FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2014

Cremonini S.p.A.
Via Modena, 53
41014 Castelvetro di Modena (Mo) Italia
Share Cap. Euro 67,073,931.60, fully paid
Modena Comp. Reg. no. 00162810360
Modena Economic Admin. Reg. no. 126967
Tax ref. & VAT no. 00162810360

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CREMONINI GROUP ORGANIZATION
SCOPE OF CONSOLIDATION AS AT 31 DECEMBER 2014

CREMONINI S.p.A.

PRODUCTION

Beef

- INALCA S.p.A. 71,6%
  - Soc.Agr.Corticella S.r.l. 100%
  - Ges.Car. S.r.l. 80%
  - Guardamiglio S.r.l. 100%
  - Inalca Algerie S.a r.l. 70%
  - Inter Inalca Angola Ltda. 99%
  - Inalca Kinshasa S.p.r.l. 55%
  - Inalca Brazzaville S. a r.l. 55%
  - Inalca Angola Ltda. 99,9%
  - Sara S.r.l. 100%
  - Inalca Eurasia Hold. Gesmbh 60%
    - Kaskad L.l.c. 100%
      - Orenbeef L.l.c. 100%
      - Marr Russia L.l.c. 75%
  - Zaklady Miesne Sochocin Spolka L.l.c. 90%
  - Realbeef S.r.l. 51%
  - Fiorani & C. S.p.A. 51%
  - Tecno-Star Due S.r.l. 60%
  - In.Al.Ca. Mocambique L.t.d. 100%
  - Bell Carni S.r.l. 66,7%
  - Inalca Food & Beverage S.r.l. 70%
  - Dispal CI S.a.r.l. 99%
  - Capo d'Orlando Carni S.r.l. 100%

Cured meats & snacks

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

DISTRIBUTIONE

Foodservice

- MARR S.p.A. 50,42%
  - Marr Foodservice Iberica S.A. 100%
  - Sfera S.p.A. 100%
  - 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%

CATERING

On board

- Chef Express S.p.A. "Railway division" 100%
  - Cremonini Restauration S.a.s. 86%
  - Avirail Italia S.r.l. 51%
  - Railrest S.A. 51%
  - Cremonini Chef Iberica S.A. 100%
  - Chef Express UK Ltd. 100%
    - Lounge Services S.a.s. 100%
    - Momentum Services Ltd. 100%
  - Rail Express Services BV 100%
  - Global Service Logistics S.r.l in liq. 100%

Under contract

- Chef Express S.p.A. "Under contract division" 100%
- Gabf Holdings Ltd. 100%
- Chef Express Shanghai 100%
- Healthy Bar Milano S.r.l. 100%

Commercial

- Roadhouse Grill Italia S.r.l. 100%
  - Roadhouse Grill Roma S.r.l. 55%
  - Sessanta S.r.l. 100%
- Princeps S.a.s. 51%

CENTRALIZED ACTIVITIES

- Global Service S.r.l. 100%
- Interjet S.r.l. 100%

CORPORATE BODIES OF CREMONINI S.p.A.

Board of Directors

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

Board of Statutory Auditors

Chairman	Eugenio	Orienti
Statutory Auditors	Albino	Motter
	Paola	Simonelli
Alternates	Patrizia	Iotti
	Daniele	Serra

Independent Auditors	Reconta Ernst & Young S.p.A.

DIRECTORS' REPORT

Introduction

The financial statements as at 31 December 2014, 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.

It is noted that new accounting standards came into effect commencing from 1 January 2014 and amendments were made to some pre-existing standards. In particular, the introduction of the IFRS 11 "Joint Arrangements" standard eliminated the option of accounting for jointly controlled companies by using the proportional consolidation method. Quinto Valore S.c.a.r.l., Time Vending S.r.l. and Fiorani S.p.A., previously consolidated with the proportional method, were recognised with the net equity method.

The values of the previous periods were consequently restated in application of such amendments in this annual report.

Group Performance and Analysis of the Results for the 2014 financial year

The financial year ended on 31 December 2014 saw the Cremonini Group committed to various corporate transactions that, in general, are part of the business growth and enhancement of the corporate assets strategy.

In a very difficult economic context still characterised by the crisis and instability of the currency system the following transactions were concluded:

- the conclusion of the agreement directed at the sale of 40% of all the activities developed by INALCA S.p.A in Russia to Cascade International (Knightsbridge Group) for an overall amount of 60 million Euro;
- the conclusion of an investment agreement between Cremonini S.p.A. and IQ Made in Italy Investment Company (joint venture between Fondo Strategico Italiano and Qatar Investment Authority), which resulted in IQ Made in Italy acquiring a part of INALCA S.p.A.'s share capital; This transaction, concluded on 22 December, was partially realised through the sale of shares held by the parent company Cremonini S.p.A. for 50 million Euro and partially through a share capital increase of INALCA S.p.A. of 115 million Euro. Following the transaction, Cremonini holds 71.6% of INALCA S.p.A. and IQ Made in Italy the remaining 28.4%;
- simultaneously to the conclusion of the latter transaction two loans were fully repaid, the first originally obtained in 2008 to implement the delisting of Cremonini S.p.A. and the second deriving from the buy-back of 50% of INALCA S.p.A. from the previous Brazilian shareholders and obtainment of a new medium to long-term loan on behalf of INALCA S.p.A. on more advantageous financial terms.

This said, the Cremonini Group recorded revenues of 3,335.9 million Euro in the 2014 financial year, compared to 3,496.7 in 2013, an decrease of 160.8 million Euro (-4.6%). This mainly derived from the reduction in catering revenues recorded following the conclusion of some service agreements on-board high-speed trains (France and Spain) and the fall in production sales revenues consequent to the devaluation of the Rouble against the Euro

The latter aspect also influenced the marginality of the production sector and the entire Group, although the results expressed in local currency registered a growth trend.

The gross operating margin amounted to 258.6 million Euro compared to 258.0 in 2013, an increase of 0.6 million Euro (+0.2%), and the operating result was 170.0 million Euro compared to 166.8 in 2013, up by 3.2 million Euro (+1.9%).
The result from normal operations was 117.5 million Euro, an increase of 2.8 million Euro compared to 114.7 million Euro in 2013 (2.5%), despite the recognition of non-recurring financial charges consequent to the early

redemption of some loans and relating derivative instruments.

The pre-tax profit was also up from 114.2 million Euro in 2013 to 120.4 million Euro in 2014 (+5.4%).

Lastly, the net profit of 41.9 million Euro was up compared to 32.7 million Euro in 2013 due to the decrease in taxation of about 9.2 million, prevalently attributable to the production sector.
Specifically, at the end of 2013, the combined effect of taxation of the dividends and the termination of income tax exemption in Angola had an impact of about 10 million Euro.

Compared to the pro forma figures the revenues were instead 3,335.9 million Euro against 3,472.5 million in 2013, a decrease of 136.6 million (-3.9%). The gross operating margin amounted to 258.6 million Euro, compared to 256.9 million in 2013, up by 1.7 million (+0.7%), and the operating result was 170.0 million Euro, compared to 166.2 million in 2013, up by 3.8 million (+2.3%).

Shown below are the summarized schedules of the financial and equity figures for 2014, compared with the previous year and the pro forma consolidated financial statements for the period ended on 31 December 2013. For a more complete analysis of the Group's results, details thereof subdivided by individual business sector are subsequently shown.

Consolidated Income Statement

(Euro/000)	Year 2014	Year 2013	Change %
Total revenues	**3,335,854**	**3,496,671**	**(4.60)**
Changes in inventories of work in progress, semi-finished and finished goods	23,908	(3,917)	
Value of production	**3,359,762**	**3,492,754**	**(3.81)**
Cost of production	(2,810,207)	(2,833,831)	
Value added	**549,555**	**658,923**	**(16.60)**
Personnel costs	(290,928)	(400,882)	
Gross operating margin [a]	**258,627**	**258,041**	**0.23**
Amortization, depreciation and write-downs	(88,646)	(91,271)	
Operating income [b]	**169,981**	**166,770**	**1.93**
Net financial income (charges)	(52,441)	(52,068)	
Profit from ordinary activities	**117,540**	**114,702**	**2.47**
Net income (charges) from investments	3,265	1,346	
Net extraordinary financial income (charges)	(403)	(1,856)	
Result before taxes	**120,402**	**114,192**	**5.44**
Income taxes for the financial year	(47,386)	(52,690)	
Result before minority interests	**73,016**	**61,502**	**18.72**
(Profit) Loss attributable to minority interests	(31,088)	(28,819)	
Net profit attributable to the Group	**41,928**	**32,683**	**28.29**

Consolidated Income Statement Pro-Forma

(Euro/000)	Year 2014	Year 2013*	Change %
Total revenues	**3,335,854**	**3,472,474**	**(3.93)**
Changes in inventories of work in progress, semi-finished and finished goods	23,908	(4,153)	
Value of production	**3,359,762**	**3,468,321**	**(3.13)**
Cost of production	(2,810,207)	(2,811,133)	
Value added	**549,555**	**657,188**	**(16.38)**
Personnel costs	(290,928)	(400,263)	
Gross operating margin [a]	**258,627**	**256,925**	**0.66**
Amortization, depreciation and write-downs	(88,646)	(90,727)	
Operating income [b]	**169,981**	**166,198**	**2.28**
Net financial income (charges)	(52,441)	(52,083)	
Profit from ordinary activities	**117,540**	**114,115**	**3.00**
Net income (charges) from investments	3,265	1,706	
Net extraordinary financial income (charges)	(403)	(1,856)	
Result before taxes	**120,402**	**113,965**	**5.65**
Income taxes for the financial year	(47,386)	(52,467)	
Result before minority interests	**73,016**	**61,498**	**18.73**
(Profit) Loss attributable to minority interests	(31,088)	(28,819)	
Net profit attributable to the Group	**41,928**	**32,679**	**28.30**

* The retroactive application of the new IFRS11 "Joint arrangements" standard resulted in the restatement of the financial statements as at 31 December 2013.

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 the Cremonini Group as the Profit/Loss for the year gross of financial charges and income, non-recurring items and income taxes.

Consolidated Balance Sheet

(Euro/000)	31.12.2014	31.12.2013	Change %
Intangible assets	165,353	161,813	
Tangible assets	782,814	790,013	
Equity investments and other financial assets	17,377	23,213	
Total fixed assets	**965,544**	**975,039**	**(0.97)**
Trade net working capital			
- Trade receivables	526,522	538,796	
- Inventories	381,099	361,798	
- Trade payables	(481,959)	(482,520)	
Total trade net working capital	425,662	418,074	
Other current assets	88,329	97,411	
Other current liabilities	(82,159)	(91,226)	
Net working capital	**431,832**	**424,259**	**1.78**
Staff Severance Indemnity Provision and other medium/long-term provisions	**(114,229)**	**(115,903)**	
Net invested capital	**1,283,147**	**1,283,395**	**(0.02)**
Shareholders' Equity attributable to the Group	411,457	314,709	
Shareholders' Equity attributable to minority interests	261,038	118,963	
Total Shareholders' Equity	**672,495**	**433,672**	**55.07**
Net medium/long-term debt	265,282	525,541	
Net short-term debt	345,370	324,182	
Net debt	**610,652**	**849,723**	**(28.14)**
Net equity and net debt	**1,283,147**	**1,283,395**	**(0.02)**

Consolidated Balance Sheet pro-forma

(Euro/000)	31.12.2014	31.12.2013*	Change %
Intangible assets	165,353	161,802	
Tangible assets	782,814	788,896	
Equity investments and other financial assets	17,377	24,622	
Total fixed assets	**965,544**	**975,320**	**(1.00)**
Trade net working capital			
- Trade receivables	526,522	536,964	
- Inventories	381,099	360,005	
- Trade payables	(481,959)	(477,662)	
Total trade net working capital	425,662	419,307	
Other current assets	88,329	94,599	
Other current liabilities	(82,159)	(90,979)	
Net working capital	**431,832**	**422,927**	**2.11**
Staff Severance Indemnity Provision and other medium/long-term provisions	**(114,229)**	**(115,516)**	
Net invested capital	**1,283,147**	**1,282,731**	**0.03**
Shareholders' Equity attributable to the Group	411,457	314,712	
Shareholders' Equity attributable to minority interests	261,038	118,963	
Total Shareholders' Equity	**672,495**	**433,675**	**55.07**
Net medium/long-term debt	265,282	525,373	
Net short-term debt	345,370	323,683	
Net debt	**610,652**	**849,056**	**(28.08)**
Net equity and net debt	**1,283,147**	**1,282,731**	**0.03**

* The retroactive application of the new IFRS11 "Joint arrangements" standard resulted in the restatement of the financial statements as at 31 December 2013.

Net Consolidated Debt [c]

(Euro/000)	**31.12.2014**	30.09.2014	30.06.2014	31.12.2013
Payables to banks, bonds and other financial institutions				
- due within 12 months	(446,096)	(533,961)	(503,727)	(435,548)
- due between 1 and 5 years	(179,399)	(326,259)	(387,284)	(455,654)
- due beyond 5 years	(85,883)	(96,935)	(94,240)	(69,887)
Total payables to banks, bonds and other financial institutions	**(711,378)**	**(957,155)**	**(985,251)**	**(961,089)**
Liquidity				
- cash and cash equivalents	88,370	147,776	158,445	98,591
- other financial assets	12,356	12,195	7,826	12,775
Total liquidity	**100,726**	**159,971**	**166,271**	**111,366**
Total net debt	**(610,652)**	**(797,184)**	**(818,980)**	**(849,723)**

Net Consolidated Debt pro forma [c]

(Euro/000)	**31.12.2014**	30.09.2014	30.06.2014	31.12.2013*
Payables to banks, bonds and other financial institutions				
- due within 12 months	(446,096)	(533,961)	(503,727)	(434,637)
- due between 1 and 5 years	(179,399)	(326,259)	(387,284)	(455,486)
- due beyond 5 years	(85,883)	(96,935)	(94,240)	(69,887)
Total payables to banks, bonds and other financial institutions	**(711,378)**	**(957,155)**	**(985,251)**	**(960,010)**
Liquidity				
- cash and cash equivalents	88,370	147,776	158,445	98,179
- other financial assets	12,356	12,195	7,826	12,775
Total liquidity	**100,726**	**159,971**	**166,271**	**110,954**
Total net debt	**(610,652)**	**(797,184)**	**(818,980)**	**(849,056)**

The Group's net debt as at 31 December 2013 amounted to 610.7 million Euro, down by 238.4 million Euro compared to 849.1 million Euro as at 31 December 2013. This improvement mainly derived from the aforesaid sale of 40% of the activities developed in Russia to Cascade International (Knightsbridge Group) and IQ Made in Italy acquiring a part of INALCA S.p.A.'s share capital, which generated an overall financial flow of 225 million. Non-strategic shares were also sold during the financial year for about 14.4 million Euro (17.65% of Emilia Romagna Factor S.p.A.).
These effects and the operational cash generation more than compensated the investments made in the period of 83.2 million and the distribution of dividends of 20.7 million to the market and to third parties.

Taking advantage of both the improvement in financial market conditions (TLTRO) and the improvement in the Group's risk profile, commencing from the end of 2014 actions were undertaken to refinance the existing debt, both medium to long-term and short-term, on more advantageous financial terms. In any case it is recalled that, as also in the past, a significant portion of the debt payable within 12 months concerns loans for 18 months less one day, which in most cases are repaid at the due date and subsequently renewed.
It is considered that the Group will be able to obtain important benefits in terms of lower borrowing costs from the refinancing of its debt also in consideration of the reduced consolidated net debt.

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 Statement of Assets and Liabilities 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

(Euro/000)	Year 2014	Year 2013	Change total value	Change %
Production				
Net revenues	1,427,536	1,499,488	(71,952)	(4.80)
Intercompany revenues	59,941	59,335		
Total revenues	1,487,477	1,558,823	(71,346)	(4.58)
Gross operating margin	121,236	124,911	(3,675)	(2.94)
Amortization, depreciation and write-downs	(47,625)	(47,917)	292	(0.61)
Operating profit (loss)	73,611	76,994	(3,383)	(4.39)
Distribution				
Net revenues	1,415,741	1,349,252	66,489	4.93
Intercompany revenues	25,874	15,493		
Total revenues	1,441,615	1,364,745	76,870	5.63
Gross operating margin	102,112	94,942	7,170	7.55
Amortization, depreciation and write-downs	(15,319)	(14,543)	(776)	5.34
Operating profit (loss)	86,793	80,399	6,394	7.95
Catering				
Net revenues	489,777	642,565	(152,788)	(23.78)
Intercompany revenues	3,802	267		
Total revenues	493,579	642,832	(149,253)	(23.22)
Gross operating margin	38,830	40,947	(2,117)	(5.17)
Amortization, depreciation and write-downs	(22,726)	(25,556)	2,830	(11.07)
Operating profit (loss)	16,104	15,391	713	4.63
Holding company property and centralized activities				
Net revenues	2,800	5,366	(2,566)	(47.82)
Intercompany revenues	7,463	7,052		
Total revenues	10,263	12,418	(2,155)	(17.35)
Gross operating margin	(3,551)	(2,759)	(792)	28.71
Amortization, depreciation and write-downs	(2,976)	(3,255)	279	(8.57)
Operating profit (loss)	(6,527)	(6,014)	(513)	8.53
Consolidation adjustment				
Total revenues	*(97,080)*	*(82,147)*		
Gross operating margin				
Amortization, depreciation and write-downs				
Operating profit (loss)	*0*	*0*		
Total				
Total revenues	3,335,854	3,496,671	(160,817)	(4.60)
Gross operating margin	258,627	258,041	586	0.23
Amortization, depreciation and write-downs	(88,646)	(91,271)	2,625	(2.88)
Operating profit (loss)	169,981	166,770	3,211	1.93

Breakdown of revenues by sector pro forma

(Euro/000)	Year 2014	Year 2013*	Change total value	Change %
Production				
Net revenues	1,427,536	1,482,649	(55,113)	(3.72)
Intercompany revenues	59,941	52,291		
Total revenues	1,487,477	1,534,940	(47,463)	(3.09)
Gross operating margin	121,236	124,014	(2,778)	(2.24)
Amortization, depreciation and write-downs	(47,625)	(47,393)	(232)	0.49
Operating profit (loss)	73,611	76,621	(3,010)	(3.93)
Distribution				
Net revenues	1,415,741	1,349,265	66,476	4.93
Intercompany revenues	25,874	15,480		
Total revenues	1,441,615	1,364,745	76,870	5.63
Gross operating margin	102,112	94,942	7,170	7.55
Amortization, depreciation and write-downs	(15,319)	(14,543)	(776)	5.34
Operating profit (loss)	86,793	80,399	6,394	7.95
Catering				
Net revenues	489,777	642,087	(152,310)	(23.72)
Intercompany revenues	3,802	267		
Total revenues	493,579	642,354	(148,775)	(23.16)
Gross operating margin	38,830	40,728	(1,898)	(4.66)
Amortization, depreciation and write-downs	(22,726)	(25,536)	2,810	(11.00)
Operating profit (loss)	16,104	15,192	912	6.00
Holding company property and centralized activities				
Net revenues	2,800	5,473	(2,673)	(48.84)
Intercompany revenues	7,463	6,945		
Total revenues	10,263	12,418	(2,155)	(17.35)
Gross operating margin	(3,551)	(2,759)	(792)	28.71
Amortization, depreciation and write-downs	(2,976)	(3,255)	279	(8.57)
Operating profit (loss)	(6,527)	(6,014)	(513)	8.53
Consolidation adjustment				
Total revenues	*(97,080)*	*(81,983)*		
Gross operating margin	*0*			
Amortization, depreciation and write-downs	*0*			
Operating profit (loss)	*0*	*0*		
Total				
Total revenues	3,335,854	3,472,474	(136,620)	(3.93)
Gross operating margin	258,627	256,925	1,702	0.66
Amortization, depreciation and write-downs	(88,646)	(90,727)	2,081	(2.29)
Operating profit (loss)	169,981	166,198	3,783	2.28

* The retroactive application of the new IFRS11 "Joint arrangements" standard resulted in the restatement of the financial statements as at 31 December 2013.

The Group's total revenues, if compared with the same period of 2013, are down by 136.6 million Euro. In detail, production was down by the 47.5 million Euro and distribution increased by 76.9 million, while catering revenues fell by 148.8 million.
The consolidated gross operating margin was up by 1.7 million Euro: Production was down by 2.8 million, distribution was up by 7.2 million Euro and catering was up by 1.9 million.

Lastly, the consolidated operating result was up by 3.8 million Euro, with production achieving a decrease of 3.0 million, distribution growth of 6.4 million, and catering a 0.9 million Euro improvement.

Breakdown of revenues from sales and services by geographic area

Year 2014 - (Euro/000)

	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	678,910	48.1	1,271,066	92.1	339,604	69.9	2,376	100.0	2,291,956	69.9
European Union	211,314	15.0	75,285	5.5	145,671	30.0	0	-	432,270	13.2
Extra-EU countries	520,949	36.9	33,206	2.4	246	0.1	0	-	554,401	16.9
Total	1,411,173	100.0	1,379,557	100.0	485,521	100.0	2,376	100.0	3,278,627	100.0

Year 2013 * - (Euro/000)

	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	683,148	46.8	1,246,437	94.7	319,411	50.1	2,111	100.0	2,251,107	65.9
European Union	245,321	16.8	49,649	3.8	317,994	49.9	0	-	612,964	17.9
Extra-EU countries	530,859	36.4	20,484	1.5	8	0.0	0	-	551,351	16.2
Total	1,459,328	100.0	1,316,570	100.0	637,413	100.0	2,111	100.0	3,415,422	100.0

Consolidated Balance Sheet structure by business sector

As at 31 December 2014 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	14,850	97,989	52,468	46		165,353
Tangible assets	497,457	58,500	144,836	82,021		782,814
Equity investments and other financial assets	11,268	1,173	1,864	3,072		17,377
Total fixed assets	**523,575**	**157,662**	**199,168**	**85,139**	**0**	**965,544**
Trade net working capital						
- Trade receivables	136,120	370,077	33,884	4,146	(17,705)	526,522
- Inventories	253,970	116,326	10,506	1	296	381,099
- Trade payables	(173,529)	(236,273)	(84,067)	(4,866)	16,776	(481,959)
Total trade and net working capital	216,561	250,130	(39,677)	(719)	(633)	425,662
Other current assets	18,150	46,735	18,763	11,738	(7,057)	88,329
Other current liabilities	(32,227)	(15,003)	(33,643)	(8,976)	7,690	(82,159)
Net working capital	**202,484**	**281,862**	**(54,557)**	**2,043**	**0**	**431,832**
Staff Severance Indemnity Provision and other m/l-term provisions	**(71,194)**	**(23,316)**	**(11,117)**	**(8,602)**		**(114,229)**
Net invested capital	**654,865**	**416,208**	**133,494**	**78,580**	**0**	**1,283,147**

As at 31 December 2013* (Euro/000)	Production	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	15,822	91,699	54,163	118		161,802
Tangible assets	514,219	57,046	135,999	81,632		788,896
Equity investments and other financial assets	6,352	548	1,916	15,806		24,622
Total fixed assets	**536,393**	**149,293**	**192,078**	**97,556**	**0**	**975,320**
Trade net working capital						
- Trade receivables	120,677	390,731	37,684	3,110	(15,238)	536,964
- Inventories	250,615	100,634	8,560	1	195	360,005
- Trade payables	(169,330)	(233,906)	(85,214)	(4,116)	14,904	(477,662)
Total trade and net working capital	201,962	257,459	(38,970)	(1,005)	(139)	419,307
Other current assets	22,722	52,927	15,645	9,593	(6,288)	94,599
Other current liabilities	(32,139)	(13,535)	(44,437)	(7,295)	6,427	(90,979)
Net working capital	**192,545**	**296,851**	**(67,762)**	**1,293**	**0**	**422,927**
Staff Severance Indemnity Provision and other m/l-term provisions	**(74,144)**	**(23,175)**	**(8,982)**	**(9,215)**	**0**	**(115,516)**
Net invested capital	**654,794**	**422,969**	**115,334**	**89,634**	**0**	**1,282,731**

* The retroactive application of the new IFRS11 "Joint arrangements" standard resulted in the restatement of the financial statements as at 31 December 2013.

Net consolidated debt broken down by sector

As at 31 December 2014 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(145,161)	(138,213)	(62,933)	(99,789)	(446,096)
- due between 1 and 5 years	(101,057)	(45,157)	(11,166)	(22,019)	(179,399)
- due beyond 5 years	(3,120)	(36,272)	(26,886)	(19,605)	(85,883)
Total payables to banks, bonds and other financial institutions	**(249,338)**	**(219,642)**	**(100,985)**	**(141,413)**	**(711,378)**
Liquidity					
- cash and cash equivalents	21,346	37,533	25,689	3,802	88,370
- other financial assets	4,661	1,323	4,548	1,824	12,356
Total liquidity	**26,007**	**38,856**	**30,237**	**5,626**	**100,726**
Securitization and internal treasury current accounts	**50**	**4,101**	**(13,388)**	**9,237**	**0**
Total net debt	**(223,281)**	**(176,685)**	**(84,136)**	**(126,550)**	**(610,652)**

As at 31 December 2013* (Euro/000)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(197,926)	(67,705)	(88,649)	(80,357)	(434,637)
- due between 1 and 5 years	(234,693)	(130,222)	(24,508)	(66,063)	(455,486)
- due beyond 5 years	(10,132)	(34,368)	(25,353)	(34)	(69,887)
Total payables to banks, bonds and other financial institutions	**(442,751)**	**(232,295)**	**(138,510)**	**(146,454)**	**(960,010)**
Liquidity					
- cash and cash equivalents	42,903	32,825	22,133	318	98,179
- other financial assets	3,449	2,706	4,347	2,273	12,775
Total liquidity	**46,352**	**35,531**	**26,480**	**2,591**	**110,954**
Securitization and internal treasury current accounts	**8,194**	**2,633**	**40,811**	**(51,638)**	**0**
Total net debt	**(388,205)**	**(194,131)**	**(71,219)**	**(195,501)**	**(849,056)**

The operating sectors of the Group

Production

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

Company	Business carried out
a) Beef and meat - based products	
INALCA S.p.A. Via Spilamberto n. 30/C - Castelvetro di Modena (MO)	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.
SARA S.r.l. Via Spilamberto n. 30/C - Castelvetro di Modena (MO)	Recovery and processing of agricultural and livestock waste.
INALCA ANGOLA Ltda. 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 Congo	Food marketing.
INALCA EURASIA HOLDINGS GESMBH Palais Kinsky, Freyung 4 Vienna	Control of all companies currently developed by INALCA S.p.A. in Russia.
KASKAD OOO L.l.c. Via Vostochnaya n. 5, Odinzovo (Moscow) - Russia	Real estate services.
MARR RUSSIA L.l.c. Via Vostochnaya n. 5, Odinzovo (Moscow) - Russia	Food marketing.
INALCA BRAZZAVILLE S.a r.l. 64, Avenue de France Poto-Poto (Brazzaville) Republic of 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 Modena n. 53 – Castelvetro di Modena (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.
FIORANI & C S.p.A. Via Coppalati n.52 Piacenza	Processing and marketing of beef-based products.
INDUSTRIA ALIMENTAR CARNES DE MOCAMBIQUE L.t.d. – Avenida de Mocambique Km 9.5 Barrio Zimpeto Distretto 5- Maputo - Mozambique	Food marketing.
BELL CARNI S.r.l. Via Eridania n. 58 – Stienta (Rovigo)	Slaughtering, processing and marketing of beef-based products.
ORENBEEF LLC Via Pionerskaya 2 – Orenburg - Russia	Company owning the Orenburg area and factory for construction of a new slaughterhouse.
INALCA FOOD AND BEVERAGE S.r.l. Via Spilamberto n. 30/C - Castelvetro di Modena (MO)	This start-up company markets and distributes food products and drinks.
DISPAL CI S.a.r.l. 04 BP Abidjan 04 – Plateau Boulevard Carde – Ivory Coast	A company operating in the Ivory Coast and marketing food products in general.
CAPO D'ORLANDO CARNI S.r.l. Strada San Giacomo 19 – Messina	Logistics platform for the Sicilian market catchment area, smaller islands and part of Southern Italy; preparation of

	portioned and processed products in a protected atmosphere.

b) Cured meat and snacks

ITALIA ALIMENTARI S.p.A. Via Europa n. 14, Busseto (PR)	Production and marketing of food products (cured meats and delicatessen).
SALUMI D'EMILIA S.r.l. Via Modena n. 53 - Castelvetro di Modena (MO)	Production and marketing of cured meats.
MONTANA ALIMENTARI GMBH. KirschsStrasse 20- Munchen –Germany	Marketing of food products (cured meats and delicatessen).

Breakdown of revenues by activity (Euro/000)	**Year 2014**	Year 2013	*Chg. %*
Beef and meat-based products	1,369,558	1,430,411	*(4.25)*
- intercompany revenues	(11,086)	(9,522)	
Net total	**1,358,472**	**1,420,889**	
Cured meats and gastronomy/snack food	130,546	140,034	*(6.78)*
- intercompany revenues	(1,541)	(2,100)	
Net total	**129,005**	**137,934**	
Total Production	**1,487,477**	**1,558,823**	***(4.58)***

The production sector revenues were 1,487.5 million Euro, down compared to 1,558.8 in 2013. The gross operating margin decreased from 124.9 million Euro to 121.2 million, down by 3.7 million Euro and the operating result decreased from 77.0 to 73.6 million Euro down by 3.4 million.

With the same scope of consolidation revenues decreased by 47.5 million Euro, the gross operating margin was down by 2.8 million Euro and operating result decreased by 3.0 million Euro.

<u>The beef business</u>

As mentioned in the preamble the 2014 financial year was characterised by significant fluctuations in the behaviour of exchange rates, and specifically by the devaluation of the Rouble. This trend, together with the political crisis in some countries, influenced the sales and margins of the sector both in absolute terms and compared with the same period of 2013.
By analysing the results with constant exchange rates instead, or rather converting the flows in the exchange rates of the corresponding period of 2013, the sector would show slightly falling revenues and growing marginality.

On the cattle slaughtering front 2014 reconfirmed the fall in volumes already happening for some years. Against a reduction of animals slaughtered in Italia of 15.5% (source ISTAT) the Group showed a substantial reconfirmation of the 2013 volumes. This performance confirms the validity of the business project set at the time that aimed at the rationalisation of the national production apparatus, which is taking place through the concentration and combination of modern and efficient plants.

In such a context and despite demand being still weak, the company was successful in obtaining some good results, thanks also to the improvement of the marginality registered in the European market.

Noted amongst the significant events that occurred during the year are:

- the acquisition of 2% of the shares of Fiorani & C Spa, now 51% controlled following the agreements signed at the beginning of the year and the its consequent inclusion in the scope of the consolidation;
- the sale of 30% of Frimo S.a.m. and its consequent exit together with its subsidiary Prometex S.a.m. from the scope of the consolidation;
- the conclusion of the agreement directed at the sale of 40% of all the activities developed by INALCA S.p.A in Russia to Cascade International (Knightsbridge Group) for an overall amount of 60 million Euro; This transaction, which took place in two instalments, was concluded with the incorporation of the 60%

controlled Viennese sub-holding Inalca Eurasia Holding GesmbH, which will constitute the decisional centre for expansion of the Group's business together with a new partner throughout Russia and the neighbouring countries;
- on 22 December Cremonini S.p.A. concluded an investment agreement that saw IQ Made in Italy acquiring part of INALCA S.p.A.'s share capital. The overall investment of 165 million Euro partially realised through a share capital increase of 115 million Euro and partially through the sale of shares for 50 million Euro held by the Cremonini S.p.A. that, as previously mentioned, now holds 71.6% of INALCA S.p.A. and IQ Made in Italy (a joint venture between FSI S.p.A. and Qatar Holding L.L.C.) the remaining 28.4%;
- the signing of the share capital increase of 5 million Euro for BF Holding S.p.A., which launched a take-over for acquisition of control of the listed company Bonifiche Ferraresi. The guidelines of the business plan for the repositioning of the listed company also entail the development of an integrated animal husbandry meat supply chain..

The investments of greater significance made during 2014 were the following:

- purchase of the property where the Capo d'Orlando (ME) factory is situated. This was leased from 2009 and the factory acts as an INALCA logistics platform for the Sicilian market catchment area, smaller islands and part of the Southern Italy, in addition to being used for the preparation of portioned and processed products in a protected atmosphere;
- the purchase of agricultural land by Società Agricola Corticella S.r.l.;
- the continuation of works for the construction of a factory owned in Maputo (Mozambique) and in Abidjan (Ivory Coast);
- inauguration on 24 October of the new slaughtering facility in Orenburg in the Southern Urals, the first beef factory with a slaughtering capacity of 130 thousand head per annum;
- expansion and improvement of some plant regarding production of canned meats in the Castelvetro and Ospedaletto Lodigiano factories and installation of a new cogenerator at Castelvetro;
- the expansion of the canned meat packaging line at the Rieti factory;
- the openings of new sales outlets (Guardamiglio S.r.l.);
- preparation of the tempering (meat thawing) area and related automatic handling facility for pallets at the Odinzovo factory;
- extraordinary maintenance in the Luanda (Angola) factory and acquisition of vehicles;
- expansion of the vehicles fleet in Russia;
- the construction of the hot dog production line in Kinshasa;
- expansion of the Realbeef factory in Avellino with construction of a logistics platform and purification plant..

Cured meats and snacks segment

The cured meats market recorded generally falling consumption in all the product families in 2014. For the first time the discount channel, which already, at least in food, proposes a complete quality range of products and absolutely competitive prices, reported a reduction of volumes and revenues in the food segment, despite the increasingly marked propensity of consumers to search for the best price.

The raw materials market, also as an effect of the fall in demand, showed a depressed trend that, apart from timid occasional rises, remained low with not very remunerative prices for the entire production chain.

On the sales front the by now consolidated and generalised contraction of consumption in all the distribution channels resulted in competition without precedent, exclusively concentrated on the price factor, making the safeguarding of remunerative margins difficult.

In this scenario, the Group limited the reduction in revenues and marginality by tightening up new sales agreements, seeking to contain as far as possible the effects of the sales price markdown by the competitors and implementing logistical and industrial reorganisation through movement of the cooked and roast ham production from the Paliano (FR) factory to that of Busseto (PR. This resulted in non-recurring charges that negatively impacted on the profitability of the sector, but which, together with the investments made, will lead to an improvement in production efficiency.

The specific dynamics of the cured meats market were unchanged, confirming trends already seen for some years in the success of "private labels" and pre-sliced products to the detriment of commercial brands and

"cuts".
With regard to the snacks division, a sales slowdown was also reconfirmed in 2014; this tendency has been registered for some years considering the high interchangeability of the division's products compared to others with lower service content.
In addition to the aforesaid, investments were made aimed at diversification of the sales channels and improvement in productivity.

Distribution

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

Foodservice (distribution to catering)

Company	Business carried out
MARR S.p.A. Via Spagna n. 20 - Rimini	Marketing and distribution of fresh, dried and frozen food products for foodservice operators.
ALISURGEL S.r.l. in liq. Via dell'Acero n.1/A, Santarcangelo di Romagna (RN)	Non-operating company, now being liquidated.
MARR FOODSERVICE IBERICA S.A. Calle Goya n. 99, Madrid – Spagna	Non-operating company.
SFERA S.p.A. Via dell'Acero n.1/A, Santarcangelo di Romagna (RN)	Non-operational company (from 1 November 2014); now leases going concerns..
AS.CA. S.p.A. Via dell'Acero n.1/A, Santarcangelo di Romagna (RN)	Marketing and distribution of fresh, dried and frozen food products for foodservice operators.
NEW CATERING S.r.l. Via dell'Acero n.1/A, Santarcangelo di Romagna (RN)	Distribution of foodstuff products to bars and fast-food outlets.
BALDINI ADRIATICA PESCA S.r.l. Via dell'Acero n.1/A, Santarcangelo di Romagna (RN)	Commercialisation and distribution of fresh and frozen seafood products.

The distribution sector showed revenues growth in the 2014 financial year from 1,364.7 million Euro to 1,441.6 million, an increase of 76.9 million Euro (+5.6%). The operating margin rose from 94.9 to 102.1 million Euro, an increase of 7.2 million Euro (+7.6%). Lastly, the operating result amounted to 86.8 million Euro compared to 80.4 in 2012, an increase of 6.4 million Euro (+7.9%).

Specifically, sales in the "Street Market" category (restaurants and hotels not belonging to Groups or Chains) and those in the "National Account" category (operators of Chains and Groups and Canteens) reached 1,162.5 million Euros (1,125.1 million in 2013).

The organic growth (+3.8%) in "Catering" customers was achieved in a market environment that, according to the Italian General Confederation of Commerce, Tourism and Services Research Department statistics (March 2014) for the "Hotels, meals and eating out" expense item, showed a contraction of the value of Italian household consumption of 1.4%. However, it should be observed that in the fourth quarter of 2014 this reduction was assessed at 0.6%.

In terms of clientele categories, sales to the "Street Market" category (restaurants and hotels not belonging to groups or chains) reached 851.0 million Euro (823.3 million Euro in 2013), while those to the "National Account" category (operators of structured commercial catering and collective catering) were 311.5 million Euro (301.8 million Euro in 2013).

Sales to the "Wholesale" category customers were 254.7 million Euro compared to 217.9 million Euro in 2013.

Noted amongst the significant events that occurred during the year are:

- On 12 March 2014, MARR S.p.A. signed the contract for the purchase of the Scapa going concern, whose activities it had managed since 23 February 2013 under a lease contract of going concern; the purchase price net of the liabilities for employees and sales agents and of the lease costs of the going concern already paid was determined as 1.7 million Euros, and this amount has already been paid on signing of the contract.
Following the start of the management of the Scapa going concern, MARR has reorganised its logistical activities in the ex Scapa warehouses in Marzano (Pavia) and Pomezia (Rome), in which it has concentrated the distribution activities to National Account customers and created two significant storage platforms;

- On 31 March 2014, MARR S.p.A. sold its holding (amounting to 55% of the share capital) in Alisea società consortile a responsibilità limitata to CIR Food Cooperativa Italiana di Ristorazione. Following the sale of the total holding in Alisea – a company operating in catering for hospitals and the total revenues of which amounted to 14.7 million Euros in 2013 – the activities of the MARR Group are focused on supplies to the foodservice segment.
The price of the sale was established as a total of 3,575 thousand Euros, of which 1,833 thousand were paid on the closing date, while the payment of the remaining 1,742 thousand Euros is subject to the definitive awarding of significant contracts for catering services;

- on 28 May 2014, the closing by the subsidiary Sfera S.p.A. of the purchase of the going concern of "Lelli" which involved the payment of a price amounting to 3.8 million Euros;

- on 1 June 2014 the merger of EMI.GEL S.r.l. with New Catering S.r.l. became effective;

- on 9 December 2014 the contract with the Autonomous Province of Bolzano for the lots awarded to MARR (22 out of 40 lots) in the tender for the supply agreement of food products to Public Administrations in the Province was signed. The duration of the supply agreement is 12 months from the date of signature and can be extended for another12 months at the discretion of the awarding authority should the maximum spending amount not have been reached by the expiry date. On the basis of this agreement, those adhering – in other words the local authorities, companies, institutions and in general all the public bodies in the Autonomous Province of Bolzano – will be able to order food products by adhering to the supply agreement awarded (31.98 million Euro).

Catering

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

a) On-board catering

Company	Business carried out
CHEF EXPRESS S.p.A. – Railway Division Registered and administrative office, Via Modena n. 53 Castelvetro di Modena (MO)	Operating, under contract, on-board railway catering.
MOMENTUM SERVICES Ltd. Parklands Court, n.24 - Birmingham Great Park Rubery, Birmingham - United Kingdom	Operating, under contract, on-board catering on the trains connecting London with Paris and Brussels through the Euro tunnel.
GLOBAL SERVICE LOGISTICS S.r.l. in liquidation Via Modena n. 53 - Castelvetro di Modena (MO)	Non-operating company.
CREMONINI RESTAURATION S.a.s. 83, Rue du Charolais, Paris – France	Operating, under contract, on-board catering in France.
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 CHEF IBERICA S.A. Paseo de la Castellana 151bis, 1° Planta Madrid - Spain	Provides strategic advisory services, market analysis and coordination in the on-board catering segment. Also operates in the trading of food products.
CHEF EXPRESS UK LTD. 1-3 Union Street, Kingston Upon Thames, Surrey, London – United Kingdom	Holding of equity investments prevalently operating in the on-board sector.
LOUNGE SERVICES S.a.s 91, Rue du Faubourg Saint-Honoré – Paris - France	Management, under concession, of the business lounge in the Eurostar waiting rooms in Paris.
AVIRAIL ITALIA S.r.l. Via Modena n. 53, Castelvetro di Modena (MO)	Management of the logistical services for the trains in Italy (proportionally consolidated until 30 June 2012 and subsequently with the line-by-line method).
RAIL EXPRESS SERVICES B.V. The Netherlands Carolina MacGillavrylaan 3402 – 1098 XJ Amsterdam - Holland	Operation of the on-board catering services on the *Fyria* trains connecting Brussels to Amsterdam.

b) Under contract Catering

CHEF EXPRESS S.p.A. – Under contract Division Via Modena n. 53, Castelvetro di Modena (MO)	Operator in the commercial concession catering area. Specifically, catering is managed in the premises of major Italian railway stations, airports and hospitals and service areas of the motorway network.
GABF HOLDING Limited 90a Tooley Street London – United Kingdom	Sales of *bagels* in London and Ireland.
SHANGHAI CHEF EXPRESS RAIL CATERING MANAGEMENT COMPANY LTD 325 Tian Yao Qiao Road, Xuhui Qu, Shanghai	A company operating in the Chinese catering market, prevalently in Shanghai.
HEALTHY BAR MILANO S.r.l. Via Modena n. 53, Castelvetro di Modena (MO)	Management of catering premises in the Milan Central Station.

c) Commercial Catering

ROADHOUSE GRILL ITALIA S.r.l. Via Modena n. 53, Castelvetro di Modena (MO)	Operating a chain of steakhouses in Italy.
ROADHOUSE GRILL ROMA S.r.l. Via Modena n. 53, Castelvetro di Modena (MO)	Operating a chain of *steakhouses* in Rome.
SESSANTA S.R.L. Via Modena n. 53, Castelvetro di Modena (MO)	Operating a chain of *steakhouses* in Palermo.
PRINCEPS S.a.s. 22 rue Saint-Augustin 75002 Paris - France	Development of new catering operations in France.

Breakdown of revenues by activity (Euro/000)	**Year 2014**	Year 2013	*Chg. %*
On-board catering	150,929	328,231	*(54.02)*
- intercompany revenues	-	-	
Net total	**150,929**	**328,231**	***(54.02)***
Motorway catering	262,935	251,379	*4.60*
- intercompany revenues	-	-	
Net total	**262,935**	**251,379**	***4.60***
Commercial catering	79,715	63,222	*26.09*
- intercompany revenues	-	-	
Net total	**79,715**	**63,222**	***26.09***
Total Catering	**493,579**	**642,832**	***(23.22)***

The catering sector showed a reduction in revenues from 642.4 million Euro to 493.6 million Euro in 2013, a decrease of 148.8 million Euro (-23.2%). The gross operating margin decreased from 40.7 million Euro to 38.8 million Euro with an decrease of 1.9 million Euro (-4.7%) and the operating result that amounted to 16.1 million Euro was up by 0.9 million Euro compared to 15.2 million Euro in 2013.

The sector's revenues reduction is principally ascribable to the reduction in revenues of the motorway and foreign on-board segments (France and Spain), partially offset by the increase in commercial catering sales consequent to the opening of new "Roadhouse Grill" steakhouses.

The marginality recovery is instead attributable to the commercial catering segment that, as an effect of the development policy in course over for some years, benefitted from the coming on stream of investments made in the past.

The catering sector conducts its business in three segments:

- On-board catering: operating on-board train catering services and logistical activities in the railway stations;
- Concession catering: operating, in concession, catering services in railway stations, airports and motorway network service stations;
- Commercial catering: operating a chain of Roadhouse Grill brand steakhouses.

On-board catering

In the on-board sector, amongst the significant events that took place during the period we note:

- the acquisition by Chef Express UK Ltd. Of the remaining 49% of the shares of Momentum Services Ltd. and Lounge Services S.a.s., companies managing the contract with Eurostar Group Ltd. For catering services on-board the high-speed trains through the Channel Tunnel connecting London, Paris and Brussels, and relating waiting rooms in the London St. Pancreas, Paris Gare du Nord and Brussels Midi stations; The new contract commences from 1 June 2014 and has a seven-year term with an option for renewal of another seven;
- the award to Railrest S.A. of the contract for the management of the catering services on-board the high-speed Thalys trains connecting France, Belgium, Germany and The Netherlands; The new contract has a four-year term with a possible extension for a further three years and should provide overall revenues of about 210 million Euro;
- the signing of an important cooperation agreement with the Russian railways for the development of the railway market catering services. The agreement is directed at evaluating opportunities for developing on-board catering services for the high-speed *Sapsan* trains and on the longer routes, planning the creation of a logistical centres network throughout Russia to serve the on-board catering and establishing a sales outlets network in the Russian railway stations;

Under contract catering

Noted amongst the significant events that took place in the period are:

- the opening of new premises at eight important new motorway service areas following the award of the latest Autostrade per l'Italia S.p.A. tenders. Among which the two areas that stand out are between Feronia (RM) and Frascati (RM), the access point to the capital and a true historic symbol of motorways in our country. The other areas awarded to Chef Express S.p.A. are Chienti Ovest (MC), Montefeltro Est (AR), Lucignano Ovest (AR), Peretola Nord (FI), Tevere Est (VT) and Tuscolana Ovest (RM). To date Chef Express manages 42 catering areas on the Italian motorway network and on other major roads;
- the opening to the public of new catering premises in Fiumicino and Ciampino airports and Rome Termini e Torino Porta Susa railway station;
- the opening to the public of catering/market services at two new premises situated on the Grande Raccordo Anulare (circular motorway) in Rome (Ardeatina and Magliana);
- the disposal of the fuel distribution and sales to the public businesses at the service areas of Monferrato Ovest (AL), Villanova Nord (AT) and Laimburg Est (BZ);
- the disposal of the businesses at the service areas of Mirabella Sud (AV), La Rustica Nord (RM), Sillaro Ovest (BO) and Roncobilaccio Ovest (BO);
- the acquisition by Chef Express S.p.A. Ltd of 100% of Healthy Bar Milano S.r.l. shares, a company that manages catering premises in the Milan Central railway station.

<u>Commercial Catering</u>

We note amongst the significant events in 2014:

- the opening to the public of eleven new Roadhouse Grill brand steakhouses at Cinisello Balsamo (MI), Broni-Stradella (PV), Civitanova Marche (MC), Capriate (BG), Milan (Bicocca Village Centre), Rome (Da Vinci Central Commercial Market Park), Castelletto Ticino (NO), San Martino Siccomario (PV), Treviso, Bellinzago Lombardo Balsamo (MI) and Palermo, taking the number of premises opened to date in Italy by the chain to 57;
- the incorporation of a new company, Sessanta S.r.l. controlled by Roadhouse Grill Italia S.r.l., which manages the Palermo Roadhouse Grill steakhouses;
- the signing of further new contracts for the opening to the public of new steakhouses *in* Dalmine (BG), Pioltello (MI), Curno (BG), Senigallia (AN) e Rovato (BS);
- the incorporation of a new company in France, Princeps S.a.s., 51% controlled by Chef Express S.p.A., directed at the development of new businesses in the French catering sector.

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:

Company	Business carried out
CREMONINI S.p.A. 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)	*Personnel services*: processing and administrative management of payrolls.
INTERJET S.r.l. Via Belvedere n. 23 - Castelvetro di Modena (MO)	Real estate services.

Relationships with unconsolidated subsidiaries, associated, controlling and related companies

With reference to the Group's relationships, in the 2014 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. Statement of assets and liabilities 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 overall, insignificant.

(Euro/000)	Controlling companies	Subsidiaries	Associated companies	Related companies
Revenues				
Trade income		227	31,502	4,753
Other income	23	18	67	3
Total revenues	**23**	**245**	**31,569**	**4,756**
Costs				
Trade expense			45,544	3,294
Other expense				
Total costs	**-**	**-**	**45,544**	**3,294**
Loans and receivables				
Trade receivables		227	3,613	377
Other receivables	1,773	318	4,952	
Total loans and receivables	**1,773**	**545**	**8,565**	**377**
Loans and payables				
Trade payables			7,823	454
Other payables				
Total loans and payables	**-**	**-**	**7,823**	**454**

As far as relationships with both related and controlling companies are concerned, the breakdown is as follows: The payables of 668 thousand Euro to Le Cupole refer to the rental of an industrial property, in Rimini, used for some time by MARR.

(Euro/000)	Trade		Other		**Total**	
	Receivables	Payables	Receivables	Payables	**Receivables**	**Payables**
Related and controlling companies:						
Cremofin S.r.l. (parent company)	-	-	1,773	-	**1,773**	**-**
LLC Soyuz Service	377	-	-	-	**377**	**-**
Parmaubrac S.a.s.	-	411	-	-	**-**	**411**
Parma Sofrelim S.a.s.	-	43	-	-	**-**	**43**
Total related and controlling	377	-	1,773	-	**2,150**	**454**

(Euro/000)	Trade		Other		**Total**	
	Revenues	Costs	Revenues	Costs	**Revenues**	**Costs**
Related and controlling companies:						
Cremofin S.r.l. (parent company)	-	-	23	-	**23**	**-**
Le Cupole S.r.l.	-	668	3	-	**3**	**668**
LLC Soyuz Service	4,753	-	-	-	**4,753**	**-**
NBM Trading Consulting Ltd	-	1,145	-	-	**-**	**1,145**
Parmaubrac S.a.s.	-	1,115	-	-	**-**	**1,115**
Parma Sofrelim S.a.s.	-	366	-	-	**-**	**366**
Total related and controlling	4,753	3,294	26	-	**4,779**	**3,294**

Investments

During the 2014 financial year the total of the net investments made was 77.1 million Euro.
The following is the detail of the net change in intangible and tangible assets in the 2014 financial year:

Net investments broken down by sector

(Euro/000)	Production	Distribution	Catering	Others	**Total**
Intangibles					
Patents and intellectual property rights	147	327	252	11	**737**
Concessions, licenses, trademarks and similar rights	119		182	4	**305**
Intangible assets under development and advances	12	21	188	2	**223**
Other intangible assets	55		105		**160**
Total intangible assets	**333**	**348**	**727**	**17**	**1,425**
Tangibles					
Land and buildings	10,903	782	9,271	124	**21,080**
Plant and machinery	8,970	1,659	2,570	146	**13,345**
Industrial and business equipment	1,588	425	259		**2,272**
Other tangible assets	2,997	790	3,310	313	**7,410**
Tangible assets under development and advances	18,479	1,756	9,128	2,222	**31,585**
Total tangible assets	**42,937**	**5,412**	**24,538**	**2,805**	**75,692**
Total	**43,270**	**5,760**	**25,265**	**2,822**	**77,117**

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 segment – The segment has already commenced activities directed at the production of energy through utilisation of slaughtering by-products with biogas plants for some time, as well as developing technologies aimed at:
  - the reduction of the microbe load in its semi-finished and finished products based on physical agents, and consequent study of the possible application and utilisation of the lactic acid;
  - development of new products with specific recipes for the emerging markets, with particular reference to the African continent;
  - sustainable production techniques applied to cattle rearing;
  - enhancement of some scrap typologies for reutilisation in internal processes, through physical and enzyme systems.

  The instruments that INALCA S.p.A. has adopted for the support to and financing of research are the following:

  - INALCA has participated in the Foodbest platform (http://www.foodbest.eu/) from 2012 through the Bologna University. The Foodbest platform aggregates the food excellence of the Community territory and is the main instrument for accessing Community funds for research in the food sector supplied by the EIT – *European Institute of Innovation & Technology* (http://eit.europa.eu/);
  - on the themes of research on matters of active packaging materials, the company has obtained a loan from the Lombardy Region, defined as a *Nactivepack*, together with some leading companies of the packaging materials, conservation gas and food aromas segments; the research agenda is aimed at the development of a packaging system capable of lengthening the conservability of products, while keeping the organoleptic properties unaltered;
  - on matters of research in the sustainability segment, INALCA has coordinated a national strategic development plan entitled "Cluster Tecnologico Nazionale" (MIUR Decree prot.257/RIC of

30/05/2012). This is the most important national instrument for the promotion of strategic projects on sustainability. INALCA was granted a loan (MIUR Decree of 14 December 2012). The project is aimed at the construction of industrial plants in the sector of scrap recovery and production of energy from renewable sources.

- Cured meats and snack segment – Research and development continued in 2013 directed at the IGP (Protected Geographical Identity) area, supply high quality content supply chain and consumer recognisability, and above all research on production systems with better qualitative and productivity standards in the area of self-service products (sliced meats and cuts). As in the past financial years the following research directions were continued with the use of internal resources:

  - implementation of formulations with a higher health content, capable of meeting the most modern nutritional requirements of the consumers;
  - study and implementation of new production processes aimed at:
    - development of an innovative line for the Italian market for bacon production destined for "English breakfast" consumption. The atomised production cycle of these cured meats ensures the maximum healthiness levels and quality consistency;
    - obtain the "Guaranteed animal well-being" certification on some cured meats made with pork from the controlled supply chain;
    - produce cooked hams, thematically processed in hot water, in special moulds with the microbiological profile conforming to all European and non-Community legislation.

- Foodservice distribution segment – Development and expansion of own brand products lines continue.

Events occurring after the end of the 2014 financial year

The following events occurred after the financial year-end:

Production

- Start-up of installation of the Biogas facility in Società Agricola Corticella;
- Signing of an agreement with a local investor for construction of a slaughtering plant in the South of Angola, on the Namibia border.

Catering

- Incorporation of two companies , in Russia and in Turkey (the first controlled by Chef Express UK Ltd and the second by Chef Express S.p.A.) directed at development of new businesses in the catering sector in the aforesaid countries;
- the sale of the catering activities at the Mirabella Nord (AV) service area;
- the opening to the public of new Roadhouse Grill brand premises in Sesto san Giovanni (MI)) and a Tortona (AL), thus taking the number of premises opened in Italy by the chain to 59;
- the signing of further contracts for the opening to the public of new Roadhouse Grill brand steakhouses in Sondrio, Seregno (MB) and Gravellona Toce (VB);
- the signing of master franchising agreement with an important Bulgarian operator for development of the Roadhouse Grill brand in Bulgaria.

Business Outlook

The results achieved in the 2014 financial year confirm the company's good performance, although with a still weak market trend.
The Group will again be committed in 2015 to the consolidation of the income results achieved by pursuing development and cost rationalisation policies in the various operating sectors.

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 2014 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.

Furthermore, consider that the company, though operating in the food sector that is characterised by a substantial stability, suffers from the general conditions of the economy and is therefore exposed, even though to a lower extent compared to other sectors, to the uncertainties of the current macroeconomic climate.
As already described in the reports for previous financial years, 2013 was again characterised by volatility in the financial markets and difficulty in access to credit, other than a consumption contraction; this has led the management to maintain high attention to the dynamics of credit management and cost curbing policies to preserve the commercial margin.
As far as concerns the evolution of the Group's financial position, this depends on numerous conditions amongst which are, other than achievement of set targets in terms of commercial working capital management, the trend of the banking and monetary markets that are also influenced by the current economic situation.
As far as concerns the specific risks and uncertainties of the Cremonini and Group business, please refer to the paragraph "Provisions for non-current liabilities and charges" in the Explanatory Notes.

The Cremonini Group is aware that its employees and associates are an important resource for the business to achieve success and for the future of the company itself. For this reason great attention is placed on the well-being of all the employees and associates and the development of training programmes tailored for individual requirements, in order to favour a positive corporate climate capable of instigating a sense of belonging and commitment to the achievement of communal business targets.
8,778 persons work in the 15 countries where the Group is present: the majority are in the European Union (86.4%), followed by Russia (8.5%) and lastly Africa (4.8%). The headcount was instead 8,806 in 2013.
The breakdown of the organizational structure based on professional designation is 145 executives, 963 managers, 1,406 office staff and 6,264 workers or seasonal employees.
Other than employees the Group also has numerous salespersons and a network of transporters who collaborate with agency agreements and performance of services.

Training

The Group considers that continuous training and learning is a determining factor for increasing and keeping its human resources always updated. For this reason it conducts periodic training programmes oriented at development of the internal staff and sales force. The Group promoted numerous training initiatives in 2013, with both internal and external updating courses that varied according to the sector. Noted amongst the different initiatives undertaken are those carried out in the distribution sector area, orientated to training the staff who conduct activities that influence the quality of the products, services and processes.

The Group also promotes conventions and University master courses to favour traineeships at its sales outlets that frequently are transformed into employment and assists, in collaboration with other Group companies, the Modena and Reggio Emilia Universities and the Marco Biagi Foundation, with research doctorates in the trade union relations area.

Environment

In the perspective of safeguarding and respecting the environment, the Group has always been careful of the activities carried out by its companies, with reference both to the impact of its production processes and the 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 plants 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 wastewater 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 valorisation systems. Consistent with the new legal directives that incentivise 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 valorisation 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.

Shown below are the summarised results of the Parent Company prepared in conformity with the IAS/IFRS International Accounting Standards.

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

(Euro/000)	Year 2014	Year 2013	Chg. %
Total revenues	**6,090**	**20,960**	**(70.94)**
Changes in inventories of work in progress, semi-finished and finished			
Value of production	**6,090**	**20,960**	**(70.94)**
Cost of production	(6,352)	(8,450)	
Value added	**(262)**	**12,510**	**n.a.**
Personnel costs	(2,575)	(2,413)	
Gross operating margin [a]	**(2,837)**	**10,097**	**(128.10)**
Amortization, depreciation and write-downs	(2,117)	(2,346)	
Operating income [b]	**(4,954)**	**7,751**	**(163.91)**
Net financial income (charges)	(13,144)	(10,757)	
Profit from ordinary activities	**(18,098)**	**(3,006)**	**n.a.**
Net income (charges) from investments	58,145	55,747	
Net extraordinary financial income (charges)	-	-	
Result before taxes	**40,047**	**52,741**	**n.a.**
Income taxes for the financial year	4,104	(377)	
Net profit	**44,151**	**52,364**	**n.a.**

Statement of Assets and Liabilities of the Parent Company Cremonini S.p.A.

(Euro/000)	Year 2014	Year 2013	*Chg. %*
Intangible assets	7	30	
Tangible assets	79,119	77,953	
Equity investments and other financial assets	257,735	282,761	
Total fixed assets	**336,861**	**360,744**	*(6.62)*
Trade net working capital			
- Trade receivables	2,742	2,233	
- Inventories	-	-	
- Trade payables	(3,135)	(3,203)	
Total trade net working capital	(393)	(970)	
Other current assets	10,647	8,865	
Other current liabilities	(8,983)	(7,326)	
Net working capital	**1,271**	**569**	*n.a.*
Staff Severance Indemnity Provision and other medium/long-term	**(7,695)**	**(8,314)**	
Net invested capital	**330,437**	**352,999**	*(6.39)*
Total Shareholders' Equity	**204,760**	**159,795**	*28.14*
Net medium/long-term debt	41,623	66,097	
Net short-term debt	84,054	127,107	
Net debt	**125,677**	**193,204**	*(34.95)*
Net equity and net debt	**330,437**	**352,999**	*(6.39)*

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)

(Euro/000)	Year 2014	Year 2013
Payables to banks, bonds and other financial institutions		
- due within 12 months	(99,980)	(79,846)
- due between 1 and 5 years	(22,018)	(66,063)
- due beyond 5 years	(19,605)	(34)
Total payables to banks, bonds and other financial institutions	**(141,603)**	**(145,943)**
Liquidity		
- cash and cash equivalents	3,801	317
- other financial assets	50	2,131
Total liquidity	**3,851**	**2,448**
Securitization and internal treasury current accounts	**12,075**	**(49,709)**
Total net debt	**(125,677)**	**(193,204)**

Property services

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

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.

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 Statement of Assets and Liabilities 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.

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.

(Euro/000)	Parent Company	Subsidiaries	Associated companies	Related companies
Revenues				
Financial income	20	425		
Services		4,382	80	
Sales of goods				
Other income		19,889	289	
Total revenues	**20**	**24,696**	**369**	**-**
Costs				
Financial charges		1,248		
Services		378	14	
Purchase of goods				
Other charges		947		1
Total costs	**-**	**2,573**	**14**	**1**
Receivables				
Financial	1,773	14,751		
Trade		2,339		
Other (a)		2,612		
Total Receivables	**1,773**	**19,702**	**-**	**-**
Payables				
Financial		4,448		
Trade		1,591		
Other (a)		4,516		
Total Payables	**-**	**10,555**	**-**	**-**

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

The powers granted to 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 5 May 2014;
- 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 5 May 2014.

An Executive Committee and a General Manager have not been appointed in the current corporate bodies' structure.
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 requesting your decisions on this matter, we confirm that the draft financial statements for the year ended on December 2014, 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 the Explanatory Notes for comments on individual items. We invite you to approve the financial statements for the year ended on 31 December 2014, together with the Directors' Report.

Furthermore, we suggest the following allocation of the net profit for the year of Euro 44,150,714:

- a dividend of Euro 0.12 for each ordinary share having the right on 8 June 2015 (coupon no. 12), with payment by 10 June 2015;
- allocation to the "Retained earnings" reserve of the residual sum of Euro 28,672,114.40.

Castelvetro di Modena, 27 March 2015

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

CREMONINI S.P.A

FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2014

Financial statements as at 31 December 2014

Statement of Assets and Liabilities– Assets

(Euro)	Note	**31.12.2014**	31.12.2013
Non-current assets			
Tangible assets	1	79,118,562	77,952,999
Goodwill		-	-
Other intangible assets	2	6,715	30,204
Investments in subsidiaries and associated companies	3	254,694,295	270,717,865
Investments in other companies	4	3,038,034	12,040,257
Financial assets held for sale		50,000	50,000.0
Deferred tax assets	5	556,092	749,949
Other non-current assets	6	4,932,262	4,932,408
Total non-current assets		**342,395,960**	**366,473,682**
Current assets			
Inventories		-	-
Current financial receivables	7	19,135,598	8,742,172
relating to related parties		*19,135,598*	*8,742,172*
Current trade receivables	8	2,760,264	2,256,169
relating to related parties		*2,339,014*	*1,914,564*
Current tax assets	9	1,209,520	1,742,916
Financial assets held for sale		1,000,223	2,081,076.0
Financial instruments / Derivatives	15	-	-
Cash and cash equivalents	10	3,801,225	316,807
Other current assets	11	379,722	358,389
relating to related parties		-	-
Total current assets		**28,286,552**	**15,497,529**
Total assets		**370,682,512**	**381,971,211**

Statement of Assets and Liabilities

(Euro)	Note	31.12.2014	31.12.2013
Shareholders' Equity			
Share capital	12	67,073,932	67,073,932
Reserves	13	(40,531,669)	(41,346,017)
Retained earnings		134,067,442	81,703,619
Result for the period		44,150,714	52,363,822
Total Shareholders' Equity		**204,760,419**	**159,795,356**
Non-current liabilities			
Non-current financial payables	14	45,360,305	68,686,393
relating to related parties		*3,737,168*	*3,737,169*
Financial instruments / Derivatives	15	-	1,148,084.00
Employee benefits	16	421,540	430,975
Non-current provisions for risks and charges	17	521,036	373,132
Deferred tax liabilities	18	6,752,363	7,509,721
Other non-current liabilities		473	473
Total non-current liabilities		**53,055,717**	**78,148,778**
Current liabilities			
Current financial payables	19	104,743,811	139,016,795
relating to related parties		*5,227,386*	*59,170,698*
Financial instruments / Derivatives	15	464,214	-
Current tax liabilities	20	3,053,329	581,755
Current trade liabilities	21	3,174,237	3,258,376
relating to related parties		*1,589,938*	*1,543,291*
Other current liabilities	22	1,430,785	1,170,151
relating to related parties		*0*	*0*
Total current liabilities		**112,866,376**	**144,027,077**
Total liabilities		**370,682,512**	**381,971,211**

Financial statements as at 31 December 2014

Income statement

(Euro)	Note	31 December 2014	31 December 2013
Revenues	23	5,375,476	5,917,650
relating to related parties		*4,461,714*	*5,090,918*
Other revenues	24	714,167	15,042,845
relating to related parties		*433,348*	*11,790,238*
Costs for purchases	25	(65,843)	(46,051)
relating to related parties		*(525)*	*(1,339)*
Other operating costs	26	(6,286,054)	(8,403,503)
relating to related parties		*(400,600)*	*(526,240)*
Personnel costs	27	(2,575,015)	(2,413,082)
Amortization and depreciation	28	(1,646,721)	(1,739,268)
Write-downs and provisions	28	(469,886)	(607,322)
Revenues from equity investments	29	58,145,437	55,746,927
relating to related parties		*18,805,606*	*18,339,610*
Financial (Income)/Charges	30	(13,144,289)	(10,757,197)
relating to related parties		*(803,304)*	*2,860,199*
Result before taxes		**40,047,272**	**52,740,999**
Income taxes	31	**4,103,442**	**(377,177)**
Result for the period		**44,150,714**	**52,363,822**

Other comprehensive income components

(Euro)	31 December 2014	31 December 2013*
Result for the period	**44,150,714**	**52,363,822**
Items to be reclassified to profit or loss in subsequent periods:		
Efficacious part of profits/(losses) on cash flow hedge instruments	1,149,852	885,850
Tax effect	(316,209)	(243,609)
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial gain (losses)	(26,615)	2,761
Tax effect	7,321	(759)
Comprehensive Income	**44,965,063**	**53,008,065**

Statement of changes in the shareholders' equity over the financial year ended as at 31 December 2014

(Euro)				Other riserves										
	Share capital	Nominal value treasury stock in portfolio	Total Share capital	Share premium reserve	Legal reserve	Merger Deficit	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 2012	**67,073,932**	**0**	**67,073,932**	**78,279,705**	**14,749,280**	**(146,379,437)**	**0**	**12,787,578**	**(46,016)**	**(1,475,884)**	**(42,084,774)**	**57,042,031**	**24,661,588**	**106,692,777**
Allocation of the results for the previous year:														
- retained earnings reserve												**24,661,588**	**(24,661,588)**	**0**
Effetto fusione							**94,514**				**94,514**			**94,514**
Consolidated comprehensive income														
- Net profit (loss) for the period													**52,363,822**	**52,363,822**
- Other Profits/(losses), net of taxes									**2,002**	**642,241**	**644,243**			**644,243**
Balances at 31 December 2013	**67,073,932**	**0**	**67,073,932**	**78,279,705**	**14,749,280**	**(146,379,437)**	**94,514**	**12,787,578**	**(44,014)**	**(833,643)**	**(41,346,017)**	**81,703,619**	**52,363,822**	**159,795,356**
Allocation of the results for the previous year:														
- retained earnings reserve												**52,363,822**	**(52,363,822)**	**0**
Comprehensive income														
- Net profit (loss) for the period													**44,150,714**	**44,150,714**
- Other Profits/(losses), net of taxes									**(19,295)**	**833,643**	**814,348**	**1**		**814,349**
Balances at 31 December 2014	**67,073,932**	**0**	**67,073,932**	**78,279,705**	**14,749,280**	**(146,379,437)**	**94,514**	**12,787,578**	**(63,309)**	**0**	**(40,531,669)**	**134,067,442**	**44,150,714**	**204,760,419**

Cash flow statements for the financial years ended as at 31 December 2014 and 2013

(Euro/000)	**31.12.2014**	31.12.2013
Profit for the period	**44,151**	**52,364**
Amortization and depreciation	1,647	1,739
Impairment	-	-
Net change in other provisions and non-monetary income items	1,537	2,011
Net change in Staff Severance Provision	(1,074)	1,553
Changes in working capital		
(Increase) decrease in trade receivables	(652)	(1,286)
(Increase) decrease in inventories	-	-
Increase (decrease) in trade payables	(68)	619
(Increase) decrease in other items of the working capital	(125)	1,655
Cash-flow from operating activities (A)	**45,415**	**58,655**
Net (investments) in intangible assets	(9)	-
Net (investments) in tangible assets	(2,781)	(2,419)
Net change in other non current assets	24,087	6,597
Acquisition net of Cash and cash equivalent	-	-
Cash-flow from investment activities (B)	**21,297**	**4,178**
Increase (Decrease) in medium-long term borrowings	(25,622)	(35,171)
Increase (Decrease) in medium-long term liabilities for derivatives	1,148	(886)
Increase (Decrease) in short-term borrowings	(40,033)	(27,314)
Increase (Decrease) in short-term liabilites for derivatives	464	-
Capital increase and other changes in equity	814	739
Cash flow from financing activities (C)	**(63,229)**	**(62,632)**
Cash Flow of the year (D=A+B+C)	**3,484**	**201**
Cash and cash equivalents at the beginning of the year (E)	317	116
Cash and cash equivalents at the end of the year (F=D+E)	**3,801**	**317**

Cremonini SpA Financial Statement as at 31 December 2014

Notes to the financial statements

Form and content of the financial statements

The financial statements as at 31 December 2014 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 Union 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 27 March 2015.

The section on "Accounting standards" illustrates the international accounting standards adopted in the preparation of the Cremonini S.p.A. statement of assets and liabilities as at 31 December 2014.

The Cremonini S.p.A. financial statements as at 31 December 2014 were prepared in accordance with the cost method, with the exception of the following postings in the statement of assets and liabilities :

- 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 2014 show the figures for the financial year ended as at 31 December 2013.

The following classifications have been used:

- "Statement of Assets and Liabilities" for 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 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 Statement of Assets and Liabilities 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 2014, 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 2014

The measurement criteria used for the purpose of preparation of the consolidated financial statements for the year 2014 do not differ from those used for the consolidated financial statements for the financial year ended 31 December 2013, with the exception of the accounting standards and interpretations applicable from 1 January 2014, which however have not had effects on these financial statements.

- IFRS 10 "Consolidated financial statements" and IAS 27 "Separate financial statements (reviewed in 2011)". IFRS 10 substitutes part of IAS 27 "Consolidated and separate financial statements" and also includes the problems raised in SIC 12 "Consolidation – Special Purpose Entities". IFRS 10 establishes a sole control model that is applied to all companies, including special purpose entities and will require discretional measurements for the determination of which are subsidiary companies and which must be consolidated by the parent company.
Following the introduction of this new standard, IAS 27 remains limited to the accounting for subsidiary companies with joint control and related companies in the separate financial statements.
The amendment, subsequent to the prior approval of the standard, also provides an exception to the consolidation for entities that form part of the investment entities pursuant to IFRS 10 – Consolidated Financial Statements. This exception to consolidation requires that investment entities measure their subsidiary companies at the fair value recognised in the income statement. These amendments are not applicable to the Group's consolidated financial statements.
- IFRS 11 "Joint Arrangements" – this standard substitutes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 11 eliminates the option of accounting for jointly controlled subsidiary companies using the proportional consolidation method but establishes the use of the net equity method.
- IFRS 12 "Disclosure of interests in other entities" – this standard includes all the directives on the matter of disclosure previously included in IAS 27 relating to consolidated financial statements, as well all the disclosure directives of IAS 31 and IAS 28 relating to a company's interests in jointly controlled subsidiary companies, related companies and structured vehicles.
- IAS 28 "Investments in Associates (reviewed in 2011)". Following the new IFRS 11 and IFRS 12, tale this standard was renamed "Investments in associates and joint ventures" and describes the application of the shareholders' equity method for investments in jointly controlled companies, in addition to related companies.
- IAS 32 "Offsetting financial assets and financial liabilities – Amendments to IAS 32". The amendments clarify the significance of "currently has a legally enforceable right to offset". The amendments also clarify the application of the offsetting criterion of IAS 32 in the case of settlement systems (for example, centralized clearing houses) that apply gross, non-simultaneous settlement mechanisms. These amendments have not had any impact on the Group's financial statements, since no Group entity has existing offsetting agreements.
- IAS 36 "Additional information on the recoverable value of non-financial assets – Amendments to IAS 36". These amendments remove the consequences introduced involuntarily by IFRS 13 on the disclosures required by IAS 36. Furthermore, these amendments require disclosures on the recoverable value of the assets or CGU for which an impairment loss was recognised *or "*reversed*"* during the course of the financial year.
- IAS 39 "Novation of derivatives and continuation of the booking of a hedge – Amendments to IAS 39". These amendments allow the continuation of hedge accounting when the novation of a hedging derivative respects determined criteria. These amendments, which must be applied retrospectively, have not had any impact on the consolidated financial statements since the Group has not substituted its derivatives either in this or in the previous financial years.
- IFRIC 21"Taxation". IFRIC 21 retroactively applies to all payments imposed by the government by law, other than those already treated in other standards (for example by IAS 12 "Income taxes" and those for fines or other penalties for breaches of the law). The interpretation clarifies that an entity does not recognise a liability before the event to which the payment is linked occurs, in accordance with the applicable law.
The interpretation also clarifies that the liability matures progressively only if the event to which the payment is linked occurs during a time period provided by law. For payments that are due only on exceeding a determined minimum threshold, the liability is only recorded on reaching such threshold. This interpretation has not had any impact on the Group, as the recognition criteria provided by IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", which are in accordance with the IFRIC 21 directives, were applied in previous years.

We also note that the IASB published the "Annual Improvements to IFRS documents" 2010 – 2012 cycle" and: "Annual Improvements to IFRSs 2011 – 2013 cycle "on 12 December 2013, which adopt the amendments to the standards in connection with the annual improvement process thereof, concentrating on amendments considered as necessary, but not urgent. We also note the principal amendments that, nevertheless, are not applicable to these consolidated financial statements:

- IFRS 2 - Share-based payments: some amendments were made to the definitions of "vesting condition" and "market condition" and further definitions of the "performance conditions" and "service conditions" were added for the recording of share-based benefit plans;
- IFRS 3 – "Business combinations": the amendments clarify that a potential consideration classified as an asset or liability must be measured at fair value at every year-end, with recording of the effects in the income statement, disregarding the fact that the potential consideration is a financial instrument or else a non-financial asset or liability. Furthermore, it clarifies that this standard is not applicable to all constitutions of joint ventures;
- IFRS 8 – Operating Segments: the amendments require disclosure of the management's measurements in the application of criteria for combination of the operating segments, including a description of the operating segments combined and the economic indicators considered in the determination of whether such operating segments have "similar economic characteristics". Furthermore, the reconciliation between the total assets of the operating segments and the total assets of the entity must only be provided if the total of the operating segments' assets is regularly provided to corporate management;
- IFRS 13 – Fair value measurement: the Basis for Conclusions of the standard were amended for the purpose of clarifying that with the issue of IFRS 13, and the consequent amendments to IAS 39 and IFRS 9, the possibility of accounting for the short-term trade receivables and payables without recording the effects of discounting remains valid, should such effects be immaterial.

The effective date of the proposed amendments is anticipated for the financial years commencing from 1 July 2014 or a subsequent date. These amendments have not yet been approved by the European Union.

Accounting standards, amendments and interpretations applicable to future financial statements

The accounting standards and interpretations which, as of the date of the preparation of the consolidated financial statements, were already issued but not yet in force are illustrated below. - IFRS 9 - Financial instruments. In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments, which reflects all the phases of the project concerning financial instruments and replaces IAS 39, Financial Instruments:
Recording and measurement, and all previous versions of IFRS 9. The standard introduces new requirements for classification, measurement, impairment and hedge accounting. IFRS 9 is effective for financial years starting on 1 January 2018 or later.
- IFRS 15 - Revenues deriving from contracts with customers. This IFRS was issued in May 2014 and introduces a new five-phase model to be applied to revenues from customer contracts. IFRS 15 provides that revenues be recorded for an amount reflecting the payment the entity deems to have the right to in exchange for the transfer of goods or services to the customer. The standard gives a more structured approach for recording and assessing revenues, replacing all the current requirements in the other IFRS on the recognition of revenues. IFRS 15 is effective for financial years starting on 1 January 2017 or later, with full or modified retrospective application.
Advance application is also allowed. The Group does not expect any significant impact from the application of this standard.
- Amendments to IFRS 11 - Joint control agreements: Purchase of a holding. These amendments require that a joint operator which records the acquisition of a holding in a joint control agreement in the accounts, the activities of which represent a business, must apply the significant standards of IFRS 3 concerning the accounting of corporate aggregations. The amendments also clarify that, in the case of joint control being maintained, the holding previously held in a joint control agreement shall not be the subject of re-measurement at the time at which an additional holding is purchased. Furthermore, an exclusion to the scope of IFRS 11 has been added, in order to clarify that the amendments shall not be applicable when all the parties sharing control, including the entity which draws up the financial statements, are subjected to the common control of the same controlling entity. The amendments are applicable to both the purchase of the initial holding in a joint control agreement and the purchase of any additional holdings in the same joint control agreement. The amendments must be applied prospectively for financial years starting on 1 January 2016 or later, and their advance application is allowed.
- Amendments to IAS 16 and IAS 38: Clarification on the admissible methods of depreciation and amortization. These amendments clarify the standard contained in IAS 16 and in IAS 38: the revenues reflect a model of economic benefits generated by the management of a business (of which the activity is a part), rather than the economic benefits consumed by using the asset in question. It follows that a method based on revenues cannot be used for the depreciation of buildings, plant and machinery and could only be used in very limited

circumstances for the amortization of intangible assets. The amendments must be applied prospectively for financial years starting on 1 January 2016 or later, and their advance application is allowed.
- Amendments to IAS 19 Employee benefits: Contributions by employees. IAS 19 requires that an entity must consider the contributions by employees or third parties when recording the defined benefits plans in the accounts. When the contributions are linked to the performance of a service, they should be attributed to the period of service as negative benefits. The amendment clarifies that, if the amount of contributions is independent of the number of years of service, the entity is allowed to record these contributions as a reduction in the cost of the service in the period in which the service is performed, rather than allocate the contributions to the service periods. This amendment is effective for financial years starting on 1 July 2014 or later.
- Amendments to IAS 27: Net equity method in the separate financial statements. The amendments will enable the entity to use the net equity method to record the holdings in subsidiaries, joint ventures and associates in its own separate financial statements. The entities which are already applying the IFRS and decide to modify the criterion for recording in the accounts by changing to the net equity method in their own separate financial statements must apply the change retrospectively. The amendments are effective for financial years starting on 1 January 2016 or later, and their advance application is allowed.
- Amendments to IAS 1: Initiative on the explanatory notes to the financial statements. The amendments are aimed at introducing clarifications into IAS 1 in order to deal with some elements that are perceived as limitations to the use of judgment by those who draw up the financial statements. These amendments are awaiting approval and are applicable for financial years starting on 1 January 2016 or later.
- Amendments to IFRS 10 and IAS 28: sale or conferment of an asset between an investor and one of their associates or joint ventures. The amendment is aimed at removing the conflict between the requirements of IAS 28 and IFRS 10 and clarifies that in a transaction involving an associate or joint venture, the extent to which it is possible to record a profit or loss depends on whether the asset involved in the sale or conferment is a business or not. The amendment is awaiting approval and is applicable for financial years starting on 1 January 2016 or later.
Lastly, some enhancements have been issued to acknowledge the amendments to the standards in the framework of their annual enhancement, concentrating on the necessary, but not urgent, amendments.
The main amendments still awaiting approval concern the following standards: - IFRS 5, introduces a clarification for cases in which the method of transfer of an asset changes, reclassifying the latter from held for sale to held for distribution;
- IFRS 7, clarifies if and when contract services constitute continuous involvement for informative purposes;
- IAS 19, clarifies that the currency of the securities used as reference in estimating the discount rate must be the same as that in which the benefits will be paid out;
- IAS 34, clarifies the meaning of "elsewhere" in cross referencing.

Accounting standards

The measurement criteria utilised in the preparation of the consolidated financial statements for the year ended 31 December 2014 are the same used for the preparation of the consolidated financial statements as at 31 December 2013, with the exception of that described in the above section. The more significant measurement criteria adopted for the preparation of the consolidated financial statements are indicated below.

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 carrying value minus the presumable net transfer

value at the end of its useful life, if material and reasonable determinable. Land (items with an undefined profit) is not depreciated, even if purchased together with a building, as well as tangible assets held for sale, measured at the lower of the carrying 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 statement of assets and liabilities.
The recoverability of the carrying value of tangible assets is determined by adopting the criteria indicated in the section "Impairment of assets".

Depreciation reflects the economic and technical deterioration of the asset and commences when the asset is available for use, calculated according to the linear model of the asset's estimated useful life.

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%

An asset is eliminated from the financial statements at the time of sale or when future economic benefits are no longer anticipated from its use or disposal. Any losses or profits (calculated as the difference between the net proceeds from sale and the carrying value) are included in the income statement at the time of the aforesaid elimination.

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 statement of assets and liabilities 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 recognised in 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 carrying 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 carrying value is determined at least each year and, in any case, whenever there are events implying impairment. As far as goodwill is concerned, the smallest aggregate is measured, upon which Management, assesses the return on investment, either directly or indirectly, including the goodwill itself (cash generating unit). Write-downs are not subject to value restoration.

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

The amortisation period and criteria for intangible assets with a definite useful life is reviewed at least every year-end and updated if necessary.

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 impairment; the original value is reinstated in later financial years if the reasons for the write-down no longer exist.
Equity investments in other enterprises classified, in accordance with IAS 39, as available for sale are initially recorded at their fair value and subsequently, where it might not be possible to determine a reliable fair value, possibly written-down In the event of enduring losses. The original value shall not be reinstated in the following financial years, even should the reasons for the write-down no longer exist.

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 carrying 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. In this case the Group also recognises an associated liability. The asset transferred and associated liability are measured so as to reflect the Group's rights and obligations. The residual involvement that, for example, takes the form of a guarantee on the asset transferred is valuated at the lower of the initial carrying value of the asset and the maximum value of the consideration that the company could be required to pay.

Impairments of financial assets

At each reporting date, the Group assesses whether a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as result of one or more events that have occurred after the initial recognition of the asset (when a "loss event" occurs) and this loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets in question that can be reliably estimated. Evidence of impairment may be represented by indicators such as financial difficulties, the incapacity to deal with the obligations undertaken, insolvency in the payment of interest or significant payments that are affecting the debtors or a group of debtors; the probability that it will enter bankruptcy or other form of financial reorganisation, and where observable data indicate that there is a measurable decrease in expected future cash flows, such as changes in context or in the economic conditions related to the obligations undertaken.

As regards the financial assets carried at amortized cost, the Company firstly assesses whether objective evidence of impairment exists for each financial asset that is individually significant, or collectively in the case of financial assets that are not individually significant. If the Company determines that there is no evidence of impairment for a financial asset evaluated individually, whether significant or not, then the asset in question is included in a group of financial assets with similar credit risk characteristics and these are assessed collectively for impairment. The assets that are evaluated individually in terms of impairment and for which an impairment has been recorded or continues to be recorded are not included in any collective assessments of impairment.

If there is objective evidence of impairment, the amount of the loss is measured as the difference between the carrying value of the asset and the present value of the future estimated cash flows (excluding the expectations of credit losses in future that have not yet occurred).
The carrying value of the asset is reduced by utilisation of a write-down provision and the amount of the loss will be disclosed in the income statement.
Should, in a subsequent financial year, the amount of the estimated write-down increase or diminish because of an event that took place after the write-down was recorded, the write-down previously recorded must be increased or diminished by adjusting the provision with a contra entry in the income statement.
For financial assets available for sale, the company assesses at every reference date of the financial statements whether there is objective evidence that an asset or a group of assets has suffered an impairment.

Impairments of non-financial assets

The company evaluates the possible existence of indicators of the impairment of non-financial assets at every year-end. In the event of cases implying an impairment of an asset, the recoverability of its value is determined by comparing the carrying 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 written-up 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 carrying 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

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.

Financial liabilities

Financial liabilities that fall within the field of application of IAS 39 are classified financial liabilities at fair value recorded in the income statement, as with financial payables, or as derivatives designated as hedging instruments, according to the cases. The company's financial liabilities comprise trade and other payables, loans and derivative instruments. The company determines the classification of its financial liabilities at the time of their initial recognition.

Financial liabilities are initially measured at their fair value, equal to the consideration received at the date of the settlement to which is added, in the case of financial payables, the directly attributable transaction costs.

Subsequently the non-derivative financial liabilities are measured with the amortised cost criterion, using the effective interest rate method. Profits and losses are accounted for in the income statement when the liability is extinguished, other than through the amortisation process.

The amortised cost is calculated by realising any purchase discount, premium and disbursements or costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is included in the financial charges of the income statement.

Derecognition of financial liabilities

The cancellation from the financial statements of the financial liability takes place when the obligation underlying the liability is extinguished, 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 carrying values.

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 is the price that would be received for the sale of an asset, or which would be paid for the transfer of a liability, in a normal transaction between market operators at the date of measurement.
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.

The accounting methods are the following:

- fair value hedge: the changes in fair value of the hedging instrument are booked to the income statement together with the fair value changes of the transactions hedged.
- cash flow hedge: the "effective" portion of the fair value change in the derivative instrument is booked to the shareholders' equity and subsequently to the income statement when the transaction hedged produces its effects; the ineffective portion is directly booked to the income statement.
- financial instruments not qualified as hedges: the changes are booked to the income statement.

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

Post-Employment Benefits are in the area of those that IAS 19 defines as defined benefits plans in connection with benefits subsequent to employment. The accounting treatment provided for these forms of remuneration requires an actuarial calculation that allows the projecting of the amount of the Post-Employment Benefits already accrued into the future and actualizing this to take account of the time that will pass before the effective payment. Variables are considered in the actuarial calculation such as the average permanence of the employees, the inflation rate and anticipated interest rates. The measurement of the liability is carried out by an independent actuary. Following the amendment of IAS 19, effective for the financial years commencing from 1 January 2013 and subsequently, the profits and losses from actuarial calculation the defined benefits plans are fully recognised in the comprehensive income statement in the period to which they refer. These actuarial profits and losses are immediately classified in the undistributed profits and are not reclassified to the income statement in the subsequent periods. The welfare cost relates to a past service cost, which is recognised at the most recent date of the following:

- the date when a change or reduction of the plan occurred;
- the date when the Group recognised the correlated restructuring costs.

The Group recognised the following changes in the net obligation for defined benefits in the schedule of the profit/ (loss) for the year:

- service costs, including current and past service costs, profits and losses on non-routine reductions and extensions;
- Net interest receivable or payable.

The asset or liability relating to defined benefits includes the present value of the defined benefits obligation after deducting the fair value of the assets serving the plan.
Lastly, it is recalled that, following the 2007 reform of the national legislation and the regulation, for companies with more than 50 employees, that the post-employment benefits accruing from 1 January 2007 are configured as a defined contribution plan, the payments to which are directly accounted for in the income statement, as a

cost, when recognised. The post-employment benefits accrued up to 31.12.2006 remain as a defined benefits plan, without future contributions. Accordingly, its measurement was carried out by the independent actuaries based only on the expected average residual working life of the employees, without more consideration of their remuneration during a predetermined period of service. The "accrued" post-employment benefits before 1 January 2007 therefore suffers from a change in the calculation as an effect of the lack of an actuarial hypothesis, as previously provided, related to the salary increases. Specifically, the liability connected to "accrued " was evaluated on 1 January 2007 without application of the pro rata (years of service already provided/total years of service), as the relating to all on 31 December 2006 can almost be considered as fully accrued (the only exception being revaluation) in application of paragraph 67 (b) of IAS 19. It follows that for the purposes of this calculation, the "current service costs" relating to the future work of the employees to be considered as nil as they represent contribution payments to additional retirement benefit funds or the INPS Treasury Fund.

Provisions for liabilities and charges

Provisions for liabilities and charges regard costs and charges of a determined nature and certain or probable existence, the amount or date of occurrence of which is unknown as at the end of the financial year. These provisions are recorded when: (i) the existence of a current, legal or implicit obligation, deriving from a past event, is probable; (ii) the fulfilment of the obligation against payment is probable; (iii) the amount of the obligation can be reliably estimated. The provisions are recorded at the value representative of the best estimate of the amount that the company would rationally pay to extinguish the obligation or else to transfer it to third parties at the year-end. When the financial effect of the timing is significant and the dates of payment of the obligations can be reliably estimated, the allocation is discounted and the increase in the connected provision after a lapse of time is attributed to the income statement in the item "Financial income (charges)". The additional customer indemnity provision, as with other provisions for liabilities and charges, was allocated based on a reasonable estimate, taking available elements of the future probable liability into consideration.

Income taxes

Current taxes are determined on the basis of a realistic forecast of the charges to be paid in application of the prevailing tax legislation, or that substantially approved, at the year-end. The related payable is recognised net of any tax payments on account, withholdings and tax receivables that can be offset, in the item "Tax payables". Should there be a credit balance the amount is shown in the item "Other receivables" under current assets.

Deferred and prepaid income taxes are calculated on the timing differences between the values of the assets and liabilities recorded in the financial statements and the corresponding values recognised for tax purposes.

Deferred taxes payable are recorded against all the taxable timing differences, with the following exceptions:

- the deferred taxes payable deriving from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and, at the time of the transaction itself, there are no effects either on the financial statements profit, or profit or loss calculated for tax purposes;
- the reversing of the taxable timing differences, associated with investments in subsidiaries, related companies and joint ventures, can be checked and it is probable that it will not occur in the foreseeable future.

Deferred tax assets are recorded against all the taxable timing differences and unutilised tax receivables and losses carried forward, to the extent where their existence is probable and adequate future tax profits will be available for the use of the deductible timing differences and tax receivables and losses carried forward, except in the case where:

- deferred tax assets associated with deductible timing differences deriving from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction itself, does not influence either the result of the financial statements, or the taxable profit or loss;
- the taxable timing differences, associated with investments in subsidiaries, related companies and joint ventures and deferred tax assets, are only recognised in the extent that it is probable that the deductible timing differences will reverse and adequate future tax profits will be available for the use of the deductible timing differences.

Prepaid tax assets are recognised when their recovery is probable. The value of the prepaid taxes is re-examined at every year-end and reduced to the extent to which it is no longer probable that sufficient fiscally recognised profits will be available. Prepaid tax assets and deferred tax liabilities are classified under the non-current assets and liabilities and are offset if referred to taxes that can be offset. The balance of the compensation, if receivable, is recorded under the item "Prepaid tax assets"; if payable under the item "Deferred tax liabilities". When the results of the transactions are recorded directly to shareholders' equity, the current taxes, prepaid tax assets and deferred tax liabilities are also booked to shareholders' equity or the comprehensive income statement consistently with recording of the element to which they refer.
Prepaid and deferred taxes are calculated on the basis of the tax rates that are expected to be applied in the year when such assets will be realised or these liabilities will be extinguished.

Translation criteria for the items in foreign currencies

Foreign currency transactions are initially recorded in the functional currency by applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated to the functional currency at the date of the financial statements.

The exchange rate differences are recorded in the income statement, including the exchange rate differences realised on receipt of the receivables and payment of the payables in foreign currencies.
Non-monetary items measured at the historical cost in a foreign currency are translated using the exchange rate at the date of initial recording of the transaction. Non-monetary items recorded at their fair value in a foreign currency are translated using the exchange rate at the date of determination of such value. The profit or loss that emerges from the reconversion of non-monetary items is treated in line with the recording of the profits and losses relating to the change of the fair value of the aforesaid items (the translation differences on the items for which a change of the fair value is recorded in the comprehensive income statement or the income statement are recorded, respectively, in the comprehensive income statement or income statement*).*

Revenue recognition

Revenues from sales of products are recognised at the time of the transfer of all the liabilities and charges, deriving from ownership of the goods transferred, coincides with the shipment or delivery thereof.
The revenues for services are recognised with reference to the percentage of completion.
Revenues of a financial nature are recognised on an accruals basis. The interest income from all financial instruments measured at amortised cost is recognised utilising the effective interest rate (EIT), which is the rate that exactly discounts the future payments and receipts, estimated with the expected life of the financial instrument.

Dividends

Dividends are recognised when their distribution is certain, that is, when the subsidiaries have resolved to distribute dividends or else the authorisation of the local monetary authority that approves or the authorisation of the local monetary authority which approves expatriation.

Recognition of costs

Costs are recognised when related to assets and services purchased and/or received during the period.
Operating lease instalments are booked to the income statement on an accruals basis.
The capital portion of financial lease instalments is booked as a reduction of the financial payable, while the interest portion is recognised in the income statement.
Charges for services are recognised on an accruals basis.
Interest income from all financial instruments measured at amortised cost is recognised utilising the effective interest rate (EIT), which is the rate that exactly discounts the future payments and receipts, estimated with the expected life of the financial instrument.

Main accounting judgments, estimates and assumptions adopted by Management

Corporate management has made accounting estimates based on their overall and/or subjective judgements. The generally accepted accounting standards applied for the preparation of the interim financial statements and accounting reports, take account of past experiences and hypotheses considered as reasonable and realistic on the basis of known information at that time. The use of these accounting estimates influences the carrying value of the assets and liabilities and the information on the potential assets and liabilities at the date of the financial statements, as well as the revenues and costs for the reporting period. The effective results can differ from those estimated due to the uncertainty characterising the hypotheses and conditions on which the estimates are based. Indicated below are the critical accounting estimates of the preparation process of the financial statements and interim financial reports as these result in a high recourse to subjective judgements, assumptions and estimates relating to matters that by their nature are uncertain. Should these estimates and assumptions, based on the management's best assessment differ in the future from the effective circumstances, these would be amended appropriately in the period when the circumstances themselves vary. The changes of the conditions on which the judgements, assumptions and estimates adopted are based could determine a material impact on the subsequent results.

Shown below are the main estimates and assumptions made by the management for the preparation of these annual financial statements, of which the changes, though not foreseeable at this time, could have effects on the financial statements.

• <u>Estimates adopted for the purpose of measurement of the impairment of the assets</u>

For the purposes of verification of a possible impairment of the equity investments recorded in the financial statements, the company has adopted the methodology already described in the paragraph "Impairment of assets".

The discount rate utilised for the average cost of capital (WACC) was 5.5%. The evaluation of any impairment test on goodwill was carried out annually with reference to 31 December 2014.

• <u>Estimates adopted in the actuarial calculation for the purpose of the calculation of the defined benefits in connection with the post-employment benefits</u>

The measurement of the post-employment benefits liability was carried out by an independent actuary on the basis of the following assumptions:

• Estimates adopted in the actuarial calculation for the purpose of the calculation of the defined benefits in connection with the post-employment benefits

- the anticipated inflation rate is:
- 0.60% for 2015
- 1.20% for 2016
- 1.50% for 2017 and 2018
- 2.00% from 2019 onwards
- the discount rate utilised of 0.91%[1];
- the anticipated annual rate of increase in post-employment benefits is:
- 1.950% for 2015
- 2.400% for 2016
- 2.625% for 2017 and 2018

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[1] Average performance curve deriving from IBOXX Eurozone Corporates AA (7-10 years).

- 3.000% from 2019 onwards

  - annual Post-employment benefit payment frequency forecast at 2.5%;
  - the turnover of employees was 9%.

• Estimates adopted in the calculation of deferred taxes

A significant discretional measurement is required of the directors to determine the amount of the deferred tax assets that can be booked. They must estimate the probable timing of the occurrence and the amount of the future taxable profits.

• Others

The following financial statements elements are affected by the management's estimates and assumptions:

- obsolete inventory;
- amortisation, depreciation and write-downs
- measurements 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 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 2014 the Parent Company did not have an 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

As at 31 December 2014, a hypothetic increase of 1% of the Euribor, as with all the other variables, would have determined a higher pre-tax charge (and therefore a corresponding reduction of the shareholders' equity) of about 757 thousand Euro on an annual base (1,432 thousand Euro as at 31 December 2013). A zeroing of the Euribor would instead have determined a lower pre-tax charge of about 55 thousand Euro (392 thousand Euro as at 31 December 2013).

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:

(Euro/000)	**31.12.2014**	31.12.2013
Current trade receivables	2,760	2,256
Other non-current assets	4,932	4,932
Other current assets	380	358
Total	**8,072**	**7,546**

The fair value of the above categories is not indicated as the carrying value represents a reasonable approximation. The value of the Trade receivables, Other non-current assets and Other current asset items are classifiable as "Level 3" financial assets, or rather those where the inputs are not are based on observable market data.

Please refer to point 8 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 conduct 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 carrying 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.

(Euro/000)	Within 12 months	1-5 years	Over 5 years	Total
31 December 2014				
Financial payables	104,744	-	-	104,744
Financial instruments / Derivatives	464	-	-	464
Trade Liabilities	3,174	-	-	3,174
	108,382	**-**	**-**	**108,382**
31 December 2013				
Financial payables	139,017	68,652	34	207,703
Financial instruments / Derivatives	-	1,148	-	1,148
Trade Liabilities	3,258	-	-	3,258
	142,275	**69,800**	**34**	**212,109**

Classes of financial instruments

The following elements are recognised in conformity with the accounting standards relating to financial instruments:

(Euro/000)	31 December 2014		
Balance Sheet Assets	**Loans and Receibles**	**Derivates utilised for hedging**	**Total**
Other non-current receivable items	4,932	-	4,932
Current financial receivables	19,136	-	19,136
Current trade receivables	2,760	-	2,760
Current derivative financial instruments	1,210	-	1,210
Cash and cash equivalents	3,801	-	3,801
Financial activities available for sale	1,000	-	1,000
Other current receivable items	380	-	380
Total	**33,219**	**-**	**33,219**
Balance Sheet Liabilities	**Other financial liabilities**	**Derivates utilised for hedg.**	**Total**
Non-current financial payables	45,360	-	45,360
Current financial payables	104,744	-	104,744
Derivative financial instruments	464	-	464
Total	**150,568**	**-**	**150,568**

(Euro/000)	31 December 2013		
Balance Sheet Assets	**Loans and Receibles**	**Derivates utilised for hedging**	**Total**
Other non-current receivable items	4,932	-	4,932
Current financial receivables	8,742	-	8,742
Current trade receivables	2,256	-	2,256
Current derivative financial instruments	1,743	-	1,743
Cash and cash equivalents	317	-	317
Financial activities available for sale	2,081	-	2,081
Other current receivable items	358	-	358
Total	**20,429**	**-**	**20,429**
Balance Sheet Liabilities	**Other financial liabilities**	**Derivates utilised for hedg.**	**Total**
Non-current financial payables	68,686	-	68,686
Current financial payables	139,017	-	139,017
Derivative financial instruments	-	1,148	1,148
Total	**207,703**	**1,148**	**208,851**

In conformity with the requirements of the changes introduced to IFRS 7 commencing from 1 January 2009, we indicate that the derivative financial instruments, constituting hedging contracts on exchange and interest rates, are classifiable as "Level 2" financial assets, as the input having a significant effect on the fair value recorded are figures directly observable on the market[1].

In the same manner, with regard to the non-current financial payables, the recognition of which at fair value is indicated in paragraph 14 of these explanatory notes, financial assets are also classifiable as "Level 2" as the inputs that influence the fair value are directly observable market figures.

With regard to the "Other current and non-current assets" items, you are referred to the indications in paragraphs 6 and 11 of these explanatory notes.

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

The Statement of Assets and Liabilities, Income Statement and Statement of Changes in Shareholders' Equity have been drawn up 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.

[1] The company identifies as "Level 1" financial assets/liabilities those where the input has a significant effect on the fair value recorded, represented by prices quoted on an active market for assets or liabilities and as "Level 3" financial assets/liabilities those where the input is not based on observable market figures.

Details of the main items of the statement of assets and liabilities

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.

I. Tangible assets

(Euro/000)	Balance at 31.12.2013	Purchases	Decreases	Branch Transfer	Other	Amort.	**Balance at 31.12.2014**
Land and buildings	71,949	160	(36)	-	(1,286)	70,787
Plant and machinery	312	146	-	-	(117)	341
Industrial and business equipment	5	-	-	-	(1)	4
Other assets	1,078	310	(45)	23	(211)	1,155
Fixed assets under construction and	4,609	2,567	(323)	(21)	-	6,832
Total	**77,953**	**3,183**	**(404)**	**2**	**(1,615)**	**79,119**

Land and buildings

Improvements were made to the real estate owned of the offices in Castelvetro and Via Farini Modena during the year

The land & buildings are burdened with mortgages, against loans obtained, for an amount of 109.9 thousand Euro.

Plant and machinery

Investments mainly regarded the purchase of specific equipment for the headquarters and the Via Farini real estate in Modena.

Other assets

The change in the financial year refers to increases related to the purchase of furniture and fittings for about 310 thousand of Euro.

Non-current assets in progress

The item Non-current assets under development and advances shows an increase of about 2.6 million Euro, ascribable to the restructuring in progress in the area defined as "Ex-Mondadori" within the complex in Via San Vincenzo in Rome (2.3 million Euro) and to the new conditioning plant of the Castelvetro headquarters.

2. Other intangible assets

(Euro/000)	Balance at 31.12.2013	Purchases	Decreases	Other	Amort.	**Balance at 31.12.2014**
Patents and intellectual property rights	30	5	-	-	(32)	3
Concessions, licences, trademarks and similar rights	0	2	-	-	-	2
Fixed assets under development and advances	0	2	-	-	-	2
Long-term costs	0		-			0
Total	**30**	**9**	**0**	**0**	**(32)**	**7**

3. Investments in subsidiaries and associated companies

The main changes that took place in the financial year and the additional information list regarding the subsidiary companies are deductible, in detail, in Annexes 5 and 6.

Equity investments in subsidiaries
The main changes that took place during 2014 regarded:

- as already stated in the Directors' Report, the sale to IQ Made in Italy Investment Company S.p.A. of 16,094,421 INALCA S.p.A. ordinary shares for 50 million Euro;
- the payment of 250 thousand Euro for the future share capital increase of Global Service S.r.l;
- the payment of 1,300 thousand Euro for the future share capital increase of Interjet S.r.l.;
- the write-down of the equity investment in Interjet S.r.l. by 939 thousand Euro.

The excesses of the residual carrying value of individual equity investments in subsidiary companies compared to the measurement with the net equity method (appendix 6) are not attributable to enduring losses, as they are ascribable to the higher value of the assets held by the subsidiary or the potentiality, and the goodwill of the industrial and commercial activities they manage.
Specifically, an impairment test was made for all the equity investments that present the indicators and the results were positive.

Equity investments in associated companies

For greater detail of the "Equity investments in related companies" you are referred to Annex 5.

4. Investments in other companies

The entire equity investment in Emilia Romagna Factor S.r.l. was sold during the 2014 financial year for 14.4 million Euro and the share capital increases of Banco Popolare di Vicenza of 244 thousand Euro and Banco Popolare of 184 thousand Euro were paid.
Please refer to Annexure 5 "Equity investments in other companies" for greater detail.

5. Deferred tax assets

The amount of the prepaid taxes was 556 thousand Euro, and mainly refers to the tax effect (IRES -Corporate Income Tax - and IRAP - Regional Business Tax) calculated on the taxed provisions fiscally deductible in subsequent financial years and taxation calculated on the measurement of the derivatives.
The prepaid taxes, accounted for as it is considered they will be recovered from future taxable income, originate from the timing differences described below:

(Euro/000)	**31.12.2014**		31.12.2013	
	Amount of timing differences	**Fiscal Effect**	**Amount of timing differences**	**Fiscal Effect**
Advance Taxation				
Write-down of tangible fixed assets	-		-	
Bad debt provision	960		985	
Taxed Provisions	486		315	
Interest payables deductable	464		1,148	
Other	111		278	
Total	**2,021**		**2,726**	
Taxable amount forIRES	**2,021**		**2,726**	
Tax Rate	27.50%		27.50%	
Advanced taxation for IRES		**556**		**750**

6. Other non-current assets

(Euro/000)	**31.12.2014**	31.12.2013
Tax assets	4,829	4,829
Other receivables	68	68
Accrued income and prepaid expenses	35	35
Total	**4,932**	**4,932**

The balance of the item, unaltered compared to the prior year, includes a receivable of 4.6 million Euro recognised following the presentation of an IRES (Corporate Income Tax) repayment request with reference to the years from 2007 to 2011. This amount, relating to Cremonini S.p.A. as the consolidating company, and the companies participating in the tax consolidation of such years, was originally calculated on the IRAP (Regional Business Tax) paid by the companies for costs of labour and associates and not deducted.

Current assets

7. Current financial receivables

(Euro/000)	**31.12.2014**	31.12.2013
Receivables from subsidiaries	17,362	8,489
Receivables from parent companies	1,774	253
Total	**19,136**	**8,742**

Details of the receivables from subsidiaries are given below; you are referred to Annex 1 for further details:

(Euro/000)	**31.12.2014**	31.12.2013
Receivables from subsidiaries	**14,751**	**8,380**
Chef Express S.p.A.	13,335	601
Global Service Logistics S.r.l.	15	37
Interjet S.r.l.	1,401	1,850
Roadhouse Grill Italia S.r.l.	-	5,892
Receivables from subsidiaries for transferred tax payables	**2,611**	**109**
As.Ca. S.p.A.	52	6
Baldini Adriatica Pesca S.r.l.	-	24
Emigel S.r.l.	-	77
Global Service S.r.l.	55	-
Marr S.p.A.	1,835	-
Alisurgel S.r.l. in liquidazione	-	2
New Catering S.r.l.	125	-
Roadhouse Grill Italia S.r.l.	544	-
Total	**17,362**	**8,489**

Financial receivables from subsidiaries refer to the financial relationships settled through the ordinary treasury current account, the terms and conditions of which are aligned to the conditions normally applied by the banks. Specifically, the Euribor is used as the benchmark interest rate, increased by a spread that varies as a function of the indebtedness or credit position of the balances during the year.

With reference to the abovementioned treasury relationships, it is noted that all relationships previously held with companies of the catering sector were, commencing from 1 November 2014, centred under the sector parent company Chef Express S.p.A. that now manages the operation.

8. Current trade receivables

Trade receivables are broken down as follows:

(Euro/000)	31.12.2014	31.12.2013
Receivables from customers	**421**	**342**
Due within 12 months	1,272	1,193
Provision for bad debts	(851)	(851)
Receivables from subsidiaries	**2,278**	**1,838**
Alisea S.c.a r.l.	-	16
As.Ca. S.p.A.	221	221
Baldini Adriatica Pesca S.r.l.	10	25
Chef Express S.p.A.	13	95
Ges.car S.r.l.	277	3
Global Service S.r.l.	120	67
Guardamiglio S.r.l.	88	144
INALCA S.p.A.	358	3
Interjet S.r.l.	-	1
Marr S.p.A.	413	711
Railrest S.A.	-	3
Sara S.r.l.	116	4
Sfera S.p.A.	110	32
Soc. Agr. Corticella S.r.l.	552	513
Receivables from associated companies	**61**	**76**
Time Vending S.r.l.	61	76
Receivables from related companies	**0**	**0**
Total	**2,760**	**2,256**

The change in the bad debt provision was the following:

(Euro/000)	31.12.2014	31.12.2013
Initial balance	(851)	(863)
Merger	-	(2)
Utilized during the year	-	104
Accruals during the year	-	(90)
Final balance	**(851)**	**(851)**

At 31 December 2014 the trade receivables and bad debt provision were apportioned by due date as follows:

(Euro/000)	31.12.2014		31.12.2013	
	Amount	Bad Debt prov.	Amount	Bad Debt prov.
Trade receivables not overdue	-	-	29	-
Overdue up to 30 days	54	-	27	-
Overdue from 31 to 60 days	13	-	13	-
Overdue from 61 to 90 days	24	-	16	-
Overdue from 91 to 120 days	-	-	377	(120)
Overdue over 120 days	1,181	(851)	731	(731)
Total	**1,272**	**(851)**	**1,193**	**(851)**

9. Current tax assets

(Euro/000)	31.12.2014	31.12.2013
Receivables for advance on direct taxes	566	420
Receivables for withholdings	1	5
VAT credit and other taxes requested for reimbursement	648	1,210
Other sundry receivables	(2)	124
Provision for bad debts	(3)	(16)
Total	**1,210**	**1,743**

The decrease compared to the previous year is due to the lower VAT receivables.

10. Cash and cash equivalents

(Euro/000)	31.12.2014	31.12.2013
Cash	7	9
Bank and postal accounts	3,794	308
Total	**3,801**	**317**

The balance represents the cash and cash equivalents and the existence of money in circulation and notes at the year-end.
You are referred to the cash flow statement for the 2014 for the evolution of cash and cash equivalents.

11. Other current assets

(Euro/000)	31.12.2014	31.12.2013
Accrued income and prepaid expenses	99	95
Other receivables		
Advances to suppliers	39	55
Receivables from social security institutions	156	156
Other sundry receivables	306	297
Provision for bad debts	(220)	(245)
Total	**380**	**358**

LIABILITIES

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity

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

12. Share capital

The share capital as at 31 December 2013 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 2014 the Parent Company did not hold any treasury stock.

13. 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 2013.

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
The merger deficit generated in 2008 on the inverse merger between Cremonini Investimenti S.r.l. and Cremonini S.p.A, amounts to 146,379 thousand Euro, and is unchanged with respect to 31 December 2013.

Merger surplus
The merger of Consorzio Centro Commerciale S.r.l. with Cremonini S.p.A. generated a merger surplus of 94.5 thousand Euro.

Cash flow hedge reserve
The cash flow hedge reserve records the profits or losses deriving from the measurement of the financial instruments designated to hedge variable rate loans. With adoption of IAS 39, the fair value change in the derivative contracts designated as effective hedging instruments is recognised in the financial statements, with a contra entry directly to a reserve for hedging cash flows in the shareholders' equity.
The existing contracts at the year-end, originally entered into to hedge the risk of exposure to interest rate fluctuations of the floating-rate loans, no longer have their hedging function following repayment of the underlying loans that took place at the year-end. Consequently the reserve was zeroed.

Basic earnings per share
Basic earnings per share as at 31 December 2014 amounted to 0,3423 (Euro 0.4060 at 31 December 2013) and has been calculated on the basis of net profits of Euro 44,150,714 thousand divided by the weighted average number of ordinary shares in 2014, equal to 128,988,330.

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

Non-current liabilities

14. Non-current financial payables

(Euro/000)	31.12.2014	31.12.2013
Due between I and 5 years		
Payables to banks	22,018	64,915
Payables to other financial institutions	0	-
Payables to subsidiaries for Ires reimursement	3,737	3,737
Total payables due between I and 5 years	**25,755**	**68,652**
Due beyond 5 years		
Payables to banks	19,605	34
Payables to other financial institutions	0	-
Total payables due beyond 5 years	**19,605**	**34**
Total	**45,360**	**68,686**

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

(Euro/000)	Credit line	Interest Rate	Current	Between I and 5 years	Beyond 5 years	Total 31.12.2014
Overdraft	11,000	Euribor 3 months+spread	1,676	-	-	1,676
Hot Money	55,000	Euribor 3 months+spread	49,667	-	-	49,667
Mortgages		Euribor 6 months+spread	48,174	22,018	19,605	89,797
Total			**99,517**	**22,018**	**19,605**	**141,140**

The composition of the mortgages is as follows:

Bank	Interest rate	Expiry date	Current	between I and 5 years	beyond 5 years	Total 31.12.2014
Banca Commercio e Industria	Euribor 3 m + spread	16/10/24	2,277	9,789	11,946	**24,012**
Banca del Mezzogiorno	Euribor 3 m + spread	31/03/24	5,946	12,055	7,710	**25,711**
Banca Popolare di Verona	Euribor 3 m + spread	31/07/16	58	-	-	**58**
B. Pop. S. Felice sul Pan.	Euribor 3 m + spread	15/01/19	131	444	-	**575**
Banca Pop. Sondrio	Euribor 3/6 m + spread	14/07/15	10,000	-	-	**10,000**
ICCREA Emil Banca	Euribor 3 m + spread	31/12/15	15,000	-	-	**15,000**
MPS	Euribor 3 m + spread	13/08/15	15,000	-	-	**15,000**
Amortized Costs			(238)	(270)	(51)	**(559)**
Total			**48,174**	**22,018**	**19,605**	**89,797**

Net Debt

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

(Euro/000)	**31.12.2014**	31.12.2013
A. Cash	7	9
B. Cash equivalent	3,794	308
C. Financial assets held for sale	-	2,081
D. Liquidity (A) + (B) + (C)	**3,801**	**2,398**
E. Current financial assets	**16,574**	**7,652**
F. Current bank liabilities	99,517	79,846
G. Current financial instruments	464	-
H. Other current financial liabilities	4,448	57,311
I- Current financial liabilities	**104,429**	**137,157**
J. Current net debt (I) - (E) - (D)	**84,054**	**127,107**
K. Non current bank liabilities	41,623	64,949
L. Bonds	-	-
M. Other non current financial liabilities	-	-
N. Non current financial instruments	-	1,148
O. Non current debt (K) + (L) + (M) + (N)	**41,623**	**66,097**
P. Net Debt (J) + (O)	**125,677**	**193,204**

Some loan agreements provide for financial covenants on the happening of which the bank reserves the right to rescind the loan. The covenants on the loan agreements outstanding at 31 December 2014, which were respected, are shown in the tables below.

Table 1

(Euro/000)	Banca Popolare Commercio e Industria (d)	Banca Popolare Commercio e Industria (d)	Banca MPS (d)
Amount of the loans as at 31 December 2014	15,011	9,000	15,000
Expiry date	19/12/2023	16/10/2024	13/08/2015
Covenants			
Equity			>=100.000
Net Debt/Equity	<= 4,0	<= 4,0	
Net Debt/Ebitda	<= 2,75	<= 2,75	
Net Debt Corrent / Net Debt No Corrent	>=4	>=4	

(d) convenants calculated on the Cremonini Group's consolidated financial statements (first two parameters and on the separate financial statements of the Parent Company (third parameter);

With reference to the guarantees provided on the medium to long-term loans, it is noted that at the year-end the shares of the subsidiaries INALCA S.p.A. and MARR S.p.A., originally pledged, were released. The release of such shares took place on 21 January 2015 on completion of the related formalities.

15. Financial instruments/Derivatives

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.

As at 31 December 2014 there were some "interest rate swap" hedging contracts by which the variable Euribor interest rate was substituted with a fixed rate. These transactions, originally accounted for with the cash flow "hedge accounting" criteria, now have a speculative nature following repayment of the hedged loans.

The summarised figures of the contracts are shown below:

- "interest rate swap" contract with Akros for 10.,0 million (maturity 30.06.2015);
- "interest rate swap" contract with Banca S. Geminiano e S. Prospero for 10.0 million (maturity 30.06.2015);
- "interest rate swap" contract with Unicredit for 10,0 million (maturity 30.06.2015);
- "interest rate swap" contract with Unicredit for 10,0 million (maturity 30.06.2015);
- "interest rate swap" contract with BNP Paribas for 10,0 million (maturity 30.06.2015).

The measurement of such contracts resulted in the recognition of a liability of 464 thousand Euro.

The details of the changes recorded in the period are shown below:

(Euro/000)	**31 December 2014**			31 December 2013		
	Riserva CFH Lorda	Imposte differite	Riserva CFH Netta	Riserva CFH Lorda	Imposte differite	Riserva CFH Netta
Opening balance	(1,146)	313	(833)	(2,032)	556	(1,476)
Changes of the period						
Hedge instruments						
Profit/(Loss) of the period	1,238	(340)	898	897	(247)	650
Riclass. Profit/(Loss) to Income statement	(1,242)	343	(899)	(897)	247	(650)
	(1,150)	316	(834)	(2,032)	556	(1,476)
Net change of the period Other comprehensive income	1,150	(316)	834	886	(244)	642
Closing balance	**0**	**(0)**	**(0)**	**(1,146)**	**313**	**(833)**

16. Employee benefits

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

(Euro/000)	**31.12.2014**	31.12.2013
Opening balance	431	431
Accrued for the year	10	11
Use for the financial year	(46)	-
Transfers	-	-
Actuarial gain losses	27	(6)
Other changes	-	(5)
Closing balance	**422**	**431**

17. Non-current provisions for liabilities and charges

(Euro/000)	**31.12.2014**	31.12.2013
Provisions for taxes	35	35
Labour disputes	110	110
Minor lawsuits and disputes	274	103
Provision for losses on equity investments	-	23
Provision for risks and losses	102	102
Total	**521**	**373**

(Euro/000)	Balance at 31.12.2013	Provision	Use	**Balance at 31.12.2014**
Provisions for taxes	35	-	-	35
Labour disputes	110	-	-	110
Minor law suits and disputes	103	321	(150)	274
Provision for losses on equity investments	23	-	(23)	-
Provision for risks and losses	102	-	-	102
Total	**373**	**321**	**(173)**	**521**

The increase in the balance is ascribable to the increase in the balances of the provisions allocated against liabilities arising in the year, partially set-off by the reduction of the provision to cover the losses on equity investments (Global Service S.r.l.).

The provision for liabilities represents the quantification of liabilities related to probable costs and charges of a contractual nature.

18. Deferred tax liabilities

As at 31 December 2014 this item of 6,753 thousand Euro mainly composed the deferred tax payables deriving from the revaluation of the land and buildings made during the transition to the International Accounting Standards and deferment of the taxation the capital gains realised.

(Euro/000)	**31.12.2014**		31.12.2013	
	Amount of timing differences	**Fiscal Effect**	**Amount of timing differences**	**Fiscal Effect**
Advance Taxation				
Capital Gains	7,604		10,189	
Intangible assets	16,948		17,116	
Intangible assets	4		2	
Total	**24,556**		**27,307**	
Tax Rate	27.5%		27.5%	
Advanced taxation for IRES		**6,753**		**7,509**

Current liabilities

19. Current financial payables

(Euro/000)	**31.12.2014**	31.12.2013
Payables to subsidiaries	5,227	59,171
Payables controlling companies	-	-
Payables to banks	99,517	79,846
Payables to other financial institutions	-	-
Closing balance	**104,744**	**139,017**

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:

(Euro/000)	**31.12.2014**	31.12.2013
Payables to consolidated subsidiaries	**4,448**	**57,311**
Chef Express S.p.A.	-	34,180
Cremonini Rail Iberica	-	3,704
Cremonini Restauration S.a.s	-	8,445
Global Service S.r.l.	297	155
Inalca S.p.A.	50	8,194
Marr S.p.A.	4,101	2,633
Payables to unconsolidated subsidiaries	**0**	**0**
Payables to subsidiaries for transferred tax receivables	**779**	**1,860**
Alisurgel S.r.l. in liq.	2	-
Baldini Adriatica Pesca S.r.l.	4	-
Chef Express S.p.A.	120	-
Global Service Logistics S.r.l.	4	20
Global Service S.r.l.	-	14
Interjet S.r.l.	330	365
Marr S.p.A.	-	1,253
New Catering S.r.l.	196	13
Roadhouse Grill Italia S.r.l.	10	10
Roadhouse Grill Roma S.r.l.	58	69
Sfera S.p.A.	55	116
Total	**5,227**	**59,171**

Relative to the financial payables to consolidated companies please refer to the description in the item "current financial receivables" (note 7).

20. Current tax liabilities

(Euro/000)	31.12.2014	31.12.2013
VAT	-	-
IRAP	-	101
IRES	2,344	-
Withholding taxes	695	429
Substitute taxes and other taxes payable	14	52
Total	**3,053**	**582**

The increase in the balance compared to last year is consequent to the recognition of a higher tax charge with respect to advances paid during 2014 by the companies falling in the area of the tax consolidation in which Cremonini S.p.A. participates as consolidating company. Instead, in the last financial year the offsetting of the tax charge and the payments on account showed a limited credit position.

21. Current trade liabilities

(Euro/000)	31.12.2014	31.12.2013
Suppliers	**1,584**	**1,716**
Payables to consolidated subsidiaries	**1,590**	**1,542**
Chef Express S.p.A.	6	15
Emigel S.r.l.	-	32
Global Service S.r.l.	154	13
INALCA S.p.A.	-	180
Inalca Food & Beverage	94	76
Interjet S.r.l.	7	5
Italia Alimentari S.p.A	560	412
New Catering S.r.l.	39	3
Realbeef S.r.l.	93	-
Roadhouse Grill Italia S.r.l.	539	473
Roadhouse Grill Roma S.r.l.	33	213
Tecno-Star Due S.r.l.	65	120
Total	**3,174**	**3,258**

22. Other current liabilities

(Euro/000)	31.12.2014	31.12.2013
Accrued expenses and deferred income	22	48
Inps/Inail/Scau	152	151
Inpdai/Previndai/Fasi/Besusso	30	35
Debiti verso istituti diversi	38	37
Other payables		
Advances and other payables from customers	18	23
Payables for employee remuneration	376	328
Guarantee deposits and down payments received	131	131
Payables to directors and auditors	588	328
Other minor payables	76	89
Total	**1,431**	**1,170**

The employees' remuneration payable includes the current wages and salaries still to be paid as at 31 December 2014, as well as the allocations relating to the holidays accrued and not taken and relating charges.

Guarantees, sureties and commitments

(Euro/000)	**31.12.2014**	31.12.2013
Direct guarantees – sureties		
- subsidiaries	98,079	119,849
- other companies	4,535	3,399
	102,614	123,248
Direct guarantees – letter of comfort		
- subsidiaries	98,004	242,395
	98,004	242,395
Direct guarantees – credit mandates		
- subsidiaries	6,260	6,260
	6,260	6,260
Other risks and commitments	-	-
Total guarantees, sureties and commitments	**206,878**	**371,903**

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.

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	984	VAT for compensation
Customs Office	Cremonini S.p.A. and other subsidiaries	-	Customs rights
Ferrovie dello Stato and operating companies (Grandi Stazioni, Cento Stazioni, Fer Servizi, Trenitalia, etc.)	Cremonini S.p.A.	3,070	Guaranteeing concessions for on-board catering services, station buffets and operation of storage facilities.
Other minor items	Cremonini S.p.A. and other subsidiaries	481	Administration of rented properties, energy supplies, credit cards, successful conclusion of contracts, etc.
Total		**4,535**	

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 521 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

23. Revenues

These are broken down as follows:

(Euro/000)	**2014**	2013
Revenues from sales - Goods for resale	5	5
Revenues from sales - Others	3	4
Revenues from services	2,210	2,231
Advisory services to third parties	1,779	1,740
Rent income	1,346	1,906
Other revenues from ordinary activities	32	32
Total	**5,375**	**5,918**

Below is a breakdown of revenues by geographical area:

(Euro/000)	**2014**	2013
Italy	5,095	5,559
European Union	280	334
Non-EU countries	-	25
Total	**5,375**	**5,918**

24. Other revenues

(Euro/000)	**2014**	2013
Insurance reimbursements	1	39
Capital gains on disposal of capital goods	6	11,337
Other cost reimbursements	488	504
Services, consultancy and other minor revenues	219	3,163
Total	**714**	**15,043**

The reduction of the balance may be attributed mainly in the item 'Capital gains from disposal of operating assets', which in 2013 included the capital gain deriving from the sale of the industrial real estate situated in Bologna where the Carnemilia branch of MARR S.p.A. had its headquarters.
The 2013 balance also included, in the item "Services, consultancy and other miscellaneous", use of provisions previously allocated against liabilities that manifested last year.

25. Costs for purchases

(Euro/000)	**2014**	2013
Costs for purchases - Goods for resale	(9)	(8)
Costs for purchases - Stationery and printed paper	(4)	(10)
Changes in inventories of raw materials, secondary materials, consumables and goods for resale	-	(4)
Other costs for purchases	(53)	(24)
Total	**(66)**	**(46)**

26. Other operating costs

(Euro/000)	**2014**	2013
Costs for services	(5,072)	(4,712)
Costs for leases and rentals	(155)	(153)
Other operating charges	(1,059)	(3,539)
Total	**(6,286)**	**(8,404)**

The change in the balance with respect to last year is detailed in the following tables.

Costs for services

(Euro/000)	**2014**	2013
Energy consumption and utilities	(235)	(342)
Maintenance and repairs	(194)	(177)
Commisions, commercial and distribution services	(855)	(1,357)
Third-party services and outsourcing	(33)	(38)
Other technical and general services	(3,755)	(2,798)
Total	**(5,072)**	**(4,712)**

The item 'Other technical and general services' includes 330 thousand Euro relating to consultancy costs incurred for the above mentioned sale of 16,094,421 INALCA S.p.A. ordinary shares.

Costs for leases and rentals

(Euro/000)	**2014**	2013
Instalments payable	-	-
Royalties	-	-
Lease of business premises, royalties and others	**0**	**0**
Leasing	-	-
Rents and charges payable other property assets	(155)	(153)
Leases and rentals related to real and personal property	**(155)**	**(153)**
Total	**(155)**	**(153)**

Other operating charges

(Euro/000)	**2014**	2013
Losses on receivables	(184)	(2,785)
Indirect taxes and duties	(528)	(516)
Capital losses on disposal of assets	-	(25)
Contributions and membership fees	(62)	(67)
Other minor costs	(285)	(146)
Total	**(1,059)**	**(3,539)**

The reduction of the 'Other operating charge's is ascribable to the reversal of a significant non-performing loan in the 2013 balance.

27. Personnel costs

(Euro/000)	**2014**	2013
Salaries and wages	(1,859)	(1,746)
Social security contributions	(579)	(546)
Staff Severance Provision	(128)	(121)
Other personnel costs	(9)	-
Total	**(2,575)**	**(2,413)**

On 31 December 2014 the Company employed a total staff of 20 persons, as follows:

	Factory staff	Office staff	Managers	Total
Eployees as at 31.12.2013	0	14	7	21
Eployees as at 31.12.2014	**0**	**14**	**6**	**20**
Increases (decreases)	0	0	(1)	(1)
Average no. of employees	**0**	**14**	**6**	**20**

28. Amortization, depreciation, write-downs and provisions

(Euro/000)	**2014**	2013
Depreciation of tangible assets	(1,615)	(1,707)
Amortization of intangible assets	(32)	(32)
Write-downs and provisions	(470)	(607)
Total	**(2,117)**	**(2,346)**

Write-downs and provisions

(Euro/000)	**2014**	2013
Receivables write-downs	(143)	(32)
Other provisions	(327)	(575)
Total	**(470)**	**(607)**

29. Revenue from equity investments

(Euro/000)	**2014**	2013
Income (Charges) from investments in subs.	52,844	56,977
Income (Charges) from investments in other comp.	6,241	54
Write-down of investments	(940)	(1,284)
Total	**58,145**	**55,747**

The change in the balance with respect to last year is detailed in the following tables.

Income (Charges) from equity investments in subsidiaries

(Euro/000)	2014	2013
Marr S.p.A. (gain)	33,388	-
Marr S.p.A. (dividends)	19,456	19,514
Marr S.p.A. (gain)	-	37,463
Total	**52,844**	**56,977**

The "Income from equity investments in subsidiaries" constituted, as shown in the table, dividends distributed by the subsidiary MARR S.p.A. and a capital gain of 33.4 million Euro realised following the disposal of 16,094,421 INALCA S.p.A. ordinary shares.

Income (charges) from equity investments in other companies

The 2014 balance of the item under examination includes a capital gain deriving from the disposal of the equity investments in Emilia Romagna Factor S.p.A. (about 5.0 million Euro), Banca Popolare dell'Emilia Romagna S.p.A. (0.9 million Euro) and dividends received in the year from Emilia Romagna Factor S.p.A. (289 thousand Euro), Gemma S.p.A. (25.0 thousand Euro), Futura S.r.l. (18. 0 thousand Euro) and Banca Popolare di Vicenza (2. 5 thousand Euro).

Write-downs of investments

(Euro/000)	2014	2013
Carnolanda	-	(2)
Idroenergia	(1)	-
Interjet S.r.l.	(939)	(1,012)
Food Trend Fundation	-	(83)
Global Service S.r.l.	-	(187)
Total	**(940)**	**(1,284)**

30. Financial (Income)/Charge

(Euro/000)	2014	2013
Net exchange rate differences	-	-
Income (Charges) from management of derivatives	(1,238)	(897)
Net financial Income (Charges)	(11,906)	(9,860)
Total	**(13,144)**	**(10,757)**

In detail:

<u>Income (charges) from management of derivatives</u>

(Euro/000)	2014	2013
Realized Income (Charges) from management of derivatives	(772)	(897)
Valuation Income (Charges) from management of derivatives	(466)	-
Total	**(1,238)**	**(897)**

With reference to the measurement of the existing derivative contacts as at 31 December 2014 you are referred to the description in paragraph 15 "Liabilities from derivative instruments".

Net financial income (charges)

(Euro/000)	2014	2013
Financial Income (Charges) from controlling companies	**20**	**33**
Financial Income (Charges) from subsidiaries	**(823)**	**(2,894)**
Financial Income (Charges) from associated companies	**-**	**-**
Financial income		
- Bank interest receivable	23	35
- Other financial income	87	72
Total financial income	**110**	**107**
Financial charges		
- Interest payable on loans	(10,175)	(4,565)
- Interest payable on current accounts and others	(793)	(1,729)
- Other bank charges	(158)	(759)
- Other sundry charges	(87)	(53)
Total financial charges	**(11,213)**	**(7,106)**
Total	**(11,906)**	**(9,860)**

The item groups the total of the interest payable connected to the Group's treasury service and interest, commissions and charges payable to banks and other financiers. The charges deriving by the entire reversal of the "Amortized Costs" relating to the repayment of the loan originally obtained to carry out the delisting that were also accounted for in financial charges.

Below is the breakdown of financial charges and income to/from subsidiaries:

(Euro/000)	2014	2013
Chef Express S.p.A.	(581)	(1,841)
Cremonini Rail Iberica S.A.	42	(190)
Cremonini Restauration S.A.S.	(103)	(392)
Global Service Logistics S.r.l.	1	1
Global Service S.r.l.	(7)	3
INALCA S.p.A.	(334)	(551)
Interjet S.r.l.	58	55
Marr S.p.A.	(135)	(199)
Roadhouse Grill Italia S.r.l.	236	220
Total	**(823)**	**(2,894)**

With reference to the Group treasury service, it is noted that all relationships previously held with companies of the catering sector were, commencing from 1 November 2014, centred under the sector parent company Chef Express S.p.A.

31. Income taxes

(Euro/000)	2014	2013
Net income from subs. for transferred taxable amounts	3,228	3,163
Income from IRES reimbursement years 2007-2011	-	-
IRES previous years	51	(49)
	3,279	**3,114**
IRAP	(48)	(101)
Provision for deferred/pre-paid taxes	872	(3,390)
	824	**(3,491)**
Total	**4,103**	**(377)**

The IRES (Corporate Income Tax) balance refers to the income connected to the result of the tax consolidation in which Cremonini S.p.A. participated as the consolidating company.

The charge for deferred taxes mainly refers to the different tax deductibility of the amortisation and depreciation booked. The 2013 balance also included the recognition of the deferred taxation on capital gains realised by disposal of real estate.

Reconciliation of theoretical tax burden and actual tax burden

IRES

(Euro/000)	Year 2014		Year 2013	
	Taxable amount	Tax	Taxable amount	Tax
Profit before taxation	**40,047**		**52,741**	
Taxation rate	27.5%		27.5%	
Theoretical tax burden		**(11,013)**		**(14,504)**
Permanent differences				
Non-deductible amortization and depreciation	167		157	
Write-down of financial assets (non-deductible part)	939		1,284	
Taxes and tax amnesties	348		352	
Other non-deductible costs	365		784	
Total	**1,819**		**2,577**	
Dividends from foreign companies	(18,801)		(18,589)	
Irap deductible	(62)		(95)	
Gains on disposals subject to substitute tax	(37,303)		(36,374)	
Other	(172)		(82)	
Total	**(56,338)**		**(55,140)**	
Timing differences deductible in future years				
Provisions to taxed funds	327		206	
Other	230			
Total	**557**		**206**	
Timing differences taxable in future years				
Anticipated depreciations			(8,901)	
Other				
Total	**0**		**(8,901)**	
Reversal of timing diff. from previous years				
Capital gains on disposal of real estate	2,585		149	
Total	**2,585**		**149**	
Use of taxed provisions	(336)		(3,134)	
Other	(73)		-	
Total	**(409)**		**(3,134)**	
Taxable income	**(11,739)**		**(11,502)**	
Tax rate	27.5%		27.5%	
Actual tax durden		**(3,228)**		**(3,163)**
Ires previous years		**51**		**(49)**

IRAP

(Euro/000)	Year 2014		Year 2013	
	Taxable amount	Tax	Taxable amount	Tax
Profit before taxation	**40,047**		**52,741**	
Costs not relevant for IRAP				
Financial Income/Charges	13,144		10,757	
Revenues from equity investments	(58,145)		(55,747)	
Write-downs and provisions	180		206	
Personnel cost	2,575		2,413	
Deductible personnel cost	(622)		(633)	
Ohers	3,849		(7,573)	
Total	**(39,019)**		**(50,577)**	
Theoretical taxable amount	**1,028**		**2,164**	
Taxation rate	4.65%		4.65%	
Actual tax burden		**(48)**		**(101)**
Irap previous years				

Other information

Pursuant to the law the total fees due to the directors, members of the Board of Statutory Auditors and independent auditors are noted below:

- Directors : 1,509 thousand Euro
- Board of Statutory Auditors : 73 thousand Euro
- Independent auditors: 70 thousand Euro

(Euro/000)	Company that provided the service	Recipient	Fees pertaining to 2014
Audit	Reconta Ernst & Young S.p.A.	Cremonini S.p.A.	69,321
Compliance audit	Reconta Ernst & Young S.p.A.	Cremonini S.p.A.	0
Other services			0
Total			**69,321**

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, 27 March 2015

THE CHAIRMAN

OF THE BOARD OF DIRECTORS

(Cav. Lav. Luigi Cremonini)

Annexes

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

Annex 1	-	Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2014;
Annex 2	-	List of revenues and costs from/to subsidiaries, associated controlling and related companies for the 2014 financial year;
Annex 3	-	Statement of changes in tangible assets for the financial year ended as at 31 December 2014;
Annex 4	-	Statement of changes in intangible assets for the financial year ended as at 31 December 2014;
Annex 5	-	List of equity investments classified under non-current assets as at 31 December 2014;
Annex 6	-	List of equity investments in subsidiaries and associated companies as at 31 December 2014 (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 2014

(Euro/000)	Treasury		Trade		Other		**Total**	
	Receivables	Payables	Receivables	Payables	Receivables	Payables	**Receivables**	**Payables**
Subsidiaries:					(a)	(b)		
Alisea S.c.a r.l.	-	-	-	-	-	-	**-**	**-**
Alisurgel S.r.l. in liq.	-	-	-	-	-	2	**-**	**2**
As.ca. S.p.A.	-	-	221	-	52	51	**273**	**51**
Azienda Agricola Corticella S.r.l.	-	-	552	-	-	2	**552**	**2**
Baldini Adriatica Pesca S.r.l.	-	-	10	-	-	35	**10**	**35**
Chef Express S.p.A.	13,335	-	13	6	-	1,230	**13,348**	**1,236**
Ges.Car. S.r.l.	-	-	277	-	-	29	**277**	**29**
Global Service Logistics S.r.l.	15	-	-	-	-	110	**15**	**110**
Global Service S.r.l.	-	298	120	154	55	29	**175**	**481**
Guardamiglio S.r.l.	-	-	88	-	-	151	**88**	**151**
INALCA S.p.A.	-	50	358	-	-	330	**358**	**380**
Inalca Food & Beverage	-	-	-	94	-	-	**-**	**94**
Interjet S.r.l.	1,401	-	-	7	-	330	**1,401**	**337**
Italia Alimentari S.p.A.	-	-	-	560	-	190	**-**	**750**
Marr S.p.A.	-	4,101	413	-	1,835	1,301	**2,248**	**5,402**
New Catering S.r.l.	-	-	-	39	126	222	**126**	**261**
Relabeef S.r.l.	-	-	-	93	-	-	**-**	**93**
Roadhouse Grill Italia S.r.l.	-	-	-	539	544	333	**544**	**872**
Roadhouse Grill Roma S.r.l.	-	-	-	32	-	58	**-**	**90**
Salumi d'Emilia S.r.l.	-	-	-	-	-	49	**-**	**49**
Sara S.r.l.	-	-	116	-	-	-	**116**	**-**
Sfera S.p.A.	-	-	110	-	-	55	**110**	**55**
Tecnostar Due S.r.l.	-	-	-	65	-	9	**-**	**74**
Time Vending S.r.l.	-	-	61	-	-	-	**61**	**-**
Total subsidiaries	**14,751**	**4,449**	**2,339**	**1,589**	**2,612**	**4,516**	**19,702**	**10,554**
Controlling companies:								
Cremofin S.r.l.	1,773	-	-	-	-	-	**1,773**	**-**
Total controlling companies	**1,773**	**-**	**-**	**-**	**-**	**-**	**1,773**	**-**

(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 2014 financial year

(Euro/000)	Revenues				Total	Expenses				Total
	Financial	Services	Sales	Other (a)	revenues	Financial	Services	Sales	Other	expenses
Subsidiaries:										
Alisurgel S.r.l. in liq.	-	-	-	-	**-**	-	-	-	-	**-**
Avirail italia	-	36	-	-	**36**	-	-	-	-	**-**
Azienda Agricola Corticella S.r.l.	-	4	-	-	**4**	-	-	-	-	**-**
Cremonini Chef Iberica S.A.	57	75	-	-	**132**	14	-	-	-	**14**
Chef Express S.p.A.	68	1,312	-	257	**1,637**	649	72	-	-	**721**
Chef Express UK	-	21	-	-	**21**	-	-	-	-	**-**
Cremonini Restauration S.A.S.	3	111	-	-	**114**	106	-	-	-	**106**
Fiorani & C. S.p.A.	-	42	-	-	**42**	-	-	-	-	**-**
Ges.Car. S.r.l.	-	4	-	-	**4**	-	-	-	-	**-**
Global Service S.r.l.	-	58	-	36	**94**	7	185	-	8	**200**
Global Service Logistics S.r.l.	1	-	-	-	**1**	-	-	-	-	**-**
Guardamiglio S.r.l.	-	22	-	-	**22**	-	-	-	-	**-**
INALCA S.p.A.	2	818	-	27	**847**	336	25	-	-	**361**
	-	-	-	10	**10**	-	-	-	-	**-**
Interjet S.r.l.	57	10	-	2	**69**	-	36	-	939	**975**
Italia Alimentari S.p.A.	-	332	-	6	**338**	-	18	-	-	**18**
MARR S.p.A.	1	1,035	-	19,479	**20,515**	136	3	-	-	**139**
Momentum Services Ltd	-	60	-	-	**60**	-	-	-	-	**-**
New Catering S.r.l.	-	4	-	-	**4**	-	-	-	-	**-**
Railrest S.A.	-	13	-	-	**13**	-	-	-	-	**-**
Realbeef S.r.l.	-	9	-	-	**9**	-	-	-	-	**-**
Roadhouse Grill Italia S.r.l.	236	366	-	47	**649**	-	2	-	-	**2**
Roadhouse Grill Roma S.r.l.	-	11	-	-	**11**	-	-	-	-	**-**
Sara S.r.l.	-	2	-	-	**2**	-	-	-	-	**-**
Sfera S.p.A.	-	1	-	-	**1**	-	-	-	-	**-**
Salumi d'Emilia S.r.l.	-	-	-	-	**-**	-	8	-	-	**8**
Tecnostar Due S.r.l.	-	36	-	25	**61**	-	29	-	-	**29**
Total subsidiaries	**425**	**4,382**	**-**	**19,889**	**24,696**	**1,248**	**378**	**-**	**947**	**2,573**
Associated companies:										
Emilia Romagna Factor S.p.A.				289	**289**	-	-	-	-	**-**
Quinto Valore soc.cons.a r.l.	-	80	-	-	**80**	-	14	-	-	**14**
Total associated companies	**-**	**80**	**-**	**-**	**369**	**-**	**14**	**-**	**-**	**14**
Related companies:										
Cremofin S.r.l.	20	-	-	-	20	-	-	-	-	-
Idroenergia	-	-	-	-	-	-	-	-	1	1
Totale related companies	**20**	**-**	**-**	**-**	**20**	**-**	**-**	**-**	**1**	**1**

(a) Other revenues include dividends from subsidiaries

Annex 3

Statement of changes in tangible assets for the financial year ended as at 31 December 2014

(Euro/000)	Opening position			Changes over the period					Closing position		
	Initial cost	Depreciation provision	Balance at 31.12.2013	Merger	Acquisitions	Net decreases	Reclass./ Other changes	Depreciation	Initial cost	Depreciation provision	Balance at 31.12.2014
Land and buildings	82,773	(10,824)	71,949		160	(36)	-	(1,286)	82,897	(12,110)	70,787
Plant and machinery	2,443	(2,131)	312		146	-	-	(117)	2,589	(2,248)	341
Industrial and business equipment	48	(43)	5		-	-	-	(1)	48	(44)	4
Other assets	5,061	(3,983)	1,078		310	(45)	23	(211)	5,349	(4,194)	1,155
Fixed assets under construction and advances	4,609		4,609		2,567	(323)	(21)	-	6,832	0	6,832
Total	**94,934**	**(16,981)**	**77,953**	**0**	**3,183**	**(404)**	**2**	**(1,615)**	**97,715**	**(18,596)**	**79,119**

Annex 4

Statement of changes in intangible assets for the financial year ended as at 31 December 2014

(Euro/000)	Opening position			Changes over the period				Closing position		
	Initial cost	Amortization provision	Balance at 31.12.2013	Acquisitions	Net decreases	Reclass./Write-downs Other changes	Amortization	Initial cost	Amortization provision	Balance at 31.12.2014
Patents and intellectual property rights	90	(60)	30	5			(32)	95	(92)	3
Concessions, licences, trademarks and similar rights	0	0	0	2				2	0	2
Fixed assets under development and advances	0	0	0	2				2	0	2
Other intangible assets	0	0	0					0	0	0
Total	**90**	**(60)**	**30**	**9**	**0**	**0**	**(32)**	**99**	**(92)**	**7**

Annex 5

List of equity investments classified under non-current assets as at 31 December 2014

(Euro/000) Company name	Percentage	Initial value	Purchases or subscriptions	Disposals	(Write-downs) Revaluations	Other changes	Percentage	Final value	Note
Subsidiaries:									
Chef Express S.p.A.	100.00	56,070					100.00	56,070	
Global Service S.r.l.	100.00	-	250			(23)	100.00	227	
INALCAS.p.A.	100.00	154,821			(16,612)		71.60	138,209	
Interjet S.r.l.	100.00	1,890	1,300		(939)		100.00	2,251	
MARR S.p.A.	58.84	57,937					50.42	57,937	
Total subsidiaries		**270,718**	**1,550**	**0**	**(17,551)**	**(23)**		**254,694**	
Other companies:									
Futura S.p.A.		963						963	
Banco Popolare Società Cooperativa		528	185					713	
Banco Popolare di Vicenza		1,050	244					1,294	
Emilia Romagna Factor S.p.A.		9,425		(9,425)				-	
Other minor companies		74	-	5	(1)			68	
Total other companies		**12,040**	**429**	**(9,430)**	**(1)**	**0**		**3,038**	
Total equity investments		**282,758**	**1,979**	**(9,430)**	**(17,552)**	**(23)**		**257,732**	

Annex 6

List of equity investments in subsidiaries and associated companies as at 31 December 2014 (Article 2427.5 of the Italian Civil Code).

(Euro/000) Name	Registered office	Capital stock (in Euro if not otherwise stated)	Net profit (loss) for the year ended 31.12.2014	Net equity at 31.12.2014	Percentage held at 31.12.2014	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	3,221	13,143	100.00%	56,070	49,358	(6,712)	
Global Service S.r.l.	Castelvetro di Modena (MO)	93,000	62	311	100.00%	227	311	84	
INALCA S.p.A.	Castelvetro di Modena (MO)	187,017,167	30,600	396,559	71.60%	138,209	309,014	170,805	
Interjet S.r.l.	Castelvetro di Modena (MO)	2,500,000	(939)	2,233	100.00%	2,251	2,233	(18)	
MARR S.p.A.	Rimini	33,262,560	52,381	250,877	50.42%	57,937	120,767	62,830	
Total subsidiaries						**254,694**	**481,683**	**226,989**	

BOARD OF STATUTORY AUDITORS' REPORT

TO THE SHAREHOLDERS' MEETING

SEPARATE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT 31 DECEMBER 2014

Prepared pursuant to and for the effects of

art. 2429.2 of the Italian Civil Code.

Dear Shareholders,

The draft separate and consolidated financial statements for the financial year ended as at 31.12.2014, which the Board of Directors submit for your approval in terms of the law, were prepared in accordance with the international accounting standards (IAS/IFRS, pursuant to the directives mentioned in Legislative Decree 38/2005, implemented by EC Regulation no. 1606/2002 of the European Parliament and Council dated 19/07/2002.

The aforesaid documents, together with the Explanatory Notes and Directors' Report, were made available to the Board of Statutory Auditors in compliance with the term provided by art. 2429.1 of the Civil Code.

Legislative Decree no. 6 of 17 January 2003 distinguished the supervisory activity from the legal audit function; the latter is carried out by the independent auditors Reconta Ernst & Young S.p.A.

We were appointed with a resolution for the financial year ended as at 31.12.2014 to exclusively supervise the administration, compliance with the Law and Bylaws and we are accounting to you regarding our work with this report.

We have carried out our assignment during the course of the year ended as at 31. 12.2014 based on the directives of arts. 2403 *et seq* of the Civil Code.

As far as it was possible to observe during our supervisory work, we established the following:

a. we attended the meetings of the Board of Directors and Shareholders' Meetings, verifying the compliance with the legislative and Bylaws regulations that regulate their functioning and ascertained that the decisions adopted conformed in turn with the law and Bylaws and were not manifestly imprudent, risky or in conflict of interest, or such as to compromise the integrity of your company’s equity;
b. we did not discover atypical and/or unusual corporate transactions conducted with third parties or related parties during the course of the financial year. The Inter-group transactions and those with related parties realised in 2014, which are adequately described in the explanatory notes to the financial statements, form part of normal management and were regulated at market conditions;

c. we met the managers of the various functions for the purpose of evaluating the adequacy of the organisational structure and there were no elements to note in this connection;
d. we obtained information from the formal supervisory body regarding the correct implementation of the organisational model;
e. we established the adequacy of the accounting and administrative system and its reliability in correctly representing the operational events, both through the examination of the corporate documents and by obtaining information from the heads of the corporate functions; in this connection there are no notifications to be referred to you;
f. during our supervisory work no further significant events emerged such as to require mention in this report;
g. there was no need to intervene, due to omissions of the directors, pursuant to art. 2406 of the Civil Code;
h. no reports were received pursuant to art. 2408 of the Civil Code;
i. no reports were received pursuant to art. 2409.1 of the Civil Code;
j. no reports were received pursuant to art. 2409.7 of the Civil Code;
k. we did not issue any opinions from 01.01.2014 to 31.12.2014;
l. we have supervised the duties and obligations of the directors in the exercise of their mandate, including pursuant to Legislative Decree no. 231 of 8 June 2001, specifically with reference to the provisions of Legislative Decree no. 81 of 9 April 2008 on the theme of safety at work.

With reference to the content of the separate and consolidated financial statements for the year ended as at 31 December 2014, taking into account that the legal audit was carried out by the independent auditors Reconta Ernst & Young S.p.A., the Board of Statutory Auditors confirms that it received from the Board of Directors, within the terms the law, draft separate and consolidated financial statements for the financial year ended 31 December 2014, complete with the related Directors' Report, and certifies, as far as its authority is concerned, that it has verified that:

- through direct checks and information obtained from the appointed independent auditors the legal regulations inherent in the preparation of the separate and consolidated financial statements and Directors' Report were observed, and that there are no particular observations to make. Specifically, the Explanatory Notes to the financial statements also show information on the transactions with related parties in terms of number 22 *bls* of art. 2427 of the Civil Code.
- the separate and consolidated financial statements were prepared In conformity with the IAS/IFRS accounting standards in accordance with the indications provided by the Board of Directors in the Explanatory Notes to the financial statements, to which you are referred for greater detail;

- as far as we are aware, the directors kept to the legal regulations pursuant to art. 2423 of the Civil Code in the preparation of the financial statements and, compatibility with the international accounting standards;
- the accounting was subjected to the checks provided by the law by Reconta Ernst & Young S.p.A., the independent auditors appointed to carry out the legal audit, who have not given observations in this connection; with reference to the independent auditors' report on the financial statements under examination, issued on 13 April 2015, the Board of Statutory Auditors noted the absence of observations;
- goodwill, having an indefinite useful life, was subjected to the annual verification of a possible impairment (called the Impairment test}, in compliance with the provisions on the matter of the international accounting standards;
- the information relating to the legal advertising mentioned in art. 2497-bls of the Italian Civil Code of the management and coordination of the groups was provided.

CONCLUSIONS

In light of the supervisory work carried out and based on the documents submitted by the Board of Directors, we consider that the draft separate and consolidated financial statements for the financial year ended as at 31.12.2014 were, overall, prepared with clarity and represent a true and fair view of the equity and financial position and financial results of the Parent Company and the Cremonini Group, in conformity with the laws that regulate the preparation of the separate and consolidated financial statements.

Consequently, we consider that there are no impediments to your approval of the financial statements for the year ended as at 31 .12.2014.

We agree with the proposal of the Board of Directors on the allocation of the profit for the year.

Castelvetro (Mo), 13.04.2015

The Board of Statutory Auditors

Eugenio Orienti (Chairman) *Signed*

Paola Simonelli (standing statutory auditor) *Signed*

Albino Motter (standing statutory auditor) *Signed*

This report has been translated into the English language solely for convenience of international readers

Building a better
working world

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Independent auditors' report
pursuant to art. 14 of Legislative Decree n. 39 dated 27 January 2010 and Article 165-bis of Legislative Decree No. 58 of February 24, 1998
(Translation from the original Italian text)

To the Shareholders of
Cremonini S.p.A.

1. We have audited the financial statements of Cremonini S.p.A. as of 31 December 2014 and for the year then ended, comprising the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in shareholders 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 Cremonini S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, 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 of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 10, 2014.

3. In our opinion, the financial statements of Cremonini S.p.A. at 31 December 2014 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.

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 C.C.I.A.A. di Roma
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4. The Directors of Cremonini S.p.A. are responsible for the preparation of the Directors' Report in accordance with the applicable laws. Our responsibility is to express an opinion on the consistency of the Directors' Report with the financial statements as required by the 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. at 31 December 2014.

Bologna, April 13, 2015

Reconta Ernst & Young S.p.A.

Signed by: Andrea Nobili, partner

This report has been translated into the English language solely for the convenience of international readers.

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CREMONINI GROUP

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

Consolidated financial statements as at 31 December 2014

Statement of assets and liabilities - assets

(Euro/000)	Note	Year 2014	31.12.2013*	01.01.2013*
Non-current assets				
Tangible assets	1	782,814	788,895	811,177
Goodwill	2	150,092	145,629	148,824
Other intangible assets	3	15,262	16,173	18,182
Investments valued at equity	4	2,552	2,960	14,782
Investments in other companies	5	10,237	17,778	4,647
Financial assets held for sale		50	50	-
Financial instruments / Derivatives	18	285	-	-
Non-current financial receivables	6	2,126	2,345	3,712
Deferred tax assets	7	20,472	20,314	21,135
Other non-current assets	8	48,730	50,849	37,710
Total non-current assets		**1,032,620**	**1,044,993**	**1,060,169**
Current assets				
Inventories	9	344,366	331,601	323,102
Biological assets	10	36,733	28,404	27,673
Current financial receivables	11	10,672	10,644	12,110
relating to related parties		*7,043*	*4,691*	*6,546*
Current trade receivables	12	523,629	535,549	538,514
relating to related parties		*4,217*	*6,895*	*460*
Current tax assets	13	16,983	18,065	26,140
Financial assets held for sale		1,000	2,081	2,081
Financial instruments / Derivatives	18	1,799	209	371
Cash and cash equivalents	14	88,370	98,179	134,842
Other current assets	15	59,301	65,965	56,114
relating to related parties		*0*	*0*	*0*
Total current assets		**1,082,853**	**1,090,697**	**1,120,947**
Total assets		**2,115,473**	**2,135,690**	**2,181,116**

Statement of assets and liabilities - liabilities

(Euro/000)	Note	Year 2014	31.12.2013*	01.01.2013*
Shareholders' Equity				
Share capital	16	67,074	67,074	67,074
Reserves	16	(6,614)	1,490	15,217
Retained earnings		309,069	213,469	144,866
Result for the period		41,928	32,679	33,264
Shareholders' Equity attributable to the Group		411,457	314,712	260,421
Minority interests' capital and reserves		229,950	90,144	71,725
Profit for the period attributable to minority		31,088	28,819	25,775
Shareholders' Equity attributable to minority		261,038	118,963	97,500
Total Shareholders' Equity		**672,495**	**433,675**	**357,921**
Non-current liabilities				
Non-current financial payables	17	265,089	521,223	490,108
Financial instruments / Derivatives	18	194	4,150	2,034
Employee benefits	19	27,674	28,248	28,413
Provisions for risks and charges	20	12,326	8,339	8,506
Deferred tax liabilities	21	74,229	78,929	79,181
Other non-current liabilities	22	1,138	909	1,009
Total non-current liabilities		**380,650**	**641,798**	**609,251**
Current liabilities				
Current financial payables	23	444,429	431,534	565,462
relating to related parties				*0*
Financial instruments / Derivatives	18	1,703	3,273	5,986
Current tax liabilities	24	21,137	25,137	24,636
Current trade liabilities	25	524,896	524,499	532,484
relating to related parties		*8,277*	*7,821*	*5,232*
Other current liabilities	26	70,163	75,774	85,376
relating to related parties		*0*	*0*	*0*
Total current liabilities		**1,062,328**	**1,060,217**	**1,213,944**
Total liabilities		**2,115,473**	**2,135,690**	**2,181,116**

* The retroactive application of the new IFRS11 "Joint arrangements" standard resulted in the restatement of the financial statements as at 31 December 2013.

Consolidated financial statements as at 31 December 2014

Income statement

(Euro/000)	Note	**Year 2014**	Year 2013*
Revenues	27	3,278,627	3,415,422
relating to related parties		*36,482*	*35,691*
Other revenues	28	57,227	57,052
relating to related parties		*12*	*70*
Change in inventories of finished and semi-finished goods		14,318	(10,574)
Capitalisation of internal construction costs		9,590	6,422
Costs for purchases	29	(2,269,753)	(2,278,731)
relating to related parties		*(46,955)*	*(32,618)*
Other operating costs	30	(540,857)	(532,402)
relating to related parties		*(1,883)*	*(1,668)*
Personnel costs	31	(290,928)	(401,880)
Amortization and depreciation	32	(63,581)	(69,345)
Write-downs and provisions	32	(25,065)	(21,622)
Revenues from equity investments		3,265	1,706
relating to related parties		*(59)*	
Financial (Income)/Charges	33	(52,441)	(52,083)
relating to related parties		*(40)*	*54*
Result before taxes		**120,402**	**113,965**
Income taxes	34	(47,386)	(52,467)
Result before minority interests		**73,016**	**61,498**
Result attributable to minority interests		(31,088)	(28,819)
Result for the period attributable to the Group		41,928	32,679

Other conprehensive income

(Euro/000)	**Year 2014**	Year 2013*
Result before minority interests	**73,016**	**61,498**
Items to be reclassified to profit or loss in subsequent periods:		
Efficacious part of profits/(losses) on cash flow hedge instruments	3,208	1,872
Tax effect	(882)	(515)
Items not to be reclassified to profit or loss in subsequent periods:		
Efficacious part of profits/(losses) on cash flow hedge instruments	(1,665)	117
Translation effects of the financial statements expressed in foreign currencies	(36,040)	(15,345)
Tax effect	458	(32)
Comprehensive Income	**38,095**	**47,595**
Result attributable to minority interests	(13,583)	(27,491)
Result for the period attributable to the Group	24,512	20,104

Statement of changes in the shareholders' equity over the financial year ended as at 31 December 2014

(Euro/000)	Share capital	Nominal value treasury stock in portfolio	Total Share capital	Other Reserves: Share premium reserve	Legal reserve	Reserve for IAS adjustments	Reserve for trading treasury stock	Reserve translation differences	Deficit Merger	Reserve Actuarial Gain Losses	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 2012 adjusted	**67,074**	**0**	**67,074**	**78,280**	**14,749**	**79,036**	**0**	**(6,773)**	**(146,379)**	**(2,220)**	**(1,476)**	**15,217**	**144,866**	**33,264**	**260,421**	**71,725**	**25,775**	**97,500**	**357,921**
Allocation of the results of previous year:																			
- retained earnings reserve													33,264	(33,264)	**0**	25,775	(25,775)	**0**	**0**
- distribution of dividends															**0**	(25,036)	0	**(25,036)**	**(25,036)**
Transaction on MARR S.p.A. shares													33,881		**33,881**	19,587		**19,587**	**53,468**
Acquisition of 100% control on CCCIC S.r.l.													(196)		**(196)**	(662)		**(662)**	**(858)**
Other changes													502		**502**	83		**83**	**585**
Consolidated comprehensive income																			
- Profit for the period														32,679	**32,679**		28,819	**28,819**	**61,498**
- Other Profits/Losses, net of taxes								(14,460)		91	642	(13,727)	1,152		**(12,575)**	(1,328)		**(1,328)**	**(13,903)**
Balances 31 December 2013 adjusted	**67,074**	**0**	**67,074**	**78,280**	**14,749**	**79,036**	**0**	**(21,233)**	**(146,379)**	**(2,129)**	**(834)**	**1,490**	**213,469**	**32,679**	**314,712**	**90,144**	**28,819**	**118,963**	**433,675**
Allocation of the results of previous year:																			
- retained earnings reserve												0	32,679	(32,679)	**0**	28,819	(28,819)	**0**	**0**
- distribution of dividends												0			**0**	(20,675)		**(20,675)**	**(20,675)**
Transaction on Kaskad OOO L.l.c. shares												0	20,770		**20,770**	37,903		**37,903**	**58,673**
Transaction on INALCA S.p.A. shares								10,801		330		11,131	41,010		**52,141**	110,983		**110,983**	**163,124**
Consolidation of Fiorani & C. S.p.A.												0	(260)		**(260)**	1,195		**1,195**	**935**
Capital increase in in Bell Carni S.r.l.												0			**0**	41		**41**	**41**
Capital increase in Inalca Food and Beverage S.r.l.												0			**0**	50		**50**	**50**
Capital increase in Realbeef S.r.l.												0	(532)		**(532)**	532		**532**	**0**
Acquisition of 100% control in Momentum L.t.d.												0	65		**65**	(260)		**(260)**	**(195)**
Acquisition of 100% control in Lounge Services S.a.s.												0	23		**23**	(23)		**(23)**	**0**
Deconsolidation of Frimo S.a.m.												0	22		**22**	(219)		**(219)**	**(197)**
Sales and deconsolidation of Alisea S.c.a r.l												0			**0**	(1,032)		**(1,032)**	**(1,032)**
Other changes										64		64	(60)		**4**	(3)		**(3)**	**1**
Consolidated comprehensive income																			
- Profit for the period												0		41,928	**41,928**		31,088	**31,088**	**73,016**
- Other Profits/Losses, net of taxes								(19,166)		(967)	834	(19,299)	1,883		**(17,416)**	(17,505)		**(17,505)**	**(34,921)**
Balances 31 December 2014	**67,074**	**0**	**67,074**	**78,280**	**14,749**	**79,036**	**0**	**(29,598)**	**(146,379)**	**(2,702)**	**0**	**(6,614)**	**309,069**	**41,928**	**411,457**	**229,950**	**31,088**	**261,038**	**672,495**

Cash flow statements for the financial years ended as at 31 December 2014 and 2013

(Euro/000)	**31.12.2014**	31.12.2013
Net profit before minority interests	**73,016**	**61,498**
Amortization and depreciation	63,581	69,345
Amortization and depreciation	1,664	2,106
Net change in other provisions and non-monetary income items	29,867	27,170
Reversal of the effects from extraordinary transactions	0	0
Net change in Staff Severance Provision	(15,149)	(13,468)
Changes in working capital:		
(Increase) decrease in receivables from customers	(6,682)	(17,355)
(Increase) decrease in inventories	(21,094)	(9,230)
Increase (decrease) in payables to suppliers	4,297	(19,117)
(Increase) decrease in other items of the working capital	(2,550)	(8,143)
Net effects from the change in consolidation area	0	0
Cash-flow from operating activities (A)	**126,950**	**92,806**
Net (investments) in tangible assets	(76,486)	(54,188)
Net (investments) in intangible assets	(8,456)	(489)
Net change in other non current assets	8,708	618
Net effects from the change in consolidation area	(2,763)	8
Cash-flow from investment activities (B)	**(78,997)**	**(54,051)**
Increase (Decrease) medium-long term borrowings	(256,135)	31,038
Increase (Decrease) medium-long term liabilities for derivatives	(3,956)	2,116
Increase (Decrease) short term borrowings	14,619	(132,076)
Changes in other securities and other financial assets	419	1,417
Increase (Decrease) short term liabilites for derivatives	(3,160)	(2,552)
Cash-flow from distribution of dividends	(20,675)	(25,036)
Capital increase and other changes in equity	211,126	49,676
Cash flow from financing activities (C)	**(57,762)**	**(75,417)**
Cash Flow of the year (D=A+B+C)	**(9,809)**	**(36,662)**
Cash and cash equivalents at the beginning of the period (E)	98,179	134,841
Cash and cash equivalents at the end of the period (F=D+E)	**88,370**	**98,179**

Consolidated financial statements as at 31 December 2014

Notes

Form and content of the consolidated financial statements

The consolidated financial statements as at 31 December 2014 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 Union 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 27 March 2015.

The consolidated financial statements were prepared in accordance with the cost method, with the exception of the following statement of assets and liabilities 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 contra entry in the income statement.

For the purpose of comparison, the consolidated financial statements as at 31 December 2014 show the figures for the financial year ended as at 31 December 2013.

The following classifications were utilised:

- Statement of Assets and Liabilities 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

The consolidation is effected using the line-by-line method that consists of the adoption of all asset and liability items in their entirety. The main consolidation criteria adopted for the application of this method are the following:

- the subsidiary companies are consolidated commencing from the date when control is effectively transferred to the Group, and cease to be consolidated at the date when control is transferred outside the Group;
- where necessary adjustments are made to the financial statements of the subsidiaries to align their accounting policies to those of the Group;
- the assets and liabilities and the income and companies consolidated using the line-by-line method are integrated in the consolidated financial statements; the carrying value of the equity investments is eliminated against the corresponding fraction of shareholders' equity of the subsidiaries, attributing to individual elements of the assets and liabilities their current value at the date of acquisition of control (acquisition method as defined by IFRS 3 "Business combinations"). Any residual difference, if positive, is recorded in the asset item "Goodwill" and if negative in the income statement;
- reciprocal debit and credit and costs and revenues relationships between consolidated companies and the effects of all the transactions of significant relevance exchanged between the latter are eliminated;
- the minority shareholders' portion of shareholders' equity and results for the period are shown separately in the shareholders' equity and in the consolidated income statement. The result of the comprehensive income statement relating to a subsidiary is attributed to the minority shareholders even if this implies that the minority holdings have a negative balance;
- changes in the Parent Company's interest in a subsidiary that does not result in the loss of control are accounted for as capital transactions.

Changes in the Parent Company's interest in a subsidiary that does not result in the loss of control are accounted for as capital transactions.
If the Parent Company loses control of a subsidiary, it:

- eliminates the assets (including any goodwill) and the liabilities of the subsidiary;
- eliminates the carrying values of any minority interests in the ex-subsidiary;
- eliminates the accumulated exchange rate differences recorded in the shareholders' equity;
- records the fair value of the consideration received;
- records the fair value of any interest maintained in the ex-subsidiary;
- records each profit or loss in the income statement;
- reclassifies the portion held by the Parent Company of the components previously recorded in the comprehensive income statement, income statement or undistributed profits, as appropriate.

Scope of consolidation

The consolidated financial statements as at 31 December 2014 include the financial statements of the Parent Company Cremonini S.p.A. and those of the companies in the which it holds, directly or indirectly, control including therein the specific purpose entities) excluding immaterial subsidiaries.

Control is obtained when the Group has, or has the right to, variable yields deriving from its relationship with the entity in which it has an investment and, at the same time, it has the capacity to impact on such income by exercising its power over such entities.

Specifically, the Group controls a partially owned company if, and only if, the Group has:
• the power over the entity in which it has an investment (or else holds valid rights that gives it the current capacity to direct the significant activities of such entity;
• recognition or the rights to variable returns deriving from the relationship with the investee entity;
• the capacity of exercising power over the investee entity to impact on the amount of its returns.
Generally, there is a presumption that the majority of the voting rights involves control. Supporting this presumption is that when the Group holds less than the majority of the voting rights (or similar rights), the Group considers all the relevant facts and circumstances to establish if control of the investee entity includes:

- contractual arrangements with other owners with voting rights;
- deriving from contractual arrangements;
- the Group's voting rights and potential voting rights.

The Group considers whether or not there is control of a partially owned company if the facts and circumstances indicate that there were changes in one or more of the three relevant elements for the purposes of the definition of control.

Companies that have financial statement values individually and cumulatively immaterial with respect to the Group's consolidated financial statements were excluded from the scope of the consolidation. Specifically, the exclusion regarded the following subsidiary companies:

Directly controlled

Domus Italia (in liq.)
Inalca F&B Lda (Cabo Verde), *start up*
Inalca F&B Holding Inc (USA), *start up*
Inalca Foods Nig Limited (inactive and completely written-down)
Inalca West Africa S.a.r.l., *start up*
Montana Farm S.p.z.o.o. (in liq.)

The equity investments in these companies were measured at cost.

The complete list of the holdings included in the scope of the consolidation as at 31 December 2014, with an indication of the method of consolidation, is shown in Appendix 6.

The scope of the consolidation has been changed, compared to that of the consolidated financial statements of the previous year, as described below. The financial effects of such changes are shown, when significant, in the explanatory notes to the financial statements. The equity changes have not instead impacted significantly on the comparability with the corresponding figures of last year.

Specifically, with respect to 31 December 2013, the following companies were included in the scope of the consolidation:

- Capo d'Orlando Carni S.r.l., a company that manages a logistics platform for the Sicilian market catchment area, smaller islands and part of Southern Italy; preparation of portioned and processed products in a protected atmosphere.
- Chef Express Shanghai is a company that operates in commercial catering in Shanghai;
- Princeps S.a.s. is a company directed at the development of new catering businesses in France;
- Fiorani & C. S.p.A. is a company that is involved in the transformation and marketing of beef-based products. This company, previously consolidated with the proportional method, was deconsolidated and measured at net equity in the preceding financial years following the retroactive application of IFRS 11;
- Sessanta S.r.l. controlled by Roadhouse Grill Italia S.r.l., is a company that manages the Palermo Roadhouse Grill steakhouses;
- Inalca Eurasia Holdings Gesmbh, a subsidiary company of INALCA S.p.A., is a company that manages all the companies currently developed by the Production in Russia;
- Healthy Bar Milano S.r.l., a subsidiary company of Chef Express S.p.A., is a company that manages catering premises at the Milan Central Station.

Lastly, the following changes took place in the scope of consolidation with respect to 31 December 2013:

- the increase in the equity investment in Fiorani from 49% to 51%;
- the reduction in the equity investment in INALCA S.p.A. from 100% to 71.6%;
- the deconsolidation of the equity investment in Alisea S.c.a.r.l. following the sale by the parent company MARR S.p.A. of all the shares that it held therein (55%) on 31 March 2014;
- the increase in the equity investment in Momentum Ltd and Lounge Services S.a.s. now fully controlled by Chef Express UK;
- the increase in the equity investment in Inalca Food & Beverage from 67% to 70%;

- the change of company name and business purpose of Cremonini Rail Iberica S.a., now Cremonini Chef Iberica S.a.;
- the sale of 40% of Kaskad to Cascade International;
- the change in the equity investment in Inalca Food & Beverage from 67% to 70%;
- the merger of Emigel S.r.l. with New Catering S.r.l.;
- the deconsolidation of the equity investment in Frimo (and consequently of its subsidiary Prometex S.a.m.) following the sale by INALCA S.p.A. of 30% of the shares it held therein;

Adoption of IFRS 1has also resulted in the change in the method of consolidation of the subsidiaries Quinto Valore S.c.a.r.l. and Time Vending S.r.l., previously consolidated proportionally and now measured with the net equity method.

The effects of this change are shown in this document.

Changes in accounting standards

The new IFRSs and IFRICs adopted by the EU, in effect from 1 January 2014, 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. Please also refer to the description in the Directors' Report.

New accounting standards, amendments and interpretations applicable in 2014

The measurement criteria used for the purposes of preparation of the consolidated financial statements for the year 2014 do not differ from those used for the consolidated financial statements for the financial year ended 31 December 2013, with the exception of the accounting standards and interpretations applicable from 1 January 2014, which however have not had effects on these financial statements.

-IFRS 10 "Consolidated financial statements" and IAS 27 "Separate financial statements (reviewed in 2011)". IFRS 10 substitutes part of IAS 27 "Consolidated and separate financial statements" and also includes the problems raised in SIC 12 "Consolidation – Special Purpose Entities". IFRS 10 establishes a sole control model that is applied to all companies, including special purpose entities and will require discretional measurements for the determination of which are subsidiary companies and which must be consolidated by the parent company.
Following the introduction of this new standard, IAS 27 remains limited to the accounting for subsidiary companies with joint control and related companies in the separate financial statements.
The amendment, subsequent to the prior approval of the standard, also provides an exception to the consolidation for entities that form part of the investment entities pursuant to IFRS 10 – Consolidated Financial Statements. This exception to consolidation requires that investment entities measure their subsidiary companies at the fair value recognised in the income statement. These amendments are not applicable to the Group's financial statements.
- IFRS 11 "Joint Arrangements" – this standard substitutes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 11 eliminates the option of accounting for jointly controlled subsidiary companies using the proportional consolidation method but establishes the use of the net equity method.
- IFRS 12 "Disclosure of interests in other entities" – this standard includes all the directives on the matter of disclosure previously included in IAS 27 relating to consolidated financial statements, as well all the disclosure directives of IAS 31 and IAS 28 relating to a company's interests in jointly controlled subsidiary companies, related companies and structured vehicles.
- IAS 28 "Investments in Associates (reviewed in 2011)". Following the new IFRS 11 and IFRS 12, tale this standard was renamed "Investments in associates and joint ventures" and describes the application of the shareholders' equity method for investments in jointly controlled companies, in addition to related companies.
- IAS 32 "Offsetting financial assets and financial liabilities – Amendments to IAS 32". The amendments clarify the significance of "currently has a legally enforceable right to offset". The amendments also clarify the application of the offsetting criterion of IAS 32 in the case of settlement systems (for example, centralized clearing houses) that apply gross, non-simultaneous settlement mechanisms. These amendments have not had any impact on the Group's financial statements, since no Group entity has existing offsetting agreements.
- IAS 36 "Additional information on the recoverable value of non-financial assets – Amendments to IAS 36".

These amendments remove the consequences introduced involuntarily by IFRS 13 on the disclosures required by IAS 36. Furthermore, these amendments require disclosures on the recoverable value of the assets or CGU for which an impairment loss was recognised *or "reversed"* during the course of the financial year.
- IAS 39 "Novation of derivatives and continuation of the booking of a hedge – Amendments to IAS 39". These amendments allow the continuation of hedge accounting when the novation of a hedging derivative respects determined criteria. These amendments, which must be applied retrospectively, have not had any impact on the consolidated financial statements since the Group has not substituted its derivatives either in this or in the previous financial years.
- IFRIC 21"Taxation". L'IFRIC 21 retroactively applies to all payments imposed by the government by law, other than those already treated in other standards (for example by IAS 12 "Income taxes" and those for fines or other penalties for breaches of the law). The interpretation clarifies that an entity does not recognise a liability before the event to which the payment is linked occurs, in accordance with the applicable law. The interpretation also clarifies that the liability matures progressively only if the event to which the payment is linked occurs during a time period provided by law. For payments that are due only on exceeding a determined minimum threshold, the liability is only recorded on reaching such threshold. This interpretation has not had any impact on the Group, as the recognition criteria provided by IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", which are in accordance with the IFRIC 21 directives, were applied in previous years.

We also note that the IASB published the "Annual Improvements to IFRS documents" 2010 – 2012 cycle" and: : "Annual Improvements to IFRSs 2011 – 2013 cycle "on 12 December 2013, which adopt the amendments to the standards in connection with the annual improvement process thereof, concentrating on amendments considered as necessary, but not urgent. We also note the principal amendments that, nevertheless, are not applicable to these consolidated financial statements:
- IFRS 2 - Share-based payments: some amendments were made to the definitions of "vesting condition" and "market condition" and further definitions of the "performance conditions" and "service conditions" were added for the recording of share-based benefit plans;
- IFRS 3 – "Business combinations": the amendments clarify that a potential consideration classified as an asset or liability must be measured at fair value at every year-end, with recording of the effects in the income statement, disregarding the fact that the potential consideration is a financial instrument or else a non-financial asset or liability. Furthermore, it clarifies that this standard is not applicable to all constitutions of joint ventures;
- IFRS 8 – Operating Segments: the amendments require disclosure of the management's measurements in the application of criteria for combination of the operating segments, including a description of the operating segments combined and the economic indicators considered in the determination of whether such operating segments have "similar economic characteristics". Furthermore, the reconciliation between the total assets of the operating segments and the total assets of the entity must only be provided if the total of the operating segments' assets is regularly provided to corporate management;
- IFRS 13 – Fair value measurement: the Basis for Conclusions of the standard were amended for the purpose of clarifying that with the issue of IFRS 13, and the consequent amendments to IAS 39 and IFRS 9, the possibility of accounting for the short-term trade receivables and payables without recording the effects of discounting remains valid, should such effects be immaterial.

The effective date of the proposed amendments is anticipated for the financial years commencing from 1 July 2014 or a subsequent date. These amendments have not yet been approved by the European Union.

Accounting standards, amendments and interpretations applicable to future financial statements

Illustrated below are the standards and interpretations that, at the date of preparation of the consolidated financial statements, were already issued but not yet in effect.
- IFRS 9 Financial instruments: The IASB issued the final version of IFRS 9 Financial Instruments in July 2014, which reflects all the phases of the project relating to financial instruments and substitutes IAS 39 Financial Instruments: Recognition and measurement and all the preceding versions of IFRS 9. The standard introduces new requisites for classification, measurement, impairment and hedge accounting. IFRS 9 is effective for the financial years commencing from 1 January 2018 or subsequently.
- IFRS 15 – Revenues deriving from contracts with customers. The IFRS was issued in May2014 and introduces a new model that will apply in five phases to the revenues deriving from contracts with customers. IFRS 15 provides for the recognition of revenues for an amount that reflects the consideration to which an entity

considers it has a right in exchange for the transfer of goods or services to the customer. The standard provides a more structured approach for the recognition and measurement of revenues, substituting all the current requisites in the other IFRSs on the theme of revenue recognition. IFRS 15 is effective for the financial years commencing from 1 January 2017 or subsequently, with full or amended retrospective application. The Group does not expect significant impacts from the application of this standard.
- Amendments to IFRS 11 - Joint control arrangements: Acquisition of a stake. These amendments require that a joint operator who books the acquisition of a stake holding in a joint control arrangement, the activities of which represent a business, must apply the significant standards of IFRS 3 on the theme of booking the business combinations. The amendments also clarify that, In the event that joint control is maintained, the equity investment previously held in a joint control arrangement is not that are the subject to re-measurement at the time of the acquisition of a further stake. Furthermore, an exclusion from the scope of IFRS 11 was added to clarify that the amendments are not applied when the parties sharing the control, including the entity that prepares the financial statements, are subjected to the joint control of the latter controlling party. The amendments are applied both to the acquisition of the initial equity investment stake in a joint control arrangement and the acquisition of any further stake in the same joint control arrangement. The amendments must be applied in the future for the financial years commencing from 1 January 2018 or subsequently; early application is allowed.
- Amendments to IAS 16 and IAS 38: clarification of the admissible amortisation methods. The amendments clarify the standard contained in IAS 16 and IAS 38: on the revenues reflecting financial benefits model generated from the management of a business (of which the activity is a part), rather than financial benefits that are consumed with the use of the asset. It follows that a revenue based method cannot be utilised for depreciation of real estate, plant and machinery and could be used only in very limited circumstances for amortisation of the intangible assets. The amendments must be applied in the future for the financial years commencing from 1 January 2018 or subsequently; early application is allowed.
- Amendments to IAS 19 Employee benefits: Employee contributions. IAS 19 requires an entity to consider the employee or third party contributions when booked to defined benefits plans. When the contributions are related to the performance of the service, they should be attributed to the period of service as negative benefits. The amendment clarifies that, should the amount of the contributions be independent of the number of years of service, the entity is permitted to record these contributions as a reduction of the service cost in the period in which the service is performed, instead of allocating the contributions to the periods of service. This amendment is effective for the financial years commencing from 1 January 2018 or subsequently.
- Amendments to IAS 27: Net equity method in the separate financial statements. The amendments will permit entities to use the net equity method to account for equity investments in subsidiaries, joint-ventures and related companies in its separate financial statements. Entities that are already applying the IFRSs and decide to change their accounting criterion by passing to the net equity method in their separate financial statements must apply the change retrospectively. The amendments effective for the financial years commencing as at 1 January 2016 or subsequently; early application is allowed.
- Amendments to IAS 1: The initiative on the disclosure in the financial statements. The amendments are aimed at introducing clarifications in IAS 1 to meet some elements that are perceived as limitations on the use of judgement by those preparing the financial statements. These amendments are awaiting approval and are applicable for financial years commencing on 1 January 2016 or subsequent to this date.
- Amendments to IFRS 10 and IAS 28: the sale or transfer of an asset between an investor and its related company or joint venture. The amendment is aimed at eliminating the conflict between the requisites of IAS 28 and IFRS 10 and clarifies that in a transaction involving a related company or joint venture the measure to which it is possible to recognise a profit or loss depends on the fact that the asset being sold or transferred is a business. The amendment is awaiting approval and is applicable for financial years commencing on 1 January 2016 or subsequent to this date.

Lastly, some improvements were issued which adopt the amendments to the standards in connection with the annual improvement process thereof, concentrating on amendments considered as necessary, but not urgent.
The main amendments that still await approval relate to the following standards:

- IFRS 5, introduces clarification for cases where the method of sale of an asset is amended by reclassifying this by holding it for sale or distribution;
- IFRS 7, clarifies if and when service agreements constitute continuous involvement for the purpose of disclosure;
- IAS 19, clarifies that the currency of the securities uses as a reference for the estimate of the discount rate must be the same as that when the benefits will be paid;
- IAS 34, clarifies the significance of "elsewhere" in cross-referencing.

Accounting policies

The measurement criteria used to prepare the consolidated financial statements as at 31 December 2014 were those used to prepare the consolidated financial statements as at 31 December 2013, with the exceptions reported in the former section.
The most important measurement criteria to be adopted in the preparation of the consolidated financial statements are shown in the following points.

Tangible assets

Tangible assets are recorded at their purchase price or cost of production, including directly allocable ancillary costs necessary to make the assets usable. The Group, as allowed by IFRS 1, has measured some land and buildings it owns at fair value during the transition to the International Accounting Standards and used this fair value as the new cost subject to depreciation.

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 carrying value minus the presumable net transfer value at the end of its useful life, if material and reasonable determinable. Land (Items with indefinite useful lives) is not depreciated, even if purchased together with a building, as well as tangible assets held for sale, measured at the lower between the carrying value and fair value after transfer charges.
Costs for improvement, modernisation and transformation increasing tangible assets are entered as assets in the statement of assets and liabilities.
The recoverability of the carrying value of tangible assets is determined by adopting the criteria indicated in the section "Impairment of assets".

Depreciation reflects the economic and technical deterioration of an asset and starts when the asset is available for utilization and calculated according to the linear model of the estimated useful life of the asset.

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%

The residual carrying value, useful life and amortization/depreciation criteria are reviewed at every year-end and prospectively updated if necessary.

An asset is eliminated from the financial statements at the time of sale or when there are no longer future economic benefits anticipated from its use or disposal. Any losses or profits (calculated as the difference between the net proceeds from sale and the carrying value) are included in the income statement at the time of the aforesaid elimination.

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 statement of assets and liabilities 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 recognised in 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, while those purchased by business combination are entered at fair value at the acquisition date. 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 carrying 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 carrying value is determined at least each year and, in any case, whenever there are events implying an impairment. 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 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 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

The amortisation term and criteria for intangible assets with definite useful lives are reassessed at least at each year-end and adjusted prospectively, if necessary.

Equity investments in associated and other companies

An associated company is a company upon which the Group exerts a significant influence. Significant influence means the power to participate in the financial and operating policies of the investee while not having control or joint control over it.

Investments in associates are measured by using the net equity method and investments in other companies are measured at cost of acquisition, subscription or contribution.
With the net equity method, the investment in an associate is initially recognized at cost. The carrying value of the investment is increased or decreased to recognize the investor's share of the profits and losses pertaining to the subsidiary after the date of acquisition. The goodwill of the subsidiary is included in the carrying value of the investment and is subjected neither to amortization, nor to individual assessment of impairment.
The consolidated income statement for the year reflects the share attributable to the Group as the subsidiary's result for the year. Any change in the other components of the comprehensive income statement related to these subsidiaries is presented as part of the Group's comprehensive income statement. In addition, in the event that an associated company detects a change with a direct effect on shareholders' equity, the Group recognises its share, where applicable, in the statement of changes in net equity. The unrealized gains and losses deriving from transactions between the Group and its associates or joint ventures are eliminated to the extent of the investment in the associates or joint ventures.

Upon losing the Significant Influence over the associated company, the Group assesses and recognises the residual interest at fair value. Any difference between the carrying value of the investment at the date of the loss of significant influence and the fair value of the residual interest and consideration received must be recorded in the income statement.

Equity investments in other companies, classified as available for sale, regarding their insignificance and the impossibility of finding a suitable fair value measurement, are measured at the acquisition, subscription or transfer cost, as indicated in Appendix 5 and the notes that follow. The recoverability of their carrying value is verified 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 essentially 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, except for the exchange rate risk.

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 carrying 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 its rights to receive financial flows from the asset and (a) has substantially transferred all the risks and rewards of ownership of the financial asset or, (b) has neither transferred nor substantially retained all the risks and rewards of the asset, but has transferred its control.

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. In this case, the Group also acknowledges an associated liability. The asset transferred and associated liabilities are measured to reflect the rights and the obligations that the Group has retained. The residual involvement that, for example, takes the form of a guarantee on the asset transferred is measured at the lower of the initial carrying value of the asset and the maximum value of the consideration that the Group could be required to pay.

Impairment of financial assets

The Group verifies whether any figure in the financial statements, either a financial asset or a group of financial assets, has suffered impairment. A financial asset or a group of financial assets is to be considered as subject to impairment if, and only if, there is objective evidence of impairment as a result of one or more events that took place after the initial recording (when there is "an impairment event") and this impairment event has an impact, which can be reliably estimated, on the future estimated cash flows from a financial asset or a group of financial assets. Evidence of impairment can be represented by indicators such as financial difficulties, the incapacity to meet obligations, insolvency, pay interest or make other important payments, which result from the debtors, or a group of debtors, having the probability that they will go bankrupt or are subject to another form of financial reorganisation, and where observable figures indicate that there is a measurable decrease in the future estimated cash flows, such as changes in contexts or economic conditions correlated to the obligations.

The company has first of all evaluated for the financial assets accounted for at their amortised cost whether there is objective evidence of impairment for every financial asset that is individually or collectively significant; for the financial assets that are not individually significant. If the company determines that there is no evidence of impairment of a financial asset, including the assets in a group of financial assets with similar credit risk characteristics, and assesses them collectively for the purposes of verification of the write-down. Assets that are individually measured for a write-down and for which an impairment is recorded, or continues to be recorded, are included in a collective evaluation for impairment. If there is objective evidence of impairment, the amount of the loss is measured as the difference between the carrying value of the asset and the present value of the future estimated cash flows (excluding the expectations of credit losses in future that have not yet occurred).
The carrying value of the asset is reduced by utilisation of a write-down provision and the amount of the loss will be recorded in the income statement. Should, in a subsequent financial year, the amount of the estimated write-down increase or diminish as a consequence of an event that took place after the write-down was recorded, the write-down previously recorded must be increased or diminished by adjusting the provision with a contra entry to income statement.

The company assesses financial assets available for sale, at every financial statements reference date, to ascertain whether there is objective evidence that an asset, or a group of assets, has suffered impairment.
In the case of instruments representative of capital classified as available for sale, the objective evidence should include a significant or prolonged reduction below its cost in the fair value of the instrument. The 'Significance' is measured with respect to the historical cost of the instrument and the 'prolonged' (the duration of the) period in which the fair value was below the historical cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value - any loss for impairment on that financial asset previously recorded in the income statement is deducted.

The impairment of instruments representing capital may not be reinstated and recognised in the income statement; the increases in their fair value following the impairment are reported directly in the other components of the comprehensive income statement.

Impairment of non – financial assets

At the end of each accounting period the Group assesses any indicators of impairment of non-financial assets.
When there are events which give rise to a presumption of the reduction of the value of an asset or where an annual verification of impairment is required, its recoverability is checked by comparing the value of the entry with the associated recoverable value, it is represented by the greater of the fair value, minus disposal costs, and the value in use.
In the absence of a binding sales agreement, the fair value is estimated based on active market values, recent transactions or based on the best information available to reflect the amount that the business could obtain from the sale of the asset.
The usage value is calculated by discounting the cash flows anticipated from the use of the asset and, if significant and reasonably calculable, from its disposal at the end of its useful life. The cash flows can be calculated based on reasonable and documentable assumptions representative of the best estimate of future economic conditions which will be seen in the remaining useful life of the asset, giving greater significance to external indications. The discounting is made at a rate which takes account of the risk implicit in the segment of operations.
The measurement is made per individual asset or per the smallest identifiable group of assets which can independently generate cash flows from continual use (cash generating unit). When the reasons for the write-downs put into effect no longer apply, assets, excluding goodwill, are revalued and the adjustment is charged to the income statement as a value reinstatement. The revaluation is applied as the lower between the recoverable value and the carrying value before write-downs previously applied and reduced by the share of depreciation which would have been allocated if there had been no write-down.
Goodwill is checked for impairment at least once a year (at 31 December) and, more frequently when circumstances imply that the carrying value could have fallen.

The impairment of goodwill is calculated by assessing the recoverable value of the relevant cash generating unit (or group of cash generating units). Where the recoverable value of the cash generating unit is less than the carrying value of the cash generating unit to which the goodwill is allocated, an impairment is recognised. The impairment of the goodwill value cannot be restated in future financial years.

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 which fall within the sphere of application of IAS 39 are classified as financial liabilities at fair value reported in the income statement, as financial debts, or as derivatives designated as hedging instruments,

as applicable. The Group's financial liabilities include trade payables and other payables, loans and derivative instruments. The Group classifies its financial liabilities at the point of initial recognition.
Financial liabilities are initially valued at their fair value, amounting to the payment received on the settlement date, to which, in the case of borrowing debts, directly attributable transaction costs are added.
Subsequently non-derivative financial liabilities are measured using the authorised cost criterion, using the effective interest rate method.
The amortised cost is calculated by disclosing each discount or premium on the purchase and fees or costs which are an integral part of the effective interest rate. The amortisation at the effective interest rate is included among borrowing costs in the income statement.
Profits and losses are recognised in the income statement when the liability is settled, as well as by means of the amortisation process.

Derecognition of financial liabilities

The cancellation from the financial statements of the financial liability takes place when the obligation underlying the liability is extinguished, 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 carrying values.

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 is the price that would be received for the sale of an asset, or which would be paid for the transfer of a liability, in a normal transaction between market operators at the date of measurement.

The fair value of the derivative instruments utilised is determined on an arm's length basis, should it be possible to identify an active market for these. If, instead, the market value of a financial instrument is not easily identifiable, but can be identified by its components or a similar instrument, the market value is determined by the measurement of the individual components of the instrument or of the similar instrument. Furthermore, the measurement of instruments, for which it is not possible to easily identify an active market, is determined by referring to the value obtained from generally accepted models and techniques, which ensure a reasonable approximation of the market value.

The recognition methods are the following:

- fair value hedge: the fair value changes of the hedging instrument are booked to the income statement together with the fair value changes of the transactions that are the object of the hedge.
- cash flow hedge: the "effective" portion of fair value change in the derivative instrument is attributed to shareholders' equity and subsequently to the income statement when the transaction that is the object of the hedge produces its effects; the ineffective portion is directly attributed to the income statement.
- financial instruments not qualified as hedges: the changes are booked to the income statement.

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

Post-employment benefits fall within the sphere of those which IAS 19 defines as defined post-employment benefit plans. The accounting treatment envisaged for such forms of remuneration require an actuary calculation which can project the amount of the Post-employment benefit already accrued into the future and to discount it to take account of the time that will pass before the actual payment. The actuary calculation considers certain variables such as the average service duration of employees, the level of inflation and expected interest rates. The measurement of the liability is made by an independent actuary. Following the amendment of IAS 19, in effect for accounting periods beginning from 1 January 2013, gains and losses deriving from the actuary calculation for defined benefit plans are recognised in the consolidated income statement entirely in the period to which they refer. These actuarial gains and losses are classified immediately among profits carried forward and are not reclassified in the income statement in subsequent periods. The pension cost relating to past service cost is disclosed at the most recent date of the following:

- the date on which the plan is changed or reduced;
- the date on which the Group discloses the related restructuring costs.

The Group reports the following changes of net obligation for defined benefits in the cash flow statement for the period:

- costs of labour, inclusive of current and past labour costs, gains and losses on non-routine reductions and terminations;
- interest receivable or net liabilities.

The asset or liability relating to defined benefits includes the current value of the defined benefit obligation minus the fair value of the assets for servicing the plan.

Following the reform in 2007 of the relevant national regulations, for companies with more than 50 employees, Post-employment benefits accruing from 1 January 2007 are classified as defined contribution plans, whose payments are to be recognised directly in the income statement, as a cost, when disclosed. Post-employment benefit accrued up to 31/12/2006 remains a defined benefit plan, without any future contributions. Therefore it is valued by independent actuaries based on the average expected remaining working life of the employees, without any longer having to consider the remuneration they received during a specific period of service.

Post-employment benefit *accrued* prior to 1 January 2007 therefore undergoes a change of calculation through the effect of the previously required actuarial calculation linked to salary increases no longer applying. Specifically the liability associated with Post-employment benefit accrued is subject to actuary valuation as at 1 January 2007 without *pro rata* application (years already served/total years of service), as the employee benefits up to 31 December 2006 may be considered almost entirely accrued (with the sole exception of revaluation) in application of section 67(b) of IAS 19. It follows that, for the purpose of this calculation, the "current service costs" for the future service of employees is to be considered as nil, as it represents contribution payments to supplementary pension funds or to the INPS Treasury fund.

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 taxes for the period represent the sum of current and deferred taxes.

Current taxes are calculated based on a realistic prediction of charges to be settled pursuant to current tax legislation or substantially approved on the closing date of the period in the various countries the Group operates in. The relative amount payable is reported net of any tax amounts paid, deemed payable and tax credits which may be offset, in the item Tax debts. If there is a credit, the amount is disclosed under the item Amounts payable to others, of floating capital.
Taxes on deferred and prepaid income are calculated on the temporary differences between the values of the assets and liabilities recognised in the financial statements and the corresponding values recognised for tax purposes.

Deferred tax liabilities are recognised against all temporary differences taxable, with the following exceptions:

- Deferred tax liabilities deriving from the initial reporting of goodwill or an asset or liability in a transaction which is not a business aggregation and, at the time of the settlement, have no effect on the balance sheet profit or the profit or loss calculated for tax purposes;

- the reversal of the taxable temporary differences, associated with holdings in subsidiary, related companies and joint ventures, can be verified and it is likely that they will not occur in the foreseeable future.

Prepaid tax assets are disclosed against all temporary deductible differences and tax credits and losses not used and carried forward, in the amount where it is likely there will be reasonable future tax profits which renders the use of the temporary deductible differences and tax credits and losses carried forward applicable, except in the following cases:

- prepaid tax asset related to temporary deductible differences deriving from the initial disclosure of an asset or liability in a transaction which is not a business aggregation and, at the time of the transaction itself, has no influence on the accounts, or on the tax profit or loss;

- temporary taxable differences associated with holdings in subsidiary, related companies and joint ventures, the prepaid tax assets are reported only in the amount where it is likely that the temporary deductible differences will be reversed in the foreseeable future and that there will be suitable tax profits against which the temporary differences may be used.

Prepaid tax assets are recognised when their recovery is likely. The value of prepaid taxes is re-examined for every year and is reduced in the amount it is no longer likely that sufficient taxable profits will be available. Prepaid tax assets and deferred tax liabilities are classified as non-current assets and liabilities and may be offset if referred to taxes that can be offset. The balance of the offsetting, if receivable, is recorded under the item Prepaid tax assets; if payable, under the item Deferred tax liabilities. When the results of the transactions are recorded directly under shareholders' equity, the current taxes, the prepaid tax assets and deferred tax liabilities are also booked to shareholders' equity or in the comprehensive income statement consistently with recording of the element they refer to.
Prepaid and deferred taxes are calculated based on tax rates expected to be applied in the year when such assets will be realised or liabilities settled.

Translation criteria of the foreign currencies items and translation thereof in the financial statements

<u>Transactions and balances</u>

Foreign currency transactions are initially recorded in the functional currency by applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are

translated to the functional currency at the exchange rate at the date of the financial statements.
Exchange rate differences are recognised in the income statement, including the exchange rate differences realised when settlement is made of the receivables and payables in foreign currency, which are recognised in the income statement, except for monetary elements that constitute part of the hedge of a net investment in a foreign operation. These differences are initially recognised in the statement of comprehensive income until the disposal of the net investment, and only then will they be recognised in the income statement. Taxes and tax receivables attributable to the exchange rate differences on the monetary elements must also be recognised in the statement of comprehensive income.

Group companies

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;
V. on disposal of a foreign operation, the part of the comprehensive income statement referring to such foreign operation is recognised in the income statement.

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	
	2014	2013	**2014**	2013
Dollars (USA)	1.21410	1.37910	1.32850	1.32812
Dinars (Algeria)	106.60671	107.78700	106.86723	105.61400
Readjustado Kwanza (Angola)	124.88368	134.61600	130.56200	128.17600
New Metical (Mozambique)	38.43841	41.45570	40.71317	39.71370
Renminbi (China)	7.53580	8.34910	8.18575	8.16463
Roubles (Russia)	72.33700	45.32460	50.95184	42.33700
Pounds (United Kingdom)	0.77890	0.83370	0.80612	0.84926
Zloty (Poland)	4.27320	4.15430	4.18426	4.19749

Business combinations

Business combinations that occurred before 1 January 2010 were accounted for by application of the so-called purchase method (defined in IFRS 3 "Business combinations").

The purchase method imposes measurement at the fair value of all asset and liabilities (including the so-called contingent liabilities) acquired after having identified the purchaser in connection with the business combination and determined the acquisition cost. For this purpose the company is required to measure any intangible assets acquired specifically. Any goodwill is determined only residually as the difference between the cost of the business combination (including ancillary charges and any contingent considerations) and portion applicable of the difference between the assets and liabilities acquired measured at fair value.
Business combinations occurring after 1 January 2010 are accounted for by utilising the acquisition method

(IFRS 3R). The cost of an acquisition is measured as the sum of the consideration transferred measured at fair value at the date of acquisition and the amount of any minority interests in the business combination. Minority interests in any business combination must be evaluated at fair value, or else in proportion to the minority interests in the identifiable net assets of the business combination. Acquisition costs are expensed and classified under the administrative expenses.
If a business combination is conducted in several phases, the fair value of the equity investment previously held is recalculated at fair value at the date of acquisition, with any resulting profit or loss recorded in the income statement.
Any potential consideration is recorded by the purchaser at fair value at the date of acquisition. A fair value change of the potential consideration is classified as a financial asset or liability, will be recorded, in accordance with the provisions of IAS 39, in the income statement or statement of the other components of the comprehensive income statement. If this does not form part of the application of IAS 39, it will be accounted for based on the most appropriate IAS 37 or IFRS.
If the potential consideration is classified in the shareholders' equity, its value is not recalculated until its extinction is booked against the shareholders' equity.
The goodwill is initially measured at the cost that emerges as the excess over the sum of the consideration paid and the amount recognised for the minority interests, compared to the identifiable net assets acquired and the liabilities assumed by the Group. Should the consideration be less than the fair value of the net assets of the subsidiary acquired, the difference is recorded in the income statement.

After the initial recognition, the goodwill is measured at cost net of the accumulated impairment. For the purpose of verification of impairment, the goodwill acquired in a business combination must be allocated to each of the Group's cash flows generating units at the acquisition date that provides benefits from the combination synergies, disregarding the fact that other assets or liabilities of the entities acquired are assigned to such units.
Should the goodwill have been allocated to a financial flows generating unit and the entity dispose of part of the assets of such unit, the goodwill associated to the asset disposed of must be included in the carrying value of the asset when the profit or loss deriving from the disposal is determined. The goodwill associated to the asset disposed of must be determined on the basis of the relating values of the asset disposed of and of the part retained of the financial flows generating unit.

Revenue recognition

Revenues from sales of goods are recognised upon the transfer of all the liabilities 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.
The interest receivable is recognised for all financial instruments measured at amortised cost using the effective interest rate, which is the rate which discounts future payments and receipts exactly, estimated according to the anticipated life of the financial instrument.

Dividends

Dividends are recognised in the income statement on the date of the right to their collection, therefore when shareholders are entitled to receive payment in conformity with locally prevailing legislation, normally coinciding with the date of the resolution of a shareholders meeting or the authorisation of the local monetary authority which approves expatriation.

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.
The interest receivable is recognised for all financial instruments measured at amortised cost using the effective interest rate, which is the rate which discounts future payments and receipts exactly, estimated according to

the anticipated life of the financial instrument.

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:

(Euro/000)	**Year 2014**	Year 2013	Change total value	Change %
Production				
Net revenues	1,427,536	1,499,488	(71,952)	(4.80)
Intercompany revenues	59,941	59,335		
Total revenues	1,487,477	1,558,823	(71,346)	(4.58)
Gross operating margin	121,236	124,911	(3,675)	(2.94)
Amortization, depreciation and write-	(47,625)	(47,917)	292	(0.61)
Operating profit (loss)	73,611	76,994	(3,383)	(4.39)
Distribution				
Net revenues	1,415,741	1,349,252	66,489	4.93
Intercompany revenues	25,874	15,493		
Total revenues	1,441,615	1,364,745	76,870	5.63
Gross operating margin	102,112	94,942	7,170	7.55
Amortization, depreciation and write-	(15,319)	(14,543)	(776)	5.34
Operating profit (loss)	86,793	80,399	6,394	7.95
Catering				
Net revenues	489,777	642,565	(152,788)	(23.78)
Intercompany revenues	3,802	267		
Total revenues	493,579	642,832	(149,253)	(23.22)
Gross operating margin	38,830	40,947	(2,117)	(5.17)
Amortization, depreciation and write-	(22,726)	(25,556)	2,830	(11.07)
Operating profit (loss)	16,104	15,391	713	4.63
Holding company property and centralized activities				
Net revenues	2,800	5,366	(2,566)	(47.82)
Intercompany revenues	7,463	7,052		
Total revenues	10,263	12,418	(2,155)	(17.35)
Gross operating margin	(3,551)	(2,759)	(792)	28.71
Amortization, depreciation and write-	(2,976)	(3,255)	279	(8.57)
Operating profit (loss)	(6,527)	(6,014)	(513)	8.53
Consolidation adjustment				
Total revenues	*(97,080)*	*(82,147)*		
Gross operating margin				
Amortization, depreciation and write-				
Operating profit (loss)	*0*	*0*		
Total				
Total revenues	3,335,854	3,496,671	(160,817)	(4.60)
Gross operating margin	258,627	258,041	586	0.23
Amortization, depreciation and write-	(88,646)	(91,271)	2,625	(2.88)
Operating profit (loss)	169,981	166,770	3,211	1.93

The principal summarized figures pro – forma by business sector are shown below:

(Euro/000)	**Year 2014**	Year 2013*	Change total value	Change %
Production				
Net revenues	1,427,536	1,482,649	(55,113)	(3.72)
Intercompany revenues	59,941	52,291		
Total revenues	1,487,477	1,534,940	(47,463)	(3.09)
Gross operating margin	121,236	124,014	(2,778)	(2.24)
Amortization, depreciation and write-	(47,625)	(47,393)	(232)	0.49
Operating profit (loss)	73,611	76,621	(3,010)	(3.93)
Distribution				
Net revenues	1,415,741	1,349,265	66,476	4.93
Intercompany revenues	25,874	15,480		
Total revenues	1,441,615	1,364,745	76,870	5.63
Gross operating margin	102,112	94,942	7,170	7.55
Amortization, depreciation and write-	(15,319)	(14,543)	(776)	5.34
Operating profit (loss)	86,793	80,399	6,394	7.95
Catering				
Net revenues	489,777	642,087	(152,310)	(23.72)
Intercompany revenues	3,802	267		
Total revenues	493,579	642,354	(148,775)	(23.16)
Gross operating margin	38,830	40,728	(1,898)	(4.66)
Amortization, depreciation and write-	(22,726)	(25,536)	2,810	(11.00)
Operating profit (loss)	16,104	15,192	912	6.00
Holding company property and centralized activities				
Net revenues	2,800	5,473	(2,673)	(48.84)
Intercompany revenues	7,463	6,945		
Total revenues	10,263	12,418	(2,155)	(17.35)
Gross operating margin	(3,551)	(2,759)	(792)	28.71
Amortization, depreciation and write-	(2,976)	(3,255)	279	(8.57)
Operating profit (loss)	(6,527)	(6,014)	(513)	8.53
Consolidation adjustment				
Total revenues	*(97,080)*	*(81,983)*		
Gross operating margin	*0*			
Amortization, depreciation and write-	*0*			
Operating profit (loss)	*0*	*0*		
Total				
Total revenues	3,335,854	3,472,474	(136,620)	(3.93)
Gross operating margin	258,627	256,925	1,702	0.66
Amortization, depreciation and write-	(88,646)	(90,727)	2,081	(2.29)
Operating profit (loss)	169,981	166,198	3,783	2.28

* The retroactive application of the new IFRS11 "Joint arrangements" standard resulted in the restatement of the financial statements as at 31 December 2013.

Revenues from sales and service by geographic area

Year 2014 - (Euro/000)	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	678,910	48.1	1,271,066	92.1	339,604	69.9	2,376	100.0	2,291,956	69.9
European Union	211,314	15.0	75,285	5.5	145,671	30.0	0	-	432,270	13.2
Extra-EU countries	520,949	36.9	33,206	2.4	246	0.1	0	-	554,401	16.9
Total	1,411,173	100.0	1,379,557	100.0	485,521	100.0	2,376	100.0	3,278,627	100.0

Year 2013 * - (Euro/000)	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	683,148	46.8	1,246,437	94.7	319,411	50.1	2,111	100.0	2,251,107	65.9
European Union	245,321	16.8	49,649	3.8	317,994	49.9	0	-	612,964	17.9
Extra-EU countries	530,859	36.4	20,484	1.5	8	0.0	0	-	551,351	16.2
Total	1,459,328	100.0	1,316,570	100.0	637,413	100.0	2,111	100.0	3,415,422	100.0

Consolidated statement of assets and liabilities structure by business sector

As at 31 December 2014 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	14,850	97,989	52,468	46		165,353
Tangible assets	497,457	58,500	144,836	82,021		782,814
Equity investments and other financial assets	11,268	1,173	1,864	3,072		17,377
Total fixed assets	**523,575**	**157,662**	**199,168**	**85,139**	**0**	**965,544**
Trade net working capital						
- Trade receivables	136,120	370,077	33,884	4,146	(17,705)	526,522
- Inventories	253,970	116,326	10,506	1	296	381,099
- Trade payables	(173,529)	(236,273)	(84,067)	(4,866)	16,776	(481,959)
Total trade and net working capital	216,561	250,130	(39,677)	(719)	(633)	425,662
Other current assets	18,150	46,735	18,763	11,738	(7,057)	88,329
Other current liabilities	(32,227)	(15,003)	(33,643)	(8,976)	7,690	(82,159)
Net working capital	**202,484**	**281,862**	**(54,557)**	**2,043**	**0**	**431,832**
Staff Severance Indemnity Provision and other m/l-term provisions	**(71,194)**	**(23,316)**	**(11,117)**	**(8,602)**		**(114,229)**
Net invested capital	**654,865**	**416,208**	**133,494**	**78,580**	**0**	**1,283,147**

As at 31 December 2013* (Euro/000)	Production	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	15,822	91,699	54,163	118		161,802
Tangible assets	514,219	57,046	135,999	81,632		788,896
Equity investments and other financial assets	6,352	548	1,916	15,806		24,622
Total fixed assets	**536,393**	**149,293**	**192,078**	**97,556**	**0**	**975,320**
Trade net working capital						
- Trade receivables	120,677	390,731	37,684	3,110	(15,238)	536,964
- Inventories	250,615	100,634	8,560	1	195	360,005
- Trade payables	(169,330)	(233,906)	(85,214)	(4,116)	14,904	(477,662)
Total trade and net working capital	201,962	257,459	(38,970)	(1,005)	(139)	419,307
Other current assets	22,722	52,927	15,645	9,593	(6,288)	94,599
Other current liabilities	(32,139)	(13,535)	(44,437)	(7,295)	6,427	(90,979)
Net working capital	**192,545**	**296,851**	**(67,762)**	**1,293**	**0**	**422,927**
Staff Severance Indemnity Provision and other m/l-term provisions	**(74,144)**	**(23,175)**	**(8,982)**	**(9,215)**	**0**	**(115,516)**
Net invested capital	**654,794**	**422,969**	**115,334**	**89,634**	**0**	**1,282,731**

* The retroactive application of the new IFRS11 "Joint arrangements" standard resulted in the restatement of the financial statements as at 31 December 2013.

Net consolidated debt broken down by sector

As at 31 December 2014 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(145,161)	(138,213)	(62,933)	(99,789)	(446,096)
- due between 1 and 5 years	(101,057)	(45,157)	(11,166)	(22,019)	(179,399)
- due beyond 5 years	(3,120)	(36,272)	(26,886)	(19,605)	(85,883)
Total payables to banks, bonds and other financial institutions	**(249,338)**	**(219,642)**	**(100,985)**	**(141,413)**	**(711,378)**
Liquidity					
- cash and cash equivalents	21,346	37,533	25,689	3,802	88,370
- other financial assets	4,661	1,323	4,548	1,824	12,356
Total liquidity	**26,007**	**38,856**	**30,237**	**5,626**	**100,726**
Securitization and internal treasury current accounts	**50**	**4,101**	**(13,388)**	**9,237**	**0**
Total net debt	**(223,281)**	**(176,685)**	**(84,136)**	**(126,550)**	**(610,652)**

As at 31 December 2013* (Euro/000)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(197,926)	(67,705)	(88,649)	(80,357)	(434,637)
- due between 1 and 5 years	(234,693)	(130,222)	(24,508)	(66,063)	(455,486)
- due beyond 5 years	(10,132)	(34,368)	(25,353)	(34)	(69,887)
Total payables to banks, bonds and other financial institutions	**(442,751)**	**(232,295)**	**(138,510)**	**(146,454)**	**(960,010)**
Liquidity					
- cash and cash equivalents	42,903	32,825	22,133	318	98,179
- other financial assets	3,449	2,706	4,347	2,273	12,775
Total liquidity	**46,352**	**35,531**	**26,480**	**2,591**	**110,954**
Securitization and internal treasury current accounts	**8,194**	**2,633**	**40,811**	**(51,638)**	**0**
Total net debt	**(388,205)**	**(194,131)**	**(71,219)**	**(195,501)**	**(849,056)**

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 that 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.

- <u>Estimates adopted for the purposes of measuring impairment of assets</u>

For the purposes of confirming any impairment of goodwill recorded in the financial statements the Group adopted the methodology described above in Losses of value of assets.

The recoverable value was calculated based on the calculation of the value in use.
The cash flows of cash generating units attributable to each unit of goodwill/consolidation difference were taken from the Budget for 2013 and from estimates by the Company Management for the subsequent years using constant rates of growth greater than the scheduled inflation rates. The weighted average cost of capital (WACC) was used as the discount rate, in the amount of:

- 5.5% for the valuation of the goodwill of Chef Express SpA;
- 6.3% for the valuation of the goodwill of INALCA SpA;
- 6.31% for the valuation of the goodwill of MARR SpA;

Any impairments of assets were measured (impairment tests on goodwill) annually as at 31 December 2014.

• <u>Estimates used in the actuarial calculation for determining defined benefit - Post-employment benefit plans</u>

The measurement of the post-employment benefits liability was carried out by an independent actuary based on the following assumptions:

- discounting rate utilised was:
  - 0.91%[2] (duration 7–10)
  - 1.49%2 (duration 10)
- the anticipated inflation rate is:
  - 0.60% for 2015
  - 1.20% for 2016
  - 1.50% for 2017 and 2018
  - 2.00% from 2019 onwards
- the anticipated annual rate of increase in post-employment benefits is:
  - 1.950% for 2015
  - 2,400% for 2016
  - 2,625% for 2017 and 2018
  - 3,000% from 2019 onwards
- the annual rate of frequency of post-employment benefits advances is anticipated as 2.5%;
- the turnover of employees was 9% (Fiorani 5%);

• <u>Estimates adopted in the actuarial calculation of Provisions for supplementary clientele severance indemnity</u>

Provisions for supplementary clientele severance indemnity liabilities were valued by an independent actuary using the following assumptions:

- The voluntary turnover rate is 13% for MARR SpA, 11% for Italia Alimentari SpA, 7% for AS.CA. S.p.A, 5% for New Catering Srl.
- The company turnover rate is 2% for MARR SpA, 10% for AS.CA. SpA, 4% Italia Alimentari SpA, 7% for New Catering Srl.
- A discount rate of 0.72%.

<u>Deferred taxes</u>

Deferred tax assets are recognised against all tax losses carried forward, in the amount adequate future taxable

[1] Average yields curve that is calculated from the IBOXX Eurozone Corporates AA index (7-10 years).
[2] Average yields curve that is calculated from the IBOXX Eurozone Corporates AA index (+10 years).

profits against which these losses may be used are likely. Directors are required to use their discretion in their measurement of the amount of deferred tax assets which can be recognised. They must estimate the likely time and amount of future taxable profits and a planning strategy of future taxes.

- Other estimates and hypotheses used

The following financial statement elements were affected by management estimates and assumptions:

- inventory obsolescence
- amortisation and depreciation
- measurement 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 risk

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 reports transactions settled mainly in US dollars; the Group is exposed to other currencies such as Russian roubles, pounds Sterling, Angolan kwanza, Polish zlotys, Mozambican metical and Algerian dinars.

The exchange rate changes have affected:

- 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

At 31 December 2014, 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:

(Euro/000)	Euro 5% Appreciation	Euro 5% Depreciation
US - Dollars	3,564	(3,939)
GB - Pounds	(95)	105
AU - Australian dollars	(293)	324
Angola - Readjustado Kwanza	(368)	407
Russia - Rubles	(431)	476

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 stipulated, almost totally, 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

As at 31 December 2014, a hypothetical increase of 1% of the Euribor, being equal to the other variables, would have determined a higher pre-tax charge (and therefore a corresponding reduction of the shareholders' equity of about 5,399 thousand Euro on an annual basis (5,352 thousand Euro as at 31 December 2013). a hypothetical zeroing of the Euribor would instead have determined a lower pre-tax charge of about 394 thousand Euro on an annual basis (1,464 thousand Euro as at 31 December 2013).

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 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 based on 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:

(Euro/000)	**31.12.2014**	31.12.2013*
Current trade receivables	523,629	535,549
Other non-current assets	48,730	50,849
Other current assets	59,301	65,965
Total	**631,660**	**652,363**

The fair value of the categories shown above is not given as the carrying value represents a reasonable approximation. The value of the Trade receivables, Other non-current assets and Other current asset items are classifiable as "Level 3" financial assets, or rather those where the inputs are not are based on observable market data.

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 to maintain 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 based on the contractual maturities as at the date of the financial statements. It is noted that the amounts indicated do not reflect the carrying 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.

(Euro/000)	Within 12 months	1-5 years	Over 5 years	Total
At 31 December 2014				
Financial payables	444,429	179,206	85,883	709,518
Financial instruments / Derivatives	(96)	194	-	98
Trade Liabilities	524,896	-	-	524,896
	969,229	**179,400**	**85,883**	**1,234,512**
At 31 December 2013				
Financial payables	432,489	451,504	69,887	953,880
Financial instruments / Derivatives	3,064	4,150	-	7,214
Trade Liabilities	529,448	-	-	529,448
	965,001	**455,654**	**69,887**	**1,490,542**

Classes of financial instruments

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

(Euro/000)	31 December 2014		
Balance Sheet Assets	**Loans and Receibles**	**Derivates utilised for hedging**	**Total**
Non-current financial instruments / Derivatives	50	285	**335**
Non-current financial receivables	2,126	-	**2,126**
Other non-current receivable items	48,730	-	**48,730**
Current financial receivables	10,672	-	**10,672**
Current trade receivables	523,629	-	**523,629**
Current derivative financial instruments	1,567	232	**1,799**
Current tax receivables	16,983	-	**16,983**
Cash and cash equivalents	88,370	-	**88,370**
Other current receivable items	59,301	-	**59,301**
Total	**751,428**	**517**	**751,945**
Balance Sheet Liabilities	**Other financial liabilities**	**Derivates utilised for hedg.**	**Total**
Non-current financial payables	265,089	-	**265,089**
Non-current financial instruments / Derivatives	(152)	346	**194**
Current financial payables	444,429	-	**444,429**
Current financial instruments / Derivatives	1,703	-	**1,703**
Total	**711,069**	**346**	**711,415**

(Euro/000)	31 December 2013*		
Balance Sheet Assets	**Loans and Receibles**	**Derivates utilised for hedging**	**Total**
Non-current financial instruments / Derivatives	-	50	**50**
Non-current financial receivables	2,495	-	**2,495**
Other non-current receivable items	50,854	-	**50,854**
Current financial receivables	10,644	-	**10,644**
Current trade receivables	537,282	-	**537,282**
Current derivative financial instruments	209	-	**209**
Current tax receivables	20,562	-	**20,562**
Cash and cash equivalents	98,591	-	**98,591**
Other current receivable items	66,207	-	**66,207**
Total	**786,844**	**50**	**786,894**
Balance Sheet Liabilities	**Other financial liabilities**	**Derivates utilised for hedg.**	**Total**
Non-current financial payables	521,391	-	**521,391**
Non-current financial instruments / Derivatives	-	4,150	**4,150**
Current financial payables	432,489	-	**432,489**
Current financial instruments / Derivatives	-	3,273	**3,273**
Total	**953,880**	**7,423**	**961,303**

In conformity with the requirements brought about by the changes introduced to IFRS 7, we indicate that the derivative financial instruments, constituting hedging contracts on exchange and interest rates, are classifiable as "Level 2" financial assets, as the inputs that have a significant effect on the fair value recorded are figures are directly observable on the market[1].

In the same manner, with regard to the non-current financial payables, the recognition of which at fair value is indicated in paragraph 17 of these explanatory notes, financial assets are also classifiable as "Level 2" as the inputs that influence the fair value are directly observable market figures.
With regard to the "Other current and non-current assets" items, you are referred to that indicated in paragraphs 6 and 11 of these explanatory notes.

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 the 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.

The company identifies as "Level 1" financial assets/liabilities those where the inputs that have a significant effect on the fair value recorded are represented by prices quoted on an active market for similar assets or liabilities and as "Level 3" financial assets/liabilities those where the inputs are not based on observable market figures.

Details of the main items of the consolidated statement of assets and liabilities

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

(Euro/000)	Balance at 31.12.2013*	Change in consolidation area	Purchases	Decreases	Other	Amortization	**Balance at 31.12.2014**
Land and buildings	587,427	87	22,006	(1,020)	10,786	(21,497)	597,789
Plant and machinery	121,749	1,879	14,206	(708)	11,100	(28,787)	119,439
Industrial and business equipment	6,118	68	3,049	(775)	819	(2,245)	7,034
Other assets	30,427	227	8,963	(1,449)	1,772	(8,125)	31,815
Fixed assets under construction and advances	43,174	472	41,022	(9,227)	(48,704)	-	26,737
Total	**788,895**	**2,733**	**89,246**	**(13,179)**	**(24,227)**	**(60,654)**	**782,814**

Land and buildings

The following segments have had the greatest contribution to acquisitions in the item under examination: production (10.9 million), catering segment (7.9 million) and distribution (0.8 million).

Production:

The increase of the sector of 10.9 million Euro is mostly ascribable to:

- the acquisition by the subsidiary Società Agricola Corticella of agricultural land and buildings in Sant'Agata Bolognese for 5.5 million Euro;
- the acquisition for 3.3 million Euro of the ownership of the factory situated in Capo d'Orlando (ME), which was leased from 2009 by the subsidiary Capo d'Orlando Carni S.r.l.;
- improvements made by INALCA S.p.A. in its various factories (Castelvetro and Ospedaletto Lodigiano in particular);
- expansion of the Busseto production factory.

Catering:

The increase of 7.9 million Euro regarded some premises of the Roadhouse Grill Italia steakhouse chain (6.4 million Euro) and those of its subsidiary Sessanta S.r.l. (Palermo Roadhouse 0.7 million Euro). Chef Express S.p.A also incurred investments (0.6 million Euro) for the restructuring of some sales outlets, principally in stations and airports.

Distribution:

The increase in the sector of 0.8 million Euro is exclusively attributable to MARR S.p.A. (0.4 million Euro) for acquisition of Scapa and improvements on the relating real estate and As.ca S.p.A. for another 0.3 million Euro for urbanisation works.

The other movements refer to both reclassification of works that were previously recorded under the item "non-current assets in progress" and the changes deriving from exchange rate effects, which impacted by 13,5 million Euro in the year.

At 31 December 2014 there were twenty- one financial leases. Shown below are the summarized figures of the transactions:

	Corbetta Building	Ferrara Building	Bergamo Building
Commencement of the lease term	01/03/2007	01/06/2007	01/07/2007
Duration finance lease	15 years	15 years	15 years
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 on signing 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
2014 payments*	92 thousand Euros	75 thousand Euros	166 thousand Euros
Residual value as at 31 December 2014	1 milion Euros	0.8 thousand Euros	1.8 milion Euros

	Padova Building	Trezzano Building	Rozzano Building
Commencement of the lease term	29/02/2008	10/09/2008	24/09/2008
Duration finance lease	18 years	18 years	18 years
Nr. of lease payments	71 semester	215 months	215 months
Value of the leased asset	3.4 milion Euros	3.3 milion Euros	3.2 milion Euros
Initial payment on signing 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	252 thousand Euros	316 thousand Euros
2014 payments*	147 thousand Euros	145 thousand Euros	134 thousand Euros
Residual value as at 31 December 2014	2.3 milion Euros	2.3 milion Euros	2.2 milion Euros

	Corsico Building	Vicenza Building	Modena Sud Building
Commencement of the lease term	12/08/2009	09/10/2009	16/09/2010
Duration finance lease	18 years	18 years	18 years
Nr. of lease payments	215 months	215 months	215 months
Value of the leased asset	3.5 million Euros	2.2 million Euros	4.4 million Euros
Initial payment on signing the contract	355 thousand Euros	260 thousand Euros	437 thousand Euros
Amount of the monthly payment	15 thousand Euros	10 thousand Euros	21 thousand Euros
Interest rate	Euribor	Euribor	Euribor
Amount of final option	315 thousand Euros	215 thousand Euros	437 thousand Euros
2014 payments*	189 thousand Euros	143 thousand Euros	238 thousand Euros
Residual value as at 31 December 2014	2.4 million Euros	1.8 million Euros	3.2 million Euros

	Voghera Building	Mirabilandia Building	Parma Building
Commencement of the lease term	02/12/2010	01/07/2011	23/12/2011
Duration finance lease	18 years	18 years	18 years
Nr. of lease payments	215 months	215 months	215 months
Value of the leased asset	1.5 million Euros	2.4 million Euros	3.6 million Euros
Initial payment on signing the contract	147 thousand Euros	237 thousand Euros	360 thousand Euros
Amount of the monthly payment	7 thousand Euros	12 thousand Euros	21 thousand Euros
Interest rate	Euribor	Euribor	Euribor
Amount of final option	147 thousand Euros	237 thousand Euros	360 thousand Euros
2014 payments*	80 thousand Euros	137 thousand Euros	209 thousand Euros
Residual value as at 31 December 2014	1.1 million Euros	1.8 million Euros	3.0 million Euros

*Values inclusive of indexation differences.

	Macerata Building	Capriate Building	Mestre Building
Commencement of the lease term	01/05/2012	31/10/2012	19/12/2012
Duration finance lease	18 years	18 years	13 years
Nr. of lease payments	215 months	215 months	155 months
Value of the leased asset	1.5 million Euros	2.3 million Euros	2.3 million Euros
Initial payment on signing the contract	156 thousand Euros	465 thousand Euros	265 thousand Euros
Amount of the monthly payment	8 thousand Euros	10 thousand Euros	18 thousand Euros
Interest rate	Euribor	Euribor	Euribor
Amount of final option	147 thousand Euros	465 thousand Euros	234 thousand Euros
2014 payments*	100 thousand Euros	105 thousand Euros	205 thousand Euros
Residual value as at 31 December 2014	1.2 million Euros	1.6 million Euros	2.1 million Euros

	Legnano Building	Cinisello Balsamo Building	Capriate works [(a)]
Commencement of the lease term	01/12/2005	12/07/2013	06/12/2013
Duration finance lease	15 years	13 years	16 years
Nr. of lease payments	179 months	155 months	186 months
Value of the leased asset	3.0 million Euros	3.5 million Euros	2.4 million Euros
Initial payment on signing the contract	300 thousand Euros	680 thousand Euros	844 thousand Euros
Amount of the monthly payment	18 thousand Euros	25 thousand Euros	16 thousand Euros
Interest rate	Euribor	Euribor	Euribor
Amount of final option	300 thousand Euros	307 thousand Euros	-
2014 payments*	197 thousand Euros	230 thousand Euros	73 thousand Euros
Residual value as at 31 December 2014	1.4 million Euros	2.7 million Euros	1.5 million Euros

a) the first 107 instalments amount to 15,800 Euro and the subsequent 79 to 3,200 Euro.

	Gallarate Building	Carpi Building	Bellinzago Lombardo Building
Commencement of the lease term	01/08/2014	01/08/2014	28/07/2014
Duration finance lease	12 anni	12 anni	12 anni
Nr. of lease payments	143 mensili	48 trimestrali	143 mensili
Value of the leased asset	2,2 milioni di Euro	1,6 milioni di Euro	0,5 milioni di Euro
Initial payment on signing the contract	224 migliaia di Euro	180 migliaia di Euro	212 migliaia di Euro
Amount of the monthly payment	16 migliaia di Euro	33 migliaia di Euro	14 migliaia di Euro
Interest rate	Euribor	Euribor	Euribor
Amount of final option	224 migliaia di Euro	180 migliaia di Euro	212 migliaia di Euro
2014 payments*	63 migliaia di Euro	21 migliaia di Euro	8 migliaia
Residual value as at 31 December 2014	2,0 milioni di Euro	1,4 milioni di Euro	0,5 milioni di Euro

*Values inclusive of indexation differences.

Plant and machinery

The larger increases for 2014 were made in the sectors:

- Production (for a total of 9.0 million Euro) by: INALCA S.p.A. (5.1 million Euro), Italia Alimentari S.p.A. (1.9 million Euro), Fiorani S.p.A. (754 thousand Euro) and Capo d'Orlando Carni S.r.l. (405 thousand Euro).
- Catering (for a total of 3.3 million Euro) by: Chef Express S.p.A. (2.0 million Euro), Roadhouse Grill Italia S.r.l. (845 thousand Euro), and Cremonini Restauration S.a.s. (165 thousand Euro).
- Distribution (for a total of 1.7 million Euro), mainly attributable to MARR S.p.A.

Increases in the category under examination concerned plant and machinery used in production, distribution and restaurants, and apply to the following companies:

- INALCA S.p.A., the Castelvetro and Ospedaletto Lodigiano factories;

- Chef Express S.p.A., improvements to the plant and purchases of specific and generic machinery as well as alarm systems;
- MARR S.p.A., the acquisition of Scapa and the branches in Sicily and Sardinia;
- Roadhouse Grill Italia S.r.l, improvement of the catering premises;
- Fiorani, the purchase of specific machinery.

The other movements refer to both reclassification of works that were previously recorded under the item "non-current assets in progress" and the changes deriving from exchange rate effects (3.8 million Euro).

Other assets

The main investments that justify the increase with respect to 31 December 2014 involved various sectors. In detail the higher increases can be ascribed to: Chef Express S.p.A., for purchases of furniture and fittings, signs and electrical machines (1.9 million Euro), Roadhouse Grill (1.5 million Euro), MARR S.p.A. for the purchase of electronic machines, furniture and industrial vehicles (1.2 million Euro), Inalca Angola (1.2 million Euro) for commercial vehicles for distribution in loco, Inalca Brazzaville (362 thousand Euro) for the purchase of a used truck and trailer and INALCA S.p.A. (351 thousand Euro).
The decreases in the period totalling 1.4 million Euro almost totally refer to MARR S.p.A. (576 thousand Euro), Avirail Italia (378 thousand Euro), and Chef Express S.p.A. (227 thousand Euro).

Non-current assets under construction and advances

Most of the increases can be accounted for as follows:

- construction of the new slaughterhouse in Orenburg (Russia) for about 11.5 million Euro;
- investments made for the refurbishment of various station buffets and motorway service areas by the subsidiary Chef Express S.p.A. for 8.7 million Euro;
- updating works on new premises of the Roadhouse Grill Italia steakhouse chain (Capriate, Bellinzago and Pavia in particular) for 7.2 million Euro;
- Italia Alimentari S.p.A. payments on account for buildings, plant and machinery for the cooked meat department at the Busseto factory of 4.0 million Euro;
- restructuring works (Trevi) conducted by Cremonini for 2.6 million Euro ;
- extraordinary works in the MARR S.p.A. branches in Sicily, Scapa and Naples for 1.7 million Euro;
- INALCA S.p.A. investment invoices and customs charges from Dispal CI for 1.4 million Euro;
- costs incurred for the construction of the refrigeration facility at the Odinzovo factory of the subsidiary Kaskad for 1.3 million Euro;

The 'Other movements' include the non-current assets that, on completion of the their realisation, are reclassified in the specific item of the assets for 41.9 million Euro and the exchange rate effect for the period of 6.7 million Euro.

There are mortgages and liens secured by non-current tangible assets for amounts of about 371.0 million Euros against loans obtained.

2. Goodwill

Goodwill is not amortized with the exclusion of that with a defined useful life, the amortization of which is correlated to the term of the concession; recoverability of the related 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 the goodwill (cash generating unit); for the main hypotheses utilized for the determination of recoverable value you are referred to that shown in the

paragraph "Main estimates used by management and discretional measurements".

(Euro/000)	Balance at 31.12.2013*	Change in consolidation area	Purchases	Decreases	Other	Amortization	**Balance at 31.12.2014**
Production - Beef	2,434	70					2,504
Production - Others	0						0
Distribution	91,349	(43)	6,133				97,439
Catering	51,846		671		86	(2,454)	50,149
Holding company and services	0						0
Total	**145,629**	**27**	**6,804**	**0**	**86**	**(2,454)**	**150,092**

(Euro/000)	
Balance at 31.12.2013*	145,629
Change in consolidation area	27
Purchases	6,804
Decreases	-
Other	86
Amortization	(2,454)
Balance at 31.12.2014	**150,092**

The increases for the year were 6.8 million Euro and include:

- the increase of 2,107 thousand Euro for the goodwill relating to the subsidiary MARR S.p.A., generated from the acquisition of Scapa, which was completed on 12 March 2014;
- the increase of 3,983 thousand Euro for the goodwill relating to the subsidiary Sfera S.p.A., generated from the acquisition of Lelli, whose branch was leased to MARR S.p.A. commencing from 1 November 2014;
- the increase of 0.7 million Euro for the goodwill of Healthy Bar, Milan.

(Euro/000)	Healthy Bar	Branch of Business Scapa	Branch of Business Lelli
Acquisition price	529	1,643	3,767
Costs directly attributable to the business combinati	-	-	-
Total cost of the business combination	**529**	**1,643**	**3,767**
Fair value of assets acquired and contingent liabilitie:	(142)	(464)	(216)
Goodwill	**671**	**2,107**	**3,983**

The goodwill attributed to the acquisition of the Scapa business division is justified by its important value, as it permitted MARR S.p.A. to access a significant customer base in the Collective and Structured Commercial segments, thus reinforcing its leadership. The price paid for this acquisition amounted to 1,643 thousand Euro.

The acquisition of the "Lelli" business division from Prass Italia S.r.l., in liquidation and in an arrangement with creditors, whose goodwill was 3,767, permitted the MARR Group to access a significant customer base in the Emilia area North of Bologna and particularly loyal customers of the Cash&Carry service.

Book values determined in conformity with the IFRS immediately prior to the combination (Euro/000)	Healthy Bar	Branch of Business Scapa	Branch of Business Lelli
Intangible assets	177	13	243
Tangible assets	322	1,116	186
Payables to suppliers	(623)	-	-
Leasing	(18)	-	-
Payables to employees and social security institution	-	(1,526)	(623)
Payables to agents and FISC	-	(67)	(22)
Fair value of assets acquired, liabilities and contingent liabilities assumed	**(142)**	**(464)**	**(216)**

3. Other intangible assets

(Euro/000)	Balance at 31.12.2013*	Change in consolidation area	Purchases	Decreases	Other	Amortization	**Balance at 31.12.2014**
Patents and intellectual property rights	1,635	4	788	(39)	62	(1,018)	1,432
Concessions, licences, trademarks and similar rights	13,932	-	539	(234)	(155)	(1,057)	13,025
Fixed assets under development and advances	36	-	384	(161)	(125)	-	134
Long-term costs	570	(1)	160	-	4	(62)	671
Total	**16,173**	**3**	**1,871**	**(434)**	**(214)**	**(2,137)**	**15,262**

The item "Industrial patent rights" mainly includes the purchases and implementation of corporate software. The acquisitions for the financial year referred to the acquisition of the Lelli business division by the subsidiary Sfera and software licence purchases by the subsidiaries Chef Express S.p.A. and Roadhouse Grill S.r.l.

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

4. Investments valued at equity

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 subsidiaries companies

The decrease compared to the prior year is consequent to the consolidation of the subsidiary Chef Shanghai commencing from 1 January 2014.

Equity investments in associated companies

The change in the value of the related companies mainly refers to the entry into the scope of the consolidation of the subsidiary Fiorani & C. S.p.A. following the obtaining of control and deconsolidation of Frimo S.a.m. and its subsidiary Prometex S.a.m. as an effect of the sale of 30% of the shares held by INALCA S.p.A.

5. Investments in other companies

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

6. Non-current financial receivables

(Euro/000)	**31.12.2014**	31.12.2013*
Interest-bearing and non-interest-bearing loans to third parties	2,126	2,345
Total	**2,126**	2,345

As at 31 December 2014 the balance of the item, of 2,126 thousand Euro relates primarily to MARR SpA; specifically it includes the MARR SpA amount of financial receivables due from Adria Market and other commercial partners (748 thousand) and the amount of receivables from vehicle transporters following sales to them of the transport vehicles for shipping the MARR SpA goods (a total of 1,298 thousand).

7. Deferred tax assets

The amount of these taxes mainly refers to the tax effect (IRES and IRAP) calculated on the taxed provisions, write-downs of non-current financial assets fiscally deductible in subsequent financial years and write-downs of non-current intangible assets.

8. Other non-current assets

(Euro/000)	**31.12.2014**	31.12.2013*
Trade receivables	13,208	12,217
Tax assets	12,262	13,497
Other receivables	18,124	19,999
Deferred income and prepaid expenses	5,136	5,136
Total	**48,730**	**50,849**

The increase compared to 31 December 2013 in the item "Trade receivables" relates to the deferment of payment on the supplies previous to the coming into force of art. 62 of Law 27 of 2012, which fixed the payment terms for supplies of food products after 24 October 2012.
The decrease in non-current tax receivables is instead ascribable to the reimbursement (February– April 2014) to INALCA S.p.A. of the entire VAT receivable.

<u>Other receivables</u>

This item is primarily attributable, for the past periods, to the Distribution sector.

It especially includes receivables from MARR SpA suppliers in the amount of 14.9 million Euro (17.4 million Euro as at 31 December 2013). There are also receivables for the accrued end of year bonuses from petroleum companies of around 693 thousand Euro (883 thousand as at 31 December 2013) by Chef Express SpA. These bonuses, provided for by national collective agreements, signed between the relevant associations, are allocated and revalued each year and will be paid to the company by the petrol companies on termination of the business.

Current asset

9. Inventories

(Euro/000)	31.12.2014	31.12.2013*
Raw materials, secondary materials and consumables	45,304	44,074
Work in progress and semi-finished goods	4,163	4,406
Finished goods and goods for resale	290,038	280,893
Advances	5,711	3,233
Provision for write-down of inventories	(850)	(1,005)
Total	**344,366**	**331,601**

The increase in inventories is attributable to the distribution sector, mainly concentrated in the category of frozen seafood products.

10. Biological assets

The amount of Biological assets refers entirely to the measurement, according to IAS 41, of cattle owned by Società Agricola Corticella, the Group's agricultural company and Realbeef S.r.l.
The increase on the 2013 value derives from: both the number of cattle (44,799 head 2014 compared to the 30,647 of the 2013 period), in order to provide for the procurement needs of the segment and the increase of their purchase price.

11. Current financial receivables

(Euro/000)	31.12.2014	31.12.2013*
Receivables from subsidiaries	**319**	**274**
Domus Italia S.r.l.	130	274
Inalca F&B Cabo Verde LDA	100	-
Inalca F&B Usa	64	-
West Africa	25	-
Receivables from associated companies	**4,952**	**4,164**
Farm Service S.r.l.	270	270
Frimo S.a.m.	788	-
Avirail s.a.s.	3,894	3,894
Receivables from controlling companies	**1,773**	**253**
Cremofin S.r.l.	1,773	253
Other financial receivables	**3,628**	**5,953**
Interest-bearing and non-interest-bearing loans to third parties	-	-
Treasury receivables from minorities	3,628	5,953
Totale	**10,672**	**10,644**

12. Current trade receivables

Trade receivables are broken down as follows:

(Euro/000)	31.12.2014	31.12.2013*
Trade receivables	**519,038**	**529,330**
Due within 12 months	564,765	574,820
Provision for bad debts	(45,727)	(45,490)
Receivables from unconsolidated subsidiaries	**226**	**0**
West Africa	226	-
Receivables from associated companies	**4,365**	**6,219**
Avirail France S.a.s.	717	-
Farm Service S.r.l.	211	33
Fiorani & Co S.p.A.	-	23
Food & co	2	-
Parma France S.a.s.	1	-
Time Vending S.r.l.	96	130
Quinto Valore soc.cons.a r.l.	3,338	6,033
Bad debts provision	-	-
Total	**523,629**	**535,549**

The Group's credit risk is primarily attributable to the amount of trade receivables. The amounts disclosed in the financial statements are net of provisions for bad debts, estimated by the Group management based on historical experience and their measurement in the current economic climate.

At 31 December 2014, the composition of the overdue trade receivables from third parties is the following:

(Euro/000)	31.12.2014		31.12.2013*	
	Amount	Bad Debt Prov.	Amount	Bad Debt Prov.
Trade receivables not overdue	281,507	(505)	321,603	(348)
Overdue up to 30 days	84,359	(242)	80,206	(224)
Overdue from 31 to 60 days	32,931	(152)	27,439	(54)
Overdue from 61 to 90 days	25,621	(97)	23,350	(41)
Overdue from 91 to 120 days	139,558	(36,276)	121,627	(35,629)
Overdue over 120 days	15,069	(9,527)	13,346	(9,728)
Total	**579,045**	**(46,799)**	**587,571**	**(46,024)**

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

The change in the bad debt provision was the following:

(Euro/000)	31.12.2014	31.12.2013*
Initial balance	(46,024)	(41,493)
Change in scope of consolidation	1,330	(2)
Utilized during the year	14,047	13,374
Exchange differences effect	353	257
Accruals during the year	(16,505)	(18,160)
Final balance	**(46,799)**	**(46,024)**

13. Current tax assets

(Euro/000)	31.12.2014	31.12.2013*
Receivables for advance on direct taxes	2,135	1,705
Receivables for withholdings	67	39
VAT credit and other taxes requested for reimbursement	6,864	8,634
Other sundry receivables	7,973	7,756
Bad debts provision	(56)	(69)
Total	**16,983**	**18,065**

The reduction of the current tax receivables is principally due to a decrease in VAT receivables and other taxes for which a reimbursement was requested.
As already recorded last year, the VAT receivable is mainly attributable to the Production sector: Orenbeef for 2.0 million Euro, and Marr Russia for 0.7 million Euro, and partially to Catering, Restauration, for 0.9 million Euro.

14. Cash and cash equivalents

(Euro/000)	31.12.2014	31.12.2013*
Cash	16,518	17,894
Checks	18	49
Bank and postal accounts	71,834	80,236
Total	**88,370**	**98,179**

The balance represents the cash and cash equivalents and the existence of money and notes in circulation at the year-end. You are referred to the cash flow statement for the evolution of the cash and cash equivalents, while please refer to item 23 of the explanatory notes to the consolidated financial statements for the composition of the Net Debt.

15. Other current assets

(Euro/000)	31.12.2014	31.12.2013*
Accrued income and prepaid expenses	6,273	4,833
Other receivables		
Advances to suppliers	42,937	46,837
Receivables from insurance companies	959	960
Receivables from social security institutions	1,128	1,263
Receivables from agents	2,562	2,377
Receivables from employees	721	1,071
Down payments	518	7
Guarantee deposits	612	522
Other sundry receivables	7,800	10,132
Provision for bad debts	(4,209)	(2,037)
Total	**59,301**	**65,965**

The item "Advances to suppliers" relates to 40.3 million Euro for the Distribution sector and 6.3 million Euro for production, both amounts are associated with the typical procurement methods; these include in particular payments made to overseas suppliers for the purchase of goods under the F.O.B. clause.

The "Other miscellaneous" item of 7.8 million Euro was reduced by about 2.3 million Euro (10.1 in 2013); this reduction is mainly related to the completion of the acquisition of the "Scapa" and "Lelli" business divisions respectively by the subsidiaries MARR S.p.A. and Sfera S.p.A. and to the related reduction of the receivable deriving from addition of the provision for post-employment benefits, holidays/absences and additional monthly pay instalments In addition to the additional client expenses provision accrued at the date of commencement of the relating company leases.
This item also includes:

- 1.8 million Euro by the subsidiary INALCA S.p.A., being receivable for energy certificates (757 thousand

Euro) and about 600 thousand Euro for the open dispute with customs, suitably written-down;
- 480 thousand Euro for prepayments to customs made by the subsidiary Inalca Kinshasa;
- 277 thousand Euro for Agrea agriculture grants to be receive by the consolidated company Società Agricola Corticella S.r.l.;
- 100 thousand Euro for a tax dispute relating to Realfood3 (merged with the subsidiary INALCA S.p.A.).

The "Bad debts provision" refers mainly to receivables from suppliers and agents.

LIABILITIES

Shareholders' Equity

As regards the changes within the Shareholders' Equity refer to the statement of changes in the Shareholders' Equity.

16. Share capital and reserves

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

Treasury stock

The Parent Company did not hold treasury shares at 31 December 2014.

Reserves

The legal reserve of 14,749 thousand Euro remained unchanged in the period, having reached the limit set out by art. 2430 of the Civil Code.

The share premium reserve was made up of the premium paid by the shareholders under the IPO during 1998. The amount of the reserve of 78,280 thousand Euro did not change over 31 December 2013.

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 merger deficit generated in 2008 on the inverse merger between Cremonini Investimenti S.r.l. and Cremonini S.p.A, amounts to 146,379 thousand Euro, and is unchanged with respect to 31 December 2013.

The basic earnings per share as at 31 December 2014 amounted to Euro 0.3251 (Euro 0.2534 as at 31 December 2013) and was calculated on the basis of net profits of 41,928,414 Euro divided by the weighted average number of ordinary shares in 2014 equal to 128,988,330. There is no difference between basic and diluted earnings per share.

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

(Euro/000)	Financial year as at 31.12.2014		
	Capital stock and reserve	Profit/(loss)	Shareholders' equity
Parent Company's shareholders' equity and profit/(loss) for the year	**160,609**	**44,151**	**204,760**
Elimination of carryng value of consolidated subsudiaries:			
- Pro rata subsidiary profits (losses)	-	69,749	69,749
- Difference between the carryng value and pro rata shareholder's equity, net of the effects of intra-Group transactions	38,896		38,896
- Investments write-downs	(4,110)	4,110	-
- Dividends	25,904	(25,904)	-
- Consolidation differences	98,671	(1,155)	97,516
Elimination of the effects of commercial transactions between Group companies	(447)	73	(374)
Elimination of the effects of commercial transactions between Group companies	45,847	(45,847)	0
Adjustment of the financial statement of the consolidated companies in accordance with the Group principles and shareholders' equity valuation of investments	4,159	(3,249)	910
Total adjustments	*208,920*	*(2,223)*	*206,697*
Group's share of net equity and profit/(loss)	**369,529**	**41,928**	**411,457**
Minorities' share of net equity and profit/(loss)	229,950	31,088	261,038
Consolidated financial statements shareholders' equity and profit/(loss) for the year	**599,479**	**73,016**	**672,495**

Non-current liabilities

17. Non-current financial payables

(Euro/000)	**31.12.2014**	31.12.2013*
Due between 1 and 5 years		
Payables to banks	169,643	443,803
Payables to other financial institutions	9,563	7,533
Total payables due between 1 and 5 years	**179,206**	**451,336**
Due beyond 5 years		
Payables to banks	24,422	14,387
Payables to other financial institutions	61,461	55,500
Total payables due beyond 5 years	**85,883**	**69,887**
Total	**265,089**	**521,223**

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

(Euro/000)	Credit line	Interest Rate	Current portion	Between 1 and 5 years	Beyond 5 years	**Balance at 31.12.2014**
Overdraft	111,679	Euribor + spread	24,763			24,763
Advances - Imports	73,365		3,903			3,903
Advances - Exports	69,500		11,700			11,700
Advances on invoices Italy	297,164		61,708			61,708
Advances subj. to collection	118,900	Euribor + spread	13,318			13,318
Hot Money	147,555	Euribor + spread	124,216			124,216
Mortgages	383,500	Euribor + spread	158,823	170,253	24,424	353,500
Altri Rapporti	21,704		22,316	(610)	(2)	21,704
Total	**1,223,367**		**420,747**	**169,643**	**24,422**	**614,812**

You are referred to the Directors' Report for a careful examination of the net debt and its components, both current and non-current.

The payables to other financial institutions detailed in the following table; these mainly constitute payables deriving from the booking, in accordance with the financial methodology, of the lease contracts and the private placement of bonds in American dollars concluded by the subsidiary MARR S.p.A. in July 2013. the latter loan amounts to 43 million dollars (originally 30.6 million Euro), with due dates of 10 million dollars after 7 years and 33 million dollars after 10 years and provides an average coupon of about 5.1%. The increase in its value is attributable to the change in the dollar/euro exchange rate. It is recalled that to hedge the risk of fluctuation in the quotations of the dollar against the euro there are specific Cross Currency Swap contracts in existence; you are referred to the paragraph "Derivative instruments" for the effects of these.

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	**Balance at 31.12.2014**
Leasing					
Legnano	Euribor + spread	01/12/2020	177	1,212	**1,389**
Ferrara	Euribor + spread	01/06/2022	66	728	**794**
Corbetta	Euribor + spread	01/03/2022	72	881	**953**
Bergamo	Euribor + spread	01/07/2022	127	1,659	**1,786**
Capriate	Euribor + spread	31/10/2030	66	1,577	**1,643**
Rozzano	Euribor + spread	23/09/2026	115	2,110	**2,225**
Trezzano	Euribor + spread	09/09/2026	121	2,228	**2,349**
Padova	Euribor + spread	01/03/2026	133	2,176	**2,309**
Corsico	Euribor + spread	11/08/2027	143	2,290	**2,433**
Vicenza	Euribor + spread	08/10/2027	109	1,718	**1,827**
Modena Sud	Euribor + spread	16/09/2028	122	3,102	**3,224**
Voghera	Euribor + spread	02/12/2028	61	1,040	**1,101**
Mirabilandia	Euribor + spread	01/07/2029	79	1,757	**1,836**
Parma	Euribor + spread	23/12/2029	117	2,863	**2,980**
Macerata	Euribor + spread	01/05/2030	51	1,205	**1,256**
Mestre	Euribor + spread	19/12/2025	126	1,957	**2,083**
Capriate Opere	Euribor + spread	06/12/2029	150	1,382	**1,532**
Gallarate	Euribor + spread	01/08/2026	127	1,844	**1,971**
Carpi	Euribor + spread	01/08/2026	84	1,295	**1,379**
Bellinzago Lombardo	Euribor + spread	28/07/2026	-	503	**503**
Cinisello balsamo	Euribor + spread	12/07/2026	157	2,510	**2,667**
Other minor leasings	Euribor + spread		38	45	**83**
Bond Private Placement	5.10%	2020 - 2023	-	34,942	**34,942**
Due to Factoring companies	Euribor + spread		20,669	-	**20,669**
Other Relationships	Euribor + spread		736	-	**736**
Total			**23,646**	**71,024**	**94,670**

18. Financial Instruments/Derivatives

(Euro/000)	31.12.2014	31.12.2014	31.12.2014
	IRS	Exchange Rates	Total
Non-current assets	-	285	285
Current assets	-	1,799	1,799
Non-current liabilities	(41)	(153)	(194)
Current liabilities	(658)	(1,045)	(1,703)
Total	**(699)**	**886**	**187**

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.

As at 31 December 2014 some "interest rate swap" contracts existed by which the Euribor floating rate was substituted with a flat rate. Some transactions, originally accounted for with the cash flow "hedge accounting" criteria, have assumed a speculative nature following the repayment of the hedged loans.

These transactions, booked using hedge accounting criteria, are the following:

- "interest rate swap" contract (total hedge) with Ra.Bo Bank for 12.5 million (29.03.2015);
- "interest rate swap" contract (partial hedge) with Veneto Banca for 5.0 million Euro (18.06.2018);
- "interest rate swap" contract (total hedge) with Banca Popolare del Commercio ed Industria for 4.4 million Euro (04.12.2020).

The contracts that, following the repayment of the underlying loans, have instead assumed a speculative nature are the following:

- "interest rate swap" contract with Akros for 10.0 million (maturity 30.06.2015);
- "interest rate swap" contract with Banca S. Geminiano e S. Prospero for 10.0 million (maturity 30.06.2015);
- "interest rate swap" contract with Unicredit for 10.0 million (maturity 30.06.2015);
- "interest rate swap" contract with Unicredit for 10.0 million (maturity 30.06.2015);
- "interest rate swap" contract with BNP Paribas for 10.0 million (maturity 30.06.2015).

Measurement of such contracts resulted in the recognition of a liability of 699 thousand Euro (41 thousand Euro shown in the non-current liabilities and 658 in the current liabilities).
Measurement of the exchange rate risk hedging contracts however led to the recognition of an asset of 2,084 thousand Euro (285 thousand Euro shown in non-current assets and 1,799 in the current assets) and a liability of 1,198 thousand Euro (153 thousand shown in non-current liabilities and 1,045 in the current liabilities).

Amongst the contracts hedging exchange rate risks we note the Cross Currency Swap contracts to hedge the risk of a change in the dollar/euro rate, with reference to the private placement of bonds in American dollars concluded during the course of last year. These contracts have a due date of over 5 years.

Details of the changes recognised in the period are given below:

(Euro/000)	31 December 2014			31 December 2013		
	CFH Reserve Gross	Deferred taxes	CFH Reserve Net	CFH Reserve Gross	Deferred taxes	CFH Reserve Net
Opening balance - Parent company	(1,146)	312	(834)	(2,032)	556	(1,476)
Opening balance - Consolidated companies	(4,350)	1,196	(3,154)	(5,356)	1,473	(3,883)
Changes of the period						
Hedge instruments						
Profit/(Loss) of the period	(4,874)	1,340	(3,534)	(3,038)	836	(2,202)
Riclass. Profit/(Loss) to Income statement	7,162	(1,966)	5,196	3,058	(842)	2,216
	2,288	(626)	1,662	20	(6)	14
Net change of the period Other comprehensive income	3,208	(882)	2,326	1,872	(515)	1,357
Closing balance - Consolidated companies	0	0	0	(4,350)	1,196	(3,154)
Closing balance - Parent company	**(0)**	**0**	**0**	**(1,146)**	**312**	**(834)**

19. Employee benefits

(Euro/000)	31.12.2014	31.12.2013*
Staff Severance Provision	27,516	27,502
Other benefits	158	746
Total	**27,674**	**28,248**

(Euro/000)	31.12.2014	31.12.2013*
Opening balance	27,502	27,786
Effect of the change in consolidation area	(376)	3
Use for the financial year	(2,315)	(1,684)
Financial year provision	1,045	1,025
Actuarial gain losses	1,651	(311)
Other changes	9	683
Closing balance	**27,516**	**27,502**

The movement during the financial year is due, in addition to the quota accrued over the period and net of ordinary movement in this item, to the changes in the scope of consolidation relevant to the deconsolidation of Alisea Soc. Coop. a r.l. and the consolidation of Fiorani e C. S.p.A.

It must be highlighted that the allocation for the period includes actuarial losses totalling 1,655 thousand Euros recorded in the accounts, net of theoretical fiscal effect, in the relevant net equity reserve as provided by IAS 19.

20. Provision for liabilities and charges

(Euro/000)	31.12.2014	31.12.2013*
Provisions for taxes	447	311
Labour disputes	1,093	920
Minor lawsuits and disputes	1,548	1,759
Supplementary clientele severance indemnity	4,005	3,425
Provision for rewards and promotions	1,260	764
Provision for future risks and losses	3,973	1,160
Total	**12,326**	**8,339**

The provision for supplementary customers' severance indemnity has been allocated on the basis of a reasonable estimate of probable future liabilities, considering the available elements. In relation to the fiscal dispute currently on-going deriving from the verification carried out by the "Guardia di Finanza", IV Group Section in San Lazzaro di Savena (BO), because of presumed breaches in terms of direct tax (1993-1999 fiscal years) and VAT (1998 and 1999 fiscal years) finalised in the month of July of the year 2000, it should be pointed out that on 28 February 2004, the recourses for direct tax (1993-1999 fiscal years) and VAT (1998 and 1999 fiscal years) were discussed in a public hearing. The amount involved in the dispute concerning taxes and the relevant sanctions, for the main inspection known as "C.R.C." (The other inspections concerning insignificant amounts or others that were abandoned) amounts to approximately 4.7 million Euros plus interest.

In its sentence no. 73/2/04, the Rimini Provincial Tributary Commission, Section II, accepted the recourse presented for IRAP referring to the main inspection, while it partly rejected, with reference to the other inspections, the recourses presented, confirming the conclusions of the Inland Revenue.

On 20 December 2004, MARR S.p.A. impugned the aforementioned sentence, presenting an appeal to the Rimini Section of the Bologna Regional Tributary Commission.
The matter was discussed before Section 24 of the Emilia Romagna Regional Tributary Commission on 16 January 2006.

As regards the reasons put forward by the company in the documentation for the second stage of the proceedings, the Bologna Tributary Commission disposed in Order 13/24/06 on 3 April 2006, that a technical consultancy be carried out, assigning the duty to a board of three professionals to provide an opinion, among other things, on the disputed matter, and asked them to ascertain, on the basis of contractual agreements and economic and financial relations effectively on-going between the parties involved in the complex operation, whether the cost sustained by MARR S.p.A. and being disputed concerns the business of the company or not.

On 18 November 2006, the board of consultants deposited its report, concluding that: "in summary, it can be stated that these capital losses are relevant in as much as they are objectively referable to the business of the company".

On 15 January 2007, the dispute was again discussed in a public hearing during which the findings in the report of the board of consultants were again presented. In sentence 23/10/07, the Bologna Tributary Commission reviewed its first phase sentence in favour of MARR S.p.A. as regards the four findings subject of the dispute but, without providing any motivation, it completely rejected the conclusions drawn by the technical consultants it itself appointed with reference to the principal inspection known as "CRC", thus confirming that established by the judges in the first phase of the proceedings.

By reason of this, an appeal was presented on 22 April 2008 before the Supreme Court of Cassation. The State Bar met to discuss the matter on 3 June 2008.

Although the outcome of the appeal was negative, although it must be pointed out that there were two technical consultancies in perfect agreement with each other during this phase, comprising four undoubtedly authoritative professionals, three of them appointed by the Tributary Commission itself, the opinions expressed being undoubtedly fully in favour of MARR Spa, and on the basis of the opinion expressed by the defence lawyers representing the Company, we believe it reasonable to hypothesise the successful outcome of the dispute.

On 10 February 2014, the Supreme Court of Cassation, in sentence 20055/14 (filed on 24 September 2014), accepted the appeal by the Company, repealing the impugned sentence no. 23/2007 by the Regional Taxation Commission for Emilia Romagna, submitting for the second degree judge (in another proceeding) the decision regarding the claim, stating the need for the decision to be taken by proceeding with an "adequate assessment of the expert findings", consistently described by the same Court as "extremely favourable to the taxpayer". On 16 December 2014, the Company filed the claim again with the above-mentioned Taxation Commission.

Again on 24 September 2014, the same Supreme Court of Cassation also filed sentences nos. 20054/14, 20053/14 and 20056/14 concerning the "Ex-Battistini" claim, ordering the rejection of all of the appeals submitted by the State Attorney General on behalf of the Inland Revenue Service, confirming the sentences in this regard favourable to the Company and ordering the counterparty to pay the cost of the legal proceedings. The lawsuits were therefore definitively resolved in favour of the Company.

During the course of 2007, several disputes arose with the Customs Authorities concerning the payment of preferential customs duties on certain imports of fish products. With reference to the most significant of these disputes, involving import duties amounting to approximately 250 thousand Euros concerning the purchase of certain goods from Mauritania, it must be pointed out that the judges in the first phase of proceedings rejected the recourses presented by the Company in May 2008, but in any case accepted the fact that the company was entirely extraneous to the claimed irregularities, as they were attributable exclusively to its suppliers, from whom, as already formally notified to them, all expenses and costs inherent and/or consequent to the aforementioned dispute will be reclaimed.
The appeal made by the Company against the first grade sentence has not been accepted by the Regional Tax Commission of Florence.
It should be noted that the Company appealed to the Supreme Court of Cassation in May 2013.

As at 31 December 2014, MARR S.p.A. had paid 6,040 thousand Euros as payment of taxes while awaiting judgment; this amount was classified under tax receivables.

The incentives and promotions fund was related to the development of the Roadhouse Grill Club bonus operation. This operation, valid throughout Italy, involved the accumulation of points and the accrual of credits which could be used in Roadhouse Grills by adopters of the initiative.

21. Deferred tax liabilities

As at 31 December 2014 the amount of this item, 74,229 thousand Euro, derived primarily from the effects of the application of international accounting standards, the effect of the different amounts of depreciation deductible for tax compared to the depreciation recognised and from the different tax treatment of leasing and the effects deriving from consolidation, accrued capital gains accounting, and other minor items.

22. Other non-current liabilities

(Euro/000)	**31.12.2014**	31.12.2013*
Accrued expenses and deferred income	836	726
Non - current tax liabilities	1	-
Payables to Social Security Institutions	61	68
Other payables	240	115
Total	**1,138**	**909**

The item "Accrued income and deferrals" comprises both deferred income on rents received from third parties in previous financial years relative to the sales outlet of the subsidiary Chef Express S.p.A. at Susa airport, as well as further deferred interest income from MARR S.p.A.'s customers.

Current liabilities

23. Current financial payables

(Euro/000)	31.12.2014	31.12.2013*
Payables to controlling companies	-	-
Payables to unconsolidated subsidiaries	-	-
Payables to associated companies	0	0
Other payables		
Payables to banks	420,747	408,713
Payables to other financial institutions	23,646	22,783
Other payables	36	38
Closing balance	**444,429**	**431,534**

The breakdown of the items "Due to banks" and "Due to other financial institutions" is shown in item 17 above.

Net Debt

The overall net debt and details of its chief elements is shown below.

(Euro/000)	31.12.2014	31.12.2013*
A. Cash	16,518	17,894
B. Cash equivalent	71,852	80,285
C. Financial assets held for sale	-	2,131
D. Liquidity (A) + (B) + (C)	**88,370**	**100,310**
E. Current financial assets	**10,558**	**10,644**
F. Current bank liabilities	420,747	408,713
G. Current financial instruments	(96)	3,064
H. Other current financial liabilities	23,647	22,860
I- Current financial liabilities	**444,298**	**434,637**
J. Current net debt (I) - (E) - (D)	**345,370**	**323,683**
K. Non current bank liabilities	194,065	458,190
M. Other non current financial liabilities	71,023	63,033
N. Non current financial instruments	194	4,150
O. Non current debt (K) + (L) + (M) + (N)	**265,282**	**525,373**
P. Net Debt (J) + (O)	**610,652**	**849,056**

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 2014, all completely complied with, are listed in the following tables.

Table 1

(Euro/000)	Centrobanca (a) (I)	Coop. Centrale Raiffeisen (a) (II)	Mediobanca (a) (II)
Amount of the loans as at 31 December 2014	5,555	25,000	25,000
Expiry date	31/12/2019	30/03/2015	30/07/2015
Covenants			
Net Debt/Equity	<= 1.5	<1.5	<1.5
Net Debt/Ebitda	<= 3.6	< 3.0	< 3.0
Ebitda/Net financial expenses			> 4.0

Table 2

(Euro/000)	Fin. In Pool BNP Paribas (Linea A - TL) (a) (II)	Fin. In Pool BNP Paribas (Linea B - RCF) (a) (II)	USPP (originari 33 mil USD) (a) (II)	USPP (originari 10 mil USD) (a) (II)
Amount of the loans as at 31 December 2014	50,570	0	27,181 (**)	8,236 (**)
Expiry date	14/06/2018	14/06/2016	11/07/2023	11/07/2020
Covenants				
Net Debt/Equity	<2	<2	<2	<2
Net Debt/Ebitda	< 3.5 (*)	< 3.5 (*)	< 3.5 (*)	< 3.5 (*)
Ebitda/Net financial expenses	> 4	> 4	> 4	> 4

(a) convenants calculated on the MARR Group's consolidated financial statements;
(I) Indices verified annually at the year-end;
(II) Indices that are respected and verified with reference to 31 December and 30 June of each year for the BNP Paribas pool loan commencing from 31 December 2013.
(*) In addition to the above indices the Net Debt/EBITDA ratio calculated as at 31 March 2015 on the previous twelve months must not exceed 3.
(**) The USD value is shown at the exchange rate as at 3/12/14.

Table 3

(Ruble/000)	Sberbank
Amount of the loans as at 31 December 2014	600,000
Expiry date	16/08/2015
Covenants	
Net Debt/Ebitda (b)	< 4.6
Total liabilities/Equity capital (b)	< 2.6
Net Debt/Ebitda (c)	< 4

(b) covenants calculated on the financial statements of Marr Russia L.l.c. (quarterly verified);
(c) covenants calculated on the consolidated financial statements of the INALCA Group (annually verified).

It is noted that procedures are in progress with Sberbank to obtain a waiver on the Rubli loan of 665 million signed by the subsidiary Orenbeef, the covenants of which as at 31 December 2014 had not been respected as an effect of the deferment of commencement of production in the Orenburg factory, initially anticipated for May 2014, that took place in December 2014.
While awaiting receipt of this waiver, which is expected in May 2015, the payable for this loan was fully reclassified under current financial payables.

Table 4

(Euro/000)	Unicredit S.p.A. (d)
Amount of the loans as at 31 December 2014	85,000
Scadenza	19/12/2018
Covenants	
Net Debt/EBITDA	< 2.5
Ebitda/Net financial expenses	< 4

(d) covenants calculated in a timely manner on the consolidated figures of the Inalca Group on an annual basis and half-yearly with relevance to the interest rates applied to the recipient of the loan, INALCA S.p.A.

Table 5

(Euro/000)	Banca Popolare Commercio e Industria (e)	Banca Popolare Commercio e Industria (e)	Banca MPS (f)
Amount of the loans as at 31 December 2014	15,011	9,000	15,000
Scadenza	19/12/2023	16/10/2024	13/08/2015
Covenants			
Equity			>=100,000
Net Debt/EBITDA	<= 4.0	<= 4.0	
Net Debt/Equity	<= 2.75	<= 2.75	
Ebitda/Net financial expenses	>=4	>=4	

(e) covenants calculated on the consolidated financial statements of Cremonini Group;
(f) covenants calculated on the separate financial statements of Cremonini S.p.A.

With reference to the guarantees provided on the medium to long-term loans, it is noted that at the year-end the shares of the subsidiaries INALCA S.p.A. and MARR S.p.A., originally pledged, were released. The release of such shares took place on 21 January 2015 on completion of the related formalities.

24. Current tax liabilities

(Euro/000)	**31.12.2014**	31.12.2013*
VAT	2,419	5,005
IRAP	1,673	1,598
IRES	5,026	3,069
Withholding taxes	7,077	7,114
Substitute taxes and other taxes payable	4,942	8,351
Total	**21,137**	**25,137**

IRAP and IRES payables relate to 2014 financial year taxes not yet paid at the year-end.

25. Current trade liabilities

(Euro/000)	**31.12.2014**	31.12.2013*
Suppliers	**517,002**	**516,565**
Payables to unconsolidated subsidiaries	**-**	**114**
Fiorani & Co S.p.A.	-	114
Payables to associated companies	**7,894**	**7,820**
Avirail France S.a.s.	70	-
Parma France S.a.s.	4,028	3,800
Parma Lacombe	994	666
Parma Turc S.a.s.	2,760	3,176
Parmaubrac S.a.s.	-	171
Quinto Valore S.c.a.r.l.	42	6
Time Vending S.r.l.	-	1
Payables to controlling companies	0	0
Total	**524,896**	**524,499**

Current trade payables refer primarily to balances deriving from commercial operations and the amount payable to Trade Agents.

26. Other current liabilities

(Euro/000)	**31.12.2014**	31.12.2013*
Accrued expenses and deferred income	3,101	5,946
Inps/Inail/Scau	8,092	7,863
Inpdai/Previndai/Fasi/Besusso	143	141
Enasarco/FIRR	806	754
Payables to other social security institutions	7,618	10,926
Other payables		
Advances and other payables to customers	10,315	10,802
Payables for employee remuneration	33,673	32,912
Payables for acquisition of equity investments	-	77
Guarantee deposits and down payments received	240	208
Payables to directors and auditors	1,117	1,190
Payables to agents	132	132
Other minor payables	4,926	4,823
Total	**70,163**	**75,774**

The payables to employees include the unpaid current remuneration at 31 December 2014 and allocations relating to deferred remuneration.

Guarantees, sureties and commitments

(Euro/000)	**31.12.2014**	31.12.2013*
Direct guarantees – sureties		
- related companies	-	-
- other companies	113,698	105,939
	113,698	105,939
Direct guarantees – letter of comfort		
- associated companies	13,446	9,479
- other companies	-	-
	13,446	9,479
Other risks and commitments	27,539	19,485
Total guarantees, sureties and commitments	**154,683**	**134,903**

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.

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 (Euro/000)	Beneficiary	Amount	Reason
Revenue Office/VAT Office Modena	Cremonini S.p.A. and other subsidiaries	11,421	VAT for compensation.
Highways and Oil Companies	Cremonini S.p.A. subsidiares	19,658	Guaranteeing successful conclusion of contracts (services, maintainance).
Ferrovie dello Stato and operating companies (Grandi Stazioni, Cento Stazioni, Fer Servizi, Trenitalia, etc)	Cremonini S.p.A. and other subsidiaries	13,100	Guaranteeing concessions for on-board catering services, station buffets and operation of storage facilities.
Public Agencies	Cremonini S.p.A. subsidiares	42,054	Garantees release for the timely execution of contracts lasting several years.
Airports	Cremonini S.p.A. subsidiares	8,176	Guaranteeing successful conclusion of contracts.
Other minor items	Cremonini S.p.A. and other subsidiaries	19,289	Administration of rented properties, energy supplies, credit cards, successful conclusion of contracts, etc.
Total		**113,698**	

Direct guarantees – comfort letters

The letters of comfort solely regard the guarantees provided to the lending institutions for the granting of loans or credit lines.

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	Roadhouse Grill Italia S.r.l.	11,489
Credit letter of purchase of goods	Marr S.p.A.- As.Ca.	14,715
Other sundry	Fiorani & C S.p.A. - Italia Alimentari S.p.A.	1,335
Total		**27,539**

"Commitments for real estate purchases" regard preliminary contracts to buy real estate where the Roadhouse Grill S.r.l. "steakhouse" chain can be further developed. (Treviso, Curno, Lainate, Dalmine, Rovato, Saronno, Pioltello, Pavia e Senigallia).

The item "Letters of credit for goods purchases" relates to letters of credit, issued by some banks, to guarantee obligations to our foreign suppliers.
The "Other miscellaneous" item regards third party consignment goods at the Fiorani & Co S.p.A. and Italia Alimentari S.p.A. warehouses.

Details of the main items of the consolidated income statement

27. Revenues

Revenues are broken down as follows:

(in thousands of Euros)	31.12.2014	31.12.2013*
Revenues from sales - Finished goods	1,025,494	1,101,148
Revenues from sales - Goods for resale	1,886,882	1,920,039
Revenues from sales - Oil	18,210	28,866
Revenues from sales - Others	51,651	49,178
Revenues from services	271,675	296,308
Advisory services to third parties	2,412	2,435
Rent income	5,582	5,192
Other revenues from ordinary activities	16,721	12,256
Total	**3,278,627**	**3,415,422**

Below is a breakdown of revenues by geographical area:

(Euro/000)	31.12.2014	31.12.2013*
Italy	2,291,956	2,251,107
European Union	432,270	612,963
Non-EU countries	554,401	551,352
Total	**3,278,627**	**3,415,422**

As regards the revenues trend, you are referred to the details in the Directors' Report.

28. Other revenues

The other revenues can be broken-down as follows:

(Euro/000)	31.12.2014	31.12.2013*
Contributions by suppliers and others	34,176	32,333
Operating grants	2,223	1,608
Other sundry revenues	20,828	23,111
Total	**57,227**	**57,052**

The item "Contributions from suppliers and others" mainly includes the contributions obtained for various reasons from suppliers for the commercial promotion of their products at our customers/sales outlets and the trend is connected to the increase in the purchase cost of the goods.

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Other sundry revenues

(Euro/000)	31.12.2014	31.12.2013*
Rent income	1,350	1,083
Insurance reimbursements	3,423	1,958
Capital gains on disposal of capital goods	1,454	2,045
Other cost reimbursements	2,794	1,910
Services, consultancy and other minor revenues	11,807	16,115
Total	**20,828**	**23,111**

29. Costs for purchases

(Euro/000)	**31.12.2014**	31.12.2013*
Costs for purchases - Raw materials	(654,528)	(685,719)
Costs for purchases - Goods for resale	(1,408,560)	(1,389,654)
Costs for purchases - Secondary materials, consumables, semi-finished goods, packages	(71,028)	(66,833)
Costs for purchases - Finished goods	(24,306)	(26,770)
Costs for purchases - Oil	(16,802)	(27,209)
Costs for purchases - Stationery and printed paper	(1,833)	(2,178)
Changes in inventories of raw materials, secondary materials, consumables and goods for resale	17,381	29,036
Other costs for purchases	(110,077)	(109,404)
Total	**(2,269,753)**	**(2,278,731)**

"Oil purchases" related to the sale of fuel in the motorway service stations and refer to the corresponding "Revenue from oil sales", an item attributable entirely to the Catering sector. The reduction of such costs is the direct consequence of the sale of some sales outlets where the company conducted this business and the sales price reduction in fuel during 2014.

30. Other operating costs

(Euro/000)	**31.12.2014**	31.12.2013*
Costs for services	(454,190)	(443,769)
Costs for leases and rentals	(69,433)	(68,089)
Other operating charges	(17,234)	(20,544)
Total	**(540,857)**	**(532,402)**

Costs for services

(Euro/000)	**31.12.2014**	31.12.2013*
Energy consumption and utilities	(41,351)	(40,756)
Maintenance and repairs	(21,146)	(20,430)
Transport on sales	(82,130)	(83,568)
Commisions, commercial and distribution services	(110,676)	(103,715)
Third-party services and outsourcing	(58,406)	(45,514)
Purchasing services	(47,482)	(52,283)
Other technical and general services	(92,999)	(97,503)
Total	**(454,190)**	**(443,769)**

Costs for leases and rentals

(Euro/000)	**31.12.2014**	31.12.2013*
Lease of business premises, royalties and others	(45,789)	(42,554)
Costs for leases	(189)	(192)
Leases and rentals related to real and personal property	(23,455)	(25,343)
Total	**(69,433)**	**(68,089)**

The costs for use of third-party assets principally refer to the catering sector and regard costs incurred for awarding catering services operations. The increase compared to the prior year is directly connected to the acquisition of new sales outlets and the increase in sales.
It is specified with reference to relationships with related companies that the item "Rents and instalment"

relating to immovable and movable assets" includes amounts ascribable to MARR S.p.a.'s business, specifically: rent of 668 thousand Euro to Le Cupole S.r.l. for an industrial property in Rimini.

Other operating charges

(Euro/000)	**31.12.2014**	31.12.2013*
Losses on receivables	(375)	(2,786)
Indirect taxes and duties	(8,920)	(9,289)
Capital losses on disposal of assets	(1,177)	(2,139)
Contributions and membership fees	(1,528)	(1,694)
Other minor costs	(5,234)	(4,636)
Total	**(17,234)**	**(20,544)**

31. Personnel costs

(Euro/000)	**31.12.2014**	31.12.2013*
Salaries and wages	(212,922)	(294,743)
Social security contributions	(63,205)	(92,060)
Staff Severance Provision	(9,839)	(9,877)
Pension and similar provisions	(381)	(9)
Other personnel costs	(4,581)	(5,191)
Total	**(290,928)**	**(401,880)**

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.

As at 31 December 2014 Group employees amounted to 8,778 compared to 8,793 at 31 December 2013.
The break down by category and average number of employees in 2014 is shown in the following schedule:

	Factory staff	Office staff	Managers	**Total**
Employees as at 31.12.2013	6,335	2,313	145	8,793
Employees as at 31.12.2014	**6,264**	**2,369**	**145**	**8,778**
Increases (decreases)	(71)	56	0	(15)
Average no. of employees during year 2014	**6,332**	**2,295**	**133**	**8,760**

* The retroactive application of the new IFRS11 "Joint arrangements" standard resulted in the restatement of the financial statements as at 31 December 2013.

32. Amortization, depreciation, write-downs and provisions

(Euro/000)	**31.12.2014**	31.12.2013*
Depreciation of tangible assets	(60,654)	(66,046)
Amortization of intangible assets	(2,927)	(3,299)
Other write-downs of fixed assets	(1,728)	(2,125)
Write-downs and provisions	(23,337)	(19,497)
Total	**(88,646)**	**(90,967)**

33. Financial (Income)/Charges

(Euro/000)	**31.12.2014**	31.12.2013*
Net exchange rate differences	1,419	(2,448)
Income (Charges) from management of derivatives	(4,874)	(3,038)
Net financial Income (Charges)	(48,986)	(46,597)
Total	**(52,441)**	**(52,083)**

Exchange rate differences

(Euro/000)	**31.12.2014**	31.12.2013*
Realized exchange rate profits	19,364	5,865
Realized exchange rate losses	(16,958)	(7,842)
Unrealized exchange rate profits	22,495	12,871
Unrealized exchange rate losses	(21,060)	(15,405)
Realized income from management of exchange rate derivatives	2,042	3,287
Evaluated income from management of exchang rate derivatives	2,141	626
Realized charges from management of exchange rate derivatives	(5,560)	(1,350)
Evaluated charges from management of exchange rate derivatives	(1,045)	(500)
Total	**1,419**	**(2,448)**

The net exchange rate valuation differences refer to the valuation of balances in the statement of assets and liabilities in foreign currencies to the existing exchange rates at the end of the financial year.

Income (Charges) from management of derivatives

(Euro/000)	**31.12.2014**	31.12.2013*
Realized Charges from management of derivatives	(4,408)	(3,038)
Valuation Income from management of derivatives	(466)	-
Total	**(4,874)**	**(3,038)**

Net financial Income (Charges)

(Euro/000)	**31.12.2014**	31.12.2013*
Financial Income (Charges) due to controlling companies	**20**	**33**
Financial income		
- Bank interest receivable	585	204
- Other financial income	3,122	3,622
Total financial income	**3,707**	**3,826**
Financial charges		
- Interest payable on loans	(21,558)	(18,647)
- Interest payable on factoring	(3,843)	(3,829)
- Interest payable on current accounts and others	(15,494)	(17,581)
- Other bank charges	(4,110)	(2,826)
- Interest on bonds	-	(3)
- Other sundry charges	(7,708)	(7,570)
Total financial charges	**(52,713)**	**(50,456)**
Total	**(48,986)**	**(46,597)**

34. Income taxes

(Euro/000)	**31.12.2014**	31.12.2013*
IRES	(41,094)	(40,543)
IRAP	(11,401)	(11,062)
Net deferred tax assets/liabilities	5,109	(862)
Total	**(47,386)**	**(52,467)**

Other information

Pursuant to the law the total fees due to the directors, members of the Board of Statutory Auditors and independent auditors, where applicable, are noted below:

- Directors/ Statutory Auditors : 6,535 thousand Euro
- Independent auditors: 1,106 thousand Euro

Subsequent events

With regard to the events subsequent to the year-end, please refer to the Directors' Report.

* * * * * *

Castelvetro di Modena, 27 March 2015

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

Annexes

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

Annex 1 - Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2014;

Annex 2 - List of revenues and costs from/to subsidiaries, associated, controlling and related companies for 2014;

Annex 3 - Statement of changes in tangible assets for the financial year ended as at 31 December 2014;

Annex 4 - Statement of changes in intangible assets for the financial year ended as at 31 December 2014;

Annex 5 - List of equity investments classified under financial assets as at 31 December 2014 and others;

Annex 6 - List of equity investments in subsidiaries and associated companies as at 31 December 2014 (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 2014

(Euro/000)	Trade		Other		**Total**	
	Receivables	Payables	Receivables	Payables	**Receivables**	**Payables**
Subsidiaries:						
Domus Italia S.r.l.	-	-	129	-	**129**	**-**
Inalca F&B Cabo Verde LDA	-	-	100	-	**100**	**-**
Inalca F&B Usa	-	-	64	-	**64**	**-**
West Africa	227	-	25	-	**252**	**-**
Bad debts provision	-	-	-	-	**-**	**-**
Total subsidiaries	**227**	**-**	**318**	**-**	**545**	**-**
Associated companies:						
Avirail s.a.s.	-	-	3,894	-	**3,894**	**-**
Farm Service S.r.l.	211	-	270	-	**481**	**-**
Food & Co S.r.l.	2	-	-	-	**2**	**-**
Frimo S.a.m.	-	-	788	-	**788**	**-**
Parma France S.a.s.	1	4,028	-	-	**1**	**4,028**
Parma Lacombe	-	994	-	-	**-**	**994**
Parma Turc S.a.s.	-	2,759	-	-	**-**	**2,759**
Quinto Valore S.c.a.r.l.	3,338	42	-	-	**3,338**	**42**
Time Vending S.r.l.	61	-	-	-	**61**	**-**
Bad debts provision	-	-	-	-	**-**	**-**
Total associated companies	**3,613**	**7,823**	**4,952**	**-**	**8,565**	**7,823**
Related and controlling companies:						
Cremofin S.r.l.	-	-	1,773	-	**1,773**	**-**
LLC Soyuz Service	377	-	-	-	**377**	**-**
Parmaubrac S.a.s.	-	411	-	-	**-**	**411**
Parma Sofrelim S.a.s.	-	43	-	-	**-**	**43**
Total related companies	**377**	**454**	**1,773**	**-**	**2,150**	**454**

Annex 2

List of revenues and costs from/to subsidiaries, associated, controlling and related companies for 2014

(Euro/000)	Trade		Other		**Total**	
	Revenues	Costs	Revenues	Costs	**Revenues**	**Costs**
Subsidiaries:						
Domus Italia S.r.l.	-	-	18	-	**18**	**-**
West Africa	227	-	-	-	**227**	**-**
Total subsidiaries	**227**	**-**	**18**	**-**	**245**	**-**
Associated companies:						
Farm Service S.r.l.	2,709	-	-	-	**2,709**	**-**
Frimo S.a.m.	-	-	61	-	**61**	**-**
Parma France S.a.s.	-	15,393	6	-	**6**	**15,393**
Parma Lacombe S.a.s.	-	11,998	-	-	**-**	**11,998**
Parma Turc S.a.s.	-	18,058	-	-	**-**	**18,058**
Quinto Valore S.c.a.r.l.	28,793	95	-	-	**28,793**	**95**
Total associated companies	**31,502**	**45,544**	**67**	**-**	**31,569**	**45,544**
Controlling companies						
Cremofin S.r.l.	-	-	23	-	**23**	**-**
Total controlling companies	**-**	**-**	**23**	**-**	**23**	**-**
Related companies:						
Le Cupole S.r.l.	-	668	3	-	**3**	**668**
LLC Soyuz Service	4,753	-	-	-	**4,753**	**-**
NBM Trading Consulting Lda	-	1,145	-	-	**-**	**1,145**
Parmaubrac S.a.s.	-	1,115	-	-	**-**	**1,115**
Parma Sofrelim S.a.s.	-	366	-	-	**-**	**366**
Total related companies	**4,753**	**3,294**	**3**	**-**	**4,756**	**3,294**

Annex 3

Statement of changes in tangible assets for the financial year ended as at 31 December 2014

	Opening position			Changes over the period						Closing position		
	Initial cost	Depreciation provision	Balance at 31.12.2013*	Net effects of the change in consolidation area	Acquisitions	Net decreases	Reclassif./ Other changes	Exchange Differences	Depreciation	Initial cost	Depreciation provision	Balance at 31.12.2014
Land and buildings	744,673	(157,246)	587,427	87	22,006	(1,020)	24,269	(13,483)	(21,497)	776,532	(178,743)	597,789
Plant and machinery	428,495	(306,746)	121,749	1,879	14,206	(708)	14,923	(3,823)	(28,787)	454,972	(335,533)	119,439
Industrial and business equipment	29,655	(23,537)	6,118	68	3,049	(775)	797	22	(2,245)	32,816	(25,782)	7,034
Other assets	99,945	(69,518)	30,427	227	8,963	(1,449)	2,145	(373)	(8,125)	109,458	(77,643)	31,815
Fixed assets under construction and advances	43,174	-	43,174	472	41,022	(9,227)	(42,057)	(6,647)		26,737	0	26,737
Total	**1,345,942**	**(557,047)**	**788,895**	**2,733**	**89,246**	**(13,179)**	**77**	**(24,304)**	**(60,654)**	**1,400,515**	**(617,701)**	**782,814**

Annex 4

Statement of changes in intangible assets for the financial year ended as at 31 December 2014

(Euro/000)	Opening position			Changes over the period						Closing position		
	Initial cost	Amortization provision	Balance at 31.12.2013*	Net effects change in consolidation area	Acquisitions	Net decreases	Reclass. Other changes	Exchange Differences	Amortiz.	Initial cost	Amortization provision	Balance at 31.12.2014
Patents and intellectual property rights	14,266	(12,631)	1,635	4	788	(39)	60	2	(1,018)	15,081	(13,649)	1,432
Concessions, licences, trademarks and similar rights	19,695	(5,763)	13,932	-	539	(234)	276	(431)	(1,057)	19,845	(6,820)	13,025
Fixed assets under development and advances	36	0	36	-	384	(161)	(125)	-	-	134	0	134
Other intangible assets	4,777	(4,207)	570	(1)	160	-	4	-	(62)	4,940	(4,269)	671
Total	**38,774**	**(22,601)**	**16,173**	**3**	**1,871**	**(434)**	**215**	**(429)**	**(2,137)**	**40,000**	**(24,738)**	**15,262**

Annex 5

List of equity investments classified under financial assets as at 31 December 2014 and others

(Euro/000) Company name	Percentage	Initial value	Purchases or subscriptions	Disposals	(Write-downs) Revaluations	Other changes	Percentage	Final value	Notes
Subsidiaries:									
Chef Express Shangai	100.00	365				(365)	100.00	-	(a)
Domus Italia S.r.l. in liquidazione	56.00	58			(58)		56.00	-	
Inalca F&B Usa		-	97				100.00	97	
Inalca F&B Cabo Verde		-	95				95.00	95	
Inalca Foods Nig Limited	57.00	-					57.00	-	
Inalca West Africa S.a.r.l.		-	91				90.00	91	
Montana Farm S.p.zo.o.	100.00	172	4				100	176	
Total subsidiaries		**595**	**287**	**0**	**(58)**	**(365)**		**459**	
Associated companies:									
Avirail S.a.s.	49.00	345			545	(165)	49.00	725	
Consorzio I.R.I.S. a r.l.	37.50	4					37.50	4	
Farm Service S.r.l.	30.00	174					30.00	174	
Fiorani & C. S.p.A.	49.00	1,187				(1,187)	49.00	-	(a)
Frimo SAM	-				61	466	45.30	527	
Parma France S.a.s.	30.40	404					30.40	404	
Quinto Valore s.c.a.r.l.	50.00	45					50.00	45	
Time Vending S.r.l.	50.00	206			143	(135)	50.00	214	
Total associated companies		**2,365**	**0**	**0**	**749**	**(1,021)**		**2,093**	
Other companies:									
Banca Popolare Soc Coop		528	185					713	
Banca Popolare di Vicenza		1,050	244					1,294	
B.F. Holding S.p.A.		-	5,000					5,000	
Class China e Commerce S.r.l.		-	127					127	
Centro Agroalimentare Riminese		280						280	
Emilia Romagna Factor S.p.A.	17.65	13,158		(13,930)	772		0.00	-	
Futura S.p.A.		963						963	
Nuova Campari S.p.A.		1,549						1,549	
Other companies		250	23	(5)		43		311	
Total other companies		**17,778**	**5,579**	**(13,935)**	**772**	**43**	**0**	**10,237**	
Total equity investments		**20,738**	**5,866**	**(13,935)**	**1,463**	**(1,343)**	**0**	**12,789**	

(a) Company now included in the scope of consolidation

Annex 6

List of equity investments in subsidiaries and associated companies as at 31 December 2014 (Article 2427, paragraph 5, of the Italian Civil Code) with an indication of those falling within the scope of consolidation

(Euro/000) Company name	HQ	Share capital (expressed in Euro, unles otherwise indicated)	Result for the financial year ended 31.12.2014	Shareholders' equity at 31.12.2014	Control share at 31.12.2014	Shareholding at 31.12.2014	Book value (A)	Portion of the Shareholders' Equity (B)	Difference (B) - (A)	Participants at 31.12.2014	Control share at 31.12.2013	Shareholding at 31.12.2013	Notes
Investments valued at equity:													
Associated companies:													
Avirail S.a.s.	Paris (France)	100,000	1,034	1,480	49.00%	42.14%	725	624	(101)	Cremonini Restauration	49.00%	42.14%	
Quinto Valore s.c.a.r.l.	Reggio Emilia	90,000	0	90	50.00%	35.80%	45	32	(13)	INALCA S.p.A.	50.00%	50.00%	
Time Vending S.r.l.	Castelvetro di Modena	100,000	285	428	50.00%	50.00%	214	214	0	Chef Express S.p.A.	50.00%	50.00%	
Investments valued at cost:													
Subsidiaries													
Domus Italia S.r.l. in liquidazione	Magnago (Milan)	50,000	(68)	(6)	56.00%	28.07%	-	(2)	(2)	Inalca Food & Beverage	56.00%	56.00%	(b)
Inalca Foods Nig Limited	Benin City (Nigeria)	Naira 10.000.000	nd	nd	57.00%	40.81%	-	nd	nd	INALCA S.p.A.	57.00%	57.00%	(a)
Inalca Food & Beverage Holding Inc	Dover (Usa)	USD 120.000	-	-	100.00%	71.60%	97	nd	nd	INALCA S.p.A.	-	-	
Inalca Food & Beverage Lda	Ilha do Sal (Capo Verde)	100,000	-	-	95.00%	68.02%	95	nd	nd	INALCA S.p.A.	-	-	
Inalca West Africa S.a.r.l.	Benin City (Nigeria)	CFA 66.000.000	-	-	90.00%	64.44%	91	nd	nd	INALCA S.p.A.	100.00%	100.00%	(a)
Montana Farm S.p.z.o.o.	Platyny (Poland)	Zloty 3.3394.000	9	474	100.00%	71.60%	176	339	163	Italia Alimentari S.p.A.	100.00%	100.00%	(a)(b)
Associated companies:													
Consorzio I.R.I.S. a r.l.	Bolzano	10,000	8	16	37.50%	37.50%	4	6	2	Interjet S.r.l.	37.50%	37.50%	(d)
Farm Service S.r.l.	Reggio Emilia	500,000	9	1,218	30.00%	21.48%	174	262	88	INALCA S.p.A.	30.00%	30.00%	(b)
Frimo SAM	Principality of Monaco	150,000	152	1,204	45.30%	32.43%	527	391	(136)	INALCA S.p.A.	75.30%	75.30%	
Parma France S.a.s.	Lyon (France)	1,000,000	568	2,143	30.40%	21.77%	404	466	62	INALCA S.p.A.	30.40%	30.40%	(b)

NOTES

a) Amounts expressed in Euro resulting from the translation of the original amounts in foreign currencies /(b) The figures refer to 31 December 2013, the last financial statements available/(c) The figures refer to 31 December 2012, the last financial statements available/ (d) The figures refer to 31 December 2008, the last financial statements available.

Continued: Annex 6

(thousands Euro) Company name	HQ	Share capital (expressed in Euro, unles otherwise indicated)	Result for the financial year ended 31.12.14	Shareholders' equity at 31.12.14	Control share at 31.12.2014	Shareholding at 31.12.2014	Consolidation method	Participants at 31.12.2014	Control share at 31.12.2013	Shareholding at 31.12.2013	Notes
Companies consolidated on a line-by-line basis:											
Alisurgel S.r.l. in liq.	Santarcangelo di Romagna (RN)	10,000	4	202	100.00%	50.42%	Line by line	MARR: 97%; Sfera: 3%	100.00%	50.42%	
As.Ca. S.p.A.	Santarcangelo di Romagna (RN)	518,000	1,992	5,637	100.00%	50.42%	Line by line	MARR S.p.A.	100.00%	50.42%	
Avirail Italia S.r.l.	Milan	100,000	171	301	51.00%	51.00%	Line by line	Chef Express S.p.A.	51.00%	51.00%	
Baldini Adriatica Pesca S.r.l.	Santarcangelo di Romagna (RN)	10,000	250	693	100.00%	50.42%	Line by line	MARR S.p.A.	100.00%	50.42%	
Bell Carni s.r.l.	Stienta (RO)	90,000	(81)	10	66.67%	47.73%	Line by line	INALCA S.p.A.	66.67%	66.67%	
Capo d'Orlando Carni S.r.l.	Messina	10,000	(21)	436	100.00%	71.60%	Line by line	INALCA S.p.A.	-	-	(a)
Chef Express S.p.A.	Castelvetro di Modena (MO)	8,500,000	3,209	13,124	100.00%	100.00%	Line by line	Cremonini S.p.A.	100.00%	100.00%	
Chef Express Shanghai	Shanghai (China)	CNY 38.331713	(324)	324	100.00%	100.00%	Line by line	Chef Express S.p.A.	-	-	(a)(b)
Chef Express UK Ltd.	London (United Kingdom)	GBP 80.000	812	910	100.00%	100.00%	Line by line	Chef Express S.p.A.	100.00%	100.00%	
Cremonini Chef Iberica S.A.	Madrid (Spain)	1,500,012	(101)	1,399	100.00%	100.00%	Line by line	Chef Express S.p.A.	100.00%	100.00%	
Cremonini Restauration S.a.s.	Paris (France)	1,500,000	1,799	4,302	86.00%	86.00%	Line by line	Chef Express S.p.A.	86.00%	86.00%	
Cremonini S.p.A.	**Castelvetro di Modena (MO)**	**67,073,932**	**44,149**	**204,758**			**Holding**				
Dispal CI	Abidjan (Costa d'Avorio)	FCFA 744.500.044	(283)	846	99.00%	70.88%	Line by line	INALCA S.p.A.	99.00%	99.00%	
Fiorani & C. S.p.A.	Piacenza	500,000	339	2,311	51.00%	36.52%	Line by line	INALCA S.p.A.	49.00%	49.00%	
Gabf Holdings Limited	London (United Kingdom)	GBP 7.880.953	(367)	(2,294)	100.00%	100.00%	Line by line	Chef Express UK Ltd.	100.00%	100.00%	(a)
Ges.Car. S.r.l.	Castelvetro di Modena (MO)	330,000	(1,038)	561	80.00%	57.28%	Line by line	INALCA S.p.A.	80.00%	80.00%	
Global Service S.r.l.	Castelvetro di Modena (MO)	93,000	74	305	100.00%	100.00%	Line by line	Cremonini S.p.A.	100.00%	100.00%	
Global Service Logistics S.r.l. in liq.	Castelvetro di Modena (MO)	90,000	(12)	58	100.00%	100.00%	Line by line	Global Service S.r.l.	100.00%	100.00%	
Guardamiglio S.r.l.	Piacenza	4,135,000	462	12,017	100.00%	71.60%	Line by line	INALCA S.p.A.	100.00%	100.00%	
Healthy Bar Milano S.r.l.	Milan	100,000	(1)	529	100.00%	100.00%	Line by line	Chef Express S.p.A.	-	-	(b)
INALCA S.p.A.	Castelvetro di Modena (MO)	187,017,167	30,600	396,559	71.60%	71.60%	Line by line	Cremonini S.p.A.	100.00%	100.00%	
Inalca Angola Ltda.	Luanda (Angola)	Kwanza 810.000.000	6,219	27,156	99.90%	71.53%	Line by line	INALCA S.p.A.	99.90%	99.90%	(a)
Inalca Algerie S.a r.l.	Algeri (Algeria)	DA 500.000.000	(15)	5,572	70.00%	50.12%	Line by line	INALCA S.p.A.	70.00%	70.00%	(a)
Inalca Brazzaville S.a r.l.	Brazzaville (Rep.Congo)	2,715	2,199	4,967	55.00%	39.38%	Line by line	INALCA S.p.A.	55.00%	55.00%	(a)
Inalca Eurasia Holding Gesmbh	Vienna (Austria)	35,000	(38)	120,914	60.00%	42.96%	Line by line	INALCA S.p.A.	-	-	
Inalca Food & Beverage	Modena	30,000	(125)	(96)	70.00%	50.12%	Line by line	INALCA S.p.A.	67.00%	67.00%	
Inalca Kinshasa S.p.r.l.	Kinshasa (Rep.Dem.Congo)	USD 2.700.000	3,337	10,768	55.00%	39.38%	Line by line	INALCA S.p.A.	55.00%	55.00%	(a)
Industria Alimentar Carnes de Mocambique Ltd	Maputo (Mocambique)	MZN 20.000.000	(631)	575	100.00%	71.60%	Line by line	INALCA S.p.A.	100.00%	100.00%	(a)
Inter Inalca Angola Ltda.	Luanda (Angola)	Kwanza 900.000	322	2,728	99.00%	70.88%	Line by line	INALCA S.p.A.	99.00%	99.00%	(a)
Interjet S.r.l.	Castelvetro di Modena (MO)	2,500,000	(939)	2,233	100.00%	100.00%	Line by line	Cremonini S.p.A.	100.00%	100.00%	
Italia Alimentari S.p.A.	Busseto (PR)	40,248,000	(1,531)	54,962	100.00%	71.60%	Line by line	INALCA S.p.A.	100.00%	100.00%	
Kaskad L.l.c.	Moscow (Russia)	Rubli 3.028.315.388	(1,467)	47,206	100.00%	42.96%	Line by line	Inalca Eurasia Holding Gesmbh	100.00%	100.00%	(a)(c)
Lounge Services S.a.s.	Paris (France)	40,000	71	119	100.00%	100.00%	Line by line	Chef Express UK Ltd.	51.00%	51.00%	
Marr Foodservice Iberica S.A.	Madrid (Spain)	600,000	(2)	412	100.00%	50.42%	Line by line	MARR S.p.A.	100.00%	50.42%	
Marr Russia L.l.c.	Moscow (Russia)	Rubli 100.000.000	10,220	22,489	75.00%	32.22%	Line by line	Kaskad L.l.c.	75.00%	75.00%	(a)
MARR S.p.A.	Rimini	33,262,560	52,381	250,877	50.42%	50.42%	Line by line	Cremonini S.p.A.	50.42%	50.42%	
Momentum Services Ltd.	Birmingham (United Kingdom)	269,258	1,077	1,503	100.00%	100.00%	Line by line	Chef Express UK Ltd.	51.00%	51.00%	(a)
Montana GMBH	Monaco (Germany)	25,000	52	19	100.00%	100.00%	Line by line	Italia Alimentari S.p.A.	100.00%	100.00%	
New Catering S.r.l.	Santarcangelo di Romagna (RN)	33,900	903	3,951	100.00%	50.42%	Line by line	MARR S.p.A.	100.00%	50.42%	
Orenbeef L.L.C.	Orenburg (Russia)	Rubli 660.000.000	(2,102)	7,802	100.00%	42.96%	Line by line	Kaskad L.l.c.	100.00%	100.00%	(a)
Princeps S.a.s.	Paris (France)	200,000	(99)	101	51.00%	51.00%	Line by line	Chef Express S.p.A.	-	-	(b)
Rail Express Services BV	Amsterdam (Holand)	100,000	20	82	100.00%	100.00%	Line by line	Chef Express S.p.A.	100.00%	100.00%	
Railrest S.A.	Bruxelles (Belgium)	500,000	615	1,178	51.00%	51.00%	Line by line	Chef Express S.p.A.	51.00%	51.00%	
Realbeef S.r.l.	Flumeri (AV)	300,000	(1,489)	(1,091)	51.00%	36.52%	Line by line	INALCA S.p.A.	51.00%	51.00%	
Roadhouse Grill Italia S.r.l.	Castelvetro di Modena (MO)	20,000,000	2,839	25,844	100.00%	100.00%	Line by line	Chef Express S.p.A.	100.00%	100.00%	
Roadhouse Grill Roma S.r.l.	Castelvetro di Modena (MO)	1,200,000	(203)	592	55.00%	55.00%	Line by line	Roadhouse Grill Italia S.r.l.	55.00%	55.00%	
Salumi d'Emilia S.r.l.	Castelvetro di Modena (MO)	5,300,000	282	7,942	100.00%	100.00%	Line by line	Italia Alimentari S.p.A.	100.00%	100.00%	
Sara S.r.l.	Castelvetro di Modena (MO)	100,000	222	317	100.00%	71.60%	Line by line	INALCA S.p.A.	100.00%	100.00%	
Sessanta S.r.l.	Castelvetro di Modena (MO)	100,000	(27)	73	100.00%	100.00%	Line by line	Roadhouse Grill Italia S.r.l.	-	-	(b)
Sfera S.p.A.	Santarcangelo di Romagna (RN)	220,000	(40)	1,730	100.00%	50.42%	Line by line	MARR S.p.A.	100.00%	50.42%	
Società Agricola Corticella S.r.l.	Spilamberto (MO)	5,000,000	352	13,426	100.00%	71.60%	Line by line	INALCA S.p.A.	100.00%	100.00%	
TECNO-STAR DUE S.r.l.	Castelvetro di Modena (MO)	10,400	210	284	60.00%	42.96%	Line by line	INALCA S.p.A.	60.00%	60.00%	
Zaklady Miesne Soch. S.p.zo.o.	Warsaw (Poland)	Zloty 1800.000	(160)	(1,602)	90.00%	64.44%	Line by line	INALCA S.p.A.	90.00%	90.00%	(a)

a) Amounts expressed in Euro resulting from the translation of the original amounts in foreign currencies. /(b) Subsidiary consolidated starting from 2014

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Independent auditors' report
pursuant to art. 14 of Legislative Decree n. 39 dated 27 January 2010 and to art. 165-bis of Legislative Decree n. 58 dated 24 February 1998
(Translation from the original Italian text)

To the Shareholders of
Cremonini S.p.A.

1. We have audited the consolidated financial statements of Cremonini S.p.A. and its subsidiaries, (the "Cremonini Group") as of 31 December 2014 and for the year then ended, comprising the statement of financial position, the consolidated income statement , the consolidated comprehensive income statement, the statement of changes in consolidated shareholders' equity, the consolidated cash flow statement 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 Cremonini S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards issued by the Italian Accounting Profession (CNDCEC) and recommended by the Italian Stock Exchange Regulatory Agency (CONSOB). In accordance with such standards, 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 of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

   The consolidated financial statements of the prior year and the statement of financial position at 1 January 2013 are presented for comparative purposes. As described in the explanatory notes, as a result of the retrospective application of IFRS 11 - Joint Arrangements, certain comparative data related to the prior year and to the statement of financial position at 1 January 2013 have been restated ; the restated data is derived from the prior year consolidated financial statements and from the consolidated financial statements as of 31 December 2012 on which we issued our auditor's report on 10 April 2014 and on 4 April 2013 respectively. We have examined the method used to restate the comparative financial data and the information presented in the explanatory notes in this respect, for the purpose of expressing our opinion on the consolidated financial statements as of 31 December 2014 and for the year then ended.

3. In our opinion, the consolidated financial statements of the Cremonini Group at 31 December 2014 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. The Directors of Cremonini S.p.A. are responsible for the preparation of the Directors' Report on Operations in accordance with the applicable laws . Our responsibility is to express an opinion on the consistency of the Directors' Report on Operations 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 on Operations is consistent with the consolidated financial statements of the Cremonini Group at 31 December 2014.

Bologna, 13 April 2015

Reconta Ernst & Young S.p.A.

Signed by: Andrea Nobili, partner

This report has been translated into the English language solely for the convenience of international readers.