Interim Report

as at 30 September 2017

14 November 2017

MARR S.p.A.
Via Spagna, 20 – 47921 Rimini (Italia)
Capitale Sociale € 33.262.560 i.v.
Codice Fiscale e n. Registro delle Imprese di Rimini 01836980365
R.E.A. Ufficio di Rimini n. 276618
Società soggetta all'attività di direzione e coordinamento di Cremonini S.p.A. – Castelvetro (MO)

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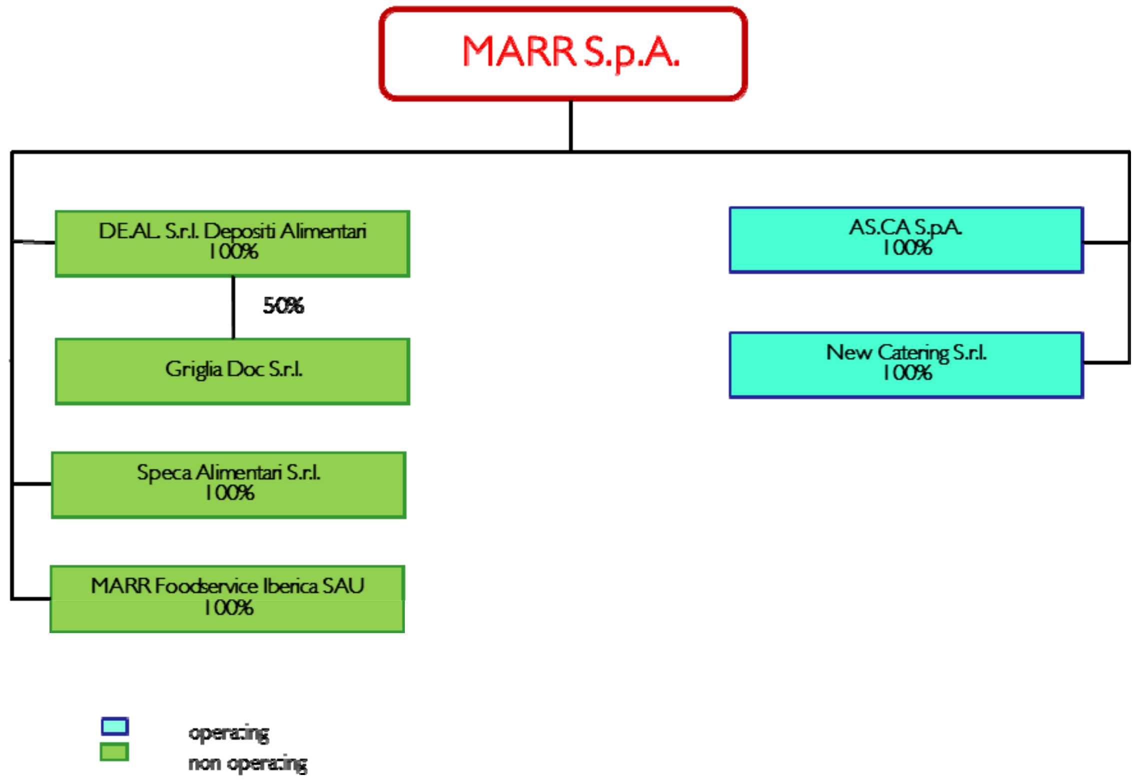
MARR GROUP ORGANISATION

as at 30 September 2017



As at 30 September 2017 the structure of the Group differs from both at 31 December 2016 and from that at 30 September 2016, due to the purchase of the 100% of the shares of the Company Speca Alimentari S.r.l. with headquarters in Baveno (VB), owner of the firm baring the same name operating in the Foodservice sector. By express agreement between the parties, the active and passive effects deriving from the deed, underwritten on 30 December 2016, became effective between the parties as of 1 January 2017.
Again as of the same date, the new acquired company leased its going concern to the parent company MARR S.p.A., which manages it through the new MARR Speca Alimentari distribution center.
Compared to the situation as at 30 September 2016, it should be noted the following:

- on date 1st October 2016 the company DE.AL. S.r.l. (acquired on 4 April 2016) leased its going concern to the parent company MARR S.p.A., which manages it through the new MARR Adriatico Branch and it is therefore a non-operational company;
- on 15 November 2016 the company Alisurgel S.r.l. (97% of the holdings in which were owned by MARR S.p.A. and 3% by Sfera S.p.A.) was deleted from the Companies Register; it must be noted that the procedure for the liquidation of the company was started on 17 October 2002, and the final financial statements for liquidation, drawn up as at 30 June 2016 and registered on 5 August 2016, were filed at the Rimini Companies Register on 28 July 2016;
- on 22 November 2016, the operation for the merger by incorporation of the fully owned companies Baldini Adriatica Pesca S.r.l. and Sfera S.p.A. into MARR S.p.A., which activities were limited to the leasing of the going concerns to the parent company, was completed. in order to achieve the rationalisation of the economic, financial and administrative management of the two companies.

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)	Company no operational, leased its going concern to the Parent Company.
Speca Alimentari S.r.l. Via dell'Acero n. 1/A – Santarcangelo di Romagna (Rn)	Company no operational, leased its going concern to the Parent Company..
MARR Foodservice Iberica S.A.U. Calle Lagasca n. 106 1° centro - Madrid (Spagna)	Non-operating company.
Griglia Doc S.r.l. Via Tevere n. 125 – Elice (PE)	Non-operating company.

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
Chief Executive Office	Francesco Ospitali
Directors	Claudia Cremonini
	Vincenzo Cremonini
	Pierpaolo Rossi
Independent Directors	Marinella Monterumisi (1)(2)
	Alessandra Nova (2)
	Ugo Ravanelli (1)(2)
	Rossella Schiavini (1)

(1) Member of Control and Risk Committee

(2) Members of the Remuneration and Nomination Committee

Board of Statutory Auditors

Chairman	Massimo Gatto
Auditors	Ezio Maria Simonelli
	Paola Simonelli
Alternate Auditors	Alvise Deganello
	Simona Muratori

Independent Auditors	PricewaterhouseCoopers S.p.A.

Manager responsible for the drafting of corporate accounting documents	Pierpaolo Rossi

DIRECTORS' REPORT

Group performance and analysis of the results for the third quarter of 2017 and as at 30 September 2017

The interim report as at 30 September 2017, 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 494.5 million Euros (481.7 million Euros in 2016) and 1,263.1 million Euros (1,204.5 million Euros in 2016) 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 2017 amounted to 1,240.2 million Euros (1,184.5 million in 2016), while those for the third quarter reached 485.0 million Euros (473.1 million in 2016).

Specifically, the sales to the "Street Market" and "National Account" categories as at 30 September 2017 amounted to 1,042.2 million Euros (991.4 million in 2016), of which 417.8 million Euros in the third quarter (405.4 million in 2016).

In the main "Street Market" category (restaurants and hotels not belonging to Groups or Chains), sales in the first nine months amounted to 831.5 million Euros (781.5 million in 2016), with a contribution of 16.2 million Euros due to the acquisitions of DE.AL. (4 April 2016) and Speca (effective from 1 January 2017); while sales in the third quarter amounted to 349.8 million Euros (338.4 million in 2016) and benefitted for 3.7 million Euros from the Speca contribution.
The performance of the reference end market of customers in the Street Market category, on the basis of the most recent survey by the Confcommercio Studies Office (ICC no. 10, November 2017) showed an increase in consumption (by quantity) of +3.2% for the item "Hotels, meals and out-of-home food consumption" in the third quarter.

Sales to clients in the "National Account" category (operators in Canteens and Chains and Groups) as at 30 September 2017 amounted to 210.7 million Euros (209.9 million in 2016), with 68.0 million Euros in the third quarter compared to 66.9 million in the same period in 2016.

Sales to customers in the "Wholesale" category in the first nine months of 2017 amounted to 198.0 million Euros (193.1 million in 2016), with 67.1 million in the third quarter (67.8 million for the same period in 2016).

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 2017*	*3rd quarter 2016*	*30.09.17 (9 months)*	*30.09.16 (9 months)*
Revenues from sales and services by customer category				
Street market	349,803	338,439	831,491	781,480
National Account	68,047	66,918	210,717	209,935
Wholesale	67,137	67,771	198,007	193,114
Total revenues form sales in Foodservice	484,987	473,128	1,240,215	1,184,529
(1) Discount and final year bonus to the customers	(3,477)	(3,555)	(12,177)	(12,362)
(2) Other services	636	518	1,774	1,830
(3) Other	127	90	368	171
Revenues from sales and services	482,273	470,181	1,230,180	1,174,168

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 2017 compared to the corresponding periods of the previous year.

Analysis of the re-classified income statement

MARR Consolidated (€thousand)	*3rd quarter 2017*	*%*	*3rd quarter 2016*	*%*	*% Change*	*30.09.17 (9 months)*	*%*	*30.09.16 (9 months)*	*%*	*% Change*
Revenues from sales and services	482,273	*97.5%*	470,181	*97.6%*	*2.6*	1,230,180	*97.4%*	1,174,168	*97.5%*	*4.8*
Other earnings and proceeds	12,277	*2.5%*	11,557	*2.4%*	*6.2*	32,928	*2.6%*	30,329	*2.5%*	*8.6*
Total revenues	**494,550**	***100.0%***	**481,738**	***100.0%***	***2.7***	**1,263,108**	***100.0%***	**1,204,497**	***100.0%***	***4.9***
Raw and secondary materials, consumables and goods for resale	(344,944)	*-69.7%*	(336,807)	*-70.0%*	*2.4*	(989,287)	*-78.3%*	(932,635)	*-77.4%*	*6.1*
Change in inventories	(40,811)	*-8.3%*	(35,218)	*-7.3%*	*15.9*	(3,713)	*-0.3%*	(4,597)	*-0.4%*	*(19.2)*
Services	(52,819)	*-10.7%*	(54,161)	*-11.2%*	*(2.5)*	(138,557)	*-11.0%*	(137,981)	*-11.5%*	*0.4*
Leases and rentals	(2,362)	*-0.4%*	(2,454)	*-0.5%*	*(3.7)*	(7,239)	*-0.5%*	(7,118)	*-0.6%*	*1.7*
Other operating costs	(367)	*-0.1%*	(413)	*-0.1%*	*(11.1)*	(1,156)	*-0.1%*	(1,215)	*-0.1%*	*(4.9)*
Value added	**53,247**	***10.8%***	**52,685**	***10.9%***	***1.1***	**123,156**	***9.8%***	**120,951**	***10.0%***	***1.8***
Personnel costs	(9,249)	*-1.9%*	(9,593)	*-1.9%*	*(3.6)*	(28,323)	*-2.3%*	(28,306)	*-2.3%*	*0.1*
Gross Operating result	**43,998**	***8.9%***	**43,092**	***9.0%***	***2.1***	**94,833**	***7.5%***	**92,645**	***7.7%***	***2.4***
Amortization and depreciation	(1,654)	*-0.3%*	(1,500)	*-0.4%*	*10.3*	(4,857)	*-0.3%*	(4,184)	*-0.3%*	*16.1*
Provisions and write-downs	(3,786)	*-0.8%*	(3,800)	*-0.8%*	*(0.4)*	(9,749)	*-0.8%*	(9,132)	*-0.8%*	*6.8*
Operating result	**38,558**	***7.8%***	**37,792**	***7.8%***	***2.0***	**80,227**	***6.4%***	**79,329**	***6.6%***	***1.1***
Financial income	299	*0.1%*	322	*0.1%*	*(7.1)*	1,046	*0.1%*	1,052	*0.1%*	*(0.6)*
Financial charges	(1,184)	*-0.3%*	(1,542)	*-0.3%*	*(23.2)*	(4,948)	*-0.5%*	(5,518)	*-0.5%*	*(10.3)*
Foreign exchange gains and losses	(69)	*0.0%*	29	*0.0%*	*(337.9)*	(125)	*0.0%*	(25)	*0.0%*	*400.0*
Value adjustments to financial assets	(35)	*0.0%*	(41)	*0.0%*	*(14.6)*	(116)	*0.0%*	(81)	*0.0%*	*43.2*
Result from recurrent activities	**37,569**	***7.6%***	**36,560**	***7.6%***	***2.8***	**76,084**	***6.0%***	**74,757**	***6.2%***	***1.8***
Non-recurring income	0	*0.0%*	0	*0.0%*	*0.0*	0	*0.0%*	0	*0.0%*	*0.0*
Non-recurring charges	0	*0.0%*	(500)	*-0.1%*	*(100.0)*	0	*0.0%*	(500)	*0.0%*	*(100.0)*
Profit before taxes	**37,569**	***7.6%***	**36,060**	***7.5%***	***4.2***	**76,084**	***6.0%***	**74,257**	***6.2%***	***2.5***
Income taxes	(10,943)	*-2.2%*	(11,514)	*-2.4%*	*(5.0)*	(22,150)	*-1.7%*	(24,273)	*-2.1%*	*(8.7)*
Total net profit	**26,626**	***5.4%***	**24,546**	***5.1%***	***8.5***	**53,934**	***4.3%***	**49,984**	***4.1%***	***7.9***

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 494.5 million Euros (481.7 million in 2016); EBITDA[1] amounting to 44.0 million Euros (43.1 million in 2016); EBIT amounting to 38.6 million Euros (37.8 million in 2016).

In the first nine months the results achieved by the MARR's Group are the following: total revenues amounting to 1,263.1 million Euros (1,204.5 million in 2016); EBITDA amounting to 94.8 million Euros (92.6 million in 2016); EBIT amounting to 80.2 million Euros (79.3 million in 2016) and a net result amounting to 53.9 million Euros (50.0 million in 2016).

The trend in Revenues compared with the same period of last year (+2.6% in the third quarter and +4.8% 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 of the new acquired of DE.AL S.r.l. Depositi Alimenarti and Speca Alimentari S.r.l., effective from 4 April 2016 and 1 January 2017 respectively.

As explained in the Half-Year Financial Report, the percentage incidence of the Gross margin (Total Revenues, net of Cost of goods sold plus change in inventories), slightly decreased over the nine months and the third quarter, with inflationary dynamics which mainly affected the category of frozen seafood products

Increasing the item "Other earnings and proceeds" that is mainly represented by contributions from suppliers on purchases and includes logistics payments which MARR charges to suppliers (as in the previous years); on the other hand, following the centralisation of deliveries from suppliers on logistical platforms, MARR undertakes the costs for the internal distribution to the distribution centres.

With regard to operating costs, a reduction in their incidence on the total revenues, has led to a slight increase in the absolute value of services costs, mainly correlated to the acquisition of the companies DE.AL and Speca Alimentari (effective from 3 April 2016 and 1 January 2017 respectively).

Also with reference to Leases and rental costs it must be highlighted that their increase in absolute value in the nine months, compared to the same period of the previous year, is related to the rent fees for the buildings in Elice (PE) and

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

Baveno (VB) where, as consequence of the purchase of the two subsidiaries, respectively the distribution centres MARR Adriatico and MARR Speca Alimentari carry out their activity, as highlighted in the previous paragraph.

During the quarter, a slight decrease was recorded as compared to the same period in the previous year. This relates to the centralisation of fresh-seafood activities in the Romagna area for the new MARR Battistini branch based in Via Spagna, Rimini, leading to the return of the warehouse of the MARR Baldini branch in Riccione as well as the return of the warehouse in Bentivoglio (Bologna) belonging to the subsidiary New Catering.
As regards the "Personnel costs", it should be noted that, thanks to the continuation of a process of outsourcing certain operating activities, which has enabled among other things the better management of seasonal workforce, the third quarter shows a decrease compared to the same period last year, thereby recovering the increased costs deriving from the employees of the companies DE.AL. and Speca Alimentari (effective from 3 April 2016 and 1 January 2017 respectively), in addition to the salary increases envisaged by the "CCNL" (National Framework Labour Agreement) for workers in companies in the tertiary sector of distribution and services.
The cost over the nine months is in line with that of last year.

The increase in absolute value of depreciations (in the nine months and in the quarter) is mainly due to the investments plan implemented in the last three years for the expansion and modernisation of some of MARR's distribution centers.

The item "provisions" and "write-downs" amounted to 9.7 million Euros over the nine months (9.1 million in 2016) and 3.8 million in the third quarter (3.8 million in 2016) and is constituted for 9.2 million Euros by the provisions for bad debts and by 0.5 million Euros for the provision for client severance indemnity.
The percentage incidence is unchanged compared to the previous period.

The result from recurrent activities, including the financial result which has taken advantage of a decrease of the net financial charges (0.3 million Euros in the quarter and 0.6 million in the first nine months), reached 37.6 million Euros in the third quarter, increasing compared to 36.6 million in 2016 (76.1 million Euros in the nine months compared to 74.8 million Euros in the same period of 2016).

The tax rate of the period is 29.1% (32.7% in the same period of the previous year) and benefits from the reduction in the Ires tax rate from 27.5% to 24%, approved by the 2016 stability law with effect from business years starting after 31 December 2016.

The net result for the third quarter of 2017 amounted to 26.6 million Euros, an increase of approximately 2.1 million Euros compared to the same period of the last year, as a result of the reduction in the tax rate and of the non- recurring costs allocated in the third quarter of 2016 concerning the reorganisation of DE.AL. activities.

At the end of the first nine months the net result is for some 53.9 million euros (50.0 million 2016).

Analysis of the re-classified statement of financial position

MARR Consolidated (€thousand)	*30.09.17*	*31.12.16*	*30.09.16*
Net intangible assets	151,660	144,385	144,470
Net tangible assets	70,855	71,729	71,568
Equity Investments evaluated using the Net Equity method	775	891	919
Equity investments in other companies	315	315	315
Other fixed assets	27,426	28,688	28,292
Total fixed assets (A)	251,031	246,008	245,564
Net trade receivables from customers	431,872	375,650	448,623
Inventories	139,263	142,336	120,428
Suppliers	(366,777)	(312,094)	(356,455)
Trade net working capital (B)	204,358	205,892	212,596
Other current assets	59,750	54,948	47,944
Other current liabilities	(37,026)	(26,147)	(41,254)
Total current assets/liabilities (C)	22,724	28,801	6,690
Net working capital (D) = (B+C)	227,082	234,693	219,286
Other non current liabilities (E)	(777)	(855)	(619)
Staff Severance Provision (F)	(9,536)	(10,621)	(10,665)
Provisions for risks and charges (G)	(6,024)	(6,187)	(5,335)
Net invested capital (H) = (A+D+E+F+G)	461,776	463,038	448,231
Shareholders' equity attributable to the Group	(293,140)	(285,565)	(277,650)
Consolidated shareholders' equity (I)	(293,140)	(285,565)	(277,650)
(Net short-term financial debt)/Cash	6,220	(463)	16,857
(Net medium/long-term financial debt)	(174,856)	(177,010)	(187,438)
Net financial debt (L)	(168,636)	(177,473)	(170,581)
Net equity and net financial debt (M) = (I+L)	(461,776)	(463,038)	(448,231)

Net financial position [2]

The following represents the trend in Net Financial Position

	MARR Consolidated (€thousand)	*30.09.17*	*30.06.17*	*31.12.16*	*30.09.16*
A.	Cash	9,482	7,467	9,137	9,270
	Cheques	0	0	0	0
	Bank accounts	143,982	121,458	104,770	125,169
	Postal accounts	78	106	253	72
B.	Cash equivalent	144,060	121,564	105,023	125,241
C.	Liquidity (A) + (B)	153,542	129,031	114,160	134,511
	Current financial receivable due to parent company	302	1,926	2,930	763
	Current financial receivable due to related companies	0	0	0	0
	Others financial receivable	888	969	919	1,416
D.	Current financial receivable	1,190	2,895	3,849	2,179
E.	Current Bank debt	(62,263)	(65,853)	(53,280)	(66,960)
F.	Current portion of non current debt	(74,334)	(69,523)	(52,887)	(43,201)
	Financial debt due to parent company	0	0	0	0
	Financial debt due to related companies	0	0	0	0
	Other financial debt	(11,915)	(13,293)	(12,305)	(9,672)
G.	Other current financial debt	(11,915)	(13,293)	(12,305)	(9,672)
H.	Current financial debt (E) + (F) + (G)	(148,512)	(148,669)	(118,472)	(119,833)
I.	Net current financial indebtedness (H) + (D) + (C)	6,220	(16,743)	(463)	16,857
J.	Non current bank loans	(136,669)	(152,738)	(125,240)	(139,355)
K.	Other non current loans	(38,187)	(39,489)	(51,770)	(48,083)
L.	Non current financial indebtedness (J) + (K)	(174,856)	(192,227)	(177,010)	(187,438)
M.	Net financial indebtedness (I) + (L)	(168,636)	(208,970)	(177,473)	(170,581)

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 2017 indebtedness reached 168.6 million Euros compared to 209.0 million as at 30 June 2017 and to 170.6 million Euros as at 30 September 2016.

As regard the financial movements of the first nine months of 2017, in addition to the ordinary operating management and to the cash out related to the investments for the distribution centres of the Parent Company, we point out that:

- dividends amounting to a total of 46.6 million Euros (43.9 million Euros in 2016) have been paid out in May;
- on 4 April 2017 MARR S.p.A. paid the second instalment of the purchase price of the holdings in the company DE.AL Depositi Alimentari S.r.l. (finalized during the year 2016) for 9.0 million Euros;
- on 30 May 2017 the company New Catering S.r.l. paid the third and the last instalment of the purchase price of the holdings in the company Sama S.r.l. (finalized during the year 2015) for 85 thousand Euros.

[2] 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.

- In July and September MARR S.p.A. paid two instalment of the purchase price of Speca Alimnetari S.r.l. for a total amount of 950 thousand Euros.

As regards the structure of the sources of financing, it must be highlighted (as explained in the Half Year Report) that during the nine months the Parent Company MARR signed some new no-current loan agreements as follows:

- on 27 March 2017 an unsecured loan was granted by UBI Banca for a total amount of 10 million of Euros and with amortization plan ending in March 2021;
- on 30 March 2017 an unsecured loan, was granted by BNL for a total amount of 30 million of Euros and with due date in September 2020;
- on 19 May 2017 an unsecured loan, was granted by Crèdit Agricole Cariparma for a total amount of 10 million of Euros and with amortization plan ending in May 2021;
- on 8 June 2017 an unsecured loan, was granted by Banca Intesa San Paolo for a total amount of 15 million of Euros and with amortization plan ending in June 2022;
- on 29 June 2017 an unsecured loan, was granted by UBI Banca for a total amount of 15 million of Euros and with amortization plan ending in June 2020.

It must be highlighted that in the month of June three loans granted by Ubi Banca has been reimbursed in advance for a total amount of 9.1 million of Euros (at 31 December 2016 the value of these loans was of 11.6 million Euros, of which 6.2 million were classified as financial payables beyond the year).

The net financial position as at 30 September 2017 remains in line with the company objective.

Analysis of the Trade net working Capital

MARR Consolidated (€thousand)	*30.09.17*	*30.06.17*	*31.12.16*	*30.09.16*
Net trade receivables from customers	431,872	441,975	375,650	448,623
Inventories	139,263	180,074	142,336	120,428
Payables to suppliers	(366,777)	(390,277)	(312,094)	(356,455)
Trade net working capital	204,358	231,772	205,892	212,596

As at 30 September 2017 the trade net working capital amounts to 204.4 million Euros with a decrease of some 8.2 million Euros compared to 212.6 million Euros of the same period of the previous year.
This change is mainly due by the follow reasons:

- decrease for 16.8 million Euros in trade receivables, while the total consolidated revenues increased of 56.0 million Euros in the nine months compared to the same period in 2016; those was possible thanks to the continuous attention of the entire Organization to the credit management;
- increase in inventories amount for 18.8 million Euros, due to specific supply policies mainly relating to a frozen seafood products. This change is a reduction compared to the increase of 24.4 million Euros as at 30 June 2017 compared to 2016.
- increase for 10.3 million Euros in payables to suppliers.

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

Re-classified cash-flow statement

MARR Consolidated (€thousand)	30.09.17	30.09.16
Net profit before minority interests	53,934	49,984
Amortization and depreciation	4,857	4,184
Change in Staff Severance Provision	(1,085)	685
Operating cash-flow	57,706	54,853
(Increase) decrease in receivables from customers	(56,222)	(71,186)
(Increase) decrease in inventories	3,073	(570)
Increase (decrease) in payables to suppliers	54,683	79,749
(Increase) decrease in other items of the working capital	6,077	18,441
Change in working capital	7,611	26,434
Net (investments) in intangible assets	(7,439)	(36,793)
Net (investments) in tangible assets	(3,823)	(7,032)
Net change in financial assets and other fixed assets	1,378	363
Net change in other non current financial debt	(241)	280
Investments in other fixed assets	(10,125)	(43,182)
Free - cash flow before dividends	55,192	38,105
Distribution of dividends	(46,568)	(43,906)
Capital increase	0	0
Other changes, including those of minority interests	213	(253)
Casf-flow from (for) change in shareholders' equity	(46,355)	(44,159)
FREE - CASH FLOW	8,837	(6,054)
Opening net financial debt	(177,473)	(164,527)
Cash-flow for the period	8,837	(6,054)
Closing net financial debt	(168,636)	(170,581)

Investments

As regards the investments during the year 2017, in addition to the purchase by MARR of the holdings of the company Speca Alimentari S.r.l. with effect since 1 January 2017 and that behaved the accounting of a goodwill amounting to 6,641 thousand Euros and the entry of tangible assets for a total net value of 214 thousand Euros, it should be noted the continuation of the expansion and modernisation works of some distribution centres done during the first half year and mainly related to "Marr Battistini" (in the new location in Rimini, Via Spagna), "Marr Adriatico", "Marr Bologna". For more detail please refer to "half-year financial report".

As far as investments in tangible assets for the third quarter are concerned, as shown below, they relate to ongoing extension and modernisation works as mentioned above. In particular, "Plants and Machinery" category show an increase which mainly derives from the MARR Adriatico distribution center.

Regarding the items "other asset", net of the decrease of cars and industrial vehicles, the purchase of IT equipment by the Parent Company MARR S.p.A. for 173 thousand Euros could be pointed out.

The following is a summary of the investments made in the first nine months and in the third quarter of 2017:

(€thousand)	*3rd quarter 2017*	*30.09.17*
Intangible assets		
Patents and intellectual property rights	182	306
Fixed assets under development and advances	66	492
Goodwill	0	6,641
Total intangible assets	248	7,439
Tangible assets		
Land and buildings	67	801
Plant and machinery	396	1,472
Industrial and business equipment	86	257
Other assets	79	1,124
Fixed assets under development and advances	(1)	169
Total tangible assets	627	3,823
Total	875	11,262

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 2017 the company never purchased or sold the above-mentioned shares and/or quotas.

As at 30 September 2017 the company don't owns own shares.

During the first nine months of 2017 the Group did not carry out atypical or unusual operations.

Main events in the third quarter of 2017

There were no significant event during the third quarter. In relation to the events occurred during the first half year please refer to the Half Year Financial Report.

Events occurred after the closing of the quarter

There were no significant events.

Outlook

The positive trend in sales in October has put the revenues from the first ten months in line with the growth objectives for the year.

Interim Condensed
Consolidated Financial Statements

MARR Group

Interim Report
as at 30 September 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€thousand)	30.09.17	31.12.16	30.09.16
ASSETS			
Non-current assets			
Tangible assets	70,855	71,729	71,568
Goodwill	149,921	143,280	143,505
Other intangible assets	1,739	1,105	965
Equity Investments evaluated using the Net Equity method	775	891	919
Investments in other companies	315	315	315
Non-current financial receivables	1,313	2,153	2,029
Financial instruments/derivatives	1,282	5,401	3,819
Deferred tax assets	661	0	1,461
Other non-current assets	32,993	30,833	28,184
Total non-current assets	259,854	255,707	252,765
Current assets			
Inventories	139,263	142,336	120,428
Financial receivables	1,181	3,848	2,121
relating to related parties	*302*	*2,930*	*763*
Financial instruments/derivatives	9	1	58
Trade receivables	423,049	365,950	441,422
relating to related parties	*13,154*	*12,106*	*10,006*
Tax assets	7,685	8,530	8,907
relating to related parties	*264*	*1,011*	*1,409*
Cash and cash equivalents	153,542	114,160	134,511
Other current assets	52,065	46,418	39,037
relating to related parties	*306*	*172*	*148*
Total current assets	776,794	681,243	746,484
TOTAL ASSETS	*1,036,648*	*936,950*	*999,249*
LIABILITIES			
Shareholders' Equity			
Shareholders' Equity attributable to the Group	293,140	285,565	277,650
Share capital	*33,263*	*33,263*	*33,263*
Reserves	*193,584*	*184,141*	*184,768*
Treasury Shares	*0*	*0*	*0*
Retained Earnings	*66,293*	*68,161*	*59,619*
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	293,140	285,565	277,650
Non-current liabilities			
Non-current financial payables	174,786	176,923	187,312
Financial instruments/derivatives	70	87	126
Employee benefits	9,536	10,621	10,665
Provisions for risks and costs	6,024	5,861	5,335
Deferred tax liabilities	0	326	0
Other non-current liabilities	777	855	619
Total non-current liabilities	191,193	194,673	204,057
Current liabilities			
Current financial payables	148,446	118,472	119,833
relating to related parties	*0*	*0*	*0*
Financial instruments/derivatives	66	0	0
Current tax liabilities	13,436	2,438	16,011
relating to related parties	*10,319*	*0*	*12,094*
Current trade liabilities	366,777	312,094	356,455
relating to related parties	*19,624*	*6,942*	*17,684*
Other current liabilities	23,590	23,708	25,243
relating to related parties	*58*	*30*	*78*
Total current liabilities	552,315	456,712	517,542
TOTAL LIABILITIES	*1,036,648*	*936,950*	*999,249*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(€thousand)	Note	*3rd quarter 2017*	*3rd quarter 2016*	*30 September 2017*	*30 September 2016*
Revenues	1	482,273	470,181	1,230,180	1,174,168
relating to related parties		*14,745*	*10,695*	*39,690*	*29,923*
Other revenues	2	12,277	11,557	32,928	30,329
relating to related parties		*127*	*137*	*334*	*323*
Changes in inventories		(40,811)	(35,218)	(3,713)	(4,597)
Purchase of goods for resale and consumables	3	(344,944)	(336,807)	(989,287)	(932,635)
relating to related parties		*(22,804)*	*(18,764)*	*(56,198)*	*(53,920)*
Personnel costs	4	(9,249)	(9,593)	(28,323)	(28,306)
Amortization, depreciation and write-downs	5	(5,440)	(5,800)	(14,606)	(13,816)
Other operating costs	6	(55,548)	(57,028)	(146,952)	(146,314)
relating to related parties		*(706)*	*(730)*	*(2,253)*	*(2,214)*
Financial income and charges	7	(954)	(1,191)	(4,027)	(4,491)
relating to related parties		*1*	*5*	*10*	*18*
Revenues/(Losses) form investments evaluated using the Net Equity method	8	(35)	(41)	(116)	(81)
Pre-tax profits		*37,569*	*36,060*	*76,084*	*74,257*
Taxes	9	(10,943)	(11,514)	(22,150)	(24,273)
Profits for the period		*26,626*	*24,546*	*53,934*	*49,984*
Profit for the period atributable to:					
Shareholders of the parent company		26,626	24,546	53,934	49,984
Minority interests		0	0	0	0
		26,626	*24,546*	*53,934*	*49,984*
EPS base (euros)	10	0.40	0.37	0.81	0.75
EPS diluited (euros)	10	0.40	0.37	0.81	0.75

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(€thousand)	Note	*3rd quarter 2017*	*3rd quarter 2016*	*30 September 2017*	*30 September 2016*
Profits for the period (A)		26,626	24,546	53,934	49,984
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		(1,112)	(597)	212	(254)
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*	*(1,112)*	*(597)*	*212*	*(254)*
Comprehensive Income (A) + (B)		*25,514*	*23,949*	*54,146*	*49,730*
Comprehensive Income attributable to:					
Shareholders of the parent company		25,514	23,949	54,146	49,730
Minority interests		0	0	0	0
		25,514	*23,949*	*54,146*	*49,730*

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
		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 2016	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
Other minor variations										(1)	(1)		**(1)**				2		1
Consolidated comprehensive income (1/10 - 31/12/2016):																			
- Profit for the period																	8,540		8,540
- Other Profits/Losses, net of taxes										- 531		(95)	**(626)**						(626)
Balance at 31 December 2016	33,263	63,348	6,652	13	36,496	70,119		1,475	7,290	(1,901)	1,474	(826)	184,141				68,161		285,565
Allocation of 2016 profit						9,235							**9,235**				(9,235)		
Distribution of parent company dividends																	(46,568)		(46,568)
Other minor variations											(4)		**(4)**				1		(3)
Consolidated comprehensive income (1/1 -30/09/2017):																			
- Profit for the period																	53,934		53,934
- Other Profits/Losses, net of taxes										212			**212**						212
Balance at 30 September 2017	33,263	63,348	6,652	13	36,496	79,354		1,475	7,290	(1,689)	1,471	(826)	193,584				66,293		293,140

CONSOLIDATED CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	*30.09.17*	*30.09.16*
Result for the Period	53,934	49,984
Adjustment:		
Amortization and write-downs	4,862	4,184
Allocation of provison for bad debts	9,245	8,708
Allocation of provision for risks and losses	0	950
Capital profit/losses on disposal of assets	(4)	(45)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and losses	(3,902)	4,467
relating to related parties	*10*	*(18)*
Foreign exchange evaluated (gains)/losses	(134)	57
	10,067	18,321
Net change in Staff Severance Provision	(1,291)	(389)
(Increase) decrease in trade receivables	(64,308)	(66,248)
relating to related parties	*(1,048)*	*(5,399)*
(Increase) decrease in inventories	3,713	4,596
Increase (decrease) in trade payables	53,647	66,555
relating to related parties	*12,682*	*14,479*
(Increase) decrease in other assets	(15,032)	5,571
relating to related parties	*(134)*	*25*
Increase (decrease) in other liabilities	(331)	736
relating to related parties	*28*	*31*
Net change in tax assets / liabilities	10,856	24,087
relating to related parties	*9,572*	*20,905*
Income tax paid	0	(11,209)
relating to related parties	*0*	*(9,635)*
Interest paid	4,948	(5,519)
relating to related parties	*0*	*(1)*
Interest received	(1,046)	1,052
relating to related parties	*(11)*	*19*
Foreign exchange gains	(288)	401
Foreign exchange losses	422	(459)
Cash-flow form operating activities	**55,291**	**87,479**
(Investments) in other intangible assets	(797)	(300)
(Investments) in tangible assets	(4,167)	(6,709)
Net disposal of tangible assets	563	344
Net (investments) in equity investments no consolidated on a line-by-line basis	116	71
Net (investments) in equity investments in other companies	4	51
Net (investments) in equity investments no consolidated on a line-by-line basis	(9,570)	(18,594)
Cash-flow from investment activities	**(13,851)**	**(25,137)**
Distribution of dividends	(46,568)	(43,906)
Other changes, including those of third parties	207	(258)
Net change in financial payables (excluding the new non-current loans received)	4,106	26,181
relating to related parties	*0*	*0*
New non-current loans received	80,000	38,002
relating to related parties	*0*	*0*
Repayment of other long-term debt	(47,421)	(41,470)
relating to related parties	*0*	*0*
Net change in current financial receivables	2,659	1,837
relating to related parties	*2,628*	*2,008*
Net change in non-current financial receivables	4,959	1,921
Cash-flow from financing activities	**(2,058)**	**(17,693)**
Increase (decrease) in cash-flow	**39,382**	**44,649**
Opening cash and equivalents	114,160	89,862
Closing cash and equivalents	**153,542**	**134,511**

* It must be pointed out that the figures as at 30 September 2016 have been restated for comparative purposes where necessary to acknowledge the new aspects introduced by the changes to IAS 7 in force from 1 January 2017.
For the reconciliation between the opening figures and closing figures with the relevant movements of the financial liabilities deriving from financing activities (as required by paragraph 44A of IAS 7), see Appendix 1 to the following explanatory notes.

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 2017 have been prepared in accordance with the accounting policies and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedures in art. 6 of (EC) Regulation 1606/2002 of the European Parliament and Council dated 19 July 2002 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 2017 do not differ from those used in the drawing up of the consolidated financial statements as at 31 December 2016, excepted for the amendments and interpretations effective from the 1st January 2017.

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

This sector 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 the third quarter of 2017, see what described in the Directors' Report.

The interim condensed consolidated financial statements as at 30 September 2017 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 2017 show, for comparison purposes, for the Income Statement the figures for the third quarter and progressive figures for 2016 and for the Statement of the Financial Position the figures as at 31 December 2016 and 30 September 2016.

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 2017 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 2017, 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 2017 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 2017 the structure of the Group differs both from that at 31 December 2016 and at 30 September 2016 due to the purchase of the 100% of the shares of the company Speca Alimentari S.r.l. with headquarters in Baveno (VB), owner of the firm baring the same name operating in the Foodservice sector. By express agreement between the parties, the active and passive effects deriving from the deed, underwritten on 30 December 2016, became effective between the parties as of 1 January 2017. Again as of the same date, the new acquired company leased its going concern to the parent company MARR S.p.A., which manages it through the new MARR Speca Alimentari distribution center. The effects of this acquisition are exposed in the following paragraph "Business combination realised".

Compared to the situation as at 30 September 2016, it should be noted the following:

- On 1 October 2016, DE.AL. (purchased on 4 April 2016) has become a non-operational company, having leased its going concern to the parent company MARR S.p.A., which manages it through the new MARR Adriatico branch;
- On 15 November 2016, the company Alisurgel S.r.l. (97% of the holdings in which were owned by MARR S.p.A. and 3% by Sfera S.p.A.) was cancelled from the Companies Register; it must be noted that the procedure for the liquidation of the company was started on 17 October 2002, and the final financial statements for liquidation, drawn up as at 30 June 2016 and registered on 5 August 2016, were filed at the Rimini Companies Register on 28 July 2016;
- On 22 November 2016, the operation for the merger by incorporation of the fully owned companies Baldini Adriatica Pesca S.r.l. and Sfera S.p.A. into MARR S.p.A. – which activities were limited to the leasing of the respective going concerns to the parent company MARR S.p.A. - was completed in order to achieve the rationalisation of the economic, financial and administrative management.

Business combinations realised

On 30 December 2016, with effect since 1st January 2017, the Parent Company finalised the purchase of the 100% of the holdings of Speca Alimentari S.r.l., with headquarters in Baveno (VB), owner of the firm baring the same name operating in the Foodservice.

The cost of aggregation has been determined on the basis of the accounting values as at 31 December 2016 of the classes of assets, liabilities (including potential ones) acquired in compliance with the IFRS.
The goodwill attributed to the purchase is justified by the strategic importance of the company given that, thanks to Speca Alimentari, which has a consolidated trading network and a distribution centre of more than 2,000 m^2 well localised for serving the western shares of Lake Maggiore, MARR will be able to improve the service level in an area which currently has annual returns of just over 3 million Euros and will be able to benefit more from the expansion opportunities in distribution to the foodservice segment (especially Street Market) offered by the Lake Maggiore area.

The operation implied the following effects:

Purchase consideration	*(€thousand)*
Total purchase consideration	8,445
- Fair value of the net assets identifiable	1,804
Goodwill	6,641

The accounting values, determined provisionally in compliance with the IFRS on the basis of the financial statements as at 31 December 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	130	214
Investments in other companies	4	4
Other non-current assets	2	2
Inventories	640	640
Trade receivables	2,036	2,036
Other current assets	163	163
Net financial indebtedbess	339	284
Employee benefits	(177)	(206)
Provision for risks and costs	(82)	(58)
Current trade liabilities	(1,031)	(1,036)
Other current liabilities	(239)	(239)
Fair value of net identifiable assets acquired	1,785	1,804

In addition to the first instalment paid at the closing and therefore on 30 December 2017, the cash out during the first nine month of 2017 was for 708 thousand Euros as follows:

	(€thousand)
Price of the acquisition paid in the half-year	(950)
related cost to the acquisition	(42)
Net financial indebtedness of the acquired company	284
Cash out of the buiness combination	(708)

Accounting policies

The criteria for assessment used for the purpose of predisposing the consolidated accounts up for the financial statements closed on 30 September 2017 do not differ from those used for the drafting of the consolidated financial statements as at 31 December 2016 (refer to the paragraph "Accounting policies" of the Explanatory Notes on the Annual Financial Report 2016).
It should be highlighted that the new Accounting Standards, changes and interpretations to the Accounting Standards applicable from 1 January 2017 and listed above did not affected the equity, economic and financial situation of the present interim statement of the Group:

- Changes to IAS 12 – Income taxes. The IASB clarifies how the deferred tax assets concerning losses not realized on debt instruments measured at fair value that lead to the creation of a temporary deductible difference should the owner of the instrument expect to maintain it until expiry are to be recorded in the accounts.
- Changes to IAS 7 – Statement of cash flows. The improvements regard the information to be provided on the variations in the loans payable which derive from both financial cash flows and from variations that are not due to cash flows (for example profits/losses on exchange rates). The cash flows statement has been adjusted in compliance to what required and the reconciliation between the opening and closing balances of the liabilities deriving from financing activities has been provided as provided by paragraph 44A (see Appendix 1 of these Notes).

Please note below accounting principles, amendments and interpretations applicable in the further business years.

- 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. The Group is evaluating the impact of this new principle on its own consolidated financial statements.
- IFRS 15 (and subsequent clarifications issued on 12 April 2016) - 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 is evaluating the impact of this new principle on its own consolidated financial statements but it does not expect any significant impact on its economic and financial position.
- 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 and is gearing up to quantify impacts of the application on its own economic and financial position.
- Changes to IFRS 2 – Clarifications of classification and measurement of share based payment transactions. This amendment will be applicable from 1 January 2018 and deals with the following matters identified by the IFRS

Interpretations Committee: i) the accounting of a share based payment plan with defined benefits including the achievement of targets; ii) a share based payment in which the method of settlement is correlated to future events; iii) share based payments settled net of fiscal withholdings; iv) transfer from a cash based payment method to a share based payment method. This changes are not applicable to the consolidated financial statements of the Group.

- Changes to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts. This amendment will be applicable as of 1 January 2018 and deals with worries that arose during the application of IFRS 9 on financial instruments before the introduction of the new insurance contract standards. Two options are given for companies subscribing insurance contracts with regard to IFRS 4: i) an option that enables the company to reclassify some revenues or costs originating from specific financial assets from the income statement to the statement of comprehensive income; ii) a temporary exemption from the application of IFRS 9, the main activity of which is the subscription of contracts as described in IFRS 4. This changes are not applicable to the consolidated financial statements of the Group.
- IFRIC 22 – Foreign Currency Transactions and Advance Consideration. The interpretation (which will be effective from 1 January 2018) deals with transactions in foreign currency in the event that an entity recognises a nonmonetary asset or liability originating from a payment or receipt of an advance payment before the entity recognises the relevant asset, cost or revenue. This need not be applied to taxes, insurance or re-insurance contracts. This IFRIC is not applicable to the consolidated financial statements of the Group.
- Changes to IAS 40 regarding transfers of investment property. The amendment (effective from 1 January 2018) provides that: i) paragraph 57 of IAS 40 be modified, providing that an entity must transfer a property from, or to, the category of investment property only when there is evidence of its change of use; ii) the list of examples included in the paragraph 57 (a) – (d) be redefined as a non-exhaustive list of examples. This changes are not applicable to the consolidated financial statements of the Group.
- Improvements to the International Financial Reporting Standards (2014-2016). These are part of the annual improvement plan for the standards and will come into force from 1 January 2018. The changes concern:
  - IFRS 1: the short-term exemptions provided in paragraph E3-E7 are deleted, given that the reasons for including them are no longer in place;
  - IFRS 12: the scope of the standard is clarified, specifying that the disclosure requirements, except for those in paragraphs B10-B16, are applicable to the interests of an entity listed in paragraph 5, which are classified as held for sale, distribution of as a discontinued operations ex IFRS 5;
  - IAS 28: it is clarified that the decision to measure an investment in a subsidiary or joint venture held by a venture capital company at fair value through the income statement is possible for all investments in subsidiaries or joint ventures as of their initial recording.

As of the date of this interim financial report, the Accounting Standards, interpretations and changes to the Accounting Standards listed should have potentially significant impacts on the equity, economic and financial situation of the Group, as commented above.

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 2017	3rd quarter 2016	30.09.17 (9 months)	30.09.16 (9 months)
Net revenues from sales - Goods	481,516	469,572	1,228,044	1,172,167
Revenues from Services	78	94	225	186
Other revenues from sales	0	8	39	13
Advisory services to third parties	94	60	208	108
Manufacturing on behalf of third parties	12	13	24	25
Rent income (typical management)	15	10	90	25
Other services	558	424	1,550	1,644
Total revenues	482,273	470,181	1,230,180	1,174,168

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 2017	3rd quarter 2016	30.09.17 (9 months)	30.09.16 (9 months)
Italy	453,422	442,276	1,145,611	1,097,441
European Union	14,640	15,962	50,221	46,702
Extra-EU countries	14,211	11,943	34,348	30,025
Total	482,273	470,181	1,230,180	1,174,168

2. Other revenues

The Other revenues are broken down as follows:

(€thousand)	3rd quarter 2017	3rd quarter 2016	30.09.17 (9 months)	30.09.16 (9 months)
Contributions from suppliers and others	12,201	10,861	30,608	28,380
Other Sundry earnings and proceeds	(479)	173	983	480
Reimbursement for damages suffered	351	219	588	505
Reimbursement of expenses incurred	178	247	635	809
Recovery of legal taxes	9	34	41	51
Capital gains on disposal of assets	17	23	73	104
Total other revenues	12,277	11,557	32,928	30,329

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 first nine month is also linked, in addition to the entry of DE.AL. and Speca into the Group (effective from 3 April 2016 , 1 January 2017 respectively), to the reconfirmed capacity of the company in managing relations with its suppliers.
It should be noted that, in 2017, following the centralisation of supplier deliveries on logistical platforms rather than at the single MARR branches as in the past, this item also included approximately 2.9 million Euros (2.6 million Euros in 2016) in logistical payments charged to suppliers, as MARR has undertaken the costs of internal distribution from the logistical platforms to the branches.

3. Purchase of goods for resale and consumables

This item is composed of:

(€thousand)	3rd quarter 2017	3rd quarter 2016	30.09.17 (9 months)	30.09.16 (9 months)
Purchase of goods	343,605	335,118	984,864	928,191
Purchase of packages and packing material	1,375	1,327	3,671	3,352
Purchase of stationery and printed paper	221	199	612	624
Purchase of promotional and sales materials and catalogues	113	21	287	126
Purchase of various materials	99	223	396	522
Discounts and rebates from suppliers	(536)	(158)	(771)	(396)
Fuel for industrial motor vehicles and cars	67	77	228	216
Total purchase of goods for resale and consumables	344,944	336,807	989,287	932,635

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 2017 the item amounts to 28.323 thousand Euros (28.306 thousand Euros as at 30 September 2016) 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.

Despite a rise in staff costs during the first half-year, primarily due to the purchase of the companies DE.AL (Depositi Alimentari S.r.l. And Speca Alimentari S.r.l.) which became effective respectively on 3 April 2016 and on 1 January 2017, not to mention salary increases contemplated under the national collective labour agreement (CCNL) for tertiary-sector company workers employed in distribution and services (this contract was renewed in 2015 and envisaged a series of progressive increases from April 2015 to the year 2017), the costs of the third quarter 2017, equal to 9,249 thousand Euros have gone down as compared to 9,593 thousand Euros for the same period in 2016. This is mainly due to continued outsourcing activities, which, amongst other things, have led to a better management of seasonal costs.
To this end, we would like to highlight that the average number of Group employees amounts to 853.3 at 30 September 2017 against 862.6 from same period in the previous year.

Furthermore, the maintenance of a careful management of leave, permits and overtime work has been confirmed.

5. Amortizations, depreciations and write-downs

(€thousand)	3rd quarter 2017	3rd quarter 2016	30.09.17 (9 months)	30.09.16 (9 months)
Depreciation of tangible assets	1,590	1,435	4,693	4,022
Amortization of intangible assets	64	65	164	162
Provisions and write-downs	3,786	4,300	9,749	9,632
Total amortization and depreciation	5,440	5,800	14,606	13,816

We point out that the item "Provision and write-downs" as at 30 September 2017 refers for 9,245 thousand Euros (8,708 thousand Euros as at 30 September 2016) to the provision for bad debts in addition to a provision for supplementary client severance indemnity for 504 thousand Euros (used for 26 thousand Euros during 2016).
We highlight that in 2016 the item also includes provision for risks and future charges for 950 thousand Euros, 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 2017	3rd quarter 2016	30.09.17 (9 months)	30.09.16 (9 months)
Operating costs for services	52,819	54,161	138,557	137,981
Operating costs for leases and rentals	2,362	2,454	7,239	7,118
Operating costs for other operating charges	367	413	1,156	1,215
Total other operating costs	55,548	57,028	146,952	146,314

In relation to the other operating costs for services, we noted a slight increase during the first nine month mainly related to the purchase of DE.AL. and Speca Alimentari (effective from 3 April 2016 and 1 January 2017 respectively).

The operating costs for services mainly include the following items: sale expenses, distribution and logistic costs of our products for 114.067 thousand Euros (114.979 thousand Euros in the 2016), costs for utilities for 7.870 thousand Euros (7.747 thousand Euros in the 2016), porterage fees and other charges for handling goods for 3.751 thousand Euros (2.908 thousand Euros of 2016), processing by third parties for 2.848 thousand Euros (2.684 thousand Euros in the 2016) and maintenance costs for 3.621 thousand Euros (3.176 thousand Euros in the 2016).

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 43,416 thousand Euros (45,244 thousand Euros in 2016), costs for utilities for 3,160 thousand Euros (3.155 thousand Euros in 2016), porterage fees and other charges for handling goods for 1.479 thousand Euros (1.164 thousand Euros in 2016); processing by third parties for 1.042 thousand Euros (1,068 thousand Euros in 2016) and maintenance costs for 1,158 thousand Euros (1,139 thousand Euros in 2016).

Costs for leases and rentals mainly concern the rental fees for industrial buildings that amount to a total of 6.876 thousand Euros (6.744 thousand Euros as at 30 September 2016). Net of expired contracts, their increase compared to the same period of the previous year is related to the rent fees for the buildings in Elice (PE) and Baveno (VB), where the distribution centres MARR Adriatico and MARR Speca Alimentari carry out their activities, following the acquisition by the Parent Company of the quotas of the new subsidiaries with effect from 3 April 2016 and 1 January 2017.

It should be noted out that the rental fees for industrial buildings include the fees of 501 thousand Euros paid to the associate companies Le Cupole S.r.l. in Castelvetro (MO) for the rental of the property in Via Spagna 20 - Rimini in which the branch MARR Uno carries out its activities.

The operating costs for other operating charges mainly include the following items: "other indirect duties, taxes and similar costs" for 530 thousand Euros, "local council duties and taxes" for 208 thousand Euros and "expenses for credit recovery" for 222 thousand Euros.

7. Financial income and charges

(€thousand)	3rd quarter 2017	3rd quarter 2016	30.09.17 (9 months)	30.09.16 (9 months)
Financial charges	1,184	1,542	4,948	5,518
Financial income	(299)	(321)	(1,046)	(1,052)
Foreign exchange (gains)/losses	69	(30)	125	25
Total financial (income) and charges	954	1,191	4,027	4,491

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 116 thousand Euros in the nine months and of 35 thousand Euros in the quarter, represent the evaluation of the investment in the company Griglia Doc S.r.l. that is 50% owned by DE.AL S.r.l..

9. Taxes

(€thousand)	***3rd quarter 2017***	*3rd quarter 2016*	***30.09.17 (9 months)***	*30.09.16 (9 months)*
Ires-Ires charge transferred to Parent Company	9,425	10,367	19,141	21,499
Irap	2,028	1,746	4,034	3,770
Reimbousement for taxes of previouse years	(54)	(9)	(56)	(24)
Net provision for deferred tax liabilities	(456)	(590)	(969)	(972)
Total taxes	10,943	11,514	22,150	24,273

As pointed out in the Director's report, it is recalled that the taxation of the period benefits from the reduction in the Ires tax rate from 27.5% to 24%, approved by the 2016 stability law with effect from business years starting after 31 December 2016.

10. Earnings per share

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

(Euros)	***3rd quarter 2017***	*3rd quarter 2016*	***30.09.17 (9 months)***	*30.09.16 (9 months)*
Basic Earnings Per Share	0.40	0.37	0.81	0.75
Diluted Eaenings Per Share	0.40	0.37	0.81	0.75

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

Earnings:

(€thousand)	***3rd quarter 2017***	*3rd quarter 2016*	***30.09.17 (9 months)***	*30.09.16 (9 months)*
Profit for the period	26,626	24,546	53,934	49,984
Minority interests	0	0	0	0
Profit used to determine basic and diluted earnings per share	26,626	24,546	53,934	49,984

Number of shares:

(number of shares)	***3rd quarter 2017***	*3rd quarter 2016*	***30.09.17 (9 months)***	*30.09.16 (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 profit of 212 thousand Euros in the first nine months of 2017 (-254 thousand Euros in the same period of the previous year), is shown net of the taxation effect (that amounts to approximately -50 thousand Euros in the first nine months of the year).
During the third quarter the evaluation of hedging operations generated a loss in the consolidated comprehensive income statement for 1,112 thousand Euros (-597 thousand Euros 2016).

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 2017

The Chairman of the Board of Directors

Paolo Ferrari

Appendices

These appendices contain additional information compared to that reported in the Notes, of which they constitute an integral part.

- Appendix I Reconciliation of liabilities deriving from financing activities as at 30 September 2017.

Appendix 1

RECONCILIATION OF LIABILITIES DERIVING FROM FINANCING ACTIVITIES AS AT 30 SEPTEMBER 2017*

	30 September 2017	Cash flows	Purchases	Non-financial changes Other changes/ reclassifications	Exchange rates variations	Fair value variation	31 December 2016
Current payables to bank	62,263	8,983					53,280
Current portion of non current debt	74,334	(29,909)	126	51,230			52,887
Current financial payables for bond private placement in US dollars	323	(753)		323			753
Current financial payables for leasing contracts	217	(93)	47				263
Current financial payables for purchase of quotas or shares	11,309	(10,035)	1,054	9,000			11,290
Total current financial payables	148,446	(31,807)	1,227	60,553	0	0	118,473
Current payables/(receivables) for hedging financial instruments	66					67	(1)
Total current financial instruments	66	0	0	0	0	67	(1)
Non-current payables to bank	136,599	62,488		(51,043)			125,154
Non-current financial payables for bond private placement in US dollars	36,152			43	(4,371)		40,480
Non-current financial payables for leasing contracts	565	(263)	8				820
Non-current financial payables for purchase of quotas or shares	1,470			(9,000)			10,470
Total non-current financial payables	174,786	62,225	8	(60,000)	(4,371)	0	176,924
Non-current payables/(receivables) for hedging financial instruments	70					(17)	87
Total non-current financial instruments	70	0	0	0	0	(17)	87
Total liabilities arising from financial activities	**323,368**	**30,418**	**1,235**	**553**	**(4,371)**	**50**	**295,483**

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows	40,453
Other changes/ reclassifications	553
Exchange rates variations	(4,371)
Fair value variation	50
Total detailed variations in the table	**36,685**
Other changes in financial liabilities	4,106
New non-current loans received	80,000
Non current loans repayment	(47,421)
Total changes shown between financing activities in the Cash Flows Statement	**36,685**

*There is no information on the flows for the first nine month of 2016, as IAS 17 has established a prospective application which does not require the comparative information to be included in the initial application of the relevant amendments.

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, Pierpaolo Rossi, 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 2017

Pierpaolo Rossi
Manager responsible for the drafting
of corporate accounting documents