Interim Report

as at 31 March 2018

14 May 2018

MARR S.p.A.
Via Spagna, 20 – 47921 Rimini - Italy
Capital stock € 33.262.560 i.v.
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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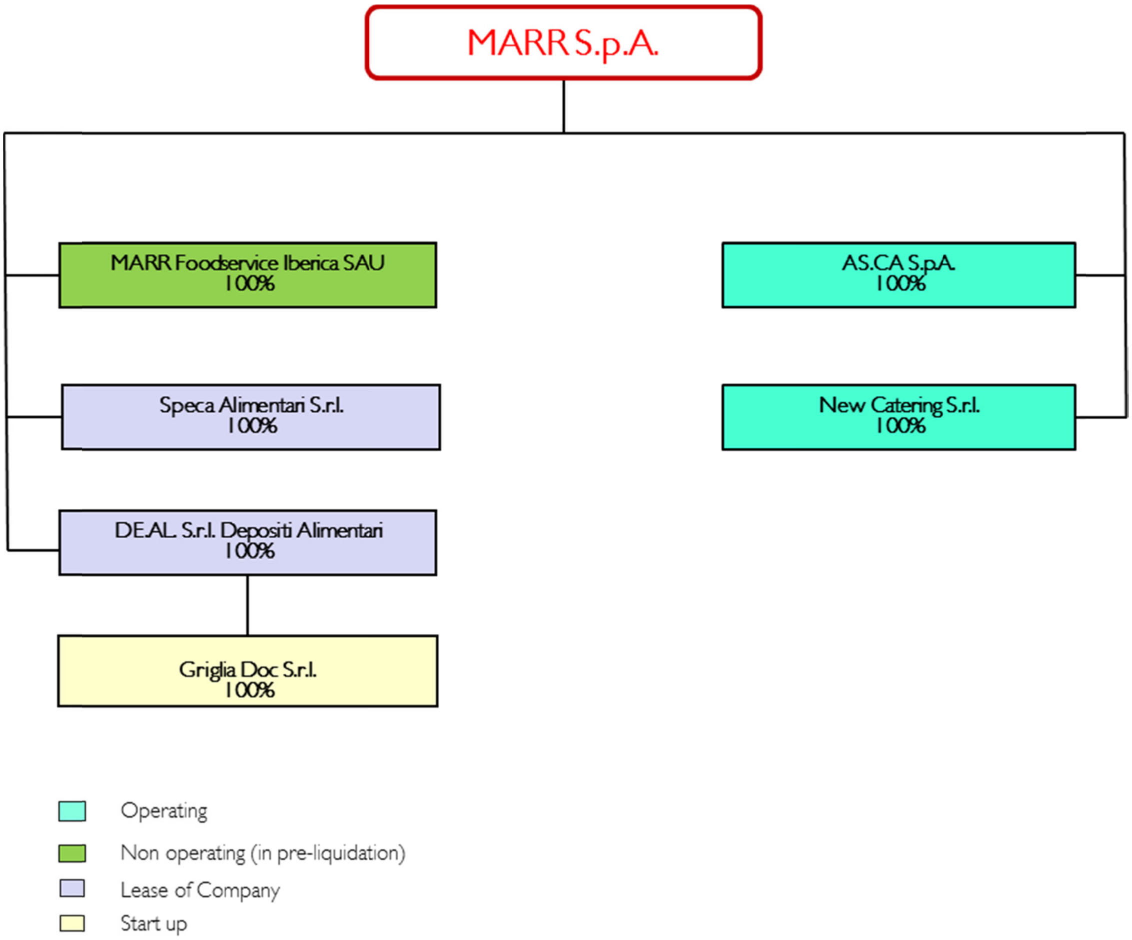
MARR GROUP ORGANISATION

as at 31 March 2018



As at 31 March 2018 the structure of the Group differs from that at 31 December 2017 and from that at 31 March 2017 due to the purchase of the residual 50% of Griglia Doc's share capital, finalised by the subsidiary DE.AL. – S.r.l. on 27 February 2018. Following this operation DE.AL. – S.r.l. Depositi Alimentari hold the 100% of the share capital of Griglia Doc S.r.l. and thus become the sole shareholder.

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, leasing its going concern to the Parent Company.

Company	Activity
Speca Alimentari S.r.l. Via dell'Acero n. 1/A – Santarcangelo di Romagna (Rn)	Company, leasing its going concern to the Parent Company.
MARR Foodservice Iberica S.A.U. Calle Lagasca n. 106 1° centro - Madrid (Spagna)	Non-operating company (in pre – liquidation).
Griglia Doc S.r.l. Via Tevere n. 125 – Elice (PE)	Start-up company.

All the controlled companies are consolidated on a line – by – line basis.

CORPORATE BODIES

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 first quarter of 2018

The interim report as at 31 March 2018, 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.

Group sales in the first three months of 2018 reached 332.6 million Euros (323.3 million in 2017), with sales to clients in the "Street Market" and "National Account" segments amounting to 276.4 million Euros, an increase – entirely organic – of 18.6 million compared to 257.8 million in the first quarter of 2017.

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

The "Street Market" category (restaurants and hotels not belonging to Groups or Chains) reached 199.0 million Euros (186.7 million in 2017), with the Easter festivities having had a positive impact (Easter was on 1 April this year, compared with 16 April 2017).
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 (Survey no. 4, April 2018), registered an increase in consumption (by quantity) of +2.5% in the first quarter for "Hotels, meals and out-of-home food consumption".

Sales to National Account clients (operators in Canteens and Chains and Groups) reached 77.5 million Euros (71.0 million in 2017).

Sales to clients in the "Wholesale" segment amounted to 56.2 million Euros in the first quarter of 2018, a decrease compared to 65.5 million in 2017, as a result of the reduced availability of frozen seafood products due to the trend of the fishing campaign in North Africa.

The total consolidated revenues for the period amounted to 336.5 million Euros, an increase compared to 328.3 million in the first quarter of 2017.

EBITDA and EBIT also increased, amounting respectively to 16.4 million Euros (15.4 million in 2017) and 11.8 million Euros (11.4 million in 2017).

The net result for the period amounted to 7.4 million Euros compared to 6.7 million in 2017.

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)		*31 March 2018*	*31 March 2017*
	<u>Revenues from sales and services by customer category</u>		
	Street market	198,960	186,757
	National Account	77,478	71,049
	Wholesale	56,204	65,479
	Total revenues form sales in Foodservice	332,642	323,285
(1)	Discount and final year bonus to the customers	(4,841)	(4,259)
(2)	Other services	656	600
(3)	Other	142	142
	Revenues from sales and services	328,599	319,768

<u>Note</u>

(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, the statement of financial position and the net financial position for the first quarter of 2018, compared to the same period of the previous year.

Analysis of the re-classified income statement[1]

MARR Consolidated (€thousand)	1st quarter 2018	%	1st quarter 2017	%	% Change
Revenues from sales and services	328,543	*97.6%*	319,768	*97.4%*	*2.7*
Other earnings and proceeds	7,919	*2.4%*	8,552	*2.6%*	*(7.4)*
Total revenues	**336,462**	***100.0%***	**328,320**	***100.0%***	***2.5***
Cost of raw and secondary materials, consumables and goods sold	(282,749)	*-84.0%*	(289,174)	*-88.1%*	*(2.2)*
Change in inventories	13,931	*4.1%*	26,423	*8.0%*	*(47.3)*
Services	(39,232)	*-11.7%*	(38,003)	*-11.6%*	*3.2*
Leases and rentals	(2,410)	*-0.7%*	(2,421)	*-0.7%*	*(0.5)*
Other operating costs	(410)	*-0.1%*	(373)	*-0.1%*	*9.9*
Value added	**25,592**	***7.6%***	**24,772**	***7.5%***	***3.3***
Personnel costs	(9,186)	*-2.7%*	(9,318)	*-2.8%*	*(1.4)*
Gross Operating result	**16,406**	***4.9%***	**15,454**	***4.7%***	***6.2***
Amortization and depreciation	(1,654)	*-0.5%*	(1,553)	*-0.5%*	*6.5*
Provisions and write-downs	(2,925)	*-0.9%*	(2,514)	*-0.7%*	*16.3*
Operating result	**11,827**	***3.5%***	**11,387**	***3.5%***	***3.9***
Financial income	232	*0.1%*	375	*0.1%*	*(38.1)*
Financial charges	(1,309)	*-0.4%*	(1,777)	*-0.6%*	*(26.3)*
Foreign exchange gains and losses	(22)	*0.0%*	(164)	*0.0%*	*(86.6)*
Value adjustments to financial assets	0	*0.0%*	(38)	*0.0%*	*(100.0)*
Result from recurrent activities	**10,728**	***3.2%***	**9,783**	***3.0%***	***9.7***
Non-recurring income	0	*0.0%*	0	*0.0%*	*0.0*
Non-recurring charges	0	*0.0%*	0	*0.0%*	*0.0*
Profit before taxes	**10,728**	***3.2%***	**9,783**	***3.0%***	***9.7***
Income taxes	(3,276)	*-1.0%*	(3,040)	*-0.9%*	*7.8*
Net profit attributable to the MARR Group	**7,452**	***2.2%***	**6,743**	***2.1%***	***10.5***

As at 31 March 2018 the consolidated operating economic results are as follows: total revenues of 336.5 million Euros (+2.5%); EBITDA[2] of 16.4 million Euros (+6.2%); EBIT of 11,8 million Euros (+3.9%).

The variation in revenues from sales and services (+2.7% compared to the same period in the previous year) is a consequence of the
performance of sales in each client category, as previously analyzed.

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[1] It is specified that the reclassified income statement does not show the item "Other Profits/Losses net of the effect of taxation" reported in the "Comprehensive income statement", as required by IAS 1 revised applicable from 01 January 2009 onwards.

[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.

The item “Other earnings and proceeds” 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 side we recall that, following the centralization of deliveries from suppliers on logistical platforms, MARR undertakes the costs for the internal distribution to the distribution centres.

By comparison with the previous year (-7.4%) it’s recalled that a part of the contribution from suppliers has been included to reduce the cost of purchasing materials following the reformulation of some of the contracts for the recognition of end-of year bonuses, as already explained in the Directors Report as at 31 December 2017.

The percentage incidence of the first margin (Total revenues, less Cost of purchase of goods plus variations in inventories) shows a slightly increase (+0.1%) compared to the same period of the previous year.

As regard operative costs, it must be highlighted that their incidence percentage on the total revenue remains substantially like that one at first quarter 2017 which already included, since 1 January, the expenses for the subsidiary Speca Alimentari S.r.l.

Despite the remuneration increases envisaged by the National Collective Labour Contract for workers of companies in the tertiary sector of distribution and services from 2015 to the end of 2017, the personnel cost has decreased slightly compared to the same period last year. This is a result of both the maintenance of a careful policy of resources and the process of outsourcing some activities conducted in the previous business year. In this regard, it should be noted that the average number of employees in the first quarter of 2018 was 825, compared to an average of 844 employees in the first quarter of 2017.

The increase in absolute value of depreciation is mainly due to the investments made in the last three-year period for the expansion and modernisation of some MARR distribution centres.

The item Provisions and write-downs amounted to 2.9 million Euros (2.5 million in the same period of 2017) and consists for 2,7 million Euros by the provision for bad debts and for 0.2 million Euros by the provision for supplementary client severance indemnity.

The result form recurrent activities, that amounted to 10.7 million Euros at the end of the quarter, benefits from a reduction in the cost of money related, in addition to the trend of interest rates, to the renegotiation of some long term debts finalised at the end of the 2017 and in the first quarter of 2018.

The tax rate of the period is 30.5% (31.1% in the first quarter 2017).

As at 31 March 2018 the total net result reached 7.4 million Euros, increasing by 10.5% compared to the same period of the previous year.

Analysis of the re-classified statement of financial position

MARR Consolidated (€thousand)	*31.03.18*	*31.12.17*	*31.03.17*
Net intangible assets	152,055	151,695	151,075
Net tangible assets	68,991	70,149	71,796
Equity investments evaluated using the Net Equity method	0	735	853
Equity investments in other companies	315	315	319
Other fixed assets	24,794	26,176	31,624
Total fixed assets (A)	246,155	249,070	255,667
Net trade receivables from customers	371,028	376,690	385,940
Inventories	161,483	147,552	169,399
Suppliers	(282,493)	(328,860)	(285,858)
Trade net working capital (B)	250,018	195,382	269,481
Other current assets	42,593	58,972	36,638
Other current liabilities	(24,309)	(24,261)	(27,075)
Total current assets/liabilities (C)	18,284	34,711	9,563
Net working capital (D) = (B+C)	268,302	230,093	279,044
Other non current liabilities (E)	(1,185)	(1,045)	(938)
Staff Severance Provision (F)	(9,049)	(9,264)	(9,806)
Provisions for risks and charges (G)	(5,793)	(6,525)	(6,266)
Net invested capital (H) = (A+D+E+F+G)	498,430	462,329	517,701
Shareholders' equity attributable to the Group	(311,732)	(304,726)	(292,479)
Consolidated shareholders' equity (I)	(311,732)	(304,726)	(292,479)
(Net short-term financial debt)/Cash	51,959	38,092	(24,454)
(Net medium/long-term financial debt)	(238,657)	(195,695)	(200,768)
Net financial debt (L)	(186,698)	(157,603)	(225,222)
Net equity and net financial debt (M) = (I+L)	(498,430)	(462,329)	(517,701)

Analysis of the Net Financial Position[3]

The following represents the trend in Net Financial Position.

	MARR Consolidated (€thousand)	*31.03.18*	*31.12.17*	*31.03.17*
A.	Cash	6,219	9,133	4,601
	Cheques	0	0	0
	Bank accounts	150,493	147,044	87,019
	Postal accounts	55	108	383
B.	Cash equivalent	150,548	147,152	87,402
C.	Liquidity (A) + (B)	156,767	156,285	92,003
	Current financial receivable due to Parent company	703	1,259	3,636
	Current financial receivable due to related companies	0	0	0
	Others financial receivable	823	716	1,043
D.	Current financial receivable	1,526	1,975	4,679
E.	Current Bank debt	(45,879)	(63,745)	(51,971)
F.	Current portion of non current debt	(49,349)	(44,868)	(57,339)
	Financial debt due to parent company	0	0	0
	Financial debt due to related company	0	0	0
	Other financial debt	(11,106)	(11,555)	(11,826)
G.	Other current financial debt	(11,106)	(11,555)	(11,826)
H.	Current financial debt (E) + (F) + (G)	(106,334)	(120,168)	(121,136)
I.	Net current financial indebtedness (H) + (D) + (C)	51,959	38,092	(24,454)
J.	Non current bank loans	(203,542)	(159,583)	(148,681)
K.	Other non current loans	(35,115)	(36,112)	(52,087)
L.	Non current financial indebtedness (J) + (K)	(238,657)	(195,695)	(200,768)
M.	Net financial indebtedness (I) + (L)	(186,698)	(157,603)	(225,222)

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

At the end of the first quarter net financial indebtedness reached 186.7 million Euros, an increase compared to the 157,6 million Euros at 31 December 2017 and an improvement compared to the 225.2 million Euros at 31 March 2017.

In addition to the everyday operating management, the financial outgoings linked to the investments made in the various distribution centres of the Parent Company continue (as described in the subsequent paragraph on "Investments").

As regards the structure of financing sources, it must be highlighted that during the course of the first quarter 2018 the Parent Company signed a new loan in Pool with Cassa Centrale Banca (as agent bank) and BCC Malatestiana, which was granted on 14 February for 10 million Euros and with amortization plan ending in December 2020.

[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.

Finally with regard to the ongoing loans with ICCREA BancaImpresa and BNP Paribas, it must highlighted that in January additional financing tranches were granted for a total value of 40.9 million Euros.

The net financial position as at 31 March 2018 is in line with the company objectives.

Analysis of the Trade net working Capital

MARR Consolidated (€thousand)	*31.03.18*	*31.12.17*	*31.03.17*
Net trade receivables from customers	371,028	376,690	385,940
Inventories	161,483	147,552	169,399
Suppliers	(282,493)	(328,860)	(285,858)
Trade net working capital	250,018	195,382	269,481

As at 31 March 2018, the net trade working capital amounted to 250.0 million Euros, an increase of 54.6 million Euros compared to 31 December 2017 (63.6 million Euros as at 31 March 2017), but a decrease compared to 269.5 million Euros at the end of the first quarter of 2017. This trend is correlated to the maintenance of a policy of the entire Organization focusing on the management of receivables and supplies. In particular, with regard to the inventories, it should be highlighted that their trend is correlated, in addition to the reduced availability of frozen seafood products (as commented on as regards the sales in the Wholesale segment), to the fact that as at 31 March 2017, this item had been affected by specific procurement policies implemented in expectation of the summer season and also the fact that in 2018, the Easter festivities were entirely in the first quarter.

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

Re-classified cash-flow statement

MARR Consolidated (€thousand)	*31.03.18*	*31.03.17*
Net profit before minority interests	7,452	6,743
Amortization and depreciation	1,654	1,553
Change in Staff Severance Provision	(215)	(815)
Operating cash-flow	8,891	7,481
(Increase) decrease in receivables from customers	5,662	(10,290)
(Increase) decrease in inventories	(13,931)	(27,063)
Increase (decrease) in payables to suppliers	(46,367)	(26,236)
(Increase) decrease in other items of the working capital	16,427	19,238
Change in working capital	(38,209)	(44,351)
Net (investments) in intangible assets	(437)	(6,740)
Net (investments) in tangible assets	(420)	(1,571)
Net change in financial assets and other fixed assets	2,117	(2,902)
Net change in other non current liabilities	(592)	162
Investments in other fixed assets	668	(11,051)
Free - cash flow before dividends	(28,650)	(47,921)
Distribution of dividends	0	0
Capital increase	0	0
Other changes, including those of minority interests	(445)	172
Casf-flow from (for) change in shareholders' equity	(445)	172
FREE - CASH FLOW	(29,095)	(47,749)
Opening net financial debt	(157,603)	(177,473)
Cash-flow for the period	(29,095)	(47,749)
Closing net financial debt	(186,698)	(225,222)

Investments

As regards the investments in the first quarter of 2018 it's highlighted that the increase in intangible asset was mainly related to the consolidation of the company Griglia Doc of which DE.AL S.r.l. Depositi Alimentari finalized the purchase of the residual 50% share capital in February.

Regarding the tangible assets, it's highlight the continuation of the expansion and modernisation works in some distribution centres of the Parent Company.

The following is a summary of the net investments made in the first quarter of 2018:

(€thousand)	*31.03.18*
Intangible assets	
Patents and intellectual property rights	415
Fixed assets under development and advances	22
Goodwill	0
Total intangible assets	437
Tangible assets	
Land and buildings	146
Plant and machinery	108
Industrial and business equipment	46
Other assets	120
Fixed assets under development and advances	0
Total tangible assets	420
Total	857

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 first quarter of 2018 the company never purchased or sold the above-mentioned shares and/or quotas.

As at 31 March 2018 the company don't owns own shares.

During the quarter, the Company did not carry out atypical or unusual operations.

Significant events during the first quarter 2018

On 20 February 2018, the Board of Directors appointed Mr Loris Piscaglia as Manager of the Internal Auditing Department, who become responsible for the auditing activities, both on a continuous basis and in relation to specific needs and in respect of the international standards, concerning operations and the suitability of the internal audit and risk management system.

On 27 February 2018, with agreement certified by the Notary Grazia Buta form Pescara, DE.AL – S.r.l. Depositi Alimentari purchased the 50% of the associated Company Griglia Doc's share capital for an amount of 190 thousand Euros.
Following this operation the company DE.AL. – S.r.l. Depositi Alimentari hold the 100% of the share capital of Griglia Doc S.r.l. and thus become the sole shareholder.

Subsequent Events after the closing of the quarter

In April 2018, following-up that deliberated by the Board of Directors meeting on 20 February 2018, the extraordinary shareholders' meetings of the companies Griglia Doc S.r.l. and DE.AL S.r.l. – Depositi Alimentari were held, the agenda including the approval of the merger by incorporation of Griglia Doc into DE.AL. The relevant deliberations are currently filed with the Pescara Companies Register.

On 28 April 2018 the Shareholders' meeting approved the financial statement as at 31 December 2017 and the distribution to the Shareholders of a gross dividend per share of 0.74 Euros (0.70 Euros the previous year) with "ex-coupon" (no. 14) on 28 May 2018, record date on 29 May 2018 and payment on 30 May. The non-distributed profits will be allocated to the Reserves.

Outlook

The trend of sales in April, that compared to April 2017, which had benefitted from the positive impact of the Easter festivities on the main Street Market category, puts the sales to clients in the "Street Market" and "National Account" categories after the first four months in line with the growth objectives for the year.

Interim Consolidated Financial Statements

MARR Group

Interim Report

as at 31 March 2018

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(€thousand)	*31.03.18*	*31.12.17*	*31.03.17*
ASSETS			
Non-current assets			
Tangible assets	68,991	70,149	71,796
Goodwill	149,921	149,921	149,882
Other intangible assets	2,134	1,774	1,193
Investments valued at equity	0	735	853
Investments in other companies	315	315	319
Non-current financial receivables	956	1,171	1,950
Financial instruments/derivatives	0	586	5,042
Deferred tax assets	59	0	0
Other non-current assets	32,187	31,357	33,637
Total non-current assets	254,563	256,008	264,672
Current assets			
Inventories	161,483	147,552	169,399
Financial receivables	1,521	1,964	4,666
relating to related parties	*703*	*1,259*	*3,636*
Financial instruments / derivative	5	11	13
Trade receivables	362,620	369,752	376,935
relating to related parties	*13,939*	*14,020*	*11,329*
Tax assets	8,445	9,323	8,657
relating to related parties	*12*	*1,224*	*1,010*
Cash and cash equivalents	156,767	156,285	92,003
Other current assets	34,148	49,649	27,981
relating to related parties	*120*	*304*	*102*
Total current assets	724,989	734,536	679,654
TOTAL ASSETS	*979,552*	*990,544*	*944,326*
LIABILITIES			
Shareholders' Equity			
Shareholders' Equity attributable to the Group	311,732	304,726	292,479
Share capital	*33,263*	*33,263*	*33,263*
Reserves	*193,154*	*193,600*	*184,312*
Retained Earnings	*0*	*0*	*0*
Profit for the period attributable to the Group	*85,315*	*77,863*	*74,904*
Total Shareholders' Equity	311,732	304,726	292,479
Non-current liabilities			
Non-current financial payables	237,702	195,695	200,683
Financial instruments/derivatives	955	0	85
Employee benefits	9,049	9,264	9,806
Provisions for risks and costs	5,793	6,001	5,719
Deferred tax liabilities	0	524	547
Other non-current liabilities	1,185	1,045	938
Total non-current liabilities	254,684	212,529	217,778
Current liabilities			
Current financial payables	106,334	120,161	121,136
relating to related parties	*0*	*0*	*0*
Financial instruments/derivatives	0	7	0
Current tax liabilities	3,641	1,654	4,846
relating to related parties	*1,528*	*0*	*2,017*
Current trade liabilities	282,493	328,860	285,858
relating to related parties	*11,450*	*9,011*	*9,740*
Other current liabilities	20,668	22,607	22,229
relating to related parties	*70*	*250*	*25*
Total current liabilities	413,136	473,289	434,069
TOTAL LIABILITIES	*979,552*	*990,544*	*944,326*

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(€thousand)	*Note*	I st quarter 2018	I st quarter 2017
Revenues	1	328,543	319,768
relating to related parties		*15,484*	*11,968*
Other revenues	2	7,919	8,552
relating to related parties		*112*	*92*
Changes in inventories		13,931	26,423
Purchase of goods for resale and consumables	3	(282,749)	(289,174)
relating to related parties		*(20,404)*	*(14,966)*
Personnel costs	4	(9,186)	(9,318)
Amortization, depreciation and write-downs	5	(4,579)	(4,067)
Other operating costs	6	(42,052)	(40,797)
relating to related parties		*(751)*	*(763)*
Financial income and charges	7	(1,099)	(1,566)
relating to related parties		*0*	*4*
Revenues/(Losses) form investments evaluated using the Net Equity method		0	(38)
Pre-tax profits		***10,728***	***9,783***
Taxes	8	(3,276)	(3,040)
Profits for the period		***7,452***	***6,743***
Profit for the period atributable to:			
Shareholders of the parent company		7,452	6,743
Minority interests		0	0
		7,452	***6,743***
basic Earnings per Share (euro)	9	0.11	0.10
diluted Earnings per Share (euro)	9	0.11	0.10

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(€thousand)	*Note*	1st quarter 2018	1st quarter 2017
Profits for the period (A)		*7,452*	*6,743*
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		(445)	172
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
Total Other Profits/Losses, net of taxes (B)	*10*	*(445)*	*172*
Comprehensive Income (A) + (B)		*7,007*	*6,915*
Comprehensive Income attributable to:			
Shareholders of the parent company		7,007	6,915
Minority interests		0	0
		7,007	*6,915*

CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDER'S EQUITY

Description	Share Capital	Other reserves											Profits carried over from consolidated	Total Group net equity
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital	Extraordinary reserve	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		
Balance at 1st January 2017	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
Other minor variations										(1)		(1)		(1)
Consolidated comprehensive income (1/1 -31/03/17):														
- Profit for the period													6,743	6,743
- Other Profits/Losses, net of taxes									172			172		172
Balance at 31 March 2017	33,263	63,348	6,652	13	36,496	70,119	1,475	7,290	(1,729)	1,473	(826)	184,312	74,904	292,479
Allocation of 2016 profit						9,235						9,235	(9,235)	
Distribution of MAAR S.p.A. dividends													(46,568)	(46,568)
Other minor variations										(5)		(4)	1	(3)
Consolidated comprehensive income (1/04-31/12/17):														
- Profit for the period													58,761	58,761
- Other Profits/Losses, net of taxes									(11)		68	57		57
Balance at 31 December 2017	33,263	63,348	6,652	13	36,496	79,354	1,475	7,290	(1,740)	1,468	(758)	193,600	77,863	304,726
Other minor variations										(1)		(1)		(1)
Consolidated comprehensive income (1/1 -31/03/2018):														
- Profit for the period													7,452	7,452
- Other Profits/Losses, net of taxes									(445)			(445)		(445)
Balance at 31 March 2018	33,263	63,348	6,652	13	36,496	79,354	1,475	7,290	(2,185)	1,467	(758)	193,154	85,315	311,732

CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	31.03.18	31.03.17
Profit for the Period	7,452	6,743
Adjustment:		
Amortization / Depreciation	1,655	1,553
Allocation of provison for bad debts	2,731	2,349
Provision for supplementary clientele severance indemnity	194	165
Capital profit/losses on disposal of assets	6	(25)
relating to related parties	*0*	*0*
Financial (income) charges net of foreign exchange gains and losses	1,076	1,402
relating to related parties	*0*	*(4)*
Foreign exchange evaluated (gains)/losses	5	16
	5,667	5,460
Net change in Staff Severance Provision	(215)	(1,021)
(Increase) decrease in trade receivables	4,663	(11,298)
relating to related parties	*81*	*777*
(Increase) decrease in inventories	(13,931)	(26,423)
Increase (decrease) in trade payables	(46,447)	(27,272)
relating to related parties	*2,439*	*2,798*
(Increase) decrease in other assets	14,671	8,409
relating to related parties	*184*	*70*
Increase (decrease) in other liabilities	(2,201)	(1,998)
relating to related parties	*(181)*	*(5)*
Net change in tax assets / liabilities	2,406	2,502
relating to related parties	*2,740*	*2,018*
Income tax paid	0	0
relating to related parties	*0*	*0*
Interest paid	(1,309)	(1,777)
relating to related parties	*0*	*0*
Interest received	233	375
relating to related parties	*0*	*4*
Foreign exchange gains	57	153
Foreign exchange losses	(62)	(169)
Cash-flow from operating activities	(29,016)	(46,316)
(Investments) in other intangible assets	(70)	(136)
(Investments) in tangible assets	(800)	(1,522)
Net disposal of tangible assets	374	189
Net (investments) non consolidated on a line – by – line basis	0	38
Outgoing for acquisition of subsidiaries or going concerns during the year (net of the cash acquired)	67	0
Cash-flow from investment activities	(429)	(1,431)
Other changes, including those of third parties	(451)	171
Net change in financial payables (excluding the new non-current loans received)	(18,467)	(2,013)
relating to related parties	*0*	*0*
New non-current loans received	50,894	40,000
relating to related parties	*0*	*0*
Repayment of other long - term debt	(3,299)	(12,300)
relating to related parties	*0*	*0*
Net change in current financial receivables	449	(830)
relating to related parties	*556*	*(706)*
Net change in non-current financial receivables	801	562
Cash-flow from financing activities	29,927	25,590
Increase (decrease) in cash-flow	482	(22,157)
Opening cash and equivalents	156,285	114,160
Closing cash and equivalents	156,767	92,003

We point out that the figures as at 31 March 2017 have been restated, where necessary for a comparative purpose. 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 31 March 2018 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 31 March 2018 do not differ from those used in the drawing up of the consolidated financial statements as at 31 December 2017, excepted for the amendments and interpretations effective from the 1st January 2018.

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; as regards performance levels in the first quarter of 2018, see that described in the Directors' Report on management performance.

The consolidated financial statements as at 31 March 2018 show, for comparison purposes, for the statement of profit or loss the figures for the first quarter of 2017 and for the statement of financial position the figures as at 31 December 2017 and at 31 March 2017.

The following classifications have been used:

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

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

The figures are expressed in Euros.

The statements and tables contained in this quarterly report are shown in thousands of Euros.

The interim report is not subject to auditing.

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 31 March 2018 include the financial statements of the Parent Company MARR S.p.A. and those of the companies it either directly or indirectly controls.
Control is achieved when the Group is exposed or has the right to variable performance levels, deriving from its own relations with the entity involved in the investment and, simultaneously, has the capacity to affect these performance levels by exercising its power over the entity. Specifically, the Group controls a subsidiary if, and only if, the Group has:
· the power over the entity involved in the investment (or has valid rights conferring upon it the current capacity to manage the significant activities of the entity being invested in);
· exposure or the right to variable performance levels deriving from relations with the entity being invested in;
· the capacity to exercise its own power over the entity being invested in terms of affecting the amount deriving from its performance.
There is a general assumption that the majority of voting rights implies control. In support of this assumption and when the Group possesses less than the majority of the voting (or similar) rights, the Group considers all the significant facts and circumstances to establish whether it controls the entity being invested in, including:
· contractual agreements with other owners of voting rights;
· rights deriving from contractual agreements;
· voting rights and potential voting rights of the Group.
The Group reconsiders whether it has control over a subsidiary or not if the facts and circumstances indicate that there have been changes in one or more of the significant elements defining control.

The complete list of subsidiaries included in the scope of consolidation as at 31 March 2018, with an indication of the method of consolidation, is included in the Group Organisation section.
The interim condensed consolidated financial statements have been prepared on the basis of the financial statements as at 31 March 2018 prepared by the subsidiaries included in the scope of consolidation and adjusted, if necessary, in order to align them to the accounting Group policies and classification criteria, in accordance with IFRS.

The structure of the Group as at 31 March 2018 differs from 31 December 2017 and also from 31 March 2017 for the consolidation of Griglia Doc. S.r.l. following the purchase, finalised on 27 February 2018, of the residual 50% of its share capital by the subsidiary DEAL S.r.l. Depositi Alimentari.

We recall that Griglia Doc. S.r.l. was establish on 4 April 2016 with 50% investment by DE..AL S.r.l. Depositi Alimentari. Until the 31 December 2017 the Griglia DOC's investment has been evaluated at equity.

As of the date of acquisition of control, the overall cost of the holding amounted to a net value of 930 thousand Euros. The transaction has not led to the recording of any values in the assets section of the Statement of Financial Position as goodwill and, net of the cash-out in the quarter (190 thousand Euros), generated an overall impact on the net financial position as at 31 March 2018 amounting to a positive net value of 67 thousand Euros. As regards the impacts on the Consolidated Statement of Financial Position as at 31 March 2018, see, specifically, the paragraph on Investments in the Directors' Report.

Accounting policies

The criteria for assessment used for the purpose of predisposing the consolidated accounts up for the quarter closed on 31 March 2018 do not differ from those used for the drafting of the consolidated financial statements as at 31 December

2017. It should be highlighted that the new Accounting Standards, interpretations and changes to the Accounting Standards listed above did not affected the equity, economic and financial situation of the present interim statement of the Group:

- 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 (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.
- Changes to IFRS 2 – Clarifications of classification and measurement of share based payment transactions. This amendment is 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.
- Changes to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts. This amendment is applicable from 1st 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.
- IFRIC 22 – Foreign Currency Transactions and Advance Consideration. The interpretation (which is 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.
- 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.
- Improvements to the International Financial Reporting Standards (2014-2016). These are part of the annual improvement plan for the standards and 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;
  - Changes to IFRS 9 - Financial Instruments. The changes, published in October 2017, concern the "Prepayment Features with Negative Compensation" which enable the application of the amortized cost or the fair value through other comprehensive income (OCI) for the financial activities with an option of advance termination ("negative compensation");
  - Changes to IAS 28 - Long-term Interests in Associates and Joint Ventures. The changes specify that IFRS 9 must be applied to the long-term receivables from an associate company or a joint venture which, in substance, is part of the investment in the associate company or joint venture;

The new accounting standards, amendments and interpretations applicable from subsequent financial years are mentioned below:

- 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; for further detail regarding the estimated effects we refer to the Explanatory Notes of the consolidation at 31 December 2017.

- IFRIC 23 - Uncertainty over Income Tax Treatments. This interpretation provides indications on how to reflect in the accounting of income tax the uncertainties of the fiscal treatment of a specific phenomenon. IFRIC 23 will come into force on 1 January 2019

Finally we remind that IASB on 12 December 2017 published the *Annual Improvements to IFRS (2015 – 2017 cycle)* that included the modify at *IAS 12 – Income Taxes;, at IAS 23 – Borrowing Costs, at IFRS 3 – Business Combinations – and at IFRS 11 – Joint Arrangement.*

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)	1st quarter 2018	1st quarter 2017
Net revenues from sales - Goods	327,802	319,027
Revenues from Services	51	78
Other revenues from sales	0	5
Manufacturing on behalf of third parties	4	4
Rent income (typical management)	13	79
Other services	673	575
Total revenues	328,543	319,768

For a comment on the trend of the revenues from sales of goods 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)	1st quarter 2018	1st quarter 2017
Italy	310,121	290,344
European Union	12,668	18,217
Extra-EU countries	5,754	11,207
Total	328,543	319,768

2. Other revenues

The Other revenues are broken down as follows:

(€thousand)	1st quarter 2018	1st quarter 2017
Contributions from suppliers and others	7,548	7,915
Other Sundry earnings and proceeds	109	228
Reimbursement for damages suffered	73	158
Reimbursement of expenses incurred	164	212
Recovery of legal taxes	8	4
Capital gains on disposal of assets	17	35
Total other revenues	7,919	8,552

The "Contributions from suppliers and others" consist mainly of contributions obtained from suppliers for the commercial promotion of their products with our customers.
The comparison with the previous year shows that part of the contribution from suppliers has been included to reduce the cost of purchasing materials following the reformulation of some of the contracts for the recognition of end-of-year bonuses.

3. Purchase of goods for resale and consumables

This item is composed of:

(€thousand)	Ist quarter 2018	Ist quarter 2017
Purchase of goods	282,422	287,792
Purchase of packages and packing material	1,002	1,019
Purchase of stationery and printed paper	147	178
Purchase of promotional and sales materials and catalogues	77	53
Purchase of various materials	107	145
Discounts and rebates from suppliers	(1,055)	(96)
Fuel for industrial motor vehicles and cars	49	83
Total purchase of goods for resale and consumables	282,749	289,174

As regards the performance of the purchase cost of goods destined for commercialisation, see the Directors' Report and the relevant comments on the gross margin.
As highlighted in the previous paragraph, the item "Purchases of goods" benefit for some 962 thousand Euros, of the part of contribution from suppliers identifiable as end-of year bonuses.

4. Personnel costs

As at 31 March 2018 the item amounts to 9,186 thousand Euros (9,318 thousand Euros as at 31 March 2017) 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.

This item shows a slight decrease compared to the same period in the previous business year, also as a result of the process of outsourcing some activities conducted in the previous business year and as a result of which the average number of employees in the first quarter of 2018 was 825 (844 in the same period of 2017).

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

5. Amortizations, depreciations and write-downs

(€thousand)	Ist quarter 2018	Ist quarter 2017
Depreciation of tangible assets	1,577	1,503
Amortization of intangible assets	77	50
Provisions and write-downs	2,925	2,514
Total amortization and depreciation	4,579	4,067

The item "Provision and write-downs" refers for 2,731 thousand Euros to the provision for bad debts and for 194 thousand Euros to the provision for supplementary clientele severance indemnity.

6. Other operating costs

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

(€thousand)	1st quarter 2018	1st quarter 2017
Operating costs for services	39,232	38,002
Operating costs for leases and rentals	2,410	2,421
Operating costs for other operating charges	410	374
Total other operating costs	42,052	40,797

The operating costs for services mainly include the following items: sale expenses, distribution and logistics costs for our products for 31,663 thousand Euros (32,107 thousand Euros in the first quarter of 2017), utility costs for 2,219 thousand Euros (2,192 thousand Euros in the first quarter of 2017), handling costs for 1,060 thousand Euros (964 thousand Euros in the first quarter of 2017), third party works for 917 thousand Euros (811 thousand Euros in the first quarter of 2017) and maintenance costs amounting to 1,230 thousand Euros (1,206 thousand Euros in the first quarter of 2017).

Costs for leases and rentals mainly concern the rental fees for industrial buildings that amount to a total of 2,297 thousand Euros (2,325 thousand Euros as at 31 March 2017).
It should be pointed out that the item "Lease of industrial buildings" includes, for 167 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 Battistini 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 143 thousand Euros, expenses for credit recovery for 129 thousand Euros and "local council duties and taxes" for 75 thousand Euros.

7. Financial income and charges

Details of "Financial income and charges" are as follows:

(€thousand)	1st quarter 2018	1st quarter 2017
Financial charges	1,310	1,777
Financial income	(233)	(375)
Foreign exchange (gains)/losses	22	164
Total financial (income) and charges	1,099	1,566

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.

As also highlighted in the Directors' Report, the decrease in financial charges has benefited from a reduction in the cost of money related, in addition to the trend of interest rates, to the renegotiation of some long term debt finalised at the end of the 2017 and in the first quarter of 2018.

8. Taxes

(€thousand)	1st quarter 2018	1st quarter 2017
Ires / Ires charge transferred to Parent Company	2,952	2,186
Irap	642	599
Net provision for deferred taxes	(318)	255
Total taxes	3,276	3,040

9. Earning per shares

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

(Euros)	1st quarter 2018	1st quarter 2017
Basic Earnings Per Share	0.11	0.10
Diluted Earnings Per Share	0.11	0.10

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

Earnings:

(€thousand)	1st quarter 2018	1st quarter 2017
Profit for the period	7,452	6,743
Minority interests	0	0
Profit used to determine basic and diluted earnings per share	7,452	6,743

Number of shares:

(number of shares)	1st quarter 2018	1st quarter 2017
Weighted average number of ordinary shares used to determine basic earning per share	66,525,120	66,525,120
Adjustments for share options	0	0
Weighted average number of ordinary shares used to determine diluted earning per share	66,525,120	66,525,120

10. 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 by the Group to hedge the underlying goods purchasing operations. The value indicated, amounting to a total loss of 455 thousand Euros in the first quarter of 2018 (+172 thousand Euros in the same period of the previous year), is shown net of the taxation effect (that amounts to a positive effect of approximately 55 thousand Euros as at 31 March 2018).
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 May 2018

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 a complete part.

- Appendix I – Reconciliation of liabilities deriving from financing activities as at 31 March 2018.

RECONCILIATION OF LIABILITIES DERIVING FROM FINANCING ACTIVITIES AS AT 31 MARCH 2018

	31 March 2018	Cash flows	Non-financial changes				31 December 2017
			Purchases	Other changes/ reclassifications	Exchange rates variations	Fair value variation	
Current payables to bank	45,879	(17,866)	0	0	0	0	63,745
Current portion of non current debt	49,349	(921)	0	5,402	0	0	44,868
Current financial payables for bond private placement in US dollars	311	(755)	0	311	0	0	755
Current financial payables for leasing contracts	221	(53)	0	55	0	0	219
Current financial payables for purchase of quotas or shares	10,574	0	0	0	0	0	10,574
Total current financial payables	106,334	(19,595)	0	5,768	0	0	120,161
Current payables/(receivables) for hedging financial instruments	0	(7)	0	0	0	0	7
Total current financial instruments	0	(7)	0	0	0	0	7
Non-current payables to bank	202,587	48,406	0	(5,402)	0	0	159,583
Non-current financial payables for bond private placement in US dollars	34,662	0	0	13	(954)	0	35,603
Non-current financial payables for leasing contracts	453	0	0	(56)	0	0	509
Non-current financial payables for purchase of quotas or shares	0	0	0	0	0	0	0
Total non-current financial payables	237,702	48,406	0	(5,445)	(954)	0	195,695
Non-current payables/(receivables) for hedging financial instruments	955	0	0	0	955	0	0
Total non-current financial instruments	955	0	0	0	955	0	0
Total liabilities arising from financial activities	344,991	28,804	0	323	1	0	315,863

Reconciliation of variations with Cash Flows Statement (Indirect Method)	
Cash flows	28,804
Other changes/ reclassifications	323
Exchange rates variations	1
Fair value variation	0
Total detailed variations in the table	29,128
Other changes in financial liabilities	(18,467)
New non-current loans received	50,894
Non current loans repayment	(3,299)
Total changes shown between financing activities in the Cash Flows Statement	29,128

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 May 2018

Pierpaolo Rossi
Manager responsible for the drafting
of corporate accounting documents