclusion of the Lelli personnel in September 2012 and that of the remuneration increases provided by the renewal of the National Collective Labour Contract for workers in the tertiary sector of distribution and services, which occurred in early 2011 but with increases planned until 2013 (approximately +6% overall) have led to an increase in the cost of employment sustained in 2013 compared to 2012. Net of these factors, the cost would have reduced by approximately 2.6%, thanks to a confirmed resource management policy aimed at containing the use of extraordinary work, the use of seasonal personnel and favouring 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.

With regard to the figures of the year 2012, we point out that the application of the amendments to IAS 19 ("Employee benefits"), entered into force for business years starting on 1st January 2013 or later, has implied the restatement, for the 2012 business year, of the items Staff Severance provision, Deferred taxes fund with the relevant effects on Net Equity and on Profit for the period.
As at 31 December 2012 the application of this amendment implied the restatement of a Net Equity minor for about 427 thousand Euros; the Net Profit is greater for 65 thousand Euros.

Re-classified Income Statement of the parent company MARR

MARR S.p.A. (€thousand)	***31.12.13***	*%*	*31.12.12**	*%*	*% Change*
Revenues from sales and services	1,217,735	*97.6%*	1,131,515	*97.5%*	*7.6*
Other earnings and proceeds	30,177	*2.4%*	28,775	*2.5%*	*4.9*
Total revenues	**1,247,912**	***100.0%***	**1,160,290**	***100.0%***	***7.6***
Raw and secondary materials, consumables and goods for resale	(975,279)	*-78.2%*	(914,138)	*-78.8%*	*6.7*
Change in inventories	1,772	*0.2%*	3,157	*0.3%*	*(43.9)*
Services	(145,505)	*-11.7%*	(127,908)	*-11.0%*	*13.8*
Leases and rentals	(9,266)	*-0.7%*	(7,826)	*-0.7%*	*18.4*
Other operating costs	(2,169)	*-0.2%*	(2,358)	*-0.2%*	*(8.0)*
Value added	**117,465**	***9.4%***	**111,217**	***9.6%***	***5.6***
Personnel costs	(31,046)	*-2.5%*	(28,777)	*-2.5%*	*7.9*
Gross Operating result	**86,419**	***6.9%***	**82,440**	***7.1%***	***4.8***
Amortization and depreciation	(3,825)	*-0.3%*	(3,431)	*-0.3%*	*11.5*
Provisions and write-downs	(9,542)	*-0.7%*	(8,206)	*-0.7%*	*16.3*
Operating result	**73,052**	***5.9%***	**70,803**	***6.1%***	***3.2***
Financial income	7,558	*0.5%*	6,361	*0.5%*	*18.8*
Financial charges	(10,166)	*-0.8%*	(7,605)	*-0.6%*	*33.7*
Foreign exchange gains and losses	(68)	*0.0%*	(121)	*0.0%*	*(43.8)*
Value adjustments to financial assets	(13)	*0.0%*	(4)	*0.0%*	*225.0*
Result from recurrent activities	**70,363**	***5.6%***	**69,434**	***6.0%***	***1.3***
Non-recurring income	0	*0.0%*	0	*0.0%*	*0.0*
Non-recurring charges	(1,856)	*-0.1%*	0	*0.0%*	*100.0*
Profit before taxes	**68,507**	***5.5%***	**69,434**	***6.0%***	***(1.3)***
Income taxes	(21,736)	*-1.8%*	(21,905)	*-1.9%*	*(0.8)*
Recovery for tax relating previous years	0	*0.0%*	1,301	*0.1%*	*100.0*
Total net profit	**46,771**	***3.7%***	**48,830**	***4.2%***	***(4.2)***

* It should be noted that, as highlighted in the introduction to this Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS 19 ("Employee benefits") has implied the restatement of the items Personnel costs and Taxes concerning the year 2012.

Re-classified Balance Sheet of the parent company MARR

MARR S.p.A. (€thousand)	***31.12.13***	*31.12.12**
Net intangible assets	71,310	71,320
Net tangible assets	62,229	46,201
Equity investments in other companies	33,496	33,500
Other fixed assets	36,416	30,814
Total fixed assets (A)	**203,451**	**181,835**
Net trade receivables from customers	372,418	354,148
Inventories	92,769	90,997
Suppliers	(254,043)	(251,977)
Trade net working capital (B)	**211,144**	**193,168**
Other current assets	52,806	44,401
Other current liabilities	(19,147)	(17,051)
Total current assets/liabilities (C)	**33,659**	**27,350**
Net working capital (D) = (B+C)	**244,803**	**220,518**
Other non current liabilities (E)	(438)	(337)
Staff Severance Provision (F)	(8,959)	(8,461)
Provisions for risks and charges (G)	(12,679)	(12,087)
Net invested capital (H) = (A+D+E+F+G)	**426,178**	**381,468**
Shareholders' equity	(238,291)	(223,554)
Shareholders' equity (I)	**(238,291)**	**(223,554)**
(Net short-term financial debt)/Cash	(23,297)	(104,445)
(Net medium/long-term financial debt)	(164,590)	(53,469)
Net financial debt (L)	**(187,887)**	**(157,914)**
Net equity and net financial debt (M) = (I+L)	**(426,178)**	**(381,468)**

*It should be noted that, as highlighted in the introduction to this Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement as at "31.12.2012" of the items Staff Severance provision, Deferred taxes fund and Net Equity.

Net financial position of the Parent Company MARR S.p.A.

	(€thousand)	***31.12.13***	*31.12.12*
A.	Cash	7,702	9,042
	Cheques		
	Bank accounts	20,044	38,293
	Postal accounts	154	186
B.	Cash equivalent	20,198	38,479
C.	**Liquidity (A) + (B)**	**27,900**	**47,521**
	Current financial receivable due to Subsidiaries	8,624	8,236
	Current financial receivable due to Parent Company	2,633	13,277
	Others financial receivable	2,706	2,354
D.	**Current financial receivable**	**13,963**	**23,867**
E.	Current Bank debt	(36,037)	(123,557)
F.	Current portion of non current debt	(26,029)	(50,672)
	Financial debt due to Parent Company	0	0
	Financial debt due to Subsidiaries	(2,338)	(1,600)
	Financial debt due to Related Companies	0	0
	Other financial debt	(756)	(4)
G	Other current financial debt	(3,094)	(1,604)
H.	**Current financial debt (E) + (F) + (G)**	**(65,160)**	**(175,833)**
I.	**Net current financial indebtedness (H) + (D) + (C)**	**(23,297)**	**(104,445)**
J.	Non current bank loans	(133,945)	(53,469)
K.	Other non current loans	(30,645)	0
L.	**Non current financial indebtedness (J) + (K)**	**(164,590)**	**(53,469)**
M.	**Net financial indebtedness (I) + (L)**	**(187,887)**	**(157,914)**

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

MARR S.p.A. (€thousand)	***31.12.13***	*31.12.12**
Net profit before minority interests	46,771	48,830
Amortization and depreciation	3,825	3,431
Change in Staff Severance Provision	498	897
Operating cash-flow	**51,094**	**53,158**
(Increase) decrease in receivables from customers	(18,270)	(11,544)
(Increase) decrease in inventories	(1,772)	(3,157)
Increase (decrease) in payables to suppliers	2,066	10,400
(Increase) decrease in other items of the working capital	(6,309)	(6,812)
Change in working capital	**(24,285)**	**(11,113)**
Net (investments) in intangible assets	(91)	(190)
Net (investments) in tangible assets	(19,757)	(1,847)
Net change in financial assets and other fixed assets	(5,598)	(5,851)
Net change in other non current liabilities	693	603
Investments in other fixed assets and other change in non current items	**(24,753)**	**(7,285)**
Free - cash flow before dividends	**2,056**	**34,760**
Distribution of dividends	(38,175)	(42,124)
Capital increase	6,986	0
Other changes, including those of minority interests	(840)	(627)
Cash-flow from (for) change in shareholders' equity	**(32,029)**	**(42,751)**
FREE - CASH FLOW	**(29,973)**	**(7,991)**
Opening net financial debt	(157,914)	(149,923)
Cash-flow for the period	(29,973)	(7,991)
Closing net financial debt	**(187,887)**	**(157,914)**

*It should be noted that, as highlighted in the introduction to this Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement for the previous years of the items Staff Severance provision, Deferred taxes fund and Net Equity.

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 has powers of legal representation as per art. 20 of the by Laws,
- the Chief Executive Officer, 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 27 June 2012.

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

During the course of the year, Mr. Ugo Ravanelli and Mr. Pierpaolo Rossi, who both filled the role of Chief Executive Officer during the course of 2013, 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, parent and affiliated companies

As regards the relations with subsidiary, associated, parent 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:

Companies	Nature of Transactions
Subsidiaries	Trade and services
Parent Companies - Cremonini Spa	Trade and general services
Associated companies - Cremonini Group's companies -	Trade and 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 (as in the following table) represented 5.45% 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 2013 business year, classified by nature and by company:

	Trade	Other	Financial	Trade	Other*	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	Other operating charges	Financial charges
From Parent Companies:															
Cremonini Spa (*)	0	2,569	2,633	711			5		10	200		1,126	553		1
Total	0	2,569	2,633	711	0	0	5	0	10	200	0	1,126	553	0	1
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															
Avirail	4						22								
Bell Carni S.r.l. (ex Italbeef S.r.l.)		1		1							(1)				
Chef Express S.p.A. (ex Moto S.p.a.)	1,125			2	0		5,629		9			18			
Fiorani & C. S.p.a.		1		27					1		39				
Frimo S.a.m.															
Ges.Car. S.r.l.															
Global Service Logistics S.r.l.															
Global Service S.r.l.		0		397								736		15	
Guardamiglio S.r.l.															
Inalca Algerie S.a.r l.	8														
Inter Inalca Angola ltda	151														
Inalca Brazaville Sarl															
Inalca Food & Beverage	112						102								
Inalca Kinshasa Sarl	241														
Inalca S.p.a.	156	8		5,851	0		491		0		46,290	257			
Interjet S.r.l.															
Italia Alimentari (ex Montana Alimentari S.p.a.)	13	75		1,056				0	134		4,441				
Marr Russia llc							2								
Real Beef S.r.l.											10				
Roadhouse Grill Italia S.r.l.	3,067			22	26		8,656	1	2		22	2			
Roadhouse Grill Roma S.r.l.	137						414	0	1						
Salumi dell'Emilia S.r.l.															
Tecno-Star Due S.r.l.															
Time Vending S.r.l.	30								25						
From not Affiliated Companies															
Farmservice S.r.l.	11						99								
Food & Co S.r.l.	2														
Le Cupole S.r.l.													671		
Prometex Sam															
Total	5,057	85	0	7,356	26	0	15,415	1	172	0	50,801	1,013	671	15	0

(*) The item in the Other Receivables column relates to the IRES benefit transferred from MARR S.p.A. within the scope of the National Consolidated tax base (including the receivable for requsests of reimbursement regarding to the personel cost not deducted to Irap in the years 2007-2011), while the item in Trade receivables and payables include the net amount of VAT transferred to Cremonini within the scope of the Group VAT liquidation. With reference to costs and revenues, the amounts include costs and revenues related to the relationship with Consorzio Centro Commerc. Ingrosso Carni S.r.l., merged in Cremonini in the month of December 2013.
(**) The total amount of trade receivables and payables are reclassified under "Receivables from customer" and "Suppliers" respectively.

	Trade	Other	Financial	Trade	Other*	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	Other operating charges	Financial charges
From Affiliated Companies															
Alisea Soc. Cons. a r.l.	274			0			875	83	3						
Asca S.p.A.	605		3,268	54			1,545	296	7	81	502				
Baldini Adriatica Pesca S.r.l.	102			140		1,131	710	102	3		1,704				14
Emigel S.r.l.	68			4		114	1	68	1		0				4
Alisurgel S.r.l. in liquidazione						766		3							17
Marr Foodservice Iberica S.A.u				85		327			8						7
New Catering S.r.l.	114		573	18			355	82	14	7		15			
Sfera S.p.A.	194		4,783	403			1,486	187	-	84	121		1,301		
Total	1,357	0	8,624	704	0	2,338	4,972	821	36	172	2,327	15	1,301	0	42

Proposal for the distribution of the 2013 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 2013 submitted for your examination and approval in this meeting, have been drafted in respect of the legislation in force.

In submitting the 2013 financial statements for approval, we propose to:

a) distribute the profits amounting to 46,771,220 Euros as follows:

- to dividend of 0.58 Euros for each ordinary share with rights;

- allocation of the remaining amount to the extraordinary reserve.

b) to pay the dividend on 29 May 2014 with ex coupon (No. 9) on 26 May 2014, 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 2013 to the achievement of the Company's objectives through their commitment.

Rimini, 14 March 2014

The Board of Directors
The Chairman
Ugo Ravanelli

MARR GROUP

Consolidated Financial Statements

as at December 31, 2013

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(€thousand)	Notes	31.12.13	31.12.12*	01.01.12*
ASSETS				
Non-current assets				
Tangible assets	1	68,282	52,573	54,264
Goodwill	2	99,630	99,630	99,658
Other intangible assets	3	350	420	458
Investments in other companies		304	296	296
Non-current financial receivables	4	2,200	3,504	4,453
Deferred tax assets	5	10,201	9,512	8,400
Other non-current assets	6	36,537	24,204	18,790
Total non-current assets		**217,504**	**190,139**	**186,319**
Current assets				
Inventories	7	100,704	98,736	96,163
Financial receivables	8	5,339	15,631	3,469
relating to related parties		*2,633*	*13,277*	*1,725*
Financial instruments / derivative		0	0	51
Trade receivables	9	388,223	374,553	361,991
relating to related parties		*5,098*	*3,367*	*3,948*
Tax assets	10	9,751	10,721	6,051
relating to related parties		*2,681*	*2,518*	*0*
Cash and cash equivalents	11	32,824	52,595	37,134
Other current assets	12	46,445	37,335	35,727
relating to related parties		*100*	*101*	*270*
Total current assets		**583,286**	**589,571**	**540,586**
TOTAL ASSETS		***800,790***	***779,710***	***726,905***
LIABILITIES				
Shareholders' Equity				
Shareholders' Equity attributable to the Group	13	243,015	228,318	222,920
Share capital		*33,263*	*32,910*	*32,910*
Reserves		*153,963*	*141,069*	*136,460*
Retained Earnings		*0*	*(3,477)*	*(3,477)*
Profit for the period attributable to the Group		*55,789*	*57,816*	*57,027*
Shareholders' Equity attributable to minority interests		1,127	1,162	1,129
Minority interests' capital and reserves		*546*	*554*	*574*
Profit for the period attributable to minority interests		*581*	*608*	*555*
Total Shareholders' Equity		**244,142**	**229,480**	**224,049**
Non-current liabilities				
Non-current financial payables	14	161,588	53,469	56,901
Financial instruments / derivative	15	3,002	0	0
Employee benefits	16	11,542	10,965	9,297
Provisions for risks and costs	17	4,257	3,849	3,544
Deferred tax liabilities	18	11,328	11,084	11,061
Other non-current liabilities	19	438	337	241
Total non-current liabilities		**192,155**	**79,704**	**81,044**
Current liabilities				
Current financial payables	20	67,704	179,973	139,741
relating to related parties		*0*	*0*	*0*
Financial instruments/derivatives		0	8	0
Current tax liabilities	21	1,904	1,480	4,319
relating to related parties		*0*	*0*	*2,410*
Current trade liabilities	22	274,334	270,373	259,722
relating to related parties		*8,769*	*8,253*	*9,104*
Other current liabilities	23	20,551	18,692	18,030
relating to related parties		*26*	*0*	*0*
Total current liabilities		**364,493**	**470,526**	**421,812**
TOTAL LIABILITIES		***800,790***	***779,710***	***726,905***

*It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement as at "31.12.2012" and "01.01.2012" of the items Staff Severance provision, Deferred taxes fund and Net Equity.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(€thousand)	*Notes*	**31.12.13**	31.12.12*
Revenues	24	1,331,891	1,228,776
relating to related parties		*15,432*	*11,395*
Other revenues	25	32,854	31,192
relating to related parties		*189*	*221*
Changes in inventories	7	1,968	2,573
Purchase of goods for resale and consumables	26	(1,057,186)	(981,575)
relating to related parties		*(51,559)*	*(39,497)*
Personnel costs	27	(41,457)	(36,852)
Amortization, depreciation and write-downs	28	(15,167)	(13,203)
Other operating costs	29	(174,729)	(153,802)
relating to related parties		*(3,533)*	*(4,462)*
Financial income and charges	30	(6,860)	(5,629)
relating to related parties		*199*	*257*
Pre-tax profits		**71,314**	**71,480**
Taxes	31	(23,996)	(22,490)
Profits for the period		**47,318**	**48,990**
Atributable to:			
Shareholders of the parent company		46,737	48,382
Minority interests		581	608
		47,318	***48,990***
basic Earnings Per Share (euro)	32	0.71	0.74
diluted Earnings Per Share (euro)	32	0.71	0.74

* It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement of the items Personnel costs and Taxes concerning year 2012.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(€thousand)	*Notes*	***31.12.13***	*31.12.12**
Profits for the period (A)		**47,318**	**48,990**
Items to be reclassified to profit or loss in subsequent periods:			
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect		(868)	(42)
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses)/gains concerning defined benefit plans, net of taxation effect		24	(841)
Total Other Profits/Losses, net of taxes (B)	***33***	**(844)**	**(883)**
Comprehensive Income (A + B)		**46,474**	**48,107**
Atributable to:			
Shareholders of the parent company		45,891	47,528
Minority interests		583	579
		46,474	***48,107***

* It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement of the items Other Profit and Losses concerning the year of 2012.

CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDER'S EQUITY
(note 13)

Description	Share Capital	Other Reserves: Share premium reserve	Legal reserve	Revaluation reserve	Shareholders ontributions o 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)	Reserve IAS 19	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 2012 *	**32,910**	**60,192**	**6,652**	**13**	**36,496**	**22,159**		**1,475**	**7,296**	**36**	**1,504**	**636**	**136,460**	**(3,467)**	**(10)**	**(3,477)**	**57,027**		**222,920**	**1,129**
Allocation of 2011 profit						5,470							**5,470**				(5,470)			
Distribution of parent company dividends																	(42,124)		(42,124)	
Distribution of subsidiaries company dividends																				(545)
Other minor variations											(6)		**(7)**				1		(6)	(1)
Consolidated comprehensive income 2012*:																				
- Profit for the period																	48,382		48,382	608
- Other Profits/Losses, net of taxes										(42)		(812)	**(854)**						(854)	(29)
Balance at 31 December 2012 *	**32,910**	**60,192**	**6,652**	**13**	**36,496**	**27,629**		**1,475**	**7,296**	**(6)**	**1,498**	**(176)**	**141,069**	**(3,467)**	**(10)**	**(3,477)**	**57,816**		**228,318**	**1,162**
Allocation of 2012 profit						10,590							**10,590**				(10,590)			
Distribution of parent company dividends																	(38,175)		(38,175)	
Distribution of subsidiaries company dividends																				(618)
Effect of the trading of own shares	353	3,156											**3,156**	3,467	10	**3,477**			6,986	
Other minor variations											(6)		**(6)**				1		(5)	
Consolidated comprehensive income 2013:																				
- Profit for the period																	46,737		46,737	581
- Other Profits/Losses, net of taxes										(868)		22	**(846)**						(846)	2
Balance at 31 December 2013	**33,263**	**63,348**	**6,652**	**13**	**36,496**	**38,219**		**1,475**	**7,296**	**(874)**	**1,492**	**(154)**	**153,963**				**55,789**		**243,015**	**1,127**

*It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement as at 1st January 2012 and 31 December 2012 of the items regarding the Shareholders Equity.

CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	**31.12.13**	31.12.12*
Profit for the Period	47,318	48,990
Adjustment:		
Amortization / Depreciation	4,534	4,256
Allocation of provison for bad debts	10,273	8,548
Allocation of provision for risks and losses	240	0
Capital profit/losses on disposal of assets	(158)	(124)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and losses	6,531	5,521
relating to related parties	*(199)*	*(257)*
Foreign exchange evaluated (gains)/losses	8	24
	21,428	18,225
Net change in Staff Severance Provision	577	1,668
(Increase) decrease in trade receivables	(23,943)	(21,110)
relating to related parties	*(1,731)*	*581*
(Increase) decrease in inventories	(1,968)	(2,573)
Increase (decrease) in trade payables	3,961	10,651
relating to related parties	*516*	*(851)*
(Increase) decrease in other assets	(21,443)	(7,022)
relating to related parties	*1*	*169*
Increase (decrease) in other liabilities	2,128	1,063
relating to related parties	*26*	*0*
Net change in tax assets / liabilities	22,027	20,447
relating to related parties	*16,075*	*18,207*
Interest paid	(10,390)	(7,809)
relating to related parties	*200*	*258*
Interest received	3,859	2,288
relating to related parties	*(1)*	*(1)*
Foreign exchange gains	(478)	(565)
Foreign exchange losses	470	541
Income tax paid	(21,078)	(29,045)
relating to related parties	*(16,238)*	*(23,135)*
Cash-flow from operating activities	**22,468**	**35,749**
(Investments) in other intangible assets	(93)	(216)
Goodwill write-off	0	28
(Investments) in tangible assets	(21,609)	(3,215)
Net disposal of tangible assets	1,687	1,026
Net (investments) in equity investments in other companies	(8)	0
Cash-flow from investment activities	**(20,023)**	**(2,377)**
Distribution of dividends	(38,175)	(42,124)
Increase in capital and reserves paid-up by shareholders	6,986	0
Other changes, including those of third parties	(1,467)	(1,433)
Net change in financial payables (excluding the new non-current loans received)	(160,451)	(10,692)
relating to related parties	*0*	*0*
New non-current loans received	159,295	47,500
relating to related parties	*0*	*0*
Net change in current financial receivables	10,292	(12,111)
relating to related parties	*10,644*	*(11,552)*
Net change in non-current financial receivables	1,304	949
Cash-flow from financing activities	**(22,216)**	**(17,911)**
Increase (decrease) in cash-flow	**(19,771)**	**15,461**
Opening cash and equivalents	52,595	37,134
Closing cash and equivalents	**32,824**	**52,595**

*It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement for the previous years of the items Staff Severance provision, Deferred taxes fund and Net Equity.

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 2013 were authorised for publication by the Board of Directors on 14 March 2014.

Structure and contents of the consolidated financial statements

The consolidated financial statements as at 31 December 2012 have been prepared in accordance with the accounting policies and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedures in art. 6 of (EC) Regulation 1606/2002 of the European Parliament and Council dated 19 July 2002 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 2013, 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 2012, see that described in the Directors' Report on management performance.

The consolidated financial statements as at 31 December 2012 include, for comparative purposes, the figures for the year ended on 31 December 2012.
In this regard, we point out that the application of the amendment of IAS principle 19 "Employee benefits", which entered in force for business years starting from 1st January 2013 or later, has implied the restatement of 2012 business year values for the "Staff Severance Provision" and "Deferred Tax Liabilities", with the relevant effects on the Shareholders equity and on the Result of the period.
For further details regarding the above mentioned effects, see what exposed in the paragraph "Accounting Policies".

The following classifications have been used:

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

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

Appendix 2 contains the Statement of financial position, the Consolidated Statement of Profit or Loss, the Consolidated Statement of Other 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)	31.12.13 MARR Consolidated	31.12.13 MARR S.p.A.	Impact %
Revenues from sales and services	1,331,891	1,217,735	91.4%
Total assets	800,790	736,306	91.9%
Net profit for the period	46,737	46,771	100.1%

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: this holding is determined on the basis of the percentage held in the fair value of the assets and liabilities recorded at the date of original takeover and in the changes in shareholders' equity after this date.
- Subsequently, the profits and losses are attributed to the minority shareholders on the basis of the percentage they hold and the losses are attributed to minorities even if this implies that the minority holdings have a negative balance.
- Changes in the shareholding of the parent company in a subsidiary which do not imply loss of control are accounted as equity transactions.
- If the parent company loses control over a subsidiary, it:
    - derecognises the assets (including any goodwill) and liabilities of the subsidiary,
    - derecognises the carrying amount of any non-controlling interest,
    - derecognises the cumulative translation differences recorded in equity,
    - recognises the fair value of the consideration received,
    - recognises the fair value of any investment retained,
    - recognises any surplus or deficit in the profit and loss,
- re-classifies the parent's share of components previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate.

Scope of consolidation

The consolidated financial statements as at 31 December 2013 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 scope of consolidation as at 31 December 2013, with an indication of the method of consolidation, are attached in Appendix 1.

The scope of consolidation as at 31 December 2013 does not differ from that at 31 December 2012.

Accounting policies

The most significant Accounting policies adopted for the preparation of the consolidated financial statements as at 31 December 2013 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 context 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	2,65% - 4%
- Plant and machinery	7.50%-15%
- Industrial and business equipment	15%- 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% / contract term

The remaining accounting value, useful lifetime and amortization criteria are reviewed on closure of each business year and the tables adjusted if required.
An asset is removed from the financial statements when it is sold or when there are no longer any future economic benefits expected from its use or disposal. Any losses or profits (calculated as the difference between the net income from its sale and its accounting value) are included in the profit and loss account when it is removed.

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.

Investments in related companies and other companies

A related company is a company over which the Group exercises significant influence. Significant influence is intended as the power to participate in the determination of financial and management policies of the related party without having control or joint control.
Investments in related companies are evaluated using the Net Equity method and the shareholdings in other companies are evaluated as the purchase, subscription or conferment cost, as indicated in Appendix 1 and the following explanatory notes.
In the net equity method, the participation in a related company is initially recorded at cost. The accountable value of the holding is increased or decreased in order to record the quota of pertinence of the holder in the profits and losses of the related party achieved after the date of acquisition. The goodwill concerning the related party is included in the accountable value of the holding and is not subjected to amortization, or to an individual evaluation of loss of value (impairment).
The consolidated statement of profits or loss reflects the quota of pertinence of the Group of the business year result of the related company. All changes to the other components in the overall profits and loss account concerning these related parties are presented as part of the overall income statement of the Group. Also, in the case of a related company recording a change directly attributable to the net equity, the Group records the quota of pertinence, when applicable, in the statement of changes in the the net equity. The unrealised profits and losses deriving from transactions between the Group and related companies or joint ventures are eliminated in proportion to the quota of the holding in the related companies or joint ventures.
The recoverable nature of their recorded value is verified adopting the criteria described in the point "Losses in value of non-financial assets" as regards the holdings in related parties and the point "Losses in value of financial assets" as regards the holdings in other companies.
Whenever significant influence over a related company or joint control over a joint venture ceases, the Group assesses and records the remaining holding at fair value. The difference between the recorded value of the holding on the date of the termination of significant influence or joint control and the fair value of the remaining holding and the incoming payments received is recorded in the income statement.

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 current assets

The trade receivables and other short-term receivables are initially recorded at their nominal value, which represents their fair value, and subsequently evaluated at their amortized cost, net of any depreciations. When they are recorded, the nominal value of the receivables is representative of their fair value on said date. By virtue of the high rotation of receivables, the application of the amortized cost does not have any significant effect. The Provision for write-down of receivables represents the difference between the recorded value of receivables and the reasonable forecast of financial flows expected from their cashing-in.

Financial assets

The financial assets within the scope of IAS 39 are classified as receivables, financial assets available for sale or as derivatives designated as hedging instruments for effective hedging, according to the circumstances in question. The Group determines the classification of its own financial assets at initial recognition.

Financial assets are initially recorded at their fair value plus transaction costs directly attributable to their purchase, except in the case of financial assets recorded at fair value in the profit or loss. The Group's financial assets include cash and short-term deposits, trade and other short-term receivables, loans, non listed financial instruments and derivatives financial instruments.
The subsequent measurement of the financial assets depends on their classification as follows:
Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that have not been floated on the stock exchange. After initial measurement, such financial assets are subsequently measured at their amortized cost using the effective interest rate criterion (EIR), less impairment. The amortized cost is calculated by recording any discounts, purchase premiums, fees or costs that are an integral part of the effective interest rate. The amortization of the effective interest rate is included in financial income in the income statement. The losses arising from any impairment are recognised in the income statement as financial costs.

Derivatives

Subsequently to their initial recording, the derivatives are evaluated again at fair value and are accounted as financial assets should the fair value be positive. Eventual profits or losses deriving from changes in the fair value of the derivatives are recorded directly in the income statement, except for the effective part of the hedging of cash flows, which is recorded among the components of other comprehensive income and subsequently reclassified in the statement of profit or loss if the hedging instrument influences the profits or losses.

A financial asset (or, if applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised from the financial statements when:

- the right to receive cash flows from the asset have expired;
- the Group has transferred the right to receive cash flows from the asset or has assumed an obligation to pay them fully and without delay to a third party and either (a) has substantially transferred all the risks and rewards of ownership of the financial asset or (b) has neither transferred nor substantially withheld all the risks and rewards of the asset but has transferred control of it.

In cases in which the Group has transferred the right to receive cash flows from an asset and has not either transferred or substantially withheld all the risks and rewards or has not lost control of it, the asset is recorded in the financial statements of the Group in the remainder measure in which is involved in the asset in question. In this case, the Group also recognises an associated liability. The asset transferred and the associated liabilities are measured on a basis to reflect the rights and obligations that the Group has retained.

Losses in value of financial assets

At each reporting date, the Group assesses whether a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as result of one ore more events that have occurred after the initial recognition of the asset (when a "loss event" occurs) and this loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets in question that can be reliably estimated. Evidence of impairment may be represented by indicators such as financial difficulties, the incapacity to deal with the obligations undertaken, insolvency in the payment of interest or significant payments that are affecting the debtors or a group of debtors; the probability that it will enter bankruptcy or other form of financial reorganisation, and where observable data indicate that there is a measurable decrease in expected future cash flows, such as changes in context or in the economic conditions related to the obligations undertaken.
As regards the financial assets carried at amortized cost, the Group firstly assesses whether objective evidence of impairment exists for each financial asset that is individually significant, or collectively in the case of financial assets that are not individually significant. If the Group determines that there is no evidence of impairment for a financial asset evaluated individually, whether significant or not, then the asset in question is included in a group of financial assets with similar credit risk characteristics and these are assessed

collectively for impairment. The assets that are evaluated individually in terms of impairment and for which a loss in value has been recorded or continues to be recorded are not included in any collective assessments of impairment.

If there is objective evidence of an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not yet incurred). The present value of the cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for the measurement of any impairment loss is the current effective interest rate.
The carrying amount of the asset is reduced directly and the amount of the loss will be recognised in the income statement. The interest income continues to be accrued on the reduced carrying amount and is accrued using the interest rate used to discount the future cash flows to measures the impairment loss. The interest income is recorded as part of the financial income in the income statement. Loans and their relevant allowance are written off when there is no realistic prospect of their future recovery and all the collateral have been realised or transferred to the Group. If during a subsequent business year the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced and the allowance account is adjusted. If a future write-off is subsequently recovered, the value recovered is credited to finance costs in the income statement.
For available-for-sale financial assets, the Group assesses whether there is objective evidence that an asset or group of assets is impaired at each reporting date.

In the case of equity investments classified as available for sale, the objective evidence would include a significant or prolonged reduction in the fair value of the investment below its cost. The "Significance" is evaluated with respect to the original cost of the instrument and "prolonged effect" with respect to the (duration of the) period in which the fair value has been below the original cost. Should there be evidence of impairment, the cumulative losses – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from the other comprehensive income and recognised in the income statement.
Any losses due to impairment of instruments representative of capital may not be reversed with the effects recorded in the profit and loss account; any increases in their fair value subsequent to an impairment loss are recorded directly in the other comprehensive income.

Losses in value of non-financial assets

When events occur that would lead to assume a reduction in the value of asset, its recoverability is assessed by comparing the recorded value with the relevant recoverable value, represented by the greater of the fair value, net of the discharge costs, and its value in use.
In the absence of a binding sales agreement, the fair value is estimated on the basis of the values expressed by an active market, by recent transactions or on the basis of the best information available to reflect the amount that the business would receive by selling the asset.
The value in use is determined by actualising the expected cash flows deriving from the use of the asset and, if significant and reasonably determinable, from its sale at the end of its useful lifetime. The cash flows are determined on the basis of reasonable and documented assumptions representative of the best estimate of the future economic conditions that may occur during the remaining lifetime of the asset, giving more importance to indications from outside. Actualisation is carried out at a rate which takes into account the market assessments of the current value of cash and specific risks of the asset, in addition to the inherent risk to the sector of business in question.
Assessment is conducted on each individual asset or the smallest identifiable group of assets which generates autonomous incoming cash flows deriving from continuous use (so-called *cash generating unit*). When the reasons for the depreciations made are no longer in place, the assets, except for goodwill, are revalued and the adjustment attributed to the profit and loss account as readjustment (restoration of value). Readjustment is carried out at the lesser of the recoverable value and recorded value gross of depreciations carried out previously and reduced by the amortization quotas that would have been allocated had impairment not been carried out.

Goodwill is tested for impairment at least once every year (on the date of the financial statements, 31 December) and more frequently should circumstances indicate that the carrying value may be impaired.

Impairment of goodwill is assessed by evaluating the recoverable amount of each cash generating unit (or the group of cash generating units) to which the goodwill relates. Should the recoverable amount of the cash generating unit be less than the carrying amount of the cash generating unit for which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating goodwill cannot be reversed in future business years.

Employee benefits

The Employee Severance Fund is included in the context of what IAS 19 defines as definite benefits plans in the framework of benefits after employment. The accounting treatment provided for these forma of remuneration requires an actuarial calculation which enables the future projection of the Employee Severance Fund amount already accrued and to actualise it to take into account the time that will elapse before effective payment. The actuarial calculation takes certain variables into consideration, such as the average employment time of employees, inflation rates and expected interest rates. The assessment of this liability is performed by an independent actuary. Following the changes to IAS 19, effective for business years starting on 1 January 2013 and subsequent, the profits and losses deriving from the actuarial calculation for the definitive benefits plans are included in the statement of other comprehensive income for the period they refer to. These actuarial profits and losses are immediately classified under the profits carried over and are not reclassified in the profit and loss accounts for subsequent periods. The social security cost for past service (past service cost) is recorded on the most recent of the following dates:

- the date on which the plan is changed or reduced; and
- the date on which the Group records the related restructuring costs.

The Group records the changes in the net debentures for definitive benefits in the statement of profit or loss.

The assets or liabilities concerning definitive benefits include the current value of the definitive benefits debentures, minus the fair value of the assets involved in the plan.

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 relating 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. Therefore for the purposes of this calculation, the "current service costs" relating 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

The financial liabilities are initially valued at their fair value, which is the same as the payment received on the date on which they are received, to which the transaction costs directly attributable to them are to be added in the case of debts and loans. Subsequently, the non-derivative financial liabilities are measured by the criterion of amortized cost using the effective interest rate method

The financial liabilities of the Group include trade payables and other payables, loans and derivative financial instruments.

The financial liabilities within the scope of application of IAS 39 are classified as payables and loans, or as derivatives designated as hedging instruments, according to the case in question. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initially recorded at their fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The profits and losses are accounted in the income statement when the liability is extinguished, as well as through the amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the income statement.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

In cases in which an existing financial liability is replaced by another from the same lender, on substantially different conditions, or the terms of an existing liability are substantially modified, this swap or modification is treated as the derecognition of the original liability and the recording of the new liability, with any differences between the respective carrying amounts recognised in the income statement.

Derivatives

Subsequently to their initial recording, derivatives are valued again at their fair value and are accounted as financial liabilities when their fair value is negative. Eventual profits or losses deriving from changes in the fair value of the derivatives are recorded directly in the income statement, except for the effective part of the hedging of cash flows, which is recorded among the components of other comprehensive income and subsequently reclassified in the statement of profit or loss if the hedging instrument influences the profits or losses.

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, and considering the involvement of some companies to the national consolidated tax base.

Deferred tax liabilities and assets are calculated on the temporary differences between the values of the assets and liabilities recorded in the financial statements and the corresponding values recognised for fiscal purposes.

Deferred taxes are recorded on all the taxable temporary differences, with the following exceptions:

- the deferred tax liabilities deriving from the initial recording of the start-up of either an asset or a liability in a transaction which does not represent a corporate aggregation and, at the time of the transaction itself, does not influence either the

result in the financial statements or the fiscal result;

- the repayment of the taxable temporary differences associated to holdings in subsidiaries, related companies and joint ventures can be controlled, and it is probable that this will not occur in the foreseeable future.

Deferred tax assets are recorded for all the deductible temporary differences, fiscal receivables and losses not used and brought forward, in the measure in which it is probable that sufficient future taxable amount will be available which may enable the use of the deductible temporary differences and fiscal receivables and losses brought forward, except in cases in which:

- the deferred tax related to the deductible temporary differences derives from the initial recording of an asset or liability in a transaction which does not represent a corporate aggregation and, at the time of the transaction itself, does not influence either the result in the financial statements or the fiscal result ;
- in the case of deductible temporary differences associated to holdings in subsidiaries, related companies and joint ventures, the active deferred taxes are only recorded in the measure in which it is probable they will be brought forward in the foreseeable future and that there will be sufficient taxable amounts to enable the recovery of these temporary differences.

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.

Criteria for conversion of items in foreign currency

Transactions in foreign currency are initially recorded in the functional currency, applying the currency spot rate the transaction first qualifies for recognition. The monetary assets and liabilities denominated in foreign currency are retranslated at the functional currency spot rate at the reporting date.
Any differences are recorded in the income statement.

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 (IFRS 3R). The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value acquisition date and the amount of any non-controlling interest in the acquired. For each business combination, the acquirer measures the no controlling interest in the acquired either at fair value or at the proportionate share of the acquired identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.
If business combinations are achieved in stages, the fair value of the shareholding previously held is remeasured to fair value at the acquisition date, recording any resulting profits or losses in the profit and loss account.
Each contingent consideration to be transferred to the acquirer will be recognised by the acquired at the fair value at the acquisition date. Changes to the fair value of the contingent consideration classified as a financial asset or liability will be recorded in

accordance with IAS 39 either in the profit and loss or as a change to comprehensive income. If it das not fall within the scope of IAS 39, it will be recognised in accordance with IAS 37 or the most appropriate IFRS.
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.

After initial recording, goodwill is measured at the cost less any accumulated impairment losses in value. For the purpose of the impairment testing, the goodwill acquired in a business combination must, from the acquisition date, be allocated to each Group's cash generating unit which is expected to benefit from the combination synergy, independently of the fact that other assets or liabilities of the entity acquired are assigned to such units.
If goodwill has been allocated to a cash generating unit and the entity disuses part of the assets of this unit, the goodwill associated to the disused asset must be included in the accounting value of the asset should any profits or losses derive from its disuse. The goodwill associated to the disused asset must be measured on the basis of the relative values of the disused asset and the portion of the cash-generating unit retained.

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.
The revenues from services are recorded with reference to their state of progress.
Financial income 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

The Group uses derivative financial instruments to hedge its exposure to foreign currency risks on purchases in currency other than the functional one.
These derivative financial instruments are initially recognised at their fair value on stipulation; subsequently, this fair value is remeasured periodically; they are carried as assets when the fair value is positive and liabilities when the fair value is negative.
Fair value is the price that would be received for the sale of an asset, or would be paid for the transfer of a liability, in a standard transaction between market operators on the date of valuation.
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. All the assets and liabilities for which the fair value is valued or recorded in the financial statements are categorised on the basis of the fair value hierarchy, as described below:

- Level 1 – the quoted (not adjusted) prices on active markets for identical assets and liabilities which the entity may access on the date of valuation;
- Level 2 – Input other than the quoted prices included in Level 1, observable directly or indirectly for the asset or liability in question;
- Level 3 – valuation techniques for which the input data is not observable for the asset or liability in question.

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 income statement coherently with the economic effect produced by the operation covered. Should the derivatives cover the fair value risk, the change in fair value of the covering derivatives is recorded in the statement of profit or loss among the financial costs. The change in fair value of the element covered attributable to the risk covered is recorded as part of the load value of the element covered and is also recorded in the statement of profit or loss among the financial costs.
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 income statement 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 "Losses in value of non-financial assets".
The recoverable value has been determined on the value in use basis.
For 2014 cash-flows generating units attributable to each goodwill/consolidation derive from the Budget approved by the Board of Directors, for subsequent years, an extremely prudent conduct was maintained, estimating a substantially flat performance in terms of revenues for 2015 and 2016 and an increase of 1% for 2017 and 2018; for 2019 and for the calculation of the terminal value, an increase rate of 1% was hypothesised. The Weighted Average Cost of Capital (WACC) has been adopted as the discount rate, which is 6.56% (calculated punctually in coherence with previous years). Sensitivity analyses have also been conducted on this rate and the sustainability of the goodwill value recorded in the financial statements verified with WACC values aligned to the forecasts by financial analysts.
The measurement of any impairment of assets (Goodwill), for the results of which refer to the paragraph 2 "*Goodwill*", was made by referring to the situation as at 31 December 2013.

- 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 2,5%[iii];
  - The annual rate of increase of the severance plan is expected to be 3%;
  - A 9% turnover of employees is expected.

[iii] Average performance curve deriving from the IBOXX Eurozone Corporates AA.

- 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., 6% for EMI.GEL S.r.l. and 11% for Sfera S.p.A.;
- 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. and 4% for Sfera S.p.A.;
- The discounting rate used is 1.8%.

- Estimates used in calculating deferred taxes

A significant discretional assessment is required by the directors in order to determine the total amount of deferred tax assets 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 receivables and other assets.

These estimates, although supported by well defined corporate procedures, require hypotheses to be made mainly concerning the future realisable nature of the value of inventories, the probability of collecting in receivables and the solvency of creditors as well as the remaining useful lifetime of assets that may be influenced by both market performance and the information available to Management.

Accounting principles, amendments and interpretations applicable as at 1 January 2013

The criteria for assessment used for the purpose of predisposing the consolidated accounts do not differ from those used for the drafting of the consolidated financial statements as at 31 December 2012, with the exception of the accounting principles, amendments and interpretations applicable as from 1st January 2013.

In particular it should be highlighted the following amendments.

IAS 19 *"Employee benefits"* ; the IASB has issued numerous changes to this principle, entered into force for business years starting on 1st January 2013 or later. In addition to simple clarifications and terminology, the changes to this principle require to recognise the actuarial gains and losses in other comprehensive income, removing the possibility to apply the corridor mechanism.
In accordance with the provisions of IAS 19, the new dispositions are applied retroactively; to the statement of the financial position for the most recent comparative business year (1 January 2012) and the comparative values have consequently been restated.

In this consolidated financial statement, the restatement of the previous business year values in compliance with this amendment, has implied the following effects:
- as at 1st January 2012, a decrease of Staff Severance Provision for 242 thousand Euros and an increase of Deferred Tax Liabilities for 67 thousand Euros; this implied an increase of Shareholders Equity attributable to the Group for 188 thousand Euros and a decrease of Shareholders Equity attributable to third parties for 13 thousand Euros;
- as at 31 December 2012, an increase of Staff Severance Provision for 746 thousand Euros and a decrease of Deferred Tax Liabilities for 169 thousand Euros; this implied a decrease of Shareholders Equity attributable to the Group for 540 thousand Euros and a decrease of Shareholders Equity attributable to third parties for 37 thousand Euros;
- the effect on the consolidated income statement of 2012 has been of greater profit of the Group of 83 thousand Euros and the accounting of other losses of the comprehensive income for 841 thousand Euros.

The effect of the profits per share linked to the restatement in 2012 was less than 0.01 Euros.

- IFRS 13 "*Fair Value Measurement*" – this principle establishes a single source of guidance in the context of the IFRS for all fair value measurements. This amendment does not change the cases in which it is required to use the fair value, but rather provides a guideline as to how to assess the fair value in the framework of the IFRS when the application of fair value is required or allowed. IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 *Financial Instruments: Disclosures*.

- IAS 1 – *"Financial Statement Presentation – Presentation of Items of Other Comprehensive Income"*. The amendments to this principle introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. This amendment affected presentation only and had no impact on the Group's financial position or performance.

- IFRS 7 "Disclosures – Offsetting financial assets and financial liabilities". These amendments require the entity to disclose information about rights to set-off and relating arrangements. This disclosure will provide the readers of the financial statements with useful information in evaluating the effect of the netting arrangements on the financial position of the entity. The new disclosure is required for all the financial instruments subject to compensation according to IAS 32 "Financial instruments: recording in the financial statements". The disclosure is also required for the financial instruments subject to executive framework contracts for compensation or similar agreements, independently of the fact that they are compensated according to IAS 32. These changes are not applicable to these Company financial statements.

In addition we would highlight some improvements to the IFRS issued in May 2012, which are effective for business years starting on 1st January 2013 or later.

- *IFRS 1 "First-time adoption of the International Financial Reporting Standards"* – this improvement clarifies that an entity that stopped applying IFRS in the past and then decides, or is required, to apply the IFRS again, has the option to re-apply IFRS 1. If IFRS 1 is not re-applied, the entity must retrospectively restate its financial statements, as if it had never stopped applying IFRS.
- *IAS 1* "Presentation of financial statements" – this improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is for the previous period.
- *IAS 16 "Property, plant and machinery"* – this improvement clarifies that major spare parts and machinery dedicated to maintenance, which meet the definition of property, plant and machinery, are not inventory.
- *IAS 32 "Financial Instruments: presentation"* – this improvement clarifies that income taxes arising from distribution to shareholders are accounted for in accordance with IAS 12 *"Income taxes"*.
- *IAS 34 "Interim financial reporting"* – this improvement aligns the disclosure requirements for total segment assets with total segment liabilities in the interim financial statements. The clarification is also aimed at ensuring that the interim disclosures is in line with the annual disclosures.

Accounting principles, amendments and interpretations applicable subsequently

The accounting principles and interpretation which, as of the date of the preparation of the consolidated financial statements, were already issued but not yet in force are illustrated below.

- IFRS 10 *"Consolidated financial statements"* and IAS 27 *"Separate financial statements (revised in 2011)"*. IFRS 10 replaces part of IAS 27 "Consolidated and separate financial statements" and also includes the problems raised in SIC 12 "Consolidation – Companies with specific destination". IFRS 10 establishes a single model of control applicable to all companies, including those with specific destination, and will require discretional assessments to determine which are the subsidiary companies and which must be consolidated by the parent company. This principle will be applicable for business years starting on 1 January 2013 or later. Following the introduction of this new principle, IAS 27 will be limited to the accounting of subsidiary, jointly controlled and affiliate companies in the separate financial statements and will enter into force for business years starting on 1st January 2013 or later.
- IFRS 11 *"Joint Arrangements"* – this principle replaces IAS 31 "Interest in joint ventures" and SIC 13 "Jointly-controlled Entities – non monetary contributions by ventures". IFRS 11 removes the option

of accounting jointly controlled entities using proportionate consolidation but establishes the use of the net equity method.

- IFRS 12 "*Disclosures of Involvement with Other Entities*" – this principle includes all the dispositions concerning disclosures previously included in IAS 27 concerning the consolidated financial statements as well as all of the disclosures that were included in IAS 31 and IAS 28 concerning the shareholdings of a company in subsidiary, jointly controlled or associated companies and in structured vehicles and also provides new information examples. This principle have not any impact on the financial position or results of the Group.
- IAS 28 *"Investment in associated companies (revised in 2011)"*. As consequence of the new IFRS 11 and IFRS 12, this principle has been renamed "Investments in Associates and Joint Ventures" and describes the application of the net equity method to investments in joint venture in addition to associated companies. The changes will enter into force for business years starting on 1 January 2013 or later. This principle is not applicable to the Group financial statements.
- IAS 32 Compensation of financial assets and liabilities – Changes to IAS 32". The changes clarify the meaning of "currently has a legal right to compensate". The changes also clarify the application of the criterion of compensation in IAS 32 in the case of regulating systems (such as centralised compensation systems for example) which apply gross non-simultaneous regulation mechanisms. These changes should not imply any impact on the financial position or the results of the Group and will enter into force for the business years starting on 1 January 2014 and subsequently.

We would also point out that on 12 December 2013, the IASB published the documents entitled "*Annual Improvements to IFRSs: 2010 – 2012 cycle*" and "*Annual Improvements to IFRSs: 2011 – 2013 cycle*" which acknowledge the changes to the principles in the framework of the annual process for their enhancement, focusing on the changes deemed necessary but not urgent.
The main changes which may be of significance to the Group refer to:

- IFRS 2 - Payments based on shares: changes have been made to the definitions of "vesting condition" and "market condition" and the definitions of "performance condition" and "service condition" have been added, for the recording of benefits plans based on shares.
- IFRS 3 – Corporate aggregations: the changes clarify that a potential payment classified as an asset or liability can be measured at fair value on any date of closure of a business year, with the effects attributed in the income statement, independently of the fact that the potential payment may be a financial instrument or a non-financial asset or liability. It is also clarified that the principle in question is not applicable to any transactions for the incorporation of a joint venture.
- IFRS 8 – Operating sectors: the changes require that information be given on the valuations made by management in the application of the criteria for the aggregation of operating segments, including a description of the aggregated operating segments and the economic indicators considered in determining if these operating segments have "similar economic characteristics". The reconciliation between the total assets in the operating segments and total assets of the entity need only be provided if the total assets of the operating segments is properly supplied to the corporate management.
- IFRS 13 – Measurement of fair value: changes have been made to the Basis for Conclusions of the principle to clarify that with the emission of IFRS 13 and consequent changes to IAS 39 and IFRS 9 remains implies that the short-term trade receivables and debts can be accounted without recording the effects of an actualisation, should these effects not be material .

The date of effectiveness of the proposed changes is for business years starting on 1 July 2014 or later. These changes have not yet been homologated by the European Union.

Capital management policy

As regards the management of capital, the Group's priority is to maintain an appropriate level of its equity in relation to debts accrued (Net debt/Equity or "gearing" ratio), so as to guarantee solidity in terms of equity and its adequacy to 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, the main indicator for cash flow management 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 days of outstanding.

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.

MARR employs derivative financial instruments solely for the purpose of covering some non-functional currency exposures and part of the financial exposure with variable rates.

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.
In addition to the trade relations, it should be noted that in 2013, the Parent Company finalised a bond private placement in US dollars. To cover this transaction, the Company stipulated cross currency swap contracts specifically destined to hedge the financial flows deriving from the payment of the coupons and reimbursement of capital on expiry.

As at 31 December 2013, a 5% appreciation in the exchange rate in relation to the US dollar, all else being equal, would have given rise to an increase in pre-tax profit of 84 thousand Euros (-66 thousand Euros in 2012), 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 about 136 thousand Euros (50 thousand Euros in 2012) 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 decrease of 93 thousand Euros (+73 thousand Euros in 2012).
The other equity items would have shown an upward variation of 59 thousand Euros (37 thousand Euros in 2012) 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 Almost of the long terms loans are floating and variable rate financing exposes the Group to the risk of cash flow variations due to interest rates. To cover this risk, the company stipulated Interest Rate Swap contracts in 2013 specifically related to the partial or total hedging of certain loans. Fixed rate financing exposes the Group to the risk of changes to the fair value of the finances themselves.

In 2013 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 variation) of approximately 503 thousand Euros on a yearly basis (392 thousand Euros as at 31 December 2012).

As regards the use of the other short-term credit lines, management is focusing on safeguarding and consolidating relations with the credit institutes in order to stabilise the spread applied rather than Euribor as much as possible.

(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 organizational levels.

Overdue management is differentiated on the basis of length of time overdue (overdue bands).
For 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, 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 212,561 thousand Euros as at 31 December 2013, represent about 54.75% 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 31.12.13**	Balance at 31.12.12
Current trade receivables		388,223	374,553
Other non-current receivables		36,537	24,204
Other current receivables		46,445	37,335
	Total	**471,205**	**436,092**

For the comments on the various categories, please refer to note 6 on "Other non-current receivables", note 9 on "Trade receivables" and note 12 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. The value of the trade receivables, the other non-current receivables and the other current receivables are classifiable as "Level 3" financial receivables, in other words those for which the input is not based on observable market data.

As at 31 December 2013, overdue trade receivables, net of bad debt provision, amounted to 175.662 thousand Euros (175,164 thousand Euros in 2012). The breakdown of these receivables by due date is as follows:

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Overdue:		
Less than 30 days	60,431	63,330
betweeen 31 and 60 days	17,698	22,283
betweeen 61 and 90 days	20,245	23,504
Over 90 days	77,288	66,047
Total overdue trade receivables	**175,662**	**175,164**

The amounts shown above refer to overdue debts calculated on the basis of the nominal terms agreed[IV] 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. As at 31 December 2013, this particular category of customers accounted for 19,555 thousand Euros (26,355 thousand Euros at 31 December 2012), of which 11,903 thousand Euros were in the "Over 90 days" band (12,040 thousand Euros at 31 December 2012).

At 31 December 2013, the nominal amount of the disputed trade receivables (all classified in the category of expired "over 90 days"), which had undergone a write-down, amounted to 30,401 thousand Euros (30,368 thousand Euros in 2012). Those receivables were mainly related to clients in economic difficulties.
The quota of these receivables that is not recoverable is specifically covered by the bad debt reserve, which amounts to a total of 31,367 thousand Euros (28,807 thousand Euros in 2012).

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 highly volatile nature of the reference rates, which initially led to a significant reduction in interest rates and from 2011 to their recovery and increase, 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.

[IV] Except for the expiry dates defined in paragraph 3 of art. 62 of Decree Law 1 dated 24/1/2012 which, as of 24 October 2012, has established that the payment of perishable food products be made within 30 days of the last day of the month of receipt of the invoice and that for non-perishable food products within 60 days of the last day of the month of receipt of the invoice.

(€ thousand)

At 31 december 2013	Less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years
Borrowings	76,284	64,787	76,053	43,630
Derivative financial instruments	0	0	132	2,870
Trade and other payables	274,334	0	0	0
	350,618	**64,787**	**76,185**	**46,500**

At 31 december 2012	Less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years
Borrowings	182,504	21,010	30,786	3,651
Derivative financial instruments	8	0	0	0
Trade and other payables	270,373	0	0	0
	452,885	**21,010**	**30,786**	**3,651**

As regards the changes to the long-term quota, see that already described in the Director's Report and on paragraph 14 "Non current financial debts" in the explanatory notes.

Classes of financial instruments

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

(€thousand)		31 December 2013		
Assets as per balance sheet		**Loans and receivables**	**Derivatives used for hedging**	**Total**
Derivative financial instruments		0	0	0
Non Current financial receivables		2,200	0	2,200
Other non-current assets		36,537	0	36,537
Current financial receivables		5,339	0	5,339
Current trade receivables		388,223	0	388,223
Cash and cash equivalents		32,824	0	32,824
Other current receivables		46,445	0	46,445
	Total	**511,568**	**0**	**511,568**
Liabilities as per balance sheet		**Other financial liabilities**	**Derivatives used for hedging**	**Total**
Non-current financial payables		161,588	0	161,588
Current financial payables		67,704	0	67,704
Derivative financial instruments		0	3,002	3,002
	Total	**229,292**	**3,002**	**232,294**

(€thousand)		31 December 2012		
Assets as per balance sheet		**Loans and receivables**	**Derivatives used for hedging**	**Total**
Derivative financial instruments		0	0	0
Non Current financial receivables		3,504	0	3,504
Other non-current assets		24,204	0	24,204
Current financial receivables		15,631	0	15,631
Current trade receivables		374,553	0	374,553
Cash and cash equivalents		52,595	0	52,595
Other current receivables		37,335	0	37,335
	Total	**507,822**	**0**	**507,822**
Liabilities as per balance sheet		**Other financial liabilities**	**Derivatives used for hedging**	**Total**
Non-current financial payables		53,469	0	53,469
Current financial payables		179,973	0	179,973
Derivative financial instruments		0	8	8
	Total	**233,442**	**8**	**233,450**

In compliance with that required by IFRS 13 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).[V] Similarly, as regards the non-current financial debts, the recording at fair value of which is indicated in paragraph 14 of these commentary notes, are also classifiable as "Level 2" financial assets, in as much as the inputs influencing their fair value are market data which is directly observable.

As regards the other current and non current assets, see that stated in paragraphs 6 and 12 of these explanatory notes.

[V] 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 listed 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 31.12.12**	Purchases / other movements	Net decreases	Depreciation	Balance at 31.12.11
Land and buildings	44,996	148	(4)	(1,622)	46,474
Plant and machinery	4,311	1,253	(4)	(1,448)	4,510
Industrial and business equipment	895	225	(2)	(239)	911
Other assets	2,129	1,270	(807)	(695)	2,361
Fixed assets under development and advances	242	319	(85)	0	8
Total tangible assets	**52,573**	**3,215**	**(902)**	**(4,004)**	**54,264**

(€thousand)	**Balance at 31.12.13**	Purchases / other movements	Net decreases	Depreciation	Balance at 31.12.12
Land and buildings	56,953	13,779	0	(1,822)	44,996
Plant and machinery	7,777	5,128	(9)	(1,653)	4,311
Industrial and business equipment	1,110	468	(22)	(231)	895
Other assets	2,442	2,476	(1,498)	(665)	2,129
Fixed assets under development and advances	0	(242)	0	0	242
Total tangible assets	**68,282**	**21,609**	**(1,529)**	**(4,371)**	**52,573**

As regards the increase in the items "Land and Buildings" and "Plant and machinery", the following investments were made:

- on 1 February 2013, the company finalised the purchase of a portion of the building located in Santarcangelo di Romagna (RN) – Via del Carpino nos. 2 and 4, in which the management offices are located; the purchase, with a total value of 1,740 thousand Euros, was finalised by deed of the Notary Di Mauro on 1 February 2013.
- on 1 July 2013, the company completed the purchase of the surface ownership of the building located in Bologna – Via Fantoni no. 31, in which the Carnemilia branch has its headquarters, for an overall value of 15.5 million Euros. The transaction finalised with the associate company Consorzio Centro Commerciale Ingrosso Carni S.r.l., in consideration of the fact that it is a transaction of minor significance with a related party pursuant to art. 3 of the "procedure for the discipline of transactions with related parties", given that it does not exceed any of the significance indices in the Procedure, has been subjected to the opinion of the Control and Risks Committee, which, using an independent expert in making its assessment, expressed a favourable opinion on the interest in completing the transaction and its convenience and the substantial correctness of the conditions.

  The purchase of Carnemilia, which is the strategic centre for processing (boning and portioning), control, storage and distribution of meat products to single distribution centres, is included in the framework of a reorganisation of the storage platforms. This purchase concerned not only the building (for a value of 11.2 million Euros, net of the accessory costs), but all the plants and machinery, equipment and furniture present therein and previously used by the branch itself (for a total value of 4.3 million Euros).

Other investments in plant and machinery and equipment were made by the Parent Company with the Scapa branch for a total value of 406 thousand Euros; the other purchases have been divided principally among the other distribution centres of MARR.

The investments made in the item "Other assets" mainly concern the purchase of 1,l825 thousand Euros worth of industrial vehicles and cars and 494 thousand Euros worth of electronic equipment.

The decrease of 1,529 thousand Euros in the business year refer almost exclusively 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 57,614 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, Portoferraio (LI) via Degli Altifoni 29/31 and Bologna (BO) – Via Fantoni . 31 (value of which in the item Land and Buildings totally amounts to 36.2 million of Euros).

For details of the changes in tangible 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	STATUTORY FINANCIAL STATEMENTS	APPRAISAL	DIFFERENCE
(€thousands)			Total
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.

We point out that the Group had no ongoing financial leasing operations as at 31 December 2013.

2. Goodwill

Below is the detail of the item "Goodwill":

(€thousand)	**Balance at 31.12.13**	Purchases / other movements	Balance at 31.12.12
Marr S.p.A. and 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	0	2,570
EMI.GEL S.r.l.	1,489	0	1,489
Total Goodwill	**99,630**	**0**	**99,630**

(*) Goodwill related to the subsidiary Sfera S.p.A. (amounting 14,9 million Euros) is indicated together with the one of MARR S.p.A., because the company has leased the going concerns that has generated the goodwill to the parent company. The leasing of the going concerne of "Lelli" (effective from 3 September 2012) don't affect the situation.

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 highlight that on the basis of the impairment test conducted according to the principles and hypotheses described analytically in the section "Principal estimates made by management and discretional assessments", the goodwill items listed above, with a total value of 99,630 thousand Euros, are completely recoverable.
As regards this evaluation, management believes that, also given the prudential viewpoint used in the definition of the key hypotheses used, 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.

Corporate aggregations realised during the year

No further aggregations combinations occurred during the year.

Corporate aggregations realised after closure of the financial statements

As already outlined in the directors' report on management, in the paragraph concerning events subsequent to the closure of the fiscal year, we would point out the following operations.

On 12 March 2014 MARR S.p.A. signed the final contract for the purchase of the going concern of Scapa Italia S.p.A. ("Scapa"), a company operating in the Foodservice distribution.

Purchase consideration	*(€thousand)*
Total purchase consideration	1,648
Fair value of the net assets identifiable (as in the contract)	(464)
Goodwill	**2,112**

Temporarily, the cost of aggregation, awaiting the punctual determination at the date of closing (together with selling party) of the classes of assets, liabilities and potential liabilities acquired, has been determined on the basis of the accounting values reported in the acquisition agreement. The details of the provisional net assets acquired and goodwill are as follows.

(€thousand)	Fair value of the acquired assets and liabilities	Provisionally book value of acquired company
Tangible assets	903	903
Intangible assets	226	226
Payables to personnel and social security institutions	(1,526)	(1,526)
Payables to sale agents and provision for supplementary client severance indemnity	(88)	(88)
Fair value of net identifiable assets acquired	**(485)**	**(485)**

The goodwill provisionally attributed to the purchase is justified by the strategic importance of the going concern purchased, in as much as it will enable MARR to access a significant portfolio of clients in the Structured Collective and Commercial Catering segments, strengthening its leadership.

As of the date of the drafting of these financial statements, the price paid for this acquisition amounts to 1.7 million Euros.

3. Other intangible assets

Below there are the movements of the item in 2012 and in the previous year:

(€thousand)	**Balance at 31.12.12**	Purchases / other	Net decreases	Depreciation	Balance at 31.12.11
Patents	375	216	0	(249)	408
Concessions, licenses, trademarks and similar rights	9	1	0	(1)	9
Intangible assets under development and advances	36	0	0	0	36
Other intangible assets	0	(1)	0	(4)	5
Total Other Intangible Assets	**420**	**216**	**0**	**(254)**	**458**

(€thousand)	**Balance at 31.12.13**	Purchases / other	Net decreases	Depreciation	Balance at 31.12.12
Patents	306	93	0	(162)	375
Concessions, licenses, trademarks and similar rights	8	0	0	(1)	9
Intangible assets under development and advances	36	0	0	0	36
Other intangible assets	0	0	0	0	0
Total Other Intangible Assets	**350**	**93**	**0**	**(163)**	**420**

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

4. Non-current financial receivables

As at 31 December 2013 this item amounted to 2,200 thousand Euros (3,504 thousand Euros as at December 31, 2012). The item includes the quota, beyond the business year, of interest-bearing financial receivables of the parent company toward the company Adria Market (for 235 thousand Euros), and 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 1,965 thousand Euros).

5. Deferred tax assets

As at 31 December 2013, 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 31.12.13**	Balance at 31.12.12
On taxed provisions	9,292	8,745
On costs deductible in cash	115	79
On costs deductible in subsequent years	794	685
On other changes	0	3
Pre-paid taxes	**10,201**	**9,512**

6. Other non-current assets

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Non-current trade receivables	11,987	5,958
Accrued income and prepaid expenses	2,780	20
Other non-current receivables	21,770	18,226
Total Other non-current assets	**36,537**	**24,204**

The increase compared to 31 December 2012 in the item "Non-current trade receivables" (of which 3,003 thousand Euros was with an expiry date of over 5 years, as at 31 December 2013) mainly concerns the delays in payment of previous supplies on entry into force of art. 62 of Law 27 dated 2012,, which establishes the terms of payment for supplies of food products made after 24 October 2012.
The prepaid expenses (of which 720 thousand Euros was with an expiry date of over 5 years, as at 31 December 2013) is mainly linked to promotional contributions with clients of a multi-annual nature.
The item "Other non-current receivables" includes, in addition to receivables from State coffers for loss of clients of 4,301 thousand Euros, receivables from suppliers for 17,408 thousand Euros (14,790 thousand Euros as at 31 December 2012); part of these, amounting to 6,491 thousand Euros as at 31 December 2013, expire in more than 5 years.

Current assets

7. Inventories

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Finished goods and goods for resale		
Foodstuff	28,640	26,162
Meat	12,981	14,111
Seafood	48,785	53,626
Fruit and vegetables	26	25
Hotel equipment	1,506	1,215
	91,938	95,139
provision for write-down of inventories	(750)	(750)
Goods in transit	8,645	3,723
Packaging	871	624
Total Inventories	**100,704**	**98,736**

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

8. Current financial receivables

The item "Current financial receivables" is composed of:

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Financial receivables from parent companies	2,633	13,277
Receivables from loans granted to third parties	2,706	2,354
Total Current financial receivables	**5,339**	**15,631**

The Receivables for loans granted to third parties, all of which are interest-bearing, refer to financial debts owed by: i) truck drivers (amounting to 1,096 thousand Euros) consequent to the sale to the latter of the trucks used by them to transport MARR products; ii) service-supplying partners (310 thousand Euros); iii) other companies (1,300 thousand Euros) in order to strengthen the commercial relationships and to increase sales.

9. Current trade receivables

This item is composed of:

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Trade receivables from customers	419,555	403,165
Trade receivables from parent companies	35	195
Total current receivables	**419,590**	**403,360**
Provision for write-down of receivables from customers	(31,367)	(28,807)
Total current net receivables	**388,223**	**374,553**

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Trade receivables from customers	414,494	399,993
Receivables from Associated Companies Consolidated by the Cremonini Group	5,048	3,146
Receivables from Associated Companies not Consolidated by the Cremonini Group	13	26
Total current trade receivables from customers	**419,555**	**403,165**

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 31,367 thousand Euros, as highlighted in the table below.

The receivables "from associated companies consolidated by the Cremonini Group" (5,048 thousand Euros) and "from associated companies not consolidated by the Cremonini Group" (13 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 31 December 2013.

The provision for bad debt as at 31 December 2013 is broken down as follows:

(€thousand)	**Balance at 31.12.13**	increases	decreases	Balance at 31.12.12
- Tax-deductible provision	2,558	2,185	(2,000)	2,373
- Taxed provision	27,960	8,088	(5,695)	25,567
- Provision for interest for late payments	849	0	(18)	867
Total Provision for write-down of Receivables from customers	**31,367**	**10,273**	**(7,713)**	**28,807**

10. Tax assets

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Ires/Irap tax advances /withholdings on interest	6	9
VAT carried forward	147	492
Irpeg litigation	6,040	6,042
Ires transferred to the Controlling Company	2,681	2,518
Ires/Irap	0	299
Other	877	1,361
Total Tax assets	**9,751**	**10,721**

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

As regards the "Ires transferred to the Controlling Company", it should be noted that this item includes, in addition to the balance of the tax due for the business year, receivables for 1,550 thousand Euros for reimbursement of Ires for the years from 2007 to 2011 calculated on the Irap paid for the cost of employment and collaborators not deducted for said purpose, as per reimbursement claims sent in February 2013.

11. Cash and cash equivalents

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Cash and Cheques	8,092	9,374
Bank and postal accounts	24,732	43,221
Total Cash and cash equivalents	**32,824**	**52,595**

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 2013.

12. Other current assets

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Accrued income and prepaid expenses	1,137	1,042
Other receivables	45,308	36,293
Total Other current assets	**46,445**	**37,335**

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Other accrued income (from loans)	1	0
Prepaid expenses		
Leases on buildings and other assets	534	218
Maintenance fees	52	43
Commercial and advertising costs	24	48
Other prepaid expenses	511	699
Other prepaid expenses from Parent Companies	15	34
	1,136	1,042
Totale Current accrued income and prepaid expenses	**1,137**	**1,042**

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Guarantee deposits	137	134
Other sundry receivables	3,076	1,801
Provision for write-down of receivables from others	(1,628)	(2,290)
Receivables from social security institutions	298	177
Receivables from agents	2,350	2,363
Receivables from employees	26	46
Receivables from insurance companies	621	446
Advances to suppliers and supplier credit balances	40,343	33,549
Advances to suppliers and supplier credit balances from Associates	85	67
Total Other current receivables	**45,308**	**36,293**

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" or advance payment on next fishing campaigns. Receivables from foreign suppliers in foreign currencies have been adjusted, if necessary, to the exchange rate valid on 31 December 2013.
The "Provision for write-down of receivables from others" mainly refers to receivables relating to suppliers and agents.

The increase in *Other sundry receivables* is mainly linked to the taking over of the employee severance fund, leave/permits costs and additional monthlies, in addition to the supplementary client indemnity fund accrued as of 23 February 2013 for the employees and sale agents of Scapa who joined MARR on the same date by effect of the leasing of the Scapa going concern.

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	2,200	0	0	2,200
Deferred tax assets	10,201	0	0	10,201
Other non-current assets	19,129	517	16,891	36,537
Financial receivables	5,339	0	0	5,339
Financial instruments / derivative	0	0	0	0
Trade receivables	362,259	19,122	6,842	388,223
Tax assets	9,177	574	0	9,751
Cash and cash equivalents	32,662	162	0	32,824
Other current assets	29,049	3,552	13,844	46,445
Total receivables by geographical area	**470,016**	**23,927**	**37,577**	**531,520**

LIABILITIES

13. 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 2013, 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 variation compared to the previous year is related to the sell of no. 705.647 own shares held, which nominal value (equal to 353 thousand Euros) was exposed to net of the total value of the share capital as at 31 December 2012.

Share premium reserve
As at 31 December 2013 this reserve amounts to 63,348 thousand Euros.
The increase of 3,156 thousand Euros, compared to 31 December 2012, is related the sell of the own shares for a total amount of 6,986 thousand Euros. This sale also implied the restoration of the item "Total own shares", which had a negative value of 3,477 thousand Euros as at 31 December 2012.

Legal reserve
This Reserve amounts to 6,652 thousand Euros, unchanged compared to 31 December 2012.

Shareholders' contributions on account of capital
This Reserve did not change in 2013 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
As at 31 December 2013, the increase of 10,590 thousand Euros, is attributable to the allocation of part of the profits for the year closed on 31 December 2012, as per shareholder meeting's decision made on 19 April 2013.

Cash flow hedge reserve
As at 31 December 2013, this item amounted to a negative value of 874 thousand Euros and is linked to the stipulation of hedging contracts for interest and exchange rates undertaken for the specific hedging of certain loans, with variable rates and in foreign currency respectively.
As regards the movements in this reserve and the other profits/losses in the Statement of Comprehensive Income, see that described in the Consolidated Statement of Changes in the Shareholders' Equity and in paragraph 36 "Other profits/losses" in these explanatory notes

Reserve for 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.

Reserve IAS19
As at 31 December 2013 this reserve amounts to a negative value of 154 thousand Euros and is composed of the value, net of the theoretical tax effect, of actuarial losses and gains regarding the evaluation of Staff Severance Provision as required by amendments to IAS principle 19 "Employee Benefits", effective for the business years starting on 1st January 2013. According to the IFRS these profits/losses have been entered in the net equity and their variation is highlighted (according to IAS 1 revised, in force from 1st January 2009) in the consolidated statement of other comprehensive income.

Whit regard to the reserves in taxation suspension (ex. Art. 55 DPR 917/86 and 597/73 reserve), amounting to 1,492 thousand Euros as at 31 December 2013, the relevant deferred tax liabilities have been accounted for.

On 19 April 2013 the Shareholders' meeting approved the MARR S.p.A. financial statements as at 31 December 2012 and consequently decided upon allocation of the business year profits, and the approval of a dividend of 0.58 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

14. Non-current financial payables

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Payables to banks - non-current portion	130,943	53,469
Payables to other financial institutions - non-current portion	30,645	0
Total non-current financial payables	**161,588**	**53,469**

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Payables to banks (1-5 years)	127,476	49,947
Payables to banks (over 5 years)	3,467	3,522
Total payables to banks - non-current portion	**130,943**	**53,469**

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Payables to other financial institutions (1-5 years)	(253)	0
Payables to other financisl institutions (over 5 years)	30,898	0
Total payables to other financial institutions - Non current portion	**30,645**	**0**

As already described in the Directors' Report on management performance, the increase in non-current payables to banks, net of the effect of the classification among the current payables of the loan instalments in expiry, is due to the stipulation on the part of the Parent Company of new loan contracts, as listed hereafter.

- Syndicated loan for with BNP Paribas as Arranger and Coordinator, Rabobank (Arranger) and Banca Nazionale del Lavoro (Agent bank), disbursed on 18 June. The loan was granted for an amount of 85 million Euros and is composed of: a loan facility of 60 million Euros with expiring date in June 2018, and of a revolving facility of 25 million Euros with expiring date in June 2016. The loan facility was also integrated, under equal conditions, during October, with an additional 5 million Euros.
- Unsecured loan, granted on 2 September 2013 by Banca Carige for 8 million Euros and with maturity in February 2015.
- Unsecured loan, granted on 4 November 2013 by Banca Popolare di Milano for 10 million Euros and with maturity in May 2015.
- Mortgage granted on 4 December 2013 by Banca Popolare Commercio e Industria, for an amount of 5 million Euros, amortized and due to December 2020.

It should be noted that, to partially hedge of the in pool loan with BNP Paribas, an Interest Rate Swap contract worth 5 million Euros was stipulated with Veneto Banca.
There is also an ongoing Interest Rate Swap contract for the total hedging of the interest rate risk concerning the 25 million Euro loan with Ra.Bo.Bank.
The effects of these contracts are described in paragraph 17 "Financial instruments / derivatives".

As regards the payables to other financial institutions, we point out that on 11 July, MARR closed the private placement of a bond for US institutional investors. The bond loan that amounts to 30.6 million Euro (initially 43 million dollar), has expiring date for 7.1 million Euro (initially 10 million dollar) in 7 years and for 23.5 million Euro (initially 33 million dollar) in 10 years. The loan has an average coupon of about 5.1%. In relation to this loan, we point out that the company closed a Cross Currency Swap contract in order to hedge the risk of the exchange rate fluctuation of the US dollar on the Euro, the effects of which are described in paragraph 15 "Financial instruments / derivatives".

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 31.12.13
Pop.Crotone-nr. 64058	Euribor 6m+1%	14/01/2015	167	0	167
Pop.Crotone-nr. 64057	Euribor 6m+1%	14/01/2015	138	0	138
Carisp Pistoia	Euribor 6m+0,48%	31/01/2020	2,052	788	2,840
Centrobanca	Euribor 3m+1,4%	31/12/2019	4,432	1,108	5,540
Ra.Bo. Bank	Euribor 6m+1,6%	30/03/2015	24,981	0	24,981
Pool Financing with BNP Paribas (*loan facility*)	Euribor 6m+3,5%	14/06/2018	50,107	0	50,107
Pool Financing with BNP Paribas (*revolver facility*)	Euribor 3m+2,75%	14/06/2016	24,830	0	24,830
Carige	Fix rate 3,9%	05/02/2015	8,000	0	8,000
Popolare di Milano	Euribor 3m+3,4%	03/05/2015	10,000	0	10,000
Popolare del Commercio e Industria	Euribor 6m+3,7%	04/12/2020	2,769	1,571	4,340
			127,476	**3,467**	**130,943**

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)
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 -
Popolare del Commercio e dell'Industria	mortgage	10,000	Via Fantoni, n. 31 - Bologna (BO)
Total		**57,614**	

Lastly, it must be pointed out that:

- 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 covenants will constitute a cause for the termination of the contractual rights.

- the ongoing financing with Cooperatieve Centrale Raiffeisen – Boerenleenbank B.A. (signed in April 2012) provides the following financial ratios:

  NET DEBT / EBITDA < 3
  NET DEBT / EQUITY < 1.5

  Those ratios will be verified with reference to 31 December and 30 June each year, on the basis of the Group consolidated figures in the twelve months prior to the verification date.
  Failure to respect these indices may imply the termination of the contract.

- the ongoing financing with BNP Paribas provides the following financial ratios:

  NET DEBT / EBITDA < 3.5 (< 3 as at 31 December 2013 and 30 June and 31 December 2014)
  NET DEBT / EQUITY < 2
  EBITDA / Net financial charges > 4
  Those ratios will be verified with reference to 31 December and 30 June each year, on the basis of the Group consolidated figures in the twelve months prior to the verification date.
  In addition to the above indices, the ratio between net financial position and EBITDA calculated as at 31 March 2015 on the previous 12 months must not be more than 3.

- The *bond private placement* provides the following financial ratios::
  NET DEBT / EBITDA < 3.5 (< 3 as at 31 December 2013 and 30 June and 31 December 2014)
  NET DEBT / EQUITY < 2
  EBITDA / Net financial charges > 4
  Those ratios will be verified with reference to 31 December and 30 June each year, on the basis of the Group consolidated figures in the twelve months prior to the verification date.
  In addition to the above indices, the ratio between net financial position and EBITDA calculated as at 31 March 2015 on the previous 12 months must not be more than 3.

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

(€thousand)	Book Value		Fair Value	
	2013	2012	**2013**	2012
Payables to banks - non-current portion	130,943	53,469	126,424	52,127
Payables to other financial institutions - non-current portion	30,645	0	31,725	0
	161,588	**53,469**	**158,149**	**52,127**

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.

15. Financial instruments / derivatives

The amount as at 31 December 2013, amounting to a total of 3,002 thousand Euros, represents:

- for 132 thousand Euros, the fair value of the Interest Rate Swap contracts stipulated by the Parent Company to specifically hedge the interest rate risk on certain variable rate loans;
- for 2,870 thousand Euros, the fair value of the Cross Currency Swap contracts stipulated by the Parent Company to hedge the risk of changes to the Dollar-Euro exchange rate, with reference to the bond private placement in US dollars finalised during the course of the business year.
  It should be noted that the Cross Currency Swap contracts expire beyond 5 years.

16. Employee benefits

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

(€thousand)	
Opening balance at 31.12.12*	**10,965**
effect of acquisition of branches of business	917
use for the period	(667)
provision for the period	532
other changes	(205)
Closing balance at 31.12.13	**11,542**

* The value as at 31 December 20112 has been restated to reflect the adjustments required by the retrospective application of the amendments to IAS19.

The movements during the business year are linked to the personnel joining the Parent Company by effect of the transaction for the lease of the "Scapa" going concern, in addition to the quota accrued during the period net of ordinary movements in the item.

The following is information that is required following the modifications to IAS 19, effective from business years starting on 1 January 2013 and later.

With reference to the significant actuarial hypotheses (as described in the paragraph entitled "Main estimates adopted by management and discretional assessments"), the table below shows the effects on the final liabilities of the Group due to possible changes to them.

(€thousand)	Turnover +1 %	Inflation rate + 0,25%	Inflation Rate - 0,25%	Discounting rate + 0,25%	Discounting rate - 0,25%
Effect on the finaly liability	(9)	122	(120)	(171)	176

It should also be noted that the contribution expected for the following business year is about 5 thousand Euros; future payments expected in the next five years can be estimated as totalling 6.4 million Euros.

17. Provisions for non-current risks and charges

(€thousand)	**Balance at 31.12.13**	Others	Provisions	Uses	Balance at 31.12.12
Provision for supplementary clients severance indemnity	2,583	60	126	(18)	2,415
Provision for specific risks	1,674	0	240	0	1,434
Total Provisions for non-current risks and charges	**4,257**	**60**	**366**	**(18)**	**3,849**

The provision for supplementary clients severance indemnity has been allocated on the basis of a reasonable estimate of probable future liabilities, considering the available elements. It should be noted that the business year movements include approximately 60 thousand Euros for the client severance indemnity fund concerning the sales agents joining MARR after the lease of the "Scapa" going concern, as described in Other movements.

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 appeal 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 on the basis of the opinion expressed by the defence lawyers representing the Company before the Court of Cassation, we believe it reasonable to hypothesise the successful outcome of the dispute.
It should be noted that, on 10 February 2014, the CRC lawsuit was discussed in a public hearing, together with other fiscal disputes of less importance (disputes known as ex Battistini, concerning direct taxes, and Alisurgel, concerning registry fees), before the Supreme Court of Cassation. The law courts reserved the right to decide, and the filing of the relative sentences is awaited.

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.
The appeal made by the Company against the first grade sentence has not been accepted by the Regional Tax Commission of Florence.
It should be noted that the Company appealed to the Supreme Court of Cassation in May 2013.

As at 31 December 2013, MARR S.p.A. had paid 6,040 thousand Euros as payment of taxes while awaiting judgment; this amount was classified under tax receivables.

18. Deferred tax liabilities

As of 31 December 2013 the breakdown of this item, amounting to 11,328 thousand Euros (11,253 thousand Euros on 31 December 2012), is as follows:

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
On goodwill amortisation reversal	5,705	5,084
On funds subject to suspended taxation	468	470
On leasing recalculation as per IAS 17	506	512
On actuarial calc. of severance provision fund	(59)	100
On fair value revaluation of land and buildings	4,021	4,043
On allocation of acquired companies' goodwill	816	838
On cash flow hedge	(332)	1
Others	203	205
Deferred tax liabilities fund	**11,328**	**11,253**

19. Other non-current payables

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Other liabilities	116	21
Other non-current accrued expenses and deferred income	322	316
Total other non-current payables	**438**	**337**

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

Current liabilities

20. Current financial payables

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Payables to banks	66,949	179,971
Payables to other financial institutions	755	2
Total Current financial payables	**67,704**	**179,973**

Current payables to banks:

(€thousand)		**Balance at 31.12.13**		Balance at 31.12.12
Current accounts		25,029		27,473
Loans/Advances		15,819		101,826
Loans:				
- Pop.Crotone-nr. 64058	329		322	
- Pop.Crotone-nr. 64057	272		267	
- Carim - n. 410086	174		340	
- Cassa di Risp.di Pescia e Pistoia	502		493	
- Centrobanca	1,105		1,104	
- Financing in pool - IMI Bank	0		43,307	
- Banca Nazionale del Lavoro	0		4,839	
- Popolare del Commercio e dell'Industria	623		0	
- Pool Financing with ICCREA	9,051		0	
- Pool Financing with BNP Paribas	14,045		0	
		26,101		50,672
		66,949		**179,971**

For more details, see that outlined in the Directors' Report on management performance and on paragraph 14 "Non current financial payables".

We point out that the entry for "Loans/Advances" consists mainly 8,606 thousand Euros for advances on invoices and 7,214 thousand Euros for other short-term loans.

We point out that, on 27 June 2013, a new loan in pool, with ICCREA Banca Impresa S.p.A as Agent Bank, for 13.5 million Euros and expiring date in December 2014, was granted to the Parent Company.
This loan, totally classified among the current financial payables, provides the following covenants to be verified annually with reference to the MARR S.p.A. data:

NET DEBT / EBITDA =< 3
NET DEBT / EQUITY =< 1.5

It should be noted that during the course of 2013, the in pool loan with Banca Imi (as agent bank) expired, which amounted to a total of 43,333 thousand Euros as at 31 December 2012, and that in June 2013, the Parent Company reimbursed in advance the loan of 22.5 million Euros with the Banca Nazionale del Lavoro, which was to expire in 2014.

The increase in the balance towards other loaners compared to the previous business year is linked to the payables for interest accrued on the bond private placement transaction finalised in July 2013.

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 31.12.13**	Balance at 31.12.12
Irap/Ires	308	0
Other taxes payables	131	166
Irpef for employees	1,258	1,133
Irpef for external assistants	207	181
Total current tributary payables	**1,904**	**1,480**

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

As regards MARR S.p.A., the 2009 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.

The increase in this item is mainly attributable to the closure in debt of the Irap balance, which showed a positive balance as at 31 December 2012 (see paragraph 10 entitled "Tax receivables").

22. Current trade liabilities

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Payables to suppliers	265,565	262,120
Payables to associated companies consolidated by the Cremonini Group	7,491	7,788
Payables to other associated companies	272	264
Trade payables to Parent Company	1,006	201
Total current trade liabilities	**274,334**	**270,373**

The liabilities refer mainly to payables for the purchase of goods for sale and payables to Sales Agents. They also include "Payables to Associated Companies consolidated by the Cremonini Group" for 7,491 thousand Euros and "Payables to Parent Companies" for 1,006 thousand Euros the details and analysis of which are reported in Directors' Report and "Payables to other Correlated Companies" for 272 thousand Euros

23. Other current liabilities

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Current accrued income and prepaid expenses	1,929	1,752
Other payables	18,622	16,940
Total other current liabilities	**20,551**	**18,692**

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Other accrued expenses	46	39
Amounts due for remuneration of employees/directors	1,196	1,131
Other deferred income	20	7
Deferred income for interest from clients	667	575
Total current accrued expenses and deferred income	**1,929**	**1,752**

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Inps/Inail and other social security institutes	2,058	1,768
Enasarco/ FIRR	650	592
Payables to personnel for emoluments	4,902	4,784
Advances from customers, customers credit balances	9,478	8,276
Payables to insurance companies	125	116
Other sundry payables	1,409	1,404
Total other payables	**18,622**	**16,940**

The item p*ayables and accrued expenses to personnel for emoluments* includes current salaries not yet paid as at 31 December 2013 and allocations for leave accrued but not taken, with relevant charges
Their increase is linked to the increase in personnel by effect of the employees joining the Parent Company following the lease of the "Scapa" going concern.
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	130,943	0	30,645	161,588
Financial instruments / derivative	3,002	0	0	3,002
Employee benefits	11,542	0	0	11,542
Provisions for risks and charges	4,257	0	0	4,257
Deferred tax liabilities	11,328	0	0	11,328
Other non-current liabilities	438	0	0	438
Current financial payables	66,950	0	754	67,704
Current tax liabilities	1,872	0	32	1,904
Current trade liabilities	224,262	41,125	8,947	274,334
Other current liabilities	20,271	240	40	20,551
Total payables by geographic area	**474,865**	**41,365**	**40,418**	**556,648**

Guarantees, securities and commitments

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

Guarantees (totalling 37,776 thousand Euros).

These refer to:

- guarantees issued on behalf of MARR in favour of third parties (amounting to 31,048 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 either within the year or over the year;
- guarantees issued by the subsidiaries of MARR in favour of public bodies totalling 1,814 thousand Euros, regarding Alisea Soc. Cons. A r.l. for 1,809 thousand Euros and Baldini Adriatica Pesca S.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 4,914 thousand Euros as at 31 December 2012 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 31.12.13**	Balance at 31.12.12
Guarantees		
Sfera S.p.a	1,100	1,100
Marr Foodservice Iberica S.a.u.	0	0
Alisea Soc. Cons. a r.l.	2,606	1,606
Baldini Adriatica Pesca S.r.l.	1,208	1,208
Total Guarantees	**4,914**	**3,914**

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

Other risks and commitments
This item, amounting to 12,938 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)	**31.12.2013**	31.12.2012
Revenues from sales - Goods	1,314,139	1,210,965
Revenues from Services	14,409	14,712
Other revenues from sales	450	554
Advisory services to third parties	13	0
Manufacturing on behalf of third parties	25	25
Rent income (typical management)	48	28
Other services	2,807	2,492
Total revenues	**1,331,891**	**1,228,776**

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)	**31.12.2013**	31.12.2012
Italy	1,261,756	1,135,107
European Union	49,649	60,505
Extra-EU countries	20,486	33,164
Total	**1,331,891**	**1,228,776**

25. Other revenues

The Other revenues are broken down as follows:

(€thousand)	**31.12.2013**	31.12.2012
Contributions from suppliers and others	29,853	27,180
Other Sundry earnings and proceeds	1,374	1,847
Reimbursement for damages suffered	823	1,063
Reimbursement of expenses incurred	610	905
Recovery of legal taxes	22	68
Capital gains on disposal of assets	172	129
Total other revenues	**32,854**	**31,192**

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 as a re-confirmation of the ability of the company in managing relations with its suppliers.

26. Purchase of goods for resale and consumables

This item is composed of:

(€thousand)	**31.12.2013**	31.12.2012
Purchase of goods	1,051,943	976,484
Purchase of packages and packing material	4,090	3,893
Purchase of stationery and printed paper	846	670
Purchase of promotional and sales materials and catalogues	146	177
Purchase of various materials	608	610
Discounts and rebates from suppliers	(895)	(733)
Fuel for industrial motor vehicles and cars	448	474
Total purchase of goods for resale and consumables	**1,057,186**	**981,575**

As regards the performance of the purchase cost of goods destined for commercialisation, see the Directors' Report and the relevant comments on the gross margin.

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)	**31.12.2013**	31.12.2012
Salaries and wages	29,121	26,464
Social security contributions	9,137	8,222
Staff Severance Provision	2,233	2,323
Other Costs	966	14
Total personnel costs	**41,457**	**37,023**

Breakdown of employees by category is as follows:

	Workers	Employees	Managers	**Total**
Employees at 31.12.12	510	468	8	986
Net increases and decreases	*3*	*45*	*0*	*48*
Employees at 31.12.13	**513**	**513**	**8**	**1,034**
Average employees at 31.12.13	**544.2**	**513.0**	**8.4**	**1,065.6**

Personnel costs amounted to 41,457 thousand Euros as at 31 December 2013 and, despite the continuing focused resource management policy with specific reference to the management of leave and permits, overtime work and seasonal employment, shows an increase compared to the previous business year, attributable to the entry of new employees due to the lease of the "Lelli" and "Scapa" going concerns (as of September 2012 and February 2013 respectively).

28. Amortizations and write-downs

(€thousand)	**31.12.2013**	31.12.2012
Depreciation of tangible assets	4,365	3,998
Amortization of intangible assets	163	254
Provisions and write-downs	10,639	8,951
Total amortization and depreciation	**15,167**	**13,203**

(€thousand)	**31.12.2013**	31.12.2012
Allocation of taxable provisions for bad debts	8,088	6,489
Allocation of non-taxable provisions for bad debts	2,185	2,059
Provision for risk and loss fund	240	0
Provision for supplementary clientele severance indemnity	126	403
Total provisions and write-downs	**10,639**	**8,951**

The allocation to risk and loss fund is related to costs of a non-recurrent nature which are expected to be incurred on closure of contracts concerning the "Scapa" going concern.

For more details on provisions, reference is made to the relevant movements highlighted in notes 9 "Current trade receivables", 16 "Employee benefits" in addition to that commented in the paragraph "Credit risk".

29. Other operating costs

(€thousand)	**31.12.2013**	31.12.2012
Operating costs for services	162,098	143,315
Operating costs for leases and rentals	10,261	7,970
Operating costs for other operating charges	2,370	2,517
Total other operating costs	**174,729**	**153,802**

(€thousand)	**31.12.2013**	31.12.2012
Sale expenses, distribution and logistic costs for our products	134,550	118,378
Energy consumption and utilities	9,821	8,029
Third-party production	3,029	3,026
Maintenance costs	3,763	3,756
Porterage and movement of goods	2,698	2,371
Advertising, promotion, exhibitions, sales (sundry items)	412	678
Directors' and statutory auditors' fees	1,035	1,228
Insurance costs	823	775
Reimbursement of expenses, travel costs and sundry personnel costs	293	216
General and other services	5,674	4,858
Total operating costs for services	**162,098**	**143,315**

As regards the increase in operating costs for "sales expenses, distribution and logistic costs", see the Directors' Report and the relevant comments on the increase in logistics costs.

(€thousand)	**31.12.2013**	31.12.2012
Lease of industrial buildings	8,754	6,883
Lease of processors and other personal property	364	415
Lease of industrial vehicles	139	278
Lease of going concern	795	177
Lease of cars	75	53
Lease of plants, machinery and equipment	29	35
Rent fees and other charges paid on other personal property	105	129
Total operating costs for leases and rentals	**10,261**	**7,970**

It should be pointed out that the rental fees for industrial buildings include the fees of 671 thousand Euros paid to the associate companies Le Cupole S.r.l. in Castelvetro (MO) for the rental of the property in which the branch MARR Uno carries out its activities (Via Spagna 20 – Rimini) and for 553 thousand Euros paid to the associate Consorzio Centro Commerciale Ingrosso Carni S.r.l. in Bologna for the rental of the property in which the Carnemilia Division carries out its activities (Via Francesco Fantoni, 31 – Bologna), property which, as highlighted in the Directors' Report, was purchased by the Parent Company in July 2013.

As regards the increase in this item, it should be noted that, in addition to the effects of the lease of the building in Bologna owned by the subsidiary Sfera S.p.A. which only affected 4 months of 2012, as of 23 February 2013, there are approximately 1,822 thousand Euros in fees for the leasing of industrial buildings and business rental fees of 254 thousand Euros concerning the "Scapa" transaction.

As regards the fees for the lease of industrial buildings, see that described in the paragraph "Organisation and logistics" in the Directors' Report on Management performance, also noting that the relevant ongoing contracts are subject to Law 392/78 Section II (Leasing contracts for use other than living).

(€thousand)	**31.12.2013**	31.12.2012
Other indirect taxes, duties and similar charges	1,466	1,432
Expenses for recovery of debts	270	355
Other sundry charges	304	445
Capital losses on disposal of assets	14	5
IMU	262	218
Contributions and membership fees	54	62
Total operating costs for other operating charges	**2,370**	**2,517**

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)	**31.12.2013**	31.12.2012
Financial charges	10,390	7,809
Financial income	(2,589)	(2,288)
Foreign exchange (gains)/losses	59	108
Total financial (income) and charges	**7,860**	**5,629**

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)	**31.12.2013**	31.12.2012
Interest paid on other loans, bills discount, hot money, imports	4,429	2,286
Interest payable on loans	189	315
Interest payable on discounted bills, advances, exports	3,618	3,550
Other financial interest and charges	2,153	1,658
Interest and Other financial charges for Consolidated Parent Companies	1	0
Total financial charges	**10,390**	**7,809**

As highlighted in the Directors' Report, the increase in financial costs is mainly due to an increase in the cost of money and the rescheduling of the financial payables, on longer-term maturities in addition to an increased average indebtedness related to the investments made during the course of the business year.

(€thousand)	**31.12.2013**	31.12.2012
Other sundry financial income (interest from customers, etc.)	(3,357)	(1,981)
Interests and financial income from Parent Companies	(200)	(259)
Positive interest from bank accounts	(32)	(48)
Total Financial Income	**(3,589)**	**(2,288)**

The other financial income concerns the interests due from clients for payment delays.

31. Taxes

(€thousand)	**31.12.2013**	31.12.2012*
Ires-Ires charge transferred to Parent Company	19,266	20,248
Irap	4,855	4,547
Net provision for deferred tax liabilities	(125)	(755)
Reimbursement for taxes of previous years	0	(1,550)
Total taxes	**23,996**	**22,490**

* The value of Deferred Taxes of the first quarter 2012 has been restated in order to expose the adjustments regarding the retrospective application of the amendments to IAS principle 19.

Reconciliation between theoretical and effective fiscal charges

(€thousand)	*Year 2013*		*Year 2012*	
	Taxable amount	*Tax*	*Taxable amount*	*Tax*
I.R.E.S.				
Profit before taxation	74,953		76,095	
Taxation rate	27.50%		27.50%	
theoretical tax burden		20,612		20,926
Permanent differences				
Non-deductible depreciation	457		552	
Write-down of financial assets	13		4	
Other	900		981	
	1,370		1,537	
Deductible depreciation	(1,769)		(1,769)	
Dividends from Italian companies (95%)	(3,677)		(3,753)	
Personel cost not deducted to Irap	(1,006)		(1,082)	
Other	(1,395)		(734)	
	(7,847)		(7,338)	
Temporary differences deductible in future years				
Allocation of taxed provision for bad debts	8,328		6,897	
Maintenance costs excess 5%	82		111	
Other	418		198	
Deductible entertainment expenses	0		0	
	8,828		7,206	
Reversal of temporary differences from previous years				
Surplus value deductible in future years	0		0	
	0		0	
Use of taxed provision for bad debts	(6,393)		(3,505)	
Use of others taxed provisions	0		(79)	
Amount deductible entertainment expenses	0		0	
Amount of Write-down of financial assets	0		0	
Amount of maintenance cost excess 5%	(118)		(111)	
Other	(323)		(198)	
	(6,834)		(3,893)	
Taxable income	70,470		73,607	
Taxation rate	27.50%		27.50%	
Actual tax burden		**19,379**		**20,242**
Balance of IRES for past business years and roundings		(113)		6
Recovery for Ires relating years 2007-2011		0		(1,550)
Actual Tax burden of Period		**19,266**		**18,698**
I.R.A.P.				
Profit before taxation	74,953		76,095	
Cost not relevant for I.R.A.P.	0		0	
Income and burdens from shareholdings	0		0	
Financial income and expense	6,863		5,656	
Personnel costs	41,458		36,992	
Theorical taxable	123,274		118,743	
Taxation rate	4.00%		3.86%	
theoretical tax burden		4,926		4,586
Other	(605)		(5,186)	
Taxable income	122,669		113,557	
Taxation rate	3.99%		4.00%	
Actual tax burden		**4,894**		**4,538**
Balance of IRAP for past business years		(39)		9
Actual Tax burden of Period		**4,855**		**4,547**

32. Earnings per share

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

(in Euro)	**2013**	2012*
EPS base	0.71	0.74
EPS diluted	0.71	0.74

* The value as at 31 December 2012 has been restated to reflect the adjustments required by the retrospective the application of the amendments to IAS19.

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

Earnings:

(€thousand)	**31.12.2013**	31.12.2012*
Profit for the period	47,318	48,990
Minority interests	(581)	(608)
Profit used to determine basic and diluted earnings per share	**46,737**	**48,382**

* The value as at 31 December 2012 has been restated to reflect the adjustments required by the retrospective the application of the amendments to IAS19.

Number of shares:

(number of shares)	**31.12.2013**	31.12.2012
Weighted average number of ordinary shares used to determine basic earning per share	65,966,402	65,819,473
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	**65,966,402**	**65,819,473**

33. Other profits/losses

The other profits/losses accounted for in the consolidated statement of other comprehensive income consists of the effects produced and reflected in the period with reference to the following items:
- effective part of the operations for: hedging interest rates related to variable rate loans existing at the date; hedging exchange risk rate related to the bond in US dollars closed with an operation of private placement during the third quarter; term exchange purchase transactions carried out by the Group to hedge the underlying goods purchasing operations. The values indicated amounted to a total loss of 868 thousand Euros in the year 2013 and are shown net of the taxation effect (that amounts to approximately 329 thousand Euros as at 31 December 2013).
- actuarial losses and gains regarding the evaluation of Staff Severance Provision as required by amendments to IAS principle 19 "Employee Benefits", which entered into force for business years starting from 1st January 2013; the values indicated, amounting to a total profit of 24 thousand Euros, are shown net of the taxation effect (that amount to about 9 thousand Euros as at 31 December 2013).
According to the IFRS these profits/losses have been entered in the net equity and highlighted (according to IAS 1 revised, in force from 1st January 2009) in the consolidated statement of other comprehensive income.

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)	***31.12.13***	*31.12.12*
A.	Cash	8,056	9,354
	Cheques	36	20
	Bank accounts	24,578	43,035
	Postal accounts	154	186
B.	Cash equivalent	24,768	43,241
C.	**Liquidity (A) + (B)**	**32,824**	**52,595**
	Current financial receivable due to Parent Company	2,633	13,277
	Current financial receivable due to Related Companies	0	0
	Others financial receivable	2,706	2,354
D.	**Current financial receivable**	**5,339**	**15,631**
E.	Current Bank debt	(40,920)	(129,299)
F.	Current portion of non current debt	(26,029)	(50,672)
	Financial debt due to Parent Company	0	0
	Financial debt due to Related Companies	0	0
	Other financial debt	(755)	(10)
G.	Other current financial debt	(755)	(10)
H.	**Current financial debt (E) + (F) + (G)**	**(67,704)**	**(179,981)**
I.	**Net current financial indebtedness (H) + (D) + (C)**	**(29,541)**	**(111,755)**
J.	Non current bank loans	(133,945)	(53,469)
K.	Other non current loans	(30,645)	0
L.	**Non current financial indebtedness (J) + (K)**	**(164,590)**	**(53,469)**
M.	**Net financial indebtedness (I) + (L)**	**(194,131)**	**(165,224)**

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.

° ° °

Rimini, 14 March 2014

The Chairman of the Board of Directors

Ugo Ravanelli

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 2013.
- **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 2013.
- **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 2013.
- **Appendix 5** – Table showing variations in Tangible Assets for the year ending 31 December 2013.
- **Appendix 6** – Table showing the essential data from Cremonini S.p.A. and consolidated financial statements as at 31 December 2012.
- **Appendix 7** – Information as per art. 149-duodecies of the Consob Issuers Regulations.

Appendix 1

MARR GROUP S.p.A.
LIST OF EQUITY INVESTMENTS
AT 31 DECEMBER 2013

Company	Headquarters	Share capital (€thousand)	Direct control Marr SpA	Indirect control	
				Company	Share held
COMPANY CONSOLIDATED ON A LINE-BY-LINE BASIS					
- Parent Company:					
MARR S.p.A.	Rimini	33,263			
- Subsidiaries:					
Alisurgel S.r.l. in liquidation	Rimini	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%		
EQUITY INVESTMENTS VALUED AT COST:					
- Other Company:					
Centro Agro-Alimentare Riminese S.p.A.	Rimini	11,798	1.66%		

Appendix 2

MARR S.p.A. STATEMENT OF FINANCIAL POSITION

(€)	***31.12.13***	*31.12.12**	*01.12.12**
ASSETS			
Non-current assets			
Tangible assets	62,229,136	46,201,058	47,610,647
Goodwill	70,965,336	70,965,336	70,965,336
Other intangible assets	344,281	355,007	344,689
Investments in subsidiaries and associated	33,201,336	33,214,232	33,246,015
Investments in other companies	294,342	286,192	286,192
Non-current financial receivables	2,199,851	3,503,793	4,452,755
Deferred tax assets	9,786,520	9,168,791	8,060,210
Other non-current assets	36,416,377	24,099,000	18,752,512
Total non-current Assets	**215,437,179**	**187,793,409**	**183,718,356**
Current assets			
Inventories	92,769,500	90,997,493	87,840,345
Financial receivables	13,962,582	23,866,854	9,963,567
relating to related parties	*11,257,128*	*21,513,166*	*8,218,639*
Financial instruments / derivative	0	0	42,116
Trade receivables	360,430,880	348,190,233	336,268,888
relating to related parties	*6,416,326*	*4,317,586*	*4,828,406*
Tax assets	9,444,480	10,267,236	6,013,324
relating to related parties	*2,554,224*	*2,265,316*	*0*
Cash and cash equivalents	27,899,691	47,521,285	32,376,256
Other current assets	43,361,769	34,133,294	34,100,294
relating to related parties	*99,896*	*99,000*	*270,298*
Total current Assets	**547,868,902**	**554,976,395**	**506,604,790**
TOTAL ASSETS	***763,306,081***	***742,769,804***	***690,323,146***
LIABILITIES			
Shareholders' Equity	238,290,626	223,554,920	217,555,960
Share capital	*33,262,560*	*32,909,736*	*32,909,736*
Reserves	*156,082,513*	*143,182,856*	*138,419,664*
Retained Earnings	*0*	*(3,476,960)*	*(3,476,960)*
Profit for the period	*48,945,553*	*50,939,288*	*49,703,520*
Total Shareholders' Equity	**238,290,626**	**223,554,920**	**217,555,960**
Non-current liabilities			
Non-current financial payables	161,587,418	53,468,504	56,900,973
Financial instruments / derivative	3,001,941	0	0
Employee benefits	8,958,880	8,460,250	7,564,130
Provisions for risks and charges	2,992,437	2,609,730	2,303,908
Deferred tax liabilities	9,687,145	9,477,302	9,201,667
Other non-current liabilities	437,786	337,448	239,791
Total non-current Liabilities	**186,665,607**	**74,353,234**	**76,210,469**
Current liabilities			
Current financial payables	65,159,685	175,831,103	135,403,923
relating to related parties	*2,337,738*	*1,600,413*	*1,242,470*
Financial instruments / derivative	0	2,032	0
Current tax liabilities	1,626,922	1,201,268	3,733,801
relating to related parties	*0*	*0*	*2,109,225*
Current trade liabilities	254,043,263	251,977,334	241,577,051
relating to related parties	*9,043,893*	*8,675,861*	*9,342,237*
Other current liabilities	17,519,978	15,849,913	15,841,942
relating to related parties	*26,055*	*356*	*433*
Total current Liabilities	**338,349,848**	**444,861,650**	**396,556,717**
TOTAL LIABILITIES	***763,306,081***	***742,769,804***	***690,323,146***

*It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement as at "31.12.2012" and "01.01.2012" of the items Staff Severance provision, Deferred taxes fund and Net Equity.

MARR S.p.A. STATEMENT OF PROFIT OR LOSS

(€)	***31.12.2013***	*31.12.2012**
Revenues	1,217,735,371	1,131,515,215
concerning related parties	*21,226,465*	*15,542,938*
Other revenues	30,177,185	28,774,913
relating to related parties	*217,563*	*229,892*
Changes in inventories	1,772,007	3,157,147
Purchase of goods for resale and consumables	(975,278,776)	(914,138,253)
relating to related parties	*(53,128,084)*	*(40,751,554)*
Personnel costs	(32,661,536)	(28,776,296)
Amortization, depreciation and write-downs	(13,607,660)	(11,636,782)
Other operating costs	(156,939,909)	(138,092,529)
relating to related parties	*(4,828,403)*	*(5,743,133)*
Financial income and charges	(6,547,425)	(5,316,405)
relating to related parties	*329,384*	*376,794*
Income (charge) from associated companies	3,857,839	3,946,946
Profit before taxes	***68,507,096***	***69,433,956***
Taxes	(21,735,876)	(20,604,097)
Profit for the period	***46,771,220***	***48,829,859***
EPS base (euros)	0.71	0.74
EPS diluted (euros)	0.71	0.74

* It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement of the items Personnel costs and Taxes concerning year 2012.

MARR S.p.A. STATEMENT OF OTHER COMPREHENSIVE INCOME

(€)	***31.12.2013***	*31.12.2012**
Profits for the period (A)	***46,771,220***	***48,829,859***
Items to be reclassified to profit or loss in subsequent periods:		
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect	(873,048)	(32,008)
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial (losses)/gains concerning defined benefit plans, net of taxation effect	32,741	(668,610)
Total Other Profits/Losses, net of taxes (B)	***(840,307)***	***(700,618)***
Comprehensive Income (A + B)	***45,930,913***	***48,129,241***

* It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement of the items Other Profit and Losses concerning the year of 2012.

CASH FLOWS STATEMENT (INDIRECT METHOD)

(€thousand)	***31.12.13***	*31.12.12**
Profit for the Period	46,771	48,830
Adjustment:		
Amortization / Depreciation	3,825	3,431
Allocation of provison for bad debts	9,460	7,900
Allocation of provision for investments in subsidiaries	13	4
Allocation of provision for risks and losses	240	0
Capital profit/losses on disposal of assets	(131)	(107)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and losses	6,479	(5,195)
relating to related parties	*(329)*	*(377)*
Foreign exchange evaluated (gains)/losses	15	38
Dividends Received	(3,871)	(3,951)
	16,030	2,120
Net change in Staff Severance Provision	499	897
(Increase) decrease in trade receivables	(21,701)	(19,821)
relating to related parties	*(2,099)*	*511*
(Increase) decrease in inventories	(1,772)	(3,157)
Increase (decrease) in trade payables	2,066	10,400
relating to related parties	*368*	*(666)*
(Increase) decrease in other assets	(21,545)	(5,380)
relating to related parties	*(1)*	*171*
Increase (decrease) in other liabilities	1,913	410
relating to related parties	*26*	*0*
Net change in tax assets / liabilities	19,829	18,531
relating to related parties	*15,949*	*17,082*
Interest paid	(10,166)	(2,410)
relating to related parties	*(43)*	*(32)*
Interest received	3,687	7,605
relating to related parties	*372*	*409*
Foreign exchange gains	440	511
Foreign exchange losses	(455)	(549)
Income tax paid	(18,988)	(26,226)
relating to related parties	*(16,238)*	*(21,457)*
Cash-flow from operating activities	**16,608**	**31,761**
(Investments) in other intangible assets	(91)	(190)
(Investments) in tangible assets	(21,243)	(2,722)
Net disposal of tangible assets	1,617	982
Net (investments) in equity investments (subsidiaries and associated)	0	28
Net (investments) in equity investments in other companies	(8)	0
Dividends Received	3,871	3,951
Cash-flow from investment activities	**(15,854)**	**2,049**
Distribution of dividends	(38,175)	(42,124)
Increase in capital and reserves paid-up by shareholders	6,986	0
Other changes, including those of third parties	(841)	(626)
Net change in financial payables (excluding the new non-current loans received)	(158,848)	(10,503)
relating to related parties	*737*	*358*
New non-current loans received	159,295	47,500
relating to related parties	*0*	*0*
Net change in current financial receivables	9,904	(13,861)
relating to related parties	*10,256*	*(13,295)*
Net change in non-current financial receivables	1,304	949
Cash-flow from financing activities	**(20,375)**	**(18,665)**
Increase (decrease) in cash-flow	**(19,621)**	**15,145**
Opening cash and equivalents	47,521	32,376
Closing cash and equivalents	**27,900**	**47,521**

*It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement for the previous years of the items Staff Severance provision, Deferred taxes fund and Net Equity.

MARR S.P.A. STATEMENT OF CHANGES IN THE SHAREHOLDER'S EQUITY

Description	Share Capital	Other Reserves															Profits carried over	Total net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	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	Reserve IAS 19	Total reserves	Trading on share reserve	Reserve for profit (losses) on own share	Total own shares		
Balance at 1st January 2012*	**32,910**	**60,192**	**6,652**	**12**	**36,496**	**22,159**	**1,475**	**7,516**	**31**	**1,503**	**1,823**	**561**	**138,419**	**(3,467)**	**(10)**	**(3,477)**	**49,704**	**217,555**
Allocation of 2011 profit						5,470							**5,470**				(5,470)	
Distribution dividends Marr S.p.A.																	(42,124)	(42,124)
Distribution of subsidiaries company dividends																		
Effect of the trading of own shares																		
Other minor variations										(6)			**(5)**				(1)	(5)
Consolidated comprehensive income 2012:																		
- Profit for the period																	48,830	48,830
- Other Profits/Losses, net of taxes									(32)			(669)	**(701)**					(701)
Balance at 31 December 2012*	**32,910**	**60,192**	**6,652**	**12**	**36,496**	**27,629**	**1,475**	**7,516**	**(1)**	**1,497**	**1,823**	**(108)**	**143,183**	**(3,467)**	**(10)**	**(3,477)**	**50,939**	**223,555**
Allocation of 2012 profit						10,590							**10,590**				(10,590)	
Distribution dividends Marr S.p.A.																	(38,175)	(38,175)
Effect of the trading of own shares	353	3,156											**3,156**	3,467	10	**3,477**		6,986
Other minor variations										(6)			**(6)**					(6)
Consolidated comprehensive income 2013:																		
- Profit for the period																	46,771	46,771
- Other Profits/Losses, net of taxes									(873)			33	**(840)**					(840)
Balance at 31 December 2013	**33,263**	**63,348**	**6,652**	**12**	**36,496**	**38,219**	**1,475**	**7,516**	**(874)**	**1,491**	**1,823**	**(75)**	**156,083**				**48,945**	**238,291**

*It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement as at 1st January 2012 and 31 December 2012 of the items regarding the Shareholders Equity.

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	238,291	46,771
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	(24,794)	
-- 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	25,378	(50)
-- Pro rata subsidiary profits (losses)	3,646	3,646
Allocation of the consolidation differences caused by the 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	(1,960)	(3,849)
Adjustments to adapt the financial statements of some consolidated companies to Group Accounting Standards	1,789	219
Group's share of net equity and profit/(loss)	243,015	46,737
Minorities' share of net equity and profit/(loss)	1,127	581
Shareholders' equity and profit/(loss) for the year	244,142	47,318

Appendix 4

Intangible fixed assets (in thousand of Euros)	OPENING BALANCE			MOVEMENTS DURING THE YEAR				CLOSING BALANCE		
	Original Cost	Provision for amortization	Balance 01/01/2013	Purchases/ reclassification	Consolidation Change	Net decreases	Amortization	Original Cost	Provision for amortization	Balance 31/12/2013
Start-Up and expansion costs										
Cost of research, development and advertising										
Cost of industrial patents and rights for the use of intellectual property	5,042	(4,667)	375	93			(162)	5,135	(4,829)	306
Concessions, licences, brand names, and similar rights	163	(154)	9				(1)	163	(155)	8
Goodwill	99,630		99,630					99,630		99,630
Intangible fixed assets under development and advances	36		36					36		36
Other intangible fixed assets	436	(436)						436	(436)	
Total	**105,307**	**(5,257)**	**100,050**	**93**			**(163)**	**105,400**	**(5,420)**	**99,980**

Appendix 5

Tangible fixed assets (in thousand of Euros)	Opening balance			Movements during the year						Closing balance		
	Original Cost	Provision for amortization	Balance 01/01/2013	Purchases/ reclassification	Decreases		Reclassification		Amortization	Original Cost	Provision for amortization	Balance 31/12/2013
					Original cost	Prov. for am.	Original cost	Prov. for am.				
Land and buildings	63,151	(18,155)	44,996	13,779					(1,822)	76,930	(19,977)	56,953
Plant and machinery	22,873	(18,562)	4,311	5,128	(199)	190			(1,653)	27,802	(20,025)	7,777
Industrial and commercial equipment	3,503	(2,608)	895	468	(117)	95			(231)	3,854	(2,744)	1,110
Other tangible assets	12,721	(10,592)	2,129	2,476	(1,863)	365			(665)	13,334	(10,892)	2,442
Tangible fixed assets under development and advances	242		242	(242)								
Total	**102,490**	**(49,917)**	**52,573**	**21,609**	**(2,179)**	**650**			**(4,371)**	**121,920**	**(53,638)**	**68,282**

Appendix 6

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, 2012				
Cremonini S.p.A.		in thousands of Euros		Consolidated
		BALANCE SHEET		
		ASSETS		
77,241		Tangible assets		812,552
62		Goodwill and other intangible assets		167,024
290,639		Investments		17,887
6,723		Non-current assets		62,649
374,665		*Total non-current assets*		*1,060,112*
0		Inventories		352,284
15,508		Receivables and other current assets		639,856
116		Cash and cash equivalents		135,099
15,624		*Total current assets*		*1,127,239*
390,289		**Total assets**		**2,187,351**
		LIABILITIES		
106,735		Shareholders' equity:		360,322
	67,074	Share capital	67,074	
	15,004	Reserves	161,932	
	24,657	Net profit (loss)	33,546	
	0	Minority interest	97,770	
105,891		Non-current financial payables		492,366
373		Employee benefits		25,276
718		Provisions for risks and charges		9,546
4,933		Other non-current liabilities		80,183
111,915		*Total non-current liabilities*		*607,371*
167,409		Current financial payables		572,738
4,230		Current liabilities		646,920
171,639		*Total current liabilities*		*1,219,658*
390,289		**Total Liabilities**		**2,187,351**
		INCOME STATEMENT		
5,443		Revenues		3,363,217
464		Other revenues		61,926
		Changes in inventories		40,648
		Internal works performed		2,826
(50)		Purchase of goods		(2,297,602)
(6,414)		Other operating costs		(512,659)
(2,295)		Personnel costs		(417,279)
(1,772)		Amortization		(72,388)
(638)		Depreciation and Allocations		(20,082)
36,382		Income from investments		1,297
(12,825)		Financial income and charges		(52,822)
0		Profit from business aggregations		0
18,295		*Profit before taxes*		*97,082*
6,362		Taxes		(37,768)
24,657		Net profit (loss) before consolidation		59,314
0		Minority interest's profit (loss)		(25,768)
24,657		**Consolidated Net profit (loss)**		**33,546**

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 2012. For an adequate and full understanding of the Cremonini S.p.A. financial situation as at 31 December 2012, 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 2013 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 2013
Auditing	Reconta Ernst & Young S.p.A.	MARR S.p.A.	112
	Reconta Ernst & Young S.p.A.	As.Ca S.p.a.	20
Certification service			**12**
Other services			**0**
Total			**144**

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 Antonio Tiso, 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 2013.

2. The assessment of the adequacy of the management and accounting procedures for the drafting of the consolidated financial statement as at 31 December 2013 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, 14 March 2014

Chief Executive Officer	Manager responsible for the drafting of corporate accounts documents
Ugo Ravanelli	Antonio Tiso

MARR S.p.A.

Consolidated financial statements
as of and for the year ended December 31, 2013

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

Building a better
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Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27 January 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 31 December 2013 and for the year then ended, comprising the statement of consolidated financial position, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in the shareholders equity, the statement of cash flows 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 Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit 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 of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

   The consolidated financial statements of the prior year and the statement of financial position at January 1, 2012 are presented for comparative purposes. As described in the explanatory notes, certain comparative data related to the prior year have been restated; the restated data is derived from the consolidated financial statements as of December 31, 2011 on which we issued our auditor's report on March 26, 2012. We have examined the method used to restate the comparative financial data and the information presented in the explanatory notes in this respect, for the purpose of expressing our opinion on the consolidated financial statements as of 31 December 2013 and for the year then ended.

3. In our opinion, the consolidated financial statements of the MARR Group at 31 December 2013 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 Directors of MARR S.p.A. are responsible for the preparation of the Directors' Report and the Annual Report on Corporate Governance and the Ownership Structure in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency with the financial statements of the Directors' Report and of the information presented 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) in the Annual Report on Corporate Governance and the

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Ownership Structure, 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 presented 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) in the Annual Report on Corporate Governance and the Ownership Structure, are consistent with the consolidated financial statements of the MARR Group at December 31, 2013.

Bologna, March 31, 2014

Reconta Ernst & Young S.p.A.

Signed by: Andrea Nobili, Partner

This report has been translated into the English language solely for the convenience of international readers.

MARR S.p.A.

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

Dear Shareholders,

The Marr S.p.A. consolidated financial statements for the 2013 business year, which is available for you to consult, shows business year profits of 47,318 thousand Euros and profits attributable to the Group of 46,737 thousand Euros.

The document in question has been drawn up in compliance with that provided by the International Financial Reporting Standards (IFRS).

The balance sheet and income statement contain, for comparative purposes, the figures in the consolidated financial statements for the previous business year, as restated on the basis of the retroactive application of the amendments to IAS 19.

In the directors' report on management, the explanatory notes and relevant annexes, which complete and comment on the consolidated financial statements, the Board of Directors, in addition to the method of consolidation and the criteria for assessment, provides information concerning the situation of the companies included in the scope of consolidation and also on the facts which characterised the management.

The auditing firm Reconta Ernst & Young S.p.A. will not be highlighting any informative comments and/or notes, or related observations or limitations, in the report that it will release pursuant to arts. 14 and 16 of Legislative Decree 39/2010.

As regards matters of our competence:
- we have verified the formation of the scope of consolidation, the principles of consolidation used and their general compliance with the law;
- we have observed that the explanatory notes and report on management, to be deemed congruent to the other findings highlighted in the consolidated financial statements, provide the information required respectively by arts. 38 and 40 of Legislative Decree 127/1991, as recalled in the Consob consultative document dated 10 March 2006.

The above holding firm, the Board of Statutory Auditors hereby states that the consolidated financial statements as at 31 December 2013 correctly represent the economic and financial situation of the Parent company and the companies consolidated.

Rimini, 26 March 2014

Signed by:

The Board of Statutory Auditors

(E. Simonelli)

(M. Monterumisi)

(D. Muratori)

This report has been translated into the English language solely for the convenience of international readers.

MARR S.p.A.

Financial Statements

as at December 31, 2013

STATEMENT OF FINANCIAL POSITION

(€)	*Notes*	*31.12.13*	*31.12.12**	*01.12.12**
ASSETS				
Non-current assets				
Tangible assets	1	62,229,136	46,201,058	47,610,647
Goodwill	2	70,965,336	70,965,336	70,965,336
Other intangible assets	3	344,281	355,007	344,689
Investments in subsidiaries and associated	4	33,201,336	33,214,232	33,246,015
Investments in other companies	5	294,342	286,192	286,192
Non-current financial receivables	6	2,199,851	3,503,793	4,452,755
Deferred tax assets	7	9,786,520	9,168,791	8,060,210
Other non-current assets	8	36,416,377	24,099,000	18,752,512
Total non-current Assets		**215,437,179**	**187,793,409**	**183,718,356**
Current assets				
Inventories	9	92,769,500	90,997,493	87,840,345
Financial receivables	10	13,962,582	23,866,854	9,963,567
relating to related parties		*11,257,128*	*21,513,166*	*8,218,639*
Financial instruments / derivative		0	0	42,116
Trade receivables	11	360,430,880	348,190,233	336,268,888
relating to related parties		*6,416,326*	*4,317,586*	*4,828,406*
Tax assets	12	9,444,480	10,267,236	6,013,324
relating to related parties		*2,554,224*	*2,265,316*	*0*
Cash and cash equivalents	13	27,899,691	47,521,285	32,376,256
Other current assets	14	43,361,769	34,133,294	34,100,294
relating to related parties		*99,896*	*99,000*	*270,298*
Total current Assets		**547,868,902**	**554,976,395**	**506,604,790**
TOTAL ASSETS		***763,306,081***	***742,769,804***	***690,323,146***
LIABILITIES				
Shareholders' Equity	15	238,290,626	223,554,920	217,555,960
Share capital		*33,262,560*	*32,909,736*	*32,909,736*
Reserves		*156,082,513*	*143,182,856*	*138,419,664*
Retained Earnings		*0*	*(3,476,960)*	*(3,476,960)*
Profit for the period		*48,945,553*	*50,939,288*	*49,703,520*
Total Shareholders' Equity		**238,290,626**	**223,554,920**	**217,555,960**
Non-current liabilities				
Non-current financial payables	16	161,587,418	53,468,504	56,900,973
Financial instruments / derivative	17	3,001,941	0	0
Employee benefits	18	8,958,880	8,460,250	7,564,130
Provisions for risks and charges	19	2,992,437	2,609,730	2,303,908
Deferred tax liabilities	20	9,687,145	9,477,302	9,201,667
Other non-current liabilities	21	437,786	337,448	239,791
Total non-current Liabilities		**186,665,607**	**74,353,234**	**76,210,469**
Current liabilities				
Current financial payables	22	65,159,685	175,831,103	135,403,923
relating to related parties		*2,337,738*	*1,600,413*	*1,242,470*
Financial instruments / derivative		0	2,032	0
Current tax liabilities	23	1,626,922	1,201,268	3,733,801
relating to related parties		*0*	*0*	*2,109,225*
Current trade liabilities	24	254,043,263	251,977,334	241,577,051
relating to related parties		*9,043,893*	*8,675,861*	*9,342,237*
Other current liabilities	25	17,519,978	15,849,913	15,841,942
relating to related parties		*26,055*	*356*	*433*
Total current Liabilities		**338,349,848**	**444,861,650**	**396,556,717**
TOTAL LIABILITIES		***763,306,081***	***742,769,804***	***690,323,146***

*It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement as at "31.12.2012" and "01.01.2012" of the items Staff Severance provision, Deferred taxes fund and Net Equity.

STATEMENT OF PROFIT OR LOSS

(€)	*Notes*	*31.12.2013*	31.12.2012*
Revenues	26	1,217,735,371	1,131,515,215
concerning related parties		*21,226,465*	*15,542,938*
Other revenues	27	30,177,185	28,774,913
relating to related parties		*217,563*	*229,892*
Changes in inventories	9	1,772,007	3,157,147
Purchase of goods for resale and consumables	28	(975,278,776)	(914,138,253)
relating to related parties		*(53,128,084)*	*(40,751,554)*
Personnel costs	29	(32,661,536)	(28,776,296)
Amortization, depreciation and write-downs	30	(13,607,660)	(11,636,782)
Other operating costs	31	(156,939,909)	(138,092,529)
relating to related parties		*(4,828,403)*	*(5,743,133)*
Financial income and charges	32	(6,547,425)	(5,316,405)
relating to related parties		*329,384*	*376,794*
Income (charge) from associated companies	33	3,857,839	3,946,946
Profit before taxes		***68,507,096***	***69,433,956***
Taxes	34	(21,735,876)	(20,604,097)
Profit for the period		***46,771,220***	***48,829,859***
EPS base (euros)	35	0.71	0.74
EPS diluted (euros)	35	0.71	0.74

* It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement of the items Personnel costs and Taxes concerning year 2012.

STATEMENT OF OTHER COMPREHENSIVE INCOME

(€)	***Notes***	***31.12.2013***	*31.12.2012**
Profits for the period (A)		***46,771,220***	***48,829,859***
Items to be reclassified to profit or loss in subsequent periods:			
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect		(873,048)	(32,008)
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses)/gains concerning defined benefit plans, net of taxation effect		32,741	(668,610)
Total Other Profits/Losses, net of taxes (B)	**36**	***(840,307)***	***(700,618)***
Comprehensive Income (A + B)		***45,930,913***	***48,129,241***

* It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement of the items Other Profit and Losses concerning the year of 2012.

STATEMENT OF CHANGES IN THE SHAREHOLDER'S EQUITY
(note 15)

Description	Share Capital	Other Reserves															Profits carried over	Total net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	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	Reserve IAS 19	Total reserves	Trading on share reserve	Reserve for profit (losses) on own share	Total own shares		
Balance at 1st January 2012*	32,910	60,192	6,652	12	36,496	22,159	1,475	7,516	31	1,503	1,823	561	138,419	(3,467)	(10)	(3,477)	49,704	217,555
Allocation of 2011 profit						5,470							**5,470**				(5,470)	
Distribution dividends Marr S.p.A.																	(42,124)	(42,124)
Distribution of subsidiaries company dividends																		
Effect of the trading of own shares																		
Other minor variations										(6)			**(5)**				(1)	(5)
Consolidated comprehensive income 2012:																		
- Profit for the period																	48,830	48,830
- Other Profits/Losses, net of taxes									(32)			(669)	**(701)**					(701)
Balance at 31 December 2012*	32,910	60,192	6,652	12	36,496	27,629	1,475	7,516	(1)	1,497	1,823	(108)	143,183	(3,467)	(10)	(3,477)	50,939	223,555
Allocation of 2012 profit						10,590							**10,590**				(10,590)	
Distribution dividends Marr S.p.A.																	(38,175)	(38,175)
Effect of the trading of own shares	353	3,156											**3,156**	3,467	10	**3,477**		6,986
Other minor variations										(6)			**(6)**					(6)
Consolidated comprehensive income 2013:																		
- Profit for the period																	46,771	46,771
- Other Profits/Losses, net of taxes									(873)			33	**(840)**					(840)
Balance at 31 December 2013	33,263	63,348	6,652	12	36,496	38,219	1,475	7,516	(874)	1,491	1,823	(75)	156,083				48,945	238,291

*It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement as at 1st January 2012 and 31 December 2012 of the items regarding the Shareholders Equity.

CASH FLOWS STATEMENT (INDIRECT METHOD)

(€thousand)	***31.12.13***	*31.12.12**
Profit for the Period	46,771	48,830
Adjustment:		
Amortization / Depreciation	3,825	3,431
Allocation of provison for bad debts	9,460	7,900
Allocation of provision for investments in subsidiaries	13	4
Allocation of provision for risks and losses	240	0
Capital profit/losses on disposal of assets	(131)	(107)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and losses	6,479	(5,195)
relating to related parties	*(329)*	*(377)*
Foreign exchange evaluated (gains)/losses	15	38
Dividends Received	(3,871)	(3,951)
	16,030	2,120
Net change in Staff Severance Provision	499	897
(Increase) decrease in trade receivables	(21,701)	(19,821)
relating to related parties	*(2,099)*	*511*
(Increase) decrease in inventories	(1,772)	(3,157)
Increase (decrease) in trade payables	2,066	10,400
relating to related parties	*368*	*(666)*
(Increase) decrease in other assets	(21,545)	(5,380)
relating to related parties	*(1)*	*171*
Increase (decrease) in other liabilities	1,913	410
relating to related parties	*26*	*0*
Net change in tax assets / liabilities	19,829	18,531
relating to related parties	*15,949*	*17,082*
Interest paid	(10,166)	(2,410)
relating to related parties	*(43)*	*(32)*
Interest received	3,687	7,605
relating to related parties	*372*	*409*
Foreign exchange gains	440	511
Foreign exchange losses	(455)	(549)
Income tax paid	(18,988)	(26,226)
relating to related parties	*(16,238)*	*(21,457)*
Cash-flow from operating activities	**16,608**	**31,761**
(Investments) in other intangible assets	(91)	(190)
(Investments) in tangible assets	(21,243)	(2,722)
Net disposal of tangible assets	1,617	982
Net (investments) in equity investments (subsidiaries and associated)	0	28
Net (investments) in equity investments in other companies	(8)	0
Dividends Received	3,871	3,951
Cash-flow from investment activities	**(15,854)**	**2,049**
Distribution of dividends	(38,175)	(42,124)
Increase in capital and reserves paid-up by shareholders	6,986	0
Other changes, including those of third parties	(841)	(626)
Net change in financial payables (excluding the new non-current loans received)	(158,848)	(10,503)
relating to related parties	*737*	*358*
New non-current loans received	159,295	47,500
relating to related parties	*0*	*0*
Net change in current financial receivables	9,904	(13,861)
relating to related parties	*10,256*	*(13,295)*
Net change in non-current financial receivables	1,304	949
Cash-flow from financing activities	**(20,375)**	**(18,665)**
Increase (decrease) in cash-flow	**(19,621)**	**15,145**
Opening cash and equivalents	47,521	32,376
Closing cash and equivalents	**27,900**	**47,521**

*It should be noted that, as highlighted in the introduction to the Directors' Report and as described in the subsequent Explanatory Notes, the retrospective application of the amendments to IAS19 ("Employee benefits") has implied the restatement for the previous years of the items Staff Severance provision, Deferred taxes fund and Net Equity

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 2012 were authorised for publication by the Board of Directors on 14 March 2014.

Structure and contents of the consolidated financial statements

The financial statements as at 31 December 2013 have been prepared in accordance with the accounting policies and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedures in art. 6 of (EC) Regulation 1606/2002 of the European Parliament and Council dated 19 July 2002 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 2013, 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 2012, see that described in the Directors' Report on management performance.

The financial statements as at 31 December 2013 include, for comparative purposes, the figures for the year ended on 31 December 2012.
In this regard, we point out that the application of the amendment of IAS principle 19 "Employee benefits", which entered in force for business years starting from 1st January 2013 or later, has implied the restatement of 2012 business year values for the "Staff Severance Provision" and "Deferred Tax Liabilities", with the relevant effects on the Shareholders equity and on the Result of the period.
For further details regarding the above mentioned effects, see what exposed in the paragraph "Accounting Policies".

The following classifications have been used:
- "Statement of financial position" by current/non-current items
- "Statement of profit or loss" for nature
- "Cash flows statement" (indirect method)

It is believed that these classifications provide information which better represent the l 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 Statement of Profit or Loss and the Statement of Other Comprehensive Income are shown simply in Euros whereas the Statement of Changes in Shareholders 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 2013 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 context 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	2.65% - 4%
- Plant and machinery	7.50%-15%
- Industrial and business equipment	15%-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%/contract term

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.
An asset is removed from the financial statements when it is sold or when there are no longer any future economic benefits expected from its use or disposal. Any losses or profits (calculated as the difference between the net income from its sale and its accounting value) are included in the profit and loss account when it is removed.

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.

Investments in related companies and other companies

Investments in related companies are evaluated using the Net Equity method and the shareholdings in other companies are evaluated as the purchase, subscription or conferment cost, as indicated in Appendix 1 and the following explanatory notes.
The recoverability of their recorded value is verified by adopting the criteria indicated in the subsection "Losses of value of non-financial assets" as regards investments in related companies and in the subsection "losses in value of financial assets" as regards investments in other companies.

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

The trade receivables and other short-term receivables are initially recorded at their nominal value, which represents their fair value, and subsequently evaluated at their amortized cost, net of any depreciations. When they are recorded, the nominal value of the receivables is representative of their fair value on said date. By virtue of the high rotation of receivables, the application of the amortized cost does not have any significant effect. The Provision for write-down of receivables represents the difference between the recorded value of receivables and the reasonable forecast of financial flows expected from their cashing-in.

Financial assets

The financial assets within the scope of IAS 39 are classified as receivables, financial assets available for sale or as derivatives designated as hedging instruments for effective hedging, according to the circumstances in question. The Company determines the classification of its own financial assets at initial recognition.

Financial assets are initially recorded at their fair value plus transaction costs directly attributable to their purchase, except in the case of financial assets recorded at fair value in the profit or loss. The Company's financial assets include cash and short-term deposits, trade and other short-term receivables, loans, non listed financial instruments and derivatives financial instruments.

The subsequent measurement of the financial assets depends on theri classification as follows:
Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that have not been floated on the stock exchange. After initial measurement such financial assets are subsequently measured at their amortized cost using the effective interest rate criterion (EIR), less impairment. The amortized cost is calculated by recording any discounts, purchase premiums, fees or costs that are an integral part of the effective interest rate. The amortization of the effective interest rate is included in financial income in the income statement. The losses arising from any impairment are recognised in the income statement as financial costs.

Derivatives

Subsequently to their initial recording, derivatives are valued again at their fair value and are accounted as financial liabilities when their fair value is negative. Eventual profits or losses deriving from changes in the fair value of the derivatives are recorded directly in the income statement, except for the effective part of the hedging of cash flows, which is recorded among the components of other comprehensive income and subsequently reclassified in the statement of profit or loss if the hedging instrument influences the profits or losses.

A financial asset (or, if applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised from the financial statements when:

- the right to receive cash flows from the asset have expired;
- the Company has transferred the right to receive cash flows from the asset or has

assumed an obligation to pay them fully and without delay to a third party and either (a) has substantially transferred all the risks and rewards of ownership of the financial asset or (b) has neither transferred nor substantially withheld all the risks and rewards of the asset but has transferred control of it.

In cases in which the Company has transferred the right to receive cash flows from an asset and has not either transferred or substantially withheld all the risks and rewards or has not lost control of it, the asset is recorded in the financial statements of the Company in the measure in which is involved in the asset in question. In this case, the Company also recognises an associated liability. The asset transferred and the associated liabilities are measured on a basis to reflect the rights and obligations that the Company has retained.

Losses in value of financial assets

At each reporting date, the Company assesses whether a financial asset or group of financial assets is impaired. A financial asset or group of financial assets deemed to be impaired if, and only if, there is objective evidence of impairment as result of one ore more events that have occurred after the initial recognition of the asset (when a "loss event" occurs) and this loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets in question that can be reliable estimated. Evidence of impairment may be represented by indicators such as financial difficulties, the incapacity to deal with the obligations undertaken, insolvency in the payment of interest or significant payments that are affecting the debtors or a group of debtors; the probability that it will enter bankruptcy or other form of financial reorganisation, and where observable data indicate that there is a measurable decrease in expected future cash flows, such as changes in context or in the economic conditions related to the obligations undertaken.

As regards the financial assets carried at amortized cost, the Company firstly assesses whether there is objective evidence of impairment exists for each financial asset that is individually significant, or collectively in the case of financial assets that are not individually significant. If the Company determines that there is no evidence of impairment for a financial asset evaluated individually, whether significant or not, then the asset in question is included in a group of financial assets with similar credit risk characteristics and these are assessed collectively for impairment. The assets that are evaluated individually in terms of impairment and for which a loss in value has been recorded or continues to be recorded are not included in any collective assessments of impairment.

If there is objective evidence of an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not yet incurred). The present value of the cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for the measurement of any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced directly and the amount of the loss will be recognised in the income statement. The interest income continues to be accrued on the reduced carrying amount and is accrued using the interest rate used to discount the future cash flows to measures the impairment loss. The interest income is recorded as part of the financial income in the income statement. Loans and their relevant allowance are written off when there is no realistic prospect of their future recovery and all the collateral have been realised or transferred to the Company. If during a subsequent business year the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced and the allowance account is adjusted. If a future write-off is subsequently recovered, the value recovered is credited to finance costs in the income statement.

For available-for-sale financial assets, the Company assesses whether there is objective evidence that an asset or group of assets is impaired at each reporting date.

In the case of equity investments classified as available for sale, the objective evidence would include a significant or prolonged reduction in the fair value of the investment below its cost. The "Significance" is evaluated with respect to the original cost of the instrument and "prolonged effect" with respect to the (duration of the) period in which the fair value has been below the original cost. Should there be evidence of impairment,

the cumulative losses – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from the other comprehensive income and recognised in the income statement.
Any losses due to impairment of instruments representative of capital may not be reversed with the effects recorded in the profit and loss account; any increases in their fair value subsequent to an impairment loss are recorded directly in the other comprehensive income.

Losses in value of non-financial assets

When events occur that would lead one to assume a reduction in the value of asset, its recoverability is assessed by comparing the recorded value with the relevant recoverable value, represented by the greater of the fair value, net of the discharge costs, and the value in use.
In the absence of a binding sales agreement, the fair value is estimated on the basis of the values expressed by an active market, by recent transactions or on the basis of the best information available to reflect the amount that the business would receive by selling the asset.
The value in use is determined by actualising the expected cash flows deriving from the use of the asset and, if significant and reasonably determinable, from its sale at the end of its useful lifetime. The cash flows are determined on the basis of reasonable and documented assumptions representative of the best estimate of the future economic conditions that may occur during the remaining lifetime of the asset, giving more importance to indications from outside. Actualisation is carried out at a rate which takes into account the market assessments of the current value of cash and specific risks of the asset, in addition to the inherent risk to the sector of business in question.
Assessment is conducted on each individual asset or the smallest identifiable group of assets which generates autonomous incoming cash flows deriving from continuous use (so-called *cash generating unit*). When the reasons for the depreciations made are no longer in place, the assets, except for goodwill, are revalued and the adjustment attributed to the profit and loss account as readjustment (restoration of value). Readjustment is carried out at the lesser of the recoverable value and recorded value gross of depreciations carried out previously and reduced by the amortization quotas that would have been allocated had impairment not been carried out.
Goodwill is tested for impairment at least once every year (on the date of the financial statements, 31 December) and more frequently should circumstances indicate that the carrying value may be impaired.

Impairment of goodwill is assessed by evaluating the recoverable amount of each cash generating unit (or the group of cash generating units) to which the goodwill relates. Should the recoverable amount of the cash generating unit be less than the carrying amount of the cash generating unit for which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating goodwill cannot be reversed in future business years.

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. Following the changes to IAS 19, effective for business years starting on 1 January 2013 and subsequent, the profits and losses deriving from the actuarial calculation for the definitive benefits plans are included in the in the statement of other comprehensive income for the period they refer to. These actuarial profits and losses are immediately classified under the profits brought forward and are not reclassified in the income statements for subsequent periods. The social security cost for past service (past service cost) is recorded on the most recent of the following dates:

- the date on which the plan is changed or reduced; and
- the date on which the Group records the related restructuring costs.

The Group records the changes in the net debentures for definitive benefits in the in the

statement of other comprehensive income.
The assets or liabilities concerning definitive benefits include the current value of the definitive benefits debentures, minus the fair value of the assets involved in the plan.
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 relating 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. Therefore for the purposes of this calculation, the "current service costs" relating 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

The financial liabilities are initially valued at their fair value, which is the same as the payment received on the date on which they are received, to which the transaction costs directly attributable to them are to be added in the case of debts and loans. Subsequently, the non-derivative financial liabilities are measured by the criterion of amortized cost using the effective interest rate method.

The financial liabilities of the Company include trade payables and other payables, loans and derivative financial instruments

The financial liabilities of the Company include trade payables and other payables, loans and derivative financial instruments.

The financial liabilities within the scope of application of IAS 39 are classified as payables and loans, or as derivatives designated as hedging instruments, according to the case in question. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initially recorded at their fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The profits and losses are accounted in the income statement when the liability is extinguished, as well as through the amortization process.

The amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the income statement.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

In cases in which an existing financial liability is replaced by another from the same lender, on substantially different conditions, or the terms of an existing liability are substantially modified, this swap or modification is treated as the derecognition of the original liability and the recording of the new liability, with any differences between the respective carrying amounts recognised in the income statement.

Derivatives

Subsequently to their initial recording, derivatives are valued again at their fair value and are accounted as financial liabilities when their fair value is negative. Eventual profits or losses deriving from changes in the fair value of the derivatives are recorded directly in the income statement, except for the effective part of the hedging of cash flows, which is recorded among the components of other comprehensive income and subsequently reclassified in the statement of profit or loss if the hedging instrument influences the profits or losses

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 and considering the involvement of some companies to the national consolidated tax base.
Deferred tax liabilities and assets are calculated on the temporary differences between the values of the assets and liabilities recorded in the financial statements and the corresponding values recognised for fiscal purposes.
Deferred taxes are recorded on all the taxable temporary differences, with the following exceptions:

- the deferred tax liabilities deriving from the initial recording of the start-up of either an asset or a liability in a transaction which does not represent a corporate aggregation and, at the time of the transaction itself, does not influence either the result in the financial statements or the fiscal result;
- the repayment of the taxable temporary differences associated to holdings in subsidiaries, related companies and joint ventures can be controlled, and it is probable that this will not occur in the foreseeable future.

Deferred tax assets are recorded for all the deductible temporary differences, fiscal receivables and losses not used and brought forward, in the measure in which it is probable that sufficient future taxable amount will be available which may enable the use of the deductible temporary differences and fiscal receivables and losses brought forward, except in cases in which:

- the deferred tax related to the deductible temporary differences derives from the initial recording of an asset or liability in a transaction which does not represent a corporate aggregation and, at the time of the transaction itself, does not influence either the result in the financial statements or the fiscal result ;
- in the case of deductible temporary differences associated to holdings in subsidiaries, related companies and joint ventures, the active deferred taxes are only recorded in the measure in which it is probable they will be brought forward in the foreseeable future and that there will be sufficient taxable amount to enable the recovery of these temporary differences.

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.

Criteria for conversion of items in foreign currency

Transactions in foreign currency are initially recorded in the functional currency, applying the currency spot rate the transaction first qualifies for recognition.
The monetary assets and liabilities denominated in foreign currency are retranslated at the functional currency spot rate at the reporting date.
Any differences are recorded in the income statement.

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 the fair value at the acquisition date and the amount of any non-controlling interest in the acquired. For each business combination, the acquirer measures the non-controlling interest in the acquired either at fair value or at the proportionate share of the acquired identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.
If business combinations are achieved in stages, the fair value of the shareholding previously held is remeasured to fair value at the acquisition date, recording any resulting profits or losses in the profit and loss account.
Each contingent consideration to be transferred to the acquirer will be recognised by the acquired at the fair value at the acquisition date. Changes to the fair value of the contingent consideration classified as a financial asset or liability will be recorded in accordance with IAS 39 either in the profit and loss or as a change to comprehensive income. If it does not fall within the scope of application of IAS 39, it will be recognised in accordance with IAS 37 or the most appropriate IFRS.
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.
After initial recording, goodwill is measured at the cost less any accumulated impairment losses. For the purpose of the impairment testing, the goodwill acquired in a business combination must, from the acquisition date, be allocated to each Company's cash generating unit which is expected to benefit from the combination synergy, independently of the fact that other assets or liabilities of the entity acquired are assigned to such units.
If goodwill has been allocated to a cash generating unit and the entity disuses part of the assets of this unit, the goodwill associated to the disused asset must be included in the accounting value of the asset should any profits or losses derive from its disuse. The goodwill associated to the disused asset must be measured on the basis of the relative values of the disused asset and the portion of the cash-generating unit retained.

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.
The revenues from services are recorded with reference to their state of progress.
Financial income 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 hedge its exposure to foreign currency risks on purchases in currency other than the functional one.

These derivative financial instruments are initially recognised at their fair value on stipulation; subsequently, this fair value is remeasured periodically; they are carried as assets when the fair value is positive and liabilities when the fair value is negative.
Fair value is the price that would be received for the sale of an asset, or would be paid for the transfer of a liability, in a standard transaction between market operators on the date of valuation.
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. All the assets and liabilities for which the fair value is valued or recorded in the financial statements are categorised on the basis of the fair value hierarchy, as described below:

- Level 1 – the quoted (not adjusted) prices on active markets for identical assets and liabilities which the entity may access on the date of valuation;
- Level 2 – Input other than the quoted prices included in Level 1, observable directly or indirectly for the asset or liability in question;
- Level 3 – valuation techniques for which the input data is not observable for the asset or liability in question.

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 income statement coherently with the economic effect produced by the operation covered. Should the derivatives cover the fair value risk, the change in fair value of the covering derivatives is recorded in the statement of profit or loss among the financial costs. The change in fair value of the element covered attributable to the risk covered is recorded as part of the load value of the element covered and is also recorded in the statement of profit or loss among the financial costs. 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 income statement 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 "Losses in value of non-financial 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 2014 from the Business Plan approved by the Board of Directors, for subsequent years, an extremely prudent conduct was maintained, estimating a substantially flat performance in terms of revenues for 2015 and 2016 and an increase of 1% for 2017 and 2018; for 2019 and for the calculation of the terminal value an increase rate of 1% was hypothesised.
The Weighted Average Cost of Capital (WACC) has been adopted as the discount rate, which is 6.56% (calculated punctually in coherence with previous years). Sensitivity analyses have also been conducted on this rate and the sustainability of the goodwill value recorded in the financial statements verified with WACC values aligned to the forecasts by financial analysts.
The measurement of any impairment of assets (Goodwill), for the results of which refer to paragraph 2 "*Goodwill*", was made by referring to the situation as at 31 December 2013.

- 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 2,5%[VI];
  - 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 1.8%.

- 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 assets 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 receivables and other assets.
These estimates, although supported by well defined corporate procedures, require hypotheses to be made mainly concerning the future realisable nature of the value of inventories, the probability of collecting receivables and the solvency of creditors as well as the remaining useful lifetime of assets that may be influenced by both market performance and the information available to Management.

[VI] Average performance curve deriving from the IBOXX Eurozone Corporates AA.

Accounting principles, amendments and interpretations applicable as at 1 January 2013

The criteria for assessment used for the purpose of predisposing the consolidated accounts do not differ from those used for the drafting of the consolidated financial statements as at 31 December 2012, with the exception of the accounting principles, amendments and interpretations applicable as from 1st January 2013.

In particular it should be highlighted the following amendments.

- IAS 19 *"Employee benefits"* ; the IASB has issued numerous changes to this principle, entered into force for business years starting on 1st January 2013 or later. In addition to simple clarifications and terminology, the changes to this principle require to recognise the actuarial gains and losses in other comprehensive income, removing the possibility to apply the corridor mechanism.
In accordance with the provisions of IAS 19, the new dispositions are applied retroactively; to the statement of the financial position and equity situation for the most recent comparative business year (1 January 2012) and the comparative values have consequently been restated.

In this consolidated financial statement, the restatement of the previous business year values in compliance with this amendment, has implied the following effects:
- as at 1st January 2012, a decrease of Staff Severance Provision for 244 thousand Euros and an increase of Deferred Tax Liabilities for 67 thousand Euros; this implied an increase of Shareholders Equity for 177 thousand;
- as at 31 December 2012, an increase of Staff Severance Provision for 539 thousand Euros and a decrease of Deferred Tax Liabilities for 112 thousand Euros; this implied a decrease of Shareholders Equity for 427 thousand;
- the effect on the income statement of 2012 has been of greater profit of the Group of 65 thousand Euros and the accounting of other losses of the comprehensive income for 669 thousand Euros.

The effect of the profits per share linked to the re-recording in 2012 was less than 0.01 Euros.

- IFRS 13 "*Fair Value Measurement*" – this principle establishes a single source of guidance in the context of the IFRS for all fair value measurements. This amendment does not change the cases in which it is required to use the fair value, but rather provides a guideline as to how to assess the fair value in the framework of the IFRS when the application of fair value is required or allowed. IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 *Financial Instruments: Disclosures*.

- IAS 1 – *"Financial Statement Presentation – Presentation of Items of Other Comprehensive Income"*. The amendments to this principle introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. This amendment affected presentation only and had no impact on the Company's financial position or performance.

- IFRS 7 "Disclosures – Offsetting financial assets and financial liabilities". These amendments require the entity to disclose information about rights to set-off and relating arrangements. This disclosure will provide the readers of the financial statements with useful information in evaluating the effect of the netting arrangements on the financial position of the entity. The new disclosure is required for all the financial instruments subject to compensation according to IAS 32 "Financial instruments: recording in the financial statements". The disclosure is also required for the financial instruments subject to executive framework contracts for compensation or similar agreements, independently of the fact that they are compensated according to IAS 32. These changes are not applicable to these Company financial statements.

In addition we would highlight some improvements to the IFRS issued in May 2012, which are effective for business years starting on 1st January 2013 or later.

- *IFRS 1 "First-time adoption of the International Financial Reporting Standards"* – this improvement clarifies that an entity that stopped applying IFRS in the past and then decides, or is required, to apply the IFRS again, has the option to re-apply IFRS 1. If IFRS 1 is not re-applied, the entity must retrospectively restate its financial statements, as if it had never stopped applying IFRS.

- *IAS 1* "Presentation of financial statements" – this improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is for the previous period.
- *IAS 16 "Property, plant and machinery"* – this improvement clarifies that major spare parts and machinery dedicated to maintenance, which meet the definition of property, plant and machinery, are not inventory.
- *IAS 32 "Financial Instruments: presentation"* – this improvement clarifies that income taxes arising from distribution to shareholders are accounted for in accordance with IAS 12 *"Income taxes"*.
- *IAS 34 "Interim financial reporting"* – this improvement aligns the disclosure requirements for total segment assets with total segment liabilities in the interim financial statements. The clarification is also aimed at ensuring that the interim disclosures is in line with the annual disclosures.

Accounting principles, amendments and interpretations applicable subsequently

The accounting principles and interpretation which, as of the date of the preparation of the consolidated financial statements, were already issued but not yet in force are illustrated below.

- IFRS 10 *"Consolidated financial statements"* and IAS 27 *"Separate financial statements (revised in 2011)"*. IFRS 10 replaces part of IAS 27 "Consolidated and separate financial statements" and also includes the problems raised in SIC 12 "Consolidation – Companies with specific destination". IFRS 10 establishes a single model of control applicable to all companies, including those with specific destination, and will require discretional assessments to determine which are the subsidiary companies and which must be consolidated by the parent company. This principle will be applicable for business years starting on 1 January 2013 or later. Following the introduction of this new principle, IAS 27 will be limited to the accounting of subsidiary, jointly controlled and affiliate companies in the separate financial statements and will enter into force for business years starting on 1st January 2013 or later.

- IFRS 11 *"Joint Arrangements"* – this principle replaces IAS 31 "Interest in joint ventures" and SIC 13 "Jointly-controlled Entities – non monetary contributions by ventures". IFRS 11 removes the option of accounting jointly controlled entities using proportionate consolidation but establishes the use of the net equity method. This principle will not be applicable to the Group consolidated financial statements.

- IFRS 12 "*Disclosures of Involvement with Other Entities"* – this principle includes all the dispositions concerning disclosures previously included in IAS 27 concerning the consolidated financial statements as well as all of the disclosures that were included in IAS 31 and IAS 28 concerning the shareholdings of a company in subsidiary, jointly controlled or associated companies and in structured vehicles and also provides new information examples. This principle have not any impact on the financial position or results of the Group.

- IAS 28 *"Investment in associated companies (revised in 2011)"*. As consequence of the new IFRS 11 and IFRS 12, this principle has been renamed "Investments in Associates and Joint Ventures" and describes the application of the net equity method to investments in joint venture in addition to associated companies. The changes will enter into force for business years starting on 1 January 2013 or later. This principle is not applicable to the Group financial statements.

- IAS 32 "*Compensation of financial assets and liabilities – Changes to IAS 32*". The changes clarify the meaning of "currently has a legal right to compensate". The changes also clarify the application of the criterion of compensation in IAS 32 in the case of regulating systems (such as centralised compensation systems for example) which apply gross non-simultaneous regulation mechanisms. These changes should not imply any impact on the financial position or the results of the Group and will enter into force for the business years starting on 1 January 2014 and subsequently.

We would also point out that on 12 December 2013, the IASB published the documents entitled "*Annual Improvements to IFRSs: 2010 – 2012 cycle*" and "*Annual Improvements to IFRSs: 2011 – 2013 cycle*" which acknowledge the changes to the principles in the framework of the annual process for their enhancement, focusing on the changes deemed necessary but not urgent.
The main changes which may be of significance to the Group refer to:

- IFRS 2 – Payments based on shares: changes have been made to the definitions of "vesting condition" and "market condition" and the definitions of "performance condition" and "service condition" have been added, for the recording of benefits plans based on shares.
- IFRS 3 – Corporate aggregations: the changes clarify that a potential payment classified as an asset or liability can be measured at fair value on any date of closure of a business year, with the effects attributed in the income statement, independently of the fact that the potential payment may be a financial instrument or a non-financial asset or liability. It is also clarified that the principle in question is not applicable to any transactions for the incorporation of a joint venture.
- IFRS 8 – Operating sectors: the changes require that information be given on the valuations made by management in the application of the criteria for the aggregation of operating segments, including a description of the aggregated operating segments and the economic indicators considered in determining if these operating segments have "similar economic characteristics". The reconciliation between the total assets in the operating segments and total assets of the entity need only be provided if the total assets of the operating segments is properly supplied to the corporate management.
- IFRS 13 – Measurement of fair value: changes have been made to the Basis for Conclusions of the principle to clarify that with the emission of IFRS 13 and consequent changes to IAS 39 and IFRS 9 remains implies that the short-term trade receivables and debts can be accounted without recording the effects of an actualisation, should these effects not be material .

The date of effectiveness of the proposed changes is for business years starting on 1 July 2014 or later. These changes have not yet been homologated by the European Union.

Capital management policy

As regards the management of capital, the Company's priority is to maintain an appropriate level of its equity in relation to debts accrued (Net debt/Equity or "gearing" ratio), so as to guarantee solidity in terms of equity and its adequacy to 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, the main indicator for cash flow management 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 days of outstanding.
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 and part of the financial exposure with variable rates.

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. In addition to the trade relations, it should be noted that in 2013, the Company finalised a bond private placement in US dollars. To cover this transaction, the Company stipulated Cross Currency Swap contracts specifically destined to hedge the financial flows deriving from the payment of the coupons and reimbursement of capital on expiry.

As at 31 December 2013, a 5% appreciation in the exchange rate in relation to the US dollar, all else being equal, would have given rise to an increase in pre-tax profit of 84 thousand Euros (-66 thousand Euros in 2012), 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 120 thousand Euros (38 thousand Euros as at 31 December 2012) 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 decrease of 93 thousand Euros (+73 thousand Euros in 2012).
The other equity items would have shown an upward variation of 41 thousand Euros (42 thousand Euros as at 31 December 2012) 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. Almost of the long term loans are floating and variable rate financing exposes the Company to the risk of cash flow variations due to interest rates. To cover this risk, the company stipulated Interest Rate Swap contracts in 2013 specifically related to the partial or total hedging of certain loans. Fixed rate financing exposes the Company to the risk of changes to the fair value of the finances themselves.

In 2013 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 variation) of approximately 482 thousand Euros on an yearly basis (375 thousand Euros as at 31 December 2012).

As regards the use of the other short-term credit lines, management is focusing on safeguarding and consolidating relations with the credit institutes in order to stabilise the spread applied rather than Euribor as much as possible.

(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 organizational levels.

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 196,265 thousand Euros as at 31 December 2013, represent 54.45% 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 31.12.13**	Balance at 31.12.12
Current trade receivables	360,431	348,190
Other non-current receivables	36,416	24,099
Other current receivables	43,362	34,133
Total	**440,209**	**406,422**

For the comments on the various categories, please refer to note 8 on "Other non-current receivables", note 11 on "Trade receivables" and note 14 on "Other current receivables". The value of the trade receivables, the other non-current receivables and the other current receivables are classifiable as "Level 3" financial receivables, in other words those for which the input is not based on observable market data.

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 2013, overdue trade receivables, net of bad debt reserve, amounted to 164,166 thousand Euros (165,311 thousand Euros in 2012). The breakdown of these receivables by due date is as follows:

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Overdue:		
Less than 30 days	56,360	59,727
betweeen 31 and 60 days	15,233	19,914
betweeen 61 and 90 days	19,135	22,689
Over 90 days	73,438	62,981
Total overdue trade receivables	**164,166**	**165,311**

The amounts shown above refer to overdue debts calculated on the basis of the nominal terms agreed[VII] 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. As at 31 December 2013, this particular category of customers accounted for 19,555 thousand Euros (26,355 thousand Euros as at 31 December 2012) of which 11,903 thousand were in the "Over 90 days" band (12,040 thousand Euros as at 31 December 2012).

At the same date, the nominal amount of the disputed trade receivables (all classified in the category of expired "over 90 days"), which had undergone a write-down, amounted to 28,852 thousand Euros (29,017 thousand Euros in 2012).
Those receivables were mainly related to clients in economic difficulties. The quota of these receivables that is not recoverable is specifically covered by the bad debt reserve, which amounts to a total of 29,914 thousand Euros (27,692 thousand Euros in 2012).

Liquidity risk

[VII] Except for the expiry dates defined in paragraph 3 of art. 62 of Decree Law 1 dated 24/1/2012 which, as of 24 October 2012, has established that the payment of perishable food products be made within 30 days of the last day of the month of receipt of the invoice and that for non-perishable food products within 60 days of the last day of the month of receipt of the invoice.

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 highly volatile nature of the reference rates, which has led to a significant reduction in interest rates in recent years, 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)

	Less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years
At 31 december 2013				
Borrowings	73,793	64,787	76,053	43,630
Derivative financial instruments	0	0	132	2,870
Trade and other payables	254,043	0	0	0
	327,836	**64,787**	**76,185**	**46,500**
At 31 december 2012				
Borrowings	178,362	21,010	30,786	3,651
Derivative financial instruments	2	0	0	0
Trade and other payables	251,977	0	0	0
	430,341	**21,010**	**30,786**	**3,651**

As regards the changes to the long-term quota, see that already described in the Director's Report and on paragraph 16 "Non current financial debts" in the explanatory notes.

Classes of financial instruments

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

(€thousands)	31 December 2013		
Assets as per balance sheet	**Loans and receivables**	**Derivatives used for hedging**	**Total**
Derivative financial instruments	0	0	0
Non Current financial receivables	2,200	0	2,200
Other non-current assets	36,416	0	36,416
Current financial receivables	13,963	0	13,963
Current trade receivables	360,431	0	360,431
Cash and cash equivalents	27,899	0	27,899
Other current receivables	43,362	0	43,362
Total	**484,271**	**0**	**484,271**
Liabilities as per balance sheet	**Other financial liabilities**	**Derivatives used for hedging**	**Total**
Non-current financial payables	161,588	0	161,588
Current financial payables	65,160	0	65,160
Derivative financial instruments	0	3,002	3,002
Total	**226,748**	**3,002**	**229,750**

(€thousands)	31 December 2012		
Assets as per balance sheet	**Loans and receivables**	**Derivatives used for hedging**	**Total**
Derivative financial instruments	0	0	0
Non Current financial receivables	3,504	0	3,504
Other non-current assets	24,099	0	24,099
Current financial receivables	23,867	0	23,867
Current trade receivables	348,190	0	348,190
Cash and cash equivalents	47,521	0	47,521
Other current receivables	34,133	0	34,133
Total	**481,314**	**0**	**481,314**
Liabilities as per balance sheet	**Other financial liabilities**	**Derivatives used for hedging**	**Total**
Non-current financial payables	53,469	0	53,469
Current financial payables	175,831	0	175,831
Derivative financial instruments	0	2	2
Total	**229,300**	**2**	**229,302**

In compliance with that required by the modifications introduced to IFRS 13, 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).[VIII] Similarly, as regards the non-current financial debts, the recording at fair value of which is indicated in paragraph 16 of these commentary notes, are also classifiable as "Level 2" financial assets, in as much as the inputs influencing their fair value are market data which is directly observable.

As regards the other current and non-current active items, see that stated in paragraphs 8 and 14 of these explanatory notes.

[VIII] 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 listed 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 31.12.12**	Purchases / other movements	Net decreases	Depreciation	Balance at 31.12.11
Land and buildings	40,185	115	0	(1,485)	41,555
Plant and machinery	3,639	1,168	(4)	(1,158)	3,633
Industrial and business equipment	437	56	0	(89)	470
Other assets	1,698	1,064	(786)	(525)	1,945
Fixed assets under development and advances	242	319	(85)	0	8
Total tangible assets	**46,201**	**2,722**	**(875)**	**(3,257)**	**47,611**

(€thousand)	**Balance at 31.12.13**	Purchases / other movements	Net decreases	Depreciation	Balance at 31.12.12
Land and buildings	52,225	13,723	0	(1,683)	40,185
Plant and machinery	7,281	5,089	(4)	(1,443)	3,639
Industrial and business equipment	641	304	0	(100)	437
Other assets	2,082	2,369	(1,482)	(503)	1,698
Fixed assets under development and advances	0	(242)	0	0	242
Total tangible assets	**62,229**	**21,243**	**(1,486)**	**(3,729)**	**46,201**

As regards the increase in the items "Land and Buildings" and "Plant and machinery", the following investments were made:

- on 1 February 2013, the company finalised the purchase of a portion of the building located in Santarcangelo di Romagna (RN) – Via del Carpino 2 and 4, in which the management offices are located; the purchase, with a total value of 1,740 thousand Euros, was finalised by deed of the Notary Di Mauro on 1 February 2013.
- on 1 July 2013, the company completed the purchase of the surface ownership of the building located in Bologna – Via Fantoni no. 31, in which the Carnemilia branch has its headquarters, for an overall value of 15.5 million Euros. The transaction finalised with the associate company Consorzio Centro Commerciale Ingrosso Carni S.r.l., in consideration of the fact that it is a transaction of minor significance with a related party pursuant to art. 3 of the "procedure for the discipline of transactions with related parties", given that it does not exceed any of the significance indices in the Procedure, has been subjected to the opinion of the Control and Risks Committee, which, using an independent expert in making its assessment, expressed a favourable opinion on the interest in completing the transaction and its convenience and the substantial correctness of the conditions.
  The purchase of Carnemilia, which is the strategic centre for processing (boning and portioning), control, storage and distribution of meat products to single distribution centres, is included in the framework of a reorganisation of the storage platforms.
  This purchase concerned not only the building (for a value of 11.2 million Euros, net of the accessory costs), but all the plants and machinery, equipment and furniture present therein and previously used by the branch itself (for a total value of 4.3 million Euros).

Other investments in plant and machinery and equipment were made in the Scapa branch for a total value of 406 thousand Euros; the remaining purchases have been divided principally among the other branches of the Company.

The investments made in the item "Other goods" mainly concern the purchase of 1,801 thousand Euros of industrial vehicles and motor vehicles and 416 thousand Euros of electronic machinery. The decreases of 1,482 thousand Euros for the business year refer almost totally 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 57,614 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, Portoferraio (LI) via Degli Altifoni 29/31 and Bologna (BO) – Via Fantoni . 31 (value of which in the item Land and Buildings totally amounts to 36.2 million of Euros).

For details of the changes in tangible 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 January 2004	STATUTORY FINANCIAL STATEMENTS	APPRAISAL	DIFFERENCE
(€thousands)			Total
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.

We point out that the Company had no ongoing financial leasing operations as at 31 December 2013.

2. Goodwill

(€thousand)	**Original figure**	**Balance at 31.12.13**	Balance at 31.12.12
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).

In consideration of the above and on the basis of the impairment test conducted according to the principles and hypotheses described analytically in the section "Principal estimates made by management and discretional assessments", 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, 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.

Corporate aggregations realised during the year

No further aggregations combinations occurred during the year.

Corporate aggregations realised after closure of the financial statements

As already outlined in the directors' report on management, in the paragraph concerning events subsequent to the closure of the fiscal year, we would point out the following operations.

On 12 March 2014 MARR S.p.A. signed the final contract for the purchase of the going concern of Scapa Italia S.p.A. ("Scapa"), a company operating in the Foodservice distribution.

Purchase consideration	*(€thousand)*
Total purchase consideration	1,648
Fair value of the net assets identifiable (as in the contract)	(464)
Goodwill	**2,112**

Temporarily, the cost of aggregation, awaiting the punctual determination at the date of closing (together with selling party) of the classes of assets, liabilities and potential liabilities acquired, has been determined on the basis of the accounting values reported in the acquisition agreement. The details of the provisional net assets acquired and goodwill are as follows.

(€thousand)	*Fair value of the acquired assets and liabilities*	*Provisionally book value of acquired company*
Tangible assets	903	903
Intangible assets	226	226
Payables to personnel and social security institutions	(1,526)	(1,526)
Payables to sale agents and provision for supplementary client severance indemnity	(88)	(88)
Fair value of net identifiable assets acquired	**(485)**	**(485)**

The goodwill provisionally attributed to the purchase is justified by the strategic importance of the going concern purchased, in as much as it will enable MARR to access a significant portfolio of clients in the Structured Collective and Commercial Catering segments, strengthening its leadership

As of the date of the drafting of these financial statements, the price paid for this acquisition amounts to 1.7 million Euros.

3. Other intangible assets

The following are the movements in this item in 2013 and the previous year:

(€thousand)	**Balance at 31.12.12**	Purchases / other	Net decreases	Depreciation	Balance at 31.12.11
Patents	310	190	0	(175)	295
Concessions, licenses, trademarks and similar rights	8	0	0	(1)	9
Intangible assets under development and advances	36	0	0	0	36
Other intangible assets	1	0	0	(4)	5
Total Other intangible assets	**355**	**190**	**0**	**(180)**	**345**

(€thousand)	**Balance at 31.12.13**	Purchases / other	Net decreases	Depreciation	Balance at 31.12.12
Patents	301	92	0	(101)	310
Concessions, licenses, trademarks and similar rights	7	0	0	(1)	8
Intangible assets under development and advances	36	0	0	0	36
Other intangible assets	0	(1)	0	0	1
Total Other intangible assets	**344**	**91**	**0**	**(102)**	**355**

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

4. Investments in subsidiaries and associated companies

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
- Investment in subsidiaries		
Alisea Soc. Cons. a r.l.	30	30
Marr Foodservice Ibérica S.A.U.	414	427
Sfera S.p.A.	11,440	11,440
As.ca S.p.A.	13,852	13,852
Alisurgel S.r.l. in liq.	10	10
New Catering S.r.l.	2,849	2,849
Baldini Adriatica Pesca S.r.l.	16	16
Emi.gel S.r.l.	4,590	4,590
Total Investments in subsidiaries and associated companies	**33,201**	**33,214**

The change in this item during the business year is related to the adjustment of the shareholding depreciation fund of the subsidiary Marr Foodservice Iberica S.A.U..

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:

- 10,795 thousand Euros attributable to the subsidiary company Sfera (formerly Sogema) S.p.A. for: i) the purchase of the company Sogema, then renamed Sfera S.p.A., through which the company has strengthened its presence in the north-west, where the MARR Torino subsidiary currently operates; ii) the lease, as of September 2012, of the company Lelli, which enabled the company to strengthen its presence in Emilia.
- 8,518 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.
- 1,811 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).
- 1,712 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 31.12.13**	Balance at 31.12.12
- 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
Veneto Banca S.c.ar.l.	8	0
Total Other companies	**294**	**286**

6. Non-current financial receivables

As at 31 December 2013 this item amounted to 2,200 thousand Euros (3,504 thousand Euros as at December 31, 2012). The item includes the quota, beyond the business year, of interest-bearing financial receivables of the parent company toward the company Adria Market (for 235 thousand Euros), and 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 1,965 thousand Euros).

7. Deferred tax assets

As at 31 December 2013, 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 31.12.13**	Balance at 31.12.12
On taxed provisions	8,969	8,504
On costs deductible in cash	115	79
On costs deductible in subsequent years	703	586
Pre-paid taxes	**9,787**	**9,169**

8. Other non-current assets

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Non-current trade receivables	11,987	5,958
Accrued income and prepaid expenses	2,780	20
Other non-current receivables	21,649	18,121
Total Other non-current assets	**36,416**	**24,099**

The increase compared to 31 December 2012 in the item "Non-current trade receivables" (of which 3,003 thousand Euros was with an expiry date of over 5 years, as at 31 December 2013) mainly concerns the delays in payment of previous supplies on entry into force of art. 62 of Law 27 dated 2012,, which establishes the terms of payment for supplies of food products made after 24 October 2012.
The prepaid expenses (of which 720 thousand Euros was with an expiry date of over 5 years, as at 31 December 2013) is mainly linked to promotional contributions with clients of a multi-annual nature.
The item "Other non-current receivables" includes, in addition to receivables from State coffers for loss of clients of 4,181 thousand Euros, receivables from suppliers for 17,408 thousand Euros (14,790 thousand Euros as at 31 December 2012); part of these, amounting to 6,491 thousand Euros as at 31 December 2013, expire in more than 5 years.

Current assets

9. Inventories

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Finished goods and goods for resale		
Foodstuffs	25,682	22,773
Meat	11,489	12,851
Fish products	45,390	50,615
Fruit and vegetable products	26	23
Hotel equipment	1,460	1,163
	84,047	87,425
provision for write-down of inventories: to be deducted	(750)	(750)
Goods in transit	8,645	3,723
Packing	827	599
Total Inventories	**92,769**	**90,997**

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

10. Current financial receivables

The item "Current financial receivables" is composed of:

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Financial receivables from parent companies	2,633	13,277
Financial receivables from subsidiaries	8,624	8,236
Receivables from loans granted to third parties	2,706	2,354
Total Current financial receivables	**13,963**	**23,867**

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", all of which interest bearing, mainly refers to the financial receivables towards: i) freight carriers (1,096 thousand Euros) following the sale to the latter of the motor vehicles with which MARR goods are ferried around; ii) partner services suppliers (310 thousand Euros); iii) customers (1,300 thousand Euros) in order to strengthen the commercial relationships and to increase sales.

11. Current trade receivables

This item is composed of:

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Trade receivables from customers	388,988	374,729
Trade receivables from subsidiaries	1,357	1,153
Trade receivables from parent companies	0	0
Total Current trade receivables	**390,345**	**375,882**
Provision for write-down of receivables from customers	(29,914)	(27,692)
Total current net receivables	**360,431**	**348,190**

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Trade receivables from customers	383,931	371,565
Receivables from associated companies consolidated by the Cremonini Group	5,044	3,138
Receivables from associated companies not consolidated by the Cremonini Group	13	26
Total current trade receivables from customers	**388,988**	**374,729**

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 29,914 thousand Euros, as highlighted in the table below.

The "receivables from subsidiaries" (1,357 thousand Euros), "from associated companies consolidated by the Cremonini Group" (5,044 thousand Euros) and "from associated companies not consolidated by the Cremonini Group" (13 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 31 December 2013.

The provision for bad debt as at 31 December 2013 is broken down as follows:

(€thousand)	**Balance at 31.12.13**	increases	decreases	Balance at 31.12.12
- Tax-deductible provision	2,050	2,050	(1,920)	1,920
- Taxed provision	27,015	7,410	(5,300)	24,905
- Provision for default interest	849	0	(18)	867
Total Provision for write-down of Receivables from customers	**29,914**	**9,460**	**(7,238)**	**27,692**

12. Tax assets

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Ires/Irap tax advances /withholdings on interest	4	8
VAT carried forward	58	351
Irpeg litigation	6,040	6,042
Receivables for Ires transferred to the Controlling Company	2,554	2,265
IRAP	0	328
Other	788	1,273
Total Tax assets	**9,444**	**10,267**

As regard the item "Irpeg litigation", refer to that contained in the paragraph 19 "Provisions for non-current risks and charges".

As regards the "Ires transferred to the Controlling Company", it should be noted that this item includes, in addition to the balance of the tax due for the business year, receivables for 1,301 thousand Euros for reimbursement of Ires for the years from 2007 to 2011 calculated on the Irap paid for the cost of employment and collaborators not deducted for said purpose, as per reimbursement claims sent in February 2013.

13. 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 31.12.13**	Balance at 31.12.12
Cash and Cheques	7,702	9,042
Bank and postal accounts	20,198	38,479
Total Cash and cash equivalents	**27,900**	**47,521**

Regarding to the changes of the net financial position, refer to the cash flows statement of 2013.

14. Other current assets

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Accrued income and prepaid expenses	841	612
Other receivables	42,521	33,521
Total Other current assets	**43,362**	**34,133**

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Prepaid expenses		
Leases on buildings and other assets	488	103
Maintenance fees	51	41
Commercial and advertising costs	24	48
Other prepaid expenses	263	386
Other prepaid expenses from Parent Companies	15	34
Total Current accrued income and prepaid expenses	**841**	**612**

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Guarantee deposits	107	107
Other sundry receivables	2,252	907
Provision for write-down of receivables from others	(1,628)	(2,290)
Receivables from social security institutions	261	123
Receivables from agents	2,311	2,299
Receivables from employees	26	46
Receivables from insurance companies	558	434
Advances to suppliers and supplier credit balances	38,549	31,830
Advances to suppliers and supplier credit balances from Associates	85	65
Total Other current receivables	**42,521**	**33,521**

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" or advance payment on next fishing campaigns.
Receivables from foreign suppliers in foreign currencies have been adjusted, if necessary, to the exchange rate valid on 31 December 2013.

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

The increase in *Other sundry receivables* is mainly linked to the taking over of the employee severance fund, leave/permits costs and additional monthlies, in addition to the supplementary client indemnity fund accrued as of 23 February 2013 for the employees and sales agents of Scapa who joined MARR on the same date by effect of the leasing of the Scapa going concern.

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	2,200	0	0	2,200
Deferred tax assets	9,787	0	0	9,787
Other non-current assets	19,008	517	16,891	36,416
Financial receivables	13,963	0	0	13,963
Financial instruments / derivative	0	0	0	0
Trade receivables	334,610	19,120	6,701	360,431
Tax assets	8,871	573	0	9,444
Cash and cash equivalents	27,739	160	0	27,899
Other current assets	26,289	3,366	13,707	43,362
Total receivables by geographical area	**442,467**	**23,736**	**37,299**	**503,502**

LIABILITIES

15. 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 2013, 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 variation compared to the previous year is related to the sell of no. 705.647 own shares held, which nominal value (equal to 353 thousand Euros) was exposed to net of the total value of the share capital as at 31 December 2012.

Share premium reserve
As at 31 December 2013 this reserve amounts to 63,348 thousand Euros.
The increase of 3,156 thousand Euros, compared to 31 December 2012, is related the sell of the own shares for a total amount of 6,986 thousand Euros. This sale also implied the restoration of the item "Total own shares", which had a negative value of 3,477 thousand Euros as at 31 December 2012.

Legal reserve
This Reserve amounts to 6,652 thousand Euros, unchanged compared to 31 December 2012.

Shareholders' contributions on account of capital
This Reserve did not change in 2013 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
As at 31 December 2013, the increase of 10,590 thousand Euros, is attributable to the allocation of part of the profits for the year closed on 31 December 2012, as per shareholder meeting's decision made on 19 April 2013.

Cash flow hedge reserve
As at 31 December 2013, this item amounted to a negative value of 874 thousand Euros and is linked to the stipulation of hedging contracts for interest and exchange rates undertaken for the specific hedging of certain loans, with variable rates and in foreign currency respectively.
As regards the movements in this reserve and the other profits/losses in the Statement of Comprehensive Income, see that described in the Consolidated Statement of Changes in the Shareholders' Equity and in paragraph 36 "Other profits/losses" in these explanatory notes

Reserve for 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.

Reserve IAS19
As at 31 December 2013 this reserve amounts to a negative value of 75 thousand Euros and is composed of the value, net of the theoretical tax effect, of actuarial losses and gains regarding the evaluation of Staff Severance Provision as required by amendments to IAS principle 19 "Employee Benefits", effective for the business years starting on 1st January 2013. According to the IFRS these profits/losses have been entered in the net equity and their variation is highlighted (according to IAS 1 revised, in force from 1st January 2009) in the statement of other comprehensive income.

Whit regard to the reserves in taxation suspension (ex. Art. 55 DPR 917/86 and 597/73 reserve), amounting to 1,491 thousand Euros as at 31 December 2013, the relevant deferred tax liabilities have been accounted for.

On 19 April 2013 the Shareholders' meeting approved the MARR S.p.A. financial statements as at 31 December 2012 and consequently decided upon allocation of the business year profits, and the approval of a dividend of 0.58 Euros for each ordinary share with the right to vote, excluding own shares in the portfolio at the date of the coupon detachment.

In addition of the commentary on the items in the Net Equity, it should be pointed out:

(€thousands)	at 31 December 2013	Possible utilization	Available quota
Share Capital	**33,263**		
Reserves:			
Share premium reserve	63,348	A,B,C	63,348
Legal reserve	6,652	B	
Revaluation reserve	12	A,B,C	12
Shareholders contributions or capital account	36,496	A,B,C	36,496
Extraordinary reserve	38,219	A,B,C	38,219
Reserve for exercised stock options	1,475	-	
Cash-flow hedge reserve	(874)	-	
Reserve for transition to the Ias/Ifrs	7,516	-	
Reserve ex art. 55 (DPR 597-917)	1,491	A,B,C	1,491
Surplus for mergers	1,823	A,B,C	1,823
Reserve IAS19	(75)		
Total Reserves	**156,083**		
Profits carried over	48,945	A,B,C	

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

Non-current liabilities

16. Non-current financial payables

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Payables to banks - non-current portion	130,943	53,469
Payables to other financial institutions - non-current portion	30,645	0
Total non-current financial payables	**161,588**	**53,469**

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Payables to banks (1-5 years)	127,476	49,947
Payables to banks (over 5 years)	3,467	3,522
Total payables to banks - non-current portion	**130,943**	**53,469**

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Payables to other financial institutions (1-5 years)	(253)	0
Payables to other financisl institutions (over 5 years)	30,898	0
Total payables to other financial institutions - Non current portion	**30,645**	**0**

As already described in the Directors' Report on management performance, the increase in non-current payables to banks, net of the effect of the classification among the current payables of the loan instalments in expiry, is due to the stipulation of new loan contracts, as listed hereafter.

- Syndicated loan for with BNP Paribas as Arranger and Coordinator, Rabobank (Arranger) and Banca Nazionale del Lavoro (Agent bank), disbursed on 18 June. The loan was granted for an amount of 85 million Euros and is composed of: a loan facility of 60 million Euros with expiring date in June 2018, and of a revolving facility of 25 million Euros with expiring date in June 2016. The loan facility was also integrated, under equal conditions, during October, with an additional 5 million Euros.
- Unsecured loan, granted on 2 September 2013 by Banca Carige for 8 million Euros and with maturity in February 2015.
- Unsecured loan, granted on 4 November 2013 by Banca Popolare di Milano for 10 million Euros and with maturity in May 2015.
- Mortgage granted on 4 December 2013 by Banca Popolare Commercio e Industria, for an amount of 5 million Euros, amortized due to December 2020.

It should be noted that, to partially hedge of the in pool loan with BNP Paribas, an Interest Rate Swap contract worth 5 million Euros was stipulated with Veneto Banca.
There is also an ongoing Interest Rate Swap contract for the total hedging of the interest rate risk concerning the 25 million Euro loan with Ra.Bo.Bank.
The effects of these contracts are described in paragraph 17 "Financial instruments / derivatives".

As regards the payables to other financial institutions, we point out that on 11 July 2013, MARR S.p.A. closed the private placement of a bond for US institutional investors. The bond loan that amounts to 30.6 million Euro (initially 43 million dollar), has expiring date for 7.1 million Euro (initially 10 million dollar) in 7 years and for 23.5 million Euro (initially 33 million dollar) in 10 years. The loan has an average coupon of about 5.1%. In relation to this loan, we point out that the company closed a Cross Currency Swap contract in order to hedge the risk of the exchange rate fluctuation of the US dollar on the Euro, the effects of which are described in paragraph 17 "Derivative financial instruments".

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 31.12.13
Pop.Crotone-nr. 64058	Euribor 6m+1%	14/01/2015	167	0	167
Pop.Crotone-nr. 64057	Euribor 6m+1%	14/01/2015	138	0	138
Carisp Pistoia	Euribor 6m+0,48%	31/01/2020	2,052	788	2,840
Centrobanca	Euribor 3m+1,4%	31/12/2019	4,432	1,108	5,540
Ra.Bo. Bank	Euribor 6m+1,6%	30/03/2015	24,981	0	24,981
Pool Financing with BNP Paribas (*loan facility*)	Euribor 6m+3,5%	14/06/2018	50,107	0	50,107
Pool Financing with BNP Paribas (*revolver facility*)	Euribor 3m+2,75%	14/06/2016	24,830	0	24,830
Carige	Fix rate 3,9%	05/02/2015	8,000	0	8,000
Popolare di Milano	Euribor 3m+3,4%	03/05/2015	10,000	0	10,000
Popolare del Commercio e Industria	Euribor 6m+3,7%	04/12/2020	2,769	1,571	4,340
			127,476	**3,467**	**130,943**

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)
Cassa di Risparmio di Pescia e Pistoia	mortgage	10,000	Via Francesco Toni 285/297 - Bottegone (PT)
Centrobanca	mortgage	20,000	Santarcangelo di R. (RN); Via Degli Altiforni n.29/31 - Portoferraio (LI); Località Macchiareddu - Uta (CA)
Popolare del Commercio e dell'Industria	mortgage	10,000	Via Fantoni, n. 31 - Bologna (BO)
Total		**57,614**	

Lastly, it must be pointed out that:

- 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 covenants will constitute a cause for the termination of the contractual rights.

- the ongoing financing with Cooperatieve Centrale Raiffeisen – Boerenleenbank B.A. (signed in April 2012) provides the following financial ratios:

  NET DEBT / EBITDA < 3
  NET DEBT / EQUITY < 1.5

  Those ratios will be verified with reference to 31 December and 30 June each year, on the basis of the Group consolidated figures in the twelve months prior to the verification date.
  Failure to respect these indices may imply the termination of the contract.

- the ongoing financing with BNP Paribas provides the following financial ratios:

  NET DEBT / EBITDA < 3.5 (< 3 as at 31 December 2013 and 30 June and 31 December 2014)
  NET DEBT / EQUITY < 2
  EBITDA / Net financial charges > 4

Those ratios will be verified with reference to 31 December and 30 June each year, on the basis of the Group consolidated figures in the twelve months prior to the verification date.
In addition to the above indices, the ratio between net financial position and EBITDA calculated as at 31 March 2015 on the previous 12 months must not be more than 3.

- The *bond private placement* provides the following financial ratios::
  NET DEBT / EBITDA < 3.5 (< 3 as at 31 December 2013 and 30 June and 31 December 2014)
  NET DEBT / EQUITY < 2
  EBITDA / Net financial charges > 4
  Those ratios will be verified with reference to 31 December and 30 June each year, on the basis of the Group consolidated figures in the twelve months prior to the verification date.
  In addition to the above indices, the ratio between net financial position and EBITDA calculated as at 31 March 2015 on the previous 12 months must not be more than 3.

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

(€thousand)	**Book Value**		**Fair Value**	
	2013	2012	**2013**	2012
Payables to banks - non-current portion	130,943	53,469	126,424	52,127
Payables to other financial institutions - non-current portion	30,645	0	31,725	0
	161,588	**53,469**	**158,149**	**52,127**

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.

17. Financial instruments / derivatives

The amount as at 31 December 2013, amounting to a total of 3,002 thousand Euros, represents:

- for 132 thousand Euros, the fair value of the Interest Rate Swap contracts stipulated by the Company to specifically hedge the interest rate risk on certain variable rate loans;
- for 2,870 thousand Euros, the fair value of the Cross Currency Swap contracts stipulated by the Company to hedge the risk of changes to the Dollar-Euro exchange rate, with reference to the bond private placement in US dollars finalised during the course of the business year.

It should be noted that the Cross Currency Swap contracts expire beyond 5 years

18. Employee benefits

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

(€thousand)	
Opening balance at 31.12.12*	***8,460***
effect of acquisition of branches of business	917
use for the period	(497)
provision for the period	257
other changes	(178)
Closing balance at 31.12.13	**8,959**

* The value as at 31 December 20112 has been restated to reflect the adjustments required by the retrospective the application of the amendments to IAS19.

The movements during the business year are linked to the personnel joining the Company by effect of the transaction for the lease of the "Scapa" going concern, in addition to the quota accrued during the period net of ordinary movements in the item.

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

The following is information that is required following the modifications to IAS 19, effective from business years starting on 1 January 2013 and later.

With reference to the significant actuarial hypotheses (as described in the paragraph entitled "Main estimates adopted by management and discretional assessments"), the table below shows the effects on the final liabilities due to possible changes to them-

(€thousand)	Turnover +1 %	Inflation rate + 0,25%	Inflation Rate - 0,25%	Discounting rate + 0,25%	Discounting rate - 0,25%
Effect on the finaly liability	(4)	89	(88)	(130)	134

It should also be noted that the contribution expected for the following business year is zero and the average financial duration of the debenture is 6.6. The future payments expected in the next five years can be estimated as totalling 4.9 million Euros.

19. Provisions for non-current risks and charges

(€thousand)	**Balance at 31.12.13**	Provisions	Uses	Balance at 31.12.12
Provision for supplementary clients severance indemnity	1,969	142	0	1,827
Provision for specific risks	1,023	240	0	783
Total Provisions for non-current risks and charges	**2,992**	**382**	**0**	**2,610**

The provision for supplementary clients severance indemnity has been allocated on the basis of a reasonable estimate of probable future liabilities, considering the available elements. It should be noted that the business year movements include in the "Allocations/other changes" note, the client severance indemnity fund concerning the sales agents joining MARR following the lease of the "Scapa" going concern, for approximately 60 thousand Euros, in addition to the business year allocation.

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 appeal 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, we believe it reasonable to hypothesise the successful outcome of the dispute.
It should be noted that, on 10 February 2014, the CRC lawsuit was discussed in a public hearing, together with other fiscal disputes of less importance (disputes known as ex Battistini, concerning direct taxes, and Alisurgel, concerning registry fees), before the Supreme Court of Cassation. The law courts reserved the right to decide, and the filing of the relative sentences is awaited.

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.
The appeal made by the Company against the first grade sentence has not been accepted by the Regional Tax Commission of Florence.
It should be noted that the Company appealed to the Supreme Court of Cassation in May 2013.

As at 31 December 2013, MARR S.p.A. had paid 6,040 thousand Euros as payment of taxes while awaiting judgment; this amount was classified under tax receivables.

20. Deferred tax liabilities

As of 31 December 2013 the breakdown of this item, amounting to 9,687 thousand Euros (9,477 thousand Euros on 31 December 2012), is as follows:

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12*
On goodwill amortisation reversal	4,988	4,460
On funds subject to suspended taxation	468	470
On leasing recalculation as per IAS 17	506	493
On actuarial calc. of severance provision fund	(28)	(41)
On fair value revaluation of land and buildings	4,021	4,044
On cash flow hedge	(332)	(1)
Others	64	52
Deferred tax liabilities fund	**9,687**	**9,477**

* The value as at 31 December 2012 has been restated to reflect the adjustments required by the retrospective the application of the amendments to IAS19.

21. Other non-current payables

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Accrued expensed and prepaid income	322	316
Others liabilities (1-5 years)	116	21
Total other non-current payables	**438**	**337**

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

Current liabilities

22. Current financial payables

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Financial payables to subsidiaries	2,338	1,600
Payables to banks	62,066	174,229
Payables to other financial institutions	756	2
Total Current financial payables	**65,160**	**175,831**

Current payables to banks:

(€thousand)		**Balance at 31.12.13**		Balance at 31.12.12
Current accounts		21,671		24,397
Loans/Advances		14,294		99,160
Loans :				
- Pop.Crotone-nr. 64058	329		322	
- Pop.Crotone-nr. 64057	272		267	
- Carim - n. 410086	174		340	
- Cassa di Risp.di Pescia e Pistoia	502		493	
- Centrobanca	1,105		1,104	
- Financing in pool - IMI Bank	0		43,307	
- Banca Nazionale del Lavoro	0		4,839	
- Popolare del Commercio e dell'Industria	623		0	
- Pool Financing with ICCREA	9,051		0	
- Pool Financing with BNP Paribas	14,045		0	
		26,101		50,672
		62,066		**174,229**

For more details, see that outlined in the Directors' Report on management performance and on paragraph 16 "Non current financial payables".

We point out that the entry for "Loans/Advances" consists mainly 8,000 thousand Euros for advances on invoices and 6,294 thousand Euros for other short-term loans.

We point out that, on 27 June 2013, a new loan in pool, with ICCREA Banca Impresa S.p.A as Agent Bank, for 13.5 million Euros and expiring date in December 2014, was granted to MARR.

This loan, totally classified among the current financial payables, provides the following covenants to be verified annually with reference to the MARR S.p.A. data:

NET DEBT / EBITDA =< 3
NET DEBT / EQUITY =< 1.5

It should be noted that during the course of 2013, the in pool loan with Banca Imi (as agent bank) expired, which amounted to a total of 43,333 thousand Euros as at 31 December 2012, and that in June 2013, the Group Leader reimbursed in advance the loan of 22.5 million Euros with the Banca Nazionale del Lavoro, which was to expire in 2014.

The increase in the balance towards other loaners compared to the previous business year is linked to the payables for interest accrued on the bond private placement transaction finalised in July 2013.

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 31.12.13**	Balance at 31.12.12
Irap	309	0
Other taxes payable	100	154
Irpef for employees	1,046	901
Irpef for external assistants	172	146
Total Current taxes payable	**1,627**	**1,201**

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

As regards MARR S.p.A., the 2009 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.

The increase in this item is mainly attributable to the closure in debt of the Irap balance, which showed a positive balance as at 31 December 2012 (see paragraph 12 entitled "Tax receivables").

24. Current trade liabilities

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Suppliers	245,000	243,301
Payables to associated companies consolidated by the Cremonini Group	7,356	7,644
Payables to Subsidiaries	704	706
Payables to Correlated Companies	272	264
Trade payables to Parent Companies	711	62
Total Current trade liabilities	**254,043**	**251,977**

The liabilities refer mainly to payables for the purchase of goods for sale and payables to Sales Agents. They also include "Payables to Associated Companies consolidated by the Cremonini Group" for 7,356 thousand Euros, "Payables to subsidiaries" for 704 thousand Euros and "Payables to Parent Companies" for 711 thousand Euros the details and analysis of which are reported in Directors' Report, in addition to "Payables to other Correlated Companies" for 272 thousand Euros.

25. Other current liabilities

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Current accrued expenses and deferred income	1,606	1,424
Other payables	15,914	14,426
Total Other current liabilities	**17,520**	**15,850**

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Accruals for emoluments to employees/directors	931	842
Other deferred income	16	7
Deferred income for interests from clients	659	575
Total Current accrued expenses and deferred income	**1,606**	**1,424**

(€thousand)	**Balance at 31.12.13**	Balance at 31.12.12
Inps/Inail and Other social security institutions	1,637	1,344
Enasarco/ FIRR	554	509
Payables to personnel for emoluments	4,115	3,999
Advances from customers, customers credit balances	8,595	7,697
Payables to insurance companies	125	116
Other sundry payables	888	761
Total Other payables	**15,914**	**14,426**

The item p*ayables and accrued expenses to personnel for emoluments* includes current salaries not yet paid as at 31 December 2013 and allocations for leave accrued but not taken, with relevant charges
Their increase is linked to the increase in personnel by effect of the employees joining the Parent Company following the lease of the "Scapa" going concern .

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	130,943	0	30,645	161,588
Financial instruments / derivative	3,002	0	0	3,002
Employee benefits	8,959	0	0	8,959
Provisions for risks and charges	2,992	0	0	2,992
Deferred tax liabilities	9,687	0	0	9,687
Other non-current liabilities	438	0	0	438
Current financial payables	64,079	327	754	65,160
Current tax liabilities	1,595	0	32	1,627
Current trade liabilities	207,750	38,068	8,225	254,043
Other current liabilities	17,240	240	40	17,520
Total payables by geographical area	**446,685**	**38,635**	**39,696**	**525,016**

Guarantees, securities and commitments

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

Guarantees (totalling 35,962 thousand Euros).

These refer to:

- guarantees issued on behalf of MARR in favour of third parties (amounting to 31,048 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 either within the year or over the 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 4,914 thousand Euros as at 31 December 2012 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 31.12.13**	Balance at 31.12.12
Guarantees		
Sfera S.p.a.	1,100	1,100
Alisea Soc. Cons. a r.l.	2,606	1,606
Baldini Adriatica Pesca S.r.l.	1,208	1,208
Total Guarantees	**4,914**	**3,914**

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

Other risks and commitments
This item, amounting to 12,269 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 MARR S.p.A. income statement

26. Revenues

Revenues are composed of:

(€thousand)	**31.12.2013**	31.12.2012
- Net Revenues from sales of goods	1,214,020	1,128,254
- Revenues from services		
Advisory services to third parties	835	715
Manufacturing on behalf of third parties	25	25
Rent income (typical management)	48	28
Other services	2,807	2,493
total	3,715	3,261
Total Revenues	**1,217,735**	**1,131,515**

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

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 handling and revenues from transport and similar costs from clients.

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

(€thousand)	**31.12.2013**	31.12.2012
Italy	1,148,377	1,038,584
European Union	49,616	60,496
Extra-EU countries	19,742	32,435
Total	**1,217,735**	**1,131,515**

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

(€thousand)	**31.12.2013**	31.12.2012
Foodstuff	537,379	464,061
Meat	247,039	228,288
Seafood	396,678	411,538
Fruit and vegetables	39,462	29,418
Hotel equipment	5,076	5,844
Sias Division	1,144	1,220
Trade discounts / year-end bonuses	(12,758)	(12,115)
Total Revenues from sales of goods	**1,214,020**	**1,128,254**

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 2013 by the Rimini Head Office and each unit (branches and divisions):

(€thousand)	**31.12.2013**	31.12.2012
Head Branch of Rimini (Marr Uno)	171	169
Branch: Marr Napoli	37	35
Branch: Marr Milano	74	72
Branch: Marr Roma	93	99
Branch: Marr Venezia	46	48
Branch: Marr Supercash&carry - Rimini	30	32
Branch: Marr Sardegna	54	45
Branch: Marr Romagna - Rimini	53	53
Emiliani Division - Rimini	173	192
Carnemilia Division - Bologna	13	13
Branch: Marr Sicilia	42	35
Branch: Marr Sanremo	14	14
Branch: Marr Elba	7	6
Branch: Marr Genova	22	22
Branch: Marr Dolomiti	9	9
Warehouse: Santarcangelo	1	2
Branch: Marr Puglia	37	34
Branch: Marr Battistini	22	22
Branch: Marr Torino	53	50
Branch: Marr Calabria	39	38
Branch: Marr Sfera	44	43
Branch: Marr Arco	17	14
Branch: Marr Toscana	37	35
Branch: Marr Cater	45	45
Branch: Marr Valdagno	13	12
Branch: Marr Scapa	80	0
Sias Division	1	1
Others (trade discounts / year-end bonuses)	(13)	(12)
Total Revenues from sales of goods	**1,214**	**1,128**

27. Other revenues

The Other revenues are broken down as follows:

(€thousand)	**31.12.2013**	31.12.2012
Contributions from suppliers and others	27,807	25,333
Other sundry earnings	988	1,367
Reimbursements for damages suffered	778	1,036
Reimbursement of expenses incurred	451	862
Recovery of legal fees	21	68
Capital gains on disposal of assets	132	109
Total Other revenues	**30,177**	**28,775**

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 as a re-confirmation of the ability of the company in managing relations with its suppliers.

28. Purchase of goods for resale and consumables

This item is composed of:

(€thousand)	**31.12.2013**	31.12.2012
Purchases of goods	970,979	910,092
Purchases of packages and packing material	3,561	3,401
Purchase of stationery and printed paper	699	537
Purchase of promotional and sales materials, and catalogues	146	177
Purchase of various materials	414	366
Discounts and rebates from suppliers	(776)	(681)
Fuel for industrial motor vehicles and cars	256	246
Total Purchase of goods for resale and consumables	**975,279**	**914,138**

As regards the performance of the purchase cost of goods destined for commercialisation, see the Directors' Report and the relevant comments on the gross margin..

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)	**31.12.2013**	31.12.2012*
Salaries and wages	22,795	20,663
Social security contributions	7,148	6,413
Staff Severance Provision	1,761	1,696
Other Costs	958	4
Total Personnel Costs	**32,662**	**28,776**

* As at 31 December 2012, the value of the item Staff Severance Provision has been restated to reflect the adjustments required by the retrospective application of the amendments to IAS19.

Breakdown of employees by category is as follows:

	Workers	Employees	Managers	**Total**
Employees as of 31.12.12	296	390	8	694
Net increases and decreases	*8*	*52*	*0*	*60*
Employees as of 31.12.13	**304**	**442**	**8**	**754**
Average number of employees as of 31.12.13	**330.8**	**436.6**	**8.4**	**775.8**

Personnel costs amounted to 32,662 thousand Euros as at 31 December 2013 and, despite the continuing focused resource management policy with specific reference to the management of leave and permits, overtime work and seasonal employment, shows an increase compared to the previous business year, attributable to the entry of new employees due to the lease of the "Scapa" going concern (effective from 23 February 2013).

It should be noted in this regard that the average number of employees in 2013 reached 775.8, compared to an average of 735.5 employees in 2012.

30. Amortizations and write-downs

(€thousand)	31.12.2013	31.12.2012
Depreciation of tangible assets	3,723	3,251
Amortization of intangible assets	102	180
Provisions and write-downs	9,782	8,206
Total Amortizations and Depreciations and Write-downs	**13,607**	**11,637**

(€thousand)	31.12.2013	31.12.2012
Allocation of taxed provision for bad debts	2,050	5,980
Allocation of non-taxed provision for bad debts	7,410	1,920
Allocation of future risks and losses	240	0
Provision for supplementary clientele severance indemnity	82	306
Total Provisions and write-downs	**9,782**	**8,206**

The allocation to risk and loss fund is related to costs of a non-recurrent nature which are expected to be incurred on closure of contracts concerning the "Scapa" going concern.

For more details on provisions, reference is made to the relevant movements highlighted in notes 11 "Current trade receivables", 18 "Employee benefits" in addition to that commented in the paragraph "Credit risk".

31. Other operating costs

(€thousand)	31.12.2013	31.12.2012
Operating costs for services	145,505	127,908
Operating costs for leases and rentals	9,266	7,826
Operating costs for other operating charges	2,169	2,358
Total Other operating costs	**156,940**	**138,092**

(€thousand)	31.12.2013	31.12.2012
Distribution costs for our products	121,575	106,194
Energy consumption and utilities	8,530	7,030
Third-party production	3,029	3,008
Maintenance costs	3,097	3,048
Porterage and movement of goods	2,346	1,998
Advertising, promotion, exhibitions, sales (sundry items)	364	617
Directors' fees	679	860
Statutory auditors' fees	75	79
Insurance costs	710	660
Reimbursement of expenses, travels and sundry costs for personnel	270	198
General and other services	4,830	4,216
Total Operating costs for services	**145,505**	**127,908**

As regards the increase in operating costs for "sales expenses, distribution and logistic costs", see the Directors' Report and the relevant comments on the increase in logistics costs.

(€thousand)	**31.12.2013**	31.12.2012
Lease of industrial buildings	7,182	5,845
Lease of processors and other personal property	330	407
Lease of industrial vehicles	66	173
Rentals for lease of business premises	1,555	1,290
Lease of cars	27	1
Lease of plant, machinery and equipment	9	0
Rentals and other charges paid on other personal property	97	110
Total Operating costs for leases and rentals	**9,266**	**7,826**

It should be pointed out that the rental fees for industrial buildings include the fees of 671 thousand Euros paid to the associate companies Le Cupole S.r.l. in Castelvetro (MO) for the rental of the property in which the branch MARR Uno carries out its activities (Via Spagna 20 – Rimini) and for 553 thousand Euros paid to the associate Consorzio Centro Commerciale Ingrosso Carni S.r.l. in Bologna for the rental of the property in which the Carnemilia Division carries out its activities (Via Francesco Fantoni, 31 – Bologna), property which, as highlighted in the Directors' Report, was purchased by the Parent Company in July 2013.

Lastly, it should be noted with reference to the increase in the leasing fees for buildings that, with effect from 23 February 2013, there are approximately 1,822 thousand Euros in leasing fees for the industrial buildings taken over from the Scapa branch.
As regards the leasing fees for buildings, see that described in the paragraph entitled "Organisation and logistics" in the Directors' Report on Management, with the specification that the relevant ongoing contracts are subjected to Law 392/78 Chapter II (Leasing contracts for uses other than habitation).

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 1,131 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;
- the fee concerning the going concern "Scapa", through which, as of 23 February 2013, the "MARR Scapa" branch operates in the facilities in Marzano (PV) and Pomezia (RM).

The item Operating costs for use of third party assets does not include any financial leasing contracts.

(€thousand)	**31.12.2013**	31.12.2012
Other indirect taxes, duties and similar charges	1,372	1,358
Expenses for collection of debts	254	349
Other sundry charges	246	397
Capital losses on disposal of assets	1	1
IMU	245	202
Contributions and membership fees	51	51
Total Operating costs for other operating charges	**2,169**	**2,358**

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)	**31.12.2013**	31.12.2012
Financial charges	10,166	7,605
Financial income	(3,687)	(2,410)
Foreign exchange (gains)/losses	68	121
Total Financial income and charges	**6,547**	**5,316**

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)	**31.12.2013**	31.12.2012
Interest payable on other loans, bills discount, hot money,	4,415	2,282
Interest payable on loans	189	315
Interest payable on discounted bills, advances, export	3,585	3,535
Other financial interest and charges	1,934	1,441
Interest and Other financial charges for Parent Companies	1	0
Interest and Other financial charges for Subsidiaries	42	32
Total Financial charges	**10,166**	**7,605**

As highlighted in the Directors' Report, the increase in financial costs is mainly due to an increase in the cost of money and the rescheduling of the longer-term maturing financial payables, in addition to an increased average indebtedness related to the investments made during the course of the business year.

(€thousand)	**31.12.2013**	31.12.2012
Other sundry financial income (interest from customers, etc.)	3,294	1,961
Positve interest from bank accounts	21	40
Other sundry financial income for Parent Company	200	259
Other sundry financial income for Subsidiaries	172	150
Total Financial income	**3,687**	**2,410**

The other financial income concerns the interests due from clients for payment delays.

33. Income and charge from associated companies

This item is detailed as indicated in the following table:

(€thousand)	**31.12.2013**	31.12.2012
Dividends by subsidiaries	3,871	3,951
Write off investments in subsidiaries	(13)	(4)
Total Income (charge) from associated companies	**3,858**	**3,947**

The item "Dividends by subsidiaries" as at 31 December 2013 (equal to 3,871 thousand Euros) consists mainly of the dividends distributed in 2013 by the subsidiary AS.CA. S.p.A. in the amount of 1,750 thousand Euros, by the subsidiary New Catering S.r.l. in the amount of 700 thousand Euros, by the subsidiary Alisea soc. cons. a r.l. in the amount of 755

thousand Euros, by the subsidiary Sfera S.p.A. in the amount of 185 thousand Euros, by the subsidiary EMI.GEL S.r.l. in the amount of 341 thousand Euros and by the subsidiary Baldini Adriatica Pesca S.r.l. for 140 thousand Euros.

As regard the cost for the write-off of the investment in subsidiaries (equal to 13 thousand Euros), this is attributable to the Spanish subsidiary MARR Foodservice Iberica S.A.U.

34. Taxes

(€thousand)	**31.12.2013**	31.12.2012*
Ires - Ires charge transferred to the controlling company	17,444	18,465
Irap	4,381	4,007
Net provision for deferred tax liabilities	(89)	(567)
Recovery for tax relating previous years	0	(1,301)
Total taxes	**21,736**	**20,604**

* The value of Deferred Taxes of the year 2012 has been restated in order to expose the adjustments regarding the retrospective application of the amendments to IAS principle 19.

Reconciliation between theoretical and effective fiscal charges

(€thousand)	***Year 2013***		*Year 2012*	
	Taxable amount	*Tax*	*Taxable amount*	*Tax*
I.R.E.S.				
Profit before taxation	68,507		69,295	
Taxation rate	27.5%		27.5%	
theoretical tax burden		18,839		19,056
Permanent differences				
Non-deductible depreciation	396		509	
Write-down of financial assets	13		4	
Other	776		893	
	1,185		*1,406*	
Deductible depreciation	(1,769)		(1,769)	
Dividends from Italian companies (95%)	(3,677)		(3,753)	
Personel cost not deducted to Irap	(813)		(871)	
Other	(1,372)		(455)	
	(7,631)		*(6,848)*	
Temporary differences deductible in future years				
Allocation of taxed provision for bad debts	7,650		6,286	
Maintenance cost excess 5%	0		0	
Other	418		192	
Deductible entertainment expenses	0		0	
	8,068		*6,478*	
Reversal of temporary differences from previous years				
Surplus value deductible in future years	0		0	
	0		0	
Use of taxed provision for bad debts	(5,962)		(3,099)	
Use of others taxed provisions	0		0	
Amount of taxed entertainment expenses	0		0	
Write down of financial assets	0		0	
Amount of maintenance cost excess 5%	0		0	
Other	(322)		(193)	
	(6,284)		*(3,292)*	
Taxable income	63,845		67,039	
Taxation rate	27.5%		27.5%	
Actual tax burden		**17,557**		**18,436**
Balance of IRES for past business years and roundings		(113)		29
Recovery for Ires relating years 2007-2011				(1,301)
Actual Tax burden of Period		**17,444**		**17,164**
I.R.A.P.				
Profit before taxation	68,507		69,295	
Cost not relevant for I.R.A.P.				
Dividends/Adjustment to the value of financial assets	(3,858)		(3,947)	
Financial income and expense	6,547		5,316	
Personnel costs	32,662		28,916	
Theorical taxable	103,858		99,580	
Taxation rate	4.01%		4.01%	
theoretical tax burden		4,165		3,993
Other	5,847		363	
Taxable income	109,705		99,943	
Taxation rate	4.00%		4.0%	
Actual tax burden		**4,388**		**4,008**
Balance of IRAP for pass business years and roundings		(7)		(1)
Actual Tax burden of Period		**4,381**		**4,007**

35. Earnings per share

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

(in Euro)	**2013**	2012*
EPS base	0.71	0.74
EPS diluted	0.71	0.74

* The value as at 31 December 2012 has been restated to reflect the adjustments required by the retrospective the application of the amendments to IAS19.

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

Earnings:

(€thousand)	**31.12.2013**	31.12.2012*
Profit for the period	46,771	48,830
Profit used to determine basic and diluted earnings per share	**46,771**	**48,830**

* The value as at 31 December 2012 has been restated to reflect the adjustments required by the retrospective the application of the amendments to IAS19.

Number of shares:

(number of shares)	**31.12.2013**	31.12.2012
Weighted average number of ordinary shares used to determine basic earning per share	65,966,402	65,819,473
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	**65,966,402**	**65,819,473**

36. Other profits/losses

The other profits/losses accounted for in the statement of other comprehensive income consists of the effects produced and reflected in the period with reference to the following items:
- effective part of the operations for: hedging interest rates related to variable rate loans existing at the date; hedging exchange risk rate related to the bond in US dollars closed with an operation of private placement during the third quarter; term exchange purchase transactions carried out by the Group to hedge the underlying goods purchasing operations. The values indicated amounted to a total loss of 873 in the year 2013 and are shown net of the taxation effect (that amounts to approximately 331 thousand Euros as at 31 December 2013).
- actuarial losses and gains regarding the evaluation of Staff Severance Provision as required by amendments to IAS principle 19 "Employee Benefits", which entered into force for business years starting from 1st January 2013; the values indicated, amounting to a total profit of 33 thousand Euros, are shown net of the taxation effect (that amount to about 12 thousand Euros as at 31 December 2013).

According to the IFRS these profits/losses have been entered in the net equity and highlighted (according to IAS 1 revised, in force from 1st January 2009) in the statement of other comprehensive income .

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)	***31.12.13***	*31.12.12*
A.	Cash	7,702	9,042
	Cheques		
	Bank accounts	20,044	38,293
	Postal accounts	154	186
B.	Cash equivalent	20,198	38,479
C.	**Liquidity (A) + (B)**	**27,900**	**47,521**
	Current financial receivable due to Subsidiaries	8,624	8,236
	Current financial receivable due to Parent Company	2,633	13,277
	Others financial receivable	2,706	2,354
D.	**Current financial receivable**	**13,963**	**23,867**
E.	Current Bank debt	(36,037)	(123,557)
F.	Current portion of non current debt	(26,029)	(50,672)
	Financial debt due to Parent Company	0	0
	Financial debt due to Subsidiaries	(2,338)	(1,600)
	Financial debt due to Related Companies	0	0
	Other financial debt	(756)	(4)
G	Other current financial debt	(3,094)	(1,604)
H.	**Current financial debt (E) + (F) + (G)**	**(65,160)**	**(175,833)**
I.	**Net current financial indebtedness (H) + (D) + (C)**	**(23,297)**	**(104,445)**
J.	Non current bank loans	(133,945)	(53,469)
K.	Other non current loans	(30,645)	0
L.	**Non current financial indebtedness (J) + (K)**	**(164,590)**	**(53,469)**
M.	**Net financial indebtedness (I) + (L)**	**(187,887)**	**(157,914)**

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.

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Rimini, 14 March 2014

The Chairman of the Board of Directors

Ugo Ravanelli

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 2013, indicating the criteria adopted for accounting.
- **Appendix 2** – Table showing variations in Intangible Assets for the year ending 31 December 2013.
- **Appendix 3** – Table showing variations in Tangible Assets for the year ending 31 December 2013.
- **Appendix 4 –** Table showing the essential data from the Cremonini S.p.A. financial and consolidated financial statements as at 31 December 2012.
- **Appendix 5** – List of stockholdings in subsidiaries and associated companies as at 31 December 2013 (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 2013

Company	Headquarters	Share capital (€thousand)	Direct control Marr SpA	Indirect control	
				Company	Share held
COMPANY CONSOLIDATED ON A LINE-BY-LINE BASIS					
- Parent Company:					
MARR S.p.A.	Rimini	33,263			
- Subsidiaries:					
Alisurgel S.r.l. in liquidation	Rimini	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.C.A. 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%		
EQUITY INVESTMENTS VALUED AT COST:					
- Other Company:					
Centro Agro-Alimentare Riminese S.p.A.	Rimini	11,798	1.66%		

Appendix 2

Intangible fixed assets (in thousand of Euros)	OPENING BALANCE			MOVEMENTS DURING THE YEAR				CLOSING BALANCE		
	Original Cost	Provision for amortization	Balance 01/01/2013	Purchases/ reclassification	Other changes	Net decreases	Amortization	Original Cost	Provision for amortization	Balance 31/12/2013
Start-Up and expansion costs										
Cost of research, development and advertising										
Cost of industrial patents and rights for the use of intellectual property	3,287	(2,977)	310	92			(101)	3,379	(3,078)	301
Concessions, licences, brand names, and similar rights	37	(29)	8				(1)	37	(30)	7
Goodw ill	70,965		70,965					70,965		70,965
Intangible fixed assets under development and advances	36		36					36		36
Other intangible fixed assets	71	(70)	1		(1)			70	(70)	
Total	**74,396**	**(3,076)**	**71,320**	**92**	**(1)**		**(102)**	**74,487**	**(3,178)**	**71,309**

Tangible fixed assets (in thousand of Euros)	Opening balance			Movements during the year				Closing balance		
	Original Cost	Provision for amortization	Balance 01/01/2013	Purchases/ reclassification	Decreases		Amortization	Original Cost	Provision for amortization	Balance 31/12/2013
					Original cost	Prov. for am.				
Land and buildings	55,923	(15,738)	40,185	13,723			(1,683)	69,646	(17,421)	52,225
Plant and machinery	20,960	(17,321)	3,639	5,089	(39)	35	(1,443)	26,010	(18,729)	7,281
Industrial and commercial equipment	1,891	(1,454)	437	304			(100)	2,195	(1,554)	641
Other tangible assets	10,882	(9,184)	1,698	2,369	(1,651)	169	(503)	11,600	(9,518)	2,082
Tangible fixed assets under development and advances	242		242	(242)						
Total	**89,898**	**(43,697)**	**46,201**	**21,243**	**(1,690)**	**204**	**(3,729)**	**109,451**	**(47,222)**	**62,229**

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, 2012				
Cremonini S.p.A.		in thousands of Euros		Consolidated
		BALANCE SHEET		
		ASSETS		
77,241		Tangible assets		812,552
62		Goodwill and other intangible assets		167,024
290,639		Investments		17,887
6,723		Non-current assets		62,649
374,665		*Total non-current assets*		*1,060,112*
0		Inventories		352,284
15,508		Receivables and other current assets		639,856
116		Cash and cash equivalents		135,099
15,624		*Total current assets*		*1,127,239*
390,289		**Total assets**		**2,187,351**
		LIABILITIES		
106,735		Shareholders' equity:		360,322
	67,074	Share capital	67,074	
	15,004	Reserves	161,932	
	24,657	Net profit (loss)	33,546	
	0	Minority interest	97,770	
105,891		Non-current financial payables		492,366
373		Employee benefits		25,276
718		Provisions for risks and charges		9,546
4,933		Other non-current liabilities		80,183
111,915		*Total non-current liabilities*		*607,371*
167,409		Current financial payables		572,738
4,230		Current liabilities		646,920
171,639		*Total current liabilities*		*1,219,658*
390,289		**Total Liabilities**		**2,187,351**
		INCOME STATEMENT		
5,443		Revenues		3,363,217
464		Other revenues		61,926
		Changes in inventories		40,648
		Internal works performed		2,826
(50)		Purchase of goods		(2,297,602)
(6,414)		Other operating costs		(512,659)
(2,295)		Personnel costs		(417,279)
(1,772)		Amortization		(72,388)
(638)		Depreciation and Allocations		(20,082)
36,382		Income from investments		1,297
(12,825)		Financial income and charges		(52,822)
0		Profit from business aggregations		0
18,295		*Profit before taxes*		*97,082*
6,362		Taxes		(37,768)
24,657		Net profit (loss) before consolidation		59,314
0		Minority interest's profit (loss)		(25,768)
24,657		**Consolidated Net profit (loss)**		**33,546**

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 2012. For an adequate and full understanding of the Cremonini S.p.A. financial situation as at 31 December 2012, 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, 2013 (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	2,512	1,382	1,334	734	55.00%	30	(1,352)		31/12/2013	1,375	(1,345)
Alisurgel S.r.l. in liquidation	Rimini (RN)	10	198	192	9	9	97.00%	10	(182)		31/12/2013	192	(182)
Marr Foodservice Iberica S.A.U.	Madrid (Spagna)	600	415	415	(13)	(13)	100.00%	414	(1)		31/12/2013	415	(1)
Sfera S.p.a. (ex Sogema)	Santarcangelo di R.(RN)	220	645	645	(108)	(108)	100.00%	11,440	10,795	*	31/12/2013	12,981	(1,541)
AS.CA. S.p.a.	Santarcangelo di R.(RN)	518	5,334	5,334	1,751	1,751	100.00%	13,852	8,518	*	31/12/2013	15,834	(1,982)
New Catering S.r.l.	Santarcangelo di R.(RN)	34	1,038	1,038	661	661	100.00%	2,849	1,811	*	31/12/2013	3,306	(457)
Baldini Adriatica Pesca S.r.l.	Santarcangelo di R.(RN)	10	169	169	147	147	100.00%	16	(153)		31/12/2013	605	(589)
EMI.GEL S.r.l.	Santarcangelo di R.(RN)	260	2,878	2,878	465	465	100.00%	4,590	1,712	*	31/12/2013	4,508	82

* 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 2013 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 2013
Auditing	Reconta Ernst & Young S.p.A.	MARR S.p.A.	112
Certification service	Reconta Ernst & Young S.p.A.	MARR S.p.A.	12
Other services			0
Total			**124**

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 Antonio Tiso, 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 2013.

2. The assessment of the adequacy of the management and accounting procedures for the drafting of the financial statement as at 31 December 2013 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:

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.

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, 14 March 2014

Chief Executive Officer	Manager responsible for the drafting of corporate accounts documents
Ugo Ravanelli	Antonio Tiso

MARR S.p.A.

Financial statements
as of and for the year ended December 31, 2013

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

Building a better working world

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Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27 January 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 31 December 2013 and for the year then ended, comprising the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in the shareholders equity, the statement of cash flows 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 Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit 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 of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

   The financial statements of the prior year and the statement of financial position at January 1, 2012 are presented for comparative purposes. As described in the explanatory notes, certain comparative data related to the prior year have been restated; the restated data is derived from the financial statements as of December 31, 2011 on which we issued our auditor's report on March 26, 2012. We have examined the method used to restate the comparative financial data and the information presented in the explanatory notes in this respect, for the purpose of expressing our opinion on the financial statements as of 31 December 2013 and for the year then ended.

3. In our opinion, the financial statements of MARR S.p.A. at 31 December 2013 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 Directors of MARR S.p.A. are responsible for the preparation of the Directors' Report and the Annual Report on Corporate Governance and the Ownership Structure in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency with the financial statements of the Directors' Report and of the information presented 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) in the Annual Report on Corporate Governance and the Ownership Structure, as required by the law. For this purpose, we have performed the

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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 presented 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) in the Annual Report on Corporate Governance and the Ownership Structure, are consistent with the financial statements of MARR S.p.A. at December 31, 2013.

Bologna, March 31, 2014

Reconta Ernst & Young S.p.A.

Signed by: Andrea Nobili, Partner

This report has been translated into the English language solely for the convenience of international readers.

REPORT BY THE BOARD OF STATUTORY AUDITORS
TO THE SHAREHOLDERS' MEETING OF MARR S.p.A.
(Financial statements as at 31/12/2013)

Dear Shareholders,

The Board of Statutory Auditors hereby

- reports on the supervisory activities and any omissions and/or censurable circumstances recorded
- makes its proposals concerning the financial statements and their approval and the matters of its competence

as disposed by article 153 of Legislative Decree 58 dated 24.2.1998.

During the course of the business year, we performed the activities defined by article 149 of Legislative decree 58, following which we can state the following:

- during the course of the meetings of the Board of Directors, which we always attended, the Directors provided us with the information concerning the activities performed and reported on the economic and financial effects of the principal transactions performed by the Company and/or its major subsidiaries;
- the transactions deliberated and undertaken were always in compliance with the law and company by-laws, based on principles of proper management conduct and not in contrast to the shareholders' deliberations or in conflict of interest;
- the organisational structure of the Company is suited to its dimensions. The meetings held with the department managers and representatives of the firm responsible for auditing the accounts enables us to collect the required information concerning the respect of the principles of diligent and proper management conduct;
- the internal audit, intended as the rules, procedures and organisational structures aimed at enabling the proper management of business activities consistently with the pre-set goals, is substantially suited to the dimensions of the Company and contributes towards ensuring the protection of the company equity and respect of the laws and regulations in force.

The Chairman or a standing member of the Board of Statutory Auditors always attended the meetings of the Control and Risk Committee, which met six times during the course of the business year. Attendance of the meetings of the Control and Risk Committee enabled the acquisition of

information concerning the effectiveness of the systems for managing financial and operating risks and, more generally, non-observance of the law.

The Board of Directors met nine times and several times requested and obtained the opinion of the Board of Statutory Auditors as required by the law and company by-laws.

The Board of Directors made the half-yearly and annual report on management available to us within the terms of the law and did likewise, again according to the law, as regards the quarterly management reports.

The informative note provided by article 150 of Legislative Decree 58/98 and article 21 of the Company By-laws in force was made according to the due periodicity.

We believe that the system of accounts management is capable of correctly representing management facts, as stated and ascertained by us in previous business years.

Similarly, the dispositions given by the Company and the information received from its subsidiaries pursuant to art. 114 of Legislative Decree 53/98 are adequate.

Furthermore, as regards matters of our competence, we can state that:

• the business year financial statements, which show profits of 46,771 thousand Euros, are drawn up in compliance with the laws concerning their layout and preparation;

• the notes to the business year financial statements, and the specific indications required by the law for their preparation, provide the information deemed suitable for representing the economic and financial situation of the Company;

• the report prepared by the Board of Directors contains detailed information on the management and situation of the company and accurately describes the main risks and uncertainties to which it is exposed. The report contains the attestation of non-applicability of the conditions preventing the company to be listed as required by article 37 of Market Regulation no. 16191/2007 if the company is subject to the management and coordination of other companies;

• no atypical or unusual transactions were reported with companies in the group, third parties or related parties. As illustrated by the Directors, the infra-group transactions for the exchange of goods and/or services occurred under ordinary market conditions, taking into account the characteristics of the goods transferred and services rendered. In this regard, we were not informed of any conflicts of interest, the performance of manifestly imprudent or risky transactions or capable of prejudicing the economic and financial situation of the Company and/or Group, and nor did any arise;

• no aspects and/or events worthy of mention emerged from the meetings held with the Auditors of the principal subsidiaries;

• we viewed and obtained information on the activities of an organisational and procedural nature undertaken pursuant to and by effect of Legislative Decree 231/2001 and subsequent integrations. During the course of the business year, the Organisational Model of the Company was integrated in order to acknowledge new crimes; the report by the Person Responsible for the Organisational Model on the activities performed during 2013 and the information obtained autonomously by the Board of Statutory Auditors did not highlight any criticalities;

• during the course of the business year, the Board of Statutory Auditors held four meetings and also exchanged information periodically with the independent auditing firm. The exchanges of information with the independent auditors pursuant to article 150 of Legislative Decree 58/98 did not highlight any criticalities. It is hereby acknowledged that Reconta Ernst & Young S.p.a. will also state in its report that no fundamental questions arose during the auditing of the accounts and nor did any significant shortcomings in the internal auditing system as regards the financial informative process;

• in its report to be released pursuant to articles 14 and 16 of Legislative Decree 39/2010, the independent auditing firm will not highlight any informative comments and/or notes or related observations or limitations;

• in relation to the conferment of additional duties to the independent auditing firm and other subjects linked to it, it should be noted that the following remuneration was paid to the auditing firm Reconta Ernst & Young S.p.a. or entities belonging to its network in relation to the duties specified hereafter during the 2013 business year:

MARR GROUP
(payments in thousands of Euros)

TYPE OF SERVICE	SUBJECT PERFORMING THE SERVICE	BENEFICIARY	REMUNERATION
Auditing of accounts	Reconta Ernst & Young S.p.a.	MARR S.p.a.	112
Auditing of accounts	Reconta Ernst & Young S.p.a.	As.Ca S.p.a.	20
Attestation services	Reconta Ernst & Young S.p.a.	MARR S.p.a.	12
Sundry services			0
TOTAL			**144**

• in observance of the dispositions of article 149, para. 1 sub c)-bis of Legislative Decree 58/98, we hereby acknowledge that the company adheres to and complies with the Corporate Governance

Code of Italian listed companies. Adhesion to the regulations of this code has been confirmed and was the subject of the report on Corporate Governance drawn up by the Board of Directors;

• as provided by article 3.2 of the above Code of Corporate Governance, the Board of Directors verified the effective independence of the independent directors and the Board of Statutory Auditors verified the correct application of the criteria and procedures applied during the course of the business year. Consistently with that provided by article 9.1 of the same code, we have also verified the permanence of our own independence;

• we did not receive any claims or reports ex art. 2408 of the Italian Civil Code.

On the basis of the auditing activities performed during the course of the business year, the Board of Statutory Auditors expresses it favourable opinion as to the approval of the financial statements as at 31 December 2013 and the deliberation proposals made by the Board of Directors.

Rimini, 26 March 2014

Signed by:

THE BOARD OF STATUTORY AUDITORS

The Chairman

(Ezio Simonelli)

Standing Auditor

(Marinella Monterumisi)

Standing Auditor

(Davide Muratori)

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