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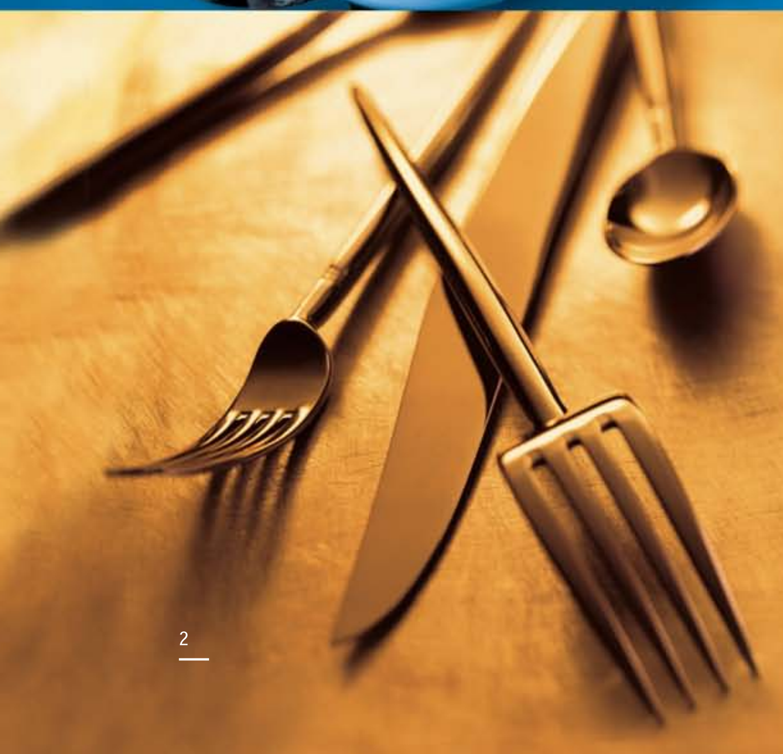
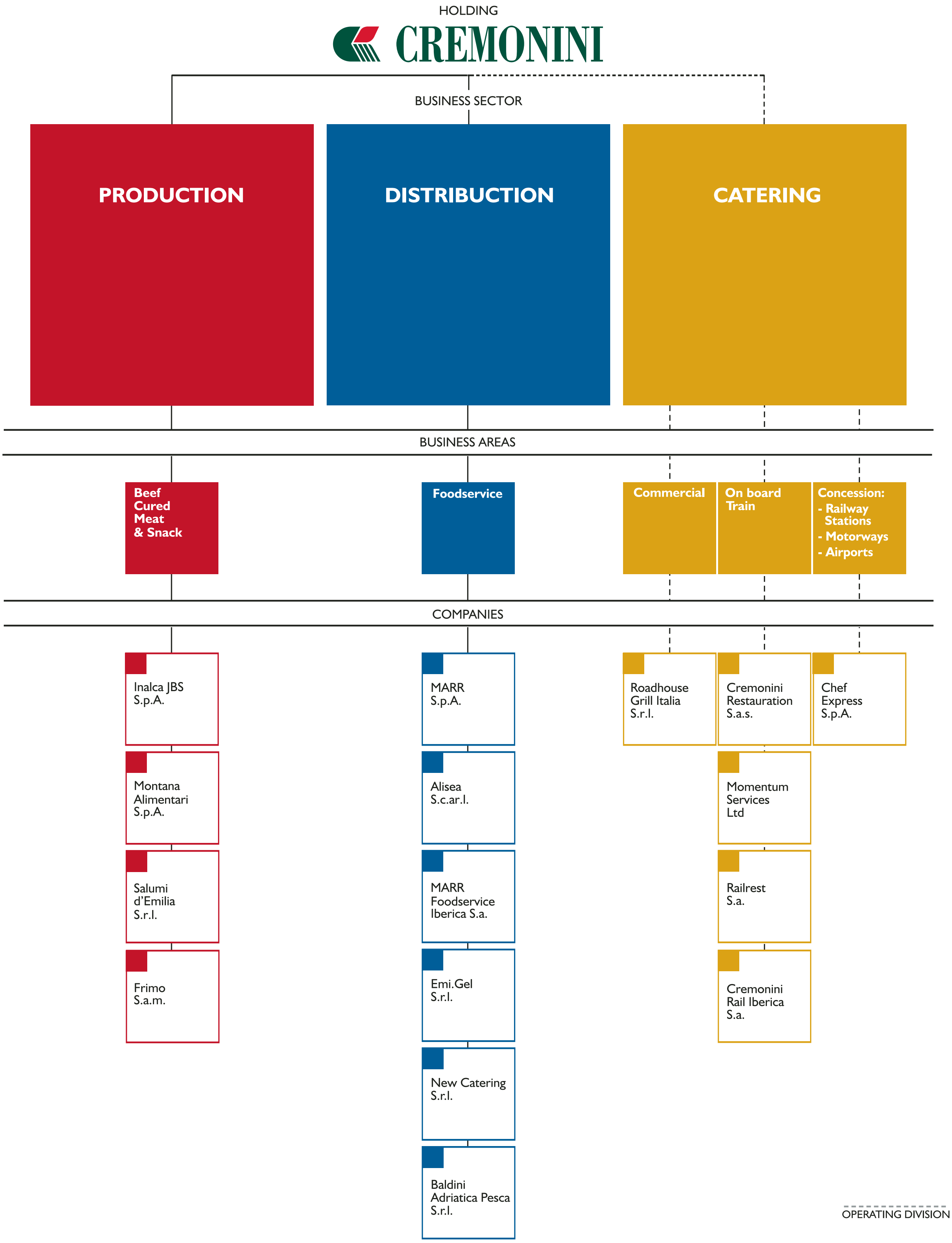
PRODUCTION

DISTRIBUTION



CATERING

STRUCTURE



HOLDING
CREMONINI
BUSINESS SECTOR
PRODUCTION
DISTRIBUCTION
CATERING
BUSINESS AREAS
Beef Cured Meat & Snack
Foodservice
Commercial
On board Train
Concession:
- Railway Stations
- Motorways
- Airports
COMPANIES
Inalca JBS S.p.A.
Montana Alimentari S.p.A.
Salumi d'Emilia S.r.l.
Frimo S.a.m.
MARR S.p.A.
Alisea S.c.ar.l.
MARR Foodservice Iberica S.a.
Emi.Gel S.r.l.
New Catering S.r.l.
Baldini Adriatica Pesca S.r.l.
Roadhouse Grill Italia S.r.l.
Cremonini Restauration S.a.s.
Momentum Services Ltd
Railrest S.a.
Cremonini Rail Iberica S.a.
Chef Express S.p.A.
OPERATING DIVISION

CREMONINI S.p.A. BOARD OF DIRECTORS

Chairman LUIGI CREMONINI

Vice-Chairman PAOLO SCIUMÈ

CEO VINCENZO CREMONINI

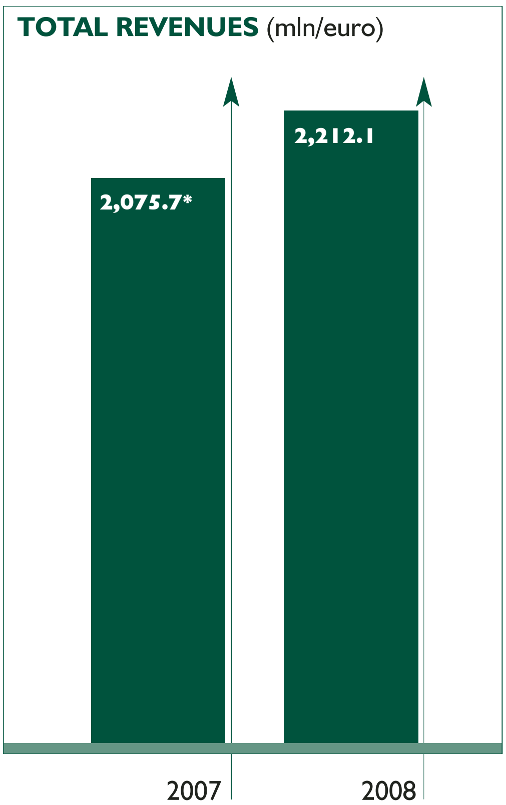
Directors VALENTINO FABBIAN
GIORGIO PEDRAZZI
PAOLO BONI
ILLIAS ARATRI

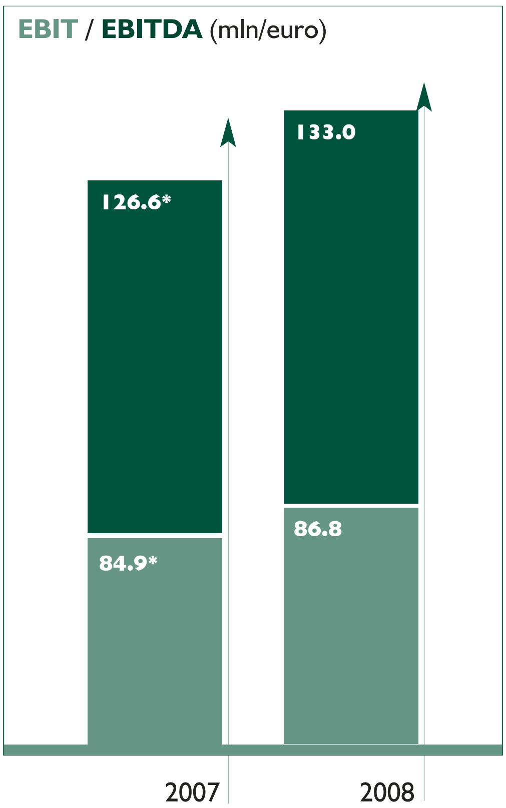
2008

ANOTHER GROWTH YEAR

Financial results

It is specified that the production sector was 50% consolidated in the Cremonini Group's financial statements, commencing from 1 March 2008, as an effect of the Inalca-JBS transaction.





*Pro Forma figure prepared with the same scope of consolidation (50% figures for the production sector from 1 March 2007).

Luigi Cremonini
Vincenzo Cremonini

"IN 2008 WE CONCLUDED THE PARTNERSHIP TRANSACTION WITH JBS, MET THE OBJECTIVES IN ALL THREE BUSINESS AREAS AND SUCCESSFULLY DELISTED THE PARENT COMPANY CREMONINI S.p.A."

The financial results

The Cremonini Group achieved revenues of 2,212.1 million Euro in 2008, an increase of 6.6% with the same scope of consolidation compared to 2007. This is a particularly satisfying goal because the Group has met the objectives for the year in all three sectors.

The Group's gross operating margin (EBITDA) and operating result (EBIT) were respectively 133.0 and 86.8 million Euro and showed progress compared to the previous year, with the same scope of consolidation, of 5.0% and 2.3%, respectively.
We note the following amongst the significant transactions that took place during the year: on 3 March 2008 the 50% acquisition of Inalca S.p.A. by the Brazilian JBS Sa Group, world number one in the production of meat, was concluded. This alliance has a strong strategic value because it guarantees direct access to high quality raw material and synergic commercial development world-wide for the next few years. Based on the agreements, governance of the new Inalca JBS remains entrusted to the Cremonini Group.

On 31 March 2008 Luigi Cremonini launched a Public Offer for the Voluntary Acquisition of the ordinary shares of CREMONINI S.p.A. The Public Offer was concluded on 29 July 2008 with the withdrawal of the Cremonini stock from the screen-based stock market (delisting). The transaction was mainly motivated by the change in the company that took place in recent years. Cremonini, in fact, was transformed from a typically industrial company to a holding of equity investments, removing the reasons for the listing.

The Net Debt at 31 December 2009 was 568.5 million Euro, an improvement of 44.4 million Euro compared to last year including the effects of the JBS transaction and the costs incurred for the delisting.
Finally, the overall cash investments in 2008 were 81.3 million Euro, about half of which in non-recurring acquisitions and investments.

The dynamics of the 3 sectors

The **PRODUCTION**° sector achieved total revenues of 1,156.7 million Euro (+11.1%), a gross operating margin (EBITDA) of 59.6 million Euro (+16.7%) and an operating margin (EBIT) of 25.0 million Euro (+28.7%) up thanks to the good results of the foreign subsidiaries.

The **DISTRIBUTION** sector, through the subsidiary MARR, continued its uninterrupted growth trend: with revenues of 1,109.3 million Euro, (+4.2%). EBITDA rose by 2.3% to 71.1 million Euro, while EBIT reached 61.0 million Euro, a growth of 2.2%.

The **CATERING** sector also obtained significant performance, with revenues of 474.7 million Euro, up by 6.9%. EBITDA was 29.8 million Euro, while the EBIT was 17.2 million Euro, a slight fall compared to 2007 as it was penalized by the contractual changes of the on-board Italy sector.

° For a correct analysis of the performance of the sector, the figures shown refer to 100% of the production sector.

1 Production

2 Distribution

3 Catering





BREAKDOWN OF REVENUES BY BUSINESS*

3 BUSINESS AREAS AND THE STRENGTH OF A MAJOR INTERNATIONAL GROUP: AN ITALIAN HISTORY, AN INTERNATIONAL LEADERSHIP.

The Group, based in Castelvetro di Modena employs more than 9,500 people all over the world and is active in three business areas: production, foodservice distribution and catering.

The Group

Created in 1963 through an entrepreneurial initiative of Luigi Cremonini, in more than 45 years, the Group has become nationally and internationally renowned as a point of reference in the food industry, not only in the historical beef sector but also in the more recently developed sectors of distribution and catering.
The Cremonini Group is composed of independent companies operating as leaders in their respective markets or in any event in significant positions.

Cremonini S.p.A.

The Cremonini S.p.A. Parent Company, as well as owning shareholdings in the operating companies, also defines strategies in the various sectors and plays a support role in the following areas: finance, information systems, corporate and tax, legal, human resources and pubblic relations.
The company holds 50% of Inalca JBS, 58.8% of MARR and 100% of the Catering Division.

Three operating sectors

In the **PRODUCTION** sector the Group is represented by Inalca-JBS S.p.A., which operates in the production and commercialization of beef products and meats-based processed products and which itself controls various companies in the same sector in Italy and abroad. The production of cured meats is carried out by Montana Alimentari S.p.A.

In the sector of food **DISTRIBUTION** to operators in the non-domestic catering sector, the reference company is MARR S.p.A., listed on the STAR segment on the Italian Stock Exchange since June 2005 and 58.8% of whose share capital is owned by Cremonini.

The Group operates directly in the **CATERING** sector, in Italy and abroad, through its Catering Division. In connection with European on-board train catering, the subsidiary companies are Momentum Services Ltd, Railrest S.a., Cremonini Restauration S.a.s. and Cremonini Rail Iberica S.a. In Italy Roadhouse Grill Italia S.r.l. operates in commercial catering (steakhouses) and Chef Express S.p.A. in the concession businesses (railway stations, motorways and airports).

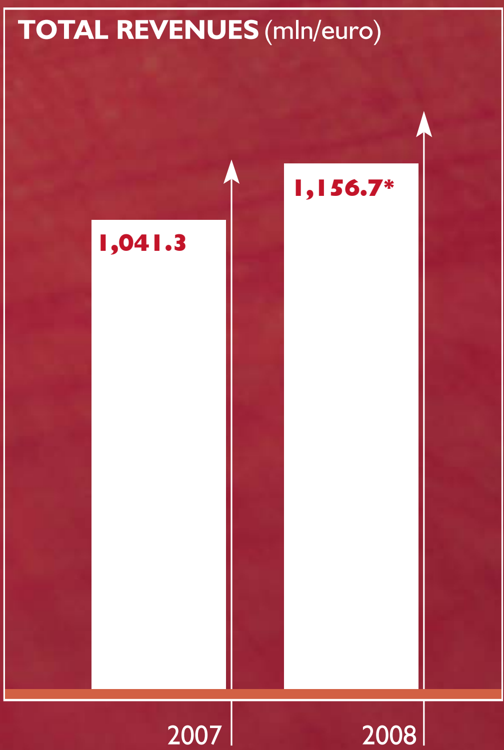
*Percentages calculated considering the production revenues at 100%.

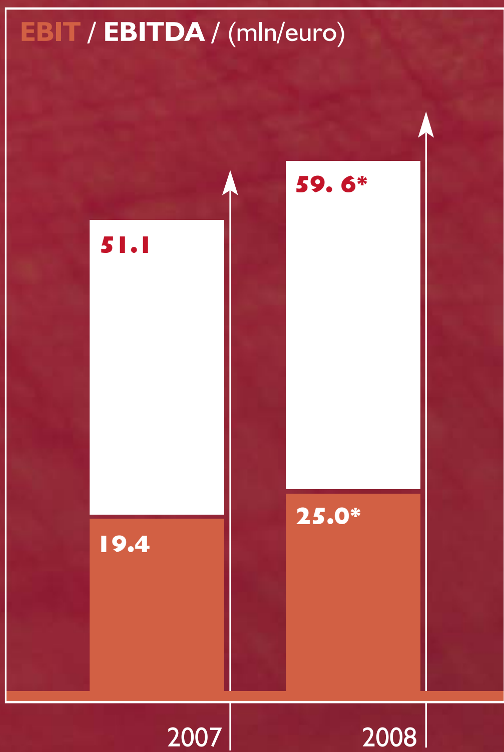
PRODUCTION

MORE THAN 1.1 BILLION EURO IN REVENUES AND 240,000 TONNES OF PRODUCTS, WITH THE SAME QUALITY AS ALWAYS

In the production sector the Cremonini Group operates in two business areas: beef and cured meats & snacks.

In the beef sector, it is the leader in Italy and one of the major players in Europe, while it is one of the main Italian operators in the sector of cured meats & snacks. The entire sector can count on ten highly automated plants which are specialized by type of product: six are used for the production of beef and four are active in the area of cured meats & snacks and ready-to-serve gastronomy. The production sector recorded total revenues of 1,156.7 million Euro in 2008, up by +11.1% compared to 2007 (1,041.3 in 2007) and the marginality also increased: The gross operating margin (EBITDA) reached 59.6 million Euro (+16.7%), while the operating result (EBIT) was 25.0 million Euro (+28.7%).





* Consolidated figures referred to 100% of the production business

PRODUCTION PLANTS

6 Beef

4 Cured Meats & Snack

BREAKDOWN OF REVENUES BY TYPE OF PRODUCT

6 MEAT PRODUCTION PLANTS, 4 CURED MEAT PRODUCTION PLANTS, 240,000 TONNES OF MEAT, 200 MILLION TINS, 40,000 TONNES OF HAMBURGERS, 4 P.D.O./P.G.I. PRODUCTIONS.

All plants, specialized by product line, use modern production technology and advanced safety systems which enable the company to be at the forefront in its control methods, industry programming and meats identification and labelling procedures.

In March 2008 Cremonini S.p.A. and the Brazilian group JBS S.A., the largest producer of beef in the world, signed a strategic alliance in the meat sector that has allowed JBS S.a. to take up 50% of the Cremonini Group's production sector (Inalca S.p.A. and Montana Alimentari S.p.A.).

BEEF

The reference company in the Group in this sector is Inalca, which in 2008 achieved total consolidated revenues of 1,019.4 million Euro (913.4 in 2007). The company, the leader in Italy and among the main European operators, supervises the entire production line - from raising animals to the end product - and successfully operates on international markets: over 34.2% of its revenues come from exports to countries in the European Union, Eastern Europe and Africa. The industrial structure comprises 6 plants specialized by production line: Castelvetro di Modena (MO), Ospedaletto Lodigiano (LO), Roveleto di Cadeo (PC) and Flumeri (AV), where the meats is butchered, boned, processed and packed; Rieti and Capo d'Orlando (ME), where the processing, packing and logistic platform activities are carried out. Inalca produces and markets a complete range of beef products, fresh and frozen, vacuum-packed and packaged in a protective atmosphere, ready-to-serve products, tinned meats and meats extracts.The company processes and transforms every year over 240,000 tonnes of beef, of which more than 40,000 tonnes of hamburgers and 200 million tins.

CURED MEATS & SNACKS

The reference company in this sector is Montana Alimentari, one of the main operators on the cured meats market in Italy, which achieved revenues of 195.7 million Euro in 2008, substantially in line with the 2007 figure. The industrial structure comprises 4 plants, specialized by type of production: Gazoldo degli Ippoliti (MN), where the company produces pre-sliced meats, snacks and ready-to-serve gastronomy; Paliano (FR), for the production of boiled and roast hams; Busseto (PR), where culatello, mortadella and traditional salami are produced, and Postalesio (SO) where the company produces bresaola. One of the pillars of Montana Alimentari's strategic plan is constituted by the exploitation and integration of the typical production of cured meats in the areas distinguished by the Protected Denomination of Origin (P.D.O.) and Protected Geographic Indication (P.G.I.) brands (Culatello di Zibello, Bresaola della Valtellina, Mortadella Bologna, Salamino Italiano alla Cacciatora). The company is specialized in the production of pre-sliced products, marketed under both its own brands and the brands of the more significant chains in the large-scale distribution. It can count on a structure of 10 production rooms, so called "white rooms", which have the capacity of producing 5,000 tonnes per year.


MARR
144 L
530

DISTRIBUTION

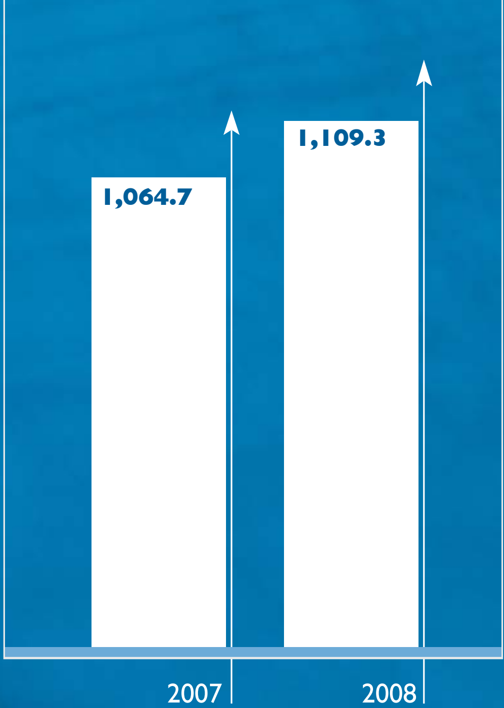
MORE THAN 10,000 MORE THAN

TO SERVICE THE CATERING SECTOR

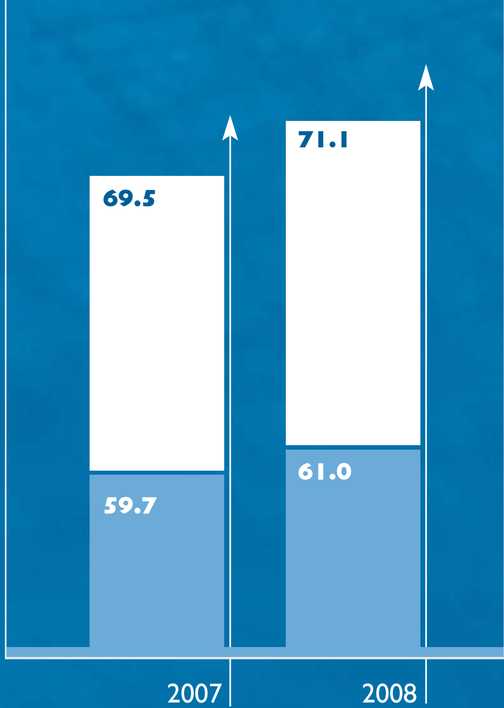
In the distribution sector, the Cremonini Group operates through MARR, the leader in Italy in the distribution of food products to catering operators.

MARR is a reality which has been continuously expanding and is present nationally with a wide range of products preserved in various ways (frozen,fresh,at room temperature). Revenues from the distribution sector reached 1,109.3 million Euro in 2008 (+4.2%). The gross operating margin amounted to 71.1 million Euro (+2.3%) and the operating profit amounted to 61.0 million Euro (+2.2%).

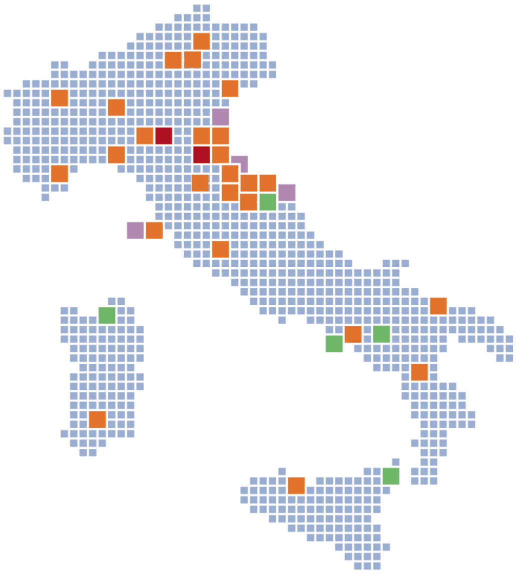
TOTAL REVENUES (mln/euro)



EBIT / **EBITDA** (mln/euro)



* Note that the figures might differ from those shown in MARR's consolidated financial statements as at 31/12/08, due to some consolidation adjustments in the Group's consolidated financial statements.



DISTRIBUTION CENTRES

30 Branches

4 Cash & Carry

2 Processing Plants

4 Agents with warehouses

MARR: BREAKDOWN OF REVENUES BY TYPE OF CUSTOMERS

30 BRANCHES, 4 CASH&CARRY, 4 AGENTS WITH WAREHOUSES, OVER 650 DEDICATED TRUCKS, 650 SALES AGENTS, 10,000 FOOD PRODUCTS, OVER 38,000 CUSTOMERS

With a history of over 35 years, MARR represents a point of reference for the operators in the catering sector, proposing itself as the only supplier on a national scale for their purchases.

THE PRODUCTS

MARR provides its customers with a personalised consultancy service, assisting them in planning their purchases of a wide range of products, including about 10,000 foodstuffs (meats, fish, sundry foodstuffs, fruit and vegetables), and more than 8,000 non-food items (kitchen equipment, utensils, tableware, etc.).
MARR's sales mix constituted 35.7% fish products, 39.4% sundry food stuff, 21.8% meat, 2.5% fruit and vegetables and the remaining 0.6% by kitchen equipment.
MARR ensures a timely and careful service and is capable of responding to the various and changing requirements of the different segments of clientele.

THE MARKET

Through a network comprising 30 branches, 4 cash&carry, 4 agents with warehouses, over 650 dedicated trucks, and a commercial structure of 650 sales agents, MARR ensures a timely service to more than 38,000 customers served nationally each year.
Activities are mainly aimed at the segment of commercial non-domestic catering sector (restaurants, hotels, fast food, tourist villages, etc.). Coherent with corporate philosophy, these are aimed at favouring quality and level of service, and collective catering (corporate canteens) an interesting segment due to its less seasonal nature. In particular, the revenues are arise from street market (restaurants and hotels not belonging to groups or chains) 63.3%, wholesalers 18.5% and national account 18.2%.

DEVELOPMENT

The domestic development of MARR arose from an acquisitions policy aimed at regional operators, capable of providing an increasingly widespread and timely service.

The acquisition of Minerva S.r.l. must also be placed in this context. This company is active in the area south of Lake Garda with a strong positioning in the marketing to food service of fish products, specifically fresh fish.

Furthermore, MARR, careful to follow the continuous eating-out evolution, recently also acquired Emi.gel S.r.l., a Bolognese company active in the distribution of food products to bars and fast food restaurants. This transaction, together with acquisition of New Catering S.r.l. (January, 2007) has allowed MARR to consolidate its presence in the distribution to bars segment.
Lastly, in the context of the product specialization strategy aimed at improving MARR's capacity in the supply and commercialisation of seafood products, and especially fresh molluscs, MARR has completed the acquisition of F.lli Baldini srl.

CATERING

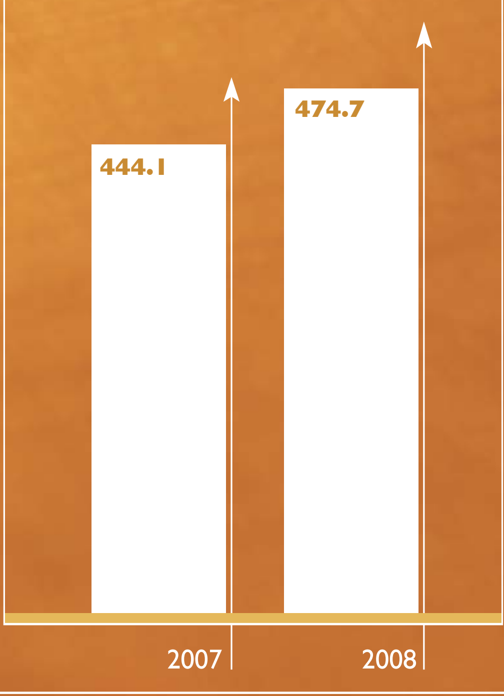
60 MILLION CUSTOMERS SERVED EVERY YEAR, WITH THE PLEASURE OF A WARM WELCOME

The Group operates in two business areas in the catering sector: concession catering (on-board train, railways and motorways) and commercial catering (steakhouses).

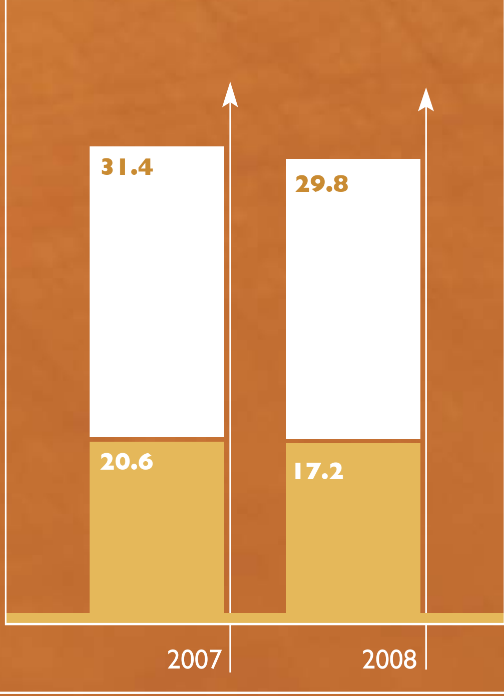
Cremonini, with its Chef Express brand, is the leader in Italy in railway stations catering, the second European player in on-board train catering and placed second in motorway catering in Italy.

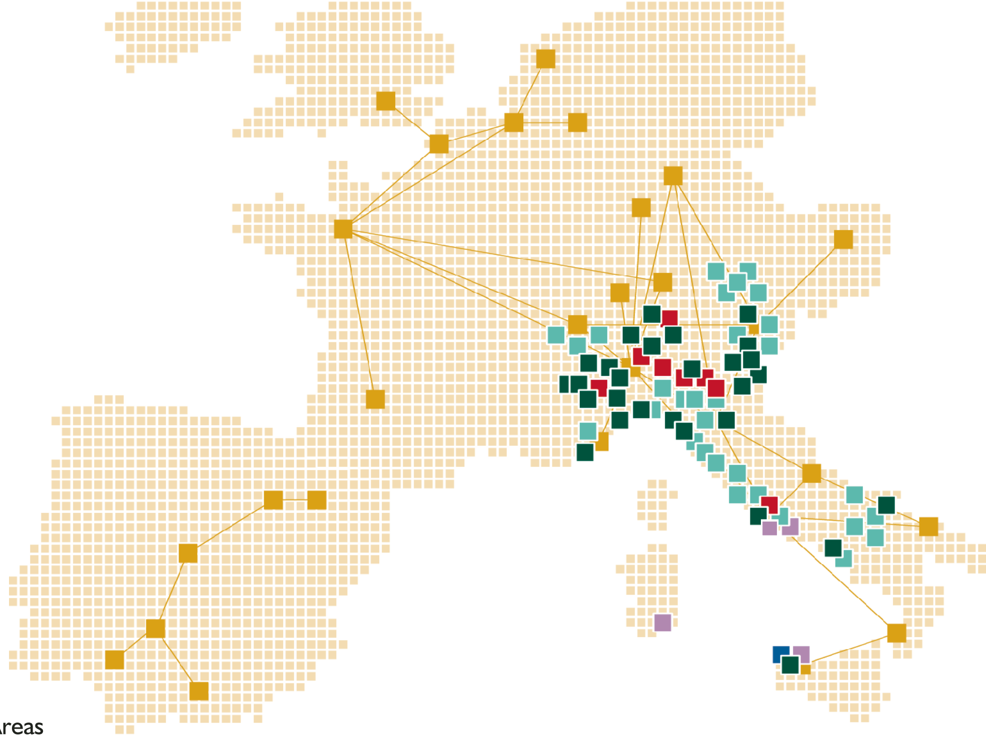
In 2008, Catering Division's consolidated revenues amounted to 474.7 million Euro (+6.9%), the gross operating margin (EBITDA) reached 29.8 million Euro and the operating profit (EBIT) amounted to 17.2 million Euro.

TOTAL REVENUES (mln/euro)



EBIT / EBITDA (mln/euro)





CATERING POINTS

- **45** Steakhouses
- **5** Airports
- **18** Steakhouse
- **1,200** Trains
- **37** Motorway Service Areas

TYPES OF CATERING

MOTORWAY SERVICE AREAS

37

TRAINS

1,200

RAILWAY STATIONS

45

1,200 TRAINS SERVED IN 8 EUROPEAN COUNTRIES, 45 RAILWAY STATIONS, 37 MOTORWAY SERVICE AREAS, 5 AIRPORTS, 18 STEAKHOUSES, 60 MILLION CUSTOMERS SERVED.

Cremonini is also a synonymous of quality in the catering sector, where it has been able to offer a combination of the pleasure of good food with the efficient and rapid service required in “travel” scenarios, such as trains, stations, airports and motorways.

Chef Express | mokā | Roadhouse Grill

ON-BOARD CATERING

Cremonini has operated in this segment with the Chef Express brand for about 20 years, with a daily presence on more than1,200 trains in 8 European countries, on which it manages catering services in restaurant cars, self service, mini-bars and bars.
The Group manages the catering services on the English Eurostar trains connecting London to Paris and Brussels, the Belgian Thalys trains, the Italian/Swiss Cisalpino trains, the French TGV and very new iDTGV trains, as well as on the 70 Spanish high-speed AVE trains and the French Corail trains.

In the field of concession catering, Cremonini uses its own brands, such as Chef Express, Mokà, Gusto Ristorante, Mr Panino, Pizza&Vizi and also the brands of large international chains with franchising contracts.

RAILWAY STATION CATERING

The Cremonini Group is the leader in Italy in concession catering in railway stations, managing services in bars, buffets, restaurants, self service, fast food outlets, pizza outlets and kiosks.
Today the Group manages 45 railway stations in Italy, of which 9 are main stations: Roma Termini, Firenze SMN,Venezia Mestre, Genova Porta Principe, Genova Brignole, Palermo Centrale and Torino Porta Nuova. Opening in the near future will be at Milano Centrale and Napoli Centrale.

AIRPORT CATERING

Cremonini's catering division also supplies services in airports, Roma Fiumicino, Roma Ciampino, Cagliari, Palermo and Parma.

MOTORWAY CATERING

With a market share of some 7%, Chef Express is now the 2nd Italian operator in the motorway catering sector managing 37 service areas n all the principal Italian motorway arteries.
The development plans provide for further growth prospects deriving from the process of re-assignation of the concessions expiring in the next few years.

ROADHOUSE GRILL

The Group is continuing with its expansion project of the Roadhouse Grill brand steakhouse chain, strengthened by the growing success of the first 18 restaurants that have been opened in Italy: Rome, Bologna, Legnano, Piacenza, Mantova, Rozzano (MI), Reggio Emilia, Milano Corbetta, Bergamo, Ferrara, Forlì,Verona, Padova, Carpi (MO), Varese, Trezzano sul Naviglio, Milano Corsico e Lissone (MI).

FINANCIAL STATEMENTS AND CONSOLIDATED ACCOUNTS **2008**

CREMONINI

NOTICE OF A SHAREHOLDERS' MEETING

The Shareholders owning ordinary shares are advised that a shareholders' meeting will be held at Via Modena no. 53, Castelvetro di Modena, at 3.00 p.m. on 27 April 2009 as a first call and, if necessary, at the same time and place on 28 April as a second call, to discuss and resolve on the following

Agenda

1) The financial statements as at 31 December 2008 and directors' report, related and consequent resolutions.

The documentation regarding the subjects and proposals on the Agenda, including the consolidated financial statements as at 31 December 2008, will be made available to those involved, within the legal timing, at the registered office of the company. The Shareholders have the right to obtain a copy.

Shareholders for whom the company has received a communication from their authorised intermediary, at least two days before the shareholders' meeting, and who show a copy thereof at the meeting itself have the right to attend and take part.

Yours faithfully,

Castelvetro, 10 April 2009

The Chairman
(Cav. Lav. Luigi Cremonini)

CORPORATE BODIES OF CREMONINI S.P.A.

Board of Directors

Chairman	Luigi Cremonini
Vice Chairman	Paolo Sciumè
Chief Executive Officer	Vincenzo Cremonini
Directors	Illias Aratri Paolo Boni Valentino Fabbian * Giorgio Pedrazzi

Board of Statutory Auditors

Chairman	Ezio Maria Simonelli
Statutory Auditors	Albino Motter Eugenio Orienti
Alternates	Grazia Calzolari Rosa Pipitone
Independent Auditors	Reconta Ernst & Young S.p.A.

* Chief Executive Officer of the Catering business unit

DIRECTORS' REPORT

DIRECTORS' REPORT

Introduction

The financial statements as at 31 December 2008, pursuant to Legislative Decree No. 38 of 28 February 2005, have been prepared in accordance with the criteria for evaluation and measurement established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedures in Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002.

Group Performance and Analysis of the Results for the 2008 financial year

The financial year ended 31 December 2008, saw the Cremonini Group committed in various transactions that, in general, fall within the growth strategy for the business and valorisation of the corporate assets.

In a very difficult economic context, characterised by a profound crisis in the markets, the following transactions were concluded:

- the contract between Cremonini S.p.A. and JBS S.A. relating to the sale of 50% of the entire production sector (Inalca S.p.A. and Montana Alimentari S.p.A.) was completed in March.
- in the month of July, the Voluntary Public Offer to Buy all the ordinary shares of Cremonini S.p.A. was concluded; Borsa Italiana S.p.A. arranged the removal of Cremonini S.p.A. shares from listing on the Screen-based Stock Market organised and managed thereby;
- finally, the inverse merger between Cremonini S.p.A. and Cremonini Investimenti S.r.l. (the bid company in the Public Offer) took place in December with the related effects commencing from 1 January 2008.

These transactions influenced the results of the financial year ended as at 31 December 2008 and penalized the comparability with the figures for the same period of 2007. Specifically, the aforesaid sale of 50% of the entire production sector resulted in the 50% deconsolidation of the results thereof with effect from March 2008, while the delisting resulted in the booking of all the costs incurred for the completion of the transaction in the financial year, as well as the higher interest payable on the loan raised for the execution of the Public Offer.

In view of the above, the total consolidated revenues for the twelve months of 2008 amounted to 2,212.1 million against 2,482.4 million in 2007, registering a decrease of 270.3 million Euro. The gross operating margin amounted to 133.0 million Euro, compared to 148.8 million in 2007, a fall of 15.8 million Euro, and the operating result amounted to 86.8 million, compared to 93.8 million Euro in 2007, a reduction of 6.9 million.

The operating result from normal operations amounted to 46.2 million Euro, in line with 46.3 million in 2007, while the Group's net profit was 39.0 million Euro compared to 10.0 million Euro in 2007.

With the same scope of consolidation instead, the revenues for the twelve months of 2,212.1 , a 136.4 million increase compared to 2,075.7 million in 2007 (pro forma results), the gross operating margin amounted to 133.0 million improving by 6.4 million compared to 126.6 million in 2007 and the operating profit was 96.8 million up 2.0 million compared to 84.9 million in 2007.

Below is a summary of the consolidated figures for the financial year ended as at 31 December 2008, compared with the previous financial year. For a more complete analysis of the Group's results, details have been set out below which are broken down by sector of activity.

Consolidated income statement

(in thousands of Euros)	Year 2008	Year 2007	Change %
Total revenues	**2,212,066**	**2,482,439**	**(10.89)**
Changes in inventories of work in progress, semi-finished and finished goods	6,375	(11,661)	
Value of production	**2,218,441**	**2,470,778**	**(10.21)**
Cost of production	(1,853,956)	(2,081,223)	
Value added	**364,485**	**389,555**	**(6.44)**
Personnel costs	(231,518)	(240,722)	
Gross operating margin[(a)]	**132,967**	**148,833**	**(10.66)**
Amortization, depreciation and write-downs	(46,128)	(55,053)	
Operating income[(b)]	**86,839**	**93,780**	**(7.40)**
Net financial income (charges)	(40,662)	(47,431)	
Profit from ordinary activities	**46,177**	**46,349**	**(0.37)**
Net income (charges) from investments	(265)	(43)	
Net extraordinary financial income (charges)	27,839		
Result before taxes	**73,751**	**46,306**	**59.27**
Income taxes for the financial year	(20,676)	(21,063)	
Result before minority interests	**53,075**	**25,243**	**n.a.**
(Profit) Loss attributable to minority interests	(14,075)	(15,203)	
Net profit attributable to the Group	**39,000**	**10,040**	**n.a.**

The main financial consolidated variables relative to the twelve months of 2008 were influenced by the deconsolidation of 50% of the production sector commencing from 3 March 2008 (100% consolidation for the first two months and 50% for the subsequent months). It is also noted that the progressive income statement for 2007, at gross operating margin and operating result level, included the positive effect of 3.3 million Euro deriving from the recalculation of the staff leaving indemnities provision based on international standards (IAS/IFRS); consequently the effect of this item penalises the progressive results at 31 December 2008 in comparison with the figure of the same period of 2007.

a - Ebitda (Gross operating margin) is an economic indicator not defined in the International Accounting Principles and the IFRS. Ebitda is the measurement used by the company's management to monitor and evaluate its operations. The managements retains that Editda is an important indicator for measuring the Group's performance as it is not affected by the volatile nature of the effects of the various criteria of calculating taxable income, the amount and characteristics of the invested capital as well as the relative depreciation criteria. At present, subject to a later in depth study regarding the evolution of the IFRS accounting practices, Ebitda is defined by Cremonini Group as the Profit/Loss gross of the depreciation and amortization, respectively, of tangible and intangible assets, allocations and write-downs, financial expenses and income and income taxes.

b - The operating profit (Ebit) is defined by Cremonini Group as the Profit/Loss for the year gross of financial charges and income, non-recurring items and income taxes.

Consolidated balance sheet

(in thousands of Euros)	31.12.2008	31.12.2007	Change %
Intangible assets	153,359	157,178	
Tangible assets	449,374	637,886	
Equity investments and other financial assets	15,309	19,857	
Total fixed assets	**618,042**	**814,921**	**(24.16)**
Trade net working capital			
- Trade receivables	*405,783*	*409,866*	
- Inventories	*190,560*	*234,799*	
- Trade payables	*(340,650)*	*(376,426)*	
Total trade net working capital	255,693	268,239	
Other current assets	53,531	55,401	
Other current liabilities	(66,673)	(71,657)	
Net working capital	**242,551**	**251,983**	**(3.74)**
Staff Severance Provision and other medium/long-term provisions	**(70,745)**	**(101,695)**	
Net invested capital	**789,848**	**965,209**	**(18.17)**
Shareholders' Equity attributable to the Group	156,223	281,649	
Shareholders' Equity attributable to minority interests	65,138	70,525	
Total Shareholders' Equity	**221,361**	**352,174**	**(37.14)**
Net medium/long-term debt	304,530	315,467	
Net short-term debt	263,957	297,568	
Net debt	**568,487**	**613,035**	**(7.27)**
Net equity and net debt	**789,848**	**965,209**	**(18.17)**

Net consolidated debt [c]

(in thousands of Euros)	31.12.2008	30.09.2008	30.06.2008	31.12.2007
Payables to banks, bonds and other financial institutions				
- due within 12 months	(352,877)	(291,964)	(281,587)	(432,646)
- due between 1 and 5 years	(209,698)	(164,150)	(170,576)	(247,414)
- due beyond 5 years	(94,832)	(25,002)	(28,103)	(68,053)
Total payables to banks, bonds and other financial institutions	**(657,407)**	**(481,116)**	**(480,266)**	**(748,113)**
Liquidity				
- cash and cash equivalents	77,635	92,312	110,482	128,474
- other financial assets	11,285	8,479	8,574	6,604
Total liquidity	**88,920**	**100,791**	**119,056**	**135,078**
Total net debt	**(568,487)**	**(380,325)**	**(361,210)**	**(613,035)**

The Group's net debt was 568.5 million Euro, up by 188.2 million compared to 380.3 million at 30 September 2008. This increase includes the higher debt of about 157.0 million Euro deriving from the delisting that Cremonini S.p.A. recorded in the financial statements in the last quarter following the inverse merger with Cremonini Investimenti (the bid company in the delisting).

The improvement with respect to 31 December 2007 of 44.4 million Euro mainly derived from the effects of the sale of 50% of the entire production sector, which contributed 284.7 million, as well as the aforesaid delisting of Cremonini S.p.A.

Furthermore, dividends of 14.9 million Euro were distributed and investments made of 81.3 million Euro, of which 29.8 million in acquisitions. Amongst the latter we note the programmed payments deriving from the Cater Roma, Cisim Food business branch acquisition and the acquisition of New Catering S.r.l., Emigel S.r.l. and La Fenice S.r.l. (now merged with Salumi d'Emilia) and purchases of shares of the subsidiary MARR.

c - The Net Debt, utilized as a financial indicator of the indebtedness, is shown as a summary of the following positive and negative components of the Balance Sheet pursuant to CONSOB communication no. 6064293 of 28 July 2006. Positive components: cash and cash equivalents; current securities due for sale; short-term financial receivables; derivative instruments. Negative components: due to banks; due to other financiers, leasing and factoring companies; derivative instruments and bonds.

FINANCIAL RESULTS BY SECTOR OF ACTIVITY

The Group operates within the food sector, with the position of market leader in three macro business areas:
- production;
- distribution;
- catering.

The Parent Company, both directly and indirectly through its subsidiaries, provides support to the operational sectors, mainly services in the financial, corporate and fiscal, human resource and IT system sectors.

Breakdown of revenues by sector

(in thousands of Euros)	Year 2008	Year 2007	Change total value	Change %
Production(*)				
Net revenues	633,960	990,828	(356,868)	(36.02)
Intercompany revenues	32,446	50,412		
Total revenues	666,406	1,041,240	(374,834)	(36.00)
Gross operating margin	35,149	51,003	(15,854)	(31.08)
Amortization, depreciation and write-downs	(20,137)	(31,634)	11,497	(36.34)
Operating profit (loss)	15,012	19,369	(4,357)	(22.49)
Distribution				
Net revenues	1,098,413	1,042,356	56,057	5.38
Intercompany revenues	10,922	22,346		
Total revenues	1,109,335	1,064,702	44,633	4.19
Gross operating margin	71,050	69,470	1,580	2.27
Amortization, depreciation and write-downs	(10,002)	(9,757)	(245)	2.51
Operating profit (loss)	61,048	59,713	1,335	2.24
Catering				
Net revenues	474,496	443,900	30,596	6.89
Intercompany revenues	185	224		
Total revenues	474,681	444,124	30,557	6.88
Gross operating margin	29,769	31,391	(1,622)	(5.17)
Amortization, depreciation and write-downs	(12,574)	(10,754)	(1,820)	16.92
Operating profit (loss)	17,195	20,637	(3,442)	(16.68)
Holding company property and centralized activities				
Net revenues	5,198	5,355	(157)	(2.93)
Intercompany revenues	5,849	8,516		
Total revenues	11,047	13,871	(2,824)	(20.36)
Gross operating margin	(2,799)	(2,820)	21	(0.74)
Amortization, depreciation and write-downs	(3,415)	(2,908)	(507)	17.43
Operating profit (loss)	(6,214)	(5,728)	(486)	8.48
Consolidation adjustment				
Total revenues	*(49,403)*	*(81,498)*		
Gross operating margin	*(202)*	*(211)*		
Amortization, depreciation and write-downs				
Operating profit (loss)	*(202)*	*(211)*		
Total				
Total revenues	2,212,066	2,482,439	(270,373)	(10.89)
Gross operating margin	132,967	148,833	(15,866)	(10.66)
Amortization, depreciation and write-downs	(46,128)	(55,053)	8,925	(16.21)
Operating profit (loss)	86,839	93,780	(6,941)	(7.40)

(*) The main financial consolidated variables relative to 2008 were influenced by the deconsolidation of 50% of the production sector commencing from 3 March 2008 (100% consolidation for the first two months and 50% for the subsequent months).

The Group's totals revenues reduced by 270.4 million Euro, mainly as an effect of the deconsolidation of 50% of the production sector. There was growth in the distribution and catering sectors despite the unfavourable economic situation. Specifically, the production revenues reduced by 374.8 million (with the same scope of consolidation there was instead an increase of 61.3 million), revenues from distribution increased by 44.6 million and those from catering grew by 30.6 million Euro.

The consolidated gross operating margin reduced by a net amount of 15.9 million Euro, with production down by 15.9 million Euro (+6.4 with the same scope of consolidation), distribution up by 1.6 million and catering showing a fall of 1.6 million.

The consolidated operating result fell by 6.9 million due to the drop in the production and catering results that respectively reduced by 4.4 million (+4.5 million with the same scope of consolidation) and 3.4 million, while the operating result from distribution registered growth of 1.3 million Euro.

Breakdown of revenues from sales and services by geographic area

Year 2008 - (in thousands of Euros)

	Production		Distribution		Catering		Other		Total	
	Revenues	%	Revenues	%	Revenues	%	Revenues	%	Revenues	%
Italy	356,155	56.7	1,003,939	93.4	310,816	66.4	4,509	99.4	1,675,419	77.0
European Union	95,669	15.2	52,790	4.9	156,947	33.5	25	0.6	305,431	14.0
Extra-EU countries	176,666	28.1	18,696	1.7	615	0.1		-	195,977	9.0
Total	628,490	100.0	1,075,425	100.0	468,378	100.0	4,534	100.0	2,176,827	100.0

Year 2007 - (in thousands of Euros)

	Production		Distribution		Catering		Other		Total	
	Revenues	%	Revenues	%	Revenues	%	Revenues	%	Revenues	%
Italy	627,129	63.9	926,023	90.7	288,792	65.9	4,411	92.6	1,846,355	75.5
European Union	154,610	15.7	65,332	6.4	149,353	34.1		-	369,295	15.1
Extra-EU countries	199,994	20.4	29,394	2.9	89	0.0	354	7.4	229,831	9.4
Total	981,733	100.0	1,020,749	100.0	438,234	100.0	4,765	100.0	2,445,481	100.0

Consolidated balance sheet structure by business sector

As at 31 December 2008 (in thousands of Euros)	Production*	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	9,757	89,828	53,266	508		153,359
Tangible assets	227,028	60,467	78,650	83,229		449,374
Equity investments and other financial assets	3,037	502	1,862	9,908		15,309
Total fixed assets	**239,822**	**150,797**	**133,778**	**93,645**	**0**	**618,042**
Trade net working capital						
- *Trade receivables*	70,544	296,660	41,797	8,375	(11,593)	405,783
- *Inventories*	84,696	94,564	11,094	8	198	190,560
- *Trade payables*	(82,839)	(200,879)	(65,024)	(3,042)	11,134	(340,650)
Total trade and net working capital	72,401	190,345	(12,133)	5,341	(261)	255,693
Other current assets	12,659	20,500	16,674	21,085	(17,387)	53,531
Other current liabilities	(12,478)	(14,261)	(39,056)	(18,526)	17,648	(66,673)
Net working capital	**72,582**	**196,584**	**(34,515)**	**7,900**	**0**	**242,551**
Staff Severance Provision and other medium/long-term provisions	**(26,098)**	**(21,957)**	**(12,658)**	**(10,032)**		**(70,745)**
Net invested capital	**286,306**	**325,424**	**86,605**	**91,513**	**0**	**789,848**

(*) The main financial consolidated variables relative to 2008 result from the deconsolidation of 50% of the production sector commencing from 3 March 2008, the date that the JBS S.A. agreement was completed. The equity figures of the production sector at 31 December 2008 are consequently shown at 50% as an effect of the proportional consolidation thereof.

As at 31 December 2007 (in thousands of Euros)	Production*	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	19,719	83,983	52,998	478		157,178
Tangible assets	435,810	59,603	62,480	79,993		637,886
Equity investments and other financial assets	7,089	509	2,323	9,936		19,857
Total fixed assets	**462,618**	**144,095**	**117,801**	**90,407**	**0**	**814,921**
Trade net working capital						
- *Trade receivables*	118,173	258,686	45,234	9,945	(22,172)	409,866
- *Inventories*	136,258	88,266	9,810	252	213	234,799
- *Trade payables*	(151,781)	(180,263)	(65,459)	(2,133)	23,210	(376,426)
Total trade and net working capital	102,650	166,689	(10,415)	8,064	1,251	268,239
Other current assets	22,364	20,460	12,225	26,063	(25,711)	55,401
Other current liabilities	(18,684)	(18,617)	(33,294)	(25,522)	24,460	(71,657)
Net working capital	**106,330**	**168,532**	**(31,484)**	**8,605**	**0**	**251,983**
Staff Severance Provision and other medium/long-term provisions	**(54,481)**	**(20,881)**	**(13,726)**	**(12,607)**		**(101,695)**
Net invested capital	**514,467**	**291,746**	**72,591**	**86,405**	**0**	**965,209**

Net consolidated debt broken down by sector

As at 31 December 2008 (in thousands of Euros)	Production*	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(96,885)	(159,073)	(5,079)	(91,840)	(352,877)
- due between 1 and 5 years	(28,177)	(24,233)	(6,843)	(150,445)	(209,698)
- due beyond 5 years	(7,599)	(4,644)	(8,175)	(74,414)	(94,832)
Total payables to banks, bonds and other financial institutions	**(132,661)**	**(187,950)**	**(20,097)**	**(316,699)**	**(657,407)**
Liquidity					
- cash and cash equivalents	25,747	30,600	17,977	3,311	77,635
- other financial assets	4,786	5,369	1,127	3	11,285
Total liquidity	**30,533**	**35,969**	**19,104**	**3,314**	**88,920**
Securitization and internal treasury current accounts	**0**	**1,289**	**(75,300)**	**74,011**	
Total net debt	**(102,128)**	**(150,692)**	**(76,293)**	**(239,374)**	**(568,487)**

(*) The main financial consolidated variables relative to 2008 result from the deconsolidation of 50% of the production sector commencing from 3 March 2008, the date that the JBS S.A. agreement was completed. The equity figures of the production sector at 31 December 2008 are consequently shown at 50% as an effect of the proportional consolidation thereof.

As at 31 December 2007 (in thousands of Euros)	Production*	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(187,056)	(141,059)	(5,751)	(98,780)	(432,646)
- due between 1 and 5 years	(91,211)	(33,609)	(6,094)	(116,500)	(247,414)
- due beyond 5 years	(43,049)	(2,088)	(1,746)	(21,170)	(68,053)
Total payables to banks, bonds and other financial institutions	**(321,316)**	**(176,756)**	**(13,591)**	**(236,450)**	**(748,113)**
Liquidity					
- cash and cash equivalents	43,094	48,319	17,690	19,371	128,474
- other financial assets	1,305	4,166	1,127	6	6,604
Total liquidity	**44,399**	**52,485**	**18,817**	**19,377**	**135,078**
Securitization and internal treasury current accounts	**(8,513)**	**1,334**	**(59,050)**	**66,229**	
Total net debt	**(285,430)**	**(122,937)**	**(53,824)**	**(150,844)**	**(613,035)**

THE OPERATING SECTORS OF THE GROUP

PRODUCTION

This sector includes the following areas of business and companies within the scope of consolidation:

Companies	Business carried out
a) Beef and meat-based products	
INALCA JBS S.p.A. - Via Spilamberto n. 30/C Castelvetro di Modena (MO) (50% consolidated on a proportional basis)	Slaughtering, processing and marketing of beef-based products.
GES.CAR. S.r.l. - Via Spilamberto n. 30/C Castelvetro di Modena (MO)	Service provision connected to beef processing and treatment at the INALCA plant in Ospedaletto Lodigiano
GUARDAMIGLIO S.r.l. - Via Coppalati n. 52 Piacenza	Retail outlet management (butcher's and charcuterie shops).
SOC. AGR. CORTICELLA S.r.l. - Via Corticella n. 15 Spilamberto (MO)	Breeding cattle, both directly and by means of agistment contracts.
FRIMO S.a.m. - 1, Rue du Gabian "Le Thales" Principality of Monaco	Food marketing.
QUINTO VALORE S.c.a r.l. - Via Due Canali n.13 Reggio Emilia	Sale of beef. Slaughtering by-products (leathers).
SARA S.r.l. - Via Spilamberto n. 30/C Castelvetro di Modena (MO)	Recovery and processing of agricultural and livestock waste
REALFOOD 3 S.r.l. - Via Spilamberto n. 30/C Castelvetro di Modena (MO)	Slaughtering, processing and marketing of beef-based products.
INALCA ANGOLA Ltda. (ex INALCAMMIL) Rua Deolinda Rodrigues n. 563 - Luanda - Angola	Food marketing.
INALCA ALGERIE S.a r.l. - 08, Rue Cherif Hamani Algeri - Algerie	Food marketing.
INTER INALCA ANGOLA Ltda - Rua Major Kayangulo n. 504 Luanda - Angola	Food marketing.
INALCA KINSHASA S.p.r.l. - Kinshasa 11ème Rue Limete Industriel n. 112, Limete (Kinshasa) Democratic Republic of the Congo	Food marketing.
KASKAD OOO L.l.c. Via Vostochnaya n. 5, Odincovo (Moscow) - Russia	Real estate services
MARR RUSSIA L.l.c. - Ryabinovaja Str. n. 43 121471 Moscow - Russia	Food marketing
INALCA BRAZZAVILLE S.a r.l. – 64, Avenue de France Poto-Poto (Brazzaville) – Republic of the Congo	Food marketing
ZAKLADY MIESNE SOCH. S.p.z.o.o. L.l.c. Al. Jana Pawla II n. 80, Warsaw, Poland	Dormant.
TECNO-STAR DUE S.r.l. Via Prampolini n. 12, Formigine (MO)	Design of buildings and plants, management of maintenance and restructuring activities.
b) Cured meats and snacks	
MONTANA ALIMENTARI S.p.A. - Via Europa n. 14, Busseto (PR)	Production and marketing of food products (cured meats and delicatessen).
SALUMI D'EMILIA S.r.l. - Via Modena n. 53 Castelvetro di Modena (MO)	Production and marketing of cured meats.

Breakdown of revenues by activity			
(in thousands of Euros)	**Year 2008**	**Years 2007**	**Chg.%**
Beef and meat-based products	597,753	913,363	(34.55)
- intercompany revenues	(28,471)	(66,144)	
Net total	**569,282**	**847,219**	
Cured meats and gastronomy/snack food	97,951	195,194	(49.82)
- intercompany revenues	(827)	(1,173)	
Net total	**97,124**	**194,021**	
	666,406	**1,041,240**	**(36.00)**

As indicated in the introduction to the report, it is recalled that the production sector's figures at 31 December 2008, shown below, are not comparable with the same values of 2007 as an effect of the change in scope of the consolidation.

The production sector revenues that amounted to 666.4 million Euro reduced by 374.8 million compared to 1,041.2 million Euro for the previous financial year (-36.0%). The operating margin was down by 15.9 million (-31.1%) from 51.0 to 35.1 million Euro. The operating result amounted to 15.0 million Euro, down with respect to 19.4 million in 2007.

With an equal scope of the consolidation the revenues would instead have grown by 61.3 million (+10.1%), the gross operating margin would have been up by 6.4 million (22.2%) and the operating result improved by 4.5 million (+43.4%). These results are to be considered as still more positive if the context of the world economic crisis, which cut back the demand for goods and services, is taken into account.

The beef business

The beef sector was influenced by some external factors that affected the results in the 2008 financial year: the reduction in slaughtering volumes, distortions in the market due to health reasons (for example blue tongue) as well as the slowing of the consumption that hit both the Italian, European and world markets following the economic crisis noted above.

As, however, already signalled in the previous financial years, the adoption in Italy of the Community regulations on the "uncoupling" of the premiums on production from the livestock sector has resulted in the following phenomena on the traditional fresh beef market:

- a constant process of reduction of the Italian cattle herd above all for veal and baby-beef;
- pressure from cattle farmers on the prices applied to the slaughtering industry; the latter have seen the production costs rise as an effect of the increased costs of feeding the animals; this process has, however, had an inversion of tendency during the last quarter in line with the trend in all the raw materials, following the aforesaid global crisis.

The effect of these factors, associated with the difficulty of transferring cost increases to the final consumer, has resulted in pressure on the marginality of the sector. Despite this, the marginality for the year was up with respect to 2007, mainly led by the good results of the foreign subsidiaries and, partially, by the economies of scale achieved following concentration of the Realfood 3 S.r.l. slaughtering business.

A positive contribution to the sector's results also derived from the sales of the products with higher added-value amongst which are hamburgers, the portioned products and meat preparations in general, the growth in which already shown last year was reconfirmed.

Noted amongst the investments made in Italy in the period is the conclusion of the enlargement works at the production factory in Piacenza owned by Guardamiglio S.r.l. Abroad, consistent with the corporate plans, the construction works at the production/distribution platform in Russia continued.

Noted amongst the events that characterised the period is that when, on 3 March 2008, Cremonini S.p.A. and the Brazilian group JBS S.A. executed a contract relating to the strategic alliance between the two companies. This alliance provides for JBS S.A.'s 50% entry into the entire production sector of the Cremonini Group (Inalca S.p.A. and Montana S.p.A.).

Cured meats and snacks sector

The cured meats market was also characterised by a general stability in demand that influenced the commercial activity in 2008. The necessity of containing the prices of the products to the public led to a further acceleration of the distribution concentration processes. Specifically, the Discount division continued to assert itself and succeeded in offering a complete range of products with absolutely competitive prices compared to other forms of modern distribution. The changed distribution structure has further accentuated the movement of consumption from branded products to the so-called "first price" and "private label" products.

On the pork raw materials front, the year began with substantial stability of prices. Instead, with effect from July the purchase cost of pork suffered a sudden increase (from 20 to 140% on some fatty raw materials). Finally, in the last part of the year an inversion of tendency occurred and the first falls were recorded. As far as concerns the beef raw materials, the situation differed (based on Bresaola production) where the substantial closure for health reasons of the main South American reference markets had already provoked a strong and sudden rise in the first six months of 2008 (about 30%), while prices stabilised in the second half.

In this scenario the companies in the sector, thanks to their competitiveness, also ensured by their efficient industrial structure, were successful in registering a 7.9% rise in volumes and absorbing the increase in production costs, achieving good performance in terms of marginality as well.

It is noted that the snack division continues its growth trend, both in terms of revenues and marginality, with its business growing in various sales channels with a constant enrichment of the range of products offered. Notable amongst these are the bread rolls and sandwiches in ATP sold both in the bar channel and chain stores.

In the canned products division, where the penetration action commenced in prior years continued, the revenues achieved last financial year were reconfirmed despite the unfavourable climatic trend of the 2008 summer season and strong pressures on the beef raw material prices.

The investments made during the year were concentrated on the Gazoldo degli Ippoliti (MN) factory and mainly regarded buildings, machinery and generic/specific plant related to the construction project for 4 new white rooms for slicing, which were inaugurated in September. Large pre-existing areas in the Gazoldo structure were also refurbished by the construction of refrigerated cells for stocking raw materials and semi-finished products.

Finally, the acquisition is noted of the shares of La FENICE S.r.l. in July, this company owns a lot of land adjacent to that owned by Salumi d'Emilia and is functional to the industrial expansion project in progress. The cash investment in the period was 2.2 million Euro.

DISTRIBUTION

This sector includes the following companies within the scope of consolidation:

Companies	**Business carried out**
Foodservice (distribution to catering)	
MARR S.p.A. - Via Spagna n. 20 - Rimini	Marketing and distribution of fresh, dried and frozen foodstuffs for catering operators.
MARR ALISURGEL S.r.l. in liquidation - Via del Carpino n. 4, Santarcangelo di Romagna (RN)	Dormant company, now being liquidated.
MARR FOODSERVICE IBERICA S.A. - Calle Goya n. 99, Madrid - Spain	Marketing and distribution on the Spanish market of fresh, dried and frozen foodstuffs for catering operators.
ALISEA S.c.a.r.l. Via Imprunetana n. 231/b, Tavernuzze (FI)	Hospital catering.
SFERA S.p.A. Via del Carpino n. 4, Santarcangelo di Romagna (RN)	Marketing and distribution of fresh, dried and frozen foodstuffs for catering operators.
AS. CA. S.p.A. Via del Carpino n. 4, Santarcangelo di Romagna (RN)	Marketing and distribution of fresh, dried and frozen foodstuffs for catering operators.
NEW CATERING S.r.l. Via del Carpino n. 4, Santarcangelo di Romagna (RN)	Distribution of food products to the bars and fast-food catering
BALDINI ADRIATICA PESCA S.r.l. Via del Carpino n. 4, Santarcangelo di Romagna (RN)	Marketing of fresh and frozen fish products
EMIGEL S.r.l. Via del Carpino n. 4, Santarcangelo di Romagna (RN)	Distribution of food products to the bars and fast-food catering

The distribution sector registered revenues growth in 2008 from 1,064.7 million Euro to 1,109.3 million, up by 44.6 million Euro (+4.2%). The gross operating margin rose from 69.5 to 71.1 million Euro, an increase of 1.6 million (+2.3%). The operating result amounted to 61.0 million Euro, with respect to 59.7 million in 2007, a rise of 1.3 million (+2.2%).

In an economic context that weakened further in the last part of 2008, MARR achieved a growth year, reinforcing its leadership in the Italian market of marketing and distribution of fresh, dried and frozen food products destined to the eating-out catering operators.

In 2008, against a general stagnation in consumption, expenditure on "eating-out" was confirmed to be still growing. According to a recent research of the Confcommercio (Italian General Confederation of Commerce, Tourism and Services) Studies Office (January 2009), in the period January-November 2008 Italian family expenditure +0.2%, while the item for "Hotels, meals and eating-out" grew by 1.6%.

The eating-out catering sector therefore continues to grow even with an unfavourable economic situation, as the reasons for its expansion are structural and can be mainly attributed to a change in consumption models, which de facto make meals out an increasing necessity rather than a discretional choice.

In this context, MARR, thanks to its operating solidity and the flexibility of its business model, has succeeded in achieving the prefixed growth objectives, to registering positive results in all quarters of the 2008 financial year.

In terms of categories of clientele, the "Street Market" category (restaurants and hotels not belonging to Groups or Chains), which represents over 63% of the turnover, registered sales of 692.0 million Euro, an increase - with the same scope of consolidation - of 5.9% with an organic component of 3.4%.

The sales of the "National Account" category (structured commercial catering and collective catering operators) were 199.1 million Euro in 2008, up by 19.6% and an organic growth component of 6.1%. Growth in the sales to the collective catering customers in 2008 was 21.4%, while structured commercial catering (tourist village chains, inflight catering, hotel chains) was up by 11.8%. 2008 sales in the "Wholesale" category were 202.6 million Euro (225.6 million in 2007).

The following are noted amongst the main events that took place during the financial year:

On 4 February 2008 the lease contract, with an acquisition option, was stipulated for the business branch owned by AGRIFAP S.r.l. (into which "MINERVA S.r.l." was merged), operating at the Costermano (VR) factory and dedicated to the marketing of fresh and frozen fish products.

On 18 April 2008 the shareholders' meeting approved, amongst other matters, the appointment of the Board of Directors and Board of Statutory Auditors, confirming both the directors and statutory auditors previously appointed. The shareholders' meeting also appointed Mr. Vincenzo Cremonini to the office of Chairman of the Board of Directors.

On 1 July 2008 the branch called "Marr Valdagno" commenced business. This derived from the acquisition of a business branch of Jolly Hotel S.p.A., a company belonging to the NH Hotel Group and the branch is dedicated to the purchase, stocking, handling and distribution of food commodities on behalf of the hotels belonging to the Jolly Hotel chain in Italy.

On 3 July 2008 the wish of the subsidiary Baldini Adriatica Pesca S.r.l. to exercise the double option provided in the "Company Sub-lease and Property Lease" contract signed on 11 June 2007 was announced to interested parties, specifically:

- the option to purchase the company that is the object of the aforesaid contract from F.lli Baldini S.r.l.;
- the option to lease the property, where the business of the company is exercised, situated in the Riccione (RN) Municipality, via Pennabilli no. 6, from Adriatica Pesca of F.lli Baldini Gino & Germano S.n.c.

On 21 July 2008 the Company completed, with a private contract authenticated by Notary Stefania di Mauro of Rimini, the 100% acquisition of EMI.GEL. S.r.l., operating in Bentivoglio (BO) in the distribution of food products to bars and fast food outlets.

On 30 September 2008 Consip S.p.A. was definitively awarded the open tender for activation of the contract for the supply of food commodities to Public Administrations for a term of 12 months, renewable for a further 12 months, with a maximum expenditure of about 31.5 million Euro.

CATERING

The business conducted in this sector, within the scope of consolidation, includes the following companies:

Companies	Business carried out
a) On-board catering	
CREMONINI S.p.A. - Railway Division Registered and administrative offices, Via Modena n. 53 Castelvetro di Modena (MO) "Agape" commercial offices, Via Giolitti n. 50 Roma	Operating, under contract, on-board railway catering in Italy.
MOMENTUM SERVICES Ltd - Parklands Court, 24 Birmingham Great Park Rubery, Birmingham - Great Britain	Operating, under contract, on-board catering on the trains that connect London with Paris and Brussels through the Euro tunnel.
GLOBAL SERVICE LOGISTICS S.r.l. Via Modena n. 53 - Castelvetro di Modena (MO)	Logistics, management and handling of goods in general.
CREMONINI RESTAURATION S.a.s. - 83, Rue du Charolais, Parigi - France	Operating, under contract, on-board catering in France. Management of logistics services in railway stations.
RAILREST S.A. - Frankrijkstraat, 95 Bruxelles - Belgium	Operating, under contract, on-board catering on Thalys high speed trains connecting Belgium with France, Holland and Germany.
CREMONINI RAIL IBERICA S.A. (ex Rail Gourmet España S.A.) Calle Commercio, n. 12 - Madrid - Spain	Operating under contract, on-board catering on the high speed trains (AVE) in Spain.
b) Commercial catering	
CREMONINI S.p.A. - Commercial Division Via Modena n. 53, Castelvetro di Modena (MO)	Operator in the sector of commercial contracted catering. Specifically operating buffet services in major Italian railway stations, airports, ports and other areas.
ROADHOUSE GRILL ITALIA S.r.l. - Via Modena n. 53, Castelvetro di Modena (MO)	Operating a chain of steakhouses in Italy.
ROADHOUSE GRILL PADOVA S.r.l. Via Modena n. 53, Castelvetro di Modena (MO)	Operating a steakhouse in Italy.
CHEF EXPRESS S.p.A. (ex. Moto S.p.A.) Via Modena n. 53, Castelvetro di Modena (MO)	Operating, under contract, catering services in the service stations on the motorway network
AUTOPLOSE GmbH in liquidation 6143 Matrei am Brenner - Brennerautobahn - Austria	Operating, under contract, catering services in the service stations on the motorway network
SGD S.r.l. - Via Modena n. 53, Castelvetro di Modena (MO)	Management of commercial areas set aside for catering services.
TIME VENDING S.r.l Via Modena n. 53 - Castelvetro di Modena (MO)	Operation of automatic distributors for drinks, cooked food and non- food products.

Breakdown of revenues by activity

(in thousands of Euros)	Year 2008	Year 2007	Chg.%
On-board catering	198,632	193,614	2.59
- intercompany revenues			
Net total	**198,632**	**193,614**	
Motorway catering	124,147	110,256	12.60
- intercompany revenues	(576)	(595)	
Net total	**123,571**	**109,661**	
Commercial catering	152,741	141,025	8.31
- intercompany revenues	(263)	(176)	
Net total	**152,478**	**140,849**	
	474,681	**444,124**	**6.88**

The catering sector registered revenues growth in 2008 from 444.1 million Euro to 474.7 million, up by 30.6 million Euro (+6.9%). The operating margin was down by 1.6 million (-5.2%) from 31.4 to 29.8 million Euro. The operating result amounted to 17.2 million Euro, with respect to 20.6 million in 2007, a fall of 3.4 million (-16.7%).

While the development of the business sustained the turnover of the period, marginality was instead penalized, above all in the last quarter, by the fall in passenger traffic on motorways, in airports and to a lower extent in stations, consequent to the economic crisis.

The catering sector carries out its activities in three business areas:

- **On-board Catering**: the management, under contract, of catering services on-board trains and logistics services in railway stations;
- **Commercial Catering**: the management, under contract, of catering services in railways stations, airports, service stations on the motorway network and a chain of steakhouses;
- **Motorway catering**: operating, under contract, catering services in the service stations on the motorway network.

On-board catering

The on-board train catering sector recorded a further increase in 2008 with respect to 2007, led by development in the market abroad, specifically France (development of the business managed by Cremonini Restauration S.a.s.), which compensated for the reduction of business in Italy consequent to the elimination of trains and services by Trenitalia.

The following are noted amongst the main events that took place during the financial year:

- the awarding of the main portion of the tender placed by the French railways (SNCF) for on-board catering services on the high-speed trains. With the new contract, which commenced on 1 March 2009 and is for a 40 months term, Cremonini Restauration will manage the catering on over 500 TGVs per day, equal to over 80% of the French high-speed trains. With this award, the Group further consolidates its presence in the market for on-board railway services and becomes the 1st European player in the sector.
- the re-awarding to Cremonini Restauration S.a.s of the international tender placed by the French railways for the management of all on-board services in the IDTGV trains. The new contract will have a 3-year term, with a possible extension for a further year;
- the re-awarding of the tender for catering on the Thalys high-speed trains, on the Paris - Brussels, Cologne and Amsterdam routes through its subsidiary Railrest S.A. The new contract will commence from 1 December 2008 and expire on 31 July 2012, with the possibility of renewal for a further 3 years;
- the signing of contract extensions with Trenitalia (until 30 June 2009) for the on-board activities directly managed by Cremonini S.p.A. and with RENFE for on-board catering by the subsidiary Cremonini Rail Iberica S.A. (until 30 November 2009).

Commercial Catering

The commercial catering sector ended 2008 with growth led by both station buffets and the opening of new "Roadhouse Grill" steakhouses.

Specifically, with regard to the station buffets segment, the Group is increasingly consolidating its national leadership.

We note amongst the significant events in 2008:

- the opening of new catering activities in the Modena, Pavia and Reggio Calabria stations with a contract term of 15 years and the agreement signed with Centostazioni for the opening of catering activities in the Lecco station;
- the acquisition of a new sales outlet within the Macerata railway station;

- the renewal of the contract for premises situated within the Salerno railway station for a contract period of 15 years;
- the award of the tender promoted by the Special Administrators of Cisim Food, presently in Compulsory Administration, relating to the acquisition of 12 catering outlets in the Rome airports (Fiumicino and Ciampino);
- the opening to the public of three new Roadhouse Grill brand steakhouses in Padua, Carpi and Varese, thus taking the number of the RHG premises to 15;
- the signing of the preliminary contracts for the opening of seven further Roadhouse Grill brand premises in Trezzano sul Naviglio (MI), Corsico (MI), Milan, Cinisello Balsamo (MI) Milano Idroscalo, Rome, Lissone (MI) and Bologna San Lazzaro.

Motorway catering

With regard to the motorway catering activities also, where Chef Express S.p.A. is confirmed as the second national operator, revenues growth from140.8 to 152.5 million Euro was recorded, an increase of 11.7 million.

Participation in tenders placed for the management of new motorway catering areas continued in 2008. The company presently manages 34 throughout Italy.

Amongst significant events that took place during the course of 2008 are noted the award, in the tender processes conducted, of 5 new motorway service areas (3 of which already opened to the public early in 2009), the re-confirmation of the 3 most important areas in terms of revenues and the failure to reconfirm 2 areas considered of marginal interest.

CENTRALIZED ACTIVITIES (HOLDING COMPANY, PROPERTY AND SERVICES)

The activities carried out in this area are mainly connected to the provision of specialised services supporting the operating sectors and management of real estate assets, and include the following companies and/or divisions:

Companies	**Business carried out**
CREMONINI S.p.A. - Holding Division Via Modena n. 53, Castelvetro di Modena (MO)	Provides support services to Group companies in the areas of finance, insurance, legal and management/administration. It also manages the Group's real estate assets.
GLOBAL SERVICE S.r.l. - Via Modena n. 53 Castelvetro di Modena (MO)	*IT services:* centralized management of the Group's hardware and software. *Personnel services:* processing and administrative management of payrolls.
INTERJET S.r.l. - Via Belvedere n. 23 Castelvetro di Modena (MO)	Air transport services (t.p.p.) and owner of the license for rail transport.
CONS. CENTRO COMM. INGROSSO CARNI S.r.l. - Via Fantoni n. 31, Bologna	Real estate services.
CREMONINI SEC S.r.l. in liquidation Via Modena n. 53 - Castelvetro di Modena (MO)	Vehicle company for the securitization transaction concerning trade receivables.
SOCIETA' AGRICOLA BERGOGNINA S.r.l Via Modena n. 53 - Castelvetro di Modena (MO)	Management of agricultural lands.

It is noted, in addition to that already reported in the introduction to this report with reference to the delisting of Cremonini S.p.A. that:

- in the month of December 2008 the share capital was reduced by cancellation of the treasury shares formerly approved by the Shareholders' Meeting of Cremonini S.p.A. on 15 September 2008;
- on 31 December 2008 the inverse merger took place of Cremonini Investimenti S.r.l. (a company through which the Cremonini S.p.A. delisting process was completed) with Cremonini S.p.A.

RELATIONSHIPS WITH UNCONSOLIDATED SUBSIDIARIES, ASSOCIATED, CONTROLLING AND RELATED COMPANIES

With reference to the Group's relationships, in the 2008 financial year, with unconsolidated subsidiaries, associated, controlling and related companies on market conditions, it should be noted that these transactions affected the types of costs and revenues summarised in the following table. Balance sheet and income statement data are shown in specific annexes to the notes to the consolidated financial statements relating to each company, broken down by type of relationship. It should further be noted that relationships with related companies (i.e., companies referable to the controlling shareholder and outside the Cremonini Group's scope of consolidation) are on the whole, insignificant.

(in thousands of Euros)	Controlling companies	Subsidiaries	Associated companies	Related companies
Revenues				
Trade income			3,254	18
Other income		4	837	
Total revenues	**-**	**4**	**4,091**	**18**
Costs				
Trade expense		145	22,809	765
Other expense		4	6	4
Total costs	**-**	**149**	**22,815**	**769**
Loans and receivables				
Trade receivables		183	4,647	
Other receivables		65	3,104	
Total loans and receivables	**-**	**248**	**7,751**	**-**
Loans and payables				
Trade payables		1	3,128	20
Other payables	200	413	1	
Total loans and payables	**200**	**414**	**3,129**	**20**

As far as relationships with both related and controlling companies are concerned, the breakdown is as follows:

(in thousands of Euros)	Trade		Other		Total	
	Receivables	Payables	Receivables	Payables	Receivables	Payables
Related and controlling companies:						
Cremofin S.r.l.	-	-	-	200	**-**	**200**
Agricola 2000 S.r.l.	-	20	-	-	**-**	**20**
Total related and controlling	-	20	-	200	**-**	**220**

(in thousands of Euros)	Trade		Other		Total	
	Revenues	Costs	Revenues	Costs	Revenues	Costs
Related and controlling companies:						
Agricola 2000 S.r.l.	5	20	-	-	**5**	**20**
Le Cupole S.r.l.	5	745	-	4	**5**	**749**
Tre Holding S.r.l.	8	-	-	-	**8**	**-**
Total related and controlling	18	765	-	4	**18**	**769**

The payables of 745 thousand Euro to Le Cupole refer to the rental of an industrial property, in Rimini, used for some time by MARR.

As far as guarantees given by the Group on behalf of related companies are concerned, the list is as follows:

(in thousands of Euros)	Amount	Counter-party
Direct guarantees - sureties	18	Cre.Am S.r.l. in liquidation
Direct guarantees - sureties	102	Alfa 95 S.p.A. liquidation
Total related companies	**120**	

These are guarantees given (in 1989 and 1990) in favour of companies that were already part of the Group at that time; it is considered that these guarantees do not present collection risks. In detail:

Cre.Am. S.r.l. in liquidation - Guarantee given to the Council of San Daniele del Friuli to cover a payment of urbanisation costs for the construction of a ham production plant, a project that has still not started.

Alfa 95 S.p.A. liquidated - Guarantee given to the old VAT office of Modena for a tax refund for the year 1986. The Modena Revenue Office, despite reminders and following the transfer of its offices, has not yet extinguished the guarantee and returned the original deed explicitly requested by the bank for final release, even though the guarantee itself expired and the company liquidated many years ago.

INVESTMENTS

During the 2008 financial year the total of the net investments made was 70.4 million Euro, while cash investments were 81.3 million, 29.8 million of which for acquisitions.

The following is the detail of the net change in intangible and tangible assets in the 2008 financial year.

Net investments broken down by sector

(in thousands of Euros)	Production	Distribution	Catering	Others	Total
Intangibles					
Patents and intellectual property rights	135	90	445	39	709
Concessions, licenses, trademarks and similar rights	16	0	99	6	121
Goodwill	55	5,954	526	25	6,560
Intangible assets under development and advances			429		429
Other intangible assets			84		84
Total intangible assets	**206**	**6,044**	**1,583**	**70**	**7,903**
Tangibles					
Land and buildings	3,008	929	9,841	530	14,308
Plant and machinery	5,323	850	3,510	16	9,699
Industrial and business equipment	404	147	465	14	1,030
Other tangible assets	1,107	1,280	1,861	172	4,420
Tangible assets under development and advances	15,625	1,961	10,708	4,787	33,081
Total tangible assets	**25,467**	**5,167**	**26,385**	**5,519**	**62,538**
Total	**25,673**	**11,211**	**27,968**	**5,589**	**70,441**

More detailed information on the investments made during the year can be found in the notes to the consolidated financial statements.

RESEARCH AND DEVELOPMENT

The main research and development activities, broken-down by sector, were as follows:

- **Beef Sector** - The sector had already for some time commenced, and implemented in the 2008 financial year, its own research of technologies for control of production processes, for example the "visual camera & laser control system" that records the non-conformities of the standard physical parameters required for hamburgers.
- **Cured meats and snack sector** - Research and development directed at the Protected Geographical Identity products and chain of high qualitative and public recognisability content continues, while new research commenced on the air filtration systems. The latter activity was particularly useful in the design and construction of the new "white rooms" for slicing.
- **Foodservice distribution sector** - The development and expansion of the own brand line of products continues.

Treasury stock

During 2008 the Parent Company proceeded with the reduction of its share capital by total cancellation of the treasury shares previously acquired, based on the mandate granted to the directors with the purpose of maintaining stability of the shares.

The changes in treasury stock in 2008 were as follows:

	Number of shares	Total nominal value Euro	% of capital	Purchase/sale consideration write-down/ write-ups (Euro/000)	Balance sheet value[a] (Euro/000)
At 31.12.2007	12,831,670	6,828,469	9.05	-	19,710
Treasury Stock Cancellation	(12,831,670)	(6,828,469)			(19,710)
Total shares in portfolio at 31 December 2008	**0**	**0**	**0.00**		**0**

(a) For the purposes of the consolidated financial statement and applying IAS 32, the treasury stock has been entered as a direct reduction of the share capital.

EVENTS OCCURRING AFTER THE END OF THE 2008 FINANCIAL YEAR

The following events occurred after the financial year-end:

Production

- opening of a distribution platform in Sicily by INALCA JBS through the signing of a business branch lease contract.

Distribution

- on 20 January 2009 the subsidiary Baldini Adriatica Pesca S.r.l. signed the final contract for the acquisition of the business branch of F.lli Baldini S.r.l. The acquisition of the Baldini business branch took place by exercise of the free acquisition option granted and provided for in the business branch lease contract signed in June 2007;
- On 5 February 2009 MARR S.p.A. signed the final lease contract for acquisition of the business branch owned by AGRIFAP S.r.l. (into which "MINERVA S.r.l." was merged) operating at the Costermano (VR) factory and dedicated to the marketing of fresh and frozen fish products. The acquisition of the business branch took place by exercise of the free acquisition option granted and provided for in the business branch lease contract signed by the parties on 4 February 2008;
- on 4 March 2009 MARR S.p.A. obtained from the Intercent-ER Regional Agency the renewal for a further 12 months of the convention relating to the supply of food and non-food products to the Public Administrations of the Emilia Romagna region. The convention stipulated in March 2007 had a two-year term, renewable for a further 12 months to the extent of a supply value of 31 million Euro.

Catering

- the award, through the subsidiary Momentum Ltd., of the tender placed by the Eurostar Group Ltd for management of the waiting rooms with customer assistance in the London St Pancras, Paris Gare du Nord and Brussels Midi stations. Management of such activities will commence from June 2009 with a three-year term and possibility of renewal for a further two years;
- the commencement, on 16 January 2009, of management of the 12 sales outlets within the Fiumicino and Ciampino airports acquired from the Special Administrators of Cisim Food;
- the opening to the public of three new service areas at Lucignano Est, Roncobilaccio Ovest and Sesia Ovest, thus taking the number of areas managed on the Italian motorway network to 37;
- the opening to the public of the sixteenth Italian steakhouse with the Roadhouse Grill brand in Trezzano sul Naviglio (MI);
- the opening of a new catering outlet in the Piacenza station with a contract term of 15 years;
- the 100% acquisition of Buffet di Arezzo S.r.l., a company that manage two catering sales outlets in the Arezzo railway station;
- the inauguration, on 16 March 2009, of the Chef Express bar-cafeteria and McDonald's restaurant in the Modena railway station. The premises, which are on two floors, have been fully refurbished in connection with the Centostazioni project directed at the redevelopment of the medium-sized Italian railway stations.

Business Outlook

In light of the results achieved in the 2008 financial year and considering the particularly uncertain macroeconomic scenario that is characterising the start of 2009, the company aims to maintain the profitability achieved for the next financial year as well by implementing a costs rationalisation policy.

OTHER INFORMATION

On 15 September 2008, the Shareholders' Meeting, following the company's exit from the Screen-based Stock Market, approved some changes to the By-laws. The said changes mainly regarded a revision of the rules for the appointment of the members of the Board of Directors and Board of Statutory Auditors, as well as the abolition of the figure of the Executive supervising preparation of accounting documents.

With reference to the requirements of the Code on matters of Personal Data Protection mentioned in Legislative Decree 196/2003, it is noted that the programmed document on security is updated based on the indications in the relative regulations.

Atypical and/or unusual transactions

There were no atypical and/or unusual transactions during the course of the year that, for materiality, nature of the counterparties, object of the transaction, method of determination of the transfer price and their occurrence in proximity to the year-end can raise doubts as to the correctness and completeness of these financial statements, conflict of interest, safeguarding of corporate assets and protection of the minority shareholders.

Reconciliation between the Parent Company's shareholders' equity values and the profit for the year with the corresponding consolidated values

A reconciliation schedule between the shareholders' equity values of the Parent Company and the profit for the year with the Group's share of the corresponding consolidated values at 31 December 2008 is given in the annual report.

Main risks and uncertainties

The company is exposed to financial risks in the conduct its business, such as those described in more detail in the explanatory notes and where these mean: market risk (being the combination of the currency risk for foreign purchases of goods, interest rate and price risks), credit and liquidity risks.

If it is also considered that the company, though operating in the food sector that is characterised by substantial stability, suffers from the general conditions of the economy and is therefore exposed, although to a lesser extent compared to other sectors, to the uncertainty of the current macroeconomic picture.

In this connection, it should be mentioned that in the last part of 2008 and first few months of 2009 the accentuation of the volatility of the financial markets, together with the progressive deterioration of the credit market and contraction of the income available to families, introduce a further element of uncertainty to the company's and Group's business.

Specifically, the risk of contraction in consumption and the consequent deflationary dynamics on the food raw materials could negatively impact on the financial/profitability performance.
In the face of such risks the company has defined specific policies to preserve commercial and operating margins through the updating of costs structure.

As far as concerns the evolution of the Group's financial situation this depends on numerous conditions amongst which, other than achievement of the prefixed objectives in terms of management of the net commercial working capital, also the bank and monetary market trend that is again influenced by the current economic situation.
As far as concerns the specific risks and uncertainties of the business of Cremonini and the Group, reference should be made to the paragraph "provisions for non-current liabilities and charges" in the explanatory notes.

Human resources

The Cremonini Group is aware that its employees and collaborators constitute an important resource for the enterprise for achievement of the success and future of the business itself. For this reason great attention is given to the well-being of all employees and collaborators, development of training programmes for individual requirements and to favour a positive corporate climate capable of provoking a sense of belonging and commitment to the realisation of the common business objectives.
There are 7,403 employees in the 13 countries where the Group operates: the majority in the European Union (97.9%) followed by Africa (2.1%) and finally non-European Union (1.9%). In 2007, with the same scope of consolidation, the establishment was instead composed of 7,186 employees.
The composition of the organisational structure based on professional stature shows 119 executives, 774 managers, 2,019 office staff and 5,572 workers or seasonal employees.
Other than employees the Group also has numerous sales staff and a network of transporters who collaborate with the Group with agency and services contracts.

Training
The Group considers continuous training and learning a determining factor to increase and maintain its resources increasingly updated. For this reason it conducts periodic educational programmes orientated at the training of internal personnel and also of the sales force. In 2008 the Group promoted numerous training initiatives, with internal and external updating courses that varied according to the sector of which it formed part. Amongst the various initiatives undertaken, those conducted in the distribution sector are noted, which were orientated to the training of the personnel who conduct activities that influence the quality of the products, services and processes. This training involved about 650 employees, prevalently on hygiene and environmental safety.

The Group also promoted conventions with Universities to encourage the effecting of educational traineeships at its operating companies that often transform into open-ended employment. Cremonini also promoted, in collaboration with Universities of Modena and Reggio Emilia and the Marco Biagi foundation, of the university masters degree for Assistant Catering Manager: a professional personality in Northern Europe, which assists the manager of the premises with managerial tasks.

Environment

In the perspective of safeguarding and respecting the environment, the Group has always been meticulous in ensuring that its companies conduct their activities with reference both to the impact of their production processes and optimization of the available resources, with a constant commitment to reduce water and energy consumption and the production of solid and liquid waste. The production sector, which is involved in transformation, has equipped its production plant with the most modern technologies available in the environmental field, specifically in the water, energy and waste sectors.

Water

In the water consumption area, the Group has optimized the complete waste water purification and recovery cycle in its production factories by using biological systems. The efficiency indicators of the water cycle are carefully monitored in the environmental management system.

Energy

With regard to energy recovery, the Group's efforts are mainly directed at the utilisation of evolved cogeneration and thermal valorization systems. Consistent with the new legal directives that incentivate activities regarding energy efficiency, the Group has commenced energy efficiency (TT- Energy Efficiency Certificates) projects in the production sector admissible by the AEEG (Electricity and Gas Authority).

The Group is furthermore actively committed to further innovative projects directed at the recovery and energy valorization of its biomass concentrations and reduction of the effect of greenhouse gas emissions.

Waste

Other than the constant commitment directed at the differentiation of the waste, the Group promotes reduction of the source of waste production and their maximum reutilisation through initiatives of recovery of some typologies of waste through composting, or controlled transformation of the organic part into products for agriculture.

THE PARENT COMPANY CREMONINI S.P.A.

The summary of the Parent Company's results drawn up in accordance with International Accounting Principles IAS/IFRS is shown below.

The Parent Company Cremonini S.p.A. reclassified statement of income

(in thousands of Euros)	Year 2008	Year 2007	Chg. %
Total revenues	**150,217**	**144,237**	**4.15**
Changes in inventories of work in progress, semi-finished and finished goods			
Value of production	**150,217**	**144,237**	**4.15**
Cost of production	(102,137)	(92,346)	
Value added	**48,080**	**51,891**	**(7.34)**
Personnel costs	(42,148)	(39,124)	
Gross operating margin [(a)]	**5,932**	**12,767**	**(53.54)**
Amortization, depreciation and write-downs	(6,869)	(6,550)	
Operating income [(b)]	**(937)**	**6,217**	**(115.07)**
Net financial income (charges)	(10,630)	(7,751)	
Profit from ordinary activities	**(11,567)**	**(1,534)**	**n.a.**
Net income (charges) from investments	39,783	12,881	
Net extraordinary financial income (charges)			
Result before taxes	**28,216**	**11,347**	**n.a.**
Income taxes for the financial year	2,019	(511)	
Net profit	**30,235**	**10,836**	**n.a.**

The Parent Company Cremonini S.p.A. reclassified balance sheet

(in thousands of Euros)	31.12.2008	31.12.2007	Chg. %
Intangible assets	21,663	21,382	
Tangible assets	94,121	87,204	
Equity investments and other financial assets	269,515	303,749	
Total fixed assets	**385,299**	**412,335**	**(6.56)**
Trade net working capital			
- *Trade receivables*	12,075	9,955	
- *Inventories*	3,351	2,559	
- *Trade payables*	(33,965)	(28,198)	
Total trade net working capital	(18,539)	(15,684)	
Other current assets	29,596	32,511	
Other current liabilities	(30,369)	(34,400)	
Net working capital	**(19,312)**	**(17,573)**	**n.a.**
Staff Severance Provision and other medium/long-term provisions	**(18,213)**	**(21,206)**	
Net invested capital	**347,774**	**373,556**	**(6.90)**
Total Shareholders' Equity	**70,372**	**198,196**	**(64.49)**
Net medium/long-term debt	224,493	135,851	
Net short-term debt	52,909	39,509	
Net debt	**277,402**	**175,360**	**58.19**
Net equity and net debt	**347,774**	**373,556**	**(6.90)**

a - Ebitda (Gross operating margin) is an economic indicator not defined in the International Accounting Principles and the IFRS. Ebitda is the measurement used by the company's management to monitor and evaluate its operations. The managements retains that Editda is an important indicator for measuring the company performance as it is not affected by the volatile nature of the effects of the various criteria of calculating taxable income, the amount and characteristics of the invested capital as well as the relative depreciation criteria. At present, subject to a later in depth study regarding the evolution of the IFRS accounting practices, Ebitda is defined by Cremonini as the Profit/Loss gross of the depreciation or amortization of tangible and intangible assets, allocations and write-downs, financial expenses and income and income taxes.

b - The operating profit (Ebit) is defined by Cremonini as the Profit/Loss for the year gross of financial charges and income, non-recurring items and income taxes.

Net debt of the Parent Company Cremonini S.p.A. (c)

(in thousands of Euros)	31.12.2008	31.12.2007
Payables to banks, bonds and other financial institutions		
- due within 12 months	(88,314)	(93,432)
- due between 1 and 5 years	(148,492)	(112,934)
- due beyond 5 years	(76,001)	(22,916)
Total payables to banks, bonds and other financial institutions	**(312,807)**	**(229,282)**
Liquidity		
- cash and cash equivalents	5,645	21,335
- other financial assets	-	-
Total liquidity	**5,645**	**21,335**
Securitization and internal treasury current accounts	**29,760**	**32,587**
Total net debt	**(277,402)**	**(175,360)**

As well as the typical activities of a holding company, the Parent Company supplies specific services to Group companies and provides catering services (both on-board trains and commercial) with a specific division. The table below shows the financial data split by business area.

(in thousands of Euros	Catering			Parent comp.			Total		
	2008	2007	Chg.%	2008	2007	Chg.%	2008	2007	Chg.%
Total revenues	**145,019**	**138,408**	4.78	**5,198**	**5,829**	(10.83)	**150,217**	**144,237**	4.15
Changes in inventories of work in progress, semi-finished and finished goods									
Value of production	**145,019**	**138,408**	4.78	**5,198**	**5,829**	(10.83)	**150,217**	**144,237**	4.15
Cost of production	(89,206)	(84,902)		(12,931)	(7,444)		(102,137)	(92,346)	
Value added	**55,813**	**53,506**	4.31	**(7,733)**	**(1,615)**	(378.82)	**48,080**	**51,891**	(7.34)
Personnel costs	(39,410)	(36,395)		(2,738)	(2,729)		(42,148)	(39,124)	
Gross operating margin	**16,403**	**17,111**	(4.14)	**(10,471)**	**(4,344)**	(141.05)	**5,932**	**12,767**	(53.54)
Amortization, depreciation and write-downs	(4,916)	(4,878)		(1,953)	(1,672)		(6,869)	(6,550)	
Operating income	**11,487**	**12,233**	(6.10)	**(12,424)**	**(6,016)**	(106.52)	**(937)**	**6,217**	(115.07)
Net financial income (charges)	(794)	(3,036)		(9,836)	(4,715)		(10,630)	(7,751)	
Profit from ordinary activities	**10,693**	**9,197**	16.27	**(22,260)**	**(10,731)**	(107.44)	**(11,567)**	**(1,534)**	n.a.
Net income (charges) from investments	(1,020)	(913)		40,803	13,794		39,783	12,881	
Net extraordinary financial income (charges)									
Result before taxes	**9,673**	**8,284**	n.a.	**18,543**	**3,063**	n.a.	**28,216**	**11,347**	n.a.
Income taxes for the financial year	(50)			2,069	(511)		2,019	(511)	
Net profit	**9,623**	**8,284**	n.a.	**20,612**	**2,552**	n.a.	**30,235**	**10,836**	n.a.

Catering activities

The company manages, both directly and also partially through subsidiaries the activity in the concession catering sector, including both commercial and on-board train catering.

For comments and a summary of the results of these activities please refer to the more detailed comment previously made on the results of the Group's activities.

Property services

Cremonini S.p.A. directly manages this activity both for its own property that is destined for civil use and also property destined for catering division business.

c - The Net Debt, utilized as a financial indicator of the indebtedness, is shown as a summary of the following positive and negative components of the Balance Sheet pursuant to CONSOB communication no. 6064293 of 28 July 2006. Positive components: cash and cash equivalents; current securities due for sale; short-term financial receivables; derivative instruments. Negative components: due to banks; due to other financiers, leasing and factoring companies; derivative instruments and bonds.

The direct services
The transactions and services rendered, carried out mainly in relation to Group companies, generally concern the following operational areas:

Finance: management of the centralized treasury and planning of special and medium to long-term loans;

Guarantees and advisory services: issuing of guarantees (bank and insurance) and general assistance concerning accounting, corporate law, taxes, legal and contractual services;

Fiscal consolidation: as consolidator, Cremonini S.p.A. has adhered to Article 117 of the T.U.I.R. (Consolidated Tax Code), the preparation of the "national fiscal consolidation" (NFC). All the main companies controlled by Cremonini S.p.A. have adhered to this standard.

As an effect of the sale of 50% of the entire production sector Inalca S.p.A, as well as all its Italian subsidiaries previously included in the tax consolidation, were excluded from the scope of the NFC consolidation.

Relationships with Group and related companies

With particular reference to its own activities and the specific financial and service relationships with the subsidiaries and related companies it should be noted that Cremonini S.p.A.'s relationships involved the type of costs and revenues summarised in the following table. The economic and financial data by type of relationship for each company is indicated in the specific annexes to the explanatory notes. It should further be noted that the relationships with related companies are of a minor entity.

(in thousands of Euros)	Parent Company	Subsidiaries	Associated companies	Related companies
Revenues				
Financial income		2,580		
Income from services		6,245	6	42
Sales of goods		88		
Other income		18,810		
Total revenues	**-**	**27,723**	**6**	**42**
Costs				
Financial expense		316		
Services expense		8,610		
Purchase of goods		8,028		
Other expense		526		
Total costs	**-**	**17,480**	**-**	**-**
Loans and receivables				
Internal treasury		32,511		
Trade receivables		2,265	45	
Other loans and receivables [(a)]		14,389		4,090
Total loans and receivables	**-**	**49,165**	**45**	**4,090**
Loans and payables		2,895		
Internal treasury		6,693		
Trade receivables		18,221		
Other loans and receivables	200			
Total loans and payables	**200**	**27,809**	**-**	**-**

(a) mainly attributed to receivables and payables resulting from the national fiscal consolidation.

Nature of the powers conferred on the Directors

The powers granted to the individual directors are those specified below:

- to the Chairman Mr. Luigi Cremonini, in addition to the legal representation mentioned in art. 21 of the By-laws, the necessary powers were conferred for the completion of acts relating to the company's business, to be exercised with an individual signature, in connection with powers attributed with a Board of Directors resolution on 15 May 2008;
- to the Chief Executive Officer Vincenzo Cremonini, in addition to the legal representation mentioned in art.. 21 of the By-laws, the necessary powers were conferred for the completion of acts relating to the company's business, to be exercised with an individual signature, in connection with powers attributed with a Board of Directors resolution on 15 May 2008;
- to the Chief Executive Officer Mr. Valentino Fabbian, the necessary powers were conferred for the completion of acts relating to the specific business of catering, to be exercised with an individual signature, in connection with powers attributed with a Board of Directors resolution on 15 May 2008.

An Executive Committee and a General Manager have not been appointed in the structure of current corporate bodies.
During the financial year, both the Chairman and the Chief Executive Officers used their powers only for the normal management of the company's business, while significant transactions by typology, quality and value, were submitted to the examination of the Board of Directors.

* * * * * * * * *

Dear Shareholders,

Before concluding and your decisions on this matter, we confirm that the draft financial statements for the year ended on December 2008, submitted for your examination and approval at this meeting, were prepared in compliance with prevailing legislation.

Please refer to the Directors' Report for comment on the overall situation of the company and the Group, as well as to the Explanatory Notes for comment on individual items. We invite you to approve the financial statements for the year ended on 31 December 2008, together with the Directors' Report.

Furthermore, we propose the following allocation of the net profit for the year of Euro 30,235,184:

- a dividend of Euro 0.023 per each ordinary share having the right, with payment by the end of the financial year in progress;
- allocation to the "Undistributed profits" reserve of the residual sum and that deriving from numerical rounding and millesimal calculations.

Castelvetro di Modena, 26 March 2009

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

FINANCIAL STATEMENTS AS AT 31 DECEMBER **2008**

FINANCIAL STATEMENTS

BALANCE SHEET - ASSETS

(in Euro)	Note	31.12.2008	31.12.2007
Non-current assets			
Tangible assets	1	94,121,144	87,204,403
Goodwill	2	19,417,708	19,018,859
Other intangible assets	3	2,245,307	2,363,601
Investments in subsidiaries and associated companies	4	267,706,299	302,180,612
Investments in other companies	5	790,607	790,607
Non-current financial receivables	6	-	84,380
relating to related parties		-	*84,380*
Deferred tax assets	7	1,934,870	1,279,954
Other non-current assets	8	1,046,063	1,221,112
Total non-current assets		**387,261,998**	**414,143,528**
Current assets			
Inventories	9	3,350,404	2,558,528
Current financial receivables	10	47,137,825	81,493,501
relating to related parties		*46,900,454*	*81,400,540*
Current trade receivables	11	12,077,492	9,963,688
relating to related parties		*2,310,316*	*1,169,344*
Current tax assets	12	3,633,145	5,158,240
Financial instruments / Derivatives	18	-	2,302,095
Cash and cash equivalents	13	5,644,601	21,335,104
Other current assets	14	9,859,295	7,733,174
relating to related parties		*4,090,043*	*4,454,040*
Total current assets		**81,702,762**	**130,544,330**
Total assets		**468,964,760**	**544,687,858**

BALANCE SHEET - LIABILITIES

(in Euro)	Note	31.12.2008	31.12.2007
Shareholders' Equity			
Share capital	15	67,073,932	67,073,932
Reserves	16	(40,585,696)	108,625,469
Retained earnings		13,648,685	11,660,258
Result for the period		30,235,184	10,836,433
Total Shareholders' Equity		**70,372,105**	**198,196,092**
Non-current liabilities			
Non-current financial payables	17	224,459,694	135,850,657
Financial instruments / Derivatives	18	33,108	-
Employee benefits	19	8,975,508	9,745,751
Non-current provisions for risks and charges	20	1,495,264	1,125,665
Deferred tax liabilities	21	7,741,784	10,334,893
Other non-current liabilities		462,913	59,359
Total non-current liabilities		**243,168,271**	**157,116,325**
Current liabilities			
Current financial payables	22	109,630,063	149,867,826
relating to related parties		*21,315,740*	*54,322,584*
Financial instruments / Derivatives	18	-	189,091
Current tax liabilities	23	1,758,029	1,522,519
Current trade liabilities	24	34,305,894	28,487,176
relating to related parties		*6,692,570*	*4,183,540*
Other current liabilities	25	9,730,398	9,308,829
Total current liabilities		**155,424,384**	**189,375,441**
Total liabilities		**468,964,760**	**544,687,858**

INCOME STATEMENT

(in Euro)	Note	31 December 2008	31 December 2007
Revenues	26	147,198,949	140,796,808
relating to related parties		*6,379,099*	*6,327,671*
Other revenues	27	3,018,513	3,262,377
relating to related parties		*582,880*	*703,127*
Costs for purchases	28	(45,584,742)	(42,337,874)
relating to related parties		*(8,027,617)*	*(7,854,769)*
Other operating costs	29	(56,552,448)	(49,832,594)
relating to related parties		*(9,136,094)*	*(6,244,644)*
Personnel costs	30	(42,148,292)	(39,124,290)
Amortization and depreciation	31	(5,431,987)	(5,062,458)
Write-downs and provisions	31	(1,437,170)	(1,485,117)
Revenues from equity investments	32	39,782,966	12,881,174
relating to related parties		*18,223,900*	*14,664,510*
Financial (Income)/Charges	33	(10,629,462)	(7,750,860)
relating to related parties		*2,267,975*	*2,610,900*
Result before taxes		**28,216,327**	**11,347,166**
Income taxes	34	2,018,857	(510,733)
Result for the period		**30,235,184**	**10,836,433**
Basic earnings per share		0.2344	0.0842
Diluted earnings per share		0.2344	0.0842

STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY OVER THE FINANCIAL YEAR ENDED AS AT 31 DECEMBER 2008

(in thousands of Euros)	Share capital	Nominal value treasury stock in portfolio	Total Share capital	Other riserves Share premium reserve	Legal reserve
Balances at 31 December 2006	**73,746,400**	**(6,828,468)**	**66,917,932**	**78,279,705**	**14,749,280**
Allocation of the results for the previous year:					
- retained earnings reserve					
- distribution of dividends					
Net effect purchases/sales treasury stock		156,000	**156,000**		
Gain/losses on treasury stock					
Cash flow hedge					
Net profit (loss) for the year ended 31 December 2007					
Balances at 31 December 2007	**73,746,400**	**(6,672,468)**	**67,073,932**	**78,279,705**	**14,749,280**
Allocation of the results for the previous year:					
- retained earnings reserve					
- distribution of dividends					
Treasury stock cancellation	(6,672,468)	6,672,468	**0**		
Cremonini Investimenti reverse merger					
Cash flow hedge					
Net profit (loss) for the year ended 31 December 2008					
Balances at 31 December 2008	**67,073,932**	**0**	**67,073,932**	**78,279,705**	**14,749,280**

Merger deficit	Reserve for IAS adjustments	Riserve for trading treasury stock	Cash flow hedge reserve	Total Reserve	Profits (Losses) carried forward	Result of the years	Total Shareholders' Equity
0	**12,787,578**	**985,662**	**1,300,370**	**108,102,595**	**20,648,039**	**1,307,286**	**196,975,852**
							0
					(8,987,781)	(1,307,286)	**(10,295,067)**
				0			**156,000**
		485,399		**485,399**			**485,399**
			37,475	**37,475**			**37,475**
						10,836,433	**10,836,433**
0	**12,787,578**	**1,471,061**	**1,337,845**	**108,625,469**	**11,660,258**	**10,836,433**	**198,196,092**
					10,836,433	(10,836,433)	**0**
					(10,319,067)		**(10,319,067)**
		(1,471,061)		**(1,471,061)**	1,471,061		**0**
(146,379,437)				**(146,379,437)**			**(146,379,437)**
			(1,360,667)	**(1,360,667)**			**(1,360,667)**
						30,235,184	**30,235,184**
(146,379,437)	**12,787,578**	**0**	**(22,822)**	**(40,585,696)**	**13,648,685**	**30,235,184**	**70,372,105**

CASH FLOW STATEMENTS FOR THE FINANCIAL YEARS ENDED AS AT 31 DECEMBER 2008 AND 2007

(in thousands of Euros)	31.12.2008	31.12.2007
Net profit before minority interests	**30,235**	**10,836**
Amortization and depreciation	5,432	5,062
Net change in Staff Severance Provision	0	0
Net change in other provisions and non-monetary income items	(72)	(150)
Reversal of the effects of non-recurring transaction	0	0
Operating cash-flow	**35,595**	**15,748**
(Increase) decrease in trade receivables	(2,752)	2,827
(Increase) decrease in inventories	(792)	(283)
Increase (decrease) in trade payables	5.767	(42)
(Increase) decrease in other items of the working capital	(142)	(1,021)
Change in working capital	**2,081**	**1,481**
Changes in Staff Severance Provision and other long term liabilities	(770)	0
CASH-FLOW FROM OPERATIONS	**36,906**	**17,229**
Net (investments) in intangible assets	(832)	(2,631)
Net (investments) in tangible assets	(13,076)	(5,965)
Change in financial assets	33,019	(13,919)
CASH-FLOW FROM INVESTMENTS	**19,111**	**(22,515)**
FREE - CASH FLOW BEFORE NON-RECURRING TRANSACTIONS	**56,017**	**(5,286)**
Cash-flow from non-recurring transactions	**0**	**0**
Cash-flow from distribution of dividends	(10,319)	(10,295)
Share capital increases, change in treasury stock and other changes	(147,740)	679
Cash-flow from (for) change in shareholders' equity	**(158,059)**	**(9,616)**
FREE - CASH FLOW	**(102,042)**	**(14,902)**
Opening net debt	(175,360)	(160,458)
Cash-flow for the year	(102,042)	(14,902)
Closing net debt	**(277,402)**	**(175,360)**
Increase (Decrease) in medium-long term borrowings	88,609	(25,234)
Increase (Decrease) in medium-long term liabilities for derivatives	33	(3,272)
Cash flow from (for) medium-long term financial activities	**88,642**	**(28,506)**
SHORT-TERM CASH FLOW FOR THE YEAR	**(13,400)**	**(43,408)**
Opening net short-term debt	(39,509)	3,899
Cash flow of the year	(13,400)	(43,408)
Final net short-term debt	**(52,909)**	**(39,509)**
Increase (Decrease) in short-term borrowings	(2,101)	50,712
Changes in securities and other financial receivables	0	0
Increase (Decrease) in short-term liabilites for derivatives	(189)	189
Cash flow from (for) short-term borrowings	**(2,290)**	**50,901**
INCREASE (DECREA.) IN CASH AND CASH EQUIVALENTS	**(15,690)**	**7,493**
Cash and cash equivalents at the beginning of the year	21,335	13,842
Cash flow of the year	(15,690)	7,493
Cash and cash equivalents at the end of the year	**5,645**	**21,335**

NOTES TO THE FINANCIAL STATEMENTS

FORM AND CONTENT OF THE FINANCIAL STATEMENTS

The financial statements as at 31 December 2008 were prepared in accordance with the accounting standards and measurement criteria laid down by the International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure referred to in Article 6 of the (EC) Regulation No. 1606/2002 of the European Parliament and Council of 19 July 2002, as adopted by Legislative Decree no. 38 of 28 February 2005, as amended, and resolutions and ordinances promulgated in implementation of art. 9 of Legislative Decree 38/2005.

The financial statements for the year were authorised for publication by the Board of Directors meeting held on 26 March 2009.

The section on "Accounting principles" illustrates the international accounting principles adopted in the preparation of the Cremonini S.p.A. balance sheet as at 31 December 2008.

For the purpose of application of IAS 14 it is recorded that the company operates in the catering sector (on-board and commercial) and provides centralized financial, insurance, legal and management/administrative support services to the companies of the Group. It also manages the properties.

The Cremonini S.p.A. financial statements as at 31 December 2008 were prepared in accordance with the cost method, with the exception of the following balance sheet postings:

- land and buildings for which the fair value as at 1 January 2004 was adopted, as "deemed cost" as provided for by IFRS 1, as detailed later in this report;
- derivative contracts entered at the fair value against an entry in the income statement.

For the purposes of comparison, the financial statements as at 31 December 2008 show the figures for the financial year ended as at 31 December 2007.

The following classifications have been used:
- Balance Sheet for current/non-current postings;
- Income Statement by nature;
- Cash flow statement indirect method.

It is considered that these classifications provide information that better responds to representing the company's equity, economic and financial situation.

The functional and presentation currency is the Euro. With regard to the schedules contained in these financial statements, the Balance Sheet and Income Statement are shown in units of Euro, while the schedule of the changes of the Shareholders' Equity and Cash Flow Statement are shown in thousands of Euro. If not otherwise indicated, the tables contained in these financial statements are shown in thousands of Euro.

CHANGES IN ACCOUNTING STANDARDS

The new IFRS and IFRIC standards adopted by the EU, in force commencing from 1 January 2008, are shown below with a brief description. The adoption of these revised standards and interpretations has not had effects on the financial statements but has resulted, in some cases, in additional information only.

New accounting standards, amendments and interpretations applicable in 2008

- IFRIC 11- IFRS 2: Group and Treasury Shares Transactions. This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme, even if the entity buys the instruments from another party, or the shareholders provide the equity instruments needed. This interpretation has not had effects on the Group's result or equity.

- On 13 October 2008 the IASB issued an amendment to IAS 39 - Financial instruments: Recording and Valuation and IFRS 7 - Financial instruments: additional information that allows, in determined circumstances, reclassification of certain financial assets other than derivatives from the accounting category "valued at fair value through the income statement". Also permits reclassification of loans from the accounting category "available for sale" to the accounting category "held until maturity" if the company has the intention and capacity to hold such instruments for a determined future period. This amendment is not applicable to these financial statements.

- IFRIC 12 Introduction: Service concession arrangements. The greater implications of this interpretation regard the accounting treatment to be applied to the right deriving from a concession services contract (as a financial instrument or intangible asset). At the date of preparation of these financial statements, the European Union has not yet approved this interpretation. The interpretation does not have significant effects for the Group.

Accounting Standards, amendments and interpretations applicable to the financial statements for financial years commencing after 1 January 2008

- IAS 23 Borrowing costs: In March 2007 a modified version of IAS 23, Borrowing costs, was promulgated, which will become effective for the financial years that commence from 1 January 2009. The standard was changed to require the capitalisation of the financial charges when such costs they refer to a qualifying asset. A qualifying asset is an asset that necessarily requires a significant period of time to be ready for its anticipated use or sale. In agreement with the transitory directives of the standard, the Group will adopt it as a perspective change. Consequently, the financial charges will be capitalised to qualifying assets commencing from a date subsequent to 1 January 2009. No change will be made for financial charges incurred up to this date as these were booked to the income statement.

- IAS 1 Revised Presentation of financial statements: The IAS 1 revised standard, Presentation of financial statements, was approved in September 2007 and will come into force in the first financial year subsequent to 1 January 2009. The standard separates the changes that took place in the net equity between shareholders and non-shareholders. The schedule of changes in the net equity will only include the detail of the transactions with shareholders while all the changes relating to transactions with non-shareholders will be presented on a single line. Furthermore, the standard introduces the "comprehensive income" statement: this statement contains all the revenue and cost items applicable to the period recorded in the income statement, and in addition every other recorded revenue and cost item. The "comprehensive income" statement can be presented in the form of a single statement or in two correlated statements. The Group is evaluating how to adjust to the new standard, the adoption of which shall not produce any effect from the viewpoint of the valuation of the items in the financial statements.

- IFRS 3R Business Combinations and IAS 27/R Consolidated and separate financial statements. The two revised standards will come into force on 1 July 2009. IFRS introduces some changes in the recording of business combinations that will have effects on the amount of goodwill recorded, result for the financial year in which the acquisition takes place and on the results of the subsequent financial years. IAS 27R requires that a change in the amount of the equity investment held in a subsidiary is booked as a capital transaction. As a consequence, this change will not have an impact on goodwill, and will not give rise to either profits or losses. Furthermore, the revised standard will introduce changes in the recording of a loss suffered by a subsidiary as a loss of control of the subsidiary. The changes introduced by standards IFRS 3R and IAS 27R must be applied in a perspective manner and will have impacts on future acquisitions and transactions with minority shareholders. At the date of preparation of these financial statements the European Union has not yet approved these standards. The Group does not expect significant effects from the application of these standards.

- IFRS 2 Share-based payments - Vesting conditions and cancellations. This change to IFRS 2, Share-based payments, was published in January 2008 and will come into force in the first financial year subsequent to 1 January 2009. The standard restricts the definition of "vesting conditions" to a condition that includes an explicit or implicit obligation to provide a service. Every other condition is a "non-vesting condition" and must be taken into consideration to determine the fair value of the instrument representative of assigned capital. In the case where the reward is non-vested as a consequence of the fact that it does not meet a "non-vesting condition" that is under the control of the entity or counterparty, this must be booked as a cancellation. The Group has not undertaken transactions with share-based payments with "non-vesting" conditions and, as a consequence, does not expect significant effects from the application of this standard.

- IFRS 8 - Business segments. The new standard requires that the information shown in the sector information is based on the elements that the management uses to make its operating decisions, therefore it requires the identification of the business segments on the basis of the internal reporting that is regularly seen by the management for the purpose of allocation of the resources to the various segments. This standard must be applied commencing from 1 January 2009 in replacement of IAS 14 - Sector information. The adoption of this standard will not produce any effect on the Group's result or equity.

- Changes to IAS 32 and IAS 1 "Puttable Financial Instruments": the changes to IAS 32 and IAS 1 were approved in February and will come into force in the first financial year subsequent to 1 January 2009. The change to IAS 32 requires that some "puttable" financial instruments and obligations that arise at the time of liquidation are classified as capital instruments if determined conditions are met. The change to IAS 1 requires that some information is provided in the explanatory notes relative to "puttable" options classified as capital. The Group does not expect that these changes will have an impact on its financial statements.

- IFRIC 13 "Customer loyalty programmes": The IFRIC 13 interpretation was promulgated in June 2007 and will become effective for financial years which commence from 1 July 2008 or subsequently. This interpretation requires that the receivables conceded to the clientele, such as loyalty rewards, are accounted for as a separate component of the sales transactions in which they were granted and accordingly that part of the fair value of the consideration received be allocated to the rewards and amortised over the period in which the receivables/rewards are recovered. The company does not expect that this interpretation will have impacts on the financial statements as presently there are no existing loyalty plans.

- IFRIC 14 - The limit on a Defined Benefit Asset, Minimum funding requirements and their interaction. The interpretation provides a general guide on how to determine the limit provided in IAS 19 "Employee Benefits" on the amount of the assets to service the plans. The interpretation also explains the accounting effects caused by the obligatory minimum payments. The Group does not expect that these changes will have an impact on its financial statements.

- IFRIC 16 "Hedes of a net investment in a foreign operation" with which the possibility of applying hedge accounting was eliminated for hedging transactions on the exchange rate differences originating between the functional foreign currency of the foreign investee company and the foreign currency used for presentation of the consolidated financial statements. This interpretation is not applicable in the Group's financial statements.

The IASB issued a series of improvement to the IFRSin May 2008. Only those that will result in a change in the presentation, recognition and valuation of the financial statements items are mentioned below, omitting those that will only determine terminological changes.

- IAS 19 Employee benefits: the amendment must be applied from 1 January 2009 in a perspective manner to the changes in the benefits that took place subsequent to this date and clarifies the cost/income definition relating to past employment. The Board has furthermore recalculated the definition of short-term benefits and long-term benefits and has changed the definition of performance of the assets, establishing that this item must be shown net of any administration charges that are not already included in the value of the obligation. The company does not expect significant impacts on the financial statements.

- IAS 20 Recording and information on government grants: the change must be applied in a perspective manner from 1 January 2009 and establishes that the benefits deriving from State loans conceded at a lower interest rate than that of the market must be treated as government grants and therefore follow the recognition rules established by IAS 20.

- IAS 23 Borrowing costs: the change, which must be applied from 1 January 2009, has revised the definition of financial charges.

- IAS 36 Impairment: the change, which must be applied from 1 January 2009, envisages additional information when the company determines the recoverable value of the cash generating unit utilising the discounted cash flow method.

- IAS 38 Intangible Assets: The change, which must be applied retrospectively from 1 January 2009, establishes recognition of the promotional and advertising costs in the income statement. It also establishes that when the enterprise incurs charges having future economic benefits without the recording of intangible assets these must be booked to the income statement at the time when the enterprise itself has the right to access the asset or when the service is provided. At the date of issue of these financial statements the Group does not expect significant effects on the financial statements from the application of this amendment.

- IAS 39 Financial instruments: recognition and measurement. The amendment must be retrospectively applied from 1 July 2009 and clarifies how the new rate of effective return of a financial instrument must be calculated at the end of a fair value hedging relation. The Group does not expect impacts from the application of this standard. At the date of preparation of these financial statements the European Union has not yet approved this standard.

Changes to the following IFRSs were also issued that presently are not applicable to the Group's financial statements:

- IFRS 5 Non-current assets held for sale and discontinued.
- IAS 16 Property, plant and machinery: the change applicable from 1 January 2009 applies to the enterprises whose normal business is renting.
- IAS 28 Investments in associates - IAS 31 Interests in joint ventures.
- IAS 29 Financial Reporting in Hyperinflationary Economies
- IAS 40 Investment Property.

These financial statements were prepared utilising the principles and valuation criteria illustrated below:

ACCOUNTING PRINCIPLES

For the purposes of preparing the financial statements as at 31 December 2008, the same accounting principles and criteria used in the drawing-up of financial statements as at 31 December 2007 were applied.

The most important accounting principles used for the preparation of the financial statements were as follows:

Tangible assets

The tangible assets are entered at their purchase cost or production cost, inclusive of directly allocated additional charges required to make them available for use. As indicated in the section on the "effects of the application of the international accounting standards", as permitted by IFRS 1, the Company has measured certain owned land and buildings at fair value, and adopted such fair value as the new cost subject to depreciation.
Apart from the foregoing, no revaluations are permitted, even if in pursuance to specific laws. Assets subject to capital lease are entered under tangible assets against a financial payable to the lessor and depreciated in accordance with the criteria below.
Tangible assets are systematically depreciated on a straight line basis over their expected useful life, based on the estimate of the period over which the assets will be used by the Company. When the tangible asset is made up of a number of significant components, each with a different useful life, each individual component is depreciated . The depreciated value is represented by the book value minus the presumable net transfer value at the end of its useful life, if material and reasonable determinable. Land is not depreciated, even if purchased together with a building, as well as tangible assets held for sale, measured at the lower of the book value and fair value after transfer charges.
Costs for improvement, upgrading and transformation increasing the value of tangible assets are entered as assets in the balance sheet.
The recoverability of the book value of tangible assets is determined by adopting the criteria indicated in the section "Impairment of assets".

The rates applied are the following:

▶ Buildings	2% - 4% (useful life)
▶ Plant and machinery	8% - 20%
▶ Industrial and business equipment	15% - 25%
▶ Other assets:	
▶ Furniture and fittings	10% - 15%
▶ Electronic office machines	20%
▶ Motor vehicles and means of internal transport	20%
▶ Cars	25%
▶ Other minor assets	10% - 40%

Leasing

The leasing contracts are classified as finance leases whenever the terms of the contracts substantially transfer all the risks and benefits of ownership to the lessee.

The assets leased are recognised as assets of the Group at their fair value on the date of execution of the contract, or, if less, at the present value of the minimum payments due for the leasing. The corresponding payable to the lessor is included in the balance sheet as a payable for leases. The payments for rentals are split between capital and interest portions in order to obtain a constant interest rate on the remaining liability. The financial charges are directly entered in the income statement.

The costs for rentals deriving from operative leases are recorded to income statement in constant instalments on the basis of the duration of the contract.

Goodwill and other intangible assets

Intangible assets are assets that lack physical substance, controlled by the Company and capable of generating future economic benefits, as well as goodwill, whenever purchased for a valuable consideration.

Identification is defined by reference to the possibility of distinguishing acquired intangible assets from the goodwill. This requirement is normally satisfied when:

I. the intangible assets are traceable to a legal or contractual right, or
II. the asset is separable, that is it may be assigned, transferred, leased out or exchanged autonomously or is an integral part of other assets. Control over the business consists in the power to exploit the future economic benefits deriving from the assets and the possibility of limiting access to it by others.

Intangible assets are entered at cost, measured in accordance with the criteria established for tangible assets. No revaluations are allowed, even in pursuance to specific laws.

Intangible assets with a definite useful life are systematically amortized over their useful life, based on the estimate of the period over which the assets will be used by the Company; the recoverability of their book value is determined by adopting the criteria included in the section "Impairment of assets".

Goodwill and other intangible assets, if any, with an indefinite useful life, are not subject to amortization; the recoverability of their book value is determined at least each year and, in any case, whenever there are events implying a loss in value. As far as goodwill is concerned, verification is made on the smallest aggregate, upon which Management, either directly or indirectly assesses the return on investment, including the goodwill itself (cash generating unit). Write-downs are not subject to value restoration.

Goodwill is considered as having an indefinite useful life and is therefore not related to the period of the contractual license. The management has decided to use this accounting treatment since:

I. the licence price initially paid is related to the value of the turnover of the business purchased and is independent with regard to the remaining contractual period;
II. in the past, on expiry of the contract, the Group was always able to renew the licenses;
III. the redefining of contractual relationships that occurred in the past resulted from voluntary agreements. From the conclusion of these transactions, the Group, besides having solidified trade relationships with the companies, has also obtained extensions to the contractual terms. In these cases, as previously, any goodwill paid has not shown an impairment.

Other intangible assets have been amortized by adopting the following criteria:

▶ Patents and intellectual property rights	5 years
▶ Concessions, licences, trademarks and similar rights	5 years / 20 years
▶ Other assets	5 years / contract term

Equity investments in subsidiaries, associated and other companies

Equity investments in subsidiaries, associated and other companies are valued at purchase, subscription or underwriting cost, eventually written-down in the case of long-term losses in value; the original value is reinstated in later financial years if the reasons for the write-down no longer exist.

Inventories

Inventories are entered at the lower of purchase or production cost, calculated by the FIFO method and the presumed realisable value in consideration of the market trend.

Cash and cash equivalents

Cash and cash equivalents includes cash, current bank accounts, deposits payable on demand and other easily cashable short-term investments not subject to the risk of a change in value.

Receivables and other short-term assets

Trade and other short-term receivables are initially entered at their fair value and then valued at their amortized cost, after write-down. Upon entry, the nominal value of receivables represents their fair value upon said date. Given the high receivables turnover, application of amortized cost produces no effects. Provision for bad debts, as at said date, represents the difference between the book value of receivables and the reasonable expectation of the forecast financial flows from their collection.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is cancelled from the financial statements when:

I. the rights of the asset to receive financial flows are extinguished;
II. the right of the asset to receive financial flows is conserved but there is a contractual obligation to pay the total without delay to a third party;
III. the company has transferred the right to receive financial flows from the asset and (a) it has substantially transferred all the risks and benefits of ownership of the financial asset or (b) it has not substantially transferred or retained all the risks and benefits of ownership of the asset, but has transferred control thereof.

In the cases where the company has transferred the rights to receive financial flows from an asset and has not substantially transferred or retained all the risks and benefits or lost control thereof, the asset is recorded in the company's financial statements to the extent of its residual involvement in the asset itself.The residual involvement that, for example, takes the form of a guarantee on the asset transferred is valuated at the lower of the initial book value of the asset and the maximum value of the consideration that the company could be required to pay.

The cancellation from the financial statements of the financial liability takes place when the obligation underlying the liability is extinguished, or annulled or discharged. In the cases where an existing financial liability is substituted by another of the same lender, on substantially different conditions or the conditions of an existing liability are substantially modified, this exchange or modification is treated as an accounting cancellation of the original liability and the recording of a new liability, with the consequent booking to the income statement of any differences between the book values.

Impairment of assets

In the event of cases implying an impairment of an asset, the recoverability of its value is determined by comparing the book value with the relevant recoverable value, which is the higher of the fair value, net of disposal charges and the usable value.

Failing a binding sales agreement, fair value is estimated on the basis of the value expressed by an active market, by recent transactions or on the basis of the best available information reflecting the sum the Company may gain by selling the asset.

The usable value is determined by discounting back the expected cash flows deriving from the use of the asset and, if material and reasonable determinable, from its transfer at the end of its useful life. Cash flows are determined on the basis of reasonable assumptions, to be supported by documentary evidence, representing the best estimate of future economic conditions, occurring over the residual useful life of the asset, attaching greater importance to external indications. Discounting back is made at a rate that considers the risks inherent in the specific line of business.

Evaluation is made for each single asset or for the smallest identifiable group of assets generating autonomous incoming cash flows, deriving from constant use (the so-called cash generating unit). When the reasons for write-down no longer apply, the assets, except for goodwill, are revalued and the adjustment is entered in the income statement as a revaluation (value restoration). Revaluation is made at the lower between the recoverable value and the book value before write-downs previously made, minus the amortization and depreciation rates that would have been allocated should no write-down have been made.

Capital stock

The costs relative to the issue of shares or options are classified in the shareholder's equity (net of the fiscal benefits related to them) as a deduction of the revenues deriving from the issue of such instruments.
In the case of acquisition of treasury stock, the price paid, including any directly attributable accessory costs, is deducted from the shareholders' equity until the shares are cancelled, re-issued or disposed of. When the treasury stock is sold or re-issued, the price cashed, net of any directly attributable accessory costs and the relative tax effect, is entered as shareholders' equity.

Earnings per share

Basic and Diluted
The basic earnings per share are calculated by dividing the company's net profit by the weighted average of the ordinary shares in circulation during the financial year, excluding the treasury shares.
For the purpose of the calculation of the diluted earnings per share, the weighted average of the shares in circulation is modified assuming the conversion of all the potential shares having a dilution effect, while the company's net profit is adjusted to take into account the effects, net of taxation, of the conversion.

Employee benefits

As provided by IAS 19, the staff severance provision falls within the framework of the so-called benefit plans forming post-employment benefits. The accounting treatment established for such forms of benefit requires an actuarial calculation, which allows for a future projection of the amount of Staff Severance Provision already carried and for discounting it back, in order to consider the time running before actual payment. The actuarial calculation weighs variables such as average staff employment period, inflation rates and expected interest rates. Liabilities are valued by an independent actuary.
The Company has taken advantage of the possibility of applying the "corridor" mechanism on actuarial profits or losses, in entering the actuarial profits or losses relative to defined benefit plans which allows to dilute the valuation effect deriving from the change in some of the calculation parameters over a series of financial years: therefore actuarial profits and losses generated after the date of transition to the IFRS have not been entered immediately in the income statement, but rather diluted using the corridor method. According to this method only the portion of net actuarial profits and losses at the end of the previous period in excess of the greater of 10% of the present value of the obligations and 10% of the fair value of the eventual assets serving the plan at the same date is taken into account, and divided by the remaining working life of the employee.

Following the recent reform of the national legislation that regulates the staff severance indemnities for companies with more than 50 employees, the staff severance indemnities maturing from 1 January 2007 are configured as a defined contribution plan, the payments for which when recorded are booked directly to the income statement as a cost. The staff severance indemnities due up to 31.12.2006 remain a defined benefits plan, without future contributions. Accordingly, its valuation is carried out by independent actuaries on the basis of the expected average residual working life of the employees only, no longer considering the remuneration that they earned over a predetermined period of service.

Provisions for liabilities and charges

Provisions for liabilities and charges involve determined costs and charges, considered definite or probable, for which the amount or due date could not yet be determined at year-end. Provisions are recognised when: (i) the existence of a current, legal or implied obligation is probable, arising from a previous event; (ii) the discharge of the obligation may likely carry charges; (iii) the amount of the obligation may be reliably estimated. Provisions are entered at the value representing the best estimate of the amount the Company would reasonably pay to redeem the obligation or to transfer it to third parties at the end of the period. When the financial effect of time is significant and the payment dates of the obligations are reliably estimable, the provision is discounted back; the increase in the provision, associated with the passage of time, is entered in the income statement under "Financial income (charges)". The supplementary clientele severance indemnity, as all other provisions for liabilities and charges, has been appropriated, based on a reasonable estimate of future probable liabilities, and taking the elements available into consideration.

Financial liabilities

Financial liabilities are initially valued at their fair value equal to the consideration received at such date. They are then measured by amortized cost adopting the actual interest rate method.

Accounting treatment of derivative contracts

Cremonini S.p.A. utilises derivative financial instruments to hedge the exposure to interest rate risk.
These derivative financial instruments are initially recorded at fair value at the date when they are stipulated; subsequently this fair value is periodically re-measured; they are booked as assets when the fair value is positive and as liabilities when negative.

The fair value of the derivative financial instruments utilised is determined with reference to the market value whenever it is possible to identify an active market for them. If, instead, the market value of a financial instrument is not easily identifiable, but can be identified for its components or a similar instrument, the market value is determined by the valuation of the individual components of the instrument or a similar instrument. Furthermore, the valuation of instruments for which it is not possible to identify an active market easily is determined by resorting to the value that arises from generally accepted valuation models and techniques, which ensure a reasonable approximation to the market value.

Derivatives are classified as hedging instruments when the relationship between the derivative and the subject matter of the hedge has been formally documented and the effectiveness of the hedge, checked periodically, is high. When the hedging derivative covers the risk of variation of the fair value of the instruments to be hedged (fair value hedge - e.g., hedging variations in fair value of fixed rate assets/liabilities), the derivatives are entered at their fair value with the recognition of the related effects in the income statement; consistently, the instruments are adjusted to reflect variations in fair value associated to the risk hedged. When the derivatives hedge risks of variation in the cash flow of the instruments to be hedged (cash flow hedge, e.g., hedging variations of cash flow of assets/liabilities by effect of exchange rate fluctuations), the variations in the fair value of the derivatives are initially entered under shareholders' equity and subsequently entered in the income statement consistently with the economic effects produced by the transaction hedged. Variations in the fair value of derivatives not satisfying the conditions allowing them to be identified as hedging instruments are entered in the income statement.

Income taxes

Current income taxes are calculated on the basis of the estimated taxable income. Tax assets and liabilities for current taxes are recognised at the value expected to be paid/recovered to/from the tax authorities, by applying the rates and tax regulations in force or basically approved as at the end of the period.
Deferred taxes and deferred tax assets are calculated on the provisional differences between the value of assets and liabilities entered in the financial statements and the corresponding values recognised for tax purposes. Deferred tax assets are recorded when their recovery is probable. Deferred tax assets and liabilities for deferred taxes are classified under non-current assets and liabilities and are offset if referring to taxes which may be offset. The offsetting balance, if a credit, is entered under "Deferred tax assets"; if a liability, under "Liabilities for deferred taxes". When the results of the transactions are directly recognised in the shareholders' equity, current taxes, assets for pre-paid taxes and liabilities for deferred taxes are also recorded in the shareholders' equity.
Deferred tax assets and deferred taxes are calculated on the basis of the tax rates expected to be applied in the year said assets will realise or said liabilities will extinguish.

Currency conversion

Receivables and payables initially expressed in foreign currency are translated into Euro at the exchange rates prevailing at the date of the relevant transactions. Exchange rates differences generated upon collection of receivables and payment of payables in foreign currency are entered in the income statement. Upon the date of preparation of these financial statements, receivables and payables in foreign currency are translated at the exchange rates prevailing at such date, and the relevant effects are entered in the profit income statement against the respective balance sheet items.

Revenue recognition

Revenues from the sale of products are recognised upon transfer of all the risks and charges deriving from ownership of the goods transferred, which is generally their shipment or delivery date.
Financial income and revenues from services are recognised on an accrual basis.

Recognition of costs

Costs are recognised when related to goods and services acquired and/or received over the period to which they refer.
The lease rental instalments are entered in the income statement on the basis of their pertinence.
The financial leasing instalments are entered, for as much as regards the capital portion as a reduction of the financial debt, for as much as regards the interest portion in the income statement.
Financial costs and charges for services are recognised on an accrual basis.

Dividends

Dividends are recognised when their distribution is certain, that is, when the subsidiaries have resolved to distribute dividends.

Main accounting judgments, estimates and assumptions adopted by Management

The application of generally accepted accounting standards for the drafting of the year-end and interim financial statements means that the company's management is required to carry out accounting estimates based on complex and/or subjective judgements, estimates based on previous experience and hypotheses considered reasonable and realistic on the basis of the information known at the time when the estimate is made. The use of these accounting estimates influences the value at which assets and liabilities are entered into the financial statements and information on potential assets and liabilities at the date of the financial statements, as well as the amount of revenues and costs over the reference period. Actual results may differ from those estimated because of the uncertainty characterising the hypotheses and the conditions on which the estimates are based. Indicated below are the accounting estimates of critical importance in the process of drawing up the year-end and interim financial statements because they involve a high degree of reliance on subjective judgements, assumptions and estimates relating to questions which are by their nature uncertain. A change in the conditions underlying the judgements, assumptions and estimates adopted may have a significant impact on subsequent results.

Below are the main estimates and assumptions adopted by Management to prepare these annual financial statements, whose variations, unpredictable at this time, may affect the Group's equity and financial situation:

- Estimates adopted to evaluate the impairment of assets

In order to measure any impairment of goodwill entered in the financial statements, the Company has adopted the method previously illustrated in the section on "Impairment of assets".
Cash flows of cash generating units attributable to each goodwill/consolidation difference have been inferred for 2009 from the Budget and for subsequent years from estimates calculated by corporate management utilising constant growth rates that are never higher than the programmed rate of inflation. The Weighted Average Cost of Capital (WACC) has been adopted as the discount rate, which is 7.5%. The measurement of any impairment of assets (Goodwill impairment test) was made on an annual basis by referring to the situation at 31 December 2008.

- Estimates adopted in the actuarial calculation for the purpose of determining the benefit plans defined in the context of staff severance provisions

The valuation of payables for the staff severance provision was made by an independent actuary on the basis of the following assumptions:

- the expected inflation rate is 3.2%;
- the discounting back rate used is 4.15%;
- the expected rate of increase in remuneration (including inflation) can be split as follows: (i) Directors 2.5%; (ii) White-collar workers/Executives 1%; (iii) Blue-collar workers 1%;
- the expected annual rate of increase in the staff severance provision is 2.5%;
- the turnover of employees is 9%.

- Deferred taxes

The deferred tax assets are recorded against all the tax losses carried forward, to the extent that the existence of adequate future tax profits against which these losses may be utilised is probable. A significant discretional valuation is required of the directors to determine the amount of the deferred tax assets that can be booked. They must estimate the probable timing and amount of the future taxable profits as well as planning strategy for the future taxes.

- Others

The following elements of the financial statements are affected by management estimates and assumptions:
- inventory obsolescence;
- amortisation and depreciation;
- valuations of other assets.

FINANCIAL RISK MANAGEMENT

The principal risks identified, monitored and actively managed by Cremonini S.p.A. are the following:

- Market risks: deriving from company's exposure to the fluctuations in exchange rates and interest rates, and volatility of the prices of the products and services sold;
- Credit risk: deriving from the possibility of bankruptcy of a counterparty;
- Liquidity risk: deriving from the absence of financial resources to meet short-term financial commitments.

Cremonini S.p.A. utilises derivative financial instruments to hedge the exposure to interest rate risk. Nevertheless, in the cases in where the derivative financial instruments do not meet all the conditions provided for the accounting treatment of the hedging derivative financial instruments (hedge accounting), these are booked at the fair value with a contra entry to the income statement.

Market Risks
The market risk consists of the possibility that changes in the exchange rates, interest rates and prices of the products, can negatively influence the value of the assets, liabilities or expected cash flows.

Exchange rate risk
Cremonini S.p.A., operating mainly nationally, is marginally exposed to changes in exchange rates that therefore have little effect on the financial flows that originate from operations and loan transactions in currencies other than the European currency (Euro). The company's exposures in foreign currency derive from transactions of a commercial nature that amounted to 19 thousand Euro overall at 31 December 2008.

Sensitivity analysis
In consideration of the above comments, the changes in exchange rates with respect to the Euro should not have influenced Cremonini S.p.A.'s result for the period in any manner.

Interest rate risk
Cremonini S.p.A., as is evident from the net debt, is exposed to the risk of fluctuation in interest rates that affect the market value of financial assets and liabilities, and the amount of financial charges.

The medium/long-term loans are, almost totally, stipulated with variable interest rates exposing the company to the risk of a change in future cash flows while the fixed rate loans expose the company to the risk of a change of the fair value of the loans themselves. There are also some loans originally at variable interest rates for which hedging "interest rate swap" contracts were signed by means of which the variable Euribor rate was substituted with a fixed rate.

Sensitivity analysis

At 31 December 2008, a hypothetical increase of 5% in the interest rate, all other variables being equal, would have determined a higher pre-tax charge (and therefore a corresponding reduction of shareholders' equity) of about 451 thousand Euro on an annual basis (267 thousand Euro at 31 December 2007).

Credit risk

The credit risk represents the company's exposure to potential losses deriving from the counter party's failure to meet obligations assumed and is evaluated both in commercial terms, i.e., correlated to the customer typologies and to the contractual terms and concentration of the sales, and in financial terms connected to the typology of the counter parties utilised in financial transactions.

Management of trade credit is the responsibility of the Customers Office, Debt Recovery Office and Disputes Management on the basis of formalised valuation procedures for commercial partners' credit lines. This procedure permits the definition of those rules and operational mechanisms that ensure the generation of a payments flow such as to guarantee Cremonini S.p.A. customer solvability and the profitability of the relationship.

The monitoring of the customer is based on collection of data and information on the new customers (to permit a complete and correct evaluation of the risks that a new customer can contribute) and supervision of the evolution of individual credit positions. Furthermore, the receivables balance is monitored during the financial year so as to ensure that the delinquent positions are never significant.

The company's operating practices allow control of the credit risk, through a procedure that monitors the merit classes of the customers that request deferment of payments, thus limiting sales of products and/or services to customers without an adequate level of credit line and guarantees.

The credit risk is also mitigated by the fact that there are no major expositions due to a concentration of positions, in view of the multiple numbers of customers and particularly distributed turnover. With regard to the financial counterparty risk deriving from the use of liquidity, the company implements policies that limit the loan exposure with the individual financial institutions.

At the reference date of the financial statements, the maximum exposure to the credit risk is equal to the value of each category of the receivables indicated below:

(in thousands of Euros)	31.12.2008	31.12.2007
Current trade receivables	12,077	9,964
Other non-current assets	1,046	1,221
Other current assets	9,859	7,733
Total	**22,983**	**18,918**

The fair value of the categories indicated above is not shown as the book value represents a reasonable approximation.

Please refer to point 11 of the explanatory notes to the financial statements for information regarding the maximum exposure to credit risk.

Liquidity risk

The liquidity risk represents the risk that, due to the incapacity of raising new funds or liquidate assets in the market, the company cannot meet its payment obligations, determining an impact on the economic result in the case where the company is constricted to sustain additional costs to meet its commitments or, as an extreme consequence, a situation of insolvability that places the company's activities at risk.

Cremonini S.p.A. systematically respects the maturities of its commitments, a behaviour that allows it to operate in the market with the necessary flexibility and reliability for the purpose of maintaining a correct balance between the supply and use of financial resources.

Cremonini S.p.A. manages the liquidity risk through prudent control of the necessary cash and cash equivalents for the normal conduct of operations and availability of credit lines that guarantee a satisfying level of resources sufficient to cover any financial necessities. These controls mainly take place through the constant monitoring by the centralised treasury of the receipts and payments flows of all the companies, pursuing the maintenance of a balance in terms of duration and composition of the payables. This specifically allows the monitoring of the resources flows generated and absorbed by normal operations. With regard to management of the resources absorbed by the investment activities, in general it privileges the location of sources of specific long-term loans.

The table below analyses the financial liabilities and derivative financial liabilities on the basis of the contractual maturities as at the date of the financial statements. It is noted that the amounts indicated do not reflect the book values (with the exception of the balances within 12 months, for which the book balances reflect reasonable estimates of the financial flows, given the insignificance of the discounting effect) as they are not discounted. The financial flows from variable rate loans were estimated utilising the average rate of indebtedness at the reference date of the financial statements.

(in thousands of Euros)	Within 12 months	1-5 years	Over 5 years	Total
31 December 2008				
Financial payables	109,630	148,459	76,001	334,090
Financial instruments / Derivatives	-	-	-	-
Trade Liabilities	34,306	-	-	34,306
	143,936	**148,459**	**76,001**	**368,396**
31 December 2007				
Financial payables	149,868	112,935	22,916	285,719
Financial instruments / Derivatives	189	-	-	189
Trade Liabilities	28,487	-	-	28,487
	178,544	**112,935**	**22,916**	**314,395**

Classes of financial instruments

The following elements are booked conforming to the accounting standards relative to financial instruments:

(in thousands of Euros)		'31 December 2008	
Balance Sheet Assets	**Loans and Receibles**	**Derivates utilised for hedging**	**Total**
Other non-current receivable items	1,046		1,046
Current financial receivables	47,138		47,138
Current trade receivables	12,077		12,077
Current derivative financial instruments	3,633		3,633
Cash and cash equivalents	5,645		5,645
Other current receivable items	9,859		9,859
Total	**79,398**	**-**	**79,398**
Balance Sheet Liabilities	**Other financial liabilities**	**Derivates utilised for hedg.**	**Total**
Non-current financial payables	224,460		224,460
Current financial payables	109,630		109,630
Derivative financial instruments	33		33
Total	**334,123**	**-**	**334,123**

(in thousands of Euros)		'31 December 2007	
Balance Sheet Assets	**Loans and Receibles**	**Derivates utilised for hedging**	**Total**
Non-current financial receivables	84		84
Other non-current receivable items	1,221		1,221
Current financial receivables	81,494		81,494
Current trade receivables	9,964		9,964
Current derivative financial instruments	5,158		5,158
Current tax receivables	-	2,302	2,302
Cash and cash equivalents	21,335		21,335
Other current receivable items	7,733		7,733
Total	**126,989**	**2,302**	**129,291**
Balance Sheet Liabilities	**Other financial liabilities**	**Derivates utilised for hedg.**	**Total**
Non-current financial payables	135,851		135,851
Current financial payables	149,868		149,868
Derivative financial instruments	189		189
Total	**285,908**	**-**	**285,908**

Capital management policy
The company's primary aim, regard capital management, is to obtain an appropriate level of own funds in relation to debt, with the purpose of maintaining equity solidity and achieve a functional debt/equity ratio for the purpose of adequate management of the financial leverage.

For the purpose of reaching these objectives, the company, in addition to pursuance of satisfying financial results and the generation of cash flows, can intervene on the dividends policy and configuration of the company's capital.

The principal indicators that the company uses for capital management are:

1) R.O.S. (Return on sales);
2) R.O.I. (Return on investments);
3) R.O.A.C.E. (Return On Average Capital Employed);
4) R.O.E. (Return on equity);
5) Net Debt / Equity;
6) Net Debt /Ebitda.

Presentation of the financial statements
Balance Sheet, Income Statement and Statement of changes in shareholders' equity have been drawn in Euros while the financial statements and the explanatory notes have been drawn up in thousands of Euro in order to facilitate their presentation and interpretation.

Information included in the Directors' Report
With respect to the nature of the Group's business activities, the events of significance occurring after the end of the financial year, relationships with associated and related companies together with other information relating to the different business sectors in which the Group operates, please refer to the Directors' Report.

DETAILS OF THE MAIN ITEMS OF THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

Specific statements have been prepared for the two categories of non-current assets (tangible and intangible) which have been respectively attached in annex 3 and 4 that indicate for each item the historic cost, previous amortization and depreciation, changes over the period and final balances.

1. Tangible assets

(in thousands of Euros)	Balance at 31.12.2007	Purchases	Decreases	Other	Amort.	Balance at 31.12.2008
Land and buildings	71,108	647	(95)	473	(1,598)	70,535
Plant and machinery	8,719	1,285	(21)	1,250	(1,508)	9,725
Industrial and business equipment	964	443	(29)	20	(429)	969
Other assets	6,091	851	(133)	691	(1,344)	6,156
Fixed assets under construction and advances	322	9,183	(41)	(2,728)		6,736
Total	**87,204**	**12,409**	**(319)**	**(294)**	**(4,879)**	**94,121**

Land and buildings
The increases mainly refer to the improvements to buildings of the catering division. The other movements refer to reclassification of works completed in the period, which were previously recorded under the item "non-current assets in progress". The increase in the latter is, instead, ascribable to the refurbishment works of various station buffets.

As at 31 December 2008 two financial lease agreements were in force related to the acquisition of buildings. The following is a summary of the transactions.

	Ca' di Sola building	Legnano building
Commencement of the lease term	1-12-2004	1-12-2005
Duration finance lease	96 months	180 months
Nr. of lease payments	95 months	179 months
Value of the leased asset	12 million Euros	3 million Euros
Down-payment	1,200 thousand Euros	300 thousand Euros
Amount of the monthly payment	117 thousand Euros	18 thousand Euros
Interest rate	Euribor	Euribor
Amount of final option	1,200 thousand Euros	300 thousand Euros
2008 payments	1,588 thousand Euros	266 thousand Euros
Residual value as at 31 December 2008	5.4 million Euros	2.3 million Euros

The land and buildings are mortgaged for a total of 90,823 thousand Euro.

Plant and machinery
The investments mainly regarded the catering division and specifically 609.9 thousand Euro relates to the purchase of specific plant and 675.1 thousand Euro to improvements to third party plants. The other movements of the category mainly refer to reclassification of works previously recorded under the item "non-current assets in progress".

Industrial and business equipment
The main investments have been made in the catering division and relate to the purchase of kitchen equipment.

Other assets
The principal investments were made by the catering division (712.2 thousand Euro) and they refer, specifically, to the purchase of furniture and fittings for 532.4 thousand Euro, electrical machines for 95.4 thousand Euro, and electronic machines and tax registers for 84.4 thousand Euro. The increases of 139.1 thousand Euro in the holding division mainly refers to the purchase of furniture and fittings and electronic machines.

2. Goodwill

The item mainly includes the amount of the merger deficits relating to the company mergers and goodwill paid for acquisitions of business branches for the exercise of catering operations. The increase in the period mainly relates to goodwill paid for various station buffets.

Business Combinations realised after the year-end

As already shown in the Directors' Report, in the paragraph relating to the events subsequent to the year-end, it is noted that on 16 January 2009 the acquisition was completed and management commenced of the 12 sales outlets in the Fiumicino and Ciampino airports acquired from the Special Administrators of Cisim Food.

The value of the acquisition transaction, including the goods and equipment related to the business, is 12.1 million Euro.

(in thousands of Euros)	Cisim Food
Acquisition price	12,100
Costs directly attributable to the business combination	-
Total cost of the business combination	**12,100**
Fair value of assets acquired and contingent liabilities assumed	800
Goodwill	**11,300**

Temporally the combination cost, awaiting precise determination of the classes of assets, liabilities and potential liabilities acquired, was determined at the book values shown in the contract for the sale of the business branch. The details of the net assets and goodwill acquired, provisionally determined, are illustrated below:

Book values determined in conformity with the IFRS immediately prior to the combination	Cisim Food
Intangible fixed assets	30
Tangible fixed assets	425
Inventories	346
Fair value of assets acquired, liabilities and contingent liabilities assumed	**800**

At the date of preparation of these financial statements the price for this acquisition was paid in full.

3. Other intangible assets

(in thousands of Euros)	Balance at 31.12.2007	Purchases	Decreases	Other	Amort.	Balance at 31.12.2008
Patents and intellectual property rights	161	117	(42)	166	(185)	217
Concessions, licences, trademarks and similar rights	135				(17)	118
Fixed assets under development and advances	508	597	(215)	(205)		685
Long-term costs	1,560	16			(350)	1,226
Total	**2,364**	**730**	**(257)**	**(39)**	**(552)**	**2,246**

The other non-current intangible assets, which at 31 December 2008 amounted to 2,246 thousand Euro, are in line with respect to 2007. The purchases for the financial year (730 thousand Euro) refer to the costs of software licences.

4. Equity investments in subsidiaries and associated companies

The main changes in the financial year and other information on the subsidiaries and associated companies are set out in detail in annexes 5 and 6.

Equity investments in subsidiaries
The main changes that occurred during the 2008, regarded:

- The sale by Cremonini S.p.A. to Inalca S.p.A. of 100% of the share capital of Montana Alimentari S.p.A. for Euro 59,995 thousand;
- The sale by Cremonini S.p.A. to Inalca S.p.A. of 60% of the share capital of Tecno-star Due S.r.l. (full amount held) for Euro 5 thousand;
- The sale by Cremonini S.p.A. to JBS S.A. of 50% of the share capital of Inalca S.p.A. This transaction, prevalently realized through a share capital increase of the subsidiary, took place as follows:
  (i) sale by Cremonini S.p.A to JBS S.A. of 7,500,000 Inalca S.p.A. ordinary shares of a par value of Euro 1.00 each for Euro 16,355 thousand;
  (ii) increase of the share capital of Inalca S.p.A. with the issue of 98,148,148 ordinary shares for 1.528302 each (par value of 1 Euro plus a share premium of Euro 0.528302), reserved for JBS S.A. subject to waiver by Cremonini of the option right, for a counter value of Euro 150,000,000;
  (iii) a further increase of Inalca S.p.A.'s share capital with the issue of 41,851,852 shares with a par value of Euro 1.00 each, of which 34,351,852 ordinary shares were reserved for JBS S.A. and 7,500,000 ordinary shares for Cremonini S.p.A.;
- The increase in the equity investment in Società Agricola Bergognina S.r.l. from 94.0% to 100.0% (28 thousand Euro);
- The increase in the equity investment in MARR S.p.A. from 57.12% to 58.84% for 6.417 thousand Euro;
- The liquidation of Mutina Consulting S.r.l.;
- The payment to loss covering account of 3,900 thousand Euro in Chef Express S.p.A. and 692 thousand Euro in Cremonini Rail Iberica S.A.;
- The subscription of 2,027 thousand Euro for an increase in the share capital of Interjet S.r.l.;
- The write-down of the equity investments in Cremonini Rail Iberica S.A. and Interjet S.r.l. for 1,048 and 701 thousand Euro, respectively.

The excesses of the residual carrying value of the individual equity investments in subsidiaries with respect to the valuation using the shareholders' equity method (annex 6) are not to be attributed to enduring losses, as they are ascribable to the higher value of the assets held by the subsidiary or potential and start-up of industrial and commercial activities that they manage.

Equity investments in associated companies
You are referred to the details in Annex 5 for further details of the "Equity investments in associated companies".

5. Investments in other companies

You are referred to the details in Annex 5 for further details of the "Equity investments in other companies".

6. Non-current financial receivables

(in thousands of Euros)	**31.12.2008**	**31.12.2007**
Receivables from subsidiaries		
- SGD S.r.l.	0	84
Total	**0**	**84**

7. Deferred tax assets

The amount of deferred tax assets (1,935 thousand Euro) mainly refers to the tax effect (IRES and IRAP taxes) calculated on taxed provisions and on the write-down of financial assets tax deductibles in subsequent financial years.

The deferred tax assets, considered recoverable in future tax assessments, derive from the timing differences described below:

(in thousands of euros)	31.12.2008		31.12.2007	
	Amount of timing differences	Fiscal Effect	Amount of timing differences	Fiscal Effect
Advance Taxation				
Write-down of intangible fixed assets	2,345		2,345	
Write-down of tangible fixed assets	216		216	
Bad debt provision	1,619		1,026	
Taxed Provisions	1,269		1,024	
Interest payables deductable	1,241		-	
Other	345		42	
Total	**7,035**		**4,653**	
Taxable amount for IRPEG / IRES	**7,035**		**4,653**	
Tax Rate	27.50%		27.50%	
Advanced taxation for IRPEG / IRES		1,935		1,280
Taxable amount for IRAP	0		0	
Tax Rate	4.48%		4.48%	
Advanced taxation for IRAP		0		0
Total		**1,935**		**1,280**

8. Other non-current assets

(in thousands of Euros)	31.12.2008	31.12.2007
Tax assets	3	4
Other receivables	1,026	1,194
Accrued income and prepaid expenses	17	23
Total	**1,046**	**1,221**

CURRENT ASSETS

9. Inventories

The inventories include goods related to the catering activity for 3,350 thousand Euro (2,559 thousand Euro as of 31 December 2007).These inventories are not pledged nor subjected to other restrictions on ownership and the valuation does not substantially differ from current costs.

10. Current financial receivables

(in thousands of Euros)	31.12.2008	31.12.2007
Receivables from subsidiaries	46,900	81,206
Cremonini SEC cautionary deposit	145	195
Other financial receivables	93	93
Totale	**47,138**	**81,494**

The decrease of the Cremonini SEC security deposit is justified by the extinction of the securitization transaction.

The detail of the receivables from subsidiaries is reported below; you are referred to Annex 1 for further details:

(in thousands of Euros)	31.12.2008	31.12.2007
Receivables from subsidiaries	**32.964**	**63,341**
Alisea S.c.a r.l.	-	2
Chef Express S.p.A.	8,652	6,645
Cons. Centro Comm. Ingrosso Carni S.r.l.	1,932	2,577
Cremonini Rail Iberica S.A.	7,026	8,291
Cremonini Restauration S.A.S.	-	1,609
Ges.Car. S.r.l.	-	192
Global Service Logistics S.r.l.	1,299	194
Global Service S.r.l.	139	-
Guardamiglio S.r.l.	-	4,998
In.Al.Sarda S.r.l.	-	6
Interjet S.r.l.	925	1,730
Montana Alimentari S.p.A	-	283
Roadhouse Grill Italia S.r.l.	11,249	6,289
Salumi d'Emilia S.r.l.	-	18,523
Sara S.r.l.	-	586
SGD S.r.l.	-	4
Soc. Agr. Corticella S.r.l.	-	10,810
Società Agricola Bergognina S.r.l.	453	143
Tecno-Star Due S.r.l.	-	458
Time Vending S.r.l.	1,289	1
Receivables from subsidiaries for transferred tax payables	**13,936**	**17,865**
As.Ca. S.p.A.	651	773
Baldini Adriatica Pesca S.r.l.	235	-
Cons. Centro Comm. Ingrosso Carni S.r.l.	168	195
Ges.Car. S.r.l.	-	167
Global Service Logistics S.r.l.	89	-
Global Service S.r.l.	91	105
Guardamiglio S.r.l.	-	131
Marr S.p.A.	12,290	15,450
Marr Alisurgel S.r.l.	8	-
Montana Alimentari S.p.A	-	457
New Catering S.r.l.	275	-
Salumi d'Emilia S.r.l.	-	352
Sfera S.p.A.	129	58
Soc. Agr. Corticella S.r.l.	-	145
Tecno-Star Due S.r.l.	-	32
Total	**46,900**	**81,206**

The financial receivables from subsidiaries refer to the financial relationships regulated through the ordinary treasury current account, the conditions of which are aligned to the conditions normally applied by banks. Specifically, Euribor plus a spread that varies according to the debit or credit balances over the year is utilised as the reference rate.

11. Current trade receivables

Trade receivables are broken down as follows:

(in thousands of Euros)	31.12.2008	31.12.2007
Receivables from customers	**9,767**	**8,794**
Due within 12 months	11,052	9,827
Provision for bad debts	(1,285)	(1,033)
Receivables from subsidiaries	**2,265**	**1,081**
As.Ca. S.p.A.	73	1
Autoplose GmbH	2	-
Chef Express S.p.A.	531	139
Corticella S.r.l.	1	-
Cremonini Rail Iberica S.A.	30	-
Cremonini Restauration S.a.s.	185	-
Frimo S.a.m.	10	16
Global Service Logistics S.r.l.	80	-
Global Service S.r.l.	66	12
Guardamiglio S.r.l.	5	-
INALCA S.p.A.	41	-
Marr S.p.A.	630	2
Momentum Services Ltd.	113	465
Montana Alimentari S.p.A	32	-
Railrest S.A.	120	378
Realfood3 S.r.l.	15	-
Roadhouse Grill Italia S.r.l.	58	7
Salumi d'Emilia S.r.l.	5	-
Sfera S.p.A.	55	-
Tecnostar S.r.l.	5	-
Time Vending S.r.l.	208	61
Receivables from associated companies	**45**	**44**
Food & Co. S.r.l.	45	44
Receivables from related companies	**0**	**45**
Fiorani & C. S.p.A.	-	45
Total	**12,077**	**9,964**

The amount of receivables from customers includes receivables from Trenitalia of approximately 2,437 thousand Euro (2,119 thousand Euro as at 31 December 2007).
It is noted that the contract with Trenitalia for the concession for catering services on the trains managed by the latter will expire at 30 June 2009. Cremonini, which has already operated with the granting company for some years and has a consolidated commercial relationship with that company, considers it responds to the requisites of quality and experience required and is confident of the continuation of the contractual relationship.

The change in the provision for bad debts was as follows:

(in thousands of euros)	31.12.2008	31.12.2007
Initial balance	1,033	438
Utilized during the year	(17)	(53)
Accruals during the year	269	648
Final balance	**1,285**	**1,033**

At 31 December 2008 the trade receivables and bad debts provision are apportioned by maturity as follows:

(in thousands of euros)	31.12.2008		31.12.2007	
	Amount	Bad Debt prov.	Amount	Bad Debt prov.
Trade receivables not overdue	7,683		5,724	
Overdue up to 30 days	903	(120)	1,131	(55)
Overdue from 31 to 60 days	527	(3)	862	(47)
Overdue from 61 to 90 days	207	(23)	268	(33)
Overdue from 91 to 120 days	207	(32)	241	(21)
Overdue over 120 days	1,525	(1,107)	1,601	(877)
Total	**11,052**	**(1,285)**	**9,827**	**(1,033)**

12. Current tax assets

(in thousands of euros)	31.12.2008	31.12.2007
Receivables for advance on direct taxes	2,755	4,211
Receivables for withholdings	474	31
VAT credit and other taxes requested for reimbursement	49	527
Other sundry receivables	370	405
Provision for bad debts	(15)	(16)
Total	**3,633**	**5,158**

13. Cash and cash equivalents

(in thousands of euros)	31.12.2008	31.12.2007
Cash	2,470	2,293
Bank and postal accounts	3,175	19,042
Total	**5,645**	**21,335**

The balance represents the cash on hand and cash equivalents at the year-end. For changes in the financial position please refer to the cash flow statement.

14. Other current assets

(in thousands of euros)	31.12.2008	31.12.2007
Accrued income and prepaid expenses	362	1,707
Other receivables		
Advances to suppliers	341	289
Receivables from insurance companies	80	80
Receivables from social security institutions	374	381
Receivables from employees	43	27
Guarantee deposits	3,760	70
Other sundry receivables	5,323	5,223
Provision for bad debts	(424)	(44)
Total	**9,859**	**7,733**

The increase in the balance is mainly ascribable to the increase in the item "Confirmatory down payments" and is substantially ascribable to a guarantee for the good execution of the acquisition contract for the 12 Cisim Food catering outlets.

SHAREHOLDERS' EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY

As far as changes are concerned, please refer to the statement of changes in equity.

15. Share capital

The share capital as at 31 December 2008 of Euro 67,073,932 is represented by 128,988,330 ordinary shares of the Parent Company Cremonini S.p.A., with a par value of Euro 0.52 each, fully subscribed and paid up, with normal rights.

Treasury stock
As at 31 December 2008 the Parent Company didn't hold any treasury stock (12,831,670 as at 31 December 2007). In the month of December 2008 the share capital was reduced by cancellation of the treasury shares approved by the Shareholders' Meeting of Cremonini S.p.A. on 15 September 2008.

16. Reserves

Share premium reserve
This reserve is made up of the share premium paid by the shareholders at the time of the Public Subscription Offer in 1998. This reserve amounting to 78,280 thousand Euro has not undergone changes compared to 31 December 2007.

Legal reserve
The legal reserve amounting to 14,749 thousand Euro remained unchanged in the financial year, having reached the limit referred to in Article 2430 of the Italian Civil Code.

Reserve for transition to IAS
This is the reserve set up following the first-time adoption of the International Accounting Standards.

Reserve for treasury stock
This reserve was reversed following the cancellation of the treasury shares.

Merger deficit
The inverse merger between Cremonini S.p.A. and Cremonini Investimenti S.r.l. (the company through which the delisting of Cremonini S.p.A. was completed) took place on 31/12/2008. The cancellation of the carrying value of the equity investment in Cremonini S.p.A. (of 200,954 thousand Euro) against the shareholders' equity held by Cremonini Investimenti S.r.l. (54,575 thousand Euro) generated a deficit of 146,379 thousand Euro.

Cash flow hedge reserve
The cash flow hedge reserve records the profits or losses deriving from the valuation of the financial instruments designated to hedge loans at variable interest rates.

Basic earnings per share
Basic earnings per share as at 31 December 2008 amounted to 0.2344 Euro (Euro 0.0842 as at 31 December 2007) and has been calculated on the basis of net profits of Euro 30,235,184 thousand divided by the weighted average number of ordinary shares in 2008 equal to 128,988,330.

Diluted earnings per share
There is no difference between the basic and diluted earnings per share.

NON-CURRENT LIABILITIES

17. Non-current financial payables

(in thousands of Euros)	31.12.2008	31.12.2007
Due between 1 and 5 years		
Payables to banks	143,685	106,927
Payables to other financial institutions	4,774	6,008
Total payables due between 1 and 5 years	**148,459**	**112,935**
Due beyond 5 years		
Payables to banks	74,414	21,170
Payables to other financial institutions	1,587	1,746
Total payables due beyond 5 years	**76,001**	**22,916**
Total	**224,460**	**135,851**

The break down of payables to banks, with the indication of the interest rates applied, is shown below:

(in thousands of Euros)	Credit line	Interest Rate	Current	Between 1 and 5 years	Beyond 5 years	Total 31.12.2008
Overdraft	10,868	Euribor 1m + 1.50%	3,490	-	-	3,490
Advances on invoices Italy	28,399	Euribor 1m + 0.4%	15,098	-	-	15,098
Hot Money	84,000	Euribor + 0.6%	1,001	-	-	1,001
Mortgages			67,091	143,685	74,414	285,190
Other			241	-	-	241
Total			**86,921**	**143,685**	**74,414**	**305,020**

The composition of the mortgages is as follows:

Bank	Interest Rate	Expiry date	Current	Between 1 and 5 years	Beyond 5 years	Total 31.12.2008
Centrobanca	Euribor 3 m + 0.70%	31-12-13	-	17,500	-	17,500
Credito Italiano	Euribor 3 m + 0.58%	30-09-09	968	-	-	968
Credito Italiano	Euribor 6 m + 0.85%	30-06-13	2,143	7,500	-	9,643
Banca Pop. Verona	Euribor 3 m + 0.80%	31-03-09	9,191	-	-	9,191
Banca Pop. Verona	Euribor 6 m + 0.80%	31-07-11	6,405	13,595	-	20,000
Banca Pop. Vicenza	Euribor 3 m + 0.60%	02-10-09	10,000	-	-	10,000
Banca Antoniana	Euribor 3 m + 0.80%	27-11-09	15,000	-	-	15,000
Banca Carige	Euribor 6 m + 0.50%	31-03-10	3,394	1,744	-	5,138
Carisbo	Euribor 6 m + 0.80%	16-10-11	5,714	11,429	-	17,143
Cassa Risp. di PR e PC	Euribor 6 m + 0.80%	26-02-10	-	10,000	-	10,000
Cassa Risparmio di Forli	Euribor 6 m + 0.73%	18-07-11	998	2,117	-	3,115
Rabobank	Euribor 3 m + 0.60%	17-06-09	15,000	-	-	15,000
Unicredit	Euribor 6 m + 1.85%	30-06-15	-	79,800	34,200	114,000
Unicredit	Euribor 6 m + 1.85%	30-06-15	-	-	40,214	40,214
Amortized Costs			(2,558)	-	-	(2,558)
Interest payable accrued			836	-	-	836
Total			**67,091**	**143,685**	**74,414**	**285,190**

The amounts due to other financial institutions, detailed in the following table, are the payables deriving from the recording of the leasing contracts in accordance with the financial method.

Other financial institutions	Interest rate	Expiry date	Current	Between 1 and 5 years	Beyond 5 years	Total 31.12.2008
BNP Paribas S.p.A. (ex Locafit S.p.A.)	Euribor 3m	01-12-12	1,257	4,174		5,431
Banca Italease	Euribor 3m	01-12-20	136	600	1,587	2,323
Total			**1,393**	**4,774**	**1,587**	**7,754**

Net Debt

The Net Debt and the detail of its principal components are shown below.

(in thousands of Euros)	31.12.2008	31.12.2007
A. Cash	2,470	2,293
B. Cash equivalent	3,175	19,042
C. Financial assets held for sale	0	0
D. Liquidity (A) + (B) + (C)	**5,645**	**21,335**
E. Current financial assets	**32,656**	**63,393**
F. Current bank liabilities	86,922	94,197
G. Current financial instruments	0	(2,113)
H. Other current financial liabilities	4,289	32,153
I- Current financial liabilities	**91,211**	**124,237**
J. Current net debt (I) - (E) - (D)	**52,910**	**39,509**
K. Non current bank liabilities	218,098	128,097
L. Bonds	0	0
M. Other non current financial liabilities	6,361	7,754
N. Non current financial instruments	33	0
O. Non current debt (K) + (L) + (M) + (N)	**224,492**	**135,851**
P. Net Debt (J) + (O)	**277,402**	**175,360**

The covenants on loans in force as at 31 December 2008, all completely complied with, are listed in the following table.

(in thousands of Euros)	Carisbo [(a)]	Antonveneta [(a)]
Amount of the loans as at 31 December 2008	17,143	15,000
Expiry date	16-10-2011	27-11-2009
Covenants		
Net Debt/Equity	<= 2	<= 3.5
Net Debt/Ebitda	<= 5.5	<= 5.0

(a) compliance with the covenants is carefully verified annually based on the data of the consolidated and audited financial statements of the Cremonini Group as at 31 December and the contractual verification of these is not provided for during the course of the year.

With reference to the Carisbo loan it is noted that as at 31 December 2008, as an effect of the aforesaid merger of Cremonini S.p.A. with the special purpose vehicle company through which the delisting process of Cremonini S.p.A. was completed, the relationship between net financial debt and the consolidated shareholders' equity exceeded that defined contractually.
Consequently Cremonini S.p.A. has requested the Financing Bank for a revision of the covenant, in light of the changed equity and financial structures and based on the original configuration of the parameters, for the purpose of reinstating the desired characteristics of stability and flexibility of the Group's financial structure.
As at the date of these financial statements, though the waiver had not yet been approved, it is noted that the Bank's Corporate Office, after having examined the reasons for exceeding the financial parameter, prepared a dossier and sent it with a favourable opinion to the decision-making bodies for ratification.
The covenant relating to the Antonveneta loan has been respected.

18. Liabilities from derivative instruments

The Group uses financial instruments offered by the market (including the so-called "derivatives") solely with a view to optimise debt costs and to hedge the risk of fluctuation in interest and exchange rates.

On 31 December 2008 the Company was involved in some "interest rate swap" hedging contracts, which substituted the variable Euribor rate with a fixed rate. These transactions, accounted for with the "hedge accounting" criteria, are shown below:

- "interest rate swap" contract with BNL for 5.4 million (maturity 01.04.2012);

The valuation of these hedge contracts led to the recording of an asset of 33 thousand Euro that, in compliance with the IAS, was recorded in shareholders' equity and booked to the income statement neutralizing the economic effects produced by the underlying transactions.

19. Employee benefits

The item includes the payable for staff severance indemnities and the movement in which in the period was the following:

(in thousands of Euros)	31.12.2008	31.12.2007
Opening balance	9,746	11,437
Use for the financial year	(1,228)	(1,483)
Transfers	20	-
Accrued for the year	432	467
Other changes	6	(675)
Closing balance	**8,976**	**9,746**

"Other movements" of 2007 includes 937 thousand Euro relating to the "Curtailment" effect deriving from the actuarial calculation of the staff severance indemnities, conducted in compliance with Law no. 296 of 27 December 2006 ("2007 financial law") and subsequent decrees and regulations as better described in the "Accounting Principles" section. Following this effect a negative 258 thousand Euro is included in the same item, being actuarial losses not previously accounted for. Both the effects were booked to the income statement under "Personnel costs", the detail for which is shown in note no. 30.

The following table shows the current value of the obligations (DBO - Defined Benefit Obligation) and unrecognised actuarial loss at the date of the financial statements resulting from the application of the corridor method.

(in thousands of Euros)	31.12.2008	31.12.2007
Current value of the bonds	9,909	9,758
Unrecognised actuarial (loss)/profit	(933)	(12)
Total	**8,976**	**9,746**

20. Provisions for liabilities and charges

(in thousands of Euros)	31.12.2008	31.12.2007
Provisions for taxes	101	101
Labour disputes	406	353
Minor lawsuits and disputes	536	459
Provision for risks and losses	452	213
Total	**1,495**	**1,126**

21. Deferred tax liabilities

As at 31 December 2008 this item totalling 7,742 thousand Euro was mainly composed of deferred tax liabilities deriving from the revaluation of land and buildings upon the transition to the international accounting standards.

		31.12.2008		31.12.2007
(in thousands of Euros)	Amount of timing differences	Fiscal Effect	Amount of timing differences	Fiscal Effect
Advance Taxation				
Write-down of financial fixed assets				
Write-down of intangible fixed assets	565		1,770	
Acceletated Depreciation	1,707		1,057	
Derivatives - Cash Flow Hedge	395		4,914	
Derivati Attivi - Cash Flow Hedge	-		2,257	
Temporary IAS differences	25,485		25,665	
Other			153	
Total	**28,152**		**35,816**	
Taxable amount for IRPEG / IRES	28,152		35,816	
Tax Rate	27.5%		27.5%	
Advanced taxation for IRPEG / IRES		7,742		9,849
Taxable amount for IRAP			10,831	
Tax Rate	4.48%		4.48%	
Advanced taxation for IRAP		0		485
Total		**7,742**		**10,335**

CURRENT LIABILITIES

22. Current financial payables

(in thousands of Euros)	31.12.2008	31.12.2007
Payables to subsidiaries	21,116	54,323
Payables controlling companies	200	-
Payables to banks	86,921	94,197
Payables to other financial institutions	1,393	1,348
Closing balance	**109,630**	**149,868**

With regard to the change in bank payables compared to the previous year please refer to the cash flow statement and comments in the Directors' Report with reference to the net debt.

The detail of the payables to subsidiaries is reported below; please refer to Annex 1 for further details:

(in thousands of Euros)	31.12.2008	31.12.2007
Payables to consolidated subsidiaries	**2,896**	**30,804**
Cremonini Restauration S.a.s	13	-
Global Service S.r.l.	-	208
Inalca S.p.A.	-	126
Marr S.p.A.	1,290	1,187
Momentum Services Ltd.	-	700
Montana Alimentari S.p.A	-	26,541
Railrest S.A.	1,173	1,173
Realfood 3 S.r.l.	-	218
Roadhouse Grill Padova S.r.l.	413	-
SGD S.r.l.	7	651
Payables to unconsolidated subsidiaries	**413**	**441**
Fernie S.r.l. in liq.	413	441
Payables to subsidiaries for transferred tax receivables	**17,807**	**23,078**
As.Ca. S.p.A.	739	689
Baldini Adriatica Pesca S.r.l.	104	-
Chef Express S.p.A.	1,035	815
Cons. Centro Comm. Ingrosso Carni S.r.l.	189	191
Ges.Car. S.r.l.	-	62
Global Service Logistics S.r.l.	66	-
Global Service S.r.l.	102	109
Guardamiglio S.r.l.	-	73
In.Al.Sarda S.r.l.	-	84
Inalca S.p.A.	-	4,616
Interjet S.r.l.	248	630
Marr S.p.A.	14,908	13,951
Montana Alimentari S.p.A	-	786
New Catering S.r.l.	251	-
Realfood 3 S.r.l.	-	682
Roadhouse Grill Italia S.r.l.	67	-
Sara S.r.l.	-	215
Sfera S.p.A.	32	117
Società Agricola Bergognina S.r.l.	9	12
TimeVending S.r.l.	57	-
Tecnostar Due S.r.l.	-	46
Total	**21,116**	**54,323**

Relative to the financial payables to consolidated companies please refer to the description in the item "current financial receivables" (note 10).

23. Current taxes payable

(in thousands of Euros)	31.12.2008	31.12.2007
VAT	464	-
Withholding taxes	1,210	1,442
Substitute taxes and other taxes payable	84	81
Total	**1,758**	**1,523**

24. Current trade payables

(in thousands of Euros)	31.12.2008	31.12.2007
Suppliers	**27,613**	**24,304**
Payables to consolidated subsidiaries	**6,693**	**4,183**
Alisea S.c. a r.l.	23	-
Chef Express S.p.A.	73	20
Cons. Centro Comm. Ingrosso Carni S.r.l.	4	-
Cremonini Restauration S.A.S.	93	41
Global Service Logistics S.r.l.	2,549	1,537
Global Service S.r.l.	131	107
INALCA S.p.A.	539	39
Interjet S.r.l.	4	-
Marr S.p.A.	1,716	1,368
Momentum Services Ltd.	56	19
Montana Alimentari S.p.A	979	974
Railrest S.A.	27	14
Roadhouse Grill Italia S.r.l.	258	2
SGD S.r.l.	14	7
Società Agricola Bergognina S.r.l.	12	-
Tecnostar Due S.r.l.	36	36
Time Vending S.r.l.	179	19
Total	**34,306**	**28,487**

The payable to Global Service Logistics S.r.l. relates to the supply of logistical, management and goods handling services in railway stations on behalf of Cremonini S.p.A.

25. Other current liabilities

(in thousands of Euros)	31.12.2008	31.12.2007
Accrued expenses and deferred income	326	261
Inps/Inail/Scau	1,333	1,238
Inpdai/Previndai/Fasi/Besusso	399	132
Debiti verso istituti diversi	313	261
Other payables		
Advances and other payables from customers	2	8
Payables for employee remuneration	5,674	4,904
Payables for acquisition of equity investments:		
- Biancheri & C. S.r.l.	173	173
- Buffets	534	-
Guarantee deposits and down payments received	270	269
Payables to directors and auditors	96	325
Other minor payables	610	1,738
Total	**9,730**	**9,309**

Payables due to employees include current salaries still to be paid as at 31 December 2008 and the allocations set aside for deferred remuneration. The increase compared to the 2007 financial year is consequent to the salary trends and inflation.

The item "Payable for acquisition of equity investments" refers to Biancheri & C. S.r.l. and to various station buffets acquired during the financial year.

GUARANTEES, SURETIES AND COMMITMENTS

(in thousands of Euros)	31.12.2008	31.12.2007
Direct guarantees – sureties		
- subsidiaries	127,238	297,250
- related companies	120	120
- other companies	28,673	31,238
	156,031	328,608
Direct guarantees – letter of comfort		
- subsidiaries	120,034	166,460
- associated companies	100	100
	120,134	166,560
Direct guarantees – credit mandates		
- subsidiaries	100,013	136,807
	100,013	136,807
Other risks and commitments	39,460	292
Total guarantees, sureties and commitments	**415,638**	**632,267**

Direct guarantees - sureties

These guarantees include both the guarantees given directly by the companies, in the interests of both Group companies and third parties to banks for loans or credit lines, and those guarantees for which the Parent Company is jointly liable, given by banks or insurance companies, for a variety of commercial transactions, Group VAT set-offs, participation in tenders, etc.

Related companies - With respect to guarantees given for the benefit of related companies, amounting to 120 thousand Euro, please refer to the paragraph "Relationships with unconsolidated subsidiaries, associated, controlling and related companies" in the Directors' Report.

Other companies - It should be noted that, with reference to guarantees given to "Other companies", this is the classification normally given to guarantees given directly to third parties by Group companies, but exclusively in their own interests. Such guarantees are rarely given in the interests of third-party companies and even in such a case, in the context of transactions effected for the benefit of Group companies. In particular this item includes the following (in thousands of Euro):

Company to which the guarantee is provided	Beneficiary	Amount	Reason
Revenue Office/ VAT Office Modena	Cremonini S.p.A. and other subsidiaries	4,071	VAT for compensation
Customs Office	Cremonini S.p.A. and other subsidiaries	134	Customs rights
Ferrovie dello Stato and operating companies (Grandi Stazioni, Cento Stazioni, Fer Servizi, Trenitalia, etc.)	Cremonini S.p.A.	23,072	Guaranteeing concessions for on-board catering services, station buffets and operation of storage facilities.
Other minor items	Cremonini S.p.A. and other subsidiaries	1,396	Administration of rented properties, energy supplies, credit cards, successful conclusion of contracts, etc.
Total		**28,673**	

Direct guarantees - comfort letters

Comfort letters are exclusively concerned with guarantees given to banks for the grant of loans or credit lines and include "simple" comfort letters of the Parent Company for 56,901 thousand Euro.

Indirect guarantees - credit mandates

Credit mandates relate to bank overdrafts and endorsement credits of subsidiaries guaranteed by credit lines granted by banks to the Company.

DETAILS OF THE MAIN ITEMS OF THE INCOME STATEMENT

26. Revenues

These are broken down as follows:

(in thousands of Euros)	2008	2007
Revenues from sales - Goods for resale	5,714	6,715
Revenues from sales - Others	15,147	12,084
Revenues from services	117,347	112,944
Advisory services to third parties	4,651	4,207
Rent income	3,488	3,585
Other revenues from ordinary activities	852	1,262
Total	**147,199**	**140,797**

Below is a break-down of revenues by geographical area:

(in thousands of Euros)	2008	2007
Italy	144,423	138,442
European Union	2,161	2,266
Non-EU countries	615	89
Total	**147,199**	**140,797**

27. Other revenues

(in thousands of Euros)	2008	2007
Contributions by suppliers and others	1,258	1,508
Other sundry revenues	1,761	1,754
Total	**3,019**	**3,262**

The item "Contributions by suppliers and others" mainly includes the contributions obtained for various matters from suppliers for commercial promotion of their products to our customers.

Sundry revenues

(in thousands of Euros)	2008	2007
Insurance reimbursements	36	91
Capital gains on disposal of capital goods	16	6
Other cost reimbursements	862	1,061
Services, consultancy and other minor revenues	847	596
Total	**1,761**	**1,754**

28. Costs for purchases

(in thousands of Euros)	2008	2007
Costs for purchases - Goods for resale	(30,232)	(29,254)
Costs for purchases - Secondary materials, consumables, semi-finished goods, packages	(2,412)	(2,442)
Costs for purchases - Stationery and printed paper	(203)	(180)
Changes in inventories of raw materials, secondary materials, consumables and goods for resale	786	266
Other costs for purchases	(13,524)	(10,728)
Total	**(45,585)**	**(42,338)**

29. Other operating costs

(in thousands of Euros)	2008	2007
Costs for services	(36,999)	(32,578)
Costs for leases and rentals	(16,591)	(14,787)
Other operating charges	(2,962)	(2,468)
Total	**(56,552)**	**(49,833)**

Costs for services

(in thousands of Euros)	2008	2007
Energy consumption and utilities	(2,855)	(2,408)
Maintenance and repairs	(3,200)	(3,330)
Transport on sales	(31)	(42)
Commisions, commercial and distribution services	(3,908)	(4,357)
Third-party services and outsourcing	(865)	(712)
Purchasing services	(192)	(248)
Franchising	(4,212)	(4,634)
Other technical and general services	(21,736)	(16,847)
Total	**(36,999)**	**(32,578)**

Costs for leases and rentals

(in thousands of Euros)	2008	2007
Instalments payable	(12,807)	(11,267)
Royalties	(1,370)	(1,215)
Lease of business premises, royalties and others	**(14,177)**	**(12,482)**
Leasing	(330)	(407)
Rents and charges payable other property assets	(2,084)	(1,898)
Leases and rentals related to real and personal property	**(2,414)**	**(2,305)**
Total	**(16,591)**	**(14,787)**

The leases of business premises, royalties and others mainly include the leases of railway station buffets and other catering premises. The increase in cost compared to the previous year refers to the increase in the number of premises and service stations managed by the business operating in the catering sector.

Other operating charges

(in thousands of Euros)	2008	2007
Indirect taxes and duties	(1,188)	(902)
Capital losses on disposal of assets	(275)	(313)
Contributions and membership fees	(125)	(124)
Other minor costs	(1,374)	(1,129)
Total	**(2,962)**	**(2,468)**

30. Personnel costs

(in thousands of Euros)	2008	2007
Salaries and wages	(31,765)	(29,787)
Social security contributions	(8,414)	(8,237)
Staff Severance Provision	(1,969)	(1,100)
Total	**(42,148)**	**(39,124)**

The increase in personnel costs is mainly due to the increases in staff in the catering sector, linked to the development of the sales points.

On 31 December 2008 the Company employed a total staff of 1,726 persons, as follows:

	Factory staff	Office staff	Managers	Total
Employees as at 31.12.2007	1,453	163	16	1,632
Employees as at 31.12.2008	**1,566**	**144**	**16**	**1,726**
Increases (decreases)	113	(19)	0	94
Average no. of employees during year	**1,686**	**175**	**17**	**1,878**

31. Amortization, depreciation and write-downs

(in thousands of Euros)	2008	2007
Depreciation of tangible assets	(4,880)	(4,585)
Amortization of intangible assets	(552)	(477)
Other write-downs of fixed assets	(144)	(355)
Write-downs and provisions	(1,293)	(1,131)
Total	**(6,869)**	**(6,548)**

Write-downs and provisions

(in thousands of Euros)	2008	2007
Receivables write-downs	(649)	(648)
Other provisions	(644)	(483)
Total	**(1,293)**	**(1,131)**

32. Revenue from equity investments

(in thousands of Euros)	2008	2007
Income (Charges) from investments in subs.	41,291	14,665
Income (Charges) from investments in ass. comp.	186	-
Income (Charges) from investments in other comp.	55	202
Write-down of investments	(1,749)	(1,986)
Total	**39,783**	**12,881**

Income (Charges) from equity investments in subsidiaries

(in thousands of Euros)	2008	2007
Dividends from subsidiaries		
Cremonini Restauration S.A.S.	933	465
Global Service S.r.l.	160	164
Marr S.p.A.	15,247	13,650
Momentum Services Ltd	816	204
Railrest S.A.	1,071	184
Other income (Charges) from investments in subsidiaries		
Income from investments disposal	23,067	-
Other minor	(3)	(2)
Total	**41,291**	**14,665**

The dividends from subsidiary companies constitute profits allocated for distribution by some subsidiaries and refer, as shown in the table, to MARR S.p.A, Cremonini Restauration S.A.S., Momentum Services Ltd, Railrest S.A and Global Service S.r.l.

The income from equity investments is ascribable to the gains realised from the disposal of the equity investments in INALCA S.p.A and Montana Alimentari S.p.A., which respectively contributed 8,582 thousand Euro and 14,485 thousand Euro.

Write-downs of investments

(in thousands of Euros)	2008	2007
Azienda Agricola Serra della Spina S.r.l.	-	(10)
Cremonini Rail Iberica S.A.	(1,048)	(941)
Interjet S.r.l.	(701)	(1,033)
Mutina Consulting S.r.l liquidata	-	(2)
Total	**(1,749)**	**(1,986)**

33. Financial income and charges

(in thousands of Euros)	2008	2007
Net exchange rate differences	(1)	(6)
Income (Charges) from management of derivatives	3,622	1,114
Net financial Income (Charges)	(14,250)	(8,859)
Total	**(10,629)**	**(7,751)**

Exchange rate differences

(in thousands of Euros)	2008	2007
Realised net exchange rate differences	(3)	(6)
Net exchange rates valuation differences	2	-
Total	**(1)**	**(6)**

"Net exchange rate valuation differences" refer to the valuation of existing balance sheet balances in foreign currencies at the year-end exchange rate.

Income (charges) from management of derivatives

(in thousands of Euros)	2008	2007
Realized Income from management of derivatives	2,928	550
Realized Charges from management of derivatives	(1)	(2,519)
Valuation Income from management of derivatives	695	3,083
Valuation Charges from management of derivatives	-	-
Total	**3,622**	**1,114**

The item "Income realised from derivatives management" includes the financial income of 1.8 million Euro deriving from the closure of one of the derivative hedging instruments ("interest rate swap" contract), by which the variable Euribor rate was substituted with a fixed rate of 3.175%.
The "Income from management of valuation of derivatives" of 694 thousand euro is instead ascribable to the fair value valuation of the derivative contracts on the existing interest rates at 31 December 2008.

Net financial income (charges)

(in thousands of Euros)	2008	2007
Financial Income (Charges) from subsidiaries	**2,268**	**2,610**
Financial income		
- Bank interest receivable	1,793	118
- Other financial income	63	22
Total financial income	**1,856**	**140**
Financial charges		
- Interest payable on loans	(15,320)	(8,041)
- Interest payable on factoring	(337)	(429)
- Interest payable on current accounts and others	(1,755)	(2,024)
- Other bank charges	(14)	(66)
- Other sundry charges	(948)	(1,049)
Total financial charges	**(18,374)**	**(11,609)**
Total	**(14,250)**	**(8,859)**

The item groups together the total interest payable connected to the Group treasury service and interest, commissions and charges from banks and other financiers. These charges increased in 2008 mainly following the interest rates trend and average amounts of the corresponding balances.

Below is the break-down of financial charges and income to/from subsidiaries:

(in thousands of Euros)	2008	2007
Alisea S.c. a r.l.	1	-
Chef Express S.p.A.	725	305
Cons. Centro Comm. Ingrosso Carni S.r.l.	140	159
Cremonini Rail Iberica S.A.	493	416
Cremonini Restauration S.A.S.	137	82
Domogel S.r.l.	-	2
Ges.Car. S.r.l.	2	18
Global Service Logistics S.r.l.	45	31
Global Service S.r.l.	(6)	(12)
Guardamiglio S.r.l.	51	258
In.Al.Sarda S.r.l.	2	29
INALCA S.p.A.	69	308
Interjet S.r.l.	75	88
Marr S.p.A.	(17)	19
Momentum Services Ltd	(7)	(20)
Montana Alimentari S.p.A	(186)	(1,220)
Railrest S.A.	(54)	(57)
Realfood 3 S.r.l.	16	(13)
Roadhouse Grill Italia S.r.l.	477	245
Roadhouse Grill Padova S.r.l.	(9)	-
Salumi d'Emilia S.r.l.	186	1,099
Sara S.r.l.	7	13
SGD S.r.l.	(17)	(28)
Soc. Agr. Corticella S.r.l.	108	881
Tecnostar Due S.r.l.	3	9
Time Vending S.r.l.	28	(2)
Total	**2,268**	**2,610**

34. Income taxes

(in thousands of Euros)	2008	2007
IRES	(11,491)	(9,724)
Net income from subs. for transferred taxable amounts	12,547	10,838
	1,056	**1,114**
IRAP	(1,097)	(1,701)
Provision for deferred/pre-paid taxes	2,060	76
	963	**(1,625)**
Total	**2,019**	**(511)**

The IRES balance refers to costs resulting from the tax consolidation to which Cremonini S.p.A. adhered in the role of consolidator. The cost for deferred taxes mainly refers to the different tax deductibility of amortization and depreciation recorded and to the different accounting treatment of financial lease contracts.

RECONCILIATION OF THEORETICAL TAX BURDEN AND ACTUAL TAX BURDEN

IRES

(in thousands of Euros)	Year 2008		Year 2007	
	Taxable amount	Tax	Taxable amount	Tax
Profit before taxation	**28,216**		**11,347**	
Taxation rate	27.5%		33.0%	
Theoretical tax burden		7.759		3,745
Permanent differences				
Non-deductible amortization and depreciation	315		401	
Write-down of financial assets (non-deductible part)	1,749		-	
Taxes and tax amnesties	51		88	
Other non-deductible costs	1,522		3,380	
Total	**3,637**		**3,869**	
Dividends from foreign companies	(17,098)		(14,125)	
Irap deductible	(206)			
Gains on disposals subject to substitute tax	(20,970)		-	
Other	(183)		(380)	
Total	**(38,457)**		**(14,505)**	
Timing differences deductible in future years				
Provisions to taxed funds	732		1,080	
Interest payables	1,241			
Other	1,745		1,614	
Total	**3,718**		**2,694**	
Timing differences taxable in future years				
Other	-		(1,193)	
Total	**0**		**(1,193)**	
Reversal of timing diff. from previous years				
Receipt of dividends related to previous year	-		1.211	
Total	**0**		**1,211**	
Use of taxed provisions	(274)		(509)	
Write-down of financial assets	-		(1,411)	
Other	(679)		(4,879)	
Total	**(953)**		**(6,799)**	
Taxable income	**(3,839)**		**(3,376)**	
Tax rate	27.5%		33.0%	
Actual tax durden		**(1,056)**		**(1,114)**

IRAP

(in thousands of Euros)	Year 2008		Year 2007	
	Taxable amount	Tax	Taxable amount	Tax
Profit before taxation	**28,216**		**11,347**	
Costs not relevant for IRAP				
Financial income and expense	10,629		7,751	
Other	(39,783)		(12,881)	
Personnel costs	42,148		39,124	
Deductible personnel costs	(19,183)		(14,221)	
Other	2,859		4,241	
Total	**(3,329)**		**24,014**	
Theoretical taxable amount	**24,887**		**35,361**	
Taxation rate	4.41%		4.81%	
Actual tax burden		**1,097**		**1,701**

Events occurring after the end of the financial year

Please refer to the Directors' Report for details of the other events occurring after the financial year-end.

Castelvetro di Modena, 26 March 2009

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

ANNEXES

These annexes contain information additional to that reported in the notes to the consolidated financial statements, and form an integral part thereof:

- Annex 1 - Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2008;
- Annex 2 - List of revenues and costs from/to subsidiaries, associated controlling and related companies for the 2008 financial year;
- Annex 3 - Statement of changes in tangible assets for the financial year ended as at 31 December 2008;
- Annex 4 - Statement of changes in intangible assets for the financial year ended as at 31 December 2008;
- Annex 5 - List of equity investments classified in non-current assets as at 31 December 2008;
- Annex 6 - List of equity investments in subsidiaries and associated companies as at 31 December 2008 (Article 2427, paragraph 5, of the Italian Civil Code).

Annex 1 – Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2008

(in thousands of Euros)	Treasury		Trade		Other		Total	
	Receivables	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables
Subsidiaries:					(a)	(b)		
Alisea S.c.a r.l.	-	-	-	23	-	-	**-**	**23**
As.ca. S.p.A.	-	-	73	-	651	739	**724**	**739**
Autoplose GmbH.	-	-	2	-	-	-	**2**	**-**
Baldini Adriatica Pesca S.r.l.	-	-	-	-	235	104	**235**	**104**
Chef Express S.p.A.	8,652	-	531	73	-	1,035	**9,183**	**1,108**
Cons. Centro Comm. Ingrosso Carni S.r.l.	1,932	-	-	4	168	189	**2,100**	**193**
Cremonini Rail Iberica S.A.	7,026	-	30	-	-	-	**7,056**	**-**
Cremonini Restauration S.A.S.	-	13	185	93	-	-	**185**	**106**
Cremonini SEC S.r.l.	-	-	-	-	-	-	**-**	**-**
Fernie S.r.l. in liquidation	-	-	-	-	-	413	**-**	**413**
Frimo S.a.m.	-	-	10	-	-	-	**10**	**-**
Global Service Logistics S.r.l.	1,299	-	80	2,549	89	66	**1,468**	**2,615**
Global Service S.r.l.	139	-	66	131	91	102	**296**	**233**
Guardamiglio S.r.l.	-	-	5	-	-	-	**5**	**-**
INALCA S.p.A.	-	-	41	539	1	-	**42**	**539**
Interjet S.r.l.	925	-	-	4	-	248	**925**	**252**
Marr S.p.A.	-	1,289	630	1,716	12,290	14,908	**12,920**	**17,913**
Marr Alisurgel S.r.l.	-	-	-	-	8	-	**8**	**-**
Momentum Services Ltd	-	-	113	56	-	-	**113**	**56**
Montana Alimentari S.p.A.	-	-	32	979	-	-	**32**	**979**
New Catering S.r.l.	-	-	-	-	275	251	**275**	**251**
Railrest S.A.	-	1,173	120	27	-	-	**120**	**1,200**
Realfood 3 S.r.l.	-	-	15	-	-	-	**15**	**-**
Roadhouse Grill Italia S.r.l.	11,249	-	58	258	-	67	**11,307**	**325**
Roadhouse Grill Padova S.r.l.	-	413	-	-	-	-	**-**	**413**
Salumi d'Emilia S.r.l.	-	-	5	-	-	-	**5**	**-**
Sfera S.p.A.	-	-	55	-	129	32	**184**	**32**
SGD S.r.l.	-	7	-	14	-	-	**-**	**21**
Soc. Agr. Corticella S.r.l.	-	-	1	-	-	-	**1**	**-**
Società Agricola Bergognina S.r.l.	-	-	-	12	453	9	**453**	**21**
Tecnostar Due S.r.l.	-	-	5	36	-	-	**5**	**36**
Time Vending S.r.l.	1,289	-	208	179	-	57	**1,497**	**236**
Total subsidiaries	**32,511**	**2,895**	**2,265**	**6,693**	**14,390**	**18,220**	**49,166**	**27,808**
Associated companies:								
Food & Co. S.p.A.	-	-	45	-	-	-	**45**	**-**
Total associated companies	**-**	**-**	**45**	**-**	**-**	**-**	**45**	**-**
Related companies:								
A.O. Konservny	-	-	-	-	4,090	-	**4,090**	**-**
Total related companies	**-**	**-**	**-**	**-**	**4,090**	**-**	**4,090**	**-**
Controlling companies:								
Cremofin S.r.l.	-	-	-	-	-	200	**-**	**200**
Total controlling companies	**-**	**-**	**-**	**-**	**-**	**200**	**-**	**200**

(a) Other receivables include receivables for dividends calculated on the distributable portion of profit for the 2008
(b) The other payables include payables for IRES (corporate tax) benefits transferred to the Parent Company.

Annex 2 – List of revenues and costs from/to subsidiaries, associated controlling and related companies for the 2008 financial year

(in thousands of Euros)		Revenues			Total		Revenues			Total
	Financial	Services	Sales	Other	revenues	Financial	Services	Sales	Other	expenses
					(a)					
Subsidiaries:										
Alisea S.c.a r.l.	1	-	-	-	**1**	-	-	-	-	**-**
C. Centro Comm. Ingrosso Carni S.r.l.	140	6	-	-	**146**	-	-	-	-	**-**
Chef Express S.p.A.	724	629	26	171	**1,550**	-	348	-	-	**348**
Cremonini Rail Iberica S.A.	493	120	-	-	**613**	-	-	-	-	**-**
Cremonini Restauration S.A.S.	137	529	-	933	**1,599**	-	287	108	-	**395**
Fernie S.r.l. in liquidation	-	-	-	-	**-**	4	-	-	-	**4**
Frimo S.a.m.	-	50	-	-	**50**	-	-	-	-	**-**
Ges.Car. S.r.l.	2	18	-	-	**20**	-	-	-	-	**-**
Global Service Logistics S.r.l.	45	24	-	15	**84**	-	5,877	-	-	**5,877**
Global Service S.r.l.	1	70	-	241	**312**	7	628	-	3	**638**
Guardamiglio S.r.l.	51	48	-	1	**100**	-	-	-	-	**-**
In.Al.Sarda S.r.l.	2	2	-	-	**4**	-	-	-	-	**-**
INALCA S.p.A.	70	1,184	3	45	**1,302**	1	261	183	500	**945**
Interjet S.r.l.	75	33	-	-	**108**	-	603	-	-	**603**
MARR S.p.A.	12	956	-	15,280	**16,248**	29	45	4,463	17	**4,554**
Marr Alisurgel S.r.l.	-	1	-	-	**1**	-	-	-	-	**-**
Momentum Services Ltd.	-	308	-	816	**1,124**	7	68	-	-	**75**
Montana Alimentari S.p.A.	-	551	2	25	**578**	186	75	3,272	6	**3,539**
Railrest S.A.	-	480	-	1,071	**1,551**	54	-	-	-	**54**
Realfood 3 S.r.l.	17	127	-	1	**145**	1	-	-	-	**1**
Roadhouse Grill Italia S.r.l.	477	679	1	170	**1,327**	-	3	-	-	**3**
Roadhouse Grill Padova S.r.l.	-	-	-	8	**8**	9	-	-	-	**9**
Salumi d'Emilia S.r.l.	186	171	-	3	**360**	-	-	-	-	**-**
Sara S.r.l.	7	4	-	-	**11**	-	-	-	-	**-**
SGD S.r.l.	1	11	-	-	**12**	18	169	-	-	**187**
Soc. Agr. Corticella S.r.l.	108	16	-	-	**124**	-	-	-	-	**-**
Tecnostar Due S.r.l.	3	33	-	11	**47**	-	56	-	-	**56**
Time Vending S.r.l.	28	195	56	18	**297**	-	190	2	-	**192**
Total subsidiaries	**2,580**	**6,245**	**88**	**18,809**	**27,722**	**316**	**8,610**	**8,028**	**526**	**17,480**
Associated companies:										
RealBeef S.r.l.	-	6	-	-	**6**	-	-	-	-	**-**
Total associated companies	**-**	**6**	**-**	**-**	**6**	**-**	**-**	**-**	**-**	**-**
Related companies:										
Fiorani & C. S.r.l.	-	42	-	-	**42**	-	-	-	-	**-**
Total related companies	**-**	**42**	**-**	**-**	**42**	**-**	**-**	**-**	**-**	**-**

(a) Other revenues include dividends from subsidiaries

Annex 3 – Statement of changes in tangible assets for the financial year ended as at 31 December 2008

(in thousands of Euros)	Opening position		
	Initial cost	Depreciation provision	Balance at 31.12.2007
Land and buildings	81,307	(10,199)	71,108
Plant and machinery	26,028	(17,309)	8,719
Industrial and business equipment	5,666	(4,702)	964
Other assets	17,566	(11,475)	6,091
Fixed assets under construction and advances	322		322
Total	**130,889**	**(43,685)**	**87,204**

	Changes over the period				Closing position	
Acquisitions	Net decreases	Reclass./ Other changes	Depreciation	Initial cost	Depreciation provision	Balance at 31.12.2008
647	(95)	473	(1,598)	81,841	(11,306)	70,535
1,285	(21)	1,250	(1,508)	27,260	(17,535)	9,725
443	(29)	20	(429)	5,995	(5,026)	969
851	(133)	691	(1,344)	17,887	(11,731)	6,156
9,183	(41)	(2,728)		6,736		6,736
12,409	**(319)**	**(294)**	**(4,879)**	**139,719**	**(45,598)**	**94,121**

Annex 4 – Statement of changes in intangible assets for the financial year ended as at 31 December 2008

(in thousands of Euros)	Opening position		
	Initial cost	Amortization provision	Balance at 31.12.2007
Patents and intellectual property rights	1,590	(1,429)	161
Concessions, licences, trademarks and similar rights	406	(271)	135
Fixed assets under development and advances	508		508
Other intangible assets	3,062	(1,502)	1,560
Total	**5,566**	**(3,202)**	**2,364**

Changes over the period				Closing position		
Acquisitions	Net decreases	Reclass./Write-downs Other changes	Amortization	Initial cost	Amortization provision	Balance at 31.12.2008
117	(42)	166	(185)	1,818	(1,601)	217
			(17)	406	(288)	118
597	(215)	(205)		685		685
16			(350)	3,077	(1,851)	1,226
730	**(257)**	**(39)**	**(552)**	**5,986**	**(3,740)**	**2,246**

Annex 5 – List of equity investments classified under non-current assets as at 31 December 2008

(in thousands of Euros) Company name	Percentage	Initial value	Purchases or subscriptions
Subsidiaries:			
Autoplose GmbH in liquidation	100.00	611	
Chef Express S.p.A.	100.00	25,829	
Cons. C. Comm. Ingr. Carni S.r.l.	86.69	5,312	
Cremonini Rail Iberica S.A.	100.00	3,734	
Cremonini Restauration S.A.S.	86.00	195	
Fernie S.r.l. in liq.	95.00	527	
Global Service S.r.l.	100.00	136	
INALCA JBS S.p.A.	100.00	145,093	7,500
Interjet S.r.l.	100.00	561	
MARR S.p.A.	57.12	61,192	6,417
Momentum Services Ltd.	51.00	188	
Montana Alimentari S.p.A.	100.00	45,510	
Railrest S.A.	51.00	255	
Roadhouse Grill Italia S.r.l.	100.00	4,408	
SGD S.r.l.	50.00	42	
Società Agricola Bergognina S.r.l.	94.00	94	28
Tecno-Star Due S.r.l	60.00	8	
Time Vending S.r.l.	80.00	80	
Total subsidiaries		**293,775**	**13,945**
Associated companies:			
Emilia Romagna Factor S.p.A.	22.80	8,403	
Food & Co. S.r.l.	30.00	3	
Total associated companies		**8,406**	**-**
Other companies:			
Futura S.p.A.		600	
Other minor companies		191	
Total other companies		**791**	**-**
Total equity investments		**302,972**	**13,945**

Disposals	(Write-downs) Revaluations	Other changes	Percentage	Final value
			100.00	611
		3,900	100.00	29,729
			86.69	5,312
	(1,048)	692	100.00	3,378
			86.00	195
			95.00	527
			100.00	136
(7,772)			50.00	144,821
	(701)	2,027	100.00	1,887
			58.84	67,609
			51.00	188
(45,510)			-	0
			51.00	255
			100.00	4,408
			50.00	42
			100.00	122
(8)			-	0
			80.00	80
(53,290)	**(1,749)**	**6,619**		**259,300**
			22.80	8,403
			30.00	3
-	**-**	**-**		**8,406**
				600
				191
-	**-**	**-**		**791**
(53,290)	**(1,749)**	**6,619**		**268,497**

Annex 6 – List of equity investments in subsidiaries and associated companies as at 31 December 2008 (Article 2427, paragraph 5, of the Italian Civil Code).

(in thousands of euros) Name	Registered office	Capital stock (in Euro if not otherwise stated)	Net profit (loss) for the year ended 31.12.08
Subsidiaries:			
Autoplose GmbH in liquidation	Matrei (Austria)	36,336	24
Chef Express S.p.A.	Castelvetro di Modena (MO)	4,500,000	(2,983)
Cons. Centro Comm. Ingrosso Carni S.r.l.	Bologna	1,500,000	355
Cremonini Rail Iberica S.A.	Madrid (Spain)	1,500,012	(1,048)
Cremonini Restauration S.A.S.	Paris (France)	1,500,000	1,922
Fernie S.r.l. in liquidation	Modena	1,033,000	(15)
Global Service S.r.l.	Castelvetro di Modena (MO)	93,000	177
INALCA JBS S.p.A.	Castelvetro di Modena (MO)	280,000,000	(9,884)
Interjet S.r.l.	Castelvetro di Modena (MO)	2,500,000	(691)
MARR S.p.A.	Rimini	33,262,560	30,296
Momentum Services Ltd	Birmingham (Great Britain)	GBP 225,000	235
Railrest S.A.	Brussels (Belgium)	500,000	2,279
Roadhouse Grill Italia S.r.l.	Castelvetro di Modena (MO)	4,000,000	(597)
SGD S.r.l.	Castelvetro di Modena (MO)	83,000	(49)
Società Agricola Bergognina S.r.l.	Castelvetro di Modena (MO)	100,000	(24)
Time Vending S.r.l.	Castelvetro di Modena (MO)	100,000	(93)
Total subsidiaries			
Associated companies:			
Emilia Romagna Factor S.p.A.	Bologna	25,000,000	1,913
Food & Co S.r.l.	Roma	150,000	4
Total associated companies			

NOTE

(a) - The data refers to the reporting used for the consolidation as at 31 December 2008 as much as the Company ends it's financial year on the 30th September every year.

(b) - Figures refer to liquidation balance sheet

(c) - Figures refer to balance sheet as at 31.12.2007

Net equity at 31.12.08	Percentage held at 31.12.08	Carrying value (A)	Valuation based on NE (B)	Difference (B) - (A)	Notes
643	100.00%	611	643	32	(a)
4,438	100.00%	29,729	4,438	(25,291)	
2,867	86.69%	5,312	2,485	(2,827)	
454	100.00%	3,378	454	(2,924)	
3,528	86.00%	195	3,034	2,839	
1,062	95.00%	527	1,009	482	(b) (c)
335	100.00%	136	335	199	
363,127	50.00%	144,821	181,564	36,743	
1,887	100.00%	1,887	1,887	0	
177,717	58.84%	67,609	104,569	36,960	
444	51.00%	188	226	38	
2,895	51.00%	255	1,476	1,221	
4,496	100.00%	4,408	4,496	88	
195	50.00%	42	98	56	
51	100.00%	122	51	(71)	
55	80.00%	80	44	(36)	
		259,300	**306,809**	**47,509**	
38,246	22.80%	8,403	8,720	317	(c)
12	30.00%	3	4	1	(c)
		8,406	**8,724**	**318**	

STATUTORY AUDITORS' REPORT

BOARD OF STATUTORY AUDITORS' REPORT PURSUANT TO ART. 2429 OF THE ITALIAN CIVIL CODE. (FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2008)

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

We would first remind you that, following the delisting of your company from the Screen-based Stock Market managed by Borsa Italiana on 29 July 2008, this report has been prepared pursuant to art. 2429 of the Italian Civil Code.

Now, therefore, the Board of Statutory Auditors acknowledge that the Financial Statements and Consolidated Financial Statements as at 31 December 2008 were made available to it within the legal timing, together with the explanatory notes and directors' report.

Specifically, the aforesaid statements show the following:

BALANCE SHEET	Financial Statements	Consolidated Financial Statements
Non-current assets	387,262	639,947
Current assets	81,703	754,915
Total Assets	**468,965**	**1,394,862**
Non-current liabilities	243,168	378,188
Current liabilities	155,425	795,313
Net profit for the year	**30,325**	**39,000**
Shareholders' equity	40,137	182,361
Total shareholders' equity and liabilities	**468,965**	**1,394,862**

(amounts in €/thousands)

We complied during the year with the duties prescribed by the law and carried out our work in accordance with the principles of conduct recommended by the Italian National Accountants and Auditors Board (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

We attended the meetings of the Board of Directors during the course of which the Directors informed us about the business conducted out and transactions of greater economic, financial and equity significance carried out by the company and/or its subsidiaries, as well as the more significant related companies.

In this connection, we ascertained that the transactions approved and concluded were in compliance with the law and the By-laws, as well as the principles of correct administration, and were not in contrast with shareholders' resolutions or in conflict of interest.

The company's organizational structure is adequate for its size. The meetings held with managers of the main corporate functions and representatives of the independent auditors always permitted us to collect the necessary information regarding compliance with the principles of diligent and correct administrative conduct.

The Board of Statutory Auditors did not receive any reports from shareholders pursuant to art. 2408 of the Italian Civil Code, nor in general were any mentioned in shareholders' meetings.

We have given our opinion, pursuant to art. 2389.3 of the Italian Civil Code, within the legal timing and have noted the issue, pursuant to art. 2501 bis - fifth paragraph of the Italian Civil Code, of the independent auditors' report.

Bearing in mind that the audit function is entrusted to the independent auditors, Reconta Ernst & Young S.p.A., we have examined the draft financial statements and consolidated financial statements for the year ended 31 December 2008, prepared in compliance with the IFRS, and verified compliance with the legal regulations under the profile of their form and content,

We have verified observance of the legal regulations regarding the preparation of the Directors' Report, which to our knowledge fully and clearly illustrates the company's situation, operating performance during the financial year and outlook, and contains a description of the principal risks and uncertainties to which the company is exposed.

Finally, we have ascertained the correspondence of the financial statements to the events and information of which we became aware in the course of our duties and do not have any observations in this connection.

As far as concerns the consolidated financial statements, we specifically state that the Balance Sheet and Income Statement show the comparative figures of the previous financial year, though with the limitations of comparability indicated by the directors in their Directors' Report, with reference to the sale of fifty percent of the entire production sector and consequent deconsolidation of fifty percent thereof with effect from March 2008.

Now, therefore, on the basis of the checks we carried out during the course of the financial year, and considering that from the discussions with the independent auditors the latter stated that there are no material matters in their own report that is about to be released, the Board of Statutory Auditors considers that the Cremonini Group's Consolidated Financial Statements as at 31 December 2008 correctly represent the equity and financial position of the Parent Company and consolidated companies and gives its favourable opinion for the approval of the financial statements of Cremonini s.p.a. for the year ended as at 31 December 2008 and the Board of Directors' proposal for the allocation of the profit.

Castelvetro, 9 April 2009

THE BOARD OF STATUTORY AUDITORS
Ezio Maria Simonelli

AUDITORS' REPORT

ERNST & YOUNG

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Independent auditors' report
pursuant to Article 156 and 165-bis of Legislative Decree No. 58 of February 24, 1998
(Translation from the original Italian text)

To the Shareholders of Cremonini S.p.A.

1. We have audited the financial statements of Cremonini S.p.A. as of and for the year ended December 31, 2008, comprising the balance sheet, the statement of income, changes in shareholders' equity and cash flows and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union is the responsibility of the Cremonini S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. Our audit was made in accordance with auditing standards and procedures recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards and procedures, we planned and performed our audit to obtain the information necessary to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 11, 2008.

3. In our opinion, the financial statements of Cremonini S.p.A. at December 31, 2008 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations, the changes in shareholders' equity and the cash flows of Cremonini S.p.A. for the year then ended.

4. We draw your attention to the following important events, whose impacts on the financial statements are disclosed in the notes to the financial statements:

   - on March 3, 2008 a contract between Cremonini S.p.A. and JBS S.A. has been executed for the transfer of 50% of the entire production sector;
   - on December 31 , 2008 the inverse merger between Cremonini Investimenti S.r.l and Cremonini S.p.A. took place. Cremonini Investimenti S.r.l. is the company through which the delisting of Cremonini S.p.A. was completed.

5. The management of Cremonini S.p.A. is responsible for the preparation of the Directors' Report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements as required by art. 156, paragraph 4-bis, letter d) of the Legislative Decree 58/98. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Directors' Report is consistent with the financial statements of Cremonini S.p.A. as of December 31, 2008.

Bologna, April 10, 2009

Reconta Ernst & Young S.p.A.
signed by: Roberto Tabarrini, partner

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER **2008**

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2008

BALANCE SHEET ASSETS

(in thousands of Euros)	Note	31.12.2008	31.12.2007
Non-current assets			
Tangible assets	1	449,374	637,886
Goodwill	2	145,937	148,382
Other intangible assets	3	7,422	8,796
Investments valued at equity	4	10,025	11,950
Investments in other companies	5	1,881	2,686
Financial instruments / Derivatives	18	23	-
Non-current financial receivables	6	3,253	3,691
Deferred tax assets	7	10,636	11,706
Other non-current assets	8	11,396	9,420
Total non-current assets		**639,947**	**834,517**
Current assets			
Inventories	9	184,310	225,115
Biological assets	10	6,250	9,684
Current financial receivables	11	11,425	7,116
relating to related parties		*3,169*	*514*
Current trade receivables	12	410,031	415,038
relating to related parties		*4,839*	*6,740*
Current tax assets	13	17,163	17,164
Financial assets held for sale		54	6
Financial instruments / Derivatives	18	-	3,265
Cash and cash equivalents	14	77,635	128,474
Other current assets	15	48,047	52,342
relating to related parties		-	*5*
Total current assets		**754,915**	**858,204**
Total assets		**1,394,862**	**1,692,721**

BALANCE SHEET LIABILITIES

(in thousands of Euros)	Note	31.12.2008	31.12.2007
Shareholders' Equity			
Share capital	16	67,074	67,074
Reserves		20,524	173,051
Retained earnings		29,625	31,484
Result for the period		39,000	10,040
Shareholders' Equity attributable to the Group		**156,223**	**281,649**
Minority interests' capital and reserves		51,063	55,322
Profit for the period attributable to minority interests		14,075	15,203
Shareholders' Equity attributable to minority interests		**65,138**	**70,525**
Total Shareholders' Equity		**221,361**	**352,174**
Non-current liabilities			
Non-current financial payables	17	304,520	315,467
Financial instruments / Derivatives	18	33	-
Employee benefits	19	26,952	36,585
Non-current provisions for risks and charges	20	7,706	7,153
Deferred tax liabilities	21	36,088	57,957
Other non-current liabilities	22	2,889	3,726
Total non-current liabilities		**378,188**	**420,888**
Current liabilities			
Current financial payables	23	353,585	434,901
relating to related parties		*613*	*440*
Financial instruments / Derivatives	18	397	1,576
Current tax liabilities	24	9,700	12,117
Current trade liabilities	25	373,083	410,354
relating to related parties		*5,275*	*2,547*
Other current liabilities	26	58,548	60,711
relating to related parties		*1*	-
Total current liabilities		**795,313**	**919,659**
Total liabilities		**1,394,862**	**1,692,721**

INCOME STATEMENT

(in thousands of Euros)	Note	31.12.2008	31.12.2007
Revenues	27	2,176,827	2,445,481
relating to related parties		*3,308*	*5,853*
Other revenues	28	66,608	36,958
relating to related parties		*729*	*1,272*
Change in inventories of finished and semi-finished goods		4,950	(12,652)
Capitalisation of internal construction costs		1,425	991
Costs for purchases	29	(1,514,404)	(1,690,464)
relating to related parties		*(34,138)*	*(37,767)*
Other operating costs	30	(344,576)	(390,759)
relating to related parties		*(1,087)*	*(2,501)*
Personnel costs	31	(231,518)	(240,723)
Amortization and depreciation	32	(36,097)	(44,633)
Write-downs and provisions	32	(10,584)	(10,419)
Revenues from equity investments		(265)	(43)
relating to related parties		*111*	*6*
Financial (Income)/Charges	33	(38,615)	(47,431)
relating to related parties		*25*	*(12)*
Result before taxes		**73,751**	**46,306**
Income taxes	34	(20,676)	(21,063)
Result before minority interests		**53,075**	**25,243**
Result attributable to minority interests		(14,075)	(15,203)
Result for the period attributable to the Group		**39,000**	**10,040**

Basic earnings per share		0.3024	0.0780
Diluted earnings per share		0.3024	0.0780

STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY OVER THE FINANCIAL YEAR ENDED AS AT 31 DECEMBER 2008 (NOTE 16)

(in thousands of Euros)				Other Reserves				
	Share capital	Nominal value treasury stock in portfolio	Total Share capital	Share premium reserve	Legal reserve	Reserve for IAS adjustments	Reserve for trading treasury stock	Reserve translation differences
Balances at 31 December 2006	**73,746**	**(6,828)**	**66,918**	**78,280**	**14,749**	**79,036**	**986**	**(19)**
Allocation of the results of previous year:								
- retained earnings reserve								
- distribution of dividends								
Net effect purchases/sales treasury stock		156	**156**				485	
Gain/losses on treasury stock								
Cash flow hedge								
INALCA JBS Cash flow hedge								
Effect of the MARR								
Stock Option Plan								
Changes in the translation reserve and other changes								(1.804)
Net profit (loss) for the year ended 31 December 2007								
Balances at 31 December 2007	**73,746**	**(6,672)**	**67,074**	**78,280**	**14,749**	**79,036**	**1,471**	**(1,823)**
Allocation of the results of previous year:								
- retained earnings reserve								
- distribution of dividends								
Cash flow hedge								
INALCA JBS Cash flow hedge								
MARR Cash flow hedge								
Net effect purchases/sales treasury stock								
Changes in the translation reserve and other changes								(3,316)
Treasury Stock cancellation	(6,672)	6,672	**0**				(1,471)	
Reverse merger effect								
Net profit (loss) for the year ended 31 December 2008								
Balances at 31 December 2008	**67,074**	**0**	**67,074**	**78,280**	**14,749**	**79,036**	**0**	**(5,139)**

Deficit Merger	Cash flow hedge reserve	Total Reserves	Profits (Losses) carried forward	Result attributable to the Group	Shareholders' Equity attributable to the Group	Minority interests' capital and reserves	Result attributable to minority interests	Shareholders' Equity attributable to minority interests	Total
	1,300	**174,332**	**29,621**	**11,627**	**282,498**	**51,676**	**14,512**	**66,188**	**348,686**
			11,627	(11,627)	**0**	14,512	(14,512)	**0**	**0**
			(10,295)		**(10,295)**	(10,854)		**(10,854)**	**(21,149)**
		485			**641**				**641**
									0
	38	**38**			**38**				**38**
			484		**484**				**484**
			38		**38**	28		**28**	**66**
		(1,804)	9		**(1,795)**	(40)		**(40)**	**(1,835)**
				10,040	**10,040**		15,203	**15,203**	**25,243**
0	**1,338**	**173,051**	**31,484**	**10,040**	**281,649**	**55,322**	**15,203**	**70,525**	**352,174**
			10,040	(10,040)	**0**	15,203	(15,203)	**0**	**0**
			(10,319)		**(10,319)**	(13,572)		**(13,572)**	**(23,891)**
	(1,361)	**(1,361)**			**(1,361)**				**(1,361)**
			(637)		**(637)**				**(637)**
			16		**16**	11		**11**	**27**
			(2,226)		**(2,226)**	(1,517)		**(1,517)**	**(3,743)**
		(3,316)	(204)		**(3,520)**	(4,384)		**(4,384)**	**(7,904)**
		(1,471)	1,471		**0**				**0**
(146,379)		**(146,379)**			**(146,379)**			**0**	**(146,379)**
				39,000	**39,000**		14,075	**14,075**	**53,075**
(146,379)	**(23)**	**20,524**	**29,625**	**39,000**	**156,223**	**51,063**	**14,075**	**65,138**	**221,361**

CASH FLOW STATEMENTS FOR THE FINANCIAL YEARS ENDED AS AT 31 DECEMBER 2008 AND 2007

(in thousands of Euros)	31.12.2008	31.12.2007
Net profit before minority interests	**53,075**	**25,243**
Amortization and depreciation	36,097	44,633
Net change in Staff Severance Provision		0
Net change in other provisions and non-monetary income items	1,479	3,188
Reversal of the effects from extraordinary transactions	(29,484)	0
Operating cash-flow	**61,167**	**73,064**
(Increase) decrease in receivables from customers	(57,466)	(23,476)
(Increase) decrease in receivables from customers	(23,890)	17,257
Increase (decrease) in payables to suppliers	40,114	38,993
(Increase) decrease in other items of the working capital	(5,796)	(5,605)
Change in working capital	**(47,038)**	**27,169**
Net change in Staff Severance Provision	(1,280)	0
CASH-FLOW FROM OPERATING ACTIVITIES	**12,849**	**100,233**
Net (investments) in intangible assets	(8,188)	(12,076)
Net (investments) in tangible assets	(63,511)	(82,665)
Change in financial assets	569	(12,548)
Net effects from the change in consolidation area	0	0
CASH-FLOW FROM INVESTING ACTIVITIES	**(71,130)**	**(107,289)**
FREE - CASH FLOW BEFORE EXTRAORDINARY TRANSACTIONS	**(58,281)**	**(7,056)**
Cash-flow from extraordinary transactions	**284,752**	**0**
Cash-flow from distribution of dividends	(14,892)	(22,399)
Capital increases, change in treasury stock and other changes, including those of minority interests	(167,031)	644
Cash-flow from (for) change in shareholders' equity	**(181,923)**	**(21,755)**
FREE - CASH FLOW	**44,548**	**(28,811)**
Opening net financial debt	(613,035)	(584,224)
Cash-flow for the period	44,548	(28,811)
Closing net financial debt	**(568,487)**	**(613,035)**
Increase (Decrease) medium-long term borrowings	(10,970)	(48,888)
Increase (Decrease) medium-long term liabilities for derivatives	33	(3,272)
Cash flow from (for) medium-long term financial activities	**(10,937)**	**(52,160)**
CASH FLOW SHORT TERM OF THE PERIOD	**33,611**	**(80,971)**
Initial net short term indebtness	(297,568)	(216,596)
Cash flow of the period	33,611	(80,972)
Final net short term indebtness	**(263,957)**	**(297,568)**
Increase (Decrease) short term borrowings	(78,591)	108,931
Changes in other securities and other financial assets	(4,681)	(4,965)
Increase (Decrease) short term liabilites for derivatives	(1,178)	(1,690)
Cash flow from (for) short term financial assets	**(84,450)**	**102,276**
INCREASE (DECREA.) CASH AND CASH EQUIVALENTS	**(50,839)**	**21,305**
Cash and cash equivalents at the beginning of the period	128,474	107,169
Cash flow of the period	(50,839)	21,305
Cash and cash equivalents at the end of the period	**77,635**	**128,474**

NOTES

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements as at 31 December 2008 were prepared in accordance with the accounting policies and measurement criteria laid down by the International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure referred to in Article 6 of the (EC) Regulation No. 1606/2002 of the European Parliament and Council of 19 July 2002, as adopted by Legislative Decree no. 28 of 28 February 2005 as amended, CONSOB communications and resolutions and ordinances promulgated in implementation of art. 9 of Legislative Decree 38/2005.

The financial statements for the year were authorised for publication by the Board of Directors on 26 March 2009.

The consolidated financial statements were prepared in accordance with the cost method, with the exception of the following balance sheet entries:

- land and buildings for which the fair value as at 1 January 2004 was adopted, as "deemed cost" as provided for by IFRS 1, as detailed later in this report;
- the derivative contracts were entered at their fair value with a counter entry in the income statement.

For the purpose of comparison, the consolidated financial statements as at 31 December 2008 show the figures for the financial year ended as at 31 December 2007.

The following classifications were utilised:

- Balance Sheet by current/non-current items;
- Income Statement by nature;
- Cash flow statement (indirect method).

It is considered that these classifications provide information that better responds to representing the Group's equity, economic and financial situation.

The Euro is the Parent Company's functional currency and is used for the presentation of the consolidated financial statements. The schedules contained in these financial statements are shown in thousands of Euro. If not otherwise indicated, the schedules contained in these financial statements are shown in thousands of Euro.

The evaluation criteria adopted to prepare these financial statements are shown in the following points:

CONSOLIDATION METHODS

Consolidation is achieved using the line-by-line method, which consists in recognising all the items in the assets and liabilities in their entirety. The main consolidation criteria adopted to apply this method are the following:

- Subsidiaries have been consolidated as from the date when control was actually transferred to the Group, and are no longer consolidated as from the date when control was transferred outside the Group.
- Where necessary, amendments are made to the financial statements of the subsidiaries to bring the accounting criteria used into line with those adopted by the Group.
- Assets and liabilities, charges and income of the companies consolidated on a line-by-line basis, have been fully entered in the consolidated financial statements; the book value of equity investments has been written-off against the corresponding portion of shareholders' equity of the related concerns, by assigning to each single item of the balance sheet's assets and liabilities, the current value as at the date of acquisition of control (purchase methods as defined by IFRS 3 "Business combinations"). Any residual difference, if positive, is entered under "Goodwill" in the assets; if negative, in the income statement.
- The joint ventures are consolidated with the proportional method by which the proportional share of each item of asset, liability, income and charges of a jointly controlled enterprise is consolidated line-by-line with those of the financial statements of the controlling participant;
- Mutual debt and credit, costs and revenues relationships, between consolidated companies, and the effects of all significant transactions between these companies, have been set-off.
- The portions of shareholders' equity and of the results for the period of minority shareholders have been shown separately in the consolidated shareholders' equity and income statement.

SCOPE OF CONSOLIDATION

The consolidated financial statements as at 31 December 2008 include the financial statements of the Parent Company Cremonini S.p.A. and those of the companies it either directly or indirectly controls (including the specifically destined entities), excluding the subsidiaries whose value is not of significance.

Those companies whose financial statements show values which are both individually and cumulatively immaterial with respect to the Group's consolidated financial statements have been excluded from the scope of consolidation. In particular, the exclusion was effected in relation to the following subsidiaries:

Directly owned subsidiaries
Fernie S.r.l. in liquidation
Ibis S.p.A.
Inalca Hellas e.p.e. in liquidation
Montana Farm S.p.z.o.o.
Inalca Brasil Comercio Ltda.

The equity investments in the above companies have been valued at cost (in many cases having been completely written down).

The equity investments included in the scope of consolidation as at 31 December 2008, with the indication of the consolidation method, are listed in Annex 6.

The scope of consolidation has undergone some changes, as described hereinafter, compared to that relative to the consolidated financial statements of the previous financial year. The economic effects of these changes are recorded, when significant, in the explanatory notes to the financial statements. Equity changes did not, on the other hand, have any significant impact on the comparisons with the corresponding periods of the previous year.

In particular, compared to 31 December 2007, the following companies have been included in the scope of consolidation:

- Roadhouse Grill Padova S.r.l., a company acquired by Roadhouse Grill Italia, forms part of the steakhouse restaurant chain,
- Emigel S.r.l. active in the distribution of food products to bars and fast food outlets.

Furthermore, following the reduction of the percentage holding in Inalca S.p.A. from 100% to 50%, this company and its subsidiaries, all belonging to the production sector, are now consolidated with the proportional method. The effects of this change, other than being deducible from the information document prepared by Cremonini S.p.A. and Total Voluntary Public Offer to Buy document (available in electronic format on the Internet site www.cremonini.com and Borsa Italiana site www.borsaitaliana.it), are shown in summary in the continuation of this document..

Moreover, during the 2008 financial year, the following occurred:

- the increase in the equity investment in Società Agricola Bergognina S.r.l. from 94.0% to 100.0%;
- the increase in the equity investment in Cremonini Sec, in liquidation, from 19% to 100.0%;
- the increase in the equity investment in MARR S.p.A. from 57.12% to 58.84%;
- the migration of Tecnostar Due S.r.l. from the "Financial and Services" sector to the "Production" sector as an effect of the sale of Cremonini S.p.A.'s equity investment to Inalca JBS;
- the deconsolidation of Mutina Consulting S.r.l. as an effect of its liquidation.
- the deconsolidation of Inalsarda S.r.l. as an effect of its liquidation.

It is also noted that, following Borsa Italiana S.p.A. regulation no. 5972 of 22 July 2008, which provided for the cancellation of the Cremonini S.p.A. shares from listing on the Screen-based Stock Market that it organises and manages, Cremonini Investimenti (the company through which the delisting of Cremonini S.p.A. was completed) was merged with Cremonini S.p.A. on 31 December 2008 with retroactive effects commencing from 1 January 2008.

CHANGES IN ACCOUNTING STANDARDS

The new IFRSs and IFRICs adopted by the EU, in effect from 1 January 2008, are shown below. The adoption of these revised standards and interpretations has not had effects on the financial statements but has only resulted, in some cases, in additional information.

New accounting standards, amendments and interpretations applicable in 2008

- IFRIC 11- IFRS 2: Group and Treasury Shares Transactions. This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme, even if the entity buys the instruments from another party, or the shareholders provide the equity instruments needed. This interpretation has not had effects on the Group's result or equity.

- On 13 October 2008 the IASB issued an amendment to IAS 39 - Financial instruments: Recording and Valuation and IFRS 7 - Financial instruments: additional information that allows, in determined circumstances, reclassification of certain financial assets other than derivatives from the accounting category "valued at fair value through the income statement". Also permits reclassification of loans from the accounting category "available for sale" to the accounting category "held until maturity" if the company has the intention and capacity to hold such instruments for a determined future period. This amendment is not applicable to these financial statements.

- IFRIC 12 Introduction: Service concession arrangements. The greater implications of this interpretation regard the accounting treatment to be applied to the right deriving from a concession services contract (as a financial instrument or intangible asset). At the date of preparation of these financial statements, the European Union has not yet approved this interpretation. The interpretation does not have significant effects for the Group.

Accounting Standards, amendments and interpretations applicable to the financial statements for financial years commencing after 1 January 2008

- IAS 23 Borrowing costs: In March 2007 a modified version of IAS 23, Borrowing costs, was promulgated, which will become effective for the financial years that commence from 1 January 2009. The standard was changed to require the capitalisation of the financial charges when such costs they refer to a qualifying asset. A qualifying asset is an asset that necessarily requires a significant period of time to be ready for its anticipated use or sale. In agreement with the transitory directives of the standard, the Group will adopt it as a perspective change. Consequently, the financial charges will be capitalised to qualifying assets commencing from a date subsequent to 1 January 2009. No change will be made for financial charges incurred up to this date as these were booked to the income statement.

- IAS 1 Revised Presentation of financial statements: The IAS 1 revised standard, Presentation of financial statements, was approved in September 2007 and will come into force in the first financial year subsequent to 1 January 2009. The standard separates the changes that took place in the net equity between shareholders and non-shareholders. The schedule of changes in the net equity will only include the detail of the transactions with shareholders while all the changes relating to transactions with non-shareholders will be presented on a single line. Furthermore, the standard introduces the "comprehensive income" statement: this statement contains all the revenue and cost items applicable to the period recorded in the income statement, and in addition every other recorded revenue and cost item. The "comprehensive income" statement can be presented in the form of a single statement or in two correlated statements. The Group is evaluating how to adjust to the new standard, the adoption of which shall not produce any effect from the viewpoint of the valuation of the items in the financial statements.

- IFRS 3R Business Combinations and IAS 27/R Consolidated and separate financial statements. The two revised standards will come into force on 1 July 2009. IFRS introduces some changes in the recording of business combinations that will have effects on the amount of goodwill recorded, result for the financial year in which the acquisition takes place and on the results of the subsequent financial years. IAS 27R requires that a change in the amount of the equity investment held in a subsidiary is booked as a capital transaction. As a consequence, this change will not have an impact on goodwill, and will not give rise to either profits or losses. Furthermore, the revised standard will introduce changes in the recording of a loss suffered by a subsidiary as a loss of control of the subsidiary. The changes introduced by standards IFRS 3R and IAS 27R must be applied in a perspective manner and will have impacts on future acquisitions and transactions with minority shareholders. At the date of preparation of these financial statements the European Union has not yet approved these standards. The Group does not expect significant effects from the application of these standards.

- IFRS 2 Share-based payments - Vesting conditions and cancellations. This change to IFRS 2, Share-based payments, was published in January 2008 and will come into force in the first financial year subsequent to 1 January 2009. The standard restricts the definition of "vesting conditions" to a condition that includes an explicit or implicit obligation to provide a service. Every other condition is a "non-vesting condition" and must be taken into consideration to determine the fair value of the instrument representative of assigned capital. In the case where the reward is non-vested as a consequence of the fact that it does not meet a "non-vesting condition" that is under the control of the entity or counterparty, this must be booked as a cancellation. The Group has not undertaken transactions with share-based payments with "non-vesting" conditions and, as a consequence, does not expect significant effects from the application of this standard.

- IFRS 8 - Business segments. The new standard requires that the information shown in the sector information is based on the elements that the management uses to make its operating decisions, therefore it requires the identification of the business segments on the basis of the internal reporting that is regularly seen by the management for the purpose of allocation of the resources to the various segments. This standard must be applied commencing from 1 January 2009 in replacement of IAS 14 - Sector information. The adoption of this standard will not produce any effect on the Group's result or equity.

- Changes to IAS 32 and IAS 1 "Puttable Financial Instruments": the changes to IAS 32 and IAS 1 were approved in February and will come into force in the first financial year subsequent to 1 January 2009. The change to IAS 32 requires that some "puttable" financial instruments and obligations that arise at the time of liquidation are classified as capital instruments if determined conditions are met. The change to IAS 1 requires that some information is provided in the explanatory notes relative to "puttable" options classified as capital. The Group does not expect that these changes will have an impact on its financial statements.

- IFRIC 13 "Customer loyalty programmes": The IFRIC 13 interpretation was promulgated in June 2007 and will become effective for financial years which commence from 1 July 2008 or subsequently. This interpretation requires that the receivables conceded to the clientele, such as loyalty rewards, are accounted for as a separate component of the sales transactions in which they were granted and accordingly that part of the fair value of the consideration received be allocated to the rewards and amortised over the period in which the receivables/rewards are recovered. The company does not expect that this interpretation will have impacts on the financial statements as presently there are no existing loyalty plans.

- IFRIC 14 - The limit on a Defined Benefit Asset, Minimum funding requirements and their interaction. The interpretation provides a general guide on how to determine the limit provided in IAS 19 "Employee Benefits" on the amount of the assets to service the plans. The interpretation also explains the accounting effects caused by the obligatory minimum payments. The Group does not expect that these changes will have an impact on its financial statements.

- IFRIC 16 "Hedes of a net investment in a foreign operation" with which the possibility of applying hedge accounting was eliminated for hedging transactions on the exchange rate differences originating between the functional foreign currency of the foreign investee company and the foreign currency used for presentation of the consolidated financial statements. This interpretation is not applicable in the Group's financial statements.

The IASB issued a series of improvement to the IFRSin May 2008. Only those that will result in a change in the presentation, recognition and valuation of the financial statements items are mentioned below, omitting those that will only determine terminological changes.

- IAS 19 Employee benefits: the amendment must be applied from 1 January 2009 in a perspective manner to the changes in the benefits that took place subsequent to this date and clarifies the cost/income definition relating to past employment. The Board has furthermore recalculated the definition of short-term benefits and long-term benefits and has changed the definition of performance of the assets, establishing that this item must be shown net of any administration charges that are not already included in the value of the obligation. The company does not expect significant impacts on the financial statements.

- IAS 20 Recording and information on government grants: the change must be applied in a perspective manner from 1 January 2009 and establishes that the benefits deriving from State loans conceded at a lower interest rate than that of the market must be treated as government grants and therefore follow the recognition rules established by IAS 20.

- IAS 23 Borrowing costs: the change, which must be applied from 1 January 2009, has revised the definition of financial charges.

- IAS 36 Impairment: the change, which must be applied from 1 January 2009, envisages additional information when the company determines the recoverable value of the cash generating unit utilising the discounted cash flow method.

- IAS 38 Intangible Assets: The change, which must be applied retrospectively from 1 January 2009, establishes recognition of the promotional and advertising costs in the income statement. It also establishes that when the enterprise incurs charges having future economic benefits without the recording of intangible assets these must be booked to the income statement at the time when the enterprise itself has the right to access the asset or when the service is provided. At the date of issue of these financial statements the Group does not expect significant effects on the financial statements from the application of this amendment.

- IAS 39 Financial instruments: recognition and measurement. The amendment must be retrospectively applied from 1 July 2009 and clarifies how the new rate of effective return of a financial instrument must be calculated at the end of a fair value hedging relation. The Group does not expect impacts from the application of this standard. At the date of preparation of these financial statements the European Union has not yet approved this standard.

Changes to the following IFRSs were also issued that presently are not applicable to the Group's financial statements:

- IFRS 5 Non-current assets held for sale and discontinued.
- IAS 16 Property, plant and machinery: the change applicable from 1 January 2009 applies to the enterprises whose normal business is renting.
- IAS 28 Investments in associates - IAS 31 Interests in joint ventures.
- IAS 29 Financial Reporting in Hyperinflationary Economies
- IAS 40 Investment Property.

ACCOUNTING POLICIES

For the purposes of preparing the consolidated financial statements as at 31 December 2008, the same accounting standards and criteria applied in drawing up the IAS-IFRS reconciliation statements for the previous financial year were applied. The most important accounting policies adopted to prepare the consolidated financial statements are shown in the following points:

Tangible assets

Tangible assets are entered at their purchase cost or production cost, inclusive of directly allocated additional charges required to make the assets available for use. As indicated in the section on the "Effects of the applications of the international accounting standards", as permitted by IFRS 1, the Group has measured certain owned land and buildings at fair value, and has adopted such fair value as the new cost subject to depreciation.
Apart from the foregoing, no revaluations are permitted, even if in pursuance to specific laws. Assets subject to capital lease are entered under tangible assets against a financial payable to the lessor; and depreciated in accordance with the criteria below.
Tangible assets are systematically depreciated on a straight-line basis over their expected useful life, based on the estimate of the period over which the assets will be used by the Group. When a tangible asset is made up of a number of significant components, each with a different useful life, each individual component is depreciated . The depreciated value is represented by the book value minus the presumable net transfer value at the end of its useful life, if material and reasonable determinable.- Land is not depreciated, even if purchased together with a building, as well as tangible assets held for sale, measured at the lower between the book value and fair value after transfer charges.
Costs for improvement, modernisation and transformation increasing tangible assets are entered as assets in the balance sheet.
The recoverability of the book value of tangible assets is determined by adopting the criteria indicated in the section "Impairment of assets".

The rates applied are the following:

▶ Buildings	2% - 5%
▶ Plant and machinery	7.50% - 20%
▶ Industrial and business equipment	15% - 25%
▶ Other assets:	
▶ Electronic office machines	20%
▶ Office furniture and fittings	10% - 15%
▶ Motor vehicles and means of internal transport	20%
▶ Cars	25%
▶ Other minor assets	10% - 40%

Leasing

The leasing contracts are classified as finance leases whenever the terms of the contracts substantially transfer all the risks and benefits of ownership to the lessee.
The assets leased are recognised as assets of the Group at their fair value on the date of execution of the contract, or, if less, at the present value of the minimum payments due for the leasing. The corresponding payable to the lessor is included in the balance sheet as a payable for leases. The payments for rentals are split between capital and interest portions in order to obtain a constant interest rate on the remaining liability. The financial charges are directly entered in the income statement.

The costs for rentals deriving from operative leases are recorded to income statement in constant instalments on the basis of the duration of the contract.

Goodwill and other intangible assets

Intangible assets are assets that lack physical substance, controlled by the Group and capable of generating future economic benefits, as well as goodwill, whenever purchased for a valuable consideration.

Identification is defined by reference to the possibility of distinguishing acquired intangible assets from the goodwill. This requirement is normally satisfied when:

I. the intangible assets are traceable to a legal or contractual right, or
II. the asset is separable, that is it may be assigned, transferred, leased out or exchanged autonomously or is an integral part of other assets. Control over the business consists in the power to exploit the future economic benefits deriving from the assets and the possibility of limiting access to it by others.

Intangible assets are entered at cost, measured in accordance with the criteria established for tangible assets. No revaluations are allowed, even in pursuance to specific laws.

Intangible assets with a definite useful life are systematically amortized over their useful life, based on the estimate of the period over which the assets will be used by the Group; the recoverability of their book value is determined by adopting the criteria included in the section "Impairment of assets".

Goodwill and other intangible assets, if any, with an indefinite useful life, are not subject to amortization; the recoverability of their book value is determined at least each year and, in any case, whenever in the presence of events implying a loss in value. As far as goodwill is concerned, verification is made on the smallest aggregate, upon which Management, either directly or indirectly assesses the return on investment, including the goodwill itself (cash generating unit). Write-downs are not subject to value restoration.

Goodwill is considered as having an indefinite useful life and is therefore not related to the period of the contractual license. The management has decided to use this accounting treatment since:

- the licence price initially paid is related to the value of the turnover of the business purchased and is independent with regard to the remaining contractual period;
- in the past, on expiry of the contract, the Group was always able to renew the licenses;
- the redefining of contractual relationships occurred in the past resulted from voluntary agreements. From the conclusion of these transactions, the Group, besides having solidified trade relationships with the companies, has also obtained extensions to the contractual terms. In these cases, as in the previous, the goodwill eventually paid has not shown an impairment.

Other intangible assets have been amortized by adopting the following criteria:

Patents and intellectual property rights	5 years
Concessions, licences, trademarks and similar rights	5 years / 20 years
Other assets	5 years / contract term

Equity investments in associated and other companies

Equity investments in associated companies are valued at equity, while equity investments in other companies, given their lack of significance, are valued at purchase, subscription or contribution cost, as indicated in Annex 1 and in the following notes. The recoverability of their book value is determined by adopting the criteria indicated in the section "Impairment of assets".

Inventories

Inventories are entered at the lower of purchase or production cost, calculated by the FIFO method and the presumed realisable value in consideration of the market trend.

Biological assets

The biological assets represented by livestock have been valued at their fair value, net of accretion and sale costs.

Cash and cash equivalent

Cash and cash equivalent includes cash, current bank accounts, deposits payable on demand and other easily cashable short-term investments not subject to the risk of a change in value.

Receivables and other short-term assets

Trade and other short-term receivables are initially entered at their fair value and then valued at their amortized cost, after write-down. Upon entry, the nominal value of receivables represents their fair value upon said date. Given the high receivables turnover, application of amortized cost produces no effects. Provision for bad debts, as at said date, represents the difference between the book value of receivables and the reasonable expectation of financial flows forecasted from their collection.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is cancelled from the financial statements when:

I. the rights of the asset to receive financial flows are extinguished;
II. the right of the asset to receive financial flows is conserved but there is a contractual obligation to pay the total without delay to a third party;
III. the Group has transferred the right to receive financial flows from the asset and (a) it has substantially transferred all the risks and benefits of ownership of the financial asset or (b) it has not substantially transferred or retained all the risks and benefits of ownership of the asset, but has transferred control thereof.

In the cases where the Group has transferred the rights to receive financial flows from an asset and has not substantially transferred or retained all the risks and benefits or lost control thereof, the asset is recorded in the Group's financial statements to the extent of its residual involvement in the asset itself. The residual involvement that, for example, takes the form of a guarantee on the asset transferred is valued at the lower of the initial book value of the asset and the maximum value of the consideration that the Group could be required to pay. The cancellation from the financial statements of the financial liability takes place when the obligation underlying the liability is extinguished, or annulled or discharged. In the cases where an existing financial liability is substituted by another of the same lender, on substantially different conditions, or the conditions of an existing liability are substantially modified, this exchange or modification is treated as an accounting cancellation of the original liability and the recording of a new liability, with the consequent booking to the income statement of any differences between the book values.

Impairment of assets

In the event of cases implying an impairment of an asset, the recoverability of its value it determined by comparing the book value with the relevant recoverable value, which is the higher between the fair value, net of disposal charges and the use value.
Failing a binding sales agreement, fair value is estimated on the basis of the value expressed by an active market, by recent transactions or on the basis of the best available information reflecting the sum the Group may gain by selling the asset.
The use value is determined by discounting back the expected cash flows deriving from the use of the asset and, if material and reasonably determinable, from its transfer at the end of its useful life. Cash flows are determined on the basis of reasonable assumptions, to be supported by documentary evidence, representing the best estimate of future economic conditions occurring over the residual useful life of the asset, attaching greater importance to external indications. Discounting back is made at a rate that considers the risks inherent in the specific line of business.
Evaluation is made for each single asset or for the smallest identifiable group of assets generating autonomous incoming cash flows, deriving from constant use (the so-called cash generating unit). When the reasons for write-downs made no longer apply, the assets, except for goodwill, are revalued and the adjustment is entered in the income statement as a revaluation (value restoration). Revaluation is made at the lower between the recoverable value and the book value before write-downs previously made, minus the amortization and depreciation rates that would have been allocated should no write-down have been made.

Capital stock

The costs relative to the issue of shares or options are classified in the shareholder's equity (net of the fiscal benefits related to them) as a deduction of the revenues deriving from the issue of such instruments.
In the case of acquisition of treasury stock, the price paid, including any directly attributable accessory costs, is deducted from the Group's shareholders' equity until the shares are cancelled, re-issued or disposed of. When the treasury stock is sold or re-issued, the price cashed, net of any directly attributable accessory costs and the relative tax effect, is entered as the group's shareholders' equity.

Earnings per share

Basic and Diluted
The base earnings per share are calculated by dividing the Group's net profit by the weighted average of the ordinary shares in circulation during the financial year, excluding the treasury shares.
For the purpose of calculation of the diluted earnings per share, the weighted average of the shares in circulation is modified by assuming the conversion of all the potential shares having a dilution effect, while the Group's net profit is adjusted to take into account the effects, net of taxation, of the conversion.

Financial liabilities

Financial liabilities are initially valued at their fair value equal to consideration received at such date. They are then measured by amortized cost, adopting the actual interest-rate method.

Accounting treatment of derivative contracts

The Cremonini Group utilises derivative financial instruments to hedge the exposure to interest rate risk. These derivative financial instruments are initially recorded at fair value at the date when they are stipulated; subsequently this fair value is periodically re-measured; they are booked as assets when the fair value is positive and as liabilities when negative.

The fair value of the derivative financial instruments utilised is determined with reference to the market value whenever it is possible to identify an active market for them. If, instead, the market value of a financial instrument is not easily identifiable, but can be identified for its components or a similar instrument, the market value is determined by the valuation of the individual components of the instrument or a similar instrument. Furthermore, the valuation of instruments for which it is not possible to identify an active market easily is determined by resorting to the value that arises from generally accepted valuation models and techniques, which ensure a reasonable approximation to the market value.

Derivatives are classified as hedging instruments when the relationship between the derivative and the subject matter of the hedge has been formally documented and the effectiveness of the hedge, checked periodically, is high. When the hedging derivative covers the risk of variation of the fair value of the instruments to be hedged (fair value hedge - e.g., hedging variations in fair value of fixed rate assets/liabilities), the derivatives are entered at their fair value with the recognition of the related effects in the income statement; consistently, the instruments are adjusted to reflect variations in fair value associated to the risk hedged. When the derivatives hedge risks of variation in the cash flow of the instruments to be hedged (cash flow hedge, e.g., hedging variations of cash flow of assets/liabilities by effect of exchange rate fluctuations), the variations in the fair value of the derivatives are initially entered under shareholders' equity and subsequently entered in the income statement consistently with the economic effects produced by the transaction hedged. Variations in the fair value of derivatives not satisfying the conditions allowing them to be identified as hedging instruments, are entered in the income statement.

Employee benefits

As provided by IAS 19, the staff severance provision falls within the frame of the so-called benefit plans forming post-employment benefits. The accounting treatment established for such forms of benefit requires an actuarial calculation, which allows for a future projection of the amount of Staff Severance Provision already carried and for discounting it back, in order to consider the time running before actual payment. The actuarial calculation weighs variables such as average staff employment period, inflation rates and expected interest rates. Liabilities are valued by an independent actuary.

The Group has taken advantage of the possibility of applying the "corridor" mechanism on actuarial profits or losses, in entering the actuarial profits or losses relative to defined benefit plans which allows to dilute the valuation effect deriving from the change in some of the calculation parameters over a series of financial years: therefore actuarial profits and losses generated after the date of transition to the IFRS have not been entered immediately in the income statement, but rather diluted using the corridor method. According to this method only the portion of net actuarial profits and losses at the end of the previous period in excess of the greater of 10% of the present value of the obligations and 10% of the fair value of the eventual assets serving the plan at the same date, divided by the remaining working life of the employee.

Following the recent reform of the national legislation that regulates the staff severance indemnities for companies with more than 50 employees, the staff severance indemnities maturing from 1 January 2007 are configured as a defined contribution plan, the payments for which when recorded are booked directly to the income statement as a cost. The staff severance indemnity due up to 31.12.2006 remains a defined benefits plan, without future contributions. Accordingly, its valuation is carried out by independent actuaries on the basis of the expected average residual working life of the employees only, no longer considering the remuneration that they earned over a predetermined period of service.

Provisions for liabilities and charges

Provisions for liabilities and charges involve determined costs and charges, considered definite or probable, for which the amount or due date could not yet be determined at year-end. Provisions are recognised when:

I. the existence of a current, legal or implied obligation is probable, arising from a previous event;
II. the discharge of the obligation may likely carry charges;
III. the amount of the obligation may be reliably estimated.

Provisions are entered at the value representing the best estimate of the amount the Group would reasonably pay to redeem the obligation or to transfer it to third parties at the end of the period. When the financial effect of time is significant and the payment dates of the obligations are reliably estimable, the provision is discounted back; the increase in the provision, associated with the passage of time, is entered in the income statement under "Financial income (charges)". The supplementary clientele severance indemnity, as all other provisions for liabilities and charges, has been appropriated, based on a reasonable estimate of future probable liabilities, and taking the elements available into consideration.

Income taxes

The income taxes for the financial year represent the total of current and deferred taxes.

Current income taxes are calculated on the basis of a realistic estimate of the taxes payable applying the tax laws in force; the relative figure is shown net of advances, withholding applied and taxes which may be off-set, in the item "Current taxes payable". If the result is a credit, the figure is shown in the item "Current tax assets" in the current assets.

Deferred taxes and deferred tax assets are calculated on the provisional differences between the value of assets and liabilities entered in the financial statements and the corresponding values recognised for tax purposes. Deferred tax assets are recorded when their recovery is probable. Deferred tax assets and liabilities for deferred taxes are classified under non-current assets and liabilities and are offset if referring to taxes which may be offset. The offsetting balance, if a credit, is entered under "deferred tax assets"; if a liability, under "Liabilities for deferred taxes". When the results of the transactions are directly recognised in the shareholders' equity, current taxes, assets for pre-paid taxes and liabilities for deferred taxes are also recorded in the shareholders' equity.

Deferred tax assets and deferred taxes are calculated on the basis of the tax rates expected to be applied in the year said assets will realise or said liabilities will extinguish.

Currency translation

Receivables and payables initially expressed in foreign currency are translated into Euro at current exchange rates. The receivables and payables originally expressed in foreign currencies are translated into Euro at the historical exchange rates at the dates of the relative transactions. The exchange rate differences realised on receipt of the receivables and payment of the payables in foreign currencies are recorded in the income statement. At the date of preparation of the annual financial statements the receivables and payables in foreign currencies are translated at the exchange rates prevailing at 31 December 2008 with recording of the relative effects to the income statement and a contra entry to the respective items of the balance sheet.

The Cremonini Group's consolidated financial statements are prepared in Euro, which is the Parent Company's functional currency and that used for presentation.

The balances included in the financial statements of each of the Group's companies are recorded in the currency of the primary economic environment where the company operates (functional currency).

The rules for translation of the financial statements expressed in foreign currencies into the presentation currency are the following:

I. assets and liabilities included in the financial statements, even if only for comparative purposes, are translated at the exchange rate at the year-end;
II. the costs and revenues, charges and income, included in the financial statements, even if only for comparative purposes, are translated at the average exchange rate of the period presented;
III. the components of the shareholders' equity, excluding the profit for the period, are translated at historic exchange rates;
IV. the "translation reserve" includes both the exchange rate differences generated from the translation of the magnitudes at a different rate from that of the year-end, and those generated from the translation of the opening shareholders' equities at an exchange rate different from that of the year-end.

he exchange rates utilised for the translation into Euro of the financial statements of foreign subsidiaries that do not use the European currency (Euro) were the following:

Currency	Year-end exchange rate		Average exchange rates	
(amount of currency for 1 Euro)	2008	2007	2008	2007
Dollars (USA)	1.39170	1.47210	1.47076	1.37048
Dinars (Algeria)	98.39460	98.25113	94.90778	95.30890
Readjustado Kwanza (Angola)	104.61400	110.42403	110.29405	105.01995
Real (Brazil)	3.24360	2.61078	2.67373	2.66379
Roubles (Russia)	41.28300	35.98546	36.42072	35.01830
Zloty (Poland)	4.15350	3.59350	3.51210	3.78370

Stock options

In the shareholders' meeting of 2 September 2003, the subsidiary MARR S.p.A. approved a stock option plan, valued at the fair value of the capital instruments granted to the employees upon the assignment date. The fair value of the capital instruments exercised over the period, was charged to "Personnel costs" in the income statement, against an appropriate reserve in the Shareholders' Equity. The fair value of the capital instruments was measured by an independent actuary.

It is noted that the stock option plans were concluded in the 2007 financial year; assignations of the residual options were completed within said financial year and these were fully exercised within the same period.

Business combinations

Business combinations are recorded by applying the so-called purchase method (as defined by IFRS 3, "Business combinations"). The purchase method requires that, after having identified the purchaser in the context of the business combination and having determined the purchase cost, all assets and liabilities (including to so-called contingent liabilities) purchased must be valued at their fair value. To this end the company is required to value any intangible assets purchased specifically. Any goodwill is to be calculated in residual form, as the difference between the cost of the business combination (including additional charges and any contingent consideration) and the share pertaining to the company of the difference between assets and liabilities purchase, valued at their fair value.

Any goodwill emerging as described above, just as with any other intangible assets of indefinite life that may have been entered, must not be amortized but subjected to impairment test at least on an annual basis.

Revenue recognition

Revenues from sales of goods are recognised upon the transfer of all the risks and charges deriving from ownership of the goods transferred, which is generally their shipment or delivery date.

Financial income and revenues from services are recognised on an accrual basis.

Dividends are recognised in the income statement on the date on which the right to receive them matures, which, in the case of listed companies is the date on which the coupon is detached.

Recognition of costs

Costs are recognised when related to goods and services acquired and/or received over the period.

The lease rental instalments are entered in the income statement on the basis of their pertinence.

The financial leasing instalments are entered, for as much as regards the capital portion as a reduction of the financial debt, for as much as regards the interest portion in the income statement.

Financial costs and charges for services are recognised on an accrual basis.

Sector information

A sector is defined as a business area or geographical area in which the Group carries out its business activities, characterised by conditions and risks differing from those applying in other sectors. In particular, the sectors of a business represent the Group's primary sectors identified as follows: Production, Distribution, Catering and Holding Company and Centralized Activities. Geographical areas (secondary sectors) have been identified in Italy, the European Union and the Non-EU countries.

The principal summarized figures by business sector are shown below:

Breakdown of revenues by sector

(in thousands of Euros)	Year 2008	Year 2007	Change total value	Change %
Production (*)				
Net revenues	633,960	990,828	(356,868)	(36.02)
Intercompany revenues	32,446	50,412		
Total revenues	666,406	1,041,240	(374,834)	(36.00)
Gross operating margin	35,149	51,003	(15,854)	(31.08)
Amortization, depreciation and write-downs	(20,137)	(31,634)	11,497	(36.34)
Operating profit (loss)	15,012	19,369	(4,357)	(22.49)
Distribution				
Net revenues	1,098,413	1,042,356	56,057	5.38
Intercompany revenues	10,922	22,346		
Total revenues	1,109,335	1,064,702	44,633	4.19
Gross operating margin	71,050	69,470	1,580	2.27
Amortization, depreciation and write-downs	(10,002)	(9,757)	(245)	2.51
Operating profit (loss)	61,048	59,713	1,335	2.24
Catering				
Net revenues	474,496	443,900	30,596	6.89
Intercompany revenues	185	224		
Total revenues	474,681	444,124	30,557	6.88
Gross operating margin	29,769	31,391	(1,622)	(5.17)
Amortization, depreciation and write-downs	(12,574)	(10,754)	(1,820)	16.92
Operating profit (loss)	17,195	20,637	(3,442)	(16.68)
Holding company property and centralized activities				
Net revenues	5,198	5,355	(157)	(2.93)
Intercompany revenues	5,849	8,516		
Total revenues	11,047	13,871	(2,824)	(20.36)
Gross operating margin	(2,799)	(2,820)	21	(0.74)
Amortization, depreciation and write-downs	(3,415)	(2,908)	(507)	17.43
Operating profit (loss)	(6,214)	(5,728)	(486)	8.48
Consolidation adjustment				
Total revenues	*(49,403)*	*(81,498)*		
Gross operating margin	*(202)*	*(211)*		
Amortization, depreciation and write-downs				
Operating profit (loss)	*(202)*	*(211)*		
Total				
Total revenues	2,212,066	2.482,439	(270,373)	(10.89)
Gross operating margin	132,967	148,833	(15,866)	(10.66)
Amortization, depreciation and write-downs	(46,128)	(55,053)	8,925	(16.21)
Operating profit (loss)	86,839	93,780	(6,941)	(7.40)

(*) The main financial consolidated variables relative to 2008 were influenced by the deconsolidation of 50% of the production sector commencing from 3 March 2008 (100% consolidation for the first two months and 50% for the subsequent months).

Breakdown of revenues from sales and services by geographic area

Year 2008 (in thousands of Euros)	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	356,155	56.7	1,003,939	93.4	310,816	66.4	4,509	99.4	1,675,419	77.0
European Union	95,669	15.2	52,790	4.9	156,947	33.5	25	0.6	305,431	14.0
Extra-EU countries	176,666	28.1	18,696	1.7	615	0.1		-	195,977	9.0
Total	**628,490**	**100.0**	**1,075,425**	**100.0**	**468,378**	**100.0**	**4,534**	**100.0**	**2,176,827**	**100.0**

Year 2007 (in thousands of Euros)	Production	%	Distribution	%	Catering	%	Altro	%	Total	%
Italy	627,129	63.9	926,023	90.7	288,792	65.9	4,411	92.6	1,846,355	75.5
European Union	154,610	15.7	65,332	6.4	149,353	34.1		-	369,295	15.1
Extra-EU countries	199,994	20.4	29,394	2.9	89	0.0	354	7.4	229,831	9.4
Total	**981,733**	**100.0**	**1,020,749**	**100.0**	**438,234**	**100.0**	**4,765**	**100.0**	**2,445,481**	**100.0**

Consolidated balance sheet structure by business sector

As at 31 December 2008 (in thousands of Euros)	Production*	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	9,757	89,828	53,266	508		153,359
Tangible assets	227,028	60,467	78,650	83,229		449,374
Equity investments and other financial assets	3,037	502	1,862	9,908		15,309
Total fixed assets	**239,822**	**150,797**	**133,778**	**93,645**	**0**	**618,042**
Trade net working capital						
- *Trade receivables*	70,544	296,660	41,797	8,375	(11,593)	405,783
- *Inventories*	84,696	94,564	11,094	8	198	190,560
- *Trade payables*	(82,839)	(200,879)	(65,024)	(3,042)	11,134	(340,650)
Total trade and net working capital	72,401	190,345	(12,133)	5,341	(261)	255,693
Other current assets	12,659	20,500	16,674	21,085	(17,387)	53,531
Other current liabilities	(12,478)	(14,261)	(39,056)	(18,526)	17,648	(66,673)
Net working capital	**72,582**	**196,584**	**(34,515)**	**7,900**	**0**	**242,551**
Staff Severance Provision and other medium/long-term provisions	**(26,098)**	**(21,957)**	**(12,658)**	**(10,032)**		**(70,745)**
Net invested capital	**286,306**	**325,424**	**86,605**	**91,513**	**0**	**789,848**

(*) The main financial consolidated variables relative to 2008 result from the deconsolidation of 50% of the production sector commencing from 3 March 2008, the date that the JBS S.A. agreement was completed. The equity figures of the production sector at 31 December 2008 are consequently shown at 50% as an effect of the proportional consolidation thereof.

As at 31 December 2007 (in thousands of Euros)	Production*	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	19,719	83,983	52,998	478		157,178
Tangible assets	435,810	59,603	62,480	79,993		637,886
Equity investments and other financial assets	7,089	509	2,323	9,936		19,857
Total fixed assets	**462,618**	**144,095**	**117,801**	**90,407**	**0**	**814,921**
Trade net working capital						
- *Trade receivables*	118,173	258,686	45,234	9,945	(22,172)	409,866
- *Inventories*	136,258	88,266	9,810	252	213	234,799
- *Trade payables*	(151,781)	(180,263)	(65,459)	(2,133)	23,210	(376,426)
Total trade and net working capit	102,650	166,689	(10,415)	8,064	1,251	268,239
Other current assets	22,364	20,460	12,225	26,063	(25,711)	55,401
Other current liabilities	(18,684)	(18,617)	(33,294)	(25,522)	24,460	(71,657)
Net working capital	**106,330**	**168,532**	**(31,484)**	**8,605**	**0**	**251,983**
Staff Severance Provision and other medium/long-term provisions	**(54,481)**	**(20,881)**	**(13,726)**	**(12,607)**		**(101,695)**
Net invested capital	**514,467**	**291,746**	**72,591**	**86,405**	**0**	**965,209**

Net consolidated debt broken down by sector

As at 31 December 2008 (in thousands of Euros)	Production*	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(96,885)	(159,073)	(5,079)	(91,840)	(352,877)
- due between 1 and 5 years	(28,177)	(24,233)	(6,843)	(150,445)	(209,698)
- due beyond 5 years	(7,599)	(4,644)	(8,175)	(74,414)	(94,832)
Total payables to banks, bonds and other financial institutions	**(132,661)**	**(187,950)**	**(20,097)**	**(316,699)**	**(657,407)**
Liquidity					
- cash and cash equivalents	25,747	30,600	17,977	3,311	77,635
- other financial assets	4,786	5,369	1,127	3	11,285
Total liquidity	**30,533**	**35,969**	**19,104**	**3,314**	**88,920**
Securitization and internal treasury current accounts	**0**	**1,289**	**(75,300)**	**74,011**	
Total net debt	**(102,128)**	**(150,692)**	**(76,293)**	**(239,374)**	**(568,487)**

(*) The main financial consolidated variables relative to 2008 result from the deconsolidation of 50% of the production sector commencing from 3 March 2008, the date that the JBS S.A. agreement was completed. The equity figures of the production sector at 31 December 2008 are consequently shown at 50% as an effect of the proportional consolidation thereof.

As at 31 December 2007 (in thousands of Euros)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(187,056)	(141,059)	(5,751)	(98,780)	(432,646)
- due between 1 and 5 years	(91,211)	(33,609)	(6,094)	(116,500)	(247,414)
- due beyond 5 years	(43,049)	(2,088)	(1,746)	(21,170)	(68,053)
Total payables to banks, bonds and other financial institutions	**(321,316)**	**(176,756)**	**(13,591)**	**(236,450)**	**(748,113)**
Liquidity					
- cash and cash equivalents	43,094	48,319	17,690	19,371	128,474
- other financial assets	1,305	4,166	1,127	6	6,604
Total liquidity	**44,399**	**52,485**	**18,817**	**19,377**	**135,078**
Securitization and internal treasury current accounts	**(8,513)**	**1,334**	**(59,050)**	**66,229**	
Total net debt	**(285,430)**	**(122,937)**	**(53,824)**	**(150,844)**	**(613,035)**

Main accounting judgments, estimates and assumptions adopted by Management

The application of generally accepted accounting standards for the drafting of the interim financial statements and accounting reports means that the management of the company is required to carry out accounting estimates based on complex and/or subjective judgements, estimates based on previous experience and hypotheses considered reasonable and realistic on the basis of the information known at the time when the estimate is made. The use of these accounting estimates influences the value at which assets and liabilities are entered into the accounts and information on potential assets and liabilities at the date of the financial statements, as well as the amount of revenues and costs over the reference period. Actual results may differ from those estimated because of the uncertainty characterising the hypotheses and the conditions on which the estimates are based. Below are the accounting estimates of critical importance in the process of drawing up the interim financial statements and accounting reports because involving a high degree of reliance on subjective judgements, assumptions and estimates relating to questions which are by their nature uncertain. A change in the conditions underlying the judgement, assumptions and estimates adopted may have a significant impact on subsequent results.
Below are the main estimates and assumptions adopted by Management to prepare these annual financial statements, whose variations, unpredictable at this time, may affect the Group's economic and financial situation.

- Estimates adopted to value to impairment of assets

In order to measure any impairment of goodwill entered in the financial statements, the Group has adopted the method previously illustrated in the section on "impairment of assets". The recoverable value was determined on the basis of the calculation of the usable value.
Cash flows of cash generating units attributable to each goodwill/consolidation difference have been inferred for 2008 from the Budget for 2009, and for subsequent years from estimates calculated by corporate management utilising constant growth rates that are never higher than the programmed rate of inflation. The average cost of capital (WACC) of 7.5% (7.39% per MARR and its subsidiaries) was utilised as the discount rate. The evaluation of any losses in value of the assets (impairment test on goodwill) was carried out annually with reference to 31 December 2008.

▶ Estimates adopted to measure the fair value of the stock option plan

The Group defines the cost of each transaction with the employees, regulated with capital instruments, by referring to the fair value of the instruments at the date when they are conceded. Estimation of the fair value requires the determination of the most appropriate evaluation model for the concession of capital instruments that, accordingly, depends on the terms and conditions based on which of these instruments are conceded. This also requires identification of the data to supply the evaluation model amongst which are hypotheses on the expected life of the options, the volatility and equity return.

Specifically, it is noted that the stock option plan, approved by the shareholders' meeting of the subsidiary MARR S.p.A. on 2 September 2003, was concluded in the 2007 financial year; assignations of the residual options were completed within said financial year and these were fully exercised within the same period.

▶ Estimates adopted in the actuarial calculation for the purpose of determining the benefit plans defined in the context of staff severance provisions

The valuation of the staff severance provision was made by an independent actuary on the basis of the following assumptions:

- the expected inflation rate is 3.2%;
- the discounting back rate used is 4.15%;
- * the expected rate of increase in retribution (including inflation) can be split as follows: (i) Directors 2.5%; (ii) White-collar workers/Executives 1%; (iii) Blue-collar workers 1%;
- the expected annual rate of increase in the staff severance provision is 2.5%, with the exception of Emigel for which the advance rate was 2.0%;
- the turnover of employees was 9%, with the exception of Emigel for which the turnover rate was 15%.
  * The estimates of the expected rates of the remuneration increases are only utilised for the companies with 50 or less employees.

▶ Estimates adopted in the actuarial calculation for the purpose of determining the supplementary clientele severance indemnity

The valuation of payables for the clientele severance indemnity was made by an independent actuary on the basis of the following assumptions:

- the voluntary turnover provided was 12% for MARR S.p.A., 7% for Montana S.p.A, Salumi d'Emilia S.r.l. and Emigel S.r.l. and 6% for Asca S.p.A and New Catering S.r.l.;
- the corporate voluntary turnover provided was 16% for Salumi d'Emilia S.r.l., 15% for Asca S.p.A, 12% for New Catering S.r.l., 10% for Montana S.p.A., 1.5% for Emigel S.r.l. and 3% for MARR S.p.A.;
- the discount rate utilised was 4.3%.

▶ Deferred taxes

The deferred tax assets are recorded against all the tax losses carried forward, to the extent that the existence of adequate future tax profits against which these losses may be utilised is probable. A significant discretional valuation is required of the directors to determine the amount of the deferred tax assets that can be booked. They must estimate the probable timing and amount of the future taxable profits as well as planning a strategy for the future taxes.

▶ Other estimates and hypotheses utilised

The following elements of the financial statements are affected by management estimates and assumptions:
- inventory obsolescence;
- amortisation and depreciation
- valuations of other assets.

FINANCIAL RISK MANAGEMENT

The principal risks identified, monitored and actively managed by the Cremonini Group are the following:

- Market risks: deriving from Group's exposure to the fluctuations in exchange rates, interest rates and volatility of the prices of the products and services sold;
- Credit risk: deriving from the possibility of bankruptcy of a counterparty;
- Liquidity risk: deriving from the absence of financial resources to meet short-term financial commitments.

The Cremonini Group utilises derivative financial instruments to hedge the exposure to exchange rate and interest rate risks. Nevertheless, in the cases where the derivative financial instruments do not meet all the conditions provided for the accounting treatment of the hedging derivative financial instruments (hedge accounting), these are booked at the fair value with a contra entry to the income statement.

Market risks:

The market risk consists of the possibility that changes in the exchange rates, interest rates and prices of the products can negatively influence the value of the assets, liabilities or expected cash flows.

Exchange rate risk

The Cremonini Group, operating internationally, is structurally exposed to changes in exchange rates that affect the financial flows that originate from operations and loan transactions in currencies other than the European currency (Euro).
The Group's exposures derive above all from the transactions of a trade nature regulated in United States Dollars; other exposures in foreign currencies to which the Group is subjected are those in Russian Roubles, English Pounds, Angolan Kwanza, Polish Zloty and Algerian Dinar.

The exchange rate changes have impacted:

- on the financial result, as an effect of the significantly different costs and revenues in foreign currencies with respect to the time when the price conditions were defined, and as an effect of the translation of trade or financial receivables and payables denominated in foreign currencies;
- on the financial result and shareholders' equity of the consolidated financial statements, as an effect of the translation of the assets and liabilities of the companies that prepare their financial statements in a foreign currency other than the Euro.

The risk deriving from the formation of the income for the financial year in a foreign currency, or the translation of the assets and liabilities of the companies that prepare their financial statements in a foreign currency other than the Euro is not as a norm hedged, except for a specific different valuation.

Sensitivity analysis

In general, an appreciation of the Euro against other currencies has a negative effect on the pre-tax profit and vice versa.
At 31 December 2008, the effects of an appreciation or depreciation of the Euro of 5% against the foreign currencies in which the Group operates are shown in the following table:

Effects on the pre-tax result:

(in thousands of Euros)	Euro 5% Appreciation	Eur 5% Depreciation
US - Dollars	888	(982)
GB - Pounds	44	(48)
Angola - Readjustado Kwanza	1,013	(1,120)
Russia - Rubles	237	(262)

Furthermore, a 5% appreciation of the Euro against the American dollar would have determined a reduction of the other shareholders' equity items of 43 thousand Euro ascribable to the change in the cash flow hedge reserve (due to the change in the fair value of the forward contracts on the exchange rates). Instead, a depreciation of the Euro against the Dollar of the same entity would have determined a positive effect of 20 thousand Euro.

Interest rate risk

The Cremonini Group, as is evident from the net debt, is exposed to the risk of fluctuation in interest rates that affect the market value of financial assets and liabilities, and the amount of financial charges.
The medium/long-term loans are, almost totally, stipulated with variable interest rates exposing the Group to the risk of a change in future cash flows, while the fixed rate loans expose the Group to the risk of a change in the fair value of the loans themselves.

Sensitivity analysis

At 31 December 2008, a hypothetical increase of 5% in the interest rate, all other variables being equal, would have determined a higher pre-tax charge (and therefore a corresponding reduction of shareholders' equity) of about 1,286 thousand Euro on an annual basis (1,228 thousand Euro at 31 December 2007).

Price risk
The reduction of the prices of the products and services sold generally leads to a reduction in the operating results and vice versa. The Group, which operates worldwide, is exposed to the fluctuations of prices that are also affected by the normal seasonality that characterises the individual sectors. These risks are managed directly by the individual companies through the diversification of the sources of procurement and through the following-up of the stability of the margins implemented with an optimal prices policy .

Credit risk
The credit risk represents the Group's exposure to potential losses deriving from the counter party's failure to meet obligations assumed and is evaluated both in commercial terms, i.e., correlated to the customer typologies and to the contractual terms and concentration of the sales, and in financial terms connected to the typology of the counter parties used in financial transactions.
The Group's operating practices allow control of the credit risk, through a procedure that monitors the merit classes of the customers that request deferment of payments, thus limiting sales of products and/or services to customers without an adequate level of credit line and guarantees. The monitoring of the customer is based on collection of data and information on new customers and supervision of the evolution of individual credit positions. Furthermore, the receivables balance is monitored during the financial year so as to ensure that the delinquent positions are not significant.
The credit risk is also mitigated by the fact that there are no major expositions due to a concentration of positions, in view of the multiple number of customers and particularly distributed turnover. With regard to the financial counterparty risk deriving from the use of liquidity, the Group implements policies that limit the loan exposure with the individual financial institutions.

Management of trade credit is the responsibility of the Customers Office, Debt Recovery Office and Disputes Management on the basis of formalised valuation procedures for commercial partners' credit lines, including the recovery of receivables and eventual management of the disputes. This procedure permits the definition of those rules and operational mechanisms that ensure the generation of a payments flow such as to guarantee Cremonini S.p.A. customer solvability and the profitability of the relationship.

At the reference date of the financial statements, the maximum exposure to the credit risk is equal to the value of each category of the receivables indicated below:

(in thousands of Euros)	**31.12.2008**	**31.12.2007**
Current trade receivables	410,031	415,038
Other non-current assets	11,396	9,420
Other current assets	48,047	52,342
Total	**469,474**	**476,800**

The fair value of the categories shown above is not given as the book value represents a reasonable approximation.

Please refer to point 12 of the explanatory notes to the financial statements for information regarding the maximum exposure to credit risk.

Liquidity risk
The liquidity risk represents the risk that, due to the incapacity of raising new funds or liquidate assets in the market, the company cannot meet its payment obligations, determining an impact on the financial result in the case where the company is constricted to sustain additional costs to meet its commitments or, as an extreme consequence, a situation of insolvability that places the company's activities at risk.

The Group systematically respects the maturities of its commitments, a behaviour that allows it to operate in the market with the necessary flexibility and reliability for the purpose of maintaining a correct balance between the supply and use of financial resources.

The Group manages the liquidity risk through prudent control of the necessary cash and cash equivalents for the normal conduct of operations and availability of credit lines that guarantee a satisfying level of resources sufficient to cover any financial necessities. These controls mainly take place through the constant monitoring by the centralised treasury of the receipts and payments flows of all the companies, pursuing the maintenance of a balance in terms of duration and composition of the payables. This specifically allows the monitoring of the resources flows generated and absorbed by normal operations. With regard to management of the resources absorbed by the investment activities, in general it privileges the location of sources of specific long-term loans.

The table below analyses the financial liabilities and the derivative financial liabilities on the basis of the contractual maturities as at the date of the financial statements. It is noted that the amounts indicated do not reflect the book values (with the exception of the balances within 12 months, for which the book balances reflect reasonable estimates of the financial flows, given the insignificance of the discounting effect) as they are not discounted. The financial flows from variable rate loans were estimated utilising the average rate of indebtedness at the reference date of the financial statements.

(in thousands of Euros)	**Within 12 months**	**1-5 years**	**Over 5 years**	**Total**
31 December 2008				
Financial payables	353,585	209,688	94,832	658,105
Financial instruments / Derivatives	397	-	-	397
Trade Liabilities	373,083	-	-	373,083
	727,065	**209,688**	**94,832**	**1,031,585**
31 December 2007				
Financial payables	434,901	247,414	68,053	750,368
Financial instruments / Derivatives	1,576	-	-	1,576
Trade Liabilities	410,354	-	-	410,354
	846,831	**247,414**	**68,053**	**1,162,298**

Classes of financial instruments

The following elements are booked conforming to the accounting standards relating to financial instruments:

(in thousands of Euros)		**31 December 2008**	
Balance Sheet Assets	**Loans and Receibles**	**Derivates utilised for hedging**	**Total**
Non-current financial receivables	-	23	23
Non-current financial receivables	3,253	-	3,253
Other non-current receivable items	11,396	-	11,396
Current financial receivables	11,425	-	11,425
Current trade receivables	410,031	-	410,031
Current tax receivables	17,163	-	17,163
Cash and cash equivalents	77,635	-	77,635
Other current receivable items	48,047	-	48,047
Total	**578,950**	**23**	**578,973**
Balance Sheet Liabilities	**Other financial liabilities**	**Derivates utilised for hedg.**	**Total**
Non-current financial payables	304,520	-	304,520
Current financial payables	-	33	33
Current financial payables	353,585	-	353,585
Derivative financial instruments	397	-	397
Total	**658,502**	**33**	**658,535**

(in thousands of Euros)		**31 December 2007**	
Balance Sheet Assets	**Loans and Receibles**	**Derivates utilised for hedging**	**Total**
Other non-current receivable items	3,691	-	3,691
Current financial receivables	9,420	-	9,420
Current trade receivables	7,116	-	7,116
Current derivative financial instruments	415,038	-	415,038
Current derivative financial instruments	-	3,265	3,265
Current tax receivables	17,164	-	17,164
Cash and cash equivalents	128,474	-	128,474
Other current receivable items	52,342	-	52,342
Total	**633,245**	**3,265**	**636,510**
Balance Sheet Liabilities	**Other financial liabilities**	**Derivates utilised for hedg.**	**Total**
Non-current financial payables	315,467	-	315,467
Current financial payables	434,901	-	434,901
Derivative financial instruments	1,576	-	1,576
Total	**751,944**	**-**	**751,944**

Capital management policy

The company's primary aim, regarding capital management, is to obtain an appropriate level of own funds in relation to debt, with the purpose of maintaining equity solidity and achieve a functional debt/equity ratio for the purpose of adequate management of the financial leverage.

For the purpose of reaching these objectives, the company, in addition to pursuance of satisfying financial results and the generation of cash flows, can intervene on the dividends policy and configuration of the company's capital.

The principal indicators that the company uses for capital management are:

1) R.O.S. (Return on sales);
2) R.O.I. (Return on investments);
3) R.O.A.C.E. (Return On Average Capital Employed);
4) R.O.E. (Return on equity);
5) Net Debt / Equity;
6) Net Debt /Ebitda.

Information included in the Directors' Report

With respect to then nature of the Group's business activities, the events of significance occurring after the closing of the financial year, relationships with Group and related companies and other information relating to the different business sectors in which the Group operates, please refer to the Directors' Report.

DETAILS OF THE MAIN ITEMS OF THE CONSOLIDATED BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

Specific statements have been prepared for the two categories of non-current assets (intangible and tangible) which have been attached respectively in annex 3 and 4, that indicate for each item the historic cost, previous amortization and depreciation, changes over the period and final balances.

1. Tangible assets

(in thousands of Euros)	Balance at 31.12.2007	Change in consolidation area	Purchases	Decreases	Other	Amortization	Balance at 31.12.2008
Land and buildings	427,454	(142,031)	15,093	(785)	5,632	(10,157)	295,206
Plant and machinery	132,027	(50,981)	10,150	(451)	5,207	(16,022)	79,930
Industrial and business equipment	6,621	(1,537)	1,154	(124)	80	(1,780)	4,414
Other assets	28,970	(2,374)	6,571	(2,151)	864	(5,991)	25,889
Fixed assets under construction and advances	42,814	(17,292)	33,267	(186)	(14,668)		43,935
Total	**637,886**	**(214,215)**	**66,235**	**(3,697)**	**(2,885)**	**(33,950)**	**449,374**

Land and buildings

The decrease in the balance is mainly ascribable to the 50% deconsolidation of the production sector (-142,031 thousand Euro). Excluding this effect, the increase in the item Land and buildings above all regarded the Catering (10,391 thousand Euro) and Production (3,243 thousand Euro) sectors.

This change in the Catering sector is mainly ascribable to the purchase, through financial leasing, of the new Roadhouse Grill S.r.l. premises in Padua, Rozzano and Prezzano. Instead, in the production sector the increase principally regarded the purchase, by Salumi d'Emilia, of land adjacent to its production factory functional for the corporate industrial expansion project, the investments in the slicing department in the Gazoldo degli Ippoliti (MN) base for Montana S.p.A., as well as the investments made by INALCA S.p.A. for improvements in various factories.

The other movements refer to reclassification of works completed in the period that were previously recorded under the item "non-current assets in progress".

At 31 December 2008 ten financial leases were operational, of which one regards the purchase of an aircraft, while the remaining relate to the purchase of property. The summarized figures of these transactions are shown below:

	Building Ca' di Sola	Building Legnano	Building Opera (MI)
Commencement of the lease term	1-12-2004	1-12-2005	21-10-2004
Duration finance lease	96 months	180 months	96 months
Nr. of lease payments	95 months	179 months	96 months
Value of the leased asset	12 milion Euros	3 milion Euros	7 milion Euros
Initial payment at the sign of the contract	1,200 thousand Euros	300 thousand Euros	700 thousand Euros
Amount of the monthly payment	117 thousand Euros	18 thousand Euros	72 thousand Euros
Interest rate	Euribor	Euribor	Euribor
Amount of final option	1,200 thousand Euros	300 thousand Euros	350 thousand Euros
2008 payments*	1,588 thousand Euros	266 thousand Euros	1,038 thousand Euros
Residual value as at 31 December 2008	5.4 milion Euros	2.3 milion Euros	3.5 milion Euros

	Building Corbetta	Building Ferrara	Building Bergamo
Commencement of the lease term	1-03-2007	1-06-2007	1-07-2007
Duration finance lease	180 months	180 months	180 months
Nr. of lease payments	179 months	179 months	179 months
Value of the leased asset	1.6 milion Euros	1.3 milion Euros	2.9 milion Euros
Initial payment at the sign of the contract	163 thousand Euros	133 thousand Euros	296 thousand Euros
Amount of the monthly payment	10 thousand Euros	8 thousand Euros	19 thousand Euros
Interest rate	Euribor	Euribor	Euribor
Amount of final option	326 thousand Euros	267 thousand Euros	589 thousand Euros
2008 payments*	134 thousand Euros	106 thousand Euros	243 thousand Euros
Residual value as at 31 December 2008	1.4 milion Euros	1.1 milion Euros	2.5 milion Euros

	Building Padova	Building Trezzano	Building Rozzano
Commencement of the lease term	29-02-2008	10-09-2008	24-09-2008
Duration finance lease	18 years	216 months	216 months
Nr. of lease payments	71 semester	215 months	215 months
Value of the leased asset	3.4 milion Euros	2.5 milion Euros	3.2 milion Euros
Initial payment at the sign of the contract	339 thousand Euros	332 thousand Euros	316 thousand Euros
Amount of the monthly payment	64 thousand Euros	16 thousand Euros	20 thousand Euros
Interest rate	Euribor	Euribor	Euribor
Amount of final option	339 thousand Euros	251 thousand Euros	313 thousand Euros
2008 payments*	520 thousand Euros	379 thousand Euros	377 thousand Euros
Residual value as at 31 December 2008	3.0 milion Euros	2.2 milion Euros	2.8 milion Euros

	Airplane
Commencement of the lease term	1-02-2006
Duration finance lease	60 months
Nr. of lease payments	59 months
Value of the leased asset	9.2 milion Euros
Initial payment at the sign of the contract	922 thousand Euros
Amount of the monthly payment	137 thousand Euros
Interest rate	Euribor
Amount of final option	922 thousand Euros
payments*	1,882 thousand Euros
Residual value as at 31 December 2008	4.3 milion Euros

* Values inclusive of indication.

Plant and machinery

Excluding the effects of the 50% deconsolidation of production (-50,951 thousand Euro), the higher investments were made by INALCA S.p.A. (2,454 thousand Euro) for the construction of a new department for production of hamburgers for McDonald's and for various improvements to the production factories by Montana S.p.A. (2,070 thousand Euro) for the construction of a new sliced meat department at the Gazoldo degli Ippoliti (MN) factory, and by Cremonini S.p.A.(1,269 thousand Euro) and Cremonini Restauration S.a.s. (1,169 thousand Euro) for plant and machinery utilised in the conduct of their respective production activities

Other assets

The main investments justifying the increase (once the effects of the 50% deconsolidation of the production sector, equal to -2,517 thousand Euro, are excluded) with respect to 31 December 2007 were made by the subsidiary MARR for the purchase of operating assets necessary for the activities of the new branch in Tuscany (2,609 thousand Euro), the subsidiary Roadhouse Grill S.r.l. (775 thousand Euro) and Cremonini S.p.A. (712 thousand Euro) for the purchase of electronic machines, furniture and fittings for newly opened premises.

Non-current assets under construction and advances

Most of the increases can be accounted for as follows:

- 12,252 thousand Euro for disbursement of advances relative to the construction by the subsidiary Kaskad of a new distribution and production platform for Mc Donald's in Russia.
- investments of 4,395 thousand Euro relative to the refurbishment of various station buffets of Cremonini S.p.A.'s catering division;
- 3,941 thousand Euro for the construction and refurbishment works in the new premises of the steakhouse chain of the subsidiary Roadhouse Grill S.r.l.;
- 2,208 thousand Euro for construction and refurbishment works at various sales outlets of the subsidiary Chef Express S.p.A. and
- 2,075 thousand Euro for updating works in the new Valdagno branch of the subsidiary MARR S.p.A.

The non-current assets are respectively mortgaged or covered by liens for 228.5 million Euro and 72.6 million Euro, to secure the loans received.

2. Goodwill

The goodwill, which discounts a reduction as an effect of the 50% deconsolidation of production (-8,898 thousand Euro), at 31 December 2008 also discounts the effects of the liquidation of Inalsarda S.r.l.
(-260 thousand Euro). Excluding these effects, the 6,560 million Euro increase is mainly attributable to the distribution sector due to the acquisition by Cremonini S.p.A. of further shares in MARR S.p.A. (4,380 thousand Euro), as well as the goodwill that arose during the acquisition of Baldini Adriatica Pesca S.r.l. (2,813 thousand Euro) and Emigel S.r.l. (1,574 thousand Euro).

With regard to the acquisition of EMI.GEL. S.r.l., having its registered office in Santarcangelo di Romagna (Rn), which is active in the distribution of food products to the bars and fast food outlets, it is specified that:

- temporally the combination cost, awaiting precise determination as at the date of the respective closings (being discussed with the seller) of the classes of assets, liabilities and potential liabilities acquired, was determined at the book values of the company acquired at 20 July 2008 (still in the phase of verification by the parties) determined in conformity with the IFRS.

- the goodwill provisionally attributed to the acquisition is justified by the important strategic value of EMI.GEL. S.r.l. as it permits MARR to reinforce the business in the segment of food supplies to the bars and fast food outlets.

The details of the net assets and goodwill acquired, provisionally determined, are illustrated below.

(in thousands of Euros)	**Emigel**
Acquisition price	4,645
Costs directly attributable to the business combination	30
Total cost of the business combination	**4,675**
Fair value of assets acquired and contingent liabilities assumed	3,101
Goodwill	**1,574**

The initial booking of the EMI.GEL. S.r.l. acquisition was only provisionally determined as the financial statements of the combination is still in the phase of verification by the parties.

The book values, provisionally determined in conformity with the IFRS on the basis of the financial statements of the company acquired as at 20 July 2008, and the amounts of each class of assets, liabilities and potential liabilities of the company acquired at the same date, are illustrated below:

Book values determined in conformity with the IFRS immediately prior to the combination	**Emigel**
Intangible fixed assets	350
Tangible fixed assets	159
Inventories	871
Receivables from custumers	3,302
Net Debt	542
Other current assets	752
Provisions for risks and charges	(178)
Staff severance provision	(138)
Payables to suppliers	(1,911)
Others	(648)
Fair value of assets acquired, liabilities and contingent liabilities assumed	**3,101**

Business Combinations realised after the year-end

As already shown in the Directors' Report, in the paragraph relative to the events subsequent to the financial year-end, we note the following transactions:

1) On 20 January 2009 the final contract for the acquisition of the business branch of F.lli Baldini S.r.l., a company active in the marketing of fish products and specifically fresh shellfish, was signed through the subsidiary Baldini Adriatica Pesca S.r.l.

2) On 5 February 2009 MARR S.p.A. signed the final contract for acquisition of the business branch owned by AGRIFAP S.r.l. (which was merged into "MINERVA S.r.l.") operating at the Costermano (VR) factory and dedicated to the marketing of fresh and frozen fish products.

3) On 16 January 2009 Cremonini S.p.A completed the acquisition from the Special Administrators of Cisim Food with 12 sales outlets within the Fiumicino and Ciampino airports.

(in thousands of Euros)	Baldini	Minerva	Cisim Food
Acquisition price	508	50	12,100
Costs directly attributable to the business combination		-	-
Total cost of the business combination	508	50	12,100
Fair value of assets acquired and contingent liabilities assumed	(2,305)	(422)	800
Goodwill	2,813	472	11,300

Temporally the combination cost, awaiting precise determination of the classes of assets, liabilities and potential liabilities acquired at the closing date, was determined at the book values shown in the contract for the sale of the business branch. The details of the net assets and goodwill acquired, provisionally determined, are illustrated below:

Book values determined in conformity with the IFRS immediately prior to the combination	Baldini	Minerva	Cisim Food
Intangible fixed assets	-	-	30
Tangible fixed assets	179	28	425
Inventories	-	-	346
Receivables from custumers	-	-	-
Net Debt	(1,875)	(277)	-
Other current assets	-	-	-
Provisions for risks and charges	-	-	-
Staff severance provision	-	-	-
Payables to suppliers	(240)	(31)	-
Others	(369)	(142)	-
Fair value of assets acquired, liabilities and contingent liabilities assumed	**(2,305)**	**(422)**	**800**

With regard to the distribution sector, the goodwill provisionally attributed to the acquisition of "Baldini" and "Minerva" is justified by the important strategic value of the business branch acquired as it permits MARR to further reinforce its marketing of fresh fish, thanks to the recognised leadership of Baldini (together with the "Minerva" business branch) in the shellfish and mussels sector, in addition to allowing it to further improve territorial coverage.

At the date of preparation of these financial statements the acquisition prices paid were 258 thousand Euro for Baldini, Minerva 50 thousand Euro and Cisim Food 12.1 million Euro (overall value already fully paid)

The goodwill by Group business area can be broken down as follows:

(in thousands of Euros)	Balance at 31.12.2007	Change in consolidation area	Purchases	Decreases	Other	Impairment	Balance at 31.12.2008
Production - Beef	13,141	(8,644)	55		2.112		6,664
Production - Others	4,892	(373)			(2,073)		2,446
Distribution	82,314		5,954		(2)	(24)	88,242
Catering	47,633		526				48,159
Holding company and services	402	(1)	25				426
Total	**148,382**	**(9,018)**	**6,560**	**0**	**37**	**(24)**	**145,937**

The Group checks the recoverability of goodwill at least once a year or more frequently if there are indicators of impairment. The main assumptions used to calculate the use value regard the discount rate, the growth rate and the expected variations in sales prices and the direct cost trend during the period taken for the calculation. The management has therefore adopted a pre-tax discount rate that reflects the current market valuations of the cost of money and the specific risks connected to the cash generating unit. The growth rates adopted are based on the expectations for growth in the industrial sector in which the Group operates. The changes in sales prices and direct costs are based on past experience and the future market forecast.

3. Other intangible assets

(in thousands of Euros)	Balance at 31.12.2007	Change in consolidation area	Purchases	Decreases	Other	Amortization	Balance at 31.12.2008
Patents and intellectual property rights	2,819	150	753	(44)	165	(1,207)	2,636
Concessions, licences, trademarks and similar rights	3,057	(731)	146	(25)	28	(404)	2,070
Fixed assets under development and advances	464		815	(386)	(205)		688
Long-term costs	2,456		84			(512)	2,028
Total	**8,796**	**(581)**	**1,798**	**(455)**	**(12)**	**(2,123)**	**7,422**

The overall non-current intangible assets discount a reduction mainly as an effect of the 50% deconsolidation of the production sector (-931 thousand Euro).

The increase in the item "Industrial patent rights" mainly includes the purchases and implementation of corporate software. The purchases for the financial year refer to application software both in the management and administrative/financial areas.

The other non-current intangible assets have a defined useful life and consequently are amortised over that life.

Non-current assets under development and advances

The item "Non-current assets under development and advances" covers capitalization of costs for operations in progress at the close of the financial year, which will be completed in the current year and in years to come.

4. Investments valued at equity

The following are the main changes in the financial year of which further detail is given in Annex 5. The list and data required by Article 2427, paragraph 5 of the Italian Civil Code is set out in Annex 6.

Equity investments in subsidiaries

The balance refers to equity holdings in Fernie S.r.l. in liquidation and Inalca Brasil Comercio Ltda.

Equity investments in associated companies

The principal changes in the value of the related companies refer to the write-down of the equity investment in A.O. Konservni and write-up of the equity investment in Fiorani, as an effect of the respective results included pro rata in the consolidated financial statements and value impairment of the equity investment in Emilia Romagna Factor as an effect of the distribution of dividends.

5. Investments in other companies

For further detail on "Investments in other companies" please refer to Annex 5.

6. Non-current financial receivables

(in thousands of Euros)	31.12.2008	31.12.2007
Interest-bearing and non-interest-bearing loans to third parties	3,253	3,691
Total	**3,253**	**3,691**

The balance as at 31 December 2008, of 3,253 thousand Euro, is mainly attributable to MARR S.p.A. and regards the portion of receivables after 12 months from haulage contractors for the sale to them of the motor vehicles used for the transport of MARR products.

7. Deferred tax assets

Deferred tax assets refer mainly to the tax effect (IRES and IRAP) calculated on taxed provisions, write-downs of non-current financial assets that will be tax deductible in future financial years and write-downs of non-current intangible assets.

8. Other non-current assets

(in thousands of Euros)	31.12.2008	31.12.2007
Trade receivables	1,320	269
Tax assets	4,828	5,531
Accrued income and prepaid expenses	2,992	1,055
Other receivables	2,256	2,565
Total	**11,396**	**9,420**

Trade receivables
The increase in the item Trade receivables is attributable to the subsidiary MARR S.p.A. and chargeable to the redefinition of some contractual maturities.

Tax receivables
The increase in the item Non-current tax receivables is mainly attributable to Chef Express S.p.A. and refers to the set-off of the VAT receivables accrued in previous financial years.

Deferred income and pre-paid expenses
The increase in the item Non-current deferred income and pre-paid expenses is mainly attributable to Chef Express S.p.A. and refers to the "one-off" payments made for take-overs in the new service areas with a multi-year term.

Other receivables
The other non-current receivables refer to security deposits of 0.9 million Euro mainly related to deposits paid by Cremonini S.p.A., Chef Express S.p.A. and Inalca Algerie, and 1.3 million of other receivables.

CURRENT ASSETS

9. Inventories

(in thousands of Euros)	31.12.2008	31.12.2007
Raw materials, secondary materials and consumables	11,548	18,134
Work in progress and semi-finished goods	2,309	3,291
Finished goods and goods for resale	170,631	203,693
Advances	413	547
Provision for write-down of inventories	(591)	(550)
Total	**184,310**	**225,115**

10. Biological assets

The amount for biological assets all refers to the valuation of the cattle owned by the Società Agricola Corticella and Guardamiglio in compliance with IAS 41.
The reduction of the cattle value compared to last financial year is mainly ascribable to the 50% deconsolidation of the total inventories of the companies belonging to the production sector, despite the increase of the number of head in the inventory during the period (12,717 at 31 December 2008 compared to 9,779 in 2007).

11. Current financial receivables

(in thousands of Euros)	31.12.2008	31.12.2007
Receivables from subsidiaries	**66**	**141**
Montana Farm s.p.zo.o.	66	141
Receivables from associated companies	**3,103**	**373**
Farm Service S.r.l.	135	315
Eurobeef S.r.l.	68	-
Real Beef Sr.l.	2,900	58
Other financial receivables	**8,256**	**6,602**
Interest-bearing and non-interest-bearing loans to third parties	129	4
Treasury receivables from minorities	8,127	6,598
Total	**11,425**	**7,116**

The increase of the balance with respect to 2007 is mainly linked to the increase in the item "Other receivables of a financial nature" and the increase of the receivables of INALCA JBS S.p.A. from the related company Real Beef S.r.l.
Specifically, the other receivables of a financial nature refer mainly to the receivables of the subsidiary MARR, all interest-bearing, and relate to financial receivables from transporters (573 thousand Euro) following the sales to the latter of the transport vehicles with which MARR's goods are delivered, services supplier partners (270 thousand Euro) other partnership companies (4,401 thousand Euro) and loans to agents (126 thousand Euro).

12. Current trade receivables

Trade receivables are broken down as follows:

(in thousands of Euros)	31.12.2008	31.12.2007
Trade receivables	**405,206**	**408,384**
Due within 12 months	425,455	427,567
Provision for bad debts	(20,249)	(19,183)
Receivables from unconsolidated subsidiaries	**183**	**1,086**
Montana Farm S.p.zo.o.	183	361
Prometex S.a.m.	-	2
Inalca Hellas e.p.e. in liquidation	-	723
Receivables from associated companies	**4,642**	**5,568**
A.O. Konservni	4,090	4,450
Farm Service S.r.l.	21	136
Fiorani & C. S.p.A.	106	57
Food & Co. S.r.l.	77	44
Parma France S.a.s	1	-
Realbeef S.r.l.	352	1,604
Bad debts provision	(5)	(723)
Total	**410,031**	**415,038**

The amount of the receivables from related companies prevalently refers to trade receivables due to Cremonini S.p.A. from A.O. Konservni, INALCA's subsidiary in Russia that produces and markets canned meat.
The Group's bad debt provision is substantially attributable to trade receivables. The amounts shown in the balance sheet are net of provisions for bad debts, estimated by the Group's management on the basis of their historical experience and evaluation of the current economic situation.

At 31 December 2008 the composition of the overdue trade receivables from third parties is the following:

(in thousands of Euros)	31.12.2008		31.12.2007	
	Amount	**Bad Debt Prov.**	**Amount**	**Bad Debt Prov.**
Trade receivables not overdue	263,401	(9,228)	304,256	(557)
Overdue up to 30 days	44,773	(1,656)	31,473	(91)
Overdue from 31 to 60 days	34,437	(1,498)	30,528	(101)
Overdue from 61 to 90 days	22,113	(1,230)	15,491	(70)
Overdue from 91 to 120 days	55,005	(3,448)	39,829	(15,304)
Overdue over 120 days	7,293	(3,434)	6,259	(3,060)
Total	**427,021**	**(20,495)**	**427,836**	**(19,183)**

The fair value of the categories shown above is not given as the book value represents a reasonable approximation.

13. Current tax assets

(in thousands of Euros)	31.12.2008	31.12.2007
Receivables for advance on direct taxes	3,500	5,098
Receivables for withholdings	704	246
VAT credit and other taxes requested for reimbursement	8,972	9,014
Other sundry receivables	4,056	2,875
Bad debts provision	(69)	(69)
Total	**17,163**	**17,164**

At 31 December 2008 the Group showed a tax receivable in line with respect to 31 December 2007.

14. Cash and cash equivalents

(in thousands of Euros)	31.12.2008	31.12.2007
Cash	17,225	25,061
Checks	43	52
Bank and postal accounts	60,367	103,361
Total	**77,635**	**128,474**

The balance, which at 31.12.2008 was less than that at 31.12.2007 as an effect of the 50% deconsolidation of the production sector, represents the cash and cash equivalents and the existence of money and notes in circulation at the financial year-end.

Please refer to the cash flow statement for the year 2008 for the evolution of cash and cash equivalents.

15. Other current assets

(in thousands of Euros)	31.12.2008	31.12.2007
Accrued income and prepaid expenses	3,302	5,059
Other receivables		
Advances to suppliers	32,434	33,950
Receivables from insurance companies	641	835
Receivables for contributions to be collected	-	1,493
Receivables from social security institutions	922	833
Receivables from agents	2,661	2,433
Receivables from employees	594	450
Down payments	3,808	148
Guarantee deposits	331	294
Other sundry receivables	5,418	8,531
Provision for bad debts	(2,064)	(1,684)
Total	**48,047**	**52,342**

The "Advances to suppliers" refer, for 29,095 thousand Euro, to the distribution sector and the amount is linked to the re-supply methods typical of that activity; in particular they include payments made to foreign suppliers for goods purchased on a "F.O.B." basis.

LIABILITIES

Shareholders' equity

As far as changes are concerned, please refer to the consolidated figures.

16. Share Capital

The share capital amounts to 67,073,932 thousand Euro and is represented 128,988,330 ordinary shares of the Parent Company Cremonini S.p.A., fully subscribed and paid-up, with normal rights, with a par value of Euro 0.52 each.

Treasury stock
The Parent Company did not hold treasury shares at 31 December 2008 (12,831,670 at 31 December 2007).
In the month of December 2008 the share capital was reduced by cancellation of the treasury shares approved by the Shareholders' Meeting of Cremonini S.p.A. on 15 September 2008.

Reserves
The legal reserve of 14,749 thousand Euro was unaltered in the financial year, having reached the limit mentioned in art. 2430 of the Italian Civil Code.

The share premium reserve constitutes the share premium paid by shareholders at the time of the Public Subscription Offer during the course of 1998. The reserve of 78,280 thousand Euro has not changed with respect to 31 December 2007.

The reserve for treasury shares trading was reversed following the cancellation of the treasury shares.

The cash flow hedge reserve records the profits or losses deriving from the valuation of the financial instruments designated to hedge variable rate loans.

The reserve for transition to IAS/IFRS was set up following the first-time adoption of the International Accounting Standards.

The inverse merger between Cremonini S.p.A. and Cremonini Investimenti S.r.l. (the company through which the delisting of Cremonini S.p.A. was completed) took place on 31.12.2008. The cancellation of the carrying value of the equity investment in Cremonini S.p.A. (of 200,954 thousand Euro) against the shareholders' equity held by Cremonini Investimenti S.r.l. (54,575 thousand Euro) generated a merger deficit of 146,379 thousand Euro.

The basic earnings per share as at 31 December 2008 amounted to Euro 0.3024 (Euro 0.0780 as at 31 December 2007) and was calculated on the basis of net profits of 39,000 thousand Euro divided by the weighted average number of ordinary shares in 2008, equal to 128,988,330. There is no difference between basic and diluted earnings per share.

The reconciliation between the Parent Company's shareholders' equity and the corresponding consolidated figures is the following:

(in thousands of Euros)	Financial year as at 31.12.2008		
	Capital stock and reserve	Profit/(loss)	Shareholders' equity
Parent Company's shareholders' equity and profit/(loss) for the year	**40,137**	**30,235**	**70,372**
Elimination of carryng value of consolidated subsudiaries:			
- Difference between the carryng value and pro rata shareholder's equity, net of the effects of intra-Group transactions	(40,531)	-	(40,531)
- Pro rata subsidiary profits (losses)	-	24,979	24,979
- Investments write-downs	(3,642)	3,642	-
- Dividends	19,463	(19,463)	-
- Consolidation differences	102,219	-	102,219
Elimination of the effects of commercial transactions between Group companies	(679)	163	(516)
Adjustment of the financial statement of the consolidated companies in accordance with the Group principles and shareholders' equity valuation of investments	256	(556)	(300)
Total adjustments	77,086	8,765	85,851
Group's share of net equity and profit/(loss)	**117,223**	**39,000**	**156,223**
Minorities' share of net equity and profit/(loss)	51,063	14,075	65,138
Consolidated financial statements shareholders' equity and profit/(loss) for the year	**168,286**	**53,075**	**221,361**

Non-current liabilities

17. Non-current financial payables

(in thousands of Euros)	31.12.2008	31.12.2007
Due between 1 and 5 years		
Payables to banks	192,476	225,908
Payables to other financial institutions	17,212	21,506
Total payables due between 1 and 5 year	**209,688**	**247,414**
Due beyond 5 years		
Payables to banks	86,566	65,763
Payables to other financial institutions	8,266	2,290
Total payables due beyond 5 years	**94,832**	**68,053**
Total	**304,520**	**315,467**

Shown below is a break down of payables to banks with the indication of the interest rates applied:

(in thousands of Euros)	Credit line	Interest Rate	Current portion	Between 1 and 5 years	Beyond 5 years	Balance at 31.12.2008
Overdraft	31,613	Euribor + spread	8,592	-	-	8,592
Advances - Imports	21,750		20,811	-	-	20,811
Advances - Exports	28,650		19,459	-	-	19,459
Advances on invoices Italy	105,398		186,737	-	-	186,737
Advances subj. to collection	5,282	Euribor + spread	16,462	-	-	16,462
Hot Money	84,558	Euribor + spread	1,001	-	-	1,001
Mortgages	-	Euribor + spread	92,264	192,476	86,566	371,306
Total	**277,251**		**345,326**	**192,476**	**86,566**	**624,368**

The amounts due to other financial institutions, detailed in the following table, mainly constitute the payables deriving from the recording, in accordance with the financial method, of the lease contracts.

Other financial institutions	Interest rate	Expiry date	Current	Non current	Total 31.12.2008
Leasing					
BNP Paribas (ex. Locafit)	Euribor + spread	7-03-2012	1,257	4,174	5,431
Banca Italease	Euribor + spread	1-12-2020	136	2,187	2,323
Unicredit Fact. (ex. Locat)	Euribor + spread	21-10-2012	843	2,628	3,471
Banca Italease	Euribor + spread	1-06-2022	47	1,087	1,134
Banca Italease	Euribor + spread	1-03-2022	59	1,314	1,373
Banca Italease	Euribor + spread	1-07-2022	101	2,427	2,528
Fraer Leasing	Euribor + spread	23-09-2026	84	2,731	2,815
Fraer Leasing	Euribor + spread	9-09-2026	65	2,109	2,174
Leasint	Euribor + spread	1-03-2026	97	2,880	2,977
BNP Paribas (ex Locafit)	Euribor + spread	15-01-2011	1,751	2,553	4,304
Due to Factoring companies	Euribor + spread	-	2,273	-	2,273
Other Relationships	Euribor + spread	-	441	1,388	1,829
Total			**7,154**	**25,478**	**32,632**

18. Liabilities from derivative instruments

The Group uses financial instruments offered by the market (including so-called "derivatives") solely with a view to optimizing debt cost and hedging interest and exchange rate fluctuations.
At 31 December 2008 several "interest rate swap" coverage contracts existed that replaced the variable-rate EURIBOR with a fixed rate. These transactions, booked using hedge accounting criteria, are the following:

- "interest rate swap" contract with BNL for 5.4 million (expires 01.04.2012);
- "interest rate swap" contract with BNL for 34.3 million (expires 16.11.2014);
- "interest rate swap" contract with Cariparma e Piacenza for 2.4 million (expires 10.12.2011);
- "interest rate swap" contract with Carisbo (Sanpaolo IMI Group) for 4.4 million (expires 01.07.2014).

The valuation of these hedging contracts resulted in the recording of a liability of 430 thousand Euro that, in compliance with the IAS, was recorded to shareholders' equity and booked to the income statement, neutralising the financial effects produced by the underlying transactions. 33 thousand Euro of this liability was classified under non-current liabilities while 397 thousand euro was classified as a current liability.

Instead, with reference to the exchange rate options through which INALCA S.p.A. hedged part of the risk of fluctuation of the EUR/USD rate against receivables deriving from exports in USD, it is noted that these were cancelled during the financial year.

19. Employee benefits

(in thousands of Euros)	31.12.2008	31.12.2007
Staff Severance Provision	26,925	36,556
Other benefits	27	29
Total	**26,952**	**36,585**

The following table shows the current value of the obligations (DBO - Defined Benefit Obligation) and unrecognised actuarial loss at the date of the financial statements resulting from the application of the corridor method.

(in thousands of Euros)	31.12.2008	31.12.2007
Current value of bonds	29,574	36,770
Unrecognised actuarial (loss)/profit	(2,649)	(214)
Total	**26,925**	**36,556**

Below are the changes in the staff severance provision over the period:

(in thousands of Euros)	31.12.2008	31.12.2007
Opening balance	36,556	42,184
Effect of the change in consolidation area	(7,278)	422
Use for the financial year	(4,191)	(5,587)
Financial year provision	1,742	1,937
Other changes	96	(2,400)
Closing balance	**26,925**	**36,556**

20. Provision for non-current liabilities and charges

(in thousands of Euros)	31.12.2008	31.12.2007
Provisions for taxes	460	874
Labour disputes	1,133	1,156
Minor lawsuits and disputes	873	476
Supplementary clientele severance indemnity	2,510	2,491
Provision for losses on equity investments	185	370
Provision for future risks and losses	2,545	1,786
Total	**7,706**	**7,153**

As far as Marr S.p.A. is concerned, there is a also a tax dispute pending for alleged breaches of direct taxes (1993-1999) and VAT (tax years 1998-1999) legislation. During the 2004 financial year the Rimini Provincial Tax Commission imposed tax and penalties for an overall amount of 4.7 million Euro plus interest. On 20 December 2004, Marr S.p.A. appealed against the abovementioned ruling to the Bologna Tax Commission. On 16 January 2006 the case came before Section 24 of the Emilia Romagna Regional Tax Commission.

On 3 April 2006 the Bologna Tax Commission, after hearing the reasons presented by the company in the deeds of the II degree of judgement, provided further technical consultation by officially designated experts by the appointment of a Board composed of three professionals to give an opinion, amongst other things, precisely on the matters contended. On 18 November 2006 the Technical Consultation Experts Board) filed its conclusions, stating that: "in summary it can be established that these losses have the pertinence requisite as they are objectively referable to the company's activities". On 15 January 2007 the dispute was again discussed in a public hearing when the CTU's conclusions were represented.

With ruling no. 23/10/07 the Bologna Tax Commission reformed, in a sense favourable to MARR S.p.A., its first instance ruling with reference to four observations on the dispute, however, without any motivation, it completely disregarded the conclusions of the technical consultants that it appointed with reference to the principal observation noted as "CRC" confirming, therefore, the point as laid down by the first instance ruling. Although in the face of the negative result of the second instance ruling, showing that in the same instance of the procedure no less than two technical consultants, perfectly in agreement with each other, prepared by four professionals who are certainly authorative and of whom no less than three were appointed by the Tax Commission itself, uncertainties fully favourable to MARR S.p.A. were expressed and considering the opinion of the lawyers appointed to assist the company before the Court of Cassation it is in any event considered reasonable to expect a good result from the dispute.

As at 31 2008 MARR S.p.A. had paid 3,065 thousand Euro by way of advance taxes pending judgement; the amount was classified as tax receivables.

Again with reference to MARR S.p.A., during the course of 2007 various disputes arose with the Customs Office regarding the payment of preferential customs duties on some fish imports. With reference to the most significant of these, regarding excise duties for and amount of about 250 thousand Euro regarding some purchases of goods originating from Mauritania, it is noted that in May the first instance judges, in rejecting the company's appeals, in any event established its absolute non-involvement in the irregularities disputed, as these are exclusively chargeable to its suppliers, against whom, as already formally represented to them, any possible charges and cost related and/or consequent to the aforesaid dispute will be re-debited.

In any case, even in light of new documentation acquired by the Mauritanian customs and commercial authorities from MARR S.p.A.'s main foreign supplier, on 11 September 2008 MARR presented a self-defence application to the Livorno Customs Office the assessments issued and, on 24 December 2008 and 19 January 2009 it in any event contested the first degree judgement ruling before the Florence Regional Tax Commission.

21. Deferred tax liabilities

At 31 December 2008 the amount of this item, 36,088 thousand Euro, comprised 11,686 thousand Euro resulting from the application of international accounting standards, the effect of the various amounts of tax-deductible amortization and depreciation compared to that booked, the differing tax handling of leases and 1,505 thousand Euro from effects deriving from consolidation entries, deferred capital gains and other miscellaneous items.

22. Other non-current liabilities

(in thousands of Euros)	31.12.2008	31.12.2007
Accrued expenses and deferred income	1,238	1,337
Payables for acquisition of equity investments/branches of business	895	1,808
Payables to Social Security Institutions	230	3
Other payables	526	578
Total	**2,889**	**3,726**

The item "Due for acquisitions of equity investments" refers mainly to the residual payable for the acquisition of Emigel S.r.l., MARR's new subsidiary, (0.7 million Euro).

CURRENT LIABILITIES

23. Current financial payables

(in thousands of Euros)	31.12.2008	31.12.2007
Payables to controlling companies	**200**	**-**
Cremofin S.r.l.	200	-
Payables to unconsolidated subsidiaries	**413**	**441**
Fernie S.r.l. in liq.	413	441
Other payables		
Payables to banks	345,326	426,528
Payables to other financial institutions	7,154	7,807
Other payables	492	125
Closing balance	**353,585**	**434,901**

With regard to the change in bank payables compared to the last financial year it is recalled that this change is influenced by the 50% deconsolidation of the production sector. For further details you are referred to the consolidated cash flow statement and comments in the Directors' Report with reference to the net debt position.

The composition of the item "Payables to other financial institutions" is shown in point 17 above.

Net Debt

The overall net financial debt and details of its chief elements is shown below.

(in thousands of Euros)	31.12.2008	31.12.2007
A. Cash	17,225	25,061
B. Cash equivalent	60,410	103,413
C. Financial assets held for sale	54	6
D. Liquidity (A) + (B) + (C)	**77,689**	**128,480**
E. Current financial assets	**11,231**	**6,598**
F. Current bank liabilities	345,326	426,528
G. Current financial instruments	397	(1,689)
H. Other current financial liabilities	7,154	7,807
I- Current financial liabilities	**352,877**	**432,646**
J. Current net debt (I) - (E) - (D)	**263,957**	**297,568**
K. Non current bank liabilities	279,042	291,671
L. Bonds	0	0
M. Other non current financial liabilities	25,478	23,796
N. Non current financial instruments	10	0
O. Non current debt (K) + (L) + (M) + (N)	**304,530**	**315,467**
P. Net Debt (J) + (O)	**568,487**	**613,035**

Several loan contracts require financial covenants. The bank reserves the right to revoke the loans in the event of failure to comply with the covenants. The covenants on loans in force as at 31 December 2008, completely complied with, are listed in the following tables.

Table 1:

(in thousands of Euros)	Efibanca (a)	Carisbo (b)	Antonveneta (b)	BNL (c)
Amount of the loans as at 31 December 2008	20,159	17,143	15,000	68,571
Expiry date	30-06-2011	16-10-2011	27-11-2009	16-11-2014
Covenants				
Net Debt/Equity	<= 1.5	<= 2	<= 3.5	<= 2
Net Debt/Ebitda	<= 3.6	<= 5.5	<= 5.0	<= 3.5

Compliance with covenants is verified annually on the basis of the audited consolidated financial statements, as at 31 December, no other contractual verification is envisaged during the year.
(a) covenants calculated on the MARR Group's consolidated financial statements;
(b) covenants calculated on the Cremonini Group's consolidated financial statements.
(c) covenants calculated on the INALCA JBS Group's consolidated financial statements.

Table 2:

(in thousands of Euros)	Unicredit Corporate Banking
Amount of the loans as at 31 December 2008 (d)	154,214
Expiry date (e)	30-06-2015
Covenants for 2008 financial year	
Net Debt/Equity	<= 3.5
Net Debt/Ebitda	<= 5

Compliance with the covenants shown in table 2 is precisely verified half-yearly on the basis of the figures in the Cremonini Group's audited consolidated financial statements at 31 December and 30 June. The ratios shown in the table are only referable to the 2008 financial year, different limits are defined for the subsequent financial years.
(d) amount relating to the acquisition line and costs line supplied by the agent bank functional to the exercise of the public offer to buy Cremonini S.p.A. shares.
(e) the maturity indicates the last date by which the full loan must be repaid. Intermediate half-yearly repayments are also envisaged commencing from 31/12/2010.

With reference to the Carisbo loan it is noted that as at 31 December 2008, as an effect of the aforesaid merger of Cremonini S.p.A. with the special purpose vehicle company through which the delisting process of Cremonini S.p.A. was completed, the relationship between net financial debt and the consolidated shareholders' equity exceeded that defined contractually.
Consequently Cremonini S.p.A. has requested the Financing Bank for a revision of the covenant, in light of the changed equity and financial structures and based on the original configuration of the parameters, for the purpose of reinstating the desired characteristics of stability and flexibility of the Group's financial structure.
As at the date of these financial statements, though the waiver had not yet been approved, it is noted that the Bank's Corporate Office, after having examined the reasons for exceeding the financial parameter, prepared a dossier and sent it with a favourable opinion to the decision-making bodies for ratification.

The covenants relating to the other loans have been respected.

24. Current taxes payable

(in thousands of Euros)	31.12.2008	31.12.2007
IVA	2,921	2,837
IRAP	123	805
IRES	342	417
Withholding taxes	4,558	5,925
Substitute taxes and other taxes payable	1,756	2,133
Total	**9,700**	**12,117**

IRAP and IRES payables relate to 2008 financial year taxes not yet paid at the balance sheet date.

25. Current trade payables

(in thousands of Euros)	31.12.2008	31.12.2007
Suppliers	**369,954**	**409,192**
Payables to unconsolidated subsidiaries	**1**	**46**
Inalca Brasil Comercio Ltda.	1	(19)
Prometex S.a.m.	-	65
Payables to associated companies	**3,128**	**1,116**
Farm Service S.r.l.	5	-
Fiorani & C. S.p.A.	48	204
Parma France S.a.s.	572	26
Parma Turc S.a.s.	946	-
Prometex S.a.m.	1	-
Realbeef S.r.l.	1,556	886
Total	**373,083**	**410,354**

The current trade payables mainly refer to balances deriving from commercial transactions and a payable due to commercial agents. The decrease of the balance with respect to 31 December 2008 is mainly ascribable to the 50% deconsolidation of the production sector (-71,593 thousand Euro). Excluding this effect, the increase obtained with the same scope of consolidation (30,068 thousand Euro) principally refers to the distribution sector (19,214 thousand Euro).

26. Other current liabilities

(in thousands of Euros)	31.12.2008	31.12.2007
Accrued expenses and deferred income	4,471	2,434
Inps/Inail/Scau	5,639	6,242
Inpdai/Previndai/Fasi/Besusso	445	223
Enasarco/FIRR	550	590
Payables to other social security institutions	7,012	6,367
Other payables		
Advances and other payables to customers	5,569	5,441
Payables for employee remuneration	24,489	26,864
Payables for acquisition of equity investments	2,098	3,060
Guarantee deposits and down payments received	317	293
Payables to directors and auditors	302	817
Payables to agents	169	358
Other minor payables	7,487	8,022
Total	**58,548**	**60,711**

Payables to employees include current remuneration still to be paid as at 31 December 2008 and the allocations set aside relating to deferred remuneration.

The item "Due for acquisitions of equity investments" refers mainly to the residual payable for the acquisition of Emigel S.r.l., MARR's new subsidiary, (1.54 million Euro) and the business branch of Cater Roma S.p.A. (0.4 million Euro). The reduction with respect to 31 December 2007 is mainly ascribable to the contractually envisaged payments for the Euromercato and Superfresco business branches.

Guarantees, sureties and commitments

(in thousands of euros)	31.12.2008	31.12.2007
Direct guarantees – sureties		
- related companies	120	120
- other companies	46,713	68,085
	46,833	68,205
Direct guarantees – letter of comfort		
- associated companies	1,559	3,486
- other companies	700	2,169
	2,259	5,655
Other risks and commitments	24,419	10,821
Total guarantees, sureties and commitments	**73,511**	**84,681**

Direct guarantees - sureties

These guarantees include both the guarantees given directly by the companies, both in the interests of Group companies and third parties to banks for loans or credit lines, and those guarantees for which the Parent Company is jointly liable, given by banks or insurance companies, for a variety of commercial transactions, for Group VAT set-offs, for participation in tenders, etc.

Related companies - With respect to guarantees given for the benefit of related companies, please refer to the paragraph "Relationships with unconsolidated subsidiaries, associated, controlling and related companies" in the "Directors' Report".

Other companies - It should be noted that, with reference to guarantees to "Other companies", this is the classification normally given to guarantees given directly to third parties by Group companies, but exclusively in their own interests- Such guarantees are rarely given in the interests of third-party companies and even in such a case, in the context of transactions effected for the benefit of Group companies. In particular, this item includes the following (in thousands of Euro):

Company to which the guarantee is provided	Beneficiary	Amount	Reason
Revenue Office/VAT Office Modena di Modena	Cremonini S.p.A. and other subsidiaries	18,597	VAT for compensation
Customs Office	Cremonini S.p.A.	672	Customs rights
Ferrovie dello Stato and operating companies (Grandi Stazioni, Cento Stazioni, Fer Servizi, Trenitalia, etc)	Cremonini S.p.A.	24,089	Guaranteeing concessions for on-board catering services, station buffets and operation of storage facilities
Other minor items	Cremonini S.p.A. nd other subsidiaries	3,355	Administration of rented properties, energy supplies, credit cards, successful conclusion of contracts, etc.
Total		**46,713**	

Direct guarantees - comfort letters

The comfort letters exclusively regard guarantees given to banks for the granting of loans or credit lines and include "simple" comfort letter of the Parent Company for 56,901 thousand Euro.

Indirect guarantees - credit mandates

The credit mandates relate to bank overdrafts and endorsement credits of subsidiaries guaranteed by credit lines granted by banks to the Group.

Other risks and commitments

Details of "Other risks and commitments", for commitments of Group companies, are shown below (in thousands of Euro):

Description	Company to which the risk or commitment refers	Amount
Promise of purchase of property	Cremonini S.p.A. - Roadhouse Grill Italia S.r.l.	19,250
Credit letter of purchase of goods	Marr S.p.A.	4,993
Other sundry	MARR S.p.A. - Montana S.p.A.	176
Total		**24,419**

The "property purchase commitments" regarding preliminary contracts for the purchase of various station buffets of the Cremonini S.p.A. catering division and the purchase of property where the "steakhouse" chain of Roadhouse Grill S.r.l. will be further developed.

DETAILS OF THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

27. Revenues

Revenues are broken down as follows:

(in thousands of Euros)	2008	2007
Revenues from sales - Finished goods	476,337	802,843
Revenues from sales - Goods for resale	1.332,289	1,310,363
Revenues from sales - Oil	62,388	55,221
Revenues from sales - Others	52,440	48,090
Revenues from services	239,232	213,242
Advisory services to third parties	1,888	999
Rent income	4,601	5,504
Other revenues from ordinary activities	7,652	9,219
Total	**2,176,827**	**2,445,481**

Below is a break-down of revenues by geographical area:

(in thousands of Euros)	2008	2007
Italy	1,675,419	1,846,355
European Union	305,431	369,295
Non-EU countries	195,977	229,831
Total	**2,176,827**	**2,445,481**

28. Other revenues

The other revenues can be broken-down as follows:

(in thousands of Euros)	2008	2007
Contributions by suppliers and others	24,277	22,249
Operating grants	765	1,263
Other sundry revenues	41,566	13,446
Total	**66,608**	**36,958**

Other sundry revenues

(in thousands of Euros)	2008	2007
Rent income	420	505
Insurance reimbursements	1,086	1,719
Capital gains on disposal of capital goods	389	373
Other cost reimbursements	2,404	2,672
Services, consultancy and other minor revenues	37,267	8,177
Total	**41,566**	**13,446**

The item "Services, consultancy and others" includes the capital gain (31,369 thousand Euro) realised by the Group as an effect of the sale to JBS S.A. of 50% of the production sector.

29. Costs for purchases

(in thousands of Euros)	2008	2007
Costs for purchases - Raw materials	(337,279)	(523,240)
Costs for purchases - Goods for resale	(1,012,477)	(960,733)
Costs for purchases - Secondary materials, consumables, semi-finished goods, packages	(33,822)	(52,790)
Costs for purchases - Finished goods	(15,133)	(25,790)
Costs for purchases - Oil	(60,832)	(53,412)
Costs for purchases - Stationery and printed paper	(1,677)	(1,823)
Changes in inventories of raw materials, secondary materials, consumables and goods for resale	19,412	(4,232)
Other costs for purchases	(72,596)	(68,444)
Total	**(1,514,404)**	**(1,690,464)**

The "Oil purchases" refer to the sale of fuel in the motorway service stations and the related matching entry is "Revenues from sales - Oil".

30. Other operating costs

(in thousands of Euros)	2008	2007
Costs for services	(289,265)	(334,074)
Costs for leases and rentals	(45,984)	(45,551)
Other operating charges	(9,327)	(11,134)
Total	**(344,576)**	**(390,759)**

Costs for services

(in thousands of Euros)	2008	2007
Energy consumption and utilities	(22,613)	(24,117)
Maintenance and repairs	(13,856)	(16,405)
Transport on sales	(60,867)	(64,055)
Commisions, commercial and distribution services	(72,342)	(81,848)
Third-party services and outsourcing	(24,904)	(36,985)
Purchasing services	(28,673)	(36,166)
Franchising	(4,212)	(4,634)
Other technical and general services	(61,798)	(69,864)
Total	**(289,265)**	**(334,074)**

Costs for leases and rentals

(in thousands of Euros)	2008	2007
Lease of business premises, royalties and others	(28,763)	(27,003)
Costs for leases	(48)	(38)
Leases and rentals related to real and personal property	(17,173)	(18,510)
Total	**(45,984)**	**(45,551)**

The increase in the value of the item "Lease of business premises, royalties and others" refers to the increase in the number of premises and service stations managed by the businesses operating in the catering sector.
With regard to relationships with related companies, it should be noted that "Leases and rentals related to real and personal property" include 745 thousand Euro to Le Cupole S.r.l. for the rental of an industrial property in Rimini, used for some time by Marr S.p.A.

Other operating charges

(in thousands of Euros)	2008	2007
Losses on receivables	(179)	(682)
Indirect taxes and duties	(4,810)	(4,652)
Capital losses on disposal of assets	(561)	(597)
Contributions and membership fees	(498)	(661)
Other minor costs	(3,279)	(4,542)
Total	**(9,327)**	**(11,134)**

31. Personnel costs

(in thousands of Euros)	2008	2007
Salaries and wages	(171,790)	(180,414)
Social security contributions	(51,104)	(52,759)
Staff Severance Provision	(7,138)	(5,886)
Pension and similar provisions	(20)	(83)
Other personnel costs	(1,466)	(1,581)
Total	**(231,518)**	**(240,723)**

This item includes all the personnel costs, including holiday accruals and additional monthly pay as well as the connected welfare charges, allocation for employee leaving indemnities and other contractually envisaged costs.

The change in personnel costs mainly results from the changes recorded in the number of the Group's employees and change in the scope of the consolidation.

As at 31 December 2008 the Group's employees amounted to 7,404 compared to 8,226 at 31 December 2007. Excluding the reduction deriving from the change in the scope of the consolidation as an effect of the 50% deconsolidation of the production sector (-1,041 persons), the increase is principally ascribable to the development of the catering business (+173 persons). The break down by category and average number of employees in 2008 is shown in the following schedule:

	Factory staff	Office staff	Managers	Total
Employees as at 31.12.2007	5,461	2,616	149	8,226
Employees as at 31.12.2008	4,807	2,509	88	7,404
Increases (Decreases)	(654)	(107)	(61)	(822)
Average no. of employees during year 2008	**4,557**	**2,560**	**76**	**7,193**

32. Amortization, depreciation and write-downs

(in thousands of Euros)	2008	2007
Depreciation of tangible assets	(33,949)	(42,488)
Amortization of intangible assets	(2,148)	(2,144)
Other write-downs of fixed assets	-	(72)
Write-downs and provisions	(10,584)	(10,348)
Total	**(46,681)**	**(55,052)**

33. Financial income and charges

(in thousands of Euros)	2008	2007
Net exchange rate differences	(6,321)	(8,374)
Income (Charges) from management of derivatives	3,862	1,231
Net financial Income (Charges)	(36,156)	(40,288)
Total	**(38,615)**	**(47,431)**

Exchange rate differences

(in thousands of Euros)	2008	2007
Realized exchange rate profits	8,539	7,701
Realized exchange rate losses	(12,149)	(12,801)
Unrealized exchange rate profits	10,991	6,526
Unrealized exchange rate losses	(11,282)	(9,311)
Realized income from management of exchange rate derivatives	182	894
Realized charges from management of exchange rate derivatives	(1,588)	-
Evaluated charges from management of exchange rate derivatives	(1,014)	(1,383)
Total	**(6,321)**	**(8,374)**

The net exchange rate valuation differences refer to the valuation of balance sheet balances in foreign currencies to the existing exchange rates at the end of the financial year.

Income (Charges) from management of derivatives

(in thousands of Euros)	2008	2007
Realized Income from management of derivatives	3,065	615
Realized Charges from management of derivatives	(1)	(2,559)
Valuation Income from management of derivatives	798	3,175
Total	**3,862**	**1,231**

The item "Income (Charges) realised from derivatives management" includes the financial income of 1.8 million Euro, deriving from the closure of one of the derivative hedging instruments ("interest rate swap" contract) by which the variable Euribor rate was substituted with a fixed rate of 3.175% (see description in item 23 above).

The income of 798 thousand euro from fair value of derivatives contracts on interest rates not accounted for with the "hedge accounting" criteria existing at 31 December 2008.

Net financial Income (Charges)

(in thousands of Euros)	2008	2007
Financial income		
- Bank interest receivable	2,824	1,398
- Other financial income	4,584	2,168
Total financial income	**7,408**	**3,566**
Financial charges		
- Interest payable on loans	(20,552)	(17,193)
- Interest payable on factoring	(3,168)	(4,034)
- Interest payable on current accounts and others	(17,338)	(17,998)
- Other bank charges	(269)	(275)
- Interest on bonds	-	(1,615)
- Other sundry charges	(2,237)	(2,739)
Total financial charges	**(43,564)**	**(43,854)**
Total	**(36,156)**	**(40,288)**

The change in the balance, 4.1 million Euro, is principally ascribable to the 50% deconsolidation of the production sector (reduction of about 9.1 million in financial charges) and effects deriving from the delisting of Cremonini S.p.A. (6.1 million Euro).

The item "interest payable on mortgages", which amounted to 20.6 million Euro compared to 17.2 million in 2007, includes about seven months of interest payable accrued on the loan obtained by Cremonini Investimenti (now merged with Cremonini S.p.A.) for the delisting that took place during the course of the first half of 2008.

34. Income taxes

(in thousands of Euros)	2008	2007
IRES	(16,438)	(14,930)
IRAP	(7,321)	(9,346)
Net deferred tax assets/liabilities	3,083	3,213
Total	**(20,676)**	**(21,063)**

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Castelvetro di Modena, 26 March 2009

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

ANNEXES

These annexes contain information additional to that reported in the notes to the consolidated financial statements, and form an integral part thereof:

- Annex 1 - Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2008;
- Annex 2 - List of revenues and costs from/to subsidiaries, associated, controlling and related companies for 2008;
- Annex 3 - Statement of changes in tangible assets for the financial year ended as at 31 December 2008;
- Annex 4 - Statement of changes in intangible assets for the financial year ended as at 31 December 2008;
- Annex 5 - List of equity investments classified under financial assets as at 31 December 2008 and others;
- Annex 6 - List of equity investments in subsidiaries and associated companies as at 31 December 2008 (Article 2427, paragraph 5, of the Italian Civil Code) with an indication of those falling within the scope of consolidation.

Annex 1 – Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2008

(in thousands of Euros)	Trade		Other		Total	
	Receivables	Payables	Receivables	Payables	Receivables	Payables
Subsidiaries:						
Fernie S.r.l. in liquidation	-	-	-	413	**-**	**413**
Inalca Brasil Comercio Ltda.	-	1	-	-	**-**	**1**
Montana Farm S.p.zo.o.	183	-	65	-	**248**	**-**
Total subsidiaries	**183**	**1**	**65**	**413**	**248**	**414**
Associated companies:						
A.O. Konservni	4,090	-	-	-	**4,090**	**-**
Eurobeef S.r.l.	-	-	68	-	**68**	**-**
Farm Service S.r.l.	21	5	135	1	**156**	**6**
Fiorani & C. S.r.l.	106	48	-	-	**106**	**48**
Food & Co S.r.l.	77	-	-	-	**77**	**-**
Parma France S.a.s.	1	572	-	-	**1**	**572**
Parma Turc S.a.s.	-	946	-	-	**-**	**946**
Prometex S.a.m	-	1	-	-	**-**	**1**
Realbeef S.r.l.	352	1,556	2,901	-	**3,253**	**1,556**
Total associated companies	**4,647**	**3,128**	**3,104**	**1**	**7,751**	**3,129**
Related and controlling companies:						
Agricola 2000 S.r.l.	-	20	-	-	**-**	**20**
Cremofin S.r.l.	-	-	-	200	**-**	**200**
Total related companies	**-**	**20**	**-**	**200**	**-**	**220**

Annex 2 – List of revenues and costs from/to subsidiaries, associated, controlling and related companies for 2008

(in thousands of Euros)	Trade		Other		Total	
	Revenues	Costs	Revenues	Costs	Revenues	Costs
Subsidiaries:						
Fernie S.r.l. in liquidation	-	-	-	4	**-**	**4**
Inalca Brasil Comercio Ltda.	-	145	-	-	**-**	**145**
Montana Farm S.p.zo.o.	-	-	4	-	**4**	**-**
Total subsidiaries	**-**	**145**	**4**	**4**	**4**	**149**
Associated companies:						
Farm Service S.r.l.	926	6	-	-	**926**	**6**
Fiorani & C. S.r.l.	138	687	696	6	**834**	**693**
Parma France S.a.s.	-	2,944	3	-	**3**	**2,944**
Parma Lacombe S.a.s.	-	22	-	-	**-**	**22**
Parma Turc S.a.s.	-	4,364	-	-	**-**	**4,364**
Prometex S.a.m.	33	-	13	-	**46**	**-**
Realbeef S.r.l.	2,157	14,786	125	-	**2,282**	**14,786**
Total associated companies	**3,254**	**22,809**	**837**	**6**	**4,091**	**22,815**
Related companies:						
Agricola 2000 S.r.l.	5	20	-	-	**5**	**20**
Le Cupole S.r.l.	5	745	-	4	**5**	**749**
Tre Holding S.r.l.	8	-	-	-	**8**	**-**
Total related companies	**18**	**765**	**-**	**4**	**18**	**769**

Annex 3 – Statement of changes in tangible assets for the financial year ended as at 31 December 2008

(in thousands of Euros)	Opening position		
	Initial cost	Depreciation provision	Balance at 31.12.2007
Land and buildings	483,257	(55,803)	427,454
Plant and machinery	291,648	(159,621)	132,027
Industrial and business equipment	24,731	(18,110)	6,621
Other assets	71,314	(42,344)	28,970
Fixed assets under construction and advances	42,814		42,814
Total	**913,764**	**(275,878)**	**637,886**

Changes over the period					Closing position		
Net effects of the change in consolidation area	Acquisitions	Net decreases	Reclassif./ Other changes	Depreciation	Initial cost	Depreciation provision	Balance at 31.12.2008
(142,031)	15,093	(785)	5,632	(10,157)	343,235	(48,029)	295,206
(50,981)	10,150	(451)	5,207	(16,022)	193,277	(113,347)	79,930
(1,537)	1,154	(124)	80	(1,780)	18,794	(14,380)	4,414
(2,374)	6,571	(2,151)	864	(5,991)	66,208	(40,319)	25,889
(17,292)	33,267	(186)	(14,668)		43,935		43,935
(214,215)	**66,235**	**(3,697)**	**(2,885)**	**(33,950)**	**665,449**	**(216,075)**	**449,374**

Annex 4 – Statement of changes in intangible assets for the financial year ended as at 31 December 2008

(in thousands of Euros)	Opening position		
	Initial cost	Amortization provision	Balance at 31.12.2007
Patents and intellectual property rights	12,288	(9,469)	2,819
Concessions, licences, trademarks and similar rights	4,508	(1,451)	3,057
Fixed assets under development and advances	464		464
Other intangible assets	5,786	(3,330)	2,456
Total	**23,046**	**(14,250)**	**8,796**

	Changes over the period				Closing position		
Net effects change in consolidation area	Acquisitions	Net decreases	Reclass. Other changes	Amortiz.	Initial cost	Amortization provision	Balance at 31.12.2008
150	753	(44)	165	(1,207)	11,623	(8,987)	2,636
(731)	146	(25)	28	(404)	3,696	(1,626)	2,070
	815	(386)	(205)		688		688
	84			(512)	5,845	(3,817)	2,028
(581)	**1,798**	**(455)**	**(12)**	**(2,123)**	**21,852**	**(14,430)**	**7,422**

Annex 5 – List of equity investments classified under financial assets as at 31 December 2008 and others

(in thousands of Euros) Company name	Percentage	Initial value	Purchases or subscriptions
Subsidiaries:			
Fernie S.r.l. in liq.	95.00	527	
Ibis S.p.A. in bankruptcy	98.00	-	
Inalca Brasil Comercio Ltda.	99.80	173	
Inalca Hellas e.p.e. in liquidation	95.00	85	
Montana Farm S.p.zo.o.	100.00	-	
Prometex S.a.m.	99.00	171	
Total subsidiaries		**956**	**0**
Associated companies:			
A.O. Konservni	25.00	1,156	
Consorzio I.R.I.S. a r.l.	25.00	4	
Eurobeef S.r.l.	44.40	130	32
Emilia Romagna Factor S.p.A.	22.80	8,577	
Farm Service S.r.l.	30.00	174	
Fiorani & C. S.p.A.	49.00	522	
Food & Co. S.r.l.	30.00	3	
Masofico S.A.	40.00	-	
Parma France S.a.s.	30.40	404	
Prometex S.a.m.	28.60		
Realbeef S.r.l.	24.00	24	
Total associated companies		**10,994**	**32**
Other companies:			
Centro Agroalimentare Riminese S.p.A.		280	
Futura S.p.A.		600	
Nuova Campari S.p.A.		1,549	
Other minor		257	
Total other companies		**2,686**	**0**
Total equity investments		**14,636**	**32**

(a) Write-down exceeding the book value of the equity investment has been allocated to an appropriate provision for risks.
(b) Company now classified under related companies.

Disposals	(Write-downs) Revaluations	Other changes	Percentage	Final value	Notes
			95.00	527	
			98.00	-	
		(87)	99.80	86	
	(43)	(42)	95.00	-	
			100.00	-	(a)
		(171)	-	-	(b)
0	**(43)**	**(300)**		**613**	
	(421)	(578)	25.00	157	
			25.00	4	
		(65)	44.40	97	
	(43)		22.80	8,534	
		(87)	30.00	87	
	30	(261)	49.00	291	
			30.00	3	
			40.00	-	
		(202)	30.40	202	
(61)		86	28.60	25	
		(12)	24.00	12	
(61)	**(434)**	**(1,119)**		**9,412**	
				280	
				600	
		(774)		775	
		(31)		226	
0	**0**	**(805)**		**1,881**	
(61)	**(477)**	**(2,224)**		**11,906**	

Annex 6 – List of equity investments in subsidiaries and associated companies as at 31 December 2008 (Article 2427, paragraph 5, of the Italian Civil Code) with an indication of those falling within the scope of consolidation

(in thousands of Euros) Company name	HQ	Share capital (expressed in Euro, unless otherwise indicated)	Result for the financial year ended 31.12.08	Shareholders' equity at 31.12.08
Companies consolidated on a line-by-line basis:				
Alisea S.c.a r.l.	Impruneta (FI)	500,000	539	1,716
As.Ca. S.p.A.	Santarcangelo di Romagna (RN)	518,000	1,461	5,043
Autoplose GmbH in liquid.	Matrei (Austria)	36,336	24	643
Baldini Adriatica Pesca S.r.l.	Santarcangelo di Romagna (RN)	10,000	552	571
Cons. Centro Comm. Ingrosso Carni S.r.l.	Bologna	1,500,000	355	2,867
Chef Express S.p.A.	Castelvetro di Modena (MO)	4,500,000	(3,014)	4,407
Cremonini Restauration S.a.s.	Paris (France)	1,500,000	1,922	3,528
Cremonini Rail Iberica S.A.	Madrid (Spain)	1,500,012	(1,048)	454
Cremonini SEC S.r.l. in liquid.	Castelvetro di Modena (MO)	10,000	8	7
Cremonini S.p.A.	**Castelvetro di Modena (MO)**	**67,073,932**	**30,235**	**70,372**
Emigel S.r.l.	Santarcangelo di Romagna (RN)	260,010	127	2,874
Frimo S.a.m.	Principate of Monaco	150,000	67	797
Ges.Car. S.r.l.	Castelvetro di Modena (MO)	330,000	(169)	303
Global Service S.r.l.	Castelvetro di Modena (MO)	93,000	177	335
Global Service Logistics S.r.l.	Castelvetro di Modena (MO)	100,000	1	101
Guardamiglio S.r.l.	Piacenza	4,135,000	(181)	3,736
INALCA JBS S.p.A.	Castelvetro di Modena (MO)	280,000,000	(9,884)	363,127
Inalca Angola Ltda. (ex Inalcammil Ltda.)	Luanda (Angola)	Kwanza 810,000,000	6,923	16,820
Inalca Algerie S.a r.l.	Algeri (Algerie)	DA 20,000,000	75	2,521
Inalca Brazzaville S.a r.l.	Brazzaville (Dem.Rep.of Congo)	USD 3,575	446	677
Inalca Kinshasa S.p.r.l.	Kinshasa (Dem.Rep.of Congo)	USD 1,710,000	629	5,576
Inter Inalca Angola Ltda.	Luanda (Angola)	Kwanza 900,000	724	1,899
Interjet S.r.l.	Castelvetro di Modena (MO)	2,500,000	(691)	1,887
In.Al.Sarda S.r.l. liquidated	Cagliari	10,000	-	-
Kaskad L.l.c.	Moscow (Russia)	Ruble 1,438,490,880	(178)	60,315
Marr Alisurgel S.r.l. in liquid.	Santarcangelo di Romagna (RN)	10,000	38	202
Marr Foodservice Iberica S.A.	Madrid (Spain)	600,000	(79)	480
Marr Russia L.l.c.	Moscow (Russia)	Ruble 100,000	(3,345)	13
MARR S.p.A.	Rimini	33,262,560	30,296	177,717
Momentum Services Ltd.	Birmingham (Great Britain)	GBP 225,000	235	444
Montana Alimentari S.p.A.	Gazoldo degli Ippoliti (MN)	40,248,000	53	37,602
New Catering S.r.l.	Santarcangelo di Romagna (RN)	33,900	616	994
Quinto Valore S.c.a r.l.	Reggio Emilia	90,000	-	90
Railrest S.A.	Brussels (Belgium)	500,000	2,279	2,895
Realfood 3 S.r.l.	Castelvetro di Modena (MO)	2,700,000	(844)	2,648
Roadhouse Grill Italia S.r.l.	Castelvetro di Modena (MO)	4,000,000	(597)	4,496
Roadhouse Grill Padova S.r.l.	Castelvetro di Modena (MO)	50,000	21	59
Salumi d'Emilia S.r.l.	Castelvetro di Modena (MO)	5,300,000	809	6,213
Sara S.r.l.	Castelvetro di Modena (MO)	100,000	(291)	47
Sfera S.p.A.	Santarcangelo di Romagna (RN)	220,000	298	1,032
SGD S.r.l.	Castelvetro di Modena (MO)	83,000	(49)	195
Società Agricola Bergognina S.r.l.	Castelvetro di Modena (MO)	100,000	(24)	51
Società Agricola Corticella S.r.l.	Spilamberto (MO)	5,000,000	(226)	9,836
TECNO-STAR DUE S.r.l.	Formigine (MO)	10,400	19	28
Time Vending S.r.l.	Castelvetro di Modena (MO)	100,000	(93)	55
Zaklady Miesne Soch. S.p.zo.o.	Warsaw (Poland)	Zloty 1,800,000	(174)	368

Control share at 31.12.08	Shareholding at 31.12.08	Consolidation method	Participants at 31.12.2008	Control share at 31.12.2007	Shareholding at 31.12.2007	Notes
55.00%	32.70%	Line-by-line	MARR S.p.A.	55.00%	31.42%	
100.00%	59.46%	Line-by-line	MARR S.p.A.	100.00%	57.12%	
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	(a)
100.00%	59.46%	Line-by-line	MARR S.p.A.	100.00%	57.12%	
86.69%	86.69%	Line-by-line	Cremonini S.p.A.	86.69%	86.69%	
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
86.00%	86.00%	Line-by-line	Cremonini S.p.A.	86.00%	86.00%	
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
100.00%	100.00%	Line-by-line	Global Service S.r.l.	19.00%	19.00%	
		Parent Company				
100.00%	59.46%	Line-by-line	MARR S.p.A.	-	-	
75.10%	37.45%	Proportional	INALCA JBS S.p.A.	74.90%	74.90%	
80.00%	40.00%	Proportional	INALCA JBS S.p.A.	80.00%	80.00%	
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
100.00%	100.00%	Line-by-line	Global Service S.r.l.	100.00%	100.00%	
100.00%	50.00%	Proportional	INALCA JBS S.p.A.	100.00%	100.00%	
50.00%	50.00%	Proportional	Cremonini S.p.A.	100.00%	100.00%	
99.90%	49.95%	Proportional	INALCA JBS S.p.A.	99.90%	99.90%	(b)
55.00%	27.50%	Proportional	INALCA JBS S.p.A.	55.00%	55.00%	(b)
97.90%	26.92%	Proportional	Inalca Kinshasa S.p.r.l.	97.90%	53.85%	(b)
55.00%	27.50%	Proportional	INALCA JBS S.p.A.	55.00%	55.00%	(b)
100.00%	50.00%	Proportional	INALCA JBS S.p.A.	100.00%	100.00%	(b)
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
-	-	Proportional	INALCA JBS S.p.A.	100.00%	100.00%	
100.00%	50.00%	Proportional	INALCA JBS S.p.A.	100.00%	100.00%	(b)
100.00%	59.46%	Line-by-line	MARR: 97%; Sfera: 3%	100.00%	57.12%	
100.00%	59.46%	Line-by-line	MARR S.p.A.	100.00%	57.12%	
60.00%	30.00%	Proportional	Kaskad L.l.c.	60.00%	60.00%	(b)
58.84%	59.46%	Line-by-line	Cremonini S.p.A.	57.12%	57.12%	
51.00%	51.00%	Line-by-line	Cremonini S.p.A.	51.00%	51.00%	(b)
100.00%	100.00%	Proportional	INALCA JBS S.p.A.	100.00%	100.00%	
100.00%	59.46%	Line-by-line	MARR S.p.A.	100.00%	57.12%	
50.00%	25.00%	Proportional	INALCA JBS: 47%; Realfood 3: 3%	50.00%	50.00%	
51.00%	51.00%	Line-by-line	Cremonini S.p.A.	51.00%	51.00%	
100.00%	50.00%	Proportional	INALCA JBS S.p.A.	100.00%	100.00%	
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
100.00%	100.00%	Line-by-line	Roadhouse Grill Italia S.r.l.	100.00%	100.00%	
100.00%	50.00%	Proportional	Montana Alimentari S.p.A.	100.00%	100.00%	
100.00%	50.00%	Proportional	INALCA JBS S.p.A.	100.00%	100.00%	
100.00%	59.46%	Line-by-line	MARR S.p.A.	100.00%	57.12%	
50.00%	50.00%	Line-by-line	Cremonini S.p.A.	50.00%	50.00%	
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	94.00%	94.00%	
100.00%	50.00%	Proportional	INALCA JBS S.p.A.	100.00%	100.00%	
60.00%	30.00%	Proportional	INALCA JBS S.p.A.	60.00%	60.00%	
80.00%	80.00%	Line-by-line	Cremonini S.p.A.	80.00%	80.00%	
90.00%	45.00%	Proportional	INALCA JBS S.p.A.	90.00%	90.00%	(b)

(continue Annex 6)

Continued: Annex 6

(in thousands of Euros) Company name	HQ	Share capital (expressed in Euro, unless otherwise indicated)	Result for the financial year ended 31.12.08	Shareholders' equity at 31.12.08
Investments valued at equity:				
Associated companies:				
A.O. Konservni	Stavropol (Russia)	USD 1,785	(292)	1,248
Emilia Romagna Factor S.p.A.	Bologna	25,000,000	1,913	37,432
Fiorani & C. S.p.A.	Piacenza	500,000	421	1,491
Food & Co. S.r.l.	Roma	10,000	5	12
Investments valued at cost:				
Subsidiaries				
Fernie S.r.l. in liquidation	Modena	1,033,000	(15)	1,062
Ibis S.p.A. in bankruptcy	Busseto (PR)	471,750	17	(8,592)
Inalca Brasil Comercio Ltda.	Sao Paulo (Brazil)	Reais 521,481	(11)	87
Montana Farm S.p.zo.o.	Platyny (Poland)	Zloty 3,394,000	(245)	(1,819)
Associated companies:				
Consorzio IRIS a r.l.	Bolzano	10,000	-	23
Eurobeef S.r.l.	Rovigo	90,000	(169)	(52)
Farm Service S.r.l.	Reggio Emilia	500,000	2	939
Masofico S.A.	Nouakchott (Mauritania)	OuguiYa 9,600,000	-	-
Parma France S.a.s.	Lione (France)	1,000,000	114	1,559
Prometex S.a.m.	Principate of Monaco	150,000	59	263
Realbeef S.r.l.	Flumeri (AV)	100,000	3	80

NOTES
(a) The figures refer to the reports utilised for the consolidation as at 31.12.2008 as the company's financial year ends on 30 September of each year. / (b) Amounts expressed in Euro resulting from the translation of the original amounts in foreign currencies. / (c) A liabilities provision was raised against the equity deficit. / (d) The figures shown in the financial statements refer to the last equity situation drawn up by the bankruptcy curator as at 31.12.2007 / (e) Figures not yet available. / (g) The figures refer to 31 December 2007, the last financial statements available.

Control share at 31.12.08	Shareholding at 31.12.08	Book value (A)	Portion of the Shareholders' Equity (B)	Difference (B) - (A)	Participants at 31.12.2008	Control share at 31.12.07	Shareholding at 31.12.07	Notes
25.00%	12.50%	157	156	(1)	INALCA JBS S.p.A.	25.00%	25.00%	(b) (f)
22.80%	22.80%	8,534	8,534	0	Cremonini S.p.A.	22.80%	22.80%	(f)
49.00%	24.50%	291	365	74	INALCA JBS S.p.A.	49.00%	49.00%	(f)
30.00%	30.00%	3	4	1	Cremonini S.p.A.	30.00%	30.00%	(f)
95.00%	95.00%	527	1,009	482	Cremonini S.p.A.	95.00%	95.00%	(f)
98.00%	49.00%	-	(8,420)	(8,420)	Montana Alimentari S.p.A.	98.00%	98.00%	(d)
99.80%	49.91%	86	87	1	INALCA JBS S.p.A.	99.81%	99.81%	(b) (f)
100.00%	50.00%	-	(1,819)	(1,819)	Montana Alimentari S.p.A.	100.00%	100.00%	(b) (c)
37.50%	37.50%	4	9	5	Interjet S.r.l.	37.50%	37.50%	(f)
44.40%	22.20%	97	(23)	(120)	INALCA JBS S.p.A.	44.40%	44.40%	(f)
30.00%	15.00%	87	282	195	INALCA JBS S.p.A.	30.00%	30.00%	(f)
40.00%	23.78%	-	-	-	MARR S.p.A.	40.00%	22.85%	(e)
30.40%	15.20%	202	474	272	INALCA JBS S.p.A.	30.40%	30.40%	(f)
28.60%	10.74%	25	75	50	Frimo S.a.m.	98.70%	73.93%	
24.00%	12.00%	12	19	7	INALCA JBS S.p.A.	24.00%	24.00%	(f)

AUDITORS' REPORT

ERNST & YOUNG

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Independent auditors' report
pursuant to Article 156 and 165-bis of Legislative Decree No. 58 of February 24, 1998 (Translation from the original Italian text)

To the Shareholders of Cremonini S.p.A.

1. We have audited the consolidated financial statements of Cremonini S.p.A. and its subsidiaries, (the "Cremonini Group") as of and for the year ended December 31, 2008, comprising the balance sheet, the statement of income, changes in shareholders' equity and cash flows and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union is the responsibility of the Cremonini S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. Our audit was made in accordance with auditing standards and procedures recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards and procedures, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 11, 2008.

3. In our opinion, the consolidated financial statements of the Cremonini Group at December 31, 2008 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations, the changes in shareholders' equity and the cash flows of the Cremonini Group for the year then ended.

4. We draw your attention to the following important events, whose impacts on the consolidate financial statements are disclosed in the notes to the consolidated financial statements:

   - on March 3, 2008 a contract between Cremonini S.p.A. and JBS S.A. has been executed for the transfer of 50% of the entire production sector;
   - on December 31 , 2008 the inverse merger between Cremonini Investimenti S.r.l and Cremonini S.p.A. took place. Cremonini Investimenti S.r.l. is the company through which the delisting of Cremonini S.p.A. was completed.

5. The management of Cremonini S.p.A. is responsible for the preparation of the Directors' Report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Directors' Report with the financial statements as required by art. 156, paragraph 4-bis, letter d) of the Legislative Decree 58/98. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Directors' Report is consistent with the consolidated financial statements of the Cremonini Group as of December 31, 2008.

Bologna, April 10, 2009

Reconta Ernst & Young S.p.A.
signed by: Roberto Tabarrini, partner

Reconta Ernst & Young S.p.A.
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SUMMARY OF THE RESOLUTIONS

ORDINARY SHAREHOLDERS' MEETING HELD ON 28 APRIL 2009

The Shareholders were advised on 10 April 2009 of a general meeting to be held on 27 April 2009 as a first call and, if necessary, on 28 April as a second call. The meeting was duly held on the day indicated as a second call in Via Modena no. 53, Castelvetro di Modena, with Cavaliere del Lavoro Luigi Cremonini in the chair.

Shareholders holding 128,988,330 ordinary shares, equal to 100% of the entire share capital, attended the meeting in person or by proxy.

Following the reading of the report and directors' proposals, the reports of the Board of Statutory Auditors and external auditors, the Shareholders' Meeting approved:

- the financial statements as at 31 December 2008 and the directors' report, including therein a declaration of € 0.023 per ordinary share.