Annual Report

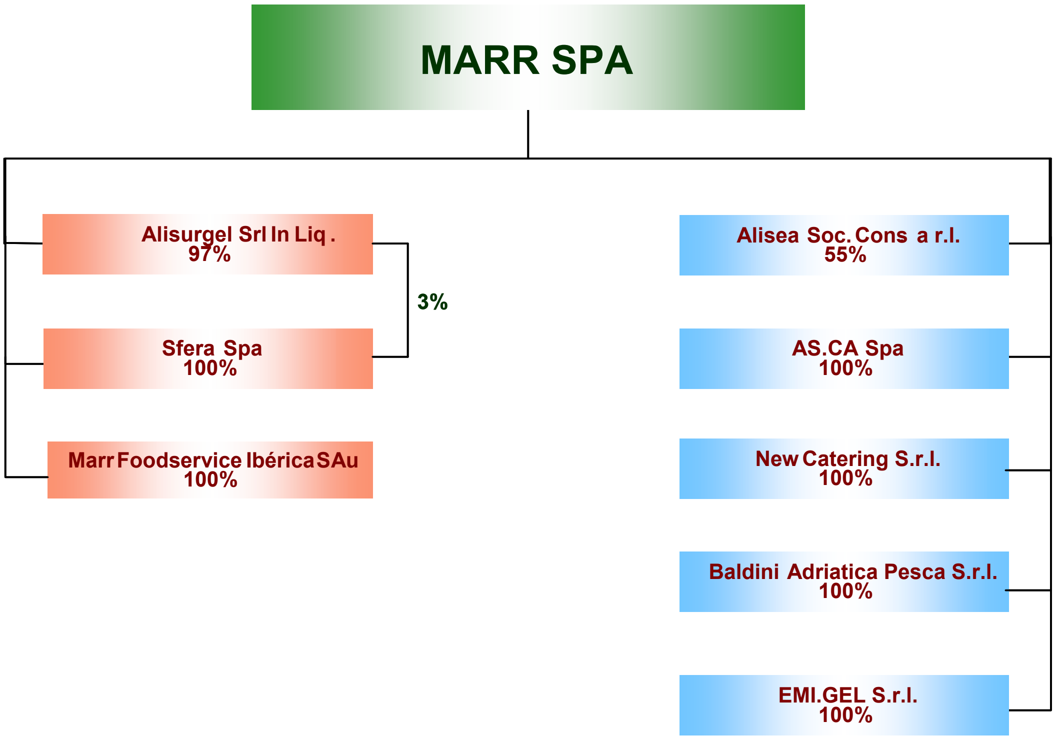
as at December 31, 2011

MARR S.p.A.
Via Spagna, 20 – 47921 Rimini – Italy
Capital stock € 33.262.560 fully paid up
Tax code and Trade Register of Rimini 01836980365
R.E.A. Ufficio di Rimini n. 276618
Subject to the management and coordination of Cremonini S.p.A. – Castelvetro (MO)

TABLE OF CONTENTS

MARR GROUP ORGANIZATION

Situation as at 31 December 2011



The structure of the Group as at 31 December 2011 does not differ from that at 31 December 2010.

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

MARR S.p.A. Via Spagna n. 20 Rimini (activities carried out through over 30 distribution centres)	Marketing and distribution of fresh, dried and frozen food products for Foodservice operators.
AS.CA S.p.A. Via del Carpino n. 4 - Santarcangelo di Romagna. (Rn)	Marketing and distribution of fresh, dried and frozen food products for Foodservice operators.
ALISEA Soc. cons. a r.l. Via Imprunetana n. 231/b - Tavarnuzze (Fi)	Hospital catering.
NEW CATERING S.r.l. Via del Carpino n. 4 - Santarcangelo di Romagna (Rn)	Distribution of foodstuff products to bars and fast food outlets.
BALDINI ADRIATICA PESCA S.r.l. Via del Carpino n. 4.- Santarcangelo di Romagna (Rn)	Commercialisation and distribution of fresh and frozen seafood products

EMI.GEL S.r.l. Via del Carpino n. 4 – Santarcangelo di Romagna (Rn)	Distribution of foodstuff products to bars and fast food outlets.
SFERA S.p.A. Via del Carpino n. 4 - Santarcangelo di Romagna (Rn)	Non-operating company leasing going concern to other companies of the MARR Group
MARR FOODSERVICE IBERICA S.A.U. Calle Goya n. 99 - Madrid (Spagna)	Non-operating company.
ALISURGEL S.r.l. in liquidazione 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
Independent Directors	Alfredo Aureli(1)(2)
	Paolo Ferrari(1)(2)
	Giuseppe Lusignani(1)(2)

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

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

Board of Statutory Auditors

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

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

Manager responsible for the drafting of corporate accounting documents	Pierpaolo Rossi

DIRECTORS' REPORT

Group performance and analysis of the results for the business year 2011

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

In 2011, in an economic context that is still uncertain and is showing weak and discontinuous signs of growth, expenditure for out of home food consumption confirmed an increase ("Hotels, meals and out of home consumption": +2.0%) in excess of the overall increase (+0.7%) in consumption by Italian families (Confcommercio Studies Department, March 2012).

In this context, the sales of the MARR Group reached 1,230.5 million Euros, registering compared to 1,175.6 million Euros in 2010 an increase of 4.7% (this had been 4.5% in 2010), and therefore well in excess of that of the foodservice market.

The operational solidity of the MARR Group, the flexibility of its business model and the ability to adjust its offer and improve its level of service have been confirmed, thus strengthening its leadership on the Italian market for the commercialisation and distribution of fresh, dried and frozen food products to foodservice operators.

In particular, the 2011 business year closed with total consolidated revenues of 1,249.2 million Euros, an increase of more than 56 million (+4.7%) compared to 1,193.0 million Euros in 2010.

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

Sales to clients in the Street Market and National Account categories in 2011 amounted to 985.2 million Euros, an increase of 5.7% compared to 932.4 million Euros in 2010.
Sales to clients in the "Street Market" category (restaurants and hotels not belonging to Chains or Groups) registered an increase of 6.1%, reaching 764.8 million Euros, while those to the "National Account" category (operators of Chains and Groups and canteens) amounted to 220.4 million Euros (+4.2% compared to 211.6 million Euros in 2010).

Sales to clients in the "Wholesale" category reached 245.4 million Euros compared to 243.1 million in 2010.

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)	*31.12.11*	*31.12.10*
Revenues from sales and services by customer category		
Street market	764,791	720,851
National Account	220,373	211,588
Wholesale	245,380	243,152
Total revenues fom sales in Foodservice	1,230,544	1,175,591
(1) Discount and final year bonus to the customers	(14,561)	(13,962)
(2) Other services	4,109	5,432
(3) Other	(454)	(274)
Revenues from sales and services	1,219,638	1,166,787

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

Organisation and logistics

The organisational structure and logistics of the MARR Group as at 31 December 2011, indicating the availability of properties, is as follows:

Branches and Subsidiaries

Branches		
Marr Uno	Rimini, Santarcangelo di Romagna (Rn) and Costermano (Vr)	Leasehold by affiliated company of Cremonini S.p.A. and leashold by third party
Marr Romagna	San Vito di Rimini	Leasehold by a company where Marr S.p.A. is stakeholder
Marr Supercash&carry	Rimini	Leasehold by third party
Marr Elba	Portoferraio (Li)	Property and leasehold by third party
Marr Genova	Carasco (Ge)	Leasehold by third party
Marr Napoli	Casoria (Na)	Leasehold by third party
Marr Roma	Capena (Roma)	Leasehold by third party
Marr Milano	Opera (Mi)	Leasehold by a leasing company
Marr Puglia	Monopoli (Ba)	Leasehold by third party
Marr Sanremo	Taggia (Im)	Leasehold by third party
Marr Venezia	S. Michele al Tagliamento (Ve)	Property
Marr Sardegna	Uta (Ca)	Property
Marr Sicilia	Cinisi (Pa)	Leasehold by third party
Emiliani (Fish and Seafood products branch)	Santarcangelo di R. (Rn)	Property
Carnemilia (Meat-processing branch catering)	Bologna	Leasehold by a company where Cremonini S.p.A. is stakeholder
Marr Battistini	Cesenatico (Fo)	Leasehold by third party
Marr Torino	Torino	Leasehold by third party
Marr Dolomiti	Pieve di Cadore (Bl)	Leasehold by third party
Marr Sfera	Riccione (Rn)	Leasehold by third party
Marr Calabria	Spezzano Albanese (Cs)	Property
Marr Toscana	Bottegone (Pt)	Property
Marr Cater	Roma	Leasehold by third party
Marr Arco	Arco (Tn)	Leasehold by third party
Marr Valdagno	Valdagno (Vi)	Leasehold by third party

Subsidiaries		
Alisea Soc. Consortile a r.l.	Different Localities	Gratuitous bail by third party
AS.CA S.p.A.	Castenaso (Bo)	Property
New Catering S.r.l.	Forlì (Fc) e Rimini (Rn)	Leasehold by third party
Baldini Adriatica Pesca S.r.l.	Riccione (Rn)	Leasehold by third party
EMI.GEL S.r.l.	Bentivoglio (Bo)	Leasehold by third party

Below are the figures, re-classified according to current financial analysis procedures, with the income statement, statement of financial position and financial data for 2011, compared to the previous year.

Analysis of the re-classified Income Statement

MARR Consolidated (€thousand)	31.12.11	%	31.12.10	%	% Change
Revenues from sales and services	1,219,638	97.6%	1,166,787	97.8%	4.5
Other earnings and proceeds	29,538	2.4%	26,200	2.2%	12.7
Total revenues	1,249,176	100.0%	1,192,987	100.0%	4.7
Cost of raw materials, consumables and goods for resale	(960,871)	-76.9%	(935,237)	-78.4%	2.7
Change in inventories	(3,422)	-0.3%	14,997	1.3%	(122.8)
Services	(146,598)	-11.7%	(143,221)	-12.0%	2.4
Leases and rentals	(7,420)	-0.6%	(7,403)	-0.6%	0.2
Other operating costs	(2,210)	-0.2%	(1,908)	-0.2%	15.8
Value added	128,655	10.3%	120,215	10.1%	7.0
Personnel costs	(36,874)	-3.0%	(37,187)	-3.2%	(0.8)
Gross Operating result	91,781	7.3%	83,028	6.9%	10.5
Amortization and depreciation	(4,546)	-0.4%	(4,625)	-0.4%	(1.7)
Provisions and write-downs	(7,937)	-0.6%	(7,310)	-0.5%	8.6
Operating result	79,298	6.3%	71,093	6.0%	11.5
Financial income	2,833	0.2%	2,186	0.2%	29.6
Financial charges	(7,026)	-0.5%	(4,638)	-0.4%	51.5
Foreign exchange gains and losses	125	0.0%	233	0.0%	(46.4)
Value adjustments to financial assets	0	0.0%	0	0.0%	0.0
Result from recurrent activities	75,230	6.0%	68,874	5.8%	9.2
Non-recurring income	0	0.0%	0	0.0%	0.0
Non-recurring charges	0	0.0%	0	0.0%	0.0
Profit before taxes	75,230	6.0%	68,874	5.8%	9.2
Income taxes	(25,622)	-2.0%	(23,189)	-2.0%	10.5
Total net profit	49,608	4.0%	45,685	3.8%	8.6
(Profit)/loss attributable to minority interests	(565)	0.1%	(564)	0.0%	0.2
Net profit attributable to the MARR Group	49,043	3.9%	45,121	3.8%	8.7

As at 31 December 2011 the consolidated economic results are as follows: total revenues of 1,249.2 million Euros (+4.7%); EBITDA[1] of 91.8 million Euros (+10.5%); EBIT of 79.3 million Euros (+11.5%).

With regard to the gross margin (Total Revenues net of the purchase costs for goods and change in inventories), it should be pointed out that its % of incidence on total revenues amount to 22.8% and is in line with 22.9% in 2010, confirming the ability of the Group to consolidate the margin reached, thanks to its particularly flexible business model.

As concerns the operating costs, in term of incidence on total revenues, it should be pointed out that the main items (Cost for services, Costs for leases and rentals, Other operating charges) are in line with the previous year. The slight decrease in costs for Services is attributable to a recovery of efficiency concerning these services linked to the volumes,

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

such as transport and internal movement, which also reduce due to the effect of the price component of the increase in sales.

Personnel cost, despite the effect of the increases in remuneration concerning the renewal of the labour contract defined during the first quarter of the year, shows an improvement of the % of incidence compared to the previous year mainly due to a confirmed careful management of the human resources with particular attention to minimize overtime and seasonal work and to increase the utilization of the holiday time.

Depreciation and write-downs, that slightly increase in percentage compared to the same period of the previous year, include for 7.6 million Euros the provision for bad debts (7.1 million Euros as at December 31, 2010) and for the remainder the provision to supplementary clientele severance indemnity and for future risks and charges.

The result from recurrent activities as at 31 December 2011 amounted to 75.2 million Euros and is affected by the increase in the financial charges, mainly due to the increase in interest rates which occurred during the course of this business year and is expected to continue during the course of the next year.

The tax rate for the 2011 business year remains stable compared to the previous year.

As at 31 December 2011 the total net consolidated profit reached 49,6 million Euros, increasing by 8.6% compared to the previous year.

Analysis of the re-classified statement of financial position

MARR Consolidated (€thousand)	*31.12.11*	*31.12.10*
Net intangible assets	100,116	100,333
Net tangible assets	54,264	55,817
Equity investments in other companies	296	297
Other fixed assets	25,308	14,734
Total fixed assets (A)	179,984	171,181
Net trade receivables from customers	368,326	350,583
Inventories	96,163	99,585
Suppliers	(259,722)	(260,020)
Trade net working capital (B)	204,767	190,148
Other current assets	41,778	47,883
Other current liabilities	(22,349)	(21,505)
Total current assets/liabilities (C)	19,429	26,378
Net working capital (D) = (B+C)	224,196	216,526
Other non current liabilities (E)	(241)	(138)
Staff Severance Provision (F)	(9,539)	(10,035)
Provisions for risks and charges (G)	(14,538)	(13,469)
Net invested capital (H) = (A+D+E+F+G)	379,862	364,065
Shareholders' equity attributable to the Group	(222,732)	(206,579)
Shareholders' equity attributable to minority interests	(1,142)	(1,131)
Consolidated shareholders' equity (I)	(223,874)	(207,710)
(Net short-term financial debt)/Cash	(99,087)	(49,285)
(Net medium/long-term financial debt)	(56,901)	(107,070)
Net financial debt (L)	(155,988)	(156,355)
Net equity and net financial debt (M) = (I+L)	(379,862)	(364,065)

Analysis of the Net Financial Position [ii]

The following table represents the trend in Net Financial Position.

	MARR Consolidated (€thousand)	*31.12.11*	*31.12.10*
A.	Cash	6,313	4,047
	Cheques	41	165
	Bank accounts	30,615	51,234
	Postal accounts	165	31
B.	Cash equivalent	30,821	51,430
C.	Liquidity (A) + (B)	37,134	55,477
	Current financial receivable due to Parent Company	1,725	3,098
	Current financial receivable due to Related Companies	0	0
	Others financial receivable	1,795	2,667
D.	Current financial receivable	3,520	5,765
E.	Current Bank debt	(89,569)	(103,392)
F.	Current portion of non current debt	(49,019)	(6,173)
	Financial debt due to Parent Company	0	0
	Financial debt due to Related Companies	0	0
	Other financial debt	(1,153)	(962)
G.	Other current financial debt	(1,153)	(962)
H.	Current financial debt (E) + (F) + (G)	(139,741)	(110,527)
I.	Net current financial indebtedness (H) + (D) + (C)	(99,087)	(49,285)
J.	Non current bank loans	(56,901)	(105,919)
K.	Other non current loans	0	(1,151)
L.	Non current financial indebtedness (J) + (K)	(56,901)	(107,070)
M.	Net financial indebtedness (I) + (L)	(155,988)	(156,355)

As at 31 December 2011, the net financial indebtedness amounted to 156.0 million Euros, therefore in line with the amount registered in the previous year and with a ratio of net financial position on EBITDA of 1.70 (1.88 at the 31 December 2010).

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

It should be pointed out that on 26 May 2011 dividends amounting to 32.9 million Euros have been paid out (30.3 million Euros paid out in the 2010 business year).

Compared to 31 December 2010 it should be pointed that the decrease of non current financial indebtedness highlighted in the table above is due to the payment of the due instalments as at 31 December 2011 and to the reclassification within

[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.

the short-term of instalments with due date in 2012 business year, mainly referring to the loan existing with Banca Nazionale del Lavoro and the loan in Pool with Banca IMI S.p.A. as agent bank. As at 31 December 2010 these loans were classified for 46,667 thousand Euros in non-current indebtedness.
Finally it should be pointed that the variation in Other non current loans is related to the leasing agreements existing at the end of the year and having due date in 2012.

In addition an improvement in cash flow generation should be noted, with a free-cash flow before dividends of 33.8 million Euros, increasing by 3.2 million Euros compared to 31 December 2010.

Analysis of the Trade Net Working Capital

MARR Consolidated (€thousand)	*31.12.11*	*31.12.10*
Net trade receivables from customers	368,326	350,583
Inventories	96,163	99,585
Suppliers	(259,722)	(260,020)
Trade net working capital	204,767	190,148

As at 31 December 2011 the trade net working capital amounts to 204.8 million Euros.

Compared to an increase in trade receivables of 17.7 million Euros, mainly linked to an increase in sales, and a balance of payables to suppliers which has remained substantially unchanged since 31 December 2010, the inventories have reduced by 3.4 million Euros, thanks to a policy aimed at optimizing the stocks available at the distribution centres and platforms.
As at 31 December 2011, the change in inventories was influenced by travelling goods for 4.3 million Euros (compared to 8.2 million Euros as at 31 December 2010); in this regard, it should be noted that the increase in this item as at 31 December 2010 was related to purchases in the seafood division following some trade opportunities which arose near the end of the year.

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

Re-classified cash-flow statement

MARR Consolidated (€thousand)	*31.12.11*	*31.12.10*
Net profit before minority interests	49,608	45,685
Amortization and depreciation	4,546	4,625
Change in Staff Severance Provision	(496)	(28)
Operating cash-flow	53,658	50,282
(Increase) decrease in receivables from customers	(17,743)	(7,840)
(Increase) decrease in inventories	3,422	(14,997)
Increase (decrease) in payables to suppliers	(298)	23,092
(Increase) decrease in other items of the working capital	6,949	(14,134)
Change in working capital	(7,670)	(13,879)
Net (investments) in intangible assets	(162)	159
Net (investments) in tangible assets	(2,620)	(1,813)
Net change in financial assets and other fixed assets	(10,573)	(5,029)
Net change in other non current liabilities	1,172	886
Investments in other fixed assets and other change in non current items	(12,183)	(5,797)
Free - cash flow before dividends	33,805	30,606
Distribution of dividends	(32,910)	(30,277)
Capital increase	0	0
Other changes, including those of minority interests	(528)	(427)
Cash-flow from (for) change in shareholders' equity	(33,438)	(30,704)
FREE - CASH FLOW	367	(98)
Opening net financial debt	(156,355)	(156,257)
Cash-flow for the period	367	(98)
Closing net financial debt	(155,988)	(156,355)

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)	*31.12.11*	*31.12.10*
Free - cash flow	367	(98)
Increase in current financial receivables	2,245	4,460
Decrease in non-current net financial debt	(50,169)	63,657
Increase in current financial debt	29,214	(52,326)
Increase (decrease) in cash-flow	(18,343)	15,693

Investments

During 2011 no extraordinary investments occurred.

Ordinary investments were made in the category "Plant and machinery" mainly in the distribution centres of MARR S.p.A. and in the category "Other assets" for the purchase of vehicles and electrical/electronic machineries.

The following is a summary of the net investments made in the 2011:

(€thousand)	*31.12.11*
Intangible assets	
Patents and intellectual property rights	162
Total intangible assets	162
Tangible assets	
Land and buildings	219
Plant and machinery	1,275
Industrial and business equipment	207
Other assets	911
Fixed assets under development and advances	8
Total tangible assets	2,620
Total	2,782

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

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

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

(€ thousand)	*Annual report*	*Value of production*	*Cost of production*	*Profit (loss) for the year*	*Investments*	*Employees (number)*	*Net Equity*
Foodservice Companies							
Alisea Soc. cons. a rl	31/12/2011	15,033	13,154	1,212	98	163	2,391
Sfera S.p.A.	31/12/2011	1,277	801	302	(1)	0	1,055
AS.CA S.p.A.	31/12/2011	45,779	43,045	1,744	137	37	5,326
New Catering S.r.l.	31/12/2011	11,219	10,115	746	67	13	1,124
Baldini Adriatica Pesca S.r.l.	31/12/2011	21,024	20,474	267	59	23	286
EMI.GEL S.r.l.	31/12/2011	11,975	11,615	224	58	22	2,637
Marr Foodservice Ibérica S.A.U.	31/12/2011	0	12	(5)	0	0	432
Other Companies							
Alisurgel S.r.l. in Liq.	31/12/2011	79	132	7	0	0	184

It must be pointed out that the value of MARR's consolidated purchase of goods by Cremonini S.p.A. and affiliated companies represented 3.8% (as in the following table) of the total consolidated purchases. All the commercial transactions and supply of services occurred at market value.

The economic and financial data for the 2011 business year is showed in the following table, classified by nature and by company:

	FINANCIAL RELATIONS						ECONOMIC RELATIONS								
COMPANY	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 (*)	34	53	1,725	948	2,410		8		10	47		998			8
Total	34	53	1,725	948	2,410	0	8	0	10	47	0	998	0	0	8
From unconsolidated subsidiaries:															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Associeted Companies															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Affiliated Companies															
Cremonini Group															
Bell Carni S.r.l. (già Italbeef Srl)				1							1				
Chef Express S.p.A. (ex Moto S.p.A.)	1,890			4			7,122	540				34			
Consorzio Centro Commerc.Ingrosso Carni S.r.l.	55			819					55			170	1,105		
Fiorani & C. S.p.a.	3			36			1		4		173				
Frimo S.a.m.															
Ges.Car. S.r.l.															
Global Service Logistics S.r.l.															
Global Service S.r.l.				660								735			
Guardamiglio S.r.l.	1						1								
Ibis S.p.a				152							348				
Inalca Algerie S.a r l.	9														
Inter Inalca Angola ltda	161														
Inalca Brazzaville Sarl															
Inalca Kinshasa S.a.r.l.	256														
Inalca S.p.a.	97	215		4,606			589		1		30,239	1,034			
Interjet S.r.l.															
Marr Russia llc	70						403					1			
Montana Alimentari S.p.a.	123	2		1,625			2		205		5,483				
Real Beef S.r.l.															
Roadhouse Grill Roma S.r.l.	58						104								
Roadhouse Grill Italia S.r.l.	1,130						2,925	22				2			
Salumi D'Emilia S.r.l.															
Tecno-Star Due S.r.l.															
Time Vending S.r.l.	24								20						
From Affiliated Companies															
Farmservice S.r.l.	15						85								
Food & Co S.r.l.	22														
Le Cupole S.r.l.													671		
Prometex Sam															
Total	3,914	217	0	7,903	0	0	11,232	562	285	0	36,244	1,976	1,776	0	0

(*) The item in the Other Payables column relates to the IRES charge transferred from MARR and its subsidiaries within the scope of the National Consolidated tax base, 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.
(**) The total amount of trade receivables and payables are reclassified under "Receivables from customer" and "Suppliers" respectively.

Other information

The Company neither holds nor has ever held shares or quotas of parent companies, no such is hold through third party persons and/or companies; during the 2011 business year, the company never purchased or sold the above-mentioned shares and/or quotas.

In the context of the *"buy back"* programme, in 2011 no ordinary MARR shares have been purchased or sold; as at today the company holds a total of 705,647 of its own shares, amounting about to 1.061% of the share capital, for a total amount of 3,820 thousand Euros.

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

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

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 at the company headquarters and the Italian Stock Exchange, and also available on the website www.marr.it, Investor Relations section – Corporate Governance.

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.

Significant events during 2011

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

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

On 28 April 2011 the Shareholders' Meeting approved financial statements for the business year as at 31 December 2010 and the distribution to shareholders of a gross dividend of 0.50 Euros per share, with "ex coupon" (n. 6) on 23 May and payment on 26 May.

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

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

In the first days of May, a commercial and logistical partnership with Nizzi S.p.A., a company based in Assisi and operating successfully in the commercialisation of food products, especially frozen, since 1970 in the food service sector, has been finalised.
The agreement – under the contractual formula of Agent with warehouse – enables MARR to make use of a warehouse of more than 2,500 m^2, that significantly increases the level of service in Umbria, a very interesting region in terms of Food and tourism in Art cities.

Dividends of 0.50 Euros per share were distributed to shareholders on 26 May 2011, with ex coupon (n. 6) on 23 May 2011.

On 25 May 2011, by deed of the Notary Stefania di Mauro of Rimini, the shareholders' meeting of Marr Alisurgel S.r.l. modified, among other things, the company name to "Alisurgel S.r.l." and transferred the headquarters to Rimini, Via Giordano Bruno 13.

On 6 June 2011, the Board of Directors appointed the Chief Executive Officer Ugo Ravanelli as Chairman of the Board of Directors, to replace Vincenzo Cremonini, who notified his resignation from the position on 1 June 2011.

On 1 July 2011, the Board of Directors, by decision approved by the Board of Auditors, appointed Claudia Cremonini to the position of director, to replace Vincenzo Cremonini, who notified his resignation also from the position of director.

Following the resignation for personal reasons of the Statutory Auditor Avv. Mario Lugli on 17 October 2011, Dr. Davide Muratori took over this position, pursuant to art. 2401, paragraph 1 of the Civil Code, being the senior Alternate Auditor in terms of age.

On 23 October 2011, the authorisation period decided by the assembly of shareholders' meeting on 23 April 2010 and valid for eighteen months from the date of the Shareholders' meeting for the purchase of treasury shares amounting to a maximum of 10% of the share capital expired. The plan for the purchase of treasury shares was not exercised.

Events after the closure of the year

In January 2012, the Company stipulated an agreement with the Regional Agency Intercent-ER for the supply of food products, including organic products, and non-food products to Public Administrations in the Emilia-Romagna region.
The agreement has a duration of 2 years and can be renewed for an additional 12 months, should the adhering structures not have used the maximum expendable amount, totalling 38.3 million Euros, on expiry.
The agreement is divided into two lots:
- Lot 1: "Supply of agreed products and non-food products accessory to the consumption and preservation of food products", with a maximum amount of 33.8 million Euros;
- Lot 2: "Supply of organic products", with a maximum amount of 4.5 million Euros.

In 2007, MARR was awarded the previous Intercent-ER agreement, which involved a maximum amount of 31 million Euros and a duration of 2 years, then extended for an additional year.

On 24 February last, during its participation in "Sapore 2012", an international event dedicated to Non Domestic Food Consumption held during the Rimini Trade Fair, MARR celebrated 40 years of business activities and unveiled expanded and renewed versions of the *Delicatessen* line of products under the *Tavola Reale* brand name (products with a high service content, including roast chicken and turkey ready for garnishing and slicing) and gluten-free products.
The new MARR website (www.marr.it) has also been launched with new graphics, which is easier to surf and has been improved with new contents, such as a Customer Area hosting the MARR portal, which has also been renewed and built to measure for customer's needs for MARR services which are also online.
Lastly, on 27 February, a national meeting of the MARR Group trade organisation was held, entitled "*360° specialists for 40 years*", in which over 700 people participated, including management, sales personnel and vendors; this provided the opportunity to review the year just concluded, a further year of growth, and share the trade strategies for 2012.

Outlook

The Group results in the first two months of the year, although of little significance in terms of their contribution to the entire business year, are positive, despite the sales to clients in the Street Market and National Account being penalised by the unusual snowfall in February and, to a lesser extent, by the transport strikes in January.

The out of home food consumption is holding steady in overall terms, with operators focusing increasingly on the selection of food raw materials, which are also affected less by the inflation which characterised 2011. In this context, the MARR proposal of a wide range of products and consultancy services for clients is rewarding.

Company's management remains oriented towards strengthening its market leadership, keeping the management of the trade net working capital under control and confirming the profitability results achieved during the course of 2011, also thanks to its particularly flexible business model.

Main risks and uncertainties

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

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

As pointed out in the Directors' Report of the previous years, the 2011 business year has also been characterised by a volatility of the financial markets and difficulties in accessing credit, together with a reduction in consumption; this has led the management to maintain its focus on the dynamics of credit management and policies for the containment of costs aimed at preserving the trade margin.

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

As regards the political events which occurred in certain North African countries, as reported in the Directors' Report on the financial statements as at 31 December 2010, the company would point out that during the course of 2011, the supply agreements and trade relations with these countries continued on a regular basis.

As regards the specific risks and uncertainties involved in the activities of MARR and the Group, please refer to what described in detail in the paragraph entitled "provision for non-current risks and charges" in the Explanatory notes to the financial statements.
It should be noted that at the closure date of these financial statements, disputes are still ongoing with the Finance Police, IV Group Sections of San Lazzaro di Savena – BO, with the Customs Authorities and the "Agenzia delle Entrate" (major taxpayers office of the Bologna DRE), already described in the financial statements as at 31 December 2010.
With reference to the first of these disputes, which is also the most significant in terms of entity, in confirmation of that already stated in the report for the last business year, in consideration of the technical consultancies, which are completely in agreement with each other, drawn up by four authoritative professionals, of whom three were appointed by the Tax Commission itself, who expressed themselves in no uncertain terms in favour of MARR S.p.A. and considering the opinion of the lawyers assisting the Company before the Court of Cassation, it is deemed reasonable in any event to expect a positive outcome to the dispute.
Lastly, it should be pointed out that, also as regards the other disputes, the Directors, supported by the opinion of the consultants engaged by the Company, believe that it is reasonable to expect that the disputes will be resolved in favour of the Company.

Human Resources

As of December 2011, the employees of the MARR Group were 989 (including 6 Directors, 32 Managers, 431 Employees and 520 Labourers), a slight increase compared to the number of employees at the end of 2010, with a fully stable workforce.
The average number of employees during the course of 2011 was higher (1,015.3) compared to the figures for December mainly because of the effect of the dynamics following the employment or workers on seasonal contracts, aimed at dealing with peaks of business activities, but less than the average number of employees for the previous year, due to more careful management in terms of seasonal work.
In addition to dependent personnel, the Group has more than 650 sales agents and a network of truck drivers with over 700 motor vehicles, through agency and service contracts.

Training
The principal characteristics constituting the basis of MARR's competitive advantage are: the range of products offered (MARR commercialises a range of 10,000 food products), competence in terms of its commercial structure, the efficiency of its logistical system and its ability to produce innovative goods.
This is why MARR focuses strongly on the valorisation and training of its human resources, through periodical training programmes ForMARR oriented towards the training of internal personnel and its sales workforce.

The training activities for the sales force management continued in 2011, with training sessions focused on their specific competences and also focusing on the theme of the management of customer credit and assets finalised towards the prevention of trade risks. The training for new agents was also revamped and is based on IT systems dedicated to trading activities.
Particular commitment has been dedicated to the training of personnel carrying out activities which influence the quality of products, services and processes, so much so that in 2011, almost 600 people participated in the training initiatives for employees concerning health and safety in the food sector.
There was also significant focus on training concerning safety in the workplace (Legislative Decree 81/08 and subsequent amendments and integrations), with courses provided for more than 100 employees concerning first aid and fire emergencies, in addition to training in the use of elevator trolleys and periodical training for Workers' Safety Representatives.

Safety in the workplace
The number of injuries, excluding those sustained while travelling, registered a significant reduction of about 40% (it should also be specified that there were no fatal injuries), proving that MARR is constantly committed towards continuously improving safety in the workplace through training and informative initiatives, structural improvements and the dynamic management of the documentary supports for the prevention of risk situations.

Personnel costs
By effect of increasingly careful management and despite the remuneration increased expected from the renewal of the National Collective Labour Contract for workers in the sector of distribution and services at the beginning of 2011, but with increases established until 2013 (approximately +6% overall), the cost of employment sustained in 2011 is substantially in line with that for 2010, registering a slight reduction of approximately 0.8%.
The reduction in cost was achieved prevalently through a careful policy of resource management involving more limited recourse to seasonal employment and the careful management of overtime work and the use of leave.

Environmental information

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

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

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

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

MARR S.P.A. – Parent Company

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

Re-classified Income Statement of the parent company MARR

MARR S.p.A. (€thousand)	31.12.11	%	31.12.10	%	% Change
Revenues from sales and services	1,123,426	97.6%	1,078,097	97.8%	4.2
Other earnings and proceeds	27,242	2.4%	24,212	2.2%	12.5
Total revenues	1,150,668	100.0%	1,102,309	100.0%	4.4
Raw and secondary materials, consumables and goods for resale	(891,546)	-77.5%	(871,915)	-79.1%	2.3
Change in inventories	(5,220)	-0.5%	14,087	1.3%	(137.1)
Services	(132,374)	-11.5%	(129,592)	-11.8%	2.1
Leases and rentals	(7,640)	-0.7%	(7,612)	-0.7%	0.4
Other operating costs	(1,997)	-0.1%	(1,698)	-0.1%	17.6
Value added	111,891	9.7%	105,579	9.6%	6.0
Personnel costs	(29,447)	-2.5%	(30,233)	-2.8%	(2.6)
Gross Operating result	82,444	7.2%	75,346	6.8%	9.4
Amortization and depreciation	(3,642)	-0.3%	(3,768)	-0.3%	(3.3)
Provisions and write-downs	(7,292)	-0.7%	(6,635)	-0.6%	9.9
Operating result	71,510	6.2%	64,943	5.9%	10.1
Financial income	5,830	0.5%	5,493	0.5%	6.1
Financial charges	(6,816)	-0.6%	(4,490)	-0.4%	51.8
Foreign exchange gains and losses	74	0.0%	311	0.0%	(76.2)
Value adjustments to financial assets	(5)	0.0%	(17)	0.0%	(70.6)
Result from recurrent activities	70,593	6.1%	66,240	6.0%	6.6
Non-recurring income	0	0.0%	0	0.0%	0.0
Non-recurring charges	0	0.0%	0	0.0%	0.0
Profit before taxes	70,593	6.1%	66,240	6.0%	6.6
Income taxes	(22,999)	-2.0%	(21,131)	-1.9%	8.8
Total net profit	47,594	4.1%	45,109	4.1%	5.5

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

MARR S.p.A. (€thousand)	*31.12.11*	*31.12.10*
Net intangible assets	71,310	71,358
Net tangible assets	47,611	48,859
Equity investments in other companies	33,532	33,537
Other fixed assets	24,931	14,420
Total fixed assets (A)	177,384	168,174
Net trade receivables from customers	342,604	324,798
Inventories	87,840	93,060
Suppliers	(241,577)	(241,895)
Trade net working capital (B)	188,867	175,963
Other current assets	40,114	46,782
Other current liabilities	(19,576)	(19,214)
Total current assets/liabilities (C)	20,538	27,568
Net working capital (D) = (B+C)	209,405	203,531
Other non current liabilities (E)	(241)	(138)
Staff Severance Provision (F)	(7,808)	(8,425)
Provisions for risks and charges (G)	(11,438)	(10,646)
Net invested capital (H) = (A+D+E+F+G)	367,302	352,496
Shareholders' equity	(217,379)	(202,682)
Shareholders' equity (I)	(217,379)	(202,682)
(Net short-term financial debt)/Cash	(93,022)	(42,771)
(Net medium/long-term financial debt)	(56,901)	(107,043)
Net financial debt (L)	(149,923)	(149,814)
Net equity and net financial debt (M) = (I+L)	(367,302)	(352,496)

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

	(€thousand)	*31.12.11*	*31.12.10*
A.	Cash	6,234	3,956
	Cheques	0	0
	Bank accounts	25,977	48,799
	Postal accounts	165	31
B.	Cash equivalent	26,142	48,830
D.	Liquidity (A) + (B)	32,376	52,786
	Current financial receivable due to Parent Comany	6,494	7,242
	Current financial receivable due to Related Companies	1,725	3,098
	Others financial receivable	1,787	2,566
E.	Current financial receivable	10,006	12,906
F.	Current Bank debt	(84,016)	(100,208)
G.	Current portion of non current debt	(49,019)	(6,004)
	Financial debt due to Parent Company	0	0
	Financial debt due to Subsidiaries	(1,242)	(1,377)
	Financial debt due to Related Companies	0	0
	Other financial debt	(1,127)	(874)
H.	Other current financial debt	(2,369)	(2,251)
I.	Current financial debt (F) + (G) + (H)	(135,404)	(108,463)
J.	Net current financial indebtedness (I) + (E) + (D)	(93,022)	(42,771)
K.	Non current bank loans	(56,901)	(105,919)
M.	Other non current loans	0	(1,124)
N.	Non current financial indebtedness (K) + (M)	(56,901)	(107,043)
O.	Net financial indebtedness (J) + (N)	(149,923)	(149,814)

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

MARR S.p.A. (€thousand)	31.12.11	31.12.10
Net profit before minority interests	47,594	45,109
Amortization and depreciation	3,642	3,768
Change in Staff Severance Provision	(617)	(136)
Operating cash-flow	50,619	48,741
(Increase) decrease in receivables from customers	(17,806)	(6,584)
(Increase) decrease in inventories	5,220	(14,087)
Increase (decrease) in payables to suppliers	(318)	21,329
(Increase) decrease in other items of the working capital	7,030	(14,455)
Change in working capital	(5,874)	(13,797)
Net (investments) in intangible assets	(159)	(88)
Net (investments) in tangible assets	(2,192)	(1,432)
Net change in financial assets and other fixed assets	(10,506)	825
Net change in other non current liabilities	895	(4,979)
Investments in other fixed assets and other change in non current items	(11,962)	(5,674)
Free - cash flow before dividends	32,783	29,270
Distribution of dividends	(32,910)	(30,277)
Capital increase	0	0
Other changes, including those of minority interests	18	13
Cash-flow from (for) change in shareholders' equity	(32,892)	(30,264)
FREE - CASH FLOW	(109)	(994)
Opening net financial debt	(149,814)	(148,820)
Cash-flow for the period	(109)	(994)
Closing net financial debt	(149,923)	(149,814)

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 28April 2011.

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

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

Transactions with subsidiary, associated, 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 represented 4.18% (as in the following table) of the total purchases made by MARR itself. All the commercial transactions and supply of services, etc. occurred at market value.

The following table reports economical and financial data of the 2011 business year, classified by nature and by company.

COMPANY	FINANCIAL RELATION						ECONOMIC RELATIONS								
	RECEIVABLES			PAYABLES			REVENUES				COSTS				
	Trade	Other	Financial	Trade	Other*	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	her operating charg	Financial charges
From Parent Companies:															
Cremonini Spa (*)	2	53	1,725	788	2,109		8		10	47		997			8
Total	2	53	1,725	788	2,109	0	8	0	10	47	0	997	0	0	8
From unconsolidated subsidiaries:															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Associeted Companies															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Affiliated Companies(**)															
Cremonini Group															
Bell Carni S.r.l. (ex Italbeef S.r.l.)				1							1				
Chef Express S.p.A. (ex Moto S.p.a.)	1,890			4			7,122	540				34			
Consorzio Centro Commerc.Ingrosso Carni S.r.l.	55			819					55			170	1,105		
Fiorani & C. S.p.a.	3			36			1		4		173				
Frimo S.a.m.															
Ges.Car. S.r.l.															
Global Service Logistics S.r.l.															
Global Service S.r.l.				655								718			
Guardamiglio S.r.l.	1						2								
Ibis S.p.a.				152							348				
Inalca Algerie S.a.r l.	9														
Inter Inalca Angola ltda	161														
Inalca Brazaville Sarl															
Inalca Kinshasa Sarl	257														
Inalca S.p.a.	97	215		4,538			589		1		29,884	1,034			
Interjet S.r.l.															
Marr Russia llc	70						403					1			
Montana Alimentari S.p.a.	113	2		1,515					195		5,164				
Real Beef S.r.l.															
Roadhouse Grill Italia S.r.l.	1,131						2,925	22				2		0	
Roadhouse Grill Roma S.r.l.	58						104								
Salumi dell'Emilia S.r.l.															
Tecno-Star Due S.r.l.															
Time Vending S.r.l.	24								20						
From not Affiliated Companies															
Farmservice S.r.l.	15						85								
Food & Co S.r.l.	22														
Le Cupole S.r.l.													671		
Prometex Sam															
Total	3,906	217	0	7,720	0	0	11,231	562	275	0	35,570	1,959	1,776	0	0
(*) The item in the Other Payables column relates to the IRES charge transferred from MARR within the scope of the National Consolidated tax base, while the item in Trade receivales and payables includes the net amoun of VAT tranfered to Cremonini within the scope of the Group VAT liquidation															
(**) The total amount of trade receivables and payables are reclassified under "Receivables from customer" and "Suppliers" respectively.															
From Affiliated Companies															
Alisea Soc. Cons. a r.l.	188						873	83							
Asca S.p.A.	424		4,643	29			1,214	255	120	85	404				
Baldini Adriatica Pesca S.r.l.	97			81		9	612	97	5	7	1,331				
Emigel S.r.l.	23			3		76		23	6						3
Alisurgel S.r.l. in liquidazione	112					807		3	112						27
Marr Foodservice Iberica S.A.u				79		350									7
New Catering S.r.l.	68		210	1			562	22	5	1	1				
Sfera S.p.A.	8		1,641	388				4		35			1,275		
Total	920	0	6,494	581	0	1,242	3,261	487	248	128	1,736	0	1,275	0	37

Proposal for the distribution of the 2011 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 2011 submitted for your examination and approval in this meeting, have been drafted in respect of the legislation in force.
In submitting the 2011 financial statements for approval, we propose to:

a) distribute the profits amounting to 47,594,090 Euros as follows:
- to dividend of 0.64 Euros for each ordinary share with rights; this dividend includes 0.10 Euros for each ordinary share with rights which has been paid out exceptionally, given the 40th anniversary of the Company in 2012;
- allocation of the remaining amount to the extraordinary reserve;

b) to pay the dividend as follows:
- on 31 May 2012 with ex coupon (No. 7) on 28 May 2012, in accordance with the Italian Stock Exchange regulations, for Euro 0,54;
- on 5 July 2012 with ex coupon (No. 8) on 2 July 2012, in accordance with the Italian Stock Exchange regulations, for Euro 0,10.

The Board of Directors would like to express its sincere thanks to all employees and collaborators who contributed in 2011 to the achievement of the Company's objectives through their commitment.

Rimini, 9 March 2012

The Board of Directors
The Chairman
Ugo Ravanelli

MARR GROUP

Consolidated Financial Statements

as at December 31, 2011

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(€thousand)	Notes	31.12.11	31.12.10
ASSETS			
Non-current assets			
Tangible assets	1	54,264	55,817
Goodwill	2	99,658	99,658
Other intangible assets	3	458	675
Investments in other companies		296	297
Non-current financial receivables	4	4,453	4,679
Deferred tax assets	5	8,400	7,120
Other non-current assets	6	18,790	6,427
Total non-current assets		186,319	174,673
Current assets			
Inventories	7	96,163	99,585
Financial receivables	8	3,469	5,749
relating to related parties		*1,725*	*3,098*
Financial instruments / derivative	9	51	16
Trade receivables	10	361,991	347,091
relating to related parties		*3,948*	*4,811*
Tax assets	11	6,051	6,389
relating to related parties		*0*	*0*
Cash and cash equivalents	12	37,134	55,477
Other current assets	13	35,727	41,494
relating to related parties		*270*	*69*
Total current assets		540,586	555,801
TOTAL ASSETS		*726,905*	*730,474*
LIABILITIES			
Shareholders' Equity			
Shareholders' Equity attributable to the Group	14	222,732	206,579
Share capital		*32,910*	*32,910*
Reserves		*135,824*	*123,606*
Retained Earnings		*(3,477)*	*(3,477)*
Profit for the period attributable to the Group		*57,475*	*53,540*
Shareholders' Equity attributable to minority interests		1,142	1,131
Minority interests' capital and reserves		*577*	*567*
Profit for the period attributable to minority interests		*565*	*564*
Total Shareholders' Equity		223,874	207,710
Non-current liabilities			
Non-current financial payables	15	56,901	107,070
Employee benefits	16	9,539	10,035
Provisions for risks and costs	17	3,544	3,168
Deferred tax liabilities	18	10,994	10,301
Other non-current liabilities	19	241	138
Total non-current liabilities		81,219	130,712
Current liabilities			
Current financial payables	20	139,741	110,527
relating to related parties		*0*	*0*
Financial instruments/derivatives		0	0
Current tax liabilities	21	4,319	3,787
relating to related parties		*2,410*	*1,787*
Current trade liabilities	22	259,722	260,020
relating to related parties		*9,104*	*8,828*
Other current liabilities	23	18,030	17,718
relating to related parties		*0*	*6*
Total current liabilities		421,812	392,052
TOTAL LIABILITIES		*726,905*	*730,474*

CONSOLIDATED INCOME STATEMENT

(€thousand)	*Notes*	31.12.11	31.12.10
Revenues	24	1,219,638	1,166,787
relating to related parties		*11,802*	*12,534*
Other revenues	25	29,538	26,200
relating to related parties		*295*	*205*
Changes in inventories	7	(3,422)	14,997
Purchase of goods for resale and consumables	26	(960,871)	(935,237)
relating to related parties		*(36,244)*	*(38,539)*
Personnel costs	27	(36,874)	(37,187)
Amortization, depreciation and write-downs	28	(12,483)	(11,935)
Other operating costs	29	(156,228)	(152,532)
relating to related parties		*(4,877)*	*(5,871)*
Financial income and charges	30	(4,068)	(2,219)
relating to related parties		*39*	*3*
Pre-tax profits		75,230	68,874
Taxes	31	(25,622)	(23,189)
Profits for the period		49,608	45,685
Atributable to:			
Shareholders of the parent company		49,043	45,121
Minority interests		565	564
		49,608	*45,685*
basic Earnings Per Share (euro)	32	0.75	0.69
diluted Earnings Per Share (euro)	32	0.75	0.69

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€thousand)	*Notes*	*31.12.11*	*31.12.10*
Profits for the period (A)		49,608	45,685
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect		25	4
Total Other Profits/Losses, net of taxes (B)	*33*	25	4
Comprehensive Income (A + B)		49,633	45,689
Atributable to:			
Shareholders of the parent company		49,068	45,125
Minority interests		565	564
		49,633	*45,689*

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

Description	Share Capital	Other Reserves: Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for residual stock options	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve ex art. 55 (DPR 597-917)	Total reserves	Trading on share reserve	Reserve for profit (losses) on own share	Total own shares	Profits carried over from consolidated	Business year profits (losses)	Total Group net equity	Total third party net equity
Balance at 1st January 2010	**32,910**	**60,192**	**6,652**	**13**	**36,496**	**1,693**		**1,475**	**7,296**	**7**	**1,517**	**115,340**	**(3,467)**	**(10)**	**(3,477)**	**46,963**		**191,736**	**999**
Allocation of 2009 profit						8,267						**8,267**				(8,267)			
Distribution of parent company dividends																(30,277)		(30,277)	
Distribution of subsidiaries company dividends																			(432)
Other minor variations											(5)	**(5)**						(5)	
Consolidated comprehensive income 2010:																			
- Profit for the period																45,121		45,121	564
- Other Profits/Losses, net of taxes										4		**4**						4	
Balance at 31 December 2010	**32,910**	**60,192**	**6,652**	**13**	**36,496**	**9,960**		**1,475**	**7,296**	**11**	**1,511**	**123,606**	**(3,467)**	**(10)**	**(3,477)**	**53,540**		**206,579**	**1,131**
Allocation of 2010 profit						12,199						**12,199**				(12,199)			
Distribution of parent company dividends																(32,910)		(32,910)	
Distribution of subsidiaries company dividends																			(554)
Other minor variations											(6)	**(6)**				1		(5)	
Consolidated comprehensive income 2011:																			
- Profit for the period																49,043		49,043	565
- Other Profits/Losses, net of taxes										25		**25**						25	
Balance at 31 December 2011	**32,910**	**60,192**	**6,652**	**13**	**36,496**	**22,159**		**1,475**	**7,296**	**36**	**1,504**	**135,824**	**(3,467)**	**(10)**	**(3,477)**	**57,475**		**222,732**	**1,142**

CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	31.12.11	31.12.10
Profit for the Period	49,608	45,685
Adjustment:		
Amortization / Depreciation	4,546	4,625
Allocation of provison for bad debts	7,557	7,130
Allocation of provision for inventories	100	0
Capital profit/losses on disposal of assets	(157)	(290)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and losses	4,193	2,452
relating to related parties	*(39)*	*(3)*
Foreign exchange evaluated (gains)/losses	(255)	(68)
	15,984	13,849
Net change in Staff Severance Provision	(496)	(28)
(Increase) decrease in trade receivables	(22,457)	(15,277)
relating to related parties	*863*	*(1,293)*
(Increase) decrease in inventories	3,422	(14,997)
Increase (decrease) in trade payables	(298)	23,092
relating to related parties	*276*	*(110)*
(Increase) decrease in other assets	(6,596)	(13,723)
relating to related parties	*(201)*	*13*
Increase (decrease) in other liabilities	691	1,074
relating to related parties	*(6)*	*5*
Net change in tax assets / liabilities	26,048	21,831
relating to related parties	*20,850*	*18,435*
Interest paid	(7,026)	(4,638)
relating to related parties	*(8)*	*(9)*
Interest received	2,833	2,186
relating to related parties	*47*	*12*
Foreign exchange gains	586	1,121
Foreign exchange losses	(331)	(1,053)
Income tax paid	(25,765)	(23,958)
relating to related parties	*(20,227)*	*(19,594)*
Cash-flow from operating activities	36,203	35,164
(Investments) in other intangible assets	(162)	(91)
(Investments) in tangible assets	(4,045)	(3,394)
Net disposal of tangible assets	1,582	1,871
Net (investments) in equity investments in other companies	1	(1)
Outgoing for (acquisition)/divestment of subsiaries or going concerns during the year	0	(662)
Cash-flow from investment activities	(2,624)	(2,277)
Distribution of dividends	(32,910)	(30,277)
Other changes, including those of third parties	(528)	(427)
Net change in financial payables (excluding the new non-current loans received)	(20,955)	(87,855)
relating to related parties	*0*	*0*
New non-current loans received	0	100,000
relating to related parties	*0*	*0*
Net change in current financial receivables	2,245	4,559
relating to related parties	*1,373*	*(2,183)*
Net change in non-current financial receivables	226	(3,194)
Cash-flow from financing activities	(51,922)	(17,194)
Increase (decrease) in cash-flow	(18,343)	15,693
Opening cash and equivalents	55,477	39,784
Closing cash and equivalents	37,134	55,477

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 2011 were authorised for publication by the Board of Directors on 9 March 2012.

Structure and contents of the consolidated financial statements

The consolidated financial statements as at 31 December 2011 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 2011, 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 2011, see that described in the Directors' Report on management performance.

The consolidated financial statements as at 31 December 2011 include, for comparative purposes, the figures for the year ended on 31 December 2010. The following classifications have been used:

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

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

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

(€thousand)	31.12.11 MARR Consolidated	31.12.11 MARR S.p.A.	Impact %
Revenues from sales and services	1,219,638	1,123,426	92.1%
Total assets	726,905	690,323	95.0%
Net profit for the period	49,043	47,594	97.0%

All amounts are indicated in Euros.

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

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

Consolidation method

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

- Subsidiaries have been consolidated as from the date when control was actually transferred to the Group, and are no longer consolidated as from the date when control was transferred outside the Group.
- Assets and liabilities, charges and income of the companies consolidated on a line-by-line basis, have been fully entered in the consolidated financial statements; the book value of equity investments has been written off against the corresponding portion of shareholders' equity of the related concerns, by assigning to each single item of the statement of financial position's assets and liabilities, the current value as at the date of acquisition of control (purchase method as defined by IFRS 3, "Business combinations"). Any residual difference, if positive, is entered under "*Goodwill*" in the assets; if negative, in the income statement.
- Mutual debt and credit, costs and revenues relationships, between consolidated companies, and the effects of all significant transactions between these companies, have been written off.
- The portions of shareholders' equity and of the results for the period of minority shareholders have been shown separately in the consolidated shareholders' equity and income statement: 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 carring 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 2011 include the financial statements of the Parent Company MARR S.p.A. and those of the companies it either directly or indirectly controls. The complete list of subsidiaries included in the scope of consolidation as at 31 December 2011, with an indication of the method of consolidation, are attached in Appendix 1.

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

Accounting policies

The most significant Accounting policies adopted for the preparation of the consolidated financial statements as at 31 December 2011 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	3% - 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.

Investmentes 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 I 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 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 Provison 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 finance income in the income statement. The losses arising from any impairment are recognised in the income statement as financial costs.

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 liability are measured on a basis to 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 allowace 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 amounf 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 an 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.

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.
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 .

Employee benefits

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

Following the recent revision of the pertinent national regulations, for companies with more than 50 employees, the Staff Severance Provision accrued from 1st January 2007 onwards is classified as a defined contributions plan, the payments relative to which are entered directly in the income statement, as expenses, when recorded The Staff Severance Provision accrued up to 31.12.2006 continues to be a defined benefits plan, but without the future contributions. Accordingly, it is now valued by the independent actuaries solely on the basis of the expected average residual working life of the employees, without further consideration of the remuneration received by them over a predetermined employment period. The Staff Severance Provision "accrued" before 1st January 2007 thus undergoes a change in calculation, due to the elimination of the previously foreseen actuarial hypotheses linked to pay increments. In particular, the liability relative to "accrued Staff Severance Provision" is actuarially valued as at 1st January 2007 without applying the pro-rata (years already worked/total years worked), as the employees' benefits 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

Financial liabilities are initially recognised at their fair value, which is equal to the amounts received by the date in question. They are subsequently measured with the amortized cost criterion 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 intial 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.

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 taxes and deferred tax assets are calculated on the provisional differences between the value of assets and liabilities entered in the financial statements and the corresponding values recognized for tax purposes. Deferred tax assets are recorded when their recovery is probable. Deferred tax assets and liabilities for deferred taxes are classified under non-current assets and liabilities and are offset if referring to taxes which

may themselves be offset. The offsetting balance, if an asset, is entered under "deferred tax assets"; if a liability, it is entered under "Liabilities for deferred taxes". When the results of the operations are directly recognized in the shareholders' equity, current taxes, assets for prepaid taxes and liabilities for deferred taxes are also recorded in the shareholders' equity.
Deferred tax assets and deferred taxes are calculated on the basis of the tax rates expected to be applied in the year said assets will realize or said liabilities will extinguish.

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 acquiree. For each business combination, the acquirer measures the no controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.
If 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 acquiree 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.
Financial income and revenues from services are recognized on an accrual basis.
Costs are recognized when related to goods and services acquired and/or received over the period to which they refer.

Accounting treatment of financial assets/instruments

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.

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

Derivatives are classified as coverage instruments when the relation between the derivative and the object of the coverage is formally documented and the coverage, assessed periodically, is highly effective. If derivatives cover a risk concerning the cash flow variations of the instruments covered (cash flow hedge; for example coverage of cash flow variability of assets/liabilities by effect of oscillations in exchange rates), the variations in the fair value of derivatives are initially recorded at net equity and subsequently attributed to the income statement coherently with the economic effect produced by the operation covered. The variations in fair value of the derivatives which do not satisfy the conditions required in order to be classified as coverage are recorded in the 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 2012 cash-flows generating units attributable to each goodwill/consolidation derive from the Budget approved by the Board of Directors, for years from 2013 to 2016 adopting a growth rate of 1%; for the 2017 and *the terminal value* based on the assumption of a constant growth rate amounting to 1.1%. The Weighted Average Cost of Capital (WACC) has been adopted as the discount rate, which is 6.71% (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) was made by referring to the situation as at 31 December 2011.

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

- The expected inflation rate is 2%;
- The discounting rate used is 4.25%;
- The annual rate of increase of the severance plan is expected to be 3%;
- A 9% turnover of employees is expected.

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

- The rate of voluntary turnover is expected to be 13% for MARR S.p.A., 7% for AS.CA S.p.A., 5% for New Catering S.r.l. and 6% for Emi.gel S.r.l.;
- The rate of corporate turnover is expected to be 2% for MARR. S.p.A. and for EMI.GEL S.r.l., 10% for AS.CA S.p.A., 7% for New Catering S.r.l.;
- The discounting rate used is 3.6%.

- 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 2011

- IFRIC 14 *"Advance payments concerning an expected minimal contribution".* This amendment was emanated during November 2009 by the International Financial Reporting Interpretations Committee (IFRIC) with the aim of eliminating an undesirable consequence of IFRIC 14 in cases in which entities subject to expected minimal contribution made through an advance payment of contributions by which, under specific circumstances, the entity making the advance payment would be bound to include an expenditure in its accounts. In the case in which a defined benefits plan is subject to an expected minimal contribution, the amendment to IFRIC 14 imposes that this advance payment should be dealt with as an asset, in the same way as any other advance payment. This amendment has not been applied to these Group consolidated financial statements.
- IFRIC 19 "Extinction of financial liabilities with instruments representing capital". This interpretation was emanated during November 2009 by the International Financial Reporting Interpretations Committee (IFRIC) and provides clarifications on the accounting by the debtor of the instruments representing capital issued in order to completely or partially extinguish a financial liability following the re-negotiation of the relevant conditions. This interpretation has been applicable from the first business year subsequent to 30 June 2010. This amendment has not had any effect on these Group consolidated financial statements.
- IAS 24 "Financial statements information on operations with related parties". In November 2009, the International Accounting Standards Board (IASB) published a review of International Accounting

Standard (IAS) 24 "Financial statements information on operations with related parties". The amendments introduced by the review of IAS 24 simplify the definition of a related party, simultaneously eliminating certain incoherencies and dispensing public entities from certain informative requirements concerning operations with related parties. The adoption of this amendment has not had any effect from the viewpoint of assessing the items in the financial statements.

- *IAS 32 – "Financial instruments: presentation and classification of securities issued*". This amendment, emanated in October 2009, disciplines the accounting of the issuing of nominative securities in currencies other than that in which the issuer operates. This amendment has not been applied to these Group consolidated financial statements.

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

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

The following are other changes linked to the improvement of the IFRS which had no effect on the accounting policy, financial position or performance of the Company:

- IFRS 3 - "Business combinations": potential payments deriving from business combinations prior to the adoption of IFRS 3 (as amended in 2008) and payments based on shares (replaced voluntarily or not replaced) and their accounting treatment in the context of a business combination;
- IAS 27 - "Consolidated and separate financial statements" - application of the transaction rules in IAS 27 (reviewed in 2008) to the standards consequently modified;
- IFRIC 13 - "Client loyalty marketing programmes" - in determining the fair value of premiums, an entity must consider discounts and incentives that would otherwise be offered to clients not participating in loyalty marketing programmes.

Accounting principles, amendments and interpretations applicable to the financial statements of business years starting after 1 January 2011

Lastly, some amendments were made that will enter into force in subsequent business years:

- IAS 1 – *"Financial Statement Presentation – Presentation of Items of Other Comprehensive Income"*, aimed at changing the grouping of the other components in the statement of comprehensive income. The change only concerns the methods of presentation and does not impact on the financial position of the Group or its results and will enter into force in business years starting on 1 July 2012 or later.
- *IFRS 7 - "Financial instruments: additional information"*, issued in October 2010 and applicable to business years starting after 1 July 2011. The changes require additional information on the financial instruments and the transactions involving the transfer of financial assets. These changes will only concern the information in the financial statements and will not impact on either the financial position of the Group of its performance.
- *IAS 12 – "Income tax – Recovery of the underlying assets"*, issued in December 2010 and applicable as of 1 January 2012, concerning the assessment of deferred taxes deriving from an ongoing asset.
- IAS 19 *"Employee benefits"* – the IASB has issued numerous changes to this principle, these changes will enter into force for business years starting on 1 January 2013 or later and concern the elimination of the corridor method and the concept of expected performance from the plan, in addition to simple clarifications and terminology.
- 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 1 January 2013 or later.

- 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.
- IFRS 11 *"Joint Arrangements"* – this principle replaces IAS 31 "Interest in joint ventures" and SIC 13 "Jointtly-controlled Entities – non monetary contributions by venturers" IFRS 11 removes the option of accounting jointly controlled entities using proportionate consolidation but establishes the use of the net equity method. This principle is applicable to business years starting on 1 January 2013 or later.
- 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 is applicable to business years starting on 1 January 2013 or later.
- IFRS 13 "*Fair Value Measurement*" – this principle establishes a single source of guidance in the context of the IFRS for all fair value measurements and is applicable to business years starting on 1 January 2013 or later.

The Group is assessing how to comply with these amendments, but believes that their adoption will not have significant effects on its own consolidated financial statements.

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.

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

Market risk

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

As at 31 December 2011, a 5% appreciation in the exchange rate in relation to the US dollar, all else being equal, would have given rise in pre-tax profit of 24 thousand Euros (66 thousand Euros in 2010), 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 60 thousand Euros (46 thousand Euros in 2010) ascribable to variation in the amount of the *cash flow hedge* fund (due to the variation in the fair value of forward contracts on exchange rates).
On the other hand, at the same date, a 5% drop in the exchange rate in relation to the US dollar, all else being equal, would have been reflected by a pre-tax profit increase of 69 thousand Euros (74 thousand Euros in 2010).
The other equity items would have shown an upward variation of 66 thousand Euros (51 thousand Euros in 2010) 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 and fixed rate financing exposes the Group to the risk of changes to the fair value of the finances themselves.

In 2011 business year, a hypothetical upward or downward fluctuation of 10% in the interest rate, all else being equal, would have produced a pre-tax cost increase or decrease (with corresponding equity decrease or increase respectively) of approximately 372 thousand Euros on a yearly basis (243 thousand Euros as at 31 December 2010).

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.

The Group did not make use of derivative financial instruments for the purpose of hedging interest rate risks in 2011.

(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 217,713 thousand Euros as at 31 December 2011, represent about 60.1% 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 31.12.11	Balance at 31.12.10
Current trade receivables	361,991	347,091
Other non-current receivables	18,790	6,427
Other current receivables	35,727	41,494
Total	416,508	395,012

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

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

As at 31 December 2011, overdue but not-written down trade receivables amounted to 144,278 thousand Euros (140,411 thousand Euros in 2010). The breakdown of these receivables by due dates is as follows:

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Expiry:		
Less than 30 days	49,980	43,244
betweeen 31 and 60 days	21,814	23,129
betweeen 61 and 90 days	19,980	20,707
Over 90 days	52,504	53,331
Total expired trade receivables	144,278	140,411

The amounts shown above refer to overdue debts calculated on the basis of the nominal terms agreed with the customer at the time of first assessment. This table also includes the "overdue" exposure of the particularly important customers most closely loyal to the Group, with whom special terms of payment are agreed yearly and that are more extensive than those agreed at the time of first assessment. As at 31 December 2011, this particular category of customers accounted for 13,532 thousand Euros, of which 9,329 thousand Euros were in the "Over 90 days" band (at 31 December 2010, 8,676 thousand Euros of which 4,650 thousand Euros classified as "over 90 days").

At the same date, the nominal amount of the disputed trade receivables (all classified in the category of expired "over 90 days"), which had undergone a write-down, amounted to 27,909 thousand Euros (26,883 thousand Euros in 2010). These receivables were mainly related to clients in economic difficulties and the Group expects to recover at least part of these receivables. The remaining part is covered by a fund.

Liquidity risk

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

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

The following table shows the breakdown of financial liabilities and derivative financial liabilities on the basis of contractual expiry dates at the reference date of the financial statements. It is noted that the amounts shown do not reflect the book values in as much as they consider the future expected cash flows. Given the highly volatile nature of the rates in question, which has already led to a significant reduction in interest rates and, in 2011, to their 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.

(€ thousand)				
At 31 december 2011	Less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years
Borrowings	141,660	47,110	6,600	5,452
Derivative financial instruments	(51)	0	0	0
Trade and other payables	259,722	0	0	0
	401,331	47,110	6,600	5,452
At 31 december 2010				
Borrowings	114,944	52,800	52,659	7,398
Derivative financial instruments	(16)	0	0	0
Trade and other payables	260,020	0	0	0
	374,948	52,800	52,659	7,398

As regards the changes to the long-term quota, see that already described in the Director's Report and on paragraph 15 "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 2011		
Assets as per balance sheet	**Loans and receivables**	**Derivatives used for hedging**	**Total**
Derivative financial instruments	0	51	51
Non Current financial receivables	4,453	0	4,453
Other non-current assets	18,790	0	18,790
Current financial receivables	3,469	0	3,469
Current trade receivables	361,991	0	361,991
Cash and cash equivalents	37,134	0	37,134
Other current receivables	35,727	0	35,727
Total	461,564	51	461,615
Liabilities as per balance sheet	**Other financial liabilities**	**Derivatives used for hedging**	**Total**
Non-current financial payables	56,901	0	56,901
Current financial payables	139,741	0	139,741
Derivative financial instruments	0	0	0
Total	196,642	0	196,642

(€thousand)	31 December 2010		
Assets as per balance sheet	**Loans and receivables**	**Derivatives used for hedging**	**Total**
Derivative financial instruments	0	16	16
Non Current financial receivables	4,679	0	4,679
Other non-current assets	6,427	0	6,427
Current financial receivables	5,749	0	5,749
Current trade receivables	347,091	0	347,091
Cash and cash equivalents	55,477	0	55,477
Other current receivables	41,494	0	41,494
Total	460,917	16	460,933
Liabilities as per balance sheet	**Other financial liabilities**	**Derivatives used for hedging**	**Total**
Non-current financial payables	107,070	0	107,070
Current financial payables	110,527	0	110,527
Derivative financial instruments	0	0	0
Total	217,597	0	217,597

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

As regards the other current and non current assets, see that stated in paragraphs 6 and 13 of these explanatory notes.

[III] The Group identifies as "Level 1" financial assets and liabilities those for which the input which has a significant effect on the fair value registered are represented by prices 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 31.12.10	Purchases / other movements	Net decreases	Depreciation	Balance at 31.12.09
Land and buildings	47,870	476	(2)	(1,610)	49,006
Plant and machinery	4,726	897	(12)	(1,478)	5,319
Industrial and business equipment	945	212	(3)	(223)	959
Other assets	2,276	1,810	(1,482)	(834)	2,782
Fixed assets under development and advance	0	(83)	0	0	83
Total tangible assets	55,817	3,312	(1,499)	(4,145)	58,149

(€thousand)	Balance at 31.12.11	Purchases / other movements	Net decreases	Depreciation	Balance at 31.12.10
Land and buildings	46,474	219	0	(1,615)	47,870
Plant and machinery	4,510	1,302	(14)	(1,504)	4,726
Industrial and business equipment	911	214	(20)	(228)	945
Other assets	2,361	2,320	(1,409)	(826)	2,276
Fixed assets under development and advances	8	8	0	0	0
Total tangible assets	54,264	4,063	(1,443)	(4,173)	55,817

The increase in the item "Plant and machinery" mainly refers to investments made in the distribution centres of the parent company, especially in those locaded in Rimini, Roma and Milano.

The investments made in the item "Other assets" mainly refer to the purchase of motor vehicles for 1,853 thousand Euros and of electrical/electronic machineries for 433 thousand Euros. The decreases amounting to 1.409 thousand Euros for the business year refer mainly to the sale of motor vehicles.

As indicated subsequently, in the commentary on the item current and non-current financial payables, mortgages are due for a total of 47,614 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 and Portoferraio (LI) via Degli Altifoni 29/31.

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	CONSOLIDATED 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.

Tangible Asset Leasing:

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

- Start of the financial lease: 21 October 2004
- Duration of the contract: 8 years
- Number of instalments: 96
- Value of the asset financed: 7 million Euros
- Amount paid on signature of the contract: 700 thousand Euros
- Amount of the monthly instalments: 72 thousand Euros (plus adjustments for interest rate indexing)
- Indexed rate: 3 monthly Euribor + 1% spread
- Redemption price: 350 thousand Euros (plus VAT)
- Total of the instalments paid during the 2011: 852 thousand Euros
- Net book value of the asset at 31 December 2011: 6,001 thousand Euros
- Remainder of leases at 31 December 2011: 1,072 thousand Euros.

2. Goodwill

Below is the detail of the item "Goodwill":

(€thousand)	Balance at 31.12.11	Purchases / other movements	Balance at 31.12.10
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.	1,517	0	1,517
Total Goodwill	99,658	0	99,658

(*) 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 is not operating yet and has leased its going concerns to the parent company

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

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

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

Business combinations realised during the year

No further aggregations combinations occurred during the year.

Business combinations realised after closure of the financial statements

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

3. Other intangible assets

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

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

(€thousand)	Balance at 31.12.11	Purchases / other	Net decreases	Depreciation	Balance at 31.12.10
Patents	408	161	0	(373)	620
Concessions, licenses, trademarks and similar rights	9	1	0	(2)	10
Intangible assets under development and advances	36	0	0	0	36
Other intangible assets	5	0	0	(4)	9
Total Other Intangible Assets	458	162	0	(379)	675

4. Non-current financial receivables

As at 31 December 2011 this item amounted to 4,453 thousand Euros (4,679 thousand Euros as at December 31, 2010). The item includes the quota, beyond the business year, of interest-bearing financial receivables of the parent company toward the following companies: La Cascina Soc. Coop. a r.l. (2.600 thousand Euros) and Adria Market (140 thousand Euros) and Nizzi S.p.A. (167 thousand Euros), in addition to the quota, outside of the year, of receivables from transporters following the sale to the latter of the transport vehicles with which MARR goods are transported (for a total amount of 1.546 thousand Euros).

5. Deferred tax assets

As at 31 December 2011, 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 31.12.11	Balance at 31.12.10
On taxed provisions	7,854	6,666
On costs deductible in cash	17	20
On costs deductible in subsequent years	526	434
On other changes	3	0
Pre-paid taxes	8,400	7,120

6. Other non-current assets

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Non-current trade receivables	6,335	3,492
Accrued income and prepaid expenses	61	126
Other non-current receivables	12,394	2,809
Total Other non-current assets	18,790	6,427

The "non-current trade receivables" show an increase compared to the previous year mainly related to the effect of the re-definition of certain contractual expiries.

The increase in the item "other non-current receivables" is also linked, for 9,000 thousand Euros, to receivables from suppliers following the definition during the course of the business year of certain contractual expiries.
In addition the item includes, for 2,920 thousand Euros, other receivables from the State treasury for VAT on losses on trade receivables.

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

Current assets

7. Inventories

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Finished goods and goods for resale		
Foodstuff	22,421	25,763
Meat	13,910	13,388
Seafood	54,210	50,716
Fruit and vegetables	21	27
Hotel equipment	1,444	1,552
	92,006	91,446
provision for write-down of inventories	(750)	(750)
Goods in transit	4,334	8,204
Packaging	573	685
Total Inventories	96,163	99,585

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

As highlighted in the Directors' Report, the inventories have shown a decrease of 3,422 thousand Euros, linked to a careful policy aimed to the optimisation of stocks at distribution centres and platforms, while at 31 December 2010, it was registered an increase of 14,997 thousand Euros for certain trade opportunities which arose towards near the end of the year.

8. Current financial receivables

The item "Current financial receivables" is composed of:

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Financial receivables from parent companies	1,725	3,098
Receivables from loans granted to third parties	1,744	2,651
Total Current financial receivables	3,469	5,749

The *Receivables for loans granted to third parties,* all of which are interest-bearing, refer to financial debts owed by truck drivers (amounting to 208 thousand Euros) consequent to the sale to the latter of the trucks used by them to transport MARR products, by service-supplying partners (143 thousand Euros), by other companies (1,353 thousand Euros) in order to strengthen the commercial relationships and to increase sales, and for loans granted to the agents (40 thousand Euros).

9. Financial instruments / derivatives

The amount as at 31 December 2011 refers to forward contracts signed by the Parent Company MARR S.p.A. and the subsidiary AS.CA. S.p.A. and in existence at that time, specifically intended to hedge exchange-rate risks on purchases and sales in currencies other than the functional currency. These hedges have been entered as hedges on financial flows.

10. Current trade receivables

This item is composed of:

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Trade receivables from customers	387,604	368,161
Trade receivables from parent companies	34	634
Total current receivables	387,638	368,795
Provision for write-down of receivables from customers	(25,647)	(21,704)
Total current net receivables	361,991	347,091

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Trade receivables from customers	383,690	363,984
Receivables from Affiliated Consolidated Companies	3,877	4,132
Receivables from Affiliated not Consolidated Companies	37	45
Total current trade receivables from customers	387,604	368,161

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 25,647 thousand Euros, as highlighted in the table below.

The "receivables from parent companies" (34 thousand Euros), "from affiliated companies consolidated by the Cremonini Group" (3,877 thousand Euros) and "from affiliated companies not consolidated by the Cremonini Group" (37 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 2011.

The provision for bad debt as at 31 December 2011 is broken down as follows:

(€thousand)	Balance at 31.12.11	increases	decreases	Balance at 31.12.10
- Tax-deductible provision	2,196	1,917	1,830	2,109
- Taxed provision	22,583	5,640	1,749	18,692
- Provision for interest for late payments	868	0	35	903
Total Provision for write-down of Receivables from customers	25,647	7,557	3,614	21,704

11. Tax assets

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Ires/Irap tax advances /withholdings on interest	12	5
VAT carried forward	254	1,500
Irpeg litigation	5,590	4,730
Other	195	154
Total Tax assets	6,051	6,389

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

12. Cash and cash equivalents

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Cash and Cheques	6,354	4,212
Bank and postal accounts	30,780	51,265
Total Cash and cash equivalents	37,134	55,477

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 2011.

13. Other current assets

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Accrued income and prepaid expenses	687	408
Other receivables	35,040	41,086
Total Other current assets	35,727	41,494

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Other accrued income (from loans)	145	0
Prepaid expenses		
Leases on buildings and other assets	137	73
Maintenance fees	43	10
Commercial and advertising costs	72	148
Other prepaid expenses	237	162
Other prepaid expenses from Parent Companies	53	15
	542	408
Totale Current accrued income and prepaid expenses	687	408

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Guarantee deposits	134	134
Other sundry receivables	921	969
Provision for write-down of receivables from others	(2,290)	(2,290)
Receivables from social security institutions	201	185
Receivables from agents	2,827	3,311
Receivables from employees	30	31
Receivables from insurance companies	1,565	189
Advances to suppliers and supplier credit balances	31,435	38,503
Advances to suppliers and supplier credit balances from Associate	217	54
Total Other current receivables	35,040	41,086

The item *Advances to suppliers and supplier credit balances* includes payments made to foreign suppliers (non-EU) for the purchase of goods with "f.o.b. clause"; at the closing of the year, there were travelling goods for worth 4,334 thousand Euros. Receivables from foreign suppliers in foreign currencies have been adjusted to the exchange rate valid on 31 December 2011.

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

The item *Receivables from insurance companies* are mainly related to the insurance reimbursements concerning a maritime accident occurred to MARR S.p.A. in June 2011 that caused the loss of 8 containers of purchased seafood products.

Breakdown of receivables by geographical area

The breakdown of receivables by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial receivables	4,453	0	0	4,453
Deferred tax assets	8,400	0	0	8,400
Other non-current assets	9,790	0	9,000	18,790
Financial receivables	3,469	0	0	3,469
Financial instruments / derivative	51	0	0	51
Trade receivables	345,928	11,223	4,841	361,991
Tax assets	6,018	33	0	6,051
Cash and cash equivalents	36,830	304	0	37,134
Other current assets	21,582	2,725	11,420	35,727
Total receivables by geographical area	436,521	14,285	25,261	476,066

LIABILITIES

14. Shareholders' Equity

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

Share Capital
The Share Capital as at 31 December 2011, amounting to 33,263 thousand Euros, is represented by 66,525,120 MARR S.p.A. ordinary shares, entirely subscribed and paid up, with regular benefit, of a nominal value of 0.50 Euros.
The indicated value of 32,910 thousand Euros, unchanged with respect to the amount as of 31 December 2010, is net of the nominal value (equal to 353 thousand Euros) of n. 705.647 own shares held by the parent company as of December 31, 2011.

Share premium reserve
The total reserve as at 31 December 2011 amounted to 60,192 thousand Euros and does not appear to have changed since 31 December 2010. It is pointed out that part of this reserve, amounting to 3,477 thousand Euros, is to be considered as unavailable ex art. 2357-ter of the Civil Code to cover the purchase of its treasury shares of which in the following paragraphs.

Treasury shares
This item amounted to 3,477 thousand Euros and is equal to the difference between the cost of its treasury shares and their nominal value, highlighted in the table of movements in net equity under the items "exceeding of nominal value of treasury shares" and "reserve for profits/losses on treasury shares". This item is unchanged with respect to the amount as of 31 December 2010 as no further purchases or sales of treasury shares occurred during the year.

Legal reserve
This Reserve amounts to 6,652 thousand Euros, unchanged compared to 31 December 2010.

Shareholders' contributions on account of capital
This Reserve did not change in 2011 and amounts to 36,496 thousand Euros.

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

Extraordinary Reserve
The increase as at 31 December 2011, amounting to 12,199 thousand Euros, is attributable to the allocation of part of the profits for the year closed on 31 December 2010, as per shareholder meeting's decision made on 28 April 2011.

Cash Flow Hedge Reserve
This reserve is related to the stipulation of hedging contracts on exchange rates and on the performance of the US Dollar against the Euro.
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 33 "Other profits/losses" in these explanatory notes.

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

As regards to the reserves in taxation suspension (ex. Art. 55 DPR 917/86 and 597/73 reserve), amount to 1,504 thousand Euros as at 31 December 2011, the relevant deferred tax liabilities have been accounted for.

On 28 April 2011 the Shareholders' meeting approved the MARR S.p.A. financial statements as at 31 December 2010 and consequently decided upon allocation of the business year profits, and the approval of a dividend of 0.50 Euros for each ordinary share with the right to vote, excluding own shares at the ex-coupon date.

Non-current liabilities

15. Non-current financial payables

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Payables to banks - non-current portion	56,901	105,919
Payables to other financial institutions - non-current portion	0	1,151
Total non-current financial payables	56,901	107,070

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Payables to banks (1-5 years)	51,711	99,144
Payables to banks (over 5 years)	5,190	6,775
Total payables to banks - non-current portion	56,901	105,919

As regards the change, compared to 31 December 2010, of the non current financial indebtedness indicated in the above table, it should be noted that this is attributable, in addition to the payment of the due instalments as at 31 December 2011, to the reclassification within the short-term of:

- the remainder quota of 25 million Euros of the loan existing with Banca Nazionale del Lavoro and having due date in the month of June 2012,
- the quota of 21,7 million Euros of the loan in Pool existing with Banca IMI S.p.A. (as agent bank) with due date in 2012
- the financial payables for leasing agreements with due date in 2012.

it should be pointed out that during the course of 2011 business year, the last instalments of the loans lent by MPS Merchant and by Cassa di Risparmio di Vignola as well as the hypothecary mortgage of the subsidiary AS.CA S.p.A. with the Banca di Imola were paid-off.

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 31.12.11
Pop.Crotone-nr. 64058	Euribor 6m+1%	14/01/2015	818	0	818
Pop.Crotone-nr. 64057	Euribor 6m+1%	14/01/2015	677	0	677
Carim - n. 410086	Euribor 6m+1,05%	30/06/2014	515	0	515
Carisp Pistoia	Euribor 6m+0,48%	31/01/2020	1,966	1,869	3,835
Centrobanca	Euribor 3m+1,4%	31/12/2019	4,428	3,321	7,749
Financing in pool - IMI Bank	Euribor 3m+1,35%	05/08/2013	43,307	0	43,307
			51,711	5,190	56,901

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

Credit institutes	Guarantee	Amount	Property
Pop.Crotone-nr. 64058	mortgage	7,172	Locality Coscile-Spezzano Albanese (CS)
Pop.Crotone-nr. 64057	mortgage	5,942	Locality Coscile-Spezzano Albanese (CS)
Carim - n. 410086	mortgage	4,500	Via Plerote-S.Michele al T. (VE)
Cassa di Risparmio di Pescia e Pistoia	mortgage	10,000	Via Francesco Toni 285/297 - Bottegone (PT)
Centrobanca	mortgage	20,000	Via dell'Acero 2/4 e Voa del Carpino 4 - Sanatarcangelo di R. (RN); Via Degli Altiforni n. 29/31 - Portoferraio (LI); locality Macchiareddu - Uta (CA)
Total		47,614	

The decrease, compared to 2010, following the extinction of the loans granted by MPS Merchant and by Banca di Imola S.p.A., is due to the cancellation of the respective mortgages that were in part done and in part in progress at the end of 2011.

As regards the payables to other financial institutions, it should be noted that all the leasing contracts ongoing will expire in 2012 and the payables to other financial institutions (this item was recorded as 1,151 thousand Euros as at 31 December 2010) have thus been totally classified among current liabilities.

Lastly, it must be pointed out that:

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

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

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

  Non-respect of the limits of the financial covenants will constitute a cause for the termination of the contractual rights.

- the ongoing financing with Banca IMI (signed in August 2010) provides the following financial covenants, to be verified on a yearly basis with reference to the consolidated MARR Group data at year-end.
  NET DEBT / EQUITY =< 1.5
  NET DEBT / EBITDA =< 3. 0
  Non-respect of the financial covenants will imply that the company withdraws from the benefits of the term.

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

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

(€thousand)	Book Value		Fair Value	
	2011	2010	2011	2010
Payables to banks - non-current portion	56,901	105,919	55,882	102,034
Payables to other financial institutions - non-current portion	0	1,151	0	1,105
	56,901	107,070	55,882	103,139

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

16. Employee benefits

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

(€thousand)	
Opening balance at 31.12.10	10,035
changes in scope of consolidation	0
use for the period	(965)
provision for the period	652
other changes	(183)
Closing balance at 31.12.11	9,539

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

17. Provisions for non-current risks and charges

(€thousand)	Balance at 31.12.11	Others	Provisions	Uses	Balance at 31.12.10
Provision for supplementary clients severance indemnity	2,110	0	280	(4)	1,834
Provision for specific risk	1,434	0	100	0	1,334
Total Provisions for non-current risks and charges	3,544	0	380	(4)	3,168

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.

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, it is reasonable to expect that the dispute will be resolved favourably.

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

During the course of the first six months of 2010, the Inland Revenue (Office for major contributors of the DRE in Bologna) carried out a fiscal verification of a general nature with reference to the 2007 taxation period (partially extended to the 2005 and 2006 business years), which concluded with a summary of the inspection proceedings being drawn up. The major part of the rectifications proposed is traceable to the costs sustained for participation in the securitisation operations carried out by the Cremonini Group.
The "Agenzia delle Entrate" notified the company of the exaction deeds consequent to the above summary of the inspection proceedings and concerning the 2005, 2006 and 2007 fiscal years, through which it requested the payment of residual taxes totalling 262 thousand Euros plus interest and sanctions; in this regard, recourse has already been submitted to the competent tax commissions, excluding the exaction deed concerning the 2007 fiscal year, notified on 26 January 2012, and which will in case be impugned within the terms of the law, similarly to the previous deeds issued by the "Agenzia delle Entrate".
The consultants appointed for the purpose have deemed the claims made in the summary of the inspection proceedings notified at the end of the fiscal verifications carried out by the DRE officers to be unfounded, and pointed out that they believe the legal proceedings undertaken will be concluded in favour of the Company.

As at 31 December 2011, MARR S.p.A. had paid 5,590 thousand Euros as payment of taxes while awaiting judgement; this amount was classified under tax receivables.

18. Deferred tax liabilities

As of 31 December 2011 the breakdown of this item, amounting to 10,994 thousand Euros (10,301 thousand Euros on 31 December 2010), is as follows:

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
On goodwill amortisation reversal	4,541	3,912
On funds subject to suspended taxation	472	473
On leasing recalculation as per IAS 17	537	535
On actuarial calc. of severance provision fund	183	178
On fair value revaluation of land and buildings	4,068	4,094
On allocation of acquired companies' goodwill	865	929
Others	328	180
Deferred tax liabilities fund	10,994	10,301

The caption "Others" includes the effect calculated on the companies controlled by MARR S.p.A..

19. Other non-current payables

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Other non-current accrued expenses and deferred income	241	138
Total other non-current payables	241	138

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

Current liabilities

20. Current financial payables

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Payables to banks	138,588	109,565
Payables to other financial institutions	1,153	962
Total Current financial payables	139,741	110,527

Current payables to banks:

(€thousand)		Balance at 31.12.11		Balance at 31.12.10
Current accounts		6,244		8,317
Loans/Advances		83,325		95,075
Loans:				
- MPS-Merchant	0		1,856	
- Pop.Crotone-nr. 64058	312		307	
- Pop.Crotone-nr. 64057	258		255	
- Carim - n. 410086	329		319	
- Banca di Imola S.p.A.	0		169	
- Cassa di Risp.di Pescia e Pistoia	465		470	
- Cassa di Risp. Vignola	0		1,686	
- Centrobanca	1,103		1,111	
- Financing in pool - IMI Bank	21,570		0	
- Banca Nazionale del Lavoro	24,982		0	
		49,019		6,173
		138,588		109,565

The increase compared to 31 December 2010 is partly influenced by the short-term classification of the instalments expiring in 2012 and mainly concerning the ongoing loan from the Banca Nazionale del Lavoro and the in pool loan with Banca IMI S.p.A. as agent bank.
For more details, see that outlined in the Directors' Report on management performance and on paragraph 15 "Non current financial payables".

We point out that the entry for "Loans/Advances" consists mainly of 843 thousand Euros for advances on exports/imports, 66,380 thousand Euros for advances on invoices and 16,102 thousand Euros for other short-term loans.
As at 31 December 2011 the item "Payables to other financial institution" is mainly due to the current quota of the leasing contract stipulated with the company Unicredit Leasing S.p.A. amounting to 1.023 thousand Euros.
The book value of the short-term loans is the same as the fair value, as the impact of discounting back is not significant.

21. Current tax liabilities

The breakdown of this item is as follows:

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Irap/Ires	518	645
Ires trasferred to parent company	2,410	1,787
Other taxes payables	116	120
Irpef for employees	1,033	1,065
Irpef for external assistants	242	170
Total current tributary payables	4,319	3,787

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

As regards MARR S.p.A., the 2007 and following business years can still be verifiable by the fiscalauthorities, by reason of the ordinary verification deadlines and excluding currently pending fiscal litigations.

22. Current trade liabilities

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Payables to suppliers	250,618	251,192
Payables to associated companies consolidated by the Cremonini Group	7,903	8,439
Payables to other associated companies	253	246
Trade payables to Parent Company	948	143
Total current trade liabilities	259,722	260,020

The liabilities refer mainly to settlements deriving from commercial operations and payables to Sales Agents. They also include "Payables to Associated Companies consolidated by the Cremonini Group" for 7,903. thousand Euros, "Trade payables to Parent Companies" for 948 thousand Euros, the details and analysis of which are reported in Directors' Report and "Payables to other Correlated Companies" for 253 thousand Euros.

23. Other current liabilities

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Current accrued income and prepaid expenses	1,760	1,733
Other payables	16,270	15,985
Total other current liabilities	18,030	17,718

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Other accrued expenses	55	164
Amounts due for remuneration of employees/directors	1,066	1,052
Other deferred income	17	52
Deferred income for interests from other loans	0	3
Deferred income for interest from clients	622	462
Total current accrued expenses and deferred income	1,760	1,733

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Inps/Inail and other social security institutes	1,806	1,874
Enasarco/ FIRR	504	506
Payables to personnel for emoluments	4,907	4,755
Advances from customers, customers credit balances	7,135	6,898
Payables to insurance companies	172	462
Other sundry payables	1,746	1,490
Total other payables	16,270	15,985

The item "*Payables to personnel for emoluments*" includes current salaries not yet paid as at 31 December 2011 and allocations for leave accrued but not taken, with relevant charges.

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

Breakdown of payables by geographical area

The breakdown of payables by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial payables	56,901	0	0	56,901
Employee benefits	9,539	0	0	9,539
Provisions for risks and charges	3,544	0	0	3,544
Deferred tax liabilities	10,994	0	0	10,994
Other non-current liabilities	241	0	0	241
Current financial payables	139,741	0	0	139,741
Financial instruments / derivative	0	0	0	0
Current tax liabilities	4,319	0	0	4,319
Current trade liabilities	217,850	34,667	7,205	259,722
Other current liabilities	17,966	26	38	18,030
Total payables by geographic area	461,095	34,693	7,243	503,031

Guarantees, securities and commitments

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

Guarantees (totalling 24,978 thousand Euros)
These refer to:

- guarantees issued on behalf of MARR in favour of third parties (amounting to 21,736 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 798. Specifically, Alisea Soc. Cons. A r.l. for 793 thousand Euros, released for the punctual execution of the multi-annual tender contacts 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 2,444 thousand Euros as at 31 December 2011 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 31.12.11	Balance at 31.12.10
Guarantees		
Marr Foodservice Iberica S.a.u.	800	800
Alisea Soc. Cons. a r.l.	1,606	1,436
Baldini Adriatica Pesca S.r.l.	38	38
Total Guarantees	2,444	2,274

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

Other risks and commitments
This item, amounting to 10,476 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)	31.12.2011	31.12.2010
Revenues from sales - Goods	1,200,643	1,147,164
Revenues from Services	14,383	13,734
Other revenues from sales	626	610
Manufacturing on behalf of third par	34	34
Rent income (typical management)	38	92
Other services	3,914	5,153
Total revenues	1,219,638	1,166,787

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

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

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

(€thousand)	31.12.2011	31.12.2010
Italy	1,134,938	1,073,414
European Union	59,973	67,844
Extra-EU countries	24,727	25,529
Total	1,219,638	1,166,787

25. Other revenues

The Other revenues are broken down as follows:

(€thousand)	31.12.2011	31.12.2010
Contributions from suppliers and others	26,591	23,493
Other Sundry earnings and proceeds	1,391	1,505
Reimbursement for damages suffered	925	555
Reimbursement of expenses incurred	393	315
Recovery of legal taxes	38	36
Capital gains on disposal of assets	200	296
Total other revenues	29,538	26,200

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)	31.12.2011	31.12.2010
Purchase of goods	955,308	929,912
Purchase of packages and packing material	4,123	4,261
Purchase of stationery and printed paper	713	695
Purchase of promotional and sales materials and catalogues	191	166
Purchase of various materials	671	570
Discounts and rebates from suppliers	(584)	(801)
Fuel for industrial motor vehicles and cars	449	434
Total purchase of goods for resale and consumables	960,871	935,237

It should be pointed out that the insurance indemnities concerning the thefts suffered by AS.CA. S.p.A. during 2011 and the maritime accident occurred to Marr S.p.A. in June 2011 have been accounted under the item "Purchase of goods" as a reduction of their purchase costs, as provided by the international accounting principles.

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)	31.12.2011	31.12.2010
Salaries and wages	26,467	26,501
Social security contributions	8,200	8,272
Staff Severance Provision	2,193	2,319
Other Costs	14	95
Total personnel costs	36,874	37,187

Breakdown of employees by category is as follows:

	Workers	Employees	Managers	Total
Employees at 31.12.10	510	467	7	984
Net increases and decreases	*10*	*(4)*	*(1)*	*5*
Employees at 31.12.11	520	463	6	989
Average employees at 31.12.11	548.6	460.7	6.0	1,015.3

Despite the effect of the increase in remuneration provided by the renewal of the employment contract finalised during the first quarter of 2011, the personnel cost, amounting to 36,874 thousand Euros, shows a decrease compared to the previous year. This variation is attributable to a careful management of the human resources with particular attention to holiday, overtime and seasonal work; it should be pointed out that the average number of employees in 2011 was 1,015.3, compared to the average of 1,028.2 employees in 2010.

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

28. Amortizations, depreciations and write-downs

(€thousand)	31.12.2011	31.12.2010
Depreciation of tangible assets	4,167	4,139
Amortization of intangible assets	379	486
Provisions and write-downs	7,937	7,310
Total amortization and depreciation	12,483	11,935

(€thousand)	31.12.2011	31.12.2010
Allocation of taxable provisions for bad debts	5,640	5,310
Allocation of non-taxable provisions for bad debts	1,917	1,820
Provision for risk and loss fund	100	0
Provision for supplementary clientele severance indemnity	280	180
Total provisions and write-downs	7,937	7,310

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

29. Other operating costs

(€thousand)	31.12.2011	31.12.2010
Operating costs for services	146,598	143,221
Operating costs for leases and rentals	7,420	7,403
Operating costs for other operating charges	2,210	1,908
Total other operating costs	156,228	152,532

(€thousand)	31.12.2011	31.12.2010
Distribution costs for our products	53,642	55,146
Commissions, miscellaneous agent costs, other sale expenses	42,335	37,900
Technical and logistics services (picking, etc)	18,124	18,220
Logistical consultancies, branch management, others	7,893	8,061
Energy consumption and utilities	6,870	6,768
Third-party production	3,201	3,380
Maintenance costs	3,948	3,828
Porterage and movement of goods	2,237	2,194
Advertising, promotion, exhibitions, sales (sundry items)	380	393
Directors' and statutory auditors' fees	1,440	1,182
Insurance costs	854	800
Reimbursement of expenses, travel costs and sundry personnel costs	224	229
General and other services	5,450	5,120
Total operating costs for services	146,598	143,221

(€thousand)	31.12.2011	31.12.2010
Lease of industrial buildings	6,613	6,575
Lease of processors and other personal property	465	434
Lease of industrial vehicles	109	135
Lease of cars	71	117
Lease of plants, machinery and equipment	39	25
Rent fees and other charges paid on other personal property	123	117
Total operating costs for leases and rentals	7,420	7,403

The fees for the lease of industrial buildings include 671 thousand Euros, paid to the correlated company Le Cupole S.r.l. in Castelvetro (MO) for the rental of the buildings in which the MARR Uno branch carries out its activities (Via Spagna 20 – Rimini) and 1,105 thousand Euros to the associate company Consorzio Centro Commerciale Ingrosso Carni S.r.l. in Bologna for the rental of the building in which the Carnemilia Division carries out its activities (Via Francesco Fantoni, 31 – Bologna).

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, with the exception of MARR Milano (subject to financial leasing), are subject to Law 392/78 Section II (Leasing contracts for use other than living).

(€thousand)	31.12.2011	31.12.2010
Other indirect taxes, duties and similar charges	1,250	1,238
Expenses for recovery of debts	270	271
Other sundry charges	462	203
Capital losses on disposal of assets	43	6
ICI	131	136
Contributions and membership fees	54	54
Total operating costs for other operating charges	2,210	1,908

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)	31.12.2011	31.12.2010
Financial charges	7,026	4,638
Financial income	(2,833)	(2,186)
Foreign exchange (gains)/losses	(125)	(233)
Total financial (income) and charges	4,068	2,219

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)	31.12.2011	31.12.2010
Interest paid on other loans, bills discount, hot money, imports	2,533	1,550
Interest payable on loans	468	501
Interest payable on discounted bills, advances, exports	2,745	1,730
Other financial interest and charges	1,272	849
Interest and Other financial charges for Consolidated Parent Companies	8	8
Total financial charges	7,026	4,638

(€thousand)	31.12.2011	31.12.2010
Other sundry financial income (interest from customers, etc.)	(2,790)	(2,168)
Positive interest from bank accounts	(43)	(18)
Total Financial Income	(2,833)	(2,186)

The increase in financial costs is attributable to the performance of interest rates, which increased compared to the previous business year.

31. Taxes

(€thousand)	31.12.2011	31.12.2010
Ires-Ires charge transferred to Parent Company	21,346	18,936
Irap	4,872	4,325
Net provision for deferred tax liabilities	(596)	(72)
Total taxes	25,622	23,189

Reconciliation between theoretical and effective fiscal charges

(€thousand)	*Year 2011*		*Year 2010*	
	Taxable amount	*Tax*	*Taxable amount*	*Tax*
I.R.E.S.				
Profit before taxation	77,521		71,629	
Taxation rate	27.50%		27.50%	
theoretical tax burden		21,318		19,698
Permanent differences				
Non-deductible depreciation	419		444	
Write-down of financial assets	5		17	
Other	567		421	
	991		882	
Deductible depreciation	(1,779)		(1,854)	
Dividends from Italian companies (95%)	(2,792)		(3,134)	
Other	(628)		(24)	
	(5,199)		(5,012)	
Temporary differences deductible in future years				
Allocation of taxed provision for bad debts	6,076		5,741	
Maintenance costs excess 5%	117		122	
Other	310		210	
Deductible entertainment expenses	0		5	
	6,503		6,078	
Reversal of temporary differences from previous years				
Surplus value deductible in future years	0		41	
	0		41	
Use of taxed provision for bad debts	(1,741)		(3,782)	
Use of others taxed provisions	0		0	
Amount deductible entertainment expenses	(7)		(26)	
Amount of Write-down of financial assets	0		0	
Amount of maintenance cost excess 5%	(110)		(92)	
Other	(73)		(653)	
	(1,931)		(4,553)	
Taxable income	77,885		69,065	
Taxation rate	27.50%		27.50%	
Actual tax burden		21,418		18,993
Balance of IRES for past business years and roundings		(72)		(57)
Actual Tax burden of Period		21,346		18,936
I.R.A.P.				
Profit before taxation	77,521		71,629	
Cost not relevant for I.R.A.P.	0		0	
Income and burdens from shareholdings	0		0	
Financial income and expense	4,116		2,249	
Personnel costs	36,888		37,175	
Theorical taxable	118,525		111,053	
Taxation rate	3.90%		4.00%	
theoretical tax burden		4,619		4,308
Other	2,765		(2,079)	
Taxable income	121,290		108,974	
Taxation rate	4.00%		4.00%	
Actual tax burden		4,849		4,357
Balance of IRAP for past business years		23		(32)
Actual Tax burden of Period		4,872		4,325

32. Earnings per share

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

(in Euro)	2011	2010
EPS base	0.75	0.69
EPS diluted	0.75	0.69

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

Earnings:

(€thousand)	31.12.2011	31.12.2010
Profit for the period	49,608	45,685
Minority interests	(565)	(564)
Profit used to determine basic and diluted earnings per share	**49,043**	**45,121**

Number of shares:

(number of shares)	31.12.2011	31.12.2010
Weighted average number of ordinary shares used to determine basic earning per share	65,819,473	65,819,473
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	**65,819,473**	**65,819,473**

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

33. Other profits/losses

The value of the other profits/losses contained in the consolidated comprehensive income statement consists of the effects produced and reflected in the period with reference to the effective part of the term exchange purchase transactions carried out by the Group to hedge the underlying goods purchasing operations, net of a negative taxation effect that amounts to approximately 9 thousand Euros as at 31 December 2011.
These profits/losses have been entered, in keeping with what is foreseen by the IFRS, in the net equity and highlighted (as foreseen by IAS 1 revised, applicable as from 1st January 2009) in the consolidated comprehensive income statement.

Net financial position

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

	MARR Consolidated (€thousand)	31.12.11	31.12.10
A.	Cash	6,313	4,047
	Cheques	41	165
	Bank accounts	30,615	51,234
	Postal accounts	165	31
B.	Cash equivalent	30,821	51,430
C.	Liquidity (A) + (B)	37,134	55,477
	Current financial receivable due to Parent Company	1,725	3,098
	Current financial receivable due to Related Companies	0	0
	Others financial receivable	1,795	2,667
D.	Current financial receivable	3,520	5,765
E.	Current Bank debt	(89,569)	(103,392)
F.	Current portion of non current debt	(49,019)	(6,173)
	Financial debt due to Parent Company	0	0
	Financial debt due to Related Companies	0	0
	Other financial debt	(1,153)	(962)
G.	Other current financial debt	(1,153)	(962)
H.	Current financial debt (E) + (F) + (G)	(139,741)	(110,527)
I.	Net current financial indebtedness (H) + (D) + (C)	(99,087)	(49,285)
J.	Non current bank loans	(56,901)	(105,919)
K.	Other non current loans	0	(1,151)
L.	Non current financial indebtedness (J) + (K)	(56,901)	(107,070)
M.	Net financial indebtedness (I) + (L)	(155,988)	(156,355)

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, 9 March 2012

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 2011
- 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 2011
- 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 2011.
- Appendix 5 – Table showing variations in Tangible Assets for the year ending 31 December 2011.
- Appendix 6 – Table showing the essential data from Cremonini S.p.A. and consolidated financial statements as at 31 December 2010.
- Appendix 7 – Information as per art. 149-duodecies of the Consob Issuers Regulations.

MARR GROUP S.p.A.
LIST OF EQUITY INVESTMENTS
AT 31 DECEMBER 2011

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	32,910			
- Subsidiaries:					
Alisurgel S.r.l. in liquidazione	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%		

(*) The value of the share capital of MARR S.p.A. is net to the nominal value of its own shares purchased in the context of "buy back" programme.

EQUITY INVESTMENTS VALUED AT COST:

- Other Company:					
Centro Agro-Alimentare Riminese S.p.A.	Rimini	11,798	1.66%		

It is pointed out that during the present year the extraordinary shareholders meeting of the company Masofico S.A., with registered office in Nouakchott - Mauritania, decided the temination and the extinction and the repayment of the quota of share capital.

Appendix 2

MARR S.p.A. STATEMENT OF FINANCIAL POSITION

(€)	Notes	31.12.11	31.12.10
ASSETS			
Non-current assets			
Tangible assets	1	47,610,647	48,859,376
Goodwill	2	70,965,336	70,965,336
Other intangible assets	3	344,689	392,714
Investments in subsidiaries and associated companies	4	33,246,015	33,251,144
Investments in other companies	5	286,192	286,192
Non-current financial receivables	6	4,452,755	4,679,028
Deferred tax assets	7	8,060,210	6,805,575
Other non-current assets	8	18,752,512	6,426,927
Total non-current Assets		183,718,356	171,666,292
Current assets			
Inventories	9	87,840,345	93,059,656
Financial receivables	10	9,963,567	12,889,652
relating to related parties		*8,218,639*	*10,339,657*
Financial instruments / derivative	11	42,116	16,227
Trade receivables	12	336,268,888	321,306,083
relating to related parties		*4,828,406*	*5,031,208*
Tax assets	13	6,013,324	6,347,007
relating to related parties		*0*	*0*
Cash and cash equivalents	14	32,376,256	52,786,473
Other current assets	15	34,100,294	40,435,472
relating to related parties		*270,298*	*68,592*
Total current Assets		506,604,790	526,840,570
TOTAL ASSETS		*690,323,146*	*698,506,862*
LIABILITIES			
Shareholders' Equity	16	217,378,828	202,681,524
Share capital		*32,909,736*	*32,909,736*
Reserves		*137,859,086*	*125,646,652*
Retained Earnings		*(3,476,960)*	*(3,476,960)*
Profit for the period		*50,086,966*	*47,602,096*
Total Shareholders' Equity		217,378,828	202,681,524
Non-current liabilities			
Non-current financial payables	17	56,900,973	107,043,492
Employee benefits	18	7,808,449	8,425,027
Provisions for risks and charges	19	2,303,908	2,012,131
Deferred tax liabilities	20	9,134,480	8,633,809
Other non-current liabilities	21	239,791	138,418
Total non-current Liabilities		76,387,601	126,252,877
Current liabilities			
Current financial payables	22	135,403,923	108,462,645
relating to related parties		*1,242,470*	*1,377,297*
Current tax liabilities	23	3,733,801	3,623,742
relating to related parties		*2,109,225*	*1,970,301*
Current trade liabilities	24	241,577,051	241,895,233
relating to related parties		*9,342,237*	*9,167,917*
Other current liabilities	25	15,841,942	15,590,841
relating to related parties		*433*	*5,972*
Total current Liabilities		396,556,717	369,572,461
TOTAL LIABILITIES		*690,323,146*	*698,506,862*

MARR S.p.A. INCOME STATEMENT

(€)	Notes	31.12.2011	31.12.2010
Revenues	26	1,123,425,857	1,078,096,872
concerning related parties		*15,549,421*	*16,028,108*
Other revenues	27	27,242,015	24,212,132
relating to related parties		*532,547*	*214,980*
Changes in inventories	9	(5,219,311)	14,086,422
Purchase of goods for resale and consumables	28	(891,546,128)	(871,915,035)
relating to related parties		*(37,305,891)*	*(39,492,044)*
Personnel costs	29	(29,446,836)	(30,232,178)
Amortization, depreciation and write-downs	30	(10,933,349)	(10,402,907)
Other operating costs	31	(142,011,908)	(138,901,769)
relating to related parties		*(6,132,633)*	*(7,119,293)*
Financial income and charges	32	(3,851,627)	(1,985,916)
relating to related parties		*129,753*	*25,486*
Income (charge) from associated companies	33	2,934,235	3,282,559
Profit before taxes		***70,592,948***	***66,240,180***
Taxes	34	(22,998,858)	(21,130,960)
Profit for the period		***47,594,090***	***45,109,220***
EPS base (euros)	35	0.72	0.69
EPS diluted (euros)	35	0.72	0.69

MARR S.p.A. STATEMENT OF COMPREHENSIVE INCOME

(€)	Notes	31.12.2011	31.12.2010
Profits for the period (A)		*47,594,090*	*45,109,220*
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect		18,770	11,765
Total Other Profits/Losses, net of taxes (B)	36	*18,770*	*11,765*
Comprehensive Income (A + B)		*47,612,860*	*45,120,985*

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

(€thousand)	*31.12.11*	*31.12.10*
Profit for the Period	47,594	45,109
Adjustment:		
Amortization / Depreciation	3,642	3,768
Allocation of provison for bad debts	7,000	6,500
Allocation of provision for investments in subsidiaries	5	17
Allocation of provision for inventories	100	0
Capital profit/losses on disposal of assets	(155)	(281)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and los:	3,925	2,296
relating to related parties	*(129)*	*(25)*
Foreign exchange evaluated (gains)/losses	(204)	(145)
Dividends Received	(2,939)	(3,299)
	11,374	8,856
Net change in Staff Severance Provision	(617)	(135)
(Increase) decrease in trade receivables	(21,963)	(13,276)
relating to related parties	*203*	*(1,340)*
(Increase) decrease in inventories	5,220	(14,087)
Increase (decrease) in trade payables	(318)	21,329
relating to related parties	*174*	*472*
(Increase) decrease in other assets	(5,991)	(13,870)
relating to related parties	*(202)*	*13*
Increase (decrease) in other liabilities	545	867
relating to related parties	*(5)*	*5*
Net change in tax assets / liabilities	23,368	19,655
relating to related parties	*19,398*	*17,311*
Interest paid	(6,816)	(4,490)
relating to related parties	*(46)*	*(34)*
Interest received	2,891	2,194
relating to related parties	*175*	*59*
Foreign exchange gains	473	1,015
Foreign exchange losses	(269)	(870)
Income tax paid	(23,678)	(21,896)
relating to related parties	*(19,259)*	*(18,366)*
Cash-flow from operating activities	31,813	30,401
(Investments) in other intangible assets	(159)	(88)
(Investments) in tangible assets	(3,598)	(2,890)
Net disposal of tangible assets	1,561	1,739
Net (investments) in equity investments (subsidiaries and associated)	0	3
Outgoing for (acquisition)/divestment of subsiaries or going concerns during the year	0	(662)
Dividends Received	2,939	3,299
Cash-flow from investment activities	743	1,401
Distribution of dividends	(32,910)	(30,277)
Increase in capital and reserves paid-up by shareholders	0	0
Other changes, including those of third parties	18	14
Net change in financial payables (excluding the new non-current loans received)	(23,200)	(86,050)
relating to related parties	*(135)*	*208*
New non-current loans received	0	100,000
relating to related parties	*0*	*0*
Net change in current financial receivables	2,900	3,270
relating to related parties	*2,121*	*(3,463)*
Net change in non-current financial receivables	226	(3,194)
Cash-flow from financing activities	(52,966)	(16,237)
Increase (decrease) in cash-flow	(20,410)	15,565
Opening cash and equivalents	52,786	37,221
Closing cash and equivalents	32,376	52,786

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

Description	Share Capital	Other Reserves															Profits carried over	Business year profits (losses)	Total net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for residual stock options	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve ex art. 55 (DPR 597-917)	Surplus for mergers	Total reserves	Trading on share reserve	Reserve for profit (losses) on own share	Total own shares			
Balance at 1st January 2010	32,910	60,192	6,652	12	36,496	1,693		1,475	7,516		1,515	1,823	117,374	(3,467)	(10)	(3,477)	41,037		187,843
Allocation of 2009 profit						8,267							**8,267**				(8,267)		
Distribution of parent company dividends																	(30,277)		(30,277)
Other minor variations											(5)		**(5)**						(5)
Consolidated comprehensive income 2010:																			
- Profit for the period																	45,109		45,109
- Other Profits/Losses, net of taxes										12			**12**						12
Balance at 31 December 2010	32,910	60,192	6,652	12	36,496	9,960		1,475	7,516	12	1,509	1,823	125,647	(3,467)	(10)	(3,477)	47,602		202,682
Allocation of 2010 profit						12,199							**12,199**				(12,199)		
Distribution of parent company dividends																	(32,910)		(32,910)
Other minor variations											(6)		**(6)**						(6)
Consolidated comprehensive income 2011:																			
- Profit for the period																	47,594		47,594
- Other Profits/Losses, net of taxes										19			**19**						19
Balance at 31 December 2011	32,910	60,192	6,652	12	36,496	22,159		1,475	7,516	31	1,503	1,823	137,859	(3,467)	(10)	(3,477)	50,087		217,379

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	217,379	47,594
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	(24,845)	0
– 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	25,533	(140)
– Pro rata subsidiary profits (losses)	3,953	3,953
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	(1,953)	(2,944)
Adjustments to adapt the financial statements of some consolidated companies to Group Accounting Standards	2,000	580
Group's share of net equity and profit/(loss)	222,732	49,043
Minorities' share of net equity and profit/(loss)	1,142	565
Shareholders' equity and profit/(loss) for the year	223,874	49,608

Intangible fixed assets (in thousand of Euros)	OPENING BALANCE			MOVEMENTS DURING THE YEAR				CLOSING BALANCE		
	Original Cost	Provision for amortization	Balance 01/01/2011	Purchases/ reclassification	Consolidation Change	Net decreases	Amortization	Original Cost	Provision for amortization	Balance 31/12/2011
Start-Up and expansion costs										
Cost of research, development and advertising										
Cost of industrial patents and rights for the use of intellectual property	4,665	(4,045)	620	161			(373)	4,826	(4,418)	408
Concessions, licences, brand names, and similar rights	161	(151)	10	1			(2)	162	(153)	9
Goodwill	99,658		99,658					99,658		99,658
Intangible fixed assets under development and advances	36		36					36		36
Other intangible fixed assets	437	(428)	9				(4)	437	(432)	5
Total	**104,957**	**(4,624)**	**100,333**	**162**			**(379)**	**105,119**	**(5,003)**	**100,116**

Tangible fixed assets (in thousand of Euros)	Opening balance			Movements during the year						Closing balance		
	Original Cost	Provision for amortization	Balance 01/01/2011	Purchases/ reclassification	Decreases		Reclassification		Amortization	Original Cost	Provision for amortization	Balance 31/12/2011
					Original cost	Prov. for am.	Original cost	Prov. for am.				
Land and buildings	62,798	(14,928)	47,870	219	(10)	10			(1,615)	63,007	(16,533)	46,474
Plant and machinery	21,795	(17,069)	4,726	1,302	(359)	345			(1,504)	22,738	(18,228)	4,510
Industrial and commercial equipment	3,117	(2,172)	945	214	(28)	21	(14)	1	(228)	3,289	(2,378)	911
Other tangible assets	13,102	(10,826)	2,276	2,320	(2,550)	1,142	(14)	13	(826)	12,858	(10,497)	2,361
Tangible fixed assets under development and advances				8						8		8
Total	**100,812**	**(44,995)**	**55,817**	**4,063**	**(2,947)**	**1,518**	**(28)**	**14**	**(4,173)**	**101,900**	**(47,636)**	**54,264**

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, 2010

Cremonini S.p.A.		in thousands of Euros		Consolidated
		BALANCE SHEET		
		ASSETS		
78,178		Tangible assets		503,415
3		Goodwill and other intangible assets		170,078
263,838		Investments		12,288
2,134		Non-current assets		31,585
344,153		*Total non-current assets*		*717,366*
0		Inventories		191,423
52,180		Receivables and other current assets		550,983
9,184		Cash and cash equivalents		108,592
61,364		*Total current assets*		*850,998*
405,517		Total assets		1,568,364
		LIABILITIES		
81,242		Shareholders' equity:		266,549
	67,074	Share capital	67,074	
	8,578	Reserves	98,833	
	5,590	Net profit (loss)	21,891	
		Minority interest	78,751	
135,284		Non-current financial payables		327,719
437		Employee benefits		22,013
2,304		Provisions for risks and charges		8,763
6,122		Other non-current liabilities		38,044
144,147		*Total non-current liabilities*		*396,539*
173,078		Current financial payables		390,716
7,050		Current liabilities		514,560
180,128		*Total current liabilities*		*905,276*
405,517		Total Liabilities		1,568,364
		INCOME STATEMENT		
4,933		Revenues		2,406,767
1,662		Other revenues		44,115
		Changes in inventories		(6,269)
		Internal works performed		765
(63)		Purchase of goods		(1,546,329)
(7,653)		Other operating costs		(377,807)
(2,075)		Personnel costs		(365,860)
(1,706)		Amortization		(45,202)
(1,970)		Depreciation and Allocations		(17,096)
16,842		Income from investments		(211)
(7,507)		Financial income and charges		(16,663)
2,463		*Profit before taxes*		*76,210*
3,127		Taxes		(32,309)
5,590		Net profit (loss) before consolidation		43,901
0		Minority interest's profit (loss)		(22,010)
0		Results for the period from discontinued operations		0
5,590		Consolidated Net profit (loss)		21,891

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 2010. For an adequate and full understanding of the Cremonini S.p.A. financial situation as at 31 December 2010, 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 2011 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 2011
Auditing	Reconta Ernst & Young S.p.A.	MARR S.p.A.	105
	Reconta Ernst & Young S.p.A.	Subsidiaries	18
Certification service			0
Other services			0
Total			123

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

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

of the management and accounting procedures for the drafting of the consolidated financial statement, during the year 2011.

2. The assessment of the adequacy of the management and accounting procedures for the drafting of the consolidated financial statement as at 31 December 2011 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, 9 March 2012

Chairman of Board of Directors
And Chief Executive Officer

Ugo Ravanelli

Manager responsible for the drafting of corporate
accounts documents

Pierpaolo Rossi

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

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

Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 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 2011 and for the year then ended, comprising the statement of consolidated financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in the shareholders' equity, the cash flows statement and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of MARR S.p.A.'s 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.

   For the opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated March 25, 2011.

3. In our opinion, the consolidated financial statements of MARR S.p.A. at 31 December 2011 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 Report on Corporate Governance and Ownership Structure in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency 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 Report on Corporate Governance and 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 Report on Corporate Governance and Ownership Structure , are consistent with the consolidated financial statements of the MARR Group as at December 31, 2011.

Bologna, March 26, 2012

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.

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma - Via Po, 32
Capitale Sociale € 1.402.500,00 i.v.
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A member firm of Ernst & Young Global Limited

MARR S.p.A.

Financial Statements

as at December 31, 2011

STATEMENT OF FINANCIAL POSITION

(€)	Notes	31.12.11	31.12.10
ASSETS			
Non-current assets			
Tangible assets	1	47,610,647	48,859,376
Goodwill	2	70,965,336	70,965,336
Other intangible assets	3	344,689	392,714
Investments in subsidiaries and associated companies	4	33,246,015	33,251,144
Investments in other companies	5	286,192	286,192
Non-current financial receivables	6	4,452,755	4,679,028
Deferred tax assets	7	8,060,210	6,805,575
Other non-current assets	8	18,752,512	6,426,927
Total non-current Assets		183,718,356	171,666,292
Current assets			
Inventories	9	87,840,345	93,059,656
Financial receivables	10	9,963,567	12,889,652
relating to related parties		*8,218,639*	*10,339,657*
Financial instruments / derivative	11	42,116	16,227
Trade receivables	12	336,268,888	321,306,083
relating to related parties		*4,828,406*	*5,031,208*
Tax assets	13	6,013,324	6,347,007
relating to related parties		*0*	*0*
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LIABILITIES			
Shareholders' Equity	16	217,378,828	202,681,524
Share capital		*32,909,736*	*32,909,736*
Reserves		*137,859,086*	*125,646,652*
Retained Earnings		*(3,476,960)*	*(3,476,960)*
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TOTAL LIABILITIES		*690,323,146*	*698,506,862*

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relating to related parties		*(37,305,891)*	*(39,492,044)*
Personnel costs	29	(29,446,836)	(30,232,178)
Amortization, depreciation and write-downs	30	(10,933,349)	(10,402,907)
Other operating costs	31	(142,011,908)	(138,901,769)
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Financial income and charges	32	(3,851,627)	(1,985,916)
relating to related parties		*129,753*	*25,486*
Income (charge) from associated companies	33	2,934,235	3,282,559
Profit before taxes		***70,592,948***	***66,240,180***
Taxes	34	(22,998,858)	(21,130,960)
Profit for the period		***47,594,090***	***45,109,220***
EPS base (euros)	35	0.72	0.69
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STATEMENT OF COMPREHENSIVE INCOME

(€)	Notes	31.12.2011	31.12.2010
Profits for the period (A)		*47,594,090*	*45,109,220*
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect		18,770	11,765
Total Other Profits/Losses, net of taxes (B)	36	*18,770*	*11,765*
Comprehensive Income (A + B)		*47,612,860*	*45,120,985*

STATEMENT OF CHANGES IN THE SHAREHODERS EQUITY
(note 16)

Description	Share Capital	Other Reserves															Profits carried over	Business year profits (losses)	Total net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for residual stock options	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve ex art. 55 (DPR 597-917)	Surplus for mergers	Total reserves	Trading on share reserve	Reserve for profit (losses) on own share	Total own shares			
Balance at 1st January 2010	**32,910**	**60,192**	**6,652**	**12**	**36,496**	**1,693**		**1,475**	**7,516**		**1,515**	**1,823**	**117,374**	**(3,467)**	**(10)**	**(3,477)**	**41,037**		**187,843**
Allocation of 2009 profit						8,267							**8,267**				(8,267)		
Distribution of parent company dividends																	(30,277)		(30,277)
Other minor variations											(5)		**(5)**						(5)
Consolidated comprehensive income 2010:																			
- Profit for the period																	45,109		45,109
- Other Profits/Losses, net of taxes										12			**12**						12
Balance at 31 December 2010	**32,910**	**60,192**	**6,652**	**12**	**36,496**	**9,960**		**1,475**	**7,516**	**12**	**1,509**	**1,823**	**125,647**	**(3,467)**	**(10)**	**(3,477)**	**47,602**		**202,682**
Allocation of 2010 profit						12,199							**12,199**				(12,199)		
Distribution of parent company dividends																	(32,910)		(32,910)
Other minor variations											(6)		**(6)**						(6)
Consolidated comprehensive income 2011:																			
- Profit for the period																	47,594		47,594
- Other Profits/Losses, net of taxes										19			**19**						19
Balance at 31 December 2011	**32,910**	**60,192**	**6,652**	**12**	**36,496**	**22,159**		**1,475**	**7,516**	**31**	**1,503**	**1,823**	**137,859**	**(3,467)**	**(10)**	**(3,477)**	**50,087**		**217,379**

CASH FLOWS STATEMENT (INDIRECT METHOD)

(€thousand)	*31.12.11*	*31.12.10*
Profit for the Period	47,594	45,109
Adjustment:		
Amortization / Depreciation	3,642	3,768
Allocation of provison for bad debts	7,000	6,500
Allocation of provision for investments in subsidiaries	5	17
Allocation of provision for inventories	100	0
Capital profit/losses on disposal of assets	(155)	(281)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and los:	3,925	2,296
relating to related parties	*(129)*	*(25)*
Foreign exchange evaluated (gains)/losses	(204)	(145)
Dividends Received	(2,939)	(3,299)
	11,374	8,856
Net change in Staff Severance Provision	(617)	(135)
(Increase) decrease in trade receivables	(21,963)	(13,276)
relating to related parties	*203*	*(1,340)*
(Increase) decrease in inventories	5,220	(14,087)
Increase (decrease) in trade payables	(318)	21,329
relating to related parties	*174*	*472*
(Increase) decrease in other assets	(5,991)	(13,870)
relating to related parties	*(202)*	*13*
Increase (decrease) in other liabilities	545	867
relating to related parties	*(5)*	*5*
Net change in tax assets / liabilities	23,368	19,655
relating to related parties	*19,398*	*17,311*
Interest paid	(6,816)	(4,490)
relating to related parties	*(46)*	*(34)*
Interest received	2,891	2,194
relating to related parties	*175*	*59*
Foreign exchange gains	473	1,015
Foreign exchange losses	(269)	(870)
Income tax paid	(23,678)	(21,896)
relating to related parties	*(19,259)*	*(18,366)*
Cash-flow from operating activities	31,813	30,401
(Investments) in other intangible assets	(159)	(88)
(Investments) in tangible assets	(3,598)	(2,890)
Net disposal of tangible assets	1,561	1,739
Net (investments) in equity investments (subsidiaries and associated)	0	3
Outgoing for (acquisition)/divestment of subsiaries or going concerns during the year	0	(662)
Dividends Received	2,939	3,299
Cash-flow from investment activities	743	1,401
Distribution of dividends	(32,910)	(30,277)
Increase in capital and reserves paid-up by shareholders	0	0
Other changes, including those of third parties	18	14
Net change in financial payables (excluding the new non-current loans received)	(23,200)	(86,050)
relating to related parties	*(135)*	*208*
New non-current loans received	0	100,000
relating to related parties	*0*	*0*
Net change in current financial receivables	2,900	3,270
relating to related parties	*2,121*	*(3,463)*
Net change in non-current financial receivables	226	(3,194)
Cash-flow from financing activities	(52,966)	(16,237)
Increase (decrease) in cash-flow	(20,410)	15,565
Opening cash and equivalents	52,786	37,221
Closing cash and equivalents	32,376	52,786

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 2011were authorised for publication by the Board of Directors on 9 March 2012.

Structure and contents of the financial statements

The financial statements as at 31 December 2011 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 2011, 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 2011, see that described in the Directors' Report on management performance.

The financial statements as at 31 December 2011 include, for comparative purposes, the figures for the year ended on 31 December 2010. The following classifications have been used:

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

It is believed that these classifications provide information which better represent the 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 Income Statement and the Statement of 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 2011 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	3% - 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.

Investmentes 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 I 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 Provison 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 financel income in the income statement. The losses arising from any impairment are recognised in the income statement as financial costs.

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 impairmet 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 an 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.

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.
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.

Employee benefits

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

Financial liabilities are initially recognised at their fair value, which is equal to the amounts received by the date in question. They are subsequently measured with the amortized cost criterion 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 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.

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 taxes and deferred tax assets are calculated on the provisional differences between the value of assets and liabilities entered in the financial statements and the corresponding values recognized for tax purposes. Deferred tax assets are recorded when their recovery is probable. Deferred tax assets and liabilities for deferred taxes are classified under non-current assets and liabilities and are offset if referring to taxes which may themselves be offset. The offsetting balance, if an asset, is entered under "deferred tax assets"; if a liability, it is entered under "Liabilities for deferred taxes". When the results of the operations are directly recognized in the shareholders' equity, current taxes, assets for prepaid taxes and liabilities for deferred taxes are also recorded in the shareholders' equity.
Deferred tax assets and deferred taxes are calculated on the basis of the tax rates expected to be applied in the year said assets will realize or said liabilities will extinguish.

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 acquiree. For each business combination, the acquirer measures the noncontrolling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.
If 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 acquiree 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.
Financial income and revenues from services are recognized on an accrual basis.
Costs are recognized when related to goods and services acquired and/or received over the period to which they refer.

Accounting treatment of financial assets/instruments

Marr S.p.A. uses derivative financial instruments to 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.

The fair value of the derivative financial instruments used is determined on the basis of market value when it is possible to identify the market to which they actively belong. However, if the market value of a financial instrument is not easily calculable, but its

components or those of a similar instrument are calculable, the market value is determined through the evaluation of the individual components of the instrument or of the similar instrument. Furthermore, for those instruments for which an active market is not easily identifiable, the evaluation is carried out by using the value resulting from generally accepted evaluation models and techniques which ensure a reasonable approximation of the market value.
Derivatives are classified as coverage instruments when the relation between the derivative and the object of the coverage is formally documented and the coverage, assessed periodically, is highly effective. If derivatives cover a risk concerning the cash flow variations of the instruments covered (cash flow hedge; for example coverage of cash flow variability of assets/liabilities by effect of oscillations in exchange rates), the variations in the fair value of derivatives are initially recorded at net equity and subsequently attributed to the income statement coherently with the economic effect produced by the operation covered. The variations in fair value of the derivatives which do not satisfy the conditions required in order to be classified as coverage are recorded in the 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 2012 from the Business Plan approved by the Board of Directors, for years form 2013 to 2016 adopting a growth rate of 1%; for the 2017 and *the terminal value* based on the assumption of a constant growth rate amounting to 1.1%. The Weighted Average Cost of Capital (WACC) has been adopted as the discount rate, which is 6.71% (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) was made by referring to the situation as at 31 December 2011.

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

  - The expected inflation rate is 2%;
  - The discounting rate used is 4.25%;
  - The annual rate of increase of the severance plan is expected to be 3%;
  - A 9% turnover of employees is expected.

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

- The rate of voluntary turnover is expected to be 13%;
- The rate of corporate turnover is expected to be 2%;
- The discounting rate used is 3,6%.

- 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.

Accounting principles, amendments and interpretations applicable as at 1 January 2011

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

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

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

- IAS 34 – "Intermediate financial statements": provides clarifications as regards the additional information to be provided in the drafting of intermediate financial statements, and to changes in the classification of financial assets and to changes in potential assets and liabilities in the interim condensed financial statements.

The following are other changes linked to the improvement of the IFRS which had no effect on the accounting policy, financial position or performance of the Company:

- IFRS 3 - "Business combinations": potential payments deriving from business combinations prior to the adoption of IFRS 3 (as amended in 2008) and payments based on shares (replaced voluntarily or not replaced) and their accounting treatment in the context of a business combination;
- IAS 27 - "Consolidated and separate financial statements" - application of the transaction rules in IAS 27 (reviewed in 2008) to the standards consequently modified;
- IFRIC 13 - "Client loyalty marketing programmes" - in determining the fair value of premiums, an entity must consider discounts and incentives that would otherwise be offered to clients not participating in loyalty marketing programmes.

Accounting principles, amendments and interpretations applicable to the financial statements of business years starting after 1 January 2011

Lastly, some amendments were made that will enter into force in subsequent business years:

- IAS 1 – *"Financial Statements Presentation – Presentation of Items of Other Comprehensive Income",* aimed at changing the grouping of the other components in the statement of comprehensive income.. The change only concerns the methods of presentation and does not impact on the financial position of the Company or its results and will enter into force in business years starting on 1 July 2012 or later.
- *IFRS 7 - "Financial instruments: additional information",* issued in October 2010 and applicable to business years starting after 1 July 2011. The changes require additional information on the financial instruments and the transactions involving the transfer of financial assets. These changes will only concern the information in the financial statements and will not impact on either the financial position of the Company of its performance.
- *IAS 12 – "Income tax – Recovery of the underlying assets",* issued in December 2010 and applicable as of 1 January 2012, concerning the assessment of deferred taxes deriving from an ongoing asset.
- IAS 19 *"Employee benefits"* – the IASB has issued numerous changes to this principle, these changes will enter into force for business years starting on 1 January 2013 or later and concern the elimination of the corridor method and the concept of expected performance from the plan, in addition to simple clarifications and terminology.
- 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 1 January 2013 or later.
- IAS 28 *"Investement in Associated Companies (revised in 2011)".* As consequence of 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.
- IFRS 11 *"Joint Arrangements"* – this principle replaces IAS 31 "Interest in joint ventures" and SIC 13 "Jointly-controlled Entities – non monetary contributions by venturers". IFRS 11 removes the option of accounting jointly controlled entities using proportionate consolidation but establishes the use of the net equity method. This principle is applicable to business years starting on 1 January 2013 or later.
- 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 discolures 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 is applicable to business years starting on 1 January 2013 or later.
- IFRS 13 "*Fair Value Measurement*" – this principle establishes a single source of guidance in the context of the IFRS for all assessments at fair value measurements and is applicable applicable to business years starting on 1 January 2013 or later.

The company is assessing how to comply with these amendments, but believes that their adoption will not have significant effects on its own consolidated financial statements.

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.

Market risk

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

As at 31 December 2011, a 5% appreciation in the exchange rate in relation to the US dollar, all else being equal, would have given rise to a decrease in pre-tax profit of 24 thousand Euros (55 thousand Euros in 2010), 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 47 thousand Euros ascribable to variation in the amount of the *cash flow hedge* fund (due to the variation in the fair value of forward contracts on exchange rates).
On the other hand, at the same date, a 5% drop in the exchange rate in relation to the US dollar, all else being equal, would have been reflected by a pre-tax profit increase of 69 thousand Euros (61 thousand Euros in 2010).
The other equity items would have shown an upward variation of 52 thousand Euros (51 thousand Euros in 2010) 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. Fixed rate financing exposes the Company to the risk of changes to the fair value of the finances themselves.

In 2011 business year, a hypothetical upward or downward fluctuation of 10% in the interest rate, all else being equal, would have produced a pre-tax cost increase or decrease (with corresponding equity decrease or increase respectively) of approximately 355 thousand Euros on an yearly basis (232 thousand Euros as at 31 December 2010).

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.

The Company did not make use of derivative financial instruments for the purpose of hedging interest rate risks in 2011.

(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 201,217 thousand Euros as at 31 December 2011, represent 59.8% 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 31.12.11	Balance at 31.12.10
Current trade receivables		336,269	321,306
Other non-current receivables		34,100	6,427
Other current receivables		18,753	40,435
	Total	389,122	368,168

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

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

As at 31 December 2011, overdue but not written down trade receivables amounted to 135,052 thousand Euros (129,577 thousand Euros in 2010). The breakdown of these receivables by due dates is as follows:

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Expiry:		
Less than 30 days	47,490	40,373
betweeen 31 and 60 days	20,332	20,877
betweeen 61 and 90 days	19,102	19,059
Over 90 days	48,128	49,268
Total expired trade receivables	135,052	129,577

The amounts shown above refer to overdue debts calculated on the basis of the nominal terms agreed with the customer at the time of first assessment. This table also includes the "overdue" exposure of the particularly important customers most closely loyal to the Company, with whom special terms of payment are agreed yearly and that are more extensive than those agreed at the time of first assessment. As at 31 December 2011, this particular category of customers accounted for 13,532 thousand Euros of which 9,329 thousand were in the "Over 90 days" band (at 31 December 2010, 8,676 thousand Euro of which 4,650 thousand classified as "over 90 days").

At the same date, the nominal amount of the disputed trade receivables (all classified in the category of expired "over 90 days"), which had undergone a write-down, amounted to 26,191 thousand Euros (25,719 thousand Euros in 2010). These receivables were mainly related to clients in economic difficulties and the Company expects to recover at least part of these receivables.

Liquidity risk

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

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

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

The following table shows the breakdown of financial liabilities and derivative financial liabilities on the basis of contractual expiry dates at the reference date of the financial statements. It is noted that the amounts shown do not reflect the book values in as much as they consider the future expected cash flows. Given the highly volatile nature of the rates in question, which has already led to a significant reduction in interest rates and, in 2011, to their 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.

(€thousand)

At 31 december 2011	Less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years
Borrowings	137,322	47,110	6,600	5,452
Derivative financial instruments	(42)	0	0	0
Trade and other payables	241,577	0	0	0
	378,857	47,110	6,600	5,452
At 31 december 2010				
Borrowings	112,876	52,779	52,659	7,398
Derivative financial instruments	(16)	0	0	0
Trade and other payables	241,895	0	0	0
	354,755	52,779	52,659	7,398

As regards the changes to the long-term quota, see that already described in the Director's Report and on paragraph 17 "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 2011		
Assets as per balance sheet	**Loans and receivables**	**Derivatives used for hedging**	**Total**
Derivative financial instruments	0	42	42
Non Current financial receivables	4,453	0	4,453
Other non-current assets	18,753	0	18,753
Current financial receivables	9,964	0	9,964
Current trade receivables	336,269	0	336,269
Cash and cash equivalents	32,376	0	32,376
Other current receivables	34,100	0	34,100
Total	435,915	42	435,957
Liabilities as per balance sheet	**Other financial liabilities**	**Derivatives used for hedging**	**Total**
Non-current financial payables	56,901	0	56,901
Current financial payables	135,404	0	135,404
Derivative financial instruments	0	0	0
Total	192,305	0	192,305

(€thousands)	31 December 2010		
Assets as per balance sheet	**Loans and receivables**	**Derivatives used for hedging**	**Total**
Derivative financial instruments	0	16	16
Non Current financial receivables	4,679	0	4,679
Other non-current assets	6,427	0	6,427
Current financial receivables	12,890	0	12,890
Current trade receivables	321,306	0	321,306
Cash and cash equivalents	52,786	0	52,786
Other current receivables	40,435	0	40,435
Total	438,523	16	438,539
Liabilities as per balance sheet	**Other financial liabilities**	**Derivatives used for hedging**	**Total**
Non-current financial payables	107,043	0	107,043
Current financial payables	108,463	0	108,463
Derivative financial instruments	0	0	0
Total	215,506	0	215,506

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

As regards the other current and non-current active items, see that stated in paragraphs 15 and 8 of these explanatory notes.

[IV] The Group identifies as "Level 1" financial assets and liabilities those for which the input which has a significant effect on the fair value registered are represented by prices 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 31.12.10	Purchases / other movements	Net decreases	Depreciation	Balance at 31.12.09
Land and buildings	42,815	416	0	(1,471)	43,870
Plant and machinery	3,753	821	(9)	(1,234)	4,175
Industrial and business equipment	470	87	0	(93)	476
Other assets	1,821	1,614	(1,447)	(667)	2,321
Fixed assets under development and advances	0	(50)	0	0	50
Total tangible assets	48,859	2,888	(1,456)	(3,465)	50,892

(€thousand)	Balance at 31.12.11	Purchases / other movements	Net decreases	Depreciation	Balance at 31.12.10
Land and buildings	41,555	218	0	(1,478)	42,815
Plant and machinery	3,633	1,096	0	(1,216)	3,753
Industrial and business equipment	470	88	0	(88)	470
Other assets	1,945	2,188	(1,406)	(658)	1,821
Fixed assets under development and advances	8	8	0	0	0
Total tangible assets	47,611	3,598	(1,406)	(3,440)	48,859

The increase in the item "Plant and machinery" mainly refers to investments made in the distribution centres of the company, especially in those located in Rimini, Roma and Milano.

The investments made in the item "Other assets" mainly refer to the purchase of motor vehicles for 1,753 thousand Euros and of electrical/electronic machinery for 395 thousand Euros. The decreases amounting to 1.406 thousand Euros for the business year refer mainly to the sale of motor vehicles.

As indicated subsequently, in the commentary on the item current and non-current financial payables, mortgages are due for a total of 47,614 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 and Portoferraio (LI) via Degli Altifoni 29/31.

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.

Tangible Asset Leasing:

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

- Start of the financial lease: 21 October 2004
- Duration of the contract: 8 years
- Number of instalments: 96
- Value of the asset financed: 7 million Euros
- Amount paid on signature of the contract: 700 thousand Euros
- Amount of the monthly instalments: 72 thousand Euros (plus adjustments for interest rate indexing)
- Indexed rate: 3 monthly Euribor + 1% spread
- Redemption price: 350 thousand Euros (plus VAT)
- Total of the instalments paid during the 2011: 852 thousand Euros
- Net book value of the asset at 31 December 2011: 6,001 thousand Euros
- Remainder of leases at 31 December 2011: 1,072 thousand Euros.

2. Goodwill

(€thousand)	Original figure	Balance at 31.12.11	Balance at 31.12.10
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).

Carrying out the impairment test on the basis of the considerations outlined above, the total goodwill value of 70.965 thousand Euros would appear to be fully recoverable.
As regards this evaluation, management believes that, also given the prudential viewpoint used in the definition of the key hypotheses used and explained in the section entitled "Main estimates adopted by management and discretional assessments", is not be reasonable to expected to be changes in them such as to determine a recoverable value in unit terms less than their accounting value.

Business combinations realised during the year

No further aggregations combinations occurred during the year.

Business combinations realised after closure of the financial statements

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

3. Other intangible assets

The following are the movements in this item in 2011 and the previous year:

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

(€thousand)	Balance at 31.12.11	Purchases / other	Net decreases	Depreciation	Balance at 31.12.10
Patents	295	159	0	(202)	338
Concessions, licenses, trademarks and similar rights	9	0	0	(1)	10
Intangible assets under development and advances	36	0	0	0	36
Other intangible assets	5	0	0	(4)	9
Total Other intangible assets	345	159	0	(207)	393

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

4. Investments in subsidiaries and associated companies

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
- Investment in subsidiaries		
Alisea Soc. Cons. a r.l.	30	30
Marr Foodservice Ibérica S.A.	431	436
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.	4,618	4,618
Total Investments in subsidiaries and associated companies	33,246	33,251

The change in this item is linked to the change of the provision for write-down of the investment in 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:

- 10,385 thousand Euros attributable to the subsidiary company Sfera (formerly Sogema) S.p.A., as MARR, on acquiring the company, strengthened its own presence in the North West, an area previously served by the Marr Milan branch, making the management of its logistical and distribution network in Northern Italy more efficiently and synergetic;
- 8,526 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.
- 1,725 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).
- 1,981 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 31.12.11	Balance at 31.12.10
- Other companies		
Centro Agro-Al. Riminese S.p.A.	280	280
Conai - Cons. Naz. Imball. - Roma	1	1
Idroenergia Scrl	1	1
Banca Malatestiana Cr.Coop.vo	1	1
Consorzio Assindustria Energia	1	1
Caaf dell'Industria dell'Em. Centrale S.p.A.	2	2
Total Other companies	286	286

6. Non-current financial receivables

As at 31 December 2011 this item amounted to 4,453 thousand Euros (4,679 thousand Euros as at December 31, 2010). The item includes the quota, beyond the business year, of interest-bearing financial receivables of the parent company toward the following companies: La Cascina Soc. Coop. a r.l. (2.600 thousand Euros), Adria Market (140 thousand Euros), Nizzi S.p.A. (167 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 1,546 thousand Euros).

7. Deferred tax assets

As at 31 December 2011, 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 31.12.11	Balance at 31.12.10
On taxed provisions	7,616	6,456
On costs deductible in cash	17	20
On costs deductible in subsequent years	427	330
Pre-paid taxes	8,060	6,806

8. Other non-current assets

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Non-current trade receivables	6,335	3,492
Accrued income and prepaid expenses	61	126
Other non-current receivables	12,357	2,809
Total Other non-current assets	18,753	6,427

The "non-current trade receivables" show an increase compared to the previous year mainly related to the effect of the re-definition of certain contractual expiries

The increase in the item "other non-current receivables" is also linked, for 9,000 thousand Euros, to receivables from suppliers following the definition during the course of the business year of certain contractual expiries.
In addition the item includes, for 2,883 thousand Euros, other receivables from the State treasury for VAT on losses on trade receivables.

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

Current assets

9. Inventories

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Finished goods and goods for resale		
Foodstuffs	20,517	23,818
Meat	12,601	12,408
Fish products	49,146	47,185
Fruit and vegetable products	21	27
Hotel equipment	1,416	1,501
	83,701	84,939
provision for write-down of inventories to be deducted	(750)	(750)
Goods in transit	4,334	8,204
Packing	555	667
Total Inventories	87,840	93,060

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

As highlighted in the Directors' Report, the inventories have shown a decrease of 5,220 thousand Euros, linked to a careful policy aimed to the optimisation of stocks at distribution centres and platforms, while as at 31 December 2010, it was registered an increase of 14,087 thousand Euros was recorded for certain trade opportunities which arose near the end of the year.

10. Current financial receivables

The item "Current financial receivables" is composed of:

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Financial receivables from parent companies	1,725	3,098
Financial receivables from subsidiaries	6,494	7,242
Receivables from loans granted to third parties	1,745	2,550
Total Current financial receivables	9,964	12,890

As regards the items "Financial receivables from subsidiaries" and "Financial receivables from parent companies" (all of which interest bearing), the detailed analysis is indicated in the Directors' Report.
The "Receivables from loans granted to third parties" mainly refers to the financial receivables towards freight carriers (208 thousand Euros) following the sale to the latter of the motor vehicles with which MARR goods are ferried around, towards partner services suppliers (143 thousand Euros), other companies (1,353 thousand Euros) in order to strengthen the commercial relationships and to increase sales, and for loans granted to the agents (41 Euro thousand).

11. Financial instruments / derivatives

The amount as at 31 December 2011 refers to forward contracts in existence at that time, specifically intended to hedge exchange-rate risks on purchases and sales in currencies other than the functional currency. These hedges have been entered as hedges on financial flows.

12. Current trade receivables

This item is composed of:

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Trade receivables from customers	360,039	341,179
Trade receivables from subsidiaries	920	278
Trade receivables from parent companies	2	576
Total Current trade receivables	360,961	342,033
Provision for write-down of receivables from customers	(24,692)	(20,727)
Total current net receivables	336,269	321,306

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Trade receivables from customers	356,133	337,002
Receivables from Affiliated Consolidated Companies	3,869	4,132
Receivables from Affiliated not Consolidated Companies	37	45
Total current trade receivables from customers	360,039	341,179

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 24,692 thousand Euros, as highlighted in the table below.

The "receivables from subsidiaries" (920 thousand Euros), " from parent companies" (2 thousand Euros), "from affiliated companies consolidated by the Cremonini Group" (3,869 thousand Euros) and "from affiliated companies not consolidated by the Cremonini Group" (37 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 2011.

The provision for bad debt as at 31 December 2011 is broken down as follows:

(€thousand)	Balance at 31.12.11	increases	decreases	Balance at 31.12.10
- Tax-deductible provision	1,800	1,800	(1,700)	1,700
- Taxed provision	22,024	5,200	(1,300)	18,124
- Provision for default interest	868	0	(35)	903
Total Provision for write-down of Receivables from customers	24,692	7,000	(3,035)	20,727

13. Tax assets

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Ires/Irap tax advances /withholdings on interest	11	4
VAT carried forward	166	1,408
Irpeg litigation	5,590	4,730
Other	247	205
Total Tax assets	6,014	6,347

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

14. Cash and cash equivalents

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

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Cash and Cheques	6,234	3,956
Bank and postal accounts	26,142	48,830
Total Cash and cash equivalents	32,376	52,786

Regarding to the changes of the net financial position, refer to the cash flows statement of 2011.

15. Other current assets

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Accrued income and prepaid expenses	409	392
Other receivables	33,691	40,043
Total Other current assets	34,100	40,435

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Prepaid expenses		
Leases on buildings and other assets	137	73
Maintenance fees	43	10
Commercial and advertising costs	72	148
Other prepaid expenses	104	146
Other prepaid expenses from Parent Companies	53	15
Total Current accrued income and prepaid expenses	409	392

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Guarantee deposits	107	107
Other sundry receivables	707	707
Provision for write-down of receivables from others	(2,290)	(2,290)
Receivables from social security institutions	129	114
Receivables from agents	2,752	3,223
Receivables from employees	30	26
Receivables from insurance companies	1,565	189
Advances to suppliers and supplier credit balances	30,474	37,913
Advances to suppliers and supplier credit balances from Associates	217	54
Total Other current receivables	33,691	40,043

The item *Advances to suppliers and supplier credit balances* includes payments made to foreign suppliers (non-EU) for the purchase of goods with "f.o.b. clause"; at the closing of the year, there were travelling goods worth 4,334 thousand Euros. Receivables from foreign suppliers in foreign currencies have been adjusted to the exchange rate valid on 31 December 2011.

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

The item *Receivables from insurance companies* are mainly related to the insurance reimbursements concerning a maritime accident occurred to the Company in June 2011 that caused the loss of 8 containers of purchased seafood products.

Breakdown of receivables by geographical area

The breakdown of receivables by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial receivables	4,453	0	0	4,453
Deferred tax assets	8,060	0	0	8,060
Other non-current assets	9,753	0	9,000	18,753
Financial instruments / derivative	9,964	0	0	9,964
Financial receivables	42	0	0	42
Trade receivables	320,427	11,147	4,695	336,269
Tax assets	5,981	33	0	6,014
Cash and cash equivalents	32,072	304	0	32,376
Other current assets	19,956	2,724	11,420	34,100
Total receivables by geographical area	410,708	14,208	25,115	450,031

LIABILITIES

16. Shareholders' Equity

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

Share Capital
The Share Capital as at 31 December 2011, amounting to 33,262,560 Euros, is represented by 66,525,120 MARR S.p.A. ordinary shares, entirely subscribed and paid up, with regular benefit, of a nominal value of 0.50 Euros.
The indicated value of 32,909,736 Euros, unchanged compared to 31 December 2010, is net of the nominal value (equal to 353 thousand Euros) of n. 705.647 own shares held by the parent company as of December 31, 2011.

Share premium reserve
The total reserve as at 31 December 2011 amounted to 60,192 thousand Euros and does not appear to have changed since 31 December 2010. It is pointed out that part of this reserve, amounting to 3,477 thousand Euros, is to be considered as unavailable ex art. 2357-ter of the Civil Code to cover the purchase of its treasury shares of which in the following paragraphs.

Treasury shares
This item amounted to 3,477 thousand Euros and is equal to the difference between the cost of its treasury shares and their nominal value, highlighted in the table of movements in net equity under the items "exceeding of nominal value of treasury shares" and "reserve for profits/losses on treasury shares". This item is unchanged since 31 December 2010 as during the year have not occurred further purchases or sales of treasury shares.

Legal reserve
This Reserve amounts to 6,652 thousand Euros and does not appear to have changed since 31 December 2010.

Shareholders' contributions on account of capital
This Reserve did not change in 2011 and amounts to 36,496 thousand Euros.

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

Extraordinary Reserve
The increase as at 31 December 2011, amounting to 12,199 thousand Euros, is attributable to the allocation of part of the profits for the year closed on 31 December 2010, as per shareholder meeting's decision made on 28 April 2011.

Cash Flow Hedge Reserve
This reserve is related to the stipulation of hedging contracts on exchange rates and on the performance of the US Dollar against the Euro.
As regards the movements in this reserve and the other profits/losses in the Statement of Comprehensive Income, see that described in the Statement of Changes in the Shareholders' Equity and in paragraph 36 "Other profits/losses" in these explanatory notes.

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

With regard to the reserves in taxation suspension (ex. Art. 55 DPR 917/86 and 597/73 reserve), amount to 1,503 thousand Euros as at 31 December 2011, the relevant deferred tax liabilities have been accounted for.

On 28 April 2011 the Shareholders' meeting approved the MARR S.p.A. financial statements as at 31 December 2010 and consequently decided upon allocation of the business year profits, and the approval of a dividend of 0.50 Euros for each ordinary share with the right to vote, excluding own shares at the ex coupon date.

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

(€thousands)	*at 31 December 2011*	Possible utilization	Available quota
Share Capital [I]	32,910	-	
Reserves:			
Share premium reserve [II]	56,715	A,B,C	56,715
Legal reserve	6,652	B	
Revaluation reserve	12	A,B,C	12
Shareholders contributions or capital acc	36,496	A,B,C	36,496
Extraordinary reserve	22,159	A,B,C	22,159
Reserve for exercised stock options	1,475	-	
Cash-flow hedge reserve	31	-	
Reserve for transition to the Ias/Ifrs	7,516	-	
Reserve ex art. 55 (DPR 597-917)	1,503	A,B,C	1,503
Surplus for mergers	1,823	A,B,C	1,823
Total Reserves	134,382		
Profits carried over	50,087	A,B,C	

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

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

Notes:
A: for increase of share capital
B: for covering losses
C: for distribution to shareholders

Non-current liabilities

17. Non-current financial payables

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Payables to banks - non-current portion	56,901	105,919
Payables to other financial institutions - non-current portion	0	1,124
Total non-current financial payables	56,901	107,043

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Payables to banks (1-5 years)	51,711	99,144
Payables to banks (over 5 years)	5,190	6,775
Total payables to banks - non-current portion	56,901	105,919

As described in the Directors Report on management performance, as regards the change, compared to 31 December 2010, of the non current financial indebtedness indicated in the above table, it should be noted that this is attributable, in addition to the payment of the due instalments as at 31 December 2011, to the reclassification within the short-term of:

- the remainder quota of 25 million Euros of the loan existing with Banca Nazionale del Lavoro and having due date in the month of June 2012,
- the quota of 21,7 million Euros of the loan in Pool existing with Banca IMI S.p.A. (as agent bank) with due date in 2012;
- of the financial payables for leasing agreements with due date in 2012.

it should be pointed out that during 2011, the last instalments of the loans lent by MPS Merchant and by Cassa di Risparmio di Vignola were paid-off.

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 31.12.11
Pop.Crotone-nr. 64058	Euribor 6m+1%	14/01/2015	818	0	818
Pop.Crotone-nr. 64057	Euribor 6m+1%	14/01/2015	677	0	677
Carim - n. 410086	Euribor 6m+1,05%	30/06/2014	515	0	515
Carisp Pistoia	Euribor 6m+0,48%	31/01/2020	1,966	1,869	3,835
Centrobanca	Euribor 3m+1,4%	31/12/2019	4,428	3,321	7,749
Poll Financing with Banca IMI	Euribor 3m+1,35%	05/08/2013	43,307	0	43,307
			51,711	5,190	56,901

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 - Santarcangelo di R. (RN); Via Degli Altiforni n.29/31 - Portoferraio (LI); Località Macchiareddu - Uta (CA)
Total		47,614	

The decrease, compared to 2010, following the extinction of the loan granted by MPS, is due to the cancellation, that were in progress at the end of 2011 business year, of the relevant mortgages.

As regards the payables to other financial institutions, it should be noted that all the leasing contracts ongoing will expire in 2012, and the payables to other financial institutions (this tem was recorded as 1,124 thousand Euros as at 31 December 2010) have thus been totally classified among current liabilities.

Lastly, it must be pointed out that:

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

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

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

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

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

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

(€thousand)	Book Value		Fair Value	
	2011	2010	2011	2010
Payables to banks - non-current portion	56,901	105,919	55,882	102,034
Payables to other financial institutions - non-current portion	0	1,124	0	1,079
	56,901	107,043	55,882	103,113

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

18. Employee benefits

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

(€thousand)	
Opening balance at 31.12.10	*8,425*
use for the period	(898)
provision for the period	461
other changes	(180)
Closing balance at 31.12.11	7,808

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

19. Provisions for non-current risks and charges

(€thousand)	Balance at 31.12.11	Provisions	Uses	Balance at 31.12.10
Provision for supplementary clients severance indemnity	1,521	192	0	1,329
Provision for specific risk	783	100	0	683
Total Provisions for non-current risks and charges	2,304	292	0	2,012

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.

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, it is reasonable to expect that the dispute will be resolved favourably.

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

During the course of the first six months of 2010, the Inland Revenue (Office for major contributors of the DRE in Bologna) carried out a fiscal verification of a general nature with reference to the 2007 taxation period (partially extended to the 2005 and 2006 business years), which concluded with a summary of the inspection proceedings being drawn up. The major part of the rectifications proposed is traceable to the costs sustained for participation in the securitisation operations carried out by the Cremonini Group.
The "Agenzia delle Entrate" notified the company of the exaction deeds consequent to the above summary of the inspection proceedings and concerning the 2005, 2006 and 2007 fiscal years, through which it requested the payment of residual taxes totalling 262 thousand Euros plus interest and sanctions; in this regard, recourse has already been submitted to the competent tax commissions, excluding the exaction deed concerning the 2007 fiscal year, notified on 26 January 2012, and which will in case be impugned within the terms of the law, similarly to the previous deeds issued by the "Agenzia delle Entrate".
The consultants appointed for the purpose have deemed the claims made in the summary of the inspection proceedings notified at the end of the fiscal verifications carried out by the DRE officers to be unfounded, and pointed out that they believe the legal proceedings undertaken will be concluded in favour of the Company.

As at 31 December 2011, MARR S.p.A. had paid 5,590 thousand Euros as payment of taxes while awaiting judgement; this amount was classified under tax receivables.

20. Deferred tax liabilities

As of 31 December 2011 the breakdown of this item, amounting to 9,134 thousand Euros (8,634 thousand Euros on 31 December 2010), is as follows:

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
On goodwill amortisation reversal	3,931	3,396
On funds subject to suspended taxation	472	473
On leasing recalculation as per IAS 17	507	513
On actuarial calc. of severance provision fund	145	153
On fair value revaluation of land and buildings	4,068	4,094
Others	11	5
Deferred tax liabilities fund	9,134	8,634

21. Other non-current payables

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Accrued expensed and prepaid income	240	138
Total other non-current payables	240	138

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 31.12.11	Balance at 31.12.10
Financial payables to subsidiaries	1,242	1,377
Payables to banks	133,035	106,212
Payables to other financial institutions	1,127	874
Total Current financial payables	135,404	108,463

Current payables to banks:

(€thousand)		Balance at 31.12.11		Balance at 31.12.10
Current accounts		6,068		6,044
Loans/Advances		77,948		94,164
Loans :				
- MPS-Merchant	0		1,856	
- Pop.Crotone-nr. 64058	312		307	
- Pop.Crotone-nr. 64057	258		255	
- Carim - n. 410086	329		319	
- Cassa di Risp.di Pescia e Pistoia	465		470	
- Cassa di Risp. Vignola	0		1,686	
- Centrobanca	1,103		1,111	
-Poll Financing with Banca IMI	21,570		0	
- Banca Nazionale del Lavoro	24,982		0	
		49,019		6,004
		133,035		106,212

The increase compared to 31 December 2010 is partly influenced by the short-term classification of the instalments expiring in 2012 and mainly concerning the ongoing loan from the Banca Nazionale del Lavoro and the in pool loan with Banca IMI S.p.A. as agent bank.
For more details, see that outlined in the Directors' Report on management performance and on paragraph 17 "Non current financial payables".
We point out that the entry for "Loans/Advances" consists mainly 65,557 thousand Euros for advances on invoices and 12,391 thousand Euros for other short-term loans.
As at 31 December 2011 the item "Payables to other financial institution" is mainly due to the current quota of the leasing contract stipulated with the company Unicredit Leasing S.p.A. amounting to 1,023 thousand Euros.

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

23. Current tax liabilities

The breakdown of this item is as follows:

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Irap	442	503
Ires transferred to the Controlling Company	2,109	1,970
Other taxes payable	110	109
Irpef for employees	865	906
Irpef for external assistants	208	136
Total Current taxes payable	3,734	3,624

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

As regards MARR S.p.A., the 2007 and following business years can still be verifiable by the fiscal authorities, by reason of the ordinary verification deadlines and excluding currently pending fiscal litigations.

24. Current trade liabilities

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Suppliers	232,235	232,726
Payables to associated companies consolidated by the Cremonini Group	7,720	8,318
Payables to Subsidiaries	581	605
Payables to Correlated Companies	253	246
Trade payables to parent companies	788	0
Total Current trade liabilities	241,577	241,895

The liabilities refer mainly to settlements deriving from commercial operations and payables to Sales Agents. They also include "Payables to Associated Companies consolidated by the Cremonini Group" for 7,720 thousand Euros, "Payables to subsidiaries" for 581 thousand Euros the details and analysis of which are reported in Directors' Report and "Payables to other Correlated Companies" for 253 thousand Euros

25. Other current liabilities

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Current accrued expenses and deferred income	1,477	1,353
Other payables	14,365	14,238
Total Other current liabilities	15,842	15,591

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Accruals for emoluments to employees/directors	838	839
Other deferred income	17	52
Deferred income for interests from clients	622	462
Total Current accrued expenses and deferred income	1,477	1,353

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Inps/Inail and Other social security institutions	1,428	1,527
Enasarco/ FIRR	428	433
Payables to personnel for emoluments	4,245	4,159
Advances from customers, customers credit balances	6,878	6,658
Payables to insurance companies	172	462
Payables for acquisition of shares/equity investments	1,214	999
Total Other payables	14,365	14,238

The item "*Payables to personnel for emoluments*" includes current salaries not yet paid as at 31 December 2011 and allocations for leave accrued but not taken, with relevant charges.
The item *Advances from customers, customers credit balances* includes the credit notes to be issued to customers for end of year premiums and contributions.

Breakdown of payables by geographical area

The breakdown of payables by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial payables	56,901	0	0	56,901
Employee benefits	7,808	0	0	7,808
Provisions for risks and charges	2,304	0	0	2,304
Deferred tax liabilities	9,134	0	0	9,134
Other non-current liabilities	240	0	0	240
Current financial payables	135,054	350	0	135,404
Financial instruments / derivative	3,734	0	0	3,734
Current trade liabilities	202,920	32,224	6,433	241,577
Other current liabilities	15,778	26	38	15,842
Total payables by geographical area	433,873	32,600	6,471	472,944

Guarantees, securities and commitments

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

Guarantees (totalling 24,180 thousand Euros)
These refer to:

- guarantees issued on behalf of MARR in favour of third parties (amounting to 21,736 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 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 2,444 thousand Euros as at 31 December 2011 and refers to credit lines granted to subsidiaries. On closure of the business year, the following guarantees had been granted in favour of the following subsidiary companies

(€thousand)	Balance at 31.12.11	Balance at 31.12.10
Guarantees		
Marr Foodservice Iberica S.A.U.	800	800
Alisea Soc. Cons. a r.l.	1,606	1,436
Baldini Adriatica Pesca S.r.l.	38	38
Total Guarantees	2,444	2,274

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

Other risks and commitments
This item includes 9,518 thousand Euros related to credit notes issued by certain credit institutes to guarantee obligations undertaken with our foreign suppliers.

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

26. Revenues

Revenues are composed of:

(€thousand)	31.12.2011	31.12.2010
- Net Revenues from sales of goods	1,118,949	1,072,356
- Revenues from services		
Advisory services to third parties	488	463
Manufacturing on behalf of third parties	34	34
Rent income (typical management)	40	92
Other services	3,915	5,152
total	4,477	5,741
Total Revenues	1,123,426	1,078,097

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.

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)	31.12.2011	31.12.2010
Italy	1,039,322	985,316
European Union	59,926	67,842
Extra-EU countries	24,178	24,939
Total	1,123,426	1,078,097

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

(€thousand)	31.12.2011	31.12.2010
General food products	449,743	428,058
Meat	227,422	220,427
Seafood	421,853	404,081
Fruit and vegetables	26,119	25,089
Accessories	6,371	6,802
Sias Division	1,175	1,104
Trade discounts / year-end bonuses	(13,734)	(13,205)
Total Revenues from sales of goods	1,118,949	1,072,356

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 2011 by the Rimini Head Office and each unit (branches and divisions):

(€thousand)	31.12.2011	31.12.2010
Head Branch of Rimini (Marr Uno)	159	148
Branch: Marr Napoli	33	37
Branch: Marr Milano	72	68
Branch: Marr Roma	98	93
Branch: Marr Venezia	45	38
Branch: Marr Supercash&carry - Rimini	33	31
Branch: Marr Sardegna	44	43
Branch: Marr Romagna - Rimini	53	50
Emiliani Division - Rimini	207	207
Carnemilia Division - Bologna	14	12
Branch: Marr Sicilia	32	31
Branch: Marr Sanremo	15	15
Branch: Marr Elba	6	7
Branch: Marr Genova	22	21
Branch: Marr Dolomiti	10	12
Warehouse: Santarcangelo	1	3
Branch: Marr Puglia	33	32
Branch: Marr Battistini	23	23
Branch: Marr Torino	52	50
Branch: Marr Calabria	37	34
Branch: Marr Sfera	44	39
Branch: Marr Arco	14	11
Branch: Marr Toscana	33	31
Branch: Marr Cater	42	39
Branch: Marr Valdagno	10	9
Divisione Sias	1	1
Others (trade discounts / year-end bonuses)	(14)	(13)
Total Revenues from sales of goods	1,119	1,072

27. Other revenues

The Other revenues are broken down as follows:

(€thousand)	31.12.2011	31.12.2010
Contributions from suppliers and others	24,936	21,998
Other sundry earnings	803	1,071
Reimbursements for damages suffered	779	523
Reimbursement of expenses incurred	502	304
Recovery of legal fees	50	33
Capital gains on disposal of assets	172	283
Total Other revenues	27,242	24,212

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)	31.12.2011	31.12.2010
Purchases of goods	887,030	867,528
Purchases of packages and packing material	3,586	3,789
Purchase of stationery and printed paper	601	577
Purchase of promotional and sales materials, and catalogues	191	166
Purchase of various materials	419	320
Discounts and rebates from suppliers	(527)	(717)
Fuel for industrial motor vehicles and cars	246	252
Total Purchase of goods for resale and consumables	891,546	871,915

It should be pointed out that the insurance indemnities concerning the maritime accident occurred to the Company in June, has been accounted under the item "Purchase of goods" as a reduction of their purchase costs, as provided by the international accounting principles.

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)	31.12.2011	31.12.2010
Salaries and wages	21,115	21,508
Social security contributions	6,520	6,722
Staff Severance Provision	1,811	1,917
Other Costs	1	85
Total Personnel Costs	29,447	30,232

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

	Workers	Employees	Managers	Total
Employees as of 31.12.10	318	409	7	734
Net increases and decreases	*(2)*	*(5)*	*(1)*	*(8)*
Employees as of 31.12.11	316	404	6	726
Average number of employees as of 31.12.11	344.9	402.8	6.0	753.6

Despite the effect of the increase in remuneration provided by the renewal of the employment contract finalised during the first quarter of 2011, the personnel cost, amounting to 29,447 thousand Euros, shows a decrease compared to the previous year. This variation is attributable to a careful management of the human resources with particular attention to holiday, overtime and seasonal work; it should be pointed out that the average number of employees in 2011 was 753.6, compared to the average of 776.3 employees in 2010.

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

30. Amortizations, depreciations and write-downs

(€thousand)	31.12.2011	31.12.2010
Depreciation of tangible assets	3,435	3,459
Amortization of intangible assets	207	309
Provisions and write-downs	7,292	6,635
Total Amortizations and Depreciations and Write-downs	10,934	10,403

(€thousand)	31.12.2011	31.12.2010
Allocation of taxed provision for bad debts	5,200	4,800
Allocation of non-taxed provision for bad debts	1,800	1,700
Allocation of future risks and losses	100	0
Provision for supplementary clientele severance indemnity	192	135
Total Provisions and write-downs	7,292	6,635

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

31. Other operating costs

(€thousand)	31.12.2011	31.12.2010
Operating costs for services	132,374	129,592
Operating costs for leases and rentals	7,640	7,612
Operating costs for other operating charges	1,997	1,698
Total Other operating costs	142,011	138,902

(€thousand)	31.12.2011	31.12.2010
Distribution costs for our products	50,053	51,757
Commissions, miscellaneous costs for agents, other sale expenses	38,199	33,989
Technical and logistics services (picking, etc)	15,095	15,156
Logistic advisory, management of branches, others	7,490	7,708
Energy consumption and utilities	6,023	5,975
Third-party production	3,201	3,380
Maintenance costs	3,187	3,121
Porterage and movement of goods	1,836	1,789
Advertising, promotion, exhibitions, sales (sundry items)	332	323
Directors' fees	1,074	857
Statutory auditors' fees	76	75
Insurance costs	730	661
Reimbursement of expenses, travels and sundry costs for personnel	201	217
General and other services	4,877	4,584
Total Operating costs for services	132,374	129,592

(€thousand)	31.12.2011	31.12.2010
Lease of industrial buildings	5,764	5,737
Lease of processors and other personal property	456	426
Lease of industrial vehicles	15	25
Rentals for lease of business premises	1,275	1,264
Lease of cars	24	59
Rentals and other charges paid on other personal property	106	101
Total Operating costs for leases and rentals	7,640	7,612

The fees for the lease of industrial buildings include the rental fees, totalling 671 thousand Euros, paid to the correlated company Le Cupole S.r.l. in Castelvetro (MO) for the rental of the buildings in which the MARR Uno branch carries out its activities (Via Spagna 20 – Rimini) and 1,105 thousand Euros to the associate company Consorzio Centro Commerciale Ingrosso Carni S.r.l. in Bologna for the rental of the building in which the Carnemilia Division carries out its activities (Via Francesco Fantoni, 31 – Bologna).

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, with the exception of MARR Milano (subject to financial leasing), are subject to Law 392/78 Section II (Leasing contracts for use other than living).

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 1,105 thousand Euros;
- the fee concerning the going concern in Sciaves which from a logistical and distribution viewpoint refers to the MARR Dolomiti branch since 2009, for 40 thousand Euros;
- the fee concerning the going concern in Arco (TN) where the "Marr Arco" branch has carried out its activities since 12 November 2007, for 130 thousand Euros.

(€thousand)	31.12.2011	31.12.2010
Other indirect taxes, duties and similar charges	1,167	1,115
Expenses for collection of debts	269	270
Other sundry charges	363	124
Capital losses on disposal of assets	17	2
ICI	131	136
Contributions and membership fees	50	51
Total Operating costs for other operating charges	1,997	1,698

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)	31.12.2011	31.12.2010
Financial charges	6,816	4,490
Financial income	(2,891)	(2,194)
Foreign exchange (gains)/losses	(74)	(311)
Total Financial income and charges	3,851	1,985

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)	31.12.2011	31.12.2010
Interest payable on other loans, bills discount, hot money, import	2,523	1,550
Interest payable on loans	467	490
Interest payable on discounted bills, advances, export	2,716	1,706
Other financial interest and charges	1,065	710
Interest and Other financial charges for Parent Companies	8	8
Interest and Other financial charges for Subsidiaries	37	26
Total Financial charges	6,816	4,490

(€thousand)	31.12.2011	31.12.2010
Other sundry financial income (interest from customers, etc.)	2,678	2,119
Positve interest from bank accounts	38	15
Other sundry financial income for Parent Company	47	12
Other sundry financial income for Subsidiaries	128	48
Total Financial income	2,891	2,194

The increase in financial costs is attributable to the performance of interest rates, which increased compared to the previous business year.

33. Income and charge from associated companies

This item is detailed as indicated in the following table:

(€thousand)	31.12.2011	31.12.2010
Dividends by subsidiaries	2,939	3,299
Svalutazione di partecipazioni	(5)	(17)
Total Income (charge) from associated companies	2,934	3,282

The item "Dividends by subsidiaries" as at 31 December 2011 (equal to 2,939 thousand Euros) consists mainly of the dividends distributed in 2011 by the subsidiary AS.CA. S.p.A. in the amount of 1,234 thousand Euros, by the subsidiary New Catering S.r.l. in the amount of 533 thousand Euros, by the subsidiary Alisea soc. cons. a r.l. in the amount of 676 thousand Euros, by the subsidiary Sfera S.p.A. in the amount of 312 thousand Euros, by the subsidiary EMI.GEL S.r.l. in the amount of 160 thousand Euros and by the subsidiary Baldini Adriatica Pesca S.r.l. for 24 thousand Euros.

As regard the cost for the write-off of the investment in subsidiaries (equal to 5 thousand Euros), this is attributable to the Spanish subsidiary MARR Foodservice Iberica S.A.U.

34. Taxes

(€thousand)	31.12.2011	31.12.2010
Ires - Ires charge transferred to the controlling company	19,402	17,321
Irap	4,358	3,880
Net provision for deferred tax liabilities	(761)	(70)
Total taxes	22,999	21,131

Reconciliation between theoretical and effective fiscal charges

(€thousand)	*Year 2011*		*Year 2010*	
	Taxable amount	*Tax*	*Taxable amount*	*Tax*
I.R.E.S.				
Profit before taxation	70,593		66,240	
Taxation rate	27.5%		27.5%	
theoretical tax burden		19,413		18,216
Permanent differences				
Non-deductible depreciation	414		414	
Write-down of financial assets	5		17	
Other	458		285	
	877		*716*	
Deductible depreciation	(1,779)		(1,854)	
Dividends from Italian companies (95%)	(2,792)		(3,134)	
Other	(602)		0	
	(5,173)		*(4,988)*	
Temporary differences deductible in future years				
Allocation of taxed provision for bad debts	5,520		5,108	
Maintenance cost excess 5%				
Other	310		210	
Deductible entertainment expenses	0		5	
	5,830		*5,323*	
Reversal of temporary differences from previous years				
Surplus value deductible in future years	0		41	
	0		41	
Use of taxed provision for bad debts	(1,300)		(3,600)	
Use of others taxed provisions	0		0	
Amount of taxed entertainment expenses	(7)		(25)	
Write down of financial assets				
Amount of maintenance cost excess 5%				
Other	(73)		(653)	
	(1,380)		*(4,278)*	
Taxable income	70,747		63,054	
Taxation rate	27.5%		27.5%	
Actual tax burden		19,455		17,340
Balance of IRES for past business years and roundings		(53)		(19)
Actual Tax burden of Period		19,402		17,321
I.R.A.P.				
Profit before taxation	70,593		66,240	
Cost not relevant for I.R.A.P.				
Dividends/Adjustment to the value of financial assets	(2,934)		(3,282)	
Financial income and expense	3,852		1,986	
Personnel costs	29,447		30,232	
Theorical taxable	100,958		95,176	
Taxation rate	4.01%		4.01%	
theoretical tax burden		4,048		3,817
Other	7,241		2,378	
Taxable income	108,199		97,554	
Taxation rate	4.0%		4.0%	
Actual tax burden		4,339		3,912
Balance of IRAP for pass business years and roundings		19		(32)
Actual Tax burden of Period		4,358		3,880

35. Earnings per share

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

(in Euro)	2011	2010
EPS base	0.72	0.69
EPS diluted	0.72	0.69

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

Earnings:

(€thousand)	31.12.2011	31.12.2010
Profit for the period	47,594	45,109
Profit used to determine basic and diluted earnings per share	47,594	45,109

Number of shares:

(number of shares)	31.12.2011	31.12.2010
Weighted average number of ordinary shares used to determine basic earning per share	65,819,473	65,819,473
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	65,819,473	65,819,473

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

36. Other profits/losses

The value of the other profits/losses contained in the comprehensive income statement, that in 2011 was equal to a profit amounting to 19 thousand Euros, consists of the effects produced and reflected in the period with reference to the effective part of the term exchange purchase transactions carried out by the Company to hedge the underlying goods purchasing operations. The item is shown net of a negative taxation effect that amounts to approximately 7 thousand Euros as at 31 December 2011.
These profits/losses have been entered, in keeping with what is foreseen by the IFRS, in the net equity and highlighted (as foreseen by IAS 1 revised, applicable as from 1st January 2009) in the comprehensive income statement.

Net financial position

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

	(€thousand)	31.12.11	31.12.10
A.	Cash	6,234	3,956
	Cheques	0	0
	Bank accounts	25,977	48,799
	Postal accounts	165	31
B.	Cash equivalent	26,142	48,830
D.	Liquidity (A) + (B)	32,376	52,786
	Current financial receivable due to Parent Comany	6,494	7,242
	Current financial receivable due to Related Companies	1,725	3,098
	Others financial receivable	1,787	2,566
E.	Current financial receivable	10,006	12,906
F.	Current Bank debt	(84,016)	(100,208)
G.	Current portion of non current debt	(49,019)	(6,004)
	Financial debt due to Parent Company	0	0
	Financial debt due to Subsidiaries	(1,242)	(1,377)
	Financial debt due to Related Companies	0	0
	Other financial debt	(1,127)	(874)
H.	Other current financial debt	(2,369)	(2,251)
I.	Current financial debt (F) + (G) + (H)	(135,404)	(108,463)
J.	Net current financial indebtedness (I) + (E) + (D)	(93,022)	(42,771)
K.	Non current bank loans	(56,901)	(105,919)
M.	Other non current loans	0	(1,124)
N.	Non current financial indebtedness (K) + (M)	(56,901)	(107,043)
O.	Net financial indebtedness (J) + (N)	(149,923)	(149,814)

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, 9 March 2012

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 2011, indicating the criteria adopted for accounting.
- Appendix 2 – Table showing variations in Intangible Assets for the year ending 31 December 2011.
- Appendix 3 – Table showing variations in Tangible Assets for the year ending 31 December 2011.
- Appendix 4 – Table showing the essential data from the Cremonini S.p.A. financial and consolidated financial statements as at 31 December 2010.
- Appendix 5 – List of stockholdings in subsidiaries and associated companies as at 31 December 2011 (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 2011

Company	Headquarters	Share capital (€thousand)	Direct control Marr SpA	Indirect control Company	Indirect control Share held
COMPANY CONSOLIDATED ON A LINE-BY-LINE BASIS					
- **Parent Company**:					
MARR S.p.A. (*)	Rimini	32,910			
- **Subsidiaries**:					
Alisurgel S.r.l. in liquidazione	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%		

(*) The value of the share capital of MARR S.p.A. is net to the nominal value of its own shares purchased in the context of "buy back" programme.

EQUITY INVESTMENTS VALUED AT COST:

- **Other Company**:					
Centro Agro-Alimentare Riminese S.p.A.	Rimini	11,798	1.66%		

It is pointed out that during the present year the extraordinary shareholders meeting of the company Masofico S.A., with registered office in Nouakchott - Mauritania, decided the termination and the extinction and the repayment of the quota of share capital.

Appendix 2

Intangible fixed assets (in thousand of Euros)	OPENING BALANCE			MOVEMENTS DURING THE YEAR						CLOSING BALANCE		
	Original Cost	Provision for amortization	Balance 01/01/2011	Purchases/ reclassification	Consolidation Change	Decreases		Net decreases	Amortization	Original Cost	Provision for amortization	Balance 31/12/2011
						Original cost	Prov. for am.					
Start-Up and expansion costs												
Cost of research, development and advertising												
Cost of industrial patents and rights for the use of intellectual property	3,538	(3,200)	338	159		(600)	600		(202)	3,097	(2,802)	295
Concessions, licences, brand names, and similar rights	37	(27)	10						(1)	37	(28)	9
Goodwill	70,965		70,965							70,965		70,965
Intangible fixed assets under development and advances	36		36							36		36
Other intangible fixed assets	71	(62)	9						(4)	71	(66)	5
Total	**74,647**	**(3,289)**	**71,358**	**159**		**(600)**	**600**		**(207)**	**74,206**	**(2,896)**	**71,310**

Tangible fixed assets (in thousand of Euros)	Opening balance			Movements during the year				Closing balance		
	Original Cost	Provision for amortization	Balance 01/01/2011	Purchases/ reclassification	Decreases		Amortization	Original Cost	Provision for amortization	Balance 31/12/2011
					Original cost	Prov. for am.				
Land and buildings	55,600	(12,785)	42,815	218	(10)	10	(1,478)	55,808	(14,253)	41,555
Plant and machinery	19,067	(15,314)	3,753	1,096	(334)	334	(1,216)	19,829	(16,196)	3,633
Industrial and commercial equipment	1,747	(1,277)	470	88			(88)	1,835	(1,365)	470
Other tangible assets	11,276	(9,455)	1,821	2,188	(2,356)	950	(658)	11,108	(9,163)	1,945
Tangible fixed assets under development and advances				8				8		8
Total	87,690	(38,831)	48,859	3,598	(2,700)	1,294	(3,440)	88,588	(40,977)	47,611

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, 2010				
Cremonini S.p.A.		in thousands of Euros		Consolidated
		BALANCE SHEET		
		ASSETS		
78,178		Tangible assets		503,415
3		Goodwill and other intangible assets		170,078
263,838		Investments		12,288
2,134		Non-current assets		31,585
344,153		*Total non-current assets*		*717,366*
0		Inventories		191,423
52,180		Receivables and other current assets		550,983
9,184		Cash and cash equivalents		108,592
61,364		*Total current assets*		*850,998*
405,517		Total assets		1,568,364
		LIABILITIES		
81,242		Shareholders' equity:		266,549
	67,074	Share capital	67,074	
	8,578	Reserves	98,833	
	5,590	Net profit (loss)	21,891	
		Minority interest	78,751	
135,284		Non-current financial payables		327,719
437		Employee benefits		22,013
2,304		Provisions for risks and charges		8,763
6,122		Other non-current liabilities		38,044
144,147		*Total non-current liabilities*		*396,539*
173,078		Current financial payables		390,716
7,050		Current liabilities		514,560
180,128		*Total current liabilities*		*905,276*
405,517		Total Liabilities		1,568,364
		INCOME STATEMENT		
4,933		Revenues		2,406,767
1,662		Other revenues		44,115
		Changes in inventories		(6,269)
		Internal works performed		765
(63)		Purchase of goods		(1,546,329)
(7,653)		Other operating costs		(377,807)
(2,075)		Personnel costs		(365,860)
(1,706)		Amortization		(45,202)
(1,970)		Depreciation and Allocations		(17,096)
16,842		Income from investments		(211)
(7,507)		Financial income and charges		(16,663)
2,463		*Profit before taxes*		*76,210*
3,127		Taxes		(32,309)
5,590		Net profit (loss) before consolidation		43,901
0		Minority interest's profit (loss)		(22,010)
0		Results for the period from discontinued operations		0
5,590		Consolidated Net profit (loss)		21,891

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 2010. For an adequate and full understanding of the Cremonini S.p.A. financial situation as at 31 December 2010, 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, 2011 (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	2,391	1,315	1,212	667	55.00%	30	(1,285)	31/12/2011	1,389	(1,359)
Alisurgel S.r.l. in liquidazione	Rimini (RN)	10	184	178	7	7	97.00%	10	(168)	31/12/2011	178	(168)
Marr Foodservice Iberica S.A.U.	Madrid (Spagna)	600	432	432	(5)	(5)	100.00%	431	(1)	31/12/2011	432	(1)
Sfera S.p.a. (già Sogema)	Santarcangelo di R.(RN)	220	1,055	1,055	302	302	100.00%	11,440	10,385 *	31/12/2011	13,137	(1,697)
AS.CA. S.p.a.	Santarcangelo di R.(RN)	518	5,326	5,326	1,744	1,744	100.00%	13,852	8,526 *	31/12/2011	16,227	(2,375)
New Catering S.r.l.	Santarcangelo di R.(RN)	34	1,124	1,124	746	746	100.00%	2,849	1,725 *	31/12/2011	3,404	(555)
Baldini Adriatica Pesca S.r.l.	Santarcangelo di R.(RN)	10	286	286	267	267	100.00%	16	(270)	31/12/2011	540	(524)
EMI.GEL S.r.l.	Santarcangelo di R.(RN)	260	2,637	2,637	224	224	100.00%	4,618	1,981 *	31/12/2011	4,491	127

* 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 2011 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 2011
Auditing	Reconta Ernst & Young S.p.A.	MARR S.p.A.	105
Certification service			0
Other services			0
Total			105

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

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

of the management and accounting procedures for the drafting of the financial statement, during the year 2011.

2. The assessment of the adequacy of the management and accounting procedures for the drafting of the financial statement as at 31 December 2011 was based on a process defined by MARR S.p.A. in coherence with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is an internationally accepted general reference framework.

3. It is also certified that:

3.1 the financial statements:

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

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, 9 March 2012

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

Reconta Ernst & Young S.p.A.
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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 2011 and for the year then ended, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in the shareholders' equity, the cash flows statement and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of MARR S.p.A.'s 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.

   For the opinion on the financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated March 25, 2011.

3. In our opinion, the financial statements of MARR S.p.A. at 31 December 2011 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 Report on Corporate Governance and Ownership Structure in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency 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 Report on Corporate Governance and 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 Report on Corporate Governance and Ownership Structure , are consistent with the financial statements of MARR S.p.A. at December 31, 2011.

Bologna, March 26, 2012

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.

Reconta Ernst & Young S.p.A.
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