FINANCIAL STATEMENTS AND CONSOLIDATED ACCOUNTS

31 DECEMBER 2009

Cremonini S.p.A.
Via Modena, 53
41014 Castelvetro di Modena (Mo) Italy
Share Cap. € 67,073,931.6
Modena Companies Register no. 00162810360
Modena Economic Administrative Register no 126967
Tax Code and VAT no. 00162810360

TABLE OF CONTENTS

CREMONINI GROUP ORGANIZATION

SCOPE OF CONSOLIDATION AS AT 31 DECEMBER 2009

CREMONINI S.p.A.

PRODUCTION

Beef

- INALCA JBS S.p.A. 50%
  - Soc.Agr.Corticella S.r.l. 100%
  - Frimo S.a.m. 75.1%
  - Ges.Car. S.r.l. 80%
  - Guardamiglio S.r.l. 100%
  - Inalca Algerie S.a r.l. 55%
  - Inter Inalca Angola Ltda. 100%
  - Inalca Kinshasa S.p.r.l. 55%
    - Inalca Brazzaville S. a r.l. 97.9%
  - Inalca Angola Ltda. (ex Inalcammil) 99.9%
  - Quinto Valore S.c. a r.l. 50%
  - Sara S.r.l. 100%
  - Kaskad L.l.c. 100%
    - Marr Russia L.l.c. 75%
  - Zaklady Miesne Sochocin Spolka L.l.c. 90%
  - Realbeef S.r.l. 24%
  - Tecno-Star Due S.r.l. 60%

Cured meats and snacks

- Montana Alimentari S.p.A. 100%
  - Salumi d'Emilia S.r.l. 100%
  - IBIS S.p.A. 100%

DISTRIBUTION

Foodservice

- MARR S.p.A. 58.84%
  - Alisea S.c. a r.l. 55%
  - Marr Foodservice Iberica S.A. 100%
  - Sfera S.p.A. 100%
    - Marr Alisurgel S.r.l. in liq. 100%
  - As. Ca. S.p.A. 100%
  - New Catering S.r.l. 100%
  - Baldini Adriatica Pesca S.r.l. 100%
  - Emigel S.r.l. 100%

CATERING

Commercial

- Chef Express S.p.A. 100%
- Roadhouse Grill Italia S.r.l. 100%
- SGD S.r.l. 50%
- Time Vending S.r.l. 50%
- Buffet di Arezzo S.r.l. 100%

On board

- Cremonini Restauration S.a.s. 86%
- Momentum Services Ltd. 51%
- Railrest S.A. 51%
- Cremonini Rail Iberica S.A. 100%
- Chef Express UK Ltd. 100%
- Chef Express Russia 85%
- Lounge Services S.a.s. 51%
- Global Service Logistics S.r.l 100%

CENTRALIZED ACTIVITIES

- Cremonini S.p.A. – "holding" division
- Consorzio C.C. Ingrosso Carni S.r.l. 86.69%
- Global Service S.r.l. 100%
- Interjet S.r.l. 100%
- Soc.Agr.Bergognina S.r.l. 100%

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

Introduction

The financial statements as at 31 December 2009, 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 2009 financial year

The 2009 results, due to some changes in the Group's structure that took place during the 2008 financial year, are not comparable with those of the previous financial year. Specifically the 2008 figures were influenced by a different method of consolidation of the production sector, which was consolidated line-by-line until 3 March (date of sale of 50% thereof to JBS S.A.) and subsequently with the proportional method.

That said, in the 2009 financial year the Cremonini Group recorded revenues of 2,242.6 million compared to 2,212.1 million in 2008, up by 30.5 million Euro. The gross operating margin amounted to 132.7 million Euro, compared to 133.0 million in 2008, and the operating result amounted to 81.3 million, a fall of 5.5 million compared to 86.8 million Euro in the previous year.

With the same scope of consolidation instead, the revenues for the year were 2,242.6 million Euro, an increase of 113.3 million compared to 2,129.3 million in 2008 (+5.3%), the gross operating margin amounted to 132.7 million up by 5.2 million compared to 127.5 million in 2008 (+4.1%), while the operating profit was 81.3 million compared to 84.0 in 2008, down by 2.6 million (-3.1%).

The operating result from normal operations amounted to 56.3 million Euro, a growth of 10.1 million compared to 46.2 million in 2008 (+21 9%). This result was achieved thanks prevalently to the reduction of the financial charges.

The net profit before minority interests was 35.1 million Euro, an improvement if it is considered that the corresponding result of 53.1 million Euro in 2008 included the net non-recurring capital gain of 31.5 million Euro deriving from the aforesaid sale of 50% of the production sector.

Finally, the Group's share of the net profit was 17.9 million Euro compared to 39.0 million Euro in 2008.

Below is a summary of the consolidated figures for the financial year ended as at 31 December 2009, 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 2009**	Year 2008	Change %
Total revenues	**2,242,590**	**2,212,066**	**1.38**
Changes in inventories of work in progress, semi-finished and finished goods	851	6,375	
Value of production	**2,243,441**	**2,218,441**	**1.13**
Cost of production	(1,831,050)	(1,853,956)	
Value added	**412,391**	**364,485**	**13.14**
Personnel costs	(279,694)	(231,518)	
Gross operating margin [a]	**132,697**	**132,967**	**(0.20)**
Amortization, depreciation and write-downs	(51,377)	(46,128)	
Operating income [b]	**81,320**	**86,839**	**(6.36)**
Net financial income (charges)	(25,050)	(40,662)	
Profit from ordinary activities	**56,270**	**46,177**	**21.86**
Net income (charges) from investments	332	(265)	
Net extraordinary financial income (charges)	0	27,839	
Result before taxes	**56,602**	**73,751**	**(23.25)**
Income taxes for the financial year	(21,461)	(20,676)	
Result before minority interests	**35,141**	**53,075**	**n.a.**
(Profit) Loss attributable to minority interests	(17,287)	(14,075)	
Net profit attributable to the Group	**17,854**	**39,000**	**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).

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 Ebitda 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)	**31.12.2009**	31.12.2008	Change %
Intangible assets	170,099	153,359	
Tangible assets	481,426	449,374	
Equity investments and other financial assets	13,618	15,309	
Total fixed assets	**665,143**	**618,042**	**7.62**
Trade net working capital			
- Trade receivables	444,973	405,783	
- Inventories	178,988	190,560	
- Trade payables	(359,582)	(340,650)	
Total trade net working capital	264,379	255,693	
Other current assets	55,597	53,531	
Other current liabilities	(79,518)	(66,673)	
Net working capital	**240,458**	**242,551**	**(0.86)**
Staff Severance Provision and other medium/long-term provisions	**(66,686)**	**(70,745)**	
Net invested capital	**838,915**	**789,848**	**6.21**
Shareholders' Equity attributable to the Group	167,133	156,223	
Shareholders' Equity attributable to minority interests	69,423	65,138	
Total Shareholders' Equity	**236,556**	**221,361**	**6.86**
Net medium/long-term debt	358,000	304,530	
Net short-term debt	244,359	263,957	
Net debt	**602,359**	**568,487**	**5.96**
Net equity and net debt	**838,915**	**789,848**	**6.21**

Net consolidated debt [c]

(in thousands of Euros)	**31.12.2009**	30.09.2009	30.06.2009	31.12.2008
Payables to banks, bonds and other financial institutions				
- due within 12 months	(340,144)	(369,950)	(407,516)	(352,877)
- due between 1 and 5 years	(288,995)	(254,771)	(213,028)	(209,698)
- due beyond 5 years	(69,005)	(80,867)	(83,766)	(94,832)
Total payables to banks, bonds and other financial institutions	**(698,144)**	**(705,588)**	**(704,310)**	**(657,407)**
Liquidity				
- cash and cash equivalents	81,229	99,189	94,780	77,635
- other financial assets	14,556	13,179	12,238	11,285
Total liquidity	**95,785**	**112,368**	**107,018**	**88,920**
Total net debt	**(602,359)**	**(593,220)**	**(597,292)**	**(568,487)**

The Group's net debt was 602.4 million Euro, up by 33.9 million compared to 568.5 million at 31 December 2008. This increase is mainly due to the distribution of dividends of 16.1 million Euro and investments made of 83.9 million, 31.0 million of which for acquisitions. Noted amongst the latter are the acquisition of the Cisim Food business division, the F.lli Baldini S.r.l. business division, Emigel S.r.l. and Buffet Arezzo S.r.l.

.

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 2009**	Year 2008	Change total value	Change %
Production (*)				
Net revenues	552,256	633,960	(81,704)	(12.89)
Intercompany revenues	24,794	32,446		
Total revenues	577,050	666,406	(89,356)	(13.41)
Gross operating margin	29,688	35,149	(5,461)	(15.54)
Amortization, depreciation and write-downs	(17,936)	(20,137)	2,201	(10.93)
Operating profit (loss)	11,752	15,012	(3,260)	(21.72)
Distribution				
Net revenues	1,128,362	1,098,413	29,949	2.73
Intercompany revenues	10,085	10,922		
Total revenues	1,138,447	1,109,335	29,112	2.62
Gross operating margin	73,763	71,050	2,713	3.82
Amortization, depreciation and write-downs	(10,415)	(10,002)	(413)	4.13
Operating profit (loss)	63,348	61,048	2,300	3.77
Catering				
Net revenues	557,923	474,496	83,427	17.58
Intercompany revenues	133	185		
Total revenues	558,056	474,681	83,375	17.56
Gross operating margin	32,448	29,769	2,679	9.00
Amortization, depreciation and write-downs	(18,996)	(12,574)	(6,422)	51.07
Operating profit (loss)	13,452	17,195	(3,743)	(21.77)
Holding company property and centralized activities				
Net revenues	4,049	5,198	(1,149)	(22.10)
Intercompany revenues	6,441	5,849		
Total revenues	10,490	11,047	(557)	(5.04)
Gross operating margin	(2,992)	(2,799)	(193)	6.90
Amortization, depreciation and write-downs	(4,030)	(3,415)	(615)	18.01
Operating profit (loss)	(7,022)	(6,214)	(808)	13.00
Consolidation adjustment				
Total revenues	*(41,453)*	*(49,403)*		
Gross operating margin	*(210)*	*(202)*		
Amortization, depreciation and write-downs				
Operating profit (loss)	*(210)*	*(202)*		
Total				
Total revenues	2,242,590	2,212,066	30,524	1.38
Gross operating margin	132,697	132,967	(270)	(0.20)
Amortization, depreciation and write-downs	(51,377)	(46,128)	(5,249)	11.38
Operating profit (loss)	81,320	86,839	(5,519)	(6.36)

(*) 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 total revenues increased by 30.5 million Euro despite the different method of consolidation of the production sector already mentioned in the preamble. Specifically, the revenues from distribution increased by 29.9 million, those from catering grew by 83.4 million while production revenues reduced by 81.7 million (+1.3 million with the same scope of consolidation).

The gross operating margin was substantially in line with the 2008 values, with production down by 5.5 million Euro (in line with the same scope of consolidation) and distribution and catering both up by 2.7 million.

Finally, the consolidated operating result reduced by 5.5 million with distribution up by 2.3 million, catering and production respectively falling by 4.5 and 3.3 million Euro (-0.4 million with the same scope of consolidation).

.

Breakdown of revenues from sales and services by geographic area

Year 2009 - (in thousands of Euros)	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	292,345	53.5	1,021,228	92.4	311,432	57.0	3,165	103.9	1,628,170	74.0
European Union	84,358	15.4	63,786	5.8	234,191	42.9	(89)	(2.9)	382,246	17.4
Extra-EU countries	169,696	31.1	20,195	1.8	459	0.1	(30)	(1.0)	190,320	8.6
Total	546,399	100.0	1,105,209	100.0	546,082	100.0	3,046	100.0	2,200,736	100.0

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

Consolidated balance sheet by sector

As at 31 December 2009 (in thousands of Euros)	Production (*)	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	10,082	92,697	66,849	471		170,099
Tangible assets	239,203	58,168	96,612	87,443		481,426
Equity investments and other financial assets	2,324	480	4,250	6,564		13,618
Total fixed assets	**251,609**	**151,345**	**167,711**	**94,478**	**0**	**665,143**
Trade net working capital						
- Trade receivables	62,437	337,048	49,243	7,502	(11,257)	444,973
- Inventories	79,114	84,455	15,395	4	20	178,988
- Trade payables	(75,021)	(211,248)	(78,503)	(5,876)	11,066	(359,582)
Total trade and net working capital	66,530	210,255	(13,865)	1,630	(171)	264,379
Other current assets	17,610	17,947	13,706	12,016	(5,682)	55,597
Other current liabilities	(14,366)	(16,169)	(46,493)	(8,274)	5,784	(79,518)
Net working capital	**69,774**	**212,033**	**(46,652)**	**5,372**	**(69)**	**240,458**
Staff Severance Provision and other medium/long-term provisions	**(25,683)**	**(22,261)**	**(8,538)**	**(10,204)**		**(66,686)**
Net invested capital	**295,700**	**341,117**	**112,521**	**89,646**	**(69)**	**838,915**

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**

Net consolidated debt broken down by sector

As at 31 December 2009 (in thousands of Euros)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(91,778)	(162,842)	(34,273)	(51,251)	(340,144)
- due between 1 and 5 years	(31,077)	(40,241)	(22,097)	(195,580)	(288,995)
- due beyond 5 years	(2,189)	(3,172)	(10,690)	(52,954)	(69,005)
Total payables to banks, bonds and other financial institutions	**(125,044)**	**(206,255)**	**(67,060)**	**(299,785)**	**(698,144)**
Liquidity					
- cash and cash equivalents	11,624	39,784	21,772	8,049	81,229
- other financial assets	1,994	9,299	1,177	2,086	14,556
Total liquidity	**13,618**	**49,083**	**22,949**	**10,135**	**95,785**
Securitization and internal treasury current accounts		**915**	**(27,829)**	**26,914**	**0**
Total net debt	**(111,426)**	**(156,257)**	**(71,940)**	**(262,736)**	**(602,359)**

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 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.
INALCA ANGOLA Ltda. (ex INALCAMMIL) Rua Deolinda Rodrigues n. 563 - Luanda - Angola	Food marketing.
INALCA ALGERIE S.ar.l. 08, Rue Cherif Hamani - Algiers – Algeria	Food marketing.
INTER INALCA ANGOLA Ltda. Rua Major Kayangulo n. 504 - Luanda - Angola	Food marketing.
INALCA KINSHASA S.p.r.l. Kinshasa 11eme 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. 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 Pawła 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.
REALBEEF S.r.l. Contrada Tierzi – Flumeri (AV)	Slaughtering, processing and marketing of beef-based products.

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).
IBIS S.r.l. Via Europa n.14 – Busseto (PR)	Production and marketing of cured meats.
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	Year 2009	Year 2008	*Chg. %*
Beef and meat-based products	513,241	597,753	*(14.14)*
- intercompany revenues	(21,402)	(28,471)	
Net total	**491,839**	**569,282**	
Cured meats and gastronomy/snack food	86,220	97,951	*(11.98)*
- intercompany revenues	(1,009)	(827)	
Net total	**85,211**	**97,124**	
Total Production	**577,050**	**666,406**	***(13.41)***

As indicated in the introduction to the report, it is recalled that the production sector's figures at 31 December 2009, as shown below, are not comparable with the same values of 2008 as an effect of the change in scope of the consolidation. The sector, 50% consolidated in 2009, was instead consolidated line-by-line in the first two months of 2008 and 50% in the subsequent months.

The production sector revenues, which amounted to 577.1 million Euro, reduced by 89.4 million compared to 666.4 million Euro for the previous financial year. The gross operating margin fell from 35.1 to 29.7 million Euro, a decrease of 5.6 million. The operating result amounted to 11.8 million Euro, down with respect to 15.1 million in 2008.

With the same scope of consolidation the 2009 revenues instead grew by 1.3 million while the gross operating margin and the operating result were in line with 2008. These results should be considered additionally positive if framed in the context of the world economic crisis that cut back on the demand for goods and services.

<u>The beef business</u>

The economic crisis and contraction of consumption influenced the performance of the beef sector in 2009. This fact, associated with a reduction of slaughtering, caused by the reduction of the number of cattle reared, affected the business profit margins of the first nine months of the year. In the last quarter, despite the persistence of the crisis, the reduction of the purchase cost of the raw material (calves and cows) and the slight recovery of hide values, permitted an appreciable recovery in marginality.

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

As concerns to our foreign subsidiaries, the development of the business continues with success and the good results of which are driving the results of the entire sector.

With regard to investments, noted are the commissioning of the biogas plant in Ospedaletto Lodigiano and completion of the distribution platform in Russia, the coming on stream of which took place at the end of November. The latter investment, in addition to consolidating the Group's presence in Russia, reinforces the commercial partnership with McDonald's and will permit a large increase in revenues. Investments aimed at production efficiency and reduction of the operating costs were also made, such as automation of the palletisation of the hamburger and deep-frozen lines, expansion of the Castelvetro cold store complex and automation of the tempering for hamburger production through use of RFID smart tags.

Cured meats and snacks sector

As shown for beef, the markets of interest of the cured meats sector were also influenced by the consumption crisis and strong pressure on sales prices. 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 raw materials front, the entire year was characterised by a substantial stability of prices in line with purchase costs at the end of 2008.

In this scenario the companies in this sector, thanks to their good competitiveness that was also ensured by an efficient industrial structure, succeeded in limiting the reduction of the volumes of cured meat sales to 5%, maintaining a balanced 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 large-scale retail outlets.
Development and diversification of the sales channels continues successfully through continuous expansion of the number of agents and signing of agreements with large groups belonging to the modern distribution channels.

In the canned products division, where raw materials purchase costs recorded sharp increases throughout the year, the revenues instead suffered a 6.7% drop. The raw materials cost pressure in fact compelled producers and the distribution sector to change sale prices to the final consumer with the effect of a generalised contraction in volumes.
The penetration action commenced in past years also permitted this division to conquer market shares previously belonging to our competitors and the consolidation of the position of second player in the reference market.

The investments made during the year were concentrated on the Gazoldo degli Ippoliti (MN) production factory and mainly regarded the new department for the production of grilled bacon, which came on stream at the end of February 2010, and a department for the production of sauces and condiments that, in addition to ensuring the autonomy of the snack division in supplies of such delicate ingredients, will permit the sector to enter a market niche where demand is growing. A new line for slicing with a thermal puncher was also created.

Distribution

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

Foodservice (distribution to catering)

Companies	Business carried out
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 per Tavernuzze n. 231/b, Impruneta (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 Massimiliano Kolbe n. 5/7 - Forlì	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 showed revenues growth in the 2009 financial year that rose from 1,109.3 million Euro to 1,138.4 million, up by 29.0 million Euro (+2.6%). The gross operating margin rose from 71.1 to 73.8 million Euro, an increase of 2.7 million (+3.8%). The operating result amounted to 63.3 million Euro with respect to 61.0 million in 2008, up by 2.3 million (+3.8%).

With a difficult economic trend, which is still uncertain, eating out catering consumption has in any event suffered a lower impact compared to other expense items. In fact, eating out has benefitted from a trend of structural expansion, the reasons for which can mainly be attributed to a change in the consumption models, which de facto make eating out increasingly a necessity rather than a discretional choice.

Specifically, in 2009, which was characterised by weak demand and a generalised reduction of the average sales price, the expense item for "Hotels, meals and eating out" recorded a fall of 0.9% against a total fall of the consumer spending of Italian households of 1.3% (Confcommercio Research Department, February 2010).

In this context the MARR Group succeeded in achieving the set growth objectives in 2009, thanks to its operating solidity, the flexibility of its business model, capacity to adapt its offer and improve service. The Group also archived another year of growth, thereby reinforcing its leadership in the Italian market of marketing and distribution of fresh, dehydrated and frozen food products destined for operators in eating out catering.

In terms of categories of clientele, the "Street Market" category (restaurants and hotels not belonging to Groups or Chains), which represents over 60% of the turnover, registered sales of 694.6 million Euro, while sales in the "National Account" category (operators in structured commercial catering and collective catering) were 205.3 million Euro

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

- on 20 January 2009 the subsidiary Baldini Adriatica Pesca S.r.l. signed the final contract for the acquisition of the business division of F.lli Baldini S.r.l., a company active in the marketing of fish products and specifically fresh shellfish. The acquisition of the Baldini business branch took place by exercise of the free acquisition option granted and provided for in the business division lease contract signed by Baldini Adriatica Pesca S.r.l. in June 2007;
- on 5 February 2009 MARR S.p.A. signed the final contract for acquisition of the business division 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 division took place by exercise of the free acquisition option granted and provided for in the business division 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 contract relating to the supply of food and non-food products to the Public Administrations of the Emilia Romagna region;
- in October MARR S.p.A. received a notification from Consip S.p.A. (Public Partner for expense rationalisation) of the renewal for a further 12 months of the convention relating to the supply of food products to the Public Administrations

Catering

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

Companies | **Business carried out**

a) On-board catering

Companies	Business carried out
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 - Rome	Operating, under contract, on-board railway catering in Italy.
MOMENTUM SERVICES Ltd. Parklands Court, n. 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, Paris – France	Operating, under contract, on-board catering in France. Management of logistics services in railway stations.
RAILREST S.A. Frankrijkstraat, n. 95 - Brussels - 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.
CHEF EXPRESS UK LTD. 1-3 Union Street, Kingston Upon Thames, Surrey, London – Great Britain	Not operating
CHEF EXPRESS RUSSIA Via Riabinavaia, 43A - Moscow - Russia	Not operating
LOUNGE SERVICES S.a.s 91, Rue du Faubourg Saint-Honoré – Paris - France	Management, in concession, of the reception services in the Eurostar waiting rooms in Paris.

b) Commercial catering

Companies	Business carried out
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. Activities trasferred to Chef Express starting from October 1st 2010.
ROADHOUSE GRILL ITALIA S.r.l. Via Modena n. 53, Castelvetro di Modena (MO)	Operating a chain of steakhouses 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
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.
BUFFET DI AREZZO S.r.l. Via Modena n. 53 - Castelvetro di Modena (MO)	Management of a catering sales outlet within the Arezzo railway station.

Breakdown of revenues by activity	Year 2009	Year 2008	*Chg. %*
On-board catering	263,196	198,632	*32.50*
- intercompany revenues			
Net total	**263,196**	**198,632**	
Motorway catering	146,793	124,147	*18.24*
- intercompany revenues	(1,177)	(576)	
Net total	**145,616**	**123,571**	
Commercial catering	149,448	152,741	*(2.16)*
- intercompany revenues	(204)	(263)	
Net total	**149,244**	**152,478**	
Total Catering	**558,056**	**474,681**	***17.56***

The distribution sector showed revenues growth in the 2009 financial year, rising from 474.7 million Euro to 558.1 million, up by 83.4 million Euro. The gross operating margin rose from 29.8 to 32.4 million Euro, an increase of 2.7 million. The operating result amounted to 13.5 million Euro compared to 17.2 million in 2008, a reduction of 3.7 million mainly as an effect of the higher amortisation and depreciation related to the new assets acquired during the financial year.

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 and under contract: the management, under contract, of catering services in railways stations, airports, service stations on the motorway network and a chain of steakhouses.

On-board catering

In the 2009 financial year the on-board trains catering sector recorded a notable increase in revenues compared to 2008, mainly due to development of the management of catering services on the high-speed trains in France following the award of the main portion of the tender placed by the French railways (SNCF). With this latest 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 following are noted amongst the main events that took place during the financial year:

- commencement of management of the on-board catering services on the French high-speed trains on 1 March 2009, thanks to which Cremonini Restauration S.A. now manages the catering on over 500 TGVs per day, equal to over 80% of the French high-speed trains;
- the award, for the second consecutive time, of the tender placed by the SNCF for the management of the logistics centre of the important 'Gare du Nord' railway station of Paris. The term of the contract, which started from 1 October 2009, is for four years with the possibility of an extension for another two years;
- in July 2009 the contract with the SNCF was renewed for a further four years. This relates to the catering services on the Corail trains, the traditional trains circulating in the South of France;
- the award of all the tender lots, placed by the Spanish RENFE railway company, for management of the on-board catering services on the high-speed trains, the long distance trains and night trains of the Spanish network; The new contract commenced from 1 December 2009 for a term of four years, with the possibility of renewal for a further two years; This is the largest ever call for a tender from a European railway network in the field of on-board 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 commenced from June 2009 with a three-year contract term and possibility of renewal for a further two years;
- the conclusion of the contract tender placed by Trenitalia for management of the on-board catering services on trains in Italy with the award to another company operating in the sector. Cremonini S.p.A. has made an appeal against this award to the authorised management bodies, which is still pending;

The transfer has taken place, for accounting and purposes from 1 October 2009, to the subsidiary Chef Express S.p.A. of the business division representing Cremonini S.p.A.'s catering sector.

<u>Commercial Catering</u>

Growth of the commercial catering sector continues, led both by catering within stations and motorway service areas and the steakhouse chain.

.

We note amongst the significant events in 2009:

- 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, some of which have already been refurbished and some are in the course of refurbishment;
- the award of the tender for the management of premises within the Orio al Serio Airport (BG) for a contract term of four years commencing from November 2009, with a possible extension for a further two years;
- the acquisition, regarding station buffets, of Buffet di Arezzo S.r.l. and opening of a new business within the Piacenza and Lecco stations. With these new openings the number of railway stations in which Chef Express is present with its catering services has risen to forty-five;
- the opening to the public of seven new motorway service areas (Castelnuovo Scrivia Est, Sangro Ovest, Roncobilaccio Ovest, Sesia Ovest, Lucignano Est, Chienti Est, Canne della Battaglia Ovest) and one on the ordinary road network, taking the service areas managed today to forty two;
- the opening of four new Roadhouse Grill brand steakhouses in Trezzano sul Naviglio (Milan), Lissone (Milan), Corsico (MI), and Vicenza. With the closure of the Forlì steakhouse, the number of premises opened in Italy has thus risen to eighteen.

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.
SOCIETÀ AGRICOLA BERGOGNINA S.r.l. Via Modena n. 53 - Castelvetro di Modena (MO)	Management of agricultural lands.

Relationships with unconsolidated subsidiaries, associated, controlling and related companies

With reference to the Group's relationships, in the 2009 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			2,000	4
Other income			705	
Total revenues	**-**	**-**	**2,705**	**4**
Costs				
Trade expense			8,855	687
Other expense				
Total costs	**-**	**-**	**8,855**	**687**
Loans and receivables				
Trade receivables		187	3,672	1
Other receivables		68	246	
Total loans and receivables	**-**	**255**	**3,918**	**1**
Loans and payables				
Trade payables			1,342	15
Other payables	1,400			
Total loans and payables	**1,400**	**-**	**1,342**	**15**

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.	-	-	-	1,400	**-**	**1,400**
Agricola 2000 S.r.l.	-	15	-	-	**-**	**15**
Tre Holding S.r.l.	1	-	-	-	**1**	**-**
Total related and controlling	1	15	-	1,400	**1**	**1,415**

(in thousands of Euros)	Trade		Other		**Total**	
	Revenues	Costs	Revenues	Costs	**Revenues**	**Costs**
Related and controlling companies:						
Agricola 2000 S.r.l.	1	15			**1**	**15**
Le Cupole S.r.l.	2	672			**2**	**672**
Tre Holding S.r.l.	1				**1**	**-**
Total related and controlling	4	687	-	-	**4**	**687**

The payables of 672 thousand Euro to Le Cupole refer to the rental of an industrial property, in Rimini, used for some time by MARR.

Investments

During the 2009 financial year the total of the net investments made was 89.7 million Euro, while cash investments were 83.9 million, 31.1 million of which for acquisitions.

The following is the detail of the net change in intangible and tangible assets in the 2009 financial year.

(in thousands of Euros)	Production	Distribution	Catering	Others	**Total**
Intangibles					
Patents and intellectual property rights	80	24	1,255	46	**1,405**
Concessions, licenses, trademarks and similar rights	51		90	(36)	**105**
Goodwill	175	3,384	15,182		**18,741**
Intangible assets under development and advances	94		284		**378**
Other intangible assets			208		**208**
Total intangible assets	**400**	**3,408**	**17,019**	**10**	**20,837**
Tangibles					
Land and buildings	3,725	394	6,796	2,379	**13,294**
Plant and machinery	4,886	818	4,983	(486)	**10,201**
Industrial and business equipment	329	234	182	(24)	**721**
Other tangible assets	950	460	10,880	626	**12,916**
Tangible assets under development and advances	16,738	83	11,891	(16)	**28,696**
Total tangible assets	**26,628**	**1,989**	**34,732**	**2,479**	**65,828**
Total	**27,028**	**5,397**	**51,751**	**2,489**	**86,665**

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 commenced operations some time ago aimed at the production of energy by utilisation of the slaughtering by-products through biogas plants. Studies are still being made for the construction of electricity production plants through the rendering plant in Castelvetro and consequent utilisation of the sego tallow for energy purposes.

- 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, with research of production systems with the best qualitative and productivity standards regarding self-service products (sliced meats and portions) and finally new products are being studied to take advantage of new market requirements, for example grilled bacon.

- Foodservice distribution sector – The development and expansion of the own brand line of products continues.

Events occurring after the end of the 2009 financial year

The following events occurred after the financial year-end:

Distribution

- the Regional Intercent-ER Agency communicated in early January an increase of the current convention with MARR S.p.A. This relates to the supply of food and non-food products to the Public Administrations of the Emilia Romagna Region and is for an amount of 12.4 million, equal to 2/5 of the initial value;

Catering

- The award in France of the tender for management of the logistical services for catering on-board the domestic TGV trains (with the exclusion of the TGV Est and Lyria). The management of this business for a five year term (with an option for a further year), commenced on 1 March 2010 and was entrusted to the newly incorporated Avirail (a subsidiary 50% held by Cremonini Restauration S.A. and Geodis of the SNCF Group);
- Management commenced on 1 February 2010 of three new catering outlets within the Genoa Airport, following the tender that Chef Express S.p.A. was awarded at the end of 2009. With this new opening, the Italian airports in which Chef Express S.p.A. is now present with its catering services rises to seven;
- Management commenced on 1 February 2010 of the catering services within the Modena Policlinic Hospital, while in the next few months commencement of the management of a sales outlet within the Santa Maria Nuova Hospital Florence, of which Chef Express S.p.A. was the winner, is anticipated;
- The disposal of two motorway service areas, thus taking the areas managed today to forty, with a total of forty-five sales outlets;
- The opening to the public of the nineteenth Roadhouse Grill brand Italian steakhouse in Segrate (MI) and the signing of another contract for the next opening in Rimini.

Business Outlook

In light of the results achieved in the 2009 financial year and considering the still uncertain macroeconomic scenario, the Group aims to maintain the profitability achieved for the next financial year as well by implementing development and cost rationalisation policies.

Other information

With reference to the compliance provided for in the Personal Data Protection Code mentioned in Legislative Decree 196/2003, it is noted that the policy document on security is updated based on the indications in the relative regulation.

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.

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 2009 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 2009 and first few months of 2010 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 10.139 employees in the 13 countries where the Group operates: the majority in the European Union (96.7%) followed by Africa (1.6%) and finally non-European Union (1.7%). In 2008, with the same scope of consolidation, the establishment was instead composed of 7,403 employees.
The composition of the organisational structure based on professional stature shows 127 executives, 347 managers, 2,721 office staff and 6,944 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 2009 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 600 employees, prevalently on hygiene and environmental safety.
The attention given to training relating to safety at work (Legislative Decree 81/08) was also prominent, with training provided on the correct use of forklift trucks, in addition to courses for first aid and fire emergency employees.

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.

Income statement of the Parent Company Cremonini S.p.A.

(in thousands of Euros)	**Year 2009**	Year 2008	Chg. %
Total revenues	**122,035**	**150,217**	**(18.76)**
Changes in inventories of work in progress, semi-finished and finished goods			
Value of production	**122,035**	**150,217**	**(18.76)**
Cost of production	(77,487)	(102,137)	
Value added	**44,548**	**48,080**	**(7.35)**
Personnel costs	(35,260)	(42,148)	
Gross operating margin [a]	**9,288**	**5,932**	**56.57**
Amortization, depreciation and write-downs	(9,267)	(6,869)	
Operating income [b]	**21**	**(937)**	**(102.24)**
Net financial income (charges)	(10,900)	(10,630)	
Profit from ordinary activities	**(10,879)**	**(11,567)**	**n.a.**
Net income (charges) from investments	19,016	39,783	
Net extraordinary financial income (charges)			
Result before taxes	**8,137**	**28,216**	**n.a.**
Income taxes for the financial year	2,511	2,019	
Net profit	**10,648**	**30,235**	**n.a.**

Balance Sheet of the Parent Company Cremonini S.p.A.

(in thousands of Euros)	**Esercizio 2009**	Esercizio 2008	*Chg. %*
Intangible assets	12	21,663	
Tangible assets	76,429	94,121	
Equity investments and other financial assets	261,176	269,515	
Total fixed assets	**337,617**	**385,299**	*(12.38)*
Trade net working capital			
- Trade receivables	1,368	12,075	
- Inventories		3,351	
- Trade payables	(5,040)	(33,965)	
Total trade net working capital	(3,672)	(18,539)	
Other current assets	12,825	29,596	
Other current liabilities	(7,818)	(30,369)	
Net working capital	**1,335**	**(19,312)**	*n.a.*
Staff Severance Provision and other medium/long-term provisions	**(8,799)**	**(18,213)**	
Net invested capital	**330,153**	**347,774**	*(5.07)*
Total Shareholders' Equity	**78,018**	**70,372**	*10.87*
Net medium/long-term debt	246,173	224,493	
Net short-term debt	5,962	52,909	
Net debt	**252,135**	**277,402**	*(9.11)*
Net equity and net debt	**330,153**	**347,774**	*(5.07)*

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 Ebitda 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)	**31.12.2009**	31.12.2008
Payables to banks, bonds and other financial institutions		
- due within 12 months	(47,401)	(88,314)
- due between 1 and 5 years	(193,219)	(148,492)
- due beyond 5 years	(52,954)	(76,001)
Total payables to banks, bonds and other financial institutions	**(293,574)**	**(312,807)**
Liquidity		
- cash and cash equivalents	8,035	5,645
- other financial assets	2,081	-
Total liquidity	**10,116**	**5,645**
Securitization and internal treasury current accounts	**31,323**	**29,760**
Total net debt	**(252,135)**	**(277,402)**

During the financial year ended as at 31.12.2009 the company conducted an important increase of the share capital of the subsidiary Chef Express S.p.A., fully paying it up in kind by the transfer of the catering business division owned by Cremonini S.p.A., including therein the equity investments in the Italian and foreign companies through which this business is carried out.

The transaction, directed at achieving aggregation of the corporate catering core business of the "Cremonini Group" within Chef Express S.p.A, was carried out within the limits determined by the appraisal, with reference to 30 June 2009, by an expert appointed by the Modena Court pursuant to art. 2343 of the Italian Civil Code.

That said, other than for the typical activities of a holding company, the Parent Company carried out the catering business (on-board trains and commercial) with a dedicated division up to 30 September 2009. The financial figures subdivided by business sector are shown in the following table.

(in thousands of Euros)	**Catering**			**Parent comp.**			**Total**		
	2009	2008	*Chg.%*	**2009**	2008	*Chg.%*	**2009**	2008	*Chg.%*
Total revenues	**117,172**	**144,958**	*(19.17)*	**4,863**	**5,259**	*(7.53)*	**122,035**	*150,217*	*(18.76)*
Changes in inventories of work in progress, semi-									
Value of production	**117,172**	**144,958**	*(19.17)*	**4,863**	**5,259**	*(7.53)*	**122,035**	*150,217*	*(18.76)*
Cost of production	(71,179)	(89,206)		(6,308)	(12,931)		(77,487)	*(102,137)*	
Value added	**45,993**	**55,752**	*(17.50)*	**(1,445)**	**(7,672)**	*81.17*	**44,548**	*48,080*	*(7.35)*
Personnel costs	(32,776)	(39,255)		(2,484)	(2,893)		(35,260)	*(42,148)*	
Gross operating margin [a]	**13,217**	**16,497**	*(19.88)*	**(3,929)**	**(10,565)**	*62.81*	**9,288**	*5,932*	*56.57*
Amortization, depreciation and write-downs	(6,452)	(4,838)		(2,815)	(2,031)		(9,267)	*(6,869)*	
Operating income [b]	**6,765**	**11,659**	*(41.98)*	**(6,744)**	**(12,596)**	*46.46*	**21**	*(937)*	*(102.24)*
Net financial income (charges)	(1,619)	(3,592)		(9,281)	(7,038)		(10,900)	*(10,630)*	
Profit from ordinary activities	**5,146**	**8,067**	*(36.21)*	**(16,025)**	**(19,634)**	*18.38*	**(10,879)**	*(11,567)*	*n.a.*
Net income (charges) from investments	2,876	1,800		16,140	37,983		19,016	*39,783*	
Net extraordinary financial income (charges)	0								
Result before taxes	**8,022**	**9,867**	*n.a.*	**115**	**18,349**	*n.a.*	**8,137**	*28,216*	*n.a.*
Income taxes for the financial year	(1,885)	*(3,063)*		4,396	*5,082*		2,511	2,019	
Net profit	**6,137**	*6,804*	*n.a.*	**4,511**	*23,431*	*n.a.*	**10,648**	*30,235*	*n.a.*

Catering activities

As mentioned above, the company carried out its catering in concession business, both commercial and on-board trains, directly, and partially also through its subsidiaries until 30 September 2009.
You are referred to the detailed comments and summary of results given previously on the results of the Group's businesses.

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.

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		907		
Income from services		5,503	42	
Sales of goods		816		
Other income		20,969	228	
Total revenues	**-**	**28,195**	**270**	**-**
Costs				
Financial expense		46		
Services expense		5,908		
Purchase of goods		5,875		
Other expense		1,784		
Total costs	**-**	**13,613**	**-**	**-**
Loans and receivables				
Internal treasury		37,801		
Trade receivables		1,077	2	
Other loans and receivables (a)		3,137		3,174
Total loans and receivables	**-**	**42,015**	**2**	**3,174**
Loans and payables				
Internal treasury		6,477		
Trade receivables		1,722		
Other loans and receivables (a)		1,149		
Total loans and payables	**-**	**9,348**	**-**	**-**

(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 2 February 2009;
- 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 2 February 2009;
- 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 2009, 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 2009, together with the Directors' Report.

Furthermore, we propose the following allocation of the net profit for the year of Euro 10,648,163:

- a dividend of Euro 0.023 per each ordinary share having the right, with payment on 15 July 2010 and coupon surrender date (coupon no. 10) on 12 July 2010;
- allocation to the "Undistributed profits" reserve of the residual sum and that deriving from numerical rounding and millesimal calculations.

Castelvetro di Modena, 26 March 2010

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

FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2009

FINANCIAL STATEMENTS
CREMONINI SPA

Financial statements as at 31 December 2009

Balance Sheet - Assets

(in Euro)	Note	31.12.2009	31.12.2008
Non-current assets			
Tangible assets	1	76,428,284	94,121,144
Goodwill	2	0	19,417,708
Other intangible assets	3	12,272	2,245,307
Investments in subsidiaries and associated	4	262,144,526	267,706,299
Investments in other companies	5	756,741	790,607
Non-current financial receivables	6	-	-
relating to related parties		-	-
Deferred tax assets	7	1,804,701	1,934,870
Other non-current assets	8	856,210	1,046,063
Total non-current assets		**342,002,734**	**387,261,998**
Current assets			
Inventories	9	0	3,350,404
Current financial receivables	10	41,030,506	47,137,825
relating to related parties		*40,937,544*	*46,900,454*
Current trade receivables	11	2,774,058	12,077,492
relating to related parties		*1,079,189*	*2,310,316*
Current tax assets	12	701,908	3,633,145
Financial assets held for sale	17	2,081,075	-
Financial instruments / Derivatives	18	-	-
Cash and cash equivalents	13	8,034,598	5,644,601
Other current assets	14	4,702,665	9,859,295
relating to related parties		*3,173,914*	*4,090,043*
Total current assets		**59,324,810**	**81,702,762**
Total assets		**401,327,544**	**468,964,760**

Balance Sheet - Liabilities

(in Euros)	Nota	31.12.2009	31.12.2008
Shareholders' Equity			
Share capital	15	67,073,932	67,073,932
Reserves	16	(40,621,691)	(40,585,696)
Retained earnings		40,917,139	13,648,685
Result for the period		10,648,163	30,235,184
Total Shareholders' Equity		**78,017,543**	**70,372,105**
Non-current liabilities			
Non-current financial payables	17	246,080,793	224,459,694
Financial instruments / Derivatives	18	92,641	33,108.00
Employee benefits	19	581,377	8,975,508
Non-current provisions for risks and charges	20	2,540,234	1,495,264
Deferred tax liabilities	21	5,677,876	7,741,784
Other non-current liabilities		163,192	462,913
Total non-current liabilities		**255,136,113**	**243,168,271**
Current liabilities			
Current financial payables	22	55,027,986	109,630,063
relating to related parties		*7,627,354*	*21,315,740*
Financial instruments / Derivatives	18	-	-
Current tax liabilities	23	5,381,661	1,758,029
Current trade liabilities	24	5,235,053	34,305,894
relating to related parties		*1,721,054*	*6,692,570*
Other current liabilities	25	2,529,188	9,730,398
Total current liabilities		**68,173,888**	**155,424,384**
Total liabilities		**401,327,544**	**468,964,760**

Financial statements as at 31 December 2009

Income statement

(in Euro)	Note	**31 december 2009**	31 december 2008
Revenues	26	4,356,287	4,748,298
relating to related parties		*3,239,748*	*3,644,448*
Other revenues	27	506,312	511,430
relating to related parties		*293,393*	*281,899*
Costs for purchases	28	(52,474)	(84,386)
relating to related parties		*(1,081)*	*(118)*
Other operating costs	29	(6,255,822)	(12,847,130)
relating to related parties		*(828,782)*	*(1,691,694)*
Personnel costs	30	(2,483,696)	(2,892,724)
Amortization and depreciation	31	(1,620,055)	(1,519,026)
Write-downs and provisions	31	(1,194,735)	(511,817)
Revenues from equity investments	32	16,140,255	37,982,632
relating to related parties		*16,056,287*	*14,888,212*
Financial (Income)/Charges	33	(9,281,563)	(7,037,494)
relating to related parties		*860,867*	*2,267,247*
Result before taxes		**114,509**	**18,349,783**
Income taxes	34	4,396,670	5,081,715
Result for the period continuing operations		**4,511,179**	**23,431,498**
Result for the period discontinued operations	35	6,136,984	6,803,686
Result for the period		**10,648,163**	**30,235,184**

Other comprehensive income

(in thousands of Euros)	**31 december 2009**	31 december 2008
Result for the period	**10,648,163**	**30,235,184**
Efficacious part of profits/(losses) on cash flow	(49,648)	(1,876,782)
Tax effect on comprehensive income components	13,653	516,115
Other comprehensive income components		
Comprehensive Income	**10,612,168**	**28,874,517**

Statement of changes in the shareholders' equity over the financial year ended as at 31 December 2009

(in thousands of Euros)				Other riserves									
	Share capital	Nominal value treasury stock in portfolio	Total Share capital	Share premium reserve	Legal reserve	Merger Deficit	Reserve for IAS adjustments	Reserve for trading treasury stock	Cash flow hedge reserve	Total Reserves	Profits (Losses) carried forward	Result of the year	**Total Shareholders' Equity**
Balances at 31 December 2007	**73,746,400**	**(6,672,468)**	**67,073,932**	**78,279,705**	**14,749,280**	**0**	**12,787,578**	**1,471,061**	**1,337,845**	**108,625,469**	**11,660,258**	**10,836,433**	**198,196,092**
Allocation of the results for the previous year:													
- retained earnings reserve											10,836,433	(10,836,433)	**0**
- distribution of dividends											(10,319,067)	0	**(10,319,067)**
Treasury stock cancellation	(6,672,468)	6,672,468	0							**0**			**0**
Cremonini Investimenti reverse merger						(146,379,437)		(1,471,061)		**(147,850,498)**	1,471,061		**(146,379,437)**
Net profit (loss) for the year ended 31 December 2008									(1,360,667)	**(1,360,667)**		30,235,184	**28,874,517**
Balances at 31 December 2008	**67,073,932**	**0**	**67,073,932**	**78,279,705**	**14,749,280**	**(146,379,437)**	**12,787,578**	**0**	**(22,822)**	**(40,585,696)**	**13,648,685**	**30,235,184**	**70,372,105**
Allocation of the results for the previous year:													
- retained earnings reserve											30,235,184	(30,235,184)	**0**
- distribution of dividends											(2,966,730)		**(2,966,730)**
Net profit (loss) for the year ended 31 December 2009									(35,995)	(35,995)		10,648,163	**10,612,168**
Balances at 31 December 2009	**67,073,932**	**0**	**67,073,932**	**78,279,705**	**14,749,280**	**(146,379,437)**	**12,787,578**	**0**	**(58,817)**	**(40,621,691)**	**40,917,139**	**10,648,163**	**78,017,543**

Cash flow statements for the financial years ended as at 31 December 2009 and 2008

(in thousands of Euros)	31.12.2009	31.12.2008
Net profit before minority interests continuing operations	**4,511**	**23,431**
Net profit before minority interests discontinued operations	**6,137**	**6,804**
Amortization and depreciation	1,620	1,519
Net change in other provisions and non-monetary income items	8,570	(4,907)
Operating cash-flow	**20,838**	**26,847**
(Increase) decrease in trade receivables	(1,658)	(1,262)
(Increase) decrease in inventories	0	0
Increase (decrease) in trade payables	1,401	1,666
(Increase) decrease in other items of the working capital	(1,842)	1,250
Change in working capital	**(2,099)**	**1,654**
Changes in Staff Severance Provision and other long term liabilities	(12)	8
CASH-FLOW FROM CONTINUING OPERATIONS	**8,079**	**(1,726)**
CASH-FLOW FROM DISCONTINUED OPERATIONS	**(29,682)**	**8,542**
Net (investments) in intangible assets	(56)	(78)
Net (investments) in tangible assets	(7,273)	(5,350)
Change in financial assets	(28,117)	37,076
CASH-FLOW FROM CONTINUING OPERATIONS INVESTMENTS	**(35,446)**	**31,648**
CASH-FLOW FROM DISCONTINUED OPERATIONS INVESTMENTS	**74,671**	**(12,682)**
Cash-flow from distribution of dividends	(2,967)	(10,319)
Share capital increases, change in treasury stock and other changes	(36)	(147,740)
Cash-flow from (for) change in shareholders' equity	**(3,003)**	**(158,059)**
FREE - CASH FLOW	**25,267**	**(102,042)**
Opening net debt	(277,402)	(175,360)
Cash-flow for the year	25,267	(102,042)
Closing net debt	**(252,135)**	**(277,402)**
Increase (Decrease) in medium-long term borrowings	21,621	88,609
Increase (Decrease) in medium-long term liabilities for derivatives	60	33
Cash flow from (for) medium-long term financial activities	**21,681**	**88,642**
SHORT-TERM CASH FLOW FOR THE YEAR	**46,948**	**(13,400)**
Opening net short-term debt	(52,909)	(39,509)
Cash flow of the year	46,948	(13,400)
Final net short-term debt	**(5,961)**	**(52,909)**
Increase (Decrease) in short-term borrowings	(42,477)	(2,101)
Changes in securities and other financial receivables	(2,081)	0
Increase (Decrease) in short-term liabilites for derivatives	0	(189)
Cash flow from (for) short-term borrowings	**(44,558)**	**(2,290)**
INCREASE (DECREA.) IN CASH AND CASH EQUIVALENTS	**2,390**	**(15,690)**
Cash and cash equivalents at the beginning of the year	5,645	21,335
Cash flow of the year	2,390	(15,690)
Cash and cash equivalents at the end of the year	**8,035**	**5,645**

Notes to the financial statements

Form and content of the financial statements

The financial statements as at 31 December 2009 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 2010.

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 2009.

For the purpose of application of IFRS 8 it is recorded that the company operates in the catering sector (on-board and commercial) until 30 September 2009 and provides centralized financial, insurance, legal and management/administrative support services to the companies of the Group. It also manages the properties.

As an effect of the transfer of the catering division to the subsidiary company Chef Express S.p.A. and in compliance with IFRS 5, the profits and losses of the discontinued operations are represented separately from the profits and losses of the continuing operations in the income statement for the reporting period and the comparative period of the previous year, under the line showing profit after taxation. The resulting profit and loss after taxes is shown separately in the income statement.

The Cremonini S.p.A. financial statements as at 31 December 2009 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 2009 show the figures for the financial year ended as at 31 December 2008.

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 2009, 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 2009 (pag. 93-96 in blue)

- IAS 1 – "Presentation of the financial statements" The standard separates the changes that took place in the shareholders' equity between shareholders and non-shareholders. The schedule of changes in the shareholders' equity only includes the detail of the transactions with shareholders, while all the changes relating to transactions with non-shareholders are presented on a single line. Furthermore the standard introduces the "comprehensive income" statement ("overall profit"): this statement contains all the revenue and cost items applicable to the period recorded in the income statement, and in addition every other revenue and cost item recorded. The "comprehensive income" statement can be presented in the form of a single statement or in two correlated statements. The company has chosen to show the changes generates by the transactions in two separate statements, entitled "Statement of consolidated income" and "Statement of overall consolidated income" and consequently to modify the "Statement of changes in shareholders' equity".

- IAS 23 Financial charges: in March 2007 a modified version of IAS 23, Financial charges, was promulgated, which became effective for the financial years commencing from 1 January 2009. The standard was changed to require the capitalisation of financial charges when such costs 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 were capitalised as qualifying assets commencing from 1 January 2009. No change was made for financial charges incurred up to this date and booked to the income statement. This case has not been applied in the company's financial statements.

- IFRS 2 Share-based payments – Vesting conditions and cancellations This change to IFRS 2, "Share-based payments", was published in January 2008 and came 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 company has not undertaken transactions with share-based payments with "non vesting" conditions and, as a consequence, this change does not have an impact on the company's balance sheet and income statement.

- 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 business segments on the basis of the internal reporting that is regularly seen by the management for the purpose of allocation of resources to the various segments. This standard has to be applied commencing from 1 January 2009 in replacement of IAS 14 – Sector information. These changes are not applicable in the company's financial statements.

- Changes to IAS 32 and IAS 1 - Puttable instruments and obligations arising on liquidation: the changes to IAS 32 and IAS 1 were approved in February and came 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 payment 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. These changes are not applicable in the company's financial statements.

- IFRIC 13 "Customer loyalty programmes": the IFRIC 13 interpretation was promulgated in June 2007 and became effective for financial years that commence from 1 July 2008 or subsequently. This interpretation requires that the credits conceded to customers, 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 credits/rewards are recovered. This interpretation does not have impacts on the financial statements as presently there are no loyalty plans existing.

- IFRIC 14 — IAS 19 – The limit relating to servicing a defined benefit plan, the minimum contribution provisions and their interaction. The interpretation also explains the accounting effects caused by the obligatory minimum payments. These changes are not applicable in the company's financial statements.

- IAS 32 "Financial instruments: presentation" and IAS 1 "Puttable Financial Instruments and obligations deriving from their settlement". The standard was amended to permit an exception, with a limited area of application, for "Puttable" financial instruments to be classified amongst the shareholders' equity items in the case where these meet a determined number of criteria. These changes are not applicable in the company's financial statements.

- IFRIC 9 "Reassessment of embedded derivatives" and IAS 39 "Financial instruments: Recognition and Measurement". These changes to IFRIC 9 require an entity to ascertain if an embedded derivative must be separated from a primary contract when the hybrid instrument differs from the fair value, with the changes in the fair value recorded in the income statement. The measurement must be made on the basis of the conditions that existed at the latest date of the following: the date when the entity became part of the contract or the date when changes were made to the contract that determined a significant impact on the flows correlated thereto. IAS 39 now establishes that if an embedded derivative cannot be objectively measured, the entire hybrid instrument must remain classified at the fair value with the changes in the fair value recorded in the income statement.

- IFRS 7 "Financial instruments information". The amended standard requires additional disclosure with regard to the measurement of fair value and liquidity risk. Measurements of the fair value must show additional information on the sources of the inputs utilising a 3 tier hierarchy for each class of financial instrument. In addition reconciliation between the initial and final value of the fair value measurement for the 3rd tier is required. Furthermore the amendments explain what is required with regard to information on the liquidity risk. The company has updated the annual information.

- IAS 39 "Financial instruments: recording and measurement – Eligible Hedged Items". The change clarifies that an entity is permitted to designate a portion of the fair value changes, or of the cash flows of a financial instrument, as a hedged item. The change also includes designation of the inflation as a hedged risk or portion of the risk in particular situations. This change is not applicable in the company's financial statements.

The IASB issued a series of changes to the IFRS ("Improvements") in May 2008. Only those that will result in a change in the presentation, recognition and measurement 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 return on 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. This change has not had any impact on the company's 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. These changes dos not apply to the company's financial statements

- IAS 23 Financial charges: the change, which must be applied from 1 January 2009, has revised the definition of financial charges. This change has not had effects on the company's financial statements.

- IAS 36 Impairment of assets: 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. The company has updated the annual information.

- 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. This change has not had impacts on the company's financial statements.

- IFRS 8 – "Business segments". the change clarifies that the assets and liabilities referred to the business segment must only be presented if they form part of the reporting utilised by the highest decisional level. These changes are not applicable in the company's financial statements.

- IAS 1 – "Presentation of the financial statements" assets and liabilities classified as held for trading in accordance with that established by IAS 39 "Financial instruments: recording and measurement" are not automatically classified as current items in the statement of assets and liabilities. This change has not led to changes in the classification of these items.

- IAS 7 "Cash flow statement: the change explicitly states that only expenses that result in the recognition of an asset can be classified as a financial flow from investment activities. This amendment has not resulted in changes in the exposure in the company's cash flow statement.

- IAS 16 "Property, plant and machinery": the change substitutes the term "net sale price" with "net fair value of the costs of sales". This change has not led to any change in the company's financial statements.

- IAS 18 "Revenues": the change clarifies when an entity is operating as the principal party or as an agent. This change has not had an impact on the company's financial statements.

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

- IFRS 5 Non-current assets held for sale and discontinued operations.
- IAS 16 Property, plant and machinery: the change applicable from 1 January 2009 applies to the enterprises whose normal business is renting.
- IAS 28 Equity investments in related companies – IAS 31 Interests in joint ventures.
- IAS 29 Financial reporting in hyperinflationary economies
- IAS 40 Property investments.

Accounting Standards, amendments and interpretations applicable to the financial statements for the financial years that commence after 1 January 2009

IFRS 3R Business Combinations and IAS 27/R Consolidated and separate financial statements. The two standards came into force on 1 July 2009. IFRS 3R introduced some changes in the booking of business combinations that have effects on the amount of goodwill recorded, the 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 does not have an impact on goodwill, and does not give rise to either profits or losses. Furthermore, the revised standard introduced 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. The company does not expect significant effects from the application thereof.

IFRIC 16 “Hedging of an equity investment in a foreign company” 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 change is not applicable in the company's financial statements.

IFRIC 17 “Distribution of non-liquid assets to the shareholders”, which provides indications on the booking of a distribution of non-liquid assets to the shareholders. The interpretation clarifies when to recognise a liability, how to measure it, how to measure the assets associated thereto and when to proceed with cancellation of assets and liabilities. This interpretation is applicable for the financial years that commence from 1 July 2009; the company considers that this interpretation does not have impacts on its financial statements.

IFRIC 18 “Transfer of assets from customers”; clarifies the accounting treatment to be adopted if the company signs a contract in which it receives a tangible asset from its customer that must be utilised to connect the customer to a network or provide them a determined access to the supply of goods and services (for example, the supply of electricity, gas, or water). This interpretation must be applied perspectively from 1 January 2010.

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 2009, the same accounting principles and criteria used in the drawing-up of the financial statements as at 31 December 2008 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".

• 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 2%;
- the discounting back rate used is 3.5%;
- in accordance with the new Pension Reform for companies with at least 50 employees, the quotas maturing in the future of post-employment benefits can no longer converge in the company, but to the additional pension plan or the INPS treasury fund. Consequently the projection of salaries in accordance with determined growth rates and by professional appointment is no longer necessary;
- 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).
At 31 December 2009 the Parent Company didn't hold any exchange rate risk.

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 2009, 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 89 thousand Euro on an annual basis (451 thousand Euro at 31 December 2008).

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)	**31.12.2009**	31.12.2008
Current trade receivables	2,774	12,077
Other non-current assets	856	1,046
Other current assets	4,703	9,859
Total	**8,333**	**22,983**

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 2009				
Financial payables	55,028	193,127	52,954	301,109
Financial instruments / Derivatives	-	-	-	-
Trade Liabilities	5,235	-	-	5,235
	60,263	**193,127**	**52,954**	**306,344**
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**

Classes of financial instruments

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

(in thousands of Euros)		31 December 2009		
Balance Sheet Assets		**Loans and Receibles**	**Derivates utilised for hedging**	**Total**
Other non-current receivable items		856		856
Current financial receivables		41,031		41,031
Current trade receivables		2,774		2,774
Current derivative financial instruments		702		702
Cash and cash equivalents		8,035		8,035
Cash and cash equivalents		2,081		2,081
Other current receivable items		4,703		4,703
	Total	**60,181**	**-**	**60,181**
Balance Sheet Liabilities		**Other financial liabilities**	**Derivates utilised for hedg.**	**Total**
Non-current financial payables		246,081		246,081
Current financial payables		55,028		55,028
Derivative financial instruments		92		92
	Total	**301,200**	**-**	**301,200**

(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**

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.

Transfer transaction

During the financial year ended as at 31.12.2009 the company effected an important increase of the share capital of the subsidiary Chef Express S.p.A., fully paying it up in kind by the transfer of the catering business division owned by Cremonini S.p.A.
The business division transferred constitutes the entire catering division of Cremonini S.p.A, including therein the equity investments in the Italian and foreign companies through which this business is carried out.

The business of this division is conducted through two business units represented thus:
- Commercial Catering management, in "concession", of the catering services within railway stations, airports and a chain of "steakhouse" restaurants;
- On-Board catering: management, in "concession", of the catering services on-board trains and logistics in railway stations;

The transaction, directed at achieving aggregation of the corporate catering core business of the "Cremonini Group" within Chef Express S.p.A, was carried out within the limits determined by the appraisal, with reference to 30 June 2009, by an expert appointed by the Modena Court pursuant to art. 2343 of the Italian Civil Code.
From the tax viewpoint, the transfer of the enterprise, resorting to the prerequisites, was made at carrying values in a regime of tax neutrality pursuant to art. 176 of Presidential Decree 22.12.1986 no. 917 (Italian consolidated tax act) with accounting and tax effects commencing from 1 October 2009.

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 31.12.2008	Purchases	Decreases	Branch Transfer	Other	Amort.	**Balance at 31.12.2009**
Land and buildings	70,535	902	(66)	(4,772)	3,784	(1,743)	68,640
Plant and machinery	9,725	1,241	(189)	(10,882)	2,075	(1,347)	623
Industrial and business equipment	969	148	(329)	(572)	99	(306)	9
Other assets	6,156	1,093	(297)	(5,941)	1,188	(1,143)	1,056
Fixed assets under construction and	6,736	8,036	(227)	(1,299)	(7,146)		6,100
Total	**94,121**	**11,420**	**(1,108)**	**(23,466)**	**0**	**(4,539)**	**76,428**

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 2009 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	01/12/2004	01/12/2005
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
2009 payments	1,379 thousand Euros	216 thousand Euros
Residual value as at 31 December 2009	4.2 million Euros	2.2 million Euros

Plant and machinery

The investments mainly regarded the catering division and specifically 292 thousand Euro relates to the purchase of specific plant and 933 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 main investments refer, specifically, to the purchase of furniture and fittings for 841.4 thousand Euro, electric machines and electronic machines for152.4 thousand Euro and tax registers and motor vehicles for 99 thousand Euro.

.

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

2. Goodwill

The item mainly refers to the amount of the merger deficits relating to the incorporations of companies and goodwill paid to acquire business divisions for the management of catering units; this was zeroed compared to the previous year as an effect of the transfer of the catering division business division to Chef Express S.p.A.

3. Other intangible assets

(in thousands of Euros)	Balance at 31.12.2008	Purchases	Decreases	Branch Transfer	Other	Amort.	**Balance at 31.12.2009**
Patents and intellectual property rights	217	103	(10)	(208)	73	(163)	**12**
Concessions, licences, trademarks and similar rights	118	11	(43)	(110)	37	(13)	**0**
Fixed assets under development and	685	68			(753)		**0**
Long-term costs	1,226	11		(978)		(259)	**0**
Total	**2,246**	**193**	**(53)**	**(1,296)**	**(643)**	**(435)**	**12**

The purchases for the financial year (193 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 2009, regarded:

- The liquidation of Autoplose GMBH;
- The subscription of 4,437 thousand Euro for the share capital increase of Chef Express S.p.A.;
- The write-down of the equity investment in Interjet S.r.l. by 805 thousand Euro;
- The write-down of the equity investment in Global Service S.r.l. by 200 thousand Euro;
- The liquidation of Fernie S.r.l., which originated capital loss of 106 thousand Euro;
- The write-down of the equity investment in Società Agricola Bergognina S.r.l. by 71 thousand Euro;
- The transfer of the equity investments relating to the catering business division to the subsidiary Chef Express S.p.A.
-

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

At 31 December 2009 the Parent Company didn't hold any non –current financial receivables.

7. Deferred tax assets

The amount of deferred tax assets (1,805 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)	**31.12.2009**		31.12.2008	
	Amount of timing differences	**Fiscal Effect**	**Amount of timing differences**	**Fiscal Effect**
Advance Taxation				
Write-down of intangible fixed assets	0		2,345	
Write-down of tangible fixed assets	843		216	
Bad debt provision	3,174		1,619	
Taxed Provisions	2,375		1,269	
Interest payables deductable	0		1,241	
Other	171		345	
Total	**6,563**		**7,035**	
Taxable amount for IRPEG / IRES	**6,563**		**7,035**	
Tax Rate	27.50%		27.50%	
Advanced taxation for IRPEG / IRES		**1,805**		**1,935**
Taxable amount for IRAP	**0**		**0**	
Tax Rate	4.48%		4.48%	
Advanced taxation for IRAP		**0**		**0**
Total		**1,805**		**1,935**

8. Other non-current assets

(in thousands of Euros)	**31.12.2009**	31.12.2008
Tax assets	3	3
Other receivables	818	1,026
Accrued income and prepaid expenses	35	17
Total	**856**	**1,046**

Current assets

9. Inventories

The inventories item was zeroed compared to the previous year as an effect of the transfer of the catering business division.

10. Current financial receivables

(in thousands of Euros)	**31.12.2009**	31.12.2008
Receivables from subsidiaries	40,938	46,900
Cremonini SEC cautionary deposit	0	145
Other financial receivables	93	93
Total	**41,031**	**47,138**

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

(in thousands of Euros)	**31.12.2009**	31.12.2008
Receivables from subsidiaries	**37,801**	**32,964**
Alisea S.c.a r.l.		-
Chef Express S.p.A.	8,424	8,652
Cons. Centro Comm. Ingrosso Carni S.r.l.	901	1,932
Cremonini Rail Iberica S.A.	11,121	7,026
Cremonini Restauration S.A.S.		-
Ges.Car. S.r.l.		-
Global Service Logistics S.r.l.	1,540	1,299
Global Service S.r.l.	202	139
Guardamiglio S.r.l.		-
In.Al.Sarda S.r.l.		-
Interjet S.r.l.	1,973	925
Montana Alimentari S.p.A		-
Roadhouse Grill Italia S.r.l.	12,271	11,249
Salumi d'Emilia S.r.l.		-
Sara S.r.l.		-
SGD S.r.l.	16	-
Soc. Agr. Corticella S.r.l.		-
Società Agricola Bergognina S.r.l.	1,353	453
Tecno-Star Due S.r.l.		-
Time Vending S.r.l.		1,289
Receivables from subsidiaries for transferred tax payables	**3,137**	**13,936**
As.Ca. S.p.A.	28	651
Baldini Adriatica Pesca S.r.l.		235
Cons. Centro Comm. Ingrosso Carni S.r.l.	46	
Emigel S.r.l.	10	168
Ges.Car. S.r.l.		-
Global Service Logistics S.r.l.		89
Global Service S.r.l.		91
Guardamiglio S.r.l.		-
Marr S.p.A.	3,025	12,290
Marr Alisurgel S.r.l.		8
Montana Alimentari S.p.A		-
New Catering S.r.l.		275
Salumi d'Emilia S.r.l.		-
Sfera S.p.A.	4	129
Soc. Agr. Corticella S.r.l.		-
Società Agricola Bergognina S.r.l.	24	-
Tecno-Star Due S.r.l.		-
Total	**40,938**	**46,900**

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)	**31.12.2009**	31.12.2008
Receivables from customers	**1,695**	**9,767**
Due within 12 months	3,756	11,052
Provision for bad debts	(2,061)	(1,285)
Receivables from subsidiaries	**1,077**	**2,265**
Alisea S.c.a r.l.	12	
As.Ca. S.p.A.	65	73
Autoplose GmbH		2
Chef Express S.p.A.	133	531
Corticella S.r.l.		1
Cremonini Rail Iberica S.A.		30
Cremonini Restauration S.a.s.		185
Frimo S.a.m.	94	10
Global Service Logistics S.r.l.	182	80
Global Service S.r.l.	54	66
Guardamiglio S.r.l.		5
Ibis S.p.A.	2	
INALCA S.p.A.	50	41
Marr S.p.A.	324	630
Momentum Services Ltd.		113
Montana Alimentari S.p.A	2	32
Railrest S.A.	12	120
Realfood3 S.r.l.		15
Roadhouse Grill Italia S.r.l.	120	58
Salumi d'Emilia S.r.l.		5
Sfera S.p.A.	7	55
Soc. Agr. Corticella S.r.l.	1	
Tecnostar S.r.l.	9	5
Time Vending S.r.l.	10	208
Receivables from associated companies	**2**	**45**
Food & Co. S.r.l.	2	45
Total	**2,774**	**12,077**

The amount of receivables from customers includes receivables from Trenitalia of approximately 1,362 thousand Euro (2,437 thousand Euro as at 31 December 2008).

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

(in thousands of euros)	**31.12.2009**	31.12.2008
Initial balance	1,285	1,033
Utilized during the year	(181)	(17)
Accruals during the year	957	269
Final balance	**2,061**	**1,285**

At 31 December 2009 the trade receivables and bad debts provision are apportioned by maturity as follows:

(in thousands of euros)	**31.12.2009**		31.12.2008	
	Amount	Bad Debt prov.	Amount	Bad Debt prov.
Trade receivables not overdue	1,362		7,683	
Overdue up to 30 days	62		903	(120)
Overdue from 31 to 60 days	108		527	(3)
Overdue from 61 to 90 days	65		207	(23)
Overdue from 91 to 120 days			207	(32)
Overdue over 120 days	2,159	(2,061)	1,525	(1,107)
Total	**3,756**	**(2,061)**	**11,052**	**(1,285)**

12. Current tax assets

(in thousands of Euros)	**31.12.2009**	31.12.2008
Receivables for advance on direct taxes	117	2,755
Receivables for withholdings	22	474
VAT credit and other taxes requested for reimbursement	321	49
Other sundry receivables	258	370
Provision for bad debts	(16)	(15)
Total	**702**	**3,633**

13. Cash and cash equivalents

(in thousands of Euros)	**31.12.2009**	31.12.2008
Cash	4	2,470
Bank and postal accounts	8,031	3,175
Total	**8,035**	**5,645**

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)	**31.12.2009**	31.12.2008
Accrued income and prepaid expenses	113	362
Other receivables		
Advances to suppliers	196	341
Receivables from insurance companies	0	80
Receivables from social security institutions	594	374
Receivables from employees	0	43
Guarantee deposits	0	3,760
Other sundry receivables	5,024	5,323
Provision for bad debts	(1,224)	(424)
Total	**4,703**	**9,859**

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 2009 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

At 31 December 2009 the Parent Company didn't hold any treasury stock.

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 2008.

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.

Merger deficit
On 31.12.2008 the inverse merger between Cremonini Investimenti S.r.l. (a company through which the Cremonini S.p.A. delisting process was completed) with Cremonini S.p.A. took place. The cancellation of the carrying value of the equity investment in Cremonini S.p.A. (equal to 200,954 thousand Euro) against the shareholders' equity of 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 2009 amounted to 0.0826 Euro (Euro 0.2344 as at 31 December 2008) and has been calculated on the basis of net profits of Euro 9,338,163 thousand divided by the weighted average number of ordinary shares in 2009 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)	**31.12.2009**	31.12.2008
Due between 1 and 5 years		
Payables to banks	189,624	143,685
Payables to other financial institutions	3,503	4,774
Total payables due between 1 and 5 years	**193,127**	**148,459**
Due beyond 5 years		
Payables to banks	51,535	74,414
Payables to other financial institutions	1,419	1,587
Total payables due beyond 5 years	**52,954**	**76,001**
Total	**246,081**	**224,460**

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	9,060	Euribor + 1,80%	5,499	-	-	5,499
Mortgages			40,221	189,624	51,535	281,380
Other			241	-	-	241
Total			**45,961**	**189,624**	**51,535**	**287,120**

The composition of the mortgages is as follows:

Bank	Interest rate	Expiry date	Current	between 1 and 5 years	beyond 5 years	**Total 31.12.2009**
Centrobanca	Euribor 3 m + 0,70%	31/12/13	4,375	13,125	-	**17,500**
Credito Italiano	Euribor 6 m + 1,75%	30/12/11		32,900		**32,900**
Credito Italiano	Euribor 6m + 0,85%	30/06/13	2,143	5,357	-	**7,500**
Cassa Risparmio di Vignola	Euribor 3 m + 2,00%	31/01/11	2,500	2,500	-	**5,000**
Banca Pop. Sondrio	Euribor 3/6 m + 1,75%	09/01/11		15,000	-	**15,000**
Banca Pop. Verona	Euribor 6 m + 0,80%	31/07/11	6,755	6,886	-	**13,641**
Banca Pop. Vicenza	Euribor 3 m + 1,50%	04/05/11		10,000	-	**10,000**
Banca Pop. San Felice	Euribor 3 m + 1,80%	26/04/11		5,000	-	**5,000**
Banca Carige	Euribor 6 m + 1,00%	31/03/10	1,744		-	**1,744**
Carisbo	Euribor 6 m + 0,80%	16/10/11	5,714	5,715	-	**11,429**
Cassa Risparmio di Forli	Euribor 6 m + 0,73%	18/07/11	1,038	1,079	-	**2,117**
Banca Pop. Emilia Romagna	Euribor 3 m + 2,00%	31/01/11	2,500	2,500	-	**5,000**
Unicredit	Euribor 6 m + 1,50%	30/06/15	13,051	91,200	11,400	**115,651**
Unicredit	Euribor 6 m + 1,75%	30/06/15	634		40,214	**40,848**
Amortized Costs			(672)	(1,638)	(79)	**(2,389)**
Interest payable accrued			439	-	-	**439**
Total			**40,221**	**189,624**	**51,535**	**281,380**

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 31.12.2009**
BNP Paribas S.p.A. (ex Locafit S.p.A.)	Euribor 3m	01/12/12	1,297	2,877		**4,174**
Banca Italease	Euribor 3m	01/12/20	143	626	1,419	**2,188**
Total			**1,440**	**3,503**	**1,419**	**6,362**

Net Debt

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

(in thousands of Euros)	**31.12.2009**	31.12.2008
A. Cash	4	2,470
B. Cash equivalent	8,031	3,175
C. Financial assets held for sale	2,081	0
D. Liquidity (A) + (B) + (C)	**10,116**	**5,645**
E. Current financial assets	**37,801**	**32,656**
F. Current bank liabilities	45,961	86,921
G. Current financial instruments	0	0
H. Other current financial liabilities	7,918	4,289
I- Current financial liabilities	**53,879**	**91,210**
J. Current net debt (I) - (E) - (D)	**5,962**	**52,909**
K. Non current bank liabilities	241,159	218,099
M. Other non current financial liabilities	4,922	6,361
N. Non current financial instruments	92	33
O. Non current debt (K) + (L) + (M) + (N)	**246,173**	**224,493**
P. Net Debt (J) + (O)	**252,135**	**277,402**

The covenants on loans in force as at 31 December 2009, all completely complied with, are listed in the following table.

Table 1

(in thousands of Euros)	Carisbo (a)
Amount of the loans as at 31 December 2009	11.429
Expiry date	16/10/2011
Covenants	
Net Debt/Equity	<= 3.50
Net Debt/Ebitda	<= 5

(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.

Table 2

(in thousands of Euros)	Unicredit Corporate Banking
Amount of the loans as at 31 December 2009	187.036
Expiry date	30/06/2015
Covenants	
Net Debt/Equity	<= 3.5
Net Debt/Ebitda	<= 4.8

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 2009 financial year, different limits are defined for the subsequent financial years.

(e) Amount relating to the acquisition line and costs line supplied by the agent bank that was functional in the exercise of the public offer to buy Cremonini S.p.A. shares.

(f) 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.

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 2009 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 4.2 million (maturity 01.04.2012);

The valuation of these hedge contracts led to the recording of an asset of 93 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)	**31.12.2009**	31.12.2008
Opening balance	8,976	9,746
Use for the financial year	(4,249)	(1,228)
Transfers	(4,535)	20
Accrued for the year	389	432
Other changes	0	6
Closing balance	**581**	**8,976**

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)	**31.12.2009**	31.12.2008
Current value of the bonds	606	9,909
Unrecognised actuarial (loss)/profit	(25)	(933)
Total	**581**	**8,976**

20. Provisions for liabilities and charges

(in thousands of Euros)	**31.12.2009**	31.12.2008
Provisions for taxes	101	101
Labour disputes	963	406
Minor lawsuits and disputes	689	536
Provision for risks and losses	787	452
Total	**2,540**	**1,495**

21. Deferred tax liabilities

As at 31 December 2009 this item totalling 5,678 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.

(in thousands of euros)	**31.12.2009**		31.12.2008	
	Amount of timing differences	**Fiscal Effect**	**Amount of timing differences**	**Fiscal Effect**
Advance Taxation				
Write-down of financial fixed assets	0		565	
Write-down of intangible fixed assets	0		1,707	
Acceletated Depreciation	0		395	
Derivatives - Cash Flow Hedge	0		0	
Temporary IAS differences	20,440		25,485	
Other	207			
Total	**20,647**		**28,152**	
Taxable amount for IRPEG / IRES	**20,647**		**28,152**	
Tax Rate	27.5%		27.5%	
Advanced taxation for IRPEG / IRES		**5,678**		**7,742**
Taxable amount for IRAP				
Tax Rate	4.48%		4.48%	
Advanced taxation for IRAP		**0**		**0**
Total		**5,678**		**7,742**

Current liabilities

22. Current financial payables

(in thousands of Euros)	**31.12.2009**	31.12.2008
Payables to subsidiaries	7,627	21,116
Payables controlling companies	-	200
Payables to banks	45,961	86,921
Payables to other financial institutions	1,440	1,393
Closing balance	**55,028**	**109,630**

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 I for further details:

(in thousands of Euros)	**31.12.2009**	31.12.2008
Payables to consolidated subsidiaries	**6,477**	**2,896**
Alisea S.c.a r.l.	21	-
Buffet di Arezzo S.r.l.	52	-
Cremonini Restauration S.a.s	5,489	13
Marr S.p.A.	915	1,290
Railrest S.A.	-	1,173
Roadhouse Grill Padova S.r.l.	-	413
SGD S.r.l.	-	7
Payables to unconsolidated subsidiaries	**0**	**413**
Fernie S.r.l. in liq.	0	413
Payables to subsidiaries for transferred tax receivables	**1,150**	**17,807**
As.Ca. S.p.A.	-	739
Baldini Adriatica Pesca S.r.l.	89	104
Chef Express S.p.A.	337	1,035
Cons. Centro Comm. Ingrosso Carni S.r.l.	-	189
Global Service Logistics S.r.l.	79	66
Global Service S.r.l.	147	102
Guardamiglio S.r.l.	49	-
Inalca S.p.A.	15	-
Interjet S.r.l.	300	248
Marr S.p.A.	-	14,908
Marr Alisurgel S.r.l.	3	
Montana Alimentari S.p.A	72	-
New Catering S.r.l.	29	251
Roadhouse Grill Italia S.r.l.	9	67
Salumi d'Emilia S.r.l.	21	-
Sfera S.p.A.	-	32
Società Agricola Bergognina S.r.l.	-	9
TimeVending S.r.l.	-	57
Total	**7,627**	**21,116**

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)	**31.12.2009**	31.12.2008
VAT	361	464
IRES	4,611	-
Withholding taxes	382	1,210
Substitute taxes and other taxes payable	28	84
Total	**5,382**	**1,758**

24. Current trade payables

(in thousands of Euros)	**31.12.2009**	31.12.2008
Suppliers	**3,514**	**27,613**
Payables to consolidated subsidiaries	**1,721**	**6,693**
Alisea S.c. a r.l.		23
Baldini Adriatica Pesca S.r.l.	56	
Chef Express S.p.A.	188	73
Cons. Centro Comm. Ingrosso Carni S.r.l.		4
Cremonini Restauration S.A.S.		93
Global Service Logistics S.r.l.	1,320	2,549
Global Service S.r.l.	26	131
INALCA S.p.A.	10	539
Interjet S.r.l.	27	4
Marr S.p.A.	1	1,716
Momentum Services Ltd.		56
Montana Alimentari S.p.A	12	979
New Catering S.r.l.	25	
Railrest S.A.		27
Roadhouse Grill Italia S.r.l.	13	258
Salumi d'Emilia S.r.l.		
SGD S.r.l.		14
Società Agricola Bergognina S.r.l.	28	12
Tecnostar Due S.r.l.	11	36
Time Vending S.r.l.	4	179
Total	**5,235**	**34,306**

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)	**31.12.2009**	31.12.2008
Accrued expenses and deferred income	52	326
Inps/Inail/Scau	172	1,333
Inpdai/Previndai/Fasi/Besusso	36	399
Debiti verso istituti diversi	51	313
Other payables		
Advances and other payables from customers	1,406	2
Payables for employee remuneration	452	5,674
Payables for acquisition of equity investments:		
- Biancheri & C. S.r.l.		173
- Buffet di stazione		534
Guarantee deposits and down payments received		270
Payables to directors and auditors	52	96
Other minor payables	308	610
Total	**2,529**	**9,730**

Payables due to employees include current salaries still to be paid as at 31 December 2009 and the allocations set aside for deferred remuneration. The decrease compared to 2008 is consequent to the transfer of the catering business division.

Guarantees, sureties and commitments

(in thousands of Euros)	**31.12.2009**	31.12.2008
Direct guarantees – sureties		
- subsidiaries	116,789	127,238
- related companies		120
- other companies	20,189	28,673
	136,978	156,031
Direct guarantees – letter of comfort		
- subsidiaries	112,118	120,034
- associated companies	100	100
	112,218	120,134
Direct guarantees – credit mandates		
- subsidiaries	63,890	100,013
	63,890	100,013
Other risks and commitments	39,460	39,460
Total guarantees, sureties and commitments	**352,546**	**415,638**

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 117 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	1,487	VAT for compensation
Ferrovie dello Stato and operating companies (Grandi Stazioni, Cento Stazioni, Fer Servizi, Trenitalia, etc.)	Cremonini S.p.A.	16,454	Guaranteeing concessions for on-board catering services, station buffets and operation of storage facilities.
Other minor items	Cremonini S.p.A. and other subsidiaries	2,248	Administration of rented properties, energy supplies, credit cards, successful conclusion of contracts, etc.
Total		**20,189**	

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 26,143 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)	**2009**	2008
Revenues from sales - Goods for resale	0	0
Revenues from sales - Others	6	5
Revenues from services	1,643	1,862
Advisory services to third parties	1,396	1,577
Rent income	1,311	1,304
Other revenues from ordinary activities	0	0
Total	**4,356**	**4,748**

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

(in thousands of Euros)	**2009**	2008
Italy	4,356	4,748
European Union	0	0
Non-EU countries	0	0
Total	**4,356**	**4,748**

27. Other revenues

(in thousands of Euros)	**2009**	2008
Contributions by suppliers and others	0	0
Other sundry revenues	506	511
Total	**506**	**511**

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)	**2009**	2008
Insurance reimbursements	0	0
Capital gains on disposal of capital goods	0	15
Other cost reimbursements	262	238
Services, consultancy and other minor revenues	244	258
Total	**506**	**511**

28. Costs for purchases

(in thousands of Euros)	**2009**	2008
Costs for purchases - Goods for resale	(2)	(1)
Costs for purchases - Secondary materials, consumables, semi-finished	0	0
Costs for purchases - Stationery and printed paper	(7)	(16)
Changes in inventories of raw materials, secondary materials, consumables	0	0
Other costs for purchases	(43)	(67)
Total	**(52)**	**(84)**

29. Other operating costs

(in thousands of Euros)	**2009**	2008
Costs for services	(5,286)	(10,673)
Costs for leases and rentals	(156)	(158)
Other operating charges	(814)	(2,016)
Total	**(6,256)**	**(12,847)**

Costs for services

(in thousands of Euros)	**2009**	2008
Energy consumption and utilities	(260)	(312)
Maintenance and repairs	(303)	(316)
Transport on sales	0	0
Commisions, commercial and distribution services	(1,044)	(1,090)
Third-party services and outsourcing	(141)	(209)
Purchasing services	(1)	0
Franchising	0	0
Other technical and general services	(3,537)	(8,746)
Total	**(5,286)**	**(10,673)**

Costs for leases and rentals

(in thousands of Euros)	**2009**	2008
Instalments payable		
Royalties		
Lease of business premises, royalties and others		**0**
Leasing	(54)	(66)
Rents and charges payable other property assets	(102)	(92)
Leases and rentals related to real and personal property	**(156)**	**(158)**
Total	**(156)**	**(158)**

Other operating charges

(in thousands of Euros)	**2009**	2008
Indirect taxes and duties	(481)	(673)
Capital losses on disposal of assets	0	(2)
Contributions and membership fees	(67)	(64)
Other minor costs	(266)	(1,277)
Total	**(814)**	**(2,016)**

30. Personnel costs

(in thousands of Euros)	**2009**	2008
Salaries and wages	(1,784)	(2,124)
Social security contributions	(545)	(645)
Staff Severance Provision	(136)	(124)
Other personnel costs	(19)	0
Total	**(2,484)**	**(2,893)**

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 2009 the Company employed a total staff of 21 persons, as follows:

	Factory staff	Office staff	Managers	Total
Employees as at 31.12.2008	1,566	144	16	1,726
Employees as at 31.12.2009	**0**	**13**	**8**	**21**
Increases (decreases)	(1,566)	(131)	(8)	(1,705)
Average no. of employees during	**1,258**	**120**	**12**	**1,390**

31. Amortization, depreciation and write-downs

(in thousands of Euros)	**2009**	2008
Depreciation of tangible assets	(1,534)	(1,428)
Amortization of intangible assets	(86)	(91)
Other write-downs of fixed assets	0	0
Write-downs and provisions	(1,195)	(512)
Total	**(2,815)**	**(2,031)**

Write-downs and provisions

(in thousands of Euros)	**2009**	2008
Receivables write-downs	(800)	(387)
Other provisions	(395)	(125)
Total	**(1,195)**	**(512)**

32. Revenue from equity investments

(in thousands of Euros)	**2009**	2008
Income (Charges) from investments in subs.	17,009	38,471
Income (Charges) from investments in ass. comp.	228	186
Income (Charges) from investments in other comp.	82	27
Write-down of investments	(1,179)	(701)
Total	**16,140**	37,983

Income (Charges) from equity investments in subsidiaries

(in thousands of Euros)	**2009**	2008
Dividends from subsidiaries		
Cremonini Restauration S.A.S.		
Global Service S.r.l.	177	160
Marr S.p.A.	16,832	15,247
Momentum Services Ltd		
Railrest S.A.		
Other income (Charges) from investments in subsidiaries		
Income from investments disposal		23,064
Other minor		
Total	**17,009**	**38,471**

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 and Global Service S.r.l.

Write-downs of investments

(in thousands of Euros)	**2009**	2008
Fernie S.r.l. in liquidazione	(105)	
Cremonini Rail Iberica S.A.		
Interjet S.r.l.	(804)	(701)
Società Agricola Bergognina	(70)	
Mutina Consulting S.r.l liquidated	(200)	
Total	**(1,179)**	**(701)**

33. Financial income and charges

(in thousands of Euros)	**2009**	2008
Net exchange rate differences	0	(3)
Income (Charges) from management of derivatives	(78)	3,621
Net financial Income (Charges)	(9,204)	(10,655)
Total	**(9,282)**	**(7,037)**

Exchange rate differences

(in thousands of Euros)	**2009**	2008
Realised net exchange rate differences	0	(3)
Net exchange rates valuation differences	0	0
Total	**0**	(3)

Income (charges) from management of derivatives

(in thousands of Euros)	**2009**	2008
Realized Income from management of derivatives	5	2,928
Realized Charges from management of derivatives	(83)	(1)
Valuation Income from management of derivatives	0	694
Valuation Charges from management of derivatives	0	0
Total	**(78)**	**3,621**

Net financial income (charges)

(in thousands of Euros)	**2009**	2008
Financial Income (Charges) from subsidiaries	**861**	**2,267**
Financial income		
- Bank interest receivable	80	1,793
- Other financial income	12	63
Total financial income	**92**	**1,856**
Financial charges		
- Interest payable on loans	(10,389)	(15,320)
- Interest payable on factoring		(80)
- Interest payable on current accounts and others	551	1,043
- Other bank charges	(190)	(13)
- Other sundry charges	(129)	(408)
Total financial charges	**(10,157)**	**(14,778)**
Total	**(9,204)**	**(10,655)**

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 reduced in 2009, mainly following the interest rates trend and average amounts of the corresponding equity balances.

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

(in thousands of Euros)	**2009**	2008
Alisea S.c. a r.l.		1
Buffet di Arezzo S.r.l..	(1)	
Chef Express S.p.A.	254	724
Cons. Centro Comm. Ingrosso Carni S.r.l.	35	140
Cremonini Rail Iberica S.A.	180	493
Cremonini Restauration S.A.S.	(8)	136
Ges.Car. S.r.l.	-	2
Global Service Logistics S.r.l.	29	44
Global Service S.r.l.	3	(6)
Guardamiglio S.r.l.	-	51
In.Al.Sarda S.r.l.	-	2
INALCA S.p.A.	-	69
Interjet S.r.l.	39	75
Marr S.p.A.	12	(17)
Momentum Services Ltd	2	(7)
Montana Alimentari S.p.A	-	(186)
Railrest S.A.	(13)	(54)
Realfood 3 S.r.l.	-	16
Roadhouse Grill Italia S.r.l.	300	477
Roadhouse Grill Padova S.r.l.	-	(8)
Salumi d'Emilia S.r.l.	-	186
Sara S.r.l.	-	7
SGD S.r.l.	1	(17)
Soc. Agr. Corticella S.r.l.	-	108
Tecnostar Due S.r.l.	-	3
Time Vending S.r.l.	28	28
Total	**861**	**2,267**

34. Income taxes

(in thousands of Euros)	**2009**	2008
IRES	(13,381)	(10,472)
Net income from subs. for transferred taxable amounts	16,243	12,547
	2,862	**2,075**
IRAP	199	478
Provision for deferred/pre-paid taxes	1,336	2,529
	1,535	**3,007**
Total	**4,397**	**5,082**

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 2009		Year 2008	
	Taxable amount	Tax	Taxable amount	Tax
Profit before taxation	**8,137**		**28,216**	
Taxation rate	27.5%		27.5%	
Theoretical tax burden		**2,238**		**7,759**
Permanent differences				
Non-deductible amortization and depreciation	437		315	
Write-down of financial assets (non-deductible part)	1,754		1,749	
Taxes and tax amnesties	61		51	
Other non-deductible costs	642		1,522	
Total	**2,894**		**3,637**	
Dividends from foreign companies	(18,763)		(17,098)	
Irap deductible			(206)	
Gains on disposals subject to substitute tax			(20,970)	
Other	(186)		(183)	
Total	**(18,949)**		**(38,457)**	
Timing differences deductible in future years				
Provisions to taxed funds	2,462		732	
Interest payables			1,241	
Other	421		1,745	
Total	**2,883**		**3,718**	
Timing differences taxable in future years				
Other	(210)		-	
Total	**(210)**		**0**	
Reversal of timing diff. from previous years				
Receipt of dividends related to previous year	-		-	
Total	**0**		**0**	
Use of taxed provisions	(346)		(274)	
Write-down of financial assets	-		-	
Other	(163)		(679)	
Total	**(509)**		**(953)**	
Taxable income	**(5,754)**		**(3,839)**	
Tax rate	27.5%		27.5%	
Actual tax durden		**(1,582)**		**(1,056)**

IRAP

(in thousands of Euros)		Year 2009		Year 2008	
		Taxable amount	Tax	Taxable amount	Tax
Profit before taxation		**8,137**		**28,216**	
Costs not relevant for IRAP					
Financial income and expense		10,900		10,629	
Other		(19,016)		(39,783)	
Personnel costs		35,260		42,148	
Deductible personnel costs		(15,998)		(19,183)	
Other		4,371		2,859	
	Total	**15,517**		**(3,329)**	
Theoretical taxable amount		**23,654**		**24,887**	
Taxation rate		4.37%		4.41%	
Actual tax burden			**1,034**		**1,097**

35. Result for the period of the discontinued operations

Shown below is the detail of the profits and losses of the discontinued operations of the catering sector for the reporting period and comparative period of the prior year.

(in thousands of Euros)	31 december 2009	31 december 2008
Revenues	112,607	142,451
relating to related parties	*3,122*	*2,735*
Other revenues	4,565	2,507
relating to related parties	*244*	*301*
Costs for purchases	(36,454)	(45,500)
relating to related parties	*(5,875)*	*(8,027)*
Other operating costs	(34,724)	(43,705)
relating to related parties	*(5,106)*	*(7,444)*
Personnel costs	(32,776)	(39,256)
Amortization and Depreciation	(4,240)	(3,913)
Write-downs and provisions	(2,212)	(925)
Revenues from equity investments	2,876	1,800
relating to related parties	*2,850*	*1,772*
Financial (Incoma)/Charges	(1,620)	(3,592)
relating to related parties		*1*
Result before taxes	**8,022**	**9,867**
Income taxes	(1,885)	(3,063)
Result for the period	**6,137**	**6,804**

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 2010

THE CHAIRMAN
OF THE BOARD OF DIRECTORS
(Cav. Lav. Luigi Cremonini)
Signed 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 2009;

Annex 2 - List of revenues and costs from/to subsidiaries, associated controlling and related companies for the 2009 financial year;

Annex 3 - Statement of changes in tangible assets for the financial year ended as at 31 December 2009;

Annex 4 - Statement of changes in intangible assets for the financial year ended as at 31 December 2009;

Annex 5 - List of equity investments classified in non-current assets as at 31 December 2009;

Annex 6 - List of equity investments in subsidiaries and associated companies as at 31 December 2009 (Article 2427, paragraph 5, of the Italian Civil Code).

Annex I

Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2009

(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.		21	12				**12**	**21**
As.ca. S.p.A.			65		28		**93**	**-**
Baldini Adriatica Pesca S.r.l.				56		89	**-**	**145**
Buffet di Arezzo S.r.l.		52					**-**	**52**
Chef Express S.p.A.	8,424		133	188		337	**8,557**	**525**
Cons. Centro Comm. Ingrosso Carni S.r.l.	901				46		**947**	**-**
Cremonini Rail Iberica S.A.	11,121						**11,121**	**-**
Cremonini Restauration S.A.S.		5,489					**-**	**5,489**
Emigel S.r.l.					10		**10**	**-**
Fernie S.r.l. in liquidation							**-**	**-**
Frimo S.a.m.			94				**94**	**-**
Global Service Logistics S.r.l.	1,540		182	1,320		79	**1,722**	**1,399**
Global Service S.r.l.	202		54	26		147	**256**	**173**
Guardamiglio S.r.l.						49	**-**	**49**
Ibis S.p.A.			2				**2**	**-**
INALCA S.p.A.			50	10		15	**50**	**25**
Interjet S.r.l.	1,973			27		300	**1,973**	**327**
Marr S.p.A.		915	324	1	3,025		**3,349**	**916**
Marr Alisurgel S.r.l.						3	**-**	**3**
Montana Alimentari S.p.A.			2	12		72	**2**	**84**
Mutina Consulting S.r.l. liquidated				25		29	**-**	**54**
Railrest S.A.			12				**12**	**-**
Roadhouse Grill Italia S.r.l.	12,271		120	13		9	**12,391**	**22**
Salumi d'Emilia S.r.l.						21	**-**	**21**
Sfera S.p.A.			7		4		**11**	**-**
SGD S.r.l.	16						**16**	**-**
Soc. Agr. Corticella S.r.l.			1				**1**	**-**
Società Agricola Bergognina S.r.l.	1,353			28	24		**1,377**	**28**
Tecnostar Due S.r.l.			9	11			**9**	**11**
Time Vending S.r.l.			10	4			**10**	**4**
Total subsidiaries	**37,801**	**6,477**	**1,077**	**1,721**	**3,137**	**1,150**	**42,015**	**9,348**
Associated companies:								
Food & Co. S.p.A.	-	-	2	-	-	-	**2**	**-**
Total associated companies	**-**	**-**	**2**	**-**	**-**	**-**	**2**	**-**
Related companies:								
A.O. Konservny	-	-	-	-	3,174	-	**3,174**	**-**
Total related companies	**-**	**-**	**-**	**-**	**3,174**	**-**	**3,174**	**-**
Controlling companies:								
Cremofin S.r.l.	-	-	-	-	-	-	**-**	**-**
Total controlling companies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(a) Other receivables include receivables for IRES (corporate tax) benefits transferred to the Parent Company.

(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 2009 financial year

(in thousands of Euros)	Revenues				Total	Expenses				Total
	Financial	Services	Sales	Other	revenues	Financial	Services	Sales	Other	expenses
				(a)						
Subsidiaries:										
Buffet di Arezzo S.r.l.					**-**	1				**1**
C. Centro Comm. Ingrosso Carni S.r.l.	35	6	-	-	**41**	-	-	-	-	**-**
Chef Express S.p.A.	255	403	1	80	**739**		42		-	**42**
Cremonini Rail Iberica S.A.	180	10			**190**				-	**-**
Cremonini Restauration S.A.S.	10	67			**77**	18			-	**18**
Frimo S.a.m.		59			**59**				-	**-**
Ges.Car. S.r.l.		7			**7**				-	**-**
Global Service Logistics S.r.l.	29				**29**				-	**-**
Global Service S.r.l.	4	67		252	**323**		118		107	**225**
Guardamiglio S.r.l.		23			**23**				-	**-**
Ibis S.p.A.		11		1	**12**				-	**-**
INALCA S.p.A.		975		7	**982**		17		200	**217**
Interjet S.r.l.	39	25			**64**		570		805	**1,375**
MARR S.p.A.	17	956		16,834	**17,807**	5	34			**39**
Momentum Services Ltd.	2				**2**				-	**-**
Montana Alimentari S.p.A.		347	1	2	**350**		19	1		**20**
Railrest S.A.		12			**12**	14			-	**14**
Realfood 3 S.r.l.					**-**			-	-	**-**
Roadhouse Grill Italia S.r.l.	307	119		109	**535**	8	3	-	-	**11**
Salumi d'Emilia S.r.l.		38			**38**		1	-	-	**1**
Sara S.r.l.		3			**3**			-	-	**-**
SGD S.r.l.	1	11			**12**			-	-	**-**
Società Agricola Bergognina S.r.l.					**-**				71	**71**
Soc. Agr. Corticella S.r.l.		11			**11**			-	-	**-**
Tecnostar Due S.r.l.		33		16	**49**		19	-	-	**19**
Time Vending S.r.l.	28	13		1	**42**		3		-	**3**
Total subsidiaries	**907**	**3,196**	**2**	**17,302**	**21,407**	**46**	**826**	**1**	**1,183**	**2,056**
Associated companies:										
Emilia Romagna Factor S.p.A.				227	**227**				-	**-**
Fiorani & C. S.r.l.	-	42	-	-	**42**	-	-	-	-	**-**
Total associated companies	**-**	**42**	**-**	**227**	**269**	**-**	**-**	**-**	**-**	**-**

(a) Other revenues include dividends from subsidiaries

Annex 3

Statement of changes in tangible assets for the financial year ended as at 31 December 2009

(in thousands of Euros)	Opening position			Changes over the period					Closing position		
	Initial cost	Depreciation provision	Balance at 31.12.2008	Acquisitions	Net decreases		Reclass./ Other changes	Depreciation	Initial cost	Depreciation provision	Balance at 31.12.2009
Land and buildings	81,841	(11,306)	70,535	902	(66)	(4,772)	3,784	(1,743)	81,689	(13,049)	68,640
Plant and machinery	27,260	(17,535)	9,725	1,241	(189)	(10,882)	2,075	(1,347)	19,505	(18,882)	623
Industrial and business equipment	5,995	(5,026)	969	148	(329)	(572)	99	(306)	5,341	(5,332)	9
Other assets	17,887	(11,731)	6,156	1,093	(297)	(5,941)	1,188	(1,143)	13,930	(12,874)	1,056
Fixed assets under construction and advances	6,736		6,736	8,036	(227)	(1,299)	(7,146)		6,100		6,100
Total	**139,719**	**(45,598)**	**94,121**	**11,420**	**(1,108)**	**(23,466)**	**0**	**(4,539)**	**126,565**	**(50,137)**	**76,428**

Annex 4

Statement of changes in intangible assets for the financial year ended as at 31 December 2009

(in thousands of Euros)	Opening position			Changes over the period					Closing position		
	Initial cost	Amortization provision	Balance at 31.12.2008	Acquisitions	Net decreases	Reclass./Write-downs	Other changes	Amortization	Initial cost	Amortization provision	Balance at 31.12.2009
Patents and intellectual property rights	1,818	(1,601)	217	103	(10)	(208)	73	(163)	1,776	(1,764)	12
Concessions, licences, trademarks and similar rights	406	(288)	118	11	(43)	(110)	37	(13)	301	(301)	0
Fixed assets under development and advances	685		685	68			(753)		0	0	0
Other intangible assets	3,077	(1,851)	1,226	11		(978)		(259)	2,110	(2,110)	0
Total	**5,986**	**(3,740)**	**2,246**	**193**	**(53)**	**(1,296)**	**(643)**	**(435)**	**4,187**	**(4,175)**	**12**

Annex 5

List of equity investments classified under non-current assets as at 31 December 2009

(in thousands of Euros) Company name	Percentage	Initial value	Purchases or subscriptions	Disposals	(Write-downs) Revaluations	Other changes	Percentage	Final value
Subsidiaries:								
Autoplose GmbH in liquidation	100.00	611		(611)			-	-
Buffet di Arezzo S.r.l.			917			(917)	-	-
Chef Express S.p.A.	100.00	29,729	4,436				100.00	34,165
Chef Express UK LTD			92			(92)	-	-
Chef Express Russia			9			(9)	-	-
Cons. C. Comm. Ingr. Carni S.r.l.	86.69	5,312					86.69	5,312
Cremonini Rail Iberica S.A.	100.00	3,378				(3,378)	-	-
Cremonini Restauration S.A.S.	86.00	195				(195)	-	-
Fernie S.r.l. in liq.	95.00	527			(105)	(422)	-	-
Global Service S.r.l.	100.00	136			(200)		-	-
INALCA JBS S.p.A.	50.00	144,821					50.00	144,821
Interjet S.r.l.	100.00	1,887			(804)	700	100.00	1,783
Lounge Services SAS	51.00		20			(20)	-	-
MARR S.p.A.	58.84	67,609					58.84	67,609
Momentum Services Ltd.	51.00	188				(188)	-	-
Railrest S.A.	51.00	255				(255)	-	-
Roadhouse Grill Italia S.r.l.	100.00	4,408				(4,408)	-	-
SGD S.r.l.	50.00	42				(42)	-	-
Società Agricola Bergognina S.r.l.	100.00	122			(70)		100.00	52
Time Vending S.r.l.	80.00	80	11			(91)	-	-
Total subsidiaries		**259,300**	**5,485**	**- 611**	**(1,179)**	**(9,317)**		**253,742**
Associated companies:								
Emilia Romagna Factor S.p.A.	22.80	8,403					22.80	8,403
Food & Co. S.r.l.	30.00	3				(3)	0.00	-
Total associated companies		**8,406**	**-**	**-**	**-**	**(3)**		**8,403**
Other companies:								
Futura S.p.A.		600						600
Other minor companies		191	18			(52)		157
Total other companies		**791**	**18**	**-**	**- -**	**52**		**757**
Total equity investments		**268,497**	**5,503**	**- 611**	**- 1,179**	**- 9,372**		**262,902**

Annex 6

List of equity investments in subsidiaries and associated companies as at 31 December 2009 (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 31.12.09	Net equity at 31.12.09	Percentage held at 31.12.09	Carrying value (A)	Valuation based on NE (B)	Difference (B) - (A)	Notes
Subsidiaries:									
Chef Express S.p.A.	Castelvetro di Modena (MO)	8,500,000	(2,228)	6,567	100.00%	34,165	40,228	6,063	
Cons. Centro Comm. Ingrosso Carni S.r.l.	Bologna	1,500,000	503	3,369	86.69%	5,312	3,185	(2,127)	
Global Service S.r.l.	Castelvetro di Modena (MO)	93,000	(200)	42	0.00%	0	0	0	
INALCA JBS S.p.A.	Castelvetro di Modena (MO)	280,000,000	(8,269)	354,342	50.00%	144,821	184,274	39,453	
Interjet S.r.l.	Castelvetro di Modena (MO)	2,500,000	(804)	1,781	100.00%	1,783	1,781	(2)	
MARR S.p.A.	Rimini	32,909,736	38,544	187,843	58.84%	67,609	108,772	41,163	
Società Agricola Bergognina S.r.l.	Castelvetro di Modena (MO)	100,000	(71)	(20)	100.00%	52	(20)	(72)	
Total subsidiaries						**253,742**	**338,220**	**84,478**	
Associated companies:									
Emilia Romagna Factor S.p.A.	Bologna	25,000,000	2,115	39,422	22.80%	8,403	8,988	585	(a)
Total associated companies						**8,403**	**8,988**	**585**	

NOTE

(a) - Figures refer to balance sheet as at 31.12.2008

ERNST & YOUNG

Reconta Ernst & Young S.p.A.
Via Massimo D'Azeglio, 34
40123 Bologna

Tel. (+39) 051 278311
Fax (+39) 051 236666
www.ey.com

Independent auditors' report
pursuant to Article 156 and 165-bis of Legislative Decree No. 58 of February 24, 1998
(now art. 14 of Legislative Decree No. 39 of January 27, 2010)
(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, 2009, comprising the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of 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.

   Our audit of the financial statements for the year ended December 31, 2009 was made in accordance with the regulations in force during that year.

   With respect to the financial statements of the prior year, presented for comparative purposes, which have been restated to apply IAS 1, reference should be made to our report dated April 10, 2009.

3. In our opinion, the financial statements of Cremonini S.p.A. at December 31, 2009 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 and the cash flows of Cremonini S.p.A. for the year then ended.

4. As described in the notes to the financial statements, during the year 2010, the Company has contributed the catering business to the wholly owned subsidiary Chef Express S.p.A.. The effects of such operation are described in the notes to the financial statements.

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 law. For this purpose, we have performed the procedures required under Auditing Standard 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, 2009.

Bologna, April 12, 2010

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

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2009

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements as at 31 December 2009

Balance sheet assets

(in thousands of Euros)	Note	**31.12.2009**	31.12.2008
Non-current assets			
Tangible assets	1	481,426	449,374
Goodwill	2	163,412	145,937
Other intangible assets	3	6,687	7,422
Investments valued at equity	4	9,507	10,025
Investments in other companies	5	1,939	1,881
Financial instruments / Derivatives	18		23
Non-current financial receivables	6	1,485	3,253
Deferred tax assets	7	14,995	10,636
Other non-current assets	8	12,329	11,396
Total non-current assets		**691,780**	**639,947**
Current assets			
Inventories	9	173,398	184,310
Biological assets	10	5,591	6,250
Current financial receivables	11	12,621	11,425
relating to related parties		*314*	*3,169*
Current trade receivables	12	448,710	410,031
relating to related parties		*3,860*	*4,839*
Current tax assets	13	17,781	17,163
Financial assets held for sale		2,136	54
Financial instruments / Derivatives	18	10	-
Cash and cash equivalents	14	81,229	77,635
Other current assets	15	41,884	48,047
relating to related parties			*0*
Total current assets		**783,360**	**754,915**
Total assets		**1,475,140**	**1,394,862**

Consolidated financial statements as at 31 December 2009

Balance sheet liabilities

(in thousands of Euros)	Note	**31.12.2009**	31.12.2008
Shareholders' Equity			
Share capital	16	67,074	67,074
Reserves	16	16,855	20,524
Retained earnings		65,350	29,625
Result for the period		17,854	39,000
Shareholders' Equity attributable to the Group		167,133	156,223
Minority interests' capital and reserves		52,136	51,063
Profit for the period attributable to minority		17,287	14,075
Shareholders' Equity attributable to minority		69,423	65,138
Total Shareholders' Equity		**236,556**	**221,361**
Non-current liabilities			
Non-current financial payables	17	357,328	304,520
Financial instruments / Derivatives	18	93	33
Employee benefits	19	23,426	26,952
Non-current provisions for risks and charges	20	7,599	7,706
Deferred tax liabilities	21	35,660	36,088
Other non-current liabilities	22	2,094	2,889
Total non-current liabilities		**426,200**	**378,188**
Current liabilities			
Current financial payables	23	336,658	353,585
relating to related parties			*613*
Financial instruments / Derivatives	18	829	397
Current tax liabilities	24	18,204	9,700
Current trade liabilities	25	386,672	373,083
relating to related parties		*1,342*	*5,275*
Other current liabilities	26	70,021	58,548
relating to related parties			*0*
Total current liabilities		**812,384**	**795,313**
Total liabilities		**1,475,140**	**1,394,862**

Consolidated financial statements as at 31 December 2009

Income statement

(in thousands of Euros)	Note	**31.12.2009**	31.12.2008
Revenues	27	2,200,736	2,176,827
relating to related parties		*2,004*	*3,308*
Other revenues	28	41,854	66,608
relating to related parties		*705*	*729*
Change in inventories of finished and semi-finished		(400)	4,950
Capitalisation of internal construction costs		1,251	1,425
Costs for purchases	29	(1,490,587)	(1,514,404)
relating to related parties		*(8,704)*	*(34,138)*
Other operating costs	30	(340,463)	(344,576)
relating to related parties		*(838)*	*(1,087)*
Personnel costs	31	(279,694)	(231,518)
Amortization and depreciation	32	(37,385)	(36,097)
Write-downs and provisions	32	(13,992)	(10,584)
Revenues from equity investments		332	(265)
relating to related parties			*111*
Financial (Income)/Charges	33	(25,050)	(38,615)
relating to related parties			*25*
Result before taxes		**56,602**	**73,751**
Income taxes	34	(21,461)	(20,676)
Result before minority interests		**35,141**	**53,075**
Result attributable to minority interests		(17,287)	(14,075)
Result for the period attributable to the Group		17,854	39,000

Other comprehensive income

(in thousands of Euros)	**31.12.2009**	31.12.2008
Result before taxes	**35,141**	**53,075**
Efficacious part of profits/(losses) on cash flow hedge instruments	(428)	(2,719)
Translation effects of the financial statements expressed in foreign currencies	(3,673)	(3,269)
Tax effect on comprehensive income components	118	748
Comprehensive Income	**31,158**	**47,835**
Result attributable to minority interests	(17,241)	(14,133)
Result for the period attributable to the Group	13,917	33,702

Statement of changes in the shareholders' equity over the financial year ended as at 31 December 2009 (note 16)

(in thousands of Euros)	Share capital	Nominal value treasury stock in portfolio	Total Share capital	Share premium reserve	Legal reserve	Other Reserves: Reserve for IAS adjustments	Other Reserves: Reserve for trading treasury stock	Other Reserves: Reserve translation differences	Other Reserves: Deficit Merger	Other Reserves: 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**
Balances at 31 December 2007	**73,746**	**(6,672)**	**67,074**	**78,280**	**14,749**	**79,036**	**1,471**	**(1,823)**	**0**	**1,338**	**173,051**	**31,484**	**10,040**	**281,649**	**55,322**	**15,203**	**70,525**	**352,174**
Allocation of the results of previous year:																		
- retained earnings reserve												10,040	(10,040)	**0**	15,203	(15,203)	**0**	**0**
- distribution of dividends												(10,319)		**(10,319)**	(13,572)		**(13,572)**	**(23,891)**
Net effect purchases/sales treasury stock MARR												(2,226)		**(2,226)**	(1,517)		**(1,517)**	**(3,743)**
Other changes												(204)		**(204)**	(4,431)		**(4,431)**	**(4,635)**
Treasury Stock cancellation	(6,672)	6,672	**0**				(1,471)				**(1,471)**	1,471		**0**				**0**
Reverse merger effect									(146,379)		**(146,379)**			**(146,379)**			**0**	**(146,379)**
Net profit (loss) for the year ended 31 December 2008								(3,316)		(1,361)	**(4,677)**	(621)	39,000	**33,702**	58	14,075	**14,133**	**47,835**
Balances 31 December 2008	**67,074**	**0**	**67,074**	**78,280**	**14,749**	**79,036**	**0**	**(5,139)**	**(146,379)**	**(23)**	**20,524**	**29,625**	**39,000**	**156,223**	**51,063**	**14,075**	**65,138**	**221,361**
Allocation of the results of previous year:																		
- retained earnings reserve												39,000	(39,000)	**0**	14,075	(14,075)	**0**	**0**
- distribution of dividends												(2,967)		**(2,967)**	(13,131)		**(13,131)**	**(16,098)**
Net effect purchases/sales treasury stock MARR												(50)		**(50)**	(37)		**(37)**	**(87)**
Other changes												10		**10**	212		**212**	**222**
Net profit (loss) for the year ended 31 December 2009								(3,633)		(36)	**(3,669)**	(268)	17,854	**13,917**	(46)	17,287	**17,241**	**31,158**
Balances 31 December 2009	**67,074**	**0**	**67,074**	**78,280**	**14,749**	**79,036**	**0**	**(8,772)**	**(146,379)**	**(59)**	**16,855**	**65,350**	**17,854**	**167,133**	**52,136**	**17,287**	**69,423**	**236,556**

Cash flow statements for the financial years ended as at 31 December 2009 and 2008

(in thousands of Euros)	**31.12.2009**	31.12.2008
Net profit before minority interests	**35,141**	**53,075**
Amortization and depreciation	37,385	36,097
Net change in other provisions and non-monetary income items	8,257	1,479
Reversal of the effects from extraordinary transactions	0	(29,484)
Operating cash-flow	**80,783**	**61,167**
(Increase) decrease in receivables from customers	(45,251)	(57,466)
(Increase) decrease in inventories	11,572	(23,890)
Increase (decrease) in payables to suppliers	18,933	40,114
(Increase) decrease in other items of the working capital	6,692	(5,796)
Change in working capital	**(8,054)**	**(47,038)**
Net change in Staff Severance Provision	(4,125)	(1,280)
CASH-FLOW FROM OPERATING ACTIVITIES	**68,604**	**12,849**
Net (investments) in intangible assets	(20,078)	(8,188)
Net (investments) in tangible assets	(62,553)	(63,511)
Change in financial assets	(1,084)	569
Net effects from the change in consolidation area	(2,798)	0
CASH-FLOW FROM INVESTING ACTIVITIES	**(86,513)**	**(71,130)**
FREE - CASH FLOW BEFORE EXTRAORDINARY TRANSACTIONS	**(17,909)**	**(58,281)**
Cash-flow from extraordinary transactions	**0**	**284,752**
Cash-flow from distribution of dividends	(16,098)	(14,892)
Capital increases, change in treasury stock and other changes, including those of minority interests	135	(167,031)
Cash-flow from (for) change in shareholders' equity	**(15,963)**	**(181,923)**
FREE - CASH FLOW	**(33,872)**	**44,548**
Opening net financial debt	(568,487)	(613,035)
Cash-flow for the period	(33,872)	44,548
Closing net financial debt	**(602,359)**	**(568,487)**
Increase (Decrease) medium-long term borrowings	53,411	(10,970)
Increase (Decrease) medium-long term liabilities for derivatives	59	33
Cash flow from (for) medium-long term financial activities	**53,470**	**(10,937)**
CASH FLOW SHORT TERM OF THE PERIOD	**19,598**	**33,611**
Initial net short term indebtness	(263,957)	(297,568)
Cash flow of the period	19,598	33,611
Final net short term indebtness	**(244,359)**	**(263,957)**
Increase (Decrease) short term borrowings	(13,166)	(78,591)
Changes in other securities and other financial assets	(3,270)	(4,681)
Increase (Decrease) short term liabilites for derivatives	432	(1,178)
Cash flow from (for) short term financial assets	**(16,004)**	**(84,450)**
INCREASE (DECREA.) CASH AND CASH EQUIVALENTS	**3,594**	**(50,839)**
Cash and cash equivalents at the beginning of the period	77,635	128,474
Cash flow of the period	3,594	(50,839)
Cash and cash equivalents at the end of the period	**81,229**	**77,635**

Consolidated financial statements as at 31 December 2009

Notes

Form and content of the consolidated financial statements

The consolidated financial statements as at 31 December 2009 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 2010.

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 2009 show the figures for the financial year ended as at 31 December 2008.

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 2009 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:

<u>Directly owned subsidiaries</u>

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 2009, 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 2008, the following companies have been included in the scope of consolidation:

- Buffet di Arezzo S.r.l., a company acquired by Cremonini S.p.A, which manages a catering outlet within the Arezzo railway station;
- Chef Express Russia, a company not yet operative;
- Chef Express UK Ltd, a company not yet operative;
- Lounge Services S.a.s., a company that manages the reception services in the Eurostar waiting rooms in Paris;
- Modena Sud Service S.r.l., a company that manages a property unit subsequently to the merged with Società Agricola Bergognina;
- Ibis S.r.l., a company operating in the production and marketing of cured meats;
- RealBeef S.r.l. a company that manages the slaughtering, transformation and marketing of beef-based products.

Finally, compared to 31 December 2008, the following took place:

- the deconsolidation of Autoplose Gmbh as an effect of the cession that took place;
- the deconsolidation of Realfood 3 S.r.l. an effect of the merger with INALCA JBS S.p.A. with retroactive effects to 01.01.2009;
- the deconsolidation of In.Al.Sarda S.r.l. as an effect of its liquidation.
- the increase in the equity investment in Marr Russia L.l.c. from 60.0% to 75.0%;
- the increase in the equity investment in Time Vending S.r.l. from 80.0% to 100.0% and subsequent reduction to 50% following the sale of the shares to IVS.

Changes in accounting standards

The new IFRSs and IFRICs adopted by the EU, in effect from 1 January 2009, 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 2009

- IAS 1 – "Presentation of the financial statements": the principle separates the changes to the net equity to shareholders and non-shareholders. The table of changes in net equity will only include the details of transactions with shareholders, while all changes due to transactions with non-shareholders will be presented in a single line. Furthermore, this principle introduces the table of "comprehensive income"; this table contains all the income and cost items concerning the period registered in the profit and loss account and also all other income and costs registered. The table of "comprehensive income" can be presented as one single table or two correlated tables. The Company has chosen to highlight the changes produced by these transactions in two separate statements, entitled "Income statement" and "Statement of comprehensive income" and to amend the "Statement of changes in shareholders' equity" accordingly.

- IAS 23 Borrowing Costs: a modified version of IAS 23 Borrowing Costs was emanated in March 2007, and became effective for business years beginning on 1 January 2009 or subsequently. The principle has been modified to require the capitalisation of borrowing costs when these costs refer to a qualifying asset. A qualifying asset is an asset which necessarily requires a significant period of time in order to be ready for use provided for it or for sale. In accordance with the transitory dispositions of the principle, the Company will adopt it as a prospective variation. Therefore, borrowing costs will be capitalised on qualifying assets starting from a date subsequent to 1 January 2009. Change has not been made for the financial costs sustained until that date and which have been accounted for in the profit and loss account. These changes are not applicable to the financial statements of the Company.

- IFRS 2 Share-based payments – Conditions for maturing and cancellations: this modification to IFRS 2 Share-based payments was published in January 2008 and entered into force in the first business year 97 NOTES TO THE FINANCIAL STATEMENTS FINANCIAL STATEMENTES AS AT DECEMBER 31, 2009 subsequent to 1 January 2009. The principle restricts the definition of "conditions for maturing" to one condition, which includes the explicit or implicit obligation to provide a service. All other conditions are "non-vesting conditions" and must be taken into consideration in determining the fair value of the instrument representing the assigned capital. In the case in which the premium does not mature as a consequence of the fact that it does not satisfy one of the "non-vesting conditions" that is under the control of the body or counter-party, it must be accounted as a cancellation. The Company has not undertaken operations with share-based payments with "non-vesting" conditions and consequently, these modifications have no impact on the Group financial statements.

- IFRS 8 – Operating segments. The new principle requires that information contained in the informative notes for these segments be based on the elements used by management when making operational decisions, and therefore requires the identification of operational segments on the basis of internal reporting, which is regularly reviewed by management during allocation of resources to these segments. This principle must be applied as of 1 January 2009 to replace IAS 14 – Segment reporting. The adoption of this standard does not produce any effect on the sectors information as the Group has for some years shown the sectorial information on the basis of the operating segments analysed by the management.

- Changes to IAS 32 and to IAS I Financial Instruments with the option to sell and debentures in the case of liquidation: the changes made to IAS 32 and IAS I were homologated in February and will enter into force in the first business year subsequent to I January 2009. The modification made to IAS 32 requires that certain financial instruments "for sale" and debentures that arise at the time of liquidation are classified as capital instruments if certain specific conditions are in place. The modification made to IAS I requires that the explanatory notes provide certain information concerning the options "for sale" classified as capital. These changes are not applicable to the financial statements of the Group.

- IFRIC 13 "Customer Loyalty Programmes: " in June 2007, the interpretation contained in IFRIC 13 was emanated and will be effective for business years starting on I July 2008 or subsequently. This interpretation requires that credit granted to customers as Customer Loyalty bonuses be accounted as a separate components to the sales transactions in the context of which they were granted and that part of the equitable value of the payment received therefore be allocated under bonuses and amortized in the period in which the credit/bonuses are paid out. This interpretation has no impact on the financial statements of the Company, as there are currently no ongoing Customer Loyalty programmes.

- IFRIC 14 — IAS 19 – The limit on a Defined Benefit Asset. Minimum Funding Requirements and their Interaction. The interpretation also explains the accounting effects due to the presence of minimum obligatory payments. These modifications have no impact on the financial statements of the Group.

- IAS 32 "Financial instruments: presentation" and IAS I " Puttable Financial Instruments and obligations deriving from their liquidation". This principle was amended to enable an exception with limited framework of application for "puttable" financial instruments to be classified in the net equity should they satisfy a certain number of criteria. The adoption of these amendments did not have any impact on the Group financial statements.

- IFRIC 9 "Reassessment of Embedded Derivatives" and IAS 39 "Financial Instruments: Recognition and Measurement". These amendments to IFRIC 9 require an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value trough profit or loss category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured, the entire hybrid instrument must remain classified as at fair value trough profit or loss.

- IFRS 7 "Financial instruments: disclosure". The amended standard requires additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of in puts using a three level hierarchy for each class of financial instrument. In addition, a reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required. The amendments also clarify the requirements for liquidity risk disclosures. As of the date of presentation of this interim condensed consolidated, this amendment has not yet been homologated. The Group has adjusted the annual information to that required by this amendment.

- IAS 39 "Financial instruments: reporting and evaluation – Eligible Hedged Items". The modification clarifies that an entity may allocate a portion of the changes in fair value or the cash flow of a financial instrument as a covered element. The modification also includes the designation of inflation as a covered risk or a portion of the risk in specific situations. This modification is not applicable to the Group financial statements

In May 2008 and in April 2009, the IASB issued a series of amendments to the IFRS ("improvements"). Those quoted below are those which will imply changes in terms of the presentation, acknowledgement and evaluation of the items in the financial statements, those only implying changes in terminology being excluded.

- IAS 19 Employee benefits: the amendment must be applied as of 1 January 2009 with a view to the future in terms of changes in benefits subsequent to said date and clarifies the definition of cost/income as regards past working relations. The Board has also re-elaborated the definition of short-term benefits and long-term benefits and changed the definition of the performance of assets, establishing that this item should be recorded net of any management costs that are not already included in the value of the item. This change has not impact of the financial statements of the Group.

- IAS 20 Accounting of and information on public contributions: this amendment must be applied with a view to the future as of 1 January 2009 and establishes that the benefits deriving from State loans granted at an interest rate which is less than that applied to the market must be dealt with as public contributions, and therefore follow the rules of acknowledgement established by IAS 20. This circumstance was not applied in the financial statements of the Group.

- IAS 23 Borrowing costs: this amendment, which must be applied as of 1 January 2009, reviews the definition of borrowing costs. This change has not impact of the financial statements of the Group.

- IAS 36 Loss of value of assets: this amendment, which must be applied as of 1 January 2009, provides additional information in the case in which the company should determine the recoverable value of cash generating units using the method if actualisation of cash flows. The Group has adjusted the information in the annual financial statements.

- IAS 38 Intangible Assets: this amendment must be applied as of 1 January 2009 retroactively and establishes the recognition to the profit and loss account of promotional and advertising costs. It also establishes that should the company sustain costs with future economic benefits without the registration of intangible assets, these must be attributed to the profit and loss account at the precise moment in which the company has the right to access the asset or in which the service is provided. This change has not impact on the financial statements of the Group.

- IFRS 8 "Operating segments": the modification clarifies that the assets and liabilities referring to the operating sector need only be presented if they are part of the reporting system used by at the highest management levels. This change has not lead to changes in the information provided in the Group's financial statements.

- IAS 1 "Presentation of financial statements": assets and liabilities classified as held for negotiation according to that established by IAS 39 "Financial instruments: reporting and evaluation" are not automatically classified as current items within the statement of financial position. This modification di not lead to any changes in the classification of these items.

- IAS 7 "Statement of cash flow": the modification explicitly states that only the expenditure resulting from the recognition of assets may be classified as a financial flow deriving from investment activities. This amendment did not imply and modification as regards the Statement of cash flow of the Group.

- IAS 16 "Property, plants and equipment": this modification replaces the term "net sale price" with "fair value net of the sales costs". This change does not imply any variations to the Group financial statements.

- IAS 18 "Revenues": this modification clarifies when an entity is operating as the principal subject or as an agent. This modification did not impact on the Group financial statements.

Amendments have also been made to the following IFRS which are not currently applicable to the Group consolidated financial statements:

- IFRS 5 Non-current assets for sale and operational assets terminated.

- IAS 16 Property, plant and equipment: the amendment applicable as of 1 January 2009 is applicable to companies whose core business is renting.

- IAS 28 Investments in associates – IAS 31 Interests in joint ventures.

- IAS 29 Financial reporting in hyper-inflationary economies

– IAS 40 Investments in Property.

Accounting Standards, amendments and interpretations applicable to the financial statements for financial years commencing after 1 January 2009

- IFRS 3R Business Combination and IAS 27/R Consolidated and separate financial statements. These two principles will enter into force in the first business year subsequent to 1 July 2009. IFRS 3R introduces changes in the accounting of business combinations which will change the amount of goodwill recorded in the result of the business year in which they are purchased and on the results of subsequent business years. IAS 27R requires that changes in the quotas of shareholdings in subsidiary companies should be accounted for a capital transaction. Consequently, this change will not have an impact on the goodwill and will not originate either profits or losses. Furthermore, the reviewed principles introduce changes to the accounting of losses sustained by subsidiaries and also the loss of control over a subsidiary. The changes introduced by principles IFRS 3R and IAS 27R must be applied in a forward looking manner and will have an impact on future acquisitions and transactions with minority shareholders. At the time of drafting of these interim condensed consolidated financial statements, these principles had not yet been homologated by the European Union. The Group does not expect significant effects deriving from their application.

- IFRIC 16 "Hedge of a Net Investment in a Foreign Operation" by which the possibility of applying hedge accounting for operations to cover differences in exchange rate between the currency in which the foreign shareholding is held and the currency of the consolidated financial statements is removed. This interpretation is not applicable to the financial statements of the Group.

- IFRIC 17 "Distribution of Non-cash Assets to Owners", which provides indications as to the accounting of the distribution of non liquid assets to shareholders. The interpretation clarifies when to recognise a liability, how to evaluate it, how to evaluate the assets associated to this liability and when to cancel assets and liabilities. This interpretation is applicable to business years which start after 1 July 2009; the Group believes that this interpretation will not impact on its own financial statements.

- IFRIC 18 "Transfer of assets from customers"; clarifies the accounting treatment to be adopted if the company stipulates a contract from which it stands to receive a material asset from a customer to be used to connect the customer to a network or to provide it with specific access to the supply of goods and services (such as the supply of electricity, gas and water for example). This interpretation should be applied in prospect as of 1 January 2010.

Accounting policies

For the purposes of preparing the consolidated financial statements as at 31 December 2009, 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 I 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 2009 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.

The 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	
	2009	2008	2009	2008
Dollars (USA)	1.44060	1.39170	1.39478	1.47076
Dinars (Algeria)	104.17200	98.39460	101.21200	94.90778
Readjustado Kwanza (Angola)	128.60800	104.61400	110.78400	110.29405
Real (Brazil)	2.51130	3.24360	2.76742	2.67373
Roubles (Russia)	43.15400	41.28300	44.13760	36.42072
Zloty (Poland)	4.10450	4.15350	4.32762	3.51210

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 2009**	Year 2008	Change total value	Change %
Production [(*)]				
Net revenues	552,256	633,960	(81,704)	(12.89)
Intercompany revenues	24,794	32,446		
Total revenues	577,050	666,406	(89,356)	(13.41)
Gross operating margin	29,688	35,149	(5,461)	(15.54)
Amortization, depreciation and write-downs	(17,936)	(20,137)	2,201	(10.93)
Operating profit (loss)	11,752	15,012	(3,260)	(21.72)
Distribution				
Net revenues	1,128,362	1,098,413	29,949	2.73
Intercompany revenues	10,085	10,922		
Total revenues	1,138,447	1,109,335	29,112	2.62
Gross operating margin	73,763	71,050	2,713	3.82
Amortization, depreciation and write-downs	(10,415)	(10,002)	(413)	4.13
Operating profit (loss)	63,348	61,048	2,300	3.77
Catering				
Net revenues	557,923	474,496	83,427	17.58
Intercompany revenues	133	185		
Total revenues	558,056	474,681	83,375	17.56
Gross operating margin	32,448	29,769	2,679	9.00
Amortization, depreciation and write-downs	(18,996)	(12,574)	(6,422)	51.07
Operating profit (loss)	13,452	17,195	(3,743)	(21.77)
Holding company property and centralized activities				
Net revenues	4,049	5,198	(1,149)	(22.10)
Intercompany revenues	6,441	5,849		
Total revenues	10,490	11,047	(557)	(5.04)
Gross operating margin	(2,992)	(2,799)	(193)	6.90
Amortization, depreciation and write-downs	(4,030)	(3,415)	(615)	18.01
Operating profit (loss)	(7,022)	(6,214)	(808)	13.00
Consolidation adjustment				
Total revenues	*(41,453)*	*(49,403)*		
Gross operating margin	*(210)*	*(202)*		
Amortization, depreciation and write-downs				
Operating profit (loss)	*(210)*	*(202)*		
Total				
Total revenues	2,242,590	2,212,066	30,524	1.38
Gross operating margin	132,697	132,967	(270)	(0.20)
Amortization, depreciation and write-downs	(51,377)	(46,128)	(5,249)	11.38
Operating profit (loss)	81,320	86,839	(5,519)	(6.36)

[(*)] 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).

Year 2009 - (in thousands of Euros)	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	292,345	53.5	1,021,228	92.4	311,432	57.0	3,165	103.9	1,628,170	74.0
European Union	84,358	15.4	63,786	5.8	234,191	42.9	(89)	(2.9)	382,246	17.4
Extra-EU countries	169,696	31.1	20,195	1.8	459	0.1	(30)	(1.0)	190,320	8.6
Total	546,399	100.0	1,105,209	100.0	546,082	100.0	3,046	100.0	2,200,736	100.0

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

As at 31 December 2009 (in thousands of Euros)	Production (*)	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	10,082	92,697	66,849	471		170,099
Tangible assets	239,203	58,168	96,612	87,443		481,426
Equity investments and other financial assets	2,324	480	4,250	6,564		13,618
Total fixed assets	**251,609**	**151,345**	**167,711**	**94,478**	**0**	**665,143**
Trade net working capital						
- Trade receivables	62,437	337,048	49,243	7,502	(11,257)	444,973
- Inventories	79,114	84,455	15,395	4	20	178,988
- Trade payables	(75,021)	(211,248)	(78,503)	(5,876)	11,066	(359,582)
Total trade and net working capital	66,530	210,255	(13,865)	1,630	(171)	264,379
Other current assets	17,610	17,947	13,706	12,016	(5,682)	55,597
Other current liabilities	(14,366)	(16,169)	(46,493)	(8,274)	5,784	(79,518)
Net working capital	**69,774**	**212,033**	**(46,652)**	**5,372**	**(69)**	**240,458**
Staff Severance Provision and other medium/long-term provisions	**(25,683)**	**(22,261)**	**(8,538)**	**(10,204)**		**(66,686)**
Net invested capital	**295,700**	**341,117**	**112,521**	**89,646**	**(69)**	**838,915**

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**

As at 31 December 2009 (in thousands of Euros)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(91,778)	(162,842)	(34,273)	(51,251)	(340,144)
- due between 1 and 5 years	(31,077)	(40,241)	(22,097)	(195,580)	(288,995)
- due beyond 5 years	(2,189)	(3,172)	(10,690)	(52,954)	(69,005)
Total payables to banks, bonds and other financial institutions	**(125,044)**	**(206,255)**	**(67,060)**	**(299,785)**	**(698,144)**
Liquidity					
- cash and cash equivalents	11,624	39,784	21,772	8,049	81,229
- other financial assets	1,994	9,299	1,177	2,086	14,556
Total liquidity	**13,618**	**49,083**	**22,949**	**10,135**	**95,785**
Securitization and internal treasury current accounts		**915**	**(27,829)**	**26,914**	**0**
Total net debt	**(111,426)**	**(156,257)**	**(71,940)**	**(262,736)**	**(602,359)**

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)**

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 2009 from the Budget for 2010, 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 6.5% (7.8% 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 2009.

- 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 2%;
- the discounting back rate used is 3.5%;
- in accordance with the new Pension Reform for companies with at least 50 employees, the quotas maturing in the future of post-employment benefits can no longer converge in the company, but to the additional pension plan or the INPS treasury fund. Consequently the projection of the salaries in accordance with determined growth rates and by professional appointment is no longer necessary;
- the expected annual rate of increase in the staff severance provision is 2.5%;
- the turnover of employees was 9%

- 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 13% for MARR S.p.A., 9% for Montana S.p.A, 7% per Ibis d'Emilia S.r.l.,6% for Emigel S.r.l. and 5% for Asca S.p.A and New Catering S.r.l.;
- the corporate voluntary turnover provided was 15% for Salumi d'Emilia S.r.l., 13% for Asca S.p.A, 9% for New Catering S.r.l., 9% for Montana S.p.A., 1.5% for Emigel S.r.l. and 2% for MARR S.p.A.;
- the discount rate utilised was 3.5%.

- 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 2009, 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	Euro 5% Depreciation
US - Dollars	482	(533)
GB - Pounds	41	(45)
Angola - Readjustado Kwanza	690	(763)
Russia - Rubles	1,085	(1,199)

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 2009, 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 201 thousand Euro on an annual basis (1,286 thousand Euro at 31 December 2008).

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 numbers 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)	**31.12.2009**	31.12.2008
Current trade receivables	448,710	410,031
Other non-current assets	12,329	11,396
Other current assets	41,884	48,047
Total	**502,923**	**469,474**

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 2009				
Financial payables	336,658	288,322	69,006	693,986
Financial instruments / Derivatives	829	-	-	829
Trade Liabilities	386,672	-	-	386,672
	724,159	**288,322**	**69,006**	**1,081,487**
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**

Classes of financial instruments

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

(in thousands of Euros)		31 December 2009	
Balance Sheet Assets	**Loans and Receibles**	**Derivates utilised for hedging**	**Total**
Non-current financial receivables	-	-	-
Non-current financial receivables	1,485	-	1,485
Other non-current receivable items	12,329	-	12,329
Current financial receivables	12,621	-	12,621
Current trade receivables	448,710	-	448,710
Current derivative financial instruments	-	10	10
Current tax receivables	17,781	-	17,781
Cash and cash equivalents	81,229	-	81,229
Other current receivable items	41,884	-	41,884
Total	**616,039**	**10**	**616,049**
Balance Sheet Liabilities	**Other financial liabilities**	**Derivates utilised for hedg.**	**Total**
Non-current financial payables	357,328	-	357,328
Current financial payables	10	93	103
Current financial payables	336,658	-	336,658
Derivative financial instruments	829	-	829
Total	**694,825**	**93**	**694,918**

(in thousands of Euros)		31 December 2008		
Balance Sheet Assets		**Loans and Receibles**	**Derivates utilised for hedging**	**Total**
Non-current financial receivables		-	23	23
Other non-current receivable items		3,253	-	3,253
Current financial receivables		11,396	-	11,396
Current trade receivables		11,425	-	11,425
Current derivative financial instruments		410,031	-	410,031
Current derivative financial instruments		-	-	-
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
Derivative financial instruments		353,585	-	353,585
Derivative financial instruments		397	-	397
	Total	**658,502**	**33**	**658,535**

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 31.12.2008	Change in consolidation area	Purchases	Decreases	Other	Amortization	**Balance at 31.12.2009**
Land and buildings	295,206	982	14,442	(1,148)	30,303	(10,351)	329,434
Plant and machinery	79,930	2,122	12,042	(1,841)	10,120	(15,850)	86,523
Industrial and business equipment	4,414	37	1,079	(358)	168	(1,738)	3,602
Other assets	25,889	314	14,462	(1,546)	2,070	(6,067)	35,122
Fixed assets under construction and advances	43,935	50	34,237	(5,541)	(45,936)		26,745
Total	**449,374**	**3,505**	**76,262**	**(10,434)**	**(3,275)**	**(34,006)**	**481,426**

Land and buildings

The increase in the item Land and buildings above all regarded the Catering (7,646 thousand Euro) and Production (3,225 thousand Euro) sectors.
This increase in the catering sector specifically regards the purchases through financial leases by Roadhouse Grill S.r.l. for the opening of the new premises of the steakhouse chain, such as Corsico and Vicenza, and the investments made by Cremonini for the refurbishment and updating of various station buffets.
The increase in the production sector mainly regarded the investments for the anaerobic digestion facility.
Finally, Società Agricola Bergognina, as an effect of the merger of Modena Sud Service, acquired land and buildings for an overall value of 2,349 thousand Euro.
The other movements refer to reclassification of works that were previously recorded under the item "non-current assets in progress" that were completed in the period.

At 31 December 2009 twelve 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	01/12/2004	01/12/2005	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
2009 payments*	1,379 thousand Euros	216 thousand Euros	863 thousand Euros
Residual value as at 31 December 2009	4.2 milion Euros	2.2 milion Euros	2.8 milion Euros

	Building Corbetta	Building Ferrara	Building Bergamo
Commencement of the lease term	01/03/2007	01/06/2007	01/07/2007
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
2009 payments*	115 thousand Euros	93 thousand Euros	207 thousand Euros
Residual value as at 31 December 2009	1.3 milion Euros	1 milion Euros	2.4 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
2009 payments*	228 thousand Euros	152 thousand Euros	174 thousand Euros
Residual value as at 31 December 2009	2.9 milion Euros	2.9 milion Euros	2.7 milion Euros

	Immobile Corsico	Immobile Vicenza	Aeromobile
Commencement of the lease term	12/08/2009	09/10/2009	01/02/2006
Duration finance lease	18 anni	18 anni	60 mesi
Nr. of lease payments	215 mensili	215 mensili	59 mensili
Value of the leased asset	3,1 milioni di Euro	2,2 milioni di Euro	9,2 milioni di Euro
Initial payment at the sign of the contract	355 migliaia di Euro	260 migliaia di Euro	922 migliaia di Euro
Amount of the monthly payment	15 migliaia di Euro	10 migliaia di Euro	137 migliaia di Euro
Interest rate	Euribor	Euribor	Euribor
Amount of final option	314 migliaia di Euro	215 migliaia di Euro	922 migliaia di Euro
2009 payments*	67migliaia di euro	23 migliaia di euro	1.724 migliaia di Euro
Residual value as at 31 December 2009	2,7 milioni di Euro	1,9 milioni di Euro	2,7 milioni di Euro

* Values inclusive of indication.

<u>Plant and machinery</u>

The major investments were made by Cremonini Restauration (2,433 thousand Euro), Cremonini (1,242 thousand Euro), INALCA JBS (3,183 thousand Euro) and Chef Express (1,645 thousand Euro) in plant and machinery utilised in the conduct of the respective catering and production activities.
The other movements refer to reclassification of works that were previously recorded under the item "non-current assets in progress".

<u>Other assets</u>

The principal investments that justify the increase compared to 31 December 2008 are mainly attributable to Cremonini Rail Iberica and refer to the acquisition of operating tangible assets following the award of the on-board catering service on all the trains of the Spanish network.
Other increases refer to Cremonini for the acquisition of operating assets necessary for the conduct of the office activities and purchases of new industrial motor vehicles by the subsidiary MARR S.p.A.

Non-current assets under construction and advances

Most of the increases can be accounted for as follows:

- 11,827 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 6,124 thousand Euro relate to the refurbishment of various station buffets of Cremonini S.p.A.'s catering division; ;
- 7,080 thousand Euro for the construction and refurbishment works in the new premises of the steakhouse chain of the subsidiary Roadhouse Grill S.r.l.;
- 3,897 thousand Euro for construction and refurbishment works at various sales outlets of the subsidiary Chef Express S.p.A. and
- 1,438 thousand for works for the construction by the subsidiary Inalca Angola Ltda of a new warehouse.

The non-current assets are respectively mortgaged or covered by liens for 275 million Euro and 72.6 million Euro, to secure the loans received.

2. Goodwill

Goodwill is not amortized with the exclusion of that arising as an effect of the acquisition of Cisim Food, Castelnuovo Scrivia and Sangro Ovest, the amortization of which is correlated to the period of duration of the concession; recoverability of the relative book value is verified at least annually and anyway when events occur that presuppose impairment.
The verification is carried out at the level of the smallest aggregate on the basis of which corporate management measures, directly or indirectly, the return on the investment that includes goodwill (cash generating unit); for the main hypotheses utilized for the determination of recoverable value you are referred to that shown in the financial statements on 31 December 2008. On 31 December 2009 there were indications of impairments relating to these assets.

(in thousands of Euros	Balance at 31.12.2008	Change in consolid. area	Purchases	Decreases	Other	Impairment test	**Balance at 31.12.2009**
Production - Beef	6,664		175				6,839
Production - Others	2,446						2,446
Distribution	88,242		3,441	(57)			91,626
Catering	48,159		15,182			(1,266)	62,075
Holding company and services	426						426
Total	**145,937**	**0**	**18,798**	**(57)**	**0**	**(1,266)**	**163,412**

The principal increases of the item "Goodwill" in the period refer to business combinations.

With regard to the main business combinations entered into by the Group it is noted that:

- on 20 January 2009 the subsidiary Baldini Adriatica Pesca S.r.l., exercising its acquisition option granted free of charge and provided in the rent contract of the business division signed in 2007, signed the final contract for acquisition of the business division of F.lli Baldini S.r.l., a company active in the marketing of fish products and specifically fresh shellfish;

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

- on 6 October 2009 and 16 November 2009 the subsidiary Chef Express S.p.A. completed the acquisitions of the business divisions conducting catering businesses at the service areas of Castelnuovo Scrivia and Sangro Ovest, respectively.

In detail:

(in thousands of Euros)	Baldini	Minerva	Buffet Arezzo	Gelateria Roma Termini	Cisim Food	Castel. Scrivia	Sangro Ovest
Acquisition price	411	42	932	971	12,100	1,380	432
Costs directly attributable to the business combination	18	-	-	48	515	25	45
Total cost of the business combination	**429**	**42**	**932**	**1,019**	**12,615**	**1,405**	**477**
Fair value of assets acquired and contingent liabilities assumed	(2,384)	(430)	55	(130)	800	880	132
Goodwill	**2,813**	**472**	**877**	**1,149**	**11,815**	**525**	**345**

The cost of the business combination was determined on the basis of the carrying values shown in the sale contract of the business division, appropriately reviewed in conformity with the IFRSs (but still in the verification phase between the parties). The details of the net assets and goodwill acquired are illustrated below:

Book values determined in conformity with the IFRS immediately prior to the combination	Baldini	Minerva	Buffet Arezzo	Gelateria Roma Termini	Cisim Food	Castel. Scrivia	Sangro Ovest
Intangible fixed assets	-	-	-	-	30		
Tangible fixed assets	100	20	214	15	425	880	130
Inventories	-	-	9	5	346		2
Receivables from custumers	-	-	10	-	-		
Net Debt	(1,875)	(277)	36	-	0		
Other current assets	-	-	(56)	-	0		
Provisions for risks and charges	-	-		-	0		
Staff severance provision	(225)	(99)	(85)	-	0		
Payables to suppliers	(240)	(31)	(73)	-	0		
Others	(144)	(43)		(150)	0		
Fair value of assets acquired, liabilities and contingent liabilities assumed	**(2,384)**	**(430)**	**55**	**(130)**	**800**	**880**	**132**

3. Other intangible assets

(in thousands of Euros)	Balance at 31.12.2008	Change in consolidation area	Purchases	Decreases	Other	Amortization	**Balance at 31.12.2009**
Patents and intellectual property rights	2,636	(3)	1,419	(14)	158	(1,328)	2,868
Concessions, licences, trademarks and similar rights	2,070	112	261	(156)	20	(279)	2,028
Fixed assets under development and advances	688		383	(5)	(1,141)		(75)
Long-term costs	2,028	(11)	224	(16)	147	(506)	1,866
Total	**7,422**	**98**	**2,287**	**(191)**	**(816)**	**(2,113)**	**6,687**

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..

<u>Non-current assets under development and advances</u>

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. Equity investments measured with the net equity method

The main changes that took place during the financial year, deducible in detail from appendix 5, are commented on below. Appendix 6 also shows the list and figures required by art. 2427.5 quinquies of the Italian Civil Code)

Equity investments in related 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 investments in Fiorani and in Emilia Romagna Factor, as an effect of the respective financial results included pro rata in the consolidated financial statements.

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)	**31.12.2009**	31.12.2008
Interest-bearing and non-interest-bearing loans to third parties	1,485	3,253
Total	**1,485**	3,253

The balance of the item at 31 December 2009 was 1,485 thousand Euro, attributable to MARR S.p.A. and relating to the portion over due one year of the receivables from transport companies as an effect of the sales to the latter of the motor vehicles with which the goods are transported.

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)	**31.12.2009**	31.12.2008
Trade receivables	3,817	1,320
Tax assets	3,112	4,828
Accrued income and prepaid expenses	3,198	2,992
Other receivables	2,202	2,256
Total	**12,329**	**11,396**

Trade receivables

The increase in the item Trade receivables is attributable to the subsidiary MARR S.p.A. and attributable 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)	**31.12.2009**	31.12.2008
Raw materials, secondary materials and consumables	12,805	11,548
Work in progress and semi-finished goods	2,029	2,309
Finished goods and goods for resale	158,030	170,631
Advances	1,404	413
Provision for write-down of inventories	(870)	(591)
Total	**173,398**	**184,310**

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.

11. Current financial receivables

(in thousands of Euros)	**31.12.2009**	31.12.2008
Receivables from subsidiaries	**68**	**66**
Montana Farm s.p.zo.o.	68	66
Receivables from associated companies	**246**	**3,103**
Farm Service S.r.l.	135	135
Eurobeef S.r.l.	111	68
Real Beef Sr.l.		2,900
Other financial receivables	**12,307**	**8,256**
Interest-bearing and non-interest-bearing loans to third parties	132	129
Treasury receivables from minorities	12,175	8,127
Totale	**12,621**	**11,425**

The increase of the balance compared to 2008 is principally related to the increase of the item "Other receivables of a financial nature". 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 (542 thousand Euro) following the sales to the latter of the transport vehicles with which MARR's goods are delivered, services supplier partners (304 thousand Euro), other partnership companies (8,417 thousand Euro) and loans to agents (36 thousand Euro).

12. Current trade receivables

Trade receivables are broken down as follows:

(in thousands of Euros)	**31.12.2009**	31.12.2008
Trade receivables	**444,851**	**405,206**
Due within 12 months	469,669	425,455
Provision for bad debts	(24,818)	(20,249)
Receivables from unconsolidated subsidiaries	**187**	**183**
Montana Farm S.p.zo.o.	187	183
Prometex S.a.m.	-	-
Inalca Hellas e.p.e. in liquidation	-	-
Receivables from associated companies	**3,672**	**4,642**
A.O. Konservni	3,174	4,090
Farm Service S.r.l.	266	21
Fiorani & C. S.p.A.	30	106
Food & Co. S.r.l.	90	77
Parma France S.a.s		1
Realbeef S.r.l.		352
Prometex S.a.m.	11	
Eurobeef S.r.l.	101	
Bad debts provision		(5)
Total	**448,710**	**410,031**

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, which produces and markets canned meat. This credit, deriving from trade transactions, also constitute financial support to the Russian company for working capital needs deriving for sales to public entities and the fact that the company itself does not resort to the local financial market, which is considered as not convenient
The Group's credit risk is mainly attributable to the amount of the trade receivables. The amounts shown in the financial statements are net of provisions for non-collectability of the receivables, estimated by the Group's management on the basis of the historical experience and their valuation in the current economic context.

At 31 December 2009 the composition of the overdue trade receivables from third parties is the following:

(in thousands of Euros)	**31.12.2009**		31.12.2008	
	Amount	Bad Debt Prov.	Amount	Bad Debt Prov.
Trade receivables not overdue	282,093	(259)	263,401	(9,228)
Overdue up to 30 days	52,933	(109)	44,773	(1,656)
Overdue from 31 to 60 days	26,135	(143)	34,437	(1,498)
Overdue from 61 to 90 days	26,789	(220)	22,113	(1,230)
Overdue from 91 to 120 days	4,763	(594)	55,005	(3,448)
Overdue over 120 days	81,066	(23,786)	7,293	(3,434)
Total	**473,779**	**(25,111)**	**427,021**	**(20,495)**

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)	**31.12.2009**	31.12.2008
Receivables for advance on direct taxes	1,642	3,500
Receivables for withholdings	77	704
VAT credit and other taxes requested for reimbursement	10,070	8,972
Other sundry receivables	6,060	4,056
Bad debts provision	(68)	(69)
Total	**17,781**	**17,163**

At 31 December 2009 the Group showed a tax receivable in line with respect to 31 December 2008.

14. Cash and cash equivalents

(in thousands of Euros)	**31.12.2009**	31.12.2008
Cash	11,093	17,225
Checks	2	43
Bank and postal accounts	70,134	60,367
Total	**81,229**	**77,635**

The balance, which at 31.12.2009 exceed at 31.12.2008, 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 2009 for the evolution of cash and cash equivalents.

15. Other current assets

(in thousands of Euros)	**31.12.2009**	31.12.2008
Accrued income and prepaid expenses	3,796	3,302
Other receivables		
Advances to suppliers	27,089	32,434
Receivables from insurance companies	258	641
Receivables for contributions to be collected		-
Receivables from social security institutions	1,753	922
Receivables from agents	3,186	2,661
Receivables from employees	607	594
Down payments	15	3,808
Guarantee deposits	316	331
Other sundry receivables	8,379	5,418
Provision for bad debts	(3,515)	(2,064)
Total	**41,884**	**48,047**

The "Advances to suppliers" refer, for 25,639 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.
The reduction of the balance of the item "Confirmatory down payments" derives from the conclusion of the CISIMFOOD business division acquisition by Cremonini S.p.A.

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 2009.

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 2008.

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 2009 amounted to Euro 0.1384 (Euro 0.0780 as at 31 December 2008) 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 31.12.2009		
	Capital stock and reserve	Profit/(loss)	Shareholders' equity
Parent Company's shareholders' equity and profit/(loss) for the year	**67,370**	**10,648**	**78,018**
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	(41,948)		(41,948)
- Pro rata subsidiary profits (losses)		27,752	27,752
- Investments write-downs	(1,148)	1,148	0
- Dividends	22,638	(22,638)	0
- Consolidation differences	103,233		103,233
Elimination of the effects of commercial transactions between Group companies	(567)	101	(466)
Adjustment of the financial statement of the consolidated companies in accordance with the Group principles and shareholders' equity valuation of investments	(299)	843	544
Total adjustments	*81,909*	*7,206*	*89,115*
Group's share of net equity and profit/(loss)	**149,279**	**17,854**	**167,133**
Minorities' share of net equity and profit/(loss)	52,136	17,287	69,423
Consolidated financial statements shareholders' equity and profit/(loss) for the year	**201,415**	**35,141**	**236,556**

Non-current liabilities

17. Non-current financial payables

(in thousands of Euros)	31.12.2009	31.12.2008
Due between 1 and 5 years		
Payables to banks	276,383	192,476
Payables to other financial institutions	11,939	17,212
Total payables due between 1 and 5 years	**288,322**	**209,688**
Due beyond 5 years		
Payables to banks	56,896	86,566
Payables to other financial institutions	12,110	8,266
Total payables due beyond 5 years	**69,006**	**94,832**
Total	**357,328**	**304,520**

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	54,594	Euribor + spread	163,038			163,038
Advances - Imports	79,250		15,294			15,294
Advances - Exports	24,560		9,471			9,471
Advances on invoices Italy	193,520		25,923			25,923
Advances subj. to collection	111,250	Euribor + spread	7,324			7,324
Hot Money	39,500	Euribor + spread	11,009			11,009
Mortgages	-	Euribor + spread	97,269	276,383	56,896	430,548
Total	**502,674**		**329,328**	**276,383**	**56,896**	**662,607**

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 31.12.2009
Leasing					
BNP Paribas (ex. Locafit)	Euribor + spread	07/03/2012	1,297	2,877	**4,174**
Banca Italease	Euribor + spread	01/12/2020	143	2,045	**2,188**
Unicredit Fact. (ex. Locat)	Euribor + spread	21/10/2012	779		**779**
Banca Italease	Euribor + spread	01/06/2022	45	1,053	**1,098**
Banca Italease	Euribor + spread	01/03/2022	55	1,272	**1,327**
Banca Italease	Euribor + spread	01/07/2022	90	2,365	**2,455**
Fraer Leasing	Euribor + spread	23/09/2026	85	2,642	**2,727**
Fraer Leasing	Euribor + spread	09/09/2026	88	2,811	**2,899**
Fraer Leasing	Euribor + spread	11/08/2027	110	2,647	**2,757**
Fraer Leasing	Euribor + spread	08/10/2027	76	1,811	**1,887**
Leasint	Euribor + spread	01/03/2026	102	2,778	**2,880**
BNP Paribas (ex Locafit)	Euribor + spread	15/01/2011	1,751	913	**2,664**
Due to Factoring companies	Euribor + spread	-	2,390		**2,390**
Other Relationships	Euribor + spread	-	274	835	**1,109**
Total			**7,285**	**24,049**	**31,334**

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 4.2 million (expires 01.04.2012);
- "interest rate swap" contract with BNL for 28.6 million (expires 16.11.2014);
- "interest rate swap" contract with Cariparma e Piacenza for 1.6 million (expires 10.12.2011);
- "interest rate swap" contract with Carisbo (Sanpaolo IMI Group) for 3.7 million (expires 01.07.2014).

The valuation of these hedging contracts resulted in the recording of a liability of 922 million 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. 93 thousand Euro of this liability was classified under non-current liabilities while 829 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)	**31.12.2009**	31.12.2008
Staff Severance Provision	22,799	26,925
Other benefits	627	27
Total	**23,426**	**26,952**

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)	**31.12.2009**	31.12.2008
Current value of bonds	24,176	29,574
Unrecognised actuarial (loss)/profit	(1,377)	(2,649)
Total	**22,799**	**26,925**

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

(in thousands of Euros)	**31.12.2009**	31.12.2008
Opening balance	26,925	36,556
Effect of the change in consolidation area	133	(7,278)
Use for the financial year	(6,025)	(4,191)
Financial year provision	1,349	1,742
Other changes	417	96
Closing balance	**22,799**	**26,925**

20. Provision for non-current liabilities and charges

(in thousands of Euros)	**31.12.2009**	31.12.2008
Provisions for taxes	126	460
Labour disputes	1,787	1,133
Minor lawsuits and disputes	926	873
Supplementary clientele severance indemnity	2,147	2,510
Provision for losses on equity investments	185	185
Provision for future risks and losses	2,428	2,545
Total	**7,599**	**7,706**

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 2009 MARR S.p.A. had paid 3,879 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

As at 31 December 2009 the amount of this item of 35,660 thousand Euro mainly arises from the effect of application of the international accounting standards, the effect of the various amounts of the tax deductible depreciation compared to depreciation booked and from the different tax treatment of the leases and effects deriving from the consolidation records, capital gains instalments and other sundries.

22. Other non-current liabilities

(in thousands of Euros)	**31.12.2009**	31.12.2008
Accrued expenses and deferred income	1,088	1,238
Payables for acquisition of equity investments/branches of business	580	895
Payables to Social Security Institutions	73	230
Other payables	353	526
Total	**2,094**	**2,889**

The item "Payable for equity investments acquisition" refers to Chef Express, being the residual payable for the acquisition of the equity investments in Buffet di Arezzo (340 thousand Euro) and Sangro Ovest (240 thousand Euro).

Current liabilities

23. Current financial payables

(in thousands of Euros)	**31.12.2009**	31.12.2008
Payables to controlling companies	**0**	**200**
Cremofin S.r.l.		200
Payables to unconsolidated subsidiaries	**0**	**413**
Fernie S.r.l. in liq.		413
Other payables		
Payables to banks	329,328	345,326
Payables to other financial institutions	7,285	7,154
Other payables	45	492
Closing balance	**336,658**	**353,585**

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)	**31.12.2009**	31.12.2008
A. Cash	11,093	17,225
B. Cash equivalent	70,136	60,410
C. Financial assets held for sale	2,136	54
D. Liquidity (A) + (B) + (C)	**83,365**	**77,689**
E. Current financial assets	**12,420**	**11,231**
F. Current bank liabilities	329,328	345,326
G. Current financial instruments	819	397
H. Other current financial liabilities	9,997	7,154
I- Current financial liabilities	**340,144**	**352,877**
J. Current net debt (I) - (E) - (D)	**244,359**	**263,957**
K. Non current bank liabilities	333,279	279,042
L. Bonds	0	0
M. Other non current financial liabilities	24,628	25,478
N. Non current financial instruments	93	10
O. Non current debt (K) + (L) + (M) + (N)	**358,000**	**304,530**
P. Net Debt (J) + (O)	**602,359**	**568,487**

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 2009, completely complied with, are listed in the following tables.

Table 1:

(in thousands of Euros)	Efibanca (a)	BNL (a)	Carisbo (b)	BNL (c)
Amount of the loans as at 31 December 2009	4,032	25,000	11,429	57,143
Expiry date	30/06/2011	28/03/2011	16/10/2011	16/11/2014
Covenants				
Net Debt/Equity	<= 1.5	<= 2	<= 3,5	<= 2
Net Debt/Ebitda	<= 3,6	<= 3	<= 5	<= 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.

With reference to the BNL loan, the covenants of which are calculated on the basis of the consolidated financial statements of Inalca JBS S.p.A., it is noted that at 31 December 2009 the Net Debt/Ebitda ratio exceeded that contractually defined, due to some major investments made during the course of 2009 that will create their financial effects commencing from the next financial year.
Following the failure to comply with the aforesaid parameter, negotiations with the bank were commenced for the revisions of the covenant, and, consequently, the long-term portion of the loan amounting to 45,714 thousand Euros was reclassified as current financial payables. It is specified that the amounts of the loan and abovementioned reclassification impact on the Cremonini consolidated financial statements for 50% of their value as an effect of the proportionate consolidation of the entire INALCA JBS Group.

Table 2:

(in thousands of Euros)	Unicredit Corporate Banking
Amount of the loans as at 31 December 2009 [e]	187,036
Expiry date [f]	30/06/2015
Covenants for 2009 financial year	
Net Debt/Equity	<= 3.5
Net Debt/Ebitda	<= 4,8

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.
(e) 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.
(f) 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.

24. Current taxes payable

(in thousands of Euros)	**31.12.2009**	31.12.2008
VAT	3,247	2,921
IRAP	1,028	123
IRES	4,936	342
Withholding taxes	5,097	4,558
Substitute taxes and other taxes payable	3,896	1,756
Total	**18,204**	**9,700**

IRAP and IRES payables relate to 2009 financial year taxes not yet paid at the balance sheet date.

25. Current trade payables

(in thousands of Euros)	**31.12.2009**	31.12.2008
Suppliers	**385,330**	**369,954**
Payables to unconsolidated subsidiaries		**1**
Inalca Brasil Comercio Ltda.		1
Prometex S.a.m.	-	-
Payables to associated companies	**1,342**	**3,128**
Farm Service S.r.l.		5
Fiorani & C. S.p.A.	91	48
Parma France S.a.s.	557	572
Parma Turc S.a.s.	677	946
Prometex S.a.m.		1
Realbeef S.r.l.		1,556
Eurobeef S.r.l.	17	
Total	**386,672**	**373,083**

The current trade payables mainly refer to balances deriving from commercial transactions and a payable due to commercial agents. The increase in the balance with respect to 31 December 2008 is mainly attributable to the distribution sector.

26. Other current liabilities

(in thousands of Euros)	**31.12.2009**	31.12.2008
Accrued expenses and deferred income	2,470	4,471
Inps/Inail/Scau	5,818	5,639
Inpdai/Previndai/Fasi/Besusso	92	445
Enasarco/FIRR	577	550
Payables to other social security institutions	15,188	7,012
Other payables		
Advances and other payables to customers	7,554	5,569
Payables for employee remuneration	30,228	24,489
Payables for acquisition of equity investments	2,712	2,098
Guarantee deposits and down payments received	68	317
Payables to directors and auditors	216	302
Payables to agents	154	169
Other minor payables	4,944	7,487
Total	**70,021**	**58,548**

The payables to employees include the unpaid current remuneration at 31 December 2009 and allocations 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, (0.662 million Euro) and the debit for taking over various station buffets by Cremonini's catering division (1,899 million Euro). The increase compared to 31 December2008 is mainly ascribable to the payments envisaged contractually for the acquisitions of Buffet of Arezzo S.r.l., Sangro Ovest and the McDonald's Castelnuovo Scrivia business division.

Guarantees, sureties and commitments

(in thousands of euros)	**31.12.2009**	31.12.2008
Direct guarantees – sureties		
- related companies		120
- other companies	89,922	46,713
	89,922	46,833
Direct guarantees – letter of comfort		
- associated companies	4,893	1,559
- other companies	700	700
	5,593	2,259
Other risks and commitments	25,172	24,419
Total guarantees, sureties and commitments	**120,687**	**73,511**

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	Cremonini S.p.A. and other subsidiaries	17,096	VAT for compensation
Ferrovie dello Stato and operating companies (Grandi Stazioni, Cento Stazioni, Fer Servizi, Trenitalia, etc)	Cremonini S.p.A.	38,139	Guaranteeing concessions for on-board catering services, station buffets and operation of storage facilities
Other minor items	Cremonini S.p.A. and other subsidiaries	34,687	Administration of rented properties, energy supplies, credit cards, successful conclusion of contracts, etc.
Total		**89,922**	

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 26,143 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.	18,894
Credit letter of purchase of goods	Marr S.p.A.	6,264
Other sundry	Montana S.p.A.	14
Total		**25,172**

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)	**2009**	2008
Revenues from sales - Finished goods	393,066	476,337
Revenues from sales - Goods for resale	1,424,563	1,332,289
Revenues from sales - Oil	53,330	62,388
Revenues from sales - Others	55,099	52,440
Revenues from services	261,429	239,232
Advisory services to third parties	1,787	1,888
Rent income	4,047	4,601
Other revenues from ordinary activities	7,415	7,652
Total	**2,200,736**	**2,176,827**

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

(in thousands of Euros)	**2009**	2008
Italy	1,628,170	1,675,419
European Union	382,246	305,431
Non-EU countries	190,320	195,977
Total	**2,200,736**	**2,176,827**

28. Other revenues

The other revenues can be broken-down as follows:

(in thousands of Euros)	**2009**	2008
Contributions by suppliers and others	25,532	24,277
Operating grants	568	765
Other sundry revenues	15,754	41,566
Total	**41,854**	**66,608**

Other sundry revenues

(in thousands of Euros)	**2009**	2008
Rent income	419	420
Insurance reimbursements	851	1,086
Capital gains on disposal of capital goods	2,878	389
Other cost reimbursements	3,626	2,404
Services, consultancy and other minor revenues	7,980	37,267
Total	**15,754**	**41,566**

29. Costs for purchases

(in thousands of Euros)	**2009**	2008
Costs for purchases - Raw materials	(272,736)	(337,279)
Costs for purchases - Goods for resale	(1,039,568)	(1,012,477)
Costs for purchases - Secondary materials, consumables, semi-finished goods, packages	(28,606)	(33,822)
Costs for purchases - Finished goods	(11,889)	(15,133)
Costs for purchases - Oil	(51,741)	(60,832)
Costs for purchases - Stationery and printed paper	(1,992)	(1,677)
Changes in inventories of raw materials, secondary materials, consumables and goods for resale	(11,463)	19,412
Other costs for purchases	(72,592)	(72,596)
Total	**(1,490,587)**	**(1,514,404)**

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)	**2009**	2008
Costs for services	(278,632)	(289,265)
Costs for leases and rentals	(51,524)	(45,984)
Other operating charges	(10,307)	(9,327)
Total	**(340,463)**	**(344,576)**

Costs for services

(in thousands of Euros)	**2009**	2008
Energy consumption and utilities	(20,789)	(22,613)
Maintenance and repairs	(14,352)	(13,856)
Transport on sales	(57,824)	(60,867)
Commisions, commercial and distribution services	(67,896)	(72,342)
Third-party services and outsourcing	(22,068)	(24,904)
Purchasing services	(31,296)	(28,673)
Franchising	(103)	(4,212)
Other technical and general services	(64,304)	(61,798)
Total	**(278,632)**	**(289,265)**

Costs for leases and rentals

(in thousands of Euros)	**2009**	2008
Lease of business premises, royalties and others	(34,513)	(28,763)
Costs for leases	(143)	(48)
Leases and rentals related to real and personal property	(16,868)	(17,173)
Total	**(51,524)**	**(45,984)**

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 672 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)	**2009**	2008
Losses on receivables	(350)	(179)
Indirect taxes and duties	(5,139)	(4,810)
Capital losses on disposal of assets	(435)	(561)
Contributions and membership fees	(598)	(498)
Other minor costs	(3,785)	(3,279)
Total	**(10,307)**	**(9,327)**

31. Personnel costs

(in thousands of Euros)	**2009**	2008
Salaries and wages	(202,070)	(171,790)
Social security contributions	(66,523)	(51,104)
Staff Severance Provision	(8,190)	(7,138)
Pension and similar provisions	(751)	(20)
Other personnel costs	(2,160)	(1,466)
Total	**(279,694)**	**(231,518)**

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 2009 the Group's employees amounted to 10,139 compared to 7,404 at 31 December 2008. The resulting increase is principally ascribable to the development of the catering business (+2,669 staff). The break down by category and average number of employees in 2009 is shown in the following schedule:

	Factory staff	Office staff	Managers	Total
Employees as at 31.12.2008	4,807	2,509	88	7,404
Employees as at 31.12.2009	**6,944**	**3,068**	**127**	**10,139**
Increases (decreases)	2,137	559	39	2,735
Average no. of employees during year 2009	**6,039**	**3,223**	**125**	**9,387**

32. Amortization, depreciation and write-downs

(in thousands of Euros)	**2009**	2008
Depreciation of tangible assets	(34,006)	(33,949)
Amortization of intangible assets	(3,379)	(2,148)
Other write-downs of fixed assets	(7)	-
Write-downs and provisions	(13,985)	(10,584)
Total	**(51,377)**	**(46,681)**

33. Financial income and charges

(in thousands of Euros)	**2009**	2008
Net exchange rate differences	(3,061)	(6,321)
Income (Charges) from management of derivatives	(333)	3,862
Net financial Income (Charges)	(21,656)	(36,156)
Total	**(25,050)**	**(38,615)**

Exchange rate differences

(in thousands of Euros)	**2009**	2008
Realized exchange rate profits	6,500	8,539
Realized exchange rate losses	(8,617)	(12,149)
Unrealized exchange rate profits	7,831	10,991
Unrealized exchange rate losses	(9,511)	(11,282)
Realized income from management of exchange rate derivatives	813	182
Realized charges from management of exchange rate derivatives		(1,588)
Evaluated charges from management of exchange rate derivatives	(77)	(1,014)
Total	**(3,061)**	**(6,321)**

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)	**2009**	2008
Realized Income from management of derivatives	29	3,065
Realized Charges from management of derivatives	(292)	(1)
Valuation Income from management of derivatives	(70)	798
Total	**(333)**	**3,862**

The charge of 70 thousand Euro is ascribable to the fair value of derivative contracts on interest rates existing at 31 December 2009 and not accounted for with the "hedge accounting" criteria.

Net financial Income (Charges)

(in thousands of Euros)	**2009**	2008
Financial income		
- Bank interest receivable	172	2,824
- Other financial income	1,998	4,584
Total financial income	**2,170**	**7,408**
Financial charges		
- Interest payable on loans	(12,740)	(20,552)
- Interest payable on factoring	(1,172)	(3,168)
- Interest payable on current accounts and others	(7,317)	(17,338)
- Other bank charges	(429)	(269)
- Interest on bonds	(20)	-
- Other sundry charges	(2,148)	(2,237)
Total financial charges	**(23,826)**	**(43,564)**
Total	**(21,656)**	**(36,156)**

The decrease of the item interest payable on loans, which amounted to 12.7 million Euro compared to 20.6 million in 2008, is mainly due to the reduction of the interest rates.

34. Income taxes

(in thousands of Euros)	**2009**	2008
IRES	(19,764)	(16,438)
IRAP	(6,920)	(7,321)
Net deferred tax assets/liabilities	5,223	3,083
Total	**(21,461)**	**(20,676)**

* * * * * *

Castelvetro di Modena, 26 March 2010

THE CHAIRMAN
OF THE BOARD OF DIRECTORS
(Cav. Lav. Luigi Cremonini)
Signed 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 2009;

Annex 2 - List of revenues and costs from/to subsidiaries, associated, controlling and related companies for 2009;

Annex 3 - Statement of changes in tangible assets for the financial year ended as at 31 December 2009;

Annex 4 - Statement of changes in intangible assets for the financial year ended as at 31 December 2009;

Annex 5 - List of equity investments classified under financial assets as at 31 December 2009 and others;

Annex 6 - List of equity investments in subsidiaries and associated companies as at 31 December 2009 (Article 2427, paragraph 5, of the Italian Civil Code) with an indication of those falling within the scope of consolidation.

Annex I

Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2009

(in thousands of Euros)	Trade		Other		**Total**	
	Receivables	Payables	Receivables	Payables	**Receivables**	**Payables**
Subsidiaries:			(a)			
Fernie S.r.l. in liquidation	-	-	-		**-**	**-**
Inalca Brasil Comercio Ltda.	-		-	-	**-**	**-**
Montana Farm S.p.zo.o.	187	-	68	-	**255**	**-**
Total subsidiaries	**187**	**-**	**68**	**-**	**255**	**-**
Associated companies:						
Eurobeef S.r.l.	101	17	111	-	**212**	**17**
Farm Service S.r.l.	266		135		**401**	**-**
Fiorani & C. S.r.l.	30	91	-	-	**30**	**91**
Food & Co S.r.l.	90	-	-	-	**90**	**-**
Parma France S.a.s.		557	-	-	**-**	**557**
Parma Turc S.a.s.	-	677	-	-	**-**	**677**
Prometex S.a.m	11		-	-	**11**	**-**
Realbeef S.r.l.				-	**-**	**-**
A.O. Konservni	3,174				**3,174**	
Total associated companies	**3,672**	**1,342**	**246**	**-**	**3,918**	**1,342**
Related and controlling companies:						
Agricola 2000 S.r.l.	-	-	-	-	**-**	**-**
Cremofin S.r.l.	-	-	-	-	**-**	**-**
Tre Holding S.r.l.	1				**1**	
Total related companies	**1**	**-**	**-**	**-**	**1**	**-**

Annex 2

List of revenues and costs from/to subsidiaries, associated, controlling and related companies for 2009

(in thousands of Euros)	Trade		Other		**Total**	
	Revenues	Costs	Revenues	Costs	**Revenues**	**Costs**
Subsidiaries:						
Fernie S.r.l. in liquidation	-	-	-		**-**	**-**
Inalca Brasil Comercio Ltda.	-		-	-	**-**	**-**
Montana Farm S.p.zo.o.	-	-		-	**-**	**-**
Total subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**
Associated companies:						
Farm Service S.r.l.	727	40	-	-	**727**	**40**
Fiorani & C. S.r.l.	189	312	699	-	**888**	**312**
Parma France S.a.s.	-	2,054		-	**-**	**2,054**
Parma Lacombe S.a.s.	-		-	-	**-**	**-**
Parma Turc S.a.s.	-	3,899	-	-	**-**	**3,899**
Eurobeef S.r.l.	1,048	2,545	2	-	**1,050**	**2,545**
Prometex S.a.m.	36	5	4	-	**40**	**5**
Realbeef S.r.l.				-	**-**	**-**
Total associated companies	**2,000**	**8,855**	**705**	**-**	**2,705**	**8,855**
Related companies:						
Agricola 2000 S.r.l.	1	15	-	-	**1**	**15**
Le Cupole S.r.l.	2	672	-		**2**	**672**
Tre Holding S.r.l.	1	-	-	-	**1**	**-**
Total related companies	**4**	**687**	**-**	**-**	**4**	**687**

Annex 3

Statement of changes in tangible assets for the financial year ended as at 31 December 2009

(in thousands of Euros)	Opening position			Changes over the period					Closing position		
	Initial cost	Depreciation provision	Balance at 31.12.2008	Net effects of the change in consolidation area	Acquisitions	Net decreases	Reclassif./ Other changes	Depreciation	Initial cost	Depreciation provision	Balance at 31.12.2009
Land and buildings	343,235	(48,029)	295,206	982	14,442	(1,148)	30,303	(10,351)	387,814	(58,380)	329,434
Plant and machinery	193,277	(113,347)	79,930	2,122	12,042	(1,841)	10,120	(15,850)	215,720	(129,197)	86,523
Industrial and business equipment	18,794	(14,380)	4,414	37	1,079	(358)	168	(1,738)	19,720	(16,118)	3,602
Other assets	66,208	(40,319)	25,889	314	14,462	(1,546)	2,070	(6,067)	81,508	(46,386)	35,122
Fixed assets under construction and advances	43,935		43,935	50	34,237	(5,541)	(45,936)		26,745	0	26,745
Total	**665,449**	**(216,075)**	**449,374**	**3,505**	**76,262**	**(10,434)**	**(3,275)**	**(34,006)**	**731,507**	**(250,081)**	**481,426**

Annex 4

Statement of changes in intangible assets for the financial year ended as at 31 December 2009

(in thousands of Euros)	Opening position			Changes over the period					Closing position		
	Initial cost	Amortization provision	Balance at 31.12.2008	Net effects change in consolidation are	Acquisitions	Net decreases	Reclass. Other changes	Amortiz.	Initial cost	Amortization provision	Balance at 31.12.2009
Patents and intellectual property rights	11,623	(8,987)	2,636	(3)	1,419	(14)	158	(1,328)	13,183	(10,315)	2,868
Concessions, licences, trademarks and similar rights	3,696	(1,626)	2,070	112	261	(156)	20	(279)	3,933	(1,905)	2,028
Fixed assets under development and advances	688		688		383	(5)	(1,141)		(75)	0	(75)
Other intangible assets	5,845	(3,817)	2,028	(11)	224	(16)	147	(506)	6,189	(4,323)	1,866
Total	**21,852**	**(14,430)**	**7,422**	**98**	**2,287**	**(191)**	**(816)**	**(2,113)**	**23,230**	**(16,543)**	**6,687**

Annex 5

List of equity investments classified under financial assets as at 31 December 2009 and others

(in thousands of Euros) Company name	Percentage	Initial value	Purchases or subscriptions	Disposals	(Write-dow evaluatior	Other changes	Percentage	Final value	Notes
Subsidiaries:									
Fernie S.r.l. in liq.	95.00	527			(106)	(421)	95.00	-	
Inalca Brasil Comercio Ltda.	99.80	86			(86)		99.80	-	
Inalca Hellas e.p.e. in liquidation	95.00	-					95.00	-	
Montana Farm S.p.zo.o.	100.00	-					100.00	-	
Prometex S.a.m.	99.00	-				-		-	(a)
Total subsidiaries		**613**	**0**	**0**	**(192)**	**(421)**		**0**	
Associated companies:									
A.O. Konservni	25.00	157			(157)		25.00	-	
Consorzio I.R.I.S. a r.l.	25.00	4					25.00	4	
Eurobeef S.r.l.	44.40	97	13				44.40	110	
Emilia Romagna Factor S.p.A.	22.80	8,534			226		22.80	8,760	
Farm Service S.r.l.	30.00	87					30.00	87	
Fiorani & C. S.p.A.	49.00	291			25		49.00	316	
Food & Co. S.r.l.	30.00	3					30.00	3	
Masofico S.A.	40.00	-					40.00	-	
Parma France S.a.s.	30.40	202					30.40	202	
Prometex S.a.m.	28.60	25					28.60	25	
Realbeef S.r.l.	24.00	12				(12)	24.00	-	
Total associated companies		**9,412**	**13**	**0**	**94**	**(12)**		**9,507**	
Other companies:									
Centro Agroalimentare Riminese S.p.A.		280						280	
Futura S.p.A.		600						600	
Nuova Campari S.p.A.		775						775	
Other minor		226	18			40		284	
Total other companies		**1,881**	**18**	**0**	**0**	**40**		**1,939**	
Total equity investments		**11,906**	**31**	**0**	**(98)**	**(393)**		**11,446**	

Annex 6

List of equity investments in subsidiaries and associated companies as at 31 December 2009 (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 31.12.07	Shareholders' equity at 31.12.09	Control share at 31.12.09	Shareholding at 31.12.09	Consolidation method	Participants at 31.12.09	Control share at 31.12.08	Shareholding at 31.12.08	Notes
Companies consolidated on a line-by-line basis:											
Alisea S.c.a r.l.	Impruneta (FI)	500,000	960	2,138	55.00%	32.71%	Line-by-line	MARR S.p.A.	55.00%	32.70%	
As.Ca. S.p.A.	Santarcangelo di Romagna (RN)	518,000	1,422	5,004	100.00%	59.47%	Line-by-line	MARR S.p.A.	100.00%	59.46%	
Autoplose GmbH in liquid.	Matrei (Austria)	36,336	24	643			Line-by-line	Cremonini S.p.A.	100.00%	100.00%	(a)
Baldini Adriatica Pesca S.r.l.	Santarcangelo di Romagna (RN)	10,000	305	324	100.00%	59.47%	Line-by-line	MARR S.p.A.	100.00%	59.46%	
Cons. Centro Comm. Ingrosso Carni S.r.l.	Bologna	1,500,000	503	3,369	86.69%	86.69%	Line-by-line	Cremonini S.p.A.	86.69%	86.69%	
Chef Express S.p.A.	Castelvetro di Modena (MO)	8,500,000	2,228	6,567	100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
Cremonini Restauration S.a.s.	Paris (France)	1,500,000	1,083	2,737	86.00%	86.00%	Line-by-line	Chef Express S.p.A.	86.00%	86.00%	
Cremonini Rail Iberica S.A.	Madrid (Spain)	1,500,012	1,550	3,052	100.00%	100.00%	Line-by-line	Chef Express S.p.A.	100.00%	100.00%	
Cremonini SEC S.r.l. in liquid.	Castelvetro di Modena (MO)	10,000	8	7	100.00%	100.00%	Line-by-line	Global Service S.r.l.	100.00%	100.00%	
Cremonini S.p.A.	**Castelvetro di Modena (MO)**	**67,073,932**	**10,648**	**78,018**			**Parent Company**				
Emigel S.r.l.	Santarcangelo di Romagna (RN)	260,010	218	2,631	100.00%	59.47%	Line-by-line	MARR S.p.A.	100.00%	59.46%	
Frimo S.a.m.	Principate of Monaco	150,000	128	925	75.10%	37.45%	Proportional	INALCA JBS S.p.A.	75.10%	37.45%	
Ges.Car. S.r.l.	Castelvetro di Modena (MO)	330,000	59	362	80.00%	40.00%	Proportional	INALCA JBS S.p.A.	80.00%	40.00%	
Global Service S.r.l.	Castelvetro di Modena (MO)	93,000	(200)	(42)	100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
Global Service Logistics S.r.l.	Castelvetro di Modena (MO)	100,000	(29)	72	100.00%	100.00%	Line-by-line	Global Service S.r.l.	100.00%	100.00%	
Guardamiglio S.r.l.	Piacenza	4,135,000	(246)	3,982	100.00%	50.00%	Proportional	INALCA JBS S.p.A.	100.00%	50.00%	
INALCA JBS S.p.A.	Castelvetro di Modena (MO)	280,000,000	(8,269)	354,342	50.00%	50.00%	Line-by-line	Cremonini S.p.A.	50.00%	50.00%	
Inalca Angola Ltda.	Luanda (Angola)	Kwanza 810,000,000	3,976	17,108	99.90%	49.95%	Proportional	INALCA JBS S.p.A.	99.90%	49.95%	(a)
Inalca Algerie S.a r.l.	Algeri (Algerie)	DA 20,000,000	(2)	2,420	55.00%	27.50%	Proportional	INALCA JBS S.p.A.	55.00%	27.50%	(a)
Inalca Brazzaville S.a r.l.	Kinshasa (Dem.Rep.of Congo)	USD 3,575	582	1,258	97.90%	26.92%	Proportional	Inalca Kinshasa S.p.r.l.	97.90%	26.92%	(a)
Inalca Kinshasa S.p.r.l.	Kinshasa (Dem.Rep.of Congo)	USD 1,710,000	2,716	8,016	55.00%	27.50%	Proportional	INALCA JBS S.p.A.	55.00%	27.50%	(a)
Inter Inalca Angola Ltda.	Luanda (Angola)	Kwanza 900,000	182	1,702	100.00%	50.00%	Proportional	INALCA JBS S.p.A.	100.00%	50.00%	(a)
Interjet S.r.l.	Castelvetro di Modena (MO)	2,500,000	(804)	1,781	100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
Kaskad L.l.c.	Mosca (Russia)	Ruble 1,438,490,880	(465)	58,345	100.00%	50.00%	Proportional	INALCA JBS S.p.A.	100.00%	50.00%	(a)
Marr Alisurgel S.r.l. in liquid.	Santarcangelo di Romagna (RN)	10,000	13	177	100.00%	59.46%	Line-by-line	MARR: 97%; Sfera: 3%	100.00%	59.46%	
Marr Foodservice Iberica S.A.	Madrid (Spain)	600,000	(21)	454	100.00%	59.47%	Line-by-line	MARR S.p.A.	100.00%	59.46%	
Marr Russia L.l.c.	Moscow (Russia)	Ruble 100,000	1,280	3,103	75.00%	37.50%	Proportional	Kaskad L.l.c.	60.00%	30.00%	(a)
MARR S.p.A.	Rimini	32,909,736	38,544	187,843	58.84%	59.47%	Line-by-line	Cremonini S.p.A.	58.84%	59.46%	
Momentum Services Ltd.	Birmingham (Great Britain)	GBP 225,000	1,101	1,348	51.00%	51.00%	Line-by-line	Chef Express S.p.A.	51.00%	51.00%	
Montana Alimentari S.p.A.	Gazoldo degli Ippoliti (MN)	40,248,000	693	38,295	100.00%	50.00%	Proportional	INALCA JBS S.p.A.	100.00%	50.00%	
New Catering S.r.l.	Santarcangelo di Romagna (RN)	33,900	513	890	100.00%	59.47%	Line-by-line	MARR S.p.A.	100.00%	59.46%	
Quinto Valore S.c.a r.l.	Reggio Emilia	90,000	-	90	50.00%	25.00%	Proportional	INALCA JBS	50.00%	25.00%	
Railrest S.A.	Brussels (Belgium)	500,000	442	1,063	51.00%	51.00%	Line-by-line	Chef Express S.p.A.	51.00%	51.00%	
Realfood 3 S.r.l.	Castelvetro di Modena (MO)	2,700,000	(844)	2,648	100.00%	50.00%	Proportional	INALCA JBS S.p.A.	100.00%	50.00%	
Roadhouse Grill Italia S.r.l.	Castelvetro di Modena (MO)	4,000,000	(556)	3,940	100.00%	100.00%	Line-by-line	Chef Express S.p.A.	100.00%	100.00%	
Roadhouse Grill Padova S.r.l.	Castelvetro di Modena (MO)	50,000	21	59	100.00%	100.00%	Line-by-line	Roadhouse Grill Italia S.r.l.	100.00%	100.00%	
Salumi d'Emilia S.r.l.	Castelvetro di Modena (MO)	5,300,000	10,084	16,297	100.00%	50.00%	Proportional	Montana Alimentari S.p.A.	100.00%	50.00%	
Sara S.r.l.	Castelvetro di Modena (MO)	100,000	(137)	37	100.00%	50.00%	Proportional	INALCA JBS S.p.A.	100.00%	50.00%	
Sfera S.p.A.	Santarcangelo di Romagna (RN)	220,000	303	1,053	100.00%	59.47%	Line-by-line	MARR S.p.A.	100.00%	59.46%	
SGD S.r.l.	Castelvetro di Modena (MO)	83,000	233	39	50.00%	50.00%	Line-by-line	Chef Express S.p.A.	50.00%	50.00%	
Società Agricola Bergognina S.r.l.	Castelvetro di Modena (MO)	100,000	(71)	(20)	100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
Società Agricola Corticella S.r.l.	Spilamberto (MO)	5,000,000	(485)	9,351	100.00%	50.00%	Proportional	INALCA JBS S.p.A.	100.00%	50.00%	
TECNO-STAR DUE S.r.l.	Formigine (MO)	10,400	3	31	60.00%	30.00%	Proportional	INALCA JBS S.p.A.	60.00%	30.00%	
Time Vending S.r.l.	Castelvetro di Modena (MO)	100,000	109	186	50.00%	50.00%	Line-by-line	Chef Express S.p.A.	80.00%	80.00%	
Zaklady Miesne Soch. S.p.zo.o.	Warsaw (Poland)	Zloty 1,800,000	(171)	192	90.00%	45.00%	Proportional	INALCA JBS S.p.A.	90.00%	45.00%	(a)

Continued: Annex 6

(in thousands of Euros) Company name	HQ	Share capital (expressed in Euro, unless otherwise indicated)	Result for the financial year ended 31.12.09	Shareholders' equity at 31.12.2009	Control share at 31.12.09	Shareholding at 31.12.09	Book value (A)	Portion of the Shareholders' Equity (B)	Difference (B) - (A)	Participants at 31.12.08	Control share at 31.12.08	Shareholding at 31.12.08	Notes
Investments valued at equity:													
Associated companies:													
A.O. Konservni	Stavropol (Russia)	USD 1,785	(52)	62	25.00%	12.50%	-	8	8	INALCA JBS S.p.A.	25.00%	12.50%	(b)
Emilia Romagna Factor S.p.A.	Bologna	25,000,000	2,115	39,422	22.80%	22.80%	8,760	8,988	228	Cremonini S.p.A.	22.80%	22.80%	(b)
Fiorani & C. S.p.A.	Piacenza	500,000	459	1,650	49.00%	24.50%	316	404	88	INALCA JBS S.p.A.	49.00%	24.50%	(b)
Food & Co. S.r.l.	Rome	150,000	(1)	12	30.00%	30.00%	3	4	1	Chef Express S.p.A.	30.00%	30.00%	(b)
Investments valued at cost:													
Subsidiaries													
Inalca Brasil Comercio Ltda.	Sao Paulo (Brazil)	Reais 521,481	8	195	99.80%	49.91%	-	195	195	INALCA JBS S.p.A.	99.80%	49.91%	(b)
Montana Farm S.p.zo.o.	Platyny (Poland)	Zloty 3,394,000	(13)	(1,832)	100.00%	50.00%	-	(1,832)	(1,832)	Montana Alimentari S.p.A.	100.00%	50.00%	
Associated companies:													
Consorzio IRIS a r.l.	Bolzano	10,000	8	16	37.50%	37.50%	4	6	2	Interjet S.r.l.	37.50%	37.50%	(b)
Italbeef S.r.l. (ex Eurobeef)	Rovigo	90,000	(64)	28	44.40%	22.20%	110	12	(98)	INALCA JBS S.p.A.	44.40%	22.20%	(b)
Farm Service S.r.l.	Reggio Emilia	500,000	2	939	30.00%	15.00%	87	282	195	INALCA JBS S.p.A.	30.00%	15.00%	
Parma France S.a.s.	Lione (France)	1,000,000	114	1,559	30.40%	15.20%	202	474	272	INALCA JBS S.p.A.	30.40%	15.20%	(c)
Prometex S.a.m.	Principality of Monaco	150,000	37	288	28.60%	10.74%	25	82	57	Frimo S.a.m.	28.60%	10.74%	

NOTES

a) Amounts expressed in Euro resulting from the translation of the original amounts in foreign currencies. /(b) The figures refer to 31 December 2008, the last financial statements available./(c) The figures refer to 31 December 2007, the last financial statements available.

Reconta Ernst & Young S.p.A.
Via Massimo D'Azeglio, 34
40123 Bologna

Tel. (+39) 051 278311
Fax (+39) 051 236666
www.ey.com

Independent auditors' report
pursuant to Article 156 and 165-bis of Legislative Decree No. 58 of February 24, 1998
(now art. 14 of Legislative Decree No. 39 of January 27, 2010)
(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, 2009, comprising the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of 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.

   Our audit of the consolidated financial statements for the year ended December 31, 2009 was made in accordance with the regulations in force during that year.

   With respect to the consolidated financial statements of the prior year, presented for comparative purposes, which have been restated to apply IAS 1, reference should be made to our report dated April 10, 2009.

3. In our opinion, the consolidated financial statements of the Cremonini Group at December 31, 2009 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 and the cash flows of the Cremonini Group for the year then ended.

4. As described in the notes to the financial statements, following the breach of a covenant on the loan granted by BNL to the proportionately consolidated company Inalca JBS S.p.A., a negotiation was initiated with the bank for the review of the covenant ratio and, consequently, the long term portion of such a debt was reclassified as a short borrowings.

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 law. For this purpose, we have performed the procedures required under Auditing Standard 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, 2009.

Bologna, April 12, 2010

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

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma - Via Po, 32
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CC.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584
P.I. 00891231003
Iscritta all'Albo Revisori Contabili al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited