Annual Report

as at December 31, 2014

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

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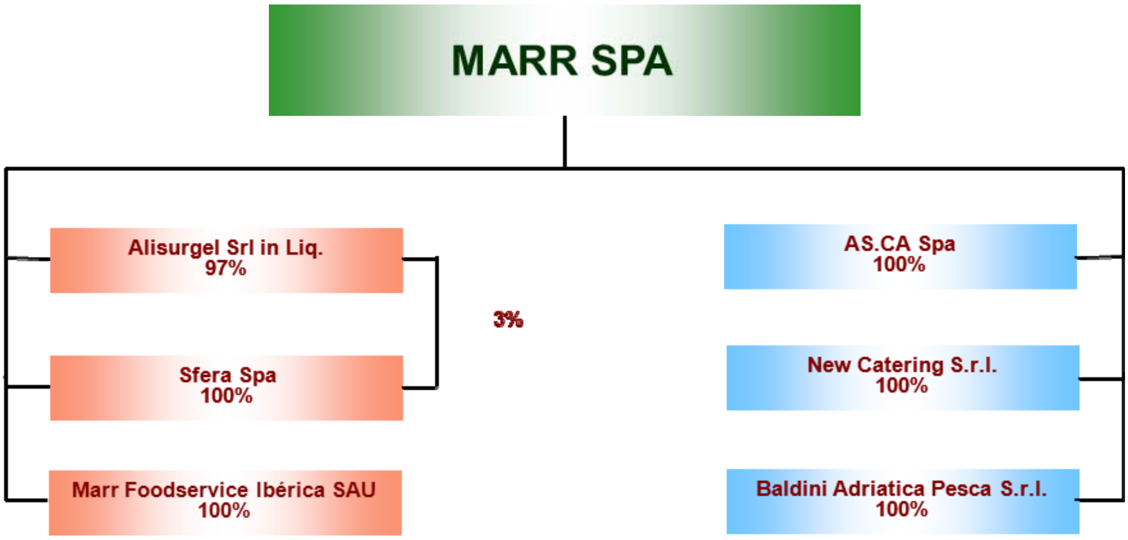
MARR GROUP ORGANIZATION

Situation as at 31 December 2014



The structure of the Group as at 31 December 2014 differs from that at 31 December 2013 due to the sale (March 31, 2014) by the parent company MARR S.p.A. of the holdings in the company Alisea Soc. Cons. a r.l., operating in the sector of catering under contract to hospitals (this company was no longer within the scope of consolidation of the Group) and to the merger by incorporation of EMI.GEL S.r.l. in New Catering S.r.l. (June 1, 2014), both totally participated by MARR S.p.A..

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

MARR S.p.A. Via Spagna n. 20 - Rimini	Marketing and distribution of fresh, dried and frozen food products for Foodservice operators.
AS.CA S.p.A. Via dell'Acero n. 1/A - Santarcangelo di Romagna. (Rn)	Marketing and distribution of fresh, dried and frozen food products for Foodservice operators.
NEW CATERING S.r.l. Via dell'Acero n.1/A - Santarcangelo di Romagna (Rn)	Marketing and distribution of foodstuff products to bars and fast food outlets.
BALDINI ADRIATICA PESCA S.r.l. Via dell'Acero n. 1/A- Santarcangelo di Romagna (Rn)	Marketing and distribution of fresh and frozen seafood products.
SFERA S.p.A. Via dell'Acero n. 1/A - Santarcangelo di Romagna (Rn)	Company no longer operational (since 1 November 2014); now leases going concerns.
MARR FOODSERVICE IBERICA S.A.U. Calle Lagasca n. 106 1° centro - 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	Ugo Ravanelli
Deputy Chairman	Illias Aratri
Chief Executive Officer	Francesco Ospitali
Chief Executive Officer	Pierpaolo Rossi
Directors	Giosué Boldrini
	Claudia Cremonini
	Vincenzo Cremonini
	Lucia Serra
Independent Directors	Paolo Ferrari(1)(2)
	Giuseppe Lusignani(1)(2)
	Marinella Monterumisi(1)(2)

(1) Members of the Remuneration and Nomination committee

(2) Member of Control and Risk Committee

Board of Statutory Auditors

Chairman	Ezio Maria Simonelli
Auditors	Davide Muratori
	Simona Muratori
Alternate Auditors	Stella Fracassi
	Marco Frassini

Independent Auditors	Reconta Ernst & Young S.p.A.
Manager responsible for the drafting of corporate accounting documents	Antonio Tiso

Group performance and analysis of the results for the business year 2014

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

The 2014 business year closed with total consolidated revenues of 1,441.4 million Euros, an increase of approximately 77 million (+5.6%) compared to 1,364.7 million Euros in 2013.
In terms of revenues from sales in 2014, the Group reached 1,417.2 million Euros, an increase of 74.2 million Euros (+5.5%) compared to 1,343.0 million Euros in 2013. In particular, the sales to customers in the "Street Market" and "National Account" categories reached 1,162.5 million Euros, with an increase of +3.3% compared to 1,125.1 million in 2013.
The organic component[1] of the increase to Street Market and National Account customers amounted to +3.8% and has been achieved in a still difficult market context, that in 2014, as regards the item "Hotels, and out-of-home food consumption", registered a decrease in consumption (in quantity) of 1.4% (Confcommercio Studies Office – March 2015), a figure which is in any event improving as regards consumption (by quantity) which, again with reference to the most recent Confcommercio Study, highlighted a reduction of 0.6% in the fourth quarter of 2014.

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

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

Sales in the "Street Market" category (restaurants and hotels not belonging to Groups or Chains) amounted to 851.0 million Euros (823.3 million in 2013), while those in the "National Account" category (operators of Chains and Groups and Canteens) reached 311.5 million Euros (301.8 million in 2013).
Sales to clients in the "Wholesale" category reached 254.7 million Euros, compared to 217.9 million in 2013.

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)	*31.12.14*	*31.12.13*
	Revenues from sales and services by customer category		
	Street market	851,048	823,328
	National Account	311,464	301,793
	Wholesale	254,693	217,868
	Total revenues form sales in Foodservice	**1,417,205**	**1,342,989**
(1)	Discount and final year bonus to the customers	(14,897)	(14,026)
(2)	Other services	2,806	3,025
(3)	Other	146	(97)
	Revenues from sales and services	**1,405,260**	**1,331,891**

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

[1] net of the effects of the acquisition of Scapa (February 2013) and the sale of the holding in Alisea (March 2014), a company operating in the sector of contracted catering for hospitals, the sales of which were classified in the category of National Account customers.

Organisation and logistics

The organisational structure and logistics of the MARR Group as at 31 December 2014, indicating the availability of properties, is as follows:

Offices, Branches, Distribution Centres and Subsidiaries

Offices, Branches, Distribution Centres		
Management Offices	Santarcangelo di Romagna (RN)	Property
Marr Uno	Rimini e Costermano (VR)	Leasehold by parent company Cremonini S.p.A. and by third party
Marr Arco	Arco (TN)	Leasehold by third party
Marr Battistini	Cesenatico (FC)	Leasehold by third party
Marr Bologna	Anzola dell'Emilia (BO)	Leasehold by third party
Marr Calabria	Spezzano Albanese (CS)	Property
Marr Cater	Roma	Leasehold by third party
Marr Dolomiti	Pieve di Cadore (BL)	Leasehold by third party
Marr Elba	Portoferraio (LI)	Property and leasehold by third party
Marr Genova	Carasco (GE)	Leasehold by third party
Marr Milano	Opera (MI)	Property
Marr Napoli	Casoria (NA)	Leasehold by third party
Marr Puglia	Monopoli (BA)	Leasehold by third party
Marr Roma	Capena (Roma)	Leasehold by third party
Marr Romagna	San Vito di Rimini	Leasehold by a company where Marr S.p.A. is stakeholder
Marr Sanremo	Taggia (IM)	Leasehold by third party
Marr Sardegna	Uta (CA)	Property
Marr Scapa	Marzano (PV) and Pomezia (RM)	Leasehold by third party
Marr Sfera	Riccione (RN)	Leasehold by third party
Marr Sicilia	Cinisi (PA)	Leasehold by third party
Marr Supercash&carry	Rimini	Leasehold by third party
Marr Torino	Torino	Leasehold by third party
Marr Toscana	Bottegone (PT)	Property
Marr Valdagno	Valdagno (VI)	Leasehold by third party
Marr Venezia	S. Michele al Tagliamento (VE)	Property
Carnemilia (Meat-processing branch catering)	Bologna	Surface ownership
Emiliani (Fish and Seafood products branch)	Santarcangelo di R. (RN)	Property
Subsidiaries		
AS.CA S.p.A.	Castenaso (BO)	Property
Baldini Adriatica Pesca S.r.l.	Riccione (RN)	Leasehold by third party
New Catering S.r.l.	Bentivoglio (BO), Forlì (FC) e Rimini (RN)	Leasehold by third party

Below are the figures, re-classified according to current financial analysis procedures, with the income statement, the statement of financial position and net financial position for 2014, compared to the previous year.

Analysis of the re-classified Income Statement

MARR Consolidated (€thousand)	31.12.14	%	31.12.13	%	% Change
Revenues from sales and services	1,405,260	97.5%	1,331,891	97.6%	5.5
Other earnings and proceeds	36,114	2.5%	32,854	2.4%	9.9
Total revenues	1,441,374	100.0%	1,364,745	100.0%	5.6
Cost of raw materials, consumables and goods for resale	(1,138,185)	-79.0%	(1,057,186)	-77.5%	7.7
Change in inventories	15,772	1.1%	1,968	0.1%	701.4
Services	(169,142)	-11.8%	(162,098)	-11.8%	4.3
Leases and rentals	(9,142)	-0.6%	(10,261)	-0.7%	(10.9)
Other operating costs	(1,767)	-0.1%	(2,370)	-0.2%	(25.4)
Value added	138,910	9.6%	134,798	9.9%	3.1
Personnel costs	(37,083)	-2.5%	(39,841)	-2.9%	(6.9)
Gross Operating result	101,827	7.1%	94,957	7.0%	7.2
Amortization and depreciation	(4,879)	-0.4%	(4,528)	-0.3%	7.8
Provisions and write-downs	(11,214)	-0.8%	(10,399)	-0.8%	7.8
Operating result	85,734	5.9%	80,030	5.9%	7.1
Financial income	2,935	0.2%	3,589	0.3%	(18.2)
Financial charges	(11,026)	-0.8%	(10,390)	-0.8%	6.1
Foreign exchange gains and losses	(714)	0.0%	(59)	0.0%	1,110.2
Value adjustments to financial assets	0	0.0%	0	0.0%	0.0
Result from recurrent activities	76,929	5.3%	73,170	5.4%	5.1
Non-recurring income	104	0.0%	0	0.0%	100.0
Non-recurring charges	0	0.0%	(1,856)	-0.2%	(100.0)
Profit before taxes	77,033	5.3%	71,314	5.2%	8.0
Income taxes	(25,928)	-1.8%	(23,996)	-1.7%	8.1
Total net profit	51,105	3.5%	47,318	3.5%	8.0
(Profit)/loss attributable to minority interests	0	0.0%	(581)	-0.1%	(100.0)
Net profit attributable to the MARR Group	51,105	3.5%	46,737	3.4%	9.3

As at 31 December 2014 the consolidated operating economic results are as follows: total revenues of 1,441.4 million Euros (1,364.7 thousand Euros in 2013); EBITDA[ii] of 101.8 million Euros (94.9 million Euros in 2013); EBIT of 85.7 million Euros (80.0 million Euros in 2013).

The increase in total revenues (+5.6% compared to 2013) is a consequence of the performance of sales in each client category, as previously analysed.
As regards the costs, it must be pointed out that the increase of the percentage incidence of the Cost of sales (Purchase cost of the goods plus Variation of the warehouse inventories) recorded over the year is to be attributed prevalently to the deconsolidation since 31 March last of Alisea, which, given that it operates in the sector of the preparation of meals for

[ii] 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.

hospital catering, had a reduced incidence of the cost of raw materials with respect to that of the business of commercialisation to the Foodservice sector. Contrarily, the incidence of the Personnel cost of Alisea was higher with respect to the Foodservice business in itself, and this can also be seen in the reduction of the percentage incidence of the Personnel Cost on the total Revenues.
As regards the incidence of service costs was in line with the percentage for the previous year, while the reduction of Leases and Rentals costs, both in absolute value and in percentage, is to be attributed to the absence of the leasing costs of the Scapa and Lelli going concerns, the purchase of which was finalised in March and May 2014 respectively, and to the leases reduced due to the purchase of the Carnemilia property in July 2013.
Contrarily, the increase of Depreciations is attributable to the purchase of the Carnemilia property and the equipment included in the purchase of the Scapa (March 2014) and Lelli (May 2014) going concerns.
The decrease of the Personnel cost, as already described, is related to the deconsolidation (since 31 March 2014) of Alisea. In this sense, it should be taken into consideration that the Personnel cost of Alisea in the 2013 business year amounted to 4,200 thousand Euros, while it was 1,057 thousand Euros in the first quarter of 2014.

The item Provisions and write-downs amounted to 11.2 million Euros and consists for 10.6 million Euros of the provision for bad debts (10.3 in 2013) and for the remainder refers to the provision for supplementary clientele severance indemnity and for risks and charges.

As at 31 December 2014, the increase in net financial charges is mainly ascribable to the repositioning of the financial debt to the longer term, with a process of extension of the maturities of the financial debt, which was completed in July 2013.

As regards the non-recurrent items, it should be pointed out that 1.9 million Euros of costs concerning the start-up of the ex-Scapa warehouses were accounted in the year 2013. In the year 2014, and just at the end of the first quarter, 104 thousand Euros of net non-recurring income was accounted for the sale by MARR S.p.A. of the holdings in Alisea.

The pre-tax result reached 77.0 million Euros (71.3 million in 2013), while the net Group result (net of the quotas belonging to third parties, which are no longer present after the sale of the holdings in Alisea) reached 51.1 million Euros, against 46.7 million Euros in 2013.

Analysis of the re-classified statement of financial position

MARR Consolidated (€thousand)	31.12.14	31.12.13
Net intangible assets	106,270	99,980
Net tangible assets	68,962	68,282
Equity investments in other companies	304	304
Other fixed assets	36,845	36,951
Total fixed assets (A)	212,381	205,517
Net trade receivables from customers	379,599	400,210
Inventories	116,366	100,704
Suppliers	(274,443)	(274,334)
Trade net working capital (B)	221,522	226,580
Other current assets	48,465	56,196
Other current liabilities	(23,688)	(22,455)
Total current assets/liabilities (C)	24,777	33,741
Net working capital (D) = (B+C)	246,299	260,321
Other non current liabilities (E)	(690)	(438)
Staff Severance Provision (F)	(10,960)	(11,542)
Provisions for risks and charges (G)	(16,066)	(15,585)
Net invested capital (H) = (A+D+E+F+G)	430,964	438,273
Shareholders' equity attributable to the Group	(254,280)	(243,015)
Shareholders' equity attributable to minority interests	0	(1,127)
Consolidated shareholders' equity (I)	(254,280)	(244,142)
(Net short-term financial debt)/Cash	(95,102)	(29,541)
(Net medium/long-term financial debt)	(81,582)	(164,590)
Net financial debt (L)	(176,684)	(194,131)
Net equity and net financial debt (M) = (I+L)	(430,964)	(438,273)

Analysis of the Net Financial Position[III]

The following represents the trend in Net Financial Position.

MARR Consolidated (€thousand)	31.12.14	31.12.13
A. Cash	6,895	8,056
Cheques	18	36
Bank accounts	30,331	24,578
Postal accounts	289	154
B. Cash equivalent	30,638	24,768
C. Liquidity (A) + (B)	37,533	32,824
Current financial receivable due to Parent Company	4,101	2,633
Current financial receivable due to Related Companies	0	0
Others financial receivable	1,324	2,706
D. Current financial receivable	5,425	5,339
E. Current Bank debt	(60,115)	(40,920)
F. Current portion of non current debt	(77,151)	(26,029)
Financial debt due to Parent Company	0	0
Financial debt due to Related Companies	0	0
Other financial debt	(794)	(755)
G. Other current financial debt	(794)	(755)
H. Current financial debt (E) + (F) + (G)	(138,060)	(67,704)
I. Net current financial indebtedness (H) + (D) + (C)	(95,102)	(29,541)
J. Non current bank loans	(46,641)	(133,945)
K. Other non current loans	(34,941)	(30,645)
L. Non current financial indebtedness (J) + (K)	(81,582)	(164,590)
M. Net financial indebtedness (I) + (L)	(176,684)	(194,131)

As at 31 December 2014, the net financial indebtedness amounted to 176.7 million Euros, compared to 194.1 million Euros of the previous year with a ratio of net financial position on EBITDA amounting to 1.7, in line with the internal management parameters and less than the financial covenants, as stated in the Explanatory Notes.

The decrease of the Net Financial Position benefitted from a revolving programme of securitization of the receivables (pro soluto) the effect of which at the end of 2014, compared to the same period in 2013, was 16.8 million Euros. This programme lasts for five years and is renewable on a year by year basis.

On main financial movements of 2014, it we point out the following.

- On 12 March 2014, the closing of the purchase of the going concern of "Scapa" involved the payment of a price amounting to 1.7 million Euros, which was netted by the credits for supplies made to Scapa up to the beginning of the going concern lease.

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

- On 31 March 2014, the inflow of part of the sale price for the holdings in Alisea, for a total amount of 1.8 million Euros.
- On 28 May 2014, the closing by the subsidiary Sfera S.p.A. of the purchase of the going concern of "Lelli" which involved the payment of a price amounting to 3.8 million Euros.
- On 29 May 2014 dividends amounting to a total of 38.6 million Euros (38.2 million Euros in 2013) have been paid.

As far as financial debt is concerned, we point out the following:

- In the month of February the Parent Company obtained an unsecured loan with Mediobanca – Banca di Credito Finanziario S.p.A., granted on 7 February 2014 for a total amount of 25 million Euros and with due date in the month of July 2015.
- In the month of May the subsidiary Sfera S.p.A. signed two unsecured loans: one of this with Banca Popolare dell'Emilia Romagna for a total amount of 2.5 million Euros and amortization ending in November 2015 and one with Banca di Rimini Credito Cooperativo Soc. Coop. for 1 million Euros and amortization ending in May 2015.
- In the month of August, the Parent Company reimbursed in advance for total 10 million of Euros, the loan with Banca Popolare di Milano, with due date in May 2015.
- With reference to the pool financing with BNP Paribas, paid out in 2013 for a total amount of 90 million Euros, the Parent Company reimbursed the first two instalments of the loan facility during the business year, for 14.4 million Euros, and also the payables concerning the revolving facility for 25 million Euros.
- During the course of the business year, the Parent Company extinguished the pool financing with ICCREA Banca Impresa S.p.A. as Agent bank paid out in June 2013, for an overall amount of 9 million Euros.

The net financial position as at 31 December 2014 remains in line with the company objectives.

Analysis of the Trade net working Capital

MARR Consolidated (€thousand)	*31.12.14*	*31.12.13*
Net trade receivables from customers	379,599	400,210
Inventories	116,366	100,704
Suppliers	(274,443)	(274,334)
Trade net working capital	221,522	226,580

As at 31 December 2014 the trade net working capital amounts to 221.5 million Euros (226.6 million Euros at the end of 2013), and the increase in net trade receivables is related to the increase in sales.
As regards the trade receivables, these benefitted compared to 31 December 2013 from the aforementioned securitization plan, with effects of approximately 16.8 million Euros at the end of the year.
The increase in inventories with respect to the previous business year is mainly concentrated in the category of frozen seafood products.

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

Re-classified cash-flow statement

MARR Consolidated (€thousand)	31.12.14	31.12.13
Net profit before minority interests	51,105	47,318
Amortization and depreciation	4,879	4,528
Change in Staff Severance Provision	(582)	577
Operating cash-flow	55,402	52,423
(Increase) decrease in receivables from customers	20,611	(19,699)
(Increase) decrease in inventories	(15,662)	(1,968)
Increase (decrease) in payables to suppliers	109	3,961
(Increase) decrease in other items of the working capital	8,964	(5,857)
Change in working capital	14,022	(23,563)
Net (investments) in intangible assets	(6,439)	(93)
Net (investments) in tangible assets	(5,415)	(20,080)
Net change in financial assets and other fixed assets	106	(5,697)
Net change in other non current liabilities	733	753
Investments in other fixed assets and other change in non current items	(11,015)	(25,117)
Free - cash flow before dividends	58,409	3,743
Distribution of dividends	(38,585)	(38,175)
Capital increase	0	6,986
Other changes, including those of minority interests	(2,377)	(1,461)
Cash-flow from (for) change in shareholders' equity	(40,962)	(32,650)
FREE - CASH FLOW	17,447	(28,907)
Opening net financial debt	(194,131)	(165,224)
Cash-flow for the period	17,447	(28,907)
Closing net financial debt	(176,684)	(194,131)

The Cash Flow for the period is the result of the changes in Net Financial Position, Net Working Capital and Investments, as commented in the relevant paragraphs. In comparison with the cash flow generated in 2013, it must be reiterated that the building in which the Carnemilia branch is located was purchased for 15.5 million Euros in that year.

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)	31.12.14	31.12.13
Free - cash flow	17,447	(28,907)
Increase in current financial receivables	(86)	10,292
Decrease in non-current net financial debt	(83,008)	111,121
Increase in current financial debt	70,356	(112,277)
Increase (decrease) in cash-flow	4,709	(19,771)

Investments

As regards the investments made in 2014, subdivided in the various categories as exposed in the table below, it should be noted the following:

- the purchase of the Scapa going concern, finalised on 12 March 2014, implied the entry of tangible and intangible assets with an overall value of 1,129 thousand Euros, in addition to a goodwill of 2,107 thousand Euros;
- on 28 May 2014, the purchase by the subsidiary Sfera S.p.A. of the "Lelli" going concern implied the entry of tangible and intangible assets with an overall value of 429 thousand Euros, in addition to a goodwill of 3,983 thousand Euros;
- the Parent Company has carried out a number of interventions as part of a plan for the increase of the capacity and re-modernisation of some distribution centres, plan which is expected to be completed in 2016, and in 2014 involved investments in equipment, plant and machinery for the MARR Sicilia distribution centre (for 411 thousand Euros), the MARR Scapa distribution centres (for 415 thousand Euros) and the MARR Sardegna, MARR Milano and MARR Uno distribution centres (for a total of 338 thousand Euros). The ongoing fixed assets under development, amounting to 556 thousand Euros, refer mainly to the MARR Napoli and Sicilia distribution centres.

The following is a summary of the net investments made in 2014.

(€thousand)	*31.12.14*
Intangible assets	
Concessions, licenses, trademarks and similar rights	327
Fixed assets under development and advances	21
Goodwill	6,090
Total intangible assets	6,438
Tangible assets	
Land and buildings	789
Plant and machinery	2,858
Industrial and business equipment	425
Other assets	788
Fixed assets under development and advances	556
Total tangible assets	5,416
Total	11,854

Research and development activities

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

Transactions with subsidiary, associated, holding and affiliated companies

In addition to that already reported in the "Group Structure" section, the following is a summary of the principal data concerning subsidiary companies:

(€ thousand)	*Annual report*	*Value of production*	*Cost of production*	*Profit (loss) for the year*	*Net Investments **	*Employees (number)*	*Net Equity*
Foodservice Companies							
Sfera S.p.A.	31/12/2014	13,235	13,267	(163)	4,633	0	482
AS.CA S.p.A.	31/12/2014	50,187	47,100	1,995	381	36	5,580
New Catering S.r.l.	31/12/2014	24,583	23,133	949	147	34	3,739
Baldini Adriatica Pesca S.r.l.	31/12/2014	19,923	19,555	164	25	16	186
Marr Foodservice Ibérica S.A.U.	31/12/2014	0	10	(2)	0	0	412
Other Companies							
Alisurgel S.r.l. in Liq.	31/12/2014	0	11	4	0	0	202

* The value of Net Investments related to che company Sfera S.p.A. includes the goodwill generated by the purchase of the going concerne "Lelli", finalised in May 2014.

It must be pointed out that the value of MARR's consolidated purchase of goods by Cremonini S.p.A. and affiliated companies (as in the following table) represented 5.0% of the total consolidated purchases. All the commercial transactions and supply of services occurred at market value.

The economic and financial data for the 2014 business year is showed in the following table, classified by nature and by company:

COMPANY	FINANCIAL RELATIONS						ECONOMIC RELATIONS								
	RECEIVEBLES			PAYABLES			REVENUES				COSTS				
	Trade	Other	Financial	Trade	Other	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	Other operating charges	Financial charges
From Parent Companies:															
Cremonini Spa (*)	39	1,409	4,101	753	1,756		3		150	136		1,058			2
Total	39	1,409	4,101	753	1,756	0	3	0	150	136	0	1,058	0	0	2
From unconsolidated subsidiaries:															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Associeted Companies															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Affiliated Companies (**)															
Cremonini Group															
Bell Carni S.r.l. (ex Italbeef Srl)															
Chef Express S.p.A. (ex Moto S.p.A.)	1,493			3			6,533		(21)			25			
Fiorani & C. S.p.a.		1		11					1		26				
Frimo S.a.m.															
Ges.Car. S.r.l.															
Global Service Logistics S.r.l.															
Global Service S.r.l.		5		461								783		10	
Guardamiglio S.r.l.	14						22								
Inalca Algerie S.a r l.	10														
Inter Inalca Angola ltda	171														
Inalca Brazzaville Sarl															
Inalca Kinshasa S.a.r.l.	273														
Inalca Food and Beverage	46						51								
Inalca S.p.a.	66	14		6,239			295		51		52,144	58			
Interjet S.r.l.															
Marr Russia llc															
Italia Alimentari (ex Montana Alimentari S.p.a.)	20	74		718					141		4,560				
Real Beef S.r.l.															
Roadhouse Grill Roma S.r.l.	227						784								
Roadhouse Grill Italia S.r.l.	3,604				47		17,959	14				1			
Salumi D'Emilia S.r.l.															
Tecno-Star Due S.r.l.															
Avirail Italia S.p.a.	3						10								
Time Vending S.r.l.	26								21						
Sessanta S.r.l.	34						30								
From Affiliated Companies															
Farmservice S.r.l.	12						63								
Food & Co S.r.l.	2														
Le Cupole S.r.l.													668		
Prometex Sam															
Total	6,001	94	0	7,432	47	0	25,747	14	193	0	56,730	867	668	10	0

(*) The items in the Other Receivables and Other Payables columns relate to the IRES benefit and cost transferred from MARR S.p.A. and its subsidiaries within the scope of the National Consolidated tax base, for requsests of reimbursement regarding to the personel cost not deducted to Irap in the years 2007-2011 and for the payable for the Ires of the year, respectively. 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, even through third party persons and/or companies; consequently during the year 2014 the company never purchased or sold the above-mentioned shares and/or quotas.
As at 31 December 2014 the company no longer owns own shares.
During the year, the Group did not carry out atypical or unusual operations.
As regards to the report on the reconciliation between the result for the period and the net Equity of the group, and the same values for the parent company, refer to Appendix 3 of the consolidated financial statements.

Report on corporate governance and the ownership structure

As regards the information required by art. 123 bis of the Legislative Decree 58/198 (Testo Unico della Finanza), see that contained in the "Report on Corporate Governance and the Ownership Structure", drawn up in compliance with the regulations in force and filed together with this report on the website www.marr.it, Corporate Governance section and also available at the Company headquarters.

It must also be pointed out that MARR S.p.A. adheres to and abides by the Code of Self-Governance for companies on the stock exchange approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

Significant events during 2014

On 12 March 2014, MARR S.p.A. signed the contract for the purchase of the Scapa going concern, whose activities it had managed since 23 February 2013 under a lease contract of going concern.
The purchase price net of the liabilities for employees and sales agents and of the lease costs of the going concern already paid was determined as 1.7 million Euros, and this amount has already been paid on signing of the contract.
Following the start of the management of the Scapa going concern, MARR has reorganised its logistical activities in the ex Scapa warehouses in Marzano (Pavia) and Pomezia (Rome), in which it has concentrated the distribution activities to National Account customers and created two significant storage platforms.

On 31 March 2014, MARR S.p.A. sold its holding (amounting to 55% of the share capital) in Alisea società consortile a responsibilità limitata to CIR Food Cooperativa Italiana di Ristorazione. Following the sale of the total holding in Alisea – a company operating in catering for hospitals and the total revenues of which amounted to 14.8 million Euros in 2013 – the activities of the MARR Group are focused on supplies to the foodservice segment.
The price of the sale was established as a total of 3,575 thousand Euros, of which 1,833 thousand were paid on the closing date, while the payment of the remaining 1,742 thousand Euros is subject to the definitive awarding of significant contracts for catering services.

On 28 April 2014, the extraordinary Shareholders' Meeting approved the proposal to increase the maximum number of members of the Board of Directors from 9 to 11, with the consequent amendment of art. 13, paragraph 1 of the company Corporate By Laws.

The same Shareholders' Meeting also decided on the appointment of the members of the Board of Directors and Board of Statutory Auditors, who will remain in office for three business years, and thus until the Shareholders' Meeting to be called for the approval of the 2016 financial statements.

Ugo Ravanelli (Chairman), Ilias Aratri, Giosuè Boldrini, Claudia Cremonini, Vincenzo Cremonini, Paolo Ferrari, Giuseppe Lusignani, Marinella Monterumisi, Francesco Ospitali, Pierpaolo Rossi and Lucia Serra were appointed members of the Board of Directors.
Ezio Maria Simonelli (Chairman), Davide Muratori, Simona Muratori, standing members, and Stella Fracassi and Marco Frassini, alternate members, were also appointed members of the Board of Statutory Auditors.

The Shareholders' Meeting approved the financial statements for the business year as at 31 December 2013 and the distribution to Shareholders of a gross dividend of 0.58 Euros with payment on 29 May, record date on 28 May and "ex coupon" (no. 10) on 26 May 2014.

The meeting of the Board of Directors, held after the Shareholders' Meeting of April, 28, appointed as Chief Executive Officers Francesco Ospitali (with proxies for the commercial and logistics area) and Pierpaolo Rossi (with proxies for the administration and finance area) and assessed the possession of the independence requirements provided by the law and the Code of Self-Discipline of the Italian Stock Exchange for the three directors qualified as Independents.

On 28 May 2014, the subsidiary Sfera S.p.A. signed a contract for the purchase of the "Lelli" going concern, the management of which it had already taken over as of 3 September 2012 in a going concern leasing contract. Subsequently, the subsidiary rented the "Lelli" going concern to MARR S.p.A., which manages it, as of 1 November 2014, through the new MARR Bologna distribution centre, based in Anzola dell'Emilia.

The merger by incorporation of the subsidiary EMI.GEL S.r.l. into the subsidiary New Catering S.r.l. became effective on 1 June 2014.

On 9 December 2014 the contract with the Autonomous Province of Bolzano for the lots awarded to MARR (22 out of 40 lots) in the tender for the supply agreement of food products to Public Administrations in the Province has been signed. The duration of the supply agreement is 12 months from the date of signature and can be extended for another 12 months at discretion of the awarding authority should the maximum spending amount not have been reached by the expiry date. On the basis of this agreement, those adhering – in other words the local authorities, companies, institutions and in general all the public bodies in the Autonomous Province of Bolzano – will be able to order food products by adhering to the supply agreement awarded.

Outlook

The trend for an improvement in the economic environment and recovery in domestic demand have not yet been evident in the out-of-home food consumption sector in Italy.
The management expectations for 2015 remain those of a foodservice market showing trends towards stabilisation and with respect to which the Group continues to pursue its objective of increasing its market share.
The focus on maintaining the operating profitability levels already achieved has been confirmed, with a selective approach in managing supplies, especially those of the direct supply to Public Administrations.
The focus on the management of the trade working capital remains unchanged, with the entire organisation focused on keeping the absorption of cash flow for the management of the business under control.

The Group is also committed to increasing its level of service in order to be ready to benefit from the opportunities offered by Expo 2015, supporting both the operators which will supply catering services during the event and the structures – hotels and restaurants – in Lombardy and in all the major cities which are expected to benefit from an increase in tourist numbers.

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.
In 2014, faced with the ongoing difficulty for customers in accessing credit, management maintained its close focus on credit management. The policies of cost containment aimed at maintaining the trade margin were also confirmed.
As regards the development of the financial situation of the Group, this depends upon numerous conditions, including the performance of the banking and monetary segments, which are also affected by the current economic situation, in addition to the achievement of the pre-established objectives in terms of management of the trade net working capital.

As regards the specific risks and uncertainties involved in the activities of MARR and the Group, please refer to what described in detail in the paragraph entitled "provision for non-current risks and charges" in the Explanatory notes to the financial statements.

Human Resources

In December 2014, there were 833 employees of the MARR Group (7 Directors, 32 Managers, 457 Office Employees and 337 Labourers), with a reduction compared to the end of 2013 due mainly to the sale of the holdings in Alisea on 31 March 2014. For the same reason, the average number of employees during the course of 2014 was lower (891.1) compared to the average figure for 2013 and higher than the figure for December 2014, due to both that described above and by effect of the dynamics consequent to the employment of workers on seasonal contracts, aimed at dealing with peaks in business, which in any event had a lower impact compared to the previous year, due to the increasingly careful management of resources.
In addition to dependent employees, the Group also uses over 700 trade experts and a network of transporters with about 750 vehicles, through agency and service contracts.

Training

The principal characteristics constituting the basis of the competitive advantage of MARR are a wide range of products (MARR commercialises a range of over 10,000 food products), the skills of the commercial department, efficiency of the logistics system and goods innovation skills.
This is why the MARR Group focuses strongly on the valorisation and training of its human resources, through periodical training programmes (ForMARR) oriented towards the training of internal personnel and the sales workforce.
There was also significant focus in 2014 on the training of new sales agents, which was renewed compared to the 2011 training programme and based on IT tools dedicated to commercial activities.
Specific effort is also made in terms of the training of personnel performing activities which influence the quality of products, services and processes, to such an extent that in 2014, the training initiatives for employees on food health and safety attracted over 800 participants.
The focus on training in terms of safety in the workplace (Legislative Decree 81/08 and subsequent amendments and integrations) was also of great significance, with over 250 employees being trained, as provided by the State-Regions Agreement of 21/12/2011, in addition to training for first aid personnel and fire fighting personnel, training in the use of the load raising devices and the vertical overhead platforms and periodical training for the Workers Safety Representatives.

Safety in the Workplace

The number of injuries is substantially in line with respect to 2013 (slight reduction), and is therefore still contained (it must also be specified that there were no fatal injuries), which is witness to the constant commitment of MARR in terms of continuously enhancing safety in the workplace through training and informative initiatives, structural enhancements and the dynamic management of the documental supports for the prevention of situations at risk.

Cost of employment

A confirmed policy of careful resource management, also in terms of limiting the recourse to overtime work, the employment of seasonal personnel and favouring the use of leave, led to a cost of employment in 2014 which was substantially in line with that in 2013, despite the residual impact of the remuneration increases provided by the national collective labour contract for the tertiary sector of distribution and services.

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)	*31.12.14*	*%*	*31.12.13*	*%*	*% Change*
Revenues from sales and services	1,305,556	*97.5%*	1,217,735	*97.6%*	*7.2*
Other earnings and proceeds	33,688	*2.5%*	30,177	*2.4%*	*11.6*
Total revenues	1,339,244	*100.0%*	1,247,912	*100.0%*	*7.3*
Raw and secondary materials, consumables and goods for resale	(1,063,950)	*-79.4%*	(975,279)	*-78.2%*	*9.1*
Change in inventories	17,031	*1.2%*	1,772	*0.2%*	*861.1*
Services	(155,332)	*-11.6%*	(145,505)	*-11.7%*	*6.8*
Leases and rentals	(8,855)	*-0.7%*	(9,266)	*-0.7%*	*(4.4)*
Other operating costs	(1,612)	*-0.1%*	(2,169)	*-0.2%*	*(25.7)*
Value added	126,526	*9.4%*	117,465	*9.4%*	*7.7*
Personnel costs	(31,746)	*-2.3%*	(31,046)	*-2.5%*	*2.3*
Gross Operating result	94,780	*7.1%*	86,419	*6.9%*	*9.7*
Amortization and depreciation	(4,284)	*-0.3%*	(3,825)	*-0.3%*	*12.0*
Provisions and write-downs	(10,385)	*-0.8%*	(9,542)	*-0.7%*	*8.8*
Operating result	80,111	*6.0%*	73,052	*5.9%*	*9.7*
Financial income	6,115	*0.5%*	7,558	*0.5%*	*(19.1)*
Financial charges	(10,819)	*-0.8%*	(10,166)	*-0.8%*	*6.4*
Foreign exchange gains and losses	(699)	*-0.1%*	(68)	*0.0%*	*927.9*
Value adjustments to financial assets	(2)	*0.0%*	(13)	*0.0%*	*(84.6)*
Result from recurrent activities	74,706	*5.6%*	70,363	*5.6%*	*6.2*
Non-recurring income	1,803	*0.1%*	0	*0.0%*	*100.0*
Non-recurring charges	0	*0.0%*	(1,856)	*-0.1%*	*(100.0)*
Profit before taxes	76,509	*5.7%*	68,507	*5.5%*	*11.7*
Income taxes	(24,128)	*-1.8%*	(21,736)	*-1.8%*	*11.0*
Total net profit	52,381	*3.9%*	46,771	*3.7%*	*12.0*

Re-classified Balance Sheet of the Parent Company MARR

MARR S.p.A. (€thousand)	*31.12.14*	*31.12.13*
Net intangible assets	73,455	71,310
Net tangible assets	62,651	62,229
Equity investments in other companies	33,467	33,496
Other fixed assets	36,370	36,416
Total fixed assets (A)	205,943	203,451
Net trade receivables from customers	361,733	372,418
Inventories	109,801	92,769
Suppliers	(258,173)	(254,043)
Trade net working capital (B)	213,361	211,144
Other current assets	46,371	52,806
Other current liabilities	(21,693)	(19,147)
Total current assets/liabilities (C)	24,678	33,659
Net working capital (D) = (B+C)	238,039	244,803
Other non current liabilities (E)	(690)	(438)
Staff Severance Provision (F)	(9,437)	(8,959)
Provisions for risks and charges (G)	(12,951)	(12,679)
Net invested capital (H) = (A+D+E+F+G)	420,904	426,178
Shareholders' equity	(250,877)	(238,291)
Shareholders' equity (I)	(250,877)	(238,291)
(Net short-term financial debt)/Cash	(88,445)	(23,297)
(Net medium/long-term financial debt)	(81,582)	(164,590)
Net financial debt (L)	(170,027)	(187,887)
Net equity and net financial debt (M) = (I+L)	(420,904)	(426,178)

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

	(€thousand)	31.12.14	31.12.13
A.	Cash	6,773	7,702
	Bank accounts	25,332	20,044
	Postal accounts	289	154
B.	Cash equivalent	25,621	20,198
C.	Liquidity (A) + (B)	32,394	27,900
	Current financial receivable due to Subsidiaries	4,101	8,624
	Current financial receivable due to Parent Company	7,525	2,633
	Others financial receivable	1,306	2,706
D.	Current financial receivable	12,932	13,963
E.	Current Bank debt	(57,277)	(36,037)
F.	Current portion of non current debt	(74,610)	(26,029)
	Financial debt due to Parent Company	0	0
	Financial debt due to Subsidiaries	(1,090)	(2,338)
	Financial debt due to Related Companies	0	0
	Other financial debt	(794)	(756)
G	Other current financial debt	(1,884)	(3,094)
H.	Current financial debt (E) + (F) + (G)	(133,771)	(65,160)
I.	Net current financial indebtedness (H) + (D) + (C)	(88,445)	(23,297)
J.	Non current bank loans	(46,641)	(133,945)
K.	Other non current loans	(34,941)	(30,645)
L.	Non current financial indebtedness (J) + (K)	(81,582)	(164,590)
M.	Net financial indebtedness (I) + (L)	(170,027)	(187,887)

Re-classified Cash Flows Statement of the Parent Company MARR S.p.A.

MARR S.p.A. (€thousand)	*31.12.14*	*31.12.13*
Net profit before minority interests	52,381	46,771
Amortization and depreciation	4,284	3,825
Change in Staff Severance Provision	478	498
Operating cash-flow	57,143	51,094
(Increase) decrease in receivables from customers	10,685	(18,270)
(Increase) decrease in inventories	(17,031)	(1,772)
Increase (decrease) in payables to suppliers	4,130	2,066
(Increase) decrease in other items of the working capital	8,981	(6,309)
Change in working capital	6,765	(24,285)
Net (investments) in intangible assets	(2,268)	(91)
Net (investments) in tangible assets	(4,588)	(19,757)
Net change in financial assets and other fixed assets	75	(5,598)
Net change in other non current liabilities	524	693
Investments in other fixed assets and other change in non current items	(6,257)	(24,753)
Free - cash flow before dividends	57,651	2,056
Distribution of dividends	(38,585)	(38,175)
Capital increase	0	6,986
Other changes, including those of minority interests	(1,206)	(840)
Cash-flow from (for) change in shareholders' equity	(39,791)	(32,029)
FREE - CASH FLOW	17,860	(29,973)
Opening net financial debt	(187,887)	(157,914)
Cash-flow for the period	17,860	(29,973)
Closing net financial debt	(170,027)	(187,887)

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 Executive Officers, in addition to the powers of legal representation as per art. 20 of the By Laws, have been conferred the necessary powers for the completion of the deeds concerning business activities, to be exercised in the framework of the proxies attributed by deliberation of the Board of Directors on 28 April 2014.

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

During the course of the business year, the Directors who filled the role of Executive Officers used the powers attributed to them solely for the everyday management of business activities, while the significant transactions in terms of type, quality and value were submitted for examination by the Board of Directors.

Transactions with subsidiary, associated, parent and affiliated companies

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

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

It must be pointed out that the value of the purchase of goods of MARR S.p.A. by Cremonini S.p.A. and affiliated companies (as in the following table) represented 5.52% 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 2014 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	Other operating charges	Financial charges
From Parent Companies:															
Cremonini Spa (*)		1,301	4,101	413	1,835		3		150	136		1,053			1
Total	0	1,301	4,101	413	1,835	0	3	0	150	136	0	1,053	0	0	1
From unconsolidated subsidiaries:															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Associeted Companies															
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From Affiliated Companies(**)															
Cremonini Group															
Avirail	3						10								
Bell Carni S.r.l. (ex Italbeef S.r.l.)															
Chef Express S.p.A. (ex Moto S.p.a.)	1,493			2			6,533		(22)			25			
Fiorani & C. S.p.a.		1		11					1		26				
Frimo S.a.m.															
Ges.Car. S.r.l.															
Global Service Logistics S.r.l.															
Global Service S.r.l.		5		458								768		10	
Guardamiglio S.r.l.															
Inalca Algerie S.a.r l.	10														
Inter Inalca Angola ltda	171														
Inalca Brazaville Sarl															
Inalca Food & Beverage	46						51								
Inalca Kinshasa Sarl	273														
Inalca S.p.a.	66	15		5,975			294		51		51,267	58			
Interjet S.r.l.															
Italia Alimentari (ex Montana Alimentari S.p.a.)	14	74		675					135		4,378				
Marr Russia llc															
Real Beef S.r.l.															
Roadhouse Grill Italia S.r.l.	3,604				47		17,959	14				1			
Roadhouse Grill Roma S.r.l.	227						784								
Salumi dell'Emilia S.r.l.															
Tecno-Star Due S.r.l.															
Time Vending S.r.l.	26								21						
Sessanta S.r.l.	34						30								
From not Affiliated Companies															
Farmservice S.r.l.	12						63								
Food & Co S.r.l.	2														
Le Cupole S.r.l.													668		
Prometex Sam															
Total	5,981	95	0	7,121	47	0	25,724	14	186	0	55,671	852	668	10	0

(*) The items in the Other Receivables and Other Payables columns relate to the IRES benefit and cost transferred from MARR S.p.A. within the scope of the National Consolidated tax base, for requsests of reimbursement regarding to the personel cost not deducted to Irap in the years 2007-2011 and for the payable for the Ires of the year, respectively. 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.

COMPANY	Trade	Other*	Financial	Trade	Other*	Financial	Sale of goods	Performance of services	Other revenues	Financial Income	Purchase of goods	Services	Leases and rental	Other operating charges	Financial charges
From Affiliated Companies															
Alisea Soc. Cons. a r.l.							237	21	3						
Asca S.p.A.	718		2,867	18			1,539	289	5	72	304				
Baldini Adriatica Pesca S.r.l.	130		1,564	136			675	96	27	19	1,676				6
Emigel S.r.l.															
Alisurgel S.r.l. in liquidazione						775		3							17
Marr Foodservice Iberica S.A.u				92		315									7
New Catering S.r.l.	248		932	15			524	202	14	14	3	15			1
Sfera S.p.A.	28	577	2,162	23	44		1,144	21		107	1,060	23	1,537		
Total	1,124	577	7,525	284	44	1,090	4,119	632	49	212	3,043	38	1,537	0	31

Proposal for the distribution of the 2014 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 2014 submitted for your examination and approval in this meeting, have been drafted in respect of the legislation in force.

In submitting the 2014 financial statements for approval, we propose to:

a) distribute the profits amounting to 52,381,477 Euros as follows:

- to dividend of 0.62 Euros for each ordinary share with rights;

- allocation of the remaining amount to the extraordinary reserve.

b) to pay the dividend on 27 May 2015 with ex coupon (No. 11) on 25 May 2015, in accordance with the Italian Stock Exchange regulations.

The Board of Directors would like to express its sincere thanks to all employees and collaborators who contributed in 2014 to the achievement of the Company's objectives through their commitment.

Rimini, 12 March 2015

The Chairman of the Board of Directors
Ugo Ravanelli

MARR GROUP

Consolidated Financial Statements

as at December 31, 2014

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(€thousand)	Notes	31.12.14	31.12.13
ASSETS			
Non-current assets			
Tangible assets	1	68,962	68,282
Goodwill	2	105,720	99,630
Other intangible assets	3	550	350
Investments in other companies		304	304
Non-current financial receivables	4	2,046	2,200
Non current derivative/financial instruments	5	285	0
Deferred tax assets	6	11,077	10,201
Other non-current assets	7	36,415	36,537
Total non-current assets		225,359	217,504
Current assets			
Inventories	8	116,366	100,704
Financial receivables	9	5,176	5,339
relating to related parties		*4,101*	*2,633*
Financial instruments / derivative	10	249	0
Trade receivables	11	366,621	388,223
relating to related parties		*6,041*	*5,098*
Tax assets	12	8,613	9,751
relating to related parties		*1,409*	*2,681*
Cash and cash equivalents	13	37,533	32,824
Other current assets	14	39,852	46,445
relating to related parties		*94*	*100*
Total current assets		574,410	583,286
TOTAL ASSETS		*799,769*	*800,790*
LIABILITIES			
Shareholders' Equity			
Shareholders' Equity attributable to the Group	15	254,280	243,015
Share capital		*33,263*	*33,263*
Reserves		*160,600*	*153,963*
Retained Earnings		*0*	*0*
Profit for the period attributable to the Group		*60,417*	*55,789*
Shareholders' Equity attributable to minority interests		0	1,127
Minority interests' capital and reserves		*0*	*546*
Profit for the period attributable to minority interests		*0*	*581*
Total Shareholders' Equity		254,280	244,142
Non-current liabilities			
Non-current financial payables	16	81,236	161,588
Non current derivative/financial instruments	17	346	3,002
Employee benefits	18	10,960	11,542
Provisions for risks and costs	19	4,589	4,257
Deferred tax liabilities	20	11,477	11,328
Other non-current liabilities	21	690	438
Total non-current liabilities		109,298	192,155
Current liabilities			
Current financial payables	22	138,019	67,704
relating to related parties		*0*	*0*
Current derivative/financial instruments	23	41	0
Current tax liabilities	24	3,652	1,904
relating to related parties		*1,756*	*0*
Current trade liabilities	25	274,443	274,334
relating to related parties		*8,465*	*8,769*
Other current liabilities	26	20,036	20,551
relating to related parties		*47*	*26*
Total current liabilities		436,191	364,493
TOTAL LIABILITIES		*799,769*	*800,790*

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(€thousand)	*Notes*	31.12.14	31.12.13
Revenues	27	1,405,260	1,331,891
relating to related parties		*25,778*	*15,432*
Other revenues	28	36,093	32,854
relating to related parties		*343*	*189*
Changes in inventories	8	15,772	1,968
Capitalised costs	29	21	0
Purchase of goods for resale and consumables	30	(1,138,185)	(1,057,186)
relating to related parties		*(56,730)*	*(51,559)*
Personnel costs	31	(37,083)	(41,457)
Amortization, depreciation and write-downs	32	(16,093)	(15,167)
Other operating costs	33	(180,051)	(174,729)
relating to related parties		*(2,745)*	*(3,533)*
Financial income and charges	34	(8,805)	(6,860)
relating to related parties		*134*	*199*
Income (cost) from associated companies	35	104	0
Pre-tax profits		77,033	71,314
Taxes	36	(25,928)	(23,996)
Profits for the period		51,105	47,318
Atributable to:			
Shareholders of the parent company		51,105	46,737
Minority interests		0	581
		51,105	*47,318*
basic Earnings Per Share (euro)	37	0.77	0.71
diluted Earnings Per Share (euro)	37	0.77	0.71

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(€thousand)	*Notes*	*31.12.14*	*31.12.13*
Profits for the period (A)		51,105	47,318
Items to be reclassified to profit or loss in subsequent periods:			
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect		(789)	(868)
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses)/gains concerning defined benefit plans, net of taxation effect		(460)	24
Total Other Profits/Losses, net of taxes (B)	*38*	(1,249)	(844)
Comprehensive Income (A + B)		49,856	46,474
Atributable to:			
Shareholders of the parent company		49,856	45,891
Minority interests		0	583
		49,856	*46,474*

CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

(Note n. 15)

Description	Share Capital	Other Reserves															Profits carried over from consolidated	Business year profits (losses)	Total Group net equity	Total third party net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders ontributions 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)	Reserve IAS 19	Total reserves	Trading on share reserve	Reserve for profit (losses) on own share	Total own shares				
Balance at 1st January 2013	32,910	60,192	6,652	13	36,496	27,629		1,475	7,296	(6)	1,498	(176)	141,069	(3,467)	(10)	(3,477)	57,816		228,318	1,162
Allocation of 2012 profit						10,590							10,590				(10,590)			
Distribution of parent company dividends																	(38,175)		(38,175)	
Distribution of subsidiaries company dividends																				(618)
Effect of the trading of own shares	353	3,156											3,156	3,467	10	3,477			6,986	
Other minor variations											(6)		(6)				1		(5)	
Consolidated comprehensive income 2013:																				
- Profit for the period																	46,737		46,737	581
- Other Profits/Losses, net of taxes										(868)		22	(846)						(846)	2
Balance at 31 December 2013	33,263	63,348	6,652	13	36,496	38,219		1,475	7,296	(874)	1,492	(154)	153,963				55,789		243,015	1,127
Allocation of 2013 profit						8,187							8,187				(8,187)			
Distribution of parent company dividends																	(38,585)		(38,585)	
Sale quote of the company Alisea									(6)				(6)				6			(1,127)
Other minor variations										(1)	(6)	(288)	(295)				289		(6)	
Consolidated comprehensive income 2014:																				
- Profit for the period																	51,105		51,105	
- Other Profits/Losses, net of taxes										(789)		(460)	(1,249)						(1,249)	
Balance at 31 December 2014	33,263	63,348	6,652	13	36,496	46,406		1,475	7,290	(1,664)	1,486	(902)	160,600				60,417		254,280	

CONSOLIDATED CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	31.12.14	31.12.13
Profit for the Period	51,105	47,318
Adjustment:		
Amortization / Depreciation	4,879	4,534
Allocation of provison for bad debts	10,654	10,273
Allocation of provision for risks and losses	113	240
Capital profit/losses on disposal of assets	(61)	(158)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and losses	8,091	6,531
relating to related parties	*(134)*	*(199)*
Foreign exchange evaluated (gains)/losses	369	8
	24,045	21,428
Net change in Staff Severance Provision	182	577
(Increase) decrease in trade receivables	4,028	(23,943)
relating to related parties	*(943)*	*(1,731)*
(Increase) decrease in inventories	(15,796)	(1,968)
Increase (decrease) in trade payables	3,138	3,961
relating to related parties	*(304)*	*516*
(Increase) decrease in other assets	4,172	(21,443)
relating to related parties	*6*	*1*
Increase (decrease) in other liabilities	781	2,128
relating to related parties	*21*	*26*
Net change in tax assets / liabilities	25,186	22,027
relating to related parties	*21,119*	*16,075*
Interest paid	(11,027)	(10,390)
relating to related parties	*(2)*	*200*
Interest received	2,936	3,859
relating to related parties	*136*	*(1)*
Foreign exchange gains	428	(478)
Foreign exchange losses	(797)	470
Income tax paid	(23,027)	(21,078)
relating to related parties	*(18,091)*	*(16,238)*
Cash-flow from operating activities	65,354	22,468
(Investments) in other intangible assets	(150)	(93)
(Investments) in tangible assets	(4,695)	(21,609)
Net disposal of tangible assets	699	1,687
Net (investments) in equity investments in other companies	(4)	(8)
Outgoing for acquisition of subsidiaries or going concerns during the year	(5,410)	0
Ingoing for divestments of subsidiaries during the year	1,715	0
Cash-flow from investment activities	(7,845)	(20,023)
Distribution of dividends	(38,585)	(38,175)
Increase in capital and reserves paid-up by shareholders	0	6,986
Other changes, including those of third parties	(1,704)	(1,467)
Net change in financial payables (excluding the new non-current loans received)	(40,794)	(160,451)
relating to related parties	*0*	*0*
New non-current loans received	28,500	159,295
relating to related parties	*0*	*0*
Net change in current financial receivables	(86)	10,292
relating to related parties	*(1,468)*	*10,644*
Net change in non-current financial receivables	(131)	1,304
relating to related parties	*0*	*0*
Cash-flow from financing activities	(52,800)	(22,216)
Increase (decrease) in cash-flow	4,709	(19,771)
Opening cash and equivalents	32,824	52,595
Closing cash and equivalents	37,533	32,824

EXPLANATORY NOTES TO THE INTERIM CONDENSED 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 2014 were authorised for publication by the Board of Directors on 12 March 2015.

Structure and contents of the consolidated financial statements

The consolidated financial statements as at 31 December 2014 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 2014, 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 2014, see that described in the Directors' Report on management performance.

The consolidated financial statements as at 31 December 2014 include, for comparative purposes, the figures for the year ended on 31 December 2013.

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

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

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

(€thousand)	31.12.14 MARR Consolidated	31.12.14 MARR S.p.A.	Impact %
Revenues from sales and services	1,405,260	1,305,556	92.9%
Total assets	799,769	769,174	96.2%
Net profit for the period	51,105	52,381	102.5%

All amounts are indicated in Euros.

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

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

Consolidation method

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

- Subsidiaries have been consolidated as from the date when control was actually transferred to the Group, and are no longer consolidated as from the date when control was transferred outside the Group.
- Assets and liabilities, charges and income of the companies consolidated on a line-by-line basis, have been fully entered in the consolidated financial statements; the book value of equity investments has been written off against the corresponding portion of shareholders' equity of the related concerns, by assigning to each single item of the statement of financial position's assets and liabilities, the current value as at the date of acquisition of control (purchase method as defined by IFRS 3, "Business combinations"). Any residual difference, if positive, is entered under "*Goodwill*" in the assets; if negative, in the income statement.
- Mutual debt and credit, costs and revenues relationships, between consolidated companies, and the effects of all significant transactions between these companies, have been written off.
- The portions of shareholders' equity and of the results for the period of minority shareholders have been shown separately in the consolidated shareholders' equity and income statement: this holding is determined on the basis of the percentage held in the fair value of the assets and liabilities recorded at the date of original takeover and in the changes in shareholders' equity after this date.
- Subsequently, the profits and losses are attributed to the minority shareholders on the basis of the percentage they hold and the losses are attributed to minorities even if this implies that the minority holdings have a negative balance.
- Changes in the shareholding of the parent company in a subsidiary which do not imply loss of control are accounted as equity transactions.
- If the parent company loses control over a subsidiary, it:
    - derecognises the assets (including any goodwill) and liabilities of the subsidiary,
    - derecognises the carrying amount of any non-controlling interest,
    - derecognises the cumulative translation differences recorded in equity,
    - recognises the fair value of the consideration received,
    - recognises the fair value of any investment retained,
    - recognises any surplus or deficit in the profit and loss,
- re-classifies the parent's share of components previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate.

Scope of consolidation

The consolidated financial statements as at 31 December 2014 include the financial statements of the Parent Company MARR S.p.A. and those of the companies it either directly or indirectly controls.
Control is achieved when the Group is exposed or has the right to variable performance levels, deriving from its own relations with the entity involved in the investment and, simultaneously, has the capacity to affect these performance levels by exercising its power over the entity. Specifically, the Group controls a subsidiary if, and only if, the Group has:
· the power over the entity involved in the investment (or has valid rights conferring upon it the current capacity to manage the significant activities of the entity being invested in);
· exposure or the right to variable performance levels deriving from relations with the entity being invested in;
· the capacity to exercise its own power over the entity being invested in terms of affecting the amount deriving from its performance.
There is a general assumption that the majority of voting rights implies control. In support of this assumption and when the Group possesses less than the majority of the voting (or similar) rights, the Group considers all the significant facts and circumstances to establish whether it controls the entity being invested in, including:
· contractual agreements with other owners of voting rights;
· rights deriving from contractual agreements;
· voting rights and potential voting rights of the Group.
The Group reconsiders whether it has control over a subsidiary or not if the facts and circumstances indicate that there have been changes in one or more of the significant elements defining control.
The complete list of subsidiaries included in the scope of consolidation as at 31 December 2014, with an indication of the method of consolidation, are attached in Appendix 1.

The consolidated financial statements have been prepared on the basis of the financial statements as at 31 December 2014 prepared by the subsidiaries included in the scope of consolidation and adjusted, if necessary, in order to align them to the accounting Group policies and classification criteria, in accordance with IFRS.

The scope of consolidation as at 31 December 2014 differs with respect to 31 December 2013 due to the exit from the scope itself of Alisea Soc. Cons. a r.l., operating in contracted catering to hospitals, following the sale by the parent company MARR S.p.A. of the totality of its holding in the company (amounting to 55% of the share capital) on 31 March 2014.
The price of the sale was established as 3,575 thousand Euros, of which 1,833 thousand were paid on the closing, while the payment of the remaining 1,742 thousand Euros is subject to the definitive awarding of significant contracts for catering services.
These interim financial statements include the economic data for Alisea up to 31 March 2014 which, with total revenues of 3.7 million Euros, recorded overall profits of 0.3 million Euros.
It should also be highlighted that the economic effect of deconsolidation is expressed in the item "Income from subsidiaries disposal" and amounts to a total of 104 thousand Euros as at 31 December 2014; this transaction implied the offset from the balance sheet of the minorities.

Please note that, on 1 June 2014 the merger by incorporation of the subsidiary EMI.GEL S.r.l. into the subsidiary New Catering S.r.l. became effective, with accounting and fiscal effects from 1 January 2014. This transaction did not alter the perimeter of the scope of consolidation of the Group, which thus remains unchanged, or the holdings within the Group itself, given that both the companies involved in the transaction were already 100% subsidiaries of MARR.

Accounting policies

The most significant Accounting policies adopted for the preparation of the consolidated financial statements as at 31 December 2014 are indicated below:

Tangible assets

Tangible assets are entered at their purchase cost or production cost, inclusive of directly allocated additional charges required to make the assets available for use. As permitted by IFRS 1, in the context of the first time adoption of the International Accounting Standards, the Company has measured certain land and buildings owned at fair value, and has adopted such fair value as the new cost subject to depreciation.
No revaluations are permitted, even if pursuant to specific laws. Assets subject to capital lease are entered under tangible assets against a financial payable to the lessor, and depreciated in accordance with the criteria below.
Tangible assets are systematically depreciated on a straight-line basis over their expected useful life, based on the estimate of the period over which the assets will be used by the Company. When the tangible asset is made up of a number of significant components, each with a different useful life, depreciation is made for each single component. The depreciation value is represented by the book value minus the presumable net transfer value at the end of its useful life, if material and reasonably determinable. Land is not depreciated, even if purchased together with a building, and neither are tangible assets held for sale, measured at the lower between the book value and fair value after transfer charges.
Costs for improvement, upgrading and transformation increasing tangible assets are entered in the statement of financial position, in compliance with the requirements of the IAS 16.

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

- Buildings	2.65% - 4%
- Plant and machinery	7.50%-15%
- Industrial and business equipment	15%- 20%
- Other assets:	
- Electronic office equipment	20%
- Office furniture and fittings	12%
- Motor vehicles and means of internal transport	20%
- Cars	25%
- Other minor assets	10%-30% / contract term

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

Goodwill and other intangible assets

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

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

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

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

Investments in related companies and other companies

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

Inventories

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

Receivables and other current assets

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

Financial assets

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

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

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

Derivatives

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

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

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

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

Losses in value of financial assets

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

impairment and for which a loss in value has been recorded or continues to be recorded are not included in any collective assessments of impairment.

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

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

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

In the case of equity investments classified as available for sale, the objective evidence would include a significant or prolonged reduction in the fair value of the investment below its cost. The "Significance" is evaluated with respect to the original cost of the instrument and "prolonged effect" with respect to the (duration of the) period in which the fair value has been below the original cost. Should there be evidence of impairment, the cumulative losses – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from the other comprehensive income and recognised in the income statement.

Any losses due to impairment of instruments representative of capital may not be reversed with the effects recorded in the profit and loss account; any increases in their fair value subsequent to an impairment loss are recorded directly in the other comprehensive income.

Losses in value of non-financial assets

When events occur that would lead to assume a reduction in the value of asset, its recoverability is assessed by comparing the recorded value with the relevant recoverable value, represented by the greater of the fair value, net of the discharge costs, and its value in use.

In the absence of a binding sales agreement, the fair value is estimated on the basis of the values expressed by an active market, by recent transactions or on the basis of the best information available to reflect the amount that the business would receive by selling the asset.

The value in use is determined by actualising the expected cash flows deriving from the use of the asset and, if significant and reasonably determinable, from its sale at the end of its useful lifetime. The cash flows are determined on the basis of reasonable and documented assumptions representative of the best estimate of the future economic conditions that may occur during the remaining lifetime of the asset, giving more importance to indications from outside. Actualisation is carried out at a rate which takes into account the market assessments of the current value of cash and specific risks of the asset, in addition to the inherent risk to the sector of business in question.

Assessment is conducted on each individual asset or the smallest identifiable group of assets which generates autonomous incoming cash flows deriving from continuous use (so-called *cash generating unit*). When the reasons for the depreciations made are no longer in place, the assets, except for goodwill, are revalued and the adjustment attributed to the profit and loss account as readjustment (restoration of value). Readjustment is carried out at the lesser of the recoverable value and recorded value gross of depreciations carried out previously and reduced by the amortization quotas that would have been allocated had impairment not been carried out.

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

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

Employee benefits

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

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

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

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

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

Provisions for risks and charges

Provisions for risks and charges involve specific costs and charges, considered definite or probable, for which the amount or due date could not yet be determined at the end of the year. Provisions are recognized when: (i) the existence of a current, legal or implied obligation is probable, arising from a previous event; (ii) the discharge of the obligation may likely involve charges; (iii) the amount of the obligation may be reliably estimated. Provisions are entered at the value representing the best estimate of the amount the

Company would reasonably pay to redeem the obligation or to transfer it to third parties at the end of the period. When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is discounted back; the increase in the provision associated with the passage of time, is entered in the income statement under "Financial income (charges)". The supplementary clientele severance indemnity, as all other provisions for risks and charges, has been appropriated, based on a reasonable estimate of probable future liabilities, and taking the elements available into consideration.

Financial liabilities

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

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

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

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

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the income statement.
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

Derivatives

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

Income taxes

Current income taxes are calculated on the basis of the estimated taxable income. Tax assets and liabilities for current taxes are recognized at the value expected to be paid/recovered to/from the Tax Authorities, by applying the rates and tax regulations in force or basically approved as at the end of the period, and considering the involvement of some companies to the national consolidated tax base.
Deferred tax liabilities and assets are calculated on the temporary differences between the values of the assets and liabilities recorded in the financial statements and the corresponding values recognised for fiscal purposes.
Deferred taxes are recorded on all the taxable temporary differences, with the following exceptions:

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

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

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

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

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

Criteria for conversion of items in foreign currency

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

Business combinations

The business combinations occurred prior to 1 January 2010 are accounted through the application of the so-called *purchase method* (purchase methods defined by IFRS 3 as "Business combinations"). The purchase method requires that, after having identified the buyer involved in the business combination and having determined the purchase cost all the assets and liabilities purchased (including the so-called contingent liabilities) must be valued at fair value. For this purpose, the company is required to value any intangible assets purchased in specifically. Any goodwill is to be calculated in a residual manner, as the difference between the cost of the business combination (including additional charges and any contingent considerations) and the share pertaining to the company of the difference between the assets and liabilities purchased, valued at their fair value.
The business combinations occurred subsequently to 1 January 2010 are accounted for using the acquisition method (IFRS 3R). The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value acquisition date and the amount of any non-controlling interest in the acquired. For each business combination, the acquirer measures the no controlling interest in the acquired either at fair value or at the proportionate share of the acquired identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.
If business combinations are achieved in stages, the fair value of the shareholding previously held is remeasured to fair value at the acquisition date, recording any resulting profits or losses in the profit and loss account.
Each contingent consideration to be transferred to the acquirer will be recognised by the

acquired at the fair value at the acquisition date. Changes to the fair value of the contingent consideration classified as a financial asset or liability will be recorded in accordance with IAS 39 either in the profit and loss or as a change to comprehensive income. If it das not fall within the scope of IAS 39, it will be recognised in accordance with IAS 37 or the most appropriate IFRS.
If the contingent consideration is classified as equity, it should not remeasured until it is finally settled within equity.
Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed.
If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

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

Revenue and cost recognition

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

Accounting treatment of financial assets/instruments

The Group uses derivative financial instruments to hedge its exposure to foreign currency risks on purchases and loans in currency other than the functional one.
These derivative financial instruments are initially recognised at their fair value on stipulation; subsequently, this fair value is remeasured periodically; they are carried as assets when the fair value is positive and liabilities when the fair value is negative.
Fair value is the price that would be received for the sale of an asset, or would be paid for the transfer of a liability, in a standard transaction between market operators on the date of valuation.
The fair value of the derivative financial instruments used is determined on the basis of market value when it is possible to identify the market to which they actively belong. However, if the market value of a financial instrument is not easily calculable, but its components or those of a similar instrument are calculable, the market value is determined through the evaluation of the individual components of the instrument or of the similar instrument. Furthermore, for those instruments for which an active market is not easily identifiable, the evaluation is carried out by using the value resulting from generally accepted evaluation models and techniques which ensure a reasonable approximation of the market value. All the assets and liabilities for which the fair value is valued or recorded in the financial statements are categorised on the basis of the fair value hierarchy, as described below:

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

Derivatives are classified as coverage instruments when the relation between the derivative and the object of the coverage is formally documented and the coverage,

assessed periodically, is highly effective. If derivatives cover a risk concerning the cash flow variations of the instruments covered (cash flow hedge; for example coverage of cash flow variability of assets/liabilities by effect of oscillations in exchange rates), the variations in the fair value of derivatives are initially recorded at net equity and subsequently attributed to the income statement coherently with the economic effect produced by the operation covered. Should the derivatives cover the fair value risk, the change in fair value of the covering derivatives is recorded in the statement of profit or loss among the financial costs. The change in fair value of the element covered attributable to the risk covered is recorded as part of the load value of the element covered and is also recorded in the statement of profit or loss among the financial costs.
The variations in fair value of the derivatives which do not satisfy the conditions required in order to be classified as coverage are recorded in the income statement for the business year.

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

Main estimates adopted by management and discretional assessments

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

Estimates and hypotheses used

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

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

In order to measure any impairment of goodwill 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 2015 cash-flows generating units attributable to each goodwill/consolidation derive from the Budget approved by the Board of Directors; for subsequent years, an extremely prudent conduct was maintained, estimating a substantially flat performance in terms of revenues for 2016 and 2017 and an increase of 1% for 2018 and 2019; for 2020 and for the calculation of the terminal value, an increase rate of 1% was hypothesised. The Weighted Average Cost of Capital (WACC) has been adopted as the discount rate, which is 6.31% (6.56% in the previous year) calculated punctually in coherence with previous years. Sensitivity analyses have also been conducted on this rate and the sustainability of the goodwill value recorded in the financial statements verified with WACC values aligned to the forecasts by financial analysts.
The measurement of any impairment of assets (Goodwill), for the results of which refer to the paragraph 2 "*Goodwill*", was made by referring to the situation as at 31 December 2014.

- 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 equal to: 0.6% for the year 2015, 1.2% for the year 2016, 1.5% for the years 2017 and 2018, 2% for the year 2019 and the subsequents;
  - The discounting rate used is equal to 0.91%[IV] for the companies Marr, Baldini and AS.CA while is equal to 1.49%[V] for the company New Catering;

[IV] Average performance curve deriving from the IBOXX Eurozone Corporates AA (7-10 years).

[V] Average performance curve deriving from the IBOXX Eurozone Corporates AA (+10 years).

- The annual rate of increase of the severance plan is expected to be equal to: 1.95% for the year 2015, 2.4% for the year 2016, 2.625% for the years il 2017 and 2018, 3% for the year 2019 and the subsequents;
- 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.;
  - The rate of corporate turnover is expected to be 2% for MARR. S.p.A., 10% for AS.CA S.p.A., 7% for New Catering S.r.l.;
  - The discounting rate used is 0.72%.

- 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 2014

The criteria for assessment used for the purpose of predisposing the consolidated accounts do not differ from those used for the drafting of the consolidated financial statements as at 31 December 2013, with the exception of the accounting principles, amendments and interpretations applicable as from 1st January 2014, which althought did not affected the present Group financial statement.

- 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 the subsidiary companies are and which must be consolidated by the parent company. 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.
  The modification subsequent to the initial introduction of the principle also provides an exception to consolidation for entities which are included in the definition of investment entity pursuant to IFRS 10 – Consolidated Financial Statements. This exception to consolidation requires that investment entities assess the subsidiaries at the fair value recorded in the income statement. These changes are not applicable to the Group financial statements.
- IFRS 11 "Joint Arrangements" – this principle replaces IAS 31 "Interest in joint ventures" and SIC 13 "Jointly-controlled Entities – non monetary contributions by ventures". IFRS 11 removes the option of accounting jointly controlled entities using proportionate consolidation but establishes the use of the net equity method. This case does not arise within the Group.
- 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.
- 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. This principle is not applicable to the Group financial statement.

- IAS 32 Compensation of financial assets and liabilities – Changes to IAS 32". The changes clarify the meaning of "currently has a legal right to compensate". The changes also clarify the application of the criterion of compensation in IAS 32 in the case of regulating systems (such as centralised compensation systems for example) which apply gross non-simultaneous regulation mechanisms. These changes have not had any impact on the Group financial statements, given that none of the entities in the Group have ongoing compensation agreements.
- IAS 36 *"Additional information on the recoverable value of non-financial assets – Amendments to IAS 36"*. These amendments eliminate the consequences involuntarily introduced by IFRS 13 on the information required by IAS 36. Furthermore, these amendments require information on the recoverable value of the assets or CGU for which a reduction in value was recorded or "reversed" during the course of the business year (impairment loss).
- IAS 39 "Novation of derivatives and continuation of hedge accounting – Amendments to IAS 39". These amendments enable the continuation of hedge accounting when novation of a hedging derivative respects certain criteria. These modifications, which must be applied retrospectively, have not had any impact on the consolidated financial statements, as the Group has not replaced any of its derivatives during the business year or in preceding business years.
- IFRIC 21 *"Taxation"*. IFRIC 21 is applicable retroactively to all the payments imposed by the law by the Government, other than those already dealt with in other principles (for example by IAS 12 "*Income tax*" and fines or other sanctions for breaches of the law). This interpretation clarifies that an entity recognises a liability not before the occurrence of the event to which the payment is related, in accordance with the applicable law. The interpretation also clarifies that liability only accrues progressively if the event the payment is related to occur during a timeframe provided by the law. As regards payments that are due only when a specific minimum threshold is exceeded, the liability is only recorded when the threshold is reached. This interpretation has not had an impact on the Group, as the recording criteria provided by *IAS 37 "Allocations, potential liabilities and assets"*, which are in agreement with the dispositions of IFRIC 21, were applied in preceding years.

We would also point out that on 12 December 2013, the IASB published the documents entitled "*Annual Improvements to IFRSs: 2010 – 2012 cycle*" and "*Annual Improvements to IFRSs: 2011 – 2013 cycle*" which acknowledge the changes to the principles in the framework of the annual process for their enhancement, focusing on the changes deemed necessary but not urgent. We would point out that the principal modifications are not applicable to these consolidated financial statements:
IFRS 2 - Payments based on shares: changes have been made to the definitions of "vesting condition" and "market condition" and the definitions of "performance condition" and "service condition" have been added, for the recording of benefits plans based on shares.

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

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

Accounting principles, amendments and interpretations applicable subsequently

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

- IFRS 9 - Financial instruments. In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments, which reflects all the phases of the project concerning financial instruments and replaces IAS 39, Financial Instruments: Recording and assessment, and all previous versions of IFRS 9. The principle introduces new requirements for classification, assessment, loss of value and hedge accounting. IFRS 9 is effective for business years starting on 1 January 2018 or later.

- IFRS 15 - Revenues deriving from contracts with customers. This IFRS was issued in May 2014 and introduces a new five-phase model to be applied to revenues from customer contracts. IFRS 15 provides that revenues be recorded for an amount reflecting the payment the entity deems to have the right to in exchange for the transfer of goods or services to the customer. The principle gives a more structured approach for recording and assessing revenues, replacing all the current requirements in the other IFRS on the recognition of revenues. IFRS 15 is effective for business years starting on 1 January 2017 or later, with full or modified retrospective application. Advance application is also allowed. The Group does not expect any significant impact from the application of this principle.
- Modifications to IFRS 11 - Joint control agreements: Purchase of a holding. These modifications require that a joint operator which records the acquisition of a holding in a joint control agreement in the accounts, the activities of which represent a business, must apply the significant principles of IFRS 3 concerning the accounting of corporate aggregations. The modifications also clarify that, in the case of joint control being maintained, the holding previously held in a joint control agreement shall not be the subject of re-measurement at the time at which an additional holding is purchased. Furthermore, an exclusion to the scope of IFRS 11 has been added, in order to clarify that the modifications shall not be applicable when all the parties sharing control, including the entity which draws up the financial statements, are subjected to the common control of the same controlling entity. The modifications are applicable to both the purchase of the initial holding in a joint control agreement and the purchase of any additional holdings in the same joint control agreement. The modifications must be applied prospectively for business years starting on 1 January 2016 or later, and their advance application is allowed.
- Modifications to IAS 16 and IAS 38: Clarification on the admissible methods of amortization. These modifications clarify the principle contained in IAS 16 and in IAS 38: the revenues reflect a model of economic benefits generated by the management of a business (of which the activity is part), rather than the economic benefits consumed by using the asset in question. It follows that a method based on revenues cannot be used for the amortization of buildings, plant and machinery and could only be used in very limited circumstances for the amortization of intangible assets. The modifications must be applied prospectively for business years starting on 1 January 2016 or later, and their advance application is allowed.
- Modifications to IAS 19 Employee benefits: Contributions by employees. IAS 19 requires that an entity must consider the contributions by employees or third parties when recording the defined benefits plans in the accounts. When the contributions are linked to the performance of a service, they should be attributed to the period of service as negative benefits. The modification clarifies that, if the amount of contributions is independent of the number of years service, the entity is allowed to record these contributions as a reduction in the cost of the service in the period in which the service is performed rather than allocate the contributions to the service periods. This modification is effective for business years starting on 1 July 2014 or later.
- Modifications to IAS 27: Net equity method in the separate financial statements. The modifications will enable the entity to use the net equity method to record the holdings in subsidiaries, joint ventures and associates in its own separate financial statements. The entities which are already applying the IFRS and decide to modify the criterion for recording in the accounts by changing to the net equity method in their own separate financial statements must apply the change retrospectively. The modifications are effective for business years starting on 1 January 2016 or later, and their advance application is allowed.
- Modifications to IAS 1: Initiative on the informative note to the financial statements. The modifications are aimed at introducing clarifications into IAS 1 in order to deal with some elements that are perceived as limitations to the use of judgement by those who draw up the financial statements. These modifications are awaiting homologation and are applicable for business years starting on 1 January 2016 or later.
- Modifications to IFRS 10 and IAS 28: sale or conferment of an asset between an investor and one of their associates or joint ventures. The modification is aimed at removing the conflict between the requirements of IAS 28 and IFRS 10 and clarifies that in a transaction involving an associate or joint venture, the extent to which it is possible to record a profit or loss depends on whether the asset involved in the sale or conferment is a business or not. The modification is awaiting homologation and is applicable for business years starting on 1 January 2016 or later.

Lastly, some enhancements have been issued to acknowledge the modifications to the principles in the framework of their annual enhancement, concentrating on the necessary, but not urgent, modifications.
The main modifications still awaiting homologation concern the following principles:

- IFRS 5, introduces a clarification for cases in which the method of transfer of an asset changes, reclassifying the latter from held for sale to held for distribution;
- IFRS 7, clarifies if and when contract services constitute continuous involvement for informative purposes;

- IAS 19, clarifies that the currency of the securities used as reference in estimating the discount rate must be the same as that in which the benefits will be paid out;
- IAS 34, clarifies the meaning of "elsewhere" in cross referencing.

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 and part of the financial exposure with variable rates.

Market risk

(i) Currency risk: the currency risk arises when reported assets and liabilities are expressed in a currency other than the enterprise's functional currency. 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 manner of handling this risk in the Group is to enter into forward contracts to purchase/sell the foreign currency, specifically designed to hedge the individual trade transactions, if the forward rate is favourable compared to the rate at the date of the operation.
In addition to the trade relations, it should be noted that in 2013, the Parent Company finalised a bond private placement in US dollars. To cover this transaction, the Company stipulated cross currency swap contracts specifically destined to hedge the financial flows deriving from the payment of the coupons and reimbursement of capital on expiry.

As at 31 December 2014, a 5% appreciation in the exchange rate in relation to the US dollar, all else being equal, would have given rise to an increase in pre-tax profit of 249 thousand Euros (84 thousand Euros in 2013), due to exchange rate gains (losses) on trade payables and receivables denominated in foreign currency, mainly dollars (because of the change in the fair value of current assets and liabilities).
The other equity items would have shown a downward variation of about 238 thousand Euros (136 thousand Euros in 2013) ascrivable to variation in the amount of the cash flow hedge fund (due to the variation in the fair value of forward contracts on exchange rates).
On the other hand, at the same date, a 5% drop in the exchange rate in relation to the US dollar, all else being equal, would have been reflected by a pre-tax profit decrease of 276 thousand Euros (93 thousand Euros in 2013).
The other equity items would have shown an upward variation of 253 thousand Euros (59 thousand Euros in 2013) 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 from banks are floating and variable rate financing exposes the Group to the risk of cash flow variations due to interest rates. To cover this risk, the company stipulated Interest Rate Swap contracts specifically related to the partial or total hedging of certain loans. Fixed rate financing exposes the Group to the risk of changes to the fair value of the finances themselves.

In 2014 business year, a hypothetical upward or downward fluctuation of 10% in the interest rate, all else being equal, would have produced a pre-tax cost increase or decrease (with corresponding equity variation) of approximately 458 thousand Euros on a yearly basis (503 thousand Euros as at 31 December 2013).

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 to Euribor as much as possible.

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

Credit risk

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

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

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

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

Overdue management is differentiated on the basis of length of time overdue (overdue bands).
For overdue bands up to 60 days, reminder procedures are activated at branch level or directly by the Customers Office; for accounts that are over 15 days overdue or that have exceeded the amount of the credit line granted, an IT control blocks the supply to the non-performing customer. For credits in the "over 90 days" band, legal actions are taken when necessary.
Receivables comprised in the "not yet due" band, which total 191,274 thousand Euros as at 31 December 2014, represent about 52.17% 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 31.12.14	Balance at 31.12.13
Current trade receivables	366,621	388,223
Other non-current receivables	36,415	36,537
Other current receivables	39,852	46,445
Total	442,888	471,205

For the comments on the various categories, please refer to note 7 on "Other non-current receivables", note 11 on "Trade receivables" and note 14 on "Other current receivables".

The fair value of the above categories is not shown, as the book value constitutes a reasonable approximation of the former. The value of the trade receivables, the other non-current receivables and the other current receivables are classifiable as "Level 3" financial receivables, in other words those for which the input is not based on observable market data.

As at 31 December 2014, overdue trade receivables, net of bad debt provision, amounted to 175.347 thousand Euros (175,662 thousand Euros in 2013). The breakdown of these receivables by due date is as follows:

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Overdue:		
Less than 30 days	52,427	60,431
betweeen 31 and 60 days	26,172	17,698
betweeen 61 and 90 days	20,511	20,245
Over 90 days	76,237	77,288
Total overdue trade receivables	175,347	175,662

The amounts shown above refer to overdue debts calculated on the basis of the nominal terms agreed[VI] with the customer at the time of first assessment. This table also includes the "overdue" exposure of the particularly important customers most closely loyal to the Group, with whom special terms of payment are agreed yearly. As at 31 December 2014, this particular category of customers accounted for 28,195 thousand Euros (19,555 thousand Euros at 31 December 2013), of which 18,663 thousand Euros were in the "Over 90 days" band (11,903 thousand Euros at 31 December 2013).

At 31 December 2014, 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 31,254 thousand Euros (30,401 thousand Euros in 2013). Those receivables were mainly related to clients in economic difficulties.
The quota of these receivables that is not recoverable is specifically covered by the bad debt reserve, which amounts to a total of 32,127 thousand Euros (31,367 thousand Euros in 2013).

Liquidity risk

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

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

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

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

(€ thousand)				
At 31 december 2014	Less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years
Borrowings	142,644	19,558	34,816	39,459
Derivative financial instruments	41	0	194	153
Trade and other payables	274,443	0	0	0
	417,128	19,558	35,010	39,612
At 31 december 2013	Less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years
Borrowings	76,284	64,787	76,053	43,630
Derivative financial instruments	0	0	132	2,870
Trade and other payables	274,334	0	0	0
	350,618	64,787	76,185	46,500

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

Classes of financial instruments

The following elements are recorded in the accounts in compliance with the accounting principles for financial instruments:

(€thousand)	31 December 2014		
Assets as per balance sheet	Loans and receivables	Derivatives used for hedging	Total
Non current derivative/financial instruments	0	285	285
Non Current financial receivables	2,046	0	2,046
Other non-current assets	36,415	0	36,415
Current financial receivables	5,176	0	5,176
Current derivative/financial instruments	0	249	249
Current trade receivables	366,621	0	366,621
Cash and cash equivalents	37,533	0	37,533
Other current receivables	39,852	0	39,852
Total	487,643	534	488,177
Liabilities as per balance sheet	Other financial liabilities	Derivatives used for hedging	Total
Non Current financial payables	81,236	0	81,236
Non current derivative/financial instruments	0	346	346
Current financial payables	138,019	0	138,019
Current derivative financial instruments	0	41	41
Total	219,255	387	219,642

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

In compliance with that required by IFRS 13, we would point out that the derived financial instruments, constituted by contracts for the coverage of exchanges and interest rates, 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 and interest rate market).[VII] Similarly, as regards the non-current financial debts, the recording at fair value of which is indicated in paragraph 16 of these explanatory notes, are also classifiable as "Level 2" financial assets, in as much as the inputs influencing their fair value are market data which is directly observable.

As regards the other non current and current assets, see that stated in paragraphs 7 and 14 of these explanatory notes.

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

(€thousand)	Balance at 31.12.14	Purchases / other movements	Net decreases	Depreciation	Balance at 31.12.13
Land and buildings	55,856	789	0	(1,886)	56,953
Plant and machinery	8,775	2,863	(5)	(1,860)	7,777
Industrial and business equipment	1,268	443	(18)	(267)	1,110
Other assets	2,507	1,404	(616)	(723)	2,442
Fixed assets under development and advances	556	556	0	0	0
Total tangible assets	68,962	6,055	(639)	(4,736)	68,282

With regard to the variation in the year we point out that the purchase, by the Parent Company, of the going concern Scapa implied the entry of tangible assets for a total amount for 1,116 thousand Euros, subdivided among the various categories as follows: 369 thousand Euros in the item "Land and buildings", 366 thousand Euros in the item "Plant and machinery" and 381 thousand Euros in the item "Other assets".
The purchase by the subsidiary Sfera of the going concern "Lelli" implied the entry of tangible assets for a total amount of 243 thousand Euros, mainly subdivided among the items "Plant and machinery" (66 thousand Euros), "Industrial and business equipment" (70 thousand Euros) and "Other assets" (95 thousand Euros).

In addition to the above, the Parent Company also carried out a series of interventions as part of a plan for the increase of the capacity and remodernisation of certain distribution centres, which is expected to be completed in 2016. Therefore, we would highlight the investments made in equipment, plant and machinery at the MARR Sicilia distribution centre (for 411 thousand Euros), the MARR Scapa distribution centre (for 415 thousand Euros) and the MARR Sardegna, MARR Milano and MARR Uno distribution centres (totalling 338 thousand Euros).
505 thousand Euros also refer to ongoing tangible assets under development at the MARR Sicilia and MARR Napoli distribution centres.

With regard to the decreases in the item "Other assets", amounting to 616 thousand Euros, we point out that they refer almost exclusively to the sale of motors.

As indicated subsequently, in the commentary on the item current and non-current financial payables, mortgages are due for a total of 53,115 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, Spezzano Albanese (CS) Coscile locality, Bottegone (PT), Francesco Toni 285/297 Street, Portoferraio (LI) Via Degli Altifoni 29/31 and Bologna (BO) – Via Fantoni 31 (value of which in the item Land and Buildings totally amounts to 31.5 million Euros as at 31 December 2014).

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).

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

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

We point out that the Group had no ongoing financial leasing operations as at 31 December 2014.

2. Goodwill

Below is the detail of the item "Goodwill":

(€thousand)	Balance at 31.12.14	Purchases / other movements	Balance at 31.12.13
Marr S.p.A. and Sfera S.p.A.(*)	90,810	6,090	84,720
AS.CA S.p.a.	8,634	0	8,634
New Catering s.r.l.	3,706	1,489	2,217
Baldini Adriatica Pesca s.r.l.	2,570	0	2,570
EMI.GEL S.r.l.	0	(1,489)	1,489
Total Goodwill	105,720	6,090	99,630

(*) Goodwill related to the subsidiary Sfera S.p.A. (amounting to 18,9 million Euros) is indicated together with the one of MARR S.p.A., because the company has leased the going concerns that has generated the goodwill to the parent company.

With regard to the movements in the year, we point the following:
- the increase amounting to 2,107 thousand Euros of goodwill related to the purchase of the going concern Scapa, finalised by MARR S.p.A.;
- the increase amounting to 3,983 thousand Euros of goodwill related to the subsidiary Sfera S.p.A., generated by the purchase of the going concern Lelli, the business of which was granted under lease to the Parent Company as of 1 November 2014;
- the goodwill ongoing as at 31 December 2013 in the subsidiary EMI.GEL S.r.l. has converged into the subsidiary New Catering S.r.l. following the merger by incorporation completed during the business year.
For more details in this regard, see that described in the following paragraph with reference to the corporate aggregations completed in the business year.

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

We would highlight that on the basis of the impairment test conducted according to the principles and hypotheses described analytically in the section "Principal estimates made by management and discretional assessments", the goodwill items listed above, with a total value of 105,720 thousand Euros, are completely recoverable.
As regards this evaluation, management believes that, also given the prudential viewpoint used in the definition of the key hypotheses used, is not be reasonable to expect to be changes in them such as to determine a recoverable value in unit terms less than their accounting value.

Corporate aggregations realised during the year

As described in the preceding paragraph, the following corporate aggregations were completed during the course of the business year.

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

Purchase consideration	*(€thousand)*
Total purchase consideration	1,643
- Fair value of the net assets identifiable	(464)
Goodwill	2,107

The cost of aggregation has been determined on the basis of the accounting values reported in the acquisition agreement. The details of the provisional net assets acquired and goodwill are as follows:

(€thousand)	*Fair value of the acquired assets and liabilities*	*Provisionally book value of acquired company*
Tangible and intangible assets	1,129	1,129
Payables to personnel and social security institutions	(1,526)	(1,526)
Payables to sale agents and provision for supplementary client severance indemnity	(67)	(67)
Fair value of net identifiable assets acquired	(464)	(464)

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

The price paid for this acquisition amounts to 1,643 thousand Euros.

2) On 28 May 2014 the subsidiary Sfera S.p.A. signed the final contract for the purchase of the going concern of "Lelli" by Prass Italia S.r.l. in liquidation and in *concordato preventivo*, with the following effects:

Purchase consideration	*(€thousand)*
Total purchase consideration	3,767
- Fair value of the net assets identifiable	(216)
Goodwill	3,983

The cost of aggregation has been determined on the basis of the accounting values reported in the acquisition agreement. The details of the provisional net assets acquired and goodwill are as follows.

(€thousand)	*Fair value of the acquired assets and liabilities*	*Provisionally book value of acquired company*
Tangible and intangible assets	429	429
Payables to personnel and social security institutions	(623)	(623)
Payables to sale agents and provision for supplementary client severance indemnity	(65)	(22)
Fair value of net identifiable assets acquired	(259)	(216)

The goodwill attributed to the purchase is justified by the strategic importance of the going concern purchased, in as much as it enables the MARR Group to access a significant portfolio of clients in the area of Emilia to the north of Bologna and particularly loyal clients in the Cash&Carry segment.

The price paid for this acquisition amounts to 3,767 thousand Euros.

3) The merger by incorporation of the subsidiary EMI.GEL S.r.l. into the subsidiary New Catering S.r.l. became effective on 1 June 2014, with accounting and fiscal effects from 1 January 2014.
It must be pointed out that this transaction did not alter the perimeter of the scope of consolidation of the Group, which thus remains unchanged, or the holdings within the Group itself, given that both the companies involved in the transaction were already 100% subsidiaries of MARR.

Corporate aggregations realised after closure of the financial statements

No further aggregations combinations occurred after closure of the financial statements.

3. Other intangible assets

Below there are the movements of the item in 2014 and in the previous year:

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

(€thousand)	Balance at 31.12.14	Purchases / other	Net decreases	Depreciation	Balance at 31.12.13
Patents	485	327	0	(148)	306
Concessions, licenses, trademarks and similar rights	8	0	0	0	8
Intangible assets under development and advances	57	21	0	0	36
Other intangible assets	0	0	0	0	0
Total Other Intangible Assets	550	348	0	(148)	350

The increase in the item "*Industrial patent rights*" is mainly due to the purchase of licences and software, while the increase in intangible assets under development and advances concerns the design and implementation of a new logistics software at some of the distribution centres of the Parent Company.

4. Non-current financial receivables

As at 31 December 2014, this item amounted to 2,046 thousand Euros (2,200 thousand Euros as at 31 December 2013) and includes 748 thousand Euros for the quota beyond the year (of which 3 thousand Euros expiring beyond 5 years) of interest-bearing financial receivables from Adria Market and other trade partners and the quota beyond the year (totalling 1,298 thousand Euros) of receivables from transporters for the sale of the transport vehicles used to move MARR goods.

5. Financial instruments / derivatives

The amount as at 31 December 2014, amounting to 285 thousand Euros, represents the positive fair value of the Cross Currency Swap contracts stipulated by the Parent Company with *Cassa dei Risparmi di Forlì* and with *Unicredit* to hedge the risk of changes to the Dollar-Euro exchange rate, with reference to the bond private placement in US dollars finalised during the course of the previous business year.
It should be noted that the Cross Currency Swap contracts expire beyond 5 years.

6. Deferred tax assets

As at 31 December 2014, 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 31.12.14	Balance at 31.12.13
On taxed provisions	10,096	9,292
On costs deductible in cash	78	115
On costs deductible in subsequent years	903	794
Pre-paid taxes	11,077	10,201

7. Other non-current assets

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Non-current trade receivables	12,978	11,987
Accrued income and prepaid expenses	2,420	2,780
Other non-current receivables	21,017	21,770
Total Other non-current assets	36,415	36,537

The "Non-current trade receivables", amounting to 12,978 thousand Euros (of which 2,884 thousand Euros was with an expiry date of over 5 years) mainly concerns agreements and delays in payment defined with the customers.
The prepaid expenses are mainly linked to promotional contributions with clients of a multi-annual nature and have an expiry date within 5 years.
The item "Other non-current receivables" includes, in addition to receivables from State coffers for loss of clients of 5,424 thousand Euros, receivables from suppliers for 14,899 thousand Euros (17,408 thousand Euros as at 31 December 2013), the total amount of which expires within 5 years.

There are no other assets with expiry dates over 5 years

Current assets

8. Inventories

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Finished goods and goods for resale		
Foodstuff	29,910	28,640
Meat	11,669	12,981
Seafood	65,129	48,785
Fruit and vegetables	50	26
Hotel equipment	1,660	1,506
	108,418	91,938
provision for write-down of inventories	(750)	(750)
Goods in transit	7,857	8,645
Packaging	841	871
Total Inventories	116,366	100,704

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

The increase compared to the previous business year is mainly concentrated in the category of frozen seafood products.

The change during the business year can be broken down as follows:

(€thousand)	Balance at 31.12.14	Consolidation change	Change of the year	Balance at 31.12.13
Finished goods and goods for resale	108,418	(110)	16,590	91,938
Goods in transit	7,857	0	(788)	8,645
Packaging	841	0	(30)	871
	117,116	(110)	15,772	101,454
Provision for write-down of inventories	(750)	0	0	(750)
Total Inventories	116,366	(110)	15,772	100,704

9. Current financial receivables

The item "Current financial receivables" is composed of:

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Financial receivables from parent companies	4,101	2,633
Receivables from loans granted to third parties	1,075	2,706
Total Current financial receivables	5,176	5,339

The Receivables for loans granted to third parties, all of which are interest-bearing, refer to receivables towards truck drivers (amounting to 960 thousand Euros) consequent to the sale to the latter of the trucks used by them to transport MARR products and service-supplying partners (for 115 thousand Euros).

10. Financial instruments / derivatives

The total as at 31 December 2014, amounting to 249 thousand Euros, concerns term exchange purchase transactions undertaken by the Parent Company and the subsidiary AS.CA to hedge the purchases of goods, expiring in 2015. This operation was recorded in the accounts as the hedging of financial flows.

11. Current trade receivables

This item is composed of:

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Trade receivables from customers	398,709	419,555
Trade receivables from parent companies	39	35
Total current receivables	398,748	419,590
Provision for write-down of receivables from customers	(32,127)	(31,367)
Total current net receivables	366,621	388,223

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Trade receivables from customers	392,708	414,494
Receivables from Associated Companies Consolidated by the Cremonini Group	5,987	5,048
Receivables from Associated Companies not Consolidated by the Cremonini Group	14	13
Total current trade receivables from customers	398,709	419,555

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 32,127 thousand Euros, as highlighted in the table below.

The receivables "from associated companies consolidated by the Cremonini Group" (5,987 thousand Euros) and "from associated companies not consolidated by the Cremonini Group" (14 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.

As already described in the Directors' Report, it must be reiterated that the performance of the trade receivables benefitted, compared to 31 December 2013, from a rotating transfer plan (*pro soluto*) started during the course of the business year. The programme has a duration of five years, is renewable on a year-by-year basis and involves an outstanding maximum of 80 million Euros.

Receivables in foreign currencies have been adjusted to the exchange rate valid on 31 December 2014.

The provision for bad debt as at 31 December 2014 is broken down as follows:

(€thousand)	Balance at 31.12.14	increases	decreases	Balance at 31.12.13
- Tax-deductible provision	2,398	2,397	(2,557)	2,558
- Taxed provision	28,895	8,257	(7,322)	27,960
- Provision for interest for late payments	834	0	(15)	849
Total Provision for write-down of Receivables from customers	32,127	10,654	(9,894)	31,367

It should be highlighted that the item "decreases" includes 2,200 thousand Euros for the reclassification of part of the taxed bad debt provision to rectify items specifically identified and classified under "Other current receivables" and a decrease of 632 thousand Euros due to the deconsolidation of Alisea Soc. Coop. a r.l..

12. Tax assets

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Ires/Irap tax advances /withholdings on interest	4	6
VAT carried forward	179	147
Irpeg litigation	6,040	6,040
Ires transferred to the Controlling Company	1,409	2,681
Other	981	877
Total Tax assets	8,613	9,751

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

As regards the "Receivables from the parent company for transferred Ires benefits", amounting to 1,409 thousand Euros, it should be noted that this item represents the receivable for reimbursement of Ires for the years from 2007 to 2011 of the Irap paid for the cost of employment and collaborators not deducted for said purpose, as per reimbursement claims sent in February 2013.
The decrease in this item compared to the previous business year is due to the closure of the receivables for taxes for 2013, compensated during the payment of the tax advances for 2014, the final balance of which is negative and is therefore included in the item "Tax payables".

13. Cash and cash equivalents

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Cash and Cheques	6,913	8,092
Bank and postal accounts	30,620	24,732
Total Cash and cash equivalents	37,533	32,824

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 2014.

14. Other current assets

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Accrued income and prepaid expenses	1,238	1,137
Other receivables	38,614	45,308
Total Other current assets	39,852	46,445

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Other accrued income (from loans)	0	1
Prepaid expenses		
Leases on buildings and other assets	499	534
Maintenance fees	140	52
Commercial and advertising costs	5	24
Other prepaid expenses	594	511
Other prepaid expenses from Parent Companies	0	15
	1,238	1,136
Totale Current accrued income and prepaid expenses	1,238	1,137

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Guarantee deposits	128	137
Other sundry receivables	819	3,076
Provision for write-down of receivables from others	(3,828)	(1,628)
Receivables from social security institutions	185	298
Receivables from agents	2,542	2,350
Receivables from employees	23	26
Receivables from insurance companies	575	621
Advances to suppliers and supplier credit balances	38,076	40,343
Advances to suppliers and supplier credit balances from Associates	94	85
Total Other current receivables	38,614	45,308

The item *Advances to suppliers and supplier credit balances* includes payments made to foreign suppliers (non-EU) for the purchase of goods with "f.o.b. clause" or advance payment on next fishing campaigns. Receivables from foreign suppliers in foreign currencies have been adjusted, if necessary, to the exchange rate valid on 31 December 2014.
The "Provision for write-down of receivables from others" mainly refers to receivables relating to suppliers and agents: its increase during the course of the business year is due to the reclassification of the taxed bad debt provision, as described in paragraph 11 "trade receivables".

The decrease in the item *Other sundry receivables* is mainly linked to the finalisation of the purchase of the going concerns of "Scapa" and "Lelli" by the Parent Company and the subsidiary Sfera S.p.A. respectively. This operation, through the definition of the reciprocal credit/debt positions, also involved the closure of the receivables deriving from the taking over of the employee severance funds, the remaining leave/permits and additional monthly payments in addition to the fund for additional customer indemnities which had accrued as of the starting date of the relevant business leases.

Breakdown of receivables by geographical area

The breakdown of receivables by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial receivables	2,046	0	0	2,046
Non current derivative financial instruments	285	0	0	285
Deferred tax assets	11,077	0	0	11,077
Other non-current assets	21,515	409	14,491	36,415
Financial receivables	5,176	0	0	5,176
Current derivative financial instruments	249	0	0	249
Trade receivables	333,790	25,390	7,441	366,621
Tax assets	7,801	812	0	8,613
Cash and cash equivalents	37,293	240	0	37,533
Other current assets	23,163	3,836	12,853	39,852
Total receivables by geographical area	442,395	30,687	34,785	507,867

LIABILITIES

15. Shareholders' Equity

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

Share premium reserve
The Share Capital as at 31 December 2014, amounting to 33,262,560 Euros, is unchanged compared to the previous business year and is represented by 66,525,120 ordinary MARR S.p.A. shares, entirely subscribed and freed, with the usual rights and a nominal value of 0.50 Euros each.

Share premium reserve
As at 31 December 2014 this reserve amounts to 63,348 thousand Euros and does not appear to have changed since 31 December 2013.

Legal reserve
This Reserve amounts to 6,652 thousand Euros, unchanged compared to 31 December 2013.

Shareholders' contributions on account of capital
This Reserve did not change in 2014 and amounts to 36,496 thousand Euros.

Reserve for transition to IAS/IFRS
This is the reserve (amounting to 7,290 thousand Euros) set up following the first time adoption of the international accounting standards and its variation (a reduction of 6 thousand Euros) during the course of the business year is linked to the deconsolidation of Alisea Soc. Coop. a .r.l..

Extraordinary Reserve
As at 31 December 2014, the increase of 8,187 thousand Euros, is attributable to the allocation of part of the profits for the year closed on 31 December 2013, as per shareholders' meeting decision made on 28 April 2014.

Cash flow hedge reserve
As at 31 December 2014, this item amounted to a negative value of 1,664 thousand Euros and is linked to the stipulation of hedging contracts for interest and exchange rates undertaken for the specific hedging of certain loans, with variable rates and in foreign currency respectively, and also the trade payables deriving from the purchase of goods in foreign currency.

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 38 "Other profits/losses" in these explanatory notes.

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

Reserve IAS19
As at 31 December 2014 this reserve amounts to a negative value of 902 thousand Euros and is composed of the value, net of the theoretical tax effect, of actuarial losses and gains regarding the evaluation of Staff Severance Provision as required by amendments to IAS principle 19 "Employee Benefits", effective for the business years starting on 1st January 2013. According to the IFRS these profits/losses have been entered in the net equity and their variation is highlighted (according to IAS 1 revised, in force from 1st January 2009) in the consolidated statement of other comprehensive income.

Whit regard to the reserves in taxation suspension (ex. Art. 55 DPR 917/86 and 597/73 reserve), amounting to 1,486 thousand Euros as at 31 December 2014, the relevant deferred tax liabilities have been accounted for.

On 28 April 2014 the Shareholders' meeting approved the MARR S.p.A. financial statements as at 31 December 2013 and consequently decided upon allocation of the business year profits, and the approval of a dividend of 0.58 Euros for each ordinary share with the right to vote.

Non-current liabilities

16. Non-current financial payables

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Payables to banks - non-current portion	46,295	130,943
Payables to other financial institutions - non-current portion	34,941	30,645
Total non-current financial payables	81,236	161,588

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Payables to banks (1-5 years)	45,231	127,476
Payables to banks (over 5 years)	1,064	3,467
Total payables to banks - non-current portion	46,295	130,943

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Payables to other financial institutions (1-5 years)	(267)	(253)
Payables to other financisl institutions (over 5 years)	35,208	30,898
Total payables to other financial institutions - Non current portion	34,941	30,645

The decrease in non-current payables to banks is the net effect of the classification of the expiring instalments among the current payables.

In particular, it must he highlighted that, contrarily to the closure of the previous business year, as at 31 December 2014, the Parent Company's ongoing loans from Cooperatieve Centrale Raiffeisen – Boerenleenbank B.A. and Banca Carige for a total value of 33 million Euros were both entirely classified under the current financial payables, as they expire in 2015.
In addition, and again with reference to the Parent Company, the following must also be highlighted:

- as regards the pool financing with BNP Paribas, paid out in June 2013 for a total of 85 million Euros and then integrated under the same conditions in the loan facility in October 2013 for an additional 5 million Euros, the Company paid back the first two instalments of the loan facility during the course of the business year (for a total of 14.4 million Euros) and in December extinguished the 25 million Euros payables concerning the revolving facility;
- the ongoing loan with the Banca Popolare di Milano, expiring in May 2015, was also extinguished in advance in August, with a total reimbursement of 10 million Euros.

To hedge the interest rate risk on certain loans, the Parent Company stipulated the following derivative contracts:
- an Interest Rate Swap contract worth 3.9 million Euros as at 31 December 2014 with Veneto Banca for the partial hedging of the pool financing with BNP Paribas;
- an Interest Rate Swap contract worth a notional 4.4 million Euros as at 31 December 2014 for the total hedging of the ongoing loan with the Banca Popolare Commercio e Industria.
See that described in paragraph 17 "*Derivative financial instruments*" as regards the effects of these contracts.

The value of the payables to other financial institutions is represented by the bond private placement in US dollars, finalised in July 2013. The bond placement amounts to 43 million dollars (originally 30.6 million Euros), of which 10 million dollars expires after 7 years and the remaining 33 million dollars after 10 years and involves an average coupon of about 5.1%. The increase in its value is attributable to variations in the Dollar/Euro exchange rate.
It must be noted that there are specific Cross Currency Swap contracts ongoing to hedge the risk of oscillations in the Dollar/Euro exchange rate, for the effects of which see paragraphs 5 and 17 "Financial instruments / deratives".

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 31.12.14
Carisp Pistoia	Euribor 6m+0,48%	31/01/2020	2,069	263	2,332
Centrobanca	Euribor 3m+1,4%	31/12/2019	4,434	0	4,434
Pool Financing with BNP Paribas	Euribor 6m+3,5%	14/06/2018	35,838	0	35,838
Popolare del Commercio e Industria	Euribor 6m+3,7%	04/12/2020	2,890	801	3,691
			45,231	1,064	46,295

The following is the breakdown of the mortgage guarantees on the real estate properties of the Group Leader, the value of which decreased by 4.5 million Euros compared to 31 December 2013 due to the cancellation of the mortgage on the property in Via Pletore in San Michele Tagliamento (VE) following the extinction of the Parent Company's mortgage with the Cassa di Risparmio di Rimini in June 2014:

Credit institutes	Guarantee	Amount	Property
Pop.Crotone-nr. 64058	mortgage	7,172	Località Coscile-Spezzano Albanese (CS)
Pop.Crotone-nr. 64057	mortgage	5,943	Località Coscile-Spezzano Albanese (CS)
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 Altifomi n.29/31 - Portoferraio (LI); Località Macchiareddu - Uta (CA)
Popolare del Commercio e dell'Industria	mortgage	10,000	Via Fantoni, n. 31 - Bologna (BO)
Total		53,115	

Lastly, it must be pointed out that:

- the ongoing financing with Centrobanca (signed in January 2010) provides the following covenants to be verified on a yearly basis with reference to the consolidated MARR Group data at year-end.
  NET DEBT / EQUITY =< 1.5
  NET DEBT / EBITDA =< 3.60
  Non-respect of the limits of the financial covenants will constitute a cause for the termination of the contractual rights.

- the ongoing financing with BNP Paribas provides the following financial ratios:
  NET DEBT / EBITDA < 3.5 (< 3 as at 31 December 2013 and 30 June and 31 December 2014)
  NET DEBT / EQUITY < 2
  EBITDA / Net financial charges > 4
  Those ratios will be verified with reference to 31 December and 30 June each year (starting from 31 December 2013). In addition to the above indices, the ratio between net financial position and EBITDA calculated as at 31 March 2015 on the previous 12 months must not be more than 3.

- the ongoing financing with Mediobanca (granted in February 2014) provides the following financial ratios, to be verified as at 31 December and 30 June of each year, on the basis of the Group consolidated figures in the twelve months prior to the verification date.
  NET DEBT / EBITDA < 3
  NET DEBT / EQUITY < 1.5
  EBITDA / Net financial charges > 4

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

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

(€thousand)	Book Value		Fair Value	
	2014	2013	2014	2013
Payables to banks - non-current portion	46,295	130,943	44,853	126,424
Payables to other financial institutions - non-current portion	34,941	30,645	31,769	31,725
	81,236	161,588	76,622	158,149

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

17. Financial instruments / derivatives

The amount as at 31 December 2014, amounting to a total of 346 thousand Euros, represents:

- for 194 thousand Euros, the fair value of the Interest Rate Swap contracts stipulated by the Parent Company with Banca Popolare Commercio e Industria and with Veneto Banca to specifically hedge the interest rate risk on the relevant variable rate loans;
- for 152 thousand Euros, the fair value of the Cross Currency Swap contract stipulated with Deutsche Bank to hedge the risk of changes to the Dollar-Euro exchange rate, with reference to the bond private placement in US dollars finalised during the course of the 2013 business year. The variation compared to the previous business year, when the value of the long-term financial liabilities amounted to 2,870, is linked to the performance of the Dollar/Euro exchange rate, which implied a different evaluation of the ongoing derivative contracts (for complete details see that described in paragraph 5 "*Derivative financial instruments*" classified under non-current assets).

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

18. Employee benefits

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

(€thousand)	
Opening balance at 31.12.13	11,542
changes in scope of consolidation	(810)
effect of acquisition of branches of business	363
use for the period	(756)
provision for the period	1,305
other changes	(684)
Closing balance at 31.12.14	10,960

The movement during the business year is due to the deconsolidation of Alisea Soc. Coop. a r.l., which implied a reduction of 810 thousand Euros, in addition to the quota accrued over the period net of the ordinary movements in this item.
It must be highlighted that the allocation for the period includes actuarial losses totalling 649 thousand Euros recorded in the accounts, net of the theoretical fiscal effect, in the relevant net equity reserve as provided by IAS 19 (see that described as regards the movement of the Net Equity and in paragraph 15 of these Explanatory Notes).

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

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

(€thousand)	Turnover +1 %	Turnover -1 %	Inflation rate + 0.25%	Inflation Rate - 0.25%	Discounting rate + 0.25%	Discounting rate - 0.25%
Effect on the final liability	(115)	9	54	(163)	(223)	117

It should also be noted that the contribution expected for the following business year is about 143 thousand Euros; future payments expected in the next five years can be estimated as totalling 5.7 million Euros.

19. Provisions for non-current risks and charges

(€thousand)	Balance at 31.12.14	Provisions / Other variations	Uses	Balance at 31.12.13
Provision for supplementary clients severance indemnity	3,038	469	(14)	2,583
Provision for specific risks	1,551	113	(236)	1,674
Total Provisions for non-current risks and charges	4,589	582	(250)	4,257

The provision for supplementary clients severance indemnity has been allocated on the basis of a reasonable estimate of probable future liabilities, considering the available elements. It must be highlighted that the movement in the business year includes under the note "Provisions/other variations", in addition to the business year allocation, part of the customer indemnity fund acquired following the purchase of the "Lelli" going concern by the subsidiary Sfera S.p.A. for the part preceding the lease of the going concern in September 2012 (totalling 22 thousand Euros).

The "Provision for specific risks" covers probable liabilities connected to certain ongoing legal disputes; its use is related to the closure of the contracts concerning "Scapa", purchased in March 2014 and previously managed under lease since February 2013.

In relation to the fiscal dispute currently ongoing deriving from the verification carried out by the "Guardia di Finanza", IV Group Section in San Lazzaro di Savena (BO), because of presumed breaches in terms of direct tax (1993-1999 fiscal years) and VAT (1998 and 1999 fiscal years) finalised in the month of July of the year 2000, it should be pointed out that on 28 February 2004, the recourses for direct tax (1993-1999 fiscal years) and VAT (1998 and 1999 fiscal years) were discussed in a public hearing. The amount involved in the dispute concerning taxes and the relevant sanctions, for the main inspection known as "C.R.C." (the other inspections concerning insignificant amounts or others that were abandoned) amounts to approximately 4.7 million Euros plus interest.
In its sentence no. 73/2/04, the Rimini Provincial Tributary Commission, Section II, accepted the recourse presented for IRAP referring to the main inspection, while it partly rejected, with reference to the other inspections, the recourses presented, confirming the conclusions of the Inland Revenue.
On 20 December 2004, MARR S.p.A. impugned the aforementioned sentence, presenting an appeal to the Rimini Section of the Bologna Regional Tributary Commission.
The matter was discussed before Section 24 of the Emilia Romagna Regional Tributary Commission on 16 January 2006.
As regards the reasons put forward by the company in the documentation for the second stage of the proceedings, the Bologna Tributary Commission disposed in Order 13/24/06 on 3 April 2006, that a technical consultancy be carried out, assigning the duty to a board of three professionals to provide an opinion, among other things, on the disputed matter, and asked them to ascertain, on the basis of contractual agreements and economic and financial relations effectively ongoing between the parties involved in the complex operation, whether the cost sustained by MARR S.p.A. and being disputed concerns the business of the company or not.
On 18 November 2006, the board of consultants deposited its report, concluding that: "in summary, it can be stated that these capital losses are relevant in as much as they are objectively referable to the business of the company".
On 15 January 2007, the dispute was again discussed in a public hearing during which the findings in the report of the board of consultants were again presented. In sentence 23/10/07, the Bologna Tributary Commission reviewed its first phase sentence in favour of MARR S.p.A. as regards the four findings subject of the dispute but, without providing any motivation, it completely rejected the conclusions drawn by the technical consultants it itself appointed with reference to the principal inspection known as "CRC", thus confirming that established by the judges in the first phase of the proceedings.
By reason of this, a recourse was presented on 22 April 2008 before the Supreme Court of Cassation. The State Bar met to discuss the matter on 3 June 2008.

Although the outcome of the appeal was negative, although it must be pointed out that there were two technical consultancies in perfect agreement with each other during this phase, comprising four undoubtedly authoritative professionals, three of them appointed by the Tributary Commission itself, the opinions expressed being undoubtedly fully in favour of MARR Spa, and on the basis of the opinion expressed by the defence lawyers representing the Company, we believe it reasonable to hypothesise the successful outcome of the dispute.

On 10 February 2014, the Supreme Court of Cassation, in sentence 20055/14 (filed on 24 September 2014), accepted the appeal by the Company, repealing the impugned sentence no. 23/2007 by the Regional Taxation Commission for Emilia Romagna, submitting for the second degree judge (in another proceeding) the decision regarding the claim, stating the need for the decision to be taken by proceeding with an "*adequate assessment of the expert findings*", consistently described by the same Court as "*extremely favourable to the taxpayer*". On 16 December 2014, the Company filed the claim again with the above-mentioned Taxation Commission.
Again on 24 September 2014, the same Supreme Court of Cassation also filed sentences nos. 20054/14, 20053/14 and 20056/14 concerning the "Ex Battistini" claim, ordering the rejection of all of the appeals submitted by the State Advocature on behalf of the Inland Revenue Service, confirming the sentences in this regard favourable to the Company and ordering the counterparty to pay the cost of the legal proceedings. The lawsuits were therefore definitively resolved in favour of the Company.

During the course of 2007, several disputes arose with the Customs Authorities concerning the payment of preferential customs duties on certain imports of fish products. With reference to the most significant of these disputes, involving import duties amounting to approximately 250 thousand Euros concerning the purchase of certain goods from Mauritania, it must be pointed out that the judges in the first phase of proceedings rejected the recourses presented by the Company in May 2008, but in any case accepted the fact that the company was entirely extraneous to the claimed irregularities, as they were attributable exclusively to its suppliers, from whom, as already formally notified to them, all expenses and costs inherent and/or consequent to the aforementioned dispute will be reclaimed.
The appeal made by the Company against the first grade sentence has not been accepted by the Regional Tax Commission of Florence.
It should be noted that the Company appealed to the Supreme Court of Cassation in May 2013.

As at 31 December 2014, MARR S.p.A. had paid 6,040 thousand Euros as payment of taxes while awaiting judgment; this amount was classified under tax receivables.

20. Deferred tax liabilities

As of 31 December 2014 the breakdown of this item, amounting to 11,477 thousand Euros (11,328 thousand Euros on 31 December 2013), is as follows:

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
On goodwill amortisation reversal	6,423	5,705
On funds subject to suspended taxation	466	468
On leasing recalculation as per IAS 17	506	506
On actuarial calc. of severance provision fund	(260)	(59)
On fair value revaluation of land and buildings	4,008	4,021
On allocation of acquired companies' goodwill	805	816
On cash flow hedge	(635)	(332)
Others	164	203
Deferred tax liabilities fund	11,477	11,328

21. Other non-current payables

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Other liabilities	240	116
Other non-current accrued expenses and deferred income	450	322
Total other non-current payables	690	438

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 31.12.14	Balance at 31.12.13
Payables to banks	137,266	66,949
Payables to other financial institutions	753	755
Total Current financial payables	138,019	67,704

Current payables to banks:

(€thousand)		Balance at 31.12.14		Balance at 31.12.13
Current accounts		15,793		25,029
Loans/Advances		44,322		15,819
Loans:				
- Pop.Crotone-nr. 64058	166		329	
- Pop.Crotone-nr. 64057	138		272	
- Carim - n. 410086	0		174	
- Cassa di Risp.di Pescia e Pistoia	508		502	
- Centrobanca	1,106		1,105	
- Popolare del Commercio e dell'Industria	649		623	
- Pool Financing with ICCREA	0		9,051	
- Pool Financing with BNP Paribas	14,103		14,045	
- Banca Carige	8,000		0	
- Cooperative Centrale Raiffeisen-boerenleenbank B.A.	24,981		0	
- Mediobanca	24,960		0	
- Banca di Rimini	860		0	
- Banca Popolare dell'Emilia Romagna	1,680		0	
		77,151		26,101
		137,266		66,949

With reference to the loans listed above, it must be highlighted that during the course of the business year, MARR S.p.A. paid to expiry, on 30 June and 23 December 2014 respectively, the last instalment of the mortgage granted by the Cassa di Risparmio di Rimini and the pool financing ongoing with ICCREA Banca Impresa S.p.A., which have therefore been extinguished.
In addition, it should be noted that in May, the subsidiary Sfera S.p.A. stipulated two unsecured loans, one with the Banca Popolare dell'Emilia Romagna originally for 2.5 million Euros and one with the Banca di Rimini Credito Cooperativo Soc. Coop. originally for 1 million Euros, both of them expiring in 2015 and for which the residual value as at 31 December 2014 amounted to a total of 2,540 thousand Euros.

For more details regarding the variation compared to the previous business year, see that outlined in the Directors' Report on management performance and on paragraph 16 "Non current financial payables".

As regards the ongoing loans, it should be recalled that, to partially hedge the interest rate risk concerning the ongoing loan with Rabo Bank, an Interest Rate Swap contract with a notional value of 12.5 million Euros was stipulated during the course of 2013, for the effects of which see that described in the following paragraph 23 "*Financial instruments/derivatives*".

It should be noted that the item "Loans/Advances" includes the 17,130 thousand Euros in payables to Banca IMI consequent to the securitization operations started by the Parent Company during the course of the business year, in addition to 14,200 thousand Euros for advances on invoices and 13,002 thousands Euros for sbf advances.

It should pointed out that the ongoing financing with Cooperatieve Centrale Raiffeisen – Boerenleenbank B.A., signed in April 2012, and totally classified in the current financial payables, provides the following financial ratios:
NET DEBT / EBITDA < 3
NET DEBT / EQUITY < 1.5
Those ratios will be verified with reference to 31 December and 30 June each year, on the basis of the Group consolidated figures in the twelve months prior to the verification date.
Failure to respect these indices may imply the termination of the contract.

The item Payables to other financial institutions, as in the previous year, is linked to the payables for interest accrued on the bond private placement transaction finalised in July 2013.

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

23. Financial instruments / derivatives

The amount as at 31 December 2014, amounting to 41 thousand Euros, represents the fair value of the Interest Rate Swap contract stipulated by MARR S.p.A. with Rabo Bank to specifically hedge the interest rate risk on the relevant variable rate loan.

24. Current tax liabilities

The breakdown of this item is as follows:

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Irap/Ires	461	308
Ires trasferred to parent company	1,756	0
Other taxes payables	134	131
Irpef for employees	1,097	1,258
Irpef for external assistants	204	207
Total current tributary payables	3,652	1,904

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

As regards MARR S.p.A., the 2010 and following business years can still be verifiable by the fiscal authorities, by reason of the ordinary verification deadlines and excluding currently pending fiscal litigations.

The increase in this item is mainly attributable to the closure of the IRES balance payable, which as at 31 December 2013 showed a positive balance (see paragraph 12 "Tax Receivables").

25. Current trade liabilities

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Payables to suppliers	265,978	265,565
Payables to associated companies consolidated by the Cremonini Group	7,432	7,491
Payables to other associated companies	280	272
Trade payables to Parent Company	753	1,006
Total current trade liabilities	274,443	274,334

The liabilities refer mainly to payables for the purchase of goods for sale and payables to Sales Agents. They also include "Payables to Associated Companies consolidated by the Cremonini Group" for 7,432 thousand Euros and "Payables to Parent Companies" for 753 thousand Euros the details and analysis of which are reported in Directors' Report and "Payables to other Correlated Companies" for 280 thousand Euros

26. Other current liabilities

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Current accrued income and prepaid expenses	1,633	1,929
Other payables	18,403	18,622
Total other current liabilities	20,036	20,551

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Other accrued expenses	52	46
Amounts due for remuneration of employees/directors	1,046	1,196
Other deferred income	10	20
Deferred income for interest from clients	525	667
Total current accrued expenses and deferred income	1,633	1,929

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Inps/Inail and other social security institutes	1,784	2,058
Enasarco/ FIRR	704	650
Payables to personnel for emoluments	4,447	4,902
Advances from customers, customers credit balances	9,522	9,478
Payables to insurance companies	128	125
Other sundry payables	1,818	1,409
Total other payables	18,403	18,622

The item "p*ayables and accrued expenses to personnel for emoluments*" includes current salaries not yet paid as at 31 December 2014 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.
The increase in the item Other sundry payables is mainly linked to a cautionary deposit encashed during the course of the business year by the Parent Company as a guarantee on indemnities of the seller of the subsidiary AS.CA, due to the closure of an ongoing dispute.

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	45,819	0	35,417	81,236
Non current derivative financial instruments	346	0	0	346
Employee benefits	10,960	0	0	10,960
Provisions for risks and charges	4,589	0	0	4,589
Deferred tax liabilities	11,477	0	0	11,477
Other non-current liabilities	690	0	0	690
Current financial payables	137,210	0	809	138,019
Non current derivative financial instruments	41	0	0	41
Current tax liabilities	3,620	0	32	3,652
Current trade liabilities	224,632	37,009	12,802	274,443
Other current liabilities	19,369	629	38	20,036
Total payables by geographic area	458,753	37,638	49,098	545,489

Guarantees, securities and commitments

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

Guarantees (totalling 55,527 thousand Euros).

These refer to:

- guarantees issued on behalf of MARR in favour of third parties (amounting to 40,002 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 S.p.A.. to public entities and financial institutes for a total of 5 thousand Euros, referable to the subsidiary Baldini Adriatica Pesca S.r.l.;
- 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 15,520 thousand Euros as at 31 December 2014 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 31.12.14	Balance at 31.12.13
Guarantees		
Sfera S.p.a	5,900	1,100
As.ca S.p.A.	5,500	0
Alisea Soc. Cons. a r.l.	0	2,606
Baldini Adriatica Pesca S.r.l.	4,120	1,208
Total Guarantees	15,520	4,914

The increase compared to the previous business year is mainly linked to obtaining or remodulating the short or medium/long-term assignments.

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

Other risks and commitments
This item, amounting to 14,715 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

27. Revenues

Revenues are composed of:

(€thousand)	31.12.2014	31.12.2013
Revenues from sales - Goods	1,398,544	1,314,139
Revenues from Services	3,836	14,409
Other revenues from sales	119	450
Advisory services to third parties	78	13
Manufacturing on behalf of third parties	34	25
Rent income (typical management)	59	48
Other services	2,590	2,807
Total revenues	1,405,260	1,331,891

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

Revenues from services almost entirely concern to the first quarter of Alisea, which was deconsolidated as of 31 March 2014.

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

(€thousand)	31.12.2014	31.12.2013
Italy	1,296,769	1,261,756
European Union	75,285	49,649
Extra-EU countries	33,206	20,486
Total	1,405,260	1,331,891

28. Other revenues

The Other revenues are broken down as follows:

(€thousand)	31.12.2014	31.12.2013
Contributions from suppliers and others	31,904	29,853
Other Sundry earnings and proceeds	1,237	1,374
Reimbursement for damages suffered	1,688	823
Reimbursement of expenses incurred	1,118	610
Recovery of legal taxes	44	22
Capital gains on disposal of assets	102	172
Total other revenues	36,093	32,854

The item "Contributions from suppliers and others" consist mainly of contributions obtained from suppliers for the commercial promotion of their products with our customers and the performance is related to the increase in the costs for purchase of goods, also as re-confirmation of the ability of the company in managing relations with its suppliers.

29. Capitalized costs

This item, amounting to about 21 thousand Euros, concerns the personnel costs sustained by the Parent Company and capitalised with reference to the design and implementation of a new software for logistics activities at the Marzano and Pomezia warehouses.

30. Purchase of goods for resale and consumables

This item is composed of:

(€thousand)	31.12.2014	31.12.2013
Purchase of goods	1,132,763	1,051,943
Purchase of packages and packing material	3,929	4,090
Purchase of stationery and printed paper	817	846
Purchase of promotional and sales materials and catalogues	154	146
Purchase of various materials	502	608
Discounts and rebates from suppliers	(338)	(895)
Fuel for industrial motor vehicles and cars	358	448
Total purchase of goods for resale and consumables	1,138,185	1,057,186

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

31. 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)	31.12.2014	31.12.2013
Salaries and wages	26,393	29,121
Social security contributions	8,252	9,137
Staff Severance Provision	2,140	2,233
Other Costs	298	966
Total personnel costs	37,083	41,457

This item shows a decrease related to the deconsolidation effective from 31 March 2014 of the company Alisea going concern, for which the personnel costs amounted to 4,200 thousand Euros in the year 2013, compared to 1,057 thousand Euros in the first quarter of 2014.
In addition, we would point out that the cost of employment of the year 2013 included non-recurrent charges amounting to 1.6 million Euros for the start-up of the former Scapa warehouses.

Finally, the maintenance of a careful resource management policy has been confirmed, with specific reference to the management of leave and permits and overtime work.

Breakdown of employees by category is as follows:

	Workers	Employees	Managers	Total
Employees at 31.12.13	513	513	8	1,034
Net increases and decreases	*(176)*	*(24)*	*(1)*	*(201)*
Employees at 31.12.14	337	489	7	833
Average employees at 31.12.14	395.2	488.2	7.8	891.1

32. Amortizations and write-downs

(€thousand)	31.12.2014	31.12.2013
Depreciation of tangible assets	4,730	4,365
Amortization of intangible assets	149	163
Provisions and write-downs	11,214	10,639
Total amortization and depreciation	16,093	15,167

(€thousand)	31.12.2014	31.12.2013
Allocation of taxable provisions for bad debts	8,257	8,088
Allocation of non-taxable provisions for bad debts	2,397	2,185
Provision for risk and loss fund	113	240
Provision for supplementary clientele severance indemnity	447	126
Total provisions and write-downs	11,214	10,639

The allocation to risk and loss fund is related to costs of a non-recurrent nature which are expected to be incurred on closure of the ongoing disputes.

For more details on provisions, reference is made to the relevant movements highlighted in notes 11 "Current trade receivables", 19 "Employee benefits" in addition to that commented in the paragraph "Credit risk".

33. Other operating costs

(€thousand)	31.12.2014	31.12.2013
Operating costs for services	169,142	162,098
Operating costs for leases and rentals	9,142	10,261
Operating costs for other operating charges	1,767	2,370
Total other operating costs	180,051	174,729

(€thousand)	31.12.2014	31.12.2013
Sale expenses, distribution and logistic costs for our products	139,954	134,550
Energy consumption and utilities	9,979	9,821
Third-party production	2,837	3,029
Maintenance costs	3,719	3,763
Porterage and movement of goods	2,895	2,698
Advertising, promotion, exhibitions, sales (sundry items)	309	412
Directors' and statutory auditors' fees	996	1,035
Insurance costs	823	823
Reimbursement of expenses, travel costs and sundry personnel costs	321	293
General and other services	7,309	5,674
Total operating costs for services	169,142	162,098

The increase in operating costs for "sale, distribution and logistic costs" is correlated to the increase in revenues, for the comments on which see the Directors' Report and that described as regards the operating costs.

(€thousand)	31.12.2014	31.12.2013
Lease of industrial buildings	8,362	8,754
Lease of processors and other personal property	416	364
Lease of industrial vehicles	25	139
Lease of going concern	192	795
Lease of going concern		
Lease of cars	12	75
Lease of plants, machinery and equipment	22	29
Rent fees and other charges paid on other personal property	113	105
Total operating costs for leases and rentals	9,142	10,261

It should be pointed out that the rental fees for industrial buildings include the fees of 668 thousand Euros paid to the associate companies Le Cupole S.r.l. in Castelvetro (MO) for the rental of the property in which the branch MARR Uno carries out its activities (Via Spagna 20 – Rimini).
The decrease, compared to the previous year, is mainly due to the lesser fees paid as consequence of the purchase, finalised in the month of July 2013, of the real estate property where the activities of the Carnemilia Division are carried out (Via Francesco Fantoni, 31 – Bologna).

AS regards the fees for the lease of going concerns, the reduction is attributable to the extinction of the costs for the lease of the Scapa and Lelli going concerns, the purchases of which were completed in March and May 2014 respectively.

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

(€thousand)	31.12.2014	31.12.2013
Other indirect taxes, duties and similar charges	836	1,466
Expenses for recovery of debts	309	270
Other sundry charges	217	304
Capital losses on disposal of assets	41	14
IMU	309	262
Contributions and membership fees	55	54
Total operating costs for other operating charges	1,767	2,370

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. Their decrease compared to the last business year is linked mainly to the lesser costs for the purchase of duty charges.

34. Financial income and charges

(€thousand)	31.12.2014	31.12.2013
Financial charges	11,026	10,390
Financial income	(2,935)	(3,589)
Foreign exchange (gains)/losses	714	59
Total financial (income) and charges	8,805	6,860

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)	31.12.2014	31.12.2013
Interest paid on other loans, bills discount, hot money, imports	7,165	4,429
Interest payable on loans	332	189
Interest payable on discounted bills, advances, exports	1,189	3,618
Other financial interest and charges	2,338	2,153
Interest and Other financial charges for Consolidated Parent Companies	2	1
Total financial charges	11,026	10,390

As highlighted in the Directors' Report, the increase in financial charges is attributable to the repositioning (in June 2013) of the financial payables to longer expiries.

(€thousand)	31.12.2014	31.12.2013
Other sundry financial income (interest from customers, etc.)	(2,780)	(3,357)
Interests and financial income from Parent Companies	(136)	(200)
Positive interest from bank accounts	(19)	(32)
Total Financial Income	(2,935)	(3,589)

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

35. Income from subsidiaries disposal

The item amounts to 104 thousand Euros and represents the net income deriving from the sale of the holding in Alisea Soc. Cons. a r.l. by the Parent company and the relevant deconsolidation from the Group financial statements, as better described in the Directors' Report and in the paragraph "Scope of consolidation".

36. Taxes

(€thousand)	31.12.2014	31.12.2013
Ires-Ires charge transferred to Parent Company	21,101	19,266
Irap	5,130	4,855
Net provision for deferred tax liabilities	(295)	(125)
Reimbursement for taxes of previous years	(8)	0
Total taxes	25,928	23,996

Reconciliation between theoretical and effective fiscal charges

(€thousand)	*Year 2014*		*Year 2013*	
	Taxable amount	*Tax*	*Taxable amount*	*Tax*
I.R.E.S.				
Profit before taxation	81,545		74,953	
Taxation rate	27.50%		27.50%	
theoretical tax burden		22,425		20,612
Permanent differences				
Non-deductible depreciation	334		457	
Write-down of financial assets	2		13	
Other	746		900	
	1,082		1,370	
Deductible depreciation	(1,869)		(1,769)	
Dividends from Italian companies (95%)	(2,870)		(3,677)	
Income from subsidiaries disposal (95%)	(1,713)		0	
Personel cost not deducted to Irap	(830)		(1,006)	
Other	(2,263)		(1,395)	
	(9,545)		(7,847)	
Temporary differences deductible in future years				
Allocation of taxed provision for bad debts	8,370		8,328	
Maintenance costs excess 5%	33		82	
Other	847		418	
Deductible entertainment expenses	13		0	
	9,263		8,828	
Reversal of temporary differences from previous years				
Surplus value deductible in future years	0		0	
	0		0	
Use of taxed provision for bad debts	(4,867)		(6,393)	
Use of others taxed provisions	(375)		0	
Amount deductible entertainment expenses	0		0	
Amount of Write-down of financial assets	0		0	
Amount of maintenance cost excess 5%	(67)		(118)	
Other	(656)		(323)	
	(5,965)		(6,834)	
Taxable income	76,380		70,470	
Taxation rate	27.50%		27.50%	
Actual tax burden		21,004		19,379
Balance of IRES for past business years and roundings		97		(113)
Actual Tax burden of Period		21,101		19,266
I.R.A.P.				
Profit before taxation	81,545		74,953	
Cost not relevant for I.R.A.P.	0		0	
Income from subsidiaries disposal (95%)	(104)		0	
Financial income and expense	8,768		6,863	
Personnel costs	36,059		41,458	
Theorical taxable	126,268		123,274	
Taxation rate	3.94%		4.00%	
theoretical tax burden		4,971		4,926
Other	6,044		(605)	
Taxable income	132,312		122,669	
Taxation rate	3.94%		3.99%	
Actual tax burden		5,209		4,894
Balance of IRAP for past business years		(79)		(39)
Actual Tax burden of Period		5,130		4,855

37. Earnings per share

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

(in Euro)	2014	2013
EPS base	0.77	0.71
EPS diluted	0.77	0.71

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

Earnings:

(€thousand)	31.12.2014	31.12.2013
Profit for the period	51,105	47,318
Minority interests	0	(581)
Profit used to determine basic and diluted earnings per share	51,105	46,737

Number of shares:

(number of shares)	31.12.2014	31.12.2013
Weighted average number of ordinary shares used to determine basic earning per share	66,525,120	65,966,402
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	66,525,120	65,966,402

38. Other profits/losses

The other profits/losses accounted for in the consolidated statement of other comprehensive income consist of the effects produced and reflected in the period with reference to the following items:
- effective part of the operations for: hedging interest rates related to variable rate loans existing at the date; hedging exchange risk rate related to the bond in US dollars closed with an operation of private placement during the previous year; term exchange purchase transactions existing at 31 December 2014, to hedge the underlying goods purchasing operations. The value indicated amounted to a total loss of 789 thousand Euros in the year 2014 and is shown net of the taxation effect (that amounts to approximately 299 thousand Euros as at 31 December 2014).
- actuarial losses regarding the evaluation of Staff Severance Provision as required by amendments to IAS principle 19 "Employee Benefits"; the value indicated, amounting to a total loss of 460 thousand Euros, is shown net of the taxation effect (that amount to about 178 thousand Euros as at 31 December 2014).

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

Net financial position

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

MARR Consolidated (€thousand)	*31.12.14*	*31.12.13*
A. Cash	6,895	8,056
Cheques	18	36
Bank accounts	30,331	24,578
Postal accounts	289	154
B. Cash equivalent	30,638	24,768
C. Liquidity (A) + (B)	37,533	32,824
Current financial receivable due to Parent Company	4,101	2,633
Current financial receivable due to Related Companies	0	0
Others financial receivable	1,324	2,706
D. Current financial receivable	5,425	5,339
E. Current Bank debt	(60,115)	(40,920)
F. Current portion of non current debt	(77,151)	(26,029)
Financial debt due to Parent Company	0	0
Financial debt due to Related Companies	0	0
Other financial debt	(794)	(755)
G. Other current financial debt	(794)	(755)
H. Current financial debt (E) + (F) + (G)	(138,060)	(67,704)
I. Net current financial indebtedness (H) + (D) + (C)	(95,102)	(29,541)
J. Non current bank loans	(46,642)	(133,945)
K. Other non current loans	(34,940)	(30,645)
L. Non current financial indebtedness (J) + (K)	(81,582)	(164,590)
M. Net financial indebtedness (I) + (L)	(176,684)	(194,131)

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, 12 March 2015

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 2014.
- 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 2014.
- 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 2014.
- Appendix 5 – Table showing variations in Tangible Assets for the year ending 31 December 2014.
- Appendix 6 – Table showing the essential data from Cremonini S.p.A. and consolidated financial statements as at 31 December 2013.
- 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 2014

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	33,263			
- Subsidiaries:					
Alisurgel S.r.l. in liquidation	Rimini	10	97.0%	Sfera S.p.A.	3.0%
Sfera 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%		
EQUITY INVESTMENTS VALUED AT COST:					
- Other Company:					
Centro Agro-Alimentare Riminese S.p.A.	Rimini	11,798	1.66%		

MARR S.p.A. STATEMENT OF FINANCIAL POSITION

(€)	*31.12.14*	*31.12.13*
ASSETS		
Non-current assets		
Tangible assets	62,650,591	62,229,136
Goodwill	73,072,161	70,965,336
Other intangible assets	382,555	344,281
Investments in subsidiaries and associated	33,169,069	33,201,336
Investments in other companies	298,521	294,342
Non-current financial receivables	2,045,657	2,199,851
Non current derivative/financial instruments	285,288	0
Deferred tax assets	10,765,003	9,786,520
Other non-current assets	36,252,708	36,416,377
Total non-current Assets	218,921,553	215,437,179
Current assets		
Inventories	109,800,721	92,769,500
Financial receivables	12,700,358	13,962,582
relating to related parties	*11,626,272*	*11,257,128*
Current derivative/financial instruments	231,745	0
Trade receivables	348,754,333	360,430,880
relating to related parties	*7,105,606*	*6,416,326*
Tax assets	8,461,060	9,444,480
relating to related parties	*1,301,293*	*2,554,224*
Cash and cash equivalents	32,394,304	27,899,691
Other current assets	37,910,248	43,361,769
relating to related parties	*671,211*	*99,896*
Total current Assets	550,252,769	547,868,902
TOTAL ASSETS	*769,174,322*	*763,306,081*
LIABILITIES		
Shareholders' Equity	250,876,796	238,290,626
Share capital	*33,262,560*	*33,262,560*
Reserves	*162,775,991*	*156,082,513*
Retained Earnings	*0*	*0*
Profit for the period	*54,838,245*	*48,945,553*
Total Shareholders' Equity	250,876,796	238,290,626
Non-current liabilities		
Non-current financial payables	81,235,795	161,587,418
Non current derivative/financial instruments	346,564	3,001,941
Employee benefits	9,436,795	8,958,880
Provisions for risks and charges	3,176,759	2,992,437
Deferred tax liabilities	9,774,574	9,687,145
Other non-current liabilities	689,603	437,786
Total non-current Liabilities	104,660,090	186,665,607
Current liabilities		
Current financial payables	133,729,825	65,159,685
relating to related parties	*1,089,738*	*2,337,738*
Current derivative/financial instruments	41,005	0
Current tax liabilities	3,576,203	1,626,922
relating to related parties	*1,835,065*	*0*
Current trade liabilities	258,173,191	254,043,263
relating to related parties	*8,098,892*	*9,043,893*
Other current liabilities	18,117,212	17,519,978
relating to related parties	*90,977*	*26,055*
Total current Liabilities	413,637,436	338,349,848
TOTAL LIABILITIES	*769,174,322*	*763,306,081*

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

(€)	31.12.2014	31.12.2013
Revenues	1,305,555,531	1,217,735,371
concerning related parties	*30,506,228*	*21,226,465*
Other revenues	33,667,524	30,177,185
relating to related parties	*385,331*	*217,563*
Changes in inventories	17,031,221	1,772,007
Internal works performed	20,999	0
Purchase of goods for resale and consumables	(1,063,949,529)	(975,278,776)
relating to related parties	*(58,713,864)*	*(53,128,084)*
Personnel costs	(31,746,025)	(32,661,536)
Amortization, depreciation and write-downs	(14,668,990)	(13,607,660)
Other operating costs	(165,800,053)	(156,939,909)
relating to related parties	*(4,299,786)*	*(4,828,403)*
Financial income and charges	(8,423,814)	(6,547,425)
relating to related parties	*316,414*	*329,384*
Income (charge) from associated companies	4,822,594	3,857,839
Profit before taxes	*76,509,458*	*68,507,096*
Taxes	(24,127,981)	(21,735,876)
Profit for the period	*52,381,477*	*46,771,220*

EPS base (euros)	0.79	0.71
EPS diluted (euros)	0.79	0.71

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

(€)	31.12.2014	31.12.2013
Profits for the period (A)	*52,381,477*	*46,771,220*
Items to be reclassified to profit or loss in subsequent periods:		
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect	(801,866)	(873,048)
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial (losses)/gains concerning defined benefit plans, net of taxation effect	(403,054)	32,741
Total Other Profits/Losses, net of taxes (B)	*(1,204,920)*	*(840,307)*
Comprehensive Income (A + B)	*51,176,557*	*45,930,913*

CASH FLOWS STATEMENT (INDIRECT METHOD)

(€thousand)	*31.12.14*	*31.12.13*
Profit for the Period	52,381	46,771
Adjustment:		
Amortization / Depreciation	4,284	3,825
Allocation of provison for bad debts	10,000	9,460
Allocation of provision for investments in subsidiaries	2	13
Allocation of provision for risks and losses	100	240
Capital profit/losses on disposal of assets	(35)	(131)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and losses	4,704	6,479
relating to related parties	*(316)*	*(329)*
Foreign exchange evaluated (gains)/losses	355	15
Income from subsidiaries disposal	(1,803)	0
Dividends Received	(3,022)	(3,871)
	14,585	16,030
Net change in Staff Severance Provision	478	499
(Increase) decrease in trade receivables	1,677	(21,701)
relating to related parties	*(689)*	*(2,099)*
(Increase) decrease in inventories	(17,031)	(1,772)
Increase (decrease) in trade payables	4,130	2,066
relating to related parties	*(945)*	*368*
(Increase) decrease in other assets	4,022	(21,545)
relating to related parties	*(571)*	*(1)*
Increase (decrease) in other liabilities	934	1,913
relating to related parties	*64*	*26*
Net change in tax assets / liabilities	23,351	19,829
relating to related parties	*21,044*	*15,949*
Interest paid	(10,819)	(10,166)
relating to related parties	*(32)*	*(43)*
Interest received	6,115	3,687
relating to related parties	*348*	*372*
Foreign exchange gains	410	440
Foreign exchange losses	(765)	(455)
Income tax paid	(21,310)	(18,988)
relating to related parties	*(16,703)*	*(16,238)*
Cash-flow from operating activities	58,158	16,608
(Investments) in other intangible assets	(150)	(91)
(Investments) in tangible assets	(4,049)	(21,243)
Net disposal of tangible assets	613	1,617
Net (investments) in equity investments in other companies	(4)	(8)
Outgoing for acquisition of subsidiaries or going concerns during the year	(1,643)	0
Ingoing for divestments of subsidiaries during the year	1,833	0
Dividends Received	3,022	3,871
Cash-flow from investment activities	(378)	(15,854)
Distribution of dividends	(38,585)	(38,175)
Increase in capital and reserves paid-up by shareholders	0	6,986
Other changes, including those of third parties	(1,205)	(841)
Net change in financial payables (excluding the new non-current loans received)	(39,396)	(158,848)
relating to related parties	*(1,248)*	*737*
New non-current loans received	25,000	159,295
relating to related parties	*0*	*0*
Net change in current financial receivables	1,031	9,904
relating to related parties	*(369)*	*10,256*
Net change in non-current financial receivables	(131)	1,304
Cash-flow from financing activities	(53,286)	(20,375)
Increase (decrease) in cash-flow	4,494	(19,621)
Opening cash and equivalents	27,900	47,521
Closing cash and equivalents	32,394	27,900

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

Description	Share Capital	Other Reserves															Profits carried over	Total net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve ex art. 55 (DPR 597-917)	Surplus for mergers	Reserve IAS 19	Total reserves	Trading on share reserve	Reserve for profit (losses) on own share	Total own shares		
Balance at 1st January 2013	32,910	60,192	6,652	12	36,496	27,629	1,475	7,516	(1)	1,497	1,823	(108)	143,183	(3,467)	(10)	(3,477)	50,939	223,555
Allocation of 2012 profit						10,590							10,590				(10,590)	
Distribution dividends Marr S.p.A.																	(38,175)	(38,175)
Effect of the trading of own shares	353	3,156											3,156	3,467	10	3,477		6,986
Other minor variations										(6)			(6)					(6)
Consolidated comprehensive income 2013:																		
- Profit for the period																	46,771	46,771
- Other Profits/Losses, net of taxes									(873)			33	(840)					(840)
Balance at 31 December 2013	33,263	63,348	6,652	12	36,496	38,219	1,475	7,516	(874)	1,491	1,823	(75)	156,083				48,945	238,291
Allocation of 2013 profit						8,187							8,187				(8,187)	
Distribution dividends Marr S.p.A.																	(38,585)	(38,585)
Other minor variations										(6)		(283)	(289)				284	(5)
Consolidated comprehensive income 2014:																		
- Profit for the period																	52,381	52,381
- Other Profits/Losses, net of taxes									(802)			(403)	(1,205)					(1,205)
Balance at 31 December 2014	33,263	63,348	6,652	12	36,496	46,406	1,475	7,516	(1,676)	1,485	1,823	(761)	162,776				54,838	250,877

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

	31.12.2014	
	Increase/(Decrease)	
	Shareholders' Equity	of which Net Profit for the period
Parent Company's shareholders' equity and profit/(loss) for the year	250,877	52,381
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	(25,518)	
-- 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	25,242	(23)
-- Pro rata subsidiary profits (losses)	2,947	2,947
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)	(3,013)
Effect of the elimination of the income of MARR for the disposal of the holdings in the company Alisea Soc. Coop. a r.l. (net of the profit of Alisea in the first quarter 2014)	0	(1,347)
Adjustments to adapt the financial statements of some consolidated companies to Group Accounting Standards	2,020	160
Group's share of net equity and profit/(loss)	254,280	51,105
Minorities' share of net equity and profit/(loss)		
Shareholders' equity and profit/(loss) for the year	254,280	51,105

Intangible fixed assets (in thousand of Euros)	OPENING BALANCE			MOVEMENTS DURING THE YEAR				CLOSING BALANCE		
	Original Cost	Provision for amortization	Balance 01/01/2014	Purchases/ reclassification	Consolidation Change	Net decreases	Amortization	Original Cost	Provision for amortization	Balance 31/12/2014
Start-Up and expansion costs										
Cost of research, development and advertising										
Cost of industrial patents and rights for the use of intellectual property	5,135	(4,829)	306	327			(148)	5,462	(4,977)	485
Concessions, licences, brand names, and similar rights	163	(155)	8					163	(155)	8
Goodwill	99,630		99,630	6,090				105,720		105,720
Intangible fixed assets under development and advances	36		36	21				57		57
Other intangible fixed assets	436	(436)						436	(436)	
Total	**105,400**	**(5,420)**	**99,980**	**6,438**			**(148)**	**111,838**	**(5,569)**	**106,270**

Tangible fixed assets (in thousand of Euros)	Opening balance			Movements during the year						Closing balance		
	Original Cost	Provision for amortization	Balance 01/01/2014	Purchases/ reclassification	Decreases		Reclassification		Amortization	Original Cost	Provision for amortization	Balance 31/12/2014
					Original cost	Prov. for am.	Original cost	Prov. for am.				
Land and buildings	76,930	(19,977)	56,953	788			1		(1,886)	77,719	(21,863)	55,856
Plant and machinery	27,802	(20,025)	7,777	1,663	(18)	13	1,182	18	(1,860)	30,629	(21,854)	8,775
Industrial and commercial equipment	3,854	(2,744)	1,110	443	(27)	9	8	(8)	(267)	4,278	(3,010)	1,268
Other tangible assets	13,334	(10,892)	2,442	1,406	(1,128)	512	4	(5)	(723)	13,616	(11,108)	2,507
Tangible fixed assets under development and advances				1,756			(1,200)			556		556
Total	**121,920**	**(53,638)**	**68,282**	**6,056**	**(1,173)**	**534**	**(5)**	**5**	**(4,736)**	**126,798**	**(57,835)**	**68,962**

Cremonini S.p.A.		in thousands of Euros		Consolidated
Main figures' Statement of the last Cremonini S.p.A. financial statements and consolidated financial statements - MARR S.p.A. parent company -				
Financial Statements as of December 31, 2013				
		BALANCE SHEET		
		ASSETS		
77,953		Tangible assets		790,014
30		Goodwill and other intangible assets		161,812
282,758		Investments		19,324
5,733		Non-current assets		73,727
366,474		*Total non-current assets*		*1,044,877*
0		Inventories		333,394
15,180		Receivables and other current assets		665,487
317		Cash and cash equivalents		98,591
15,497		*Total current assets*		*1,097,472*
381,971		Total assets		2,142,349
		LIABILITIES		
159,795		Shareholders' equity:		433,672
	67,074	Share capital	67,074	
	40,357	Reserves	214,952	
	52,364	Net profit (loss)	32,683	
	0	Minority interest	118,963	
69,834		Non-current financial payables		525,541
431		Employee benefits		28,439
373		Provisions for risks and charges		8,556
7,511		Other non-current liabilities		79,817
78,149		*Total non-current liabilities*		*642,353*
139,017		Current financial payables		435,762
5,010		Current liabilities		630,562
144,027		*Total current liabilities*		*1,066,324*
381,971		Total Liabilities		2,142,349
		INCOME STATEMENT		
5,918		Revenues		3,439,816
15,043		Other revenues		56,856
		Changes in inventories		(10,344)
		Internal works performed		6,427
(46)		Purchase of goods		(2,292,559)
(8,405)		Other operating costs		(541,273)
(2,413)		Personnel costs		(402,498)
(1,739)		Amortization		(69,808)
(607)		Depreciation and Allocations		(21,703)
55,747		Income from investments		1,346
(10,757)		Financial income and charges		(52,068)
0		Profit from business aggregations		0
52,741		*Profit before taxes*		*114,192*
(377)		Taxes		(52,690)
52,364		Net profit (loss) before consolidation		61,502
0		Minority interest's profit (loss)		(28,819)
52,364		Consolidated Net profit (loss)		32,683

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 2013. For an adequate and full understanding of the Cremonini S.p.A. financial situation as at 31 December 2013, 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 2014 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 2014
Auditing	Reconta Ernst & Young S.p.A.	MARR S.p.A.	113
	Reconta Ernst & Young S.p.A.	As.Ca S.p.a.	21
Certification service	Reconta Ernst & Young S.p.A.	MARR S.p.A.	12
Other services			0
Total			146

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

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

   of the management and accounting procedures for the drafting of the interim condensed consolidated financial statement, during the year 2014.

2. The assessment of the adequacy of the management and accounting procedures for the drafting of the consolidated financial statement as at 31 December 2014 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, 12 March 2015

Pierpaolo Rossi	Antonio Tiso
Chief Executive Officer	Manager responsible for the drafting of corporate accounts documents

Building a better
working world

MARR S.p.A.

Consolidated financial statements
as of and for the year ended December 31, 2014

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

Building a better working world

Reconta Ernst & Young S.p.A.
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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 December 31, 2014 and for the year then ended, comprising the statement of consolidated financial position, the consolidated statement of profit and loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in the shareholders' equity, the consolidated 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 31, 2014.

3. In our opinion, the consolidated financial statements of the MARR Group at December 31, 2014 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.

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma - Via Po, 32
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
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Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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4. The Directors of MARR S.p.A. are responsible for the preparation of the Directors' Report and the Annual Report on Corporate Governance and Ownership Structure in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency with the financial statements of the Directors' Report and of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Annual Report on Corporate Governance and Ownership Structure, as required by the law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Directors' Report and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) in the Annual Report on Corporate Governance and Ownership Structure, are consistent with the consolidated financial statements of the MARR Group at December 31, 2014.

Bologna, March 31, 2015

Reconta Ernst & Young S.p.A.

Signed by: Andrea Nobili, Partner

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

MARR S.p.A.

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

Dear Shareholders,
The Marr S.p.A. consolidated financial statements for the 2014 business year, which is available for you to consult, shows business year profits of 51,105 thousand Euros (47,318 thousand Euros for the previous business year), all attributable to the Group (46,737 thousand Euros in the previous business year).

In the 2014 business year, the business year profits and those attributable to the Group are the same, given that the scope of consolidation is constituted solely by fully controlled companies following the transfer of the holding in Alisea Soc. Consortile a r.l..

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

The balance sheet and income statement contain, for comparative purposes, the figures in the consolidated financial statements for the previous business year.
In the directors' report on management, the explanatory notes and relevant annexes, which complete and comment on the consolidated financial statements, the Board of Directors, in addition to the method of consolidation and the criteria for assessment, provides information concerning the companies included in the scope of consolidation and also on the facts which characterised the management.

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

As regards matters of our competence:

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

The above holding firm, the Board of Statutory Auditors hereby states that the consolidated financial statements as at 31 December 2014 of the MARR Group correctly represents the equity, economic and financial situation of the Parent company and the companies consolidated.

Rimini, 31 March 2015

The Board of Statutory Auditors

E. Simonelli

S.Muratori

D.Muratori

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

MARR S.p.A.

Financial Statements

as at December 31, 2014

STATEMENT OF FINANCIAL POSITION

(€)	Notes	31.12.14	31.12.13
ASSETS			
Non-current assets			
Tangible assets	1	62,650,591	62,229,136
Goodwill	2	73,072,161	70,965,336
Other intangible assets	3	382,555	344,281
Investments in subsidiaries and associated	4	33,169,069	33,201,336
Investments in other companies	5	298,521	294,342
Non-current financial receivables	6	2,045,657	2,199,851
Non current derivative/financial instruments	7	285,288	0
Deferred tax assets	8	10,765,003	9,786,520
Other non-current assets	9	36,252,708	36,416,377
Total non-current Assets		218,921,553	215,437,179
Current assets			
Inventories	10	109,800,721	92,769,500
Financial receivables	11	12,700,358	13,962,582
relating to related parties		*11,626,272*	*11,257,128*
Current derivative/financial instruments	12	231,745	0
Trade receivables	13	348,754,333	360,430,880
relating to related parties		*7,105,606*	*6,416,326*
Tax assets	14	8,461,060	9,444,480
relating to related parties		*1,301,293*	*2,554,224*
Cash and cash equivalents	15	32,394,304	27,899,691
Other current assets	16	37,910,248	43,361,769
relating to related parties		*671,211*	*99,896*
Total current Assets		550,252,769	547,868,902
TOTAL ASSETS		*769,174,322*	*763,306,081*
LIABILITIES			
Shareholders' Equity	17	250,876,796	238,290,626
Share capital		*33,262,560*	*33,262,560*
Reserves		*162,775,991*	*156,082,513*
Retained Earnings		*0*	*0*
Profit for the period		*54,838,245*	*48,945,553*
Total Shareholders' Equity		250,876,796	238,290,626
Non-current liabilities			
Non-current financial payables	18	81,235,795	161,587,418
Non current derivative/financial instruments	19	346,564	3,001,941
Employee benefits	20	9,436,795	8,958,880
Provisions for risks and charges	21	3,176,759	2,992,437
Deferred tax liabilities	22	9,774,574	9,687,145
Other non-current liabilities	23	689,603	437,786
Total non-current Liabilities		104,660,090	186,665,607
Current liabilities			
Current financial payables	24	133,729,825	65,159,685
relating to related parties		*1,089,738*	*2,337,738*
Current derivative/financial instruments	25	41,005	0
Current tax liabilities	26	3,576,203	1,626,922
relating to related parties		*1,835,065*	*0*
Current trade liabilities	27	258,173,191	254,043,263
relating to related parties		*8,098,892*	*9,043,893*
Other current liabilities	28	18,117,212	17,519,978
relating to related parties		*90,977*	*26,055*
Total current Liabilities		413,637,436	338,349,848
TOTAL LIABILITIES		*769,174,322*	*763,306,081*

STATEMENT OF PROFIT OR LOSS

(€)	*Notes*	*31.12.2014*	*31.12.2013*
Revenues	29	1,305,555,531	1,217,735,371
concerning related parties		*30,506,228*	*21,226,465*
Other revenues	30	33,667,524	30,177,185
relating to related parties		*385,331*	*217,563*
Changes in inventories	10	17,031,221	1,772,007
Internal works performed	31	20,999	0
Purchase of goods for resale and consumables	32	(1,063,949,529)	(975,278,776)
relating to related parties		*(58,713,864)*	*(53,128,084)*
Personnel costs	33	(31,746,025)	(32,661,536)
Amortization, depreciation and write-downs	34	(14,668,990)	(13,607,660)
Other operating costs	35	(165,800,053)	(156,939,909)
relating to related parties		*(4,299,786)*	*(4,828,403)*
Financial income and charges	36	(8,423,814)	(6,547,425)
relating to related parties		*316,414*	*329,384*
Income (charge) from associated companies	37	4,822,594	3,857,839
Profit before taxes		*76,509,458*	*68,507,096*
Taxes	38	(24,127,981)	(21,735,876)
Profit for the period		*52,381,477*	*46,771,220*
EPS base (euros)	39	0.79	0.71
EPS diluted (euros)	39	0.79	0.71

STATEMENT OF OTHER COMPREHENSIVE INCOME

(€)	*Notes*	*31.12.2014*	*31.12.2013*
Profits for the period (A)		*52,381,477*	*46,771,220*
Items to be reclassified to profit or loss in subsequent periods:			
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect		(801,866)	(873,048)
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses)/gains concerning defined benefit plans, net of taxation effect		(403,054)	32,741
Total Other Profits/Losses, net of taxes (B)	40	*(1,204,920)*	*(840,307)*
Comprehensive Income (A + B)		*51,176,557*	*45,930,913*

STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY
(note 17)

Description	Share Capital	Other Reserves: Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital account	Extraordinary reserve	Reserve for exercised stock options	Reserve for transition to the Ias/Ifrs	Cash -flow hedge reserve	Reserve ex art. 55 (DPR 597-917)	Surplus for mergers	Reserve IAS 19	Total reserves	Trading on share reserve	Reserve for profit (losses) on own share	Total own shares	Profits carried over	Total net equity
Balance at 1st January 2013	32,910	60,192	6,652	12	36,496	27,629	1,475	7,516	(1)	1,497	1,823	(108)	143,183	(3,467)	(10)	(3,477)	50,939	223,555
Allocation of 2012 profit						10,590							10,590				(10,590)	
Distribution dividends Marr S.p.A.																	(38,175)	(38,175)
Effect of the trading of own shares	353	3,156											3,156	3,467	10	3,477		6,986
Other minor variations										(6)			(6)					(6)
Consolidated comprehensive income 2013:																		
- Profit for the period																	46,771	46,771
- Other Profits/Losses, net of taxes									(873)			33	(840)					(840)
Balance at 31 December 2013	33,263	63,348	6,652	12	36,496	38,219	1,475	7,516	(874)	1,491	1,823	(75)	156,083				48,945	238,291
Allocation of 2013 profit						8,187							8,187				(8,187)	
Distribution dividends Marr S.p.A.																	(38,585)	(38,585)
Other minor variations										(6)		(283)	(289)				284	(5)
Consolidated comprehensive income 2014:																		
- Profit for the period																	52,381	52,381
- Other Profits/Losses, net of taxes									(802)			(403)	(1,205)					(1,205)
Balance at 31 December 2014	33,263	63,348	6,652	12	36,496	46,406	1,475	7,516	(1,676)	1,485	1,823	(761)	162,776				54,838	250,877

CASH FLOWS STATEMENT (INDIRECT METHOD)

(€thousand)	***31.12.14***	*31.12.13*
Profit for the Period	52,381	46,771
Adjustment:		
Amortization / Depreciation	4,284	3,825
Allocation of provison for bad debts	10,000	9,460
Allocation of provision for investments in subsidiaries	2	13
Allocation of provision for risks and losses	100	240
Capital profit/losses on disposal of assets	(35)	(131)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and losses	4,704	6,479
relating to related parties	*(316)*	*(329)*
Foreign exchange evaluated (gains)/losses	355	15
Income from subsidiaries disposal	(1,803)	0
Dividends Received	(3,022)	(3,871)
	14,585	16,030
Net change in Staff Severance Provision	478	499
(Increase) decrease in trade receivables	1,677	(21,701)
relating to related parties	*(689)*	*(2,099)*
(Increase) decrease in inventories	(17,031)	(1,772)
Increase (decrease) in trade payables	4,130	2,066
relating to related parties	*(945)*	*368*
(Increase) decrease in other assets	4,022	(21,545)
relating to related parties	*(571)*	*(1)*
Increase (decrease) in other liabilities	934	1,913
relating to related parties	*64*	*26*
Net change in tax assets / liabilities	23,351	19,829
relating to related parties	*21,044*	*15,949*
Interest paid	(10,819)	(10,166)
relating to related parties	*(32)*	*(43)*
Interest received	6,115	3,687
relating to related parties	*348*	*372*
Foreign exchange gains	410	440
Foreign exchange losses	(765)	(455)
Income tax paid	(21,310)	(18,988)
relating to related parties	*(16,703)*	*(16,238)*
Cash-flow from operating activities	58,158	16,608
(Investments) in other intangible assets	(150)	(91)
(Investments) in tangible assets	(4,049)	(21,243)
Net disposal of tangible assets	613	1,617
Net (investments) in equity investments in other companies	(4)	(8)
Outgoing for acquisition of subsidiaries or going concerns during the year	(1,643)	0
Ingoing for divestments of subsidiaries during the year	1,833	0
Dividends Received	3,022	3,871
Cash-flow from investment activities	(378)	(15,854)
Distribution of dividends	(38,585)	(38,175)
Increase in capital and reserves paid-up by shareholders	0	6,986
Other changes, including those of third parties	(1,205)	(841)
Net change in financial payables (excluding the new non-current loans received)	(39,396)	(158,848)
relating to related parties	*(1,248)*	*737*
New non-current loans received	25,000	159,295
relating to related parties	*0*	*0*
Net change in current financial receivables	1,031	9,904
relating to related parties	*(369)*	*10,256*
Net change in non-current financial receivables	(131)	1,304
Cash-flow from financing activities	(53,286)	(20,375)
Increase (decrease) in cash-flow	4,494	(19,621)
Opening cash and equivalents	27,900	47,521
Closing cash and equivalents	32,394	27,900

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 2014 were authorised for publication by the Board of Directors on 12 March 2015.

Structure and contents of the consolidated financial statements

The financial statements as at 31 December 2014 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 2014, 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 2014, see that described in the Directors' Report on management performance.

The financial statements as at 31 December 2014 include, for comparative purposes, the figures for the year ended on 31 December 2013.

The following classifications have been used:

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

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

All amounts are indicated in Euros.

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

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

Accounting policies

The most significant Accounting policies adopted for the preparation of the financial statements as at 31 December 2014 are indicated below:

Tangible assets

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

Company. When the tangible asset is made up of a number of significant components, each with a different useful life, depreciation is made for each single component. The depreciation value is represented by the book value minus the presumable net transfer value at the end of its useful life, if material and reasonably determinable. Land is not depreciated, even if purchased together with a building, and neither are tangible assets held for sale, measured at the lower between the book value and fair value after transfer charges.
Costs for improvement, upgrading and transformation increasing tangible assets are entered in the statement of financial position, in compliance with the requirements of the IAS 16.

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

- Buildings	2.65% - 4%
- Plant and machinery	7.50%-15%
- Industrial and business equipment	15%- 20%
- Other assets:	
- Electronic office equipment	20%
- Office furniture and fittings	12%
- Motor vehicles and means of internal transport	20%
- Cars	25%
- Other minor assets	10%-30% / contract term

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

Goodwill and other intangible assets

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

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

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

Investments in related companies and other companies

Investments in related companies are evaluated using the Net Equity method and the shareholdings in other companies are evaluated as the purchase, subscription or conferment cost, as indicated in Appendix 1 and the following explanatory notes.
The recoverability of their recorded value is verified by adopting the criteria indicated in

the subsection "Losses of value of non-financial assets" as regards investments in related companies and in the subsection "losses in value of financial assets" as regards investments in other companies.

Inventories

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

Receivables and other current assets

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

Financial assets

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

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

The subsequent measurement of the financial assets depends on their classification as follows:

Loans and receivables

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

Derivatives

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

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

the right to receive cash flows from the asset have expired;

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

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

Losses in value of financial assets

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

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

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

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

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

In the case of equity investments classified as available for sale, the objective evidence would include a significant or prolonged reduction in the fair value of the investment below its cost. The "Significance" is evaluated with respect to the original cost of the instrument and "prolonged effect" with respect to the (duration of the) period in which the fair value has been below the original cost. Should there be evidence of impairment, the cumulative losses – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from the other comprehensive income and recognised in the income statement.

Any losses due to impairment of instruments representative of capital may not be reversed with the effects recorded in the profit and loss account; any increases in their fair value subsequent to an impairment loss are recorded directly in the other comprehensive income.

Losses in value of non-financial

When events occur that would lead to assume a reduction in the value of asset, its assets

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

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

Employee benefits

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

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

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

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

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

Provisions for risks and charges

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

Financial liabilities

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

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

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

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

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the income statement.
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

Derivatives

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

Income taxes

Current income taxes are calculated on the basis of the estimated taxable income. Tax assets and liabilities for current taxes are recognized at the value expected to be paid/recovered to/from the Tax Authorities, by applying the rates and tax regulations in force or basically approved as at the end of the period, and considering the involvement of some companies to the national consolidated tax base.
Deferred tax liabilities and assets are calculated on the temporary differences between the values of the assets and liabilities recorded in the financial statements and the corresponding values recognised for fiscal purposes.
Deferred taxes are recorded on all the taxable temporary differences, with the following exceptions:

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

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

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

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

Criteria for conversion of items in foreign currency

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

Business combinations

The business combinations occurred prior to 1 January 2010 are accounted through the application of the so-called *purchase method* (purchase methods defined by IFRS 3 as "Business combinations"). The purchase method requires that, after having identified the buyer involved in the business combination and having determined the purchase cost all the assets and liabilities purchased (including the so-called contingent liabilities) must be valued at fair value. For this purpose, the company is required to value any intangible assets purchased in specifically. Any goodwill is to be calculated in a residual manner, as the difference between the cost of the business combination (including additional charges and any contingent considerations) and the share pertaining to the company of the difference between the assets and liabilities purchased, valued at their fair value.
The business combinations occurred subsequently to 1 January 2010 are accounted for using the acquisition method (IFRS 3R). The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value acquisition date and the amount of any non-controlling interest in the acquired. For each business combination, the acquirer measures the no controlling interest in the acquired either at fair value or at the proportionate share of the acquired identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.
If business combinations are achieved in stages, the fair value of the shareholding previously held is remeasured to fair value at the acquisition date, recording any resulting profits or losses in the profit and loss account.
Each contingent consideration to be transferred to the acquirer will be recognised by the acquired at the fair value at the acquisition date. Changes to the fair value of the contingent consideration classified as a financial asset or liability will be recorded in accordance with IAS 39 either in the profit and loss or as a change to comprehensive income. If it das not fall within the scope of IAS 39, it will be recognised in accordance with IAS 37 or the most appropriate IFRS.
If the contingent consideration is classified as equity, it should not remeasured until it is finally settled within equity.
Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed.
If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

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

Revenue and cost recognition

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

Accounting treatment of financial assets/instruments

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

market value when it is possible to identify the market to which they actively belong. However, if the market value of a financial instrument is not easily calculable, but its components or those of a similar instrument are calculable, the market value is determined through the evaluation of the individual components of the instrument or of the similar instrument. Furthermore, for those instruments for which an active market is not easily identifiable, the evaluation is carried out by using the value resulting from generally accepted evaluation models and techniques which ensure a reasonable approximation of the market value. All the assets and liabilities for which the fair value is valued or recorded in the financial statements are categorised on the basis of the fair value hierarchy, as described below:

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

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

Own shares

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

Main estimates adopted by management and discretional assessments

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

Estimates and hypotheses used

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

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

In order to assess a potential loss of value of the Goodwill registered in order to measure any impairment of goodwill 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 2015 from the Business Plan approved by the Board of Directors, for subsequent years, an extremely prudent conduct was maintained, estimating a substantially flat performance in terms of revenues for 2016 and 2017 and an increase of 1% for 2018 and 2019; for 2020 and for the calculation of the terminal value an increase rate of 1% was hypothesised.
The Weighted Average Cost of Capital (WACC) has been adopted as the discount rate, which is 6.31% (6.56% last year) calculated punctually in coherence with previous years. Sensitivity analyses have also been conducted on this rate and the sustainability of the goodwill value recorded in the financial statements verified with WACC values aligned to the forecasts by financial analysts.
The measurement of any impairment of assets (Goodwill), for the results of which refer to paragraph 2 "*Goodwill*", was made by referring to the situation as at 31 December 2014.

- 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 equal to: 0.6% for the year 2015, 1.2% for the year 2016, 1.5% for the years 2017 and 2018, 2% for the year 2019 and the subsequents;
  - The discounting rate used is equal to 0,91%[VIII];
  - The annual rate of increase of the severance plan is expected to be equal to: 1.95% for the year 2015, 2.4% for the year 2016, 2.625% for the years il 2017 and 2018, 3% for the year 2019 and the subsequents;
  - 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 0.72%.

- 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.

[VIII] Average performance curve deriving from the IBOXX Eurozone Corporates AA (7-10 years).

Accounting principles, amendments and interpretations applicable as at 1 January 2014

The criteria for assessment used for the purpose of predisposing the financial statements as at 31 December 2014 do not differ from those used for the drafting of the consolidated financial statements as at 31 December 2013, with the exception of the accounting principles, amendments and interpretations applicable as from 1st January 2014
, which although did not affected the present Group financial statement.

- 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 the subsidiary companies are and which must be consolidated by the parent company. 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.
  The modification, subsequent to the initial introduction of the principle, also provides an exception to consolidation for entities which come under the definition of investment entity pursuant to IFRS 10 – Consolidated Financial Statements. This exception to consolidation requires that investment entities assess subsidiary companies at the fair value recorded in the income statement. These changes are not applicable to the Company financial statements.
- IFRS 11 "Joint Arrangements" – this principle replaces IAS 31 "Interest in joint ventures" and SIC 13 "Jointly-controlled Entities – non monetary contributions by ventures". IFRS 11 removes the option of accounting jointly controlled entities using proportionate consolidation but establishes the use of the net equity method. This case does not arise within the Group.
- 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.
- 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. . This case is not present in the Group.
- IAS 32 Compensation of financial assets and liabilities – Changes to IAS 32". The changes clarify the meaning of "currently has a legal right to compensate". The changes also clarify the application of the criterion of compensation in IAS 32 in the case of regulating systems (such as centralised compensation systems for example) which apply gross non-simultaneous regulation mechanisms. These changes have not had any impact on the company's financial statements, given that there are no ongoing compensation agreements.
- IAS 36 *"Additional information on the recoverable value of non-financial assets – Amendments to IAS 36"*. These amendments eliminate the consequences involuntarily introduced by IFRS 13 on the information required by IAS 36. Furthermore, these amendments require information on the recoverable value of the assets or CGU for which a reduction in value was recorded or "reversed" during the course of the business year (impairment loss).
- IAS 39 "Novation of derivatives and continuation of hedge accounting – Amendments to IAS 39". These amendments enable the continuation of hedge accounting when novation of a hedging derivative respects certain criteria. These modifications, which must be applied retrospectively, have not had any impact on these financial statements, as the Company has not replaced any of its derivatives during the business year or in preceding business years.
- IFRIC 21*"Taxation"*. IFRIC 21 is applicable retroactively to all the payments imposed by the law by the Government, other than those already dealt with in other principles (for example by IAS 12 "*Income tax*" and fines or other sanctions for breaches of the law). This interpretation clarifies that an entity recognises a liability not before the occurrence of the event to which the payment is related, in accordance with the applicable law. The interpretation also clarifies that liability only accrues progressively if the event the payment is related to occur during a timeframe provided by the law. As regards payments that are due only when a specific minimum threshold is exceeded, the liability is only recorded when the threshold is reached. This interpretation has not had an impact on these financial statements, as the recording criteria provided by *IAS 37 "Allocations, potential liabilities and assets"*, which are in agreement with the dispositions of IFRIC 21, were applied in preceding years.

We would also point out that on 12 December 2013, the IASB published the documents entitled "*Annual Improvements to IFRSs: 2010 – 2012 cycle*" and "*Annual Improvements to IFRSs: 2011 – 2013 cycle*" which acknowledge the changes to the principles in the framework of the annual process for their enhancement, focusing on the changes deemed necessary but not urgent. We would point out that the principal modifications are not applicable to these financial statements:

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

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

Accounting principles, amendments and interpretations applicable subsequently

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

- IFRS 9 - Financial instruments. In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments, which reflects all the phases of the project concerning financial instruments and replaces IAS 39 Financial Instruments: Recording and assessment and all previous versions of IFRS 9. The principle introduces new requirements for classification, assessment, loss of value and hedge accounting. IFRS 9 is effective for business years starting on 1 January 2018 or later.
- IFRS 15 - Revenues deriving from contracts with customers. This IFRS was issued in May 2014 and introduces a new five-phase model to be applied to revenues from customer contracts. IFRS 15 provides that revenues be recorded for an amount reflecting the payment the entity deems to have the right to in exchange for the transfer of goods or services to the customer. The principle gives a more structured approach for recording and assessing revenues, replacing all the current requirements in the other IFRS on the recognition of revenues. IFRS 15 is effective for business years starting on 1 January 2017 of later, with full or modified retrospective application. Advance application is also allowed. The Company does not expect any significant impact from the application of this principle.
- Modifications to IFRS 11 - Joint control agreements: Purchase of a holding. These modifications require that a joint operator which records the acquisition of a holding in a joint control agreement in the accounts, the activities of which represent a business, must apply the significant principles of IFRS 3 concerning the accounting of corporate aggregations. The modifications also clarify that, in the case of joint control being maintained, the holding previously held in a joint control agreement shall not be the subject of re-measurement at the time at which an additional holding is purchased. Furthermore, an exclusion to the scope of IFRS 11 has been added, in order to clarify that the modifications shall not be applicable when all the parties sharing control, including the entity which draws up the financial statements, are subjected to the common control of the same controlling entity. The modifications are applicable to both the purchase of the initial holding in a joint control agreement and the purchase of any additional holdings in the same joint control agreement. The modifications must be applied prospectively for business years starting on 1 January 2016 or later, and their advance application is allowed.
- Modifications to IAS 16 and IAS 38: Clarification on the admissible methods of amortization. These modifications clarify the principle contained in IAS 16 and in IAS 38: the revenues reflect a model of economic benefits generated by the management of a business (of which the activity is part), rather than the economic benefits consumed by using the asset in question. It follows that a method based on revenues cannot be used for the amortization of buildings, plant and machinery and could only be used in very limited circumstances for the amortization of intangible assets. The modifications must be applied prospectively for business years starting on 1 January 2016 or later, and their advance application is allowed.
- Modifications to IAS 19 Employee benefits: Contributions by employees. IAS 19 requires that an entity must consider the contributions by employees or third parties when recording the defined benefits plans in the

accounts. When the contributions are linked to the performance of a service, they should be attributed to the period of service as negative benefits. The modification clarifies that, if the amount of contributions is independent of the number of years service, the entity is allowed to record these contributions as a reduction in the cost of the service in the period in which the service is performed rather than allocate the contributions to the service periods. This modification is effective for business years starting on 1 July 2014 or later.

- Modifications to IAS 27: Net equity method in the separate financial statements. The modifications will enable the entity to use the net equity method to record the holdings in subsidiaries, joint ventures and associates in its own separate financial statements. The entities which are already applying the IFRS and decide to modify the criterion for recording in the accounts by changing to the net equity method in their own separate financial statements must apply the change retrospectively. The modifications are effective for business years starting on 1 January 2016 or later, and their advance application is allowed.
- Modifications to IAS 1: Initiative on the informative note to the financial statements. The modifications are aimed at introducing clarifications into IAS 1 in order to deal with some elements that are perceived as limitations to the use of judgement by those who draw up the financial statements. These modifications are awaiting homologation and are applicable for business years starting on 1 January 2016 or later.
- Modifications to IFRS 10 and IAS 28: sale or conferment of an asset between an investor and one of their associates or joint ventures. The modification is aimed at removing the conflict between the requirements of IAS 28 and IFRS 10 and clarifies that in a transaction involving an associate or joint venture, the extent to which it is possible to record a profit or loss depends on whether the asset involved in the sale or conferment is a business or not. The modification is awaiting homologation and is applicable for business years starting on 1 January 2016 or later.

Lastly, some enhancements have been issued to acknowledge the modifications to the principles in the framework of their annual enhancement, concentrating on the necessary, but not urgent, modifications.
The main modifications still awaiting homologation concern the following principles:

- IFRS 5, introduces a clarification for cases in which the method of transfer of an asset changes, reclassifying the latter from held for sale to held for distribution;
- IFRS 7, clarifies if and when contract services constitute continuous involvement for informative purposes;
- IAS 19, clarifies that the currency of the securities used as reference in estimating the discount rate must be the same as that in which the benefits will be paid out;
- IAS 34, clarifies the meaning of "elsewhere" in cross referencing.

Capital management policy

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

Taking into account the fact that the financial requirements, because of the characteristics of the Company's core business, are calculated in terms of trade net working capital, the main indicator for cash flow management is summarily represented by the performance of the ratio between trade net working capital and revenues ("Trade NWC on total Revenues").
Still in relation to the seasonal nature characterising its business, the Company also monitors the performance of the single components of trade net working capital (trade receivables and payables and inventories) in terms of both absolute value and days of outstanding.
The management of capital is also measured in terms of the principal indicators of financial best practice, such as ROS, ROCE, ROE, Net debt / Equity and Net debt / EBITDA.

Financial Risks Management

The financial risks to which the Company is exposed in the performance of its business activities are as follows:
- market risk (including currency risk, interest rate risk and price risk);
- credit risk;
- liquidity risk.

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

Market risk

(i) Currency risk: The currency risk arises when reported assets and liabilities are expressed in a currency other than the enterprise's functional currency. 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 manner of handling this risk in the Company is to enter into forward contracts to purchase/sell the foreign currency, specifically designed to hedge the individual trade transactions, if the forward rate is favourable compared to the rate at the date of the operation. In addition to the trade relations, it should be noted that in 2013, the Company finalised a bond private placement in US dollars. To cover this transaction, the Company stipulated Cross Currency Swap contracts specifically destined to hedge the financial flows deriving from the payment of the coupons and reimbursement of capital on expiry.

As at 31 December 2014, a 5% appreciation in the exchange rate in relation to the US dollar, all else being equal, would have given rise to an increase in pre-tax profit of 242 thousand Euros (84 thousand Euros in 2013), 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 226 thousand Euros (120 thousand Euros as at 31 December 2013) ascribable to variation in the amount of the *cash flow hedge* fund (due to the variation in the fair value of forward contracts on exchange rates).
On the other hand, at the same date, a 5% drop in the exchange rate in relation to the US dollar, all else being equal, would have been reflected by a pre-tax profit decrease of 267 thousand Euros (93 thousand Euros in 2013).
The other equity items would have shown an upward variation of 293 thousand Euros (41 thousand Euros as at 31 December 2013) 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 from banks are floating and variable rate financing exposes the Company to the risk of cash flow variations due to interest rates. To cover this risk, the company stipulated Interest Rate Swap contracts specifically related to the partial or total hedging of certain loans. Fixed rate financing exposes the MARR to the risk of changes to the fair value of the finances themselves.

In 2014 business year, a hypothetical upward or downward fluctuation of 10% in the interest rate, all else being equal, would have produced a pre-tax cost increase or decrease (with corresponding equity variation) of approximately 433 thousand Euros on an yearly basis (482 thousand Euros as at 31 December 2013).

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 to Euribor as much as possible.

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

Credit risk

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

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

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

Overdue management is differentiated on the basis of length of time overdue (overdue bands).
For the overdue bands up to 60 days, reminder procedures are activated at branch level or directly by the Customers Office; for accounts that are over 15 days overdue or that have exceeded the amount of the credit line granted a personal IT control blocks the supply to non-performing customer. For debts in the "over 90 days" band, legal actions is taken when necessary.
Receivables comprised in the "not yet due" band, which total 181,003 thousand Euros as at 31 December 2014, represent 51.09% 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 31.12.14	Balance at 31.12.13
Current trade receivables	348,754	360,431
Other non-current receivables	36,253	36,416
Other current receivables	37,910	43,362
Total	422,917	440,209

For the comments on the various categories, please refer to note 9 on "Other non-current receivables", note 13 on "Trade receivables" and note 16 on "Other current receivables". The value of the trade receivables, the other non-current receivables and the other current receivables are classifiable as "Level 3" financial receivables, in other words those for which the input is not based on observable market data.

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

As at 31 December 2014, overdue trade receivables, net of bad debt reserve, amounted to 167,751 thousand Euros (164,166 thousand Euros in 2013). The breakdown of these receivables by due date is as follows:

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Overdue:		
Less than 30 days	49,782	56,360
betweeen 31 and 60 days	25,076	15,233
betweeen 61 and 90 days	19,887	19,135
Over 90 days	73,006	73,438
Total overdue trade receivables	167,751	164,166

The amounts shown above refer to overdue debts calculated on the basis of the nominal terms agreed[IX] with the customer at the time of first assessment. This table also includes the "overdue" exposure of the particularly important customers most closely loyal to the Company, with whom special terms of payment are agreed yearly. As at 31 December 2014, this particular category of customers accounted for 28,195 thousand Euros (19,555 thousand Euros as at 31 December 2013) of which 18,663 thousand were in the "Over 90 days" band (11,903 thousand Euros as at 31 December 2013).

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

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 29,704 thousand Euros (28,852 thousand Euros in 2013).
Those receivables were mainly related to clients in economic difficulties. The quota of these receivables that is not recoverable is specifically covered by the bad debt reserve, which amounts to a total of 31,349 thousand Euros (29,914 thousand Euros in 2013)

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 reference rates, which has led to a significant reduction in interest rates in recent years, financial flows of floating loans have been estimated using a rate determined by the IRS over five years increased by the average spread applied to our medium-long term loans.

(€thousand)

	Less than 1 year	between 1 and 2 years	between 2 and 5 years	Over 5 years
At 31 december 2014				
Borrowings	138,330	19,558	34,816	39,459
Derivative financial instruments	41	0	194	153
Trade and other payables	258,173	0	0	0
	396,544	19,558	35,010	39,612
At 31 december 2013				
Borrowings	73,793	64,787	76,053	43,630
Derivative financial instruments	0	0	132	2,870
Trade and other payables	254,043	0	0	0
	327,836	64,787	76,185	46,500

As regards the changes to the long-term quota, see that already described in the Director's Report and on paragraph 18 "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 2014		
Assets as per balance sheet	**Loans and receivables**	**Derivatives used for hedging**	**Total**
Non current derivative/financial instruments	0	285	285
Non Current financial receivables	2,046	0	2,046
Other non-current assets	36,253	0	36,253
Current financial receivables	12,700	0	12,700
Current derivative/financial instruments	0	232	232
Current trade receivables	348,754	0	348,754
Cash and cash equivalents	32,394	0	32,394
Other current receivables	37,910	0	37,910
Total	470,057	517	470,574
Liabilities as per balance sheet	**Other financial liabilities**	**Derivatives used for hedging**	**Total**
Non Current financial payables	81,236	0	81,236
Non current derivative/financial instruments	0	346	346
Current financial payables	133,730	0	133,730
Current derivative financial instruments	41	0	41
Total	215,007	346	215,353

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

In compliance with that required by the modifications introduced to IFRS 13, we would point out that the derived financial instruments, constituted by contracts for the coverage of exchanges and interest rates, 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 and interest rate market).[X] Similarly, as regards the non-current financial debts, the recording at fair value of which is indicated in paragraph 18 of these explanatory notes, are also classifiable as "Level 2" financial assets, in as much as the inputs influencing their fair value are market data which is directly observable.
As regards the other non current and current active items, see that stated in paragraphs 9 and 16 of these explanatory notes.

[X] 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 to the main items included in the consolidated statement of financial position

ASSETS

Non-current assets

1. Tangible assets

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

(€thousand)	Balance at 31.12.14	Purchases / other movements	Net decreases	Depreciation	Balance at 31.12.13
Land and buildings	50,936	450	0	(1,739)	52,225
Plant and machinery	8,297	2,733	(2)	(1,715)	7,281
Industrial and business equipment	752	236	0	(125)	641
Other assets	2,161	1,242	(576)	(587)	2,082
Fixed assets under development and advances	505	505	0	0	0
Total tangible assets	62,651	5,166	(578)	(4,166)	62,229

With regard to the variation in the year we point out that the purchase of the going concern Scapa implied the entry of tangible assets for a total amount for 1,116 thousand Euros, subdivided among the various categories as follows: 369 thousand Euros in the item "Land and buildings", 366 thousand Euros in the item "Plant and machinery" and 381 thousand Euros in the item "Other assets".

In addition to the above, a series of interventions were carried out as part of a plan for the increase of the capacity and remodernisation of certain distribution centres, which is expected to be completed in 2016. Therefore, we would highlight the investments made in equipment, plant and machinery at the MARR Sicilia distribution centre (for 411 thousand Euros), the MARR Scapa distribution centre (for 415 thousand Euros) and the MARR Sardegna, MARR Milano and MARR Uno distribution centres (totalling 338 thousand Euros).
505 thousand Euros also refer to ongoing intangible assets under development at the MARR Sicilia and MARR Napoli distribution centres.

With regard to the decreases in the item "Other assets", amounting to 576 thousand Euros, we point out that they refer almost exclusively to the sale of motor

As indicated subsequently, in the commentary on the item current and non-current financial payables, mortgages are due for a total of 53,115 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, Spezzano Albanese (CS) Coscile locality, Bottegone (PT), Francesco Toni 285/297 Street, Portoferraio (LI) via Degli Altifoni 29/31 and Bologna (BO) – Via Fantoni 31 (value of which in the item Land and Buildings totally amounts to 31.5 million of Euros as at December 31, 2014).

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).

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

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

We point out that the Company had no ongoing financial leasing operations as at 31 December 2014.

2. Goodwill

(€thousand)	Original figure	Balance at 31.12.14	Balance at 31.12.13
Goodwill	91,195	73,072	70,965
Total Goodwill	91,195	73,072	70,965

With regard to the variation of the year, it should pointed out that the increase of 2,107 thousand Euros is linked to the goodwill generated by the purchase of the going concern of Scapa Italia S.p.A., finalized on 12 March 2014.

As highlighted in the explanatory notes of the previous financial statements, we point out that the management considers MARR S.p.A. as the smallest aggregate on the basis of which Management has evaluated the return of the investment, including goodwill (Cash Generating Unit).

In consideration of the above and on the basis of the impairment test conducted according to the principles and hypotheses described analytically in the section "Principal estimates made by management and discretional assessments", the total goodwill value of 73,072 thousand Euros would appear to be fully recoverable.
As regards this evaluation, management believes that, also given the prudential viewpoint used in the definition of the key hypotheses used, is not be reasonable to expected to be changes in them such as to determine a recoverable value in unit terms less than their accounting value.

Corporate aggregations realised during the year

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

Purchase consideration	*(€thousand)*
Total purchase consideration	1,643
- Fair value of the net assets identifiable	(464)
Goodwill	2,107

The cost of aggregation has been determined on the basis of the accounting values reported in the acquisition agreement. The details of the provisional net assets acquired and goodwill are as follows.

(€thousand)	*Fair value of the acquired assets and liabilities*	*Provisionally book value of acquired company*
Tangible and intangible assets	1,129	1,129
Payables to personnel and social security institutions	(1,526)	(1,526)
Payables to sale agents and provision for supplementary client severance indemnity	(67)	(67)
Fair value of net identifiable assets acquired	(464)	(464)

The goodwill attributed to the purchase is justified by the strategic importance of the going concern purchased, in as much as it will enable MARR to access a significant portfolio of clients in the Structured Collective and Commercial Catering segments, strengthening its leadership.
The price paid for this acquisition amounts to 1,643 thousand Euros.

Corporate aggregations realised after closure of the financial statements

No further aggregations combinations occurred after closure of the financial statements.

3. Other intangible assets

The following are the movements in this item in 2014 and the previous year:

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

(€thousand)	Balance at 31.12.14	Purchases / other	Net decreases	Depreciation	Balance at 31.12.13
Patents	319	142	0	(124)	301
Concessions, licenses, trademarks and similar rights	7	0	0	0	7
Intangible assets under development and advances	57	21	0	0	36
Other intangible assets	0	0	0	0	0
Total Other intangible assets	383	163	0	(124)	344

The increase in the item "*Industrial patent rights*" is mainly due to the purchase of licences and software, while the increase in intangible assets under development and advances concerns the design and implementation of a new logistics software at the warehouses in Marzano and Pomezia.

4. Investments in subsidiaries and associated companies

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
- *Investment in subsidiaries*		
Alisea Soc. Cons. a r.l.	0	30
Marr Foodservice Ibérica S.A.U.	412	414
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.	7,439	2,849
Baldini Adriatica Pesca S.r.l.	16	16
Emi.gel S.r.l.	0	4,590
Total Investments in subsidiaries and associated companies	33,169	33,201

The variation of the item during the year is linked to the following transactions:

- sale to *CIR Food Cooperativa Italiana di Ristorazione*, on 31 March 2014, of the totality of the holding in the company *Alisea società consortile a responsabilità limitata* (amounting to 55% of the share capital);
- merger by incorporation of the subsidiary EMI.GEL S.r.l. into the subsidiary New Catering S.r.l., effective by 1 June 2014 and with accounting and fiscal effects from 1 January 2014, as effect of which the value of the investment in the subsidiary EMI.GEL has been included in the value of the investment in the subsidiary New Catering;

- adjustment of the shareholding depreciation fund of the subsidiary Marr Foodservice Iberica S.A.U...

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

- 10,958 thousand Euros attributable to the subsidiary company Sfera S.p.A. for: i) the purchase of Sogema, then renamed Sfera S.p.A., through which the company strengthened its territorial presence in the North West, where the MARR Turin branch currently carries out its activities; ii) the purchase of Lelli in May 2014 (previously leased since September 2012), which has enabled the company to strengthen its presence in and around Emilia.
- 8,272 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.
- 3,700 thousand Euros attributable to the subsidiary company New Catering S.r.l.. As mentioned above, in 2014, the subsidiary EMI.GEL was merged by incorporation into New Catering, which enabled the two companies to rationalise the corporate set-up of activities aimed at the supply of food products to bars and fast food outlets. The purchase of these companies had enabled MARR to enhance its offer in this market segment.

5. Investments in other companies

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
- Other companies		
Centro Agro-Al. Riminese S.p.A.	280	280
Conai - Cons. Naz. Imball. - Roma	1	1
Idroenergia Scrl	1	1
Banca Malatestiana Cr.Coop.vo	1	1
Consorzio Assindustria Energia	1	1
Caaf dell'Industria dell'Em. Centrale S.p.A.	2	2
Veneto Banca S.c.ar.l.	8	8
Banca Popolare di Bari S.p.A.	4	0
Total Other companies	298	294

6. Non-current financial receivables

As at 31 December 2014, this item amounted to 2,046 thousand Euros (2,200 thousand Euros as at 31 December 2013) and includes 748 thousand Euros for the quota beyond the year (of which 3 thousand Euros expiring beyond 5 years) of interest-bearing financial receivables from Adria Market and other trade partners and the quota beyond the year (totalling 1,298 thousand Euros) of receivables from transporters for the sale of the transport vehicles used to move MARR goods.

7. Financial instruments / derivatives

The amount as at 31 December 2014, amounting to 285 thousand Euros, represents the fair value of the Cross Currency Swap contracts stipulated with *Cassa dei Risparmi di Forlì* and with *Unicredit* to hedge the risk of changes to the Dollar-Euro exchange rate, with reference to the bond private placement in US dollars finalised during the course of the previous business year.
It should be noted that the Cross Currency Swap contracts expire beyond 5 years.

8. Deferred tax assets

As at 31 December 2014, 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 31.12.14	Balance at 31.12.13
On taxed provisions	9,826	8,969
On costs deductible in cash	78	115
On costs deductible in subsequent years	861	703
Pre-paid taxes	10,765	9,787

9. Other non-current assets

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Non-current trade receivables	12,978	11,987
Accrued income and prepaid expenses	2,420	2,780
Other non-current receivables	20,855	21,649
Total Other non-current assets	36,253	36,416

The "Non-current trade receivables", amounting to 12,978 thousand Euros (of which 2,884 thousand Euros was with an expiry date of over 5 years) mainly concerns agreements and delays in payment defined with the customers.
The prepaid expenses are mainly linked to promotional contributions with clients of a multi-annual nature and have an expiry date within 5 years.
The item "Other non-current receivables" includes, in addition to receivables from State coffers for loss of clients of 5,262 thousand Euros, receivables from suppliers for 14,899 thousand Euros (17,408 thousand Euros as at 31 December 2013), the total amount of which expires within 5 years.

There are no other assets with expiry dates over 5 years

Current assets

10. Inventories

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Finished goods and goods for resale		
Foodstuffs	28,169	25,682
Meat	10,261	11,489
Fish products	61,750	45,390
Fruit and vegetable products	50	26
Hotel equipment	1,652	1,460
	101,882	84,047
provision for write-down of inventories: to be deducted	(750)	(750)
Goods in transit	7,857	8,645
Packing	812	827
Total Inventories	109,801	92,769

The inventories are not conditioned by obligations or other property rights restrictions.
The increase compared to the previous business year is mainly concentrated in the category of frozen seafood products.

11. Current financial receivables

The item "Current financial receivables" is composed of:

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Financial receivables from parent companies	4,101	2,633
Financial receivables from subsidiaries	7,525	8,624
Receivables from loans granted to third parties	1,074	2,706
Total Current financial receivables	12,700	13,963

As regards the items "Financial receivables from subsidiaries" and "Financial receivables from parent companies" (all of which interest bearing), the detailed analysis is indicated in the Directors' Report.

The "Receivables from loans granted to third parties", all of which interest bearing, mainly refers to the financial receivables towards freight carriers (959 thousand Euros) following the sale to the latter of the motor vehicles with which MARR goods are ferried around and towards partner services suppliers (115 thousand Euros).

12. Financial instruments / derivatives

The total as at 31 December 2014, amounting to 232 thousand Euros, concerns term exchange purchase transactions ongoing at the date of closure of the business year, to hedge the underlying purchases of goods. This operation is recorded in the accounts as the hedging of financial flows.

13. Current trade receivables

This item is composed of:

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Trade receivables from customers	378,979	388,988
Trade receivables from subsidiaries	1,124	1,357
Total Current trade receivables	380,103	390,345
Provision for write-down of receivables from customers	(31,349)	(29,914)
Total current net receivables	348,754	360,431

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Trade receivables from customers	372,998	383,931
Receivables from associated companies consolidated by the Cremonini Group	5,967	5,044
Receivables from associated companies not consolidated by the Cremonini Group	14	13
Total current trade receivables from customers	378,979	388,988

The receivables from customers due within the year, deriving in part from normal sales operations and in part from the supply of services, have been valued on the basis of that indicated above. Receivables are shown net of bad debt provision of 31,349 thousand Euros, as highlighted in the table below.

The "receivables from subsidiaries" (1,124 thousand Euros), "from associated companies consolidated by the Cremonini Group" (5,967 thousand Euros) and "from associated companies not consolidated by the Cremonini Group" (13 thousand Euros), are analytically outlined, together with the corresponding payable items, in the table exposed in the Directors' Report. These receivables are all of a commercial nature.

As already described in the Directors' Report, it must be reiterated that the performance of the trade receivables benefitted, compared to 31 December 2013, from a rotating transfer plan (*pro soluto*), started during the course of the business year. The programme has a duration of five years, is renewable on a year-by-year basis and involves an outstanding maximum of 80 million Euros.

Receivables in foreign currencies have been adjusted to the exchange rate valid on 31 December 2014.

The provision for bad debt as at 31 December 2014 is broken down as follows:

(€thousand)	Balance at 31.12.14	increases	decreases	Balance at 31.12.13
- Tax-deductible provision	2,300	2,300	(2,050)	2,050
- Taxed provision	28,215	7,700	(6,500)	27,015
- Provision for default interest	834	0	(15)	849
Total Provision for write-down of Receivables from customers	31,349	10,000	(8,565)	29,914

It should be highlighted that the item "decreases" includes 2,200 thousand Euros for the reclassification of part of the taxed bad debt provision to rectify items specifically identified and classified under "Other current receivables".

14. Tax assets

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Ires/Irap tax advances /withholdings on interest	3	4
VAT carried forward	91	58
Irpeg litigation	6,040	6,040
Receivables for Ires transferred to the Controlling Company	1,301	2,554
Other	1,026	788
Total Tax assets	8,461	9,444

As regard the item "Irpeg litigation", refer to that contained in the paragraph 21 "Provisions for non-current risks and charges".

As regards the "Receivables from the parent company for transferred Ires benefits", amounting to 1,301 thousand Euros, it should be noted that this item represents the receivable for reimbursement of Ires for the years from 2007 to 2011 of the Irap paid for the cost of employment and collaborators not deducted for said purpose, as per reimbursement claim sent in February 2013.
The decrease in this item compared to the previous business year is due to the closure of the receivables for taxes for 2013, compensated during the payment of the tax advances for 2014, the final balance of which is negative and is therefore included in the item "Tax payables".

15. 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 31.12.14	Balance at 31.12.13
Cash and Cheques	6,773	7,702
Bank and postal accounts	25,621	20,198
Total Cash and cash equivalents	32,394	27,900

Regarding to the changes of the net financial position, refer to the cash flows statement of 2014.

16. Other current assets

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Accrued income and prepaid expenses	1,060	841
Other receivables	36,850	42,521
Total Other current assets	37,910	43,362

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Prepaid expenses		
Leases on buildings and other assets	496	488
Maintenance fees	140	51
Commercial and advertising costs	5	24
Assurance costs/administrative services	246	215
Other prepaid expenses	173	48
Other prepaid expenses from Parent Companies	0	15
Total Current accrued income and prepaid expenses	1,060	841

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Guarantee deposits	109	107
Other sundry receivables	669	2,252
Other sundry receivables from Subsidiaries Company	577	0
Provision for write-down of receivables from others	(3,828)	(1,628)
Receivables from social security institutions	137	261
Receivables from agents	2,457	2,311
Receivables from employees	23	26
Receivables from insurance companies	482	558
Advances to suppliers and supplier credit balances	36,130	38,549
Advances to suppliers and supplier credit balances from Associates	94	85
Total Other current receivables	36,850	42,521

The item *Advances to suppliers and supplier credit balances* includes payments made to foreign suppliers (non-EU) for the purchase of goods with "f.o.b. clause" or advance payment on next fishing campaigns. Receivables from foreign suppliers in foreign currencies have been adjusted, if necessary, to the exchange rate valid on 31 December 2014.
The "Provision for write-down of receivables from others" mainly refers to receivables with suppliers and agents; its increase during the course of the business year is due to the reclassification of the taxed bad debt provision, as described in paragraph 13 "trade receivables".

The increase in *Other sundry receivables from subsidiaries companies* is mainly linked to the taking over of the employee severance fund, leave/permits costs and additional monthlies, in addition to the supplementary client indemnity fund accrued as of 31 October 2014 for the employees and sales agents of Sfera S.p.A. who joined MARR on November 1, 2014 by effect of the leasing of the "Lelli" going concern.
The decrease in the item *Other sundry receivables* is mainly linked to the finalisation of the purchase of the going concern of "Scapa" which, through the definition of the reciprocal credit/debt positions, also involved the closure of the receivables deriving from the taking over of the employee severance funds, the remaining leave/permits and additional monthly payments in addition to the fund for additional customer indemnities which had accrued as of the starting date of the relevant business leases.

Breakdown of receivables by geographical area

The breakdown of receivables by geographical area is as follows:

(€thousand)	Italy	EU	Extra-EU	Total
Non-current financial receivables	2,046	0	0	2,046
Non current derivative financial instruments	285	0	0	285
Deferred tax assets	10,765	0	0	10,765
Other non-current assets	21,353	409	14,491	36,253
Financial receivables	12,700	0	0	12,700
Current derivative financial instruments	232	0	0	232
Trade receivables	316,012	25,389	7,353	348,754
Tax assets	7,650	811	0	8,461
Cash and cash equivalents	32,160	234	0	32,394
Other current assets	21,633	3,613	12,664	37,910
Total receivables by geographical area	424,836	30,456	34,508	489,800

LIABILITIES

17. 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 2014, amounting to 33,262,560 Euros, is unchanged compared to the previous business year and is represented by 66,525,120 ordinary MARR S.p.A. shares, entirely subscribed and freed, with the usual rights and a nominal value of 0.50 Euros each.

Share premium reserve
As at 31 December 2014 this reserve amounts to 63,348 thousand Euros, unchanged compared to 31 December 2013.

Legal reserve
This Reserve amounts to 6,652 thousand Euros, unchanged compared to 31 December 2013.

Shareholders' contributions on account of capital
This Reserve did not change in 2014 and amounts to 36,496 thousand Euros.

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

Extraordinary Reserve
As at 31 December 2014, the increase of 8,187 thousand Euros, is attributable to the allocation of part of the profits for the year closed on 31 December 2013, as per shareholders' meeting decision made on 28 April 2014.

Cash flow hedge reserve
As at 31 December 2014, this item amounted to a negative value of 1,676 thousand Euros and is linked to the stipulation of hedging contracts for interest and exchange rates undertaken for the specific hedging of certain loans, with variable rates and in foreign currency respectively and also the trade payables deriving from the purchase of goods in foreign currency.
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 40 "Other profits/losses" in these explanatory notes,

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

Reserve IAS19
As at 31 December 2014 this reserve amounts to a negative value of 761 thousand Euros and is composed of the value, net of the theoretical tax effect, of actuarial losses and gains regarding the evaluation of Staff Severance Provision as required by amendments to IAS principle 19 "Employee Benefits", effective for the business years starting on 1st January 2013. According to the IFRS these profits/losses have been entered in the net equity and their variation is highlighted (according to IAS 1 revised, in force from 1st January 2009) in the statement of other comprehensive income.

Whit regard to the reserves in taxation suspension (ex. Art. 55 DPR 917/86 and 597/73 reserve), amounting to 1,485 thousand Euros as at 31 December 2014, the relevant deferred tax liabilities have been accounted for.

On 28 April 2014 the Shareholders' meeting approved the MARR S.p.A. financial statements as at 31 December 2013 and consequently decided upon allocation of the business year profits, and the approval of a dividend of 0.58 Euros for each ordinary share with the right to vote.

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

(€thousands)	*at 31 December 2014*	Possible utilization	Available quota
Share Capital	33,263		
Reserves:			
Share premium reserve	63,348	A,B,C	63,348
Legal reserve	6,652	B	
Revaluation reserve	12	A,B,C	12
Shareholders contributions or capital account	36,496	A,B,C	36,496
Extraordinary reserve	46,406	A,B,C	46,406
Reserve for exercised stock options	1,475	-	
Cash-flow hedge reserve	(1,676)	-	
Reserve for transition to the Ias/Ifrs	7,516	-	
Reserve ex art. 55 (DPR 597-917)	1,485	A,B,C	1,485
Surplus for mergers	1,823	A,B,C	1,823
Reserve IAS19	(761)	-	
Total Reserves	162,776		
Profits carried over	54,838	A,B,C	

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

Non-current liabilities

18. Non-current financial payables

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Payables to banks - non-current portion	46,295	130,943
Payables to other financial institutions - non-current portion	34,941	30,645
Total non-current financial payables	81,236	161,588

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Payables to banks (1-5 years)	45,231	127,476
Payables to banks (over 5 years)	1,064	3,467
Total payables to banks - non-current portion	46,295	130,943

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Payables to other financial institutions (1-5 years)	(267)	(253)
Payables to other financisl institutions (over 5 years)	35,208	30,898
Total payables to other financial institutions - Non current portion	34,941	30,645

The decrease in non-current payables to banks is the net effect of the classification of the expiring instalments among the current payables.

In particular, it must he highlighted that, contrarily to the closure of the previous business year, as at 31 December 2014, the ongoing loans from Cooperatieve Centrale Raiffeisen – Boerenleenbank B.A. and Banca Carige for a total value of 33 million Euros were both entirely classified under the current financial payables, as they expire in 2015.
In addition, the following must also be highlighted:

- with reference to the pool financing with BNP Paribas, paid out in June 2013 for a total of 85 million Euros and then integrated under the same conditions in the loan facility in October 2013 for an additional 5 million Euros, the Company paid back the first two instalments of the loan facility during the course of the business year (for a total of 14.4 million Euros) and in December extinguished the 25 million Euros payables concerning the revolving facility;
- the ongoing loan with the Banca Popolare di Milano, expiring in May 2015, was also extinguished in advance in August, with a total reimbursement of 10 million Euros.

To hedge the interest rate risk on certain loans, the following derivative contracts have been stipulated:
- an Interest Rate Swap contract worth 3.9 million Euros as at 31 December 2014 with Veneto Banca for the partial hedging of the pool financing with BNP Paribas;
- an Interest Rate Swap contract worth a notional 4.4 million Euros as at 31 December 2014 for the total hedging of the ongoing loan with the Banca Popolare Commercio e Industria.
See that described in paragraph 19 "*Derivative financial instruments*" as regards the effects of these contracts.

The value of the payables to other financial institutions is represented by the bond private placement in US dollars, finalised in July 2013. The bond placement amounts to 43 million dollars (originally 30.6 million Euros), of which 10 million dollars expires after 7 years and the remaining 33 million dollars after 10 years and involves an average coupon of about 5.1%. The increase in its value is attributable to variations in the Dollar/Euro exchange rate.
It must be noted that there are specific Cross Currency Swap contracts ongoing to hedge the risk of oscillations in the Dollar/Euro exchange rate, for the effects of which see paragraphs 5 and 19 "Derivative financial instruments".

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

Credit institutes	Interest rate	Expiry	Portion from 2 to 5 years	Portion beyond 5 years	Balance at 31.12.14
Carisp Pistoia	Euribor 6m+0,48%	31/01/2020	2,069	263	2,332
Centrobanca	Euribor 3m+1,4%	31/12/2019	4,434	0	4,434
Pool Financing with BNP Paribas	Euribor 6m+3,5%	14/06/2018	35,838	0	35,838
Popolare del Commercio e Industria	Euribor 6m+3,7%	04/12/2020	2,890	801	3,691
			45,231	1,064	46,295

The following is the breakdown of the mortgage guarantees on the real estate properties of the company, the value of which decreased by 4.5 million Euros compared to 31 December 2013 due to the cancellation of the mortgage on the property in Via Pletore in San Michele Tagliamento (VE) following the extinction of the mortgage with the Cassa di Risparmio di Rimini in June 2014:

Credit institutes	Guarantee	Amount	Property
Pop.Crotone-nr. 64058	mortgage	7,172	Località Coscile-Spezzano Albanese (CS)
Pop.Crotone-nr. 64057	mortgage	5,943	Località Coscile-Spezzano Albanese (CS)
Cassa di Risparmio di Pescia e Pistoia	mortgage	10,000	Via Francesco Toni 285/297 - Bottegone (PT)
Centrobanca	mortgage	20,000	Santarcangelo di R. (RN); Via Degli Altifomi n.29/31 - Portoferraio (LI); Località Macchiareddu - Uta (CA)
Popolare del Commercio e dell'Industria	mortgage	10,000	Via Fantoni, n. 31 - Bologna (BO)
Total		53,115	

Lastly, it must be pointed out that:

- the ongoing financing with Centrobanca (signed in January 2010) provides the following covenants to be verified on a yearly basis with reference to the consolidated MARR Group data at year-end.
  NET DEBT / EQUITY =< 1.5
  NET DEBT / EBITDA =< 3.60
  Non-respect of the limits of the financial covenants will constitute a cause for the termination of the contractual rights.

- the ongoing financing with BNP Paribas provides the following financial ratios:
  NET DEBT / EBITDA < 3.5 (< 3 as at 31 December 2013 and 30 June and 31 December 2014)
  NET DEBT / EQUITY < 2
  EBITDA / Net financial charges > 4
  Those ratios will be verified with reference to 31 December and 30 June each year (starting from 31 December 2013). In addition to the above indices, the ratio between net financial position and EBITDA calculated as at 31 March 2015 on the previous 12 months must not be more than 3.

- the ongoing financing with Mediobanca (granted in February 2014) provides the following financial ratios, to be verified as at 31 December and 30 June of each year, on the basis of the Group consolidated figures in the twelve months prior to the verification date.
  NET DEBT / EBITDA < 3
  NET DEBT / EQUITY < 1.5
  EBITDA / Net financial charges > 4

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

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

(€thousand)	Book Value		Fair Value	
	2014	2013	2014	2013
Payables to banks - non-current portion	46,295	130,943	44,853	126,424
Payables to other financial institutions - non-current portion	34,941	30,645	31,769	31,725
	81,236	161,588	76,622	158,149

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.

19. Financial instruments / derivatives

The amount as at 31 December 2014, amounting to a total of 346 thousand Euros, represents:

- for 194 thousand Euros, the fair value of the Interest Rate Swap contracts stipulated by the Company with Banca Popolare Commercio e Industria and with Veneto Banca to specifically hedge the interest rate risk on the relevant variable rate loans;
- for 152 thousand Euros, the fair value of the Cross Currency Swap contract stipulated with Deutsche Bank to hedge the risk of changes to the Dollar-Euro exchange rate, with reference to the bond private placement in US dollars finalised during the course of the 2013 business year. The variation compared to the previous business year, when the value of the long-term financial liabilities amounted to 2,870, is linked to the performance of the Dollar/Euro exchange rate, which implied a different evaluation of the ongoing derivative contracts (for complete details see that described in paragraph 7 "*Derivative financial instruments*" classified under non-current assets).
- It should be noted that the Cross Currency Swap contracts expire beyond 5 years.

20. Employee benefits

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

(€thousand)	
Opening balance at 31.12.13	*8,959*
effect of lease of going concerne	363
use for the period	(684)
provision for the period	927
other changes	(128)
Closing balance at 31.12.14	9,437

The movement during the business year is due to the personnel coming into the company by effect of the lease of the "Lelli" going concern by the subsidiary Sfera S.p.A., in addition to the quota accrued over the period net of the ordinary movements in this item.
It must be highlighted that the allocation for the period includes actuarial losses totalling 556 thousand Euros recorded in the accounts, net of the theoretical fiscal effect, in the relevant net equity reserve as provided by IAS 19 (see that described as regards the movement of the Net Equity and in paragraph 17 of these Explanatory Notes).

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

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

(€thousand)	Turnover +1 %	Turnover -1 %	Inflation rate + 0.25%	Inflation Rate - 0.25%	Discounting rate + 0.25%	Discounting rate - 0.25%
Effect on the finaly liability	(104)	(3)	34	(144)	(198)	91

It should also be noted that the contribution expected for the following business year is zero and the average financial duration of the debenture is 7. The future payments expected in the next five years can be estimated as totalling 4.8 million Euros.

21. Provisions for non-current risks and charges

(€thousand)	Balance at 31.12.14	Allocations / Other Changes	Uses	Balance at 31.12.13
Provision for supplementary clients severance indemnity	2,291	322	0	1,969
Provision for specific risks	886	100	(237)	1,023
Total Provisions for non-current risks and charges	3,177	422	(237)	2,992

The provision for supplementary clients severance indemnity has been allocated on the basis of a reasonable estimate of probable future liabilities, considering the available elements. It should be noted that the business year movements include in the "Allocations/other changes" note, the client severance indemnity fund concerning the sales agents joining MARR following the lease of the "Lelli" going concern, for approximately 36 thousand Euros, in addition to the business year allocation.

The "Provision for specific risks" covers probable liabilities connected to certain ongoing legal disputes; its use is related to the closure of the contracts concerning "Scapa", purchased in March 2014 and previously managed under lease since February 2013.

In relation to the fiscal dispute currently ongoing deriving from the verification carried out by the "Guardia di Finanza", IV Group Section in San Lazzaro di Savena (BO), because of presumed breaches in terms of direct tax (1993-1999 fiscal years) and VAT (1998 and 1999 fiscal years) finalised in the month of July of the year 2000, it should be pointed out that on 28 February 2004, the recourses for direct tax (1993-1999 fiscal years) and VAT (1998 and 1999 fiscal years) were discussed in a public hearing. The amount involved in the dispute concerning taxes and the relevant sanctions, for the main inspection known as "C.R.C." (the other inspections concerning insignificant amounts or others that were abandoned) amounts to approximately 4.7 million Euros plus interest.
In its sentence no. 73/2/04, the Rimini Provincial Tributary Commission, Section II, accepted the recourse presented for IRAP referring to the main inspection, while it partly rejected, with reference to the other inspections, the recourses presented, confirming the conclusions of the Inland Revenue.
On 20 December 2004, MARR S.p.A. impugned the aforementioned sentence, presenting an appeal to the Rimini Section of the Bologna Regional Tributary Commission.
The matter was discussed before Section 24 of the Emilia Romagna Regional Tributary Commission on 16 January 2006.
As regards the reasons put forward by the company in the documentation for the second stage of the proceedings, the Bologna Tributary Commission disposed in Order 13/24/06 on 3 April 2006, that a technical consultancy be carried out, assigning the duty to a board of three professionals to provide an opinion, among other things, on the disputed matter, and asked them to ascertain, on the basis of contractual agreements and economic and financial relations effectively ongoing between the parties involved in the complex operation, whether the cost sustained by MARR S.p.A. and being disputed concerns the business of the company or not.
On 18 November 2006, the board of consultants deposited its report, concluding that: "in summary, it can be stated that these capital losses are relevant in as much as they are objectively referable to the business of the company".
On 15 January 2007, the dispute was again discussed in a public hearing during which the findings in the report of the board of consultants were again presented. In sentence 23/10/07, the Bologna Tributary Commission reviewed its first phase sentence in favour of MARR S.p.A. as regards the four findings subject of the dispute but, without providing any motivation, it completely rejected the conclusions drawn by the technical consultants it itself appointed with reference to the principal inspection known as "CRC", thus confirming that established by the judges in the first phase of the proceedings.
By reason of this, a recourse was presented on 22 April 2008 before the Supreme Court of Cassation. The State Bar met to discuss the matter on 3 June 2008.

Although the outcome of the appeal was negative, although it must be pointed out that there were two technical consultancies in perfect agreement with each other during this phase, comprising four undoubtedly authoritative professionals, three of them appointed by the Tributary Commission itself, the opinions expressed being undoubtedly fully in favour of MARR Spa, and considering the opinion expressed by the defence lawyers representing the Company before the Court of Cassation, we believe it reasonable to hypothesise the successful outcome of the dispute.

On 10 February 2014, the Supreme Court of Cassation, in sentence 20055/14 (filed on 24 September 2014), accepted the appeal by the Company, repealing the impugned sentence no. 23/2007 by the Regional Taxation Commission for Emilia Romagna, submitting for the second degree judge (in another proceeding) the decision regarding the claim, stating the need for the decision to be taken by proceeding with an "*adequate assessment of the expert findings*", consistently described by the same Court as "*extremely favourable to the taxpayer*". On 16 December 2014, the Company filed the claim again with the above-mentioned Taxation Commission.
Again on 24 September 2014, the same Supreme Court of Cassation also filed sentences nos. 20054/14, 20053/14 and 20056/14 concerning the "Ex Battistini" claim, ordering the rejection of all of the appeals submitted by the State Advocature on behalf of the Inland Revenue Service, confirming the sentences in this regard favourable to the Company and ordering the counterparty to pay the cost of the legal proceedings. The lawsuits were therefore definitively resolved in favour of the Company.

During the course of 2007, several disputes arose with the Customs Authorities concerning the payment of preferential customs duties on certain imports of fish products. With reference to the most significant of these disputes, involving import duties amounting to approximately 250 thousand Euros concerning the purchase of certain goods from Mauritania, it must be pointed out that the judges in the first phase of proceedings rejected the recourses presented by the Company in May 2008, but in any case accepted the fact that the company was entirely extraneous to the claimed irregularities, as they were attributable exclusively to its suppliers, from whom, as already formally notified to them, all expenses and costs inherent and/or consequent to the aforementioned dispute will be reclaimed.
The appeal made by the Company against the first grade sentence has not been accepted by the Regional Tax Commission of Florence.
It should be noted that the Company appealed to the Supreme Court of Cassation in May 2013.

As at 31 December 2014, MARR S.p.A. had paid 6,040 thousand Euros as payment of taxes while awaiting judgment; this amount was classified under tax receivables.

22. Deferred tax liabilities

As of 31 December 2014 the breakdown of this item, amounting to 9,775 thousand Euros (9,687 thousand Euros on 31 December 2013), is as follows:

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
On goodwill amortisation reversal	5,575	4,988
On funds subject to suspended taxation	466	468
On leasing recalculation as per IAS 17	506	506
On actuarial calc. of severance provision fund	(212)	(28)
On fair value revaluation of land and buildings	4,008	4,021
On cash flow hedge	(636)	(332)
Others	68	64
Deferred tax liabilities fund	9,775	9,687

23. Other non-current payables

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Accrued expensed and prepaid income	450	322
Others non current liabilities	240	116
Total other non-current payables	690	438

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

24. Current financial payables

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Financial payables to subsidiaries	1,090	2,338
Payables to banks	131,887	62,066
Payables to other financial institutions	753	756
Total Current financial payables	133,730	65,160

Current payables to banks:

(€thousand)		Balance at 31.12.14		Balance at 31.12.13
Current accounts		14,676		21,671
Loans/Advances		42,600		14,294
Loans :				
- Pop.Crotone-nr. 64058	166		329	
- Pop.Crotone-nr. 64057	138		272	
- Carim - n. 410086	0		174	
- Cassa di Risp.di Pescia e Pistoia	508		502	
- Centrobanca	1,106		1,105	
- Popolare del Commercio e dell'Industria	649		623	
- Pool Financing with ICCREA	0		9,051	
- Pool Financing with BNP Paribas	14,103		14,045	
- Banca Carige	8,000		0	
- Cooperative Centrale Raiffeisen-boerenleenbak B.A.	24,981		0	
- Mediobanca	24,960		0	
		74,611		26,101
		131,887		62,066

With reference to the loans listed above, it must be highlighted that during the course of the business year, on 30 June and 23 December 2014 respectively, the last instalment of the mortgage granted by the Cassa di Risparmio di Rimini and the pool financing ongoing with ICCREA Banca Impresa S.p.A. were paid to expiry, and have therefore been extinguished. For more details regarding the variation compared to the previous business year, see that outlined in the Directors' Report on management performance and on paragraph 18 "Non current financial payables".

As regards the ongoing loans, it should be recalled that, to partially hedge the interest rate risk concerning the ongoing loan with Rabo Bank, an Interest Rate Swap contract with a notional value of 12.5 million Euros was stipulated during the course of 2013, for the effects of which see that described in the following paragraph 25 "*Derivative financial instruments*".

It should be noted that the item "Loans/Advances" includes the 17,130 thousand Euros in payables to Banca IMI consequent to the securitization operations started during the course of the business year, in addition to 14,200 thousand Euros for advances on invoices and 11,280 thousand Euros for sbf advances.

It should pointed out that the ongoing financing with Cooperatieve Centrale Raiffeisen – Boerenleenbank B.A., signed in April 2012, and totally classified in the current financial payables, provides the following financial ratios:
NET DEBT / EBITDA < 3
NET DEBT / EQUITY < 1.5

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

The item Payables to other financial institutions, as in the previous year, is linked to the payables for interest accrued on the bond private placement transaction finalised in July 2013.

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

25. Financial instruments / derivatives

The amount as at 31 December 2014, amounting to 41 thousand Euros, represents the fair value of the Interest Rate Swap contract stipulated by MARR S.p.A. with Rabo Bank to specifically hedge the interest rate risk on the relevant variable rate loan.

26. Current tax liabilities

The breakdown of this item is as follows:

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Irap	468	309
Ires transferred to the Controlling Company	1,835	0
Other taxes payable	126	100
Irpef for employees	978	1,046
Irpef for external assistants	169	172
Total Current taxes payable	3,576	1,627

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

As regards MARR S.p.A., the 2010 and following business years can still be verifiable by the fiscal authorities, by reason of the ordinary verification deadlines and excluding currently pending fiscal litigations.

The increase in this item is mainly attributable to the closure of the IRES balance payable, which as at 31 December 2013 showed a positive balance (see paragraph 14 “Tax Receivables”).

27. Current trade liabilities

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Suppliers	250,075	245,000
Payables to associated companies consolidated by the Cremonini Group	7,121	7,356
Payables to Subsidiaries	284	704
Payables to Correlated Companies	280	272
Trade payables to Parent Companies	413	711
Total Current trade liabilities	258,173	254,043

The liabilities refer mainly to payables for the purchase of goods for sale and payables to Sales Agents. They also include “Payables to Associated Companies consolidated by the Cremonini Group” for 7,121 thousand Euros, “Payables to subsidiaries” for 284 thousand Euros and “Payables to Parent Companies” for 413 thousand Euros the details and analysis of which are reported in Directors’ Report, in addition to “Payables to other Correlated Companies” for 280 thousand Euros.

28. Other current liabilities

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Current accrued expenses and deferred income	1,480	1,606
Other payables	16,637	15,914
Total Other current liabilities	18,117	17,520

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Accruals for emoluments to employees/directors	950	931
Other deferred income	6	16
Deferred income for interests from clients	524	659
Total Current accrued expenses and deferred income	1,480	1,606

(€thousand)	Balance at 31.12.14	Balance at 31.12.13
Inps/Inail and Other social security institutions	1,595	1,637
Enasarco/ FIRR	598	554
Payables to personnel for emoluments	4,096	4,115
Advances from customers, customers credit balances	8,716	8,595
Payables to insurance companies	128	125
Other sundry payables	1,504	888
Total Other payables	16,637	15,914

The item "p*ayables and accrued expenses to personnel for emoluments*" includes current salaries not yet paid as at 31 December 2014 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.
The increase in the item Other sundry payables is mainly linked to a cautionary deposit encashed during the course of the business year as a guarantee on indemnities of the seller of the subsidiary AS.CA, due to the closure of an ongoing dispute.

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	45,819	0	35,417	81,236
Non current derivative financial instruments	346	0	0	346
Employee benefits	9,437	0	0	9,437
Provisions for risks and charges	3,177	0	0	3,177
Deferred tax liabilities	9,775	0	0	9,775
Other non-current liabilities	690	0	0	690
Current financial payables	132,606	315	809	133,730
Non current derivative financial instruments	41	0	0	41
Current tax liabilities	3,544	0	32	3,576
Current trade liabilities	211,457	34,725	11,991	258,173
Other current liabilities	17,451	628	38	18,117
Total payables by geographical area	434,343	35,668	48,287	518,298

Guarantees, securities and commitments

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

Guarantees (totalling 55,522 thousand Euros).

These refer to:

- guarantees issued on behalf of MARR in favour of third parties (amounting to 40,002 thousand Euros) and are guarantees granted on our request by credit institutions to guarantee the correct and punctual execution of tender and other contracts of a duration of either within the year or over the year;
- guarantees issued by MARR S.p.A. in favour of financial institutes in the interest of subsidiary companies. This item amounted to a total of 15,520 thousand Euros as at 31 December 2014 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 31.12.14	Balance at 31.12.13
Guarantees		
Sfera S.p.a.	5,900	1,100
As.ca S.p.A.	5,500	0
Alisea Soc. Cons. a r.l.	0	2,606
Baldini Adriatica Pesca S.r.l.	4,120	1,208
Total Guarantees	15,520	4,914

The increase compared to the previous business year is mainly linked to obtaining or remodulating the short or medium/long-term assignments.

Collaterals

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

Other risks and commitments

This item, amounting to 14,177 thousand Euros, refers to credit letters issued by certain credit institutes to guarantee obligations undertaken with our foreign suppliers.

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

29. Revenues

Revenues are composed of:

(€thousand)	31.12.2014	31.12.2013
- Net Revenues from sales of goods	1,302,164	1,214,020
- Revenues from services		
Advisory services to third parties	710	835
Manufacturing on behalf of third parties	34	25
Rent income (typical management)	59	48
Other services	2,589	2,807
total	3,392	3,715
Total Revenues	1,305,556	1,217,735

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

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

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

(€thousand)	31.12.2014	31.12.2013
Italy	1,197,793	1,148,377
European Union	75,285	49,616
Extra-EU countries	32,478	19,742
Total	1,305,556	1,217,735

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

(€thousand)	31.12.2014	31.12.2013
Foodstuff	556,737	537,379
Meat	255,131	247,039
Seafood	454,574	396,678
Fruit and vegetables	42,456	39,462
Hotel equipment	5,966	5,076
Sias Division	995	1,144
Trade discounts / year-end bonuses	(13,695)	(12,758)
Total Revenues from sales of goods	1,302,164	1,214,020

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 2014 by the Rimini Head Office and each unit (branches and divisions):

(€thousand)	31.12.2014	31.12.2013
Head Branch of Rimini (Marr Uno)	158	171
Branch: Marr Napoli	42	37
Branch: Marr Milano	73	74
Branch: Marr Roma	94	93
Branch: Marr Venezia	46	46
Branch: Marr Supercash&carry - Rimini	29	30
Branch: Marr Sardegna	55	54
Branch: Marr Romagna - Rimini	53	53
Emiliani Division - Rimini	219	173
Carnemilia Division - Bologna	11	13
Branch: Marr Sicilia	45	42
Branch: Marr Sanremo	14	14
Branch: Marr Elba	8	7
Branch: Marr Genova	21	22
Branch: Marr Dolomiti	9	9
Warehouse: Santarcangelo	1	1
Branch: Marr Puglia	36	37
Branch: Marr Battistini	21	22
Branch: Marr Torino	50	53
Branch: Marr Calabria	41	39
Branch: Marr Sfera	41	44
Branch: Marr Arco	18	17
Branch: Marr Toscana	38	37
Branch: Marr Cater	40	45
Branch: Marr Valdagno	13	13
Branch: Marr Scapa	137	80
Branch: Marr Bologna	2	0
Sias Division	1	1
Others (trade discounts / year-end bonuses)	(14)	(13)
Total Revenues from sales of goods	1,302	1,214

30. Other revenues

The Other revenues are broken down as follows:

(€thousand)	31.12.2014	31.12.2013
Contributions from suppliers and others	29,895	27,807
Other sundry earnings	1,094	988
Reimbursements for damages suffered	1,598	778
Reimbursement of expenses incurred	977	451
Recovery of legal fees	44	21
Capital gains on disposal of assets	59	132
Total Other revenues	33,667	30,177

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.

31. Capitalized costs

This item, amounting to about 21 thousand Euros, concerns the personnel costs capitalised with reference to the design and implementation of a new software for logistics activities at the Marzano and Pomezia warehouses.

32. Purchase of goods for resale and consumables

This item is composed of:

(€thousand)	31.12.2014	31.12.2013
Purchases of goods	1,059,031	970,979
Purchases of packages and packing material	3,697	3,561
Purchase of stationery and printed paper	700	699
Purchase of promotional and sales materials, and catalogues	143	146
Purchase of various materials	434	414
Discounts and rebates from suppliers	(284)	(776)
Fuel for industrial motor vehicles and cars	229	256
Total Purchase of goods for resale and consumables	1,063,950	975,279

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

33. 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)	31.12.2014	31.12.2013
Salaries and wages	22,536	22,795
Social security contributions	7,058	7,148
Staff Severance Provision	1,854	1,761
Other Costs	298	958
Total Personnel Costs	31,746	32,662

As at 31 December 2014, the personnel costs amounted to 31,746 thousand Euros, compared to 32,662 thousand Euros for the previous business year, which, however, included non-recurrent costs for 1.6 million Euros for the start-up of the ex Scapa warehouses.

The cost of employment in the 2014 business year was negatively affected by the hiring of new employees following the lease of the "Lelli" going concern by the subsidiary Sfera S.p.A. (as of 1 November 2014) and the full year of managing the MARR Scapa distribution centre (operational since 24 February 2013).

Lastly, the maintenance of a careful resource management policy has been confirmed, with specific focus on the management of hours of leave and permits and overtime work.

Breakdown of employees by category is as follows:

	Workers	Employees	Managers	Total
Employees as of 31.12.13	304	442	8	754
Net increases and decreases	*(6)*	*0*	*(1)*	*(7)*
Employees as of 31.12.14	298	442	7	747
Average number of employees as of 31.12.14	317.7	440.2	7.8	765.7

34. Amortizations and write-downs

(€thousand)	31.12.2014	31.12.2013
Depreciation of tangible assets	4,160	3,723
Amortization of intangible assets	124	102
Provisions and write-downs	10,385	9,782
Total Amortizations and Depreciations and Write-downs	14,669	13,607

(€thousand)	31.12.2014	31.12.2013
Allocation of taxed provision for bad debts	7,700	2,050
Allocation of non-taxed provision for bad debts	2,300	7,410
Allocation of future risks and losses	100	240
Provision for supplementary clientele severance indemnity	285	82
Total Provisions and write-downs	10,385	9,782

The allocation to risk and loss fund is related to costs of a non-recurrent nature which are expected to be incurred on closure of the ongoing disputes.

For more details on provisions, reference is made to the relevant movements highlighted in notes 13 "Current trade receivables", 21 "Employee benefits" in addition to that commented in the paragraph "Credit risk".

35. Other operating costs

(€thousand)	31.12.2014	31.12.2013
Operating costs for services	155,332	145,505
Operating costs for leases and rentals	8,855	9,266
Operating costs for other operating charges	1,613	2,169
Total Other operating costs	165,800	156,940

(€thousand)	31.12.2014	31.12.2013
Sale expenses, distribution and logistic costs for our products	129,049	121,575
Energy consumption and utilities	8,959	8,530
Third-party production	2,837	3,029
Maintenance costs	3,272	3,097
Porterage and movement of goods	2,478	2,346
Advertising, promotion, exhibitions, sales (sundry items)	262	364
Directors' fees	818	679
Statutory auditors' fees	80	75
Insurance costs	736	710
Reimbursement of expenses, travels and sundry costs for personnel	301	270
General and other services	6,540	4,830
Total Operating costs for services	155,332	145,505

The increase in operating costs for "sale, distribution and logistic costs" is correlated to the increase in revenues, for the comments on which see the Directors' Report and that described as regards the operating costs.

(€thousand)	31.12.2014	31.12.2013
Lease of industrial buildings	6,807	7,182
Lease of processors and other personal property	394	330
Lease of industrial vehicles	0	66
Rentals for lease of business premises	1,546	1,555
Lease of cars	4	27
Lease of plant, machinery and equipment	4	9
Rentals and other charges paid on other personal property	100	97
Total Operating costs for leases and rentals	8,855	9,266

It should be pointed out that the rental fees for industrial buildings include the fees of 668 thousand Euros paid to the associate company Le Cupole S.r.l. in Castelvetro (MO) for the rental of the property in which the branch MARR Uno carries out its activities (Via Spagna 20 – Rimini).
The decrease, compared to the previous year, is mainly due to the lesser fees paid as consequence of the purchase, finalised in the month of July 2013, of the real estate property where the activities of the Carnemilia Division are carried out (Via Francesco Fantoni, 31 – Bologna).

As regards the leasing fees for buildings, see that described in the paragraph entitled "Organisation and logistics" in the Directors' Report on Management, with the specification that the relevant ongoing contracts are subjected to Law 392/78 Chapter II (Leasing contracts for uses other than habitation).

The company lease fees refer almost totally to fees related to the subsidiary Sfera S.p.A.:

- for 1,133 thousand Euros with reference to the company "Sogema" in Turin, where the MARR Turin branch has carried out its activities since 1 November 2004;
- for 40 thousand Euros with reference to the going concern "Sciaves", which from a logistical and distribution viewpoint refers to the MARR Dolomiti branch since 2009;
- for 130 thousand Euros, with reference to the going concern in Arco (TN) where the "Marr Arco" branch has carried out its activities since 12 November 2007;
- for 233 thousand Euros with reference to the going concern "Lelli" where the "Marr Bologna" new distribution centre has carried out its activities since 1 November 2014.

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

(€thousand)	31.12.2014	31.12.2013
Other indirect taxes, duties and similar charges	765	1,372
Expenses for collection of debts	296	254
Other sundry charges	186	246
Capital losses on disposal of assets	23	1
IMU	292	245
Contributions and membership fees	51	51
Total Operating costs for other operating charges	1,613	2,169

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. Their decrease compared to the last business year is linked mainly to the lesser costs for the purchase of duty charges.

36. Financial income and charges

(€thousand)	31.12.2014	31.12.2013
Financial charges	10,819	10,166
Financial income	(3,094)	(3,687)
Foreign exchange (gains)/losses	699	68
Total Financial income and charges	8,424	6,547

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)	31.12.2014	31.12.2013
Interest payable on other loans, bills discount, hot money, import	7,092	4,415
Interest payable on loans	332	189
Interest payable on discounted bills, advances, export	1,181	3,585
Other financial interest and charges	2,182	1,934
Interest and Other financial charges for Parent Companies	1	1
Interest and Other financial charges for Subsidiaries	31	42
Total Financial charges	10,819	10,166

The increase in the financial charges compared to 2013 is attributable to the repositioning (from June 2013) of the longer-term financial payables, as commented upon in the Directors' Report.

(€thousand)	31.12.2014	31.12.2013
Other sundry financial income (interest from customers, etc.)	2,734	3,294
Positve interest from bank accounts	12	21
Other sundry financial income for Parent Company	212	200
Other sundry financial income for Subsidiaries	136	172
Total Financial income	3,094	3,687

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

37. Income and charge from associated companies

This item is detailed as indicated in the following table:

(€thousand)	31.12.2014	31.12.2013
Dividends by Subsidiaries	3,022	3,871
Income from investments disposal	1,803	0
Write off investments in subsidiaries	(2)	(13)
Total Income (charge) from associated companies	4,823	3,858

The item "Dividends by subsidiaries" as at 31 December 2014 (equal to 3,022 thousand Euros) consists mainly of the dividends distributed in 2014 by the subsidiary AS.CA. S.p.A. in the amount of 1,749 thousand Euros, by the subsidiary New Catering S.r.l. in the amount of 661 thousand Euros, by the subsidiary EMI.GEL S.r.l (now merged by incorporation into New Catering S.r.l.) in the amount of 465 thousand Euros and by the subsidiary Baldini Adriatica Pesca S.r.l. for 147 thousand Euros.

The item "Income from investments disposal", amounting to 1,803 thousand Euros, represents the net income deriving from the transfer of the holdings of Alisea Soc. Cons. a r.l. on 31 March 2014.
As already mentioned in the Directors Report, it must be reiterated that the transfer price of the MARR holdings was established as a total of 3,575 thousand Euros, of which 1,833 thousand, already paid on the date of subscription, implied the recording of the income highlighted. The payment of the remaining 1,742 thousand Euros is subordinate to the definitive adjudication of significant catering services being tendered.

As regard the cost for the write-off of the investment in subsidiaries (equal to 2 thousand Euros), this is attributable to the Spanish subsidiary MARR Foodservice Iberica S.A.U.

38. Taxes

(€thousand)	31.12.2014	31.12.2013
Ires - Ires charge transferred to the controlling company	19,795	17,444
Irap	4,767	4,381
Net provision for deferred tax liabilities	(434)	(89)
Total taxes	24,128	21,736

Reconciliation between theoretical and effective fiscal charges

(€thousand)	*Year 2014*		*Year 2013*	
	Taxable amount	*Tax*	*Taxable amount*	*Tax*
I.R.E.S.				
Profit before taxation	76,509		68,507	
Taxation rate	27.50%		27.50%	
theoretical tax burden		21,040		18,839
Permanent differences				
Non-deductible depreciation	281		396	
Write-down of financial assets	2		13	
Other	674		776	
	957		*1,185*	
Deductible depreciation	(1,869)		(1,769)	
Dividends from Italian companies (95%)	(2,870)		(3,677)	
Income from investments disposal (95%)	(1,713)		0	
Personel cost not deducted to Irap	(731)		(813)	
Other	(1,959)		(1,372)	
	(9,142)		*(7,631)*	
Temporary differences deductible in future years				
Allocation of taxed provision for bad debts	7,800		7,650	
Maintenance cost excess 5%	0		0	
Other	844		418	
Deductible entertainment expenses	13		0	
	8,657		*8,068*	
Reversal of temporary differences from previous years				
Surplus value deductible in future years	0		0	
	0		0	
Use of taxed provision for bad debts	(4,300)		(5,962)	
Use of others taxed provisions	(364)		0	
Amount of taxed entertainment expenses	0		0	
Write down of financial assets	0		0	
Amount of maintenance cost excess 5%	0		0	
Other	(655)		(322)	
	(5,319)		*(6,284)*	
Taxable income	71,662		63,845	
Taxation rate	27.50%		27.50%	
Actual tax burden		19,707		17,557
Balance of IRES for past business years and roundings		88		(113)
Recovery for Ires relating years 2007-2011				
Actual Tax burden of Period		19,795		17,444
I.R.A.P.				
Profit before taxation	76,509		68,507	
Cost not relevant for I.R.A.P.				
Dividends/Adjustment to the value of financial assets	(4,823)		(3,858)	
Financial income and expense	8,424		6,547	
Personnel costs	31,746		32,662	
Theorical taxable	111,856		103,858	
Taxation rate	3.94%		4.01%	
theoretical tax burden		4,407		4,165
Other	11,181		5,847	
Taxable income	123,037		109,705	
Taxation rate	3.94%		4.00%	
Actual tax burden		4,848		4,388
Balance of IRAP for pass business years and roundings		(81)		(7)
Actual Tax burden of Period		4,767		4,381

39. Earnings per share

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

(in Euro)	2014	2013
EPS base	0.79	0.71
EPS diluted	0.79	0.71

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

Earnings:

(€thousand)	31.12.2014	31.12.2013
Profit for the period	52,381	46,771
Profit used to determine basic and diluted earnings per share	52,381	46,771

Number of shares:

(number of shares)	31.12.2014	31.12.2013
Weighted average number of ordinary shares used to determine basic earning per share	66,525,120	65,966,402
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	66,525,120	65,966,402

40. Other profits/losses

The other profits/losses accounted for in the consolidated statement of other comprehensive income consists of the effects produced and reflected in the period with reference to the following items:
- effective part of the operations for: hedging interest rates related to variable rate loans existing at the date; hedging exchange risk rate related to the bond in US dollars closed with an operation of private placement during the previous year; term exchange purchase transactions existing at 31 December 2014, to hedge the underlying goods purchasing operations. The values indicated amounted to a total loss of 802 thousand Euros in the year 2014 and are shown net of the taxation effect (that amounts to approximately 304 thousand Euros as at 31 December 2014).
- actuarial losses regarding the evaluation of Staff Severance Provision as required by amendments to IAS principle 19 "Employee Benefits"; the value indicated, amounting to a total loss of 403 thousand Euros, is shown net of the taxation effect (that amount to about 153 thousand Euros as at 31 December 2014).

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

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)	31.12.14	31.12.13
A.	Cash	6,773	7,702
	Bank accounts	25,332	20,044
	Postal accounts	289	154
B.	Cash equivalent	25,621	20,198
C.	Liquidity (A) + (B)	32,394	27,900
	Current financial receivable due to Subsidiaries	4,101	8,624
	Current financial receivable due to Parent Company	7,525	2,633
	Others financial receivable	1,306	2,706
D.	Current financial receivable	12,932	13,963
E.	Current Bank debt	(57,277)	(36,037)
F.	Current portion of non current debt	(74,610)	(26,029)
	Financial debt due to Parent Company	0	0
	Financial debt due to Subsidiaries	(1,090)	(2,338)
	Financial debt due to Related Companies	0	0
	Other financial debt	(794)	(756)
G	Other current financial debt	(1,884)	(3,094)
H.	Current financial debt (E) + (F) + (G)	(133,771)	(65,160)
I.	Net current financial indebtedness (H) + (D) + (C)	(88,445)	(23,297)
J.	Non current bank loans	(46,641)	(133,945)
K.	Other non current loans	(34,941)	(30,645)
L.	Non current financial indebtedness (J) + (K)	(81,582)	(164,590)
M.	Net financial indebtedness (I) + (L)	(170,027)	(187,887)

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, 12 March 2015

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 2014, indicating the criteria adopted for accounting.

- Appendix 2 – Table showing variations in Intangible Assets for the year ending 31 December 2014.

- Appendix 3 – Table showing variations in Tangible Assets for the year ending 31 December 2014.

- Appendix 4 – Table showing the essential data from the Cremonini S.p.A. financial and consolidated financial statements as at 31 December 2013.

- Appendix 5 – List of stockholdings in subsidiaries and associated companies as at 31 December 2014 (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 2014

Company	Headquarters	Share capital (€thousand)	Direct control Marr SpA	Indirect control	
				Company	Share held
COMPANY CONSOLIDATED ON A LINE-BY-LINE BASIS					
- Parent Company:					
MARR S.p.A.	Rimini	33,263			
- Subsidiaries:					
Alisurgel S.r.l. in liquidation	Rimini	10	97.0%	Sfera S.p.A.	3.0%
Sfera 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%		
EQUITY INVESTMENTS VALUED AT COST:					
- Other Company:					
Centro Agro-Alimentare Riminese S.p.A.	Rimini	11,798	1.66%		

Intangible fixed assets (in thousand of Euros)	OPENING BALANCE			MOVEMENTS DURING THE YEAR				CLOSING BALANCE		
	Original Cost	Provision for amortization	Balance 01/01/2014	Purchases/ reclassification	Other changes	Net decreases	Amortization	Original Cost	Provision for amortization	Balance 31/12/2014
Start-Up and expansion costs										
Cost of research, development and advertising										
Cost of industrial patents and rights for the use of intellectual property	3,379	(3,078)	301	142			(124)	3,521	(3,202)	319
Concessions, licences, brand names, and similar rights	37	(30)	7					37	(30)	7
Goodw ill	70,965		70,965	2,107				73,072		73,072
Intangible fixed assets under development and advances	36		36	21				57		57
Other intangible fixed assets	70	(70)						70	(70)	
Total	**74,487**	**(3,178)**	**71,309**	**2,270**			**(124)**	**76,757**	**(3,302)**	**73,455**

Tangible fixed assets (in thousand of Euros)	Opening balance			Movements during the year				Closing balance		
	Original Cost	Provision for amortization	Balance 01/01/2014	Purchases/ reclassification	Decreases		Amortization	Original Cost	Provision for amortization	Balance 31/12/2014
					Original cost	Prov. for am.				
Land and buildings	69,646	(17,421)	52,225	450			(1,739)	70,096	(19,160)	50,936
Plant and machinery	26,010	(18,729)	7,281	2,733	(14)	12	(1,715)	28,729	(20,432)	8,297
Industrial and commercial equipment	2,195	(1,554)	641	236			(125)	2,431	(1,679)	752
Other tangible assets	11,600	(9,518)	2,082	1,242	(953)	377	(587)	11,889	(9,728)	2,161
Tangible fixed assets under development and advances				505				505		505
Total	**109,451**	**(47,222)**	**62,229**	**5,166**	**(967)**	**389**	**(4,166)**	**113,650**	**(50,999)**	**62,651**

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, 2013

Cremonini S.p.A.		in thousands of Euros		Consolidated
		BALANCE SHEET		
		ASSETS		
77,953		Tangible assets		790,014
30		Goodwill and other intangible assets		161,812
282,758		Investments		19,324
5,733		Non-current assets		73,727
366,474		*Total non-current assets*		*1,044,877*
0		Inventories		333,394
15,180		Receivables and other current assets		665,487
317		Cash and cash equivalents		98,591
15,497		*Total current assets*		*1,097,472*
381,971		**Total assets**		**2,142,349**
		LIABILITIES		
159,795		Shareholders' equity:		433,672
	67,074	Share capital	67,074	
	40,357	Reserves	214,952	
	52,364	Net profit (loss)	32,683	
	0	Minority interest	118,963	
69,834		Non-current financial payables		525,541
431		Employee benefits		28,439
373		Provisions for risks and charges		8,556
7,511		Other non-current liabilities		79,817
78,149		*Total non-current liabilities*		*642,353*
139,017		Current financial payables		435,762
5,010		Current liabilities		630,562
144,027		*Total current liabilities*		*1,066,324*
381,971		**Total Liabilities**		**2,142,349**
		INCOME STATEMENT		
5,918		Revenues		3,439,816
15,043		Other revenues		56,856
		Changes in inventories		(10,344)
		Internal works performed		6,427
(46)		Purchase of goods		(2,292,559)
(8,405)		Other operating costs		(541,273)
(2,413)		Personnel costs		(402,498)
(1,739)		Amortization		(69,808)
(607)		Depreciation and Allocations		(21,703)
55,747		Income from investments		1,346
(10,757)		Financial income and charges		(52,068)
0		Profit from business aggregations		0
52,741		*Profit before taxes*		*114,192*
(377)		Taxes		(52,690)
52,364		Net profit (loss) before consolidation		61,502
0		Minority interest's profit (loss)		(28,819)
52,364		**Consolidated Net profit (loss)**		**32,683**

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 2013. For an adequate and full understanding of the Cremonini S.p.A. financial situation as at 31 December 2013, 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, 2014 (art. 2427 n.5 c.c.)
(€/thousands)

Company	Corporate Domicile	Capital Stock	Shareholder's equity Total Amount	Shareholder's equity Pro-rata Amount (A)	Net Profit (loss) Total Amount	Net Profit (loss) Pro-rata Amount	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)
- In subsidiares:												
Alisurgel S.r.l. in liquidation	Rimini (RN)	10	202	196	4	4	97.00%	10	(186)	31/12/2014	196	(186)
Marr Foodservice Iberica S.A.U.	Madrid (Spagna)	600	412	412	(2)	(2)	100.00%	412	0	31/12/2014	412	0
Sfera S.p.a.	Santarcangelo di R.(RN)	220	482	482	(163)	(163)	100.00%	11,440	10,958 *	31/12/2014	12,827	(1,387)
AS.CA. S.p.a.	Santarcangelo di R.(RN)	518	5,580	5,580	1,995	1,995	100.00%	13,852	8,272 *	31/12/2014	16,020	(2,168)
New Catering S.r.l.	Santarcangelo di R.(RN)	34	3,739	3,739	949	949	100.00%	7,439	3,700 *	31/12/2014	7,616	(177)
Baldini Adriatica Pesca S.r.l.	Santarcangelo di R.(RN)	10	186	186	164	164	100.00%	16	(170)	31/12/2014	212	(196)

* 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 2014 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 2014
Auditing	Reconta Emst & Young S.p.A.	MARR S.p.A.	113
Certification service	Reconta Emst & Young S.p.A.	MARR S.p.A.	12
Other services			0
Total			125

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

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

   of the management and accounting procedures for the drafting of the interim condensed consolidated financial statement, during the year 2014.

2. The assessment of the adequacy of the management and accounting procedures for the drafting of the consolidated financial statement as at 31 December 2014 was based on a process defined by MARR S.p.A. in coherence with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is an internationally accepted general reference framework.

3. It is also certified that:

   3.1 the financial statements:

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

   b) correspond to the findings in the accounts books and documents;

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

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

Rimini, 12 March 2015

Pierpaolo Rossi	Antonio Tiso
Chief Executive Officer	Manager responsible for the drafting of corporate accounts documents

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Building a better working world

MARR S.p.A.

Financial statements
as of and for the year ended December 31, 2014

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

Building a better working world

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

Tel: +39 051 278311
Fax: +39 051 236666
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 financial statements of MARR S.p.A. as of December 31, 2014 and for the year then ended, comprising the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in the shareholders' equity, the 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 31, 2014.

3. In our opinion, the financial statements of MARR S.p.A. at December 31, 2014 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.

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4. The Directors of MARR S.p.A. are responsible for the preparation of the Directors' Report and the Annual Report on Corporate Governance and Ownership Structure in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency with the financial statements of the Directors' Report and of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Annual Report on Corporate Governance and Ownership Structure, as required by the law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Directors' Report and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) in the Annual Report on Corporate Governance and Ownership Structure, are consistent with the financial statements of MARR S.p.A. at December 31, 2014.

Bologna, March 31, 2015

Reconta Ernst & Young S.p.A.

Signed by: Andrea Nobili, Partner

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

REPORT BY THE BOARD OF STATUTORY AUDITORS
TO THE SHAREHOLDERS' MEETING OF MARR S.p.a.
(Financial statements as at 31/12/2014)

Dear Shareholders,

The Board of Statutory Auditors hereby:

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

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

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

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

The Chairman or a standing member of the Board of Statutory Auditors attended five of the six meetings of the Control and Risk Committee held during the course of the business year. Attending the meetings of the Committee enabled the acquisition of information concerning the effectiveness of the systems for managing financial and operating risks and, more generally, non-observance of the law.

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

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

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

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

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

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

• the business year financial statements, which show profits of 52,381 thousand Euros, are drawn up in compliance with the laws concerning their layout and preparation;

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

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

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

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

• we viewed and obtained information on the activities of an organisational and procedural nature undertaken pursuant to and by effect of Legislative Decree 231/2001 and subsequent integrations. During the course of the business year, the Organisational Model of the Company was integrated in order to acknowledge new crimes. The report by the Person Responsible for the Organisational Model on the activities performed during 2014 and the information obtained autonomously by the Board of Statutory Auditors did not highlight any criticalities;

• during the course of the business year, the Board of Statutory Auditors held five ordinary meetings and two specific meetings to ascertain the respect of the requirements of independence of the directors and auditors and also exchanged information periodically with the independent auditing firm. The exchanges of information with the independent auditors pursuant to article 150 of Legislative Decree 58/98 did not highlight any criticalities;

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

• in its report to be released pursuant to art. 19 of Legislative Decree 39/2010, the independent auditing firm will not highlight any fundamental questions that arose during auditing or significant shortcomings to the internal auditing system as regards the financial information process;

• in relation to the conferment of additional duties to the independent auditing firm and other subjects linked to it, it should be noted that the following remuneration was paid to the auditing firm Recονts Ernst & Young S.p.a. or entities belonging to its network in relation to the duties specified hereafter during the 2014 business year:

MARR GROUP

(payments in thousands of Euros)

TYPE OF SERVICE	SUBJECT PERFORMING THE SERVICE	BENEFICIARY	REMUNERATION
Auditing of accounts	Reconta Ernst & Young S.p.a.	MARR S.p.a.	113
Auditing of accounts	Reconta Ernst & Young S.p.a.	As.Ca S.p.a.	21
Attestation services	Reconta Ernst & Young S.p.a.	MARR S.p.a.	12
TOTAL			**146**

• in observance of the dispositions of article 149, para. 1 sub c)-bis of Legislative Decree 58/98, we hereby acknowledge that the company adheres to and complies with the Corporate Governance Code of Italian listed companies. Adhesion to the regulations of this code has been confirmed and was the subject of the report on Corporate Governance drawn up by the Board of Directors;

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

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

On the basis of the auditing activities performed during the course of the business year, the Board of Statutory Auditors expresses its favourable opinion as to the approval of the financial statements as at 31 December 2014 and the deliberation proposals made by the Board of Directors.

Rimini, 31 March 2015

The Board of Statutory Auditors

E. Simonelli

S.Muratori

D.Muratori

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