



**MARR: The Board of Directors approves the quarterly report as at 30 September 2006**

## **Double-digit growth for all the indicators in the most important quarter of the year**

- Total consolidated revenues of 292.0 million Euros (+10.0%)
- EBITDA of 24.8 million Euros (+15.3%)
- EBIT of 22.5 million Euros (+15.5%)
- Net profits of 12.3 million Euros (+16.5%)

## **Growth above expectations confirmed for the first nine months**

- Total consolidated revenues of 757.6 million Euros (+12.2%)
- EBITDA of 52.0 million Euros (+17.4%)
- EBIT of 45.5 million Euros (+17.9%)
- Net profits of 23.7 million Euros (+21.8%)

*Rimini, 8 November 2006* – The Board of Directors of MARR S.p.A. (Milan: MARR.MI), the leading company in Italy in the distribution of food products to the foodservice, today approved the quarterly report as at 30 September 2006.

### **Main consolidated economic results of the 3<sup>rd</sup> quarter of 2006**

During the course of the third quarter of 2006, MARR achieved total consolidated revenues of 292.0 million Euros, an increase of 10.0% compared to 265.4 million Euros in the third quarter of 2005.

The consolidated EBITDA amounted to 24.8 million Euros, an increase of 15.3% compared to 21.5 million Euros in 2005, while the consolidated EBIT reached 22.5 million Euros (+15.5% compared to 19.4 million Euros in 2005). The net profits reached 12.3 million Euros, an increase of 16.5% compared to the same period of the previous year.

The Chief Executive Officer Ugo Ravanelli said: "the double-digit growth of all indicators is of particular relevance, considering that in the period from July to September, in which summer tourist activities and Out of Home food consumption are concentrated, MARR historically achieves about 30% of its turnover and 40% of its EBITDA. The results achieved are extremely positive and above our plans. For these reasons, I believe that the goals achieved, together with a general climate of confidence in the pick-up of Out of Home food consumption, enable us to look to the end of the business year with renewed confidence as regards achieving our pre-established growth objectives."



## **Main consolidated results for the first nine months of 2006**

In the first nine months of 2006, MARR achieved total consolidated revenues of 757.6 million Euros, an increase of 12.2% compared to 675.4 million Euros in the first nine months of 2005.

EBITDA reached 52.0 million Euros, an increase of 17.4% compared to 44.3 million Euros in 2005, while EBIT reached 45.5 million Euros, an increase of 17.9% compared to 38.6 million Euros in the first nine months of 2005.

Result from recurrent activities as at 30 September 2006 amounted to 41.0 million Euros an increase of 16.9% compared to 35.0 million Euros for the same period in the previous business year, while the net profits reached 23.7 million Euros compared to 19.5 million Euros in 2005, an increase of 21.8%.

The Net Financial Position (NFP) of the Group amounted to 124.1 million Euros, an improvement compared to 127.6 million Euros as at 30 June 2006, considering the payment of 21.6 million Euros in dividends (18 May 2006).

The trade net working capital amounted to 149.0 million Euros and decreases compared to 162.7 million Euros as at 30 September 2005, despite the increase in business volume.

The net consolidated equity as at 30 September 2006 amounted to 172.4 million Euros (167.0 million Euros as at 30 September 2005).

## **Results by sector of activity**

The growth in the various sectors of activity continues to be positive and is better than the estimates of the budget for the period.

The "Street Market" category of clients (restaurants and hotels not belonging to Groups or Chains), which represents approximately 2/3 of total sales, registered a quarterly increase of 10.2%, in addition to that achieved in the first quarter (+9.7%) and the second quarter (+14.0%), which was affected by the shift of the Easter holidays from March to April.

The data as at 30 September 2006 shows an increase of 11.4% for the "Street Market", an increase in absolute value of approximately 50 million Euros, of which 27.6 million Euros is organic, amounting to an increase of 6.3%.

The "National Account" category – operators in structured commercial catering and canteens – registered an increase of 6.7% in the third quarter of 2006, thanks especially to sales in structured commercial catering (chains of tourist villages, inflight catering, hotel chains), which increased by 13.8%, while canteens increased by 4.1%.

The "National Account" confirms the positive trend over the nine months, with an increase of 14.8%, driven mainly by structured commercial catering, which registered an increase of 21.4%.

The "Wholesale" category registered an increase of 15.2% in the third quarter, following the 16.8% increase achieved in the first half. This increase was affected by the shift in sales of certain seafood products from the third to the fourth quarter of 2005.

The sales growth during the first nine months of 2006 was achieved through both organic growth (+8.5%) and the contribution deriving from the latest acquisitions of As.ca and Prohoga (+4.4%).



## Outlook

The positive results achieved in the first nine months of 2006 point towards an overall growth for the 2006 business year, in terms of both revenues and profitability, in line with the trend of the last three years.

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

With an organisation comprising more than 650 sales agents, MARR serves over 36,000 clients (mainly restaurants, hotels, pizza restaurants, holiday villages and canteens), with an offer that includes 10,000 food products, including fish, meat, various food products and fruit and vegetables.

The company operates nationwide through a logistical-distribution network composed of more than 20 distribution centres, 4 cash & carry, and 4 agents with warehouses and more than 550 vehicles.

In 2005, MARR achieved consolidated revenues amounting to 884.2 million Euros, a consolidated EBITDA of 53 million Euros and consolidated net profits of 22.1 million Euros.

For more information about MARR visit the company's web site at [www.marr.it](http://www.marr.it)

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### ALTERNATIVE PERFORMANCE MEASURES

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

Specifically, the non-IFRS measures presented are described below:

- **EBITDA** (Gross Operating Result): this economic indicator is not defined by the IFRS and used by the company's management to monitor and assess its operational performance. The management believes that the EBITDA is an important parameter for measuring the Group's performance as it is not affected by the volatility due to the effects of various types of criteria for determining taxable items, the amount and characteristics of the capital employed and the relevant amortization and depreciation policies. The EBITDA (Earnings before interest, taxes, depreciation and amortization) is defined as the business year Profits/Losses gross of amortizations and depreciations, write downs and financial income and charges, non recurrent items and income tax.
- **EBIT** (Operating Result): is an economic indicator of the operational performance of the Group. The EBIT (Earnings before interest and taxes) is defined as the business year Profits/Losses gross of financial income and charges, non recurrent items and income tax.
- **Net Financial Position**: used as a financial indicator of debts is represented by the total of the following positive and negative components of the Balance sheet:
  - Positive short and long term components: cash and equivalents; items of net working capital collectables; financial assets; current financial receivables.
  - Negative short and long term components: payables to banks; payables to other financiers, payables to leasing companies and factoring companies; payables to shareholders for loans.