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Oggetto	:	MARR: The Board of Directors approves the interim report as at 30 September 2016

Testo del comunicato

Vedi allegato.

Press release

MARR: The Board of Directors approves the interim report as at 30 September 2016.

The third quarter confirms the increase in revenues and operating profits and after the first nine months of the year the MARR Group recorded:

- **Total consolidated revenues of 1,204.5 million Euros (1,152.7 in 2015)**
- **Consolidated EBITDA of 92.6 million Euros (88.0 in 2015)**
- **Consolidated EBIT of 79.3 million Euros (75.5 in 2015)**

Net consolidated result for the first nine months of 50.0 million Euros compared to 48.9 in 2015, which benefited from a non-recurrent income of 1.7 million

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Binding agreement finalised for the purchase of Speca Alimentari S.r.l., which with more than 11 million Euros in sales is a reference player in the Lake Maggiore area

Rimini, 14 November 2016 – The Board of Directors of MARR S.p.A. (Milan: MARR.MI), the leading company in Italy in the distribution of food products to foodservice, today approved the interim report as at 30 September 2016.

Main consolidated economic results for the third quarter of 2016

The total consolidated revenues reached 481.7 million Euros in the third quarter, an increase compared to 454.8 million in 2015.

The operating profits also increased, with EBITDA of 43.1 million Euros (40.7 million in 2015) and EBIT of 37.8 million (35.9 million in 2015).

The result of the recurrent activities, including Net Interest, reached 36.6 million Euros, increasing compared to 34.4 million in 2015.

The net result for the period reached 24.5 million Euros, and was affected by 0.5 million Euros in non-recurrent costs for the reorganization of the DE.AL. business. It must also be recalled that the net result for the third quarter of 2015 – 25.3 million Euros – had benefited from a non-recurrent income of 1.7 million Euros relating to the price balance (plus interest) for the sale of the shareholding in Alisea (March 2014), the payment of which had been subject to the definitive awarding (condition which occurred in July 2015) to Alisea of important tenders for catering services.

Main consolidated results for the first nine months of 2016

The total consolidated revenues for the first nine months amounted to 1,204.5 million Euros, compared to 1,152.7 million Euros in 2015.

Press release

In the first nine months of 2016, EBITDA reached 92.6 million Euros (88.0 million in 2015), while EBIT was 79.3 million (75.5 million in 2015).

The net consolidated result for the nine months reached 50.0 million Euros, an increase compared to 48.9 million Euros in 2015, which had benefited by 1.7 million Euros from the non-recurrent income for the price balance of Alisea.

The trade net working capital as at 30 September 2016 amounted to 212.6 million Euros, and decreased, despite the increase in revenues, compared to 213.2 million Euros as at 30 September 2015.

The cash flow generation for the period improved, with a Free Cash Flow before dividends which *like for like*, i.e. net of the 36.0 million Euros for the purchase price[1] of DE.AL., amounting to 74.1 million Euros compared to 65.4 million in the first nine months of 2015.

The net financial debt at the end of the period reached 170.6 million Euros (151.8 million as at 30 September 2015), decreasing compared to 201.8 million as at 30 June 2016.

The consolidated net equity as at 30 September 2016 amounted to 277.7 million Euros compared to 262.7 million as at 30 September 2015.

Results by sector of activity as at 30 September 2016

The sales of the MARR Group in the first nine months of 2016 amounted to 1,184.5 million Euros (1,132.9 million in 2015), while those in the third quarter amounted to 473.1 million Euros (447.2 million in 2015).

In particular, sales to clients in the *Street Market* and *National Account* categories as at 30 September 2016 amounted to 991.4 million Euros (933.9 million in 2015), of which 405.4 million Euros in the third quarter (378.4 million in 2015).

In the main *Street Market* category (restaurants and hotels not belonging to Groups or Chains), sales in the first nine months amounted to 781.5 million Euros (714.9 million in 2015); while they amounted to 338.4 million in the third quarter (309.7 million in 2015), with a contribution from the consolidation of DE.AL (on 4 April last) and SAMA (1 June 2015) amounting to 40.9 million Euros over the nine months and 20.2 million in the third quarter.
In the third quarter, as in the previous quarter, the positive impact of DE.AL. benefited from an acceleration in sales to those clients which before the acquisition had also been served by MARR. In this regard, it must be noted that, following the lease of the "PAC Food" going concern from DE.AL. S.r.l. to MARR S.p.A. as of 1 October last, the *MARR Adriatico* branch came into being, an operation which involved a reorganization of the former DE.AL. commercial activities.
As regards the performance of the end reference market of clients in the *Street Market* category, on the basis of the most recent survey by the *Confcommercio* Studies Office (ICC no. 10, November 2016), the item "Hotels, meals and out-of-home food consumption" recorded an increase in consumption in the third quarter of +0.7% (by quantity), compared to a variation of +1.4% and -1.0% respectively in the first and second quarters (I*CC*[2] no.10, November 2016).

The sales to clients in the National Account category (operators in Canteens and Chains and Groups) amounted to 209.9 million Euros as at 30 September 2016 (219.0 million in 2015), with

[1] 50% paid on closing on 4 April last and the remainder accounted among the financial payables
[2] It should be noted that the historical figures of the *ICC* (Confcommercio Consumption Indicator) indicators can vary by effect of the availability of more up-to-date figures

66.9 million Euros in the third quarter compared to 68.7 million in the same period in 2015, which benefited by about 2.5 million Euros in the quarter from the EXPO event.

The sales to clients in the Wholesale category amounted to 193.1 million Euros in the first nine months of 2016 (199.0 million in 2015), of which 67.8 million in the third quarter (68.8 million in the same period of 2015).

Events subsequent to the closure of the third quarter of 2016

The binding agreement for the purchase – with an expected closing date on 30 December next – by MARR S.p.A. of 100% of the holdings of Speca Alimentari S.r.l. ("Speca Alimentari"), a company in Baveno (Verbania) located in the Lake Maggiore area, was finalised in early November.

With more than 11 million Euros in annual sales, over 30 years' experience in the food distribution sector and considerable expansion over the last decade, Speca Alimentari represents one of the reference players for clients in the non-structured commercial catering segment (those of the *Street Market* category for MARR) in the Lake Maggiore area.

Thanks to Speca Alimentari, which has a consolidated sales network and a distribution centre covering more than 2,000 m^2 well located to serve the western side of Lake Maggiore, MARR will be able to enhance the level of service in an area in which it currently achieves annual sales of just over 3 million Euros and will be able to make the most of the expansion opportunities in foodservice distribution (especially *Street Market*) offered by the Lake Maggiore area.

As a result of the closing of the operation, expected to be on 30 December, MARR will (effective from 1 January 2017): i) acquire 100% of the shares of Speca Alimentari S.r.l. for a price which is not expected to exceed 7 times the EBITDA of Speca Alimentari, and with 50% of the price paid on closing, 30% after one year and 20% after two years; ii) sign a lease contract for the distribution centre of Baveno; iii) sign a collaboration agreement with the current operational shareholders of Speca Alimentari.

Outlook

The trend in terms of sales of the "PAC Food" going concern of the newly acquired DE.AL. remains positive and in line with the plans, and following the start of the *MARR Adriatico* branch, the process of integration within the MARR Group of the business activities of the "PAC Food" going concern is coming to a close.

On the basis of the results of the first nine months, management has confirmed its orientation towards increasing its market share, maintaining the levels of profitability achieved and keeping the trade net working capital under control for the end of the year.

Press release

MARR (Cremonini Group), listed on the STAR segment of the Italian Stock Exchange, is the leading Italian company in the specialised distribution of food products to the foodservice and is controlled by Cremonini S.p.A..

With an organisation comprising more than 800 technical sales agents, MARR serves over 40,000 customers (mainly restaurants, hotels, pizza restaurants, holiday resorts and canteens), with an offer that includes over 10,000 food products, including seafood, meat, various food products and fruit and vegetables.
The company operates nationwide through a logistical-distribution network composed of 34 distribution centres, 5 cash & carry, 4 agents with warehouses and about 800 vehicles.

In 2015 the MARR group achieved total consolidated revenues amounting to 1,481.0 million Euros, consolidated EBITDA of 105.7 million Euros and consolidated net profit of 58.1 million Euros.

For more information about MARR visit the company's web site at www.marr.it

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

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It should be noted that the interim report as at 30 September 2016, approved today by the MARR S.p.A. Board of Directors, will be made available by the end of today on the Investor Relations Section of the company website http://www.marr.it/it/bilanci, at the company headquarters and on the authorized storage www.emarketstorage.com.

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The results as at 30 September 2016 will be illustrated in a conference call with the financial community, to be held today at 17:30 (CET), This presentation will be available in the "Investor Relations – Presentations" section of the MARR website (www.marr.it) from 17:15 today.
The speech in English of the presentation with a summary of the Q&A session will be published in the "Investor Relations – Presentations" (English version) section, where it will be available for 7 days from the morning of Tuesday, 15 November.

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ALTERNATIVE PERFORMANCE MEASURES

In this press release certain non-IFRS measures are presented for purposes of a better understanding of the trend of operations and financial condition of the MARR Group; however, such measures should not be construed as a substitute for the operating and financial information required by IFRS.
Specifically, the non-IFRS measures presented are described below:

- **EBITDA** (Gross Operating Result): this economic indicator is not defined by the IFRS and 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 employed and the relevant amortization and depreciation policies. The EBITDA (Earnings before interest, taxes, depreciation and amortization) is defined as the business year Profits/Losses gross of amortizations and depreciations, write downs and financial income and charges, non-recurrent items and income tax.
- **EBIT** (Operating Result): is an economic indicator of the operational performance of the Group. The EBIT (Earnings before interest and taxes) is defined as the business year Profits/Losses gross of financial income and charges, non-recurrent items and income tax.
- **Net Financial Position**: used as a financial indicator of debts is represented by the total of the following positive and negative components of the Balance sheet:
  - Positive short and long term components: cash and equivalents; items of net working capital collectables; financial assets; current financial receivables.
  - 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.

Re-classified Income Statement[1]

MARR Consolidated (€thousand)	3rd quarter 2016	%	3rd quarter 2015	%	% Change	30.09.16 (9 months)	%	30.09.15 (9 months)	%	% Change
Revenues from sales and services	470,181	97.6%	443,338	97.5%	6.1	1,174,168	97.5%	1,123,097	97.4%	4.5
Other earnings and proceeds	11,557	2.4%	11,518	2.5%	0.3	30,329	2.5%	29,647	2.6%	2.3
Total revenues	**481,738**	**100.0%**	**454,856**	**100.0%**	**5.9**	**1,204,497**	**100.0%**	**1,152,744**	**100.0%**	**4.5**
Raw and secondary materials, consumables and goods for resale	(336,807)	-70.0%	(319,358)	-70.2%	5.5	(932,635)	-77.4%	(896,915)	-77.8%	4.0
Change in inventories	(35,218)	-7.3%	(32,136)	-7.1%	9.6	(4,597)	-0.4%	(4,343)	-0.4%	5.8
Services	(54,161)	-11.2%	(50,900)	-11.2%	6.4	(137,981)	-11.5%	(128,120)	-11.1%	7.7
Leases and rentals	(2,454)	-0.5%	(2,373)	-0.5%	3.4	(7,118)	-0.6%	(6,813)	-0.6%	4.5
Other operating costs	(413)	-0.1%	(391)	-0.1%	5.6	(1,215)	-0.1%	(1,477)	-0.1%	(17.7)
Value added	**52,685**	**10.9%**	**49,698**	**10.9%**	**6.0**	**120,951**	**10.0%**	**115,076**	**10.0%**	**5.1**
Personnel costs	(9,593)	-1.9%	(8,965)	-1.9%	7.0	(28,306)	-2.3%	(27,098)	-2.4%	4.5
Gross Operating result	**43,092**	**9.0%**	**40,733**	**9.0%**	**5.8**	**92,645**	**7.7%**	**87,978**	**7.6%**	**5.3**
Amortization and depreciation	(1,500)	-0.4%	(1,287)	-0.3%	16.6	(4,184)	-0.3%	(3,715)	-0.2%	12.6
Provisions and write-downs	(3,800)	-0.8%	(3,574)	-0.8%	6.3	(9,132)	-0.8%	(8,711)	-0.8%	4.8
Operating result	**37,792**	**7.8%**	**35,872**	**7.9%**	**5.4**	**79,329**	**6.6%**	**75,552**	**6.6%**	**5.0**
Financial income	322	0.1%	499	0.1%	(35.5)	1,052	0.1%	1,297	0.1%	(18.9)
Financial charges	(1,542)	-0.3%	(2,087)	-0.4%	(26.1)	(5,518)	-0.5%	(7,021)	-0.7%	(21.4)
Foreign exchange gains and losses	29	0.0%	80	0.0%	(63.8)	(25)	0.0%	(143)	0.0%	(82.5)
Value adjustments to financial assets	(41)	0.0%	0	0.0%	(100.0)	(81)	0.0%	0	0.0%	(100.0)
Result from recurrent activities	**36,560**	**7.6%**	**34,364**	**7.6%**	**6.4**	**74,757**	**6.2%**	**69,685**	**6.0%**	**7.3**
Non-recurring income	0	0.0%	1,742	0.3%	(100.0)	0	0.0%	1,742	0.2%	(100.0)
Non-recurring charges	(500)	-0.1%	0	0.0%	(100.0)	(500)	0.0%	0	0.0%	(100.0)
Profit before taxes	**36,060**	**7.5%**	**36,106**	**7.9%**	**(0.1)**	**74,257**	**6.2%**	**71,427**	**6.2%**	**4.0**
Income taxes	(11,514)	-2.4%	(10,828)	-2.3%	6.3	(24,273)	-2.1%	(22,509)	-2.0%	7.8
Total net profit	**24,546**	**5.1%**	**25,278**	**5.6%**	**(2.9)**	**49,984**	**4.1%**	**48,918**	**4.2%**	**2.2**
(Profit)/loss attributable to minority interests	0	0.0%	0	0.0%	0.0	0	0.0%	0	0.0%	0.0
Net profit attributable to the MARR Group	**24,546**	**5.1%**	**25,278**	**5.6%**	**(2.9)**	**49,984**	**4.1%**	**48,918**	**4.2%**	**2.2**

[1] Data unaudited

Re-classified Balance sheet[1]

MARR Consolidated (€thousand)	***30.09.16***	*31.12.15**	*30.09.15**
Net intangible assets	144,470	107,839	107,736
Net tangible assets	71,568	68,563	68,810
Equity Investments evaluated using the Net Equity method	919	0	0
Equity investments in other companies	315	304	304
Other fixed assets	28,292	29,585	28,559
Total fixed assets (A)	**245,564**	**206,291**	**205,409**
Net trade receivables from customers	448,623	377,437	444,673
Inventories	120,428	119,858	112,316
Suppliers	(356,455)	(276,706)	(343,819)
Trade net working capital (B)	**212,596**	**220,589**	**213,170**
Other current assets	47,944	50,807	50,179
Other current liabilities	(41,254)	(25,676)	(38,103)
Total current assets/liabilities (C)	**6,690**	**25,131**	**12,076**
Net working capital (D) = (B+C)	**219,286**	**245,720**	**225,246**
Other non current liabilities (E)	(619)	(599)	(570)
Staff Severance Provision (F)	(10,665)	(9,980)	(10,676)
Provisions for risks and charges (G)	(5,335)	(5,075)	(4,890)
Net invested capital (H) = (A+D+E+F+G)	**448,231**	**436,357**	**414,519**
Shareholders' equity attributable to the Group	(277,650)	(271,830)	(262,728)
Shareholders' equity attributable to minority interests	0	0	0
Consolidated shareholders' equity (I)	**(277,650)**	**(271,830)**	**(262,728)**
(Net short-term financial debt)/Cash	16,857	18,207	33,837
(Net medium/long-term financial debt)	(187,438)	(182,734)	(185,628)
Net financial debt (L)	**(170,581)**	**(164,527)**	**(151,791)**
Net equity and net financial debt (M) = (I+L)	**(448,231)**	**(436,357)**	**(414,519)**

* With regard to the balance sheet for the year 2015 it should be noted:
1) For a better representation of the dictates of IAS 12 "Income tax" in relation to the compensation of deferred taxes, the Group considered it appropriate to reclassify quotas of deferred tax assets and liabilities where there is a legally enforceable right to set off current tax assets with corresponding current tax liabilities, reclassifying consequently the comparative data. The effect of balance sheet reclassification was a reduction in deferred tax assets and liabilities, respectively, of 12.0 million Euros as at September 30, 2015 and of 10.3 million as at December 31, 2015.
2) The tax provision for interim financial statements consisting of current taxes for the nine months was reclassified - in addition to the receivables for the account of taxes paid - to other current liabilities; this balance sheet reclassification on the comparative data as at September 30, 2015 implied a reduction of Provision for risks and charges amounting to 12.3 million Euros and of Other current assets for 10.5 million Euros, with a respective increase of current liabilities for 12.5 million Euros.

[1] Data unaudited

Net financial position [1]

MARR Consolidated (€thousand)		30.09.16	30.06.16	31.12.15	30.09.15
A.	Cash	9,270	8,263	7,368	10,882
	Cheques	0	0	4	92
	Bank accounts	125,169	68,582	82,039	121,198
	Postal accounts	72	88	451	371
B.	Cash equivalent	125,241	68,670	82,494	121,661
C.	**Liquidity (A) + (B)**	**134,511**	**76,933**	**89,862**	**132,543**
	Current financial receivable due to parent company	763	838	2,771	2,113
	Current financial receivable due to related companies	0	0	0	0
	Others financial receivable	1,416	1,531	1,245	1,210
D.	**Current financial receivable**	**2,179**	**2,369**	**4,016**	**3,323**
E.	Current Bank debt	(66,960)	(54,566)	(31,503)	(60,439)
F.	Current portion of non current debt	(43,201)	(43,981)	(42,816)	(40,562)
	Financial debt due to parent company	0	0	0	0
	Financial debt due to related companies	0	0	0	0
	Other financial debt	(9,672)	(10,102)	(1,352)	(1,028)
G.	Other current financial debt	(9,672)	(10,102)	(1,352)	(1,028)
H.	**Current financial debt (E) + (F) + (G)**	**(119,833)**	**(108,649)**	**(75,671)**	**(102,029)**
I.	**Net current financial indebtedness (H) + (D) + (C)**	**16,857**	**(29,347)**	**18,207**	**33,837**
J.	Non current bank loans	(139,355)	(124,112)	(143,523)	(147,593)
K.	Other non current loans	(48,083)	(48,343)	(39,211)	(38,035)
L.	**Non current financial indebtedness (J) + (K)**	**(187,438)**	**(172,455)**	**(182,734)**	**(185,628)**
M.	**Net financial indebtedness (I) + (L)**	**(170,581)**	**(201,802)**	**(164,527)**	**(151,791)**

[1] Data unaudited

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