Interim Report

as at 30 September 2016

14 November 2016

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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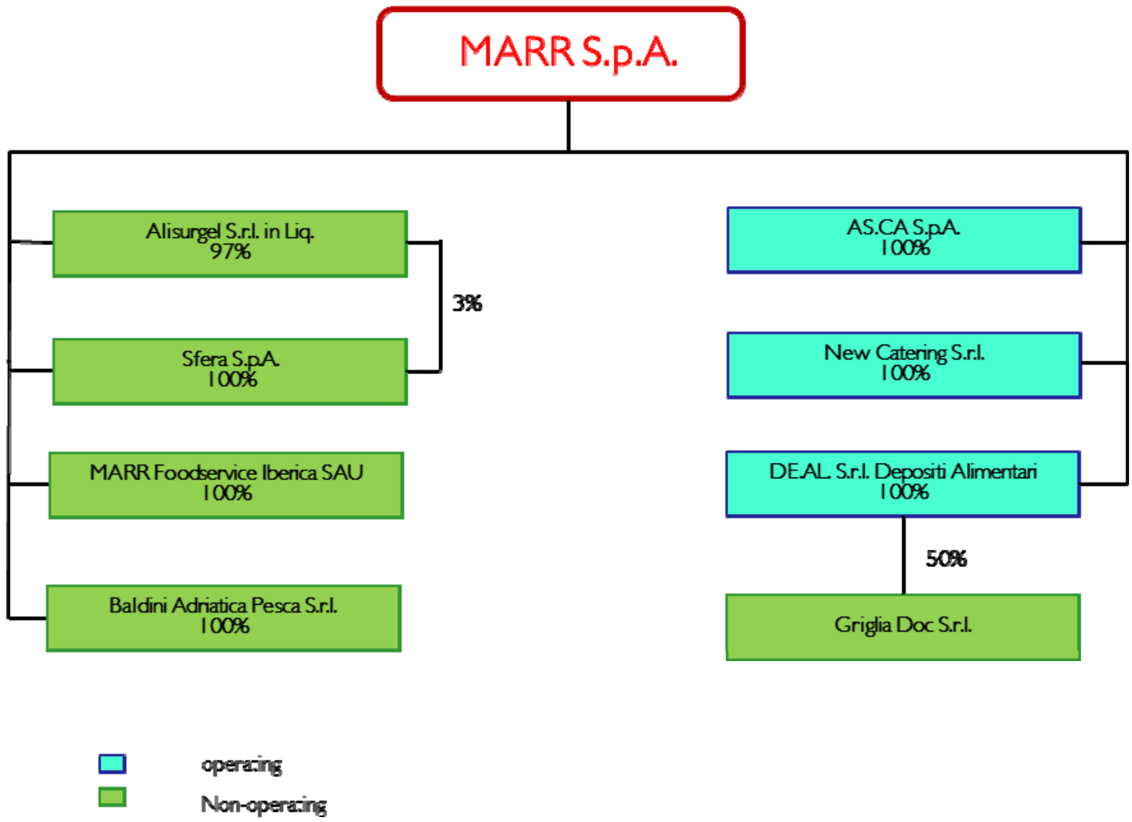
MARR GROUP ORGANISATION

as at 30 September 2016



As at 30 September 2016 the structure of the Group differs both from that at 31 December 2015 and from that at 30 September 2015 due to the purchase, finalised by MARR S.p.A. on 4 April 2016, of the 100% of the shares of the company DE.AL. S.r.l. (company in Abruzzo operating in the distribution of food products to the Foodservice sector under the brand "PAC Food") that hold a quota of 50% in the company Griglia Doc S.r.l..
Compared to the situation at 30 September 2015 we remember that, as of 1 December 2015, the subsidiary company Baldini Adriatica Pesca S.r.l. leased its own going concern to the Parent company MARR S.p.A. and is thus no longer operational.
Lastly, it must be pointed out that on 30 June 2016, the final financial statements for the liquidation of Alisurgel S.r.l. was prepared and filed on 28 July 2016 at the Chamber of Commerce, Industry, Handicraft and Agriculture of Rimini and that 8 November last the application for cancellation of the company from the Register of Companies was filed.

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

Company	Activity
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.
DE.AL. S.r.l. Depositi Alimentari Via Tevere n. 125 – Elice (PE)	Marketing and distribution of fresh, dried and frozen food products for Foodservice operators.

Company	Activity
Baldini Adriatica Pesca S.r.l. Via dell'Acero n. 1/A- Santarcangelo di Romagna (Rn)	Company no longer operational (since 1 December 2015); now leases going concerns.
SFERA S.p.A. Via dell'Acero n. 1/A - Santarcangelo di Romagna (Rn)	Company no longer operational; now leases going concerns.
MARR FOODSERVICE IBERICA S.A.U. Calle Lagasca n. 106 1° centro - Madrid (Spagna)	Company no longer operational.
Alisurgel S.r.l. in liquidation Via Giordano Bruno n. 13 - Rimini	Company no longer operational, the final financial statements for liquidation were filed on 28 July 2016.
Griglia Doc S.r.l. Via Tevere n. 125 – Elice (PE)	Company no operational.

All the controlled companies are consolidated on a line – by – line basis.
The related company Griglia Doc S.r.l. (50% owned) is valued at net equity.

CORPORATE BODIES OF MARR S.p.A.

Board of Directors

Chairman	Paolo Ferrari[1][2]
Deputy Chairman	Illias Aratri
Chief Executive Office	Francesco Ospitali
Chief Executive Office	Pierpaolo Rossi
Directors	Giosué Boldrini
	Claudia Cremonini
	Vincenzo Cremonini
	Lucia Serra
	Antonio Tiso
Independent Directors	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	PricewaterhouseCoopers S.p.A.

Manager responsible for the drafting of corporate accounting documents	Antonio Tiso

Group performance and analysis of the results for the third quarter of 2016 and as at 30 September 2016

The interim report as at 30 September 2016, not audited, has 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, while for information and the purposes of this report, reference is made to article 154-ter of the Legislative Decree 58 dated 24 February 1998.

The MARR Group closed the third quarter - the most important quarter of the business year – with positive results, strengthening the leadership of the Group in the Italian market of commercialization and distribution of food products to the Foodservice sector and confirm the profitability level achieved.

The total consolidated revenues in the third quarter and in the nine months reached 481.7 million Euros (454.8 million Euros in 2015) and 1,204.5 million Euros (1,152.7 million Euros in 2015) respectively.

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.

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 (restaurant and hotels non 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 form 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 form 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 (ICC[1] 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 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).

[1] 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.

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

MARR Consolidated (€thousand)	*3rd quarter 2016*	*3rd quarter 2015*	*30.09.16 (9 months)*	*30.09.15 (9 months)*
Revenues from sales and services by customer category				
Street market	338,439	309,711	781,480	714,884
National Account	66,918	68,733	209,935	219,018
Wholesale	67,771	68,782	193,114	198,972
Total revenues form sales in Foodservice	473,128	447,226	1,184,529	1,132,874
(1) Discount and final year bonus to the customers	(3,555)	(4,641)	(12,362)	(11,916)
(2) Other services	518	699	1,830	2,002
(3) Other	90	54	171	137
Revenues from sales and services	470,181	443,338	1,174,168	1,123,097

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

Below are the figures, re-classified according to current financial analysis procedures, with the income statement, statement of financial position and net financial position for the first nine months and third quarter of 2016 compared to the corresponding periods of the previous year.

Analysis of the re-classified income statement

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

In the third quarter, which due to the business seasonality is historically the most significant of the business year; the results achieved by the MARR's Group are the following: total revenues amounting to 481.7 million Euros (454.8 million in 2015); EBITDA[2] amounting to 43.1 million Euros (40.7 million in 2015); EBIT amounting to 37.8 million Euros (35.9 million in 2015).

In the first nine months the results achieved by the MARR's Group are the following: total revenues amounting to 1,204.5 million Euros (1,152.7 million in 2015); EBITDA amounting to 92.6 million Euros (88.0 million in 2015); EBIT amounting to 79.3 million Euros (75.5 million in 2015) and a net result amounting to 50.0 million Euros (48.9 million in 2015).

The trend in Revenues compared with the same period of last year (+6.1% in the third quarter and +4.5% in the nine months) is a consequence of the performance of sales in the individual client categories, as analysed previously and benefits from the consolidation, effective as of 4 April 2016, of the newly acquired DE.AL. S.r.l. Depositi Alimentari.

The item "Other earnings and proceeds" is mainly represented by contributions from suppliers on purchases and includes (starting from the previous year) the logistics payments charged to suppliers; on the other hand, following the centralisation of deliveries from suppliers on logistical platforms, MARR has undertaken the costs for the internal distribution to the distribution centres.

As regards the operating costs, it must be noted that there was a reduction in the percentage incidence of the Cost of goods sold (Purchase cost of goods plus Changes in inventories) on the total revenues also by effect of the contribution of DE.AL. and its client mix; on the other hand, also be effect of the consolidation of DE.AL., there has been in the nine

[2] 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.

months an increase in the service costs and their percentage incidence on the total revenues. The percentage incidence of the other operating cost items are substantially in line with those for the same period of the previous business year.

In the third quarter the percentage incidence of Cost of goods sold on the total revenues is in line with the same period of the previous year.

As regards Personnel costs, there has been an increase in absolute value (+1.2 million Euros in the nine months and +0.6 million Euros in the third quarter) mainly linked to the workforce of the newly acquired DE.AL. coming into the Group.

In addition, the effect deriving from the remuneration increases provided by the CCNL for employees of companies in the tertiary sector of distribution and services must be noted, as well as the purchase of the company Sama as of 1 June 2015; the CCNL was renewed in 2015 and provides for increases starting from April 2015 until 2017.
By effect of that described above and a careful management of the hours of leave/permits and overtime, and also seasonal employment, the percentage incidence of the Personnel cost on the total revenues remains aligned to the same period of the previous year, both in the third quarter and in the nine months.

Increase in absolute value of amortizations and depreciations (in the nine months and in the quarter) is attributable to the investments made starting from the previous year for the expansion and modernisation of some MARR distribution centres, in addition to those deriving from the purchase of the companies DE.AL. and Sama.

The item Provisions and write-downs amounted to 9.1 million Euros in the nine months (8.7 million Euros in 2015) and 3.8 million Euros in the third quarter (3.6 million Euros in 2015) and is represented almost entirely by the provision for bad debts.

The result from recurrent activities, which benefited of a positive trend in interest rates with a consequent reduction in cost of money, reached 36.6 million Euros in the third quarter, increasing compared to 34.4 million Euros in 2015 (74.8 million Euros in the nine months compared to 69.7 million Euros in the same period of 2015).

The net result for the third quarter reached 24.5 million Euros and was affected by 0.5 million Euros in non-recurring costs for the reorganization of the DE.AL. business. It 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.
At the end of the first nine months the net result for the period reached 50.0 million Euros (48.9 million in 2015).

Analysis of the re-classified statement of financial position

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 23.0 million Euros and of Other current assets for 10.5 million Euros, with a respective increase of current liabilities for 12.5 million Euros.

Net financial position [3]

The following represents the trend in Net Financial Position.

	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)

The MARR's Group financial debt is affected by the business seasonality, that requires high net working capital during the summer period. Historically, the indebtedness reaches its peak during the first half of the year, and then decrease at the end of the business year.

As at 30 September 2016 indebtedness reached 170.6 million Euros compared to 201.8 million as at 30 June 2016 and to 151.8 million Euros as at 30 September 2015.

As regard the movements of the first nine months of 2016 we remind what just commented in Half-year financial report:

[3] 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 25 May 2016 dividends amounting to a total of 43.9 million Euros (41.2 million Euros in 2015) have been paid out;
- on 4 April 2016, the subscription by MARR S.p.A. of the contract for the purchase of the holdings in the company DE.AL. S.r.l., involved the payment of the first instalment of the price, amounting to 18 million Euros; the remaining quota has been accounted for in the financial debts: 9 million Euros as current debt with due date in April 2017 and further 9 million Euros as no-current debt, with due date in April 2018. The total price of the purchase, amounting to 36 million Euros, as well as the net financial indebtedness of DE.AL, affected the net financial position at the closing date for about 44.7 million Euros;
- on 1st June 2016 the company New Catering S.r.l. paid the second instalment of the price for the purchase of the holdings in the company Sama S.r.l. (finalized during the year 2015) for 594 thousand Euros.

As regards the structure of the sources of financing, it must be highlighted that during the nine months the Parent Company MARR signed some new no-current loan agreements as follows:
- unsecured loan, granted in the month of January by Cassa di Risparmio di Ravenna for a total amount of 10 million of Euros (with amortization plan ending in August 2018);
- unsecured loan in pool with *ICCREA Banca d'Impresa*, granted in the month of August for a total amount of 27 million Euros and with amortization plan ending in August 2019.

In the month of June the Parent Company MARR reimbursed to the due date the ongoing financing in pool with *ICCREA Banca d'Impresa*, for a total amount of 22.8 million Euros.

The net financial position as at 30 September 2016 is in line with the company objectives.

Analysis of the Trade net working Capital

MARR Consolidated (€thousand)	*30.09.16*	*30.06.16*	*31.12.15*	*30.09.15*
Net trade receivables from customers	448,623	434,539	377,437	444,673
Inventories	120,428	155,646	119,858	112,316
Payables to suppliers	(356,455)	(370,627)	(276,706)	(343,819)
Trade net working capital	212,596	219,558	220,589	213,170

As at 30 September 2016 the trade net working capital amounts to 212.6 million Euros, decreasing - compared to 213.2 million Euros as at 30 September 2015 - by 0.6 million Euros, which is the effect of the following:

- increase by 3.9 million Euros in trade receivables, with total consolidated revenues that registered an increase of 51.7 million Euros in the nine months compared to the same period in 2015;
- increase in inventories amounting to 8.1 million Euros, which is in reduction compared to the increase by 11.2 million Euros in the inventories value as at 30 June 2016 compared to the same period of the previous year;
- increase by 12.6 million Euros in payables to suppliers, similar to the increase (+12.9 million) registered as at 30 June 2016 compared to the same period in 2015.

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

MARR Consolidated (€thousand)	*30.09.16*	*30.09.15**
Net profit before minority interests	49,984	48,918
Amortization and depreciation	4,184	3,742
Change in Staff Severance Provision	685	(284)
Operating cash-flow	54,853	52,376
(Increase) decrease in receivables from customers	(71,186)	(65,074)
(Increase) decrease in inventories	(570)	4,050
Increase (decrease) in payables to suppliers	79,749	69,376
(Increase) decrease in other items of the working capital	18,441	12,701
Change in working capital	26,434	21,053
Net (investments) in intangible assets	(36,793)	(1,597)
Net (investments) in tangible assets	(7,032)	(3,463)
Net change in financial assets and other fixed assets	280	(2,791)
Net change in other non current financial debt	363	(219)
Investments in other fixed assets	(43,182)	(8,070)
Free - cash flow before dividends	38,105	65,359
Distribution of dividends	(43,906)	(41,246)
Capital increase	0	0
Other changes, including those of minority interests	(253)	780
Casf-flow from (for) change in shareholders' equity	(44,159)	(40,466)
FREE - CASH FLOW	(6,054)	24,893
Opening net financial debt	(164,527)	(176,684)
Cash-flow for the period	(6,054)	24,893
Closing net financial debt	(170,581)	(151,791)

* With regard to the balance sheet for the year 2015 it should be noted that 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.

Investments

As regards the investments made during the business year it is worth mentioning - in addition to the purchase of the holdings of DE.AL. S.r.l. finalised on 4 April 2016, the works for the expansion and modernisation of certain distribution centres that during the first half-year have been referred mainly to MARR Urbe and MARR Bologna distribution centres.
For the details see that commented in the Half Year Financial Report.

In the third quarter, the increase in goodwill is related to the redefinition of the classes of assets, liabilities and potential liabilities of the new subsidiary DE.AL. S.r.l. at the acquisition date, still being verified by the parties, as exposed in the paragraph "Business combinations realised" in the Explanatory Notes.

As concern the investment in tangible assets in the third quarter, as described below, it should be noted that mainly concern the continuation of the works of expansion and modernisation of some distribution centres started in the last part of 2014.
In particular:

- the item "fixed assets under development and advances" shows works to the building located in Anzola dell'Emilia in MARR Bologna distribution centre (held by the subsidiary Sfera S.p.A.) for about 385 thousand Euros, in addition to the works to the MARR Roma distribution centre, located in Capena (Roma), for an amount of 191 thousand Euros.
- For the item "other assets" it should be mainly pointed out, in addition to the new hardware infrastructure for the Group ERP purchased in the first half-year through a financial lease, the purchase by the Parent Company of electrical machines.

The following is a summary of the net investments made in the third quarter and in the first nine months of 2016.

(€thousand)	*3rd quarter 2016*	*30.09.16*
Intangible assets		
Patents and intellectual property rights	68	307
Fixed assets under development and advances	0	76
Goodwill	546	36,409
Total intangible assets	614	36,792
Tangible assets		
Land and buildings	28	1,812
Plant and machinery	207	1,543
Industrial and business equipment	81	639
Other assets	385	2,228
Fixed assets under development and advances	599	810
Total tangible assets	1,300	7,032
Total	1,914	43,824

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 2016 the company never purchased or sold the above-mentioned shares and/or quotas.

As at 30 September 2016 the company don't owns own shares.

During the first nine months of 2016 the Group did not carry out atypical or unusual operations.

Main events in the third quarter of 2016

The final financial statements for the liquidation of the subsidiary Alisurgel S.r.l., and the relevant repartition plan, were filed on 28 July 2016, completing the liquidation procedure started on 17 October 2002. Subsequently, on 8 November last the application for cancellation of the company from the Register of Companies was filed.

On 4 August 2016 the Board of Directors approved the planned merger by incorporation into MARR S.p.A. of the fully owned companies Baldini Adriatica Pesca S.r.l. and Sfera S.p.A. filed the same day for registration in the Rimini Companies Register and was made available to the public at the company's legal headquarters, on the MARR website www.marr.it and on the authorised storage mechanism www.emarketstorage.com, together with the balance sheet of the companies involved in the merger operation updated to 30 June 2016.

On 19 September 2016 the minutes of the Board of Directors meeting on 12 September 2016 which approved, pursuant to art. 2505, second paragraph of the Civil Code, the merger by incorporation into MARR S.p.A. of the fully owned companies Baldini Adriatica Pesca S.r.l. and Sfera S.p.A. has been registered in the Rimini Companies Register and has been made available to the public at the legal headquarters, on the Company's website, www.marr.it, and on the authorised storage mechanism www.emarketstorage.com.

The merger is aimed at achieving rationalisation in terms of economic, financial and administrative management, given that Baldini Adriatica Pesca S.r.l. and Sfera S.p.A. are companies whose activities are limited to the leasing of business units to the parent company MARR S.p.A..

Events occurred after the closing of the quarter

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 m2 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.

Interim Condensed
Consolidated Financial Statements

MARR Group

Interim Report
as at 30 September 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€thousand)	30.09.16	31.12.15*	30.09.15*
ASSETS			
Non-current assets			
Tangible assets	71,568	68,563	68,810
Goodwill	143,505	107,096	107,096
Other intangible assets	965	743	640
Equity Investments evaluated using the Net Equity method	919	0	0
Investments in other companies	315	304	304
Non-current financial receivables	2,029	2,674	2,774
Financial instruments/derivatives	3,819	5,095	4,417
Deferred tax assets	1,461	0	0
Other non-current assets	28,184	30,695	31,391
Total non-current assets	252,765	215,170	215,432
Current assets			
Inventories	120,428	119,858	112,316
Financial receivables	2,121	3,950	3,323
relating to related parties	*763*	*2,771*	*2,113*
Financial instruments/derivatives	58	66	0
Trade receivables	441,422	368,558	434,650
relating to related parties	*10,006*	*4,607*	*7,926*
Tax assets	8,907	9,130	8,590
relating to related parties	*1,409*	*1,409*	*1,410*
Cash and cash equivalents	134,511	89,862	132,543
Other current assets	39,037	41,677	41,589
relating to related parties	*148*	*173*	*440*
Total current assets	746,484	633,101	733,011
TOTAL ASSETS	*999,249*	*848,271*	*948,443*
LIABILITIES			
Shareholders' Equity			
Shareholders' Equity attributable to the Group	277,650	271,830	262,728
Share capital	*33,263*	*33,263*	*33,263*
Reserves	*184,768*	*172,449*	*172,511*
Treasury Shares	*0*	*0*	*0*
Retained Earnings	*59,619*	*66,118*	*56,954*
Shareholders' Equity attributable to minority interests	0	0	0
Minority interests' capital and reserves	*0*	*0*	*0*
Profit for the period attributable to minority interests	*0*	*0*	*0*
Total Shareholders' Equity	277,650	271,830	262,728
Non-current liabilities			
Non-current financial payables	187,312	182,629	185,511
Financial instruments/derivatives	126	105	117
Employee benefits	10,665	9,980	10,676
Provisions for risks and costs	5,335	4,259	4,550
Deferred tax liabilities	0	816	340
Other non-current liabilities	619	599	570
Total non-current liabilities	204,057	198,388	201,764
Current liabilities			
Current financial payables	119,833	75,671	101,917
relating to related parties	*0*	*0*	*0*
Financial instruments/derivatives	0	0	112
Current tax liabilities	16,011	2,365	13,708
relating to related parties	*12,094*	*824*	*10,944*
Current trade liabilities	356,455	276,706	343,819
relating to related parties	*17,684*	*3,205*	*15,596*
Other current liabilities	25,243	23,311	24,395
relating to related parties	*78*	*47*	*0*
Total current liabilities	517,542	378,053	483,951
TOTAL LIABILITIES	*999,249*	*848,271*	*948,443*

* 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 for a total net value of 12.5 million Euros; this balance sheet reclassification implied a reduction of Provision for risks and charges amounting to 23.0 million Euros and of Tax assets for 10.5 million Euros, with a respective variation of related parties.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(€thousand)	Note	*3rd quarter 2016*	*3rd quarter 2015*	*30 September 2016*	*30 September 2015*
Revenues	1	470,181	443,338	1,174,168	1,123,097
relating to related parties		*10,695*	*7,464*	*29,923*	*21,126*
Other revenues	2	11,557	11,518	30,329	29,647
relating to related parties		*137*	*119*	*323*	*214*
Changes in inventories		(35,218)	(32,136)	(4,597)	(4,343)
Purchase of goods for resale and consumables	3	(336,807)	(319,358)	(932,635)	(896,915)
relating to related parties		*(18,764)*	*(17,360)*	*(53,920)*	*(46,724)*
Personnel costs	4	(9,593)	(8,965)	(28,306)	(27,098)
Amortization, depreciation and write-downs	5	(5,800)	(4,861)	(13,816)	(12,426)
Other operating costs	6	(57,028)	(53,664)	(146,314)	(136,410)
relating to related parties		*(730)*	*(648)*	*(2,214)*	*(1,994)*
Financial income and charges	7	(1,191)	(1,508)	(4,491)	(5,867)
relating to related parties		*5*	*6*	*18*	*41*
Income from subisidiaries disposals		0	1,742	0	1,742
Revenues/(Losses) form investments evaluated using the Net Equity method	8	(41)	0	(81)	0
Pre-tax profits		*36,060*	*36,106*	*74,257*	*71,427*
Taxes	9	(11,514)	(10,828)	(24,273)	(22,509)
Profits for the period		*24,546*	*25,278*	*49,984*	*48,918*
Profit for the period atributable to:					
Shareholders of the parent company		24,546	25,278	49,984	48,918
Minority interests		0	0	0	0
		24,546	*25,278*	*49,984*	*48,918*
EPS base (euros)	10	0.37	0.38	0.75	0.74
EPS diluted (euros)	10	0.37	0.38	0.75	0.74

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(€thousand)	Note	3rd quarter 2016	3rd quarter 2015	30 September 2016	30 September 2015
Profits for the period (A)		24,546	25,278	49,984	48,918
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		(597)	272	(254)	780
Items not to be reclassified to profit or loss in subsequent periods:					
Actuarial (losses)/gains concerning defined benefit plans, net of taxation effect		0	0	0	0
Total Other Profits/Losses, net of taxes (B)	*11*	*(597)*	*272*	*(254)*	*780*
Comprehensive Income (A) + (B)		*23,949*	*25,550*	*49,730*	*49,698*
Comprehensive Income attributable to:					
Shareholders of the parent company		23,949	25,550	49,730	49,698
Minority interests		0	0	0	0
		23,949	*25,550*	*49,730*	*49,698*

CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDER'S EQUITY

(in thousand Euros)

Description	Share Capital	Other reserves															Profits carried over from consolidated	Business year profit (losses)	Total Group net equity	Total third party net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital	Extraordinary reserve	Reserve for residual stock options	Reserve for exercised stock options	Reserve for transition to 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 treasury shares	Total Treasury Shares				
Balance at 1st January 2015	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	
Allocation of 2014 profit						11,135							**11,135**				(11,135)			
Distribution of parent company dividends																	(41,246)		(41,246)	
Other minor variations											(4)		**(4)**						(4)	
Consolidated comprehensive income (1/1 -30/09/2015):																				
- Profit for the period																	48,918		48,918	
- Other Profits/Losses, net of taxes										780			**780**						780	
Balance at 30 September 2015	33,263	63,348	6,652	13	36,496	57,541		1,475	7,290	(884)	1,482	(902)	172,511				56,954		262,728	
Other minor variations						1					(2)		**(1)**				(1)		(2)	
Consolidated comprehensive income (1/10 - 31/12/2015):																				
- Profit for the period																	9,165		9,165	
- Other Profits/Losses, net of taxes										- 232		171	**(61)**						(61)	
Balance at 31 December 2015	33,263	63,348	6,652	13	36,496	57,542		1,475	7,290	(1,116)	1,480	(731)	172,449				66,118		271,830	
Allocation of 2015 profit						12,577							**12,577**				(12,577)			
Distribution of parent company dividends																	(43,906)		(43,906)	
Other minor variations										1	(5)		**(4)**						(4)	
Consolidated comprehensive income (1/1 -30/09/2016):																				
- Profit for the period																	49,984		49,984	
- Other Profits/Losses, net of taxes										(254)			**(254)**						(254)	
Balance at 30 September 2016	33,263	63,348	6,652	13	36,496	70,119		1,475	7,290	(1,369)	1,475	(731)	184,768				59,619		277,650	

CONSOLIDATED CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	*30.09.16*	*30.09.15*
Result for the Period	49,984	48,918
Adjustment:		
Amortization and write-downs	4,184	3,746
Allocation of provison for bad debts	8,708	8,414
Other allocations	950	0
Capital profit/losses on disposal of assets	(45)	(31)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and losses	4,467	(4,136)
relating to related parties	*(18)*	*(41)*
Foreign exchange evaluated (gains)/losses	57	180
Income from subsidiaries disposal	0	(1,742)
	18,321	6,431
Net change in Staff Severance Provision	(389)	(353)
(Increase) decrease in trade receivables	(66,248)	(76,443)
relating to related parties	*(5,399)*	*(1,885)*
(Increase) decrease in inventories	4,596	4,343
Increase (decrease) in trade payables	66,555	69,376
relating to related parties	*14,479*	*7,131*
(Increase) decrease in other assets	5,571	3,293
relating to related parties	*25*	*(346)*
Increase (decrease) in other liabilities	736	3,408
relating to related parties	*31*	*(47)*
Net change in tax assets / liabilities	24,087	22,660
relating to related parties	*20,905*	*19,333*
Income tax paid	(11,209)	(12,641)
relating to related parties	*(9,635)*	*(10,145)*
Interest paid	(5,519)	4,934
relating to related parties	*(1)*	*(3)*
Interest received	1,052	(798)
relating to related parties	*19*	*44*
Foreign exchange gains	401	439
Foreign exchange losses	(459)	(619)
Cash-flow form operating activities	87,479	72,948
(Investments) in other intangible assets	(300)	(221)
(Investments) in tangible assets	(6,709)	(4,485)
Net disposal of tangible assets	344	1,259
Net (investments) in equity investments no consolidated on a line-by-line basis	71	0
Net (investments) in equity investments in other companies	51	0
Net (investments) in equity investments no consolidated on a line-by-line basis	(18,594)	(1,020)
Proceeds for divestment of subsidiaries or going concerns during the year (net of liquidity sold)	0	1,742
Cash-flow from investment activities	(25,137)	(2,725)
Distribution of dividends	(43,906)	(41,246)
Other changes, including those of third parties	(258)	776
Net change in financial payables (excluding the new non-current loans received)	(15,289)	(34,785)
relating to related parties	*0*	*0*
New non-current loans received	38,002	102,800
relating to related parties	*0*	*0*
Net change in current financial receivables	1,837	2,102
relating to related parties	*2,008*	*1,988*
Net change in non-current financial receivables	1,921	(4,860)
Cash-flow from financing activities	(17,693)	24,787
Increase (decrease) in cash-flow	44,649	95,010
Opening cash and equivalents	89,862	37,533
Closing cash and equivalents	134,511	132,543

* It must be pointed out that the reclassification of the tax fund for interim financial statements (amounting to 22,972 thousand Euros as at 30 September 2015 and constituted by the total current taxes for the period) among the current liabilities has made necessary the restate of the changes concerning related parties as at 30 September 2015, as regards the IRES payables (amounting to 19,341 thousand Euros) transferred to the parent company Cremonini by effect of adhesion to the National Consolidated Fiscal system.

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Structure and contents of the interim condensed consolidated financial statements

The interim report as at 30 September 2016 has 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, while for information and the purposes of this report, reference is made to article 154-ter of the Legislative Decree 58 dated 24 February 1998.

In the "Accounting policies" section, the international accounting principles adopted in the drawing up of the quarterly report as at 30 September 2016 do not differ from those used in the drawing up of the consolidated financial statements as at 31 December 2015, excepted for the amendments and interpretations effective from the 1st January 2016.

For the purposes of the application of IFRS 8 it is noted that the Group operates in the "Distribution of food products for non-domestic catering" sector only.

The sector of the "Distribution of food products for non-domestic catering" is subject to seasonal dynamics mainly linked to the flows of the tourist season, which are more concentrated in the summer months and during which the increase in activities, and therefore in net working capital, historically implies greater cash flows and the consequent increase in the financial requirements.

With regard to performance levels in the third quarter of 2016, see what described in the Directors' Report.

The interim condensed consolidated financial statements as at 30 September 2016 have been prepared on the basis of the cost method except for the derivative financial instruments, which are recorded at fair value.

The consolidated financial statements as at 30 September 2016 show, for comparison purposes, for the Income Statement the figures for the third quarter and progressive figures for 2015 and for the Statement of the Financial Position the figures as at 31 December 2015 and 30 September 2015.

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)

These classifications are deemed to provide information which is better suited to represent the economic and financial situation of the Group.

The figures are expressed in Euros.

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

The interim report is not audited.

This report has 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 interim condensed consolidated financial statements as at 30 September 2016 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 30 September 2016, with an indication of the method of consolidation, is reported in the Marr Group organisation. The consolidated financial statements have been prepared on the basis of the financial statements as at 30 September 2016 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.

As at 30 September 2016 the scope of consolidation differs from that at 31 December 2015 due to the purchase, finalised by MARR S.p.A. on 4 April 2016, of the 100% of the shares of the company DE.AL. S.r.l. (company in Abruzzo operating in the distribution of food products to the Foodservice sector under the brand "PAC Food") that holds a quota of 50% in the company Griglia Doc S.r.l..
The effects of this acquisition are described in the following paragraph on "Business combinations realised".
It must be noted that, as of 1 December 2015, the subsidiary company Baldini Adriatica Pesca S.r.l. leased its own going concern to the Parent Company MARR S.p.A. and is thus no longer operational.
Lastly, it must be pointed out that on 30 June 2016, the final financial statements for liquidation of Alisurgel S.r.l. were prepared and filed on 28 July 2016 at the Chamber of Commerce for Industry, Handicraft and Agriculture of Rimini.

On 8 November last the application for cancellation of the company from the Register of Companies was filed.

Business combinations realised

We point out that on 4 April 2016 has been purchased by MARR S.p.A. the 100% of the holdings of DE.AL. S.r.l. Depositi Alimentari, a company in Abruzzo operating in the distribution of food products to the Foodservice sector under the brand "PAC Food", located in Elice (PE).

Temporarily, the cost of aggregation, awaiting the punctual determination at the date of closing (together with selling party) of the classes of assets, liabilities and potential liabilities acquired, has been determined on the basis of the accounting values as at 3 April 2016 (still being verified by the parties) determined in compliance with the IFRS of the company acquired.

The goodwill provisionally attributed to the purchase is justified by the strategic importance of DE.AL., in as much as it will enable MARR to strengthen its presence in the mid-Adriatic area.

The operation implied the following effects:

Purchase consideration	*(€thousand)*
Total purchase consideration	36,000
- Fair value of the net assets identifiable	(409)
Goodwill	36,409

The accounting values, determined provisionally in compliance with the IFRS on the basis of the financial statements as at 3 April 2016 of the company acquired, and the amounts at the same date for each class of assets, liabilities and potential liabilities of the acquisition are illustrated below:

(€thousand)	*Book value of acquired company*	*Fair value of the acquired assets and liabilities*
Tangible and intangible assets	511	1,691
Investments in other companies	62	62
Other non-current assets	1,286	1,286
Inventories	5,166	5,166
Trade receivables	15,324	15,324
Other current assets	435	420
Employee benefits	(974)	(1,074)
Provision for risks and costs	(693)	(388)
Net financial indebtedbess	(8,566)	(8,747)
Current trade liabilities	(13,194)	(13,194)
Other current liabilities	(643)	(955)
Fair value of net identifiable assets acquired	(1,286)	(409)

The cash out generated by the acquisition during the period amounted to 26,747 thousand Euros, as specified below:

	(€thousand)
Price of the acquisition paid in the half-year	(18,000)
Net financial indebtedness of the acquired company	(8,747)
Cash out of the buiness combination	(26,747)

Accounting policies

The criteria for assessment used for the purpose of predisposing the consolidated accounts up for the half year closed on 30 September 2016 do not differ from those used for the drafting of the consolidated financial statements as at 31 December 2015 (which see for a detailed description of them), with the exception of the accounting principles, amendments and interpretations applicable as from 1st January 2016, listed below, that in any case are not affecting the current interim report of the Group.

- Improvements to the International Financial Reporting Standards (2012-2014), including modifications to the following existing International Accounting Standards:
  - IFRS 5 – Non-current assets owned for sale and operating assets terminated: changes to the disposal schedules. The change establishes guidelines to be followed in the event in which an entity reclassifies an asset (or a group being disposed of) in the held for sale category to the held for distribution category (or vice-versa), or when the requirements for the classification of an asset as held for distribution are no longer in place.
  - IFRS 7 – Financial instruments: additional information. The document disciplines the introduction of additional guidelines to clarify whether a so-called servicing contract constitutes a residual involvement of an asset transferred for the purposes of the required information. Also, as regards the compensation between financial assets and liabilities, the document clarifies that the information is not explicitly required for all interim financial statements. However, this information could be required to respect the requirements laid down by IAS 34, should it constitute significant information.
  - IAS 19 – Employee benefits: problems concerning the discount rate. The document introduces some changes to IAS 19 in order to clarify that the high quality corporate bonds, used to determine the discount rate for subsequent benefits, should be issued in the same currency as that use for the payment of the benefits. The changes specify that the range of the market of high quality corporate bonds to be considered is that at a currency level.
  - IAS 34 – Interim financial statements: allocation of the additional information. The document introduces some changes in order to clarify the requirements in the event that the required information is submitted in the interim report, but not in the financial statements. The change specifies that this information be included through cross references between the two documents, as long as both are available to the readers of the financial statements in the same way and at the same time.
- Changes to IFRS 13 – Evaluation at fair value: short-term trade receivables and payables. The change clarifies that the introduction of IFRS 13 does not alter the possibility of accounting short-term trade receivables and payables without actualising them, should the effects not be significant.
- 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 and must be applied prospectively.
- 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.
- 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.
- 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.

Please also note that there are some accounting principles and interpretation which, as of the date of the preparation of the interim report, were already issued but not yet in force.

- 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 1st 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 1st January 2018 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.
- IFRS 16 – *Leases*. Standard published by the IASB on 13 January 2016, destined to replace standard IAS 17 – Leasing, and also the interpretations of IFRIC 4 – Determining whether an agreement involves leasing, SIC 15 – Operating leasing – Incentives and SIC 27 – The evaluation of the substance of operations in the legal form of leasing. The new standard provides a new definition of lease and introduces a criterion based on control (right of use) of an asset to distinguish leasing contracts from service contracts, identifying as discriminants: the identification of the asset, the right to replace it, the right to obtain substantially all of the economic benefits deriving from the use of the asset and the right to manage the use of the asset underlying the contract. Its application is provided as of 1 January 2019. Advance application is allowed for entities applying IFRS 15. The Group is evaluating the impacts of this new standard on its own consolidated financial statements.
- Modifications to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception: The modifications deal with the problems arising in the application of the exception concerning investment entities provided by IFRS 10. The modifications to IFRS 10 clarify that the exception to submitting consolidated financial statements is applicable to the Group leader which is a subsidiary of an investment entity, when the investment entity values all of its subsidiaries at fair value.
- Modifications to IAS 12 – Income taxes: The IASB clarifies how fiscal receivables deferred with respect to losses not realized on debit instruments measured at fair value are to be accounted.
- Modifications to IAS 7 – Financial Reporting: The improvements concern the information to be provided concerning the changes to the loans payable deriving from both the financial cash flows and from variations which do not derive from cash flows (for example profits and losses on exchange rates). The modifications will be effective from 1st January 2017.

The endorsement process at an EU level for the following standards and interpretations has been suspended until further notice:

- IFRS 14 – Regulatory deferral accounts. The standard enables only those who are adopting the IFRS for the first time to continue to record the amounts concerning the rate regulation according to the previous Accounting Standards adopted.

- Changes to IFRS 10 and IAS 28 – Sales or contribution of assets between an investor and its associate or joint venture. Document published by the IASB on 11 September 2014 in order to resolve a conflict between the two above standards in relation to the sale of an asset or of a subsidiary company to an associate company or joint venture.

As of the date of this interim financial report, the Accounting Standards, interpretations and changes to the Accounting Standards listed above should not have potentially significant impacts on the equity, economic and financial situation of the Group.

Main estimates adopted by management and discretional assessments

The figures herein are partly derived from estimates and assumptions made by the top Management, variations in which are currently unpredictable and could affect the economic and equity situation of the Group.
These estimates do not differ significantly from those usually used in the drafting of annual and consolidated accounts.

Comments on the main items of the consolidated income statement

1. Revenues

(€thousand)	3rd quarter 2016	3rd quarter 2015	30.09.16 (9 months)	30.09.15 (9 months)
Net revenues from sales - Goods	469,572	442,584	1,172,167	1,120,960
Revenues from Services	94	107	186	206
Other revenues from sales	8	2	13	6
Advisory services to third parties	60	25	108	68
Manufacturing on behalf of third parties	13	18	25	30
Rent income (typical management)	10	11	25	32
Other services	424	591	1,644	1,795
Total revenues	470,181	443,338	1,174,168	1,123,097

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

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

(€thousand)	3rd quarter 2016	3rd quarter 2015	30.09.16 (9 months)	30.09.15 (9 months)
Italy	442,276	416,035	1,097,441	1,035,583
European Union	15,962	18,344	46,702	63,909
Extra-EU countries	11,943	8,959	30,025	23,605
Total	470,181	443,338	1,174,168	1,123,097

2. Other revenues

The Other revenues are broken down as follows:

(€thousand)	3rd quarter 2016	3rd quarter 2015	30.09.16 (9 months)	30.09.15 (9 months)
Contributions from suppliers and others	10,861	11,006	28,380	27,975
Other Sundry earnings and proceeds	173	101	480	543
Reimbursement for damages suffered	219	178	505	406
Reimbursement of expenses incurred	247	199	809	627
Recovery of legal taxes	34	16	51	35
Capital gains on disposal of assets	23	18	104	61
Total other revenues	11,557	11,518	30,329	29,647

The "Contributions from suppliers and others" consist mainly of contributions obtained from suppliers for the commercial promotion of their products with our customers.
Their increase in the nine months is linked, in addition to the entry of DE.AL. into the Group, to the reconfirmed capacity of the company in managing relations with its suppliers and the increase recorded in the second half of the previous business year of the logistical payments charged to the suppliers, given that MARR had undertaken the costs for internal distribution from the logistical platforms to the branches, following the process of centralisation of supplier deliveries onto the logistical platforms rather than to the MARR branches, as was previously the case.

3. Purchase of goods for resale and consumables

This item is composed of:

(€thousand)	*3rd quarter 2016*	*3rd quarter 2015*	*30.09.16 (9 months)*	*30.09.15 (9 months)*
Purchase of goods	335,118	317,804	928,191	892,747
Purchase of packages and packing material	1,327	1,221	3,352	3,152
Purchase of stationery and printed paper	199	222	624	634
Purchase of promotional and sales materials and catalogues	21	20	126	132
Purchase of various materials	223	215	522	421
Discounts and rebates from suppliers	(158)	(205)	(396)	(392)
Fuel for industrial motor vehicles and cars	77	81	216	221
Total purchase of goods for resale and consumables	336,807	319,358	932,635	896,915

For a comment on the trend of the purchase cost of the goods, see the Directors' Report on the cost of sales.

4. Personnel costs

As at 30 September 2016 the item amounts to 28,306 thousand Euros (27,098 thousand Euros as at 30 September 2015) and 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.
The costs amounted to 9,593 thousand Euros in the third quarter, an increase compared to 8,965 thousand Euros in the same period of 2015.

These performance, following the outsourcing of some operating activities already implemented in 2015, is mainly attributable to the increase in the workforce of the Group following the acquisition of the holdings in DE.AL. (for which the cost of employment from 4 April 2016 amounts to 1,282 thousand Euros).
In addition, the effect deriving from the remuneration increases provided by the CCNL for employees of companies in the tertiary sector of distribution and services, which was renewed in 2015 and provides for increases starting from April 2015 and until 2017, must also be stressed, in addition to that of the acquisition of Sama as of 1 June 2015.

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

5. Amortizations, depreciations and write-downs

(€thousand)	*3rd quarter 2016*	*3rd quarter 2015*	*30.09.16 (9 months)*	*30.09.15 (9 months)*
Depreciation of tangible assets	1,435	1,240	4,022	3,584
Amortization of intangible assets	65	47	162	131
Provisions and write-downs	4,300	3,574	9,632	8,711
Total amortization and depreciation	5,800	4,861	13,816	12,426

We point out that the item "Provision and write-downs" as at 30 September 2016 refers for 8,708 thousand Euros (8,414 thousand Euros as at 30 September 2015) to the provision for bad debts.
It also includes provision for risks and future charges for 950 thousand, of which 500 thousand Euros related to charges for the reorganization of DE.AL. activities.

6. Other operating costs

The details of the "Other operating costs" are as follows:

(€thousand)	3rd quarter 2016	3rd quarter 2015	30.09.16 (9 months)	30.09.15 (9 months)
Operating costs for services	54,161	50,900	137,981	128,120
Operating costs for leases and rentals	2,454	2,373	7,118	6,813
Operating costs for other operating charges	413	391	1,215	1,477
Total other operating costs	57,028	53,664	146,314	136,410

In the nine months the operating costs for services mainly include the following items: sale expenses, distribution and logistic costs of our products for 114,979 thousand Euros (107,285 thousand Euros in 2015), processing by third parties and other technical and logistic services for 5,592 thousand Euros (4,681 thousand Euros in 2015), costs for utilities for 7,747 thousand Euros (7,480 thousand Euros in 2015), G&A costs for 6,488 thousand Euros (5,784 thousand Euros in 2015), and maintenance costs for 3,176 thousand Euros (2,890 thousand Euros in 2015).

In the quarter the detail of the main items of operating costs is the following: sale expenses, distribution and logistic costs of our products for 45,244 thousand Euros (43,192 thousand Euros in 2015), processing by third parties and other technical and logistic services for 2,232 thousand Euros (1,781 thousand Euros in 2015), costs for utilities for 3,155 thousand Euros (2,962 thousand Euros in 2015), G&A costs for 2,391 thousand Euros (1,918 thousand Euros in 2015), and maintenance costs for 1,139 thousand Euros (1,046 thousand Euros in 2015).

Their increase in operating costs is related to that one in sales and is also due - for 6,838 thousand Euros in the nine months and for 3,545 thousand Euros in the third quarter - to the consolidation of the new company DE.AL..

Costs for leases and rentals mainly concern the rental fees for industrial buildings that amount to a total of 6,744 thousand Euros (6,351 thousand Euros as at 30 September 2015). Their increase compared to the same period of the previous year is related, in addition to the rents of the building in Zola Predosa starting on 1st June 2015 (subsequent to the purchase of the company Sama S.r.l., later merged in New Catering), also to the rent fees for the building in Elice, where the company DE.AL. carries out its activities.

Furthermore, it should be pointed out that the item "Lease of industrial buildings" includes, for 501 thousand Euros, the rental fees paid to the associate companies Le Cupole S.r.l. of Castelvetro (MO) for the rental of the property in which the branch MARR Uno carries out its activities (Via Spagna 20 – Rimini).

The operating costs for other operating charges mainly include the following items: "other indirect duties, taxes and similar costs" for 496 thousand Euros, "expenses for credit recovery" for 205 thousand Euros and "local council duties and taxes" for 266 thousand Euros.

7. Financial income and charges

(€thousand)	3rd quarter 2016	3rd quarter 2015	30.09.16 (9 months)	30.09.15 (9 months)
Financial charges	1,542	2,087	5,518	7,021
Financial income	(321)	(500)	(1,052)	(1,298)
Foreign exchange (gains)/losses	(30)	(79)	25	144
Total financial (income) and charges	1,191	1,508	4,491	5,867

The decrease in financial charges, as well as in the Report of the Directors, has benefited from a positive trend in interest rates which led to a reduction in the cost of money.

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

8. Revenues / (Losses) from investments evaluated using the Net Equity method

This item, that shows a loss of 81 thousand Euros in the nine months and of 41 thousand Euros in the quarter, represent the evaluation of the investment in the company Griglia Doc S.r.l.. It is recalled that this company was incorporated on 4 April 2016 and is 50% owned by the subsidiary DE.AL. S.r.l., which subscribed its own holding in the share capital through patent conferment.

9. Taxes

(€thousand)	***3rd quarter 2016***	*3rd quarter 2015*	***30.09.16 (9 months)***	*30.09.15 (9 months)*
Ires-Ires charge transferred to Parent Company	10,367	8,961	21,499	19,360
Irap	1,746	1,696	3,770	3,582
Reimbousement for taxes of previouse years	(9)	(77)	(24)	(77)
Net provision for deferred tax liabilities	(590)	248	(972)	(356)
Total taxes	11,514	10,828	24,273	22,509

10. Earnings per share

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

(Euros)	***3rd quarter 2016***	*3rd quarter 2015*	***30.09.16 (9 months)***	*30.09.15 (9 months)*
Basic Earnings Per Share	0.37	0.38	0.75	0.74
Diluted Eaenings Per Share	0.37	0.38	0.75	0.74

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

Earnings:

(€thousand)	***3rd quarter 2016***	*3rd quarter 2015*	***30.09.16 (9 months)***	*30.09.15 (9 months)*
Profit for the period	24,546	25,278	49,984	48,918
Minority interests	0	0	0	0
Profit used to determine basic and diluted earnings per share	24,546	25,278	49,984	48,918

Number of shares:

(number of shares)	***3rd quarter 2016***	*3rd quarter 2015*	***30.09.16 (9 months)***	*30.09.15 (9 months)*
Weighted average number of ordinary shares used to determine basic earning per share	66,525,120	66,525,120	66,525,120	66,525,120
Adjustments for share options	0	0	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	66,525,120	66,525,120	66,525,120	66,525,120

11. 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 in the month of July 2013; effective part of the term exchange purchase transactions carried out to hedge the underlying goods purchasing operations. The value indicated, amounting to a total loss of 254 thousand Euros in the first nine months of 2016 (profit of 780 thousand Euros in the same period of 2015), is shown net of the taxation effect (that amounts to approximately +27 thousand Euros as at 30 September 2016). The effect of this transaction on the third quarter was of a net loss of 597 thousand Euros (a profit of 272 thousand Euros in 2015).

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 comprehensive income statement.

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Rimini, 14 November 2016

The Chairman of the Board of Directors

Paolo Ferrari

STATEMENT BY THE RESPONSIBLE FOR THE DRAFTING OF CORPORATE ACCOUNTING DOCUMENTS PURSUANT TO ART. 154-BIS PARAGRAPH 2 OF LEGISLATIVE DECREE 58 DATED 24 FEBRUARY 1998

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 interim report corresponds to the document results, books and accounting records.

Rimini, 14 November 2016

Antonio Tiso
Manager responsible for the drafting
of corporate accounting documents