Financial Statements and Consolidated Accounts 2002

Notice of call to Shareholders' Meeting

The shareholders are hereby called to the Ordinary General Shareholders' Meeting to be held at 10 am on April 26, 2003 in Castelvetro di Modena, Via Modena n. 53, to discuss and deliberate the following

Agenda

1) Financial Statements as at December 31, 2002, Directors' Report, Report of the Board of Statutory Auditors, related and subsequent resolutions;
2) Authorising the Board of Directors to purchase and sell treasury stock; related resolutions.

The relevant documentation will be deposited at the company headquarters and with Borsa Italiana s.p.a. within the terms established by the laws in force, and is available to the public. Shareholders have the right to request a copy.

Shareholders who hold ordinary shares and present the specific certification envisaged by article 34 of Consob resolution 11768/1998 and subsequent modifications shall have the right to participate in the meeting. The issue of said certification must be requested from the respective intermediaries as laid down by article 33 of the said resolution.

Castelvetro di Modena, March 18, 2003

The Chairman
(Cav. Lav. Luigi Cremonini)

Notice published in the Gazzetta Ufficiale, part II, n. 69, dated March 24, 2003 - insert S-3912.

Officers of Cremonini s.p.a.

Board of Directors

Chairman	Luigi Cremonini °
Vice Chairman	Paolo Sciumè ° ▫
Chief Executive Officer	Vincenzo Cremonini
Directors	Valentino Fabbian * Illias Aratri ▫ Ugo Ravanelli Giorgio Pedrazzi Giovanni Barberis Edoardo Rossini ° ▫

Board of Statutory Auditors

Chairman	Alessandro Artese
Auditors	Giovanni Zanasi Ezio Maria Simonelli
Alternates	Marco Reggiori Mario Fuzzi
Independent Auditors	PricewaterhouseCoopers s.p.a.

* *Managing Director of the restaurant business division*
° *Member of the Committee for Emoluments to Directors*
▫ *Member of the Internal Control and Corporate Governance Committee*

Group progress and operating results

In the 2002 fiscal year, the Group reached important results in terms of both turnover and profitability, greatly improving those of the previous year. These results show a constant growth of the Group's core business in which all the companies showed extremely positive results before taxation.

The net profit is 2.5 million Euro and the other main economic indicators show two-figure improvements: the revenue has increased by 16.4%, the gross operating margin has improved by 25.3% and the operating profit is up by 43.2%.

In this context, even the Group's financial position has shown a significant upwards trend, above all thanks to the cash flows generated by the profit from normal operations, changing from 529.1 million Euro at December 31, 2001 to 487.8 million Euro at December 31, 2002.

The schedules below summarize the situation of the Group relating to financial year 2002 compared to those of the previous year. For a more complete analysis of the Group’s operating results the details separated according to individual segment of activities are reported below.

Consolidated statement of income

(in thousands of Euro)	***Year 2002***	*Year 2001*	*Change (%)*
Total revenues	**1,589,257**	**1,364,900**	*16.44*
Changes in inventories of product in progress and finished products	(754)	(14,039)	
Value of production	**1,588,503**	**1,350,861**	*17.59*
Costs of production	(1,335,599)	(1,135,615)	
Value added	**252,904**	**215,246**	*17.50*
Staff expenses	(145,872)	(129,800)	
Gross operating margin	**107,032**	**85,446**	*25.26*
Amortization and write-downs	(53,844)	(48,307)	
Operating profit	**53,188**	**37,139**	*43.21*
Net financial income (expense)	(32,123)	(36,489)	
Profit from normal operations	**21,065**	**650**	*(a)*
Net income (expense) from stockholdings	(1,127)	(1,075)	
Net extraordinary income (expense)	(2,303)	(2,094)	
Profit (loss) before taxation	**17,635**	**(2,519)**	*(a)*
Taxation for the financial year	(14,536)	(10,932)	
Profit (loss) before minority interests	**3,099**	**(13,451)**	*(a)*
Minority’s share of profit (loss)	(598)	(35)	
Group’s share of profit (loss)	**2,501**	**(13,486)**	*(a)*

(a) figures not shown as not significant

The **total revenues** in the fiscal year 2002 have reached 1,589.3 million Euro against 1,364.9 million Euro in 2001, recording an increase of 224.4 million Euro (+16.4%).

The **gross operating margin** increased by 25.3% from 85.4 million Euro in 2001 to 107.0 million Euro in 2002 (+21.6 million Euro).

The **operating profit** amounts to 53.2 million Euro compared to a profit of 37.1 million Euro in 2001, an increase of 16.1 million Euro or 43.2%.

The **profit from normal operations** increased by 20.4 million Euro, from 0.7 million Euro in 2001 to 21.1 million Euro in 2002.

The **profit of the Group before taxation** increased by 20.1 million Euro, rising from a loss of 2.5 million Euro to a profit of 17.6 million Euro.

The **net profit**, which was affected by the high fiscal charges on the year, is 2.5 million Euro, an improvement of 16.0 million Euro compared to the loss of 13.5 million Euro in the fiscal year 2001.

The **operating cash-flow** underwent a significant increase, from 34.8 million Euro in 2001 to 56.3 million Euro in 2002.

Consolidated balance sheet

(in thousands of Euro)	***31.12.2002***	*31.12.2001*	*Change (%)*
Intangible fixed assets	122,740	122,207	
Tangible fixed assets	387,843	391,010	
Stockholdings and other financial fixed assets	31.915	34,607	
Total fixed assets	**542,498**	**547,824**	*(0.97)*
Trade net working capital			
- Trade receivables	226,442	213,343	
- Inventories	170,253	169,260	
- Trade payables	(246,961)	(213,096)	
Total trade net working capital	149,734	169,507	
Other current assets	72,924	82,333	
Other current liabilities	(60,585)	(61,038)	
Net working capital	**162,073**	**190,802**	*(15.06)*
Staff severance indemnities and other medium-long term provision	**(41,066)**	**(37,160)**	
Net capital employed	**663,505**	**701,466**	*(5.41)*
Group net equity	173,108	170,860	
Minority interests	2,580	1,497	
Total shareholders' equity	**175,688**	**172,357**	*1.93*
Medium-long term debts	167,372	323,921	
Short term debts	320,445	205,188	
Net financial position	**487,817**	**529,109**	*(7.80)*
Shareholders' equity and debts	**663,505**	**701,466**	*(5.41)*

In spite of the great increase in revenue (224 million Euro) the net capital employed was 5.4% lower than in 2001. Indeed, against basically stable total fixed assets (-0.97%), the net working capital dropped by 15.1%.

The year's profit has determined an increase in the net equity, while the Group's indebtedness has been significantly reduced, as a positive effect of the cash flow generated by the operative management.

Net consolidated financial position

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Bank loans, bonds and other financing		
- payable within 12 months	(390,247)	(227,868)
- payable between 1 and 5 years	(104,684)	(246,583)
- payable over 5 years	(62,688)	(78,949)
Total bank loans, bonds and other financing	**(557,619)**	**(553,400)**
Liquidity		
- cash and cash equivalents	59,792	22,135
- financial assets	10,010	2,156
Total liquidity	**69,802**	**24,291**
Total financial position, net of liquidity	**(487,817)**	**(529,109)**

The Group's net financial position compared to December 31, 2001 has recorded an improvement of 41.3 million Euro (-7.8%), thanks, above all to the cash flow generated by current operations.

The increased effect of the short-term indebtedness on the total has been affected during the year by the reclassification of the bond debt of Cremonini Finance plc, which was duly repaid in February 2003. Regarding this matter, the management has undertaken appropriate initiatives to relocate the indebtedness to the medium-long term.

For further information, we report below an analysis schedule of the quarterly evolution of the financial position from December 31, 2001.

Analysis of the development of net consolidated financial position

(in thousands of Euro)	*At 31 December 2002*	*At 30 September 2002*	*At 30 June 2002*	*At 31 March 2002*	*At 31 December 2001*
Medium and long term indebtedness	(167,372)	(194,551)	(225,294)	(341,356)	(325,532)
Short term indebtedness	(390,247)	(388,781)	(366,053)	(246,540)	(227,868)
Total financial indebtedness	(557,619)	(583,332)	(591,347)	(587,896)	(553,400)
Liquidity	69,802	29,747	22,239	14,022	24,291
Total financial position, net of liquidity	**(487,817)**	**(553,585)**	**(569,108)**	**(573,874)**	**(529,109)**

Financial results by segment of activities

The Group, operating within the food sector, carries out its own business as leader in three macro business areas:

– production (beef – cured meat and snacks);
– distribution (foodservice and door to door);
– restaurant activities (commercial and on board).

The Parent Company also provides support to the operative sectors, both directly and through its subsidiaries, offering services mainly in the areas of finance, corporate and fiscal, human resources, legal and insurance, and IT systems.

Breakdown of revenues by sector

(in thousands of Euro)	*Year 2002*	*Year 2001*	*Change total value*	*Change (%)*
Production				
Net revenues	735,202	573,522	*161,680*	*28.2*
Intercompany revenues	24,875	25,796		
Total revenues	**760,077**	**599,318**	*160,759*	*26.8*
Gross operating margin	**47,860**	**30,602**	*17,258*	*56.4*
Depreciations, amortizations and write-downs	(28,348)	(25,297)	*(3,051)*	*12.1*
Operating profit (loss)	**19,512**	**5,305**	*14,207*	*267.8*
Distribution				
Net revenues	658,244	609,869	*48,375*	*7.9*
Intercompany revenues	7,614	4,850		
Total revenues	**665,858**	**614,719**	*51,139*	*8.3*
Gross operating margin	**41,011**	**35,287**	*5,724*	*16.2*
Depreciations, amortizations and write-downs	(12,065)	(12,571)	*506*	*(4.0)*
Operating profit (loss)	**28,946**	**22,716**	*6,230*	*27.4*
Restaurant activities				
Net revenues	192,688	176,034	*16,654*	*9.5*
Intercompany revenues	54	22		
Total revenues	**192,742**	**176,056**	*16,686*	*9.5*
Gross operating margin	**19,950**	**20,860**	*(910)*	*(4.4)*
Depreciations, amortizations and write-downs	(6,760)	(5,458)	*(1,302)*	*23.9*
Operating profit (loss)	**13,190**	**15,402**	*(2,212)*	*(14.4)*
Parent Company and centralized activities				
Net revenues	3,123	5,475	*(2,352)*	*(43.0)*
Intercompany revenues	8,021	6,048		
Total revenues	**11,144**	**11,523**	*(379)*	*(3.3)*
Gross operating margin	**(1,442)**	**(1,200)**	*(242)*	*20.2*
Depreciations, amortizations and write-downs	(6,671)	(4,981)	*(1,690)*	*33.9*
Operating profit (loss)	**(8,113)**	**(6,181)**	*(1,932)*	*31.3*
Consolidation adjustments				
Total revenues	(40,564)	(36,716)		
Gross operating margin	(347)	(103)		
Depreciations, amortizations and write-downs	-	-		
Operating profit (loss)	(347)	(103)		
Total				
Total revenues	**1,589,257**	**1,364,900**	*224,357*	*16.4*
Gross operating margin	**107,032**	**85,446**	*21,586*	*25.3*
Depreciations, amortizations and write-downs	(53,844)	(48,307)	*(5,537)*	*11.5*
Operating profit (loss)	**53,188**	**37,139**	*16,049*	*43.2*

Over 70% of the increase in the **total consolidated revenues** of 224.4 million Euro is accounted for by the increased turnover in the production sector (+26.8%) which, also thanks to the recovery in consumption, continues to acquire market shares in Italy and abroad. The contribution of the distribution sectors has also been positive (+8.3%) as has that of restaurant services (+9.5%) in spite of a general market situation which is not very favourable to extra domestic food consumption.

The **consolidated gross operating margin**, increasing by 21.6 million Euro, benefits from both the excellent production performance (+56.4%) and that of the continual improvement process of the distribution margins (+16.2%); the gross operating margin of the restaurant services has basically remained unchanged (-4.4%).

The **consolidated operating profit** has improved by 16.0 million Euro, once again thanks to the production, whose profit has more than trebled compared to 2001 (+267.8%), and to the distribution sector whose growth process both in terms of volumes and profitability show no signs of slowing down. On the contrary, the restaurant services result (-14.4%) is affected by depreciation for new investments and by the long term efforts aimed at developing new retail outlets.

Breakdown of revenues from sales and services by geographic area

As at December 31, 2002 – (in thousands of Euro)

	Production	%	Distribution	%	Restaurant activities	%	Other	%	Total	%
Italy	530,385	72.6	611,029	94.2	119,968	65.3	2,253	98.4	1,263,635	80.4
European Union	105,143	14.4	24,618	3.8	69,483	36.7	36	1.6	199,280	12.7
Outside the E.U.	94,949	13.0	13,006	2.0	-	-	-	-	107,955	6.9
Total	730,477	100	648,653	100	189,451	100	2,289	100	1,570,870	100

As at December 31, 2001 – (in thousands of Euro)

	Production	%	Distribution	%	Restaurant activities	%	Other	%	Total	%
Italy	408,427	72.0	577,277	96.0	109,968	65.4	4,512	99.3	1,100,184	82.0
European Union	83,165	14.7	16,343	2.7	58,280	34.6	24	0.5	157,812	11.8
Outside the E.U.	75,852	13.3	7,604	1.3	-	-	9	0.2	83,465	6.2
Total	567,444	100	601,224	100	168,248	100	4,545	100	1,341,461	100

The Group is maintaining a strong development trend abroad in all the core business areas. In the restaurant services sector in particular, the beginning of operating the restaurant services on board the Thalys trains should be pointed out. As regards distribution, Marr's activity of trading on foreign markets, mainly of fish products, has intensified, while the overseas production activity is increasing.

Balance sheet details by segment of activities

As at 31 December 2002 *(in thousands of Euro)*	*Production*	*Distribution*	*Restaurant activities*	*Parent Company and centralized*	*Consolidation adjustments*	*Total*
Intangible fixed assets and consolidation differences	27,537	65,792	26,480	2,931	-	122,740
Tangible fixed assets	289,502	32,739	7,607	57,995	-	387,843
Financial fixed assets	6,176	1,651	1,920	22,168	-	31,915
Total fixed assets	**323,215**	**100,182**	**36,007**	**83,094**	**-**	**542,498**
Trade net working capital						
- Trade receivables	*107,822*	*91,692*	*32,084*	*4,897*	*(10,053)*	*226,442*
- Inventories	*98,857*	*68,614*	*2,777*	*5*	*-*	*170,253*
- Trade payables	*(111,147)*	*(103,861)*	*(39,320)*	*(1,334)*	*8,701*	*(246,961)*
Total trade net working capital	95,532	56,445	(4,459)	3,568	(1,352)	149,734
Other current assets	28,452	12,232	5,596	26,797	(153)	72,924
Other current liabilities	(27,660)	(12,147)	(15,740)	(7,701)	2,663	(60,585)
Net working capital	**96,324**	**56,530**	**(14,603)**	**22,664**	**1,158**	**162,073**
Provision for staff severance indemnities and other	**(18,433)**	**(9,104)**	**(9,553)**	**(3,976)**	**-**	**(41,066)**
Net capital employed	**401,106**	**147,608**	**11,851**	**101,782**	**1,158**	**663,505**

As at 31 December 2001 *(in thousands of Euro)*	*Production*	*Distribution*	*Restaurant activities*	*Parent Company and centralized*	*Consolidation adjustments*	*Total*
Intangible fixed assets and consolidation differences	25,770	66,061	22,124	8,252	-	122,207
Tangible fixed assets	297,436	32,809	11,515	49,250	-	391,010
Financial fixed assets	6,764	1,827	1,614	24,402	-	34,607
Total fixed assets	**329,970**	**100,697**	**35,253**	**81,904**	**-**	**547,824**
Trade net working capital						
- Trade receivables	*97,584*	*91,748*	*27,089*	*989*	*(4,067)*	*213,343*
- Inventories	*97,918*	*68,892*	*2,443*	*7*	*-*	*169,260*
- Trade payables	*(90,108)*	*(93,862)*	*(32,601)*	*(2,151)*	*5,626*	*(213,096)*
Total trade net working capital	105,394	66,778	(3,069)	(1,155)	1,559	169,507
Other current assets	24,841	13,845	8,483	39,004	(3,840)	82,333
Other current liabilities	(31,011)	(11,915)	(11,829)	(8,605)	2,322	(61,038)
Net working capital	**99,224**	**68,708**	**(6,415)**	**29,244**	**41**	**190,802**
Provision for staff severance indemnities and other	**(16,357)**	**(8,031)**	**(8,768)**	**(4,004)**	**-**	**(37,160)**
Net capital employed	**412,837**	**161,374**	**20,070**	**107,144**	**41**	**701,466**

Net financial position by segment of activities

As at 31 December 2002 *(in thousands of Euro)*	*Production*	*Distribution*	*Restaurant activities*	*Parent Company and centralized*	*Total*
Bank loans, bonds and other financing					
- payable within 12 months	(117,883)	(30,764)	(113)	(241,487)	(390,247)
- payable between 1 and 5 years	(31,062)	(25,156)	-	(48,466)	(104,684)
- payable over 5 years	(44,695)	(7,651)	-	(10,342)	(62,688)
Total bank loans, bonds and other financing	**(193,640)**	**(63,571)**	**(113)**	**(300,295)**	**(557,619)**
Liquidity					
- cash and cash equivalents	9,006	19,631	8,469	22,686	59,792
- financial assets	3,736	2,912	-	3,362	10,010
Total liquidity	**12,742**	**22,543**	**8,469**	**26,048**	**69,802**
Internal treasury current accounts	**(23,495)**	**(43,655)**	**(9,498)**	**76,648**	**-**
Total financial position, net of liquidity	**(204,393)**	**(84,683)**	**(1,142)**	**(197,599)**	**(487,817)**

As at 31 December 2001 *(in thousands of Euro)*	*Production*	*Distribution*	*Restaurant activities*	*Parent Company and centralized*	*Total*
Bank loans, bonds and other financing					
- payable within 12 months	(120,700)	(27,157)	(2)	(80,009)	(227,868)
- payable between 1 and 5 years	(31,959)	(23,569)	-	(191,055)	(246,583)
- payable over 5 years	(50,351)	(9,517)	-	(19,081)	(78,949)
Total bank loans, bonds and other financing	**(203,010)**	**(60,243)**	**(2)**	**(290,145)**	**(553,400)**
Liquidity					
- cash and cash equivalents	9,777	6,668	4,170	1,520	22,135
- financial assets	580	-	50	1,526	2,156
Total liquidity	**10,357**	**6,668**	**4,220**	**3,046**	**24,291**
Internal treasury current accounts	**(22,114)**	**(41,055)**	**(6,722)**	**69,891**	**-**
Total financial position, net of liquidity	**(214,767)**	**(94,630)**	**(2,504)**	**(217,208)**	**(529,109)**

The operating sectors of the Group

Production

This sector includes the following departments and the respective companies within the consolidation area:

Company	Business carried out
a) Beef and meat-based products	
INALCA s.p.a. - Via Spilamberto n. 30/C Castelvetro di Modena (MO)	Butchering, processing and marketing beef-based products.
GES.CAR. s.r.l.. - Via Spilamberto n. 30/C Castelvetro di Modena (MO)	Services connected to beef processing and transforming at the INALCA plant in Ospedaletto Lodigiano.
GUARDAMIGLIO s.r.l. - Via Coppalati n. 52 Piacenza	Retail outlet management (butchers' and charcuterie shops).
AZ. AGR. CORTICELLA s.r.l. Via Corticella n. 3, Spilamberto (MO)	Breeding cattle both directly and by means of agistment contracts.
FRIMO s.a.m. - 20, Boulevard de Suisse Montecarlo	Marketing meat based products.
SARA s.r.l. - Viale Europa n. 2 Ospedaletto Lodigiano (LO)	Agricultural and animal farming processing and civil waste recovery and treatment.
REALFOOD 3 s.r.l. - Via Spilamberto n. 30/C Castelvetro di Modena (MO)	Butchering, processing and marketing beef-based products.
b) Cured meats and gastronomy/snack food	
MONTANA ALIMENTARI s.p.a. Via Marconi n. 3, Gazoldo Degli Ippoliti (MN)	Production and marketing of food products (cured meats and gastronomy).
MONTANA FARM s.p.zo.o. - 11-015 Olsztynek Platyny (Poland)	Production and marketing of cured meats in Poland.
SALUMI D'EMILIA s.r.l. - Via Modena n. 53 Castelvetro di Modena (MO)	Production and marketing of cured meats.
c) Spices, flavourings and food additives	
EMIL-FOOD s.r.l. (formerly Compagnia delle Spezie) Via Modena n. 53, Castelvetro di Modena (MO)	Production and marketing of spices, flavourings and food additives (not operating since June 2002).

Breakdown of revenues by activity *(in thousands of Euro)*	*Year 2002*	*Year 2001*	*Change (%)*
Beef and meat-based products	669,392	520,095	*28.71*
- intercompany revenues	(23,254)	(2,005)	
Net total	**646,138**	**518,090**	
Cured meats and gastronomy/snack food	114,549	77,274	*48.24*
- intercompany revenues	(2,071)	(534)	
Net total	**112,478**	**76,740**	
Spices, flavourings and food additives	2,319	5,710	*(59.39)*
- intercompany revenues	(858)	(1,222)	
Net total	**1,461**	**4,488**	
	760,077	**599,318**	*26.82*

In the fiscal year 2002, the overall revenue of the production sector has reached 760.1 million Euro compared to the 599.3 million Euro of 2001 (+26.8%). The companies in the sector have firmly consolidated the development trend of the turnover, intensifying the presence on the domestic market and also sharpening their interest abroad. The companies in the beef business in particular have benefited from the progressive market concentration.

The gross operating margin has increased by 56.4%, from 30.6 million Euro to 47.9 million Euro, while the operating profit has increased from 5.3 million Euro to 19.5 million Euro with an increase of 14.2 million Euro (+267.8%). The increase of volumes allows a more efficient use to be made of the available production capacity both in the companies in the beef business and those in the cured meat and snacks business, and allows economies of scale to be achieved.

The beef business

The beef market in 2002 has been characterized by a pick up in consumption which has recorded an increase of approximately 8% (data processed by Assocarni from ISMEA, ISTAT and EUROSTAT figures), thus returning to the levels previous to the “BSE” crisis.

The dramatic and immediate introduction of new health regulations has made the concentration process of the beef butchering operators easier. The presence of barriers to entry, due to the significant investments necessary to operate in this sector has lead to the almost complete absence of new competitors and to the tendency for those already present on the market to concentrate.

In the fiscal year 2002, the research activity has continued for new take-away products with the MONTANA brand name, which has become the umbrella brand of the Cremonini Group for the products of the beef and cured meat industry. This brand name is now used not only for the traditional line of tinned meats, but also for fresh and frozen processed products sold self-service. This year too investments have continued for advertising the Montana trade mark to launch new products.

The main events of the fiscal year include the establishment of the company Realfood 3 s.r.l., by means of which the Group has been operating the slaughter house of Realfood s.r.l., the fourth most important operator in the sector in Italy in 2001 and which is now in liquidation, since March.

As regards the foreign markets, the positive trend of the subsidiaries INALCA in Russia should also be pointed out.

Cured meat and snack sector

Contrary to what has been recorded in the tinned meat market, which has practically returned to the levels of sale recorded before the "BSE" crisis, in 2002 the market demand for cured meat, as well as that of sandwiches and snacks has undergone a slight contraction.

From a commercial view point, the sector has, in any case, maintained its position in the cured meat market, while it has considerably improved the market position and share of Montana brand tinned meats, which is now the second most important player in the sector.

Montana Alimentari started exclusive marketing of the tinned meat and dressings produced by INALCA s.p.a. with Montana and third parties brand name on January 1, 2002. The objectives are those of reaching economies of scale in the general commercial and logistic area in the medium term, exploiting the know-how available in Montana Alimentari in operative marketing and sales systems to the full.

2002 also saw the launch of the new Montana line of meats in jelly and sauces as well as the development of new frozen products and lines of sliced cured meats.

The main investments made in the year 2002 have concerned the improvement of the production processes, above all in the area of packaging in protective atmosphere. Large areas of the Gazoldo degli Ippoliti plant have also been restructured for producing snacks and new gastronomic products. There have also been significant investments in advertising new Montana brand products.

The most significant events of the year include the establishment of the 100% owned subsidiary Salumi d'Emilia s.r.l. on May 30, 2002, which has taken on business of Ibis s.p.a. with a rental contract, in turn acquired on June 13, 2002. The company branch regarding the production and marketing of mortadella and pancetta, also includes the IBIS brand a renowned and famous brand in the cured meat sector. The operation comes in a general plan to rationalize and modernize the industrial structure of the cured meat area, which foresees a greater and more efficient concentration of business.

Spices and flavourings sector

On June 3, 2002, Compagnia delle Spezie s.r.l. sold its entire operative business to an important international group in the sector for a value of approximately 3 million Euro. Following this sale, the Cremonini Group has left the spice, flavourings and food additive sector, as it is not considered to be strategic. After the sale of the business, Compagnia delle Spezie s.r.l. changed its corporate name to Emil-Food s.r.l. and transferred its registered offices to Castelvetro di Modena.

It should be pointed out that the consolidated financial statement at December 31, 2002 includes 5 months of business of the sold company.

Distribution

This sector includes the following areas of business and relevant companies and/or company divisions:

Company	Business carried out
a) Foodservice distribution	
MARR s.p.a. – Foodservice Division Via Spagna n. 20, Rimini	Marketing and distributing fresh, dry and frozen food products for restaurant service operators.
MARR ALISURGEL s.r.l. in liquidation Via del Carpino n. 4, Santarcangelo di Romagna (RN)	Non operative company currently under liquidation.
MARR FOODSERVICE IBERICA s.a. Calle Goya n. 99, Madrid (Spain)	Marketing and distributing fresh, dry and frozen food products for restaurant service operators in the Spanish market.
S.I.A.S. s.p.a. - Via del Carpino n. 4 Santarcangelo di Romagna (RN)	Supplying food to prisons and district prisons.
ALISEA soc. cons. a r.l. - Via Imprunetana per Tavernuzze n. 231/b, Impruneta (FI)	Restaurant services within hospital structures.
b) Door to door distribution	
MARR s.p.a. – "Quinta Stagione" Division Via Spagna n. 20, Rimini	Marketing and distributing frozen food products door to door.

Breakdown of revenues by activity *(in thousands of Euro)*	***Year 2002***	*Year 2001*	*Change (%)*
Foodservice distribution	652,518	597,225	*9.26*
- intercompany revenues	-	-	
Net total	**652,518**	**597,225**	
Door to door distribution	13,340	17,494	*(23.75)*
- intercompany revenues	-	-	
Net total	**13,340**	**17,494**	
	665,858	**614,719**	*8.32*

The revenue stood at 665.9 million Euro in 2002 (+8.3%) with an increase of 51.1 million Euro compared to 2001. As regards profitability, the gross operating margin increased from 35.3 million Euro to 41.0 million Euro (+16.2%) while the operating profit increased by 6.2 million Euro, from 22.7 to 28.9 million Euro (+27.4%). The profitability, which is proportionally higher than the development of the turnover, has reached extremely satisfactory levels, if the costs of starting up business abroad, entirely charged to the fiscal year, and the trends of the door to door division are considered.

Foodservice

Marr is the leader group on the Italian market of trading and distributing fresh, dry and frozen food products for the operators of extra domestic restaurant services (commercial and collective).

Marr mainly focuses its attention on the commercial restaurant services segment (restaurants, hotels, pizzerias, fast food restaurants, tourist villages, etc.), a market considered to be more in line with the corporate aims of promoting quality and level of service, at the same time considering collective restaurant services (company, school, hospital, armed forces restaurants, etc.) an important sector (lower seasonality, good customer reliability, stable orders).

The commercial restaurant services sector shows continual growth rates (approximately +2% per year) while that of collective restaurant services is basically stable.

The competitors on the foodservice market are of various types (traditional wholesalers, producers, cash&carry, retailers and organized distributors like Marr). The market share currently held by the organized distributors in Italy is estimated to be around 11% with an expected continual growth for the next few years (the average of the other European countries, with the exception of Spain is almost threefold).

The year 2002 was also one of important growth for the foodservice sector, especially in terms of revenue, if compared to the average performance of the Italian commercial restaurant services. Basic stability of the gross margins against a recovered balance of the price/purchase cost ratio has been recorded; the operating profit has improved as a result of a greater absorption of fixed costs.

The investments made in the year have mainly concerned improvements and adjustments to new structures leased from third parties in Monopoli, Cesenatico and San Vito di Rimini, as well as work on IT systems.

In January 2002 the subsidiary Marr Foodservice Iberica s.a., which performs business similar to that of Marr s.p.a. in the Balearic archipelagos, started business.

On June 3, 2002 the company Marr s.p.a. transferred the Marr Puglia branch to a new structure still located in Monopoli (BA).

Following a merger on October 17, 2002, the company Marr s.p.a. incorporated the company Battistini Elviro s.r.l. with effect from December 1, 2002, establishing the branch denominated Marr Battistini.

On November 17, 2002, Marr transferred the business carried out by the branch Marr Romagna to a new structure located inside the “Centro Agro Alimentare Riminese” in San Vito di Rimini.

Finally, amongst the important events affecting the distribution sector, on July 18, 2002, the Parent Company Cremonini s.p.a. and Marr s.p.a. gave Rothschild Italia s.p.a. and Rothschild Inc. the job of assisting them in the private placement of a minority share of the capital of Marr s.p.a. with selected professional investors. The private placement has the aim of not only reducing the financial indebtedness of the Group, but also of supporting the development strategies of the company in the medium term. Negotiations are still in progress with private investors which could lead to concluding this agreement by the end of the first half of 2003.

Door to door

The door to door sector, represented by door to door sale of quick and deep frozen food for domestic use, has been characterized by a reorganization process, which began in the 2001 fiscal year and continued in 2002. It meant not only transforming the commercial network from branches to licensees, but also rationalizing business. Commercial reorganization penalized the year's turnover but permitted a situation of balance in terms of operating profit to be achieved.

Restaurant activities

The business carried out in this sector is divided into two business area, through the following companies and/or company divisions:

Company	Business carried out
a) On board restaurant services	
CREMONINI s.p.a. – Railways Division Registered and administrative offices, Via Modena n. 53, Castelvetro di Modena (MO) “Agape” commercial offices, Via Giolitti n. 50 Rome	Operating, in concession, on board restaurant services in Italy.
MOMENTUM SERVICES ltd Parklands Court, 24 Parklands Birmingham Great Park Rubery, Birmingham (GB)	Operating, in concession, on board restaurant services of the trains which connect London with Paris and Brussels through the Eurotunnel.
CREMONINI RESTAURATION s.a.s. 83, Rue du Charolais, Paris (France)	Operating, in concession, on board restaurant services in France.
RAILREST s.a. - Frankrijkstraat, 95 Bruxelles (Belgium)	Operating, in concession, restaurant services on board the high speed Thalys trains which connect Belgium with France, Holland and Germany.

b) Commercial restaurant services

CREMONINI s.p.a. – Commercial Division Via Modena n. 53, Castelvetro di Modena (MO)	Operator within the sector of commercial restaurant services in concession. Specifically operating restaurant services in the buffets of important Italian railway stations, airports, ports and other areas.
S.A.M. s.r.l. - Via Modena n. 53 Castelvetro di Modena (MO)	Operating station buffet restaurant services in concession.
MISTER FOOD s.p.a. - Via Modena n. 53 Castelvetro di Modena (MO)	Operating station buffet restaurant services in concession.
BIANCHERI & C. s.r.l. - Via Modena n. 53 Castelvetro di Modena (MO)	Operating station buffet restaurant services in concession.
ROADHOUSE GRILL ITALIA s.r.l. Via Modena n. 53, Castelvetro di Modena (MO)	Operating a chain of "steakhouse" restaurants in Italy.

Breakdown of revenues by activity *(in thousands of Euro)*	***Year 2002***	*Year 2001*	*Change (%)*
On board restaurant services	128,460	117,430	*9.39*
- intercompany revenues	(1,251)	(480)	
Net total	**127,209**	**116,950**	
Commercial restaurant services	65,846	59,124	*11.37*
- intercompany revenues	(313)	(18)	
Net total	**65,533**	**59,106**	
	192,742	**176,056**	*9.48*

The revenue of the restaurant services sector has increased from 176.1 million Euro in 2001 to 192.7 million Euro in 2002 (+9.5%), rewarding the commitment to strengthening the market presence on both on-board and commercial restaurant services. If, on the one hand, the gross operating margin has basically remained stable (dropping from 20.9 to 20.0 million Euro), the operating profit, which fell from 15.4 million Euro to 13.2 million Euro (-14.4%), reflects the effect of the new investments regarding acquisitions and restructuring.

On board restaurant services

The demand in the sector has been characterized in the fiscal year by the very negative trend of the first few months of the year, due to the extended period of slump in consumption and the drop in the number of people travelling after the events of 11th September 2001.

However, since the second half of the year, there has been a recovery in consumption which has allowed a recovery of comparable sales which have settled at the same levels as 2001.

The growth in the sector, undertaken by means of acquisition of new concessions (Thalys and Lyria), has allowed the Group to reach second place in Europe in the on board restaurant services sector.

The most significant events of the year include the already mentioned winning of the tender for providing the restaurant services on board the Thalys trains which connect Brussels to Paris, Amsterdam and Cologne (by means of the subsidiary Railrest s.a.), and the Lyria trains (which connect Paris with Switzerland).

Commercial restaurant services

This sector has shown a growth, also supported by the acquisition of new retail outlets, in spite of the negative demand trend and the entry of new competitors. These results have allowed the Group to increase its market share of station buffets to 35%.

On a commercial level there has been a rationalization and expansion of the supply formats with the addition of a new restaurant service business with the brand name "Mr. Panino", characterized by a range of Italian sandwiches which have been found to be popular with travellers.

During the course of the year the development of the steakhouse Roadhouse Grill chain has continued with the opening of the second restaurant in Rome. Moreover, three station buffets have been acquired respectively in Trieste, Genoa Principe and Milan Greco Pirelli.

Finally, on December 2, 2002 the new "Spazio Cremonini al Trevi" was inaugurated in Rome in the building owned by the company. This multifunctional centre is dedicated to art, culture and entertainment. The centre houses amongst other things the Mondadori Trevi bookshop, the room of the Scuola Nazionale di Cinema (the Italian cinema school), Harry's Trevi café, as well as the museum "La città dell'acqua" (the water city).

Parent Company and centralized activities

The activities in this area are mainly connected to rendering specialized services supporting the business in the operating sectors and at managing the real property portfolio, and include the following companies and/or company divisions:

Company	Business carried out
CREMONINI s.p.a. – Holding Division Via Modena n. 53, Castelvetro di Modena (MO)	Providing support services to the Group's companies in the finance, insurance, legal and managerial/administration sectors. It also manages the company real property portfolio.
CREMONINI FINANCE plc - 78, Cannon Street London (Great Britain)	Financial activity
GLOBAL SERVICE s.r.l. - Via Modena n. 53 Castelvetro di Modena (MO)	Technical services: buildings and plants designing, management of maintenance, restructuring and renovation activities; IT services: centralized management of the hardware and software for the Group; personnel services: pay packet administration and management.
INTERJET s.r.l. - Via Belvedere n. 23 Castelvetro di Modena (MO)	Air transport services (public transport of passengers) and bearer of rail transport license.
CONS. CENTRO COMM. INGROSSO CARNI s.r.l. - Via Fantoni n. 31, Bologna	Property services.

Breakdown of revenues by activity *(in thousands of Euro)*	***Year 2002***	*Year 2001*	*Change (%)*
Property and services	5,695	6,583	*(13.49)*
- intercompany revenues	(355)	(305)	
Net total	**5,340**	**6,278**	
Parent Company	6,035	5,458	*10.57*
- intercompany revenues	(231)	(213)	
Net total	**5,804**	**5,245**	
	11,144	**11,523**	*(3.29)*

The most significant event in the fiscal year concerns the securitization transaction performed by the Group through the Holding, within the terms provided for by Law 130/99, amounting to 120 million Euro for a period of 7 years. The securities, issued at face value and with a Standard & Poor's AAA rating, have a quarterly coupon regulated at Euribor 3 months plus 50 basis points. This transaction replaces the previous one and is more effective and less burdensome.

The rentals and services provided both to Group companies and third parties were made at normal market conditions, relative to the various types of services.

Transactions with non consolidated subsidiaries, associated and affiliated companies

As regards the transactions in the 2002 fiscal year with non consolidated subsidiaries, associated and affiliated companies, undertaken at market conditions, it is pointed out that they have concerned the cost and revenue summarized in the table below. The appropriate exhibits of the notes to the consolidated financial statements show the financial and economic figures, subdivided by type, regarding each company. It is also pointed out that relations with affiliated companies are of an overall insignificant entity.

(in thousands of Euro)	*Subsidiaries*	*Associated companies*	*Affiliated companies*
Revenue			
Commercial income	18,749	5,695	36
Other income	112	90	-
Total revenues	**18,861**	**5,785**	**36**
Costs			
Commercial expense	1,477	352	854
Other expense	535	468	-
Total costs	**2,012**	**820**	**854**
Loans and receivables			
Commercial receivables	13,128	9,541	1
Other	3,116	64	51
Total loans and receivables	**16,244**	**9,605**	**52**
Loans and payables			
Commercial payables	-	66	40
Other	605	-	-
Total loans and payables	**605**	**66**	**40**

Investments

Throughout 2002, the total of the net investments in intangible and tangible fixed assets amounted to 43.6 million Euro, and consisted of 53.7 million Euro of new investments net of 10.1 million Euro of disposals.

In detail, the investments net of the disposals made in the 2002 were the following.

Net investments by sector of activities

(in thousands of Euro)	*Production*	*Distribution*	*Restaurant activities*	*Other*	*Total*
Intangible					
Formation and start-up costs	7	19	(192)	-	(166)
Cost of research, development and advertising	3,053	-	26	-	3,079
Cost of industrial patents and rights for the use of intellectual property	371	577	296	92	1,336
Concessions, licenses, brand names and similar rights	38	-	-	9	47
Goodwill	(20)	-	3,246	-	3,226
Consolidation differences	-	-	1,787	-	1,787
Intangible fixed assets under development and advances	355	2,300	2,996	81	5,732
Other intangible fixed assets	2,045	3,368	497	(938)	4,972
Total intangible fixed assets	**5,849**	**6,264**	**8,656**	**(756)**	**20,013**
Tangible					
Land and buildings	2,857	420	193	264	3,734
Plant and machinery	5,786	273	512	49	6,620
Industrial and commercial equipment	789	117	541	2	1,449
Other tangible fixed assets	1,297	384	1,597	1,245	4,523
Tangible fixed assets under development and advances	2,548	193	1,662	2,809	7,212
Total tangible fixed assets	**13,277**	**1,387**	**4,505**	**4,369**	**23,538**
Total	**19,126**	**7,651**	**13,161**	**3,613**	**43,551**

The main investments have been realized in the production sectors and concern the production plants and advertising costs for launching new products. In restaurant services sector, investments have concerned the acquisition of new station buffets, the expansion of existing premises and extending the "Roadhouse" project. Amongst the initiatives undertaken in the commercial restaurant services sector, the completion of the restructuring and the subsequent operation of the "Spazio Cremonini al Trevi" is pointed out.

For further information on the investments effected in the year please see the notes to the financial statements.

Research and development

The main research and development activities, divided by sector are the following:

- The beef sector – The research and development of new products and technology aimed at exploiting the by-products of butchering (composting, drying, etc.) has continued.

- Cured meat and snack sector – In 2002 research and development has mainly been directed in the areas of the so-called "very fresh" products. Considering the strategic weight attributed to these products, the research in this sector will continue in 2003 beyond the development of controls and procedures in the area of traceability of products.

- Foodservice distribution sector – The development and expansion of product lines with its own brand name is continuing.

- Restaurant services sector – The activity into defining new concepts of restaurant services is continuing.

Subsequent events to the closure of the 2002 financial year

As regards the subsequent events to the closure of the financial year, the following is pointed out:

Production - beef

During the month of January a 40% share of the capital of Farm Service s.r.l., a company involved in processing cattle bones and “low risk” material coming from butchering, was acquired.

Production - cured meat and snacks

On 19th February 2003, the subsidiary Salumi d’Emilia s.r.l., following the plans defined when it was established, was adjudicated with the company branch of Ibis s.p.a. put up for sale within the contributory procedure declared by the Court of Parma.

Restaurant activities

In the month of March 2003 an agreement was signed to obtain a significant share in the motorway restaurant services sector in Italy. The agreement foresees the purchase, for the price of about 7.5 million Euro, by the Cremonini Group of 50% of Moto s.p.a., company of the Compass Group already operative in the motorway sector with 10 service areas in Italy, three of which are being completed, and two service areas in Austria.

The acquisition of another station buffet in Reggio Emilia, bringing the number of station buffets in Italy to 31, is also to be pointed out, as is the winning of the public tender for operating the restaurant services of the new Cagliari Elmas airport.

Within the international restaurant services sector, a new contract has been negotiated with SNCF regarding the operation of the Bordeaux-Nice line, starting from June 2003, with an estimated turnover of 1 million Euro/year. This acquisition is of particular importance considering the new tenders in France foreseen in 2004.

Foodservice distribution

Marr won 3 lots in the open procedure tender for supplying foodstuffs to the Public Administrations called by Consip s.p.a.. The overall amount of the supply is approximately 26.5 million Euro.

Others

As regards the financial activity, it is pointed out that on 12th February 2003, the bond debt, issued by Cremonini Finance plc in 1998 and originally amounting to approximately 129 million Euro and which had reached its natural maturity, was repaid.

Finally, at March 26, 2003, the treasury stock held by Cremonini s.p.a. amounted to 12,740,343 worth 21,748 thousand Euros; during the course of 2003 and up to March 26, 2003 the movements have been the following:

Period	*No. of shares*	*Paid up amount (in thousands of Euro)*	*Valuation (in thousands of Euro)*
December 31, 2002	**11,219,280**	**-**	**20,023**
- Change January 2003	-	-	-
- Change February 2003	997,505	1,168	-
- Change March 2003	523,558	557	-
March 26, 2003	**12,740,343**	**-**	**21,748**

Management's views on future developments

In the fiscal year 2003, the already consolidated trend of developing the turnover and improving profitability is expected to continue with a positive impact on the overall financial situation as well.

The Parent Company

A summary of the results of the Parent Company follows.

The Parent Company statement of income

(in thousands of Euro)	**Year 2002**	Year 2001	Change (%)
Total revenues	**124,509**	**122,129**	*1.95*
Changes in inventories of product in progress and finished products	-	-	
Value of production	**124,509**	**122,129**	*1.95*
Costs of production	(80,065)	(76,216)	
Value added	**44,444**	**45,913**	*(3.20)*
Staff expenses	(30,463)	(29,666)	
Gross operating margin	**13,981**	**16,247**	*(13.95)*
Depreciation, amortization and write-downs	(11,235)	(9,094)	
Operating profit	**2,746**	**7,153**	*(61.61)*
Net financial income (expense)	2,189	(7,994)	
Profit (loss) from normal operations	**4,935**	**(841)**	*(a)*
Net income (expense) from stockholdings	3,944	2,900	
Net extraordinary income (expense)	(263)	(1,467)	
Profit (loss) before taxation	**8,616**	**592**	*(a)*
Taxation for the financial year	(6,775)	203	
Profit (loss) for the year	**1,841**	**795**	*131.57*

(a) figures not shown as not significant

The Parent Company balance sheet

(in thousands of Euro)	**31.12.2002**	*31.12.2001*	*Change (%)*
Intangible fixed assets	15,278	16,723	
Tangible fixed assets	54,501	51,721	
Stockholdings and other financial fixed assets	298,792	300,935	
Total fixed assets	**368,571**	**369,379**	*(0.22)*
- Trade receivables	*27,364*	*24,042*	
- Inventories	*1,610*	*1,424*	
- Trade payables	*(27,118)*	*(27,845)*	
Total trade net working capital	1,856	(2,379)	
Other current assets	28,691	47,708	
Other current liabilities	(14,430)	(13,218)	
Net working capital	**16,117**	**32,111**	*(49.81)*
Staff severance indemnities and other medium-long term provisions	**(12,673)**	**(12,103)**	
Net capital employed	**372,015**	**389,387**	*(4.46)*
Group net equity	**182,788**	**180,948**	*1.02*
Medium-long term debts	56,279	96,516	
Short term debts	132,948	111,923	
Net financial position	**189,227**	**208,439**	*(9.22)*
Shareholders' equity and debts	**372,015**	**389,387**	*(4.46)*

Net financial position of the Parent Company

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Bank loans, bonds and other financing		
- payable within 12 months	(127,266)	(78,663)
- payable between 1 and 5 years	(48,466)	(77,435)
- payable over 5 years	(10,342)	(19,081)
Total bank loans, bonds and other financing	**(186,074)**	**(175,179)**
Liquidity		
- cash and cash equivalents	23,317	2,515
- financial assets	18,034	17,130
Total liquidity	**41,351**	**19,645**
Internal treasury current accounts	**(44,504)**	**(52,905)**
Total financial position, net of liquidity	**(189,227)**	**(208,439)**

Other than the typical activities of a holding company, the Parent Company provides the Group companies with specific services and manages the restaurant activities (on board and commercial) through a dedicated division. The following table reports the economic figures divided by segment of activities.

(in thousands of Euro)	***2002***	*2001*	*Chg. %*	***2002***	*2001*	*Chg. %*	***2002***	*2001*	*Chg. %*
	Restaurant activities	***Restaurant activities***		***Parent Company***	***Parent Company***		***Total***	***Total***	
Total revenues	**117,800**	**115,367**	*2.1*	**6,709**	**6,762**	*(0.8)*	**124,509**	**122,129**	*1.9*
Changes in inventories	-	-		-	-		-	-	
Value of production	**117,800**	**115,367**	*2.1*	**6,709**	**6,762**	*(0.8)*	**124,509**	**122,129**	*1.9*
Costs of production	(73,484)	(69,890)		(6,581)	(6,326)		(80,065)	(76,216)	
Value added	**44,316**	**45,477**	*(2.6)*	**128**	**436**	*(70.6)*	**44,444**	**45,913**	*(3.2)*
Staff expenses	(28,364)	(27,515)		(2,099)	(2,151)		(30,463)	(29,666)	
Gross operating margin	**15,952**	**17,962**	*(11.2)*	**(1,971)**	**(1,715)**	*(14.9)*	**13,981**	**16,247**	*(13.9)*
Depreciation, amortization and write-downs	(5,525)	(4,875)		(5,710)	(4,219)		(11,235)	(9,094)	
Operating profit	**10,427**	**13,087**	*(20.3)*	**(7,681)**	**(5,934)**	*(29.4)*	**2,746**	**7,153**	*(61.6)*
Net financial income (expense)	(337)	16		2,526	(8,010)		2,189	(7,994)	
Profit (loss) from normal operations	**10,090**	**13,103**	*(23.0)*	**(5,155)**	**(13,944)**	*63.0*	**4,935**	**(841)**	*(a)*
Net income (expense) from stockholdings	-	-		3,944	2,900		3,944	2,900	
Net extraordinary income (expense)	(66)	(400)		(197)	(1,067)		(263)	(1,467)	
Profit (loss) before taxation	**10,024**	**12,703**	*(21.1)*	**(1,408)**	**(12,111)**	*88.4*	**8,616**	**592**	*(a)*
Taxation for the financial year							(6,775)	203	
Profit (loss) for the year							**1,841**	**795**	*131.6*

(a) figures not shown as not significant

Restaurant service activity

The Company conducts business, both directly and also through its subsidiaries, in the sector of commercial and on board restaurant services in concession.

For comments and the summaries of the results of these activities you are referred to the more detailed comments made previously under the results of the Group's activities.

Property services

Cremonini s.p.a. carries out this activity directly, managing the property for both civil use and for use of the restaurant services division.

Direct services

The specific transactions and services, provided mainly to the Group's companies, concern the following operating areas:

<u>finance:</u> centralized treasury management and special and medium/long-term loan planning;

<u>guarantee and advisory services:</u> issuing of guarantees (of banking and insurance type) and general advisory services on subjects such as accounting, corporate law, tax, legal and contractual;

<u>insurance:</u> management of insurance coverage for all the Group's companies;

<u>factoring of trade receivables:</u> sub-servicer on behalf of the company Cremonini Sec. s.r.l. for the operative and mandate management on behalf of the subsidiaries INALCA s.p.a., Marr s.p.a. and Montana Alimentari s.p.a. in the presentation of the receivables and encashment of the net proceeds of the disposals themselves. The turnover and the other elements of the securitization operation are described in the notes to the financial statements.

Transactions with Group and affiliated companies

With specific reference to the activities of Cremonini s.p.a. itself and the specific financial and services transactions with subsidiary and affiliated companies, we specify that these concerned the following typologies of costs and revenues. The appropriate exhibits of the notes to the financial statements show the financial and economic figures, subdivided by type, regarding each company. It is also pointed out that relations with affiliated companies are of an overall insignificant entity.

(in thousands of Euro)	*Subsidiaries*	*Associated companies*	*Affiliated companies*
Revenue			
Financial income	16,655	-	-
Income from services	6,279	150	27
Sales of goods	83	2	-
Other income	6,193	38	-
Total revenues	**29,210**	**190**	**27**
Costs			
Financial expense	6,953	-	-
Services expense	709	-	-
Purchase of goods	7,612	-	-
Other expense	485	-	-
Total costs	**15,759**	**-**	**-**
Loans and receivables			
Internal treasury	215,445	-	-
Commercial receivables	1,061	197	-
Other receivables	15,852	5	51
Total loans and receivables	**232,358**	**202**	**51**
Loans and payables			
Internal treasury	140,354	-	-
Commercial payables	1,754	-	-
Other payables	129,896	-	-
Total loans and payables	**272,004**	**-**	**-**

Treasury stock

The Parent Company has treasury stock acquired on the basis of a mandate conferred to the Directors and as a result of the relevant decisions taken by the Board of Directors with the aim of maintaining the stability of the company's share price. The mandate foresees the possibility of acquiring treasury stock up to a maximum amount laid out by art. 2357 of the Italian Civil Code.

Throughout 2002, movements in treasury stock were as follows:

	Number of stock	*Total nominal value*	*% of capital*	*Purchase/Sale amount (Euro/000)*	*Balance sheet value (Euro/000)*
Treasury stock under fixed assets					
No. of shares as at 31.12.2001	4,113,000	2,138,760	2.90	-	10,501
- Purchases	-	-	-	-	-
- Sales	-	-	-	-	-
Total stock as at 31.12.2002	**4,113,000**	**2,138,760**	**2.90**	**-**	**10,501**
Treasury stock under current assets					
No. of shares as at 31.12.2001	4,962,000	2,580,240	3.50	-	7,705
- Purchases	2,294,280	1,193,026	1.62	3,488	-
- Sales	(150,000)	(78,000)	(0.11)	(259)	-
Total stock as at 31.12.2002	**7,106,280**	**3,695,266**	**5.01**	**-**	**9,522**
Total as at 31.12.2002	**11,219,280**	**5,834,026**	**7.91**	**-**	**20,023**

Other than as reported under the heading "Subsequent events to the closure of the 2002 financial year", we confirm that Cremonini s.p.a. does not own any other treasury stock, either through a fiduciary company, or through any person acting as nominee.

The subsidiaries and associated companies do not own Cremonini shares, either directly or through a fiduciary company or any person acting as a nominee and during the course of the year have not purchased or sold shares in the Parent company.

Because of the particular international political-economic situation, the main stock exchange markets, amongst which the Italian one, are going through a particularly difficult period. In this context even the quotation of the Cremonini share, in spite of the positive trend of the Group and the excellent results of the 2002 financial statements, has undergone a reduction. On the basis of the official quotation of the share at March 26, 2003, the value of the treasury stock in portfolio would be approximately 3,411 thousand Euros lower than what has already been described in the notes to the financial statements, both in the Parent Company and consolidated financial statements in the "Treasury stock" paragraph of the fixed assets.

Directors’ and Statutory Auditors’ undertakings

As at December 31, 2002, the undertakings in Cremonini s.p.a. and in its subsidiaries were owned only by Directors, as follows:

Name	*Company*	*Held at 31.12.2001*		*Purchases Assignments Subscriptions*		*Sales*		*Held at 31.12.2002*	
		Shares no.	Amount n.v.	Shares no.	Amount n.v.	Shares no.	Amount n.v.	Shares no.	Amount n.v.
		Numbers and values in thousands							
Cremonini Luigi	Cremonini s.p.a.	13,080	-	240	-	(2,000)	-	11,320	-
Fabbian Valentino	Cremonini s.p.a.	55	-	-	-	-	-	55	-
Cremonini Vincenzo	Cremonini s.p.a.	48	-	-	-	-	-	48	-
Ravanelli Ugo	Cremonini s.p.a.	47	-	-	-	-	-	47	-
Pedrazzi Giorgio	Cremonini s.p.a.	47	-	-	-	-	-	47	-
Barberis Giovanni	Cremonini s.p.a.	24	-	-	-	-	-	24	-
Aratri Illias	Cremonini s.p.a.	73	-	-	-	-	-	73	-
Aratri Illias	Roadhouse G.I. s.r.l.	-	0.9	-	-	-	-	-	0.9

The Powers conferred to Directors

In accordance with the recommendations of Consob dated February 20, 1997, the powers conferred to each of the directors are as follows:

– the Chairman Mr Luigi Cremonini, other than being the legal representative as described in article 21 of the Articles of Association, has been granted the power to sign severally, within the limits of the powers conferred upon him by the Board of Directors at a meeting held on May 14, 2002;
– the Chief executive Officer Mr Vincenzo Cremonini, other than being the legal representative as described in article 21 of the Articles of Association, has been granted the power to sign severally, within the limits of the powers conferred upon him by the Board of Directors at a meeting held on May 14, 2002;
– the Chief Executive Officer Mr Valentino Fabbian has been granted the power to sign severally, with specific reference to the activities of the restaurant division, within the limits of the powers conferred upon him by the Board of Directors at a meeting held on May 14, 2002.

An Executive Committee has not been established and a Managing Director has not been appointed.

During the 2002 financial year both the Chairman and the Chief Executive Officers used the powers conferred upon them for normal management requirements only, while material transactions, by type, nature and value, were approved by a meeting of the Board of Directors.

Other information

The Board of Directors, within the application of the company's "Self-discipline code" for listed companies and of the rules issued by the Consob and Borsa Italiana:

- has resolved to nominate a "Committee for Emoluments" on May 14, 2002;
- has resolved to nominate an "Internal Control and Corporate Governance Committee" on May 14, 2002;
- resolved to adopt the "Internal Dealing Behaviour Code" on December 20, 2002, which came into force on January 1, 2003.

* * * * * * * * * *

To our Shareholders,

prior to concluding and requesting your votes, we confirm that the financial statements as at December 31, 2002, which have been presented for your examination and approval at this shareholders' meeting, have been prepared in conformance with current legislation.

As regards the year's result – that is the profit of 1,840,765 Euro – we propose that it, along with the available reserve for retained earnings of 820,042 Euro, and thus amounting to 2,660,807 Euro overall, be distributed amongst the Shareholders.

We thus propose the assignment of a gross dividend of 0.0206 Euro for each lawful share, specifying that this dividend benefits from full tax credit and that any numerical rounding up will be included in the "retained profits" reserve.

If you should approve, we also propose that the payment be made on May 22, 2003, with the payment of the coupon at the useful date of May 19, 2003, as ruled by Borsa Italiana.

Finally, we invite you to approve the financial statements, together with the Directors' Report and the proposals contained therein.

Castelvetro di Modena, 27 March 2003

CHAIRMAN
OF THE BOARD OF DIRECTORS
(Cav. Lav. Luigi Cremonini)

Parent Company financial statements 2002

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Financial statements as at December 31, 2002

Balance sheet - Assets

(in Euro)	**31.12.2002**	*31.12.2001*
B) Fixed assets		
I. Intangible		
1) Formation and start-up costs	201,129	*1,852,442*
3) Cost of industrial patents and rights for the use of intellectual property	316,710	*113,943*
4) Concessions, licences, brand names and similar rights	157,721	*191,249*
5) Goodwill	6,989,212	*5,132,192*
6) Intangible fixed assets under development and advances	324,036	*1,092,564*
7) Other intangible fixed assets	7,289,681	*8,340,230*
	15,278,489	*16,722,620*
II. Tangible		
1) Land and buildings	43,975,264	*30,407,302*
2) Plant and machinery	3,109,609	*3,207,967*
3) Industrial and commercial equipment	1,012,509	*817,849*
4) Other tangible fixed assets	4,475,436	*3,976,753*
5) Tangible fixed assets under development and advances	1,927,972	*13,311,199*
	54,500,790	*51,721,070*
III. Financial		
1) Stockholdings in		
a) subsidiaries	276,126,891	*276,189,150*
b) associated companies	1,164,554	*85,327*
d) other companies	2,478,809	*1,614,253*
	279,770,254	*277,888,730*
2) Loans		
a) to subsidiaries		
- within 12 months	766,400	*771,991*
- over 12 months	219,380	*294,380*
b) to associated companies		
- within 12 months	4,648	*87,281*
d) to others		
- within 12 months	6,927,746	
- over 12 months	3,131,780	*11,392,438*
	11,049,954	*12,546,090*
3) Other securities	15,505,032	*16,635,077*
4) Treasury stock (total nominal value at 31.12.2002 Euro 2,138,760)	10,500,798	*10,500,798*
	316,826,038	*317,570,695*
Total fixed assets (B)	**386,605,317**	***386,014,385***

(in Euro)	**31.12.2002**	*31.12.2001*
C) Current assets		
I. Inventories		
4) Finished products and goods for resale	1,609,542	*1,424,136*
	1,609,542	*1,424,136*
II. Receivables		
1) Trade receivables		
- within 12 months	20,437,560	*23,289,705*
- over 12 months	577,001	*680,110*
	21,014,561	*23,969,815*
2) From subsidiaries		
- within 12 months	142,368,908	*137,750,238*
- over 12 months	89,002,993	*76,068,486*
	231,371,901	*213,818,724*
3) From associated companies		
- within 12 months	197,039	*5,366*
	197,039	*5,366*
5) From others		
- within 12 months	17,434,001	*29,148,727*
- over 12 months	271,411	*307,279*
	17,705,412	*29,456,006*
	270,288,913	*267,249,911*
III. Financial current assets		
5) Treasury stock (total nominal value at 31.12.2002 Euro 3,695,266)	9,522,418	*7,705,214*
6) Other securities		*494,647*
	9,522,418	*8,199,861*
IV. Cash and cash equivalents		
1) Bank and post office accounts	22,618,046	*1,357,550*
3) Cash on hand	699,206	*1,158,163*
	23,317,252	*2,515,713*
Total current assets (C)	**304,738,125**	***279,389,621***
D) Accrued income and prepaid expenses		
- miscellaneous	1,979,836	*1,391,029*
Total accrued income and prepaid expenses (D)	**1,979,836**	***1,391,029***
Total assets (B+C+D)	**693,323,278**	***666,795,035***

Financial statements as at December 31, 2002

Balance sheet - Shareholders' equity and liabilities

(in Euro)	31.12.2002	*31.12.2001*
A) Shareholders' equity		
I. Capital stock	73,746,400	*73,746,400*
II. Share premium reserve	71,608,807	*73,426,011*
IV. Legal reserve	14,749,280	*14,641,941*
V. Reserve for treasury stock	20,023,216	*18,206,012*
VII. Other reserves		
Retained profits reserve	820,042	*132,546*
IX. Profit (loss) for the year	1,840,765	*794,840*
Total shareholders' equity (A)	182,788,510	*180,947,750*
B) Provision for liabilities and charges		
2) Provision for taxation	79,853	*29,853*
3) Other	3,365,933	*3,507,816*
Total provision for liabilities and charges (B)	3,445,786	*3,537,669*
C) Staff severance indemnities	9,227,129	*8,565,954*
D) Payables		
3) Bank loans and overdrafts		
- within 12 months	127,266,065	*72,723,666*
- over 12 months	58,808,194	*96,515,862*
	186,074,259	*169,239,528*
4) Loans from other financial institutions		
- within 12 months		*5,939,313*
		5,939,313
6) Trade payables		
- within 12 months	25,892,511	*25,303,210*
	25,892,511	*25,303,210*
8) Payables to subsidiaries		
- within 12 months	272,003,775	*131,946,227*
- over 12 months		*129,114,225*
	272,003,775	*261,060,452*
11) Tax payables		
- within 12 months	3,581,855	*4,792,195*
	3,581,855	*4,792,195*
12) Payables to pension and social security institutions		
- within 12 months	1,008,324	*994,851*
	1,008,324	*994,851*
13) Other payables		
- within 12 months	6,753,114	*4,952,593*
	6,753,114	*4,952,593*
Total payables (D)	495,313,838	*472,282,142*
E) Accrued expenses and deferred income		
- miscellaneous	2,548,015	*1,461,520*
Total accrued expenses and deferred income (E)	2,548,015	*1,461,520*
Total liabilities (A+B+C+D+E)	693,323,278	*666,795,035*

Memorandum accounts

(in Euro)	31.12.2002	*31.12.2001*
Direct guarantees - sureties		
- subsidiaries	290,257,294	*269,695,709*
- associated companies		
- affiliated companies	122,202	*2,699,690*
- other companies	80,450,361	*72,148,266*
	370,829,857	*344,543,665*
Direct guarantees - letters of comfort		
- subsidiaries	78,967,977	*64,143,947*
- associated companies	100,000	
- affiliated companies		
- other companies		
	79,067,977	*64,143,947*
Indirect guarantees - credit mandates		
- subsidiaries	114,697,478	*118,062,047*
- associated companies		
- affiliated companies		
- other companies		
	114,697,478	*118,062,047*
Future leasing instalments	929,122	*1,122,358*
Total memorandum accounts	**565,524,434**	***527,872,017***

Financial statements as at December 31, 2002

Statement of income

(in Euro)	31.12.2002	*31.12.2001*
A) Value of production		
1) Revenues from sales and services	121,724,267	*118,806,360*
4) Increase in fixed assets produced internally	277,351	*509,661*
5) Other revenues and income		
- miscellaneous	2,507,645	*2,813,030*
Total value of production (A)	**124,509,263**	***122,129,051***
B) Costs of production		
6) For raw materials, supplies, consumables and goods for resale	33,592,817	*32,892,558*
7) For services	33,532,939	*31,280,808*
8) For the use of third party assets	11,462,191	*10,017,802*
9) For personnel		
a) Salaries and wages	22,158,007	*21,479,807*
b) Social security costs	6,414,023	*6,458,243*
c) Staff severance indemnities	1,824,309	*1,727,597*
e) Other expenses	66,302	
	30,462,641	*29,665,647*
10) Amortization, depreciation and write-downs		
a) Amortization of intangible fixed assets	6,178,301	*5,831,782*
b) Depreciation of tangible fixed assets	2,825,578	*2,689,794*
c) Other write-down of fixed assets	1,677,752	
d) Provision for bad debts		
and write-downs of other current assets	283,652	*260,089*
	10,965,283	*8,781,665*
11) Changes in inventories of raw materials, supplies,		
consumables and goods for resale	(209,042)	*(147,671)*
12) Provision for risks	270,000	*313,259*
14) Sundry administration costs	1,686,752	*2,172,412*
Total costs of production (B)	**121,763,581**	***114,976,480***
Difference between value and costs of production (A-B)	**2,745,682**	***7,152,571***

(in Euro)	**31.12.2002**	*31.12.2001*
C) Financial income and expense		
15) Income from stockholdings		
- from subsidiaries	10,796,985	*9,604,165*
- others	132,308	*44,106*
	10,929,293	*9,648,271*
16) Other financial income		
a) from fixed loans		
- from subsidiaries	40,179	*23,279*
- others	116,131	*151,338*
	156,310	*174,617*
b) from fixed securities other than stockholdings	926,320	*1,175,397*
c) from current securities other than stockholdings	24,221	*268*
d) income other than described above		
- from subsidiaries	16,654,761	*12,527,328*
- from associated companies	167	*529*
- others	4,638,397	*1,059,000*
	21,293,325	*13,586,857*
	22,400,176	*14,937,139*
17) Interest and other financial costs		
- from subsidiaries	(6,952,995)	*(6,703,955)*
- others	(13,257,628)	*(16,226,782)*
	(20,210,623)	*(22,930,737)*
Total financial income and expense (C)	**13,118,846**	***1,654,673***
D) Adjustments to the value of financial assets		
19) Write-downs		
a) of stockholdings	(5,549,152)	*(6,719,604)*
b) of financial fixed assets other than stockholdings		*(7,229)*
c) of current securities other than stockholdings	(1,436,101)	*(21,810)*
Total adjustments to the value of financial assets (D)	**(6,985,253)**	***(6,748,643)***
E) Extraordinary income and expense		
20) Income		
- surplus on sales of assets	2,651	*51,646*
- miscellaneous	660,551	*621,187*
	663,202	*672,833*
21) Expense		
- loss on sale of assets	(5,471)	
- taxation relating to preceding financial years	(38,685)	*(23,923)*
- miscellaneous	(882,051)	*(2,116,020)*
	(926,207)	*(2,139,943)*
Total extraordinary income and expense (E)	**(263,005)**	***(1,467,110)***
Profit before taxation (A-B+C+D+E)	**8,616,270**	***591,491***
22) Taxation on the profit for the financial year	(6,775,505)	*203,349*
26) Profit for the financial year	**1,840,765**	***794,840***

Structure and contents of the financial statements

The financial statements for the year ended December 31, 2002, have been drawn up in accordance with the regulations of the Italian Civil Code and include a balance sheet (prepared in compliance with Articles 2424 and 2424 bis of the Italian Civil Code), an income statement (complying with Articles 2425 and 2425 bis of the Italian Civil Code) and these notes to the accounts, supplying the information required by Article 2427 of the Italian Civil Code and other regulations relating to financial statements. In addition, all complementary information needed to provide a true and fair view of these financial statements has also been supplied, although not specifically required by law.

The balance sheet and the statement of income have been drawn up using the Euro currency without decimal digits, and all roundings were debited to the income statement. The notes to the financial statements are reported in thousands of Euro, pursuant to art. 16, paragraph 8, letter a), Legislative Decree no. 213/98 and to art. 2423, paragraph 5, of the Italian Civil Code.

Valuation rules

The valuation rules used for drawing up the financial statements for the year ended December 31, 2002, the main ones of which are listed below, have remained basically the same as those used for drawing up financial statements of the previous year.

Intangible fixed assets

Intangible fixed assets are carried at their merging value or purchase price or production cost, including incidental expenses, and are systematically depreciated over the period of their expected useful economic life.

Formation and start-up costs that are carried forward over several years are amortized over 5 financial years.

The cost of research, development and advertising are amortized over periods not exceeding five years.

Industrial patents and rights for the use of intellectual property, principally representing software costs, are depreciated over a period of 3 years.

Concessions, licences, brand names and similar rights are depreciated over periods varying from five to twenty years or, in some cases, over the duration of the relevant contract.

Goodwill purchased for cash, or arising from mergers is amortized on the basis of its useful economic life, estimated to range between 5 and 20 years. In fact, considering the nature of restaurant services in station buffets, to which the goodwill principally refers, their strategic worth and past experience indicates that a period of amortization of over 5 years is to be considered suitable, given the peculiarity of the business. Specifically, the amortization of goodwill paid for station buffets is calculated following the duration indicated in the concession contract. Excess of cost stemming from mergers is also amortized over a period of between 5 and 20 years, consistent with the goodwill paid for the acquisition of business branches.

The other intangible fixed assets mainly include leasehold improvements which are amortized at rates which are consistent with the foreseen duration of each leasing contract. The charges and commissions on loans are amortised on the basis of the duration of the transactions to which they refer. The other long term charges are amortised on the basis of their expected useful life.

Tangible fixed assets

Tangible fixed assets are carried at their merging value or purchase price or production cost, adjusted in relation to their corresponding provisions for depreciation. Costs also include incidental expenses and direct and indirect costs, which are considered directly attributable to the assets. Costs also include interests paid on borrowings to finance assets in course of construction, up to the date of the asset utilization.

Fixed assets are systematically depreciated in each year over their expected useful economic life, applying the principle of residual useful economic life which we believe is fairly represented by the annual rates listed below. These values are halved in the year in which the assets came into operation:

- Buildings	1.5% - 3%
- Light constructions	10%
- Plant and machinery	8% - 20%
- Equipment	15% - 25%
- Other assets	10% - 40%

In the event of a permanent loss in asset value, the relative asset is written-down irrespective of the depreciation already booked. Should the reason for the write-down no longer apply in any given financial year, then the original value is reinstated, only adjusted to account for the appropriate depreciation.

Ordinary maintenance costs are debited to the income statement. Maintenance costs that increase productivity are attributed to the assets concerned and depreciated over their residual useful life.

Financial fixed asset

Stockholdings in subsidiaries, associated and other companies, as well as other investments and treasury stock held on a long-term basis, are carried at their purchase price or subscription cost, appropriately written up in accordance with relevant legal requirements, or written-down to account for permanent losses in value. Should the reason for the write-down no longer apply in any given financial year, then the original value is restored.

It is also worth noting that stockholdings in subsidiaries and associated companies are valued using the net equity method through the consolidation process of the Group. The consolidated financial statements as at December 31, 2002, contain full details of the results of the Company and of the Group.

Long-term receivables are booked at their estimated realisable value.

Inventories

Inventories are valued at the lower of purchase price, which is established using a method similar to the FIFO method, and the estimated realisable value on the basis of market trends. Cost is purchase cost plus ancillary expenses. Obsolete or slow moving items are written down according to the estimate of their possible use or sale.

Receivables

Receivables are shown at their estimated realisable value, taking into account, however, both bad debts already identified and a provision for doubtful debts estimated by considering each individual debt and past experience.

Financial current assets

Current financial assets are valued at the lower of cost or realisable value, based on the current market prices. The cost is the purchase cost including the ancillary expenses, determined, in the case of treasury stock, by the weighted average cost method and for the other stocks, by the FIFO method.

Cash and cash equivalents

Bank accounts and cash balances are shown at their nominal value.

Provisions for liabilities and charges

Provisions for liabilities and charges are set up to cover losses or other probable or known to exist liabilities, whose amount and contingency date could not be precisely stated at the date of the financial statements. These items are provided for on a prudent and on an accrual basis; allocations reflect the best possible estimates according to the elements available.

Provisions for staff severance indemnities

Provisions for staff severance indemnities are made to cover the entire commitment to date towards employees, in conformity with current legislation and the collective and corporate labour contracts and taking into consideration all forms of continuous remuneration. The provisions include the total of all employee indemnities due at the date of the balance sheet, net of advances made.

Payables

These are shown at nominal value.

Accruals and prepayments

Accrued income and prepaid expenses are accounted for according to the period to which they refer.

Commitments, guarantees and risks

Commitments and guarantees are shown under the memorandum accounts at their contractual values.

Risks deemed certain or likely to result in financial liabilities are included in the provision for risks by amounts corresponding to best estimates of the value of these liabilities. Contingent risks that may only eventually result in financial liabilities are described when and where appropriate in these notes and are not covered by corresponding provisions.

Recognition of costs and income

Sales income and purchase costs are booked following transfers of ownership, generally the date of delivery.

Income from services to third parties are recorded according to the period that these services cover and income of a financial nature are recorded in the period to which it refer. Costs are recorded in the period to which they refer.

Dividends

Dividends are accounted for once their distribution has been approved by the associated and other companies or, if they are to be distributed by the subsidiaries, they are accounted for in the period net profits are produced. Dividend tax credits are accounted for in the period in which the dividends are received.

Income Taxes

Current income taxes are based upon a realistic forecast of taxes payable, complying with the tax regulations in force; the relating debt is reported net of advances, withholding taxes and tax credits to be offset, under the "Tax payables" heading. If there should be a credit, it is classified in the item "Receivables from others" in the current assets.

Deferred taxation is based on the existing timing differences between the amounts shown in the financial statements and the fiscal values. The provision for deferred taxation is accounted for within the provision for taxation. Pre-paid tax assets are only accounted for when there is a reasonable certainty of recovery and are classified under other receivables or else, where possible, used to reduce the deferred taxation provision.

Accounting for foreign currency transactions

Foreign currency debits and credits reported under current assets/liabilities, which are uncovered against currency risks by means of hedge contracts, are normally converted into the currency unit based on the exchange rate of the transaction date. Upon closing of the balance sheet, the same are converted based on the year end exchange rate. The differences, positive or negative, between the exchange rates at which these items were recorded and the values of these at the end of the period, are credited or debited to the income statement.

Stockholdings in foreign companies, denominated in currencies other than Euro, are calculated at the purchase price based on the historical exchange rate of the transaction.

Securitization transaction

Until July 2002 the company had a credit securitisation transaction in progress, started in December 1994 and subsequently renewed until 2004. The transaction described in the notes to the financial statements 2001, which you are referred to, was effected with the factoring company CRC s.p.a..

As already described in the Directors' report, on July 15, 2002 the transaction with CRC was closed in advance and it was refinanced with another more efficient and less burdensome one, carried out in accordance with law 130/99.

The new transaction foresees the sale, without recourse, of trade receivables with particular characteristics on a rolling weekly basis belonging to the companies of the Group, Montana Alimentari s.p.a., Marr s.p.a. and INALCA s.p.a. to the Cremonini Sec. s.r.l..

Cremonini Sec. s.r.l., in which a company of the Group has a minority share (19%), has issued a bond for 120 million Euro listed on the London stock exchange to offset the transferred credit.

The transaction, carried out with Abaxbank and Banc of America in the role of Co-Lead Manager, has a duration of 7 years. The bonds, issued at par and with a Standard & Poor's AAA rating, have a quarterly coupon regulated at Euribor 3 months plus 50 basis points.

In the new transaction, operatively quite similar to the previous one, Cremonini s.p.a. continues to perform the role which it had performed for CRC until July 15, 2002. Particularly, Cremonini, neither directly nor indirectly controls the company Cremonini Sec. s.r.l., either through a third party or by means of a fiduciary company. Cremonini is the leader of the whole transaction and is mandatory for the presentation of these trade receivables on behalf of the transferors, and for the encashment of the net proceeds of the sales. Cremonini also plays the role of sub-servicer for Cremonini Sec.; that is to say, it keeps the accounting records and manages the entire transfer of receivables.

During the course of the year and up to July 15, 2002, the total of receivables transferred by Marr s.p.a., INALCA s.p.a. and Montana Alimentari s.p.a. to CRC amounted to approximately 224 million Euro, while the receivables transferred to Cremonini Sec., subsequent to that date and up to December 31, 2002, amounted to 257 million Euro.

These notes provide further information regarding the items resulting from the transaction of factoring the receivables.

Other information

With reference to the censurable facts already commented in the previous financial statements, we point out:

- the committal to trial of the Chairman of Cremonini s.p.a. by the magistrate for preliminary enquiries of the Court of Modena related to alleged acquisitions and transfers of money from false financial transactions placed by third parties in the period 1994-1995. Within this lawsuit, the fiscal charges were defined with Tax Administration through an assessment and the Company was exonerated from the consequent contingencies with an appropriate guarantee, actually already activated;
- at the date the financial statements were drawn up, the Chairman and one of the Cremonini s.p.a. managers, as well as a manager of the subsidiary INALCA s.p.a. are involved in a lawsuit before the Court of Turin, facing charges of "misleading advertising".

Even after taking into account the consequences of the above-mentioned actions in progress, the financial statements of the Parent Company as at December 31, 2002 are correct from a formal and substantial point of view and they provide a fair view of the Parent Company position.

Exemption under the terms of paragraph 4 of Article 2423 of the Civil Code

The exemptions provided by paragraph 4, Article 2423 of the Civil Code do not apply.

Information included in the Directors' Report

The Directors' Report contains information on the company business, on all post balance sheet events, on the transactions with the Group companies and affiliates, the components of current assets and liabilities and on other information relating to the businesses in which the company operates, directly and through its subsidiaries.

Comments on the main headings of the balance sheet

ASSETS

Fixed assets

Following are exhibits relating to the three fixed asset classes (intangible, tangible and financial) indicating for each heading the historical cost, previous provisions for depreciation/amortization and previous write-ups or write-downs. The tables also show the changes throughout the financial year and the final balances, as well as the year-end overall revaluation (write-ups).

Intangible fixed assets

(in thousands of Euro)	*Balance 31.12.2001*	*Purchases*	*Decreases*	*Other*	*Amortiz.*	***Balance 31.12.2002***
Formation and start-up costs	1,853	20	(2)	73	(1,743)	201
Cost of industrial patents and rights for the use of intellectual property	114	289	-	110	(196)	317
Concessions, licences, brand names and similar rights	191	9	-	-	(42)	158
Goodwill	5,132	3,246	-	191	(1,580)	6,989
Intangible fixed assets under development and advances	1,093	1,219	(82)	(1,906)	-	324
Other intangible fixed assets	8,340	1,094	(1,000)	1,472	(2,617)	7,289
Total	**16,723**	**5,877**	**(1,084)**	**(60)**	**(6,178)**	**15,278**

Formation and start-up costs

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Costs of altering the Articles of Association	34	48
Expenses for the Stock Market flotation	-	1,695
Other minor costs	167	110
Total	**201**	**1,853**

Cost of industrial patents and rights for the use of intellectual property

This item contains software costs exclusively. The years’ acquisitions refer to software applications both in the business and administrative/financial sector.

Goodwill

The heading basically includes the losses for mergers relating to the incorporation of companies and the goodwill paid for the acquisition of branches in the restaurant services business. The increase over the year is the result of the acquisition of two station buffets (Trieste and Milan Greco Pirelli).

Intangible fixed assets under development and advances

The intangible fixed assets under development and advances are principally improvements connected with restaurant premises belonging to third parties that are not yet in operation. Throughout 2002 a large amount of the investments in progress at December 31, 2001 have been completed and transferred to the other intangible fixed assets.

Other intangible fixed assets

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Leasehold improvement costs	5,665	5,179
Expenses and commissions on loans	502	2,347
Others	1.122	814
Total	**7,289**	**8,340**

Other intangible fixed assets mainly include leasehold improvement costs incurred for the leased property where the restaurant service activity is carried out. Increases in the year have particularly concerned the buffets of the stations Roma Termini (298 thousand Euros), Alessandria (107 thousand Euros) and Ravenna (114 thousand Euros).

The reduction of charges and commissions on loans has been affected not only by the year's amortization, but also by the re-negotiation (as a result of the early repayment in 2002) of the amortization period of the costs connected to the securitization transaction which was originally due to mature in 2004. As a result, the costs suspended amongst the long-term charges amounting to 678 thousand Euros have been written down in the year.

Tangible fixed assets

(in thousands of Euro)	*Balance 31.12.2001*	*Purchases*	*Decreases*	*Other*	*Amortiz.*	***Balance 31.12.2002***
Land and buildings	30,407	56	(32)	14,258	(714)	43,975
Plant and machinery	3,208	460	(11)	203	(750)	3,110
Industrial and commercial equipment	818	522	(8)	60	(379)	1,013
Other tangible fixed assets	3,977	856	(37)	662	(983)	4,475
Tangible fixed assets under development and advances	13,311	4,175	(231)	(15,327)	-	1,928
Total	**51,721**	**6,069**	**(319)**	**(144)**	**(2,826)**	**54,501**

The year's investments mainly refer to the completion of the restructuring and expansion work of the former Trevi cinema in Rome, as well as to the normal replacement and purchase of new assets. The costs incurred in the year regarding this property (1,833 thousand Euros) are included in the increases in fixed assets in progress and, along with the costs incurred in previous years (12,425 thousand Euros), have been reclassified in the item "Land and buildings". The building, which is located in a prestigious area in the centre of Rome, has been partially used for restaurant services and partially leased since December 2002. Further details on the use of the asset are provided in the Directors' Report.

There are mortgages on land and buildings, against loans obtained which amount to 48,630 thousand Euros.

In the year, financial charges amounting to 186 thousand Euros have been allocated to increase land and buildings. Such amount refers to interests on specific loans utilized to finance the construction of fixed assets until the date of their effective usage, and it is basically due to the Rome building (former Trevi cinema) renovation expenses. The cumulative amount of financial charges capitalized on tangible fixed assets as at December 31, 2002, was 4,066 thousand Euros.

Financial fixed assets

Stockholdings

The principal changes over the year, and the details required by item no. 5 of Article 2427 of the Italian Civil Code, are shown in exhibits 6 and 7.

Stockholdings in subsidiaries
The variations relating to undertakings in subsidiaries, occurred during the year ended 2002, are as follows:
- the purchase of 100% of Biancheri & C. s.r.l., the company which provides the restaurant service in the station buffet of Genoa Porta Principe;
- the establishment of the company Railrest s.a. (51% owned subsidiary) which began the job of operating restaurant services on board the high speed Thalys trains which connect Belgium with France, Holland and Germany from June 1, 2002;
- the acquisition of a further stockholding in the company under a winding up order Fernie s.r.l., 95% of which is now controlled by Cremonini s.p.a.;
- purchase from the subsidiary Marr s.p.a., of 20% of Interjet s.r.l. at a value basically in line with the book value established by the selling company;
- the sale of a minority stockholding in Cremonini Restauration s.a.s., now an 86% owned subsidiary, on December 9, 2002.

Moreover, the value of stockholdings in subsidiaries increased as a result of share capital reconstitution and payments effected to cover losses but which do not affect the control stake (Biancheri & C. s.r.l., Cremonini Finance plc, Global Service s.r.l., Roadhouse Grill Italia s.r.l., S.A.M. s.r.l.) while it was reduced as an effect of write-downs for enduring losses of value (Emil-Food s.r.l., Cremonini Finance plc, Global Service s.r.l., Interjet s.r.l.). Write-downs were basically carried out in accordance with the net equity of the year or with the losses incurred in the year.

Specifically, as regards Emil-Food s.r.l. (formerly Compagnia delle Spezie s.r.l.), it is pointed out that on June 3, 2002, it sold its entire operating business to an important international group in the sector. After the sale of the business, Compagnia delle Spezie s.r.l. changed its corporate name to Emil-Food s.r.l. and transferred its registered offices to Castelvetro di Modena. After the sale of the business, the undertaking was written-down to reflect the value of the year's net equity.

The excess of the residual book value of each single undertaking in subsidiaries with respect to the valuation carried out according to the net equity method (see exhibit 7) are not a result of permanent losses, since they refer to fixed assets whose market value is well above the net book value, or else to the potential and the goodwill of business managed.

The reasons for such higher book values are detailed below:

- Montana Alimentari s.p.a. – The fact that the book value is higher than the company's net equity is due to the expectations of future profits coming from perspective business plans;
- Interjet s.r.l. - The company owns an aeroplane whose market value, which exceeds the book value, justifies the load value of the undertaking;
- Guardamiglio s.r.l. - The surplus value stems from the higher value of fixed assets owned and from the profits expected from the activity;
- INALCA s.p.a. - The company is market leader in Europe in its line of business, due to technological innovations and to the state-of-the-art manufacturing facilities it utilizes, which allow us to envisage soaring profits in the future, especially after the "BSE" disease crisis, which has caused profound changes in the beef industry, thus spurring industry concentration;
- Cremonini Restauration s.a.s. and S.A.M. s.r.l. - Both companies, which operate in the commercial and on board restaurant services business, will generate profits in the near future such as to reinstate the higher book value.

Finally on February 5, 2003 Cremonini s.p.a. temporarily gave 2,503,900 ordinary shares in Marr s.p.a. to some credit institutes as a guarantee on loans obtained in 2003. Redemption of the guarantee is foreseen for May 2003.

Stockholdings in associated companies

The main variation in the associated companies refers to the acquisition of 30% of the company Food & Co s.r.l. by means of which the restaurant service division of Cremonini s.p.a. will run the restaurant services in various Bingo halls all over Italy in franchising.

Stockholdings in other companies

The main variation of other companies refers to the undersigning of the increase in capital stock in Emilia Romagna Factor s.p.a..

Loans

Loans to subsidiaries

(in thousands of Euro)	*31.12.2001*	*Increases*	*Decreases*	***31.12.2002***
Due within 12 months				
Cremonini International b.v.	516	-	-	516
Momentum Services ltd	256	-	(6)	250
Total within 12 months	**772**	**-**	**(6)**	**766**
Due between 1 and 5 years				
SGD s.r.l.	294	-	(74)	220
Total between 1 and 5 years	**294**	**-**	**(74)**	**220**
Total	**1,066**	**-**	**(80)**	**986**

These receivables are shown at their nominal value and refer both to interest-free loans and interest bearing loans.

Loans to others

(in thousands of Euro)	*31.12.2001*	*Incr./Utiliz.*	*Decr./Acc.*	*Reclass.*	***31.12.2002***
Due within 12 months					
Sundry and other loans	159	-	-	82	241
Deposit to CRC	-	-	-	7,845	7,845
Provision for bad debts	(159)	-	(1,000)	-	(1,159)
Total within 12 months	**-**	**-**	**(1,000)**	**7,927**	**6,927**
Due between 1 and 5 years					
Interest bearing loan to East West Holding	2,841	-	(2,841)	-	-
Deposit to CRC	7,845	-	-	(7,845)	-
Due from the State Treasury	71	-	-	-	71
Tax credit on T.F.R.	256	12	(145)	-	123
Cautionary deposits	379	64	(34)	-	409
Total between 1 and 5 years	**11,392**	**76**	**(3,020)**	**(7,845)**	**603**
Due over 5 years					
Cremonini Sec. cautionary deposit	-	2,529	-	-	2,529
Total over 5 years	**-**	**2,529**	**-**	**-**	**2,529**
Total	**11,392**	**2,605**	**(4,020)**	**82**	**10,059**

The most significant variations in loans to others have concerned the items connected to the securitization transactions of the commercial credits, mentioned previously. Particularly, the "Interest bearing loan to East West Holding" has been collected, while the "Deposit to CRC" has been reclassified in the items due within 12 months: both positions are connected to the CRC securitization, extinguished early on July 15, 2002, and represented amounts paid as a cautionary deposit to the transaction. As regards the "Deposit to CRC", which amounts to 6,515 thousand Euros as a result of amounts collected after December 31, 2002, a provision of 1,000 thousand Euros has been set up against the possible losses connected to the closure of the transaction itself.

The "Cremonini Sec. cautionary deposit" represents the guarantee paid to the "vehicle" company Cremonini Sec. s.r.l. to activate the new securitization operation which has replaced the one with CRC. This guarantee, which will be returned at the end of the transaction, was paid by Cremonini s.p.a. on behalf of the transferring companies Marr, INALCA and Montana Alimentari, to provide more rational operation management. The costs of the financial tying up of the deposit have been charged in advance to each transferring company (see also paragraph "Accrued liabilities and deferred income").

Other securities

(in thousands of Euro)	*31.12.2001*	*Increases*	*Decreases*	***31.12.2002***
Cremonini Finance Eurobonds	15,604	-	(99)	15,505
Banca di Roma 2.12.2009 bonds	516	-	(516)	-
Banca di Roma 30.6.2003 bonds	515	-	(515)	-
Total	**16,635**	**-**	**(1,130)**	**15,505**

The Banca di Roma bonds were sold during the course of the year, while the Eurobond, which matured interest at a variable rate equal to Euribor 3 months + 2.40%, was repaid on expiry on February 12, 2003.

Treasury stock

The treasury stock were booked with the financial assets by a specific resolution of the Board of Directors that, based on the conditions of the core businesses in which the Company operates even through its own subsidiaries and the implementation of the corporate strategic plans, has identified the investment as being one of an enduring nature.

For information purposes it is specified that, had the treasury stocks been valued at the market price at the financial year-end, the value at December 31, 2002, would have been reduced by about 4,989 thousand Euros (about 3,920 thousand Euros at December 31, 2001). The estimate was specific to that particular moment in time in the market and does not, as a consequence, reflect an enduring loss of value.

Current assets

Inventories

The closing balance of the inventories includes merchandise of the restaurant activities division amounting to 1,610 thousand Euros (1,424 thousand Euros as at December 31, 2001). The inventory is neither pledged nor subject to other restrictions on ownership. The valuation does not materially differ from a current cost method valuation.

Receivables

Trade receivables

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Trade receivables due within 12 months	20,970	23,812
Trade receivables due between 1 and 5 years	577	680
Provision for bad debts	(532)	(522)
Total	**21,015**	**23,970**

The balance includes trade receivables from Trenitalia s.p.a. for a total amount of about 10,198 thousand Euros (13,769 thousand Euros as at December 31, 2001).

The movements in the provision for bad debts are as follows:

(in thousands of Euro)	*31.12.2001*	*Provision*	*Utilized*	***31.12.2002***
Provision for bad debts per Art. 71	122	107	(122)	107
Taxed provision for bad debts	400	176	(151)	425
Total	**522**	**283**	**(273)**	**532**

Receivables from subsidiaries

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
Receivables from central treasury	126,442	121,595
Trade receivables	1,061	91
Receivables for collection and other	9,347	6,681
Loans for dividend distribution	5,519	9,383
Total within 12 months	**142,369**	**137,750**
Due between 1 and 5 years		
Central treasury – Marr s.p.a.	83,667	76,068
Central treasury – Roadhouse Grill Italia s.r.l.	5,336	-
Total between 1 and 5 years	**89,003**	**76,068**
Total	**231,372**	**213,818**

The details of each subsidiary are provided in exhibit 1. Amounts due within 12 months from the central treasury include the credit balances of internal current accounts. The Directors' Report provides in-depth analysis of Cremonini s.p.a.'s role in the Group finances.

The loans for dividend distribution refer to the dividends for shareholders declared by the subsidiary Marr s.p.a..

The receivables from central treasury due in over 12 months concern positions expected to be recovered in the medium to longer-term. The balance to Roadhouse Grill Italia s.r.l. reflects the financial support given to this subsidiary which is developing the "steakhouse" project within the commercial restaurant services sector.

Receivables from associated companies

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
Food & Co. s.r.l.	197	-
S.I.S.AG. s.r.l.	-	5
Total	**197**	**5**

Other receivables

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
Due from the State Treasury – V.A.T.	8,169	14,777
Due from the State Treasury – withholding tax and other	75	84
Due from the State Treasury – income tax	3,887	1,141
Pre-paid tax assets	1,794	5,429
Due from sale of stockholdings and businesses	242	358
Receivables and deposits with suppliers	647	234
Receivables for repayment of CRC transaction costs	-	5,916
Receivables for cessions CRC transaction	1,595	-
Others	1,025	1,210
Total within 12 months	**17,434**	**29,149**
Due between 1 and 5 years		
Due from the State Treasury	219	240
Others	21	36
Total between 1 and 5 years	**240**	**276**
Due over 5 years		
Due from the State Treasury	31	31
Total over 5 years	**31**	**31**
Total	**17,705**	**29,456**

The receivable connected to the calculation of the direct taxation has benefited from the presence of tax credit (5,278 thousand Euros) booked on dividends from subsidiaries collected in 2002, but registered by maturity in 2001.

The "Pre-paid tax assets" have decreased mainly as an effect of the use of the losses carried over, on which pre-paid taxes amounting to 4,044 thousand Euros were calculated. These assets, at December 31, 2002 basically represent the pre-paid taxes on taxed funds regarding receivables, personnel disputes and legal actions (1,542 thousand Euros) and are posted on the balance sheet because it is believed that they can be recovered from future taxation.

The "Receivables for repayment of CRC transaction costs" and the "Receivables for cessions CRC transaction" are connected to the CRC securitization transaction concluded in July 2002: the former were collected during the course of 2002, while the amount of 1,595 thousand Euros was all collected in the month of January 2003.

The item "Others" within 12 months includes receivables due from INAIL amounting to 147 thousand Euros and receivables for contribution rebates amounting to 265 thousand Euros.

Financial current assets

Treasury stock

The treasury stock included under current assets was all acquired in the course of the 2001 and 2002 with the aim of maintaining the stability of the stock and for liquidity management. This stock, which is not a long-term investment, was valued according to the official market value at the end of the financial year. The use of the market value, which is lower than the application of the weighted average cost has led to a write-down of the value of the shares at December 31, 2002 of 1,436 thousand Euros (see "Adjustments to the value of financial assets – write downs").

Further details on the movements of stock during the year are described in the Directors' Report.

Cash and cash equivalents

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Bank accounts	22.618	1.358
Cash on hand	699	1.158
Total	**23.317**	**2.516**

The variation of the bank assets at December 31, 2002 is mainly connected to the cash and banks on hand to repay the Eurobond issued by Cremonini Finance plc, which was duly repaid on February 12, 2003.

Accrued income and prepaid expenses

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Accrued interest on securities and bonds	122	129
Accruals on interest rate swap contracts	759	77
Total accruals	**881**	**206**
Prepaid commissions for guarantees	448	342
Prepaid rentals	475	798
Sundry prepayments	176	45
Total prepaid expenses	**1,099**	**1,185**
Total	**1,980**	**1,391**

The variation of this item mainly concerns the accounting of the profit coming from interest rate swap contracts on an accrual basis.

SHAREHOLDERS’ EQUITY AND LIABILITIES

Shareholders’ equity

Please refer to exhibit 8 for details of the changes under this heading.

Capital stock

The capital stock at December 31, 2002 of 73,746,400 Euro, unchanged compared to December 31, 2001 is represented by 141,820,000 ordinary shares, all subscribed, fully paid in and regular interest bearing, of a nominal value of 0.52 Euro each.

As at December 31, 2002 the profit per share, obtained by dividing the profits for the year by the number of shares in circulation, excluding the treasury stock held at December 31, 2002, was about 0.014 Euro.

Share premium reserve

This reserve is constituted by the premium paid by shareholders at the time of the Public Offer in 1998.

The reserve amounting to 71,609 thousand Euros (73,426 thousand Euros at December 31, 2001) was utilized in the year for 1,817 thousand Euros to increase the treasury stock reserve.

Legal reserve

The legal reserve amounts to 14,749 thousand Euros (14,642 thousand Euros as at December 31, 2001); the increase derives from the allocation of part of the profits, following the Shareholders' meeting resolution of April 30th, 2002.

Reserve for treasury stock

This is the undistributable reserve covering the treasury stock shown on the balance sheet. As laid down by the Italian Civil Code, the Company may keep treasury stock in its portfolio up to a maximum of 14,182,000 shares.

Other reserves

The retained profits reserve, established in previous fiscal years, increased by 688 thousand Euros as a result of the allocation of the profits from the 2001 fiscal year, as resolved by the Shareholders meeting of April 30th, 2002.

Availability of reserves

Relative to the availability of the net equity reserves the following is specified:

(in thousands of Euro)	*Freely available*	*Restricted by the law*	*Restricted by the Articles*
Share premium reserve	71,408	201	-
Legal reserve	-	14,749	-
Reserve for treasury stock	-	20,023	-
Retained profits reserve	820	-	-
Total	**72,228**	**34,973**	**-**

The bound portion of the share premium reserve is set up in compliance with art. 2426 of the Italian Civil Code.

Tax credits (in terms of Art. 105 of the Tax Code – "baskets A and B")

On December 31, 2002, the Company had available a full credit of 5,773 thousand Euros – basket A (ex Art. 105, paragraph 1, letter a) and a limited credit of 31,620 thousand Euros – basket B (ex Art. 105, paragraph 1, letter b).

Provision for liabilities and charges

(in thousands of Euro)	*31.12.2001*	*Provision*	*Utilized*	*Other mov.*	***31.12.2002***
Provision for taxation	30	50	-	-	80
Other	3,508	362	(504)	-	3,366
Total	**3,538**	**412**	**(504)**	**-**	**3,446**

Other reserves are as follows:

(in thousands of Euro)	*31.12.2001*	*Provision*	*Utilized*	*Other mov.*	***31.12.2002***
Provision for losses on stockholdings	424	142	(4)	-	562
Personnel grievances	500	220	(500)	-	220
Litigation and minor disputes	2,582	-	-	-	2,582
Risks and future losses	2	-	-	-	2
Total	**3,508**	**362**	**(504)**	**-**	**3,366**

At December 31, 2002 the provision for losses on stockholdings is to cover the net equity deficit of Cremonini Finance plc (420 thousand Euros) and of Global Service s.r.l. (142 thousand Euros, fully set-up in the year).

Reserves for litigation and other minor disputes include the following provisions which remained unchanged throughout the year:
- 516 thousand Euros which refers to a dispute in connection with a former subsidiary company sold to third parties;
- 1,756 thousand Euros as a provision for possible charges in connection with guarantees given, at the time of sale of shares.

It should be noted that two disputes concerning Castelvetro s.p.a., a corporation acquired during 1999, are still pending. According to the opinion of the legal advisors who are defending the company in such disputes, there should not be any financial impact.

Staff severance indemnities

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Initial balance	8,566	8,328
Utilised during the year	(1,191)	(1,452)
Accruals during the year	1,824	1,728
Other movements	28	(38)
Final balance	**9,227**	**8,566**

Payables

Bank loans and overdrafts

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months	127,266	72,724
Due between 1 and 5 years	48,466	77,435
Due over 5 years	10,342	19,081
Total	**186,074**	**169,240**

Details of mortgages and loans are as follows:

Bank	*Rate of interest*	*Maturity*	*Current portion*	*Portion between 1 to 5 years*	*Portion over 5 years*	***Total as at 31.12.2002***
			(in thousands of Euro)			
B.N.L.	Floating (Euribor 6m+0,7%)	31/05/07	775	2,711	-	3,486
Banca Ant. Pop. Veneta	Floating (Euribor 3m+0,75%)	17/04/03	5,165	-	-	5,165
Banca Antonveneta	Floating (Euribor 3m+0,95%)	16/12/03	15,500	-	-	15,500
Banca Popolare di Novara	Floating (Euribor 6m+0,5%)	06/09/03	22,208	-	-	22,208
Banca Popolare di Verona	Floating (Euribor 6m+0,8%)	05/09/03	10,360	-	-	10,360
Banca Popolare Vicenza	Floating (Euribor 6m+0,5%)	22/12/03	12,911	-	-	12,911
Banco di Napoli	Floating (Euribor 3m+0,5%)	27/12/04	2,952	1,937	-	4,889
Centrobanca	Floating (Euribor 3m+0,8%)	30/06/10	469	2,050	1,436	3,955
Credito Italiano	Floating (Euribor 3m+0,58%)	30/09/09	1,615	5,164	2,259	9,038
ICCREA	Floating (Euribor 3m+0,75%)	09/04/04	-	12,500	-	12,500
ICCREA	Floating (Euribor 6m+0,8%)	13/06/03	2,582	-	-	2,582
Irfis	Floating (Euribor 6m+0,8%)	05/11/03	2,582	-	-	2,582
Mediocredito di Roma	Floating (Euribor 6m+0,75%)	31/12/08	5,452	24,104	6,647	36,203
Total mortgage loans			**82,571**	**48,466**	**10,342**	**141,379**
Other loans and overdrafts			44,695	-	-	44,695
Total			**127,266**	**48,466**	**10,342**	**186,074**

Movements in bank borrowings are mainly due to the investments performed by the Company and by its Group, for which Cremonini s.p.a. is in charge of the centralized treasury management. You are referred to the Directors' Report for further comments.

As at December 31, 2002, the Company had swap contracts for a nominal value of 129 million Euro in progress, which have allowed it to replace Euribor with USD Libor.

Short-term bank borrowings as at December 31, 2002, were about 130 million Euro (146 million Euro as at December 31, 2001). Guarantees were given to banks for both short and long-term loans, as detailed in the memorandum accounts and in the notes to the tangible fixed assets.

Loans from other financial institutions

The loans from other financial institutions at December 31, 2001 entirely represented by commercial paper for 5,939 thousand Euros have been repaid during the course of the year.

Payables to subsidiaries

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
Due from centralized treasury	140,354	128,713
Loan from Cremonini Finance plc	129,114	-
Trade payables	1,754	2,776
Others	782	457
Total within 12 months	**272,004**	**131,946**
Due between 1 and 5 years		
Loan from Cremonini Finance plc	-	129,114
Others	-	-
Total between 1 and 5 years	**-**	**129,114**
Total	**272,004**	**261,060**

Details for each subsidiary are given in exhibit 1. The item "due from centralized treasury" includes all the balances of the internal c/accounts.

The “Loan from Cremonini Finance plc” refers to a loan of 17.4 billion yen paid out against the issue of a five-year Eurobond of 129,114 thousand Euros. The negative margin between the financial income and expense is borne by Cremonini Finance plc, thus requiring periodic recapitalization of the subsidiary by Cremonini s.p.a.. The Company covered the entire exchange risk through a swap contract with a foreign financial intermediary incorporated under English laws independent of both the Company and Group. The expiry of the Eurobond on February 12, 2003 meant that the Cremonini s.p.a. debt to Cremonini Finance plc was extinguished.

Tax payables

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
I.R.PE.F. for employees and external collaborators	897	786
Substitute and direct taxes	2,645	3,967
Other	40	39
Total	**3,582**	**4,792**

Payables to pension and social security institutions

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
Inps/Inail/Scau	921	914
Inpdai/Previndai/Fasi/Besusso	64	62
Other institutions	23	19
Total	**1,008**	**995**

Other payables

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
Trade advances and deposits received	637	660
Staff salary and holiday pay	2,639	2,616
Payables for the purchase of stockholdings:		
- Guardamiglio Carni s.p.a. and Ge.Mark s.r.l.	-	516
- Food & Co. s.r.l.	759	-
- Biancheri & C. s.r.l.	173	-
Payables for acquiring company branches	2,260	778
Emoluments to directors and auditors	120	207
Other payables	165	176
Total	**6,753**	**4,953**

The increase of the overall balance resulted from the residual payables for the purchase of new stockholdings and of two station buffets during the course of 2002.

Accrued expenses and deferred income

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Accrued interest on loans	1,629	1,406
Sundry accruals	73	-
Total accruals	**1,702**	**1,406**
Deferred cautionary deposit of Cremonini Sec.	673	-
Sundry deferred income	173	55
Total deferred income	**846**	**55**
Total	**2,548**	**1,461**

The increase in this item results from charging the costs that Cremonini s.p.a. will incur for the cautionary deposit paid to Cremonini Sec., within the securitization transaction, to future years. The financial charge connected to the payment of this deposit by Cremonini on behalf of the transferring companies has indeed been charged in advance to the subsidiaries Marr, INALCA and Montana Alimentari, the actual beneficiaries of the financial transaction and accrued on the basis of the duration of the same (see paragraph "Receivables from others" in the fixed assets).

Comments on the main headings of the memorandum accounts

Direct guarantees – sureties

Sureties include both the guarantees provided directly by the Company, in favour of subsidiaries and third parties, to financial institutions for loans or lines of credit, and the guarantees for which the Company is jointly and severally committed. These guarantees, given by banks or insurance companies, are for various commercial transactions, Group Added Value Tax compensation and for contract tendering, etc.

Direct guarantees – letters of comfort

Letters of comfort are issued exclusively for guarantees given to financial institutions for the provision of loans or lines of credit, including simple letters of comfort for an amount of about 39,415 thousand Euros.

Indirect guarantees – credit mandates

Credit mandates relate to bank overdrafts and credit facilities, for subsidiaries, secured by bank guarantees provided by the Company's banks.

Comments on the main headings of the statement of income

The format of the statement of income meets the requirements of Article 2425 of the Italian Civil Code. Income and costs have not been offset. Details of the income and costs of each subsidiary, associated and affiliated company are given in exhibit 2.

Value of production

Revenues from sales and services

(in thousands of Euro)	***2002***	*2001*
Sales of goods	9,222	9,648
Other sales	7,174	6,444
Supply of services	97,231	96,366
Consultancy	3,427	1,940
Rentals	1,992	1,714
Altri	2,678	2,694
Total	**121,724**	**118,806**

The following is an outline of revenues split by geographical area:

(in thousands of Euro)	***2002***	*2001*
Italy	121,697	118,791
European Union	27	15
Outside the European Union	-	-
Total	**121,724**	**118,806**

For further details on the subdivision by category of activity, please refer to the Directors' Report.

Increase in fixed assets produced internally

The increases in fixed assets produced internally are due to the capitalisation of financial charges for loans specifically granted to renovate the former Trevi cinema in Rome (186 thousand Euros) and the remainder to internal costs regarding the starting up and renovation of premises for restaurant services.

Other revenues and income

(in thousands of Euro)	***2002***	*2001*
Other revenues and income		
Insurance reimbursements	3	260
Other cost reimbursements	860	851
Others	1,645	1,702
Total other revenues and income	**2,508**	**2,813**
Subsidies	-	-
Total	**2,508**	**2,813**

Other revenues basically include contributions from suppliers (986 thousand Euros).

Costs of production

Costs of raw materials, supplies, consumables and goods for resale

(in thousands of Euro)	***2002***	*2001*
Purchase of goods	24,951	24,589
Purchase of other products	6,182	5,489
Purchase of consumable materials	2,227	2,486
Stationery and printed materials	233	328
Total	**33,593**	**32,892**

Costs for services

(in thousands of Euro)	**2002**	*2001*
Technical services	10,030	9,475
Corporate's emoluments	2,031	1,671
Utilities and supply	1,334	1,614
Maintenance and repairs	2,723	2,396
Sales services	2,670	2,915
Consultants' fees	1,591	1,859
Insurance	1,028	674
Information and advertising	403	410
Transportation	388	340
Administrative services	519	706
Post, phone and courier	493	568
General services	323	307
Franchising	10,000	8,346
Total	**33,533**	**31,281**

Costs for the use of third party assets

(in thousands of Euro)	***2002***	*2001*
Business rentals, royalties and others	9,125	8,181
Lease payments	191	228
Rent of property and other assets	2,146	1,609
Total	**11,462**	**10,018**

The rental of businesses, royalties and other principally refer to rents for station buffets and other restaurant businesses.

Leasing contracts were booked, in compliance with the law, by debiting the lease payments pertaining to the year to the profit and loss account. Had the financial method been applied (in accordance with the International Accounting Standard no. 17), the profitability and the net equity impact would have been not significant.

Personnel costs

(in thousands of Euro)	***2002***	*2001*
Salaries and wages	22,158	21,480
Social security costs	6,414	6,458
Staff severance indemnities	1,824	1,728
Other personnel costs	67	-
Total	**30,463**	**29,666**

This includes all expenses for employees, including holiday and extra month's pay and the relevant social security costs, as well as provision for severance indemnities and other contractual costs.

As at December 31, 2002 the Company employees totalled 1,230. The division by category and the average number of employees during the year 2002 are shown below:

	Factory staff	*Office staff*	*Managers*	***Total***
Employees as at 31.12.2001	1,087	127	16	1,230
Employees as at 31.12.2002	**1,083**	**131**	**16**	**1,230**
Increases (decreases)	(4)	4	-	-
Average no. of employees during year 2002	**1,163**	**130**	**16**	**1,309**

Amortization, depreciation and write-downs

(in thousands of Euro)	***2002***	*2001*
Amortization of intangible fixed assets	6,178	5,832
Depreciation of tangible fixed assets	2,825	2,690
Other write-down of fixed assets	1,678	-
Provision for bad debts and write-downs of other current assets	284	260
Total	**10,965**	**8,782**

The increase in fixed tangible and intangible assets depreciation and amortization is due to the new investments effected during the year or completed in the year.

The "Other write-downs of fixed assets" refer to the following:

- 1,000 thousand Euros to the provision set-up against the possible losses connected to the cautionary deposit regarding the CRC securitisation transaction (see paragraph "Receivables from others" in the fixed assets);
- 678 thousand Euros to the write-down of the long term charges regarding the CRC securitization transaction which, as a result of the early extinction of the operation, has ended its long term utility.

Provision for risks

This heading refers to the amounts accrued to the specific provision for personnel litigation expenses and to the tax provision included amongst the provision for risks and charges.

Sundry administration costs

(in thousands of Euro)	2002	2001
Fines and settlements	263	267
Indirect and other taxes	451	550
Bad debts	-	108
Loss on sale of tangible assets	19	250
Membership fees and expenses	89	82
Others	865	915
Total	**1,687**	**2,172**

Financial income and expense

Income from stockholdings

(in thousands of Euro)	2002	2001
From subsidiaries		
- Dividends	5,519	9,383
- Tax credits on dividends	5,278	-
- Profit on cessions	-	221
Total from subsidiaries	**10,797**	**9,604**
From others		
- Dividends and tax credits	132	44
Total from others	**132**	**44**
Total	**10,929**	**9,648**

Dividends from subsidiaries include profits to be distributed, booked according to maturity, declared by the Marr s.p.a., which will be collected in 2003.

The tax credit on dividends refers to the dividends of Marr s.p.a. and Montana Alimentari s.p.a. accounted for, according to maturity, during the course of the 2001 fiscal year and collected in 2002.

Other financial income

(in thousands of Euro)	***2002***	*2001*
a) From fixed loans		
- from subsidiaries	40	23
- others	116	152
b) From fixed securities other than stockholdings	926	1,175
c) From current securities other than stockholdings	24	-
d) From other than described above		
- from subsidiaries	16,655	12,527
- from associated companies	-	1
- others		
- financial income from banks	203	170
- foreign exchange translation gains	17	42
- other financial income	4,419	847
Total	**22,400**	**14,937**

The main increase in this item refers to the greater profits from subsidiaries, also due to the effect of the new interest rates in the infra group financial relations, and to other income which includes revenue from interest rate swap transactions amounting to 4,416 thousand Euros (see paragraph "Payables to banks").

Interest and other financial costs

(in thousands of Euro)	***2002***	*2001*
- from subsidiaries	**6,953**	**6,704**
- from others		
- interests payable to banks	1,812	1,842
- interests payable on mortgages	5,621	7,503
- negative foreign exchange differences	9	3
- Silver Castle ltd swap cost	5,586	6,435
- other financial expenses	230	444
	13,258	**16,227**
Total	**20,211**	**22,931**

The heading includes total interest expenses related to the Group treasury services, interests, fees and expenses for banks and other lenders. These expenses have decreased in 2002 mainly as a consequence of the reduction of indebtedness and of the market rate trends.

The "Silver Castle ltd swap cost", relates to the swap, for exchange risk coverage, of the Yen loan received from Cremonini Finance plc (see paragraph "Payables to subsidiaries"), calculated on the difference between Yen interest rates and Euro interest rates.

Adjustments to the value of financial assets

Write-downs

(in thousands of Euro)	***2002***	*2001*
a) Of stockholdings	5,549	6,720
b) Of financial fixed assets other than stockholdings	-	7
c) Of current securities other than stockholdings	1,436	22
Total	**6,985**	**6,749**

The write-downs of stockholdings refer to those reported in exhibit 6, made due to permanent losses of value.

The write-downs of securities included in the current assets represent the effect of the adjustment to the market value of treasury stock in portfolio (see paragraph "Treasury stock" in the current assets).

Extraordinary income and expense

Income

(in thousands of Euro)	***2002***
Gains from company transfer	3
Reversal of costs from previous fiscal years	138
Repayments of government concession taxes and registry tax	141
Contribution recovery	155
Revenue of previous years	96
Others	130
Total	**663**

Expense

(in thousands of Euro)	***2002***
Losses from transfers	5
Taxation regarding previous years	39
Reversal of revenue of previous years	144
Costs from previous fiscal years	480
Others	258
Total	**926**

Taxation on the profit for the financial year

(in thousands of Euro)	***2002***	*2001*
I.R.PE.G.	1,595	-
I.R.A.P.	1,546	1,677
Utilization of the provision for deferred taxation payable	-	(300)
Return of pre-paid taxes	3,635	-
Income from pre-paid taxation	-	(1,580)
Total	**6,776**	**(203)**

As regards the "Return of pre-paid taxes", please see the paragraph "Receivables from others" in the current assets.

Directors' and Statutory Auditors' emoluments

In compliance with the law, the following table reports the overall emoluments payable to the Directors and to the Statutory Auditors for the year ended December 31, 2002, which also include emoluments for activities performed in other companies belonging to the Group:

(in thousands of Euro)		*Fees*	*Salary*	*Other*	*Total*
Board of Directors					
Cremonini Luigi	Chairman	649	106	-	755
Sciumè Paolo	Vice-Chairman	13	-	-	13
Cremonini Vincenzo	Chief Executive Off.	465	118	-	583
Fabbian Valentino	Director **	466	121	-	587
Aratri Illias	Director	112	101	-	213
Ravanelli Ugo	Director	340	114	-	454
Pedrazzi Giorgio	Director	262	85	-	347
Barberis Giovanni	Director	195	91	-	286
Rossini Edoardo	Director	13	-	-	13
Total Board of Directors		**2.515**	**736**	**-**	**3.251**
Statutory Auditors					
Artese Alessandro	Chairman	68	-	-	68
Colombo Franco	Auditor*	46	-	-	46
Zanasi Giovanni	Auditor	42	-	-	42
Simonelli Ezio Maria	Auditor*	2	-	-	2
Total Statutory Auditors		**158**	**-**	**-**	**158**
Total		**2.673**	**736**	**-**	**3.409**

* for the period of appointment

** also responsible, through a specific delegation, for managing the restaurant business unit.

Fees have also been paid to Studio Legale Tributario Sciumè e Associati for professional services during the course of the year.

These financial statements as at 31 December 2002, comprising a balance sheet, an income statement and explanatory notes, are a true and fair representation of the results of the Company.

Castelvetro di Modena, 27 March 2003

CHAIRMAN
OF THE BOARD OF DIRECTORS
(Cav. Lav. Luigi Cremonini)

Exhibits

The following exhibits contain information additional to that shown in the explanatory notes to the financial statements, of which they form an integral part:

Exhibit 1 - Details of receivables from and payables to subsidiary, associated and affiliated companies as at December 31, 2002;

Exhibit 2 - Details for the 2002 financial year of revenues from and costs payable to subsidiary, associated and affiliated companies;

Exhibit 3 - Schedule of the changes in intangible fixed assets for the year ended December 31, 2002;

Exhibit 4 - Schedule of the changes in tangible fixed assets for the year ended December 31, 2002;

Exhibit 5 - Schedule of the changes in financial fixed assets for the year ended December 31, 2002;

Exhibit 6 - List of stockholdings as at December 31, 2002 classified as financial fixed assets;

Exhibit 7 - List of stockholdings in subsidiary and associated companies as at December 31, 2002 (Art. 2427 no. 5 of the Italian Civil Code);

Exhibit 8 - Schedule of the changes in net equity for the years ended December 31, 2002 and December 31, 2001;

Exhibit 9 - Statement of cash flow for the years ended December 31, 2002 and December 31, 2001.

Exhibit 1

Details of receivables from and payables to subsidiary, associated and affiliated companies as at December 31, 2002

(in thousands of Euro)	*Treasury*		*Commercial*		*Other*		***Total***	
	Receivables	*Payables*	*Receivables*	*Payables*	*Receivables*	*Payables*	***Receivables***	***Payables***
Subsidiaries:								
Alisea soc. cons. a r.l.		2					**-**	**2**
Az. Agr. Corticella s.r.l.	6,052						**6,052**	**-**
Biancheri & C. s.r.l.		271					**-**	**271**
Cons. Centro Comm. Ingrosso Carni s.r.l.	5,687						**5,687**	**-**
Cremonini Finance plc						129,155	**-**	**129,155**
Cremonini International b.v.					548		**548**	**-**
Cremonini Restauration s.a.s.	836						**836**	**-**
Emil-Food s.r.l.		181		1			**-**	**182**
Fe.Ber. Carni s.r.l. in liquidation		99					**-**	**99**
Fernie s.r.l. in liquidation		84				413	**-**	**497**
Frimo s.a.m.			7				**7**	**-**
Ges.Car. s.r.l.		2,996					**-**	**2,996**
Global Service s.r.l.		286		13			**-**	**299**
Guardamiglio s.r.l.		794		1			**-**	**795**
INALCA s.p.a.	80,062	21,649		41	428	174	**80,490**	**21,864**
Interjet s.r.l.	869						**869**	**-**
Marr Alisurgel s.r.l. in liquidation		17					**-**	**17**
Marr s.p.a.	111,882	72,420		655	12,647	99	**124,529**	**73,174**
Mister Food s.p.a.	366						**366**	**-**
Momentum Services ltd			895	2	250		**1,145**	**2**
Montana Alimentari s.p.a.		37,200		1,027	1,026	53	**1,026**	**38,280**
Railrest s.a.			158				**158**	**-**
Realfood 3 s.r.l.		4,056					**-**	**4,056**
Roadhouse Grill Italia s.r.l.	5,386	75	1	10			**5,387**	**85**
S.A.M. s.r.l.	531						**531**	**-**
S.I.A.S. s.p.a.		2					**-**	**2**
Salumi d'Emilia s.r.l.	3,644				733		**4,377**	**-**
Sara s.r.l.		222					**-**	**222**
SGD s.r.l.	130			4	220		**350**	**4**
Taormina Catering s.r.l. in liquidation						2	**-**	**2**
Total subsidiaries	**215,445**	**140,354**	**1,061**	**1,754**	**15,852**	**129,896**	**232,358**	**272,004**
Associated companies:								
Az. Agr. Serra della Spina s.r.l.					5		**5**	**-**
Food & Co. s.r.l.			197				**197**	**-**
Total associated companies	**-**	**-**	**197**	**-**	**5**	**-**	**202**	**-**
Affiliated companies:								
Cre-Am s.r.l. in liquidation					51		**51**	**-**
Total affiliated companies	**-**	**-**	**-**	**-**	**51**	**-**	**51**	**-**

Exhibit 2

Details for the 2002 financial year of revenues from and costs payable to subsidiary, associated and affiliated companies

(in thousands of Euro)	*Revenues*				***Total***	*Expenses*				***Total***
	Financial	*Services*	*Sales*	*Other*	***revenues***	*Financial*	*Services*	*Sales*	*Other*	***expenses***
Subsidiaries:										
Alisea soc. cons. a r.l.	2				**2**					-
Az. Agr. Corticella s.r.l.	472	27			**499**					-
Biancheri & C. s.r.l.		100	6	49	**155**	9		1		**10**
Cons. Centro Comm. Ingrosso Carni s.r.l.	562				**562**					-
Cremonini Finance plc					-	115				**115**
Cremonini International b.v.				26	**26**					-
Cremonini Restauration s.a.s.	128	2	12	33	**175**	199	193	86	12	**490**
Emil-Food s.r.l.	36	39		40	**115**	21			9	**30**
Fe.Ber. Carni s.r.l. in liquidation					-	2				**2**
Fernie s.r.l. in liquidation					-	2				**2**
Frimo s.a.m.		6			**6**					-
Ges.Car. s.r.l.		1			**1**	84				**84**
Global Service s.r.l.	19	60		156	**235**	1	392		107	**500**
Guardamiglio s.r.l.	2	70		1	**73**	3			1	**4**
INALCA s.p.a.	3,438	2,741		155	**6,334**	1,871		218	(6)	**2,083**
Interjet s.r.l.	37	30		3	**70**	5			171	**176**
Marr Alisurgel s.r.l. in liquidation	1				**1**					-
Marr s.p.a.	11,407	1,071		5,621	**18,099**	3,339		3,490	14	**6,843**
Mister Food s.p.a.	16	7	2	10	**35**					-
Momentum Services ltd		736	14	13	**763**		2			**2**
Montana Alimentari s.p.a.	41	834		27	**902**	1,442	112	3,816	16	**5,386**
Railrest s.a.		185		1	**186**					-
Realfood 3 s.r.l.	21	89			**110**	8				**8**
Roadhouse Grill Italia s.r.l.	254		48	30	**332**		10		2	**12**
S.A.M. s.r.l.	52	17	1	10	**80**			1		**1**
S.I.A.S. s.p.a.	1				**1**					-
Salumi d'Emilia s.r.l.	164	259		5	**428**					-
Sara s.r.l.					-	7				**7**
SGD s.r.l.	2	5		13	**20**				159	**159**
Reimbursement Crc transaction costs					-	(155)				**(155)**
Total subsidiaries	**16,655**	**6,279**	**83**	**6,193**	**29,210**	**6,953**	**709**	**7,612**	**485**	**15,759**
Associated companies:										
Food & Co. s.r.l.		150	2	38	**190**					-
Total associated companies	**-**	**150**	**2**	**38**	**190**	**-**	**-**	**-**	**-**	**-**
Affiliated companies:										
Alfa 95 s.p.a. in liquidation	-	1	-	-	**1**	-	-	-	-	-
Le Cupole s.r.l.	-	26	-	-	**26**	-	-	-	-	-
Total affiliated companies	**-**	**27**	**-**	**-**	**27**	**-**	**-**	**-**	**-**	**-**

Notes

Financial revenues represent interest receivable from other group companies and have been calculated as follows:
- current account overdraft: ABI prime rate +2%;
- hot money loans: 4% fixed rate.

The other financial expenses represent interest payable to other group companies and have been calculated as follows:
- interest payable on current account balances: average 3 month Euribor.

Exhibit 3

Schedule of the changes in intangible fixed assets for the year ended December 31, 2002

(in thousands of Euro)	*Opening balances*			*Movements during the year*				*Closing balances*		
	Original cost	*Provision for amort.*	*Balance 31.12.2001*	*Purchases*	*Net decreases*	*Reclass./ Other mov.*	*Amortiz.*	*Original cost*	*Provision for amort.*	*Balance 31.12.2002*
Formation and start-up costs	8,838	(6,985)	1,853	20	(2)	73	(1,743)	8,809	(8,608)	201
Cost of industrial patents and rights for the use of intellectual property	319	(205)	114	289		110	(196)	718	(401)	317
Concessions, licences, brand names and similar rights	298	(107)	191	9			(42)	308	(150)	158
Goodwill	9,761	(4,629)	5,132	3,246		191	(1,580)	13,198	(6,209)	6,989
Intangible fixed assets under development and advances	1,093		1,093	1,219	(82)	(1,906)		324		324
Other intangible fixed assets	25,318	(16,978)	8,340	1,094	(1,000)	1,472	(2,617)	23,884	(16,595)	7,289
Total	**45,627**	**(28,904)**	**16,723**	**5,877**	**(1,084)**	**(60)**	**(6,178)**	**47,241**	**(31,963)**	**15,278**

Exhibit 4

Schedule of the changes in tangible fixed assets for the year ended December 31, 2002

(in thousands of Euro)	*Opening balances*				*Movements during the year*				*Closing balances*			
	Original cost	*Write-up/ (down)*	*Provision for deprec.*	*Balance 31.12.2001*	*Purchases*	*Net decreases*	*Reclass./ Other mov.*	*Deprec.*	*Original cost*	*Write-up/ (down)*	*Provision for deprec.*	*Balance 31.12.2002*
Land and buildings	33,629		(3,222)	30,407	56	(32)	14,258	(714)	47,911		(3,936)	43,975
Plant and machinery	8,500		(5,292)	3,208	460	(11)	203	(750)	9,072		(5,962)	3,110
Industrial and commercial equipment	4,377		(3,559)	818	522	(8)	60	(379)	4,465		(3,452)	1,013
Other tangible fixed assets	9,708		(5,731)	3,977	856	(37)	662	(983)	11,124		(6,649)	4,475
Tangible fixed assets under development and advances	13,311			13,311	4,175	(231)	(15,327)		1,928			1,928
Total	**69,525**		**(17,804)**	**51,721**	**6,069**	**(319)**	**(144)**	**(2,826)**	**74,500**		**(19,999)**	**54,501**

Exhibit 5

Schedule of the changes in financial fixed assets for the year ended December 31, 2002

(in thousands of Euro)	Opening balances				Movements during the year					Closing balances	
	Original cost	Write-up	Write-down	Balance 31.12.2001	Increases	Decreases	Write-up	Write-down	Reclass./ Other mov.	Balance 31.12.2002	of which: Write-up
Stockholdings in subsidiary and associated companies valued at cost:											
- subsidiaries	301,470	35	(25,316)	276,189	5,585	(210)		(5,548)	(27)	276,127 (a)	35
- associated companies	86			86	1,155				(76)	1,165	
Stockholdings in other companies	1,618		(4)	1,614	791			(1)	74	2,478	
Total stockholdings	**303,174**	**35**	**(25,320)**	**277,889**	**7,531**	**(210)**		**(5,549)**	**(29)**	**279,770**	**35**
Loans:											
- to subsidiaries	1,066			1,066		(80)				986	
- to associated companies	87			87					(82)	5	
- to others	11,392			11,392	2,605	(4,020)			82	10,059	
Total loans	**12,545**			**12,545**	**2,605**	**(4,100)**				**11,050**	
Other securities	**16,635**			**16,635**		**(1,130)**				**15,505**	
Treasury stock	**10,501**			**10,501**						**10,501**	
Total	**342,855**	**35**	**(25,320)**	**317,570**	**10,136**	**(5,440)**		**(5,549)**	**(29)**	**316,826**	**35**

(a) The provision for write-down of the cost of investments in group companies has been included in a specific reserve.

Exhibit 6

List of stockholdings as at December 31, 2002 classified as financial fixed assets

(in thousands of Euro)	*Percentage holding*	*Opening value*	*Acquired or subscribed*	*Sold*	*(Write-down)/ Write-up*	*Other movements*	*Percentage holding*	*Closing value*	
Subsidiaries:									
Azienda Agricola Corticella s.r.l.	100.00	2,862					100.00	2,862	
Biancheri & C. s.r.l.			1,730			179	100.00	1,909	
Cons. C. Comm. Ingr. Carni s.r.l.	77.05	4,635					77.05	4,635	
Cremonini Finance plc	100.00	-	3,302		(3,298)		100.00	-	(a)
Cremonini International b.v.	100.00	20					100.00	20	
Cremonini Restauration s.a.s.	100.00	1,500		(210)			86.00	1,290	
Emil-Food s.r.l.	100.00	2,231			(1,027)	(943)	100.00	261	
Fe.Ber. Carni s.r.l. in liq.	100.00	252					100.00	252	
Fernie s.r.l. in liq.	60.00	504	23				95.00	527	
Global Service s.r.l.	100.00	39			(691)	510	100.00	-	(a)
Guardamiglio s.r.l.	100.00	13,846					100.00	13,846	
INALCA s.p.a.	100.00	145,094					100.00	145,094	
Interjet s.r.l.	80.00	1,700	275		(532)		100.00	1,443	
Marr s.p.a.	100.00	57,435					100.00	57,435	
Mister Food s.p.a.	100.00	131					100.00	131	
Momentum Services ltd	51.00	188					51.00	188	
Montana Alimentari s.p.a.	100.00	45,510					100.00	45,510	
Railrest s.a.			255				51.00	255	
Roadhouse Grill Italia s.r.l.	99.00	93				151	99.00	244	
S.A.M. s.r.l.	100.00	107				76	100.00	183	
SGD s.r.l.	50.00	42					50.00	42	
Total subsidiaries		**276,189**	**5,585**	**(210)**	**(5,548)**	**(27)**		**276,127**	
Associated companies:									
Az. Agr. Serra della Spina s.r.l.	33.33	10					33.33	10	
Food & Co s.r.l.			1,155				30.00	1,155	
S.I.S.AG. Soc. Italiana Sviluppo Agroalimentare s.r.l.	20.00	76				(76)			
Total associated companies		**86**	**1,155**			**(76)**		**1,165**	
Other companies:									
Emilia Romagna Factor s.p.a.		953	790					1,743	
Futura s.p.a.		600						600	
S.I.S.AG. Soc. Italiana Sviluppo Agroalimentare s.r.l.						76		76	
Others		61	1		(1)	(2)		59	
Total other companies		**1,614**	**791**		**(1)**	**74**		**2,478**	
Total stockholdings		**277,889**	**7,531**	**(210)**	**(5,549)**	**(29)**		**279,770**	

(a) The amount of the write-down that exceeded the carrying value of the stockholding was allocated to a provision for liabilities.

Exhibit 7

List of stockholdings in subsidiary and associated companies as at December 31, 2002 (Art. 2427 no. 5 of the Italian Civil Code)

(in thousands of Euro)

Name	*Registered office*	*Capital stock (in Euro if not otherwise stated)*	*Net profit (loss) for the year ended 31.12.2002*	*Net equity at 31.12.2002*	*Percentage held at 31.12.2002*	*Carrying value (A)*	*Valuation based on NE (B)*	*Difference (B) - (A)*	*Notes*
Subsidiaries:									
Azienda Agricola Corticella s.r.l.	Spilamberto (MO)	95,000	189	1,047	100.00%	2,862	4,182	1,320	
Biancheri & C. s.r.l.	Castelvetro di Modena (MO)	52,000	35	158	100.00%	1,909	1,833	(76)	
Cons. Centro Comm. Ingrosso Carni s.r.l.	Bologna	1,500,000	(31)	1,847	77.05%	4,635	4,632	(3)	
Cremonini Finance plc	London (Great Britain)	GBP 50,000	(3,298)	(420)	100.00%	-	-	-	(b) (g)
Cremonini International b.v.	Amsterdam (Holland)	20,000	(23)	(3)	100.00%	20	(3)	(23)	(d)
Cremonini Restauration s.a.s.	Paris (France)	1,500,000	(132)	87	86.00%	1,290	164	(1,126)	
Emil-Food s.r.l. (formerly Comp. Spezie)	Castelvetro di Modena (MO)	90,000	789	261	100.00%	261	261	0	
Fe.Ber. Carni s.r.l. in liquidation	Castelvetro di Modena (MO)	98,200	(10)	294	100.00%	252	294	42	
Fernie s.r.l. in liquidation	Modena	1,033,000	(5)	1,127	95.00%	527	1,071	544	(d)
Global Service s.r.l.	Castelvetro di Modena (MO)	93,000	(375)	(142)	100.00%	-	-	-	(b)
Guardamiglio s.r.l.	Piacenza	4,135,000	77	4,240	100.00%	13,846	12,046	(1,800)	
INALCA s.p.a.	Castelvetro di Modena (MO)	140,000,000	2,347	133,423	100.00%	145,094	138,230	(6,864)	
Interjet s.r.l.	Castelvetro di Modena (MO)	1,550,000	(532)	831	100.00%	1,443	831	(612)	
Marr s.p.a.	Rimini	25,550,000	6,129	66,059	100.00%	57,435	114,581	57,146	
Mister Food s.p.a.	Castelvetro di Modena (MO)	100,000	(26)	82	100.00%	131	82	(49)	
Momentum Services ltd	Birmingham (Great Britain)	GBP 225,000	963	1,797	51.00%	188	907	719	
Montana Alimentari s.p.a.	Gazoldo degli Ippoliti (MN)	40,248,000	(642)	41,125	100.00%	45,510	41,409	(4,101)	
Railrest s.a.	Brussels (Belgium)	500,000	489	989	51.00%	255	504	249	(f)
Roadhouse Grill Italia s.r.l.	Castelvetro di Modena (MO)	90,000	422	622	99.00%	244	616	372	
S.A.M. s.r.l.	Castelvetro di Modena (MO)	46,500	(118)	(59)	100.00%	183	(58)	(241)	
SGD s.r.l.	Castelvetro di Modena (MO)	83,000	29	190	50.00%	42	94	52	
Total subsidiaries						**276,127**	**321,676**	**45,549**	
Associated companies:									
Az. Agr. Serra della Spina s.r.l.	Monacilioni (CB)	10,846	(2)	28	33.33%	10	9	(1)	(a)(d)
Food & Co s.r.l.	Rome	150,000	(1)	9	30.00%	1,155	1,155	-	(e)
Total associated companies						**1,165**	**1,164**	**(1)**	

NOTES

(a) The data reported refers to the financial statements for the year ended December 31, 2000, which is the last available annual report.
(b) A specific risk provision was set up against a negative net equity.
(c) It must be noted that for all stockholdings with a 100% shares owned, the Parent Company will be held responsible for all obligations, pursuant to art. 2362 of the Italian Civil Code.
(d) Valued at the share of the net book value of net equity.
(e) Net equity as at 31 December 2001 does not include capital contributions made in 2002.
(f) The first financial period end of this company, which was formed in 2002, will be 31 December 2003. The information reported as been included for consolidation purposes only.
(g) Foreign currency amounts have been reported in Euro as converted at the years end rates.

Exhibit 8

Schedule of the changes in net equity for the years ended December 31, 2002 and December 31, 2001

(in thousands of Euro)	*Capital stock*	*Share premium reserve*	*Legal reserve*	*Reserve for treasury stock*	*Retained profits reserve*	*Profit (loss) for the year*	***Total***
Financial statements as at December 31, 2000	**73,210**	**105,670**	**3,639**	**10,500**	**3,323**	**(13,033)**	**183,309**
Utilisation of reserves against losses		(13,033)				13,033	
Utilisation of reserves for dividends distributed					(3,156)		**(3,156)**
Utilisation of reserves for stock capital issue	536	(502)			(34)		
Utilisation of reserves for treasury stock increase		(7,706)		7,706			
Utilisation of reserves for new charges to legal reserve		(11,003)	11,003				
Net profit for the year ended December 31, 2001						795	**795**
Financial statements as at December 31, 2001	**73,746**	**73,426**	**14,642**	**18,206**	**133**	**795**	**180,948**
Provision of profits for the year 2001			107		688	(795)	
Utilisation of reserves for treasury stock increase		(1,817)		1,817			
Net profit for the year ended December 31, 2002						1,841	**1,841**
Financial statements as at December 31, 2002	**73,746**	**71,609**	**14,749**	**20,023**	**821**	**1,841**	**182,789**

Exhibit 9

Statement of cash flow for the years ended December 31, 2002 and December 31, 2001

(in thousands of Euro)	***2002***	*2001*
A) Short-term net borrowings - opening balance	**(75,652)**	**(47,979)**
B) Cash flows from operations in the year		
Net profit (loss) for the year	1,841	795
Depreciation		
- intangible	6,178	5,832
- tangible	2,826	2,690
(Gain) or loss on disposal of tangible fixed assets	(35)	250
Net change in provision for liabilities and charges	(92)	(144)
Net change in staff severance indemnities	661	238
Cash flows for the year before changes in working capital	11,379	9,661
(Increase) decrease of treasury stock posted under current assets	(1,817)	(7,705)
(Increase) decrease of trade receivables and other receivables	(3,224)	25,289
Increase (decrease) of trade payables to suppliers and other payables	12,136	(19,164)
Increase (decrease) in accrued income and prepaid expenses	498	(1,843)
	18,972	**6,238**
C) Cash flows from (for) investments		
Investments in fixed assets		
- intangible	(5,877)	(3,763)
- tangible	(6,069)	(4,061)
Net change in financial fixed assets	745	(4)
Sale or reimbursement value of fixed assets sold	1,640	646
	(9,561)	**(7,182)**
D) Cash flows from (for) movements in net equity		
Distribution of dividends		(3,156)
		(3,156)
E) Cash flows from (for) financial operations		
Increase in short term share of medium-long term borrowings	(50,208)	(27,020)
Increase in medium-long term borrowings from new loans	12,500	5,165
	(37,708)	**(21,855)**
F) Cash flows in the period excluding impact of mergers in the year (B + C + D + E)	**(28,297)**	**(25,955)**
G) Cash flows due to mergers		
Cash flows on business activities in the period		
(Increase) decrease in trade receivables and other		(3,317)
Increase (decrease) in trade payables and others		3,223
		(94)
Cash flows on investments and financial assets		
Increase in tangible and intangible assets		(40,576)
Increase in financial fixed assets		24,528
Net change in provision for liabilities and charges		10
Net increase in medium-long term borrowings from banks		14,414
		(1,624)
H) Total cash flows from mergers		**(1,718)**
I) Total short-term net borrowings (A + F + H) - closing balance	**(103,949)**	**(75,652)**

Statutory Auditors’ Report on the financial statements of the year ended December 31, 2002

as laid down by article 153 of Law Decree 58/1998 and by article 2429 of the Italian Civil Code

To the shareholders of Cremonini s.p.a.,

The annual report for the year ended December 31, 2002, prepared by the Board of Directors was duly forwarded to the Board of Statutory Auditors within the terms established by law, together with financial statements, exhibits and the Directors’ Report.

The financial statements show a profit for the year amounting to € 1,840,765 and can be summarized as follows:

Balance sheet	€
Assets	693,323,278
Liabilities	510,534,768
Capital Stock	73,746,400
Reserves	107,201,345
Profit for the year	1,840,765

with the sum total of € 565,524,434 listed in the memorandum accounts.

Statement of income	€
Value of production	124,509,263
Costs of production	(121,763,581)
Financial income and expense	13,118,846
Adjustments to the value of financial assets	(6,985,253)
Extraordinary income and expense	(263,005)
Income tax for the year	(6,775,505)
Profit for the year	1,840,765

During fiscal year 2002, the Board of Statutory Auditors carried out its supervisory activities in accordance with the provisions of Legislative Decree 58 dated February 24, 1998 in relation to companies with stocks listed for trading on regulated markets, and also in accordance with the principles of behaviour recommended by Consigli Nazionali dei Dottori Commercialisti e dei Ragionieri (National Boards of Chartered Accountants and Bookkeepers, ndt.). In drawing up the present report, the Board of Statutory Auditors also considered CONSOB Notices n. 1025564 dated April 6, 2001, n. 97001574 dated February 20, 1997 and n. 98015375 dated February 27, 1998.

As regards its areas of responsibility and based on the information in its possession, the Board of Statutory Auditors acknowledges that:
• the financial statements were drawn up in compliance with the provisions of article 2423 and following articles of the Italian Civil Code;
• in drawing up the document herewith there was no need to apply any exceptions to the principles for drawing up financial statements as provided for by Article 2423, paragraph 4, of the Italian Civil Code;
• the financial statements correspond to the entries posted in the company accounts;
• the evaluation criteria used have not changed with respect to the previous year, including the

evaluation criterion adopted for treasury stock in portfolio entered under current assets. The evaluation criteria are the ones provided for by Article 2426 of the Italian Civil Code, corresponding to the criteria indicated by the Board of Directors in the notes to the financial statements, to which you are referred for a detailed explanation;
- the postulate of truthfulness and clarity has been observed, understood in the legal sense and thus meaning the compliance of values and estimates to regulations, principles and the necessary additional information; we feel that the information provided by the Board of Directors in the notes to the financial statements offers appropriate justification of the choices that have been made with regard to the discretionary powers that are acknowledged to the Directors by law;
- the notes to the financial statements provide the indications provided for by Article 2427 of the Italian Civil Code, as well as the information required by other legal provisions and the information deemed appropriate in order to represent the equity, economic and financial situation of the company.

The obligation to keep the Board of Statutory Auditors informed, in accordance with Article 150, paragraph 1, of Law Decree 58/1998, has duly been fulfilled by the Directors on a regular basis through the information and figures reported during the meetings of the Board of Directors, which the Board of Statutory Auditors always attended.

During the year, the Board of Statutory Auditors also notes the following in relation to its responsibilities:
- it has noted that the provisions passed by resolution and implemented comply with the requirements of the law and of the corporate charter and that, in general, they observe the principles of proper management. In particular, the performance was followed and monitored by analyzing the information provided by the Directors on the business carried out and on the most important economic, financial and equity operations carried out by the Company and its subsidiaries. The infra-group operations and those with affiliated parties implemented during the year can be considered connected to and inherent in the achievement of the corporate aim. The Board of Statutory Auditors has noted that these operations comply with the law, with the company's by-laws and with general criteria of economic rationality. In this regard, no conflicts of interests were reported or noted, nor were any manifestly imprudent or risky operations performed such that could jeopardize the economic, equity and financial situation of the company or Group;
- no irregular and/or atypical operations have been conducted with third parties, affiliated parties or infra-group parties, nor were there any operations involving atypical securities in general.
  In their report, the Directors indicate and illustrate the main management and corporate events that occurred during fiscal year 2002. Please refer to this report for a more detailed examination of the initiatives undertaken in the sectors of distribution, commercial restaurant services, on board restaurant services and production sectors;
- with regard to timeliness and completeness, the Board of Statutory Auditors has monitored the adequacy of the administrative/accounting system, as well as its reliability in correctly representing information on operations, and it was assisted in this by the auditing firm. Based on the results of the quarterly audits performed on the accounting books kept regularly by the company, there emerged no important technical-administrative events or data to be reported;
- with regard to timeliness and completeness, the Board of Statutory Auditors has monitored the adequacy of the instructions the company conveyed to its subsidiaries and it noted that these provisions guaranteed the prompt flow of information to the parent company as required in order to meet the notification obligations provided for by law.

In addition, in accordance with the CONSOB recommendations, the Board of Statutory Auditors hereby specifies the following:

- during the year information was exchanged with PricewaterhouseCoopers, the auditing firm appointed to audit the financial statements referred to herein as well as the Group's consolidated financial statements;
- during the year, eleven Board meetings were held, that were attended by the Board of Statutory Auditors, and nine meetings of the Board of Statutory Auditors;
- the Board of Statutory Auditors did not receive any complaints from shareholders pursuant to Article 2408 of the Italian Civil Code, nor were there petitions in general;
- today, the auditing firm PricewaterhouseCoopers issued its report as provided for by Article 156 of Law Decree 58/1998, stating that the financial statements and the consolidated financial statements at December 31, 2002 give a true and fair representation of the equity and financial status of the Company and of the Group, as well as their economic performance;
- in 2002, the company did not give PricewaterhouseCoopers any professional assignment other than the one of auditing the financial statements and the half-yearly reports.

As laid down by its "Self-disciplinary code" for Corporate Governance and by the regulating laws for the Issuers, the company:

- has adopted its own "Self-disciplinary code" with a resolution of March 10, 2001;
- has adopted the "Meeting Regulation" with a resolution of April 28, 2001;
- has resolved to nominate a "Committee for Emoluments" and an "Internal Control and Corporate Governance Committee" on May 14, 2002;
- has resolved to adopt the "Internal Dealing Behaviour Code" on December 20, 2002.

With regard to the above, the Board of Statutory Auditors has expressed a favourable opinion to approving the financial statements as at December 31, 2002 listing a profit of € 1,840,765. Likewise, it is in favour of the proposal of the Board of Directors for the allocation of profit, specifying that pursuant to Article 2426, paragraph 1, point 5) of the Italian Civil Code, in relation to "long term costs" entered in the financial statement under intangible fixed assets for a net sum of € 201,129, there are available reserves in excess of this amount.

Castelvetro di Modena, 10 April 2003

BOARD OF STATUTORY AUDITORS

Chairman
(Dr. Alessandro Artese)

Statutory Auditor
(Dr. Giovanni Zanasi)

Statutory Auditor
(Dr. Ezio Maria Simonelli)

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers SpA

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW DECREE N° 58 DATED 24 FEBRUARY 1998

To the Shareholders of
CREMONINI SpA

1 We have audited the financial statements of CREMONINI SpA as of 31 December 2002. These financial statements are the responsibility of CREMONINI SpA's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the financial statements of the prior period, which are presented for comparative purposes as required by law, reference is made to our report dated 12 April 2002.

3 In our opinion, the financial statements of CREMONINI SpA as of 31 December 2002 comply with the laws governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and of the results of operations of the Company.

Bologna, 10 April 2003

PricewaterhouseCoopers SpA

Giovanni Galli

Giovanni Galli
(Partner)

This report has been translated from the original which was issued in accordance with Italian practice.

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Consolidated financial statements 2002

Balance sheet
Memorandum accounts
Statement of income
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Consolidated financial statements as at December 31, 2002

Balance sheet - Assets

(in thousands of Euro)	**31.12.2002**	*31.12.2001*
B) Fixed assets		
I. Intangible		
1) Formation and start-up costs	3,870	*6,799*
2) Costs of research, development and advertising	4,384	*3,182*
3) Cost of industrial patents and rights for the use of intellectual property	2,218	*1,549*
4) Concessions, licences, brand names and similar rights	26,159	*27,896*
5) Goodwill	11,547	*9,765*
5 bis) Consolidation differences	52,573	*55,743*
6) Intangible fixed assets under development and advances	2,663	*2,798*
7) Other intangible fixed assets	19,326	*14,475*
	122,740	*122,207*
II. Tangible		
1) Land and buildings	231,761	*220,182*
2) Plant and machinery	130,587	*135,622*
3) Industrial and commercial equipment	5,405	*5,344*
4) Other tangible fixed assets	15,694	*13,985*
5) Tangible fixed assets under development and advances	4,396	*15,877*
	387,843	*391,010*
III. Financial		
1) Stockholdings		
a) subsidiaries	1,605	*2,061*
b) associated companies	4,217	*2,879*
d) other companies	4,404	*3,613*
	10,226	*8,553*
2) Loans		
a) to subsidiaries		
- within 12 months	516	*818*
- over 12 months	220	*294*
b) to associated companies		
- within 12 months	4	*87*
- over 12 months	60	
d) to other companies		
- within 12 months	7,664	*808*
- over 12 months	5,253	*13,546*
	13,717	*15,553*
3) Other securities		*1,611*
4) Treasury stock (total nominal value at 31.12.2002 Euro 2,138,760)	10,501	*10,501*
	34,444	*36,218*
Total fixed assets (B)	**545,027**	***549,435***

(in thousands of Euro)	**31.12.2002**	*31.12.2001*
C) Current assets		
I. Inventories		
1) Raw materials, supplies and consumables	15,822	*14,043*
2) Work-in-progress and partly finished products	5,589	*3,662*
4) Finished products and goods for resale	148,328	*151,509*
5) Advance payments	514	*46*
	170,253	*169,260*
II. Receivables		
1) Trade receivables		
- within 12 months	208,146	*202,275*
- over 12 months	1,040	*1,221*
	209,186	*203,496*
2) From subsidiaries		
- within 12 months	15,508	*5,563*
	15,508	*5,563*
3) From associated companies		
- within 12 months	9,541	*8,348*
	9,541	*8,348*
5) From others		
- within 12 months	59,147	*66,140*
- over 12 months	22,600	*21,611*
	81,747	*87,751*
	315,982	*305,158*
III. Financial current assets		
5) Treasury stock (total nominal value at 31.12.2002 Euro 3,695,266)	9,522	*7,705*
6) Other securities	574	*545*
	10,096	*8,250*
IV. Cash and cash equivalents		
1) Bank and post office accounts	51,020	*15,118*
2) Cheques	7,193	*3,448*
3) Cash on hand	1,579	*3,569*
	59,792	*22,135*
Total current assets (C)	**556,123**	***504,803***
D) Accrued income and prepaid expenses		
- miscellaneous	3,857	*3,476*
Total accrued income and prepaid expenses (D)	**3,857**	***3,476***
Total assets (B+C+D)	**1,105,007**	***1,057,714***

Consolidated financial statements as at December 31, 2002

Balance sheet - Shareholders' equity and liabilities

(in thousands of Euro)	**31.12.2002**	*31.12.2001*
A) Shareholders' equity		
I. Capital stock	73,746	*73,746*
II. Share premium reserve	71,609	*73,426*
IV. Legal reserve	14,749	*14,642*
V. Reserve for treasury stock	20,023	*18,206*
VII. Other reserves		
Consolidation reserve	3,302	*3,302*
Reserve for translation differences	(33)	*(38)*
VIII. Profits (losses) brought-forward	(12,789)	*1,062*
IX. Group's share of profit (loss) for the financial year	2,501	*(13,486)*
Total Group net equity	173,108	*170,860*
Minority interest in capital and reserves	1,982	*1,462*
Minority's share of profit (loss) for the financial year	598	*35*
Total minority interests	2,580	*1,497*
Total shareholders' equity (A)	**175,688**	***172,357***
B) Provision for liabilities and charges		
1) Allowance for severance payments and similar obligations	1,314	*1,075*
2) Provision for taxation	1,987	*2,528*
3) Other	4,273	*4,278*
Total provision for liabilities and charges (B)	**7,574**	***7,881***
C) Staff severance indemnities	**33,492**	***29,279***

(in thousands of Euro)	**31.12.2002**	*31.12.2001*
D) Payables		
1) Bonds and debentures		
- within 12 months	113,621	
- over 12 months	18,000	*131,621*
	131,621	*131,621*
3) Bank loans and overdrafts		
- within 12 months	246,191	*188,042*
- over 12 months	145,400	*189,394*
	391,591	*377,436*
4) Loans from other financial institutions		
- within 12 months	30,435	*39,826*
- over 12 months	3,972	*4,517*
	34,407	*44,343*
5) Advance payments		
- within 12 months	17	*85*
	17	*85*
6) Trade payables		
- within 12 months	264,707	*229,675*
	264,707	*229,675*
8) Payables to subsidiaries		
- within 12 months	605	*1,113*
	605	*1,113*
9) Payables to associated companies		
- within 12 months	66	
	66	
11) Tax payables		
- within 12 months	15,816	*15,958*
- over 12 months		*2,134*
	15,816	*18,092*
12) Payables to pension and social security institutions		
- within 12 months	9,399	*5,124*
- over 12 months	6,341	*8,404*
	15,740	*13,528*
13) Other payables		
- within 12 months	26,483	*27,522*
- over 12 months	852	*1,083*
	27,335	*28,605*
Total payables (D)	**881,905**	***844,498***
E) Accrued expenses and deferred income		
- miscellaneous	6,348	*3,699*
Total accrued expenses and deferred income (E)	**6,348**	***3,699***
Total liabilities (A+B+C+D+E)	**1,105,007**	***1,057,714***

Memorandum accounts

(in thousands of Euro)	**31.12.2002**	*31.12.2001*
Direct guarantees - sureties		
- subsidiaries	294,311	*279,241*
- associated companies		
- affiliated companies	122	*2,700*
- other companies	80,450	*72,148*
	374,883	*354,089*
Direct guarantees - letters of comfort		
- subsidiaries	86,252	*67,941*
- associated companies	100	
- affiliated companies		
- other companies		
	86,352	*67,941*
Indirect guarantees - credit mandates		
- subsidiaries	114,697	*118,062*
- associated companies		
- affiliated companies		
- other companies		
	114,697	*118,062*
Future leasing instalments	20,633	*20,826*
Other risks and commitments	21,486	*2,262*
Total memorandum accounts	**618,051**	***563,180***

Consolidated financial statements as at December 31, 2002

Statement of income

(in thousands of Euro)	31.12.2002	31.12.2001
A) Value of production		
1) Revenues from sales and services	1,570,870	*1,341,461*
2) Changes in inventories for work-in-progress, products partly completed and finished goods	(754)	*(14,039)*
4) Increase in fixed assets produced internally	726	*1,484*
5) Other revenues and income		
- miscellaneous	16,474	*19,895*
- subsidies	1,187	*2,060*
Total value of production (A)	**1,588,503**	***1,350,861***
B) Costs of production		
6) For raw materials, supplies, consumables and goods for resale	1,058,555	*909,149*
7) For services	248,038	*201,718*
8) For the use of third party assets	23,077	*22,743*
9) For personnel		
a) Salaries and wages	105,970	*94,423*
b) Social security costs	33,106	*28,856*
c) Staff severance indemnities	6,595	*6,359*
e) Other expenses	201	*162*
	145,872	*129,800*
10) Amortization, depreciation and write-downs		
a) Amortization of intangible fixed assets	17,807	*16,337*
b) Depreciation of tangible fixed assets	27,996	*26,399*
c) Other write-down of fixed assets	1,678	*314*
d) Provision for bad debts and write-downs of other current assets	5,122	*4,533*
	52,603	*47,583*
11) Changes in inventories of raw materials, supplies, consumables and goods for resale	(2,024)	*(6,059)*
12) Provision for risks	1,069	*674*
13) Other accruals	172	*50*
14) Sundry administration costs	14,635	*13,588*
Total costs of production (B)	**1,541,997**	***1,319,246***
Difference between value and costs of production (A-B)	**46,506**	***31,615***

(in thousands of Euro)	**31.12.2002**	*31.12.2001*
C) Financial income and expense		
15) Income from stockholdings		
- from subsidiaries	84	
- others	132	*44*
	216	*44*
16) Other financial income		
a) from fixed loans		
- from subsidiaries	39	*23*
- others	140	*171*
	179	*194*
b) from fixed securities other than stockholdings	25	*88*
c) from current securities other than stockholdings	51	*11*
d) income other than described above		
- from subsidiaries	2	*54*
- from associated companies		*13*
- others	13,119	*10,799*
	13,121	*10,866*
	13,376	*11,159*
17) Interest and other financial costs		
- from subsidiaries	(91)	*(34)*
- others	(38,726)	*(42,090)*
	(38,817)	*(42,124)*
Total financial income and expense (C)	**(25,225)**	***(30,921)***
D) Adjustments to the value of financial assets		
18) Write-ups		
a) of stockholdings	243	*8*
19) Write-downs		
a) of stockholdings	(145)	*(1,098)*
b) of financial fixed assets other than stockholdings		*(7)*
c) of current securities other than stockholdings	(1,441)	*(22)*
	(1,586)	*(1,127)*
Total adjustments to the value of financial assets (D)	**(1,343)**	***(1,119)***
E) Extraordinary income and expense		
20) Income		
- surplus on sales of assets	1,333	*431*
- miscellaneous	2,527	*1,965*
	3,860	*2,396*
21) Expense		
- loss on sale of assets	(620)	
- taxation relating to preceding financial years	(71)	*(24)*
- miscellaneous	(5,472)	*(4,466)*
	(6,163)	*(4,490)*
Total extraordinary income and expense (E)	**(2,303)**	***(2,094)***
Profit before taxation (A-B+C+D+E)	**17,635**	***(2,519)***
22) Taxation on the profit for the financial year	(14,536)	*(10,932)*
26) Financial result for the financial year		
- Profit (loss) for the financial year	3,099	*(13,451)*
- Minority's share of (profit) loss	(598)	*(35)*
Group's share of profit (loss) for the financial year	**2,501**	***(13,486)***

Structure and contents of the consolidated financial statements

The consolidated financial statements for the year ended December 31, 2002, have been drawn up in accordance with the requirements of Decree no. 127/1991, integrated and interpreted on the basis of the accounting principles recommended by the Commission of Accounting Principles of the Consigli Nazionali dei Dottori Commercialisti e dei Ragionieri. These principles have been applied to the financial statements as at December 31, 2002 of the Parent Company as well as those of the subsidiary companies included within the scope of the consolidation. These financial statements have been reclassified and, if necessary, modified and altered to conform to the accounting principles of the Group and to remove fiscal classifications.

The notes to the consolidated financial statements provide the illustrations, analyses and in some cases, interpretations of the content of the consolidated financial statements and contain the information required by Article 38 of Decree no. 127/1991. Moreover, all the complementary information, considered necessary to give a true and fair view of the consolidated financial statements, has been provided even if not required by a specific provision of the law.

The consolidated financial statements as at December 31, 2002 show the information from the preceding year for comparative purposes.

Rules and method of consolidation

The consolidated financial statements have been prepared using the global integration (line-by-line) method, which consists in aggregating all the assets and liabilities of the Parent Company with those of the consolidated subsidiaries. The principal consolidation criteria adopted for the application of this method are the following:

- The carrying value of all of the consolidated subsidiaries was eliminated against the relative net equity at the time of the first consolidation (the 1994 financial year) if these existed at that time, or at the time of acquisition if the subsidiary was purchased after December 31, 1994. The resulting negative differences have been charged to a "consolidation reserve". The positive differences have been charged to the consolidated financial statements and, where possible, to the asset element of the relevant company included in the consolidation, or deducted, in the case where the company's activities are such that the goodwill paid would not be justified by future profitability, from the consolidation reserve. The resulting residual difference is shown under assets as "Consolidation differences". This consolidation differences are amortized using the straight-line method over a period of between 5 to 20 years, because this is their reasonably estimated useful life, considering the sector in which each of the subsidiaries operates, and correspond to the period they will continue to have a strategic value within the Group. In determining the period of amortization, in particular with regard to the restaurant services sector, the duration of rental or concession contracts is taken into account.

- The profits (or losses) arising after the first consolidation were charged in the consolidated shareholders' equity under the heading "Profits (losses) brought-forward".

- The reciprocal debits or credits and costs or income between consolidated companies, together with the effects of all material transactions, have been eliminated.

- The minority interests are shown separately under shareholders' equity in the consolidated balance sheet, and in the statement of income.

Conversion of the financial statements of foreign companies

The conversion into Euro of the financial statements of foreign subsidiaries which do not use the single European currency was performed in the case of Cremonini Finance plc on the basis of the temporal method. As regards the other foreign companies, the current exchange rate method was used. The following exchange rates were used:

Currency	Current exchange rates		Average exchange rates	
	2002	2001	2002	2001
Sterling (Great Britain)	0.6505	0.6085	0.6288	0.6219
Zloty (Poland)	4.0210	-	3.8574	-

Scope of the consolidation

The consolidated financial statements as at December 31, 2002 include those of the Parent Company, Cremonini s.p.a., and its subsidiaries (controlled directly, or indirectly, at that date as provided by Article 2359 of the Civil Code).

Subsidiaries which were inactive due to their recent start up, whose financial figures were not significant or which were subject to liquidation proceedings, were not part of the consolidation process. In particular, the consolidated financial statements as at December 31, 2002 exclude the following subsidiaries:

Cremonini International b.v.
Fe.Ber. Carni s.r.l. in liquidation
Fernie s.r.l. in liquidation
Ge.Mark International d.o.o.
Ibis s.p.a.
Inalca Algerie s. a r.l.
Inalca Hellas e.p.e. in liquidation
Inalca Kinshasa sprl
Inalca Russia l.l.c.
Inter Inalca Angola ltda
Perutnina Marr Yutali s.r.l. in liquidation
Quinto Valore soc. cons. a r.l.
SGD s.r.l.
Taormina Catering s.r.l. in liquidation

Stockholdings in these companies were valued at cost, with the exception of Fe.Ber. Carni s.r.l. in liquidation and SGD s.r.l., which were consolidated using the net equity method.

A complete list of the companies consolidated as at December 31, 2002, indicating the method of consolidation, is given in exhibit 7. This list has undergone some variations compared to the consolidated financial statements of the previous year as described below. However, these variations have had little effect on its comparability with the data as at December 31, 2001.

Indeed compared to December 31, 2001, the following companies have been included in the consolidation area:
- Railrest s.a. – This Belgian law company, 51% owned by Cremonini s.p.a., began the job of operating restaurant services on board the high speed Thalys trains on June 1, 2002;
- Biancheri & C. s.r.l. – This company, 100% of which was acquired by Cremonini s.p.a. during the course of the first quarter of 2002, provides the restaurant service in the station buffet of Genoa Porta Principe;
- Realfood 3 s.r.l. – This subsidiary of INALCA s.p.a., stepped in for the company in liquidation Realfood s.r.l. of Roveleto di Cadeo (PC) on March 1, 2002 by means of stipulating a company rental contract, in running the beef butchery and processing business;
- Montana Farm s.p.zo.o. – Established during the course of 2001, this company, 85% owned by Montana Alimentari s.p.a., works in Poland in the cured meat production and marketing sector;
- Sara s.r.l. – This company, 100% owned by INALCA s.p.a., started up during the course of 2001 and performs the business of organic waste disposal.
- Marr Foodservice Iberica s.a. – Marr has begun its development abroad through this Spanish law company, which started up business in the spring of 2002;
- Salumi d'Emilia s.r.l. – This company, completely owned by Montana Alimentari s.p.a., has been running the business of Ibis s.p.a., under insolvency procedure, by means of a company leasing contract since June 2002.

Moreover, other operations were carried out during the course of the financial year that did not affect the consolidation area. In particular, the most significant were:
- As of December 1, 2002 the company Battistini Elviro s.r.l. has been merged into Marr s.p.a..
- On December 9, 2002 the Parent Company sold 14% of its share in Cremonini Restauration s.a.s..

Valuation rules

The valuation rules relative to the consolidated financial statements for the year ended December 31, 2002, have remained basically unchanged.

The most significant valuation criteria utilized in the preparation of the consolidated financial statements and, where necessary, in restating the financial statements of each consolidated subsidiary are as follows.

Intangible fixed assets

Intangible fixed assets are carried at their merging value or purchase price or production cost, including ancillary expenses, and are amortised over the period of their expected useful economic life.

Formation and start-up costs are amortized over 5 years. The criteria adopted differ from that used by the Parent Company in as much as, based on the principles of the Group, the amortisation of formation and start-up costs commences from the time the benefits of these costs are enjoyed.

The costs of research, development and advertising are amortised over periods not exceeding five years.

Industrial patent rights and the rights for the use of intellectual property, principally representing software costs, are amortized over a period of 3 years.

Licences, concessions, brand names and similar rights are amortized over periods varying from five to twenty years or, in some cases, over the duration of the relevant contract.

Goodwill purchased for cash, or arising from mergers is amortized on the basis of its useful economic life, estimated to range between 5 and 20 years. In fact, considering the nature of restaurant services in station buffets, to which the goodwill principally refers, their strategic worth and past experience indicates that a period of amortization of over 5 years is to be considered suitable, given the peculiarity of the business. Specifically, the amortization of goodwill paid for station buffets is calculated following the duration indicated in the concession agreement.

Consolidation differences are amortized as specified in the paragraph "Rules and method of consolidation".

The other intangible assets mainly include leasehold improvements which are amortized at rates which are consistent with the foreseen duration of the leasing contract. The charges and commission on loans are amortised on the basis of the duration of the transactions to which they refer. The other long term charges are amortised on the basis of the expected period of future utility.

Tangible fixed assets

Tangible fixed assets are carried at their merging value or purchase price or production cost, adjusted by their corresponding provisions for depreciation. Costs also include ancillary expenses and direct and indirect costs, which are considered reasonably attributable to the assets. Costs also include interests paid on borrowings to finance assets in course of construction, up to the date of the asset utilization.

The value of certain land and buildings includes, in addition, the partial allocation of surplus paid at the time of acquisition as determined at the time of the first consolidation (1994), or at the time of acquisition, if this took place subsequently. The values resulting from these write-ups do not exceed, however, their estimated realizable values.

Fixed assets are depreciated every year over their expected useful economic life, applying the principle of residual useful economic life which we believe is fairly represented by the values listed below. These values are the same as those used in the previous financial year, and are halved in the year in which the assets were first posted:

- Land and buildings	1.5% - 4%
- Light constructions	5% - 10%
- Plant and machinery	3.75% - 30%
- Industrial and commercial equipment	7% - 25%
- Other fixed assets	5% - 40%

In the event of a permanent loss in asset value, the relative asset is written-down irrespective of the depreciation already booked. Should the reason for the write-down no longer apply in any given financial year, then the original value is reinstated, only adjusted to account for the appropriate depreciation.

Ordinary maintenance costs are debited to the income statement. Maintenance costs that increase productivity are attributed to the assets concerned and depreciated over their residual useful life.

Capital contributions relevant to tangible fixed assets are recorded by directly reducing the investment, or in relation to the depreciation of the assets to which they refer.

Financial fixed assets

Stockholdings in non-consolidated subsidiaries (except for Fe.Ber. Carni s.r.l. in liquidation and SGD s.r.l. which are valued using the net equity method), in other companies, treasury stock and other securities held on a long-term basis, are carried at their purchase price or subscription cost, appropriately written up in accordance with relevant legal requirements, or written-down to account for permanent losses in value. Should the reason for the write-down no longer apply in any given financial year, then the original value is reinstated.

Investments in associated companies are valued using the net equity method, unless these investments are immaterial in value, in which case they are valued as described above.

Long-term receivables are booked at their estimated realisable value.

Inventories

Inventories are valued at the lower of purchase price or production cost and the estimated realizable market value. The realizable market value is calculated taking into account the remaining production costs and the direct costs of sale. Obsolete or slow moving items are written down according to the estimate of their possible use or sale.

Specifically:

- As far as the beef business is concerned, valuation of inventories is based on a method which is very similar to the FIFO method. Raw materials, ancillary and finished products (canned meat) are carried at their purchase price or production cost, while all slaughtering by-products are valued at amounts which are very close to their costs. The valuation of the frozen products has been made considering market reference quotes between the last month of 2002 and the very first days of 2003.

- In the restaurant and distribution sector, and in all other lines of business in the production sector, the valuation method is very similar to the FIFO method.

Receivables

Receivables are shown at their estimated realisable value taking into account, however, both bad debts already identified and presumed, estimated by considering each individual debt and past experience.

Financial current assets

Current financial assets are valued at the lower of cost and realisable value, based on the current market prices. The cost is the purchase cost including the ancillary expenses, determined, in the case of treasury stock, by the weighted average cost method and for the other stocks, by the First in, First out method.

Cash and cash equivalents

Bank accounts and cash balances are shown at nominal value.

Provisions for liabilities and charges

Provisions for liabilities and charges are set up to cover losses or other liabilities known to exist, which at the date of the financial statements cannot be precisely stated. These items are provided for on a prudent basis and following the accrual principle, based on the best possible estimates according to the elements available.

Provisions for staff severance indemnities

Provisions for staff severance indemnities are made to cover the entire commitment to date towards employees, in conformity with current legislation and the collective and corporate labour contracts and taking into consideration all forms of continuous remuneration. The provision includes the total of all employee indemnities due at the date of the balance sheet, net of advances made.

Payables

These are shown at nominal value.

Accrued income and prepaid expenses

Accrued income and prepaid expenses include shares of income and charges common to two or more accounting periods, and are accounted for according to the period to which they refer.

Commitments, guarantees and risks

Commitments and guarantees are shown under the memorandum accounts at their contractual values.

Provisions for risks deemed certain or likely to result in liabilities are set-up on a prudent basis. Contingent risks that may only eventually result in liabilities are described when and where appropriate in these notes and are not covered by corresponding provisions.

Recognition of the costs and income

Sales income and purchase costs are booked following transfers of ownership, generally the date of delivery or shipment.

Income from services to third parties is recorded according to the period that these services cover and income of a financial nature is recorded in the period to which it refers. Costs are recorded in the period to which they refer.

Income taxes

Current income taxes are based upon a realistic forecast of taxes payable, complying with the tax regulations in force; the relating debt is reported net of advances, withholding taxes and tax credits to be offset, under the “Tax payables” heading. If there should be a credit it is classified in the item “Receivables from others” among current assets.

Deferred and prepaid taxes are based on the existing timing differences between the amounts shown in the financial statements and the fiscal values and the deferred tax effects of consolidation adjustments. Any deferred taxes due are accounted for within the provision for taxation. Pre-paid tax assets are only accounted for when there is a reasonable certainty of recovery and are classified under other receivables or else, where possible, used to reduce the deferred taxes due.

Accounting for foreign currency transactions

Foreign currency debits and credits reported under current assets/liabilities, which are uncovered against currency risks by means of hedge contracts, are normally converted into the currency unit based on the exchange rate of the transaction date. Upon closing of the balance sheet, the same are converted based on the year end exchange rate. The differences, positive or negative, between the exchange rates at which these items were recorded and the values of these at the end of the period, are credited or debited to the income statement.

Stockholdings in foreign companies, which are not denominated in Euro, are carried at the purchase price based on the historical exchange rate of the transaction.

Securitization transaction

Until July 2002 the Parent Company had a credit securitisation transaction in progress. It started in December 1994 and was subsequently renewed until 2004. The transaction described in the notes to the financial statements 2001, which you are referred to, was effected with the factoring company CRC s.p.a..

As already described in the Directors' report, on July 15, 2002 the transaction with CRC was closed in advance and it was refinanced with another more efficient and less burdensome one, effected in accordance with law 130/99.

The new transaction foresees the sale, without recourse, of trade receivables with particular characteristics on a rolling weekly basis, belonging to the companies of the Group, Montana Alimentari s.p.a., Marr s.p.a. and INALCA s.p.a. to Cremonini Sec. s.r.l..

Cremonini Sec. s.r.l., in which a company of the Group has a minority share (19%), has issued a bond for 120 million Euro listed on the London stock exchange to offset the transferred credit.

The transaction, carried out with Abaxbank and Banc of America in the role of Co-Lead Manager, has a duration of 7 years. The bonds, issued at par and with a Standard & Poor's AAA rating, have a quarterly coupon regulated at Euribor 3 months plus 50 basis points.

In the new transaction, operatively similar to the previous one, Cremonini s.p.a. continues to perform the role which it had performed for CRC until July 15, 2002. Particularly, Cremonini, neither directly nor indirectly controls the company Cremonini Sec. s.r.l., either through a third party or by means of a fiduciary company. Cremonini is the leader of the whole transaction and is mandatory for the presentation of these trade receivables on behalf of the transferors, and for the encashment of the net proceeds of the sales. Cremonini also plays the role of sub-servicer for Cremonini Sec.; that is to say, it keeps the accounting records and manages the entire transfer of receivables.

During the course of the year and up to July 15, 2002, the total of receivables transferred by Marr s.p.a., INALCA s.p.a. and Montana Alimentari s.p.a. to CRC amounted to approximately 224 million Euro, while the receivables transferred to Cremonini Sec., subsequent to that date and up to December 31, 2002, amounted to 257 million Euro.

These notes provide further information regarding the items resulting from the transaction of factoring the receivables.

Other information

With reference to the censurable facts already commented in the previous financial statements, we point out:

- the committal to trial of the Chairman of the Parent Company by the magistrate for preliminary enquiries of the Court of Modena related to alleged acquisitions and transfers of money from false financial transactions placed by third parties in the period 1994-1995. Within this lawsuit, the fiscal charges were defined with the Financial Administration through an assessment and the Company was exonerated from the consequent contingencies with an appropriate guarantee, actually already activated;
- the committal to trial of a manager of Marr s.p.a. by the magistrate for preliminary enquiries of the court of Milan and the presentation of the magistrate’s petition of definition, still being examined by a member of the INALCA s.p.a. Board of Directors (at the time of the events director of a company later purchased), regarding alleged episodes of corruption for the supply of food products at the beginning of the 1990’s; the manager of Marr has presented an offer of compensation in favour of the Municipality of Milan;
- at the reference date the Chairman and a manager of the Parent Company, as well as a manager of the subsidiary INALCA s.p.a. are involved in a lawsuit before the court of Turin for the alleged offence of “misleading advertising”.

Even after taking into account the consequences of the above-mentioned lawsuits in progress, the consolidated financial statements as at December 31, 2002 are correct from a formal and substantial point of view and they provide a fair view of the Group's economic, equity and financial position.

Exemption under the terms of paragraph 4 of Article 2423 of the Civil Code

The exemptions provided by paragraph 4, Article 2423 of the Civil Code do not apply.

Figures shown in the consolidated financial statements

The figures in the consolidated financial statements are all shown in thousand euros to facilitate reading and presentation of the results.

Information included in the Directors’ Report

The Directors’ Report contains information on the company business, on all post balance sheet events, on the transactions with the Group companies and affiliates, the components of current assets and liabilities and on other information relating to the businesses in which the company operates.

Comments on the main headings of the consolidated balance sheet

ASSETS

Fixed assets

Following are exhibits relating to the three fixed asset classes (intangible, tangible and financial) indicating for each heading the historical cost, previous provisions for depreciation and previous write-ups or write-downs. The tables also show the changes occurred throughout the financial year and the final balances, as well as the year-end overall revaluation (write-ups).

Intangible fixed assets

(in thousands of Euro)	*Balance 31.12.01*	*Chg. in cons. area*	*Purch.*	*Decr.*	*Other*	*Amort.*	***Balance 31.12.02***
Formation and start-up costs	6,799	2	83	(249)	73	(2,838)	3,870
Costs of research, development and advertising	3,182	-	3,090	(11)	(1)	(1,876)	4,384
Costs of industrial patents and rights for the use of intellectual property	1,549	5	1,346	(10)	304	(976)	2,218
Conc., licences, brand names and similar rights	27,896	52	64	(17)	21	(1,857)	26,159
Goodwill	9,765	-	3,246	(20)	129	(1,573)	11,547
Consolidation differences	55,743	-	1,787	-	(1,425)	(3,532)	52,573
Intangible fixed assets under development and advances	2,798	90	6,000	(268)	(5,957)	-	2,663
Other intangible fixed assets	14,475	221	7,535	(2,563)	4,813	(5,155)	19,326
Total	**122,207**	**370**	**23,151**	**(3,138)**	**(2,043)**	**(17,807)**	**122,740**

Formation and start-up costs

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Costs of altering the Art. of Association and formation costs	305	516
Expenses for the Stock Market listing	1,597	3,292
Other minor costs	1,968	2,991
Total	**3,870**	**6,799**

The changes in the formation and start up costs mainly refer to the year's depreciation.

The item "other minor costs" includes costs, amounting to a residual value of 1,137 thousand Euros, regarding the start up of the INALCA plant in Ospedaletto Lodigiano, capitalised in previous years.

Costs of research, development and advertising

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Costs of television advertising	4,072	2,764
Other advertising, research and development costs	312	418
Total	**4,384**	**3,182**

Television advertising refers to costs incurred by the subsidiaries Montana Alimentari s.p.a. and INALCA s.p.a. for advertising campaigns directed towards launching new products. The relevant effects on volumes of sale are expected in the future years. In 2002 investments also continued in both INALCA (2,148 thousand Euros) and Montana Alimentari (859 thousand Euros).

Costs of industrial patents and rights for the use of intellectual property

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Industrial patents	15	19
Software	2,203	1,530
Total	**2,218**	**1,549**

The largest investments in software have been made:
- by Marr amounting to 548 thousand Euros, of which 389 thousand Euros for installing a new business software application;
- by INALCA amounting to 369 thousand Euros, mainly referring to business software (179 thousand Euros);
- by Cremonini amounting to 289 thousand Euros, regarding software applications both in the business and administrative/financial areas.

Concessions, licenses, brand names and similar rights

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Brand names and registrations	4,976	5,369
“Marr” brand	20,658	21,949
Other	525	578
Total	**26,159**	**27,896**

The “brand names and registrations” item includes the value attributed to the “Montana” brand name and other minor ones owned by INALCA s.p.a. amounting to a net value of 4,606 thousand Euros.

The value of the “Marr” brand comes from the allocation of the merger deficit (and consequently also of the consolidation difference) following the incorporation of Marr s.p.a. into Grex s.r.l. which occurred in 1999.

Goodwill

The heading basically includes the amount paid to third parties for the acquisition of business branches. The increase over the year is the result of the acquisition of two station buffets in the restaurant services sector (Trieste and Milan Greco Pirelli).

Consolidation differences

The consolidation differences represent the excess of the cost incurred for the acquisition of stockholdings in consolidated subsidiaries over the current value of assets and liabilities at the time of the first consolidation (1994), or at the time of acquisition if this took place later.

Details of the movement of the consolidation differences, broken down according to the Group's main business sectors are as follows:

(in thousands of Euro)	*31.12.2001*	*Increase*	*Decrease*	*Amortization*	***31.12.2002***
Restaurant services	8,755	1,787	(11)	(810)	9,721
Distribution	34,741	-	(3)	(2,059)	32,679
Production – Beef	9,977	-	-	(577)	9,400
Production – Other	2,270	-	(1,411)	(86)	773
Total	**55,743**	**1,787**	**(1,425)**	**(3,532)**	**52,573**

The increase of 1,787 thousand Euros is connected to the acquisition of the company which runs the buffet in the railway station of Genoa Porta Principe. The decrease of 1,411 thousand Euros corresponds to the entire write down of the difference from consolidation regarding Emil-Food s.r.l. (formerly Compagnia delle Spezie s.r.l.) which sold its whole business to third parties during the course of the year. This write-down is counterbalanced by the gain from the sale of company branch described in the paragraph "Extraordinary income and expense – income".

Intangible fixed assets under development and advances

The intangible fixed assets under development and advances mainly refer to improvements to third party premises in which the restaurant service and foodservice distribution will be carried out.

Investments in the fiscal year 2002 have concerned:
- 2,236 thousand Euros (mostly transferred to the other intangible assets), for leasehold improvements by Marr for the opening of a cash and carry centre inside the Centro Agroalimentare in Rimini;
- 1,201 thousand Euros, charges mainly regarding the start-up and restructuring of the steakhouse "Roadhouse Grill" of Bologna.

A significant amount of the charges incurred in the year were subsequently transferred to the pertinent items after the relevant structures started operating.

Financial charges amounting to 209 thousand Euros referring to interest and charges regarding a not yet operative leasing contract of Montana Alimentari, have been capitalised in the year in the fixed assets in progress.

Other intangible fixed assets

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Leasehold improvement costs	11,788	8,890
Expenses and commissions on loans	1,339	2,525
Other	6,199	3,060
Total	**19,326**	**14,475**

The increase of leasehold improvements is mainly due to the costs incurred for improvements to third party premises used for restaurant services and foodservice distribution activities. Marr has mainly carried out work for transferring the branch Marr Puglia to the new premises and improvements on other branches and on the cash and carry in the Centro Agroalimentare in

Rimini. In the restaurant services sector, leasehold improvements have concerned amongst other things the buffets of the stations Rome Termini (298 thousand Euros), Alessandria (107 thousand Euros), Ravenna (114 thousand Euros) and the steakhouse Roadhouse Grill in Rome (117 thousand Euros).

The reduction of charges and commission on loans has been affected by the re-calculation of the amortization period of the costs connected to the securitization transaction which was originally due to mature in 2004, due to the advanced repayment in 2002. As a result, the costs suspended amongst the long-term charges amounting to 678 thousand Euros have been written down in the year.

The increase of the other long term charges has been affected by the capitalisation of the charges connected to the realisation of the new securitization transaction with Cremonini Sec. amounting to 3,924 thousand Euros (Marr 2,587 thousand Euros, Montana Alimentari 713 thousand Euros, INALCA 624 thousand Euros).

Tangible fixed assets

(in thousands of Euro)	*Balance 31.12.01*	*Chg. in cons. area*	*Purch.*	*Decr.*	*Other*	*Depr.*	***Balance 31.12.02***
Land and buildings	220,182	-	4,295	(561)	15,761	(7,916)	231,761
Plant and machinery	135,622	237	8,716	(2,096)	2,858	(14,750)	130,587
Industrial and commercial equipment	5,344	-	1,553	(104)	96	(1,484)	5,405
Other tangible fixed assets	13,985	43	7,274	(2,751)	989	(3,846)	15,694
Tangible fixed assets under development and advances	15,877	7	8,699	(1,487)	(18,700)	-	4,396
Total	**391,010**	**287**	**30,537**	**(6,999)**	**1,004**	**(27,996)**	**387,843**

The main investments made in the year have concerned the following.

<u>Land and buildings</u> – The increases have concerned improvement and expansion of the premises of Marr Venezia (324 thousand Euros), of Montana Alimentari (792 thousand Euros), mainly referring to the plant of Gazoldo degli Ippoliti, of the Consorzio Centro Commerciale Ingrosso Carni (247 thousand Euros) and Azienda Agricola Corticella for the expansion of the livestock system (413 thousand Euros). Further investments have also been made by INALCA in the various plants amounting to 2,777 thousand Euros overall. Finally, 1,833 thousand Euros has concerned the restructuring of the former Trevi cinema in Rome by the Parent Company.

<u>Plants and machinery</u> – Investments have been made in INALCA amounting to 5,894 thousand Euros regarding plants and machinery in the production plants, including the incinerators of Castelvetro di Modena and Ospedaletto, the treatment systems, new production lines and various others. In Montana Alimentari investments amounted to 831 thousand Euros and concerned mainly various productive machinery and systems of the Gazoldo plant.

<u>Industrial and commercial equipment</u> – The main investments have been made by the Parent Company (522 thousand Euros), referring to both the restaurant services division and to the holding, and by INALCA (525 thousand Euros).

Other tangible fixed assets – The main increases have concerned Marr amounting to 2,851 thousand Euros, of which 1,996 thousand Euros in means of transport, INALCA amounting to 1,040 thousand Euros, mainly concerning electronic machinery and Interjet for company aircraft improvements (1,076 thousand Euros).

Intangible fixed assets under development and advances – The changes are basically affected by the entry in operation of the property of the former Trevi cinema in Rome owned by the Parent Company (14,258 thousand Euros reclassified among land and property).

The main decreases in the tangible fixed assets have concerned the dismissal of assets within the sale of the business of Compagnia delle Spezie (640 thousand Euros), the dismissal of means of transport by Marr (2,381 thousand Euros), land belonging to Montana Alimentari (161 thousand Euros) and various assets for the sale of the outlets of Cremonini Restauration (963 thousand Euros).

In the fixed assets mortgages and other pledges against loans amount to about 409 million Euro and about 66 million Euro respectively for loans received.

In the year, financial charges amounting to 186 thousand Euros have been allocated to increase land and buildings. This amount refers to specific loans utilized to finance the construction of fixed assets until the date of their effective usage, and concerns the Cremonini s.p.a. Rome building (former Trevi cinema) renovation expenses. The cumulative total amount of capitalized interests on land and buildings as at December 31, 2002, amounts to 20,699 thousand Euros.

Moreover, in the year ended December 31, 2002, INALCA s.p.a. received a contribution for plants for the Rieti plant amounting to 893 thousand Euros from the Ministry of Productive Activity as laid down by L.64/86, accounted for as a reduction of the book value of the assets.

During consolidation the land and buildings have been attributed part of the positive difference coming from the elimination of the stockholdings against the respective net equities; the attribution was made to buildings amounting to approximately 4,519 thousand Euros net of the relevant amortization (4,628 thousand Euros at December 31, 2001) and 5,585 thousand Euros to land (5,585 thousand Euros at December 31, 2001). The attribution of the consolidation difference to the buildings dropped due to the effect of the amortization of the year.

Financial fixed assets

Stockholdings

The main changes that took place during the year, detailed in Exhibit 6, are commented upon below. Exhibit 7 also shows the information required by item no. 5 of Article 2427 of the Italian Civil Code.

Stockholdings in subsidiaries
The movements of the subsidiaries occurring in the course of 2002 refer:
- to including the companies Montana Farm s.p.zo.o. and Sara s.r.l. in the consolidation area;
- to increasing the capital in Marr Foodservice Iberica s.a. and to selling a stockholding of 18%; this subsidiary then entered the consolidation area;

- to the acquisition of a further stockholding in Fernie s.r.l. in liquidation;
- to the establishment of the companies Inalca Algerie s. a r.l. and Inalca Kinshasa sprl by INALCA s.p.a., within the view of continual expansion of the beef business abroad;
- to the establishment of the company Quinto Valore soc. cons. a r.l. by INALCA s.p.a.. This company trades the hides, with the aim of exploiting them better;
- to the acquisition of 98% of Ibis s.p.a. under insolvency procedure. The acquisition of this company, after the declaration of bankruptcy, was made within the project for re-launching the operative business by means of a company rental contract with Salumi d'Emilia s.r.l. and for owning the rights coming from the shares of the company Ibis s.p.a., under bankruptcy proceedings. We believe that these benefits will be higher than the price paid.

Further variations have concerned the application of the net equity method in evaluating Fe.Ber. Carni s.r.l. in liquidation and SGD s.r.l. and the liquidation of the share in Inalca Angola ltda.

Stockholdings in associated companies
The main variation in the associated companies refers to the acquisition of the company Food & Co s.r.l. by means of which the restaurant service division of Cremonini s.p.a. will run the restaurant services of several Bingo halls all over Italy in franchising.

Further variations have concerned the application of the net equity method in evaluating Immobiliare Athena s.p.a., Buona Italia Alimentos ltda and A.O. Konservni, as well as the reclassification of minor stockholdings.

Stockholdings in other companies
The main variation of other companies refers to the undersigning of the increase in capital stock in Emilia Romagna Factor s.p.a. for the share of Cremonini s.p.a..

Financial receivables

Financial receivables from subsidiaries

(in thousands of Euro)	*31.12.2001*	*Increases*	*Decreases*	***31.12.2002***
Due within 12 months				
Cremonini International b.v.	516	-	-	516
Ge.Mark International d.o.o.	52	-	(52)	-
Montana Farm s.p.zo.o.	250	-	(250)	-
Total within 12 months	**818**	**-**	**(302)**	**516**
Due between 1 and 5 years				
SGD s.r.l.	294	-	(74)	220
Total between 1 and 5 years	**294**	**-**	**(74)**	**220**
Total	**1,112**	**-**	**(376)**	**736**

The receivables at December 31, 2002 are shown at their nominal value, and refer to interest bearing and non interest bearing loans.

The decrease of the balance refers to the repayment of the loan to Ge.Mark International and in part to the repayment of the one to SGD and to the effects of the complete consolidation of Montana Farm.

Financial receivables from others

(in thousands of Euro)	*31.12.2001*	*Incr./Utiliz.*	*Decr./Acc.*	*Reclass.*	***31.12.2002***
Due within 12 months					
Sundry and other loans	710	-	(28)	83	765
Deposit to CRC	-	-	-	7,845	7,845
Cautionary deposits	257	31	(75)	-	213
Provision for bad debts	(159)	-	(1,000)	-	(1,159)
Total within 12 months	**808**	**31**	**(1,103)**	**7,928**	**7,664**
Due between 1 and 5 years					
Interest bearing loan to East West Holding	2,841	-	(2,841)	-	-
Deposit to CRC	7,845	-	-	(7,845)	-
Due from the State Treasury	71	-	-	-	71
Tax credit on T.F.R.	1,504	133	(439)	-	1,198
Cautionary deposits	533	348	(113)	-	768
Others	184	54	(117)	-	121
Total between 1 and 5 years	**12,978**	**535**	**(3,510)**	**(7,845)**	**2,158**
Due over 5 years					
Cautionary deposits	33	12	(14)	-	31
Cremonini Sec. cautionary deposit	-	2,529	-	-	2,529
Others	535	-	-	-	535
Total over 5 years	**568**	**2,541**	**(14)**	**-**	**3,095**
Total	**14,354**	**3,107**	**(4,627)**	**83**	**12,917**

The most significant variations in receivables from others have concerned the items connected to the securitization transactions of the commercial credits, mentioned previously. Particularly, the "Interest bearing loan to East West Holding" has been collected, while the "Deposit to CRC" has been reclassified in the items due within 12 months: both positions are connected to the CRC securitization, extinguished early on July 15, 2002, and represented amounts paid as a cautionary deposit to the transaction. As regards the "Deposit to CRC", which amounts to 6,515 thousand Euros as a result of amounts collected after December 31, 2002, a provision of 1,000 thousand Euros has been made against the possible losses connected to the closure of the transaction itself.

The increase of the cautionary deposits due between 1 and 5 years includes 241 thousand Euros paid by Realfood 3 s.r.l. as a guarantee of the company rental contract stipulated in February 2002 with Realfood s.r.l., in liquidation.

The "Cremonini Sec. cautionary deposit" represents the guarantee paid to the "vehicle" company Cremonini Sec. s.r.l. to activate the new securitization operation which has replaced the one with CRC. This guarantee, which will be returned at the end of the transaction, was paid by Cremonini s.p.a. on behalf of the transferring companies Marr, INALCA and Montana Alimentari, to provide more rational operation management. The costs of the financial tying up of the deposit have been charged in advance to each transferring company (see also paragraph "Accrued expenses and deferred income").

The "Others" due in more than 5 years refer entirely to a confirming deposit regarding a property leasing contract of Montana Alimentari s.p.a., which is not yet operative.

Other securities

(in thousands of Euro)	*31.12.2001*	*Increases*	*Decreases*	***31.12.2002***
Banca di Roma 2.12.2009 bonds	516	-	(516)	-
Banca di Roma 30.6.2003 bonds	515	-	(515)	-
CCT 1.9.2003	580	-	(580)	-
Total	**1,611**	**-**	**(1,611)**	**-**

The Banca di Roma bonds were sold during the course of the year, while the State securities were reclassified in the current assets following their redemption by the institute of credit to whom they were given as a guarantee.

Treasury stock

The treasury stock has been booked under the financial fixed assets by a specific resolution of the Board of Directors of the Parent Company that, based on the conditions of the main markets in which the Group operates and the possible future implementation of the strategic corporate plans, has identified the investment as one of an enduring nature.

For information purposes it is specified that, had the treasury stock been valued at the market price at the end of the year, the value at December 31, 2002 would have been approximately 4,989 thousand Euros lower (approximately 3,920 thousand Euros as at December 31, 2001). This valuation was connected to that particular moment in the market and does not reflect an enduring loss of value.

Current assets

Inventories

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Raw materials, supplies and consumables	15,822	14,043
Products in progress and semi-finished products	5,589	3,662
Finished products and goods for resale	148,828	151,509
Advance payments	514	46
Provision for inventories	(500)	-
Total	**170,253**	**169,260**

Inventories are not pledged nor subject to other restrictions on ownership and the valuation does not significantly differ from current costs.

During the course of the fiscal year Marr s.p.a. has set up a provision for inventories rated at 500 thousand Euros, in order to return some goods in the inventory at the date of the closure of the financial statements to their estimated realizable value.

Receivables

Trade receivables

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Trade receivables due within 12 months	222,573	215,930
Trade receivables due between 1 and 5 years	947	1,097
Trade receivables due over 5 years	93	124
Provision for bad debts	(14,427)	(13,655)
Total	**209,186**	**203,496**

The increase of the balance can be mainly attributed to the consolidation of Realfood 3 s.r.l. (10,665 thousand Euros), Railrest s.a. (4,820 thousand Euros) and Salumi d'Emilia s.r.l. (3,807 thousand Euros).

The movements in the provision for bad debts were as follows:

(in thousands of Euro)	*31.12.2001*	*Provision*	*Utiliz.*	*Other mov.*	***31.12.2002***
Bad debt provision- art. 71	1,349	1,229	(1,085)	(29)	1,464
Taxable bad debt provision	10,985	2,503	(1,556)	-	11,932
Bad debt provision – late paid interest	1,321	73	(205)	(158)	1,031
Total	**13,655**	**3,805**	**(2,846)**	**(187)**	**14,427**

Receivables from subsidiaries

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
Cremonini International b.v.	33	7
Ge.Mark International d.o.o.	-	54
Ibis s.p.a.	2,347	-
Inalca Algerie s. a r.l.	271	-
Inalca Angola ltda in liquidation	-	2,024
Inalca Hellas e.p.e. in liquidation	723	819
Inalca Kinshasa sprl	2,400	-
Inter Inalca Angola ltda	7,114	2,575
Marr Foodservice Iberica s.a.	-	3
Marr Russia l.l.c.	2,476	-
Montana Farm s.p.zo.o.	-	74
Quinto Valore soc. cons. a r.l.	15	-
Sara s.r.l.	-	7
SGD s.r.l.	131	-
Provision for bad debts	(2)	-
Total	**15,508**	**5,563**

The variation of the balance is partly due to the Group's expansion process through its own subsidiaries. INALCA in particular has intensified its commercial penetration in Angola through Inter Inalca Angola which has replaced Inalca Angola, now liquidated, and has set up the business of the new companies in Africa (Inalca Algerie s.a r.l. and Inalca Kinshasa sprl). Marr Russia, a subsidiary of Inalca Russia, has also started up business.

The receivable from Ibis s.p.a., collected in 2003 by means of compensation with the debt regarding the acquisition of the previously rented company branch by means of auction consists of all those amounts that Salumi d'Emilia s.r.l. has contractually accounted and/or is committed to pay on behalf of Ibis during the period of company branch rental.

Receivables from associated companies

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
A.O. Konservni	9,017	8,001
Buona Italia Alimentos ltda	279	285
Compagnia delle Spezie s.a r.l.	-	58
Food & Co. s.r.l.	213	-
International Meat Company s.a.	10	-
Prometex s.a.m.	23	-
S.I.S.AG. s.r.l.	-	5
Provision for bad debts	(1)	(1)
Total	**9,541**	**8,348**

The amount almost entirely refers to trade receivables due from the subsidiary of INALCA in Russia, A.O. Konservni, which has further developed its own production and marketing business of tinned meat.

Other receivables

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
Due from the State Treasury	18,592	18,792
Pre-paid tax assets	2,178	5,493
Advances to suppliers	17,818	16,654
Short-term loans	1,187	1,168
Due from factoring companies	698	1
Receivables for repayment of CRC transaction costs	-	5,916
Receivables for cessions - CRC transaction	1,595	-
Receivables for repayment of Cremonini Sec. transaction costs	833	-
Receivables for cessions - Cremonini Sec. transaction	6,074	-
Due from insurance companies	1,430	1,826
Due from agents	1,624	1,717
Government contributions from Department of Agriculture	1,150	1,042
Others	8,113	15,271
Provision for bad debts	(2,145)	(1,740)
Total within 12 months	**59,147**	**66,140**
Due between 1 and 5 years		
Due from the State Treasury	8,721	7,787
Pre-paid tax assets	13,414	13,006
Others	416	673
Total between 1 and 5 years	**22,551**	**21,466**
Due over 5 years		
Due from the State Treasury	39	39
Others	10	106
Total over 5 years	**49**	**145**
Total	**81,747**	**87,751**

Receivables due from the State Treasury are made up as follows:

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
V.A.T.	11,890	15,931
Income tax advances	1,582	823
Withholding tax	77	72
Taxes to be reimbursed	240	270
Direct taxes for Parent Company compensation	3,887	1,141
Others	916	555
Total within 12 months	**18,592**	**18,792**
Due between 1 and 5 years		
Taxes to be reimbursed	8,717	7,783
Others	4	4
Total between 1 and 5 years	**8,721**	**7,787**
Due over 5 years		
Taxes to be reimbursed	8	8
Others	31	31
Total over 5 years	**39**	**39**
Total	**27,352**	**26,618**

The “Pre-paid tax assets” due within 12 months have decreased mainly as an effect of the use of the losses carried over by the Parent Company on which pre-paid taxes amounting to 4,044 thousand Euros were calculated in the previous year. These assets, at December 31, 2002 basically represent the pre-paid taxes on taxed funds regarding receivables, personnel disputes and legal actions of the Parent Company (1,542 thousand Euros) and on the 2002 tax loss of Montana Alimentari s.p.a. (309 thousand Euros). The pre-paid tax assets are included in the financial statements because it is considered that they may be recovered from the future taxable amounts.

The “Receivables for repayment of CRC transaction costs” and the “Receivables for cessions - CRC transaction” are connected to the CRC securitization transaction concluded in July 2002: the former were collected during the course of 2002, while the amount of 1,595 thousand Euros was all collected in the month of January 2003.

The “Receivables for repayment of Cremonini Sec. transaction costs” item refers to the higher cost of transfers charged to the transferor which will be repaid in 2003 according to the provisions of the contract.

The “Receivables for cessions - Cremonini Sec. transaction” concern the credit for the weekly cession of December 31, 2002, paid by the transferee in the first few days of 2003 according to the contractual agreements.

The item "Government contributions from Department of Agriculture" refer to contributions on the beef economic sector from the Government, yet to be paid.

Financial current assets

Treasury stock

The treasury stock included under current assets was all acquired in the course of the 2001 and 2002 financial years with the aim of maintaining the stability of the stock and for liquidity management. This stock, which is not a durable investment, was valued according to the criteria of the official market value at the end of the financial year. The use of the market value, which is lower than the application of the weighted average cost has led to a write-down of the value of the shares at December 31, 2002 of 1,436 thousand Euros (see “Adjustments to the value of financial assets – write downs”).

You are referred to the “Directors’ Report” as regards movements in the 2002 and further information.

Other securities

(in thousands of Euro)	*31.12.2001*	*Increases*	*Decreases*	***31.12.2002***
Mutual funds	495	-	(495)	-
Sicav funds	50	-	(50)	-
CCT (Gvt. Bonds) 1.9.2003	-	580	(6)	574
Total	**545**	**580**	**(551)**	**574**

The funds have been sold during the course of 2002 while the Government bonds have been reclassified from the fixed assets.

Cash and cash equivalents

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Bank and post office accounts	51,020	15,118
Cheques	7,193	3,448
Cash on hand	1,579	3,569
Total	**59,792**	**22,135**

The variation of the bank assets at December 31, 2002 is mainly connected to the cash and banks on hand to repay the Eurobond issued by Cremonini Finance plc, which was duly repaid on February 12, 2003.

Accrued income and prepaid expenses

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Accrued subsidies	102	102
Accrued interest	892	214
Sundry accruals	91	5
Total accruals	**1,085**	**321**
Prepaid rentals	660	951
Prepaid financial expenses and guarantees	832	768
Pre-paid expenses for commercial and advertisement costs	259	31
Sundry prepayments	1,021	1,405
Total prepaid expenses	**2,772**	**3,155**
Total	**3,857**	**3,476**

Sundry prepayments include 243 thousand Euros for the 2001 lease payment on a lease agreement by Montana Alimentari s.p.a. which is not yet effective.

LIABILITIES

Shareholders' equity

Please refer to exhibit 8 as regards variations.

Capital stock

The capital stock at December 31, 2002 of 73,746,400 Euro, unchanged compared to December 31, 2001 is represented by 141,820,000 ordinary shares of the Parent Company, all fully paid in and regular interest bearing of a nominal value of 0.52 Euro each.

As at December 31, 2002 the consolidated profit per share, obtained by dividing the year's profit, after deducting that attributable to the minority interests, by the number of stock in circulation (excluding the treasury stock held at December 31, 2002), was about Euro 0.019.

Share premium reserve

This reserve consists of the premium paid by shareholders at the time of the Public Subscription Offer in 1998.

The reserve of 71,609 thousand Euros (73,426 thousand Euros at December 31, 2001) was used in the year for 1,817 thousand Euros to increase the treasury stock reserve.

Legal reserve

The legal reserve of 14,749 thousand Euros (14,642 thousand Euros at December 31, 2001) increased in the year due to the allocation of part of the profit of the Parent Company of 2001, in accordance with the resolution of the shareholders on 30th April 2002.

Reserve for treasury stock

This is the unavailable reserve covering the treasury stock shown on the balance sheet.

Other reserves

The other reserves mainly include the consolidation reserve of 3,302 thousand Euros (unchanged with respect to December 31, 2001) emerging from the negative differences arising from the elimination of the book value of the consolidated stockholdings against the relevant shareholders' equity at the time of the first consolidation or at the acquisition if this occurred later.

No provision for taxation on the reserves included in shareholders' equity as at December 31, 2002 was made in previous years, as no transactions which could determine its taxation are foreseen.

The reconciliation between the Parent Company's shareholder's equity and result and the shareholders'equity and result shown in the consolidated accounts is outlined below:

(in thousands of Euro)	Financial year as at 31.12.2002			Financial year as at 31.12.2001		
	Capital stock and reserves	*Profit/ (loss)*	*Share- holders' equity*	*Capital stock and reserves*	*Profit/ (loss)*	*Share- holders' equity*
Parent Company's shareholders'equity and profit/(loss) for the year	**180,948**	**1,841**	**182,789**	**180,153**	**795**	**180,948**
Elimination of the carrying value of consolidated subsidiaries:						
• Differences between the carrying value and the pro rata shareholder's equity, net of the effects of intra-Group transactions	(81,832)	2,172	(79,660)	(69,319)	611	(68,708)
• Pro-rata subsidiary profits (losses)		5,670	5,670		(11,067)	(11,067)
• Surpluses attributable to assets on first consolidation	10,213	(109)	10,104	10,322	(109)	10,213
• Consolidation differences	57,521	(4,948)	52,573	59,214	(3,471)	55,743
Elimination of the effects of commercial transactions between Group companies	(470)	(1,630)	(2,100)	(332)	(138)	(470)
Elimination of allowances for anticipated depreciation which are exclusively for fiscal purposes	2,630	(85)	2,545	2,893	(263)	2,630
Adjustment of the financial statements of the consolidated companies in accordance with the Group principles and shareholders'equity valuation of investments	1,597	(410)	1,187	1,415	156	1,571
Total adjustments	*(10,341)*	*660*	*(9,681)*	*4,193*	*(14,281)*	*(10,088)*
Group's share of net equity and profit/(loss)	**170,607**	**2,501**	**173,108**	**184,346**	**(13,486)**	**170,860**
Minorities' share of net equity and profit (loss)	1,982	598	2,580	1,462	35	1,497
Consolidated financial statements shareholders'equity and profit/(loss) for the year	**172,589**	**3,099**	**175,688**	**185,808**	**(13,451)**	**172,357**

Provision for liabilities and charges

(in thousands of Euro)	*31.12.2001*	*Provision*	*Utiliz.*	*Other mov.*	***31.12.2002***
Allowance for severance payments and similar obligations	1,075	279	(154)	114	1,314
Provision for taxation	2,528	50	(587)	(4)	1,987
Other	4,278	1,090	(1,095)	-	4,273
Total	**7,881**	**1,419**	**(1,836)**	**110**	**7,574**

The allowance for severance payments and similar obligations consists of the indemnity provision for sales agents amounting to 1,282 thousand Euros (1,045 thousand Euros at December 31, 2001).

The provisions for taxes include 1,907 thousand Euros of the deferred tax provision (2,494 thousand Euros at December 31, 2001). The deferred tax provision has been used following the taxation of the elements determining the provision and the effect of the changes in IRPEG rate from 36% to 34% which made a net difference of 153 thousand Euros. The balance at December 31, 2002 mainly refers to the effect of the elimination of the fiscal depreciation when drawing up the consolidated financial statements.

The other provisions are comprised of the following:

(in thousands of Euro)	*31.12.2001*	*Provision*	*Utiliz.*	*Other mov.*	***31.12.2002***
Personnel disputes provision	500	345	(500)	-	345
Litigation and minor disputes	2,880	-	(150)	-	2,730
Periodic maintenance	145	52	(137)	-	60
Risks and future losses	753	693	(308)	-	1,138
Total	**4,278**	**1,090**	**(1,095)**	**-**	**4,273**

The other provisions have mainly changed due to the effect of the following:
- charging and using a provision for personnel disputes which basically refers to the Parent Company;
- charging to the provision for risks and future losses which mainly relate to disputes in progress in the distribution business;
- use of 300 thousand Euros for the settlement of a dispute with a supplier in the door to door division.

The provisions for litigation and minor disputes include 2,582 thousand Euros referring to the Parent Company and the following reserves which remained unchanged over the year:
- 516 thousand Euros which refers to a dispute in connection with a former subsidiary company sold to third parties;
- 1,756 thousand Euros as a provision for possible costs in connection with guarantees given, at the time of sale of shares.

It should be noted that two disputes concerning Castelvetro s.p.a., a corporation merged by the Parent Company during 1999, are still pending. According to the opinion of the legal advisors who are defending the Company in such disputes, there should not be any financial impact for the Company itself and for the entire Group.

Staff severance indemnities

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Initial balance	29,279	28,518
Effect of changes in the area of consolidation	2,175	(1)
Utilised during the period	(4,579)	(4,641)
Accruals during the period	6,914	5,507
Other movements	(297)	(104)
Final balance	**33,492**	**29,279**

Payables

Bonds

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months	113,621	-
Due between 1 and 5 years	18,000	131,621
Total	**131,621**	**131,621**

The bonds due within 12 months concern the bond loan of 113,621 thousand Euros (net of 15,494 thousand Euros of bonds repurchased on the market in previous years) issued by the subsidiary Cremonini Finance plc. This loan, which has reached its natural maturity, was entirely repaid on February 12, 2003.

The bonds due between 1 and 5 years concern the bond issue placed by the subsidiary Marr s.p.a. at the following conditions:

Currency:	Euro
Original amount:	18 million
Duration:	5 years
Date of issue:	30 November 1999
Issue price:	at nominal value
Interest:	10 half-yearly coupons of which the first became due on the 31 May 2000
Interest rate:	3.8% annually (next maturing coupon)

Bank loans and overdrafts

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months	246,191	188,042
Due between 1 and 5 years	84,286	112,654
Due over 5 years	61,114	76,740
Total	**391,591**	**377,436**

Details of bank loans and mortgages are as follows:

Bank	*Rate of interest*	*Maturity*	*Current portion*	*Portion between 1 and 5 years*	*Portion over 5 years*	***Total as at 31.12.2002***
			(in thousands of Euro)			
Interbanca 31979/301	Floating (market average+1.25%)	28/02/03	17	-	-	17
Banca Toscana	Floating (Euribor 6m+0.95%)	31/10/11	-	5,925	6,986	12,911
Carim – n. 916	Floating (Euribor 6m+1.25%)	31/12/06	11	40	-	51
Carim – n. 917	Floating (Euribor 6m+1.25%)	31/12/06	45	165	-	210
Carim – n. 23/91	Floating (Euribor 6m+1.25%)	31/12/09	175	877	569	1,621
Carim – n. 6088	Floating (Euribor 6m+1.25%)	11/08/09	30	149	97	276
CARIPLO n. 83/356906	Fixed 13.83% gross	30/06/04	453	251	-	704
CARIPLO n. 60/357291	Fixed 15.23% gross	31/12/03	64	-	-	64
CARISBO con. 1007510	Floating (Euribor 3m+1.85%)	31/12/05	768	1,216	-	1,984
CARISBO con. 1017035	Floating (Euribor 6m+0.95%)	31/12/04	814	581	-	1,395
Mediocr. Toscano n. 325773	Floating (Euribor 6m+0.90%)	30/11/15	680	3,159	9,072	12,911
Bankiem Pekao sa	Floating (Euribor 3m+1.60%)	31/10/05	20	37	-	57
C.R. Parma e Piacenza	Floating (Euribor 6m+0.75%)	15/05/05	1,254	2,033	-	3,287
B.N.L. Cred. Fondiario	Floating (Euribor 6m+1.20%)	31/12/13	2,216	11,099	26,020	39,335
IMI – Ricerca applicata	Fixed 10.75%	01/07/03	299	-	-	299
IMI – Ricerca applicata	Floating (Euribor 3m+1.70%)	01/07/03	74	-	-	74
Efibanca ICAR	Fixed 3.85%	30/06/03	197	-	-	197
B.N.L.	Floating (Euribor 6m+0.95%)	30/11/10	2,260	9,038	6,778	18,076
B.N.L.	Floating (Euribor 6m+1.10%)	30/08/11	-	1,250	1,250	2,500
B.N.L.	Floating (Euribor 6m+0.70%)	31/05/07	775	2,711	-	3,486
Banca Ant. Pop. Veneta	Floating (Euribor 3m+0.75%)	17/04/03	5,165	-	-	5,165
Banca Antonveneta	Floating (Euribor 3m+0.95%)	16/12/03	15,500	-	-	15,500
Banca Pop. di Novara	Floating (Euribor 6m+0.50%)	06/09/03	22,208	-	-	22,208
Banca Pop. di Verona	Floating (Euribor 6m+0.80%)	05/09/03	10,360	-	-	10,360
Banca Popolare Vicenza	Floating (Euribor 6m+0.50%)	22/12/03	12,911	-	-	12,911
Banco di Napoli	Floating (Euribor 3m+0.50%)	27/12/04	2,952	1,937	-	4,889
Centrobanca	Floating (Euribor 3m+0.80%)	30/06/10	469	2,050	1,436	3,955
Credito Italiano	Floating (Euribor 3m+0.58%)	30/09/09	1,615	5,164	2,259	9,038
ICCREA	Floating (Euribor 3m+0.75%)	09/04/04	-	12,500	-	12,500
ICCREA	Floating (Euribor 6m+0.80%)	13/06/03	2,582	-	-	2,582
Irfis	Floating (Euribor 6m+0.80%)	05/11/03	2,582	-	-	2,582
Mediocredito di Roma	Floating (Euribor 6m+0.75%)	31/12/08	5,452	24,104	6,647	36,203
Total mortgages			**91,948**	**84,286**	**61,114**	**237,348**
Other loans and c/c			154,243	-	-	154,243
Total			**246,191**	**84,286**	**61,114**	**391,591**

You are referred to the Directors' Report for comments on the Group's financial position.

As at December 31, 2002, the Parent Company has swap contracts for a nominal value of 129 million Euro in progress, which have allowed it to replace Euribor rate with the USD Libor one.

Short term bank facilities of the Italian companies in the Group amount to 408 million Euro at December 31, 2002 (436 million Euro at December 31, 2001).

Bank guarantees were given for both short and long-term liabilities as detailed in the memorandum accounts and in the notes on tangible fixed assets.

Loans from other financial institutions

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
Mortgages and loans	544	523
Factoring companies	18,537	31,731
Loans to Cremonini Sec.	11,352	-
Others	2	7,572
Total within 12 months	**30,435**	**39,826**
Due between 1 and 5 years		
Mortgages and loans	2,398	2,308
Total between 1 and 5 years	**2,398**	**2,308**
Due over 5 years		
Mortgages and loans	1,574	2,209
Total over 5 years	**1,574**	**2,209**
Total	**34,407**	**44,343**

As regards the payables for mortgages and loans, the following details are reported:

Description	*Rate of interest*	*Maturity*	*Current portion*	*Portion between 1 to 5 years*	*Portion over 5 years*	***Total as at 31.12.2002***
			(in thousands of Euro)			
Ministero dell'Industria n. 2061	4.11%	16/02/08	116	513	142	771
Ministero dell'Industria n. 0161	4.11%	24/05/10	59	253	207	519
M.I.C.A. Compost	4.11%	27/09/09	98	433	244	775
M.I.C.A. ex Icar	4.11%	16/05/09	158	700	394	1,252
M.I.C.A.P. (sala disosso)	4.11%	31/07/12	113	499	587	1,199
Total			**544**	**2,398**	**1,574**	**4,516**

Loans due to factoring companies mainly refer to the sale, with recourse, of receivables.

The "Loans to Cremonini Sec." concern payables collected by the companies of the Group but concerning receivables previously transferred within the securitization programme. The transferring companies periodically return these payables to the transferee Cremonini Sec., as laid down by the contract provisions.

The loans from others, which mainly refer to commercial paper of the Parent Company, have been repaid during the course of the year.

Payables to subsidiaries

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months - Commercial		
SGD s.r.l.	-	27
Sara s.r.l.	-	48
Due within 12 months – Financing and others		
Taormina Catering s.r.l. in liquidation	4	4
Fernie s.r.l. in liquidation	498	508
Fe.Ber. Carni s.r.l. in liquidation	99	101
SGD s.r.l.	4	16
Sara s.r.l.	-	409
Total	**605**	**1,113**

The variation of the balance is mainly due to the consolidation of Sara s.r.l..

Tax payables

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
Tax withholdings	6,706	5,713
V.A.T.	1,102	942
Substitute and direct taxes and other tax payables	8,008	9,303
Total within 12 months	**15,816**	**15,958**
Due between 1 and 5 years		
Tax withholdings	-	2,134
Total between 1 and 5 years	**-**	**2,134**
Total	**15,816**	**18,092**

The decrease of the balance over 12 months reflects the end of the aid to the beef sector which was penalised by the “BSE” phenomena, which had permitted the suspension of payment of tax and welfare contributions in the fiscal year 2001. The tax payables are expected to be paid in instalments by 2003 and thus the remaining amount at December 31, 2002 has been reclassified within 12 months.

Payables to pension and social security institutions

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
Inps/Inail/Scau	6,002	3,386
Inpdai/Previndai/Fasi/Besusso	222	208
Enasarco/FIRR	390	351
Other institutions	2,785	1,179
Total within 12 months	**9,399**	**5,124**
Due between 1 and 5 years		
Inps/Inail/Scau	6,021	7,989
Inpdai/Previndai/Fasi/Besusso	320	415
Total between 1 and 5 years	**6,341**	**8,404**
Total	**15,740**	**13,528**

The inclusion of the social security contributions in the medium-long term payables refers to what is described in the previous note, with the difference that the deferral of payments is over a longer period of time.

Other payables

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Due within 12 months		
Advances and other payables to customers	5,271	4,007
Staff salaries	13,334	11,944
Payables for the purchase of stockholdings in:		
- Guardamiglio Carni s.p.a. and Ge.Mark s.r.l.	-	516
- Food & Co. s.r.l.	759	-
- Biancheri & C. s.r.l.	173	-
- Copea s.r.l.	-	207
- Adria Food s.r.l.	-	129
- Others	3	49
Guarantees and deposits received	608	641
Payables to directors and auditors	1,279	1,269
Payables to agents	523	619
Others	4,533	8,141
Total within 12 months	**26,483**	**27,522**
Due between 1 and 5 years		
Cautionary deposit	352	352
Others	500	731
Total between 1 and 5 years	**852**	**1,083**
Total	**27,335**	**28,605**

Payables to employees include current remuneration outstanding as at December 31, 2002 and provisions regarding deferred remuneration.

The change of the payables for the acquisition of stockholdings has been determined by payments made during the financial year and by the effect of the acquisition of new stockholdings.

The “Cautionary deposit” refers to a guarantee received against the supplies made by INALCA to the associated company A.O. Konservni.

Accrued expenses and deferred income

(in thousands of Euro)	***31.12.2002***	*31.12.2001*
Accrued interest on loans	3,159	1,877
Accruals for employee emoluments	773	725
Sundry accruals	371	226
Total accruals	**4,303**	**2,828**
Contributions deferred	427	486
Deferrals for interest received from customers	539	286
Sundry deferred income	1,079	99
Total deferred income	**2,045**	**871**
Total	**6,348**	**3,699**

Movements in accrued interest on loans is interrelated with the dynamics of indebtedness and its composition.

The increase in the "Sundry deferred income" is affected by charging the costs that Cremonini s.p.a. will incur for the cautionary deposit paid to Cremonini Sec., within the securitization transaction, to future years. The financial burden connected to the payment of this deposit by Cremonini on behalf of the transferring companies has indeed been charged in advance to the subsidiaries Marr, INALCA and Montana Alimentari, the actual beneficiaries of the financial transaction and accrued on the basis of the duration of the same (see paragraph "Receivables from others" in the fixed assets).

Receivables and payables expressed in foreign currency

There follows a brief summary of all credits and debits denominated in non-euro currencies (concerning the companies coming in the Euro area), converted at the year-end exchange rates:

(in thousands of Euro)	*Trade and other receivables*	*Trade and other payables*
British Sterling	-	47
US Dollar	28,491	6,042
Swiss Franc	10	148
Brazilian Real	455	-
Danish Crown	-	1
Swedish Crown	97	-
Total	**29,053**	**6,238**

Comments on the main headings of the consolidated memorandum accounts

Direct guarantees - sureties

Sureties include the guarantees provided directly by Group companies, in favour of subsidiaries and third parties, to financial institutions for loans or lines of credit. They also include the guarantees for which the Parent Company is jointly and severally committed. These guarantees, provided by banks or insurance companies, refer to various commercial transactions, Group Value Added Tax compensation, for contract tendering, etc.

Direct guarantees – letters of comfort

Letters of comfort exclusively concern guarantees given to financial institutions for the provision of financing, or lines of credit and include "simple" letters of comfort from the Parent Company amounting to 39,415 thousand Euros.

Indirect guarantees – credit mandates

Credit mandates refer to bank overdrafts and endorsement credits, both for subsidiaries and third parties, secured by bank guarantees provided to the Parent Company.

Other risks and commitments

Compared to the balance of 2001 the item includes:
- 7,747 thousand Euros regarding the irrevocable acquisition proposal by Salumi d'Emilia s.r.l. of the whole company complex owned by Ibis s.p.a. under insolvency procedure, at December 31, 2002 managed under a company rental contract; it is pointed out that on February 19, 2003 Salumi d'Emilia s.r.l. was adjudicated the above mentioned company in the auction;
- 7,145 thousand Euros regarding the irrevocable acquisition proposal by Realfood 3 s.r.l. of the whole company complex owned by Realfood s.r.l. in liquidation, currently managed in a company rental contract.

Comments on the main headings of the consolidated statement of income

Value of production

Revenues from sales and services

There follows a breakdown of revenues by geographical area:

(in thousands of Euro)	***2002***	*2001*
Italy	1,263,635	1,100,184
European Union	199,280	157,812
Outside the European Union	107,955	83,465
Total	**1,570,870**	**1,341,461**

You are referred to the Directors' Report for comments on the breakdown by business sector.

Increase in fixed assets produced internally

The amount at December 31, 2002 includes the capitalisation of the charges connected to the renovation of the Cremonini s.p.a. property, the former Trevi cinema located in Rome, amounting to 227 thousand Euros, and internal costs regarding the start up and renovation of other Parent Company premises. The remaining part refers mainly to software capitalisation produced internally.

Other revenues and income

(in thousands of Euro)	***2002***	*2001*
Other revenues and income		
Rentals	205	263
Insurance reimbursements	1,038	1,285
Supplier bonuses	8,133	7,102
Profit on sale of fixed assets	551	411
Other cost reimbursements	1,952	5,248
Services, consultancy and other	4,595	5,586
Total other revenues and income	**16,474**	**19,895**
Contributions for operating expenses		
Other	1,187	2,060
Total contributions for operating expenses	**1,187**	**2,060**
Total	**17,661**	**21,955**

The contributions for operating expenses refer to those provided by the European Community and paid by AGEA as an indemnity to combat the "BSE" disease phenomenon.

Costs of production

Cost of raw materials, supplies, consumables and goods for resale

(in thousands of Euro)	***2002***	*2001*
Raw materials	435,216	332,855
Products purchased for resale	541,718	504,752
Supplies and consumables, semi-finished products and packaging	41,121	30,387
Finished products	20,802	17,211
Stationery and printed materials	1,503	1,594
Other materials and products	20,118	23,864
Purchase adjustments	(1,923)	(1,514)
Total	**1,058,555**	**909,149**

Costs for services

(in thousands of Euro)	***2002***	*2001*
Energy consumption and utilities	15,939	15,616
Maintenance and repairs	11,356	9,170
Transport on sales	46,118	38,725
Commissions, commercial and distribution services	62,260	48,502
Third party services and outsourcing	35,905	27,399
Purchasing services	10,667	5,503
Franchising	10,000	8,346
Other technical and general services	55,793	48,457
Total	**248,038**	**201,718**

Costs for the use of third party assets

(in thousands of Euro)	***2002***	*2001*
Business rentals, royalties and others	11,938	10,163
Lease payments	453	585
Rent of property and other assets	10,686	11,995
Total	**23,077**	**22,743**

These costs include 747 thousand Euros to the affiliated company Le Cupole s.r.l. and 86 thousand Euros to the affiliated company Ristoro s.r.l., concerning rental of industrial property by Marr s.p.a. and Montana Alimentari s.p.a. respectively.

Leasing contracts were booked by debiting the lease payments pertaining to the year to the statement of income. Had the financial method been applied (in accordance with the International Accounting Standard no. 17), the profitability and the shareholders'equity impact would have been insignificant.

For personnel

(in thousands of Euro)	***2002***	*2001*
Salaries and wages	105,970	94,423
Social security costs	33,106	28,856
Staff severance indemnities	6,595	6,359
Other personnel costs	201	162
Total	**145,872**	**129,800**

This heading includes all personnel costs, accruals for holiday pay and the associated social security costs, as well as provision for staff severance indemnities and all other contractual costs.

The increase in personnel costs is mainly affected by the operations performed in INALCA s.p.a. to cope with the "BSE" crisis in the previous year (e.g. government aided temporary work suspension). Indeed the cost of INALCA personnel was approximately 3,979 thousand Euros higher in 2002 than in 2001. Moreover, the increase is due to the consolidation of Railrest s.a. (5,342 thousand Euros), Realfood 3 s.r.l. (2,099 thousand Euros) and Salumi d'Emilia s.r.l. (1,615 thousand Euros).

As at December 31, 2002 the number of employees in the Group total 4,893 compared to the 4,329 at December 31, 2001. The increase of 564 was partly determined by the consolidation of Railrest s.a. (324 employees as at December 31, 2002).

The division by category and the mean number of employees in 2002 are shown in the following table:

	Factory staff	*Office staff*	*Managers*	***Total***
Employees as at 31.12.2001	3,433	825	71	4,329
Employees as at 31.12.2002	**3,766**	**1,053**	**74**	**4,893**
Increase (decrease)	333	228	3	564
Average no. of employees for the year 2002	**3,887**	**1,041**	**75**	**5,003**

Amortization, depreciation and write-downs

(in thousands of Euro)	***2002***	*2001*
Amortization of intangible fixed assets	17,807	16,337
Depreciation of tangible fixed assets	27,996	26,399
Other write-down of fixed assets	1,678	314
Write-down of receivables in current assets and cash	5,122	4,533
Total	**52,603**	**47,583**

The increase in fixed tangible and intangible assets depreciation/amortization is mainly due to the new investments effected or completed in the year.

The “Other write-downs of fixed assets” refer to the following:

- 1,000 thousand Euros refer to the provision effected against the possible losses connected to the cautionary deposit regarding the CRC securitization transaction (see paragraph “Receivables from others” of the fixed assets);
- 678 thousand Euros refer to the write-down of the long term charges regarding the CRC securitization transaction which, as a result of the early extinction of the operation, has ended its long term utility.

Provision for risks

This heading refers to the amounts accrued to the specific provision for personnel litigation expenses and to the provision for future liabilities and charges.

Sundry administration costs

(in thousands of Euro)	***2002***	*2001*
Bad debts	2,600	2,990
Taxation and indirect taxes	1,856	1,908
Loss on sale of fixed assets	580	829
Membership contributions and expenses	458	405
Loss on cessions to CRC	4,350	5,524
Loss on cessions to Cremonini Sec.	2,332	-
Others	2,459	1,932
Total	**14,635**	**13,588**

The losses on credit cessions, within the CRC transaction up to July 15, 2002 and subsequently in the Cremonini Sec. one, refer to the costs incurred by the companies participating in the securitization transaction when the transfer without recourse of trade receivables was carried out.

Financial income and expense

Other financial income

(in thousands of Euro)	2002	2001
a) From fixed loans		
- subsidiaries	39	23
- others	140	171
b) From fixed securities other than stockholdings	25	88
c) From current securities other than stockholdings	51	11
d) From other than described above		
- subsidiaries	2	54
- associated companies	-	13
- others		
- interests from banks	275	229
- foreign exchange translations gains	3,136	2,791
- other financial income	9,708	7,779
Total	**13,376**	**11,159**

The main increase in this item refers to the other income which includes revenue from the Parent Company deriving from interest rate swap transactions amounting to 4,416 thousand Euros (see paragraph "Banks loans and overdrafts").

The item "Other financial income" also includes approximately 4.4 million Euro (approximately 6.4 million Euro in 2001) of revenue from Silver Castle ltd connected to the Eurobond transaction of Cremonini Finance plc, already described in the consolidated financial statements at December 31, 2001.

Interest and other financial expense

(in thousands of Euro)	2002	2001
- from subsidiaries	**91**	**34**
- from others		
- interests payable on mortgages	10,074	12,415
- factoring interest paid	1,285	1,527
- interests payable on overdrafts and other loans	7,370	9,092
- foreign exchange translation losses	6,103	2,461
- commissions and bank charges	658	756
- interests payable on bonds	7,504	9,230
- other financial expense	5,732	6,609
	38,726	**42,090**
Total	**38,817**	**42,124**

The "other financial expense" include approximately 4.4 million Euro (approximately 6.4 million Euro in 2001) of costs against third parties for the exchange rate swap relating to the Yen loan provided by the subsidiary Cremonini Finance plc to the Parent Company. This is calculated on the difference between the Yen interest rate and the Euro interest rate.

Interest paid on bonds concerns the cost for bonds issued by the subsidiaries Cremonini Finance plc and Marr s.p.a..

Adjustments to the value of financial assets

Write-ups

The write ups refer to application of the net equity method in evaluating the companies A.O. Konservni and SGD s.r.l..

Write-downs

(in thousands of Euro)	***2002***	*2001*
a) Of stockholdings	145	1,098
b) Of financial fixed assets other than stockholdings	-	7
c) Of current securities other than stockholdings	1,441	22
Total	**1,586**	**1,127**

The write downs of stockholdings refer to those described in exhibit 6, while the write downs of securities included in the current assets, for a total of 1,436 thousand Euros, represent the effect of the adjustment to the market value of treasury stock in portfolio (see paragraph "Treasury stock" of the current assets).

Extraordinary income and expense

Income

(in thousands of Euro)	***2002***
Gains from the sale of company branches	1,303
Other	30
Total surplus on sales	**1,333**
Non-existing liabilities of the foreign company	1,013
Contingent gains and other minor ones	1,514
Total other income	**2,527**
Total	**3,860**

The "gains from the sale of company branches" refer to the sale of the Compagnia delle Spezie s.r.l. (now Emil-Food s.r.l.) amounting to 1,301 thousand Euros, occurring in the first half of 2002.

The "non-existing liabilities of the foreign company" entirely refers to Momentum Services ltd and is almost entirely affected by the excess provisions for taxes of the 2001 fiscal year compared to those actually paid.

Expense

(in thousands of Euro)	***2002***
Losses from extraordinary sale of assets	614
Other	6
Total loss on sale of assets	**620**
I.R.A.P.	39
Other	32
Total taxation relating to preceding financial year	**71**
Consolidation difference adjustments	1,411
Momentum Services ltd contingencies	1,684
Labour disputes	444
Contingencies from other companies, penalties, reductions and sundry	1,933
Total other expense	**5,472**
Total	**6,163**

The losses from extraordinary sales concern the commercial restaurant services sector and are determined by the closure of retail outlets in France for the whole amount.

The "Consolidation difference adjustments" refers to the devaluation performed following the sale of the whole operative business of Compagnia delle Spezie s.r.l. (now Emil-Food s.r.l.).

The extraordinary charges referring to Momentum are connected to contingencies linked with the definition of the first contractual period (June 1, 2001 – May 31, 2002) of running the restaurant services on board the "Eurostar" trains. These charges refer to costs incurred in the year 2001.

The "Contingencies from other companies, penalties, reductions and sundry" heading includes contingencies and sundry charges of the door to door division amounting to 150 thousand Euros.

Income taxes

(in thousands of Euro)	***2002***	*2001*
I.R.PE.G. and other direct taxes	8,199	7,918
I.R.A.P.	7,715	6,896
Allowances (use) for deferred tax liabilities provision	150	(711)
Revenue for pre-paid taxes (net)	(1,528)	(3,171)
Total	**14,536**	**10,932**

The items "Allowances (use) for deferred tax liabilities provision" and "Revenue for pre-paid taxes (net)" are connected respectively to the recalculation of the fiscal charges of the year 2002 and to the tax saving regarding the losses that can be carried over and to cost items deductible in the subsequent years.

The item "Revenue for pre-paid taxes (net)" is affected by the reclassification effected in the course of consolidation of the tax credit regarding the dividends received in 2002 by the Parent Company. This item, without considering the effect described above is negative by 2,155 thousand Euros and represents the charges of 2002 for using pre-paid taxes accounted for in previous years.

Directors' and Statutory Auditors' emoluments

The table below reports the total emoluments, detailed in the notes to the Parent Company financial statements payable to the members of the Board of Directors and to the Statutory Auditors of the Parent Company regarding the year 2002, also including emoluments for activities performed in other companies belonging to the Group:

(in thousands of Euro)	*Fees*	*Salary*	*Other*	*Total*
Board of Directors	2,515	736	-	3,251
Statutory Auditors	158	-	-	158
Total	**2,673**	**736**	**-**	**3,409**

Castelvetro di Modena, 27 March 2003

CHAIRMAN
OF THE BOARD OF DIRECTORS
(Cav. Lav. Luigi Cremonini)

Exhibits

The following exhibits contain additional information to that shown in the explanatory notes to the consolidated financial statements, of which they form an integral part:

Exhibit 1	-	Details of receivables from and payables to subsidiary, associated and affiliated companies as at December 31, 2002;
Exhibit 2	-	Details for the 2002 financial year of revenues from and costs payable to subsidiary, associated and affiliated companies;
Exhibit 3	-	Schedule of the changes in intangible fixed assets for the year ended December 31, 2002;
Exhibit 4	-	Schedule of the changes in tangible fixed assets for the year ended December 31, 2002;
Exhibit 5	-	Schedule of the changes in financial fixed assets for the year ended December 31, 2002;
Exhibit 6	-	List of stockholdings as at December 31, 2002 classified as financial fixed assets;
Exhibit 7	-	List of stockholdings in subsidiary and associated companies as at December 31, 2002 (Art. 2427 no. 5 of the Italian Civil Code) with indication of those included in the scope of consolidation;
Exhibit 8	-	Schedule of the changes in consolidated net equity for the year ended December 31, 2002;
Exhibit 9	-	Statement of consolidated cash flow for the years ended December 31, 2002 and December 31, 2001.

Exhibit 1

Details of receivables from and payables to subsidiary, associated and affiliated companies as at December 31, 2002

(in thousands of Euro)	*Commercial*		*Other*		***Total***	
	Receivables	*Payables*	*Receivables*	*Payables*	***Receivables***	***Payables***
Subsidiaries:						
Cremonini International b.v.			549		**549**	**-**
Fe.Ber. Carni s.r.l. in liquidation				99	**-**	**99**
Fernie s.r.l. in liquidation				498	**-**	**498**
Ibis s.p.a.			2,347		**2,347**	**-**
Inalca Algerie s. a r.l.	271				**271**	**-**
Inalca Hellas e.p.e. in liquidation	723				**723**	**-**
Inalca Kinshasa sprl	2,400				**2,400**	**-**
Inter Inalca Angola ltda	7,114				**7,114**	**-**
Marr Russia l.l.c.	2,476				**2,476**	**-**
Quinto Valore soc. cons. a r.l.	15				**15**	**-**
SGD s.r.l.	131		220	4	**351**	**4**
Taormina Catering s.r.l. in liquidation				4	**-**	**4**
Provision for bad debts	(2)				**(2)**	**-**
Total subsidiaries	**13,128**	**-**	**3,116**	**605**	**16,244**	**605**
Associated companies:						
A.O. Konservni	9,017				**9,017**	**-**
Az. Agr. Serra della Spina s.r.l.			4		**4**	**-**
Buona Italia Alimentos ltda	279				**279**	**-**
Food & Co s.r.l.	213				**213**	**-**
International Meat Company s.a.	10	30			**10**	**30**
Prometex s.a.m.	23	36	60		**83**	**36**
Provision for bad debts	(1)				**(1)**	**-**
Total associated companies	**9,541**	**66**	**64**	**-**	**9,605**	**66**
Affiliated companies:						
Cre.Am. s.r.l. in liquidation			51		**51**	**-**
Cremofin s.r.l.		20			**-**	**20**
Europork s.p.a. in liquidation		20			**-**	**20**
Le Cupole s.r.l.	1				**1**	**-**
Total affiliated companies	**1**	**40**	**51**	**-**	**52**	**40**

Exhibit 2

Details for the 2002 financial year of revenues from and costs payable to, subsidiary, associated and affiliated companies

(in thousands of Euro)	*Commercial*		*Other*		***Total***	
	Revenues	*Costs*	*Revenues*	*Costs*	***Revenues***	***Costs***
Subsidiaries:						
Cremonini International b.v.			26		**26**	**-**
Fe.Ber. Carni s.r.l. in liquidation				2	**-**	**2**
Fernie s.r.l. in liquidation				2	**-**	**2**
Ibis s.p.a.	6	1,318	30		**36**	**1,318**
Inalca Algerie s. a r.l.	269				**269**	**-**
Inalca Angola ltda in liquidation			25	18	**25**	**18**
Inalca Kinshasa sprl	2,657			9	**2,657**	**9**
Inalca Russia l.l.c.				72	**-**	**72**
Inter Inalca Angola ltda	10,856		16	432	**10,872**	**432**
Marr Russia l.l.c.	4,951				**4,951**	**-**
Quinto Valore soc. cons. a r.l.	1				**1**	**-**
SGD s.r.l.	9	159	15		**24**	**159**
Total subsidiaries	**18,749**	**1,477**	**112**	**535**	**18,861**	**2,012**
Associated companies:						
A.O. Konservni	4,947		90	286	**5,037**	**286**
Buona Italia Alimentos ltda	23	72			**23**	**72**
Food & Co s.r.l.	369				**369**	**-**
Immobiliare Athena s.p.a.				182	**-**	**182**
International Meat Company s.a.	182	217			**182**	**217**
Prometex s.a.m.	174	63			**174**	**63**
Total associated companies	**5,695**	**352**	**90**	**468**	**5,785**	**820**
Affiliated companies:						
Alfa 95 s.p.a. in liquidation	1				**1**	**-**
Cremofin s.r.l.		21			**-**	**21**
Le Cupole s.r.l.	32	747			**32**	**747**
Ristoro s.r.l.		86			**-**	**86**
Tre Holding s.r.l.	3				**3**	**-**
Total affiliated companies	**36**	**854**	**-**	**-**	**36**	**854**

Exhibit 3

Schedule of the changes in intangible fixed assets for the year ended December 31, 2002

(in thousands of Euro)	*Opening balances*			*Movements during the year*					*Closing balances*		
	Original cost	*Provision for amort.*	*Balance 31.12.2001*	*Net impact of chg. in consolid. area*	*Purchases*	*Net decreases*	*Reclass./ Other mov.*	*Amortiz.*	*Original cost*	*Provision for amort.*	*Balance 31.12.2002*
Formation and start-up costs	15,746	(8,947)	6,799	2	83	(249)	73	(2,838)	14,191	(10,321)	3,870
Cost of research, development and advertising	7,544	(4,362)	3,182		3,090	(11)	(1)	(1,876)	9,375	(4,991)	4,384
Cost of industrial patents and rights for the use of intellectual property	5,390	(3,841)	1,549	5	1,346	(10)	304	(976)	6,226	(4,008)	2,218
Concessions, licences, brand names and similar rights	35,150	(7,254)	27,896	52	64	(17)	21	(1,857)	34,915	(8,756)	26,159
Goodwill	14,398	(4,633)	9,765		3,246	(20)	129	(1,573)	15,876	(4,329)	11,547
Consolidation differences	70,818	(15,075)	55,743		1,787		(1,425)	(3,532)	70,775	(18,202)	52,573
Intangible fixed assets under development and advances	2,798		2,798	90	6,000	(268)	(5,957)		2,663		2,663
Other intangible fixed assets	41,395	(26,920)	14,475	221	7,535	(2,563)	4,813	(5,155)	44,801	(25,475)	19,326
Total	**193,239**	**(71,032)**	**122,207**	**370**	**23,151**	**(3,138)**	**(2,043)**	**(17,807)**	**198,822**	**(76,082)**	**122,740**

Exhibit 4

Schedule of the changes in tangible fixed assets for the year ended December 31, 2002

(in thousands of Euro)	*Opening balances*				*Movements during the year*					*Closing balances*			
	Original cost	*Write-up/ (down)*	*Provision for deprec.*	*Balance 31.12.2001*	*Net impact of chg. in consolid. area*	*Purchases*	*Net decreases*	*Reclass./Dev. Other mov.*	*Amortiz.*	*Original cost*	*Write-up/ (down)*	*Provision for deprec.*	*Balance 31.12.2002*
Land and buildings	245,804		(25,622)	220,182		4,295	(561)	15,761	(7,916)	265,174		(33,413)	231,761
Plant and machinery	191,028		(55,406)	135,622	237	8,716	(2,096)	2,858	(14,750)	199,237		(68,650)	130,587
Industrial and commercial equipment	14,852		(9,508)	5,344		1,553	(104)	96	(1,484)	15,181		(9,776)	5,405
Other tangible fixed assets	38,102		(24,117)	13,985	43	7,274	(2,751)	989	(3,846)	41,922		(26,228)	15,694
Tangible fixed assets under development and advances	15,877			15,877	7	8,699	(1,487)	(18,700)		4,396			4,396
Total	**505,663**		**(114,653)**	**391,010**	**287**	**30,537**	**(6,999)**	**1,004**	**(27,996)**	**525,910**		**(138,067)**	**387,843**

Exhibit 5

Schedule of the changes in financial fixed assets for the year ended December 31, 2002

(in thousands of Euro)	*Opening balances*				*Movements during the year*						*Closing balances*	
	Original cost	*Write-up*	*Write-down*	*Balance 31.12.2001*	*Net impact of chg. in cons. area*	*Increases*	*Decreases*	*Write-up*	*Write-down*	*Reclass./ Other mov.*	*Balance 31.12.2002*	*of which: Write-up*
Stockholdings in subsidiaries and associated companies valued with net equity method:												
- subsidiaries	252	52		304				15	(10)	79	388	94
- associated companies	2,868	7	(82)	2,793		1,155		228	(63)		4,113	183
Stockholdings in subsidiary and associated companies valued at cost:												
- subsidiaries	1,722	35		1,757	(1,516)	1,101	(1)		(36)	(88)	1,217	35
- associated companies	86			86		7			(29)	40	104	
Stockholdings in other companies	3,613			3,613		800	(4)		(7)	2	4,404	
Total stockholdings	**8,541**	**94**	**(82)**	**8,553**	**(1,516)**	**3,063**	**(5)**	**243**	**(145)**	**33**	**10,226**	**312**
Loans:												
- to subsidiaries	1,112			1,112	(250)		(126)				736	
- to associated companies	87			87		60				(83)	64	
- to others	14,354			14,354		3,107	(4,627)			83	12,917	
Total loans	**15,553**			**15,553**	**(250)**	**3,167**	**(4,753)**				**13,717**	
Other securities	**1,611**			**1,611**			**(1,611)**					
Treasury stock	**10,501**			**10,501**							**10,501**	
Total	**36,206**	**94**	**(82)**	**36,218**	**(1,766)**	**6,230**	**(6,369)**	**243**	**(145)**	**33**	**34,444**	**312**

Exhibit 6

List of stockholdings as at December 31, 2002 classified as fixed assets

(in thousands of Euro)	*Percentage holding*	*Opening value*	*Acquired or subscribed*	*Sold*	*(Write-down)/ Write-up*	*Other movements*	*Percentage holding*	*Closing value*
Subsidiaries:								
Cremonini International b.v.	100.00	20					100.00	20
Fe.Ber. Carni s.r.l. in liquidation	100.00	304			(10)		100.00	294
Fernie s.r.l. in liquidation	60.00	504	23				95.00	527
Ge.Mark International d.o.o.	65.00	36			(36)		65.00	-
Ibis s.p.a.			506				98.00	506
Inalca Algerie s. a r.l.			8				55.00	8
Inalca Angola ltda in liquidation	80.00	46				(46)		
Inalca Hellas e.p.e. in liquidation	95.00						95.00	-
Inalca Kinshasa sprl			30				55.00	30
Inalca Russia l.l.c.	100.00	56					100.00	56
Inter Inalca Angola ltda	50.00	25					50.00	25
Marr Foodservice Iberica s.a.	100.00	39	489	(1)		(527)		
Montana Farm s.p.zo.o.	85.00	467				(467)		
Perutnina Marr Yutali s.r.l. in liq.	60.00						60.00	-
Quinto Valore soc. cons. a .r.l.			45				50.00	45
Sara s.r.l.	100.00	522				(522)		
SGD s.r.l.	50.00	42			15	37	50.00	94
Taormina Catering s.r.l. in liq.	60.00						60.00	-
Total subsidiaries		**2,061**	**1,101**	**(1)**	**(31)**	**(1,525)**		**1,605**
Associated companies:								
A.O. Konservni	25.00	1,458			228		25.00	1,686
Az. Agr. Serra della Spina s.r.l.	33.33	10					33.33	10
Buona Italia Alimentos ltda	49.00	375			(57)		49.00	318
Consorzio I.R.I.S. a r.l.			3				25.00	3
Food & Co s.r.l.			1,155				30.00	1,155
Immobiliare Athena s.p.a.	34.00	960			(6)		34.00	954
International Meat Company s.a.					(29)	57	25.00	28
Prometex s.a.m.						59	39.33	59
Realbeef s.r.l.			4				24.00	4
Technoaliment com s.r.l.							33.00	-
S.I.S.AG. Soc. Italiana Sviluppo Agroalimentare s.r.l.	20.00	76				(76)		
Total associated companies		**2,879**	**1,162**		**136**	**40**		**4,217**
Other companies:								
Centro Agroalim. Riminese s.p.a.		274						274
Emilia Romagna Factor s.p.a.		953	790					1,743
Futura s.p.a.		600						600
Nuova Campari s.p.a.		1,549						1,549
S.I.S.AG. Soc. Italiana Sviluppo Agroalimentare s.r.l.						76		76
Others		237	10	(4)	(7)	(74)		162
Total other companies		**3,613**	**800**	**(4)**	**(7)**	**2**		**4,404**
Total stockholdings		**8,553**	**3,063**	**(5)**	**98**	**(1,483)**		**10,226**

Exhibit 7

List of stockholdings in subsidiary and associated companies as at December 31, 2002 (Art. 2427 no. 5 of the Italian Civil Code)

Name *(in thousands of Euro)*	Registered office	Capital stock (in Euro if not otherwise stated)	Net profit (loss) for the year ended 31.12.02	Net equity at 31.12.02	Percentage held as at 31.12.02	Effective holding at 31.12.02	Carrying value (A)	Net equity held (B)	Difference (B) - (A)	Stockholders as at 31.12.2002	Percentage held as at 31.12.01	Effective holding at 31.12.01	Notes
Companies consolidated through the global integration method:													
Alisea soc. cons. a r.l.	Impruneta (FI)	50,000	173	1,039	55.00%	55.00%	N/A - consolidated line-by-line			Marr s.p.a.	55.00%	55.00%	
Azienda Agricola Corticella s.r.l.	Spilamberto (MO)	95,000	189	1,047	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Biancheri & C. s.r.l.	Castelvetro di Modena (MO)	52,000	35	158	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	-	-	
Cons.Centro Comm.le Ingrosso Carni s.r.l.	Bologna	1,500,000	(31)	1,847	77.82%	77.67%	N/A - consolidated line-by-line			Cremonini: 77.05%. Ges.Car.: 0.77%	77.82%	77.67%	
Cremonini Finance plc	London (Great Britain)	GBP 50,000	(3,298)	(420)	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	(b)
Cremonini Restauration s.a.s.	Paris (France)	1,500,000	(132)	87	86.00%	86.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Cremonini s.p.a.	**Castelvetro di Modena (MO)**	**73,746,400**	**1,841**	**182,789**	Parent Company						Parent Company		
Emil-Food s.r.l. (formerly Comp. delle Spezie s.r.l.)	Castelvetro di Modena (MO)	90,000	789	261	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Frimo s.a.m.	Principato di Monaco	150,000	53	428	50.40%	50.40%	N/A - consolidated line-by-line			INALCA s.p.a.	50.40%	50.40%	
Ges.Car. s.r.l.	Castelvetro di Modena (MO)	330,000	(29)	270	80.00%	80.00%	N/A - consolidated line-by-line			INALCA s.p.a.	80.00%	80.00%	
Global Service s.r.l.	Castelvetro di Modena (MO)	93,000	(375)	(142)	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Guardamiglio s.r.l.	Piacenza	4,135,000	77	4,240	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
INALCA s.p.a.	Castelvetro di Modena (MO)	140,000,000	2,347	133,423	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Interjet s.r.l.	Castelvetro di Modena (MO)	1,550,000	(532)	831	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Marr Alisurgel s.r.l. in liquidation	Santarcangelo di R. (RN)	10,000	728	1,612	97.00%	97.00%	N/A - consolidated line-by-line			Marr s.p.a.	97.00%	97.00%	
Marr Foodservice Iberica s.a.	Madrid (Spain)	600,000	(899)	(299)	82.00%	82.00%	N/A - consolidated line-by-line			Marr s.p.a.	100.00%	100.00%	
Marr s.p.a.	Rimini	25,550,000	6,129	66,059	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Mister Food s.p.a.	Castelvetro di Modena (MO)	100,000	(26)	82	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Momentum Services ltd	Birmingham (Great Britain)	GBP 225,000	963	1,797	51.00%	51.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	51.00%	51.00%	
Montana Alimentari s.p.a.	Gazoldo Degli Ippoliti (MN)	40,248,000	(642)	41,125	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Montana Farm s.p.zo.o.	Platyny (Poland)	Zloty 2,000,000	(143)	232	85.00%	85.00%	N/A - consolidated line-by-line			Montana Alimentari s.p.a.	85.00%	85.00%	
Railrest s.a.	Brussels (Belgium)	500,000	489	989	51.00%	51.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	-	-	(h)
Realfood 3 s.r.l.	Castelvetro di Modena (MO)	90,000	56	146	100.00%	100.00%	N/A - consolidated line-by-line			INALCA s.p.a.	-	-	
Roadhouse Grill Italia s.r.l.	Castelvetro di Modena (MO)	90,000	422	622	99.00%	99.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	99.00%	99.00%	
Salumi d'Emilia s.r.l.	Castelvetro di Modena (MO)	10,000	(3)	7	100.00%	100.00%	N/A - consolidated line-by-line			Montana Alimentari s.p.a.	-	-	
Sara s.r.l.	Ospedaletto Lodigiano (LO)	516,457	(27)	368	100.00%	100.00%	N/A - consolidated line-by-line			INALCA s.p.a.	100.00%	100.00%	
S.I.A.S. Società Italiana Appalti e Servizi s.p.a.	Santarcangelo di R. (RN)	258,000	75	1,080	100.00%	100.00%	N/A - consolidated line-by-line			Marr s.p.a.	100.00%	100.00%	
S.A.M. s.r.l.	Castelvetro di Modena (MO)	46,500	(118)	(59)	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	

Exhibit 7 (continued)

Name	Registered office	Capital stock (in Euro if not otherwise stated)	Net profit (loss) for the year ended 31.12.02	Net equity at 31.12.02	Percentage held as at 31.12.02	Effective holding at 31.12.02	Carrying value (A)	Net equity held (B)	Difference (B) - (A)	Stockholders as at 31.12.2002	Percentage held as at 31.12.01	Effective holding at 31.12.01	Notes
(in thousands of Euro)													
Companies consolidated through the net equity method:													
Subsidiaries:													
Fe.Ber. Carni s.r.l. in liq.	Castelvetro di Modena (MO)	98,200	(10)	294	100.00%	100.00%	294	294	(a)	Cremonini s.p.a.	100.00%	100.00%	
SGD s.r.l.	Castelvetro di Modena (MO)	83,000	29	190	50.00%	50.00%	94	94	(a)	Cremonini s.p.a.	50.00%	50.00%	
Associated Companies:													
A.O. Konservni	Stavropol (Russia)	RUB 46,667	993	3,156	25.00%	25.00%	1,686	1,686	(a)	INALCA s.p.a.	25.00%	25.00%	(b)
Buona Italia Alimentos ltda	San Paolo (Brasil)	Reais 3,590,000	(117)	401	49.00%	49.00%	318	318	(a)	Montana Alimentari s.p.a.	49.00%	49.00%	(b)
Food & Co s.r.l.	Rome	150,000	(1)	9	30.00%	30.00%	1,155	1,155	(a)	Cremonini s.p.a.	-	-	(d) (g)
Immobiliare Athena s.p.a.	Rimini	516,000	64	1,086	34.00%	34.00%	954	954	(a)	Marr s.p.a.	34.00%	34.00%	(d)
Stockholdings valued at cost:													
Subsidiaries:													
Cremonini International b.v.	Amsterdam (Holland)	20,000	(23)	(3)	100.00%	100.00%	20	(3)	(23)	Cremonini s.p.a.	100.00%	100.00%	(d)
Fernie s.r.l. in liq.	Modena	1,033,000	(5)	1,127	95.00%	95.00%	527	1,071	544	Cremonini s.p.a.	60.00%	60.00%	
Ge.Mark International d.o.o.	Zagabria (Croatia)	KN 400,000	17	78	65.00%	65.00%	-	51	51	Guardamiglio s.r.l.	65.00%	65.00%	(b) (d)
Ibis s.p.a.	Busseto (PR)	471,750	(1,703)	(1,235)	98.00%	98.00%	506	(1,210)	(1,716)	Montana Alimentari s.p.a.	-	-	(i)
Inalca Algerie s. a r.l.	Algeri (Algery)	DA 1,000,000	-	-	55.00%	55.00%	8	-	-	INALCA s.p.a.	-	-	(c)
Inalca Hellas e.p.e. in liq.	Athens (Greece)	147,322	(198)	(42)	95.00%	95.00%	-	(40)	(40)	INALCA s.p.a.	95.00%	95.00%	(l) (b)
Inalca Kinshasa sprl	Kinshasa (Congo)	USD 50,000	-	-	55.00%	55.00%	30	-	-	INALCA s.p.a.	-	-	(c)
Inalca Russia l.l.c.	Moscow (Russia)	USD 50,000	-	-	100.00%	100.00%	56	-	-	INALCA s.p.a.	100.00%	100.00%	(e)
Inter Inalca Angola ltda	Luanda (Angola)	USD 50,000	-	-	50.00%	50.00%	25	-	-	INALCA s.p.a.	50.00%	50.00%	(e)
Perutnina Marr Yutali s.r.l. in liq.	Ptuj (Slovenia)	USD 300,000	1	46	60.00%	60.00%	-	28	28	Marr s.p.a.	60.00%	60.00%	(b) (d)
Quinto Valore soc. cons. a.r.l.	Reggio Emilia	90,000	-	-	50.00%	50.00%	45	-	-	INALCA s.p.a.	-	-	(c)
Taormina Catering s.r.l. in liq.	Sant'Angelo in Vado (PU)	10,200	(4)	(671)	60.00%	60.00%	-	(403)	(403)	Marr s.p.a.	60.00%	60.00%	(d) (f)
Associated Companies:													
Az. Agr. Serra della Spina s.r.l.	Monacilioni (CB)	10,846	(2)	28	33.33%	33.33%	10	9	(1)	Cremonini s.p.a.	33.33%	33.33%	(d)
Consorzio I.R.I.S. a r.l.	Bolzano	10,000	(6)	4	25.00%	25.00%	3	1	(2)	Interjet s.r.l.	-	-	
International Meat Company s.a.	Paris (France)	228,673	(308)	(1:259)	25.00%	12.60%	28	(315)	(343)	Frimo s.a.m.	25.00%	12.60%	
Prometex s.a.m.	Montecarlo	22,867	13	37	39.33%	19.82%	59	15	(44)	Frimo s.a.m.	39.33%	19.82%	
Realbeef s.r.l.	Avellino	15,000	-	-	24.00%	24.00%	4	-	-	INALCA s.p.a.	-	-	(c)
Technoaliment com s.r.l.	Bucarest (Romania)	USD 30,000	22	17	33.00%	16.63%	-	6	6	Frimo s.a.m.	33.00%	16.63%	(b)

NOTES

(a) Valued based on net equity method. / (b) Amounts denominated in Euro resulting from conversion of the foreign currency amounts at the exchange rate quoted as at the date of balance sheet termination date. / (c) Data not available since the company was incorporated in 2002. / (d) Data as at December 31. 2001. the last annual report available. / (e) Data not available since the company was operative in 2002. / (f) The difference between the book value of the stockholding and the net equity deficit share. is offset against the creditors account for an amount of 675 thousand euros (pro rata amount equal to 405 thousand euros) and relate to Marr s.p.a. corporation. which in the past booked the receivable as a loss. / (g) Net equity as at December 31, 2001 does not include capital contributions made in 2002. / (h) The first financial period end of this company, which was formed in 2002, will be December 31, 2003. The information reported has been included for consolidation purposes only. / (i) The financial information reported pertains to the financial situations available as prepared by the liquidators on June 3, 2002. The company was sold after being put into liquidation and therefore the financial statements prepared on June 3, 2002 do not reflect the current financial situation of the company. For futher information please refer to the notes to the accounts (paragraph “Stockholdings”).

Exhibit 8

Schedule of the changes in consolidated net equity for the year ended December 31, 2002

(in thousands of Euro)	*Capital stock*	*Share premium reserve*	*Legal reserve*	*Reserve for treasury stock*	*Consolidation reserve*	*Translation reserve*	*Profits (losses) brought forward*	*Group profit (loss) for the year*	*Total Group net equity*	*Minority interest in capital and reserve*	*Minority's share of profit (loss)*	*Total minority interests*	*Total*
Balances as at December 31, 2001	**73,746**	**73,426**	**14,642**	**18,206**	**3,302**	**(38)**	**1,062**	**(13,486)**	**170,860**	**1,462**	**35**	**1,497**	**172,357**
Distribution of Parent Company profits:							(14,281)	14,281					
- to retained profits reserve							688	(688)		35	(35)		
- legal reserve			107					(107)					
Utilisation of reserve for treasury stock increase		(1,817)		1,817									
Movements for translation reserve and other						5	(258)		**(253)**	485		**485**	**232**
(Profit) loss for the year ended December 31, 2002								2,501	**2,501**		598	**598**	**3,099**
Balances as at December 31, 2002	**73,746**	**71,609**	**14,749**	**20,023**	**3,302**	**(33)**	**(12,789)**	**2,501**	**173,108**	**1,982**	**598**	**2,580**	**175,688**

Exhibit 9

Statement of consolidated cash flow for the years ended December 31, 2002 and December 31, 2001

(in thousands of Euro)	***2002***	*2001*
A) Short-term net borrowings - opening balance	**(205,188)**	**(178,606)**
B) Cash flows from operations in the year		
Net profit (loss) for the year	2,501	(13,486)
Depreciation		
- intangible fixed assets	17,807	16,337
- tangible fixed assets	27,996	26,399
(Gain) or loss on disposal of fixed assets	(686)	(5)
Net change in provision for liabilities and charges	(307)	(555)
Net change in staff severance indemnities	4,213	761
Cash flows for the year before changes in working capital	51,524	29,451
(Increase) decrease of treasury stock posted under current assets	(1,817)	(7,705)
(Increase) decrease of trade receivables and other receivables	(10,824)	(37,075)
(Increase) decrease in inventories	(993)	8,387
Increase (decrease) of trade payables to suppliers and other payables	33,188	13,779
Increase (decrease) in accrued income and prepaid expenses	2,268	(1,626)
	73,346	**5,211**
C) Cash flows from (for) investments		
Investments in fixed assets		
- intangible	(23,151)	(8,002)
- tangible	(30,537)	(28,152)
Net change in financial fixed assets	1,774	432
Impact on cash flows of changes in consolidation area	(657)	1,460
Sale or reimbursement value of fixed assets sold	11,862	3,331
	(40,709)	**(30,931)**
D) Cash flows from (for) movements in net equity of Group and minorities		
Distribution of dividends		(3,156)
Other changes including the ones relative to minorities	830	(152)
	830	**(3,308)**
E) Cash flows from (for) financial operations		
Increase (decrease) in bonds and debentures	(113,621)	
Increase in short term share of long term borrowings	(59,576)	(33,689)
Repayment of long-term borrowings		(17)
Increase in long-term borrowings from new loans	15,037	36,152
	(158,160)	**2,446**
F) Cash flows in the year (B+C+D+E)	**(124,693)**	**(26,582)**
G) Total short-term net borrowings (A+F) - closing balance	**(329,881)**	**(205,188)**

To the shareholders of Cremonini s.p.a.,

the consolidated financial statements of the Cremonini Group for the year ended December 31, 2002, which have been put at your disposal and submitted to us within the terms established by law, were drawn up in accordance with the provisions of Legislative Decree 127/1991. They can be summarized as follows:

Consolidated balance sheet	€/thousands
Assets	1,105,007
Liabilities	929,319
Minority interests	2,580
Group net equity	173,108

with the sum total of 618,051 thousand Euros listed in the memorandum accounts.

Consolidated statement of income	€/thousands
Value of production	1,588,503
Costs of production	(1,541,997)
Financial income and expense	(25,225)
Adjustments to the value of financial assets	(1,343)
Extraordinary income and expense	(2,303)
Income taxes	(14,536)
Profit for the financial year	3,099
Minority's share of (profit) loss	(598)
Group's share of profit (loss) for the financial year	2,501

In the Directors' Report and the notes to the financial statements, which complete and explain the consolidated financial statements, the Board of Directors sets forth the consolidation methods and valuation rules, as well as information on the overall situation of the companies included in the consolidation area and on the events that have characterized operations.

The information the subsidiaries forwarded to the Parent company to draw up the consolidated financial statements was examined by the auditors of the individual companies as part of the auditing plan prepared by the bodies in charge. Therefore, the Board of Statutory Auditors did not audit these financial statements.

The consolidated financial statements were audited by PricewaterhouseCoopers.

In their work, the auditing firm confirmed that:

- the values set forth in this document correspond to the accounting entries of the Parent company to the subsidiaries' financial statements prepared by the Boards of Directors for the respective Shareholders' Meetings and also to the information they submitted to the Parent company;
- the determination of the consolidation area, the choice of accounting principles for consolidation purposes and the operating procedures adopted for consolidation comply with legal

requirements and accounting regulations; consequently, in terms of their composition the Consolidated Financial Statements can be considered in line with specific provisions.

In relation to our areas of responsibility, we note:
- that the notes to the financial statements highlight the aspects required by Articles 38 and 39 of Legislative Decree 127/1991;
- that the Directors' Report provides the information required by Article 2428 of the Italian Civil Code and by Article 40 of Legislative Decree 127/1991, and that it can be considered consistent with the other results listed in the consolidated financial statements.

Therefore, the Board of Statutory Auditors is of the opinion that the consolidated financial statements of the Cremonini Group as at December 31, 2002 correctly represents the equity, economic and financial situation of the Parent company and of the companies in the consolidation area.

Castelvetro di Modena, April 10, 2002

BOARD OF STATUTORY AUDITORS

Chairman
(Dr. Alessandro Artese)

Statutory Auditor
(Dr. Giovanni Zanasi)

Statutory Auditor
(Dr. Ezio Maria Simonelli)

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers SpA

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW DECREE N° 58 DATED 24 FEBRUARY 1998

To the Shareholders of
CREMONINI SpA

1 We have audited the consolidated financial statements of CREMONINI SpA and its subsidiaries (CREMONINI Group) as of 31 December 2002. These consolidated financial statements are the responsibility of CREMONINI SpA's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes as required by law, reference is made to our report dated 12 April 2002.

3 In our opinion, the consolidated financial statements of CREMONINI Group as of 31 December 2002 comply with the laws governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and of the results of operations of the Group.

Bologna, 10 April 2003

PricewaterhouseCoopers SpA

Giovanni Galli

Giovanni Galli
(Partner)

This report has been translated from the original which was issued in accordance with Italian practice.

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Summary of resolutions

Ordinary Shareholders' Meeting held on April 26, 2003

The shareholders were convened to an ordinary meeting on April 26, 2003 by means of notice published in the Official Gazette of the Italian Republic – Sheet of insertions no. 69 dated March 24, 2003; the meeting was duly held on the indicated day in Castelvetro di Modena, Via Modena n. 53, under the chairmanship of Cav. Lav. Luigi Cremonini.

Forty-three shareholders owning 82,214,556 ordinary shares, amounting to 57.971% of the entire share capital participated in the meeting either in person or by proxy.

On the first resolution on the agenda, after reading the Director's report and the proposals of the Directors, of the Board of Statutory Auditors' report and opinion, the meeting unanimously approved:

- the year's financial statements at December 31, 2002 and the Directors' Report, including the allocation of the gross dividend of € 0.0206 to each fully paid up share.

On the second resolution on the agenda, after reading the Director's Report and the proposals of the Directors, the meeting unanimously approved:

- Authorising the Board of Directors to purchase and sell treasury stock as laid down by article 2357 of the Italian Civil code.