



Interim Report
as at 31 March 2017

12 May 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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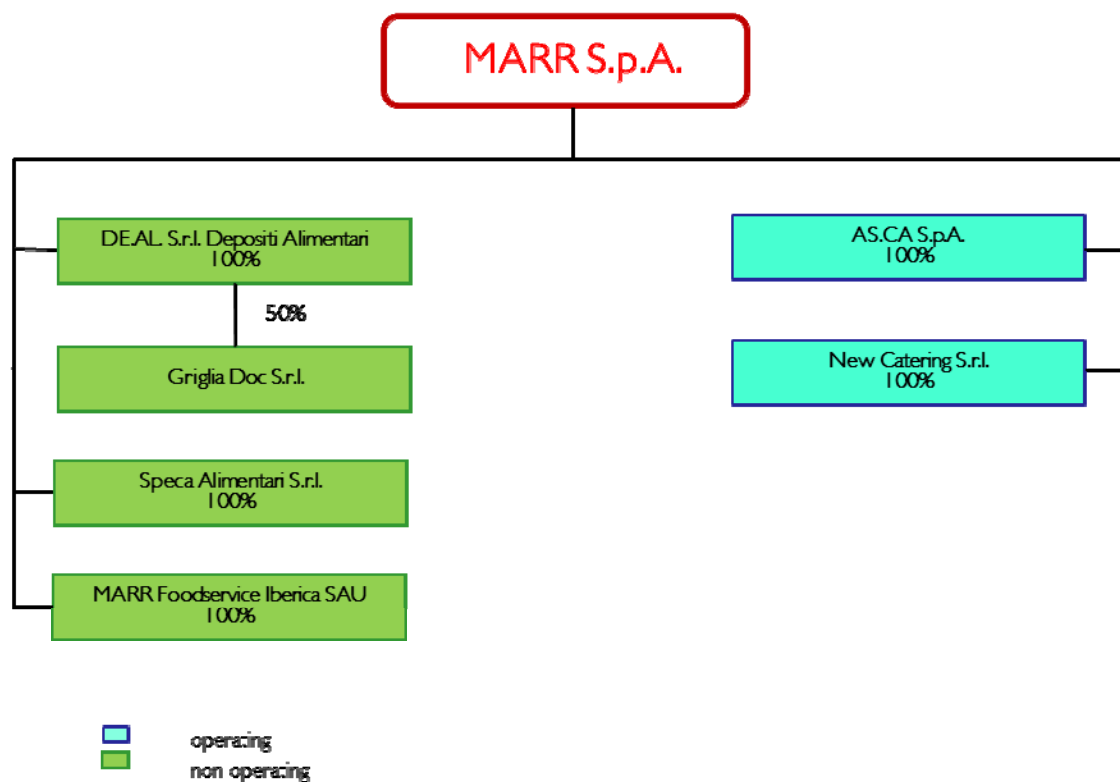
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MARR GROUP ORGANISATION

as at 31 March 2017



As at 31 March 2017 the structure of the Group differs from that at 31 December 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 bearing 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.

Compared to the situation as at 31 March 2016, it should be noted the following:

- The purchase, finalised by MARR S.p.A. on 4 April 2016, of the 100% of the shares of the company DEAL S.r.l. (company in Abruzzo operating in the distribution of food products to the Foodservice sector under the brand "PAC Food") that hold a quota of 50% in the company Griglia Doc S.r.l.; DEAL S.r.l. subsequently leased its going concern to the parent company MARR S.p.A., which manages it through the new MARR Adriatico Branch as of 1 October 2016 and it is therefore a non-operational company;
- the cancellation from the Companies Register, on 15 November 2016, of the company Alisurigel S.r.l. (97% of the holdings in which were owned by MARR S.p.A. and 3% by Sfera S.p.A.); 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'Azero 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'Azero n.1/A - Santarcangelo di Romagna (Rn)	Marketing and distribution of foodstuff products to bars and fast food outlets.
DE.AL. S.r.l. Depositi Alimentari Via Tevere n. 125 – Elice (PE)	Marketing and distribution of fresh, dried and frozen food products for Foodservice operators.
Specia Alimentari S.r.l. Via dell'Azero n.1/A - Santarcangelo di Romagna (Rn)	Company no operational.
MARR FOODSERVICE IBERICA S.A.U. Calle Lagasca n. 106 1° centro - Madrid (Spagna)	Company no longer operational.
Griglia Doc S.r.l. Via Tevere n. 125 – Elice (PE)	Company no operational.

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

CORPORATE BODIES OF MARR S.p.A.

Board of Directors

Chairman	Paolo Ferrari
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.
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Manager responsible for the drafting of corporate accounting documents	Pierpaolo Rossi
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DIRECTORS' REPORT

Group performance and analysis of the results for the first quarter of 2017

The interim report as at 31 March 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.

In the first three months of 2017, Group sales amounted to 323.3 million Euros (300.5 million in 2016), with sales to clients in the "Street Market" and "National Account" categories amounting to 257.8 million Euros (238.5 million in 2016).

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.

Sales in the "Street Market" category (restaurants and hotels not belonging to Groups or Chains) reached 186.7 million Euros (169.1 million in 2016), with the contribution of the acquisitions of DE.AL and Specca amounting to 9.3 million Euros.

Sales to clients in the "National Account" category (operators in Canteens and Chains and Groups) amounted to 71.0 million Euros (69.5 million in 2016).

Sales to clients in the "Wholesale" category amounted to 65.5 million Euros in the first quarter of 2017, compared to 61.9 million in 2016.

The total consolidated revenues for the period amounted to 328.3 million Euros, an increase compared to 304.6 million in the first quarter of 2016.

EBITDA and EBIT also increased, to 15.4 million Euros (14.7 million in 2016) and 11.4 million Euros (11.1 million in 2016) respectively, with EBIT being affected by the increase in depreciations for investments in the modernisation and expansion of the distribution centres and for the acquisitions of DE.AL and Specca.

The net result for the period amounted to 6.7 million Euros, compared to 6.2 million 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)	31 March 2017	31 March 2016
<u>Revenues from sales and services by customer category</u>		
Street market	186,757	169,070
National Account	71,049	69,467
Wholesale	65,479	61,950
Total revenues form sales in Foodservice	323,285	300,487
(1) Discount and final year bonus to the customers	(4,259)	(4,277)
(2) Other services	600	673
(3) Other	142	36
Revenues from sales and services	319,768	296,919

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, the statement of financial position and the net financial position for the first quarter of 2017, compared to the same period of the previous year.

Analysis of the re-classified income statement¹

MARR Consolidated (€thousand)	1st quarter 2017	%	1st quarter 2016	%	% Change
Revenues from sales and services	319,768	97.4%	296,919	97.5%	7.7
Other earnings and proceeds	8,552	2.6%	7,723	2.5%	10.7
Total revenues	328,320	100.0%	304,642	100.0%	7.8
Cost of raw and secondary materials, consumables and goods sold	(289,174)	-88.1%	(260,261)	-85.4%	11.1
Change in inventories	26,423	8.0%	18,110	5.9%	45.9
Services	(38,003)	-11.6%	(36,441)	-12.0%	4.3
Leases and rentals	(2,421)	-0.7%	(2,275)	-0.7%	6.4
Other operating costs	(373)	-0.1%	(359)	-0.1%	3.9
Value added	24,772	7.5%	23,416	7.7%	5.8
Personnel costs	(9,318)	-2.8%	(8,697)	-2.9%	7.1
Gross Operating result	15,454	4.7%	14,719	4.8%	5.0
Amortization and depreciation	(1,553)	-0.5%	(1,273)	-0.4%	22.0
Provisions and write-downs	(2,514)	-0.7%	(2,292)	-0.7%	9.7
Operating result	11,387	3.5%	11,154	3.7%	2.1
Financial income	375	0.1%	422	0.1%	(11.1)
Financial charges	(1,777)	-0.6%	(2,167)	-0.7%	(18.0)
Foreign exchange gains and losses	(164)	0.0%	251	0.1%	(165.3)
Value adjustments to financial assets	(38)	0.0%	0	0.0%	100.0
Result from recurrent activities	9,783	3.0%	9,660	3.2%	1.3
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	9,783	3.0%	9,660	3.2%	1.3
Income taxes	(3,040)	-0.9%	(3,459)	-1.2%	(12.1)
Total net profit	6,743	2.1%	6,201	2.0%	8.7
(Profit)/loss attributable to minority interests	0	0.0%	0	0.0%	0.0
Net profit attributable to the MARR Group	6,743	2.1%	6,201	2.0%	8.7

As at 31 March 2017 the consolidated operating economic results are as follows: total revenues of 328.3 million Euros (+7.8%); EBITDA² of 15.4 million Euros (+5.0%); EBIT of 11.4 million Euros (+2.1%).

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 variation in total revenues (+7.7% compared to the same period in the previous year) is a consequence of the performance of sales in each client category, as previously analysed.

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.

The increased quantity of supplies recorded at the end of the quarter is due to specific supply policies, which mainly concern frozen seafood products originating from non-EEC countries, implemented with a view to the Easter festivities and summer season.

As had already emerged at 31 December 2016 as regards the operating costs, a reduction in their incidence on the total revenues has led to an increase in the absolute value of services costs, mainly correlated to the acquisition of the companies DE.AL and Specia Alimentari (effective from 3 April 2016 and 1 January 2017 respectively), in addition to an increase in the costs of dispatching and handling goods, correlated to the process of centralisation of deliveries to suppliers to the logistical platforms.

Also with reference to Leases and rental costs it must be highlighted that their increase in absolute value, compared to the same period of the previous year, is related to the rent fees for the building in Elice (PE) and Baveno (VB) where, as consequence of the purchase of the two subsidiaries, respectively the distribution centres MARR Adriatico and MARR Specia Alimentari carry out their activity, as highlighted in the previous paragraph.

The percentage incidence of the other operating cost items is in line with those for the same period of the previous business year.

As regards the cost of employment, the increase in absolute value compared to the same period of the previous year is mainly linked to the entry into the Group of the workforce of the companies DE.AL and Specia Alimentari, in addition to the remuneration increases provided by the CCNL for workers in companies in the tertiary sector of distribution and services, which was renewed in 2015 and provides for increases from April 2015 until 2017.

By effect of that described above and a careful management of the hours of leave/permits and overtime the percentage incidence of the Personnel cost on the total revenues remains substantially aligned with that one of the first quarter of 2016.

The increase in 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 2.5 million Euros (2.3 million in same period of 2016) and consists for 2,3 million Euros by the provision for bad debts and for 0.2 million Euros by the provision for supplementary client severance indemnity.

The result from recurrent activities, that at the end of the quarter amounts to 9.8 million Euros, has taken advantage of a decrease of the net financial charges (-0.1 million Euros), related partially to the reduction of interest rates which resulted in a lower cost of money.

The tax rate of the period is 31.1% (35,8% 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.

As at 31 March 2017 the total net result reached 6.7 million Euros, increasing by 8.7% compared to the same period of the previous year.

Analysis of the re-classified statement of financial position

MARR Consolidated (€thousand)	<i>31.03.17</i>	<i>31.12.16</i>	<i>31.03.16*</i>
Net intangible assets	151,075	144,385	107,949
Net tangible assets	71,796	71,729	70,934
Equity investments evaluated using the Net Equity method	853	891	0
Equity investments in other companies	319	315	304
Other fixed assets	31,624	28,688	28,391
Total fixed assets (A)	255,667	246,008	207,578
Net trade receivables from customers	385,940	375,650	376,929
Inventories	169,399	142,336	137,968
Suppliers	(285,858)	(312,094)	(256,273)
Trade net working capital (B)	269,481	205,892	258,624
Other current assets	36,638	54,948	42,391
Other current liabilities	(27,075)	(26,147)	(27,738)
Total current assets/liabilities (C)	9,563	28,801	14,653
Net working capital (D) = (B+C)	279,044	234,693	273,277
Other non current liabilities (E)	(938)	(855)	(628)
Staff Severance Provision (F)	(9,806)	(10,621)	(9,913)
Provisions for risks and charges (G)	(6,266)	(6,187)	(4,805)
Net invested capital (H) = (A+D+E+F+G)	517,701	463,038	465,509
Shareholders' equity attributable to the Group	(292,479)	(285,565)	(277,714)
Shareholders' equity attributable to minority interests	0	0	0
Consolidated shareholders' equity (I)	(292,479)	(285,565)	(277,714)
(Net short-term financial debt)/Cash	(24,454)	(463)	(10,568)
(Net medium/long-term financial debt)	(200,768)	(177,010)	(177,227)
Net financial debt (L)	(225,222)	(177,473)	(187,795)
Net equity and net financial debt (M) = (I+L)	(517,701)	(463,038)	(465,509)

* With regard to the balance sheet as at 31 March 2016 it should be noted:

1) For a better representation of the dictates of IAS 12 "Income tax" in relation to the compensation of deferred taxes, as of 30 June 2016 the Group considered appropriate to reclassify quotas of deferred tax assets and liabilities - where there is a legally enforceable right to set-off current tax assets - with corresponding current tax liabilities, reclassifying consequently the comparative data. This restatement of the comparative data as at March 31, 2016 implied a balance sheet reclassification with a reduction in deferred tax assets and liabilities of 10.6 million Euros.

2) As of 30 June 2016 the tax provision for interim financial statements consisting of current taxes for the period was reclassified to other current liabilities; this balance sheet reclassification on the comparative data as at March 31, 2016 implied a reduction of Provisions for risks and charges and an increase of Other current liabilities for 3.6 million Euros.

Analysis of the Net Financial Position³

The following represents the trend in Net Financial Position.

MARR Consolidated (€thousand)	<i>31.03.17</i>	<i>31.12.16</i>	<i>31.03.16</i>
A. Cash	4,601	9,137	5,408
Cheques	0	0	16
Bank accounts	87,019	104,770	61,272
Postal accounts	383	253	425
B. Cash equivalent	87,402	105,023	61,713
C. Liquidity (A) + (B)	92,003	114,160	67,121
Current financial receivable due to parent company	3,636	2,930	1,104
Current financial receivable due to related companies	0	0	0
Others financial receivable	1,043	919	1,426
D. Current financial receivable	4,679	3,849	2,530
E. Current Bank debt	(51,971)	(53,280)	(22,703)
F. Current portion of non current debt	(57,339)	(52,887)	(56,258)
Financial debt due to parent company	0	0	0
Financial debt due to related company	0	0	0
Other financial debt	(11,826)	(12,305)	(1,259)
G. Other current financial debt	(11,826)	(12,305)	(1,259)
H. Current financial debt (E) + (F) + (G)	(121,136)	(118,472)	(80,220)
I. Net current financial indebtedness (H) + (D) + (C)	(24,454)	(463)	(10,569)
J. Non current bank loans	(148,681)	(125,240)	(138,843)
K. Other non current loans	(52,087)	(51,770)	(38,383)
L. Non current financial indebtedness (J) + (K)	(200,768)	(177,010)	(177,226)
M. Net financial indebtedness (I) + (L)	(225,222)	(177,473)	(187,795)

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 225,2 million Euros (177.5 million as at 31 December 2016 and 187.8 million Euros as at 31 March 2016).

The increase compared to the first quarter of last year is also due to the effect of the acquisitions of the companies DE.AL Depositi Alimentari S.r.l. and Specia Alimentari S.r.l., which have had an overall impact on the net financial position of the Group, net of the cash and cash equivalents acquired, amounting to a total of 40.6 million Euros.

In addition to the everyday operating management, there have also been financial outgoings linked to the investments made in the various distribution centres of the Parent Company during 2016 and in the first three months of 2017, as described later in the paragraph on "Investments".

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.

As regards the structure of the sources of financing, it must be highlighted that during the course of the quarter, the Parent Company signed two new loans as follows:

- unsecured loan, granted by UBI Banca for a total amount of 10 million of Euros and with amortization plan ending in March 2021;
- unsecured loan, granted by BNL for a total amount of 30 million of Euros and with due date in September 2020.

The net financial position as at 31 March 2017 is in line with the company objectives.

Analysis of the Trade net working Capital

MARR Consolidated (€thousand)	<i>31.03.17</i>	<i>31.12.16</i>	<i>31.03.16</i>
Net trade receivables from customers	385,940	375,650	376,929
Inventories	169,399	142,336	137,968
Suppliers	(285,858)	(312,094)	(256,273)
Trade net working capital	269,481	205,892	258,624

As at 31 March 2017 the trade net working capital amounts to 269.5 million Euros, an improvement compared to 258.6 million at the end of the first quarter of 2016 as a result of the increase in revenues and increased inventories due to specific supply policies implemented with a view to the Easter festivities and summer season.

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

Re-classified cash-flow statement

MARR Consolidated (€thousand)	<i>31.03.17</i>	<i>31.03.16*</i>
Net profit before minority interests	6,743	6,201
Amortization and depreciation	1,553	1,273
Change in Staff Severance Provision	(815)	(67)
Operating cash-flow	7,481	7,407
(Increase) decrease in receivables from customers	(10,290)	508
(Increase) decrease in inventories	(27,063)	(18,110)
Increase (decrease) in payables to suppliers	(26,236)	(20,433)
(Increase) decrease in other items of the working capital	19,238	10,479
Change in working capital	(44,351)	(27,556)
Net (investments) in intangible assets	(6,740)	(152)
Net (investments) in tangible assets	(1,571)	(3,604)
Net change in financial assets and other fixed assets	(2,902)	1,194
Net change in other non current liabilities	162	(241)
Investments in other fixed assets	(11,051)	(2,803)
Free - cash flow before dividends	(47,921)	(22,952)
Distribution of dividends	0	0
Capital increase	0	0
Other changes, including those of minority interests	172	(316)
Cash-flow from (for) change in shareholders' equity	172	(316)
FREE - CASH FLOW	(47,749)	(23,268)
Opening net financial debt	(177,473)	(164,527)
Cash-flow for the period	(47,749)	(23,268)
Closing net financial debt	(225,222)	(187,795)

* With respect the data as at 31 March 2016 it should be noted that for a better representation of the dictates of IAS 12 "Income tax" in relation to the compensation of deferred taxes, as of 30 June 2016 the Group considered it appropriate to reclassify quotas of deferred tax assets and liabilities where there is a legally enforceable right to set off current tax assets with corresponding current tax liabilities; therefore the comparative data as at 31 March 2016 have been restated.

Investments

As regards the investments in the first quarter of 2017 it is highlighted the purchase by MARR of the holdings of the company Speca Alimentari S.r.l. with effect since 1 January 2017; this operation implied the accounting of a goodwill, provisionally determined in 6,603 thousand Euros and the entry of tangible assets for a total net value of 214 thousand Euros, mainly concentrated in the categories "Industrial and business equipment" (for 107 thousand Euros) and "Other assets" (for 99 thousand Euros).

Furthermore it should be noted that the continuation of the expansion and modernisation works of some distribution centres started in the year 2014, implied investments that affected the categories "Land and buildings" and "Plant and machinery" as follows:

- by the new distribution centre "Marr Battistini" in the new location in Rimini, Via Spagna for total 540 thousand Euros,
- by the distribution centre "Marr Adriatico" in Elice for total 175 thousand Euros,
- by the distribution centre "Marr Bologna" for total 124 thousand Euros.

The following is a summary of the net investments made in the first quarter of 2017:

<i>(€thousand)</i>	31.03.17
<i>Intangible assets</i>	
Patents and intellectual property rights	10
Concessions, licenses, trademarks and similar rights	0
Fixed assets under development and advances	127
Other intangible assets	0
Goodwill	6,603
Total intangible assets	6,740
<i>Tangible assets</i>	
Land and buildings	650
Plant and machinery	497
Industrial and business equipment	186
Other assets	179
Fixed assets under development and advances	59
Total tangible assets	1,571
Total	8,311

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

As at 31 March 2017 the company don't owns own shares.

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

Main events in the first quarter of 2017

On 1 January 2017, the acquisition by MARR S.p.A. of 100% of the shareholding in the company Specca Alimentari S.r.l. with headquarters in Baveno (VB), owner of the firm bearing the same name operating in the Foodservice sector, became effective. 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. The transaction involves a purchase price of 7.3 million Euros, 50% of which was paid as of 31 December 2016, with the balance to be paid in two instalments after 12 and 24 months, to which an adjustment may be added to be paid by the end of the first half of 2017.

Again as of 1 January 2017, Specca Alimentari S.r.l. leased its going concern to the parent company MARR S.p.A., which manages it through the new MARR Specca Alimentari distribution center.

In mid-February, a project was launched aimed at increasing the commercial offer in the Romagna area, starting with the enhancement of the offer of fresh seafood products, opening a new operating structure at the historical premises in via Spagna in Rimini, to which all the activities (specialising in the commercialisation of fresh shellfish) previously carried out by the MARR Baldini distribution center were contributed. A new distribution center has thus been created which will operate through the facilities in Rimini (in via Spagna) and Cesenatico, called "MARR Battistini", which represents a reference point for the offer of fresh seafood products in the important Romagna area, where MARR was founded 45 years ago; 2017 is indeed the 45th anniversary of the MARR's business activities.

On 28 April the Shareholders' meeting approved the financial statement as at 31 December 2016 and the distribution to the Shareholders of a gross dividend per share of 0.70 Euros (0.66 Euros the previous year) with "ex-coupon" (no. 13) on 22 May (record date on 23 May) in accordance with the Italian Stock Exchange.

The same Shareholders' Meeting also decided on the appointment of the Board of Directors, the number of members of which has been reduced from eleven to nine, and the Board of Statutory Auditors, which will both be in office for three business years and thus until the Shareholders' meeting for the approval of the financial statements for 2019.

Paolo Ferrari (Chairman), Francesco Ospitali, Pierpaolo Rossi, Claudia Cremonini, Vincenzo Cremonini, Marinella Monterumisi, Alessandro Nova, Ugo Ravanelli and Rossella Schiavini were appointed members of the Board of Directors.

Massimo Gatto (Chairman), Ezio Maria Simonelli, Paola Simonelli, standing members, and Alvise Deganello and Simona Muratori, alternate members, were also appointed members of the Board of Statutory Auditors.

As at 28 April the meeting of the Board of Directors held after the Shareholders' Meeting appointed as Chief Executive Officer Francesco Ospitali.

According to the law and the Borsa Italiana Corporate Governance Code, the Board of Directors also assessed the possession of the independence requirements for the Directors: Marinella Monterumisi, Alessandro Nova, Ugo Ravanelli and Rossella Schiavini. Specifically, the Director Ugo Ravanelli in declaring their possession of the independence requirements, submitted the assessment of the requirements in Art. 3.C.1 sub. b), d) and e) of the Borsa Italiana Corporate Governance Code to the Board of Directors, which deemed that the independence requirements do exist in concrete terms and that it is a priority to guarantee their contribution to the Company in terms of knowledge and skills.

The Board of Directors also acknowledged the independence assessment conducted by the Board of Statutory Auditors for its members.

The Board of Directors confirmed the set-up of the Remuneration and Nomination Committee composed by: Marinella Monterumisi (Chairman of the Committee), Alessandro Nova e Ugo Ravanelli and of the Control and Risk Committee composed by: Marinella Monterumisi, Ugo Ravanelli (Chairman of the Committee) e Rossella Schiavini.

Finally the Board of Directors appointed the Manager for Finance, Controlling and Administration Pierpaolo Rossi as "Manager responsible for preparing the company's financial reports", pursuant to art. 21 of the Company by-laws, by attributing him tasks, responsibilities and resources provided for under art. 154-bis, decree law 58, 24th February 1998.

Antonio Tiso, who previously was "Manager responsible for preparing the company's financial reports", will collaborate with the Chief Executive Officer for the activities of "Strategic Business Planning", maintaining the role of Investor Relator and that of responsible of the IT department.

Events occurred after the closing of the quarter

There were no significant events.

Outlook

The sales trend in April – with Easter falling on 16 April (27 March in 2016), which had a positive effect on sales to clients in the Street Market category and, vice versa, penalised those to clients in the National Account category – puts sales in the first four months in line with the growth objectives for the year. The positive contribution of sales of the newly acquired Speca was confirmed for the period.

Interim Consolidated
Financial Statements

MARR Group

Interim Report
as at 31 March 2017

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

<i>(€thousand)</i>	<i>31.03.17</i>	<i>31.12.16</i>	<i>31.03.16*</i>
ASSETS			
Non-current assets			
Tangible assets	71,796	71,729	70,934
Goodwill	149,882	143,280	107,096
Other intangible assets	1,193	1,105	853
Investments valued at equity	853	891	0
Investments in other companies	319	315	304
Non-current financial receivables	1,950	2,153	2,447
Financial instruments/derivatives	5,042	5,401	3,165
Deferred tax assets	0	0	0
Other non-current assets	33,637	30,833	31,010
Total non-current assets	264,672	255,707	215,809
Current assets			
Inventories	169,399	142,336	137,968
Financial receivables	4,666	3,848	2,530
<i>relating to related parties</i>	<i>3,636</i>	<i>2,930</i>	<i>1,104</i>
Financial instruments / derivative	13	1	0
Trade receivables	376,935	365,950	368,698
<i>relating to related parties</i>	<i>11,329</i>	<i>12,106</i>	<i>8,731</i>
Tax assets	8,657	8,530	9,429
<i>relating to related parties</i>	<i>1,010</i>	<i>1,011</i>	<i>1,409</i>
Cash and cash equivalents	92,003	114,160	67,121
Other current assets	27,981	46,418	32,962
<i>relating to related parties</i>	<i>102</i>	<i>172</i>	<i>67</i>
Total current assets	679,654	681,243	618,708
TOTAL ASSETS	944,326	936,950	834,517
LIABILITIES			
Shareholders' Equity			
Shareholders' Equity attributable to the Group	292,479	285,565	277,714
<i>Share capital</i>	<i>33,263</i>	<i>33,263</i>	<i>33,263</i>
<i>Reserves</i>	<i>184,312</i>	<i>184,141</i>	<i>172,132</i>
<i>Retained Earnings</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Profit for the period attributable to the Group</i>	<i>74,904</i>	<i>68,161</i>	<i>72,319</i>
Shareholders' Equity attributable to minority interests	0	0	0
<i>Minority interests' capital and reserves</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Profit for the period attributable to minority interests</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total Shareholders' Equity	292,479	285,565	277,714
Non-current liabilities			
Non-current financial payables	200,683	176,923	177,100
Financial instruments/derivatives	85	87	127
Employee benefits	9,806	10,621	9,913
Provisions for risks and costs	5,719	5,861	4,268
Deferred tax liabilities	547	326	537
Other non-current liabilities	938	855	628
Total non-current liabilities	217,778	194,673	192,573
Current liabilities			
Current financial payables	121,136	118,472	80,090
<i>relating to related parties</i>	<i>0</i>	<i>0</i>	<i>0</i>
Financial instruments/derivatives	0	0	129
Current tax liabilities	4,846	2,438	5,628
<i>relating to related parties</i>	<i>2,017</i>	<i>0</i>	<i>3,791</i>
Current trade liabilities	285,858	312,094	256,273
<i>relating to related parties</i>	<i>9,740</i>	<i>6,942</i>	<i>10,846</i>
Other current liabilities	22,229	23,708	22,110
<i>relating to related parties</i>	<i>25</i>	<i>30</i>	<i>46</i>
Total current liabilities	434,069	456,712	364,230
TOTAL LIABILITIES	944,326	936,950	834,517

* With regard to the balance sheet data as at 31 March 2016 it should be noted:

1) For a better representation of the dictates of IAS 12 "Income tax" in relation to the compensation of deferred taxes, as of 30 June 2016 the Group considered appropriate to reclassify quotas of deferred tax assets and liabilities - where there is a legally enforceable right to set-off current tax assets - with corresponding current tax liabilities, reclassifying consequently the comparative data. This restatement of the comparative data as at March 31, 2016 implied a balance sheet reclassification with a reduction in deferred tax assets and liabilities of 10.6 million Euros.

2) As of 30 June 2016 the tax provision for interim financial statements consisting of current taxes for the period was reclassified to other current liabilities; this balance sheet reclassification on the comparative data as at March 31, 2016 implied a reduction of Provisions for risks and charges and an increase of Other current liabilities for 3.6 million Euros.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

<i>(€thousand)</i>	<i>Note</i>	1st quarter 2017	1st quarter 2016
Revenues	1	319,768	296,919
<i>relating to related parties</i>		<i>11,968</i>	<i>8,331</i>
Other revenues	2	8,552	7,723
<i>relating to related parties</i>		<i>92</i>	<i>90</i>
Changes in inventories		26,423	18,110
Purchase of goods for resale and consumables	3	(289,174)	(260,261)
<i>relating to related parties</i>		<i>(14,966)</i>	<i>(16,056)</i>
Personnel costs	4	(9,318)	(8,697)
Amortization, depreciation and write-downs	5	(4,067)	(3,565)
Other operating costs	6	(40,797)	(39,075)
<i>relating to related parties</i>		<i>(763)</i>	<i>(719)</i>
Financial income and charges	7	(1,566)	(1,494)
<i>relating to related parties</i>		<i>4</i>	<i>6</i>
Revenues/(Losses) from investments evaluated using the Net Equity method	8	(38)	0
<i>Pre-tax profits</i>		<i>9,783</i>	<i>9,660</i>
Taxes	9	(3,040)	(3,459)
<i>Profits for the period</i>		<i>6,743</i>	<i>6,201</i>
Profit for the period attributable to:			
Shareholders of the parent company		6,743	6,201
Minority interests		0	0
		<i>6,743</i>	<i>6,201</i>
basic Earnings per Share (euro)	10	0.10	0.09
diluted Earnings per Share (euro)	10	0.10	0.09

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>(€thousand)</i>	<i>Note</i>	1st quarter 2017	1st quarter 2016
<i>Profits for the period (A)</i>		<i>6,743</i>	<i>6,201</i>
<i>Items to be reclassified to profit or loss in subsequent periods:</i>			
Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect		172	(316)
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
Actuarial (losses)/gains concerning defined benefit plans, net of taxation effect		0	0
<i>Total Other Profits/Losses, net of taxes (B)</i>	11	<i>172</i>	<i>(316)</i>
<i>Comprehensive Income (A) + (B)</i>		<i>6,915</i>	<i>5,885</i>
Comprehensive Income attributable to:			
Shareholders of the parent company		6,915	5,885
Minority interests		0	0
		<i>6,915</i>	<i>5,885</i>

CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDER'S EQUITY

Description	Share Capital	Other reserves										Profits carried over from consolidated	Total Group net equity	Total third party net equity		
		Share premium reserve	Legal reserve	Revaluation reserve	Shareholders contributions on capital	Extraordinary reserve	Reserve for residual stock options	Reserve for exercised stock options	Reserve for transition to IAS/IFRS	Cash-flow hedge reserve	Reserve ex art. 55 (dpr 597-917)				Reserve IAS 19	Total Reserves
Balance at 31 December 2015	33,263	63,348	6,652	13	36,496	57,542		1,475	7,290	(1,116)	1,480	(731)	172,449	66,118	271,830	
Other minor variations													(1)		(1)	(1)
Consolidated comprehensive income (1/1 -31/03/16):																
- Profit for the period														6,201		6,201
- Other Profits/Losses, net of taxes										(316)			(316)			(316)
Balance at 31 March 2016	33,263	63,348	6,652	13	36,496	57,542		1,475	7,290	(1,432)	1,479	(731)	172,132	72,319	277,714	
Allocation of 2016 profit						12,577							12,577	(12,577)		
Distribution of parent company dividends														(43,907)		(43,907)
Other minor variations											(5)		(4)	3		(1)
Consolidated comprehensive income (1/04-31/12/16):																
- Profit for the period														52,323		52,323
- Other Profits/Losses, net of taxes										(469)		(95)	(564)			(564)
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	
Other minor variations													(1)		(1)	(1)
Consolidated comprehensive income (1/1 -31/03/2017):																
- 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	

CASH FLOWS STATEMENT (INDIRECT METHOD)

Consolidated (€thousand)	31.03.17	31.03.16
Result for the Period	6,743	6,201
<i>Adjustment:</i>		
Amortization	1,553	1,273
Allocation of provision for bad debts	2,349	2,283
Allocation of provision for inventories	0	150
Capital profit/losses on disposal of assets	(25)	34
<i>relating to related parties</i>	0	0
Financial (income) charges net of foreign exchange gains and losses	1,402	1,745
<i>relating to related parties</i>	(4)	(6)
Foreign exchange evaluated (gains)/losses	16	(5)
	5,295	5,480
Net change in Staff Severance Provision	(1,021)	(67)
(Increase) decrease in trade receivables	(11,298)	(2,423)
<i>relating to related parties</i>	777	(4,124)
(Increase) decrease in inventories	(26,423)	(18,110)
Increase (decrease) in trade payables	(27,272)	(20,433)
<i>relating to related parties</i>	2,798	7,641
(Increase) decrease in other assets	8,409	8,400
<i>relating to related parties</i>	70	106
Increase (decrease) in other liabilities	(1,833)	2,322
<i>relating to related parties</i>	(5)	(1)
Net change in tax assets / liabilities	2,502	(949)
<i>relating to related parties</i>	2,018	2,967
Income tax paid	0	0
<i>relating to related parties</i>	0	0
Interest paid	(1,777)	(2,167)
<i>relating to related parties</i>	0	0
Interest received	375	422
<i>relating to related parties</i>	4	6
Foreign exchange gains	153	137
Foreign exchange losses	(169)	(132)
Cash-flow from operating activities	(46,316)	(21,319)
(Investments) in other intangible assets	(136)	(152)
(Investments) in tangible assets	(1,522)	(3,785)
Net disposal of tangible assets	189	147
Outgoing for acquisition of subsidiaries or going concerns during the year (net of the cash acquired)	38	0
Cash-flow from investment activities	(1,431)	(3,790)
Other changes, including those of third parties	171	(316)
Net change in financial payables (excluding the new non-current loans received)	(14,313)	(10,959)
<i>relating to related parties</i>	0	0
New non-current loans received	40,000	10,000
<i>relating to related parties</i>	0	0
Net change in current financial receivables	(830)	1,486
<i>relating to related parties</i>	(706)	1,667
Net change in non-current financial receivables	562	2,157
Cash-flow from financing activities	25,590	2,368
Increase (decrease) in cash-flow	(22,157)	(22,741)
Opening cash and equivalents	114,160	89,862
Closing cash and equivalents	92,003	67,121

* It must be pointed out that the reclassification of the tax fund for interim financial statements (amounting to 3,634 thousand Euros as at 31 March 2016 and constituted by the total current taxes for the period) among the current liabilities has made necessary the restate of the changes concerning related parties as at 31 March 2016, as regards the IRES payables (amounting to 2,967 thousand Euros) transferred to the parent company Cremonini by effect of adhesion to the National Consolidated Fiscal system.

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Structure and contents of the interim condensed consolidated financial statements

The interim report as at 31 March 2017 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 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; as regards performance levels in the first quarter of 2017, see that described in the Directors' Report on management performance.

The consolidated financial statements as at 31 March 2017 show, for comparison purposes, for the statement of profit or loss the figures for the first quarter of 2016 and for the statement of financial position the figures as at 31 December 2016 and at 31 March 2016.

With respect the data for 2016 it should be noted that for a better representation of the dictates of IAS 12 "Income tax" in relation to the compensation of deferred taxes, as of 30 June 2016 the Group considered it appropriate to reclassify quotas of deferred tax assets and liabilities where there is a legally enforceable right to set off current tax assets with corresponding current tax liabilities. Also the tax provision for interim financial statements (consisting of current taxes for the period) was reclassified to other current liabilities. Therefore, as consequence of that above, the comparative data as at March 31, 2016 was restated; the effects of the reclassifications are detailed in the Explanatory Notes and in the previous statements.

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 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 31 March 2017, 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 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 31 March 2017 the structure of the Group differs from that at 31 December 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 bearing 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.

Compared to the situation as at 31 March 2016, it should be noted the following:

- The purchase, finalised by MARR S.p.A. on 4 April 2016, of the 100% of the shares of the company DE.AL. S.r.l. (company in Abruzzo operating in the distribution of food products to the Foodservice sector under the brand "PAC Food") that hold a quota of 50% in the company Griglia Doc S.r.l.; DE.AL. S.r.l. subsequently leased its going concern to the parent company MARR S.p.A., which as of 1 October 2016, manages it through the new MARR Adriatico Branch, and it is therefore a non-operational company;
- the cancellation from the Companies Register, on 15 November 2016, of the company Alisurgen S.r.l. (97% of the holdings in which were owned by MARR S.p.A. and 3% by Sfera S.p.A.); 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.

Business combinations closed during the year

As indicated in the previous paragraph, on 30 December 2016, with effect starting from 1st January 2017, the Parent Company finalised the purchase of the 100% of the holdings of the company Specca Alimentari S.r.l., with headquarter in Baveno (BV), owner of the firm bearing the same name operating in the Foodservice sector.

Temporarily, the cost of aggregation, Temporarily, the cost of aggregation, awaiting the contractually envisaged adjustment which is still being defined by the parties, has been determined on the basis of the accounting values as at 31 December 2016 of the classes of assets, liabilities and potential liabilities acquired, determined in compliance with the IFRS.

The goodwill provisionally attributed to the purchase is justified by the strategic importance of the company given that, thanks to Specca Alimentari, which has a consolidated trading network and a distribution centre of more than 2,000 m² well localised for serving the eastern shores 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:

<i>Purchase consideration</i>	<i>(€thousand)</i>
Total purchase consideration	8,409
- Fair value of the net assets identifiable	1,806
Goodwill	6,603

The accounting values, provisionally determined in compliance with the IFRS on the basis of the financial statements as at 31 December 2016 of the acquired company, and the amounts at the same date for each class of assets, liabilities and potential liabilities of the acquisition are illustrated below:

<i>(€thousand)</i>	<i>Book value of acquired company</i>	<i>Fair value of the acquired assets and liabilities</i>
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 indebtedness	339	284
Employee benefits	(177)	(206)
Provision for risks and costs	(82)	(56)
Current trade liabilities	(1,031)	(1,036)
Other current liabilities	(239)	(239)
Fair value of net identifiable assets acquired	1,785	1,806

The cash out generated by the acquisition during the year amounted to 3,433 thousand Euros, as specified below:

	<i>(€thousand)</i>
Price of the acquisition paid	(3,675)
Costs directly related to the business combination	(42)
Net financial indebtedness of the acquired company	284
Cash out of the business combination	(3,433)

Accounting policies

The criteria for assessment used for the purpose of predisposing the consolidated accounts up for the quarter closed on 31 March 2017 do not differ from those used for the drafting of the consolidated financial statements as at 31 December 2016. It should be highlighted that the new Accounting Standards, interpretations and changes to the Accounting Standards listed above did not affect 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).

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.
- 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 Company does not expect any significant impact from the application of this principle.
- IFRS 16 – Leases. Standard published by the IASB on 13 January 2016, destined to replace standard IAS 17 – Leasing, and also the interpretations of IFRIC 4 – Determining whether an agreement involves leasing, SIC 15 – Operating leasing – Incentives and SIC 27 – The evaluation of the substance of operations in the legal form of leasing. The new standard provides a new definition of lease and introduces a criterion based on control (right of use) of an asset to distinguish leasing contracts from service contracts, identifying as discriminants: the identification of the asset, the right to replace it, the right to obtain substantially all of the economic benefits deriving from the use of the asset and the right to manage the use of the asset underlying the contract. Its application is provided as of 1 January 2019. Advance application is allowed for entities applying IFRS 15. The Company is evaluating the impacts of this new standard on its own consolidated financial statements.
- 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.
- 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.
- 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.
 - 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 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 Financial report, the Accounting Standards, interpretations and changes to the Accounting Standards listed above should not have potentially significant impacts on the equity, economic and financial situation of the Group.

Main estimates adopted by management and discretionary 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

I. Revenues

<i>(€thousand)</i>	1st quarter 2017	1st quarter 2016
Net revenues from sales - Goods	319,027	296,212
Revenues from Services	78	37
Other revenues from sales	5	0
Manufacturing on behalf of third parties	4	4
Rent income (typical management)	79	9
Other services	575	657
Total revenues	319,768	296,919

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:

<i>(€thousand)</i>	1st quarter 2017	1st quarter 2016
Italy	290,344	272,164
European Union	18,217	15,554
Extra-EU countries	11,207	9,201
Total	319,768	296,919

2. Other revenues

The Other revenues are broken down as follows:

<i>(€thousand)</i>	1st quarter 2017	1st quarter 2016
Contributions from suppliers and others	7,915	7,094
Other Sundry earnings and proceeds	228	175
Reimbursement for damages suffered	158	115
Reimbursement of expenses incurred	212	277
Recovery of legal taxes	4	5
Capital gains on disposal of assets	35	57
Total other revenues	8,552	7,723

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 three months is linked, in addition to the entry of DEAL and Speca into the Group, to the reconfirmed capacity of the company in managing relations with its suppliers.

It should be noted that in 2017, following the process of centralisation of supplier deliveries onto the logistical platforms rather than to the MARR branches, as was previously the case, this item includes for about 0.8 million Euros (0.8 million in the same period of 2016) the logistical payments charged to the suppliers, given that MARR had undertaken the costs for internal distribution from the logistical platforms to the branches.

3. Purchase of goods for resale and consumables

This item is composed of:

<i>(€thousand)</i>	1st quarter 2017	1st quarter 2016
Purchase of goods	287,792	259,170
Purchase of packages and packing material	1,019	828
Purchase of stationery and printed paper	178	179
Purchase of promotional and sales materials and catalogues	53	40
Purchase of various materials	145	120
Discounts and rebates from suppliers	(96)	(126)
Fuel for industrial motor vehicles and cars	83	50
Total purchase of goods for resale and consumables	289,174	260,261

4. Personnel costs

As at 31 March 2017 the item amounts to 9,318 thousand Euros (8,697 thousand Euros as at 31 March 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.

The increase in absolute value of the personnel cost is mainly the effect of the purchase of the companies DE.AL – Depositi Alimentari S.r.l. and Specia Alimentari S.r.l., with effect respectively as of 3 April 2016 and 1 January 2017, in addition to the effect deriving from the remuneration increases provided by the CCNL for employees of companies in the tertiary sector of distribution and services, which was renewed in 2015 and which provides for increases starting from April 2015 and until 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

<i>(€thousand)</i>	1st quarter 2017	1st quarter 2016
Depreciation of tangible assets	1,503	1,231
Amortization of intangible assets	50	42
Provisions and write-downs	2,514	2,292
Total amortization and depreciation	4,067	3,565

The item "Provision and write-downs" refers for 2,349 thousand Euros to the provision for bad debts and for 165 thousand Euros to the provision for supplementary clientele severance indemnity.

6. Other operating costs

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

<i>(€thousand)</i>	1st quarter 2017	1st quarter 2016
Operating costs for services	38,002	36,441
Operating costs for leases and rentals	2,421	2,275
Operating costs for other operating charges	374	359
Total other operating costs	40,797	39,075

The operating costs for services mainly include the following items: sale expenses, distribution and logistic costs for our products for 32,107 thousand Euros (30,238 thousand Euros in the first quarter of 2016), utility costs for 2,192 thousand Euros (2,019 thousand Euros in the first quarter of 2016), handling costs for 964 thousand Euros (720 thousand Euros in the first quarter of 2016), third party works for 811 thousand Euros (665 thousand Euros in the first quarter of 2016) and maintenance costs amounting to 1,206 thousand Euros (987 thousand Euros in the first quarter of 2016).

Costs for leases and rentals mainly concern the rental fees for industrial buildings that amount to a total of 2,325 thousand Euros (2,136 thousand Euros as at 31 March 2016). Their increase compared to the same period of the previous year is related to the rent fees for the buildings in Elice (PE) e Baveno (VB) where respectively the distribution centres MARR Adriatico and MARR Speca Alimentari carry out their activities, following to the purchase by the Parent Company of the new two subsidiaries with effect as of 3 April 2016 and 1 January 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 Uno carries out its activities (Via Spagna 20 – Rimini).

The operating costs for other operating charges mainly include the following items: "other indirect duties, taxes and similar costs" for 178 thousand Euros, expenses for credit recovery for 76 thousand Euros and "local council duties and taxes" for 69 thousand Euros.

7. Financial income and charges

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

<i>(€thousand)</i>	1st quarter 2017	1st quarter 2016
Financial charges	1,777	2,167
Financial income	(375)	(422)
Foreign exchange (gains)/losses	164	(251)
Total financial (income) and charges	1,566	1,494

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

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

This item, that shows a loss of 38 thousand Euros, 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

<i>(€thousand)</i>	1st quarter 2017	1st quarter 2016
Ires / Ires charge transferred to Parent Company	2,186	2,967
Irap	599	667
Net provision for deferred taxes	255	(175)
Total taxes	3,040	3,459

As described in the Directors' Report, it must be pointed out that the Ires cost for the period benefitted from a reduction of the tax rate from 27.5% to 24% approved in the 2016 stability law, effective from business years starting after 31 December 2016.

As regards the item "Net provision for deferred taxes", it must be pointed out that the amounts for the first quarter of 2017 and 2016 were not affected by this regulatory provision, given that in the financial statements as at 31 December 2015, the Group had estimated the amount of the temporary differences that would have been reversed from 2017 onwards and adjusted the effect of the relevant deferred taxes to the new rate.

10. Earning per shares

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

<i>(Euros)</i>	1st quarter 2017	1st quarter 2016
Basic Earnings Per Share	0.10	0.09
Diluted Earnings Per Share	0.10	0.09

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

Earnings:

<i>(€thousand)</i>	1st quarter 2017	1st quarter 2016
Profit for the period	6,743	6,201
Minority interests	0	0
Profit used to determine basic and diluted earnings per share	6,743	6,201

Number of shares:

<i>(number of shares)</i>	1st quarter 2017	1st quarter 2016
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

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 by the Group to hedge the underlying goods purchasing operations. The value indicated, amounting to a total profit of 172 thousand Euros in the first quarter of 2017 (-316 thousand Euros in the same period of the previous year), is shown net of the taxation effect (that amounts to a negative effect of approximately 54 thousand Euros as at 31 March 2017).

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, 12 May 2017

The Chairman of the Board of Directors
Paolo Ferrari

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

The manager responsible for preparing the company's financial reports, 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, 12 May 2017

Pierpaolo Rossi
Manager responsible for the drafting
of corporate accounting documents