Financial statements and consolidated accounts 2001

Notice of call to Shareholders' Meeting

The shareholders are hereby called to the General Shareholders' Meeting to be held at 10 am on April 30, 2002 in Castelvetro di Modena, Via Modena n. 53, to discuss and deliberate the following:

Agenda

1) Financial Statements as at December 31, 2001, Directors' Report, Report of the Board of Statutory Auditors, related resolutions;

2) In fulfillment of Article 2383 of the Civil Code and Article 15 of the Articles of Association (appointment of directors), relevant and ensuing resolutions;

3) In fulfillment of Article 2400 of the Civil Code and Article 22 of the Articles of Association (appointment of the Board of Statutory Auditors); relevant and ensuing resolutions.

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

Shareholders who hold ordinary shares and present the specific certification envisaged by Article 34 of CONSOB resolution 11768/68/1998 shall have the right to participate in the meeting. The issue of said certification must be requested from the respective intermediaries at least five days prior to the date scheduled for the meeting.

Castelvetro di Modena, March 22, 2002

Luigi Cremonini
The Chairman

Notice published in the Official Journal, part II, n. 74, dated March 28, 2002 – insert S-4325.

Officers of Cremonini s.p.a.

Board of Directors

Chairman	Luigi	Cremonini [1]
Vice Chairman	Paolo	Sciumè [1] [Ã]
Chief Executive Officer	Vincenzo	Cremonini
Directors	Valentino	Fabbian *
	Illias	Aratri [Ã]
	Ugo	Ravanelli
	Giorgio	Pedrazzi
	Giovanni	Barberis
	Edoardo	Rossini [1] [Ã]

Board of Statutory Auditors

Chairman	Alessandro	Artese
Auditors	Giovanni	Zanasi
	Franco	Colombo
Alternates	Carlo	Gaiani
	Claudio	Malagoli

Independent Auditors PricewaterhouseCoopers s.p.a.

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* Managing Director of the restaurant business division

[1] Member of the Committee for Emoluments to Directors

[Ã] Member of the Internal Control and Corporate Governance Committee

Directors' Report

To our Shareholders,

The financial results for the year ended December 31, 2001, improved conspicuously as compared to prior year, particularly in the profit from normal operations, which increased by 12.7 million euros, rising from a loss of 12.1 million euros in 2000 to a net profit of 0.7 million euros in 2001.

The growth has been the result of soaring sales and profits in distribution and restaurant activities but, most of all, of the strong performance in the production sector which, despite the consequences of the "BSE" disease crisis in the first two quarters of the year, has grown at a dramatically fast pace in the second half of 2001.

The table that follows illustrates the Cremonini Group financial highlights for the year and its comparison with prior year results.

Cremonini Group results - 2001 vs 2000

(in thousand of euro)	**2001**	*% on total revenues*	2000	*% on total revenues*	*Variance*	*Variance (%)*
Total revenues	**1,364,900**	*100.0*	**1,388,744**	*100.0*	**(23,844)**	*(1.72)*
Value added	215,246	*15.77*	191,520	*13.79*	23,726	*12.39*
Staff expenses	(129,800)		(125,405)		(4,395)	
Gross operating margin	**85,446**	*6.26*	**66,115**	*4.76*	**19,331**	*29.24*
Amortization and write-downs	(48,307)		(45,524)		(2,783)	
Operating profit	**37,139**	*2.72*	**20,591**	*1.48*	**16,548**	*80.37*
Net financial income/(expense)	(36,489)		(32,668)		(3,821)	
Profit/(loss) from normal operations	**650**	*0.05*	**(12,077)**	*(0.87)*	**12,727**	*(a)*

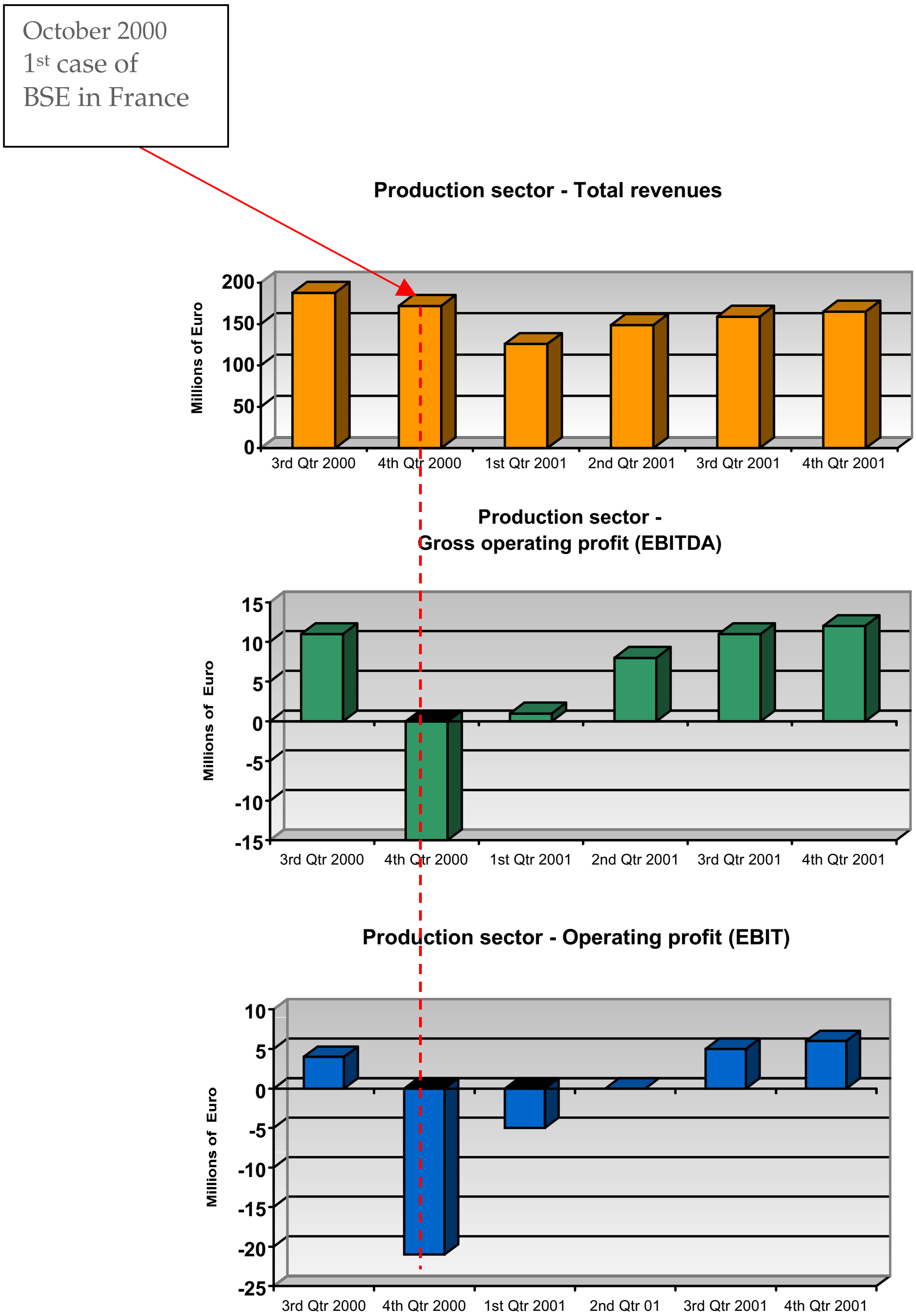
(a) figures not shown as not significant

The production sector, although hardly hit by the negative impact of the "BSE" disease crisis, which reached its peak in the first quarter of 2001, recovered in the second quarter of the year already, benefiting from an increase in market demand for meat products and from the new market opportunities.

The "BSE" crisis has brought about dramatic changes in the structure of the market demand for bovine meat: the demand for traditional products (commodities) was replaced by a stronger demand for more service-intensive and high value added products. Such crisis has also boosted concentration, fostering those industrial organisations, like the ones in our Group, which do have the structures to meet new customer needs and demand in terms of safety and quality process control.

The fast growth in the manufacturing division allowed for a strong profitability in the second half of the year, with an increase which brought about even higher margins as compared to the ones reported before the "BSE" crisis.

The charts that follow clearly illustrate the remarkable increase in the production sector.



Sales and profitability improved dramatically in the distribution sector, although final results have been affected by the profound reorganisation in the door to door business. The foodservice distribution has grown internally, primarily due to Marr's presence in a rapidly expanding market.

The restaurant line of business also improved performances, both in terms of sales and profitability, as activities started in the year gain momentum. Moreover, expansion in the "commercial" restaurant activities keeps growing at a steady pace through the acquisition of two new station buffets and the start-up of new points of sale in the existing ones, while onboard restaurant services is also growing, having been tendered restaurant services on the Paris-Clermond Ferrand and "Ligne de Coeur" (Paris-Lausanne-Zurich) stretches of track. At the end of November the "steakhouse" project was finally started, with the opening of the first "Roadhouse Grill" restaurant in Legnano.

Principal operational and corporate events

The main corporate event in the financial year was undoubtedly the official listing of the Parent Company CREMONINI s.p.a. in the STAR class of the Italian Stock Exchange as of July 2nd, 2001. Admission to listing in the STAR class (concerns the High Profile Stock listed on the Italian Stock Exchange) is reserved to a very restricted class of issuers, specifically to those corporations which are also able to meet information transparency requirements and which can ensure adequate internal checks in terms of Corporate Governance.

As to the management aspects, it has to be pointed that the "BSE" disease has had a strong impact on corporate management for a good portion of the 2001 financial year; despite the difficulties, the Group did not suffer a slow-down, and the problems arising out of the crisis spurred the business even more. Specifically, the following initiatives were taken:

Distribution

- Consistent with its development plans, Marr s.p.a. commenced its internationalization in Spain through the incorporation of Marr Foodservice Iberica s.l.. This company has taken over the activities of Mercatel s.l., a business that was already operating in the Balearic islands. This initiative is part of the Marr's development plans in Spain, which constitutes one of the major European markets for tourism.

- Marr Alisurgel s.r.l. acquired a business activity located in Carasco (GE), from the Gelofood s.r.l. corporation; the number of business units operating domestically in the foodservice business area surges to 18 if we include this new acquisition.

Commercial restaurant services

- CREMONINI s.p.a. purchased station buffets activities in the railway stations of La Spezia and Foggia, opened brand new outlets on the sites where it was operating already and was tendered management of restaurant services in some of the outlets at the Palermo airport.

- In the month of December, Cremonini s.p.a. entered into a preliminary agreement with Grandi Stazioni for the renewal of the concessions, for restaurant services at the stations where the Group has already been operating, for an 18 year period (Florence S.M.N., Genoa Brignole, Mestre, Palermo, Rome Termini). Under this agreement, Cremonini will have the possibility of opening new outlets in the stations in which it is not yet represented (Bologna, Milan, Naples and Venice), and to expand the restaurant services in the stations in which the Group is already offering its services.

- At the end of November, Roadhouse Grill Italia s.r.l. (a subsidiary of Cremonini s.p.a.) opened the first steakhouse with the Roadhouse Grill brand at Legnano. The Legnano steakhouse will be the very first outlet of a chain which will develop domestically and internationally, especially in Europe, in the future. In particular, the opening of at least 4 new restaurants in Italy is planned by the end of 2002.

- CREMONINI s.p.a. will manage, through a corporation named Food&co s.r.l., directly or through a franchising formula, restaurant services in at least 40 Bingo halls throughout Italy. Cremonini's entry into the management restaurant services in the Bingo halls forms part of the Group's strategy of expansion in innovative market segments that have synergies with its structure.

On board restaurant services

- The CE France s.a r.l. subsidiary, (now merged into Cremonini Restauration s.a.s.) was tendered restaurant services on the Paris-Clermont Ferrand stretch of track as from June 10th, 2001, for a period of three years.

- CREMONINI s.p.a. was tendered restaurant services on the 14 trains running on the Paris-Lausanne and the Paris-Zurich (so called "Ligne de Coeur") stretches of track. The success of the tender offer by Rail France-Suisse, a french-swiss corporation which manages the Ligne de Coeur TGV's, led to a three year agreement, renewable for another year at maturity. Activities effectively started as of February 1st, 2002.

Production

- Corte Buona s.p.a. changed its denomination into Montana Alimentari s.p.a. effective as of December 1st, 2001, and it also merged Multiservice s.p.a., the subsidiary operating in the gastronomy/snack food business. The operation is part of a vast project aiming at the increase of the "MONTANA" brand awareness, and at a better deployment of distribution and commercial synergies within the Group production sector. One of the first steps taken for such purpose, will be the distribution by Montana Alimentari s.p.a. of MONTANA canned products, produces by INALCA s.p.a..

- With a view to expanding operations to the european markets, Montana Alimentari s.p.a. acquired a firm operating on the polish market in the production and distribution of cured meats, through the newly incorporated Montana Farm s.p.zo.o, located in Platyny (Poland).

THE CREMONINI group

The Group, operating within the food sector, carries out its activities with a leading position in three macro areas of business:

- production (meat – cured meats and gastronomy/snack food);
- distribution (foodservice and door-to-door);
- restaurant services (commercial and on board).

Moreover, the Parent Company, both directly and through its subsidiaries, carries out support activities for the operating lines of business, providing services primarily in the areas of finance, corporate and fiscal, human resources, legal and insurance and information systems.

The following schedules summarize the results of the financial year for analysis and comments.

Consolidated statement of income

(in thousand of Euro)	**Year 2001**	*Year 2000*	*Var. %*
Total revenues	**1,364,900**	***1,388,744***	*(1.72)*
Changes in inventories of products in progress and finished products	(14,039)	*(7,037)*	
Value of production	**1,350,861**	***1,381,707***	*(2.23)*
Costs of production	(1,135,615)	*(1,190,187)*	
Value added	**215,246**	***191,520***	*12.39*
Staff expenses	(129,800)	*(125,405)*	
Gross operating margin	**85,446**	***66,115***	*29.24*
Amortization and write-downs	(48,307)	*(45,524)*	
Operating profit	**37,139**	***20,591***	*80.37*
Net financial income (expense)	(36,489)	*(32,668)*	
Profit (loss) from normal operations	**650**	***(12,077)***	*(a)*
Net income (expense) from stockholdings	(1,075)	*571*	
Net extraordinary income (expense)	(2,094)	*(671)*	
Profit (loss) before taxation	**(2,519)**	***(12,177)***	*79.31*
Taxation for the financial year	(10,932)	*2,465*	
Profit (loss) before minority interests	**(13,451)**	***(9,712)***	*(38.50)*
Minority's share of profit	(35)	*(249)*	
Group's share of profit (loss)	**(13,486)**	***(9,961)***	*(35.39)*

(a) figures not shown as not significant

Total revenues for 2001 were 1,365 milion euros, compared with the 1,389 million euros in prior year (-1.72%).
The decline is primarily owed to the impact on the production sector of the "BSE" disease crisis, particularly in the first quarter of the year.

The gross operating margin was 85.4 million euros, up 29.24% (19.3 million euro) over the year 2000, which amounted to 66.1 million euros. The remarkable increase stemmed from all core businesses, and it was primarily driven by higher profit margins in the production sector.

Operating profits were 37.1 million euros, almost twice as much as prior year (+80.37%), which amounted to 20.6 million euros.

Net financial expenses increase by 3.8 million euros, rising from 32.7 million in 2000 to 36.5 million in 2001, driven by a 2.4 million euros' reduction in proceeds from sale of securities under current assets.

The improvement in the key performance indicators of the Group allowed for a return to profitability of the normal operations line, which amounted to 0.7 million euros as against a loss of 12.1 million euros in 2000, with an increase of 12.7 million euros.

Consequently, profit before taxation results in a loss of 2.5 milion euros in 2001 from a 12.2 million euros' loss in prior year, an increase in profitability by 9.7 million euros.

Finally, the Group net loss for the year ended December 31, 2001, amounts to 13.5 million euros, as against a loss of 10.0 million euros in prior year, which included proceeds from pre-paid taxes for a total amount of 10.1 million euros.

Operating cash flow was 34.8 million euros, slightly lower than prior year (35.6 million euros).

Consolidated balance sheet

(in thousand of Euro)	**31.12.2001**	*31.12.2000*	*Var. %*
Intangible fixed assets	122,207	*131,359*	
Tangible fixed assets	391,010	*393,226*	
Stockholdings and other financial fixed assets	34,607	*35,089*	
Total fixed assets	**547,824**	***559,674***	*(2.12)*
Current assets	485,599	*448,899*	
Current liabilities	(294,797)	*(282,339)*	
Net working capital	**190,802**	***166,560***	*14.55*
Staff severance indemnities and other medium-long term provision	**(37,160)**	***(36,954)***	
Net capital employed	**701,466**	***689,280***	*1.77*
Group net equità	170,860	*187,705*	
Minority interests	1,497	*1,446*	
Total shareholders' equity	**172,357**	***189,151***	*(8.88)*
Medium-long term debts	323,921	*321,536*	
Short-term debts	205,188	*178,593*	
Net financial position	**529,109**	***500,129***	*5.79*
Shareholders' equity and debts	**701,466**	***689,280***	*1.77*

The 12.2 million euros' increase in net capital employed is primarily driven by the growth in working capital, particularly in the foodservice distribution business, stemming from the increase in total sales in the financial year.

Net consolidated financial position

(in thousand of Euro)	***31.12.2001***	*31.12.2000*
Bank loans, bonds and other financing		
- payable within 12 months	(227,868)	(211,614)
- payable between 1 and 5 years	(246,583)	(249,377)
- payable over 5 years	(78,949)	(73,708)
Total banks loans, bonds and other financing	**(553,400)**	**(534,699)**
Liquidity		
- cash and cash equivalents	22,135	32,932
- financial assets	2,156	1,638
Total liquidity	**24,291**	**34,570**
Total financial position, net of liquidity	**(529,109)**	**(500,129)**

Group net debts increase by 29.0 million euros, basically as a result of the increase in net working capital mentioned above.

The Group's long term debt is basically unchanged (325.5 million euros in 2001 as against 323.1 million euros in 2000) and so is its ratio to total net debts (approximately 62%).

The efficient treasury management enabled the Group to keep overall cost of funding in line with the decrease in market rates occurred in 2001, leaving unchanged the spread on the Euribor rate ensured in the 2000 financial year.

Financial results by segment of activities

Analyses of the results, by segment of activities, are summarized below.

Details of revenues by segment of activities

(in thousand of Euro)	***Year 2001***	*Year 2000*	*Var. %*
Distribution	614,719	547,705	
- intercompany revenues	(4,850)	(4,055)	
Net total	**609,869**	**543,650**	*12.18*
Production	599,318	713,088	
- intercompany revenues	(25,796)	(22,004)	
Net total	**573,522**	**691,084**	*(17.01)*
Restaurant activities	176,056	147,474	
- intercompany revenues	(22)	(63)	
Net total	**176,034**	**147,411**	*19.42*
Parent company and centralized	11,523	14,036	
- intercompany revenues	(6,048)	(7,437)	
Net total	**5,475**	**6,599**	*(17.03)*
	1,364,900	**1,388,744**	*(1.72)*

Breakdown of results by segment of activities

As at December 31, 2001

(in thousand of Euro)	*Production*	*Distribution*	*Restaurant activities*	*Parent company and centralized*	*Other adjustments*	*Total*
Total revenues	**599,318**	**614,719**	**176,056**	**11,523**	**(36,716)**	**1,364,900**
Change in inventories of products in progress and finished products	(14,039)	-	-	-	-	(14,039)
Operating costs	(559,714)	(585,219)	(155,196)	(7,423)	36,613	(1,270,939)
Securitization costs	5,037	5,787	-	(5,300)	-	5,524
Gross operating margin	**30,602**	**35,287**	**20,860**	**(1,200)**	**(103)**	**85,446**
Amortization	(24,293)	(8,630)	(5,149)	(4,664)	-	(42,736)
Write-downs and other provisions	(1,004)	(3,941)	(309)	(317)	-	(5,571)
Operating profit (loss)	**5,305**	**22,716**	**15,402**	**(6,181)**	**(103)**	**37,139**
Difference between value and cost of production	268	16,929	15,402	(881)	(103)	31,615
Securitization costs	5,037	5,787	-	(5,300)	-	5,524
Operating profit (loss)	**5,305**	**22,716**	**15,402**	**(6,181)**	**(103)**	**37,139**

As at December 31, 2000

(in thousand of Euro)	*Production*	*Distribution*	*Restaurant activities*	*Parent company and centralized*	*Other adjustments*	*Total*
Total revenues	**713,088**	**547,705**	**147,474**	**14,036**	**(33,559)**	**1,388,744**
Change in inventories of products in progress and finished products	(7,037)	-	-	-	-	(7,037)
Operating costs	(695,595)	(518,540)	(130,604)	(10,883)	33,411	(1,322,211)
Securitization costs	4,120	3,962	-	(1,463)	-	6,619
Gross operating margin	**14,576**	**33,127**	**16,870**	**1,690**	**(148)**	**66,115**
Amortization	(22,548)	(8,473)	(4,775)	(4,418)	-	(40,214)
Write-downs and other provisions	(1,079)	(3,845)	(327)	(59)	-	(5,310)
Operating profit (loss)	**(9,051)**	**20,809**	**11,768**	**(2,787)**	**(148)**	**20,591**
Difference between value and cost of production	(13,171)	16,847	11,768	(1,324)	(148)	13,972
Securitization costs	4,120	3,962	-	(1,463)	-	6,619
Operating profit (loss)	**(9,051)**	**20,809**	**11,768**	**(2,787)**	**(148)**	**20,591**

Consolidated total revenues decreased by 23.8 million euros (-1.72%).

The decrease in revenues was driven by the production sector, as a consequence of the "BSE" disease crisis, which caused for a slump in volumes in the first two quarters of the year, and in the average market prices eventually. Growth rates were very high, on the other hand, both in the distribution sector (+12.2%) and in the restaurant activities (+19.4%); the former as a result of the internal growth brought about by a higher market penetration on the part of Marr's distribution network, the latter consequently to both internal growth and to the prolongued time of activity of the subsidiary Momentum Services ltd as opposed to prior year, where it began operations only as from June 1st, 2000.

The gross operating margin was 85.4 million euros, up 29.2% over the year 2000, which amounted to 66.1 million euros.

The remarkable increase was primarily driven by higher profit margins in the production sector, which more than doubled with respect to prior year, as already mentioned above.

The contribution given by the other two sectors to the gross operating margin has been significant. Distribution increases its gross operating margin by 6.5% despite the substantial expenses for the reorganisation in the door to door business. The gross operating margin in the restaurant services sector increased by 23.7% due to the trimming up of own outlets network.

Operating profit soared by an amazing 80.4%, for an increase in value of 16.5 million euros, improving in all three Group business line.

Breakdown of revenues from sales and services by geographic area

As at December 31, 2001 (in thousand of Euro)

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

As at December 31, 2000 (in thousand of Euro)

	Production	*%*	*Distribution*	*%*	*Restaurant activities*	*%*	*Other*	*%*	***Total***	*%*
Italy	489,234	71.5	520,081	97.0	106,865	75.6	5,418	99.2	**1,121,598**	82.0
European Union	108,653	15.9	7,976	1.5	34,513	24.4	-	-	**151,142**	11.1
Outside the E.U.	86,509	12.6	7,989	1.5	-	-	41	0.8	**94,539**	6.9
Total	684,396	100	536,046	100	141,378	100	5,459	100	**1,367,279**	100

Overall foreign markets penetration by the Group keeps being sustained (18% of total sales).

Except for the decline in export in the production sector, owed to the "BSE" disease and to the foot and mouth disease, export perfomances in the other divisions were fairly positive.

The distribution division only just started its market expansion abroad, while the restaurant services division benefited from twelve months operations of the subsidiary Momentum, which in the year 2000 was active for only seven months.

Balance sheet details by segment of activities

As at December 31, 2001

(in thousand of Euro)	*Production*	*Distribution*	*Restaurant activities*	*Parent company and centralized*	*Other adjust.*	*Total consolidated*
Intangible fixed assets and consolidation differences	25,770	66,061	22,124	8,252	-	122,207
Tangible fixed assets	297,436	32,809	11,515	49,250	-	391,010
Financial fixed assets	6,764	1,827	1,614	24,402	-	34,607
Total fixed assets	**329,970**	**100,697**	**35,253**	**81,904**	**-**	**547,824**
Current assets	221,706	193,589	38,194	40,103	(7,993)	485,599
Current liabilities	(122,482)	(124,881)	(44,609)	(10,859)	8,034	(294,797)
Net working capital	**99,224**	**68,708**	**(6,415)**	**29,244**	**41**	**190,802**
Prov. for staff severance indemnities and other	**(16,357)**	**(8,031)**	**(8,768)**	**(4,004)**	**-**	**(37,160)**
Net capital employed	**412,837**	**161,374**	**20,070**	**107,144**	**41**	**701,466**

Net financial position by segment of activities

As at December 31, 2001

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

As at December 31, 2000

(in thousand of Euro)	*Production*	*Distribution*	*Restaurant activities*	*Parent company and centralized*	*Total consolidated*
Bank loans, bonds and other financing					
- payable within 12 months	(131,823)	(15,208)	(7)	(64,576)	(211,614)
- payable between 1 and 5 years	(24,921)	(19,202)	-	(205,254)	(249,377)
- payable over 5 years	(45,672)	(1,298)	-	(26,738)	(73,708)
Total bank loans, bonds and other financing	**(202,416)**	**(35,708)**	**(7)**	**(296,568)**	**(534,699)**
Liquidity					
- cash and cash equivalents	4,003	9,623	7,671	11,635	32,932
- financial assets	-	-	89	1,549	1,638
Total liquidity	**4,003**	**9,623**	**7,760**	**13,184**	**34,570**
Internal treasury current accounts	**(14,108)**	**(53,417)**	**(6,536)**	**74,061**	**-**
Total financial position net of liquidity	**(212,521)**	**(79,502)**	**1,217**	**(209,323)**	**(500,129)**

The operating segment of activities of the Group

Distribution

The division includes the following segments and respective companies:

a) Foodservice distribution

MARR s.p.a.	Via Spagna n. 20	Rimini
MARR ALISURGEL s.r.l.	Via del Carpino n. 4	Santarcangelo di R. (RN)
BATTISTINI ELVIRO s.r.l.	Via del Carpino n. 4	Santarcangelo di R. (RN)
S.I.A.S. s.p.a.	Via del Carpino n. 4	Santarcangelo di R. (RN)
ALISEA soc. cons. a r.l.	Via Colle Ramole n. 9	Impruneta (FI)

b) Door-to-door distribution

MARR s.p.a. – "Quinta Stagione" Division	Via Spagna n. 20	Rimini

The allotment of revenues to activities is shown below.

Breakdown of revenues by activity *(in thousand of Euro)*	***Year 2001***	*Year 2000*	*Var. %*
Foodservice distribution	597,225	529,183	*12.86*
- intercompany revenues	-	(497)	
Net total	**597,225**	**528,686**	*12.96*
Distribution door-to-door	17,494	19,044	*(8.14)*
- intercompany revenues	-	(25)	
Net total	**17,494**	**19,019**	*(8.02)*
	614,719	**547,705**	*12.24*

As explained above, the distribution division improved both profitability and sales despite the reorganisation expenses for the door to door distribution activities.

The foodservice distribution activity increased by 12.9%.
2001 marked an important growth milestone, especially if compared to the average performance of the italian foodservice market. Despite a general decrease in market prices, and a slight decline in gross profit margins, the growth in operating profits derived from the overabsorption of fixed costs.

Business management featured a stronger focus on strategic distribution channels (particularly hotels and restaurants) and a consolidation and increase in Marr-branded product lines (Pantano, Sprint Day, Blue Line, Prest, Carnemilia, Promar, etc.), which are known as service-intensive products the quality of which is widely recognised by our customers.

Sales broken down by type of goods are illustrated in the table that follows:

Break-down by type of goods	*2001*	*2000*
Food	31%	32%
Meat	22%	26%
Fish	44%	39%
Fruit & Vegetables	2%	2%
Hotel equipment	1%	1%

The growth in foodservice activities was brought about by a more effective geographic distribution, accomplished through continued investments in the commercial structures, including the enhancement and training provided for our sales force, which actually consists of almost 430 sales representatives and 40 area managers.

As to the sales network, the growth in traditional channels, such as hotels and restaurants, is confirmed, together with the decline in the public institutions (hospitals, schools, etc.), considering the difficulties we normally face up to in collecting receivables.

The door to door activity suffered an 8.1% reduction.
The crisis in this type of distribution channel entailed a downsizing of the structure, in order to create a unit which would be more flexible and adequate for the type of business. The business unit reorganisation, which is now completed, strongly jeopardised the structure's profitability, causing a reduction, in turn, in the entire sector profits.

Production

The sector under examination includes the following areas and respective companies:

a) Beef and meat-based products

INALCA s.p.a.	Via Spilamberto n. 30/C	Castelvetro di Modena
GES.CAR. s.r.l.	Via Spilamberto n. 30/C	Castelvetro di Modena
GUARDAMIGLIO s.r.l.	Via Coppalati n. 52	Piacenza
AZ. AGR. CORTICELLA s.r.l.	Via Corticella n. 3	Spilamberto (MO)
FRIMO s.a.m.	20, Boulevard de Suisse	Montecarlo

b) Cured meats and gastronomy/snack food

MONTANA ALIMENTARI s.p.a.	Via Marconi n. 3	Gazoldo Degli Ippoliti (MN)

c) Spices, flavourings and food additives

COMPAGNIA DELLE SPEZIE s.r.l.	Via dell'Industria n. 23	Gattatico (RE)

The apportionment of the revenues by activity is given below.

Breakdown of revenues by activity *(in thousand of Euro)*	***Year 2001***	*Year 2000*	*Var. %*
Beef and meat-based products	520,095	633,980	*(17.96)*
- intercompany revenues	(2,005)	(1,024)	
Net total	**518,090**	**632,956**	*(18.15)*
Cured meats and gastronomy/snack food	77,274	75,543	*2.29*
- intercompany revenues	(534)	(318)	
Net total	**76,740**	**75,225**	*2.01*
Spices and flavourings	5,710	6,548	*(12.80)*
- intercompany revenues	(1,222)	(1,641)	
Net total	**4,488**	**4,907**	*(8.54)*
	599,318	**713,088**	*(15.95)*

As explained above, 2001 marked a sharp decline in the european bovine meat market consequently to the "BSE" crisis.

The firms operating in the beef business managed to face up to the dramatic decline in sales in the first quarter 2001, by rapidly and adequately responding to the changing customer needs. Beginning in the second quarter of 2001, these firms managed to leverage on their know-how, their industrial organisation and on their technology, which enabled them to promptly satisfy the changing customer needs in terms of safety and quality control processes, to rapidly achieve very positive results.

As a matter of fact, the market scenario, both in Italy and in Europe, has completely changed since prior year. Sales of traditional "in bone" meat suffered a dramatic decline after the new health rules introduced following the "BSE" crisis came into force (i.e. removal of spine from adult bovines being slaughtered), while the demand in unboned and transformed products, in which the Group had already made conspicuous investments, surged.

The firms operating in the sector continued their operations on the markets outside the EU, strengthening their sales network through those units which were active in the most interesting target countries (Russia, Angola, Uzbekistan, etc.).

Further objectives on the non-EU markets were achieved through the incorporation of a sub-holding subsidiary in Russia, named "Inalca Russia" and headquartered in Moscow, which will be the operating arm for our future development in the area.

Revenues from the cured meat and snack foods business areas increased in 2001 as compared to the year 2000, partly due to the actual growth in volumes sold (gastronomy) and partly as a result of the increase in average selling prices (cured meats). The major events which occured in the year, namely the "BSE" crisis emergency and the foot and mouth disease in Northern Europe, had an enormous impact on the supply of raw materials in the first and second quarter, which downturn caused for a steep rise in costs, increased by 30% and 40%.

As to cured meats, the growth was particularly strong in free service and bresaola segment, confirming its positioning as an important market player in the modern distribution channel, by virtue of the MONTANA brand name.

The MONTANA brand awareness improvement strategy gains new momentum with the launch of several brand products (IGP mortadellas, ham, salami, sliced products, pre-roasted products). New industrial activities were also implemented in collaboration with INALCA, thus identifying production synergies in the field of meat based products.

As far as the gastronomy segment is concerned, the implementation of the new "atp" lines, particularly for the production of sandwiches, allowed for penetration, at very high growth rates, in new markets.

Export direct sales keep growing, with an increase of 9% as compared to prior year.

Restaurant activities

The activities conducted in the sector under examination are subdivided into two segments, through the following companies and/or corporate divisions:

a) On board restaurant services

CREMONINI s.p.a. – Railways Div.	Via Modena n. 53	Castelvetro di Modena
MOMENTUM SERVICES ltd	Mulliner House Flanders Road Turnham Green	London (Great Britain)
CREMONINI RESTAURATION s.a.s. – Railways Division	102, Av. de Champs Elysées	Paris (France)

b) Commercial restaurant services

CREMONINI s.p.a. – Commercial Div.	Via Modena n. 53	Castelvetro di Modena
ROADHOUSE GRILL ITALIA s.r.l.	Via Modena n. 53	Castelvetro di Modena
S.A.M. s.r.l.	Via Modena n. 53	Castelvetro di Modena
MISTER FOOD s.p.a.	Via Modena n. 53	Castelvetro di Modena
CREMONINI RESTAURATION s.a.s. – Commercial Division	102, Av. de Champs Elysées	Paris (France)

The contribution of each business activity to total revenues is illustrated below.

Breakdown of revenues by activity *(in thousand of Euro)*	***Year 2001***	*Year 2000*	*Var. %*
On board restaurant services	117,430	94,620	*24.11*
- intercompany revenues	(480)	(83)	
Net total	**116,950**	**94,537**	*23.71*
Commercial restaurant services	59,124	53,137	*11.27*
- intercompany revenues	(18)	(200)	
Net total	**59,106**	**52,937**	*11.65*
	176,056	**147,474**	*19.38*

Total revenues in the restaurant services sector increased by 19.4%, for an amount of 28.6 million euros; the improvement took place in both business activities.

As to the railways on-board restaurant services, CREMONINI Group positions itself as one of the european market leaders in 2001, with an increase in total revenues from the business area amounting to 22.8 million euros.

By virtue of the two on-board restaurant services tendered to the Group in the year, CREMONINI now ranks as the third corporation in this type of segment.

Revenues in the commercial restaurants improved by 6.0 million euros in 2001; the achievement followed the stregthening of market position under concessions business area through the leadership in the railway stations' buffets management business.

The preliminary agreement with Grandi Stazioni will further enhance business development, with the opening of new outlets in the stations where the Group is not yet present, and will widen the range of restaurant services provided, in those places where it's already active.

Centralized activities

Activities in this area consist in the provision of specialized services in support of the activities of the operating sectors and the management of the property portfolio, and comprise the following companies:

a) Properties and services

CREMONINI FINANCE plc	78 Cannon Street	London (Great Britain)
GLOBAL SERVICE s.r.l.	Via Modena n. 53	Castelvetro di Modena
INTERJET s.r.l.	Via Belvedere n. 23	Castelvetro di Modena
CONS. CENTRO COMMERCIALE INGROSSO CARNI s.r.l.	Via Fantoni n. 31	Bologna

b) Parent company

CREMONINI s.p.a.–Div. Holding	Via Modena n. 53	Castelvetro di Modena

Breakdown of revenues by activity *(in thousand of Euro)*	***Year 2001***	*Year 2000*	*Var. %*
Property and services	6,583	6,940	*(5.14)*
- intercompany revenues	(305)	(468)	
Net total	**6,278**	**6,472**	*(3.00)*
Parent company	5,458	7,620	*(28.37)*
- intercompany revenues	(213)	(56)	
Net total	**5,245**	**7,564**	*(30.66)*
	11,523	**14,036**	*(17.90)*

Specialized services

Global Service s.r.l.

The company directly carries out the activities related to three operating divisions:
- *technical division*: buildings and plants designing, management of maintenance, restructuring and renovation activities;
- *information technology division*: centralised management of hardware and software of subsidiaries;
- *personnel administration division*: management of payroll for Group employees.

Interjet s.r.l.

The company provides air transport services, managing the Group's aircraft from the operating base in Bologna. In 2001 the company also formed a division for the management of railway routes in the context of the liberalization of European railway networks.

Cremonini Finance plc

It is a financial corporation which issued, on behalf of the Group, a 250 billion lire Eurobond placed on the international markets.

Management of the property portfolio

Real estate activities underwent a further concentration process, with the merging of C.E.I.Be.C. s.r.l. into CREMONINI s.p.a., which is now responsible for the management of all civilian, commercial and office premises within the Group.

Beside CREMONINI s.p.a., part of the real estate activities is carried out by Consorzio Centro Commerciale Ingrosso Carni s.r.l..

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

Investments

Throughout 2001, tangible net investments amounted to 24.9 million euros; the figure is computed as the difference between an increase of 28.2 million euros and a reduction of 3.3 million euros deriving from asset disposals.

Total net increase in intangible fixed assets amounts to 8.3 million euros.

Net investments by segment of activities

(in thousand of Euro)	*Production*	*Distribution*	*Restaurant activities*	*Other*	*Total*
Land and buildings	3,972	127	1,917	78	6,094
Plant and machinery	8,842	414	554	19	9,829
Industrial and commercial equipment	1,219	39	631	1	1,890
Other tangible fixed assets	966	463	1,095	351	2,875
Tangible fixed assets under development and advances	1,265	673	549	1,698	4,185
Total	**16,264**	**1,716**	**4,746**	**2,147**	**24,873**
Formation and start-up costs	2	64	792	16	874
Cost of research, development and advertising	473	31	5	-	509
Cost of industrial patents and rights for the use of intellectual property	825	165	148	39	1,177
Concessions, licences, brand names and similar rights	92	5	155	12	264
Goodwill	-	378	1,560	-	1,938
Net consolidation difference change	-	-	59	-	59
Intangible fixed assets under development and advances	(72)	1,067	505	212	1,712
Other intangible fixed assets	89	475	1,198	11	1,773
Total	**1,409**	**2,185**	**4,422**	**290**	**8,306**

Tangible fixed asset investments primarily refer to the beef business area, and involve the construction of incinerators for the Castelvetro and Ospedaletto Lodigiano plants.

Investments in the restaurant services segment refer to the acquisition of new station buffets outlets, the enlargement of the existing ones and to the development of the "Roadhouse Grill" project.

Research and development

Most of the research and development activities were made in the production sector, and refer to new transformed and service-intensive products which utilise the MONTANA brand name (products developed in a modified atmosphere such as carpaccio, brasato, bresaola, pre-roasted and pre-fried hamburgers, beefs and different types of fresh products).

Post balance sheet events

Production

- On February 22nd, 2002, INALCA entered into a rental agreement with Real Food s.p.a., located at Roveleto di Cadeo (Piacenza), whereby it will manage all of its activities. The agreement was entered into through the Real Food 3 s.r.l. corporation, a 100% owned subsidiary of INALCA s.p.a.. Real Food s.p.a. achieved total revenues for 88 million euros in 2001.

- Following an agreement with INALCA s.p.a., as of January 1st, 2002, Montana Alimentari s.p.a. will take care of the distribution of canned meat branded by MONTANA, thus completing a reorganisation which aggregates several activities of the CREMONINI Group into one single structure which should optimize commercial and distribution strategies and reduce operating expenses.

Restaurant activities

In the on-board restaurant services, another major achievement was the tendering of on-board services on the Thalys high speed trains connecting France to Belgium and the Netherlands. This success will rank the Group second in Europe for railways restaurant service activities.

Furthermore, with reference to the commercial restaurant activities, buffets at the Genoa Porta Principe, Trieste and Milan Greco Pirelli railway stations were acquired.

Finally, on 21 March 2002, CREMONINI s.p.a.. held treasury stock totalling 9,475,957 shares of a value of 18,887 thousand euros; the movements in the course of the first quarter of 2002 were the following:

Period	*No. of shares*	*Paid up amount (in thousand of Euro)*	*Valuation (in thousand of Euro)*
December 31, 2001	9,075,000		18,206
Change January 2002	128,420	219	
Change February 2002	155,966	258	
Change March 2002	116,571	204	
21 March 2002	9,475,957		18,887

Management's views on future developments

In the bovine meat business area, the upward trend started in the second quarter of 2001 seems to be continuing, and could be confirmed in 2002 also. Industrial concentration will allow the Group corporations to acquire new market shares and to better utilise production technologies. Good results are also expected of the initiatives started abroad.

Operating plans developed for the distribution business area, together with the planned commercial and logistics activities, let us envision a consolidation of the market leadership positioning and a further business growth.

The restaurant services business area will keep growing in Italy and abroad in both segments:
- the on-board segment will aim at consolidating its market leadership throughout Europe, particularly after the recent significant tendering of services on the "Thalys" trains;
- commercial restaurants will focus on maintaining its leadership in the concession restaurant services, aside from the future development of the newly started "Roadhouse Grill" project.

The outlook for all market segments in which the Group operates is very positive, and the performances measured in the very first part of the year let us envision positive results for the 2002 financial year.

The Parent Company

Concerning corporate aspects, in 2001 C.E.I.Be.C. s.r.l. merged into CREMONINI s.p.a.. Therefore, all the principal activities in the real estate business are now performed by the Parent Company.

For the purpose of comparing financial statements over different financial years, the table below illustrates reclassified balance sheet and statement of income, in which the data were made homogeneous.

Statement of income

	2001	2000			
(in thousand of Euro)	***Total financial statements at 31.12.2001***	*Total pro-forma at 31.12.2000*	*Adjustments*	*Company merged in 2001 (C.E.I.Be.C.)*	***Total financial statements at 31.12.2000***
		(A)+(B)+(C)	*(C)*	*(B)*	*(A)*
Total revenues	**122,129**	**117,469**	**(324)**	**1,830**	**115,963**
Change in inventories of products in progress and finished products	-	-	-	-	-
Value of production	**122,129**	**117,469**	**(324)**	**1,830**	**115,963**
Cost of production	(76,216)	(71,939)	320	(1,257)	(71,002)
Value added	**45,913**	**45,530**	**(4)**	**573**	**44,961**
Staff expenses	(29,666)	(28,926)	-	-	(28,926)
Gross operating margin	**16,247**	**16,604**	**(4)**	**573**	**16,035**
Amortization and write-downs	(9,094)	(7,976)	-	(443)	(7,533)
Operating profit (loss)	**7,153**	**8,628**	**(4)**	**130**	**8,502**
Net financial income (expense)	(7,994)	(5,010)	4	(795)	(4,219)
Profit (loss) from normal operations	**(841)**	**3,618**	-	**(665)**	**4,283**
Net income (expense) from stockholdings	2,900	(22,564)	-	-	(22,564)
Net extraordinary income (expense)	(1,467)	680	-	7	673
Profit before taxation	**592**	**(18,266)**	-	**(658)**	**(17,608)**
Taxation for the financial year	203	4,565	-	(10)	4,575
Net profit (loss)	**795**	**(13,701)**	-	**(668)**	**(13,033)**

Balance sheet

(in thousand of Euro)	2001 *Total financial statements at 31.12.2001*	2000 *Total pro-forma at 31.12.2000*	*Adjustments*	*Company merged in 2001 (C.E.I.Be.C.)*	*Total financial statements at 31.12.2000*
		(A)+(B)+(C)	*(C)*	*(B)*	*(A)*
Intangible fixed assets	16,723	18,793	-	162	18,631
Tangible fixed assets	51,721	36,108	-	25,908	10,200
Stockholdings and other financial fixed assets	300,935	325,459	-	1	325,458
Total fixed assets	**369,379**	**380,360**	**-**	**26,071**	**354,289**
Current assets	73,426	69,167	(5,298)	762	73,703
Current liabilities	(41,315)	(41,938)	5,298	(3,222)	(44,014)
Net working capital	**32,111**	**27,229**	**-**	**(2,460)**	**29,689**
Staff severance indemnities and other medium long-term provisions	**(12,103)**	**(12,009)**	**-**	**(10)**	**(11,999)**
Net capital employed	**389,387**	**395,580**	**-**	**23,601**	**371,979**
Total shareholders' equity	**180,948**	**193,331**	**-**	**10,022**	**183,309**
Medium long-term debts	96,516	118,371	-	14,414	103,957
Short-term debts	111,923	83,878	-	(835)	84,713
Net financial position	**208,439**	**202,249**	**-**	**13,579**	**188,670**
Shareholders' equity and debts	**389,387**	**395,580**	**-**	**23,601**	**371,979**

Net financial position

(in thousand of Euro)	2001 Total financial statements at 31.12.2001	2000 Total pro-forma at 31.12.2000	Adjustments	Company merged in 2001 (C.E.I.Be.C.)	Total financial statements at 31.12.2000
		(A)+(B)+(C)	(C)	(B)	(A)
Banks loans and other financing					
- payable within 12 months	(78,663)	(61,981)	-	(1,828)	(60,153)
- payable between 1 and 5 years	(77,435)	(91,633)	-	(6,948)	(84,685)
- payable over 5 years	(19,081)	(26,738)	-	(7,466)	(19,272)
Total bank loans and other financing	**(175,179)**	**(180,352)**	**-**	**(16,242)**	**(164,110)**
Liquidity			-		
- cash and cash equivalents	2,515	12,282	-	108	12,174
- financial assets	17,130	17,264	-	-	17,264
Total liquidity	**19,645**	**29,546**	**-**	**108**	**29,438**
Internal treasury current accounts	**(52,905)**	**(51,443)**	**-**	**2,555**	**(53,998)**
Total financial position, net of liquidity	**(208,439)**	**(202,249)**	**-**	**(13,579)**	**(188,670)**

Note: The item "Internal treasury current accounts and other loans to/from subsidiaries" includes the loan of 129 million Euro from the subsidiary Cremonini Finance ltd, with a maturity in February 2003.

Other than the typical activities of an holding company, the Parent Company provides the Group companies with specific services and manages, through a dedicated division, the restaurant activities (on board and commercial).

The direct services

The specific transactions and services, provided to the companies of the Group at normal market conditions, concern the following operating areas:

finance: centralised treasury management and special and medium-long term borrowings;

guarantees and advisory services: release of stand-by letters of credit (banking and insurance type) and general advisory services on subjects such as accounting, corporate law, tax, legal and contractual;

insurance: management of insurance coverage for all the companies in the Group;

factoring of trade receivables: servicer on behalf of the factoring company CRC s.p.a. for the operative and mandate management on behalf of the subsidiaries INALCA s.p.a., Marr s.p.a. and Montana Alimentari s.p.a. in the presentation of the receivables and encashment of the net proceeds of the cession itself. The turnover and other elements of the securitization operation are described in the explanatory notes.

Restaurant activities

The Company conducts both directly and also through its subsidiaries, activities in the commercial and public transport restaurant services businesses, particularly those on-board trains .

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

Transactions with Group and affiliated companies

With specific reference to the activities of CREMONINI s.p.a. itself and the specific financial and services transactions with subsidiary and affiliated companies, all made at market conditions, we specify that these concerned the following typologies of costs and revenues for which we indicate the total value. The appropriate attachments of the explanatory notes show the balances and financial transactions included in the financial statements, subdivided by type, relative to the subsidiary and affiliated companies:

	Subsidiaries	*Associated companies*	*Affiliated companies*
		(in thousand of Euro)	
Financial income	12,550	1	-
Income from services	3,915	-	32
Sales of goods	40	-	-
Other income	636	-	-
Financial expense	6,704	-	-
Services expense	508	-	1
Purchase of goods	7,126	-	-
Other expense	850	-	-
Loans and receivables	214,884	92	162
Loans and payables	261,060	-	-

Treasury stock

The company owns treasury stock acquired on the basis of a mandate conferred to the Directors and as a result of decisions taken by the Board of Directors in this connection, with the scope of maintaining stability of the Company's share price.

Movements in treasury stock were as follows:

	Number of stock	*Total nominal value*	*% of capital*	*Purchase/Sale amount (Euro/000)*	*Balance sheet value (Euro/000)*
Treasury stock under fixed assets					
Number of shares as at 31.12.2000	4,113,000	2,138,760	2.90	-	10,501
Purchases	-	-	-	-	-
Sales	-	-	-	-	-
Total stock as at 31.12.2001	**4,113,000**	**2,138,760**	**2.90**	**-**	**10,501**
Treasury stock under current assets					
Number of shares as at 31.12.2000	-	-	-	-	-
Purchases	5,077,000	2,640,040	3.58	7,949	-
Sales	(115,000)	(59,800)	(0.08)	(218)	-
Total stock as at 31.12.2001	**4,962,000**	**2,580,240**	**3.50**	**-**	**7,705**
Total	**9,075,000**	**4,719,000**	**6.40**	**-**	**18,206**

Other than as reported under the heading "post balance sheet events", we confirm that CREMONINI does not own any other treasury stock, either through a fiduciary company, or through any person acting as nominee.

The subsidiary and associated companies do not own CREMONINI shares, either directly, through a fiduciary company, or through any person acting as nominee and these companies, during the course of the financial year, have not purchased or sold Parent Company shares.

Three year stock-option plan

With reference to the 2000 financial year (final tranche of stock-option plan) and in compliance with its management authority, the Board approved a resolution on March 23rd, 2001, whereby it identified the assignees of premium shares issued, offering them the right to obtain, within the Plan and complying with regulations in force at the time of the resolution, the following overall number of shares:

	No. of shares	*Percentage on equity*
Year 2001	66,240	0.05

Consequently, the shareholders' meeting of April 28th, 2001, through a deed by the Vellani public notary, resolved the share premium issue and the allotment of no. 66,240 shares to the identified assignees.

Consistently with the above description, and following specific indications by the Consob, the Plan evolution is illustrated in the table that follows:

YEAR 2001	*No. of shares*	*Average price for the financial year*	*Market price (Euro)*
Existing rights at 1.1.2001	66,240	0	1.62
Rights assigned during the period	(66,240)		
Existing rights at 31.12.2001	0	0	

Directors' undertakings

As at December 31, 2001, the undertakings in CREMONINI s.p.a. and in its subsidiaries, owned by Directors were as follows:

Name	Company	Held at 31.12.2000		Purchases Assignments Subscriptions		Sales		Held at 31.12.2001	
		Shares no.	Amount n.v.	Shares no.	Amount n.v.	Shares no.	Amount n.v.	Shares no.	Amount n.v.
		numbers and values in thousands							
Cremonini Luigi	Cremonini s.p.a.	13,080						13,080	
Fabbian Valentino	Cremonini s.p.a.	55						55	
Cremonini Vincenzo	Cremonini s.p.a.	48						48	
Ravanelli Ugo	Cremonini s.p.a.	47						47	
Pedrazzi Giorgio	Cremonini s.p.a.	47						47	
Barberis Giovanni	Cremonini s.p.a.	24						24	
Aratri Illias	Cremonini s.p.a.	73						73	
Aratri Illias	Roadhouse G.I. s.r.l.		0.516						0.516
Aratri Illias	Quality & Service s.r.l.		0.929				(0.929)		

The Powers conferred to Directors

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

- the Chairman, Mr. Luigi Cremonini, other than being the legal representative of the Company as described in Article 21 of the Articles of Association, has been granted the power to sign severally, within the limits of the powers conferred upon him by the Board of Directors at a meeting held on March 12th, 1999;
- the Chief Executive Officer, Mr. Vincenzo Cremonini, other than being the legal representative of the Company as described in Article 21 of the Articles of Association, has been granted the power to sign severally. The Chief Executive Office represents the Company within the limits of the powers conferred upon him by the Board of Directors at a meeting held on March 10th, 2001;
- the Chief Executive Officer of the Restaurant Division, Mr. Valentino Fabbian, has been granted the power to sign severally with specific reference to the activities of the Restaurant Division, within the limits of the powers conferred upon him by the Board of Directors at a meeting held on March 12th, 1999.

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

During the 2001 financial year both the Chairman and the Chief Executive Officers used the powers conferred upon them for normal management requirements only, while material transactions, by type, nature and value, were approved by a meeting of the Board of Directors.

Other information

At the shareholders' meeting held as at April 28th, 2001, the following resolutions were approved:

4# the number of Board members was increased to include external "indipendent" members, pursuant to the requirements of our "Self-discipline" Code;

4# the "meeting regulations" were introduced, with rules which should discipline all shareholders' meetings (ordinary, extraordinay, special and note-holders).

In the financial year the Board:

4# in compliance with legislation in force (Ministerial Decree 162/2000), verified the existence of all requirements of members of the Board of Statutory Auditors;

4# it introduced the "Self-discipline" Code ("Code") set of rules, following specific indications by the Italian Stock Exchange authority, and therefore:

  ∉# it established a "Committee for Emoluments to Directors";

  ∉# it established a "Internal Control and Corporate Governance Committee".

Moreover, after providing all information requested of the Issuers, adopted the new "Code" and after the appointment of a "specialist" and an "investor relator", on July 2nd, 2001, ordinary stocks of the Corporation were admitted to listing on the Italian Stock Exchange in the new STAR class.

With reference to the contents of the Legislative Decree dated June 8th, 2001, no. 231, about the "administrative responsibility of legal entities", we confirm the implementation of processes in order to identify areas of risk, and we are carrying out activities to monitor all procedures aiming at creating/executing contracts with the public administration in general. Specifically, we might implement behavioural and management models based on "codes", set out by the different category associations, which were forwarded to the pertaining Ministries, and are now waiting for comments and evaluations. Once approved, such codes will be a reference point for all corporate decision making processes, also with a view to the imminent “corporate law reforms” as per Act no. 366/2001.

* * * * * * * * * *

Shareholders,

prior to concluding and requesting your votes, we confirm that the financial statements as at December 31, 2001, which have been presented for your examination and approval at this shareholders' meeting, have been prepared in conformance with current legislation.

With reference to the financial results for the year, a net profit of 794,840 euros, we propose the following distribution:

4# increase in legal reserve to reach for the limits as per art. 2430 of Civil Code	Euro	107,339
4# to increase retained earnings	Euro	687,501

Furthermore, the 2001 financial statements’ approval marks the end of the management authority conferred upon the actual Directors’ at the time. In compliance with art. 2383 of the Italian Civil Code, we invite you to resolve on appointments for the 2002-2004 period.

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

Castelvetro di Modena, 22 March 2002

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

Parent Company Financial Statements as at December 31, 2001

Balance sheet
Memorandum accounts
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Financial statements as at December 31, 2001

Balance sheet - Assets

(in Euro)	**31.12.2001**	*31.12.2000*
B) Fixed assets		
I. Intangible		
1) Formation and start-up costs	1,852,442	*3,436,583*
2) Costs of research, development and advertising		*1,498*
3) Cost of industrial patents and rights		
for the use of intellectual property	113,943	*74,158*
4) Concessions, licences, brand names and similar rights	191,249	*68,787*
5) Goodwill	5,132,192	*4,849,304*
6) Intangible fixed assets under development and advances	1,092,564	*815,189*
7) Other intangible fixed assets	8,340,230	*9,384,984*
	16,722,620	*18,630,503*
II. Tangible		
1) Land and buildings	30,407,302	*2,158,224*
2) Plant and machinery	3,207,967	*2,884,827*
3) Industrial and commercial equipment	817,849	*543,759*
4) Other tangible fixed assets	3,976,753	*3,435,626*
5) Tangible fixed assets under development and advances	13,311,199	*1,178,285*
	51,721,070	*10,200,721*
III. Financial		
1) Stockholdings in		
a) subsidiaries	276,189,150	*300,422,393*
b) associated companies	85,327	*19,884*
d) other companies	1,614,253	*1,628,040*
	277,888,730	*302,070,317*
2) Loans		
a) to subsidiaries		
- within 12 months	771,991	*771,991*
- over 12 months	294,380	*346,026*
b) to associated companies		
- within 12 months	87,281	*417,814*
d) to others		
- over 12 months	11,392,438	*11,351,818*
	12,546,090	*12,887,649*
3) Other securities	16,635,077	*17,263,409*
4) Treasury stock (total nominal value		
at 31.12.2001 Euro 2.138.760)	10,500,798	*10,500,798*
	317,570,695	*342,722,173*
Total fixed assets (B)	**386,014,385**	***371,553,397***

(in Euro)	**31.12.2001**	*31.12.2000*
C) Current assets		
I. Inventories		
4) Finished products and goods for resale	1,424,136	*1,252,083*
	1,424,136	*1,252,083*
II. Receivables		
1) Trade receivables		
- within 12 months	23,289,705	*21,854,541*
- over 12 months	680,110	*813,532*
	23,969,815	*22,668,073*
2) From subsidiaries		
- within 12 months	137,750,238	*151,652,992*
- over 12 months	76,068,486	*74,531,902*
	213,818,724	*226,184,894*
3) From associated companies		
- within 12 months	5,366	*6,075*
	5,366	*6,075*
5) From others		
- within 12 months	29,148,727	*40,136,873*
- over 12 months	307,279	*347,924*
	29,456,006	*40,484,797*
	267,249,911	*289,343,839*
III. Financial current assets		
4) Other stockholdings		*53,277*
5) Treasury stock (total nominal value at 31.12.2001 Euro 2.580.240)	7,705,214	
6) Other securities	494,647	
	8,199,861	*53,277*
IV. Cash and cash equivalents		
1) Bank and post office accounts	1,357,550	*11,371,355*
3) Cash on hand	1,158,163	*802,779*
	2,515,713	*12,174,134*
Total current assets (C)	**279,389,621**	***302,823,333***
D) Accrued income and prepaid expenses		
- miscellaneous	1,391,029	*1,070,004*
Total accrued income and prepaid expenses (D)	**1,391,029**	***1,070,004***
Total assets (B+C+D)	**666,795,035**	***675,446,734***

Financial statements as at December 31, 2001

Balance sheet - Shareholders' equity and liabilities

(in Euro)	31.12.2001	*31.12.2000*
A) Shareholders' equity		
I. Capital stock	73,746,400	*73,209,707*
II. Share premium reserve	73,426,011	*105,670,285*
IV. Legal reserve	14,641,941	*3,638,672*
V. Reserve for treasury stock	18,206,012	*10,500,798*
VII. Other reserves		
Retained profits reserve	132,546	*3,323,289*
IX. Profit (loss) for the year	794,840	*(13,033,338)*
Total shareholders' equity (A)	**180,947,750**	***183,309,413***
B) Provision for liabilities and charges		
2) Provision for taxation	29,853	*326,486*
3) Other	3,507,816	*3,344,937*
Total provision for liabilities and charges (B)	**3,537,669**	***3,671,423***
C) Staff severance indemnities	**8,565,954**	***8,327,861***
D) Payables		
3) Bank loans and overdrafts		
- within 12 months	72,723,666	*54,213,539*
- over 12 months	96,515,862	*103,956,718*
	169,239,528	*158,170,257*
4) Loans from other financial institutions		
- within 12 months	5,939,313	*5,939,288*
	5,939,313	*5,939,288*
6) Trade payables		
- within 12 months	25,303,210	*22,861,795*
	25,303,210	*22,861,795*
8) Payables to subsidiaries		
- within 12 months	131,946,227	*146,620,209*
- over 12 months	129,114,225	*129,114,225*
	261,060,452	*275,734,434*
11) Tax payables		
- within 12 months	4,792,195	*6,048,575*
	4,792,195	*6,048,575*
12) Payables to pension and social security institutions		
- within 12 months	994,851	*1,052,592*
	994,851	*1,052,592*
13) Other payables		
- within 12 months	4,952,593	*7,346,607*
	4,952,593	*7,346,607*
Total payables (D)	**472,282,142**	***477,153,548***
E) Accrued expenses and deferred income		
- miscellaneous	1,461,520	*2,984,489*
Total accrued expenses and deferred income (E)	**1,461,520**	***2,984,489***
Total liabilities (A+B+C+D+E)	**666,795,035**	***675,446,734***

Financial statements as at December 31, 2001

Memorandum accounts

(in Euro)	**31.12.2001**	*31.12.2000*
Direct guarantees - sureties		
- subsidiaries	269,695,709	*252,855,939*
- associated companies		
- affiliated companies	2,699,690	*2,699,690*
- other companies	72,148,266	*60,404,616*
	344,543,665	*315,960,245*
Direct guarantees - letters of comfort		
- subsidiaries	64,143,947	*50,509,485*
- associated companies		
- affiliated companies		
- other companies		
	64,143,947	*50,509,485*
Indirect guarantees - credit mandates		
- subsidiaries	118,062,047	*122,090,411*
- associated companies		
- affiliated companies		
- other companies		
	118,062,047	*122,090,411*
Future leasing instalments	1,122,358	*1,331,697*
Total memorandum accounts	**527,872,017**	***489,891,838***

Financial statements as at December 31, 2001

Statement of income

(in Euro)	**31.12.2001**	*31.12.2000*
A) Value of production		
1) Revenues from sales and services	118,806,360	*113,174,816*
4) Increase in fixed assets produced internally	509,661	
5) Other revenues and income		
- miscellaneous	2,813,030	*2,788,173*
Total value of production (A)	**122,129,051**	***115,962,989***
B) Costs of production		
6) For raw materials, supplies, consumables and goods for resale	32,892,558	*29,620,626*
7) For services	31,280,808	*29,597,616*
8) For the use of third party assets	10,017,802	*9,649,846*
9) For personnel		
a) Salaries and wages	21,479,807	*20,739,480*
b) Social security costs	6,458,243	*6,511,808*
c) Staff severance indemnities	1,727,597	*1,673,979*
	29,665,647	*28,925,267*
10) Amortization, depreciation and write-downs		
a) Amortization of intangible fixed assets	5,831,782	*5,626,004*
b) Depreciation of tangible fixed assets	2,689,794	*1,632,922*
d) Provision for bad debts and write-downs of other current assets	260,089	
	8,781,665	*7,258,926*
11) Changes in inventories of raw materials, supplies, consumables and goods for resale	(147,671)	*40,331*
12) Provision for risks	313,259	*274,107*
14) Sundry administration costs	2,172,412	*2,094,093*
Total costs of production (B)	**114,976,480**	***107,460,812***
Difference between value and costs of production (A-B)	**7,152,571**	***8,502,177***

(in Euro)	**31.12.2001**	*31.12.2000*
C) Financial income and expense		
15) Income from stockholdings		
- from subsidiaries	9,604,165	*1,714,810*
- from associated companies		*756,252*
- others	44,106	*44,855*
	9,648,271	*2,515,917*
16) Other financial income		
a) from fixed loans		
- from subsidiaries	23,279	*20,405*
- others	151,338	*218,752*
	174,617	*239,157*
b) from fixed securities other than stockholdings	1,175,397	*1,060,075*
c) from current securities other than stockholdings	268	*2,386,028*
d) income other than described above		
- from subsidiaries	12,527,328	*13,802,617*
- from associated companies	529	*148*
- others	1,059,000	*1,009,426*
	13,586,857	*14,812,191*
	14,937,139	*18,497,451*
17) Interest and other financial costs		
- from subsidiaries	(6,703,955)	*(9,343,468)*
- others	(16,226,782)	*(13,372,760)*
	(22,930,737)	*(22,716,228)*
Total financial income and expense (C)	**1,654,673**	***(1,702,860)***
D) Adjustments to the value of financial assets		
19) Write-downs		
a) of stockholdings	(6,719,604)	*(25,024,093)*
b) of financial fixed assets other than stockholdings	(7,229)	*(56,388)*
c) of current securities other than stockholdings	(21,810)	
	(6,748,643)	*(25,080,481)*
Total adjustments to the value of financial assets (D)	**(6,748,643)**	***(25,080,481)***
E) Extraordinary income and expense		
20) Income		
- surplus on sales	51,646	*516,457*
- miscellaneous	621,187	*1,073,747*
	672,833	*1,590,204*
21) Expense		
- taxation relating to preceding financial years	(23,923)	*(195,587)*
- miscellaneous	(2,116,020)	*(720,959)*
	(2,139,943)	*(916,546)*
Total extraordinary income and expense (E)	**(1,467,110)**	***673,658***
Profit before taxation (A-B+C+D+E)	**591,491**	***(17,607,506)***
22) Taxation on the profit for the financial year	203,349	*4,574,168*
26) Profit (Loss) for the financial year	**794,840**	***(13,033,338)***

Notes to the financial statements as at December 31, 2001

Structure and contents of the financial statements

The financial statements for the year ended December 31, 2001, have been drawn up in accordance with the regulations of the Civil Code and include a balance sheet (prepared in compliance with Articles 2424 and 2424 bis of the Civil Code), an income statement (complying with Articles 2425 and 2425 bis of the Civil Code) and these notes to the accounts, supplying the information required by Article 2427 of the Civil Code and other regulations relating to financial statements. In addition, all complementary information needed to provide a true and fair view of these financial statements has also been supplied, although not specifically required by law.

For the very first time, all amounts in the financial statements as at December 31, 2001, are reported in euros only, since the Company has introduced the new currency unit beginning in november 2001; all accounting transactions (relative to credits, debits, inventory, fixed assets, VAT, bank accounts, etc.) have therefore been converted into euros. Consequently, also the amounts relating to prior year financial statements have been converted into euros for consistency's sake. The balance sheet and the income statement have been drawn up using the euro currency without decimal digits, and all roundings were debited to the income statement. The notes to the accounts are reported in thousand of euros, pursuant to art. 16, paragraph 8, letter a), Legislative Decree no. 213/98 and to art. 2423, paragraph 5, of the Italian Civil Code. All costs incurred as a consequence of the transition to the Euro currency unit, entirely debited to the income statement, were not significant.

In order to ensure consistency between the 2001 and the 2000 financial statements, it must be pointed out that the structure and contents of the financial statements as at December 31, 2001, were affected by the merger of the subsidiary C.E.I.Be.C. s.r.l.

Consequently, for the purpose of allowing a correct comparison between the financial statements, a summary of the balance sheet and income statement reports have been provided; the 2000 schedules thereby shown have been restated on the same basis as those of 2001. As to the notes to each single account, the impact of the C.E.I.Be.C. merger on the year 2000 data has been treated separately in more detailed schedules.

(in thousand of Euro)		Balance sheet as at 31.12.2000				
	Balance sheet as at 31.12.2001	Total pro-forma as at 31.12.2000	Adjust.		Balance sheet as at 31.12.2000 of the merged company	Balance sheet as at 31.12.2000 of the merging company
		(A)+(B)+(C)	(C)		(B)	(A)
ASSETS						
B) Fixed assets						
I. Intangibile	16,723	18,793	-		162	18,631
II. Tangibile	51,721	50,617	14,508	(a)	25,908	10,201
III. Financial	317,570	318,194	(24,529)	(b)	1	342,722
C) Current assets						
I. Inventories	1,424	1,252	-		-	1,252
II. Receivables	267,250	287,358	(5,298)	(c)	3,312	289,344
III. Financial current assets	8,200	55	-		2	53
IV. Cash and cash equivalents	2,516	12,282	-		108	12,174
D) Accrued income and prepaid expenses	1,391	1,073	-		3	1,070
TOTAL ASSETS	*666,795*	*689,624*	*(15,319)*		*29,496*	*675,447*
SHAREHOLDERS' EQUITY AND LIABILITIES						
A) Shareholders' equity	180,948	183,309	(10,021)	(d)	10,021	183,309
B) Provision for liabilities and charges	3,538	3,681	-		10	3,671
C) Staff severance indemnities	8,566	8,328	-		-	8,328
D) Payables	472,282	491,319	(5,298)	(c)	19,463	477,154
E) Accrued expenses and deferred income	1,461	2,987	-		2	2,985
TOTAL LIABILITIES	*666,795*	*689,624*	*(15,319)*		*29,496*	*675,447*

(a) excess of cost on acquisition utilized to increase value of fixed asset
(b) cancellation of stockholding value on merger
(c) cancellation of reciprocal receivables/payables
(d) cancellation of C.E.I.Be.C. net equity on merger

(in thousand of Euro)	*Statement of income 2001*	*Statement of income 2000*			
		Total pro-forma 2000	*Cancellations (intercompany revenues/ expenses)*	*Statement of income 2000 of the merged company*	*Statement of income 2000 of the merging company*
		(A)+(B)+(C)	*(C)*	*(B)*	*(A)*
A) VALUE OF PRODUCTION					
1) Revenues from sales and services	118,806	113,998	(270)	1,093	113,175
4) Increase in fixed assets produced internally	510	335	-	335	-
5) Other revenues and income	2,813	3,136	(54)	402	2,788
Total value of production (A)	***122,129***	***117,469***	***(324)***	***1,830***	***115,963***
B) COSTS OF PRODUCTION					
6) For raw materials, supplies, consumables and goods	32,892	29,621	-	-	29,621
7) For services	31,281	29,929	(31)	362	29,598
8) For the use of third party assets	10,018	9,391	(289)	30	9,650
9) For personnel	29,666	28,925	-	-	28,925
10) Amort. and write-downs	8,782	7,702	-	443	7,259
11) Changes in inventories of raw materials, supplies, consumables and goods	(148)	40	-	-	40
12) Provision for risks	313	274	-	-	274
14) Sundry administration costs	2,172	2,959	-	865	2,094
Total costs of production (B)	***114,976***	***108,841***	***(320)***	***1,700***	***107,461***
Difference between value and costs of production (A-B)	***7,153***	***8,628***	***(4)***	***130***	***8,502***
C) FINANCIAL INCOME AND EXPENSE					
15) Revenues from stockholdings	9,648	2,516	-	-	2,516
16) Other financial income	14,937	18,020	(992)	515	18,497
17) Interest and other financial costs	(22,930)	(23,030)	996	(1,310)	(22,716)
Total financial income and expense (C)	***1,655***	***(2,494)***	***4***	***(795)***	***(1,703)***
D) ADJUSTMENT TO THE VALUE OF FINANCIAL ASSETS					
19) Write-downs	(6,749)	(25,080)	-	-	(25,080)
Total adjustment to the value of financial assets (D)	***(6,749)***	***(25,080)***	***-***	***-***	***(25,080)***
E) EXTRAORDINARY INCOME AND EXPENSE					
20) Income	673	1,609	-	19	1,590
21) Expense	(2,140)	(929)	-	(12)	(917)
Total extraordinary items (E)	***(1,467)***	***680***	***-***	***7***	***673***
Profit (loss) before taxation (A-B+C+D+E)	***592***	***(18,266)***	***-***	***(658)***	***(17,608)***
22) Taxation for the year	203	4,565	-	(10)	4,575
26) Profit (loss) for the year	***795***	***(13,701)***	***-***	***(668)***	***(13,033)***

Moreover, Group consolidated financial statements were prepared as at December 31, 2001 in accordance with the law.

Valuation rules

The valuation rules relative to the financial statements for the year ended December 31, 2001, have remained basically unchanged, except for the one concerning treasury stock held under current assets. The reasons and the effects of such change are described in one of the paragraphs that follow, named "Financial current assets" and in the paragraph which deals with "Treasury stock".

Intangible fixed assets

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

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

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

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

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

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

Other intangible fixed assets include principally the costs of the securitization and Eurobond issue, amortized on the basis of the duration of the transactions to which they refer (8 years and 5 years, respectively). Leasehold improvements are amortized at rates which are consistent with the duration of each contract.

Tangible fixed assets

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

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

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

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

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

Financial fixed asset

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

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

Inventories

Inventories are valued at the lower of purchase price or production cost using the First-In, First-Out method, or realisable market value. Cost is purchase cost including ancillary expenses. The realizable market value is calculated taking into account the remaining production costs and the direct sales costs. Obsolete or slow moving items are written down according to the estimate of their possible use or sale.

Receivables

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

Financial current assets

Securities and other current assets are valued at the lower of cost or realisable value, based on the current market prices. Cost is purchase cost including incidental expenses, using the FIFO method.

With respect to the treasury stock reported under current assets, upon year end closing the valuation rule has changed from the First In First Out method to the weighted average cost method.

Such a change became necessary as a result of the negative impact that the old method would have had on the company overall profitability and financial situation. The strong market fluctuation of the CREMONINI s.p.a. stock, deriving from extraordinary events such as the "BSE" disease, would have caused a write down of the treasury stock value by a far bigger amount than the year end market quote. As a matter of fact, the overall value of treasury stock under the heading current assets is still 234 thousand euros lower than the reference stock price as at December 31, 2001 (such number increases to 978 thousand euros if we consider the March 21st, 2002, market quote).

Cash and cash equivalents

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

Provision for liabilities and charges

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

Provisions for staff severance indemnities

Provisions for staff severance indemnities are made to cover the entire commitment to date towards employees, in conformity with current legislation and the collective and corporate labour contracts and taking into consideration all forms of continuous remuneration.

The provision includes the total of all employee indemnities due at the date of the balance sheet, net of advances made.

Payables

These are shown at nominal value.

Accruals and prepayments

Accruals income and prepayments expenses are accounted for according to the period to which they refer.

Commitments, guarantees and risks

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

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

Recognition of costs and income

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

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

Dividends

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

Income Taxes

Current income taxes are based upon a realistic forecast of taxes payable, complying with the tax regulations in force; the relating debt is reported net of advances, withholding taxes and tax credits to be offset, under the "Tax payables" heading.

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

Accounting for foreign currency transactions

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

Stockholdings in foreign companies are calculated at the purchase price based on the historical exchange rate of the transaction.

Securitization transaction

The securitization agreement, commenced in December 1994 and renewed in July 1997 (expires in 2004) provides for the sale, without recourse, of trade receivables of up to a maximum of about 108 million Euro in aggregate on a rolling weekly basis, (together with a stand-by facility of 36 million Euro, not utilised during the financial year) by the subsidiaries Montana Alimentari s.p.a., Marr s.p.a. and INALCA s.p.a. to the factoring company CRC s.p.a., a subsidiary of East West Holding ltd. These receivables are subsequently sold, without recourse, to Golden Castle Euro Finance ltd, a subsidiary of Royal Exchange Trust Company ltd.

Cremonini s.p.a. neither directly nor indirectly controls the factoring company CRC s.p.a., either through a third party or by means of a securities company, or any of the previously mentioned foreign companies. The role of Cremonini s.p.a. is that of a mandatory for the presentation of these trade receivables on behalf of its subsidiaries, and for the encashment of the net proceeds of the sales. Cremonini s.p.a. provides services to CRC s.p.a.; that is to say, it keeps the accounting records and manages the entire transfer of receivables.

Receivables sold to CRC s.p.a. during the course of 2001 totalled about 444 million Euro. These notes provide further information regarding the items resulting from these transactions.

Other information

With reference to the censurable events mentioned in the notes to the financial statements for the year ended December 31, 2000, the following must be pointed out:

- the deferral decided by the Magistrate for Preliminary Inquiries of Modena with respect to the trial against the Chairman of Cremonini s.p.a., facing charges of illegal money transactions effected between 1994 and 1995. Within such proceedings, all tax expenses were defined with the Finance Department through an official assessment procedure, and the Company was relieved of any and all consequences of such event through a specific guarantee, which was already activated;
- the Judge of the Court of Rieti declared innocent the Company’s Chief Executive Officer.

Furthermore, the Chairman of the Board and one of the Company managers are involved in a trial at the Court of Torino, facing charges of “deceitful publicity”.

Even after taking into account the consequences of the above-mentioned actions in progress, the financial statements of the Parent Company and the consolidated financial statements as at December 31, 2001 are correct from a formal and substantial point of view and they provide a fair view of the Parent Company and Group’s financial position.

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

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

Information included in the Directors' Report

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

Notes to the principal headings of the balance sheet

ASSETS

Fixed assets

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

Intangible fixed assets

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Formation and start-up costs	1,853	3,437	34	3,471
Cost of research, development and advertising	-	2	-	2
Cost of industrial patents and rights for the use of intellectual property	114	74	-	74
Concessions, licences, brand names and similar rights	191	69	-	69
Goodwill	5,132	4,849	-	4,849
Intangible fixed assets under development and advances	1,093	815	-	815
Other intangible fixed assets	8,340	9,385	128	9,513
Total	**16,723**	**18,631**	**162**	**18,793**

Formation and start-up costs

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Costs of altering the Articles of Association	48	29	34	63
Expenses for the Stock Market flotation	1,695	3,390	-	3,390
Other minor costs	110	18	-	18
Total	**1,853**	**3,437**	**34**	**3,471**

The movements are mainly due to the amortization for the year.

Goodwill

The heading basically includes the excess of cost arising from the incorporation of companies and the acquisition of branches in the restaurant services business. An amount of 1,560 thousand euros of the overall increase, net of the amortization for the financial year, is due to the acquisition of branches in the buffets business at the railway stations of Foggia and La Spezia.

Intangible fixed assets under development and advances

The intangible fixed assets under development and advances are principally improvements connected with restaurant premises belonging to third parties that are not yet in operation.

Other intangible fixed assets

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Leasehold improvement costs	5,179	5,091	-	5,091
Expenses and commissions on loans	2,347	3,313	128	3,441
Others	814	981	-	981
Total	**8,340**	**9,385**	**128**	**9,513**

Other intangible fixed assets include leasehold improvement costs for the restaurants premises and the cost of furnishings and fittings in railway carriages owned by the State Railway Company. Expenses and commissions on loans includes, amongst others, the costs of the securitization transaction expiring in 2004 (1,200 thousand euros) and the costs relating to the Eurobond loan issued by the subsidiary Cremonini Finance plc (649 thousand euros).

Tangible fixed assets

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Land and buildings	30,407	2,158	14,375	16,533
Plant and machinery	3,208	2,885	499	3,384
Industrial and commercial equipment	818	544	1	545
Other tangible fixed assets	3,977	3,436	811	4,247
Tangible fixed assets under development and advances	13,311	1,178	10,222	11,400
Total	**51,721**	**10,201**	**25,908**	**36,109**

Besides the normal replacement and purchase of new assets, the increase in tangible fixed assets has been a consequence of the following:

– land and buildings: attribution of the excess of cost stemming from the merger of C.E.I.Be.C., which amounts to 14,508 thousand Euros approximately. The attribution has been the result of an estimate based on the value of an apartment building in Modena;
– fixed assets in progress and advances: renovation and restructuring of a building in Rome (formerly belonging to C.E.I.Be.C.). The building, which is located in a very prestigious area in the centre of Rome, will be partially utilized for restaurant activities.

Mortgages on fixed assets needed to obtain loans amount to 48,630 thousand euros.

The overall amount of capitalised interests paid on fixed assets is 448 thousand euros, as illustrated below:

(in thousand of Euro)	***31.12.2001***
Land and buildings	-
Plant and machinery	-
Industrial and commercial equipment	-
Tangible fixed assets under development	448
Total	**448**

Such amount refers to specific credit lines utilized to finance the construction of fixed assets until the date of their effective usage, and it is basically due to the Rome building renovation expenses. The cumulative total amount of capitalized interests paid on fixed assets as at December 31, 2001, is 3,880 thousand euros approximately.

Financial fixed assets

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

Stockholdings in subsidiaries and associated companies are valued using the net equity method within the consolidation process of the Group. The consolidated financial statements as at December 31, 2001, contain full details of the results of the Company and of the Group.

Stockholdings in subsidiaries
All movements relating to undertakings in subsidiaries, occurred during the year ended 2001, are as follows:
- merger of C.E.I.Be.C. s.r.l., occurred in the month of September, 2001, effective for accounting and tax purposes as from January 1, 2001;
- disposal of CE France s.a r.l. in the month of October, 2001, to Cremonini Restauration s.a.s.; subsequently the latter merged CE France s.a r.l. with accounting and tax purposes effects starting from January 1, 2001;
- acquisition of remaining 8% of Cremonini Restauration s.a.s..

Finally, the value of stockholdings in subsidiaries increased as a result of share capital reconstitution and payments effected to cover losses but which do not affect the undertaking percentage (Azienda Agricola Corticella s.r.l., CE France s.a r.l., Compagnia delle Spezie s.r.l., Cremonini Finance plc, Cremonini Restauration s.a.s., Global Service s.r.l., INALCA s.p.a., Interjet s.r.l., Mister Food s.p.a., Roadhouse Grill Italia s.r.l., S.A.M. s.r.l) while it was reduced as an effect of write-downs for enduring losses of value (Compagnia delle Spezie s.r.l., Cremonini Finance plc, Global Service s.r.l., Guardamiglio s.r.l., Interjet s.r.l.). Write-downs were effected based on losses in the year.

The excess values of each single undertaking in subsidiaries with respect to the pertinent net equity reported on the balance sheet (see exhibit 7) are not a result of permanent losses, since they refer to fixed assets which market value is well above the net book value, or else to the potentials and the goodwill of business managed.

The reasons for such higher book values are detailed below:

- Compagnia delle Spezie s.r.l., Montana Alimentari s.p.a. (formerly Corte Buona) – The higher book value than the company's net equity is due to the soaring profits expected of the company over the coming years, as illustrated in their long-term plans, or to other kinds of transactions;
- Interjet s.r.l. - The book value of the undertaking is a consequence of the market value of the aircraft owned by the company, which is greater than its book value;
- Guardamiglio s.r.l. – The surplus value stems from the higher value of fixed assets owned and from the profits expected of the lines of business in which the merged companies operate;
- INALCA s.p.a. – The company is market leader in Europe in its line of business, due to the strong investments in technology and to the state-of-the-art manufacturing facilities it utilizes, which allow to envision soaring profits in the future, especially after the "BSE" disease crisis has caused profound changes in the meat industry, thus spurring industry concentration;
- Global Service s.r.l. – We believe that the higher book value reflects the high returns expected for the following years, given the company's profitability and financial outlook. Specifically, the total depreciation of all tangible and intangible assets will entail a growth in profits which will allow for a write back of the values booked;
- Cremonini Restauration s.a.s., S.A.M. s.r.l. – Both companies, which operate in the restaurant activity (commercial and onboard trains), will generate profits in the near future such as to reinstate the higher book value.

Stockholdings in associated companies

The movement concerns a payment as stock capital for the S.I.S.AG. s.r.l. company.

Loans

Loans to subsidiaries

(in thousand of Euro)	*31.12.2000*	*Increase*	*Decrease*	***31.12.2001***
Due within 12 months				
Cremonini International b.v.	516	-	-	516
Momentum Services ltd	256	-	-	256
Total within 12 months	**772**	**-**	**-**	**772**
Due between 1 and 5 years				
SGD s.r.l.	346	-	(52)	294
Total between 1and 5 years	**346**	**-**	**(52)**	**294**
Total	**1,118**	**-**	**(52)**	**1,066**

These receivables are shown at their nominal value, refer both to interest-free loans (Momentum Services ltd) and interest bearing loans (SGD s.r.l. and Cremonini International b.v.).

Loans to associated companies

(in thousand of Euro)	*31.12.2000*	*Increase*	*Decrease*	***31.12.2001***
Due within 12 months				
Az. Agr. Serra della Spina s.r.l.	5	-	-	5
S.I.S.AG. s.r.l.	413	-	(331)	82
Total	**418**	**-**	**(331)**	**87**

In the year 2000, S.I.S.AG. s.r.l. was granted a loan to enable it to start up the business. Such loan was supposed to be paid by the 5 partners (82 thousand euros each), while in the year 2000 the overall amount was financed by CREMONINI s.p.a.. In the month of January, 2001, all partners paid their dues for a total amount of 331 thousand euros.

Loans to others

(in thousand of Euro)	*31.12.2000*	*Incr./Utiliz.*	*Decr./Acc.*	***31.12.2001***
Due within 12 months				
Sundry and other loans	152	7	-	159
Provision for bad debts	(152)	-	(7)	(159)
Total within 12 months	**-**	**7**	**(7)**	**-**
Due between 1 and 5 years				
Interest-bearing loan to East West Holding	2,841	-	-	2,841
Deposit to CRC	7,845	-	-	7,845
Due from the State Treasury	69	2	-	71
Cautionary deposits	133	292	(46)	379
Tax credit on T.F.R.	464	-	(208)	256
Total between 1and 5 years	**11,352**	**294**	**(254)**	**11,392**
Total	**11,352**	**301**	**(261)**	**11,392**

The items "Interest-bearing loan to East West Holding" and "Deposit to CRC" are connected with the sale of receivables and these sums guarantee the securitization programme**.**

"Tax credits on T.F.R." are related to the tax credits introduced by Law no.140 of 28 May 1997 regarding tax withholdings from severance indemnities (T.F.R.). During the financial year the amount was reduced by utilization, as conceded by the law itself.

Other securities

(in thousand of Euro)	*31.12.2000*	*Increase*	*Decrease*	***31.12.2001***
BTP 1.3.01	13	-	(13)	-
Cremonini Finance Eurobonds	15,702	-	(98)	15,604
Banco di Sicilia 30.6.10 bonds	517	-	(517)	-
Banca di Roma 30.6.03 bonds	515	-	-	515
Banca di Roma 2.12.09 bonds	516	-	-	516
Total	**17,263**	**-**	**(628)**	**16,635**

The above mentioned bonds as at December 31, bear the following interest rates:

Eurobonds	floating rate	5.75%
Banca di Roma 30.6.03 bonds	floating rate	4.78%
Banca di Roma 2.12.09 bonds	fixed rate	5.80%

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

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

Current assets

Inventories

The closing balance of the inventories includes merchandise of the restaurant activities division amounting to 1,424 thousand Euros (1,252 thousand euros as at December 31, 2000). The inventory is neither pledged nor subject to other restrictions on ownership and is valued at cost, as previously described. The valuation does not materially differ from a current cost method valuation.

Receivables

Trade receivables

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Trade receivables due within 12 months	23,812	22,355	408	22,763
Trade receivables due between 1 and 5 years	680	814	-	814
Provision for bad debts	(522)	(501)	(11)	(512)
Total	**23,970**	**22,668**	**397**	**23,065**

The balance includes trade receivables from Trenitalia s.p.a. for a total amount of 13,769 thousand euros.

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

(in thousand of Euro)	*31.12.2000*	*Provision*	*Utilized*	*Other mov.*	***31.12.2001***
Provision for bad debts per Art. 71	139	122	(139)	-	122
Taxed provision for bad debts	362	138	(99)	(1)	400
Total	**501**	**260**	**(238)**	**(1)**	**522**

Receivables from subsidiaries

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Due within 12 months				
Receivables from central treasury	121,595	148,549	-	148,549
Trade receivables	91	228	-	228
Receivables for collection	6,681	2,876	-	2,876
Loans for dividend distribution	9,383	-	-	-
Total within 12 months	**137,750**	**151,653**	**-**	**151,653**
Due between 1and 5 years				
Central treasury – Marr s.p.a.	76,068	72,065	-	72,065
Central treasury – C.E.I.Be.C. s.r.l.	-	2,467	-	2,467
Total between 1and 5 years	**76,068**	**74,532**	**-**	**74,532**
Total	**213,818**	**226,185**	**-**	**226,185**

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

The loans for dividend distribution refer to the dividends for shareholders declared by the subsidiaries Marr s.p.a. e Montana Alimentari s.p.a..

The receivables from central treasury due over 12 months related to positions expected to be recovered in the medium to longer-term and are affected by the merger of C.E.I.Be.C. s.r.l. on the part of Cremonini s.p.a..

Other receivables

(in thousand of Euro))	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Totale*
Due within 12 months				
Due from the State Treasury	16,002	27,194	204	27,398
Pre-paid tax assets	5,429	3,849	-	3,849
Due from sale of stockholdings and businesses	358	5,165	-	5,165
Receivables and deposits with suppliers	234	229	5	234
Short-term loans	-	93	-	93
Due for cost reimbursement	5,916	616	-	616
Others	1,210	2,991	12	3,003
Total within 12 months	**29,149**	**40,137**	**221**	**40,358**
Due between 1 and 5 years				
Due from the State Treasury	240	230	-	230
Others	36	87	-	87
Total between 1 and 5 years	**276**	**317**	**-**	**317**
Due over 5 years				
Due from the State Treasury	31	31	-	31
Other	-	-	-	-
Total over 5 years	**31**	**31**	**-**	**31**
Total	**29,456**	**40,485**	**221**	**40,706**

Due from the State Treasury within 12 months includes:

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
V.A.T.	14,777	23,137	-	23,137
Withholding tax and other receivables	84	978	105	1,083
Income tax	1,141	3,079	99	3,178
Total	**16,002**	**27,194**	**204**	**27,398**

The "pre-paid tax assets" consist in the income tax savings deriving from prior year losses (4,044 thousand euros) brought forward and from pre-paid taxes on provisions subject to taxation (1,385 thousand euros) and they are held on the balance sheet since they are believed to be recovered through future corporate taxable incomes. The increase is related to the tax loss expected in the year 2001.

The receivables from sales of stockholdings and businesses refer to receivables from third parties for the sale of a business branch in year 2000; the change in the balance is the result of cash flows during the year.

The "due for cost reimbursement" heading refers to claims from Golden Castle Euro Finance ltd, within the asset securitization transaction. The amount relates to the higher expenses incurred to comply with guarantee procedures which, given the success of the operation, will be reimbursed within the month of May, 2002.

Other minor receivables due within 12 months have decreased due to the collection of a 1,653 thousand euros' loans from the affiliated corporation Le Cupole s.r.l..

Financial current assets

Treasury stock

Treasury stock included under current assets were purchased throughout 2001 in order to sustain the security's stock market fluctuations and for cash management purposes. These securities, which are not supposed to be a long term investments, were valued based on the weighted average cost method, while they were previously valued using the FIFO method.

Therefore, the net equity and the corporate net profit for the year ended December 31, 2001, have been higher than they would have been by using the previous valuation cryterion by 391 thousand euros (250 thousand euros by taking away the tax burden). There can be no cumulative impact obtained by adding up prior years' impacts of treasury stock, since they were only purchased in 2001.

The average price of stock comprised under current assets is lower than the stock market reference price as of December 31st, 2001, by 234 thousand euros approximately (978 thousand euros if we take into account the stock price as of March 21st , 2002).

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

Other securities

The heading refers to a specific security subscribed in 2001, which will be reimbursed within the first semester of 2002.

Cash and cash equivalents

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Bank accounts	1,358	11,371	107	11,478
Cheques on hand	-	-	-	-
Cash on hand	1,158	803	1	804
Total	**2,516**	**12,174**	**108**	**12,282**

The movements in the balance stem from the very high liquidity existing at the end of prior year, due to a long term loan granted to Cremonini just before December 31st, 2000.

Accrued income and prepaid expenses

(in thousand of Euro)	31.12.2001	31.12.2000		
		Cremonini	C.E.I.Be.C.	Totale
Accrued interest on securities and bonds	129	169	-	169
Sundry accruals	77	127	-	127
Total accruals	**206**	**296**	**-**	**296**
Prepaid commissions for guarantees	342	234	-	234
Prepaid rentals	798	352	1	353
Sundry prepayments	45	188	2	190
Total prepaid expenses	**1,185**	**774**	**3**	**777**
Total	**1,391**	**1,070**	**3**	**1,073**

The increase is a result of higher rental expenses for premises and branches in restaurant activities, following the expansion of the business.

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity

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

Capital stock

Capital stock as at December 31, 2001, has been raised to 73,746,400 euros, higher than prior year by 502 thousand euros approximately, to allow for its conversion into the new european currency unit, and by 34 thousand euros to account for a free stock issue related to the last tranche of the three-year stock option plan 1998-2000. The conversion of stock capital from 141,820,000,000 lire to 73,746,400 euros was made by using the share premium reserve, based on the Legislative Decree no. 213 of June 24th, 1998, needed to account for roundings and for the increase in the value of stock (from 1,000 lire to 1,006.86 lire). Stock capital is made up of 141,820,000 ordinary stock with a nominal value of 0.52 euros each, entirely subscribed and paid up.

As at December 31, 2001 the loss per share, obtained by dividing the profits for the year by the number of stock in circulation, excluding the treasury stock held at December 31, 2001, was about Euro 0.01.

Share premium reserve

This reserve constitutes the premium paid by shareholders at the time of the Public Offer in 1998. The reserve amounts to 73,426 thousand euros (105,670 thousand euros as at December 31, 2000) has been utilized as follows, after resolutions taken by the shareholders' meeting of April 28th, 2001:

- 13,033 thousand euros to cover up prior year loss;
- 11,003 thousand euros to integrate the legal reserve;
- 502 thousand euros to allow for capital stock conversion into the new european currency unit.

Finally, 7,706 thousand euros have been used to increase treasury stock owned.

Legal reserve

The legal reserve amounts to 14,642 thousand euros (3,638 thousand euros as at December 31, 2000); the increase is due to the withdrawal of funds from the share premium reserve, following the shareholders' meeting resolution of April 28th, 2001.

Reserve for treasury stock

This is the undistributable reserve covering the treasury stock shown in the balance sheet.

Other reserves

The retained profits reserve was set up in 2000 as a result of undistributed profits resulting in fiscal year 1999, and has been utilized for dividend distribution (3,156 thousand euros) and to increase stock capital (34 thousand euros).

No tax provision was set up for reserves included in the shareholders' equity as at December 31, 2001, since no activities which could entail taxation are foreseen.

Availability of reserves

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

(in thousand of Euro)	*Freely available*	*Restricted by the law*	*Restricted by the Articles*	*Restricted by shareholders' resolution*
Share premium riserve	71,466	1,960	-	-
Legal reserve	-	14,642	-	-
Reserve for treasury stock	-	18,206	-	-
Retained profits reserve	-	-	-	133
Total	**71,466**	**34,808**	**-**	**133**

The bound portion of the share premium reserve is set up in compliance with artt. 2426 and 2431 of the Italian Civil Code.

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

On December 31, 2001, the Company had available a full credit of 4,244 thousand euros – basket A (ex Art. 105, paragraph 1, letter a) and a limited credit of 31,620 thousand euros – basket B (ex Art. 105, paragraph 1, letter b).

Provision for liabilities and charges

(in thousand of Euro)	*31.12.2000*	*Provision*	*Utilized*	*Other mov.*	***31.12.2001***
Deferred taxes riserve	300	-	(300)	-	-
Other tax reserves	26	-	-	4	30
Others	3,345	737	(580)	6	3,508
Total	**3,671**	**737**	**(880)**	**10**	**3,538**

The deferred taxes reserve has been used following taxation of the revenues which initially originated the tax accrual.

Other reserves are as follows:

(in thousand of Euro)	*31.12.2000*	*Provision*	*Utilized*	*Other mov.*	***31.12.2001***
Provision for losses on stockholdings	289	424	(289)	-	424
Personnel grievances	413	313	(226)		500
Litigation and minor disputes	2,641		(59)	-	2,582
Periodic maintenance	-	-	(6)	6	-
Risks and future losses	2	-	-	-	2
Total	**3,345**	**737**	**(580)**	**6**	**3,508**

The provision for losses on stockholdings, which at the year ended December 31, 2000, related to Global Service s.r.l., was entirely used up throughout 2001, while the accruals refer to the Cremonini Finance plc stockholding which, as of December 31, 2001, had a negative net equity.

Reserves for litigation and other minor disputes include the following provisions which remained unchanged throughout the year:

- 516 thousand euros which refers to a dispute in connection with a former subsidiary company sold to third parties;
- 1,756 thousand euros being provision for possible costs in connection with guarantees given, at the time of sale of a company, to third parties in previous years.

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

Staff severance indemnities

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Initial balance	8,328	7,579	-	7,579
Utilised during the year	(1,452)	(738)	-	(738)
Accruals during the year	1,728	1,674	-	1,674
Other movements	(38)	(187)	-	(187)
Final balance	**8,566**	**8,328**	**-**	**8,328**

Payables

Bank loans and overdrafts

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Due within 12 months	72,724	54,214	1,828	56,042
Due between 1 and 5 years	77,435	84,685	6,949	91,634
Due over 5 years	19,081	19,272	7,466	26,738
Total	**169,240**	**158,171**	**16,243**	**174,414**

Details of mortgages and loans are as follows:

Bank	*Rate of interest*	*Maturity*	*Current portion*	*Portion between 1 to 5 years*	*Portion over 5 years*	***Total as at 31.12.2001***
			(in thousand of euro)			
Banca Ant. Pop. Veneta	Floating (Euribor 3+0.4%)	12/06/02	15,494	-	-	15,494
Banca Ant. Pop. Veneta	Floating (Euribor 3+0.75%)	17/04/03	-	5,165	-	5,165
Banco di Napoli	Floating (Euribor 3+0.5%)	27/12/04	2,008	3,874	-	5,882
B.N.L.	Floating (Euribor 6+0.7%)	31/05/07	775	3,098	388	4,261
Banca Popolare Vicenza	Floating (Euribor 6+0.5%)	22/12/03	-	12,911	-	12,911
ICCREA	Floating (Euribor 3+0.625%)	31/07/02	4,132	-	-	4,132
ICCREA	Floating (Euribor 6+0.8%)	13/06/02	2,587	-	-	2,587
Mediocredito di Roma	Floating (Euribor 6+0.75%)	31/12/08	5,241	23,168	13,035	41,444
Centrobanca	Floating (Euribor 3+0.8%)	30/06/10	624	1,847	2,107	4,578
Credito Italiano	Floating (Euribor 3+0.58%)	30/09/09	1,291	5,164	3,551	10,006
Banca Pop. di Novara	Floating (Euribor 6+0.5%)	06/09/03	-	22,208	-	22,208
Total mortgage loans			**32,152**	**77,435**	**19,081**	**128,668**
Other loans and overdrafts			40,572	-	-	40,572
Total loans			**72,724**	**77,435**	**19,081**	**169,240**

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

Short-term bank borrowings as at December 31, 2001, were about 146 million Euro (161 million Euro as at December 31, 2000). Guarantees were given to banks for both short and long-term loans, as detailed in the memorandum accounts.

Loans from other financial institutions

The loans from other financial institutions were from third parties for commercial paper.

Payables to subsidiaries

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Due within 12 months				
Due from centralized treasury	128,713	144,064	-	144,064
Trade payables	2,776	2,100	-	2,100
Others	457	456	-	456
Total within 12 months	**131,946**	**146,620**	**-**	**146,620**
Due between 1 and 5 years				
Yen loan	129,114	129,114	-	129,114
Others	-	-	-	-
Total between 1 and 5 years	**129,114**	**129,114**	**-**	**129,114**
Total	**261,060**	**275,734**	**-**	**275,734**

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

The Yen loan was arranged by the subsidiary Cremonini Finance plc which issued Eurobonds originally for Lire 250 billion in February 1998 with a five-year “bullet” term. In connection with this issue, Cremonini Finance plc granted a Yen 17.4 billion loan to the Company at the “three months Libor” rate. The negative margin between the financial income and expense is borne by Cremonini Finance plc, thus requiring periodic recapitalization of the subsidiary by Cremonini s.p.a.. Cremonini covered the entire exchange risk through a swap contract with a foreign financial corporation independant of both the company and Group.

Tax payables

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Due within 12 months				
I.R.PE.F. for employees and external collaborators	786	719	3	722
Substitute and direct taxes	3,967	5,290	-	5,290
Other	39	40	-	40
Total	**4,792**	**6,049**	**3**	**6,052**

Payables to pension and social security institutions

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Due within 12 months				
Inps/Inail/Scau	914	961	2	963
Inpdai/Previndai/Fasi/Besusso	62	71	-	71
Other institutions	19	21	-	21
Total	**995**	**1,053**	**2**	**1,055**

Other payables

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Due within 12 months				
Trade advances and deposits received	660	601	-	601
Staff salary and holiday pay	2,616	2,639	-	2,639
Payables for the purchase of stockholdings:				
- Marr s.p.a.	-	236	-	236
- Guardamiglio Carni s.p.a. and Ge.Mark s.r.l.	516	2,066	-	2,066
- other stockholdings	-	205	-	205
Loans and other payables	1,161	1,600	26	1,626
Total	**4,953**	**7,347**	**26**	**7,373**

The decrease of the payables for the acquisition of stockholdings resulted from payments made during the financial year on the basis of contractual commitments.

Accrued expenses and deferred income

(in thousand of Euro)	***31.12.2001***	*31.12.2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Accrued interest on loans	1,406	1,886	-	1,886
Sundry accruals	-	1	-	1
Total accruals	**1,406**	**1,887**	**-**	**1,887**
Deferred income for “non-competition” agreement	-	1,081	-	1,081
Sundry deferred income	55	17	2	19
Total deferred income	**55**	**1,098**	**2**	**1,100**
Total	**1,461**	**2,985**	**2**	**2,987**

All movements in the interest accrual on loans deal with the dynamic of the indebtedness and to its composition.

The deferred income for “non-competition agreement” relates to direct and indirect commitments not to carry out a business defined as “quick service restaurant” in competition against a large partner. Against this commitment, matured in July 2001, an equivalent amount of 10,329 thousand euros was received in 1996 that, is shown as income received in advance and credited to the statement of income pro rata over the duration of the contract.

Comments on the principal headings of the memorandum accounts

Direct guarantees – sureties

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

Direct guarantees – letters of comfort

Letters of comfort are issued exclusively for guarantees given to financial institutions for the provision of loans or lines of credit, including simple letters of comfort for an amount of about 33,3 million Euro.

Indirect guarantees – credit mandates

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

Comments on the principal headings of the statement of income

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

As already stated above, in order to compare financial statements over the past two years, the accounting figures of the C.E.I.Be.C. s.r.l. corporation merged within CREMONINI s.p.a. with tax and accounting purposes effects starting from January 1st, 2001 have been indicated separately.

Value of production

Revenues from sales and services

(in thousand of Euro)	***2001***	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Sales of goods	9,648	8,788	-	8,788
Other sales	6,444	4,856	-	4,856
Supply of services	96,366	93,983	-	93,983
Consultancy	1,940	1,915	-	1,915
Rentals	1,714	930	1,047	1,977
Miscellaneous	2,694	2,703	46	2,749
Total	**118,806**	**113,175**	**1,093**	**114,268**

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

(in thousand of Euro)	***2001***	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Italy	118,791	113,168	1,093	114,261
European Union	15	7	-	7
Outside the European Union	-	-	-	-
Total	**118,806**	**113,175**	**1,093**	**114,268**

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

Increase in fixed assets produced internally

The increases in fixed assets under construction are due to the interests capitalisation for loans specifically granted to renovate a building in Rome, for an overall amount of 448 thousand euros.

The remaining expenses refer to the renovation of premises for restaurant activities.

Other revenues and income

(in thousand of Euro)	***2001***	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Other revenues and income				
Insurance reimbursements	260	109	-	109
Other cost reimbursements	851	873	110	983
Others	1,702	1,806	292	2,098
Total other revenues and income	**2,813**	**2,788**	**402**	**3,190**
Subsidies	-	-	-	-
Total	**2,813**	**2,788**	**402**	**3,190**

Other revenues basically include contributions from suppliers.

Costs of production

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

(in thousand of Euro)	***2001***	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Purchase of raw materials	3	4	-	4
Purchase of goods	24,589	22,236	-	22,236
Purchase of other products	5,486	4,587	-	4,587
Purchase of consumable materials	2,486	2,324	-	2,324
Stationery and printed materials	328	470	-	470
Total	**32,892**	**29,621**	**-**	**29,621**

Costs for services

(in thousand of Euro)	***2001***	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Technical services	9,475	8,752	3	8,755
Directors' emoluments	1,671	1,061	67	1,128
Utilities and supply	1,614	1,411	107	1,518
Maintenance and repairs	2,396	2,511	58	2,569
Sales services	2,915	2,646	-	2,646
Consultants' fees	1,859	1,178	57	1,235
Insurance	674	538	9	547
Information and advertising	410	574	-	574
Transportation	340	324	-	324
Administrative services	706	1,120	27	1,147
Post, phone and courier	568	451	1	452
General services	307	441	33	474
Franchising	8,346	8,591	-	8,591
Total	**31,281**	**29,598**	**362**	**29,960**

Costs for the use of third party assets

(in thousand of Euro)	***2001***	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Rent of property and other assets	1,609	1,789	30	1,819
Business rentals, royalties and others	8,181	7,815	-	7,815
Lease payments	228	46	-	46
Total	**10,018**	**9,650**	**30**	**9,680**

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

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

Personnel costs

(in thousand of Euro)	***2001***	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Salaries and wages	21,480	20,739	-	20,739
Social security costs	6,458	6,512	-	6,512
Staff severance indemnities	1,728	1,674	-	1,674
Other personnel costs	-	-	-	-
Total	**29,666**	**28,925**	**-**	**28,925**

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

As at December 31, 2001 the Company employees totalled 1,230, an increase of 2 with respect to the year ended December 31, 2000. The division by category is shown below:

	Factory staff	*Office staff*	*Managers*	*Total*
Employees as at 31.12.2000	1,082	128	18	1,228
Employees as at 31.12.2001	**1,087**	**127**	**16**	**1,230**
Increases (decreases)	5	(1)	(2)	2
Average no. of employees during year 2001	**1,120**	**127**	**18**	**1,265**

Amortization, depreciation and write-downs

(in thousand of Euro)	***2001***	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Amortization of intangible fixed assets	5,832	5,626	24	5,650
Depreciation of tangible fixed assets	2,690	1,633	417	2,050
Provision for bad debts and write-downs of other current assets	260	-	2	2
Total	**8,782**	**7,259**	**443**	**7,702**

The increase in fixed assets depreciation is basically due to the new investments effected during the year and to the revaluation of fixed assets stemming from the attribution of the excess of cost from the acquisition of C.E.I.Be.C..

Provision for risks

The heading refers to the amounts accrued to the specific provision for personnel litigation expenses, listed under the provision for liabilities and charges.

Sundry administration costs

(in thousand of Euro)	***2001***	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Fines and settlements	267	284	-	284
Indirect and other taxes	550	404	98	502
Bad debts	108	-	-	-
Loss on sale of tangible assets	250	583	751	1,334
Loss on sale of receivables	-	28	-	28
Membership fees and expenses	82	57	5	62
Others	915	738	11	749
Total	**2,172**	**2,094**	**865**	**2,959**

Financial income and expense

Income from stockholdings

(in thousand of Euro)	***2001***	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
From subsidiaries				
Dividends	9,383	-	-	-
Profit on sales	221	-	-	-
Others	-	1,715	-	1,715
Total from subsidiaries	**9,604**	**1,715**	**-**	**1,715**
From associated companies				
Profit on sales	-	756	-	756
Total from associated companies	**-**	**756**	**-**	**756**
From others				
Dividends and tax credits	44	45	-	45
Total from others	**44**	**45**	**-**	**45**
Total	**9,648**	**2,516**	**-**	**2,516**

Dividends from subsidiaries include profits to be distributed, booked through the accruals accounting method, declared by the Marr s.p.a. (8,176 thousand euros) and the Montana Alimentari s.p.a. (1,207 thousand euros) subsidiaries, and will be collected in the present fiscal year.

Gains on sale of stockholdings relate to the surplus realised consequently to the sale to Cremonini Restauration s.a.s. of the CE France s.a r.l. stockholding.

Other financial income

(in thousand of Euro)	***2001***	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
a) From fixed loans - subsidiaries	23	20	-	20
a) From fixed loans – others	152	219	-	219
b) From fixed securities	1,175	1,060	-	1,060
c) From current securities	-	2,386	-	2,386
d) From other than described above – subsidiaries	12,527	13,803	-	13,803
d) From other than described above – associated companies	1	-	-	-
d) From other than described above – parent companies	-	-	514	514
d) From other than described above – others	1,059	1,009	1	1,010
Total	**14,937**	**18,497**	**515**	**19,012**

The decrease in the heading is basically due to the lack of proceeds from treasury securities management in 2001.

Proceeds "from fixed securities" are mainly due to bond coupons.

The income "from other than described above – subsidiaries" represents the income deriving from the financial and treasury activities conducted centrally for the Group companies and is correlated to the change in the balances and to the trend of the market interest rates.

Financial income "from other than described above- others" is detailed below:

(in thousand of Euro)	**2001**	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Foreign exchange translation gains	42	178	-	178
Financial income from banks	170	405	1	406
Other financial income	847	426	-	426
Total	**1,059**	**1,009**	**1**	**1,010**

Interest and other financial costs

(in thousand of Euro)	**2001**	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Interest and other financial costs from subsidiaries	6,704	9,343	-	9,343
Interest and other financial costs from parent companies	-	-	478	478
Interest and other financial costs from others	16,227	13,373	832	14,205
Total	**22,931**	**22,716**	**1,310**	**24,026**

The heading includes total interest expenses related to the treasury services, interests, fees and expenses for banks and other lenders.

These expenses have increased in 2001 as a consequence of the higher Group indebtedness.

Interest and other financial costs from others consists of:

(in thousand of Euro)	**2001**	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Interest payable to banks	1,842	1,684	7	1,691
Interest payable on mortgages	7,503	5,506	822	6,328
Negative foreign exchange differences	3	16	-	16
Silver Castle ltd swap cost	6,435	5,576	-	5,576
Other financial expenses	444	591	3	594
Total	**16,227**	**13,373**	**832**	**14,205**

The Silver Castle ltd swap cost, relates to the swap, for exchange risk coverage, of the Yen loan provided by the subsidiary Cremonini Finance plc as described in the notes on the balance sheet, calculated on the difference between Yen interest rates and Lire interest rates.

Interests and other financial expenses include costs related to the sale of treasury stock comprised within current assets for an amount of 26 thousand euros.

Adjustments to the value of financial assets

Write-downs of stockholdings

The overall cost of 6,720 thousand euros (25,024 thousand euros as at December 31, 2000) is due, for an amount of 6,666 thousand euros, to write-downs of stockholdings carried under financial fixed assets, reported in exhibit 6, made following stockholders' meeting resolutions, and to permanent write-downs with respect to purchase price.

Extraordinary income and expense

Income

(in thousand of Euro)	***2001***	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Surplus on sale of business	52	516	-	516
Non-recurring revenues	621	1,074	19	1,093
Total	**673**	**1,590**	**19**	**1,609**

Non-recurring revenues primarily refer to unforeseen other revenues and lower expenses from prior years.

Expense

(in thousand of Euro)	***2001***	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
Taxation of preceding years	24	196	-	196
Unanticipated expenses	1,031	593	12	605
Other extraordinary expense	1,085	128	-	128
Total	**2,140**	**917**	**12**	**929**

The unanticipated expenses include costs and expenses of preceding years.

Other extraordinary expenses include the costs of a non-recurring personnel grievance.

Taxation on the profit for the financial year

(in thousand of Euro)	***2001***	*2000*		
		Cremonini	*C.E.I.Be.C.*	*Total*
I.R.A.P.	1,677	1,669	10	1,679
I.R.PE.G.	-	-	-	
Income from pre-paid taxation	(1,580)	(2,358)	-	(2,358)
Utilization of the provision for deferred taxation payable	(300)	(3,886)	-	(3,886)
Total	**(203)**	**(4,575)**	**10**	**(4,565)**

As at December 31, 2001, income taxes show net proceeds primarily as a result of the "income from pre-paid taxation" relative to the tax savings stemming from losses brought forward.

Directors' and Statutory Auditors' emoluments

In compliance with the law, the following table reports the overall emoluments (taxable incomes) payable to the Directors and to the Statutory Auditors for the year ended December 31, 2001, which also include emoluments for activities performed in other corporations belonging to the Group:

(in thousand of Euro)		Fees	Salary	Other	Total
Board of Directors					
Cremonini Luigi	Chairman	528	100	-	628
Sciumè Paolo	Vice-Chairman	13	-	-	13
Cremonini Vincenzo	Chief Executive off. *	361	108	-	469
Canonico Roberto	Chief Executive off. *	11	25	1,087	1,123
Fabbian Valentino	Director **	385	112	-	497
Aratri Illias	Director	113	89	-	202
Ravanelli Ugo	Director	338	103	-	441
Pedrazzi Giorgio	Director	263	130	-	393
Barberis Giovanni	Director	137	79	-	216
Rossini Edoardo	Director	13	-	-	13
Total Board of Directors		**2,162**	**746**	**1,087**	**3,995**
Statutory Auditors					
Artese Alessandro	Chairman	71	-	-	71
Colombo Franco	Auditor	45	-	-	45
Zanasi Giovanni	Auditor	42	-	-	42
Total Statutory Auditors		**158**	**-**	**-**	**158**
Total		**2,320**	**746**	**1,087**	**4,153**

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

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

These financial statements as at 31 December 2001, comprising a balance sheet, an income statement and explanatory notes, are a true and fair representation of the results of the Company.

Castelvetro di Modena, 22 March 2002

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

Exhibits

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

Exhibit 1 - Details as at December 31, 2001 of receivables from and payables to, subsidiary, associated and affiliated companies;

Exhibit 2 - Details for the 2001 financial year of revenues from and costs payable to, subsidiary, associated and affiliated companies;

Exhibit 3 - Schedule of the changes in intangible fixed assets for the year ended December 31, 2001;

Exhibit 4 - Schedule of the changes in tangible fixed assets for the year ended December 31, 2001;

Exhibit 5 - Schedule of the changes in financial fixed assets for the year ended December 31, 2001;

Exhibit 6 - List of stockholdings as at December 31, 2001 classified as fixed assets;

Exhibit 7 - List of stockholdings in subsidiary and associated companies as at December 31, 2001 (Art. 2427 no. 5 of the Civil Code);

Exhibit 8 - Schedule of the changes in net equity for the years ended December 31, 2001 and December 31, 2000;

Exhibit 9 - Statement of cash flow for the years ended December 31, 2001 and December 31, 2000.

Exhibit 1

Details as at December 31, 2001 of receivables from and payables to, subsidiary, associated and affiliated companies

(in thousands of Euro)	*Treasury*		*Commercial*		*Other*		*Total*	
	Receivables	*Payables*	*Receivables*	*Payables*	*Receivables*	*Payables*	*Receivables*	*Payables*
Subsidiaries:								
Alisea soc.cons.a r.l.	-	6	-	-	-	-	-	6
Az. Agr. Corticella s.r.l.	6,289	-	-	-	-	-	6,289	-
Battistini Elviro s.r.l.	127	-	-	-	-	-	127	-
Compagnia delle Spezie s.r.l.	644	-	-	3	244	-	888	3
Cons. Centro Comm. Ingrosso Carni s.r.l.	5,724	-	-	-	-	-	5,724	-
Cremonini Finance plc	-	-	-	-	-	129,155	-	129,155
Cremonini International b.v.	-	-	-	-	523	-	523	-
Cremonini Restauration s.a.s.	1,443	4	-	-	-	-	1,443	4
Fe.Ber. Carni s.r.l. in liquidation	-	101	-	-	-	-	-	101
Fernie s.r.l. in liquidation	-	93	-	-	-	414	-	507
Ges.Car. s.r.l.	-	4,324	-	-	-	-	-	4,324
Global Service s.r.l.	81	-	-	15	-	-	81	15
Guardamiglio s.r.l.	1	40	-	-	-	-	1	40
INALCA s.p.a.	71,877	21,549	3	143	-	-	71,880	21,692
Interjet s.r.l.	-	552	-	-	-	-	-	552
Marr Alisurgel s.r.l.	68	-	-	-	-	-	68	-
Marr s.p.a.	108,203	70,991	-	1,408	14,097	-	122,300	72,399
Mister Food s.p.a.	96	-	-	-	-	-	96	-
Momentum Services ltd	-	-	52	-	256	-	308	-
Montana Alimentari s.p.a. (formerly Corte Buona)	9	30,628	-	1,180	1,716	-	1,725	31,808
Roadhouse Grill Italia s.r.l.	2,538	-	30	-	-	-	2,568	-
S.A.M. s.r.l.	545	-	6	-	-	-	551	-
S.I.A.S. s.p.a.	18	-	-	-	-	-	18	-
Sara s.r.l.	-	409	-	-	-	-	-	409
SGD s.r.l.	-	16	-	27	294	-	294	43
Taormina Catering s.r.l. in liquidation	-	-	-	-	-	2	-	2
Total subsidiaries	**197,663**	**128,713**	**91**	**2,776**	**17,130**	**129,571**	**214,884**	**261,060**
Associated companies:								
Az. Agr. Serra della Spina s.r.l.	-	-	-	-	5	-	5	-
S.I.S.AG. s.r.l.	5	-	-	-	82	-	87	-
Total associated companies	**5**	**-**	**-**	**-**	**87**	**-**	**92**	**-**
Affiliated companies:								
Alfa 95 s.p.a. in liquidation	-	-	-	-	30	-	30	-
Cre-Am s.r.l. in liquidation	-	-	-	-	51	-	51	-
Europork s.p.a. in liquidation	-	-	-	-	16	-	16	-
Le Cupole s.r.l.	-	-	-	-	65	-	65	-
Total affiliated companies	**-**	**-**	**-**	**-**	**162**	**-**	**162**	**-**

Exhibit 2

Details for the 2001 financial year of revenues from and costs payable to, subsidiary, associated and affiliated companies

(in thousands of Euro)	*Revenues*				***Total***	*Expenses*				***Total***
	Financial	*Services*	*Sales*	*Other*	***revenues***	*Financial*	*Services*	*Sales*	*Other*	***expenses***
Subsidiaries:										
Alisea soc.cons.a r.l.	1	-	-	-	**1**	-	-	-	-	**-**
Az. Agr. Corticella s.r.l.	500	8	-	-	**508**	-	-	-	-	**-**
Battistini Elviro s.r.l.	19	-	-	-	**19**	-	-	-	-	**-**
Compagnia delle Spezie s.r.l.	88	25	-	121	**234**	-	-	-	3	**3**
Cons. Centro Comm. Ingrosso Carni s.r.l.	336	-	-	-	**336**	-	-	-	-	**-**
Cremonini Finance plc	-	-	-	-	**-**	346	-	-	50	**396**
Cremonini International b.v.	7	-	-	-	**7**	-	-	-	-	**-**
Cremonini Restauration s.a.s.	113	-	28	16	**157**	5	169	77	-	**251**
Fe.Ber. Carni s.r.l. in liquidation	-	2	-	-	**2**	7	-	-	-	**7**
Fernie s.r.l. in liquidation	-	-	-	-	**-**	5	-	-	-	**5**
Ges.Car. s.r.l.	-	1	-	-	**1**	44	-	-	-	**44**
Global Service s.r.l.	25	51	-	144	**220**	-	270	-	304	**574**
Guardamiglio s.r.l.	3	25	-	-	**28**	341	-	-	-	**341**
INALCA s.p.a.	5,222	2,116	7	110	**7,455**	3,745	-	164	-	**3,909**
Interjet s.r.l.	6	21	-	1	**28**	19	-	-	210	**229**
Marr Alisurgel s.r.l.	4	-	-	-	**4**	1	-	-	-	**1**
Marr s.p.a.	6,073	968	-	64	**7,105**	5,323	-	2,907	18	**8,248**
Mister Food s.p.a.	7	6	-	5	**18**	-	-	-	-	**-**
Momentum Services ltd	-	184	3	4	**191**	-	-	-	-	**-**
Montana Alimentari s.p.a. (formerly Corte Buona)	35	496	-	74	**605**	2,146	69	3,977	24	**6,216**
Roadhouse Grill Italia s.r.l.	60	1	1	97	**159**	-	-	-	-	**-**
S.A.M. s.r.l.	29	6	1	-	**36**	-	-	1	-	**1**
Sara s.r.l.	-	-	-	-	**-**	22	-	-	-	**22**
SGD s.r.l.	22	5	-	-	**27**	-	-	-	241	**241**
Reimbursement CRC transaction costs	-	-	-	-	**-**	(5,300)	-	-	-	**(5,300)**
Total subsidiaries	**12,550**	**3,915**	**40**	**636**	**17,141**	**6,704**	**508**	**7,126**	**850**	**15,188**
Associated companies:										
S.I.S.AG. s.r.l.	1	-	-	-	**1**	-	-	-	-	**-**
Total associated companies	**1**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**
Affiliated companies:										
Alfa 95 s.p.a. in liquidation	-	1	-	-	**1**	-	-	-	-	**-**
Cre.Mo.Fin. s.r.l.	-	-	-	-	**-**	-	1	-	-	**1**
Le Cupole s.r.l.	-	31	-	-	**31**	-	-	-	-	**-**
Total affiliated companies	**-**	**32**	**-**	**-**	**32**	**-**	**1**	**-**	**-**	**1**

Exhibit 3

Schedule of the changes in intangible fixed assets for the year ended December 31, 2001

(in thousands of Euro)	*Opening balances*			*Movements during the year*				*Closing balances*		
	Original cost	*Provision for amort.*	*Balance 31.12.2000*	*Purchases*	*Net decreases*	*Reclass./Dev. Other mov.*	*Amortiz.*	*Original cost*	*Provision for amort.*	*Balance 31.12.2001*
Formation and start-up costs	8,666	(5,229)	3,437	127	(3)	41	(1,749)	8,838	(6,985)	1,853
Cost of research, development and advertising	19	(17)	2				(2)			
Cost of industrial patents and rights for the use of intellectual property	172	(98)	74	146			(106)	319	(205)	114
Concessions, licences, brand names and similar rights	144	(75)	69	154			(32)	298	(107)	191
Goodwill	8,201	(3,352)	4,849	1,560			(1,277)	9,761	(4,629)	5,132
Intangible fixed assets under development and advances	815		815	1,031	(342)	(411)		1,093		1,093
Other intangible fixed assets	23,776	(14,391)	9,385	1,251	(161)	531	(2,666)	25,318	(16,978)	8,340
Total	**41,793**	**(23,162)**	**18,631**	**4,269**	**(506)**	**161**	**(5,832)**	**45,627**	**(28,904)**	**16,723**

Exhibit 4

Schedule of the changes in tangible fixed assets for the year ended December 31, 2001

(in thousand of Euro)	*Opening balances*				*Movements during the year*				*Closing balances*			
	Original cost	*Write-up/ (down)*	*Provision for deprec.*	*Balance 31.12.2000*	*Purchases*	*Net decreases*	*Reclass./ Other mov.*	*Deprec.*	*Original cost*	*Write-up/ (down)*	*Provision for deprec.*	*Balance 31.12.2001*
Land and buildings	2,387		(229)	2,158	77		28,884	(712)	33,629		(3,222)	30,407
Plant and machinery	7,191		(4,306)	2,885	361	(25)	700	(713)	8,500		(5,292)	3,208
Industrial and commercial equipment	3,752		(3,208)	544	615			(341)	4,377		(3,559)	818
Other tangible fixed assets	7,276		(3,840)	3,436	756	(235)	944	(924)	9,708		(5,731)	3,977
Tangible fixed assets under development and advances	1,178			1,178	2,252	(6)	9,887		13,311			13,311
Total	**21,784**		**(11,583)**	**10,201**	**4,061**	**(266)**	**40,415**	**(2,690)**	**69,525**		**(17,804)**	**51,721**

Exhibit 5

Schedules of the changes in financial fixed assets for the year ended December 31, 2001

(in thousand of Euro)	*Opening balances*				*Movements during the year*					*Closing balances*	
	Original cost	*Write-up*	*Write-down*	*Balance 31.12.2000*	*Increases*	*Decreases*	*Write-up*	*Write-down*	*Reclass./ Other mov.*	*Balance 31.12.2001*	*of which: write-up*
Stockholdings in subsidiary and associated companies valued at cost:											
- subsidiaries	325,656	35	(25,269)	300,422	6,695	(157)		(6,242)	(24,529)	276,189	35
- associated companies	20			20	66					86	
Stockholdings in other companies	1,632		(4)	1,628	1	(19)			4	1,614	
Total stockholdings	**327,308**	**35**	**(25,273)**	**302,070**	**6,762**	**(176)**		**(6,242)**	**(24,525)**	**277,889**	**35**
Loans:											
- to subsidiaries	1,118			1,118		(52)				1,066	
- to associated companies	418			418		(331)				87	
- to others	11,352			11,352	301	(254)		(7)		11,392	
Total loans	**12,888**			**12,888**	**301**	**(637)**		**(7)**		**12,545**	
Other securities	**17,263**			**17,263**		**(628)**				**16,635**	
Treasury stock	**10,501**			**10,501**						**10,501**	
Total	**367,960**	**35**	**(25,273)**	**342,722**	**7,063**	**(1,441)**		**(6,249)**	**(24,525)**	**317,570**	**35**

Exhibit 6

List of stockholdings as December 31, 2001 classified as fixed assets

(in thousand of Euro) Name	*Percentage holding*	*Opening value*	*Acquired or subscribed*	*Sold*	*(Write-down)/ Write-up*	*Other movements*	*Percentage holding*	*Closing value*
Subsidiaries:								
Azienda Agricola Corticella s.r.l.	100.00	2,138	724				100.00	2,862
C.E.I.Be.C. s.r.l.	100.00	24,529				(24,529)		
CE France s.a r.l.	74.00	38	119	(157)				
Compagnia delle Spezie s.r.l.	100.00	2,333	516		(618)		100.00	2,231
Cons. Centro Comm. Ingrosso Carni s.r.l.	77.05	4,635					77.05	4,635
Cremonini Finance plc	100.00	74	3,228		(3,726)		100.00	0 (a)
Cremonini International b.v.	100.00	20					100.00	20
Cremonini Restauration s.a.s.	92.00	1,035	465				100.00	1,500
Fe.Ber. Carni s.r.l. in liquidation	100.00	252					100.00	252
Fernie s.r.l. in liquidation	60.00	504					60.00	504
Global Service s.r.l.	100.00	-	408		(369)		100.00	39
Guardamiglio s.r.l.	100.00	15,648	1		(1,803)		100.00	13,846
INALCA s.p.a.	100.00	144,954	140				100.00	145,094
Interjet s.r.l.	80.00	1,015	835		(150)		80.00	1,700
Marr s.p.a.	100.00	57,435					100.00	57,435
Mister Food s.p.a.	100.00	10	121				100.00	131
Momentum Services ltd	51.00	188					51.00	188
Montana Alimentari s.p.a. (formerly Corte Buona)	100.00	45,510					100.00	45,510
Roadhouse Grill Italia s.r.l. (formerly Cogea Sud)	99.00	15	78				99.00	93
S.A.M. s.r.l.	100.00	47	60				100.00	107
SGD s.r.l.	50.00	42					50.00	42
Total subsidiaries		**300,422**	**6,695**	**(157)**	**(6,666)**	**(24,529)**		**276,189**
Associated companies:								
Az. Agr. Serra della Spina s.r.l.	33.33	10					33.33	10
S.I.S.AG. Soc. Italiana Sviluppo Agroalimentare s.r.l.	20.00	10	66				20.00	76
Total associated companies		**20**	**66**					**86**
Other companies:								
Emilia Romagna Factor s.p.a.		953						953
Futura s.p.a.		600						600
Others		75	1	(19)		4		61
Total other companies		**1,628**	**1**	**(19)**		**4**		**1,614**
Total stockholdings		**302,070**	**6,762**	**(176)**	**(6,666)**	**(24,525)**		**277,889**

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

Exhibit 7

List of stockholdings in subsidiary and associated companies as at December 31, 2001 (Art. 2427 no. 5 of the Civil Code)

(in thousand of Euro) Name	Registered office	Capital stock (in Euro if not otherwise stated)	Net profit (loss) for the year ended 31.12.2001	Net equity at 31.12.2001	Percentage held at 31.12.2001	Carrying value (A)	Valuation based on NE (B)	Difference (B) - (A)	Notes
Subsidiaries:									
Azienda Agricola Corticella s.r.l.	Spilamberto (MO)	95,000	170	858	100.00%	2,862	3,993	1,131	
Compagnia delle Spezie s.r.l.	Gattatico (RE)	1,033,000	(618)	415	100.00%	2,231	1,864	(367)	
Cons. Centro Comm.le Ingrosso Carni s.r.l.	Bologna	1,500,000	73	1,878	77.05%	4,635	4,723	88	
Cremonini Finance plc	London (Great Britain)	GBP 50,000	(3,302)	(424)	100.00%	0	0	0	(b)
Cremonini International b.v.	Amsterdam (Holland)	20,000	(23)	(3)	100.00%	20	(3)	(23)	
Cremonini Restauration s.a.s.	Paris (France)	1,500,000	(127)	220	100.00%	1,500	573	(927)	
Fe.Ber. Carni s.r.l. in liquidation	Castelvetro di Modena (MO)	98,200	(7)	304	100.00%	252	304	52	
Fernie s.r.l. in liquidation	Modena	1,033,000	(3)	1,132	60.00%	504	679	175	
Global Service s.r.l.	Castelvetro di Modena (MO)	93,000	(369)	(276)	100.00%	39	(276)	(315)	
Guardamiglio s.r.l.	Piacenza	4,135,000	(1,802)	4,163	100.00%	13,846	12,316	(1,530)	
INALCA s.p.a.	Castelvetro di Modena (MO)	140,000,000	(8,923)	131,077	100.00%	145,094	139,572	(5,522)	
Interjet s.r.l.	Castelvetro di Modena (MO)	1,550,000	(187)	1,363	80.00%	1,700	1,363	(337)	
Marr s.p.a.	Rimini	25,550,000	2,905	66,991	100.00%	57,435	63,633	6,198	
Mister Food s.p.a.	Castelvetro di Modena (MO)	100,000	8	108	100.00%	131	108	(23)	
Momentum Services ltd	London (Great Britain)	GBP 225,000	(185)	793	51.00%	188	397	209	
Montana Alimentari s.p.a. (formerly Corte Buona)	Gazoldo degli Ippoliti (MN)	40,248,000	160	43,000	100.00%	45,510	43,724	(1,786)	
Roadhouse Grill Italia s.r.l. (formerly Cogea Sud)	Castelvetro di Modena (MO)	90,000	(42)	48	99.00%	93	47	(46)	
S.A.M. s.r.l.	Castelvetro di Modena (MO)	46,500	(64)	(17)	100.00%	107	(17)	(124)	
SGD s.r.l.	Castelvetro di Modena (MO)	83,000	16	161	50.00%	42	81	39	
Total subsidiaries						276,189	273,081	(3,108)	
Associated companies:									
Az. Agr. Serra della Spina s.r.l.	Monacilioni (CB)	10,846	3	30	33.33%	10	10	0	(a)
S.I.S.AG. Società Italiana Sviluppo Agroalim. s.r.l.	Bologna	51,000	(4)	41	20.00%	76	8	(68)	(a)
Total associated companies						86	18	(68)	

NOTES
(a) The data reported refers to the financial statements for the year ended December 31, 2000, which is the last available annual report.
(b) A specific risk provision was set up against a negative net equity.
(c) It must be noted that for all stockholdings with a 100% shares owned, the Corporation will be held responsible for all obligations, pursuant to art. 2362 of the Italian Civil Code.

Exhibit 8

Schedule of the changes in shareholders' equity for the years ended December 31, 2001 and December 31, 2000

(in thousand of Euro)	*Capital stock*	*Legal reserve*	*Extraordinary reserve*	*Shareholders advance payments for capital stock*	*Reserve for anticipated depreciation*	*Merger surplus reserve*	*Share premium reserve*	*Reserve for treasury stock*	*Retained profits reserve*	*Profit (loss) for the year*	***Total***
Financial Statements as at December 31, 1999	**72,624**	**3,012**	**746**	**367**	**853**	**3,761**	**107,703**	**2,740**		**12,524**	**204,330**
Distribution of profits for the year 1999											
- reserves and share capital	586	627							3,323	(4,535)	
- dividends										(7,989)	**(7,989)**
Utilisation of reserves for treasury stock increase			(746)	(367)	(853)	(3,761)	(2,033)	7,760			
Net profit (loss) for the year ended December 31, 2000										(13,033)	**(13,033)**
Financial Statements as at December 31, 2000	**73,210**	**3,639**					**105,670**	**10,500**	**3,323**	**(13,033)**	**183,309**
Utilisation of reserves against losses							(13,033)			13,033	
Utilisation of reserves for dividends distributed									(3,156)		**(3,156)**
Utilisation of reserves for stock capital issue	536						(502)		(34)		
Utilisation of reserves for treasury stock increase							(7,706)	7,706			
Utilisation of reserves for new charges to legal reserve		11,003					(11,003)				
Net profit for the year ended December 31, 2001										795	**795**
Financial Statements as at December 31, 2001	**73,746**	**14,642**					**73,426**	**18,206**	**133**	**795**	**180,948**

Exhibit 9

Statement of cash flow for the years ended December 31, 2001 and December 31, 2000

(in thousand of Euro)	***2001***	*2000*
A) Short-term net borrowings - opening balance	**(47,979)**	**(31,200)**
B) Cash flows from operations in the year		
Net profit (loss) for the year	795	(13,033)
Depreciation		
- intangible assets	5,832	5,626
- tangible assets	2,690	1,633
Gain or (loss) on disposal of tangible fixed assets	250	583
Net change in provision for liabilities and charges	(144)	(2,821)
Net change in staff severance indemnities	238	643
Cash flows for the year before changes in working capital	9,661	(7,369)
(Increase) decrease of treasury stock posted under current assets	(7,705)	
(Increase) decrease of trade receivables and other receivables	25,289	(20,001)
Increase (decrease) of trade payables to suppliers and other payables	(19,164)	(16,015)
Increase (decrease) in accrued income and prepaid expenses	(1,843)	(1,038)
	6,238	**(44,423)**
C) Cash flows from (for) investments		
Investments in fixed assets		
- intangible	(3,763)	(7,782)
- tangible	(4,061)	(3,109)
Net change in financial fixed assets	(4)	23,235
Sale or reimbursement of fixed assets	646	2,312
	(7,182)	**14,656**
D) Cash flows from (for) movements in net equity		
Distribution of dividends	(3,156)	(7,989)
	(3,156)	**(7,989)**
E) Cash flows from (for) financial operations		
Increase in short term share of long term borrowings	(27,020)	(16,765)
Increase in long-term borrowings from new loans	5,165	37,701
	(21,855)	**20,936**
F) Cash flows in the period excluding impact of mergers in the year (B + C + D + E)	**(25,955)**	**(16,820)**
G) Cash flows due to mergers		
Cash flows on business activities in the period		
(Increase) decrease in trade payables and other	(3,317)	(555)
Increase (decrease) in trade receivables and others	3,223	979
	(94)	424
Cash flows on investments and financial assets		
Increase in tangible and intangible assets	(40,576)	(350)
Increase in financial fixed assets	24,528	(33)
Net change in provision for liabilities and charges	10	
Net increase in long term borrowings from banks	14,414	
	(1,624)	(383)
H) Total cash flows from mergers	**(1,718)**	**41**
I) Total short-term net borrowings (A + F + H) - closing balance	**(75,652)**	**(47,979)**

Report of the Board of Statutory Auditors

Shareholders,

The financial statements for the year ended December 31, 2001, prepared by the Board of Directors, was duly forwarded to the Board of Statutory Auditors within the terms established by law, together with the detailed annexes and the Report on Operations.

The financial statements show a profit for the year amounting to Euro 794,840 and can be summarized as follows:

Balance sheet	Euro
Assets	666,795,035
Liabilities	485,847,285
Capital Stock	73,746,400
Reserves	106,406,510
Profit for the year	794,840

with the sum total of Euro 527,872,017 listed in the memorandum accounts.

Statement of income	Euro
Value of production	122,129,051
Costs of production	(114,976,480)
Financial income and expense	1,654,673
Adjustment to the value of financial assets	(6,748,643)
Extraordinary income and expense	(1,467,110)
Income tax for the year	203,349
Profit for the year	794,840

It must be noted that the share capital at December 31, 2001, amounting to € 73,746,400, was converted into the new currency with the resolution passed on April 28, 2001. As provided for by Legislative Decree 213/1998 and subsequent amendments, the conversion was carried out using the part of the stock premium, required for rounding up and thus creating a value increase on each share (from 1000 lire to 1,006.86 lire).

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

With regard to its areas of responsibility and based on the information in its possession, the Board of Statutory Auditors acknowledges that:

- the financial statements were drawn up in compliance with the provisions of Article 2423 and following articles of the Italian Civil Code;
- in drawing up the document herewith there was no need to apply any exceptions to the principles for drawing up financial statements as provided for by Article 2423, paragraph 4, of the Italian

Civil Code;

- the Financial Statements correspond to the entries posted in the company accounts;
- the evaluation criteria used have not changed with respect to the previous period, with the exception of the evaluation criterion adopted for treasury stock in hand entered under current assets; the evaluation criteria are the ones provided for by Article 2426 of the Italian Civil Code, corresponding to the criteria indicated by the Board of Directors in the notes to the accounts, to which you are referred for a detailed explanation;
- the postulate of truthfulness and clarity has been observed, understood in the legal sense and thus meaning the compliance of values and estimates to regulations, principles and the necessary additional information; we feel that the information furnished by the Board of Directors in the notes to the accounts offers appropriate justification of the choices that have been made with regard to the discretionary powers that are acknowledged to the Directors by law;
- the notes to the accounts furnish the indications provided for by Article 2427 of the Italian Civil Code, as well as the information required by other legal provisions and the information deemed appropriate in order to represent the equity, economic and financial situation of the company.

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

The Board of Statutory Auditors also notes the following in relation to its responsibilities during the period.

- It has noted that the provisions passed by resolution and implemented comply with the requirements of the law and of the corporate charter and that, in general, they observe the principles of proper management. In particular, performance was followed and monitored by analyzing the information furnished by the Directors on the activities carried out and on the most important economic, financial and equity operations carried out by the company and its subsidiaries. The infra-group operations and those with affiliated parties implemented during the period can be considered connected to and inherent in the achievement of the company object. The Board of Statutory Auditors has noted that these operations comply with the law, with the company's Articles of Association and with general criteria of economic rationality. In this regard, no conflicts of interests were reported or noted, nor were any manifestly imprudent or risky operations performed such that could jeopardize the economic, equity and financial situation of the company or Group.
- The Board of Statutory Auditors notes that no atypical and/or unusual operations were conducted with third parties, affiliated parties or infra-group parties, nor were there any atypical operations involving securities in general.
  In their report on operations, the Directors indicate and illustrate the main management and corporate events that occurred during fiscal year 2001. Please refer to this report for a more detailed examination of the initiatives undertaken in the sectors of distribution, restaurant/catering activities, railroad catering activities and production sectors.
- With regard to timeliness and completeness, the Board of Statutory Auditors has monitored the adequacy of the administrative/accounting system, as well as its reliability in correctly representing information on operations, and it was assisted in this by the auditing firm. Based on the results of the quarterly audits performed on the accounting books kept regularly by the company, there emerged no technical-administrative events or data to be reported.
  Specifically, the Board of Statutory Auditors monitored the activities implemented to handle any problems arising with the changeover of the books to the euro. It must be noted that the company changed to the euro as its currency of account in November 2001. As a result, the Financial Statements at December 31 were presented in euro for the first time. The conversion of ledger balances was carried out in compliance with the regulatory provisions set forth by Legislative Decree 213/1998.

- With regard to timeliness and completeness, the Board of Statutory Auditors has monitored the adequacy of the instructions the company conveyed to its subsidiaries and it noted that these provisions guaranteed the prompt flow of information to the parent company as required in order to meet the notification obligations provided for by law.

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

- during the period information was exchanged with PricewaterhouseCoopers, the auditing firm appointed to audit the Financial Statements referred to herein and the Group's consolidated financial statements;
- during the period, there were twelve meetings of the Board of Directors that were attended by the Board of Statutory Auditors, whereas there were nine meetings of the Board of Statutory Auditors;
- the Board of Statutory Auditors did not receive any complaints from shareholders pursuant to Article 2408 of the Italian Civil Code, nor were there petitions in general;
- today, the auditing firm of PricewaterhouseCoopers submitted its report as provided for by Article 156 of Legislative Decree 58/1998, stating that the Financial Statements and the Consolidated Financial Statements at December 31, 2001 truthfully and correctly represent the equity and financial status of the company and of the Group, as well as their economic performance;
- in 2001, the company did not give PricewaterhouseCoopers any professional assignment other than the one of auditing the Financial Statements and the six-monthly reports;
- through its "code" adopted with the resolution passed by the Board of Directors on March 10, 2001, the company follows the Code of Corporate Governance of the Committee for the Corporate Governance of stock-listed companies. In this regard, it must be noted that the "Committee for Emoluments to Directors" and the "In-house Control and Corporate Governance Committee" have been established and put into operation. In addition, since July 2, 2001 the ordinary shares in Cremonini have been authorized for trading in the STAR [*Segmento Titoli con Alti Requisiti*] segment of the Italian Stock Exchange, i.e. the segment for companies that meet a series of specific requirements involving transparency of information, liquidity and corporate governance.

With regard to the above, the Board of Statutory Auditors has expressed its opinion in favor of approving the Financial Statements as at December 31, 2001 listing a profit of € 794,840. Likewise, it is in favor of the proposal of the Board of Directors for the allocation of profit, specifying that pursuant to Article 2425, paragraph 1, point 5) of the Italian Civil Code, in relation to "multiyear costs" entered in the Financial Statement under intangible fixed assets for a net sum of € 1,852,442, there are available reserves in excess of this amount.

Shareholders,

Our term of office expires at the time of the Shareholders' Meeting to which you have been convened. We would like to thank you for your confidence in us and hereby ask you to renew the Board of Statutory Auditors for the next three-year period.

Castelvetro di Modena, April 12, 2002

BOARD OF STATUTORY AUDITORS

Dr. Alessandro Artese
Chairman

Dr. Giovanni Zanasi
Statutory Auditor

Dr. Franco Colombo
Statutory Auditor

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

To the shareholders of
CREMONINI SpA

1 We have audited the financial statements of CREMONINI SpA as of 31 December 2001. These financial statements are the responsibility of CREMONINI SpA's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

For the opinion on the financial statements of the prior period, which are presented for comparative purposes as required by law, reference is made to our report dated 9 April 2001.

3 In our opinion, the financial statements of CREMONINI SpA as of 31 December 2001 comply with the laws governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and of the results of operations of the Company.

4 We draw to your attention that, as described in the noted to the financial statements, the Company holds investments in subsidiaries which are carried at cost adjusted for permanent impairment in value, and as requested by the Italian law has prepared the Group consolidated financial statements. Such consolidated financial statements represent an integration of the financial statements of CREMONINI SpA for the purpose of the information on the financial position and results of operation of the

Company and the Group. The consolidated financial statements have been audited by us and are attached along with our report to the financial statements.

Parma, 12 April 2002

PricewaterhouseCoopers SpA

Giovanni Galli
Giovanni Galli
(Partner)

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL WHICH WAS ISSUED IN ACCORDANCE WITH ITALIAN PRACTICE

Consolidated Financial Statements as at December 31, 2001

Balance sheet
Memorandum accounts
Statement of income
Notes to the accounts

Consolidated financial statements as at December 31, 2001

Balance sheet - Assets

(in thousand of euro)

	31.12.2001	*31.12.2000*
B) Fixed assets		
I. Intangible		
1) Formation and start-up costs	6,799	*10,501*
2) Costs of research, development and advertising	3,182	*4,250*
3) Cost of industrial patents and rights for the use of intellectual property	1,549	*1,182*
4) Concessions, licences, brand names and similar rights	27,896	*29,535*
5) Goodwill	9,765	*8,693*
5b) Consolidation differences	55,743	*59,285*
6) Intangible fixed assets under development and advances	2,798	*1,874*
7) Other intangible fixed assets	14,475	*16,039*
	122,207	*131,359*
II. Tangible		
1) Land and buildings	220,182	*219,571*
2) Plant and machinery	135,622	*136,511*
3) Industrial and commercial equipment	5,344	*4,840*
4) Other tangible fixed assets	13,985	*14,187*
5) Tangible fixed assets under development and advances	15,877	*18,117*
	391,010	*393,226*
III. Financial		
1) Stockholdings in		
a) subsidiaries	2,061	*1,478*
b) associated companies	2,879	*2,521*
d) other companies	3,613	*3,550*
	8,553	*7,549*
2) Loans		
a) to subsidiaries		
- within 12 months	818	*568*
- over 12 months	294	*346*
b) to associated companies		
- within 12 months	87	*418*
- over 12 months		*60*
d) to others		
- within 12 months	808	*1,593*
- over 12 months	13,546	*14,054*
	15,553	*17,039*
3) Other securities	1,611	*1,561*
4) Treasury stock (total nominal value at 31.12.2001 Euro 2.138.760)	10,501	*10,501*
	36,218	*36,650*
Total fixed assets (B)	**549,435**	***561,235***

	31.12.2001	31.12.2000
	(in thousands of Euro)	
C) Current assets		
I. Inventories		
1) Raw materials, supplies and consumables	14,043	*14,626*
2) Work-in-progress and partly finished products	3,662	*6,860*
4) Finished products and goods for resale	151,509	*156,111*
5) Advance payments	46	*50*
	169,260	*177,647*
II. Receivables		
1) Trade receivables		
- within 12 months	202,275	*171,694*
- over 12 months	1,221	*1,391*
	203,496	*173,085*
2) From subsidiaries		
- within 12 months	5,563	*2,923*
	5,563	*2,923*
3) From associated companies		
- within 12 months	8,348	*10,176*
	8,348	*10,176*
5) From others		
- within 12 months	66,140	*69,897*
- over 12 months	21,611	*11,947*
	87,751	*81,844*
	305,158	*268,028*
III. Financial current assets		
4) Other stockholdings		*55*
5) Treasury stock (total nominal value at 31.12.2001 Euro 2.580.240)	7,705	
6) Other securities	545	*76*
	8,250	*131*
IV. Cash and cash equivalents		
1) Bank and post office accounts	15,118	*27,580*
2) Cheques	3,448	*3,619*
3) Cash on hand	3,569	*1,733*
	22,135	*32,932*
Total current assets (C)	**504,803**	***478,738***
D) Accrued income and prepaid expenses		
- miscellaneous	3,476	*3,170*
Total accrued income and prepaid expenses (D)	**3,476**	***3,170***
Total assets (B+C+D)	**1,057,714**	***1,043,143***

Consolidated financial statements as at December 31, 2001

Balance sheet - Shareholders' equity and liabilities

(in thousand of Euro)

	31.12.2001	*31.12.2000*
A) Shareholders' equity		
I. Capital stock	73,746	*73,210*
II. Share premium reserve	73,426	*105,670*
IV. Legal reserve	14,642	*3,638*
V. Reserve for treasury stock	18,206	*10,501*
VII. Other reserves		
Consolidation reserve	3,302	*3,420*
Reserve for translation differences	(38)	*24*
VIII. Profits (losses) brought-forward	1,062	*1,203*
IX. Group profit (loss) for the year	(13,486)	*(9,961)*
Total Group net equity	170,860	*187,705*
Minority interest in capital and reserves	1,462	*1,197*
Minority's share of profit (loss)	35	*249*
Total minority interests	1,497	*1,446*
Total shareholders' equity (A)	**172,357**	***189,151***
B) Provision for liabilities and charges		
1) Allowance for severance payments and similar obligations	1,075	*980*
2) Provision for taxation	2,528	*3,352*
3) Other	4,278	*4,104*
Total provision for liabilities and charges (B)	**7,881**	***8,436***
C) Staff severance indemnities	**29,279**	***28,518***

	31.12.2001	31.12.2000
	(in thousand of Euro)	
D) Payables		
1) Bonds and debentures		
- over 12 months	131,621	*131,621*
	131,621	*131,621*
3) Bank loans and overdrafts		
- within 12 months	188,042	*180,517*
- over 12 months	189,394	*186,419*
	377,436	*366,936*
4) Loans from other financial institutions		
- within 12 months	39,826	*31,097*
- over 12 months	4,517	*5,046*
	44,343	*36,143*
5) Advance payments		
- within 12 months	85	*323*
	85	*323*
6) Trade payables		
- within 12 months	229,675	*224,382*
	229,675	*224,382*
8) Payables to subsidiaries		
- within 12 months	1,113	*1,063*
	1,113	*1,063*
9) Payables to associated companies		
- within 12 months		*27*
		27
11) Tax payables		
- within 12 months	15,958	*13,799*
- over 12 months	2,134	
	18,092	*13,799*
12) Payables to pension and social security institutions		
- within 12 months	5,124	*5,813*
- over 12 months	8,404	
	13,528	*5,813*
13) Other payables		
- within 12 months	27,522	*30,746*
- over 12 months	1,083	*1,166*
	28,605	*31,912*
Total payables (D)	**844,498**	***812,019***
E) Accrued expenses and deferred income		
- miscellaneous	3,699	*5,019*
Total accrued expenses and deferred income (E)	**3,699**	***5,019***
Total liabilities (A+B+C+D+E)	**1,057,714**	***1,043,143***

Consolidated financial statements as at December 31, 2001

Memorandum accounts

(in thousand of Euro)

	31.12.2001	*31.12.2000*
Direct guarantees - sureties		
- subsidiaries	279,241	*268,121*
- associated companies		
- affiliated companies	2,700	*2,700*
- other companies	72,148	*65,398*
	354,089	*336,219*
Direct guarantees - letters of comfort		
- subsidiaries	67,941	*52,420*
- associated companies		
- affiliated companies		
- other companies		
	67,941	*52,420*
Indirect guarantees - credit mandates		
- subsidiaries	118,062	*122,090*
- associated companies		
- affiliated companies		
- other companies		
	118,062	*122,090*
Future leasing instalments	20,826	*22,368*
Other risks and commitments	2,262	*15,360*
Total memorandum accounts	**563,180**	***548,457***

Consolidated financial statements as at December 31, 2001

Statement of income

	(in thousand of Euro)	
	31.12.2001	*31.12.2000*
A) Value of production		
1) Revenues from sales and services	1,341,461	*1,367,279*
2) Changes in inventories for work-in-progress, products partly completed and finished goods	(14,039)	*(7,037)*
4) Increase in fixed assets produced internally	1,484	*3,550*
5) Other revenues and income		
- miscellaneous	19,895	*17,892*
- subsidies posted to profit and loss account	2,060	*23*
Total value of production (A)	**1,350,861**	***1,381,707***
B) Costs of production		
6) For raw materials, supplies, consumables and goods for resale	909,149	*970,957*
7) For services	201,718	*205,334*
8) For the use of third party assets	22,743	*19,065*
9) For personnel		
a) Salaries and wages	94,423	*89,684*
b) Social security costs	28,856	*29,213*
c) Staff severance indemnities	6,359	*6,006*
d) Severance payments		
e) Other expenses	162	*502*
	129,800	*125,405*
10) Amortization, depreciation and write-downs		
a) Amortization of intangible fixed assets	16,337	*15,977*
b) Depreciation of tangible fixed assets	26,399	*24,238*
c) Other write-down of fixed assets	314	*959*
d) Provision for bad debts and write-downs of other current assets	4,533	*3,890*
	47,583	*45,064*
11) Changes in inventories of raw materials, supplies, consumables and goods for resale	(6,059)	*(11,522)*
12) Provision for risks	674	*413*
13) Other accruals	50	*46*
14) Sundry administration costs	13,588	*12,973*
Total costs of production (B)	**1,319,246**	***1,367,735***
Difference between value and costs of production (A-B)	**31,615**	***13,972***

	31.12.2001	31.12.2000
	(in thousand of Euro)	
C) Financial income and expense		
15) Income from stockholdings		
- from subsidiaries		*8*
- from associated companies		*756*
- others	44	*45*
	44	*809*
16) Other financial income		
a) from fixed loans		
- from subsidiaries	23	*21*
- others	171	*218*
	194	*239*
b) from fixed securities other than stockholdings	88	*35*
c) from current securities other than stockholdings	11	*2,397*
d) income other than described above		
- from subsidiaries	54	*8*
- from associated companies	13	*24*
- others	10,799	*10,882*
	10,866	*10,914*
	11,159	*13,585*
17) Interest and other financial costs		
- from subsidiaries	(34)	*(34)*
- others	(42,090)	*(39,600)*
	(42,124)	*(39,634)*
Total financial income and expense (C)	**(30,921)**	***(25,240)***
D) Adjustments to the value of financial assets		
18) Write-ups		
a) of stockholdings	8	*11*
19) Write-downs		
a) of stockholdings	(1,098)	*(193)*
b) of financial fixed assets other than stockholdings	(7)	*(56)*
c) of current securities other than stockholdings	(22)	
	(1,127)	*(249)*
Total adjustments to the value of financial assets (D)	**(1,119)**	***(238)***
E) Extraordinary income and expense		
20) Income		
- surplus on sales	431	*517*
- miscellaneous	1,965	*2,925*
	2,396	*3,442*
21) Expense		
- loss on sale of assets		*(79)*
- taxation relating to preceding financial years	(24)	*(307)*
- miscellaneous	(4,466)	*(3,727)*
	(4,490)	*(4,113)*
Total extraordinary income and expense (E)	**(2,094)**	***(671)***
Profit before taxation (A-B+C+D+E)	**(2,519)**	***(12,177)***
22) Taxation on the profit for the financial year	(10,932)	*2,465*
26) Financial result for the financial year		
- Profit (loss) for the financial year	(13,451)	*(9,712)*
- Minority's share of (profit) loss	(35)	*(249)*
Group's share of profit (loss) for the financial year	**(13,486)**	***(9,961)***

Notes to the consolidated financial statements as at December 31, 2001

Structure and contents of the consolidated financial statements

The consolidated financial statements for the year ended December 31, 2001, have been drawn up in accordance with the requirements of Decree no. 127/1991, integrated and interpreted on the basis of the accounting principles recommended by the Commission of Accounting Principles of the National Board of "Dottori Commercialisti and Ragionieri" (Tax Advisers, Auditors and Accountants). These principles have been applied to the financial statements as at December 31, 2001 of the Parent Company as well as those of the subsidiary companies included within the scope of the consolidation. The financial statements of the subsidiaries have been reclassified and, if necessary, modified and altered to conform to the accounting principles of the Group and to remove fiscal classifications.

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

The consolidated financial statements as at December 31, 2001 show the information from the preceding year for comparative purposes.

For the very first time, all amounts in the consolidated financial statements as at December 31, 2001, are reported in euros only, since the Parent Company has introduced the new currency unit beginning in november 2001. Consequently, all amounts relating to prior year consolidated financial statements have also been converted into euros for consistency's sake. The balance sheet, the income statement and the notes to the financial statements have been drawn up in thousand euros. All costs incurred as a consequence of the transition to the Euro currency unit, entirely debited to the income statement, were not significant.

Rules and method of consolidation

The consolidated financial statements have been prepared using the global integration (line-by-line) method, which consists in aggregating all the assets and liabilities of the Parent Company with those of the consolidated subsidiaries.

The principal consolidation criteria adopted for the application of this method are the following:

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

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

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

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

The conversion to the Euro currency of the financial statements of the foreign subsidiary Cremonini Finance plc, given its activities, is made using the temporary method. With regard to the subsidiary Momentum Services ltd, the current exchange rate method is applied. The following exchange rates were utilized:

Currency	*Exchange rates at December 31, 2001*	*Average exchange rates in 2001*
Sterling (Great Britain)	0.6085	0.6219

Scope of the consolidation

The consolidated financial statements as at December 31, 2001 include those of the Parent Company, Cremonini s.p.a., and its subsidiaries (controlled directly, or indirectly, at that date) as provided by Article 2359 of the Civil Code.

A complete list of the companies consolidated as at December 31, 2001, indicating the method of consolidation, is provided in exhibit 7.

Subsidiaries which were inactive due to their recent start up, whose financial figures were not at all significant or which were subject to liquidation proceedings, were not part of the consolidation process. In particular, the consolidated financial statements as at December 31, 2001 exclude the following subsidiaries:

Inalca Hellas e.p.e. in liquidation
Perutnina Marr Yutali s.r.l. in liquidation
Taormina Catering s.r.l. in liquidation
Sara s.r.l.
SGD s.r.l.
Fe.Ber. Carni s.r.l. in liquidation
Fernie s.r.l. in liquidation
Inalca Angola ltda in liquidation
Inalca Russia l.l.c.
Inter Inalca Angola ltda

Marr Foodservice Iberica s.l.
Montana Farm s.p.zo.o.
Ge.Mark International d.o.o.
Cremonini International b.v.

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

The main changes occurred within the consolidation area during 2001 concern the following corporations, which were drawn out of the consolidation process:

- Quality & Service s.r.l., following the sale to a third party of the entire stockholding previously held by Marr s.p.a.;
- Buona Italia Alimentos ltda, due to the sale to a third party of a share of the stockholding held by Montana Alimentari s.p.a.. Owing to the sale, the Group does no longer hold control of the brasilian corporation, which was therefore valued by using the net equity method and was excluded from the consolidatoin process.

The Roadhouse Grill Italia s.r.l. corporation (formerly Cogea Sud) became part of the consolidation process; the company is now in charge for developing the "steakhouse" restaurants project all over Italy. The corporation began operations by opening the very first "Roadhouse Grill" steakhouse restaurant in Legnano (Milan).

Moreover, other operations were carried out in the course of the financial year that did not affect the scope of the consolidation. In particular, the most significant were:

<u>in the distribution sector</u>

- In November, 2001, Battistini Elviro s.r.l. incorporated the subsidiary Venturi Alfredo s.r.l..
- Marr s.p.a. acquired, effective as of September 1, 2001, the Adria Food s.r.l., Copea s.r.l., Elba Alimentari s.r.l., Islandia s.p.a. and Merigel s.r.l. corporations. Given the operations above mentioned, Copea s.r.l. has now turned into a new branch of the company Marr (named Marr Copea), while the Islandia and Merigel corporations have now merged into the new "Quinta Stagione" division.

<u>in the production sector</u>

- On December 1st, 2001, Corte Buona s.p.a. changed its denomination into Montana Alimentari s.p.a. and, on the same date, it merged Multiservice s.p.a..

<u>in the restaurant services sector</u>

- In the month of December, Cremonini Restauration s.a.s., which share in the stockholding was brought to 100% by the Parent Company, merged CE France s.a r.l..

<u>in the property and services sector</u>

- In the month of September, 2001, CREMONINI s.p.a. merged C.E.I.Be.C. s.r.l., thus concentrating all the Group real estate activities with the Parent Company.

Valuation rules

The valuation rules relative to the consolidated financial statements for the year ended December 31, 2001, have remained basically unchanged, except for the one concerning treasury stock held under current assets. The reasons and the effects of such change are described in one of the paragraphs that follow, named "Financial current assets" and in the paragraph which deals with "Treasury stock".

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

Intangible fixed assets

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

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

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

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

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

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

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

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

Other intangible fixed assets principally include the costs of the securitization and Eurobond issue, amortized on the basis of the duration of the transactions to which they refer (8 years and 5 years, respectively). Leasehold improvements are amortized at rates which are consistent with the duration of each contract.

Tangible fixed assets

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

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

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

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

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

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

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

Financial fixed assets

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

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

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

Inventories

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

Specifically:

- As far as the beef business is concerned, valuation of inventories is based on a method which is very similar to the FIFO method. Raw materials and finished products (canned meat) are carried at their purchase price or production cost, while all slaughtering by-products are valued at amounts which are very close to their costs. The valuation of the frozen products has been made considering market reference quotes between the last month of 2001 and the very first days of 2002.

- In the restaurant and distribution sector, and in all other lines of business in the production sector, the valuation method applied was the FIFO.

Receivables

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

Financial current assets

Securities and other current assets are valued at the lower of cost or realisable value, based on the current market prices. Cost is purchase cost including incidental expenses, using the FIFO method.

With respect to the treasury stock reported under current assets, upon year end closing the valuation rule has changed from the First In First Out method to the weighted average cost method.

Such a change became necessary as a result of the negative impact that the old method would have had on the Group overall profitability and financial situation. The strong market fluctuation of the CREMONINI s.p.a. stock, deriving from extraordinary events such as the "BSE" disease, would have caused a write down of the treasury stock value by a far bigger amount than the year end market quote. As a matter of fact, the overall value of treasury stock under the heading current assets is still 234 thousand euros lower than the reference stock price as at December 31, 2001 (such number increases to 978 thousand euros if we consider the March 21st, 2002, market quote).

Cash and cash equivalents

Bank accounts and cash balances are shown at nominal value.

Provisions for liabilities and charges

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

Provisions for staff severance indemnities

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

Payables

These are shown at nominal value.

Accruals and prepayments

Accruals income and prepayments expenses are accounted for according to the period to which they refer.

Commitments, guarantees and risks

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

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

Recognition of the costs and income

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

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

Dividends

Dividends from non-consolidated corporations are accounted for once their distribution has been declared by the subsidiary (accruals accounting). Dividend tax credits are accounted for in the period in which the dividends are received.

Income taxes

Current income taxes are based upon a realistic forecast of taxes payable, complying with the tax regulations in force; the relating debt is reported net of advances, withholding taxes and tax credits to be offset, under the "Tax payables" heading.

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

Accounting for foreign currency transactions

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

Stockholdings in foreign companies are calculated at the purchase price based on the historical exchange rate of the transaction.

Securitization transaction

The securitization agreement, commenced in December 1994 and renewed in July 1997 (expiring in 2004) provides for the sale, without recourse, of trade receivables of up to a maximum of about 108 million Euro in aggregate on a rolling weekly basis, (together with a stand-by facility of 36 million Euro, not utilised during the financial year) by the subsidiaries Montana Alimentari s.p.a., Marr s.p.a. and INALCA s.p.a. to the factoring company CRC s.p.a., a subsidiary of East West Holding ltd. These receivables are subsequently sold, without recourse, to Golden Castle Euro Finance ltd, a subsidiary of Royal Exchange Trust Company ltd.

Cremonini s.p.a. neither directly nor indirectly controls the factoring company CRC s.p.a., either through a third party or by means of a securities company, or any of the previously mentioned foreign companies. The role of Cremonini s.p.a. is that of a mandatory for the presentation of these trade receivables on behalf of its subsidiaries, and for the encashment of the net proceeds of the sales. Cremonini s.p.a. provides services to CRC s.p.a.; that is to say, it keeps the accounting records and manages the entire transfer of receivables.

Receivables sold to CRC s.p.a. during the course of 2001 totalled about 444 million Euro. These notes provide provide further information regarding the items resulting from these transactions.

Other information

With reference to the censurable events mentioned in the notes to the financial statements for the year ended December 31, 2000, the following must be pointed out:

- the deferral decided by the Magistrate for Preliminary Inquiries of Modena with respect to the trial against the Chairman of Cremonini s.p.a., facing charges of illegal money transactions effected between 1994 and 1995. Within such proceedings, all tax expenses were defined with the Finance Department through an official assessment procedure, and the Company was relieved of any and all consequences of such event through a specific guarantee, which was already activated;
- the Judge of the Court of Rieti declared innocent the Company's Chief Executive Officer;
- the inquiries carried out by the Milan Bench, in which one of the INALCA Board members (at the time CEO of a company which would be eventually acquired) and one of Marr's senior managers are involved under charges of alleged corruption for food supplies effected in the early 90's, as at the date of financial statements closing, ended up in the fixing of a preliminary hearing still pending before the Judge who is in charge.

Furthermore, the Chairman of the Board and one of the Company managers are involved in a trial at the Court of Torino, facing charges of "deceitful advertising".

Even after taking into account the consequences of the above-mentioned actions in progress, the consolidated financial statements as at December 31, 2001 are correct from a formal and substantial point of view and they provide a fair view of the Group's financial position.

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

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

Figures shown in the consolidated financial statements

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

Information included in the Directors' Report

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

Notes to the principal headings of the balance sheet

ASSETS

Fixed assets

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

Intangible fixed assets

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Formation and start-up costs	6,799	10,501
Cost of research, development and advertising	3,182	4,250
Cost of industrial patents and rights for the use of intellectual property	1,549	1,182
Concessions, licenses, brand names and similar rights	27,896	29,535
Goodwill	9,765	8,693
Consolidation differences	55,743	59,285
Intangible fixed assets under development and advances	2,798	1,874
Other intangible fixed assets	14,475	16,039
Total	**122,207**	**131,359**

Formation and start-up costs

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Costs of altering the Articles of Association and formation costs	516	811
Expenses for the Stock Market flotation	3,292	4,988
Other minor costs	2,991	4,702
Total	**6,799**	**10,501**

The movements are mainly due to the amortization for the year.

Cost of research, development and advertising

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Costs of television advertising	2,764	3,934
Other advertising, research and development costs	418	316
Total	**3,182**	**4,250**

The television advertising refers to costs sustained by the subsidiaries Montana Alimentari s.p.a. and INALCA s.p.a. for advertising campaigns, that continued into 2001 as well, directed towards the launch of new products, for which the related effects on sales volumes are expected in future periods.

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

This item includes principally costs of software and know-how, some of which has been produced internally.

The increase in the period was mainly due to the capitalisation of software expenses paid by INALCA s.p.a. corporation.

Concessions, licenses, brands and similar rights

The item, reduced as a result of the amortization for the period, includes, principally, the value of the "Marr" brand (21,949 thousand euros), resulting from the merger of Marr s.p.a. with Grex s.r.l. that took place in the 1999 financial year. In addition the item includes the net value attributed to the "Montana" brand and other (4,968 thousand euros) which are owned by INALCA s.p.a..

Goodwill

The heading basically includes the excess cost paid for the acquisition of business branches. Movements in the period refer to the restaurant (1,560 thousand euros) and distribution (378 thousand euros) businesses; specifically, the increase in the restaurant business refers to the acquisition of branches in the station buffets business at the Foggia and La Spezia railway stations.

Consolidation differences

The consolidation differences represent the excess of cost sustained for the acquisition of stockholdings in consolidated subsidiaries over the current net equity value at the time of the first consolidation (1994), or at the time of acquisition if this took place subsequently.

Details of movements in consolidation differences, for the Group's principal business sectors, are as follows:

(in thousand of euro)	*31.12.2000*	*Increase*	*Decrease*	*Amortization*	***31.12.2001***
Restaurant services	9,393	59	-	(697)	8,755
Distribution	36,930	-	(130)	(2,059)	34,741
Production – Beef	10,553	-	-	(576)	9,977
Production – Other	2,409	-	-	(139)	2,270
Total	**59,285**	**59**	**(130)**	**(3,471)**	**55,743**

Intangible fixed assets under development and advances

Intangible fixed assets under development and advances refer to works-in-progress at the restaurant and distribution areas, within third party's premises, yet to be started. The item increase is partially due to the renovation of the premises utilized by Battistini s.r.l. corporation (841 thousand euros).

Other intangible fixed assets

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Leasehold improvement costs	8,890	9,401
Expenses and commissions on loans	2,525	3,598
Others	3,060	3,040
Total	**14,475**	**16,039**

Other intangible fixed assets, which balance decreased in the year due to amortization, basically include expenses for third party premises renovation, where restaurant activities are normally performed (6,121 thousand euros), and for premises used to perform distribution activities (2,701 thousand euros). Interests and fees on loans include fees related to the securitisation transaction which expires in 2004 (1,200 thousand euros) and expenses due to the eurobond issue by the subsidiary Cremonini Finance plc (649 thousand euros).

In the year ended December 31, 2001, 273 thousand euros worth of interests due were capitalised as intangible fixed assets: 224 thousand euros relate to interests on a leasing contract signed by Montana Alimentari s.p.a. which is not in force yet, while the remaining share of the amount refers to interests on loans for third party premises renovation expenses paid by Roadhouse Grill Italia s.r.l. prior to the launch of the very first steakhouse restaurant.

Tangible fixed assets

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Land and buildings	220,182	219,571
Plant and machinery	135,622	136,511
Industrial and commercial equipment	5,344	4,840
Other tangible fixed assets	13,985	14,187
Tangible fixed assets under development and advances	15,877	18,117
Total	**391,010**	**393,226**

You are referred to the Directors' Report for comments on capital expenditure made in the financial year.

Fixed assets are hit by mortgages and other pledges against loans for an overall amount of about 437 million euros and about 66 million euros respectively. Moreover, plants and premises owned by INALCA s.p.a. and Guardamiglio s.r.l. subsidiaries were constrained in their usage due to government subsidies received in prior years. Following the “BSE” disease crisis, the Department for Agricultural Policies reduced the above mentioned constraints through the Legislative Decree no. 22 of 18/5/2001; more specifically, constraints on plants have been paid off, while those on premises will expire in 2002.

Finally, INALCA s.p.a. corporation applied for government subsidies on plants as of December 31st, 2001; the subsidy was allowed in the very first months of 2002. In fact the Ministerial Decree no. 108633 of December 28th, 2001, assigned government subsidies to INALCA s.p.a. corporation for plants and machinery located at the Rieti factory, for a total funding of 893 thousand euros.

During the year, financial costs charged to tangible fixed assets totalled 448 thousand euros as follows:

(in thousand of euro)	***31.12.2001***
Land and buildings	-
Plant and machinery	-
Industrial and commercial equipment	-
Tangible fixed assets under development	448
Total	**448**

The amount represents interests on loans utilized to finance the construction of fixed assets until the date of their effective usage, and it is basically due to renovation expenses for a building owned by CREMONINI (formerly by C.E.I.Be.C.) and located in Rome, which will be partially used for restaurant activities.

On consolidation, the surplus arising from cancellation of shares against the respective net equity was, in part, attributed to land and buildings; this was credited to buildings (about 4,628 thousand euros, net of the respective depreciation – 15,050 thousand euros as at December 31, 2000) and 5,585 thousand euros to land (5,585 thousand euros as at December 31, 2000). The attribution to buildings of consolidation difference reduced because, following the mergers of C.E.I.Be.C. s.r.l. within CREMONINI s.p.a. and Adria Food s.r.l. and Elba Alimentari s.r.l. within Marr s.p.a., this was partially incorporated in the merging companies' own financial statements.

Financial Fixed Assets

Stockholdings

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

Stockholdings in subsidiaries

The principal movements in stockholdings in subsidiary companies result from the changes in the scope of the consolidation (Roadhouse Grill Italia s.r.l.) and in the acquisition and formation of new corporations for the Group's international business expansion (Inalca Russia l.l.c., Inter Inalca Angola ltda, Marr Foodservice Iberica s.l. and Montana Farm s.p.zo.o.).

Stockholdings in associated companies

Movements in the value of associated companies are a result of the partial sale of the shares owned in Buona Italia Alimentos ltda, which has now become an associated company and is no longer subject to consolidation. Further movements concern the reclassification of Prometex s.a.m. amongst other corporations and the valuation of Immobiliare Athena s.p.a. and of A.O. Konservni through the net equity method.

Loans

Loans to subsidiaries

(in thousand of euro)	*31.12.2000*	*Increases*	*Decreases*	***31.12.2001***
Due within 12 months				
Cremonini International b.v.	516	-	-	516
Ge.Mark International d.o.o.	52	-	-	52
Montana Farm s.p.zo.o.	-	250	-	250
Total within 12 months	**568**	**250**	**-**	**818**
Due between 1 and 5 years				
SGD s.r.l.	346	-	(52)	294
Total between 1 and 5 years	**346**	**-**	**(52)**	**294**
Total	**914**	**250**	**(52)**	**1,112**

These receivables are shown at their nominal value and refer to both interest-free loans (Ge.Mark International d.o.o.) and interest bearing loans (Montana Farm s.p.zo.o. Cremonini International b.v. and SGD s.r.l.).

The increase is due to the loan granted to the new Montana Alimentari s.p.a.'s subsidiary in Poland.

Loans to associated companies

(in thousand of euro)	*31.12.2000*	*Increases*	*Decreases*	***31.12.2001***
Due within 12 months				
S.I.S.AG. s.r.l.	413	-	(331)	82
Az. Agr. Serra della Spina s.r.l.	5	-	-	5
Total within 12 months	**418**	**-**	**(331)**	**87**
Due between 1 and 5 years				
Prometex s.a.m.	60	-	(60)	-
Total between 1 and 5 years	**60**	**-**	**(60)**	**-**
Total	**478**	**-**	**(391)**	**87**

In the year 2000, S.I.S.AG. s.r.l. was granted a loan to enable it to start up the business. Such loan was supposed to be paid by the 5 partners (82 thousand euros each), while in the year 2000 the overall amount was financed by CREMONINI s.p.a.. In the month of January, 2001, all partners paid their dues for a total amount of 331 thousand euros.

Loans to others

(in thousand of euro)	*31.12.2000*	*Incr./Util.*	*Decr./Acc.*	***31.12.2001***
Due within 12 months				
Sundry and other loans	1,239	7	(536)	710
Cautionary deposits	506	211	(460)	257
Provision for bad debts	(152)	-	(7)	(159)
Total within 12 months	**1,593**	**218**	**(1,003)**	**808**
Due between 1and 5 years				
Int.-bearing loan to E. West Holding	2,841	-	-	2,841
Deposit to CRC	7,845	-	-	7,845
Due from the State Treasury	69	2	-	71
Tax credit on T.F.R.	2,007	39	(542)	1,504
Cautionary deposits	379	346	(192)	533
Others	310	-	(126)	184
Total between 1 and 5 years	**13,451**	**387**	**(860)**	**12,978**
Due over 5 years				
Cautionary deposits	65	1	(33)	33
Others	538	1	(4)	535
Total over 5 years	**603**	**2**	**(37)**	**568**
Total	**15,647**	**607**	**(1,900)**	**14,354**

The items "Interest-bearing loan to East West Holding" and "Deposit to C.R.C." deal with the sale of trade receivables and these sums guarantee the securitization programme.

"Tax credits on T.F.R." are related to the tax credits introduced by Law no.140 of 28 May 1997 regarding tax withholdings from severance indemnities (T.F.R.). During the financial year the amount was reduced by utilization, as conceded by the law itself.

Other securities

(in thousand of euro)	*31.12.2000*	*Increase*	*Decrease*	***31.12.2001***
Banca di Roma bonds 2.12.2009	516	-	-	516
Banco di Sicilia bonds 30.6.2010	517	-	(517)	-
Banca di Roma bonds 30.6.2003	515	-	-	515
CCT (Govt. bonds) 1.9.2003	-	580	-	580
B.T.P. (Govt. bonds) 1.3.2001	13	-	(13)	-
Total	**1,561**	**580**	**(530)**	**1,611**

Yields as at December 31, 2001, of the above mentioned securities were as follows:

CCT (Govt. bonds) 1.9.2003	Floating rate	3.26%
Banca di Roma bonds 30.6.2003	Floating rate	4.78%
Banca di Roma bonds 2.12.2009	Fixed rate	5.80%

The CCT 1.9.2003 securities have been pledged to a mortgage loan.

Treasury stock

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

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

Current assets

Inventories

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Raw materials, supplies and consumables	14,043	14,626
Products in progress and semi-finished products	3,662	6,860
Finished products and goods purchased for resale	151,509	156,111
Advance payments	46	50
Total	**169,260**	**177,647**

The inventory is not pledged or subject to other restrictions on ownership. These are valued at cost as previously described and the valuation does not materially differ from a current cost method of valuation.

Movements in the products in progress item are primarily due to the decrease occurred in Azienda Agricola Corticella, which amounted to 3,296 thousand euros, while for finished products and goods for resale, the change is due to to an increase of 7,345 thousand euros in Marr s.p.a. and to a decrease by INALCA s.p.a., for a total 11,033 thousand euros, consequently to the reduction in inventories and costs of raw materials.

Receivables

Trade receivables

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Trade receivables due within 12 months	215,930	183,507
Trade receivables due between 1 to 5 years	1,097	1,236
Trade receivables due over 5 years	124	155
Provision for bad debts	(13,655)	(11,813)
Total	**203,496**	**173,085**

The increase is primarily due to the growth in the distribution business.

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

(in thousand of euro)	*31.12.2000*	*Provision*	*Utilisation*	*Other mov.*	***31.12.2001***
Loan loss allowance - art. 71	1,136	1,073	(822)	(38)	1,349
Taxable loan loss allowance	9,374	2,105	(971)	477	10,985
Loan loss allowance – late paid interest	1,303	180	(162)	-	1,321
Total	**11,813**	**3,358**	**(1,955)**	**439**	**13,655**

Receivables from subsidiaries

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Due within 12 months		
Roadhouse Grill Italia s.r.l. (formerly Cogea Sud)	-	4
Cremonini International b.v.	7	-
Ge.Mark International d.o.o.	54	34
Inalca Angola ltda in liquidation	2,024	2,043
Inalca Hellas e.p.e. in liquidation	819	820
Inter Inalca Angola ltda	2,575	-
Marr Foodservice Iberica s.l.	3	-
Montana Farm s.p.zo.o.	74	-
Sara s.r.l.	7	-
SGD s.r.l.	-	22
Total	**5,563**	**2,923**

The increase is a result of higher commercial loans from Inter Inalca Angola ltda subsidiary, which was formed recently in order to expand INALCA's business activities to Angola.

Receivables from associated companies

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Due within 12 months		
A.O. Konservni	8,001	9,727
Buona Italia Alimentos ltda	285	-
Compagnia delle Spezie s.a r.l.	58	443
S.I.S.AG. s.r.l.	5	6
Provision for bad debts	(1)	-
Total	**8,348**	**10,176**

The amount relates to commercial loans granted to INALCA corporation's subsidiary in Russia.

Other receivables

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Due within 12 months		
Due from the State Treasury	18,792	32,451
Pre-paid tax assets	5,493	3,879
Advances to suppliers	16,654	10,201
Short-term loans	1,168	659
Due from factoring companies	1	2,734
Due for cost reimbursement	5,916	616
Due from insurance company	1,826	2,816
Due from agents	1,717	1,364
Government Subsidies from Department of Agriculture	1,042	1,095
Others	15,271	14,646
Provision for bad debts	(1,740)	(564)
Total within 12 months	**66,140**	**69,897**
Due between 1 and 5 years		
Due from the State Treasury	7,787	306
Pre-paid tax assets	13,006	11,509
Others	673	87
Total between 1 and 5 years	**21,466**	**11,902**
Due over 5 years		
Due from the State Treasury	39	45
Others	106	-
Total over 5 years	**145**	**45**
Total	**87,751**	**81,844**

Due from the State Treasury are detailed below:

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Due within 12 months		
V.A.T.	15,931	26,385
Income tax advances	823	3,887
Withholding tax	72	145
Taxes to be reimbursed	270	666
Others	1,696	1,368
Total within 12 months	**18,792**	**32,451**
Due between 1 and 5 years		
Taxes to be reimbursed	7,783	272
Others	4	34
Total between 1 and 5 years	**7,787**	**306**
Due over 5 years		
Taxes to be reimbursed	8	8
Others	31	37
Total over 5 years	**39**	**45**
Total	**26,618**	**32,802**

The reduction in short term tax credits is primarily due to the V.A.T. tax credit, 7,472 thousand euros of which refer to INALCA s.p.a., and has been reclassified as a medium term credit, since a request for reimbursement has been made.

The "pre-paid tax assets" recoverable within and over 12 months, consist in the income tax savings deriving from prior year losses brought forward (12,033 thousand euros) and in the posting of relevant expenses to the following years (6,466 thousand euros). These activities are shown on the balance sheet since they will be reasonably recovered as the corporations to which they are attributed will generate taxable profits in the future. The short term balance increase refers to the tax benefit on the Holding Company's loss in 2001 (1,580 thousand euros) brought forward.

The increase in "advances to suppliers" stems primarily from the distribution business.

The receivables "due from factoring corporations" as at December 31, 2000, were fully paid in during the year 2001.

The "receivables due for cost reimbursement" heading refers to claims from Golden Castle Euro Finance ltd, within the asset securitization transaction. The amount relates to the higher expenses incurred to comply with guarantee procedures which, given the success of the operation, will be reimbursed within the month of May, 2002.

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

Other receivables within 12 months include a 310 thousand euros loan granted to an affiliated corporation as a down payment for the purchase of freehold land in San Vito di Rimini, inside the Centro Agro-Alimentare Riminese.

Financial current assets

Treasury stock

Treasury stock included under current assets were purchased throughout 2001 in order to sustain the security's stock market fluctuations and for cash management purposes. These securities, which are not supposed to be a long term investments, were valued based on the weighted average cost method, while they were previously valued using the FIFO method.

Therefore, the net equity and the corporate net profit for the year ended December 31, 2001, have been higher than they would have been by using the previous valuation criterion by 391 thousand euros (250 thousand euros by taking away the tax burden). There can be no cumulative impact obtained by adding up prior years' impacts of treasury stock, since they were only purchased in 2001.

The average price of stock comprised under current assets is lower than the stock market reference price as of December 31st, 2001, by 234 thousand euros approximately (978 thousand euros if we take into account the stock price as of March 21st , 2002).

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

Other securities

(in thousand of euro)	*31.12.2000*	*Increase*	*Decrease*	***31.12.2001***
Mutual funds	-	495	-	495
Sicav funds	76	-	(26)	50
Total	**76**	**495**	**(26)**	**545**

The increase refers to a specific security subscribed in 2001, which will be reimbursed within the first semester of 2002.

Cash and cash equivalents

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Bank and post office accounts	15,118	27,580
Cheques on hand	3,448	3,619
Cash on hand	3,569	1,733
Total	**22,135**	**32,932**

The movements in the balance stem from the very high liquidity existing at the end of prior year, due to a long term loan granted to Cremonini just before December 31st, 2000.

Accrued income and prepaid expenses

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Accrued subsidies	102	150
Accrued interest	214	295
Sundry accruals	5	64
Total accruals	**321**	**509**
Prepaid rentals	951	844
Prepaid financial expenses and guarantees	768	718
Sundry prepayments	1,436	1,099
Total prepaid expenses	**3,155**	**2,661**
Total	**3,476**	**3,170**

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

SHAREHOLDERS’ EQUITY AND LIABILITIES

Shareholders’ equity

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

Capital stock

Capital stock as at December 31, 2001, has been raised to 73,746,400 euros, higher than prior year by 502 thousand euros approximately, to allow for its conversion into the new european currency unit, and by 34 thousand euros to account for a free stock issue related to the last tranche of the three-year stock option plan 1998-2000. The conversion of stock capital from 141,820,000,000 lire to 73,746,400 euros was made by using the share premium reserve, based on the Legislative Decree no. 213 of June 24th, 1998, needed to account for roundings and for the increase in the value of stock (from 1,000 lire to 1,006.86 lire). Stock capital is made up of 141,820,000 ordinary stock issued by the Parent Company CREMONINI spa with a nominal value of 0.52 euros each, entirely subscribed and paid up.

As at December 31, 2001 the consolidated loss per share, obtained by dividing the consolidated loss for the financial year, after deducting that attributable to the minority interests, by the number of stock in circulation (excluding the treasury stock held at December 31, 2001), was about Euro 0.10.

Share premium reserve

This reserve constitutes the premium paid by shareholders at the time of the Public Offer in 1998. The reserve amounts to 73,426 thousand euros (105,670 thousand euros as at December 31, 2000) has been utilized as follows, after resolutions taken by the shareholders’ meeting of April 28th, 2001:

- 13,033 thousand euros to cover up Parent Company’s prior year loss;
- 11,003 thousand euros to integrate the legal reserve;
- 502 thousand euros to allow for capital stock conversion into the new european currency unit.

Finally, 7,706 thousand euros have been used to increase treasury stock owned.

Legal reserve

The legal reserve amounts to 14,642 thousand euros (3,638 thousand euros as at December 31, 2000); the increase is due to the withdrawal of funds from the share premium reserve, following the Parent Company shareholders’ meeting resolution of April 28th, 2001.

Reserve for treasury stock

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

Other reserves

Other reserves include principally the consolidation reserve of 3,302 thousand euros (3,420 thousand euros at December 31, 2000), which represents the excess of cost arising from the elimination of the carrying value of stockholdings in consolidated subsidiaries over the relative net equity value at the time of the first consolidation, or at the time of acquisition if this took place subsequently. The decrease is a result of mergers made within the Group during the year 2001.

The other reserves of the Parent Company were utilized during previous financial years to constitute the reserve for treasury stock. For this purpose 818 thousand euros was allocated from the "profit (loss) brought-forward" of the consolidated financial statements, as a part of the reserves utilized in the balance sheet of Cremonini s.p.a. were eliminated in the process of consolidation.

No tax provision was set up for reserves included in the net equity as at December 31, 2001, since no activities which could entail taxation are foreseen.

The reconciliation between the Parent Company's shareholders' equity and the net equity shown in the consolidated financial statements is outlined below:

	Financial year as at 31.12.2001			Financial year as at 31.12.2000		
(in thousand of euro)	Capital stock and reserves	Profit/ (loss)	Net equity	Capital stock and reserves	Profit/ (loss)	Net equity
Parent Company's net equity and profit/(loss) for the year	**180,153**	**795**	**180,948**	**196,342**	**(13,033)**	**183,309**
Elimination of the carrying value of consolidated subsidiaries:						
Á Differences between the carrying value and the pro rata net equity, net of the effects of intra-Group transactions	(69,319)	611	(68,708)	(86,620)	31,142	(55,478)
Á Pro-rata subsidiary profits (losses)		(11,067)	(11,067)		(24,021)	(24,021)
Á Surpluses attributable to assets on first consolidation	10,322	(109)	10,213	20,967	(332)	20,635
Á Consolidation differences	59,214	(3,471)	55,743	62,744	(3,459)	59,285
Elimination of the effects of commercial transactions between Group companies	(332)	(138)	(470)	(189)	(143)	(332)
Elimination of anticipated amortization which is exclusively for fiscal purposes	2,893	(263)	2,630	2,890	3	2,893
Adjustment of the financial statements of the consolidated companies in accordance with the Group principles and net equity valuation of investments	1,415	156	1,571	1,532	(118)	1,414
Total adjustments	*4,193*	*(14,281)*	*(10,088)*	*1,324*	*3,072*	*4,396*
Group's share of net equity and profit/(loss)	**184,346**	**(13,486)**	**170,860**	**197,666**	**(9,961)**	**187,705**
Minorities' share of net equity and profit (loss)	1,462	35	1,497	1,197	249	1,446
Consolidated financial statements net equity and profit/(loss) for the year	**185,808**	**(13,451)**	**172,357**	**198,863**	**(9,712)**	**189,151**

Provision for liabilities and charges

(in thousand of euro)	*31.12.2000*	*Provision*	*Utilized*	*Other mov.*	***31.12.2001***
Allowance for severance payments and similar obligations	980	137	(20)	(22)	1,075
Provision for taxation	3,352	-	(822)	(2)	2,528
Other	4,104	724	(544)	(6)	4,278
Total	**8,436**	**861**	**(1,386)**	**(30)**	**7,881**

The allowance for severance payments and similar obligations principally comprises the indemnity provision for sales agents of about 1,045 thousand euros (949 thousand euros as at December 31, 2000).

The deferred tax reserve, included in the heading "provision for taxation", has been used following taxation of the revenues which initially originated the tax accrual.

Other provisions are as follows:

(in thousand of euro)	*31.12.2000*	*Provision*	*Utilized*	*Other mov.*	***31.12.2001***
Provisions for losses from stockholdings	183	-	(183)	-	-
Personnel grievances	439	313	(252)	-	500
Litigation and minor disputes	2,789	150	(59)	-	2,880
Periodic maintenance	101	50	-	(6)	145
Risks and future losses	592	211	(50)	-	753
Total	**4,104**	**724**	**(544)**	**(6)**	**4,278**

Other reserves were subject to movements as follows:
- total charge-off of the provision for losses from stockholdings relative to the French associated company of Compagnia delle Spezie s.r.l.;
- charge and utilisation of personnel grievances provision basically referred to Parent Company;
- charges for risks and future losses relate to disputes in the distribution business.

Provision for litigation and minor disputes belong almost totally to the Parent Company and include the following reserves which remained unchanged over the year:
- 516 thousand euros which refers to a dispute in connection with a former subsidiary company sold to third parties;
- 1,756 thousand euros being provision for possible costs in connection with guarantees given, at the time of sale of a company, to third parties in previous years.

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

Staff severance indemnities

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Initial balance	28,518	27,094
Net effect of changes in the area of consolidation	(1)	259
Utilised during the year	(4,641)	(3,761)
Accruals during the year	5,507	5,641
Other movements	(104)	(715)
Final balance	**29,279**	**28,518**

Payables

Bonds and debentures

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Due within 12 months	-	-
Due between 1 and 5 years	131,621	131,621
Total	**131,621**	**131,621**

The bonds due between 1 and 5 years are:

- Italian Lire bonds totalling 113,621 thousand Euro (net of 15,494 thousand euros of bonds acquired on the market during 1999 and 2000)), issued by the subsidiary Cremonini Finance plc. The bonds have the following characteristics:

Issue currency:	Italian Lire
Total amount:	Lire 250 billion
Duration:	5 years with repayment at par on maturity, which is expected to be 11 February 2003
Denominations of securities at issue:	Lire 5 million and Lire 50 million
Issue price:	at nominal value
Interest:	quarterly in arrears from 11 February 1998 to 11 February 2003
Interest rate:	the bonds bear interest payable in arrears at Libor three months, plus 2.4%

These bonds, named Guaranteed Floating Rating Notes (Eurobonds), are today guaranteed by Cremonini s.p.a., INALCA s.p.a. and Montana Alimentari s.p.a. and were entirely taken up by the international financial markets. The securities are quoted on the Luxembourg Stock Market.

In exchange for this issue, the subsidiary Cremonini Finance plc provided the Parent Company with a loan of Yen 17.4 billion, at an interest rate of Libor at three months. The negative margin between the financial income and expense of Cremonini Finance plc, will require a periodic re-capitalization of the subsidiary by the Parent Company. Both the companies involved in this transaction have signed swap contracts to cover the exchange rate risk on the Lire – Yen differences with an English financial intermediary, unrelated to Cremonini s.p.a. or to any of the Group companies.

- An amount of 18 million Euro refers to a bond issue made by the subsidiary Marr s.p.a., with the following conditions:

Currency:	Euro
Total amount:	18 million
Duration:	5 years
Date issued:	30 November 1999
Issue price:	at nominal value
Interest:	10 half-yearly payments of which the first became due on the 31 May 2000
Interest rate:	4.6% annually (next maturing coupon)

Bank loans and overdrafts

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Due within 12 months	188,042	180,517
Due between 1 and 5 years	112,654	115,581
Due over 5 years	76,740	70,838
Total	**377,436**	**366,936**

Details of mortgages and loans are as follows:

Bank	*Rate of interest*	*Maturity*	*Current portion*	*Portion between 1 to 5 years*	*Portion over 5 years*	***Total as at 31.12.2001***
			(in thousand of euro)			
Interbanca 31014/301	Floating (market average +1.25%)	31/08/02	39	-	-	39
Interbanca 31979/301	Floating (market average +1.25%)	28/02/03	33	17	-	50
MPS – Merchant	Floating (Euribor 6m+0.95%)	31/10/11	-	4,351	8,560	12,911
Carim – no. 916	Floating (Euribor 6m+1.25%)	31/12/06	10	51	-	61
Carim – no. 917	Floating (Euribor 6m+1.25%)	31/12/06	41	210	-	251
Carim – no. 23/91	Floating (Euribor 6m+1.25%)	31/12/09	160	803	818	1,781
Carim – no. 6088	Floating (Euribor 6m+1.25%)	11/08/09	28	136	139	303
CARIPLO no. 83/356906	Fixed 13.83% gross	30/06/04	396	704	-	1,100
CARIPLO no. 60/357291	Fixed 15.23% gross	31/12/03	56	65	-	121
CARISBO con. 1007510	Floating (Euribor 3m+1.85%)	31/12/05	697	1,740	-	2,437
CARISBO con. 1017035	Floating (Euribor 6m+0.95%)	31/12/04	772	1,131	-	1,903
Mediocredito Toscano no. 325773	Floating (Euribor 6m+0.90%)	30/11/15	-	2,978	9,933	12,911
C.R. Parma e Piacenza	Floating (Euribor 6m+0.75%)	15/05/05	1,247	3,262	-	4,509
B.N.L. Cred. Fondiario	Floating (Euribor 6m+1.20%)	31/12/13	2,029	10,163	29,171	41,363
IMI – Ricerca applicata	Fixed 10.75%	01/07/03	554	299	-	853
IMI – Ricerca applicata	Floating (Euribor 3m+1.70%)	01/07/03	149	74	-	223
Efibanca ICAR	Fixed 3.85%	30/06/03	382	197	-	579
B.N.L.	Floating (Euribor 6m+0.95%)	30/11/10	-	9,038	9,038	18,076
Banca Ant. Pop. Veneta	Floating (Euribor 3m+0.4%)	12/06/02	15,494	-	-	15,494
Banca Ant. Pop. Veneta	Floating (Euribor 3m+0.75%)	17/04/03	-	5,165	-	5,165
Banco di Napoli	Floating (Euribor 3m+0.5%)	27/12/04	2,008	3,874	-	5,882
B.N.L.	Floating (Euribor 6m+0.7%)	31/05/07	775	3,098	388	4,261
Banca Popolare Vicenza	Floating (Euribor 6m+0.5%)	22/12/03	-	12,911	-	12,911
ICCREA	Floating (Euribor 3m+0.625%)	31/07/02	4,132	-	-	4,132
ICCREA	Floating (Euribor 6m+0.8%)	13/06/02	2,587	-	-	2,587
Mediocredito di Roma	Floating (Euribor 6m+0.75%)	31/12/08	5,241	23,168	13,035	41,444
Centrobanca	Floating (Euribor 3m+0.8%)	30/06/10	624	1,847	2,107	4,578
Credito Italiano	Floating (Euribor 3m+0.58%)	30/09/09	1,291	5,164	3,551	10,006
Banca Pop. di Novara	Floating (Euribor 6m+0.5%)	06/09/03	-	22,208	-	22,208
Total mortgages			**38,745**	**112,654**	**76,740**	**228,139**
Other loans and overdrafts			149,297	-	-	149,297
Total			**188,042**	**112,654**	**76,740**	**377,436**

Further details on the Group’s overall debt are provided in the Director’ Report.

Short-term bank facilities as at December 31, 2001 were 436 million Euro (469 million Euro as at December 31, 2000).

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

Loans from other financial institutions

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Due within 12 months		
Mortgages and loans	523	392
Factoring companies	31,731	22,439
Others	7,572	8,266
Total within 12 months	**39,826**	**31,097**
Due between 1 and 5 years		
Mortgages and loans	2,308	2,176
Total between 1 and 5 years	**2,308**	**2,176**
Due over 5 years		
Mortgages and loans	2,209	2,870
Total over 5 years	**2,209**	**2,870**
Total	**44,343**	**36,143**

Details of mortgages and loans from other financial institutions are provided below:

Description	*Rate of interest*	*Maturity*	*Current portion*	*Portion between 1 to 5 years*	*Portion over 5 years*	***Total as at 31.12.2001***
				(in thousand of euro)		
Ministry of Industry no. 2061	4.11%	16/02/08	111	493	278	882
Ministry of Industry no. 0161	4.11%	24/05/10	58	247	273	578
M.I.C.A. Compost	4.11%	27/09/09	94	416	359	869
M.I.C.A. ex Icar	4.11%	16/05/09	152	672	580	1,404
M.I.C.A.P. (sala disosso)	4.11%	31/07/12	108	480	719	1,307
Total			**523**	**2,308**	**2,209**	**5,040**

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

Loans due to "others" largely constitute the Parent Company's commercial paper (5,939 thousand euros).

Payables to subsidiaries

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Due within 12 months		
Commercial		
SGD s.r.l.	27	-
Sara s.r.l.	48	-
Financing and others		
Taormina Catering s.r.l. in liquidation	4	2
Fernie s.r.l. in liquidation	508	508
Fe.Ber. Carni s.r.l. in liquidation	101	128
SGD s.r.l.	16	39
Sara s.r.l.	409	386
Total	**1,113**	**1,063**

Tax payables

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Due within 12 months		
Tax withholdings	5,713	3,747
V.A.T.	942	1,379
Substitute and direct taxes and other tax payables	9,303	8,673
Total within 12 months	**15,958**	**13,799**
Due between 1 and 5 years		
Tax withholdings	2,134	-
Total between 1 and 5 years	**2,134**	**-**
Total	**18,092**	**13,799**

The increase in tax liabilities results from subsidies given by the government authorities in the bovine meat sector, pursuant to the law 49/2001, which allowed for a suspension in payments related to tax and social security contributions to firms operating in that specific sector, following the BSE disease crisis; contributions will be payable as from the month of January, 2003, in 50 monthly instalments, while taxes due will have to be paid in beginning from March 18th, 2002, in 20 instalments; no interests will be charged.

Payables to pension and social security institutions

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Due within 12 months		
Inps/Inail/Scau	3,386	3,890
Inpdai/Previndai/Fasi/Besusso	208	132
Enasarco/FIRR	351	363
Other institutions	1,179	1,428
Total within 12 months	**5,124**	**5,813**
Due between 1and 5 years		
Inps/Inail/Scau	7,989	-
Inpdai/Previndai/Fasi/Besusso	415	-
Total between 1 and 5 years	**8,404**	**-**
Total	**13,528**	**5,813**

The increase in the period has been described in detail in the prior note.

Other payables

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Due within 12 months		
Trade advances and others	4,007	3,248
Staff salaries	11,944	12,852
Payables for the purchase of stockholdings:		
- Marr s.p.a.	-	236
- Guardamiglio Carni s.p.a. and Ge.Mark s.r.l.	516	2,066
- Copea s.r.l.	207	362
- Adria Food s.r.l.	129	303
- Other	49	209
Financing loans and other minor payables	10,670	11,470
Total within 12 months	**27,522**	**30,746**
Due between 1and 5 years		
Guarantee deposit	352	352
Other	731	814
Total between 1 and 5 years	**1,083**	**1,166**
Total	**28,605**	**31,912**

Payables to employees include current remuneration outstanding as at December 31, 2001 and provisions relative to deferred remuneration.

The decrease of the payables for the acquisition of stockholdings was determined by payments made in the financial year in accordance with contractual commitments.

The guarantee deposit is the amount due to be paid for stock in INALCA's associated company, A.O. Konservni.

Accrued expenses and deferred income

(in thousand of euro)	***31.12.2001***	*31.12.2000*
Accrued interest on loans	1,877	2,229
Accruals for employee emoluments	725	689
Sundry accruals	226	177
Total accruals	**2,828**	**3,095**
Deferred income for "non-competition" agreement	-	1,081
Contributions deferred	486	538
Sundry deferred income	385	305
Total deferred income	**871**	**1,924**
Total	**3,699**	**5,019**

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

The deferred income for "non-competition agreement" relates to direct and indirect commitments not to carry out a business defined as "quick service restaurant" in competition against a large partner. Against this commitment, which expired in July 2001, the equivalent of 10,329 thousand euros were received by the Parent Company in 1996, shown as income received in advance and credited pro rata to the income statement over the duration of the contract.

Debits and credits in foreign currencies

Following is a brief summary of all credits and debits denominated in non-euro currencies, at the year-end exchange rates:

(in thousand of euro)	*Commercial and other receivables*	*Commercial and other payables*
British Sterling	2,291	4,978
US Dollar	26,109	27,297
Swiss Franc	14	169
Dutch Guild	8	2,368
Swedish Crown	64	1
Total	**28,486**	**34,813**

Comments on the principal headings of the consolidated memorandum accounts

Direct guarantees – sureties

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

Direct guarantees – letters of comfort

Letters of comfort exclusively concern guarantees given to financial institutions for the provision of financing, or lines of credit, including simple Parent Company letters of comfort for an amount of about 33.3 million Euro.

Indirect guarantees – credit mandates

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

Comments on the principal headings of the consolidated statement of income

Value of production

Revenues from sales and services

The following is a division of revenues by geographical area:

(in thousand of euro)	***2001***	*2000*
Italy	1,100,184	1,121,598
European Union	157,812	151,142
Outside the European Union	83,465	94,539
Total	**1,341,461**	**1,367,279**

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

Increase in fixed assets produced internally

The amount reported as at December 31st, 2001, includes capitalisation of expenses related to the renovation in progress of a building owned by Cremonini s.p.a. (formerly by C.E.I.Be.C.) located in Rome (448 thousand euros), the construction of plants and machinery at the INALCA s.p.a. production premises (422 thousand euros), and the start-up of the "steakhouse restaurant" project (353 thousand euros). The above mentioned capitalisation amounts include 721 thousand euros for interests paid on borrowings to finance investments up to their effective utilisation.

Other revenues and income

(in thousand of euro)	***2001***	*2000*
Other revenues and income		
Rentals	263	273
Insurance reimbursements	1,285	1,982
Supplier bonuses	7,102	5,828
Profit on sale of fixed assets	411	899
Other cost reimbursements	5,248	4,012
Services, consultancy and other	5,586	4,898
Total other revenues and income	**19,895**	**17,892**
Subsidies		
Miscellaneous	2,060	23
Total subsidies	**2,060**	**23**
Total	**21,955**	**17,915**

The increase in other cost reimbursement is almost totally due to Momentum Services ltd, since it only started operating on June 1st, 2000, covering a period of seven months over the year. Its business has to do with catering and managing restaurants on the trains crossing the Eurotunnel.

Subsidies were received as indemnities to face up to the deep crisis in the bovine meat sector resulting from the "BSE" disease phenomenon.

Costs of production

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

(in thousand of euro)	***2001***	*2000*
Raw materials	332,855	467,497
Products purchased for resale	504,752	455,876
Supplies and consumables, semi-finished products and packaging	30,387	21,760
Finished products	17,211	15,544
Stationery and printed materials	1,594	1,398
Other materials and products	23,864	10,772
Purchase adjustments	(1,514)	(1,890)
Total	**909,149**	**970,957**

INALCA s.p.a. purchased from an affiliated corporation a batch of traditional balsamic vinegar from Modena (a D.O.P. product subject to a specific and constant vintage procedure), for an overall amount of 1,373 thousand euros; the value was assessed following a specific survey.

Costs for services

(in thousand of euro)	***2001***	*2000*
Energy consumption and utilities	15,616	14,889
Maintenance and repairs	9,170	10,028
Transport on sales	38,725	35,873
Commissions, commercial and distribution services	48,502	50,933
Third party services and outwork	27,399	34,830
Purchasing services	5,503	8,760
Franchising	8,346	8,591
Emoluments to Directors and Auditors	5,299	5,186
Other technical and general services	43,158	36,244
Total	**201,718**	**205,334**

Costs for the use of third party assets

(in thousand of euro)	***2001***	*2000*
Business rentals, royalties and others	10,163	8,069
Lease payments	585	588
Rent of property and other assets	11,995	10,408
Total	**22,743**	**19,065**

Movements in the item were primarily due to the distribution business and to the beef sector.

Expenses for use of third party assets include 510 thousand euros to the affiliated corporation Le Cupole s.r.l. and 79 thousand euros to the affiliated corporation Ristoro s.r.l., with reference to rental of industrial real estate on the part of Marr s.p.a. and Montana Alimentari s.p.a. respectively.

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

Personnel costs

(in thousand of euro)	***2001***	*2000*
Salaries and wages	94,423	89,684
Social security costs	28,856	29,213
Staff severance indemnities	6,359	6,006
Other severance indemnities	-	-
Other personnel costs	162	502
Total	**129,800**	**125,405**

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

Movements in salaries and wages and in the relative social security expenses reflect the increase in the Momentum Services ltd corporation (9,241 thousand euros), since it only started operating on June 1st, 2000, covering a period of seven months over the year, and to the decrease occurred in the meat sector (4,390 thousand euros).

As at December 31, 2001, the Group personnel was 4,329 employee strong, basically unchanged since last year.

A division by category is shown below:

	Factory staff	*Office staff*	*Managers*	***Total***
Employees as at 31.12.2000	3,443	832	86	4,361
Employees as at 31.12.2001	**3,433**	**825**	**71**	**4,329**
Increase (decrease)	(10)	(7)	(15)	(32)
Average no. of employees for the year 2001	**3,490**	**819**	**76**	**4,385**

Amortization, depreciation and write-downs

(in thousand of euro)	***2001***	*2000*
Amortization of intangible fixed assets	16,337	15,977
Depreciation of tangible fixed assets	26,399	24,238
Other write-down of fixed assets	314	959
Write-down of receivables in current assets and cash	4,533	3,890
Total	**47,583**	**45,064**

The increase in depreciation is due to the investements made in the year. As far as the fixed assets item is concerned, the increase is due to the investments in the production sector, described in detail in the Directors' Report.

Provision for risks

This relates to the allocations made to the provision for liabilities and charges as described under that section.

Sundry administration costs

(in thousand of euro)	***2001***	*2000*
Bad debts	2,990	1,049
Taxation and indirect taxes	1,908	1,947
Loss on sales to CRC	5,524	6,619
Other minor items	3,166	3,358
Total	**13,588**	**12,973**

The loss on sales to CRC refers to the costs sustained by the companies participating in the securitization transaction for the sale, without recourse, of trade receivables to CRC s.p.a. The decrease in such item is a result of lower interests paid due to the decline in market rates.

Financial income and expense

Other financial income

(in thousand of euro)	***2001***	*2000*
From fixed loans – subsidiaries	23	21
From fixed loans – others	171	218
From fixed securities	88	35
From current securities	11	2,397
From other than described above- subsidiaries	54	8
From other than described above- associated companies	13	24
From other than described above- others	10,799	10,882
Total	**11,159**	**13,585**

The decrease in the item is basically due to lower proceeds from ordinary treasury management.

The other financial income included the following:

(in thousand of euro)	***2001***	*2000*
Interests from banks	229	522
Foreign exchange translation gains	2,791	3,428
Other financial income	7,779	6,932
Total	**10,799**	**10,882**

The heading "Other financial income" includes about 6.4 million Euro (about 5.6 million Euro in 2000) of income from Silver Castle ltd, connected with the Eurobond transaction described earlier.

Interest and other financial expense

(in thousand of euro)	***2001***	*2000*
From subsidiaries	34	34
From others		
Interest payable on mortgages	12,415	10,647
Factoring interest paid	1,527	1,682
Interest payable on overdrafts and other loans	9,092	8,367
Foreign exchange translation losses	2,461	3,371
Commissions and bank charges	756	852
Interest payable on bonds	9,230	8,839
Other financial expense	6,609	5,842
Total	**42,124**	**39,634**

Other financial expense included about 6.4 million Euro (about 5.6 million Euro in 2000), paid to third parties for the swap, for exchange risk coverage, of the Yen loan provided by the subsidiary Cremonini Finance plc. This is calculated on the difference between the Yen interest rate and the Lire interest rate.

Interest paid on bonds is principally the interest on bonds issued by the subsidiaries Cremonini Finance plc and Marr s.p.a..

Adjustments to the value of financial assets

The major write-downs reported under the heading relate to the disposal of the stockholding Quality & Service s.r.l. (537 thousand euros) and to the subsidiary Buona Italia Alimentos ltda, now valued under the net equity method (469 thousand euros).

Extraordinary income and expense

Income

(in thousand of euro)	***2001***
Landhold expropriation for TAV	423
Other	8
Gain on disposal	**431**
Premiums and fees not due	100
Giro of tranches of subsidies' reserves pursuant to art. 55	25
Parent Company's extraordinary income	621
INALCA's extraordinary income	541
Extraordinary income and other	678
Total miscellaneous revenues	**1,965**
Total	**2,396**

Gains on sales refer almost entirely to the surplus deriving from expropriation of landhold in Ospedaletto Lodigiano, which will be crossed by the new high speed train railways.

Expense

(in thousand of euro)	***2001***
I.R.A.P.	24
Other	-
Total taxes from prior years	**24**
Labour disputes	1,085
Unexpected paid expenses Momentum Services ltd	550
Reversal of interest receivables from Parent Company	107
Other extraordinary charges for Parent Company	924
Other extraordinary charges for INALCA s.p.a.	639
Other extraordinary charges other corporations, penalties, unduly paid expenses, etc.	1,161
Total miscellaneous expenses	**4,466**
Total	**4,490**

Extraordinary items referred to Momentum ltd derive from unexpected paid expenses from prior year.

Taxation on the profit of the financial year

(in thousand of euro)	***2001***	*2000*
I.R.PE.G. and other direct taxes	7,918	6,594
I.R.A.P.	6,896	5,726
Charge (utilisation) to the provision for deferred taxation	(711)	(4,636)
Pre-paid taxation income	(3,171)	(10,149)
Total	**10,932**	**(2,465)**

The items "charge (utilisation) to provision for deferred taxation" and "pre-paid taxation income" refer to the recalculation of taxes due for the period ended December 31, 2001, to tax savings on prior year losses brought forward and to expenses which may be deducted in future years.

Directors' and Statutory Auditors' emoluments

The following table illustrates the emoluments due to the Board Members and to the Statutory Auditors for the year 2001, explained in detail in the Parent Company's balance sheet. Emoluments paid also refer to activities performed on behalf of other corporations in the Group:

(in thousand of euro)	*Fees*	*Salary*	*Other*	*Total*
Board of Directors	2,162	746	1,087	3,995
Statutory Auditors	158	-	-	158
Total	**2,320**	**746**	**1,087**	**4,153**

Castelvetro di Modena, March 22nd, 2002

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

Exhibits

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

Exhibit 1	-	Details as at December 31, 2001 of receivables from and payables to subsidiary, associated and affiliated companies;
Exhibit 2	-	Details for the 2001 financial year of revenues from and costs payable to subsidiary, associated and affiliated companies;
Exhibit 3	-	Schedule of the changes in intangible fixed assets for the year ended December 31, 2001;
Exhibit 4	-	Schedule of the changes in tangible fixed assets for the year ended December 31, 2001;
Exhibit 5	-	Schedule of the changes in financial fixed assets for the year ended December 31, 2001;
Exhibit 6	-	List of stockholdings as at December 31, 2001 classified as fixed assets;
Exhibit 7	-	List of stockholdings in subsidiary and associated companies as at December 31, 2001 (Art. 2427 no. 5 of the Civil Code);
Exhibit 8	-	Schedule of the changes in consolidated shareholders' equity for the year ended December 31, 2001;
Exhibit 9	-	Statement of consolidated cash flow for the years ended December 31, 2001 and December 31, 2000.

Exhibit 1

Details as at December 31, 2001 of receivables from and payables to, subsidiary, associated and affiliated companies

(in thousands of Euro)	*Commercial*		*Other*		*Total*	
	Receivables	*Payables*	*Receivables*	*Payables*	*Receivables*	*Payables*
Subsidiaries:						
Cremonini International b.v.	7		516		523	-
Fe.Ber. Carni s.r.l. in liquidation				101	-	101
Fernie s.r.l. in liquidation				508	-	508
Ge.Mark International d.o.o.	54		52		106	-
Inalca Angola ltda in liquidation	2,024				2,024	-
Inalca Hellas e.p.e. in liquidation	819				819	-
Inter Inalca Angola ltda	2,575				2,575	-
Marr Foodservice Iberica s.l.	3				3	-
Montana Farm s.p.zo.o.	74		250		324	-
Sara s.r.l.	7	48		409	7	457
SGD s.r.l.		27	294	16	294	43
Taormina Catering s.r.l. in liquidation				4	-	4
Total subsidiaries	**5,563**	**75**	**1,112**	**1,038**	**6,675**	**1,113**
Associated companies:						
A.O. Konservni	8,001				8,001	-
Buona Italia Alimentos ltda	285				285	-
Compagnia delle Spezie s.a r.l.	58				58	-
S.I.S.AG. s.r.l.	5		82		87	-
Az. Agr. Serra della Spina s.r.l.			5		5	-
Provision for bad debts	(1)				(1)	-
Total associated companies	**8,348**	**-**	**87**	**-**	**8,435**	**-**
Affiliated companies:						
Agricola 2000 s.r.l.	1				1	-
Alfa 95 s.p.a. in liquidation			30		30	-
Cre.Am. s.r.l. in liquidation			51		51	-
Europork s.p.a. in liquidation	14	20	16		30	20
Le Cupole s.r.l.	16		375		391	-
Ristoro s.r.l.		25			-	25
Tre Holding s.r.l.	4			450	4	450
Total affiliated companies	**35**	**45**	**472**	**450**	**507**	**495**

Exhibit 2

Details for the 2001 financial year of revenues from and costs payable to, subsidiary, associated and affiliated companies

(in thousands of Euro)	*Commercial*		*Other*		***Total***	
	Revenues	*Costs*	*Revenues*	*Costs*	***Revenues***	***Costs***
Subsidiaries:						
Cremonini International b.v.			7		**7**	**-**
Fe.Ber. Carni s.r.l. in liquidation	4			7	**4**	**7**
Fernie s.r.l. in liquidation				5	**-**	**5**
Ge.Mark International d.o.o.	54				**54**	**-**
Inalca Angola ltda in liquidation	6,916				**6,916**	**-**
Inter Inalca Angola ltda	2,533				**2,533**	**-**
Montana Farm s.p.zo.o.	63				**63**	**-**
Sara s.r.l.	58	75		48	**58**	**123**
SGD s.r.l.	9	241	22		**31**	**241**
Total subsidiaries	**9,637**	**316**	**29**	**60**	**9,666**	**376**
Associated companies:						
A.O. Konservni	7,714				**7,714**	**-**
Buona Italia Alimentos ltda	24	52	81		**105**	**52**
Compagnia delle Spezie s.a r.l.			15		**15**	**-**
Immobiliare Athena s.p.a.		179			**-**	**179**
S.I.S.AG. s.r.l.			1		**1**	**-**
Total associated companies	**7,738**	**231**	**97**	**-**	**7,835**	**231**
Affiliated companies:						
Agricola 2000 s.r.l.	2				**2**	**-**
Alfa 95 s.p.a. in liquidation	1				**1**	**-**
Cremofin s.r.l.	2			1	**2**	**1**
Le Cupole s.r.l.	40	510			**40**	**510**
Ristoro s.r.l.		79			**-**	**79**
Tre Holding s.r.l.	3	1,373			**3**	**1,373**
Total affiliated companies	**48**	**1,962**	**-**	**1**	**48**	**1,963**

Exhibit 3

Schedule of the changes in intangible fixed assets for the year ended December 31, 2001

(in thousands of Euro)	*Opening balances*			*Movements during the year*					*Closing balances*		
	Original cost	*Provision for amort.*	*Balance 31.12.2000*	*Net impact of chg. in consolid. area*	*Purchases*	*Net decreases*	*Reclass./Dev. Other mov.*	*Amortiz.*	*Original cost*	*Provision for amort.*	*Balance 31.12.2001*
Formation and start-up costs	17,172	(6,671)	10,501	(37)	880	(6)	(1,722)	(2,817)	15,746	(8,947)	6,799
Cost of research, development and advertising	7,465	(3,215)	4,250	(13)	509		(174)	(1,390)	7,544	(4,362)	3,182
Cost of industrial patents and rights for the use of intellectual property	4,398	(3,216)	1,182	(13)	1,188	(11)	(39)	(758)	5,390	(3,841)	1,549
Concessions, licences, brand names and similar rights	35,017	(5,482)	29,535	(72)	264			(1,831)	35,150	(7,254)	27,896
Goodwill	12,326	(3,633)	8,693		1,938		127	(993)	14,398	(4,633)	9,765
Consolidation differences	70,905	(11,620)	59,285		59		(130)	(3,471)	70,818	(15,075)	55,743
Intangible fixed assets under development and advances	1,874		1,874		2,424	(712)	(788)		2,798		2,798
Other intangible fixed assets	37,605	(21,566)	16,039	(682)	2,223	(450)	2,422	(5,077)	41,395	(26,920)	14,475
Total	**186,762**	**(55,403)**	**131,359**	**(817)**	**9,485**	**(1,179)**	**(304)**	**(16,337)**	**193,239**	**(71,032)**	**122,207**

Exhibit 4

Schedule of the changes in tangible fixed assets for the year ended December 31, 2001

(in thousand of Euro)	*Opening balances*				*Movements during the year*					*Closing balances*			
	Original cost	*Write-up/ (down)*	*Provision for deprec.*	*Balance 31.12.2000*	*Net impact of chg. in consolid. area*	*Purchases*	*Net decreases*	*Reclass./ Other mov.*	*Deprec.*	*Original cost*	*Write-up/ (down)*	*Provision for deprec.*	*Balance 31.12.2001*
Land and buildings	239,777		(20,206)	219,571		6,703	(609)	2,087	(7,570)	245,804		(25,622)	220,182
Plant and machinery	178,088		(41,577)	136,511	(495)	10,038	(209)	3,687	(13,910)	191,028		(55,406)	135,622
Industrial and commercial equipment	13,108		(8,268)	4,840		1,930	(40)	141	(1,527)	14,852		(9,508)	5,344
Other tangible fixed assets	36,831		(22,644)	14,187	(68)	4,961	(2,086)	383	(3,392)	38,102		(24,117)	13,985
Tangible fixed assets under development and advances	18,117			18,117	(80)	4,567	(382)	(6,345)		15,877			15,877
Total	**485,921**		**(92,695)**	**393,226**	**(643)**	**28,199**	**(3,326)**	**(47)**	**(26,399)**	**505,663**		**(114,653)**	**391,010**

Exhibit 5

Schedules of the changes in financial fixed assets for the year ended December 31, 2001

(in thousand of Euro)	*Opening balances*				*Movements during the year*						*Closing balances*	
	Original cost	*Write-up*	*Write-down*	*Balance 31.12.2000*	*Net impact of chg. in consolid. area*	*Increases*	*Decreases*	*Write-up*	*Write-down*	*Reclass./ Other mov.*	*Balance 31.12.2001*	*of which: write-up*
Stockholdings in subsidiaries and associated companies valued with net equity method:												
- subsidiaries	301	10		311					(7)		304	3
- associated companies	2,493		(56)	2,437	375			7	(26)		2,793	7
Stockholdings in subsidiary and associated companies valued at cost:												
- subsidiaries	1,132	35		1,167		604				(14)	1,757	35
- associated companies	84			84		66			(4)	(60)	86	
Stockholdings in other companies	3,550			3,550		63	(64)			64	3,613	
Total stockholdings	**7,560**	**45**	**(56)**	**7,549**	**375**	**733**	**(64)**	**7**	**(37)**	**(10)**	**8,553**	**45**
Loans:												
- to subsidiaries	914			914		250	(52)				1,112	
- to associated companies	478			478			(331)			(60)	87	
- to others	15,647			15,647		607	(1,900)				14,354	
Total loans	**17,039**			**17,039**		**857**	**(2,283)**			**(60)**	**15,553**	
Other securities	**1,561**			**1,561**		**580**	**(530)**				**1,611**	
Treasury stock	**10,501**			**10,501**							**10,501**	
Total	**36,661**	**45**	**(56)**	**36,650**	**375**	**2,170**	**(2,877)**	**7**	**(37)**	**(70)**	**36,218**	**45**

Exhibit 6

List of stockholdings as at December 31, 2001 classified as fixed assets

(in thousand of Euro) Name	Percentage holding	Opening value	Acquired or subscribed	Sold	(Write-down)/ Write-up	Other movements	Percentage holding	Closing value
Subsidiaries:								
Roadhouse Grill Italia s.r.l.								
(formerly Cogea Sud s.r.l.)	99.00	15				(15)		
Cremonini International b.v.	100.00	20					100.00	20
Fe.Ber. Carni s.r.l. in liquidation	100.00	311			(7)		100.00	304
Fernie s.r.l. in liquidation	60.00	504					60.00	504
Ge.Mark International d.o.o.	65.00	36					65.00	36
Inalca Angola ltda in liquidation	51.00	29	17				80.00	46
Inalca Hellas e.p.e. in liquidation	95.00						95.00	
Inalca Russia l.l.c.			56				100.00	56
Inter Inalca Angola ltda			25				50.00	25
Marr Foodservice Iberica s.l.			39				100.00	39
Montana Farm s.p.zo.o.			467				85.00	467
Perutnina Marr Yutali s.r.l. in liq.	60.00						60.00	
Sara s.r.l.	100.00	521				1	100.00	522
SGD s.r.l.	50.00	42					50.00	42
Taormina Catering s.r.l. in liq.	60.00						60.00	
Total subsidiaries		**1,478**	**604**		**(7)**	**(14)**		**2,061**
Associated companies:								
A.O. Konservni	25.00	1,451			7		25.00	1,458
Buona Italia Alimentos ltda						375	49.00	375
Compagnia delle Spezie s.a r.l.	50.00	4			(4)		50.00	
Immobiliare Athena s.p.a.	34.00	986			(26)		34.00	960
Prometex s.a.m.	20.16	60				(60)		
Az. Agr. Serra della Spina s.r.l.	33.33	10					33.33	10
S.I.S.AG. Soc. Italiana Sviluppo								
Agroalimentare s.r.l.	20.00	10	66				20.00	76
Total associated companies		**2,521**	**66**		**(23)**	**315**		**2,879**
Other companies:								
Centro Agroalim. Riminese s.p.a.		240	34					274
Emilia Romagna Factor s.p.a.		953						953
Futura s.p.a.		600						600
Nuova Campari s.p.a.		1,549						1,549
Others		208	29	(64)		64		237
Total other companies		**3,550**	**63**	**(64)**		**64**		**3,613**
Total stockholdings		**7,549**	**733**	**(64)**	**(30)**	**365**		**8,553**

Exhibit 7

List of stockholdings in subsidiary and associated companies as at December 31, 2001 (Art. 2427 no. 5 of the Civil Code)

(in thousand of Euro)

Name	Registered office	Capital stock (in Euro if not otherwise stated)	Net profit (loss) for the year ended 31.12.01	Net equity at 31.12.01	Percentage held as at 31.12.01	Effective holding at 31.12.01	Carrying value (A)	Net equity held (B)	Difference (B) - (A)	Stockholders as at 31.12.2001	Percentage held as at 31.12.00	Effective holding at 31.12.00	Notes
Companies consolidated through the global integration method:													
Alisea soc. cons. a r.l.	Impruneta (FI)	50,000	185	867	55.00%	55.00%	N/A - consolidated line-by-line			Marr s.p.a.	55.00%	55.00%	
Azienda Agricola Corticella s.r.l.	Spilamberto (MO)	95,000	170	858	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Battistini Elviro s.r.l.	Santarcangelo di R. (RN)	17,430	534	1,641	100.00%	100.00%	N/A - consolidated line-by-line			Marr s.p.a.	100.00%	100.00%	
Compagnia delle Spezie s.r.l.	Gattatico (RE)	1,033,000	(618)	415	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Cons.Centro Comm.le Ingrosso Carni s.r.l.	Bologna	1,500,000	73	1,878	77.82%	77.67%	N/A - consolidated line-by-line			Cremonini: 77,05%; Ges.Car.: 0,77%	77.82%	77.67%	
Cremonini Finance plc	Londra (Regno Unito)	GBP 50,000	(3,302)	(424)	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Cremonini Restauration s.a.s.	Parigi (Francia)	1,500,000	(127)	220	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	92.00%	92.00%	
Cremonini s.p.a.	**Castelvetro di M. (MO)**	**73,746,400**	**795**	**180,948**	**Parent Company**						**Parent Company**		
Frimo s.a.m.	Principato di Monaco	150,000	57	375	50.40%	50.40%	N/A - consolidated line-by-line			INALCA s.p.a.	50.40%	50.40%	
Ges.Car. s.r.l.	Castelvetro di M. (MO)	330,000	92	299	80.00%	80.00%	N/A - consolidated line-by-line			INALCA s.p.a.	80.00%	80.00%	
Global Service s.r.l.	Castelvetro di M. (MO)	93,000	(369)	(276)	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Guardamiglio s.r.l.	Piacenza	4,135,000	(1,802)	4,163	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
INALCA s.p.a.	Castelvetro di M. (MO)	140,000,000	(8,923)	131,077	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Interjet s.r.l.	Castelvetro di M. (MO)	1,550,000	(187)	1,363	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini: 80%; Marr: 20%	100.00%	100.00%	
Marr Alisurgel s.r.l.	Santarcangelo di R. (RN)	149,700	251	1,192	97.00%	97.00%	N/A - consolidated line-by-line			Marr s.p.a.	97.00%	97.00%	
Marr s.p.a.	Rimini	25,550,000	2,905	66,991	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Mister Food s.p.a.	Castelvetro di M. (MO)	100,000	8	108	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Momentum Services ltd	Londra (Regno Unito)	GBP 225,000	(185)	793	51.00%	51.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	51.00%	51.00%	
Montana Alimentari s.p.a. (già Corte Buona)	Gazoldo Degli Ippoliti (MN)	40,248,000	160	43,000	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	
Roadhouse Grill Italia s.r.l. (già Cogea Sud)	Castelvetro di M. (MO)	90,000	(42)	48	99.00%	99.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	99.00%	99.00%	
S.I.A.S. Società Italiana Appalti e Servizi s.p.a.	Santarcangelo di R. (RN)	258,000	153	1,005	100.00%	100.00%	N/A - consolidated line-by-line			Marr s.p.a.	100.00%	100.00%	
S.A.M. s.r.l.	Castelvetro di M. (MO)	46,500	(64)	(17)	100.00%	100.00%	N/A - consolidated line-by-line			Cremonini s.p.a.	100.00%	100.00%	

Exhibit 7 (continued)

Name	Registered office	Capital stock (in Euro if not otherwise stated)	Net profit (loss) for the year ended 31.12.01	Net equity at 31.12.01	Percentage held as at 31.12.01	Effective holding at 31.12.01	Carrying value (A)	Net equity held (B)	Difference (B) - (A)	Stockholders as at 31.12.2001	Percentage held as at 31.12.00	Effective holding at 31.12.00	Notes
(in thousand of Euro)													
Companies consolidated through the net equity method:													
Subsidiaries:													
Fe.Ber. Carni s.r.l. in liquidazione	Castelvetro di M. (MO)	98,200	(7)	304	100.00%	100.00%	304	304	(a)	Cremonini s.p.a.	100.00%	100.00%	
Associated Companies:													
Buona Italia Alimentos ltda	San Paolo (Brasile)	Reais 3,589,505	(671)	766	49.00%	49.00%	375	375	(a)	Montana Alimentari s.p.a.	85.00%	85.00%	(b)
Immobiliare Athena s.p.a.	Rimini	516,457	65	1,022	34.00%	34.00%	960	960	(a)	Marr s.p.a.	34.00%	34.00%	(d)
A.O. Konservni	Stavropol (Russia)	RUB 46,667	642	1,751	25.00%	25.00%	1,458	1,458	(a)	INALCA s.p.a.	25.00%	25.00%	(b) (d)
Stockholdings valued at cost:													
Subsidiaries:													
Cremonini International b.v.	Amsterdam (Olanda)	20,000	(23)	(3)	100.00%	100.00%	20	(3)	(23)	Cremonini s.p.a.			
Fernie s.r.l. in liquidazione	Modena	1,033,000	(3)	1,132	60.00%	60.00%	504	679	175	Cremonini s.p.a.	60.00%	60.00%	
Ge.Mark International d.o.o.	Zagabria (Croazia)	KN 400,000	4	65	65.00%	65.00%	36	42	6	Guardamiglio s.r.l.	65.00%	65.00%	(b)
Inalca Angola ltda in liquidazione	Luanda (Angola)	USD 60,000	211	279	80.00%	80.00%	46	223	177	INALCA s.p.a.	51.00%	51.00%	(b)
Inalca Hellas e.p.e. in liquidazione	Atene (Grecia)	GRD 50,200,000	(198)	(42)	95.00%	95.00%	-	(40)	(40)	INALCA s.p.a.	95.00%	95.00%	(d) (b)
Inalca Russia l.l.c.	Mosca (Russia)	USD 50,000			100.00%	100.00%	56			INALCA s.p.a.			(c)
Inter Inalca Angola ltda	Luanda (Angola)	USD 50,000			50.00%	50.00%	25			INALCA s.p.a.			(c)
Marr Foodservice Iberica s.l.	Madrid (Spagna)	600,000			100.00%	100.00%	39			Marr s.p.a.			(c)
Montana Farm s.p.zo.o.	Platyny (Polonia)	Zloty 2,000,000			85.00%	85.00%	467			Montana Alimentari s.p.a.			(c)
Perutnina Marr Yutali s.r.l. in liquidazione	Ptuj (Slovenia)	USD 300,000	1	46	60.00%	60.00%	-	28	28	Marr s.p.a.	60.00%	60.00%	(b) (d)
Sara s.r.l.	Ospedaletto Lodigiano (LO)	516,457	(130)	396	100.00%	100.00%	522	396	(126)	INALCA s.p.a.	100.00%	100.00%	
SGD s.r.l.	Castelvetro di M. (MO)	83,000	16	161	50.00%	50.00%	42	81	39	Cremonini s.p.a.	50.00%	50.00%	
Taormina Catering s.r.l. in liquidazione	San Angelo in Vado (PS)	10,000	2	(668)	60.00%	60.00%	-	(401)	(401)	Marr s.p.a.	60.00%	60.00%	(d) (e)
Associated Companies:													
Az. Agr. Serra della Spina s.r.l.	Monacilioni (CB)	10,846	3	30	33.33%	33.33%	10	10	(0)	Cremonini s.p.a.	33.33%	33.33%	(d)
Compagnia delle Spezie s.a r.l.	Parigi (Francia)	FRF 50,000	(67)	(367)	50.00%	50.00%	0	(184)	(184)	Compagnia delle Spezie s.r.l.	50.00%	50.00%	(d)
S.I.S.AG. Società Italiana Sviluppo Agroalimentare s.r.l.	Bologna	51,000	(4)	41	20.00%	20.00%	76	8	(68)	Cremonini s.p.a.	20.00%	20.00%	(d)

NOTES

(a) Valued based on net equity method.
(b) Amounts denominated in Euro, resulting from conversion of the foreign currency amounts at the exchange rate quoted as at the date of balance sheet termination date.
(c) Data not available since the company was incorporated in 2001.
(d) Data as at December 31, 2000, the last annual report available.
(e) The difference between the book value of the stockholding and the net equity deficit share, is offset against the creditors account for an amount of 675 thousand euros (pro rata amount equal to 405 thousand euros) and relate to Marr s.p.a. corporation, which in the past booked the receivable as a loss.

Exhibit 8

Schedule of the changes in consolidated net equity for the year ended December 31, 2001

(in thousand of Euro)	*Capital stock*	*Share premium reserve*	*Legal reserve*	*Reserve for treasury stock*	*Other reserves including consolidation*	*Profits (losses) brought forward*	*Group profit (loss) for the year*	*Total Group net equity*	*Minority interest in capital and reserve*	*Minority's share of profit (loss)*	*Total minority interests*	***Total***
Balances as at December 31, 2000	**73,210**	**105,670**	**3,638**	**10,501**	**3,444**	**1,203**	**(9,961)**	**187,705**	**1,197**	**249**	**1,446**	**189,151**
Provision Shareholders' Meeting of April 28th, 2001												
- cover losses		(13,033)				3,072	9,961		249	(249)		
- legal reserve		(11,003)	11,003									
- stock capital increase (stock options)	34					(34)						
- dividends						(3,156)		**(3,156)**				**(3,156)**
Stock capital increase for Euro conversion	502	(502)										
Utilisation of reserves for treasury stock increase		(7,706)		7,706								
Movements for translation reserve and other movements			1	(1)	(180)	(23)		**(203)**	16		**16**	**(187)**
(Profit) loss for the year ended December 31, 2001							(13,486)	**(13,486)**		35	**35**	**(13,451)**
Closing balances as at December 31, 2001	73,746	73,426	14,642	18,206	3,264	1,062	(13,486)	170,860	1,462	35	1,497	172,357

Exhibit 9

Statement of consolidated cash flow for the years ended December 31, 2001 and December 31, 2000

(in thousand of Euro)	***2001***	*2000*
A) Short-term net borrowings - opening balance	**(178,606)**	**(139,820)**
B) Cash flows from operations in the year		
Net profit (loss) for the year	(13,486)	(9,961)
Depreciation		
- intangible assets	16,337	15,977
- tangible assets	26,399	24,238
(Gain) or loss on disposal of tangible fixed assets	(5)	312
Net change in provision for liabilities and charges	(555)	(3,468)
Net change in staff severance indemnities	761	1,424
Cash flows for the year before changes in working capital	29,451	28,522
(Increase) decrease of treasury stock posted under current assets	(7,705)	
(Increase) decrease of trade receivables and other receivables	(37,075)	(277)
(Increase) decrease in inventories	8,387	(5,087)
Increase (decrease) of trade payables to suppliers and other payables	13,779	(21,256)
Increase (decrease) in accrued income and prepaid expenses	(1,626)	(2,066)
	5,211	**(164)**
C) Cash flows from (for) investments		
Investments in fixed assets		
- intangible	(8,002)	(18,262)
- tangible	(28,152)	(32,241)
Net change in financial fixed assets	432	13,832
Impact on cash flows of changes in consolidation area	1,460	(703)
Sale or reimbursement value of fixed assets	3,331	7,948
	(30,931)	**(29,426)**
D) Cash flows from (for) movements in net equity of Group and third parties		
Distribution of dividends	(3,156)	(7,989)
Other changes including the ones relative to third parties	(152)	(644)
	(3,308)	**(8,633)**
E) Cash flows from (for) financial operations		
Increase in short term share of long term borrowings	(33,689)	(40,691)
Repayment of long-term borrowings	(17)	(1,648)
Increase in long-term borrowings from new loans	36,152	52,105
Increase (decrease) in bonds and debentures		(10,329)
	2,446	**(563)**
F) Cash flows in the year (B+C+D+E)	**(26,582)**	**(38,786)**
G) Total short-term net borrowings (A+F) - closing balance	**(205,188)**	**(178,606)**

Report of the Board of Statutory Auditors

Shareholders,

The consolidated financial statements of the Cremonini Group for the year ended December 31, 2001, which has been put at your disposal, was submitted to us within the terms established by law, and were drawn up in accordance with the provisions of Legislative Decree 127/1991. They can be summarized as follows:

Consolidated balance sheet	Euro/thousand
Assets	1,057,714
Liabilities	885,357
Net worth pertinent to third parties	1,497
Net worth pertinent to the Group	170,860

with the sum total of Euro 563,180 thousand listed in the memorandum accounts.

Consolidated income statement	Euro/thousand
Value of production	1,350,861
Cost of production	(1,319,246)
Financial income and expense	(30,921)
Adjustment to the value of financial assets	(1,119)
Extraordinary income and expense	(2,094)
Income tax	(10,932)
Loss for the year	(13,451)
Profit pertinent to third parties	(35)
Loss pertinent to the Group	(13,486)

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

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

The consolidated financial statements were audited by PricewaterhouseCoopers.

In their work, the auditing firms confirmed that:

- the values set forth in this document correspond to the accounting entries of the parent company on the subsidiaries' Financial Statements prepared by the Boards of Directors for the respective Shareholders' Meetings and also to the information they submitted to the parent company;
- the determination of the consolidation area, the choice of accounting principles for consolidation purposes and the operating procedures adopted for consolidation comply with legal requirements and accounting regulations; consequently, in terms of their composition the Consolidated Financial Statements can be considered in line with specific regulations.

In relation to our areas of responsibility, we note:

- that the notes to the account highlight the aspects required by Articles 38 and 39 of Legislative Decree 127/1991;
- that the report on operations furnishes the information required by Article 2428 of the Italian Civil Code and by Article 40 of Legislative Decree 127/1991, and that it can be considered consistent with the other results listed in the consolidated financial statements.

Therefore, the Board of Statutory Auditors is of the opinion that the consolidated financial statements of the Cremonini Group as at December 31, 2001 correctly represents the equity, economic and financial situation of the parent company and of the companies in the consolidation area.

Castelvetro di Modena, April 12, 2002

BOARD OF STATUTORY AUDITORS

Dr. Alessandro Artese
Chairman

Dr. Giovanni Zanasi
Statutory Auditor

Dr. Franco Colombo
Statutory Auditor

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

To the shareholders of
CREMONINI SpA

1 We have audited the consolidated financial statements of CREMONINI SpA and its subsidiaries (CREMONINI Group) as of 31 December 2001. These consolidated financial statements are the responsibility of CREMONINI SpA's directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes as required by law, reference is made to our report dated 9 April 2001.

3 In our opinion, the consolidated financial statements of CREMONINI Group as of 31 December 2001 comply with the laws governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and of the results of operations of the Group.

Parma, 12 April 2002

PricewaterhouseCoopers SpA

Giovanni Galli

Giovanni Galli
(Partner)

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL WHICH WAS ISSUED IN ACCORDANCE WITH ITALIAN PRACTICE

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Summary of resolutions

Ordinary Shareholders' Meeting held on April 30, 2002

With the notice published in the Official Journal of the Italian Republic – Insert Sheet n. 74 dated March 28, 2002, the Shareholders were called to the General Shareholders' Meeting on April 30, 2002. The Meeting was held on the aforesaid date at Via Modena n. 53 in Castelvetro di Modena, chaired by Dr. Luigi Cremonini.

The meeting was attended by thirty shareholders, either directly or through proxies, holding 81,806,782 ordinary shares or 57.69% of the entire share capital.

In deliberating on the first item on the agenda, following a reading of the Directors' report and proposal, and of the report and opinion of the Board of Statutory Auditors, the Shareholders' Meeting unanimously voted to approve:

4# the Financial Statements as at December 31, 2001 and the Report on Operations, including the allocation of profit to increase the legal reserves and the reserves of undistributed profits.

In deliberating on the second item on the agenda, following a reading of the Directors' report and proposal, the Shareholders' Meeting unanimously voted to approve:

4# the appointment of the Board of Directors for the three-year period of 2002-2004, composed of Messrs:

1# Luigi Cremonini - Chairman
1# Paolo Sciumè - Vice Chairman
1# Vincenzo Cremonini
1# Valentino Fabbian
1# Illias Aratri
1# Giovanni Barberis
1# Ugo Ravanelli
1# Giorgio Pedrazzi
1# Edoardo Rossini

In deliberating on the third item on the agenda, following a reading of the Directors' report and proposal, and of the list presented by one of the shareholders, the Shareholders' Meeting unanimously voted to approve:

4# the appointment of the Board of Statutory Auditors for the three-year period of 2002-2004, composed of Messrs:

1# Alessandro Artese - Chairman
1# Giovanni Zanasi - Statutory Auditor
1# Ezio Maria Simonelli - Statutory Auditor
1# Marco Reggiori - Alternate Auditor
1# Mario Fuzzi - Alternate Auditor