FINANCIAL STATEMENTS AND CONSOLIDATED ACCOUNTS **2007**

CREMONINI

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Luigi Cremonini

“2007 MARKED A HISTORIC TURNING POINT IN THE PRODUCTION SECTOR, THANKS TO THE STRATEGIC ALLIANCE WITH JBS, WORLD LEADER IN THE MEAT SECTOR"

Dear Shareholders,

It is with great satisfaction that I present you with the 2007 financial statements showing revenues that border on 2.5 billion Euro and a significant increase in marginality.

I wish to emphasise that this is an important goal, above all because it was achieved in a difficult year, which recorded substantial stability in consumption, strong nervousness of the raw material prices, growing dollar weakness and a significant increase in interest rates.

In this context, the Group's results were against the trend and for the sixth consecutive year a significant growth trend was confirmed, thanks to the contribution of all three operating sectors.

The distribution sector's revenues, for the first time in our history, exceeded those from production, surpassing the level of a billion Euro. This is thanks to an effective policy of acquisitions and constant growth of the business.

I wish to underline the growth of the cured meats division in the production sector that recorded revenues substantially in line with the previous year, led by the strengthening of the new production plants.

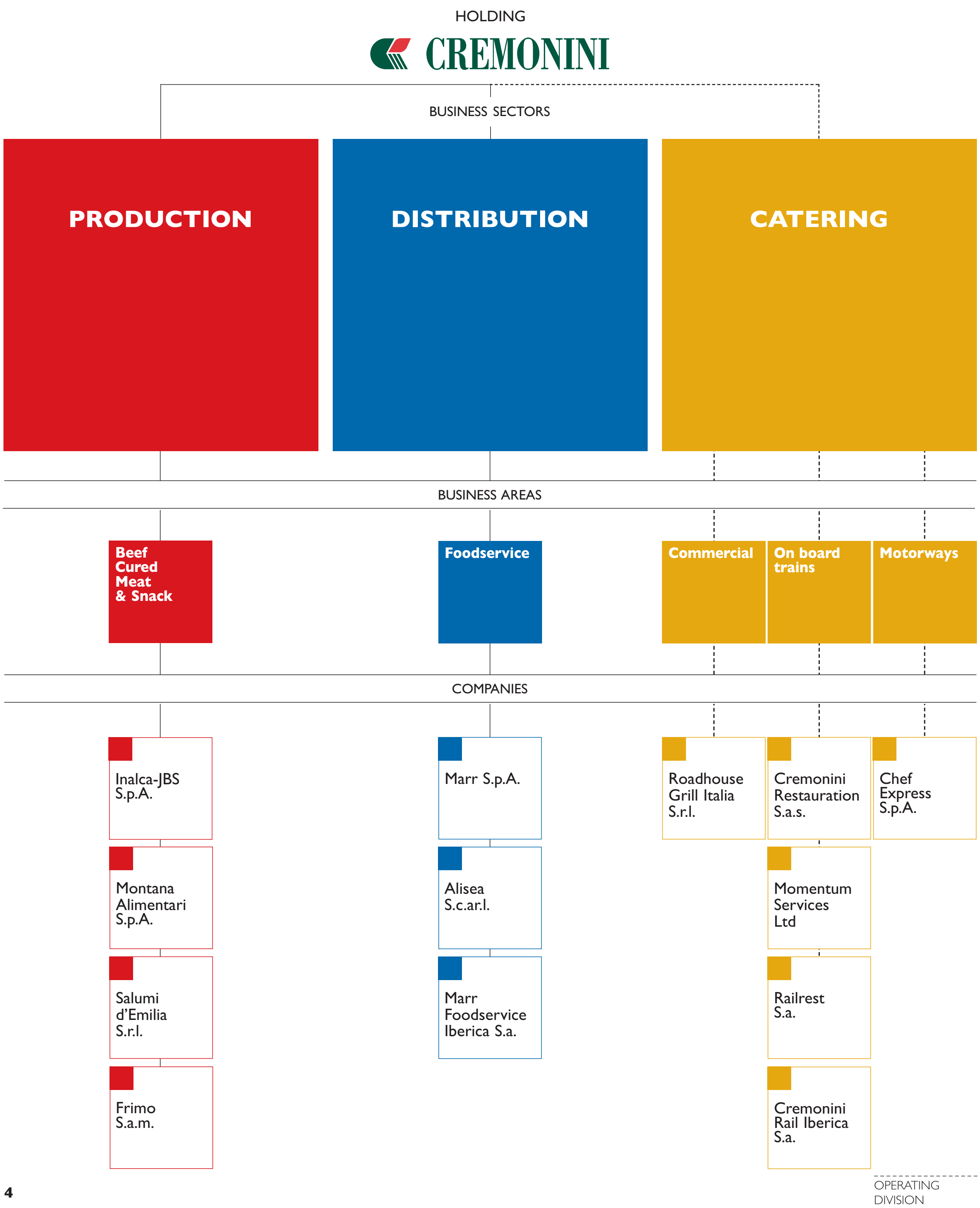
What has, however, most marked the meat business in the last year was the strategic alliance with our Brazilian partner, JBS, world leader in the beef sector. This agreement has laid the foundations for important international developments in the next few years.

Finally, the catering revenues doubled thanks to the consolidation of the “on-board” activities in Spain and rapid development of the “Roadhouse Grill” steakhouse chain in Italy, for which, amongst other things, we have acquired the rights to the brand for 50 European countries.

These are results that fully confirm the validity of diversification and the Group's constant leaning to invest, principally through self-financing.

My gratitude goes to the shareholders, managers and the over 8,200 collaborators, who have believed in and continue to believe in our company. Their confidence sustains the commitment to our work that will continue to reward all those involved and who aim at the Group's future.

The Chairman
Luigi Cremonini


HOLDING
CREMONINI
BUSINESS SECTORS
PRODUCTION
DISTRIBUTION
CATERING
BUSINESS AREAS
Beef Cured Meat & Snack
Foodservice
Commercial
On board trains
Motorways
COMPANIES
Inalca-JBS S.p.A.
Montana Alimentari S.p.A.
Salumi d'Emilia S.r.l.
Frimo S.a.m.
Marr S.p.A.
Alisea S.c.ar.l.
Marr Foodservice Iberica S.a.
Roadhouse Grill Italia S.r.l.
Cremonini Restauration S.a.s.
Momentum Services Ltd
Railrest S.a.
Cremonini Rail Iberica S.a.
Chef Express S.p.A.
OPERATING DIVISION

Director
Edoardo Rossini
(1)(2)

Director
Giorgio Pedrazzi

Chairman
Luigi Cremonini
(1)

Director
Paolo Lualdi

Director
Valentino Fabbian
(3)

Chief Executive Officer
Vincenzo Cremonini

Director
Mario Rossetti
(2)

Vice-Chairman
Paolo Sciumè
(1)(2)

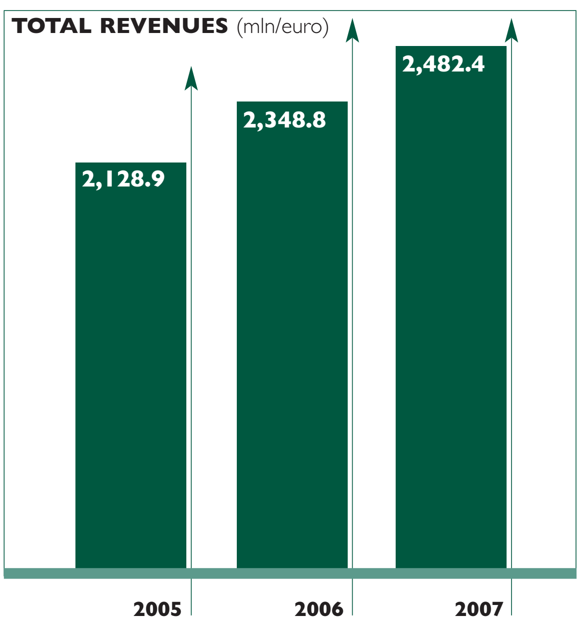
The Board of Directors of Cremonini Spa
(1) Member of the Compensation Committee - (2) Member of the Internal Audit Committee and Corporate Governance Committee
(3) With mandate for the management of the catering business-unit

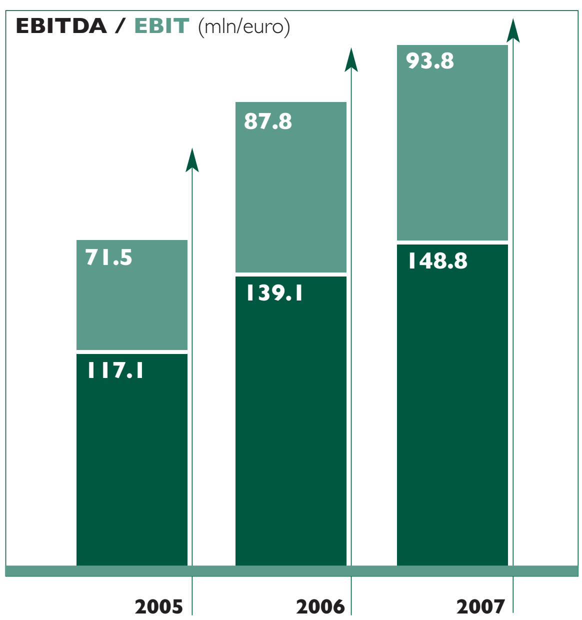
2007 ANOTHER GROWTH YEAR.

Main financial ratios

	2002*	2003*	2004	2005	2006	2007
ROS (Ebit / Revenues)	**3.7%**	**3.5%**	**3.5%**	**3.4%**	**3.7%**	**3.8%**
ROI (Ebit / Net Capital Equipment)	**7.0%**	**7.2%**	**8.4%**	**8.1%**	**9.4%**	**9.7%**
EBITDA / Net Financial Expenses°	**3.1**	**4.7**	**5.4**	**5.4**	**5.0**	**3.7**
INTEREST COVERAGE (Ebit / Net Financial Expenses)°	**1.8**	**2.7**	**3.4**	**3.3**	**3.2**	**2.3**
NET DEBT / EBITDA	**5.9**	**5.2**	**4.7**	**4.4**	**4.2**	**4.1**
NET DEBT / EQUITY	**2.5**	**1.8**	**1.7**	**1.4**	**1.7**	**1.7**
NET DEBT / REVENUES	**37%**	**31%**	**27%**	**24%**	**25%**	**25%**

° Excluding the components of net exchange rate differences and income/charges from/for derivatives.
* Pro-forma figure for purposes of comparison obtained by applying IAS/IFRS compliant adjustments to historical data.





Vincenzo Cremonini

WE ACHIEVED ALL THE OBJECTIVES IN 2007 AND FOR THE FIRST TIME DISTRIBUTION REVENUES EXCEEDED PRODUCTION REVENUES

The financial results
The Cremonini Group achieved revenues of 2,482.4 million Euro in 2007, an increase of 5.7% with respect to 2006. This is a particularly satisfying target because the Group has met the objectives for the year in all three sectors.

The entry of our new partner JBS in Inalca's share capital in the production sector will produce its more tangible effects in the next financial year.
We grew by 12% in the catering sector and turnover exceeded one billion Euro.

The Group's gross operating margin (EBITDA) and operating result (EBIT) were respectively 148.8 and 93.8 million Euro and showed progress, compared to the previous year, of 7% and 6.8%, respectively.
Despite all the economic indicators deriving from the company's operating management being up, the net profit was penalized by the weakness of the dollar.
In fact, the pre-tax result, which in 2007 was 46.3 million Euro compared to 55.4 million Euro in 2006, was penalized by the negative Euro/Dollar exchange rate differences that impacted by over 8.4 million Euro for the year. The Group's net profit was 10.0 million Euro (11.6 million Euro in 2006).

The Net Debt stands at 613.0 million Euro, up by 28.8 million Euro compared to the previous year, after having distributed dividends of 22.1 million Euro and making investments of 107.3 million Euro.
56.0 million Euro of the latter related to normal investments and the remaining 51.3 million Euro to non-recurring acquisitions and investments, prevalently abroad in Russia, Congo and Poland.

The dynamics of the 3 sectors
In 2007 the **PRODUCTION** sector recorded total revenues of 1,041.2 million Euro, in line with 1,044.5 million in 2006. The EBITDA stood at 51.0 million Euro (50.1 million Euro in 2006) and the EBIT was 19.4 million Euro (19.5 million Euro in 2006).

The **distribution** sector, through the subsidiary MARR, continued its uninterrupted growth trend: with revenues of 1,064.7 million Euro, an increase of 9.5%.
EBITDA rose by 12.8% to 69.5 million Euro, while EBIT reached 59.7 million Euro a growth of 11.8%.

The **catering** sector also achieved significant performance, with revenues of 444.1 million Euro, up by 11.9%. EBITDA was 31.4 million Euro (+4.3%), while EBIT reached 20.6 million Euro, substantially in line with last year's results, despite being penalized by the contractual changes in the Italian on-board sector.

Targets for 2008
The targets are to continue growth in terms of revenues and profitability through development drivers that entail:

- reinforcement of the international presence in Production through development of the joint venture signed with JBS and related activation of product and sales channel synergies between Inalca and the Brazilian partner;

- in Distribution, continuation of the growth strategies: for internal lines through reinforcement of the sales network and for external lines through the acquisition of local competitors;

- in Catering, growth supplied from the award of new concessions in airports, on motorways and in railway stations (Chef Express) and the opening of 10 new Roadhouse Grill brand steakhouses.

1 Production 2 Distribution 3 Catering

BREAKDOWN OF REVENUES BY BUSINESS AREA

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

Listed on the STAR segment of the Italian Stock Exchange, the Group, based in Castelvetro di Modena, employs more than 8,200 people all over the world and is active in three business areas: production, foodservice distribution and catering.

The Group
Created in 1963 through an entrepreneurial initiative of Luigi Cremonini, in more than 40 years, the Group has become nationally and internationally renowned as a point of reference in the food industry, not only in the historical beef sector but also in the more recently developed sectors of distribution and catering.

The Cremonini Group is composed of independent companies operating as leaders in their respective markets or in any event in significant positions.

Cremonini S.p.A.
The Cremonini S.p.A. Parent Company, as well as owning shareholdings in the operating companies, also defines strategies in the various sectors and plays a support role in the following areas: finance, information systems, corporate and tax, legal, human resources and pubblic relations.

In December 1998 Cremonini S.p.A. was listed on the Electronic Stock Market managed by the Italian Stock Exchange and in July 2001 it joined the STAR segment, which is reserved for companies that fulfil the specific requirements of information transparency, liquidity and corporate governance.

Three operating sectors
In the **PRODUCTION** sector, which represents **40%** of the 2007 consolidated revenues, the Group is represented by Inalca-JBS S.p.A., which operates in the production and commercialization of beef products and meats-based processed products and which itself controls various companies in the same sector in Italy and abroad. The production of cured meats is carried out by Montana Alimentari S.p.A.

In the sector of food **DISTRIBUTION** to operators in the non-domestic catering sector, the reference company is MARR S.p.A., listed on the STAR segment on the Italian Stock Exchange since June 2005 and 57.3% of whose share capital is owned by Cremonini. This business represents **42%** of the 2007 consolidated revenues.

The Group operates directly through its Cremonini S.p.A. Catering Division in the **CATERING** sector. This Division controls Momentum Services Ltd, Railrest S.a., Cremonini Restauration S.a.s. and Cremonini Rail Iberica S.a. in connection with European on-board train catering; Roadhouse Grill Italia S.r.l. (steakhouses) and motorway catering, Chef Express S.p.A. in connection with commercial catering. The catering businesses impacted on the consolidated revenues by **18%** in 2007.

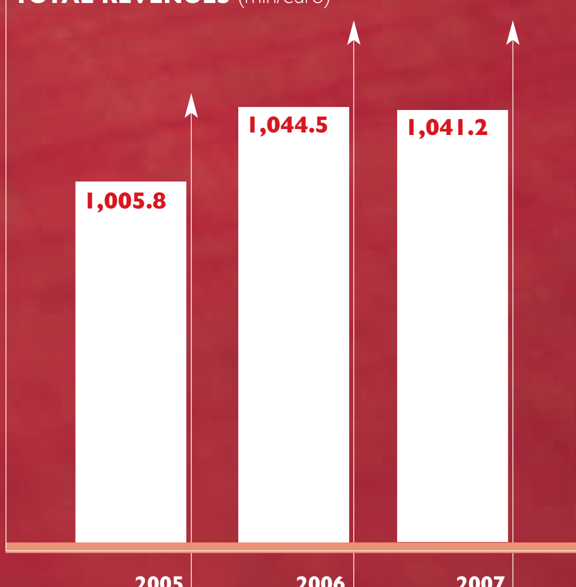
PRODUCTION

MORE THAN 1 BILLION EURO IN REVENUES AND 240,000 TONNES OF PRODUCTS, WITH THE SAME QUALITY AS ALWAYS

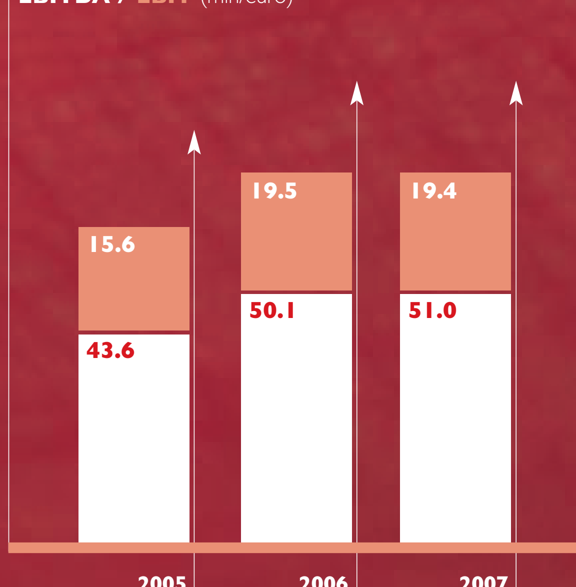
In the production sector the Cremonini Group operates in two business areas: beef and cured meats & snacks.

In the beef sector, it is the leader in Italy and one of the major players in Europe, while it is one of the main Italian operators in the sector of cured meats & snacks. The entire sector can count on ten highly automated plants which are specialized by type of product: six are used for the production of beef and four are active in the area of cured meats & snacks and ready-to-serve gastronomy. In 2007 the production sector registered total revenues of 1,041.2 million Euro, substansially in line with 1,044.5 million Euro of 2006, with a gross operating margin of 51.0 million Euro (50.1 in 2006) and an operating profit of 19.4 million Euro (19.5 in 2006).

TOTAL REVENUES (mln/euro)



EBITDA / EBIT (mln/euro)



PRODUCTION PLANTS ■ 6 Beef ■ 4 Cured Meats & Snacks

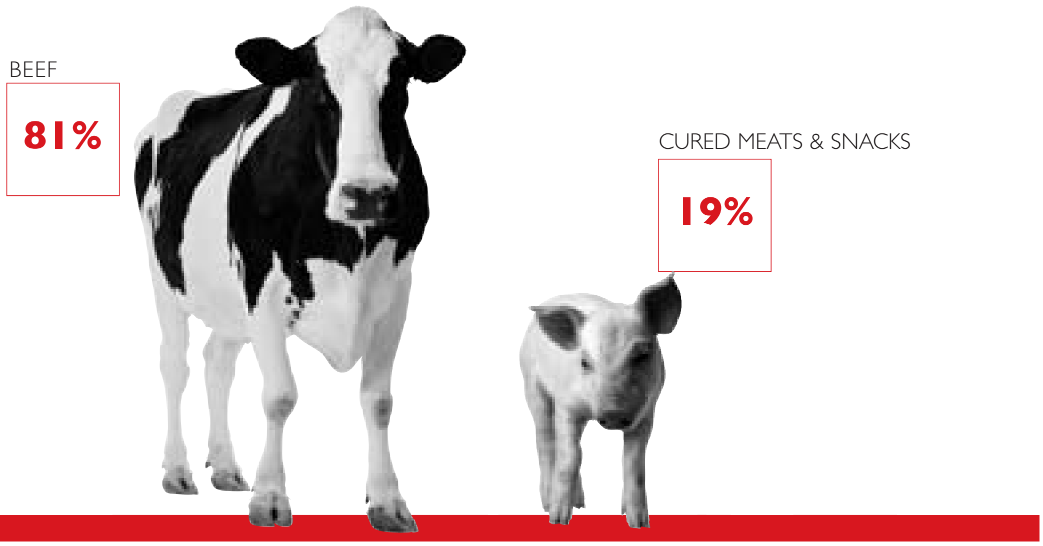








BREAKDOWN OF REVENUES BY TYPE OF PRODUCT



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

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

INALCA JBS ibiSè Salumificio di Parma MONTANA ALIMENTARI

In December 2007 Cremonini S.p.A. and the Brazilian group JBS S.A., the largest producer of beef in the world, signed a strategic alliance in the meat sector that has allowed JBS S.a. to take up 50% of the Cremonini Group's production sector (Inalca S.p.A. and Montana Alimentari S.p.A.).

Beef

The reference company in the Group in this sector is Inalca, which in 2007 achieved total consolidated revenues of 913.4 million Euro (932.0 in 2006).

The company, the leader in Italy and among the main European operators, supervises the entire production line - from raising animals to the end product - and successfully operates on international markets: over 34.2% of its revenues come from exports to countries in the European Union, Eastern Europe and Africa.

The industrial structure comprises 6 plants specialized by production line: Castelvetro di Modena (MO), Ospedaletto Lodigiano (LO), Roveleto di Cadeo (PC) and Flumeri (AV), where the meats is butchered, boned, processed and packed; Rieti and Cagliari where the processing, packing and logistic platform activities are carried out.

Inalca produces and markets a complete range of beef products, fresh and frozen, vacuum-packed and packaged in a protective atmosphere, ready-to-serve products, tinned meats and meats extracts. The company processes and transforms every year over 240,000 tonnes of beef, of which more than 40,000 tonnes of hamburgers and 200 million tins.

Cured meats & snacks

The reference company in this sector is Montana Alimentari, one of the main operators on the cured meats market in Italy, which achieved revenues of 195.2 million Euro in 2007, up by 16.0% compared to 2006.

The industrial structure comprises 4 plants, specialized by type of production: Gazoldo degli Ippoliti (MN), where the company produces pre-sliced meats, snacks and ready-toserve gastronomy; Paliano (FR), for the production of boiled and roast hams; Busseto (PR), where culatello, mortadella and traditional salami are produced, and Postalesio (SO) where the company produces bresaola.

One of the pillars of Montana Alimentari's strategic plan is constituted by the exploitation and integration of the typical production of cured meats in the areas distinguished by the Protected Denomination of Origin (P.D.O.) and Protected Geographic Indication (P.G.I.) brands (Culatello di Zibello, Bresaola della Valtellina, Mortadella di Bologna, Salamino alla Cacciatora).

The company is specialized in the production of pre-sliced products, marketed under both its own brands and the brands of the more significant chains in the large-scale distribution. It can count on a structure of 8 production rooms, so called "white rooms", which have the capacity of producing 5,000 tonnes per year.


MARR
530
144L

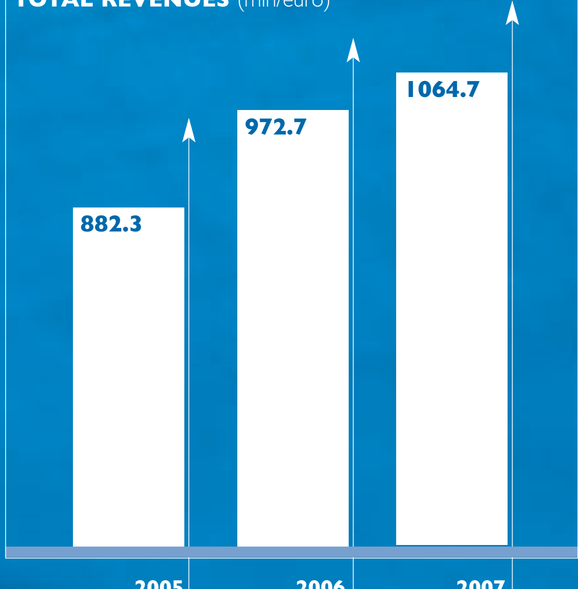
DISTRIBUTION

MORE THAN 10,000 PRODUCTS DAILY TO SERVICE THE CATERING SECTOR

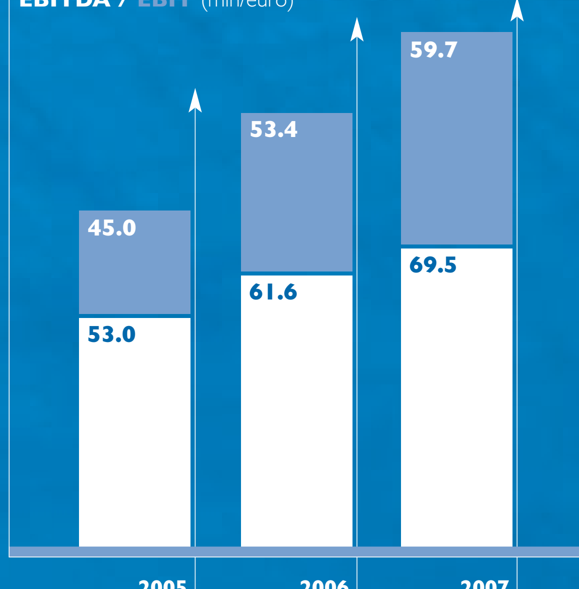
In the distribution sector, the Cremonini Group operates through MARR, the leader in Italy in the distribution of food products to catering operators.

MARR is a reality which has been continuously expanding for over a decade, and is present nationally with a wide range of products preserved in various ways (frozen,fresh, at room temperature). Revenues from the distribution sector reached 1,064.7 million Euro in 2007 (+9.5% compared to 2006).The gross operating margin amounted to 69.5 million Euro (+12.8%) and the operating profit amounted to 59.7 million Euro (+11.8%).

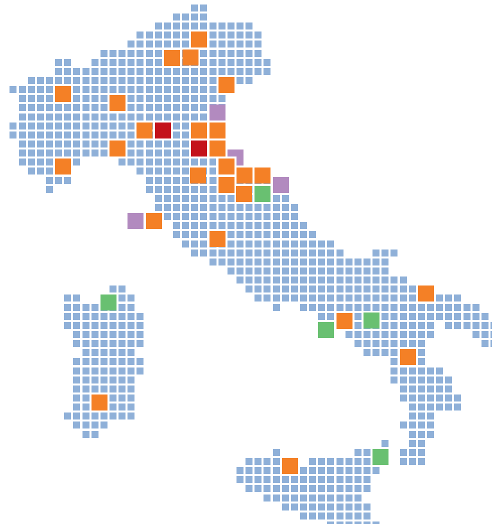
TOTAL REVENUES (mln/euro)



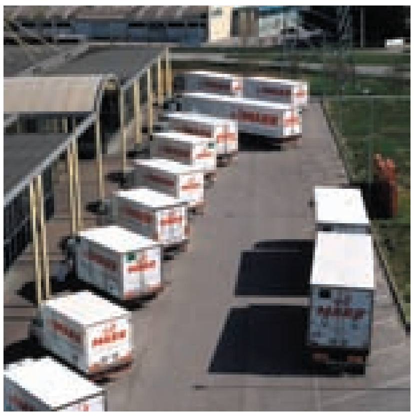
EBITDA / EBIT (mln/euro)



Figures can differ from those shown in the MARR consolidated balance sheet, as a result of certain consolidation entries in the Group consolidated financial statements; and that the historical data, shown in the graph, is net of Door to Door.



DISTRIBUTION CENTRES ■ 29 Branches ■ 4 Cash & Carry ■ 2 Processing plants ■ 4 Agents with warehouses



MARR: BREAKDOWN OF REVENUES BY TYPE OF CUSTOMERS

29 BRANCHES, 4 CASH&CARRY, 4 AGENTS WITH WAREHOUSES, 650 DEDICATED TRUCKS, 650 SALES AGENTS, 10,000 FOOD PRODUCTS, OVER 36,000 CUSTOMERS.

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

The products

MARR provides its customers with a personalised consultancy service, assisting them in planning their purchases of a wide range of products, including about 10,000 foodstuffs (meats, fish, sundry foodstuffs, fruit and vegetables), and more than 8,000 non-food items (kitchen equipment, utensils, tableware, etc.).
MARR's sales mix constituted 38.5% fish products, 36.8% sundry food stuff, 22.0% meat, 2.1% fruit and vegetables and the remaining 0.6% by kitchen equipment.

MARR ensures a timely and careful service and is capable of responding to the various and changing requirements of the different segments of clientele.

The market

Through a network comprising 29 branches, 4 cash&carry, 4 agents with warehouses, 650 dedicated trucks, and a commercial structure of 650 sales agents, MARR ensures a timely service to more than 36,000 customers served nationally each year.

Activities are mainly aimed at the segment of commercial non-domestic catering sector (restaurants, hotels, pizza outlets, fast food, tourist villages, etc.). Coherent with corporate philosophy, these are aimed at favouring quality and level of service, and collective catering (corporate canteens, schools, hospitals, armed forces, etc.), an interesting segment due to its less seasonal nature. In particular, the revenues are arise from street market (restaurants, pizza outlets and hotels not belonging to groups or chains) 62.7%, wholesalers 21.5% and national account 15.8%.

Development

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

The recent acquisition should also be placed, in this context, of the business branch relating to the distribution of food products to the NH Group's hotels (Jolly Hotels) in Italy, the primary national hotel chain.

Furthermore, at the beginning of 2008 MARR signed an agreement for the lease of Minerva S.r.l.'s business branch, a company active in the area south of Lake Garda with a strong positioning in marketing to the foodservice sector of fish products, specifically fresh fish.

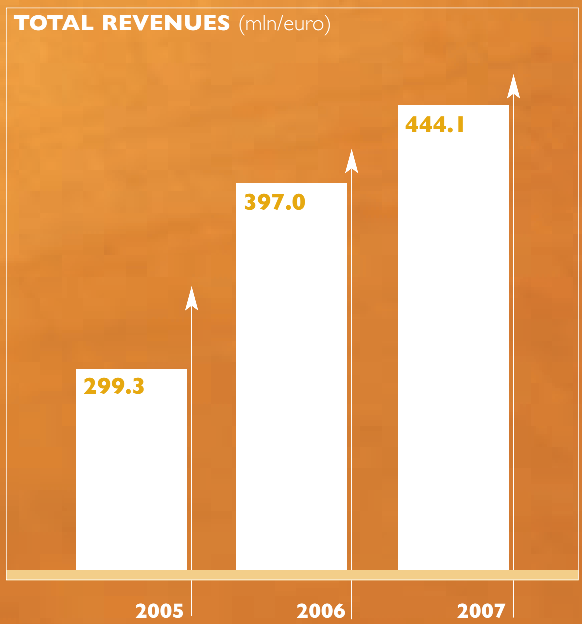
CATERING

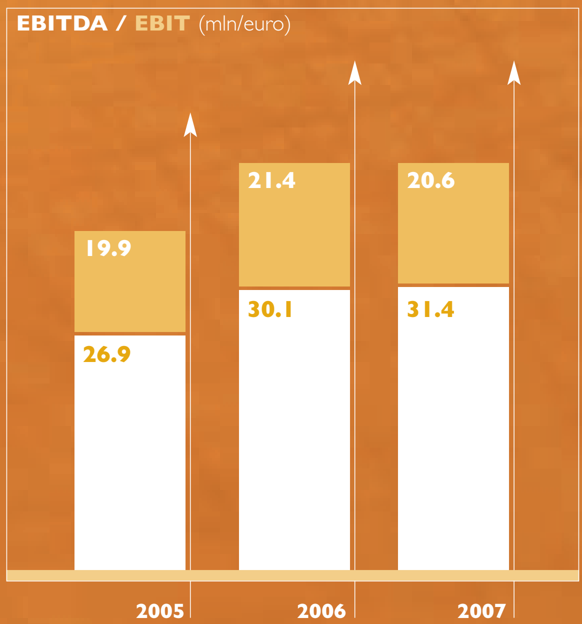
60 MILLION CUSTOMERS SERVED EVERY YEAR, WITH THE PLEASURE OF A WARM WELCOME

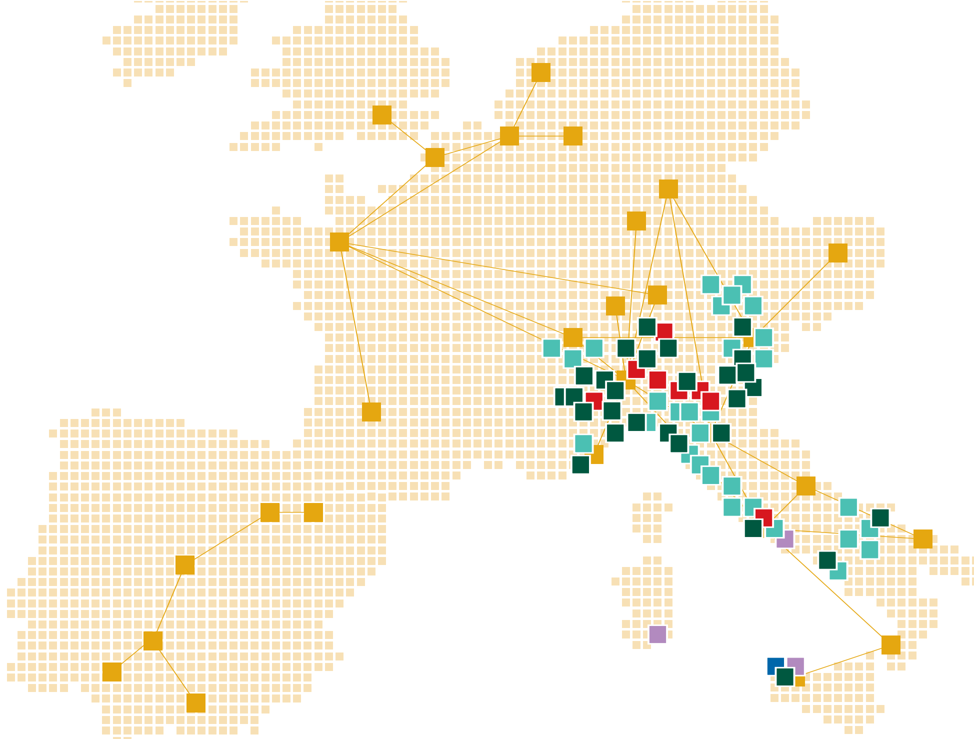
The Group operates in two business areas in the catering sector: concession catering (on-board train, railways and motorways) and commercial catering (steakhouses).

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

In 2007, Catering Division's consolidated revenues amounted to 444.1 million Euro (an increase of 11.9% compared to 2006), the gross operating margin reached 31.4 million Euro (+11.9%) and the operating profit amounted to 20.6 million Euro (21.4 million Euro in 2006).







CATERING POINTS ■ 37 Railway Stations ■ 4 Airports ■ 14 Steakhouses ■ 700 Trains ■ 35 Motorway Service Areas







TYPES OF CATERING

MOTORWAY SERVICE AREAS

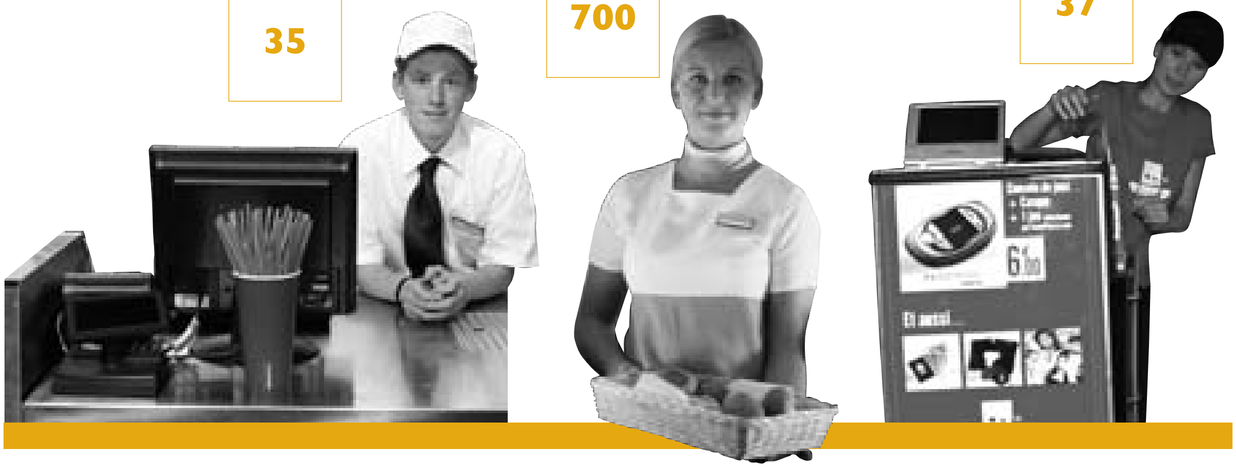
35

TRAINS

700

RAILWAY STATIONS

37



700 TRAINS SERVED IN 8 EUROPEAN COUNTRIES, 37 RAILWAY STATIONS, 35 MOTORWAY SERVICE AREAS, 4 AIRPORTS, 14 STEAKHOUSES, 60 MILLION CUSTOMERS SERVED.

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

ON-BOARD CATERING

Cremonini has operated in this segment with the Chef Express brand for 18 years, with a daily presence on more than 700 trains in 8 European countries, on which it manages catering services in restaurant cars, self service, mini-bars and bars. The Group manages the catering services on the Italian Trenitalia trains, the English Eurostar trains connecting London to Paris and Brussels, the Belgian Thalys trains, the Italian/Swiss Cisalpino trains, the French TGV and very new iDTGV trains, as well as on the French Corail trains and the 70 Spanish high-speed AVE trains.

RAILWAY STATION AND AIRPORT CATERING

With a market share of 38.6%, the Cremonini Group is the leader in Italy in concession catering in railway stations, managing services in bars, buffets, restaurants, self service, fast food outlets, pizza outlets and kiosks.

Today the Group manages 37 railway stations in Italy, of which 9 are main stations: Roma Termini, Firenze SMN, Venezia Mestre, Genova Porta Principe, Genova Brignole, Palermo Centrale and Torino Porta Nuova. Opening in the near future will be at Milano Centrale and Napoli Centrale. Cremonini's catering division also supplies services in airports, Roma Fiumicino, Palermo, Cagliari and Parma. In the field of concession catering, Cremonini uses its own brands, such as Bar Chef Express, Mokà, Gusto Ristorante, Mr Panino, Pizza&Vizi and also the brands of large international chains with franchising contracts.

MOTORWAY CATERING

With a market share of some 7%, Chef Express is now the 2nd Italian operator in the motorway catering sector managing 35 service areas n all the principal Italian motorway arteries.

The development plans provide for further growth prospects deriving from the process of re-assignation of the concessions expiring in the next few years.

ROADHOUSE GRILL

The Group is continuing with its expansion project of the Roadhouse Grill brand steakhouse chain, strengthened by the growing success of the first 14 restaurants that have been opened in Italy: Rome, Bologna, Legnano, Piacenza, Mantova, Rozzano (MI), Reggio Emilia, Milano Corbetta, Bergamo, Ferrara, Forlì, Verona, Padova and Mestre (VE).

FINANCIAL STATEMENTS AND CONSOLIDATED ACCOUNTS **2007**

CREMONINI

NOTICE OF ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

The Shareholders holding ordinary shares are hereby given notice of a Shareholders' Meeting to be held in Via Modena no. 53, Castelvetro di Modena, at 10 a.m. on 26 April 2008 to debate and resolve on the following

Agenda

Ordinary session
1) Financial Statements as at 31 December 2007 and Directors' Report; inherent and consequent resolutions;
2) Appointment of the Directors pending determination of the number of members of the Board of Directors, appointment of the Chairman and determination of fees pertaining to the Directors; inherent and consequent resolutions;
3) Appointment of the Statutory Board of Auditors and the Chairman; determination of the relevant fees for the Board; inherent and consequent resolutions;
4) Authorisation of the Board of Directors for the acquisition and disposal of treasury shares; inherent and consequent resolutions.

Extraordinary session
1) Amendment of articles 13 - paragraph 3 and 15 - paragraph 1 of the By-laws (shareholders' meeting: chair, secretary, notarised minutes); inherent and consequent resolutions.

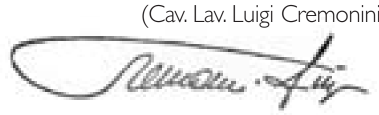
The documentation related to the issues and proposals on the Agenda, including the consolidated financial statements as at 31 December 2007, shall be provided to those concerned, pursuant to law, at the registered office, Borsa Italiana S.p.A. and on the website www.cremonini.com.

The shareholders have the right to obtain copies of thereof.

The shareholders for which the company receives the communication from the authorised intermediary and who, on the occasion of the meeting itself, exhibit a copy thereof, shall have the right to participate in the shareholder's meeting.
The appointment of the members of the Board of Directors and the Board of Statutory Auditors shall be carried out by means of a voting slate according to the provisions of articles 16 and 23 of the By-laws and in compliance with the provisions of the law and regulations.

Shareholders who, individually or collectively, represent at least 2.5% of the shares with voting rights, shall have the right to present the slates.
The slates must be deposited at the company's registered office at least fifteen days before the date of the meeting, with the certification issued by the authorised intermediary proving ownership of the shares.
The declarations required by articles 16 and 23 of the By-laws and by legislative and regulatory provisions, as well as exhaustive information on the personal and professional characteristics of the candidates should be deposited together with each slate and within the abovementioned term.
The accreditation of the participants in the meeting shall commence at 9.30.

The Chairman
(Cav. Lav. Luigi Cremonini)



Notice published in the Official Gazette of the Italian Republic - Announcements Sheet no. 35 of 22 March 2008 - announcement S-082326.

CORPORATE BODIES OF CREMONINI S.P.A.

Board of Directors

Chairman	Luigi Cremonini
Vice Chairman	Paolo Sciumè (1) (2)
Chief Executive Officer	Vincenzo Cremonini
Directors	Valentino Fabbian (3) Giorgio Pedrazzi Edoardo Rossini (1) (2) Mario Rossetti (1)(2)(4) Paolo Lualdi

Board of Statutory Auditors

Chairman	Alessandro Artese
Statutory Auditors	Giovanni Zanasi Ezio Maria Simonelli
Alternates	Claudio Malagoli Alberto Baraldi
Independent Auditors	Reconta Ernst & Young S.p.A.
Manager responsible for the preparation of the corporate financial statements	Stefano Lalumera

(1) Member of the Remuneration Committee

(2) Member of the Internal Auditing and Corporate Governance Committee

(3) Chief Executive Officer of the Catering business unit

(4) Lead Independent Director

DIRECTORS' REPORT

DIRECTORS' REPORT

Introduction

The financial statements as at 31 December 2007, pursuant to Legislative Decree No. 38 of 28 February 2005, have been drawn-up in accordance with the criteria for evaluation and measurement established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedures in Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002.

Group Performance and Analysis of the Results for the 2007 financial year

Total revenues in the 2007 financial year amounted to 2,482.4 million Euro compared to 2,348.8 million in 2006, showing an increase of 133.6 million Euro (+5.7%). The gross operating margin amounted to 148.8 million compared to 139.1 million in 2006, showing an increase of 9.7 million Euro (+7.0%) and the operating income totalled 93.8 million compared to 87.8 million Euro in 2006, showing an increase of 6.0 million (+6.8%).

Profit from ordinary activities amounted to 46.3 million Euro compared to 56.4 million of 2006, showing a decrease of 10.1 million (-17.85%) mainly conditioned by the exchange rate differences.

The pre-tax profit was 46.3 million Euro, while the Group's net profit totalled 10.0 million Euro, compared to 11.6 million Euro in 2006.

Below is a summary of the consolidated figures for the financial year ended as at 31 December 2007, compared with the previous financial year. For a more complete analysis of the Group's results, details have been set out below which are broken down by sector of activity.

Consolidated income statement

(in thousands of Euros)	Year 2007	Year 2006	Change %
Total revenues	**2,482,439**	**2,348,842**	**5.69**
Changes in inventories of work in progress, semi-finished and finished goods	(11,661)	1,792	
Value of production	**2,470,778**	**2,350,634**	**5.11**
Cost of production	(2,081,223)	(1,993,459)	
Value added	**389,555**	**357,175**	**9.07**
Personnel costs	(240,722)	(218,066)	
Gross operating margin (a)	**148,833**	**139,109**	**6.99**
Amortization, depreciation and write-downs	(55,053)	(51,329)	
Operating income (b)	**93,780**	**87,780**	**6.84**
Net financial income (charges)	(47,431)	(31,359)	
Profit from ordinary activities	**46,349**	**56,421**	**(17.85)**
Net income (charges) from investments	(43)	352	
Net extraordinary financial income (charges)		(1,337)	
Result before taxes	**46,306**	**55,436**	**(16.47)**
Income taxes for the financial year	(21,063)	(29,297)	
Result before minority interests	**25,243**	**26,139**	**n.a.**
(Profit) Loss attributable to minority interests	(15,203)	(14,512)	
Net profit attributable to the Group	**10,040**	**11,627**	**n.a.**

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

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

Consolidated balance sheet

(in thousands of Euros)	31.12.2007	31.12.2006	Change %
Intangible assets	157,178	147,246	
Tangible assets	637,886	595,242	
Equity investments and other financial assets	19,857	12,211	
Total fixed assets	**814,921**	**754,699**	**7.98**
Trade net working capital			
- Trade receivables	*409,866*	*389,713*	
- Inventories	*234,799*	*252,056*	
- Trade payables	*(376,426)*	*(337,433)*	
Total trade net working capital	268,239	304,336	
Other current assets	55,401	56,881	
Other current liabilities	(71,657)	(70,912)	
Net working capital	**251,983**	**290,305**	**(13.20)**
Staff Severance Provision and other medium/long-term provisions	**(101,695)**	**(112,094)**	
Net invested capital	**965,209**	**932,910**	**3.46**
Shareholders' Equity attributable to the Group	281,649	282,499	
Shareholders' Equity attributable to minority interests	70,525	66,187	
Total Shareholders' Equity	**352,174**	**348,686**	**1.00**
INet medium/long-term debt	315,467	367,628	
Net short-term debt	297,568	216,596	
Net debt	**613,035**	**584,224**	**4.93**
Net equity and net debt	**965,209**	**932,910**	**3.46**

Net consolidated debt [c]

(in thousands of Euros)	31.12.2007	30.09.2007	30.06.2007	31.12.2006
Payables to banks, bonds and other financial institutions				
- due within 12 months	(432,646)	(404,458)	(384,571)	(325,403)
- due between 1 and 5 years	(247,414)	(236,115)	(239,277)	(265,210)
- due beyond 5 years	(68,053)	(84,499)	(86,450)	(102,417)
Total payables to banks, bonds and other financial institutions	**(748,113)**	**(725,072)**	**(710,298)**	**(693,030)**
Liquidity				
- cash and cash equivalents	128,474	94,596	86,157	107,168
- other financial assets	6,604	6,554	2,841	1,638
Total liquidity	**135,078**	**101,150**	**88,998**	**108,806**
Total net debt	**(613,035)**	**(623,922)**	**(621,300)**	**(584,224)**

The Group's net debt was 613.0 million Euro, a fall of 10.9 million compared to 623.9 million as at 30 September 2007.

The net debt with respect to 31 December 2006 increased by 28.8 million Euro, as an effect of the distribution of dividends of 22.1 million and investments made during the period of 107.3 million Euro, of which 51.3 million related to acquisitions and extraordinary investments. Amongst the latter we note the acquisition of New Catering, the CATER Roma business branch, and the programmed payments deriving from the acquisition of the Sfera business branch, Mokà and Cremonini Rail Iberica (ex Rail Gourmet España).

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

FINANCIAL RESULTS BY SECTOR OF ACTIVITY

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

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

Breakdown of revenues by sector

(in thousands of Euros)	Year 2007	Year 2006	Change total value	Change %
Production				
Net revenues	990,828	992,688	(1,860)	(0.19)
Intercompany revenues	50,412	51,793		
Total revenues	1,041,240	1,044,481	(3,241)	(0.31)
Gross operating margin	51,003	50,078	925	1.85
Amortization, depreciation and write-downs	(31,634)	(30,535)	(1,099)	3.60
Operating profit (loss)	19,369	19,543	(174)	(0.89)
Distribution				
Net revenues	1,042,356	948,330	94,026	9.91
Intercompany revenues	22,346	24,405		
Total revenues	1,064,702	972,735	91,967	9.45
Gross operating margin	69,470	61,575	7,895	12.82
Amortization, depreciation and write-downs	(9,757)	(8,177)	(1,580)	19.32
Operating profit (loss)	59,713	53,398	6,315	11.83
Catering				
Net revenues	443,900	396,893	47,007	11.84
Intercompany revenues	224	147		
Total revenues	444,124	397,040	47,084	11.86
Gross operating margin	31,391	30,095	1,296	4.31
Amortization, depreciation and write-downs	(10,754)	(8,667)	(2,087)	24.08
Operating profit (loss)	20,637	21,428	(791)	(3.69)
Holding company property and centralized activities				
Net revenues	5,355	10,931	(5,576)	(51.01)
Intercompany revenues	8,516	7,798		
Total revenues	13,871	18,729	(4,858)	(25.94)
Gross operating margin	(2,820)	(2,556)	(264)	10.33
Amortization, depreciation and write-downs	(2,908)	(3,950)	1,042	(26.38)
Operating profit (loss)	(5,728)	(6,506)	778	(11.96)
Consolidation adjustment				
Total revenues	(81,498)	(84,143)		
Gross operating margin	(211)	(83)		
Amortization, depreciation and write-downs				
Operating profit (loss)	(211)	(83)		
Total				
Total revenues	2,482,439	2,348,842	133,597	5.69
Gross operating margin	148,833	139,109	9,724	6.99
Amortization, depreciation and write-downs	(55,053)	(51,329)	(3,724)	7.26
Operating profit (loss)	93,780	87,780	6,000	6.84

The total consolidated revenues amounting to 2,482.4 million Euro compared to 2,348.8 million of 2006, an increase of 133.6 million Euro. In particular catering revenues increased by 47.0 million and distribution revenues by 92.0 million Euro.

The consolidated gross operating margin amounted to 148.8 million Euro compared to 139.1 million of 2006, showing an increase of 9.7 million Euro. In particular, the distribution margin increased by 7.9 million, the production margin by 0.9 million and the catering margin by 1.3 million.

The consolidated gross operating margin improved by 6.0 million Euro, thanks to the contribution from distribution, up by 6.3 million.

Breakdown of revenues from sales and services by geographic area

Year 2007 - (in thousands of Euros)

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

Year 2006 - (in thousands of Euros)

	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	641,641	65.4	854,122	91.7	264,664	68.1	9,325	93.9	1,769,752	76.6
European Union	152,174	15.5	52,630	5.7	124,173	31.9	444	4.5	329,421	14.3
Extra-EU countries	187,365	19.1	24,417	2.6	133	0,0	166	1.6	212,081	9.1
Total	981,180	100.0	931,169	100.0	388,970	100.0	9,935	100.0	2,311,254	100.0

Consolidated balance sheet by sector

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

As at 31 December 2006 (in thousands of Euros)	Production	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	18,895	77,456	50,390	505		147,246
Tangible assets	416,796	58,472	39,708	80,266		595,242
Equity investments and other financial assets	5,994	453	1,354	4,410		12,211
Total fixed assets	**441,685**	**136,381**	**91,452**	**85,181**	**0**	**754,699**
Trade net working capital						
- Trade receivables	149,621	217,985	37,263	5,381	(20,537)	389,713
- Inventories	162,407	80,508	8,706	353	82	252,056
- Trade payables	(138,973)	(156,177)	(59,252)	(2,702)	19,671	(337,433)
Total trade and net working capital	173,055	142,316	(13,283)	3,032	(784)	304,336
Other current assets	21,205	19,358	8,771	25,907	(18,360)	56,881
Other current liabilities	(16,548)	(15,199)	(35,353)	(22,006)	18,194	(70,912)
Net working capital	**177,712**	**146,475**	**(39,865)**	**6,933**	**(950)**	**290,305**
Staff Severance Provision and other medium/long-term provisions	**(63,545)**	**(21,549)**	**(13,829)**	**(13,171)**		**(112,094)**
Net invested capital	**555,852**	**261,307**	**37,758**	**78,943**	**(950)**	**932,910**

Net consolidated debt broken down by sector

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

As at 31 December 2006 (in thousands of Euros)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(132,742)	(42,473)	(4,248)	(145,940)	(325,403)
- due between 1 and 5 years	(94,443)	(34,466)	(1,238)	(135,063)	(265,210)
- due beyond 5 years	(63,813)	(3,972)	(1,899)	(32,733)	(102,417)
Total payables to banks, bonds and other financial institutions	**(290,998)**	**(80,911)**	**(7,385)**	**(313,736)**	**(693,030)**
Liquidity					
- cash and cash equivalents	14,908	35,751	17,367	39,142	107,168
- other financial assets		903	735		1,638
Total liquidity	**14,908**	**36,654**	**18,102**	**39,142**	**108,806**
Securitization and internal treasury current accounts	**(45,276)**	**(54,221)**	**(26,927)**	**126,424**	
Total net debt	**(321,366)**	**(98,478)**	**(16,210)**	**(148,170)**	**(584,224)**

THE OPERATING SECTORS OF THE GROUP

PRODUCTION

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

Companies	Business carried out
a) Beef and meat-based products	
INALCA S.p.A. - Via Spilamberto n. 30/C Castelvetro di Modena (MO)	Slaughtering, processing and marketing of beef-based products.
GES.CAR. S.r.l. - Via Spilamberto n. 30/C Castelvetro di Modena (MO)	Service provision connected to beef processing and treatment at the INALCA plant in Ospedaletto Lodigiano.
GUARDAMIGLIO S.r.l. - Via Coppalati n. 52 Piacenza	Retail outlet management (butcher's and charcuterie shops).
SOC. AGR. CORTICELLA S.r.l. - Via Corticella n. 15 Spilamberto (MO)	Breeding cattle, both directly and by means of agistment contracts.
FRIMO S.a.m. - 1, Rue du Gabian "Le Thales" Principate of Monaco	Food marketing.
QUINTO VALORE S.c.a r.l. - Via Due Canali n.13 Reggio Emilia (50% consolidated on a proportional basis)	Sale of beef. Slaughtering by-products (leathers).
SARA S.r.l. - Via Spilamberto n. 30/C Castelvetro di Modena (MO)	Recovery and processing of agricultural and livestock waste.
REALFOOD 3 S.r.l. - Via Spilamberto n. 30/C Castelvetro di Modena (MO)	Slaughtering, processing and marketing of beef-based products.
INALCAMMIL Ltda - Rua Deolinda Rodrigues n. 563 - Luanda - Angola	Food marketing.
INALCA ALGERIE S.a r.l. - 08, Rue Cherif Hamani Algiers - Algeria	Food marketing.
INTER INALCA ANGOLA Ltda - Rua Major Kayangulo n. 504 Luanda - Angola	Food marketing.
IN.AL.SARDA S.r.l. - Via Guicciardini n. 9 Cagliari	Processing and marketing of beef-based products.
INALCA KINSHASA S.p.r.l. - Kinshasa 11ème Rue Limete Industriel n. 112, Limete (Kinshasa) Democratic Republic of the Congo	Food marketing.
KASKAD OOO L.l.c. Via Vostochnaya n. 5, Odincovo (Moscow) - Russia	Real estate services.
MARR RUSSIA L.l.c. - Ryabinovaja Str. n. 43 121471 Moscow - Russia	Food marketing.
INALCA BRAZZAVILLE S.a r.l. – 64, Avenue de France Poto-Poto (Brazzaville) – Republic of the Congo	Food marketing.
ZAKLADY MIESNE SOCH. S.p.z.o.o. L.l.c. Al. Jana Pawla II n. 80, Warsaw - Poland	Dormant.
b) Cured meats and snacks	
MONTANA ALIMENTARI S.p.A. - Via Europa n. 14, Busseto (PR)	Production and marketing of food products (cured meats and delicatessen).
SALUMI D'EMILIA S.r.l. - Via Modena n. 53 Castelvetro di Modena (MO)	Production and marketing of cured meats.

Breakdown of revenues by activity

(in thousands of Euros)	Year 2007	Year 2006	Chg%
Beef and meat-based products	913,363	932,049	(2.00)
- intercompany revenues	(66,144)	(53,977)	
Net total	**847,219**	**878,072**	
Cured meats and gastronomy/snack food	195,194	168,263	16.01
- intercompany revenues	(1,173)	(1,854)	
Net total	**194,021**	**166,409**	
Total Production	**1,041,240**	**1,044,481**	**(0.31)**

The production sector revenues which amounted to 1,041.2 million Euro are substantially in line with 1,044.5 million of the last financial year. The operating margin rose from 50.1 to 51.0 million Euro, an increase of 0.9 million (+1.85%). The operating result amounted to 19.4 million Euro in line with 19.5 million of 2006.

The beef business

The beef sector, in the 2007 financial year, was characterised by two factors that influenced the results: on the one hand the reduction of slaughtering volumes and on the other hand the consumption slow-down that affected both the Italian and European markets.

However, as was already signalled in the previous financial years, the Italian State's adoption of the Community regulations relative to "uncoupling" of the production bonuses for the livestock sector has resulted in the following phenomena in the traditional fresh beef market:
- a constant process of reduction in the Italian cattle herd, above all for calves and baby-beef;
- the pressure on the prices applied to the slaughtering industry by the live cattle farmers. The latter have seen their production costs rise as an effect of the increase in the costs of animal feed.

The effect of these factors, associated with the difficulty of transferring the cost increases to the final consumer, has resulted in a reduction in the marginality of the sector despite the extreme attention paid to marketing.

A positive contribution to the sector's results instead derives from the sales of higher added value products amongst for which are frozen hamburgers, portioned products and treated meat in general, which the positive growth already shown last year was seen to be reconfirmed.

Consistent with the corporate plans, the construction works of the production/distribution platform in Russia and the slaughtering factory in Poland continued while, in the Congo, new land was purchased in the city of Kinshasa for the construction of a refrigerated warehouse. Instead, with regard to Italy, expansion of the hamburger and portioned fresh meat at Ospedaletto Lodigiano was completed, and a new factory was opened in the same industrial complex as the Group's historical plant in Castelvetro di Modena, which is dedicated to the production of hamburgers for McDonald's and will serve the European market.

Cured meats and snacks sector

The cured meats market in 2007 was characterised, as with almost all the food markets, by a general stability in demand that influenced commercial activities. The necessity of containing the prices of products to the public led to a further acceleration of the distribution concentration processes. Specifically, the Discount indicatives were confirmed as particularly successful and, thanks to nimble and competitive structures, succeeded in being increasingly represented throughout the country and already proposing, at least for food, a complete range of products, with absolutely competitive quality and prices with respect to other forms of modern distribution. The chain stores have also swung all of a sudden, seeking to propose product lines at a "most competitive price". The changed distribution structure has further accentuated the movement of the consumption from branded products to the so-called "most competitive price" and "private label" products.
The consumer's leaning to single pack proposals, ready to eat and easy to conserve such as pre-sliced items in a modified atmosphere, was also accentuated. This tendency has by now been evident for some years but in 2007 it was certainly accentuated.
On the raw materials front, the year commenced with a general reduction in prices that were then shown and stabilized at average values compared to previous years. Towards the end of the year there were slight rises that in any event were contained and appropriately managed.

In this scenario the companies in the sector, thanks to good competitiveness that was also ensured by their industrial structures, were successful in registering an increase in volumes of 14% and absorbing, at least partially, the increase in production costs induced by external production factors (specifically energy costs) achieving good performance in marginality terms also.

It is noted that the Snack division, which, in the generally positive performance of the sector, continues its growth trend both in terms of revenues and marginality and its activities are expanding in various sales channels with a constant widening of the range of products offered. Amongst these are noted bread rolls and sandwiches in ATP, which are sold both in bar and chain store channels, and high service content products such as the fitness line.

During the whole of 2007 the development and consolidation of the commercial structure also continued; the number of the concessionaires and salespeople was also expanded to cover areas that were previously little developed.

The action of penetration initiated in prior years continues in the canned products division. In addition to the good performance of the Montana brand products, the increase in "private label" sales has permitted an improvement in the year's results and consolidation of the position of second national player after Simmenthal and ahead of Manzotin.

The investments made during the year were concentrated in the Gazoldo factory and regarded the strengthening of the productive capacity for pre-sliced and portioned cured meats.

DISTRIBUTION

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

Companies	Business carried out
Foodservice (distribution to catering)	
MARR S.p.A. - Via Spagna n. 20 - Rimini	Marketing and distribution of fresh, dried and frozen foodstuffs for catering operators.
MARR ALISURGEL S.r.l. in liquidation Via del Carpino n. 4, Santarcangelo di Romagna (RN)	Dormant company, now being liquidated.
MARR FOODSERVICE IBERICA S.A. Calle Goya n. 99, Madrid - Spain	Marketing and distribution on the Spanish market of fresh, dried and frozen foodstuffs for catering operators.
ALISEA S.c.a.r.l. Via Imprunetana n. 231/b, Tavernuzze (FI)	Hospital catering.
SFERA S.p.A. Via del Carpino n. 4, Santarcangelo di Romagna (RN)	Marketing and distribution of fresh, dried and frozen foodstuffs for catering operators.
AS. CA. S.p.A. Via del Carpino n. 4, Santarcangelo di Romagna (RN)	Marketing and distribution of fresh, dried and frozen foodstuffs for catering operators.
NEW CATERING S.r.l. Via Massimiliano Kolbe n. 5/7 - Forlì	Distribution of food products to the bars and fast-food catering
BALDINI ADRIATICA PESCA S.r.l. Via del Carpino n. 4, Santarcangelo di Romagna (RN)	Marketing of fresh and frozen fish products

In the 2007 financial year the distribution sector recorded an increase in revenues rising from 972.7 million Euro to 1,064.7 million with an increase of 92.0 million (+9.5%). The operating margin was up from 61.6 to 69.5 million Euro with an increase of 7.9 million (+12.8%). The operating profit totalled 59.7 million Euro compared to 53.4 million of 2006, showing an increase of 6.3 million (+11.8%).

Marr maintains and confirms its position as leader in the Italian market in the marketing and distribution of fresh, dried and frozen foodstuffs for the non-domestic catering operators.

The 2007 financial year was very important for the MARR Group, above all under the profile of growth for external lines with four important acquisitions (New Catering and the business branches of F.lli Baldini, Cater and Jolly Hotels) and the opening of MARR's distribution centre in Tuscany. These transactions allow the Group to improve the coverage of the territory and therefore customer service, diversify in new markets (New Catering and the bar market) increase specialisation in terms of category of clientele (Cater and collective catering rather than Jolly Hotels and structured commercial catering) and in terms of product (F.lli Baldini and fresh fish).

The Foodservice market continues to grow, in the face of a rather complicated general economic situation, with future prospects remaining positive.
This is the picture that emerges from a recent Confcommercio study (January, 2008), in accordance with which the Italian eating out market in 2007 was worth about 67.3 billion Euro, with growth of 4.2% on 2006 and an expected average rate of growth in the period 2007-2009 of 4.3%.
The Confcommercio study shows a change in consumer behaviour in favour of eating out, the percentage of which on the total of food consumption is anticipated to increase from 31.7% in 2005 to 32.5% in 2009.
This is a structural type change due to social and demographic factors (an increase in single parent families and greater participation of women in the working world), which brings Italy closer to the tendency of the United States and Great Britain where eating out represents respectively 51.0% and 43.5% of total food consumption (Netherlands Foodservice Institute Monitor, 2008).
In this general context the MARR Group's effectiveness is demonstrated as solid and growing and the positive results of 2007 have confirmed the growth objectives anticipated in the budget. The foodservice sector's sales revenues in 2007 grew by 9.4% compared to the previous financial year thanks both to the contribution of organic growth (+6.4%), which was confirmed as superior to the growth rates of the reference market, and that deriving from the recent acquisitions of New Catering, Baldini, Cater and Jolly Hotels (+3.0%).

In terms of clientele categories, the "Street Market" category (restaurants and hotels not belonging to groups or chains), which represents MARR's core business, to registered sales of 658.1 million Euro (+8.2%) for the year, an increase of about 50 million Euro.

The sales of the "National Account" category (structured commercial catering operators and collective catering) were 166.4 million Euro, an increase of 3.3% with respect to 2006. Specifically, the growth was led by structured commercial catering (tourist village chains, in flight catering, hotel chains).

The "Wholesale" category (food wholesalers) was also up, with an overall increase of 10.1%.

The following are noted amongst the main factors that occurred in the financial year:

- On 8 January MARR S.p.A. completed the acquisition of 100% of the share capital of New Catering S.r.l., having its registered office in Forlì, which is active in the distribution of food products to bars and fast food catering;

- On 22 January 2007 the purchase was completed of the building situated in Pistoia, Bottegone locality, where the new MARR Tuscany branch was opened in early April;

- Early in March, MARR S.p.A. stipulated a convention with the Regional Intercent-ER Agency for the supply of food and non-food products to the Emilia-Romagna region Public Administrations. The convention, which has a two year term, renewable for a further 12 months to the extent of the value of the supply, has a value of 31 million Euro;

- On 22 May 2007 Baldini Adriatica Pesca S.r.l. having its registered office in Santarcangelo di Romagna, was incorporated, through which, on 11 June 2007, the "Sub-let of the enterprise, business acquisition option and property lease contract" was concluded with Fratelli Baldini S.r.l.;

- MARR S.p.A. was awarded the tender placed by Consip S.p.A. for the supply of food commodities for the Public Administrations of the Emilia Romagna, Marche, Abruzzo and Sardinia regions. The convention, which has an 18-months term extendible for up to a further 6 months, has a value of about 10 million Euro;

- in September MARR S.p.A. completed the final contract for the acquisition of the business branch owned by LCN Servizi S.p.A., formerly CATER Roma S.p.A., a company having its registered office in Rome, active in the distribution of food products to Foodservice operators and, specifically, to those in collective catering. Simultaneously the new branch named "MARR CATER" was activated;

- on 17 October 2007 the contract for the lease of the enterprise situated in Arco (TN) was stipulated with the subsidiary Sfera S.p.A. The lease commenced from 12 November and the branch "MARR Arco" was activated from the same date;

- on 3 December 2007, following the preliminary contract signed on 31 October, the acquisition was completed of the business branch owned by Jolly Hotels S.p.A., situated in Valdagno (VI), dedicated to the purchase, stocking, handling and distribution of food commodities on behalf of the hotels in Italy belonging to the Jolly chain;

- on 17 December 2007 the operations were completed for restitution to Cecosa Supermercados S.L.U. (formerly Distribution Mercat S.A.) of the enterprise managed by Marr Foodservice Iberica S.A, and with it the property where the enterprise is located. The effects of the restitution commenced from 31/12/2007.

CATERING

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

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

Breakdown of revenues by activity			
(in thousands of Euros)	**Year 2007**	**Year 2006**	**Chg.%**
On-board catering	193,614	174,293	11.09
- intercompany revenues			
Net total	**193,614**	**174,293**	
Motorway catering	110,256	97,507	13.07
- intercompany revenues	(595)	(511)	
Net total	**109,661**	**96,996**	
Commercial catering	141,025	125,754	12.14
- intercompany revenues	(176)	(3)	
Net total	**140,849**	**125,751**	
Total Catering	**444,124**	**397,040**	**11.86**

Revenues from the catering sector in the 2007 financial year grew from 397.0 million Euro to 444.1 million with an increase of 47.1 million (+11.9%). This increase refers to organic growth of 31.6 million Euro (+8.0%) and growth from acquisitions of 15.5 million (3.9%). The operating margin was up from 30.1 to 31.4 million Euro with an increase of 1.3 million (+4.3%). The operating profit amounted to 20.6 million Euro compared to 21.4 million of 2006, showing a decrease of 0.8 million (-3.7%).

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

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

On-board catering

The on-board train sector recorded a further increase in 2007 with respect to 2006, mainly thanks to the development registered in the European market (catering on the high speed AVE trains in Spain and development of the activities in France managed by Cremonini Restauration S.a.s.), while in the Italian market the progressive erosion of margins determined by the Trenitalia contract continued. This contract, which expired in September 2007, was extended at Trenitalia's request until 31 July 2008.

The following are noted amongst the main factors that occurred in the financial year:

- the re-award of the international tender placed by the English Eurostar Group Ltd. for management of the on-board catering services of the 60 high-speed trains that connect London, Paris and Brussels through the Eurotunnel. The contract, which has a 5-year term and a renewal option for another 2 years, was signed by Momentum Services Ltd;
- the commencement of Cremonini Restauration S.a.s.'s management, from 1 June 2007, of the new logistics centre of the Gare de l'Est in Paris. The centre, the logistical structure of which was completely modernised, manages the handling and movement of the food and non-food products of the over 70 trains that depart every day from the Gare de l'Est and connect Paris with the East of France, Switzerland, Luxembourg and Germany;
- the re-award of the international tender placed by the French SNCF railways (Société Nationale des Chemins de Fer) for management of the catering services on-board 6 TGV high-speed trains that connect Paris to Milan. The contract commences from 1 June 2007 for a 4-year term and was signed by Cremonini S.p.A.;
- the award to Cremonini Restauration Sas of the international tender placed by the French SNCF railways for management of the reception services for passengers, and cleaning on-board 24 'Lunea' night trains connecting all the most important French cities. The contract commenced from 9 December 2007 for a 3-year term expiring on 12 December 2010;
- the re-award to Cremonini S.p.A. for the third consecutive time of the international tender placed by Cisalpino AG for management of the catering services on-board 22 trains, 18 ETR and 4 Eurocity, which connect Switzerland with Italy daily. The contract will have a 3-year term expiring on December 2010, with the possibility of extension for another two years;
- the inauguration of the new Madrid-Malaga high-speed line that, by reducing travel times from 4 hours to 2 hours and 30 minutes, will make the choice of the train in these sections particularly convenient and Cremonini Rail Iberica manages the catering services.

Commercial Catering
The commercial catering sector ended 2007 with growth led by both station buffets and by the opening of new "Roadhouse Grill" steakhouses.

Specifically, with regard to the station buffets segment, of the Group increasingly consolidated its national leadership, having reached a market share of about 40%.

It is noted that amongst the significant events that occurred during the course of the 2007 were:

- the opening of 5 "Roadhouse Grill" steakhouses, respectively in Ferrara, Corbetta (MI), Bergamo, Forlì and Verona, thus taking the number of the Roadhouse Grill brand premises opened to 12;

- the acquisition of six new sales outlets within the railway stations of Prato, L'Aquila, Empoli, Rapallo and Turin Porta Susa and at the L'Aquila bus station;

- in the month of July Roadhouse Grill Italia S.r.l acquired ownership, and all the connected rights of the Roadhouse Grill brand for 50 European countries, from the American company Roadhouse Grill Inc. for a counter value of 1.12 million USD. This transaction will permit expansion of the chain throughout Europe.

Motorway catering
Revenue growth was also recorded with regard to the motorway catering activities, where Chef Express S.p.A. (formerly Moto S.p.A.) was confirmed as the second national operator, with revenues up from 125.8 to 140.8 million Euro, an increase of 15.0 million.

Participation in tenders placed for management of new motorway catering areas continued in 2007. The company presently manages 34 throughout Italy.

It is noted that amongst the significant events that occurred during the course of 2007 were:

- the complete reorganization of all the activities with the new "Chef Express" brand;

- the opening of the new service areas in Masseria Est, Aprilia, Laimburg Est, Laimburg Ovest and Garda Est;

- the complete restructuring of the sales outlets of ten motorway service areas (San Martino, Fabro, Le Saline, Reggello, Piceno, La Pioppa, Bisenzio and Sillaro, Santerno Ovest and Vallescrivia Ovest).

CENTRALIZED ACTIVITIES (HOLDING COMPANY, PROPERTY AND SERVICES)

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

Companies	Business carried out
CREMONINI S.p.A. - Holding Division Via Modena n. 53, Castelvetro di Modena (MO)	Provides support services to Group companies in the areas of finance, insurance, legal and management/administration. It also manages the Group's real estate assets.
GLOBAL SERVICE S.r.l. - Via Modena n. 53 Castelvetro di Modena (MO)	*IT services:* centralized management of the Group's hardware and software. *Personnel services:* processing and administrative management of payrolls
INTERJET S.r.l. - Via Belvedere n. 23 Castelvetro di Modena (MO)	Air transport services (t.p.p.) and owner of the license for rail transport.
CONS. CENTRO COMM. INGROSSO CARNI S.r.l. Via Fantoni n. 31, Bologna	Real estate services.
CREMONINI SEC S.r.l. in liquidation Via Modena n. 53 - Castelvetro di Modena (MO)	Vehicle company for the securitization transaction concerning trade receivables.
SOCIETA' AGRICOLA BERGOGNINA S.r.l Via Modena n. 53 - Castelvetro di Modena (MO)	Management of agricultural lands.
TECNO-STAR DUE S.r.l. – Via Prampolini n. 12, Formigine (MO)	Design of buildings and plants, management of maintenance and restructuring activities.

Breakdown of revenues by activity

(in thousands of Euros)	Year 2007	Year 2006	Chg.%
Door-to-door distribution	-	4,592	(100.00)
- intercompany revenues			
Net total	**0**	**4,592**	
Property, services and holding	13,871	14,137	(1.88)
- intercompany revenues			
Net total	**13,871**	**14,137**	
Total Centralized Activities	**13,871**	**18,729**	**(25.94)**

Noted amongst the significant events that characterised the period is that on 26 January the early extinction of the revolving securitisation transaction for trade receivables, stipulated in July 2002, was approved. The securities were repaid on 24 April and the vehicle company Cremonini SEC placed into liquidation.

RELATIONSHIPS WITH UNCONSOLIDATED SUBSIDIARIES, ASSOCIATED, CONTROLLING AND RELATED COMPANIES

With reference to the Group's relationships, in the 2007 financial year, with unconsolidated subsidiaries, associated, controlling and related companies on market conditions, it should be noted that these transactions affected the types of costs and revenues summarised in the following table. Balance sheet and income statement data are shown in specific annexes to the notes to the consolidated financial statements relating to each company, broken down by type of relationship. It should further be noted that relationships with related companies (i.e., companies referable to the controlling shareholder and outside the Cremonini Group's scope of consolidation) are on the whole, insignificant.

(in thousands of Euros)	Controlling companies	Subsidiaries	Associated companies	Related companies
Revenues				
Trade income	-	9	5,765	79
Other income	-	12	1,268	-
Total revenues	**-**	**21**	**7,033**	**79**
Costs				
Trade expense	-	277	39,223	744
Other expense	-	2	24	-
Total costs	**-**	**279**	**39,247**	**744**
Loans and receivables				
Trade receivables	-	363	6,377	-
Other receivables	-	141	374	4
Total loans and receivables	**-**	**504**	**6,751**	**4**
Loans and payables				
Trade payables	-	63	2,484	-
Other payables	-	440	-	-
Total loans and payables	**-**	**503**	**2,484**	**-**

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

(in thousands of Euros)	Trade		Other		Total	
	Receivables	Payables	Receivables	Payables	Receivables	Payables
Related and controlling companies:						
Collizzolli S.p.A.	-	-	4	-	**4**	**-**
Total related and controlling	-	-	4	-	**4**	**-**

(in thousands of Euros)	Trade		Other		Total	
	Revenues	Costs	Revenues	Costs	Revenues	Costs
Related and controlling companies:						
Agricola 2000 S.r.l.	5	-	-	-	**5**	**-**
Le Cupole S.r.l.	5	744	-	-	**5**	**744**
Tre Holding S.r.l.	69	-	-	-	**69**	**-**
Total related and controlling	79	744	-	-	**79**	**744**

The payables of 744 thousand Euro to Le Cupole refer to the rental of an industrial property, in Rimini, used for some time by Marr.

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

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

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

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

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

INVESTMENTS

The total of the net investments made for the year 2007 was 102.9 million Euro, while those actually paid for in cash totalled 107.3 million, 51.3 million of which for acquisitions.
The net change in non-current intangible and tangible assets was 97.9 million Euro, while the financial assets increased by 5.0 million.

The following is the detail of the net change in intangible and tangible assets in the 2007 financial year.

Net investments broken down by sector

(in thousands of Euros)	Production	Distribution	Catering	Others	Total
Intangibles					
Patents and intellectual property rights	271	1,100	303	23	1,697
Concessions, licenses, trademarks and similar rights	1,021	2	1,007	2	2,032
Goodwill	617	5,419	2,584	437	9,057
Intangible assets under development and advances	-	-	129	11	140
Other intangible assets	-	-	272	-	272
Total intangible assets	**1,909**	**6,521**	**4,295**	**473**	**13,198**
Tangibles					
Land and buildings	6,183	740	8,842	1,978	17,743
Plant and machinery	10,836	2,288	4,914	34	18,072
Industrial and business equipment	650	228	1,132	-	2,010
Other tangible assets	1,109	1,569	3,748	268	6,694
Tangible assets under development and advances	28,265	308	11,591	28	40,192
Total tangible assets	**47,043**	**5,133**	**30,227**	**2,308**	**84,711**
Total	**48,952**	**11,654**	**34,522**	**2,781**	**97,909**

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

RESEARCH AND DEVELOPMENT

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

- **Beef Sector** - This sector had already started research regarding the technological alternatives for the disposal of derivative-products, new preservation techniques for food products, technologies for the pasteurisation of products and technologies for energy saving.
- **Cured meats and snack sector** - The research and development activities carried out in 2007 concerned the area of IGP products (Protected Geographical Indication) and the high quality content production line recognisable by the public, and the study of both production and industrial processes in the search for ever more efficient solutions.
- **Foodservice distribution sector** - The development and expansion of the own brand line of products continues.

Treasury stock

The Parent Company owns treasury stock bought in accordance with the mandate given to the Directors and the decisions in this regard made by the Board of Directors, with the aim of stabilising the shares on the market. The mandate allows the acquisition of treasury stock up to the maximum limit permitted by Article 2357 of the Italian Civil Code.

The changes in treasury stock in 2007 were as follows:

	Number of shares	Total nominal value Euro	% of capital	Purchase/sale consideration write-down/ write-ups (Euro/000)	Balance sheet value [a] (Euro/000)
At 31.12.2006	13,131,670	6,828,469	9.26	-	20,172
- Purchases	-	-	-	-	-
- Sales	(300,000)	(156,000)	(0.21)	(652)	(462)
Total shares in portfolio at 31 December 2007	**12,831,670**	**6,672,469**	**9.05**		**19,710**

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

It should be noted that Cremonini S.p.A. does not hold other treasury stock, either through trust companies or third parties.

Subsidiaries and associated companies do not hold Cremonini S.p.A. shares, neither directly nor through trust companies or third parties, and the same companies have not effected transactions for the purchase or sales of Parent Company's shares during 2007.

EVENTS OCCURRING AFTER THE END OF THE 2007 FINANCIAL YEAR

The following events occurred after the financial year-end:

Production

On 3 March 2008 Cremonini S.p.A. and the Brazilian group JBS S.A., the largest beef producer in the world, executed the contract relative to the strategic alliance between the two companies. The agreement, the preliminary of which was announced on 6 December last, provides for the 50% entry of JBS S.A. into the entire production sector (Inalca S.p.A. and Montana Alimentari S.p.A.) of the Cremonini Group.
The transaction, which has been approved by the European Commission, has a total final value of 218.9 million Euro and will prevalently take place by a capital increase structured in two phases.
The first phase, simultaneous to the closing, includes the subscription and payment by JBS S.A. for Inalca S.p.A.'s share capital increase for a total value of 150.0 million Euro. Furthermore, JBS S.A. acquires Inalca S.p.A. shares directly from Cremonini S.p.A. for a value of 10.0 million Euro, in addition to an anticipated final payment of 6.4 million Euro.
The second phase, which will be completed within 90 days from the closing, provides for the subscription and payment of a further increase in Inalca S.p.A.'s share capital for a counter value of 60.0 million Euro, 52.5 million Euro of which was paid by JBS S.A. and 7.5 million Euro paid by Cremonini S.p.A.
On conclusion of the aforesaid transactions, JBS S.A. and Cremonini S.p.A. will each hold 50% of Inalca S.p.A.
Simultaneously with the closing the company was renamed INALCA JBS S.p.A.

Distribution

On 4 February 2008 MARR signed the final contract for the lease of the Minerva S.r.l. ("Minerva") business branch, dedicated to marketing fresh and frozen fish products.
The transaction provides for the signing of a contract for the lease of the Minerva business branch expiring on 31 January 2009, and the possibility of exercising the free option for acquisition of the business branch by 31 December 2008 at a price estimated as 700,000 Euro including goodwill and equipment.
The business had revenues of about 6 million Euro in 2007, a strong position in marketing fresh fish products and operates in the area south of Lake Garda through a distribution centre of about 1,000 sq. m., situated in Costermano (Verona).

Catering

The acquisition of a new sales outlet in the Macerata railway station;
The agreement with Centostazioni S.p.A. for the management of the catering in the Modena and Pavia stations, with a contractual term of 15 years (9+6);
The opening of a Roadhouse Grill brand steakhouse in Padua, thus taking the number of premises opened to 13.

Outlook

In light of the results achieved in the 2007 financial year and in the first two months of 2008, the company anticipates an improvement in the ordinary operating results for the 2008 financial year.

Management remains committed to pursuing development policies in the various operating sectors with the objective of improving overall profitability.

OTHER INFORMATION

On 22 June 2007, the Board of Directors approved some changes to the By-laws for the purpose of updating the text to the provisions of Law 262/05 and Legislative Decree 303/06. The said changes mainly regarded a revision of the rules that relate to the appointment of the members of the Board of Directors and Board of Statutory Auditors, in addition to introduction of the figure of the Executive supervising preparation of the accounting documents.

Cremonini S.p.A. participates in and conforms to the Self-regulatory Code for Italian listed companies. In compliance with the regulatory obligations the "Corporate Governance Report" is drawn up annually, made available to the Shareholders' Meeting approving the financial statements and is also consultable on the Internet site www.cremonini.com, Investor Relations - Corporate Governance section where the documentation on the company's Corporate Governance is also reported.

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

Atypical and/or unusual transactions

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

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

A reconciliation schedule between the shareholders' equity values of the Parent Company and the profit for the year with the Group's share of the corresponding consolidated values at 31 December 2007 is given in the annual report.

THE PARENT COMPANY CREMONINI S.P.A.

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

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

(in thousands of Euros)	Year 2007	Year 2006	Chg. %
Total revenues	**144,237**	**143,039**	**0.84**
Changes in inventories of work in progress, semi-finished and finished goods			
Value of production	**144,237**	**143,039**	**0.84**
Cost of production	(92,346)	(89,329)	
Value added	**51,891**	**53,710**	**(3.39)**
Personnel costs	(39,124)	(37,860)	
Gross operating margin [a]	**12,767**	**15,850**	**(19.45)**
Amortization, depreciation and write-downs	(6,550)	(7,038)	
Operating income [b]	**6,217**	**8,812**	**(29.45)**
Net financial income (charges)	(7,751)	(7,103)	
Profit from ordinary activities	**(1,534)**	**1,709**	**n.a.**
Net income (charges) from investments	12,881	2,289	
Net extraordinary financial income (charges)			
Result before taxes	**11,347**	**3,998**	**n.a.**
Income taxes for the financial year	(511)	(2,691)	
Net profit	**10,836**	**1,307**	**n.a.**

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

(in thousands of Euros)	31.12.2007	31.12.2006	Chg. %
Intangible assets	21,382	19,229	
Tangible assets	87,204	85,111	
Equity investments and other financial assets	303,749	296,525	
Total fixed assets	**412,335**	**400,865**	**2.86**
Trade net working capital			
- Trade receivables	9,955	13,151	
- Inventories	2,559	2,276	
- Trade payables	(28,198)	(28,240)	
Total trade net working capital	(15,684)	(12,813)	
Other current assets	32,511	27,198	
Other current liabilities	(34,400)	(34,285)	
Net working capital	**(17,573)**	**(19,900)**	**n.a.**
Staff Severance Provision and other medium/long-term provisions	**(21,206)**	**(23,531)**	
Net invested capital	**373,556**	**357,434**	**4.51**
Total Shareholders' Equity	**198,196**	**196,976**	**0.62**
Net medium/long-term debt	135,851	164,357	
Net short-term debt	39,509	(3,899)	
Net debt	**175,360**	**160,458**	**9.29**
Net equity and net debt	**373,556**	**357,434**	**4.51**

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

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

Net debt of the Parent Company Cremonini S.p.A. [c]

(in thousands of Euros)	31.12.2007	31.12.2006
Payables to banks, bonds and other financial institutions		
- due within 12 months	(93,432)	(23,465)
- due between 1 and 5 years	(112,934)	(129,724)
- due beyond 5 years	(22,916)	(34,633)
Total payables to banks, bonds and other financial institutions	**(229,282)**	**(187,822)**
Liquidity		
- cash and cash equivalents	21,335	13,842
- other financial assets		
Total liquidity	**21,335**	**13,842**
Securitization and internal treasury current accounts	**32,587**	**13,522**
Total net debt	**(175,360)**	**(160,458)**

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

(in thousands of Euros)	2007 Catering	2006 Catering	Var. %	2007 Parent comp.	2006 Parent comp.	Chg. %	2007 Total	2006 Total	Chg. %
Total revenues	**138,408**	**136,839**	1.15	**5,829**	**6,200**	(5.98)	**144,237**	**143,039**	0.84
Changes in inventories of work in progress, semi-finished and finished goods									
Value of production	**138,408**	**136,839**	1.15	**5,829**	**6,200**	(5.98)	**144,237**	**143,039**	0.84
Cost of production	(84,902)	(81,979)		(7,444)	(7,350)		(92,346)	(89,329)	
Value added	**53,506**	**54,860**	(2.47)	**(1,615)**	**(1,150)**	(40.43)	**51,891**	**53,710**	(3.39)
Personnel costs	(36,395)	(35,434)		(2,729)	(2,426)		(39,124)	(37,860)	
Gross operating margin	**17,111**	**19,426**	(11.92)	**(4,344)**	**(3,576)**	(21.48)	**12,767**	**15,850**	(19.45)
Amortization, depreciation and write-downs	(4,878)	(4,625)		(1,672)	(2,413)		(6,550)	(7,038)	
Operating income	**12,233**	**14,801**	(17.35)	**(6,016)**	**(5,989)**	(0.45)	**6,217**	**8,812**	(29.45)
Net financial income (charges)	(3,036)	(1,344)		(4,715)	(5,759)		(7,751)	(7,103)	
Profit from ordinary activities	**9,197**	**13,457**	(31.66)	**(10,731)**	**(11,748)**	8.66	**(1,534)**	**1,709**	n.a.
Net income (charges) from investments	(913)	30		13,794	2,259		12,881	2,289	
Net extraordinary financial income (charges)									
Result before taxes	**8,284**	**13,487**	n.a.	**3,063**	**(9,489)**	n.a.	**11,347**	**3,998**	n.a.
Income taxes for the financial year				(511)	(2,691)		(511)	(2,691)	
Net profit	**8,284**	**13,487**	n.a.	**2,552**	**(12,180)**	n.a.	**10,836**	**1,307**	n.a.

Catering activities

The company manages, both directly and also partially through subsidiaries the activity in the concession catering sector, including both commercial and on-board train catering.
For comments and a summary of the results of these activities please refer to the more detailed comment previously made on the results of the Group's activities.

Property services

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

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

The direct services

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

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

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

Factoring of trade receivables: sub-servicer on behalf of Cremonini SEC S.r.l. in the operational 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 receivables and the encashment of receivables and the net proceeds from disposals. The turnover and other elements of the securitization transaction are described in the notes to the consolidated financial statements. This activity was continued up to 24 April 2007, the date when the securitisation transaction was extinguished, the securities were repaid and the vehicle company Cremonini SEC placed into liquidation;

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

Relationships with Group and related companies

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

(in thousands of Euros)	Parent Company	Subsidiaries	Associated companies	Related companies
Revenues				
Financial income	-	4,078	-	-
Income from services	-	6,241	42	-
Sales of goods	-	42	-	-
Other income	-	15,367	-	-
Total revenues	**-**	***25,728***	***42***	**-**
Costs				
Financial expense	-	1,469	-	-
Services expense	-	6,207	-	-
Purchase of goods	-	7,854	-	-
Other expense	-	34	-	-
Total costs	**-**	**15,564**	**-**	**-**
Loans and receivables				
Internal treasury	-	63,391	-	-
Trade receivables	-	1,081	89	-
Other loans and receivables (a)	-	18,093	4,450	4
Total loans and receivables	**-**	**82,565**	**4,539**	**4**
Loans and payables				
Internal treasury	-	30,804	-	-
Trade receivables	-	4,184	-	-
Other loans and receivables(a)	-	23,516	-	-
Total loans and payables	**-**	**58,504**	**-**	**-**

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

Directors' and Statutory Auditors' Shareholdings

As at 31 December 2007, shareholdings in Cremonini S.p.A. and its subsidiaries were owned by Directors and Auditors as follows:

Name	Company	Held at 31.12.2006	Purchases Assignments Subscriptions	Sales	Held at 31.12.2007
		Shares no.	Shares no.	Shares no.	Shares no.
					Numbers and values in thousands
Cremonini Luigi	Cremonini S.p.A.	9,491.1			9,491.1
Cremonini Vincenzo	Cremonini S.p.A.	88.6	209.7		298.3
Fabbian Valentino	Cremonini S.p.A.	54.6	15.0		69.6
Pedrazzi Giorgio	Cremonini S.p.A.	50.0			50.0
Lualdi Paolo (1)	Cremonini S.p.A.	6.5	13.5		20.0
Simonelli Ezio Maria (2)	Cremonini S.p.A.	10.0			10.0
Cremonini Vincenzo	MARR S.p.A.	10.9			10.9
Lualdi Paolo (2)	MARR S.p.A.	0.9			0.9
Fabbian Valentino	MARR S.p.A.	0.4			0.4

(1) of which 10.0 thousand owned by the spouse.
(2) owned by the spouse.

Nature of the powers conferred on the Directors

With reference to Consob Recommendation of 20 February 1997, the powers granted to the individual Directors were as follows:

- the Chairman Mr. Luigi Cremonini, besides legal representation as per Article 21 of the company's Articles of Association, was granted the powers necessary to carry out the actions relative to the company's activities, to be exercised by a sole signature, within the sphere of the powers granted by resolution of the Board of Directors of 13 May 2005;
- the Chief Executive Officer Mr. Vincenzo Cremonini, besides the legal representation as per Article 21 of the company's Articles of Association, was granted the powers necessary to carry out the actions relative to the company's activities, to be exercised by a sole signature, within the sphere of the powers granted by resolution of the Board of Directors of 13 May 2005;
- the Chief Executive Officer Mr. Valentino Fabbian, was granted the powers necessary to carry out the actions relative to the specific catering activities, to be exercised by a sole signature, within the sphere of the powers granted by resolution of the Board of Directors of 13 May 2005.

In the current Corporate Body structure, there is no Executive Committee or General Manager.
During the financial year, both the Chairman and the Chief Executive Officers only used the powers granted to them for the normal management of the company's activities, whilst transactions of significance due to their type, nature and value were approved by the Board of Directors.

* * * * * * * * *

Dear Shareholders,

Before concluding and your decisions on this matter, we confirm that the draft financial statements for the year ended on December 2007, submitted for your examination and approval at this meeting, were prepared in compliance with prevailing legislation and in accordance with the requirements of the Supervisory Institute of the listed issuers.

Please refer to the Directors' Report for comment on the overall situation of the company and the Group, as well as to the Explanatory Notes for comment on individual items. We invite you to approve the financial statements for the year ended on 31 December 2007, together with the Directors' Report.

Furthermore, we propose the following allocation of the net profit for the year of Euro 10,836,433:

- a dividend of Euro 0.080 per each ordinary share having the right, with payment on 22 May 2008 to shareholders registered on (no. 8) 19 May 2008 as regulated by Borsa Italiana;
- allocation to the "Undistributed profits" reserve of the residual sum and that deriving from numerical rounding and millesimal calculations.

Castelvetro di Modena, 25 March 2008

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

FINANCIAL STATEMENTS AS AT 31 DECEMBER **2007**

FINANCIAL STATEMENTS

BALANCE SHEET - ASSETS

(in Euro)	Note	31.12.2007	31.12.2006
Non-current assets			
Tangible assets	1	87,204,403	85,111,415
Goodwill	2	19,018,859	16,593,695
Other intangible assets	3	2,363,601	2,634,802
Investments in subsidiaries and associated companies	4	302,180,612	292,303,239
Investments in other companies	5	790,607	3,596,617
Financial instruments / Derivatives	18	-	2,019,800
Non-current financial receivables	6	84,380	84,380
relating to related parties		*84,380*	*84,380*
Deferred tax assets	7	1,279,954	1,966,954
Other non-current assets	8	1,221,112	1,186,820
Total non-current assets		**414,143,528**	**405,497,722**
Current assets			
Inventories	9	2,558,528	2,275,859
Current financial receivables	10	81,493,501	82,521,564
relating to related parties		*81,400,540*	*82,428,602*
Current trade receivables	11	9,963,688	13,175,694
relating to related parties		*1,169,344*	*2,644,250*
Current tax assets	12	5,158,240	1,212,068
Financial instruments / Derivatives	18	2,302,095	-
Cash and cash equivalents	13	21,335,104	13,841,624
Other current assets	14	7,733,174	4,452,391
relating to related parties		*4,454,040*	*4,400*
Total current assets		**130,544,330**	**117,479,200**
Total assets		**544,687,858**	**522,976,922**

BALANCE SHEET - LIABILITIES

(in Euros)	Note	31.12.2007	31.12.2006
Shareholders' Equity			
Share capital	15	67,073,932	66,917,932
Reserves	16	108,625,469	108,102,595
Retained earnings		11,660,258	20,648,039
Result for the period		10,836,433	1,307,286
Total Shareholders' Equity		**198,196,092**	**196,975,852**
Non-current liabilities			
Non-current financial payables	17	135,850,657	161,084,397
Financial instruments / Derivatives	18	-	3,272,311
Employee benefits	19	9,745,751	11,437,412
Non-current provisions for risks and charges	20	1,125,665	1,099,490
Deferred tax liabilities	21	10,334,893	10,994,736
Other non-current liabilities		59,359	73,993
Total non-current liabilities		**157,116,325**	**187,962,339**
Current liabilities			
Current financial payables	22	149,867,826	90,848,216
relating to related parties		*54,322,584*	*67,376,502*
Financial instruments / Derivatives	18	189,091	-
Current tax liabilities	23	1,522,519	6,168,445
Current trade liabilities	24	28,487,176	28,389,334
relating to related parties		*4,183,540*	*3,290,631*
Other current liabilities	25	9,308,829	12,632,736
Total current liabilities		**189,375,441**	**138,038,731**
Total liabilities		**544,687,858**	**522,976,922**

INCOME STATEMENT

(in Euro)	Note	31 december 2007	31 december 2006
Revenues	26	140,796,808	139,630,687
relating to related parties		*6,327,671*	*6,359,624*
Other revenues	27	3,262,377	3,408,462
relating to related parties		*703,127*	*348,935*
Costs for purchases	28	(42,337,874)	(41,436,725)
relating to related parties		*(7,854,769)*	*(8,306,353)*
Other operating costs	29	(49,832,594)	(47,892,000)
relating to related parties		*(6,244,644)*	*(1,805,690)*
Personnel costs	30	(39,124,290)	(37,860,343)
Amortization and depreciation	31	(5,062,458)	(5,178,306)
Write-downs and provisions	31	(1,485,117)	(1,859,212)
Revenues from equity investments	32	12,881,174	2,288,510
relating to related parties		*14,664,510*	*2,140,449*
Revenues from equity investments - Not recurring	32	-	-
Financial (Income)/Charges	33	(7,750,860)	(7,103,155)
relating to related parties		*2,610,900*	*1,283,393*
Result before taxes		**11,347,166**	**3,997,918**
Income taxes	35	(510,733)	(2,690,632)
Result for the period		**10,836,433**	**1,307,286**
Basic earnings per share		0.0842	0.0102
Diluted earnings per share		0.0842	0.0102

STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY OVER THE FINANCIAL YEAR ENDED

(in Euro)	Share capital	Nominal value treasury stock in portfolio	Total Share	Other riserves Share premium reserve	Legal reserve
Balances at 31 December 2005	**73,746,400**	**(6,783,679)**	**66,962,721**	**78,279,705**	**14,749,280**
Allocation of the results for the previous year:					
- retained earnings reserve					
- distribution of dividends					
Net effect purchases/sales treasury stock		(44,789)	**(44,789)**		
Gain/losses on treasury stock					
Cash flow hedge					
Net profit (loss) for the year ended 31 December 2006					
Balances at 31 December 2006	**73,746,400**	**(6,828,468)**	**66,917,932**	**78,279,705**	**14,749,280**
Allocation of the results for the previous year:					
- retained earnings reserve					
- distribution of dividends					
Net effect purchases/sales treasury stock		156,000	**156,000**		
Gain/losses on treasury stock					
Cash flow hedge					
Net profit (loss) for the year ended 31 December 2007					
Balances at 31 December 2007	**73,746,400**	**(6,672,468)**	**67,073,932**	**78,279,705**	**14,749,280**

AS AT 31 DECEMBER 2007

Reserve for IAS adjustments	Reserve for trading treasury stock	Cash flow hedge reserve	Total Reserves	Profits (Losses) carried forward	Result of the year	Total Shareholders' Equity
12,787,578	**1,126,160**	**(51,283)**	**106,891,440**	**2,927,869**	**46,803,736**	**223,585,766**
				17,720,170	(17,720,170)	**0**
					(29,083,566)	**(29,083,566)**
	(140,498)		**(140,498)**			**(185,287)**
			1,351,653			**0**
		1,351,653				**1,351,653**
					1,307,286	**1,307,286**
12,787,578	**985,662**	**1,300,370**	**108,102,595**	**20,648,039**	**1,307,286**	**196,975,852**
						0
				(8,987,781)	(1,307,286)	**(10,295,067)**
						156,000
	485,399		**485,399**			**485,399**
		37,475	**37,475**			**37,475**
					10,836,433	**10,836,433**
12,787,578	**1,471,061**	**1,337,845**	**108,625,469**	**11,660,258**	**10,836,433**	**198,196,092**

FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED AS AT 31 DECEMBER 2007 AND 2006

(in thousands of Euros)	31.12.2007	31.12.2006
Net profit before minority interests	**10,836**	**1,307**
Amortization and depreciation	5,062	5,178
Net change in Staff Severance Provision	0	384
Net change in other provisions and non-monetary income items	(150)	1,765
Reversal of the effects of non-recurring transaction		
Operating cash-flow	**15,748**	**8,634**
(Increase) decrease in trade receivables	2,827	2,234
(Increase) decrease in inventories	(283)	(78)
Increase (decrease) in trade payables	(42)	602
(Increase) decrease in other items of the working capital	(1,021)	12,067
Change in working capital	**1,481**	**14,825**
CASH-FLOW FROM OPERATIONS	**17,229**	**23,459**
Net (investments) in intangible assets	(2,631)	(759)
Net (investments) in tangible assets	(5,965)	(4,484)
Change in financial assets	(13,919)	(17,101)
CASH-FLOW FROM INVESTMENTS	**(22,515)**	**(22,344)**
FREE - CASH FLOW BEFORE NON-RECURRING TRANSACTIONS	**(5,286)**	**1,115**
Cash-flow from non-recurring transactions	**0**	**0**
Cash-flow from distribution of dividends	(10,295)	(29,084)
Share capital increases, change in treasury stock and other changes	679	1,167
Cash-flow from (for) change in shareholders' equity	**(9,616)**	**(27,917)**
FREE - CASH FLOW	**(14,902)**	**(26,802)**
Opening net debt	(160,458)	(133,656)
Cash-flow for the year	(14,902)	(26,802)
Closing net debt	**(175,360)**	**(160,458)**
Increase (Decrease) in medium-long term borrowings	(25,234)	94,087
Increase (Decrease) in medium-long term liabilities for derivatives	(3,272)	(2,839)
Cash flow from (for) medium-long term financial activities	**(28,506)**	**91,248**
SHORT-TERM CASH FLOW FOR THE YEAR	**(43,408)**	**64,446**
Opening net short-term debt	3,899	(60,547)
Cash flow of the year	(43,408)	64,446
Final net short-term debt	**(39,509)**	**3,899**
Increase (Decrease) in short-term borrowings	50,712	(68,085)
Changes in securities and other financial receivables	0	0
Increase (Decrease) in short-term liabilites for derivatives	189	0
Cash flow from (for) short-term borrowings	**50,901**	**(68,085)**
INCREASE (DECREA.) IN CASH AND CASH EQUIVALENTS	**7,493**	**(3,639)**
Cash and cash equivalents at the beginning of the year	13,842	17,481
Cash flow of the year	7,493	(3,639)
Cash and cash equivalents at the end of the year	**21,335**	**13,842**

NOTES TO THE FINANCIAL STATEMENTS

FORM AND CONTENT OF THE FINANCIAL STATEMENTS

The financial statements as at 31 December 2007 were prepared in accordance with the accounting standards and measurement criteria laid down by the International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure referred to in Article 6 of the (EC) Regulation No. 1606/2002 of the European Parliament and Council of 19 July 2002, as adopted by Legislative Decree no. 38 of 28 February 2005, as amended, CONSOB communications and resolutions and ordinances promulgated in implementation of art. 9 of Legislative Decree 38/2005.

The financial statements for the year were authorised for publication by the Board of Directors meeting held on 25 March 2008.

The section on "Accounting principles" illustrates the international accounting principles adopted in the drawing-up of the Cremonini S.p.A. balance sheet as at 31 December 2007.

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

The Cremonini S.p.A. financial statements as at 31 December 2007 were prepared in accordance with the cost method, with the exception of the following balance sheet postings:

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

For the purposes of comparison, the financial statements as at 31 December 2007 show the figures for the financial year ended as at 31 December 2006.

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

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

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

CHANGES IN ACCOUNTING STANDARDS

The new IFRS and IFRIC adopted by the EU, in force commencing from 1 January 2007 are shown below with a brief description. The adoption of these revised standards and interpretations has not had effects on the financial statements but has resulted, in some cases, in additional information only.

IFRS 7 Financial instruments: Additional information

This standard, adopted by the EU in January 2006 (EC Regulations no. 108-2006), totally substitutes IAS 30 (Information required in the financial statements of banks and financial institutions) and adopts the disclosures section contained in IAS 32 (Financial instruments: exposure in financial statements and additional information) though with changes and additions; consequently, IAS 32 changed its title to "Financial instruments: exposure in financial statements". The new information is shown in various points of the financial statements.

Changes to IAS 1 - Presentation of the financial statements - Information relative to the capital

This standard, adopted by the EU in January 2006 (EC Regulation no. 108-2006), provides that an entity must present information that allows users of its financial statements to evaluate its objectives, policies and procedures for management of the capital. This new information is shown in the subsequent paragraph "Capital management policy".

IFRIC 9 Re-determination of the value of the incorporated derivatives

On 8 September 2006, the European Commission adopted with EC Regulation no. 1329-2006 the IFRIC 9 interpretation (Re-determination of the value of the incorporated derivatives). This interpretation specifies that the company must evaluate if incorporated derivatives must be separated from the primary contract and be booked as derivatives at the time when the company itself becomes part of the contract. A subsequent valuation is prohibited unless there is a change of the contractual conditions that significantly modifies the financial flows that otherwise would be required based on the contract, in which case a re-examination is required on the separation of the incorporated derivative. The application of this interpretation has not resulted in any effect on the financial statements for the year ended 31 December 2007.

IFRIC 10 Interim financial reporting and impairment

On 1 June 2007, the European Commission adopted with EC Regulation no. 610-2007 IFRIC 10 (Interim financial statements and value impairment). This interpretation has the object of interaction between the directives of IAS 34 (Interim financial statements) and recording of the losses for value impairment of the goodwill mentioned in IAS 36 and on some financial assets mentioned in IAS 39, and the effect of this interaction on the subsequent interim and annual financial statements. IFRIC 10 clarifies the accounting treatment to be applied, in the annual financial statements or in subsequent interim financial statements, to the value impairment of some assets recorded in a previous interim period (for example, quarterly and half-yearly financial statements) whenever at the period-end the conditions that previously had induced an entity to record a write-down no longer apply (impairment loss). The application of this interpretation has not resulted in any effect on the financial statements for the year ended 31 December 2007.

FUTURE CHANGES IN ACCOUNTING STANDARDS

The International Accounting Standards Board and the IFRIC promulgated further standards and interpretations during the year that will come into force in the periods subsequent to the date of these financial statements. The company has not adopted any of these standards and interpretations in advance. The main effects expected from the application of these standards and interpretations are illustrated below.

IAS 23 Borrowing costs

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

IAS 23 Operating segments

IFRS 8 substitutes IAS 14 for the purpose of aligning itself, with some slight variations, to the "Financial Accounting Standards Board Statement No. 131 Disclosure about Segments of an Enterprise and Related Information". IFRS 8 specifies the manner in which a company should show the data, both annually and in interim reports, with regard to the operating segments and delineates the requisites for communication of the data organised by products and services, geographic area and important customers. IFRS 8 will be adopted from its effective date (1 January 2009). The utilisation of this standard will not have any effect on the financial position but will give additional information.

IFRIC 12 Service concessions arrangements

The IFRIC 12 interpretation was promulgated in November 2006 and will become effective for financial years which commence from 1 January 2008 or subsequently. This interpretation applies to the operators that provide concession services and establishes how to account for the obligations adopted and the rights received in connection with a concession agreement. The company is not an operator of the sector and accordingly this interpretation will not have impacts on the financial statements.

IFRIC 13 Customer loyalty programmes

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

IFRIC 14 IAS 19 Limitations on a defined benefit asset plan Minimum funding requirements and their interaction

The IFRIC 14 interpretation was promulgated in July 2007 and will become effective for financial years which commence from 1 July 2008 or subsequently. The interpretation provides indications on how to determine the limit to the excess of a defined benefits plan that can be recorded as an asset in compliance with IAS 19 Employee benefits. The company does not expect that this interpretation will have impacts on the financial position or on the company's results as the only defined benefits plan (Staff severance indemnities due at 31 December 2006) is in deficit.

IFRS 3R Business Combinations and IAS 27/R Consolidated and separate financial statements

The two revised standards were approved in January 2008 and will come into force from the first financial year subsequent to 1 July 2009. IFRS 3R introduces some changes in the recording of business combinations that will have effects on the amount of goodwill recorded, result for the financial year in which the acquisition takes place and on the results of the subsequent financial years. IAS 27R requires that a change in the amount of the equity investment held in a subsidiary is booked as a capital transaction. As a consequence, this change will not have an impact on goodwill, and will not give rise to either profits or losses. Furthermore, the revised standard will introduce the recording of a loss suffered by a subsidiary as a loss of control of the subsidiary.The changes introduced by standards IFRS 3R and IAS 27R must be applied in a perspective manner and will have impacts on future acquisitions and transactions with minority shareholders.

IAS 1 Revised presentation of the financial statements

The IAS 1 revised standard, Presentation of the financial statements, was approved in September 2007 and will come into force in the first financial year subsequent to 1 January 2009. The standard separates the changes that took place in the shareholders' equity between shareholders and non-shareholders. The schedule of the changes in the shareholders' equity will only include the detail of the transactions with shareholders while all the changes relative to transactions with non-shareholders will be presented on a single line. Furthermore, the standard introduces the "comprehensive income" statement: this statement contains all the revenue and cost items for the period recorded in the income statement, and in addition every other recorded revenue and cost item. The "comprehensive income" statement can be presented in the form of a single statement, or in two correlated statements. The company is evaluating how to adjust to the changes to the standard.

Changes to IAS 32 and IAS 1 Puttable Financial Instruments

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

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

ACCOUNTING POLICIES

For the purposes of preparing the financial statements as at 31 December 2007, the same accounting standards and criteria used in the drawing-up of financial statements as at 31 December 2006 were applied.

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

Tangible assets

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

The rates applied are the following:

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

Leasing

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

Goodwill and other intangible assets

Intangible assets are assets that lack physical substance, controlled by the Company and capable of generating future economic benefits, as well as goodwill, whenever purchased for a valuable consideration.
Identification is defined by reference to the possibility of distinguishing acquired intangible assets from the goodwill. This requirement is normally satisfied when:
(i) the intangible assets are traceable to a legal or contractual right, or
(ii) the asset is separable, that is it may be assigned, transferred, leased out or exchanged autonomously or is an integral part of other assets. Control over the business consists in the power to exploit the future economic benefits deriving from the assets and the possibility of limiting access to it by others.
Intangible assets are entered at cost, measured in accordance with the criteria established for tangible assets. No revaluations are allowed, even in pursuance to specific laws.
Intangible assets with a definite useful life are systematically amortized over their useful life, based on the estimate of the period over which the assets will be used by the Company; the recoverability of their book value is determined by adopting the criteria included in the section "Impairment of assets".
Goodwill and other intangible assets, if any, with an indefinite useful life, are not subject to amortization; the recoverability of their book value is determined at least each year and, in any case, whenever there are events implying a loss in value. As far as goodwill is concerned, verification is made on the smallest aggregate, upon which Management, either directly or indirectly assesses the return on investment, including the goodwill itself (cash generating unit). Write-downs are not subject to value restoration.

Goodwill is considered as having an indefinite useful life and is therefore not related to the period of the contractual license. The management has decided to use this accounting treatment since:
- the licence price initially paid is related to the value of the turnover of the business purchased and is independent with regard to the remaining contractual period;
- in the past, on expiry of the contract, the Group was always able to renew the licenses;
- the redefining of contractual relationships that occurred in the past resulted from voluntary agreements. From the conclusion of these transactions, the Group, besides having solidified trade relationships with the companies, has also obtained extensions to the contractual terms. In these cases, as previously, any goodwill paid has not shown an impairment.

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

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

Equity investments in subsidiaries, associated and other companies

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

Inventories

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

Cash and cash equivalents

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

Receivables and other short-term assets

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

Derecognition

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

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

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

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

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

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

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

Following the recent reform of the national legislation that regulates the staff severance indemnities for companies with more than 50 employees, the staff severance indemnities maturing from 1 January 2007 are configured as a defined contribution plan, the payments for which when recorded are booked directly to the income statement as a cost. The staff severance indemnities due up to 31.12.2006 remains a defined benefits plan, without future contributions. Accordingly, its valuation is carried out by independent actuaries on the basis of the expected average residual working life of the employees only, no longer considering the remuneration that they earned over a predetermined period of service. The staff severance indemnities due before 1 January 2007 therefore have a calculation variation as an effect of the lack of the actuarial hypotheses, related to the salary increases previously provided. Specifically, the liability related to the "staff severance indemnities accrued" is actuarially valued at 1 January 2007 without application of the pro-rata (years of service/overall years of service), as the benefits of the employees relative to 31 December 2006 can be considered almost entirely due (with the only exception of the revaluation) in application of paragraph 67 (b) of IAS 19. It follows that, for the purpose of this calculation, the "current service costs" relative to the future work of employees are to be considered null and void as they are represented by the contributions to the additional welfare funds or the INPS Treasury Fund. The change to the formula calculation indicated above has resulted in profits or losses that are booked in accordance with the rules provided for curtailment by paragraph 109 of IAS 19. As a consequence the "curtailment" effect was booked to the income statement (including any actuarial profits or losses not accounted for previously).

Provisions for liabilities and charges

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

Financial liabilities

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

Accounting treatment of derivative contracts

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

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

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

Income taxes

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

Currency conversion

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

Recognition of revenues

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

Recognition of costs

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

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

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

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

Dividends

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

Significant accounting estimates and assumptions

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

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

- Estimates adopted to evaluate the impairment of assets

In order to measure any impairment of goodwill entered in the financial statements, the Company has adopted the method previously illustrated in the section on "Impairment of assets".
Cash flows of cash generating units attributable to each goodwill/consolidation difference have been inferred for 2008 from the Budget and for subsequent years from estimates calculated by corporate management utilising constant growth rates that are never higher than the programmed rate of inflation. The Weighted Average Cost of Capital (WACC) has been adopted as the discount rate, which is 6.5%. The measurement of any impairment of assets (Goodwill impairment test) was made on an annual basis by referring to the situation at 31 December 2007.

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

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

- the expected inflation rate is 2%;
- * the discounting back rate used is 4.85%;
- the expected rate of increase in remuneration (including inflation) can be split as follows: (i) Directors 4.5%; (ii) White-collar workers/Executives 3%; (iii) Blue-collar workers 3%;
- the expected annual rate of increase in the staff severance provision is 3%;
- the turnover of employees is 10%.

* With regard to the re-determination of the Staff Severance Indemnities Provision at 31 December 2006, following the changes made by Law 27 December 2006, no. 296 and subsequent Decrees and Regulations, the discounting rate utilised is 4.25% (estimate utilised in the 2006 financial statements).

- Deferred taxes

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

- Others

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

Securitization transaction
On 6 January 2007 the Board of Directors of Cremonini S.p.A. approved the commencement of the procedure of early extinction of the transaction for the purpose of taking the opportunity to improve and optimise management of the Cremonini Group's trade receivables and to obtain operating and cost efficiencies.

The securities were reimbursed by the vehicle company on 24 April 2007 (date of coupon payment) utilising the receipts from existing receivables.

The nominal amount of the receivables ceded up to the date of the extinction of the transaction was 80.8 million Euro.

The financial statements items referring to the transaction extinguishing the above receivables are indicated in the continuation of these Explanatory Notes.

With particular reference to the specific financial and service relationships that Cremonini S.p.A. has with Cremonini SEC S.r.l., it is specified that in the financial statements as at 31 December 2007 these relationships concerned receivables of 194 thousand Euro and revenues for services of 79 thousand Euro.

FINANCIAL RISK MANAGEMENT

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

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

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

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

Exchange rate risk
Cremonini S.p.A., operating mainly nationally, is marginally exposed to changes in exchange rates that therefore have little effect on the financial flows that originate from operations and loan transactions in currencies other than the European currency (Euro). The company's exposures in foreign currency derive from transactions of a commercial nature that amounted to 12 thousand Euro overall at 31 December 2007.

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

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

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

Sensitivity analysis

At 31 December 2007, a hypothetical increase of 5% in the interest rate, all other variables being equal, would have determined a higher pre-tax charge (and therefore a corresponding reduction of shareholders' equity) of about 267 thousand Euro on an annual basis (231 thousand Euro at 31 December 2006).

Credit risk

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

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

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

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

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

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

(in thousands of Euros)	31.12.2007	31.12.2006
Current trade receivables	9,964	13,176
Other non-current assets	1,221	1,187
Other current assets	7,733	4,452
Total	**18,918**	**18,815**

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

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

Liquidity risk

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

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

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

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

(in thousands of Euros)	Within 12 months	1-5 years	Over 5 years	Total
31 December 2007				
Financial payables	149,868	112,935	22,916	285,719
Financial instruments / Derivatives	189	-	-	189
Trade Liabilities	28,487	-	-	28,487
	178,544	**112,935**	**22,916**	**314,395**
31 December 2006				
Financial payables	90,848	126,452	34,632	251,932
Financial instruments / Derivatives	-	3,272	-	3,272
Trade Liabilities	28,389	-	-	28,389
	119,237	**129,724**	**34,632**	**283,594**

Classes of financial instruments

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

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

Balance Sheet Liabilities	**Other financial liabilities**	**Derivates utilised for hedg.**	**Total**
Non-current financial payables	135,851		135,851
Current financial payables	149,868		149,868
Derivative financial instruments	189		189
Total	**285,908**	**-**	**285,908**

(in thousands of Euros)		31 December 2006	
Balance Sheet Assets	**Loans and Receibles**	**Derivates utilised for hedging**	**Total**
Non-current derivative financial instruments		2,020	2,020
Non-current financial receivables	84		84
Other non-current receivable items	1,187		1,187
Current financial receivables	82,522		82,522
Current trade receivables	13,176		13,176
Current derivative financial instruments	1,212		1,212
Current tax receivables	-		-
Cash and cash equivalents	13,842		13,842
Other current receivable items	4,452		4,452
Total	**116,475**	**2,020**	**118,494**

Balance Sheet Liabilities	**Other financial liabilities**	**Derivates utilised for hedg.**	**Total**
Non-current financial payables	161,084		161,084
Current financial payables	3,272		3,272
Derivative financial instruments	90,848		90,848
Total	**255,205**	**-**	**255,205**

Capital management policy

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

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

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

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

Other information

With reference to censurable facts, it should be noted that:

- with reference to information on the summons issued to the Chairman of the Board of Cremonini S.p.A. relative to an alleged cash bribe to a civil servant, the Rome judge has pronounced an absolution ruling as there was no evidence of the fact;

- the Turin Court of Appeal Turin decreed the absolution of the Chairman of the Board of Cremonini S.p.A. and an executive of the subsidiary INALCA S.p.A. relative to a sentence for the alleged offence of "misleading advertising" as there was no evidence of the fact;

- with reference to the penal sentence decree, contested by the person concerned as the alleged offence could have been committed by others, issued by the Judge of the Rome District Small Claims Court against the Chief Executive Officer of the catering sector relating to the supply of foods conservatives, the state of which was not indicated in the menu available for customers, the fine inflicted was Euro 671;

- The Parma Court decreed the deferment of judgment of the Vice-Chairman of the Board of Directors of Cremonini S.p.A. for complicity in fraudulent bankruptcy relative to the "Parmalat" affair. the first preliminary hearing was fixed within the first half of 2008;

- The Milan Court decreed the deferment of judgment of the Vice-Chairman of the Board of Directors of Cremonini S.p.A. for the offence of market manipulation and obstructing the supervisory functions of CONSOB relative to the "Parmalat" affair. The first instance process is presently pending in the preliminary enquiry phase before the first Penal Section of the Milan Court;

It is observed that, for the last two procedures, this director is a defendant together with many other parties representing the directors and statutory auditors in office of the companies that at the time were recorded for the purpose of the offences.

Even taking into account the consequences of the aforesaid law suits, the figures and information contained in the financial statements as at 31 December 2007 are correct from a formal and substantial point of view and provide a fair view of the Group's results and financial position.

Presentation of the financial statements

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

Information included in the Directors' Report

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

DETAILS OF THE MAIN ITEMS OF THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

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

1. Tangible assets

(in thousands of Euros)	Balance at 31.12.2006	Purchases	Decreases	Other	Amort.	Balance at 31.12.2007
Land and buildings	69,584	2,430	(108)	683	(1,481)	71,108
Plant and machinery	7,846	795	(97)	1,565	(1,390)	8,719
Industrial and business equipment	791	550	(3)	33	(407)	964
Other assets	6,199	807	(131)	523	(1,307)	6,091
Fixed assets under construction and advances	691	2,886	(81)	(3,174)		322
Total	**85,111**	**7,468**	**(420)**	**(370)**	**(4,585)**	**87,204**

Land and buildings
The increases mainly refer to the purchase of land and related buildings in Rome, previously owned by INALCA (1,980 thousand Euro) and the improvements made to these buildings by the catering division. The other movements refer to reclassification of works previously recorded under the item "non-current assets in progress", completed in the period. The increase in the latter is, instead, ascribable to the redevelopment works of various station buffets.

As at 31 December 2007 two financial lease agreements were in force related to the acquisition of buildings. The following is a summary of the transactions.

	Building Ca' di Sola	Building Legnano
Commencement of the lease term	1-12-2004	1-12-2005
Duration finance lease	96 months	180 months
Nr. of lease payments	95 months	179 months
Value of the leased asset	12.4 million Euros	3 million Euros
Down-payment	1,200 thousand Euros	300 thousand Euros
Amount of the monthly payment	117 thousand Euros	18 thousand Euros
Interest rate	Euribor	Euribor 3 mesi
Amount of final option	1,200 thousand Euros	300 thousand Euros
2007 payments	1,532 thousand Euros	253 thousand Euros
Residual value as at 31 December 2007	6.6 million Euros	2.5 million Euros

Plant and machinery
The main investments were in the catering division and in particular 294 thousand Euro for the purchase of specific plant and 328 thousand Euro for improvements to third party plant. The other movements of the category mainly refer to reclassification of works previously recorded under the item "non-current assets under construction"

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

Other assets
The main investments were made in the catering division (629 thousand Euro), and in particular 471 thousand Euro for the purchase of furniture and fittings, 76 thousand Euro for electrical machines and 63 thousand Euro for electronic machines and tax registers. In the holding division the increase of 178 thousand Euro principally regards the purchase of furniture and fittings and electronic machines.

The land and buildings are mortgaged for a total of 68,218 thousand Euro.

2. Goodwill

The item mainly includes the amount of the merger deficits relating to the incorporations of companies and the goodwill paid for acquisitions of business branches for the exercise of catering operations. The increase in the period relates to goodwill paid for various station buffets (train and bus) as well as two sales outlets at the Parma airport.

3. Other intangible assets

(in thousands of Euros)	Balance at 31.12.2006	Purchases	Decreases	Other	Amort.	Balance at 31.12.2007
Patents and intellectual property rights	119	99	(6)	116	(167)	161
Concessions, licences, trademarks and similar rights	121	35			(21)	135
Fixed assets under development and advances	1,029	242	(102)	(661)		508
Long-term costs	1,366	67	(21)	437	(289)	1,560
Total	**2,635**	**443**	**(129)**	**(108)**	**(477)**	**2,364**

The non-current assets under development and advances, which at 31 December 2007 amounted to 508 thousand Euro, were reduced with respect to 2006 mainly as an effect of the completion of the restructuring works of the commercial activity in the Cagliari airport. The purchases during the year (242 thousand Euro) refer to the costs of purchasing software licences.

The other non-current intangible assets mainly include the charges for the renewal of tobacco licences and those for operational premises. 67 thousand Euro of the increases during the year refers to renewal of tobacco licences, and 437 thousand Euro to reclassification from non-current assets in progress of charges incurred in previous years for the renewal of the buffet in Cagliari airport.

4. Equity investments in subsidiaries and associated companies

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

Equity investments in subsidiaries
The main changes that occurred during the 2007, regarded:

- The payment of 2 million Euro into the share capital increase account of Chef Express S.p.A.;
- The subscription of 805 thousand Euro for an increase in share capital of Cremonini Rail Iberica S.A.;
- The acquisition of a further controlling interest in MARR S.p.A.
- The write-down of the equity investments in Cremonini Rail Iberica S.A. and Interjet S.r.l. for a total of 1,974 thousand Euro.

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

Equity investments in associated companies
The increase for the year is principally justified by the acquisition, for 5.6 million Euro, of further shares in Emilia Romagna Factor S.p.A., the equity investment in which, subsequent to this acquisition, was reclassified from "Equity investments in other companies" to "Equity investments in associated companies".

5. Investments in other companies

The reduction of 2.8 million Euro refers to the reclassification of the equity investment in Emilia Romagna Factor S.p.A. to equity investments in associated companies as aforesaid.

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

6. Non-current financial receivables

(in thousands of Euros)	31.12.2007	31.12.2006
Receivables from subsidiaries		
- SGD S.r.l.	84	84
Total	**84**	**84**

7. Deferred tax assets

The amount of deferred tax assets (1,280 thousand Euro) mainly refers to the tax effect (IRES and IRAP taxes) calculated on taxed provisions and on the write-down of financial assets tax deductibles in subsequent financial years.
The deferred tax assets, considered recoverable in future tax assessments, derive from the timing differences described below:

(in thousands of euros)	31.12.2007		31.12.2006	
	Amount of timing differences	Fiscal Effect	Amount of timing differences	Fiscal Effect
Advance Taxation				
Write-down of financial fixed assets	-		1,413	
Write-down of intangible fixed assets	2,345		2,345	
Write-down of tangible fixed assets	216		216	
Bad debt provision	1,026		843	
Taxed Provisions	1,024		986	
Other	42		158	
Total	**4,653**		**5,961**	
Taxable amount for IRPEG / IRES	**4,653**		**5,961**	
Tax Rate	27.5%		33.0%	
Advanced taxation for IRPEG / IRES		**1,280**		**1,967**
Taxable amount for IRAP	**0**		**0**	
Tax Rate	4.48%		4.25%	
Advanced taxation for IRAP		0		0
Total		**1,280**		**1,967**

8. Other non-current assets

(in thousands of Euros)	31.12.2007	31.12.2006
Trade receivables	-	-
Tax assets	4	6
Other receivables	1,194	1,116
Accrued income and prepaid expenses	23	65
Total	**1,221**	**1,187**

CURRENT ASSETS

9. Inventories

The inventories include goods related to the catering activity for 2,559 thousand Euro (2,276 thousand Euro as of 31 December 2006).These inventories are not pledged nor subjected to other restrictions on ownership and the valuation does not substantially differ from current costs.

10. Current financial receivables

(in thousands of Euros)	31.12.2007	31.12.2006
Receivables from subsidiaries	81,206	79,295
Receivables from associated companies	-	5
Cremonini SEC cautionary deposit	195	3,129
Other financial receivables	93	93
Total	**81,494**	**82,522**

The decrease of the Cremonini SEC security deposit is justified by the extinction of the securitization transaction during the course of 2007.

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

(in thousands of Euros)	31.12.2007	31.12.2006
Receivables from subsidiaries	**63,341**	**61,442**
Alisea S.c.a r.l.	2	-
Chef Express S.p.A.	6,645	-
Cons. Centro Comm. Ingrosso Carni S.r.l.	2,577	3,013
Cremonini Rail Iberica S.A.	8,291	6,821
Cremonini Restauration S.A.S.	1,609	1,088
Domogel S.r.l. in liquidation	-	433
Ges.Car. S.r.l.	192	289
Global Service Logistics S.r.l.	194	-
Guardamiglio S.r.l.	4,998	4,729
In.Al.Sarda S.r.l.	6	967
INALCA S.p.A.	-	4,819
Interjet S.r.l.	1,730	868
MARR S.p.A.	-	716
Montana Alimentari S.p.A	283	716
Mutina Consulting S.r.l. liquidated	-	31
Roadhouse Grill Italia S.r.l.	6,289	1,560
Salumi d'Emilia S.r.l.	18,523	19,301
Sara S.r.l.	586	13
SGD S.r.l.	4	-
Soc. Agr. Corticella S.r.l.	10,810	16,078
Società Agricola Bergognina S.r.l.	143	-
Tecno-Star Due S.r.l.	458	-
Time Vending S.r.l.	1	-
Loans for dividends distribution	**0**	**2,142**
Cremonini Restauration S.A.S.	-	301
Momentum Services Ltd	-	446
Railrest S.A.	-	765
Roadhouse Grill Italia S.r.l.	-	630
Receivables from subsidiaries for transferred tax payables	**17,865**	**15,711**
As.Ca. S.p.A.	773	640
Cons. Centro Comm. Ingrosso Carni S.r.l.	195	191
Ges.Car. S.r.l.	167	62
Global Service S.r.l.	105	108
Guardamiglio S.r.l.	131	68
MARR S.p.A.	15,450	13,625
Montana Alimentari S.p.A	457	873
Realfood 3 S.r.l.	-	12
Salumi d'Emilia S.r.l.	352	-
Sara S.r.l.	-	13
Sfera S.p.A.	58	119
Soc. Agr. Corticella S.r.l.	145	-
Tecno-Star Due S.r.l.	32	-
Total	**81,206**	**79,295**

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

11. Current trade receivables

Trade receivables are broken down as follows:

(in thousands of Euros)	31.12.2007	31.12.2006
Receivables from customers	**8,794**	**10,532**
Due within 12 months	9,827	10,970
Provision for bad debts	(1,033)	(438)
Receivables from subsidiaries	**1,081**	**2,600**
As.Ca. S.p.A.	1	-
Chef Express S.p.A.	139	4
Frimo S.a.m.	16	84
Global Service S.r.l.	12	-
INALCA S.p.A.	-	287
MARR S.p.A.	2	1,443
Momentum Services Ltd.	465	232
Montana Alimentari S.p.A	-	441
Railrest S.A.	378	75
Roadhouse Grill Italia S.r.l.	7	34
Time Vending S.r.l.	61	-
Receivables from associated companies	**89**	**44**
Fiorani & C. S.p.A.	45	44
Food & Co. S.r.l.	44	-
Total	**9,964**	**13,176**

The amount of receivables from customers includes receivables from Trenitalia of approximately 2,119 thousand Euro (3,524 thousand Euro as at 31 December 2006).
It is noted that the contract with Trenitalia for the concession for catering services on the trains managed by the latter will expire at 31 July 2008. Cremonini, which has already operated with the granting company for some years and has a consolidated commercial relationship with that company, considers it responds to the requisites of quality and experience required and is confident of the continuation of the contractual relationship.

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

(in thousands of euros)	31.12.2007	31.12.2006
Initial balance	438	1,059
Utilized during the year	(53)	(780)
Accruals during the year	648	159
Final balance	**1,033**	**438**

At 31 December 2007 the trade receivables and bad debts provision are apportioned by maturity as follows:

(in thousands of euros)	31.12.2007		31.12.2006	
	Amount	Bad Debt prov.	Amount	Bad Debt prov.
Trade receivables not overdue	5,724		7,478	
Overdue up to 30 days	1,131	(55)	1,743	(54)
Overdue from 31 to 60 days	862	(47)	390	
Overdue from 61 to 90 days	268	(33)	305	
Overdue from 91 to 120 days	241	(21)	221	
Overdue over 120 days	1,601	(877)	833	(384)
Total	**9,827**	**(1,033)**	**10,970**	**(438)**

12. Current tax assets

(in thousands of Euros)	31.12.2007	31.12.2006
Receivables for advance on direct taxes	4,211	-
Receivables for withholdings	31	1
VAT credit and other taxes requested for reimbursement	527	1,103
Other sundry receivables	405	436
Provision for bad debts	(16)	(328)
Total	**5,158**	**1,212**

At 31 December 2007 the result of the tax consolidation, in which Cremonini participated as Parent Company, was a tax receivable, whereas last financial year there was a tax payable balance.

13. Cash and cash equivalents

(in thousands of Euros)	31.12.2007	31.12.2006
Cash	2,293	1,877
Bank and postal accounts	19,042	11,965
Total	**21,335**	**13,842**

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

14. Other current assets

(in thousands of Euros)	31.12.2007	31.12.2006
Accrued income and prepaid expenses	1,707	2,247
Other receivables		
Advances to suppliers	289	149
Receivables from insurance companies	80	33
Receivables from social security institutions	381	361
Receivables from employees	27	44
Guarantee deposits	70	30
Other sundry receivables	5,223	1,867
Provision for bad debts	(44)	(279)
Total	**7,733**	**4,452**

The increase in the balance is mainly ascribable to the increase in the "Others" item and is substantially due to a receivable of trade origin from A.OR. Konservni (4,450 thousand Euro). The latter receivable was acquired during the year from the INALCA S.p.A. at net book value.

SHAREHOLDERS' EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY

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

15. Share capital

The share capital as at 31 December 2007 of Euro 73,746,400 is represented by 141,820,000 ordinary shares of the Parent Company Cremonini S.p.A., with a par value of Euro 0.52 each, fully subscribed and paid up, with normal rights.

Treasury stock
As at 31 December 2007 the Parent Company held 12,831,670 treasury stock (13,131,670 as at 31 December 2006. In the 2007 financial year 300,000 shares were purchased and the considerations paid were entered directly under Shareholders' Equity.

16. Reserves

Share premium reserve
This reserve is made up of the share premium paid by the shareholders at the time of the Public Subscription Offer in 1998. This reserve amounting to 78,280 thousand Euro has not undergone changes compared to 31 December 2006.

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

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

Reserve for treasury stock
This reserve includes the profits and losses deriving from the acquisition and sale of treasury stock and the portion of the book value of the treasury stock in excess of the face value already used to reduce the capital stock.

Basic earnings per share
Basic earnings per share as at 31 December 2007 amounted to Euro 0.0842 (Euro 0.0102 as at 31 December 2006) and has been calculated on the basis of net profits of Euro 10,836,433 thousand divided by the weighted average number of ordinary shares in 2007 equal to 128,716,549.

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

NON-CURRENT LIABILITIES

17. Non-current financial payables

(in thousands of Euros)	31.12.2007	31.12.2006
Due between 1 and 5 years		
Payables to banks	106,927	120,787
Payables to other financial institutions	6,008	5,665
Total payables due between 1 and 5 years	**112,935**	**126,452**
Due beyond 5 years		
Payables to banks	21,170	31,195
Payables to other financial institutions	1,746	3,437
Total payables due beyond 5 years	**22,916**	**34,632**
Total	**135,851**	**161,084**

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

(in thousands of Euros)	Credit line	Interest Rate	Current	Between 1 and 5 years	Beyond 5 years	Total 31.12.2007
Overdraft	19,000	Euribor 1m + 1.20%	1,227	-	-	1,227
Advances	14,800	-	-	-	-	0
Advances on invoices Italy	17,200	Euribor 1m + 0.25%	11,461	-	-	11,461
Advances subject to collection	2,000	Euribor 1m + 0.15%	1,123	-	-	1,123
Hot Money	78,400	Euribor + 0.35%	34,827	-	-	34,827
Mortgages	-	-	45,559	106,927	21,170	173,656
Total	**131,400**		**94,197**	**106,927**	**21,170**	**222,294**

The composition of the mortgages is as follows:

Bank	Interest rate	Expiry date	Current	Between 1 and 5 years	Beyond 5 years	Total 31.12.2007
Centrobanca	Euribor 3 m + 0.80%	30-06-10	559	877	-	1,436
Credito Italiano	Euribor 3 m + 0.58%	30-09-09	1,291	968	-	2,259
Credito Italiano	Euribor 6 m + 0.85%	30-06-13	2,143	8,571	1,071	11,785
Banca Pop. Emilia Romagna	Euribor 3 m + 0.70%	13-05-08	8,000	-	-	8,000
Banca Pop. Verona	Euribor 3 m + 0.70%	29-04-08	4,000	-	-	4,000
Banca Pop. Verona	Euribor 3 m + 0.50%	02-02-09	-	5,000	-	5,000
Banca Pop. Verona	Euribor 6 m + 0.80%	31-07-11	-	20,000	-	20,000
Banca Pop. Vicenza	Euribor 3 m + 0.60%	22-05-08	3,000	-	-	3,000
Banca Antoniana	Euribor 3 m + 0.70%	18-04-08	10,000	-	-	10,000
Banca Carige	Euribor 6 m + 0.50%	31-03-10	3,271	5,137	-	8,408
Carisbo	Euribor 6 m + 0.80%	16-10-11	2,857	17,143	-	20,000
SanPaolo multiborr.	Euribor 6 m + 1.00%	25-03-15	5,240	22,223	13,889	41,352
Unicredit ex Infer	Euribor 3 m + 1.00%	31-03-09	245	82	-	327
Cassa Risp. di Pr e Pc	Euribor 6 m + 0.80%	11-05-15	1,991	8,810	6,210	17,011
Cassa Risparmio di Forli	Euribor 6 m + 0.73%	18-07-11	951	3,116	-	4,067
Rabobank	Euribor 3 m + 0.60%	17-06-09	-	15,000	-	15,000
Interest payable accrued			2,011	-	-	2,011
Total			**45,559**	**106,927**	**21,170**	**173,656**

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

Other financial institutions	Interest rate	Expiry date	Current	Between 1 and 5 years	Beyond 5 years	Total 31.12.2007
Locafit S.p.A.	Euribor	01-12-12	1,217	5,431	-	6,648
Banca Italease	Euribor 3m	01-12-20	131	577	1,746	2,454
Total			**1,348**	**6,008**	**1,746**	**9,102**

Net Debt

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

(in thousands of Euros)	31.12.2007	31.12.2006
A. Cash	2,293	1,877
B. Cash equivalent	19,042	11,965
C. Financial assets held for sale	0	0
D. Liquidity (A) + (B) + (C)	**21,335**	**13,842**
E. Current financial assets	**63,393**	**65,471**
F. Current bank liabilities	94,197	22,160
G. Current financial instruments	(2,113)	0
H. Other current financial liabilities	32,153	53,254
I- Current financial liabilities	**124,237**	**75,414**
J. Current net debt (I) - (E) - (D)	**39,509**	**(3,899)**
K. Non current bank liabilities	128,097	151,982
L. Bonds	0	0
M. Other non current financial liabilities	7,754	9,103
N. Non current financial instruments	0	3,272
O. Non current debt (K) + (L) + (M) + (N)	**135,851**	**164,357**
P. Net Debt (J) + (O)	**175,360**	**160,458**

The covenants on loans in force as at 31 December 2007, all completely complied with, are listed in the following table.

(in thousands of Euros)	San Paolo Multiborr.[a]	Carisbo[a]
Amount of the loans as at 31 December 2007	41,667	20,000
Expiry date	25-03-2015	16-10-2011
Covenants		
Net Debt/Equity	<= 2	<= 2
Net Debt/Ebitda	<= 5,5	<= 5,5

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

18. Liabilities from derivative instruments

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

On 31 December 2007 the Company was involved in some "interest rate swap" hedging contracts, which substituted the variable Euribor rate with a fixed rate. These transactions, accounted for with the "hedge accounting" criteria, are shown below:

- "interest rate swap" contract with Deutsche Bank for 47 million Euro (maturity 25.3.2015);
- "interest rate swap" contract with BNL for 7.8 million (maturity 01.04.2012);
- "interest rate swap" contract with Cariparma for 18.0 million (maturity 11.05.2015);

The valuation of these hedge contracts led to the recording of an asset of 2,302 thousand Euro that, in compliance with the IAS, was recorded in shareholders' equity and booked to the income statement neutralizing the economic effects produced by the underlying transactions.

At 31 December 2007 the Company also had some existing interest rate transactions not configurable as hedging. These transactions, for a net notional value of Euro 77.5 million (account is not taken in the net notional value of transactions that were cancelled over time through "unwinding" transactions or else had an equal set-off amount), constituted two "interest rate swap" contracts with Cofiri SIM (now Capitalia Group) with maturities between 25.03.2008 and 12.04.2008, which permitted the Euribor variable reference rate to be substituted by US$ Libor.

The quantification of estimated losses considering the valuation of the above-mentioned transactions at their fair value and taking account of the forecast of future interest rates, led to the recognition of a liability of 189 thousand Euro as at 31 December 2007 (3,272 thousand Euro as at 31 December 2006). This liability, consistent with the maturities of the financial instruments, was reclassified to current liabilities.

19. Employee benefits

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

(in thousands of Euros)	31.12.2007	31.12.2006
Opening balance	11,437	11,053
Use for the financial year	(1,483)	(1,517)
Accrued for the year	467	2,086
Other changes	(675)	(185)
Closing balance	**9,746**	**11,437**

"Other movements" includes 937 thousand Euro relating to the "Curtailment" effect deriving from the actuarial calculation of the staff severance indemnities, conducted in compliance with Law no. 296 of 27 December 2006 ("2007 financial law") and subsequent decrees and regulations as better described in the "Accounting Principles" section. Following this effect a negative 258 thousand Euro is included in the same item, being actuarial losses not previously accounted for. Both the effects were booked to the income statement under "Personnel costs", the detail for which is shown in note no. 30.
The following table shows the current value of the obligations (DBO - Defined Benefit Obligation) and unrecognised actuarial loss at the date of the financial statements resulting from the application of the corridor method.

(in thousands of Euros)	31.12.2007	31.12.2006
Current value of the bonds	9,758	11,709
Unrecognised actuarial (loss)/profit	(12)	(272)
Total	**9,746**	**11,437**

20. Provisions for liabilities and charges

(in thousands of Euros)	31.12.2007	31.12.2006
Provisions for taxes	101	101
Labour disputes	353	580
Minor lawsuits and disputes	459	406
Provision for risks and losses	213	12
Total	**1,126**	**1,099**

21. Deferred tax liabilities

As at 31 December 2007 this item totalling 10,335 thousand Euro was mainly composed of deferred tax liabilities deriving from the revaluation of land and buildings upon the transition to the international accounting standards.

		31.12.2007		31.12.2006
(in thousands of euros)	Amount of timing differences	Fiscal Effect	Amount of timing differences	Fiscal Effect
Advance Taxation				
Write-down of financial fixed assets	1,770		2,975	
Write-down of intangible fixed assets	1,057		491	
Acceletated Depreciation	4,914		3,729	
Derivatives - Cash Flow Hedge	2,257		2,019	
Temporary IAS differences	25,665		22,917	
Other	153		188	
Total	**35,816**		**32,319**	
Taxable amount for IRPEG / IRES	35,816		32,319	
Tax Rate	27.5%		33.0%	
Advanced taxation for IRPEG / IRES		9,849		10,665
Taxable amount for IRAP	10,831		7,741	
Tax Rate	4.48%		4.25%	
Advanced taxation for IRAP		485		329
Total		**10,335**		**10,994**

CURRENT LIABILITIES

22. Current financial payables

(in thousands of Euros)	31.12.2007	31.12.2006
Payables to subsidiaries	54,323	67,383
Payables to banks	94,197	22,160
Payables to other financial institutions	1,348	1,305
Closing balance	**149,868**	**90,848**

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

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

(in thousands of Euros)	31.12.2007	31.12.2006
Payables to consolidated subsidiaries	**30,804**	**51,943**
Alisea S.c.a r.l.	-	16
Chef Express S.p.A.	-	4,458
Global Service S.r.l.	208	276
Ges.Car. S.r.l.	-	-
INALCA S.p.A.	126	-
Sara S.r.l.	-	-
MARR S.p.A.	1,187	-
Momentum Services Ltd.	700	1,000
Montana Alimentari S.p.A	26,541	44,032
Mutina Consulting S.r.l. liquidated	-	1
Railrest S.A.	1,173	1,421
Realfood 3 S.r.l.	218	138
SGD S.r.l.	651	594
Tecnostar Due S.r.l.	-	7
Payables to unconsolidated subsidiaries	**441**	**457**
Fernie S.r.l. in liq.	441	457
Payables to subsidiaries for transferred tax receivables	**23,078**	**14,977**
As.Ca. S.p.A.	689	305
Chef Express S.p.A.	815	-
Cons. Centro Comm. Ingrosso Carni S.r.l.	191	331
Domogel S.r.l.	-	250
Ges.Car. S.r.l.	62	70
Global Service S.r.l.	109	131
Guardamiglio S.r.l.	73	184
In.Al.Sarda S.r.l.	84	74
INALCA S.p.A.	4,616	-
Interjet S.r.l.	630	496
MARR S.p.A.	13,951	12,219
Montana Alimentari S.p.A	786	225
Realfood 3 S.r.l.	682	-
Salumi d'Emilia S.r.l.	-	193
Sara S.r.l.	215	-
Sfera S.p.A.	117	53
Soc. Agr. Corticella S.r.l.	-	446
Società Agricola Bergognina S.r.l.	12	-
Tecnostar Due S.r.l.	46	-
Total	**54,323**	**67,377**

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

23. Current taxes payable

(in thousands of Euros)	31.12.2007	31.12.2006
IRAP	-	481
IRES	-	4,120
Withholding taxes	1,442	1,491
Substitute taxes and other taxes payable	81	76
Total	**1,523**	**6,168**

As previously noted, at 31 December 2007 the result of the tax consolidation, in which Cremonini participated as the consolidating company, was a tax credit; last financial year the balance was instead a tax payable.

24. Current trade payables

(in thousands of Euros)	31.12.2007	31.12.2006
Suppliers	**24,304**	**25,098**
Payables to consolidated subsidiaries	**4,183**	**3,291**
Chef Express S.p.A.	20	10
Cremonini Restauration S.A.S.	41	42
Domogel S.r.l.	-	328
Global Service Logistics S.r.l.	1,537	-
Global Service S.r.l.	107	229
INALCA S.p.A.	39	67
MARR S.p.A.	1,368	1,270
Momentum Services Ltd.	19	11
Montana Alimentari S.p.A	974	1,045
Railrest S.A.	14	18
Roadhouse Grill Italia S.r.l.	2	-
SGD S.r.l.	7	20
Tecnostar Due S.r.l.	36	45
Time Vending S.r.l.	19	-
Reimbursement SEC costs	-	206
Total	**28,487**	**28,389**

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

25. Other current liabilities

(in thousands of Euros)	31.12.2007	31.12.2006
Accrued expenses and deferred income	261	194
Inps/Inail/Scau	1,238	1,121
Inpdai/Previndai/Fasi/Besusso	132	35
Debiti verso istituti diversi	261	20
Payables to other social security institutions		
Other payables	8	25
Payables for employee remuneration	4,904	4,669
Payables for acquisition of equity investments:		
- Biancheri & C. S.r.l.	173	173
- Cremonini Rail Iberica S.A.	-	2,850
- Infer S.r.l.	-	1,860
Guarantee deposits and down payments received	269	461
Payables to directors and auditors	325	714
Other minor payables	1,738	511
Total	**9,309**	**12,633**

Payables due to employees include current salaries still to be paid as at 31 December 2007 and the allocations set aside for deferred remuneration. The increase compared to the 2006 financial year is consequent to the salary trends and inflation.

The item "Payable for acquisition of equity investments" refers to Biancheri & C. S.r.l. and the movement compared to last financial year is related to the payments made, based on the contractual provisions of Cremonini Rail Iberica S.A. and Infer S.r.l.

GUARANTEES, SURETIES AND COMMITMENTS

(in thousands of Euros)	31.12.2007	31.12.2006
Direct guarantees – sureties		
- subsidiaries	297,250	279,174
- associated companies		
- related companies	120	120
- other companies	31,238	109,813
	328,608	389,107
Direct guarantees – letter of comfort		
- subsidiaries	166,460	217,921
- associated companies	100	100
- related companies		
- other companies		
	166,560	218,021
Direct guarantees – credit mandates		
- subsidiaries	136,807	171,363
- associated companies		
- related companies		
- other companies		
	136,807	171,363
Other risks and commitments	292	-
Total guarantees, sureties and commitments	**632,267**	**778,491**

Direct guarantees - sureties

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

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

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

Company to which the guarantee is provided	Beneficiary	Amount	Reason
Revenue Office/VAT Office Modena	Cremonini S.p.A. and other subsidiaries	18,058	VAT for compensation
Customs Office	Cremonini S.p.A. and other subsidiaries	372	Customs rights
Ferrovie dello Stato and operating companies (Grandi Stazioni, Cento Stazioni, Fer Servizi, Trenitalia, ecc.)	Cremonini S.p.A.	8,934	Guaranteeing concessions for on-board catering services, station buffets and operation of storage facilities.
Other minor items	Cremonini S.p.A. and other subsidiaries	3,874	Administration of rented properties, energy supplies, credit cards, successful conclusion of contracts, etc.
Total		**31,238**	

Direct guarantees - comfort letters

Comfort letters are exclusively concerned with guarantees given to banks for the grant of loans or credit lines and include "simple" comfort letters of the Parent Company for 89,517 thousand Euro.

Indirect guarantees - credit mandates

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

DETAILS OF THE MAIN ITEMS OF THE INCOME STATEMENT

26. Revenues

These are broken down as follows:

(in thousands of Euros)	2007	2006
Revenues from sales - Goods for resale	6,715	7,848
Revenues from sales - Others	12,084	10,497
Revenues from services	112,944	112,663
Advisory services to third parties	4,207	3,782
Rent income	3,585	3,563
Other revenues from ordinary activities	1,262	1,278
Total	**140,797**	**139,631**

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

(in thousands of Euros)	2007	2006
Italy	138,442	137,416
European Union	2,266	2,081
Non-EU countries	89	134
Total	**140,797**	**139,631**

27. Other revenues

(in thousands of Euros)	2007	2006
Contributions by suppliers and others	1,508	1,206
Other sundry revenues	1,754	2,202
Total	**3,262**	**3,408**

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

Sundry revenues

(in thousands of Euros)	2007	2006
Insurance reimbursements	91	150
Capital gains on disposal of capital goods	6	29
Other cost reimbursements	1,061	723
Services, consultancy and other minor revenues	596	1,300
Total	**1,754**	**2,202**

28. Costs for purchases

(in thousands of Euros)	2007	2006
Costs for purchases - Goods for resale	(29,254)	(29,554)
Costs for purchases - Secondary materials, consumables, semi-finished goods, packages	(2,442)	(2,112)
Costs for purchases - Stationery and printed paper	(180)	(173)
Changes in inventories of raw materials, secondary materials, consumables and goods for resale	266	61
Other costs for purchases	(10,728)	(9,659)
Total	**(42,338)**	**(41,437)**

29. Other operating costs

(in thousands of Euros)	2007	2006
Costs for services	(32,578)	(32,407)
Costs for leases and rentals	(14,787)	(13,115)
Other operating charges	(2,468)	(2,370)
Total	**(49,833)**	**(47,892)**

Costs for services

(in thousands of Euros)	2007	2006
Energy consumption and utilities	(2,408)	(2,304)
Maintenance and repairs	(3,330)	(3,241)
Transport on sales	(42)	(50)
Commisions, commercial and distribution services	(4,357)	(4,440)
Third-party services and outsourcing	(712)	(654)
Purchasing services	(248)	(267)
Franchising	(4,634)	(5,097)
Other technical and general services	(16,847)	(16,354)
Total	**(32,578)**	**(32,407)**

Costs for leases and rentals

(in thousands of Euros)	2007	2006
Instalments payable	(11,267)	(10,054)
Royalties	(1,215)	(960)
Lease of business premises, royalties and others	**(12,482)**	**(11,014)**
Leasing	(407)	(319)
Rents and charges payable other property assets	(1,898)	(1,782)
Leases and rentals related to real and personal property	**(2,305)**	**(2,101)**
Total	**(14,787)**	**(13,115)**

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

Other operating charges

(in thousands of Euros)	2007	2006
Indirect taxes and duties	(902)	(746)
Capital losses on disposal of assets	(313)	(245)
Contributions and membership fees	(124)	(98)
Other minor costs	(1,129)	(1,281)
Total	**(2,468)**	**(2,370)**

30. Personnel costs

(in thousands of Euros)	2007	2006
Salaries and wages	(29,787)	(28,373)
Social security contributions	(8,237)	(7,401)
Staff Severance Provision	(1,100)	(2,086)
Total	**(39,124)**	**(37,860)**

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

On 31 December 2007 the Company employed a total staff of 1,632 persons, as follows:

	Factory staff	Office staff	Managers	Total
Employees as at 31.12.2006	1,456	171	16	1,643
Employees as at 31.12.2007	**1,453**	**163**	**16**	**1,632**
Increases (decreases)	(3)	(8)	-	(11)
Average no. of employees during year 2007	**1,553**	**170**	**16**	**1,739**

31. Amortization, depreciation and write-downs

(in thousands of Euros)	2007	2006
Depreciation of tangible assets	(4,585)	(4,786)
Amortization of intangible assets	(477)	(392)
Other write-downs of fixed assets	(355)	(252)
Write-downs and provisions	(1,131)	(1,608)
Total	**(6,548)**	**(7,038)**

Write-downs and provisions

(in thousands of Euros)	2007	2006
Receivables write-downs	(648)	(387)
Other provisions	(483)	(1,221)
Total	**(1,131)**	**(1,608)**

32. Revenue from equity investments

(in thousands of Euros)	2007	2006
Income (Charges) from investments in subs. and ass. comp.	14,665	2,141
Income (Charges) from investments in other comp.	202	148
Write-down of investments	(1,986)	
Total	**12,881**	**2,289**

Income (Charges) from equity investments in subsidiaries

(in thousands of Euros)	2007	2006
Dividends from subsidiaries		
Cremonini Restauration S.A.S.	465	301
Global Service S.r.l.	164	-
MARR S.p.A.	13,650	-
Momentum Services Ltd	204	447
Railrest S.A.	184	765
Roadhouse Grill Italia S.r.l.	-	630
Other income (Charges) from investments in subsidiaries		
Other minor	(2)	(2)
Total	**14,665**	**2,141**

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

Write-downs of investments

(in thousands of Euros)	2007	2006
Azienda Agricola Serra della Spina S.r.l.	(10)	-
Cremonini Rail Iberica S.A.	(941)	-
Interjet S.r.l.	(1,033)	-
Mutina Consulting S.r.l liquidated	(2)	-
Total	**(1,986)**	**0**

33. Financial income and charges

(in thousands of Euros)	2007	2006
Net exchange rate differences	(6)	(6)
Income (Charges) from management of derivatives	1,114	(1,282)
Net financial Income (Charges)	(8,859)	(5,815)
Total	**(7,751)**	**(7,103)**

Exchange rate differences

(in thousands of Euros)	2007	2006
Realised net exchange rate differences	(6)	(1)
Net exchange rates valuation differences	-	(5)
Total	**(6)**	**(6)**

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

Income (charges) from management of derivatives

(in thousands of Euros)	2007	2006
Realized Income from management of derivatives	550	61
Realized Charges from management of derivatives	(2,519)	(3,999)
Valuation Income from management of derivatives	3,083	3,586
Valuation Charges from management of derivatives	-	(930)
Total	**1,114**	**(1,282)**

The income of 3,083 thousand Euro is ascribable to the fair value valuation of the derivative contracts at interest rates existing at 31 December 2007 (see the paragraph "liabilities from derivative instruments" under current and non-current liabilities).

Net financial income (charges)

(in thousands of Euros)	2007	2006
Financial Income (Charges) from controlling companies	**-**	**75**
Financial Income (Charges) from subsidiaries	**2,610**	**1,209**
Financial income		
- Bank interest receivable	118	262
- Other financial income	22	45
Total financial income	**140**	**307**
Financial charges		
- Interest payable on loans	(8,041)	(5,430)
- Interest payable on factoring	(429)	(316)
- Interest payable on current accounts and others	(2,024)	(1,070)
- Other bank charges	(66)	(112)
- Other sundry charges	(1,49)	(478)
Total financial charges	**(11,609)**	**(7,406)**
Total	**(8,859)**	**(5,815)**

The item groups together the total interest payable connected to the Group treasury service and interest, commissions and charges from banks and other financiers. These charges increased in 2007 mainly following the interest rates trend and average amounts of the corresponding balances.

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

(in thousands of Euros)	2007	2006
Chef Express S.p.A.	305	(72)
Cons. Centro Comm. Ingrosso Carni S.r.l.	159	160
Cremonini Rail Iberica S.A.	416	172
Cremonini Restauration S.A.S.	82	52
Domogel S.r.l.	2	107
Ges.Car. S.r.l.	18	6
Global Service Logistics S.r.l.	31	-
Global Service S.r.l.	(12)	(8)
Guardamiglio S.r.l.	258	170
In.Al.Sarda S.r.l.	29	60
INALCA S.p.A.	308	566
Interjet S.r.l.	88	22
MARR S.p.A.	19	35
Momentum Services Ltd	(20)	(18)
Montana Alimentari S.p.A	(1,220)	(1,610)
Railrest S.A.	(57)	(31)
Realfood 3 S.r.l.	(13)	42
Roadhouse Grill Italia S.r.l.	245	46
Salumi d'Emilia S.r.l.	1,099	865
Sara S.r.l.	13	1
SGD S.r.l.	(28)	(16)
Soc. Agr. Corticella S.r.l.	881	655
Tecnostar Due S.r.l.	9	5
Time Vending S.r.l.	(2)	-
Total	**2,610**	**1,209**

34. Income taxes

(in thousands of Euros)	2007	2006
IRES	(9,724)	(13,558)
Net income from subs. for transferred taxable amounts	10,838	14,414
	1,114	**856**
IRAP	(1,701)	(2,236)
Provision for deferred/pre-paid taxes	76	(1,311)
Total	**(511)**	**(2,691)**

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

RECONCILIATION OF THEORETICAL TAX BURDEN AND ACTUAL TAX BURDEN

IRES

(in thousands of Euros)	Year 2007		Year 2006	
	Taxable amount	Tax	Taxable amount	Tax
Profit before taxation	**11,347**		**3,998**	
Taxation rate	33%		33%	
Theoretical tax burden		3,745		1,319
Permanent differences				
Non-deductible amortization and depreciation	401		657	
Write-down of financial assets (non-deductible part)	0		0	
Taxes and tax amnesties	88		120	
Other non-deductible costs	3,380		913	
Total	**3,869**		**1,690**	
Dividends from foreign companies	(14,125)		(2,176)	
Gains on disposals subject to substitute tax			(2,334)	
Other	(380)		(230)	
Total	**(14,505)**		**(4,740)**	
Timing differences deductible in future years				
Write-down of financial assets (4/5)				
Provisions to taxed funds	1,080		45	
Other	1,614		2,933	
Total	**2,694**		**2,978**	
Timing differences taxable in future years				
Dividends not collected			(61)	
Anticipated depreciations				
Other	(1,193)		(1,118)	
Total	**(1,193)**		**(1,179)**	
Reversal of timing diff. from previous years				
Receipt of dividends related to previous year	1,211		706	
Total	**1,211**		**706**	
Use of taxed provisions	(509)		(1,604)	
Write-down of financial assets	(1,411)		(1,586)	
Other	(4,879)		(2,857)	
Total	**(6,799)**		**(6,047)**	
Taxable income	**(3,376)**		**(2,594)**	
Tax rate	33%		33%	
Actual tax durden		(1,114)		(856)

IRAP

(in thousands of Euros)	Year 2007		Year 2006	
	Taxable	Tax amount	Taxable	Tax amount
Profit before taxation	**11,347**		**3,998**	
Costs not relevant for IRAP				
Extraordinary income and axpense	0		0	
Adjustment to the value of financial assets	0		0	
Financial income and expense	7,751		7,103	
Personnel costs	39,124		37,860	
Deductible personnel costs	(14,221)			
Other	(8,642)		3,651	
Total	**24,012**		**48,614**	
Theoretical taxable amount	**35,359**		**52,612**	
Taxation rate	4.81%		4.25%	
Actual tax burden		**1,701**		**2,236**

Events occurring after the end of the financial year

As previously illustrated in the Directors' Report, on 3 March 2008, Cremonini S.p.A. and the Brazilian group JBS S.A. executed a contract relating to the strategic alliance between the two companies.
On the same date Cremonini S.p.A. transferred 100% of Montana Alimentari S.p.A. to Inalca S.p.A. for a consideration of 70 million Euro and 5.36% of Inalca S.p.A. to JBS S.A. for a value of 10.0 million Euro, in addition to an anticipated final payment of 6.4 million Euro.

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

INFORMATION ON EMOLUMENTS

In accordance with legal requirements and as required by the enclosure 3C of the CONSOB Rules, the total remuneration paid to Directors and Statutory Auditors in 2007 for activities performed, including in other Group companies, is as follows:

(in thousands of Euros)		**Fees**	**Salary**	**Other**	**Total**
Board of Directors					
Cremonini Luigi	Chairman	800			800
Sciumè Paolo	Vice chairman	25		-	25
Cremonini Vincenzo	Chief Executive Officer	370	271	-	641
Fabbian Valentino	Director *	290	350	-	640
Pedrazzi Giorgio	Director	270	89	-	359
Lualdi Paolo	Director	20		-	20
Rossetti Mario	Director	25	-	-	25
Rossini Edoardo	Director	25	-	-	25
Total Board of Directors		**1,825**	**710**	**0**	**2,535**
Statutory Auditors					
Artese Alessandro	Chairman	86	-	-	86
Zanasi Giovanni	Auditor	46	-	-	46
Simonelli Ezio Maria	Auditor	71	-	-	71
Total Statutory Auditors		**203**	**0**	**0**	**203**
Total		**2,028**	**710**	**0**	**2,738**

* with mandate to manage the catering business unit.

It should be noted that the Fiscal Law Firm "Sciumè e Associati" received other payments for their professional services provided during the year.

Information pursuant to art. 149 - duodecies of the Consob Issuers Regulations

The following schedule shows, as required by art. 149-duodecies of the Consob Issuer's Regulations, the fees for audit and non-audit services for the 2007 financial year.

(in thousands of Euros)	**Company that provided the service**	**Recipient**	**Fees pertaining to 2007**
Audit	PricewaterhouseCoopers S.p.A.	Cremonini S.p.A.	91,350
	Reconta Ernst & Young S.p.A.	Cremonini S.p.A.	34,062
Compliance audit			0
Other services			0
Total			**125,412**

Castelvetro di Modena, 25 March 2008

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

CERTIFICATION OF THE FINANCIAL STATEMENTS FOR THE YEAR PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS AMENDED

1. The undersigned Vincenzo Cremonini as Chief Executive Officer and Stefano Lalumera, as Executive supervising the preparation of Cremonini S.p.A.'s accounting documents, certify, also taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998: 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:

- the adequacy in relation to the company's characteristics and
- the effective application

of the administrative and accounting procedures during 2007 for the preparation of the financial statements for the year.

2. The evaluation of the administrative and accounting procedures for the preparation of the financial statements as at 31 December 2007 is based on a process defined by Cremonini S.p.A. consistent with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission that represents a generally accepted reference framework internationally.

3. It is declared, furthermore, that the financial statements as at 31 December 2007:

- correspond to the books of account and accounting records;
- were prepared in conformity with the international Accounting Standards (IAS/IFRS) promulgated by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with the procedure mentioned in art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and Counsel of 19 July 2002, inasmuch as they are appropriate for supplying a truthful and correct representation of the equity, economic and financial situation of the issuer.

Castelvetro di Modena, 25 March 2008

The Chief Executive Officer

Vincenzo Cremonini

The Executive supervising the preparation
of the company's accounting documents
Stefano Lalumera

ANNEXES

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

- Annex 1 - Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2007;
- Annex 2 - List of revenues and costs from/to subsidiaries, associated controlling and related companies for the 2007 financial year;
- Annex 3 - Statement of changes in tangible assets for the financial year ended as at 31 December 2007;
- Annex 4 - Statement of changes in intangible assets for the financial year ended as at 31 December 2007;
- Annex 5 - List of equity investments classified in non-current assets as at 31 December 2007;
- Annex 6 - List of equity investments in subsidiaries and associated companies as at 31 December 2007 (Article 2427, paragraph 5, of the Italian Civil Code).

Annex 1 - Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2007

(in thousands of Euros)	Treasury		Trade		Other		Total	
	Receivables	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables
Subsidiaries:					(a)	(b)		
Alisea S.c.a r.l.	2	-	-	-	-	-	**2**	**-**
As.ca. S.p.A.	-	-	1	-	773	689	**774**	**689**
Chef Express S.p.A.	6,645	-	139	20	-	815	**6,784**	**835**
Cons. Centro Comm. Ingrosso Carni S.r.l.	2,577	-	-	-	195	191	**2,772**	**191**
Cremonini Rail Iberica S.A.	8,291	-	-	-	-	-	**8,291**	**-**
Cremonini Restauration S.A.S.	1,609	-	-	42	-	-	**1,609**	**42**
Cremonini SEC S.r.l.	194	-	-	-	-	-	**194**	**-**
Fernie S.r.l. in liquidation	-	-	-	-	-	440	**-**	**440**
Frimo S.a.m.	-	-	16	-	-	-	**16**	**-**
Ges.Car. S.r.l.	192	-	-	-	168	62	**360**	**62**
Global Service Logistics S.r.l.	194	-	-	1,537	-	-	**194**	**1,537**
Global Service S.r.l.	-	208	12	107	105	109	**117**	**424**
Guardamiglio S.r.l.	4,998	-	-	-	131	72	**5,129**	**72**
In.Al.Sarda S.r.l.	6	-	-	-	-	84	**6**	**84**
INALCA S.p.A.	-	126	-	39	-	4,616	**-**	**4,781**
Interjet S.r.l.	1,730	-	-	-	-	630	**1,730**	**630**
MARR S.p.A.	-	1,187	2	1,368	15,450	13,952	**15,452**	**16,507**
Momentum Services Ltd	-	700	465	18	-	-	**465**	**718**
Montana Alimentari S.p.A.	283	26,541	-	974	457	785	**740**	**28,300**
Mutina Consulting S.r.l. liquidated	-	-	-	-	-	-	**-**	**-**
Railrest S.A.	-	1,173	378	14	-	-	**378**	**1,187**
Realfood 3 S.r.l.	-	218	-	-	-	681	**-**	**899**
Roadhouse Grill Italia S.r.l.	6,289	-	7	2	-	-	**6,296**	**2**
Salumi d'Emilia S.r.l.	18,523	-	-	-	352	-	**18,875**	**-**
Sara S.r.l.	586	-	-	-	-	215	**586**	**215**
Sfera S.p.A.	-	-	-	-	58	117	**58**	**117**
SGD S.r.l.	4	651	-	7	84	-	**88**	**658**
Soc. Agr. Corticella S.r.l.	10,810	-	-	-	145	-	**10,955**	**-**
Società Agricola Bergognina S.r.l.	-	-	-	-	143	12	**143**	**12**
Tecnostar Due S.r.l.	457	-	-	36	32	46	**489**	**82**
Time Vending S.r.l.	1	-	61	20	-	-	**62**	**20**
Total subsidiaries	**63,391**	**30,804**	**1,081**	**4,184**	**18,093**	**23,516**	**82,565**	**58,504**
Associated companies:								
Food & Co. S.p.A.	-	-	44	-	-	-	**44**	**-**
Total associated companies	**-**	**-**	**44**	**-**	**-**	**-**	**44**	**-**
Related companies:								
A.O. Konservny	-	-	-	-	4,450	-	**4,450**	**-**
Collizzolli S.p.A.	-	-	-	-	4	-	**4**	**-**
Fiorani & C. S.p.A.	-	-	45	-	-	-	**45**	**-**
Total related companies	**-**	**-**	**45**	**-**	**4,454**	**-**	**4,499**	**-**

(a) Other receivables include receivables for dividends calculated on the distributable portion of profit for the 2007
(b) The other payables include payables for IRES (corporate tax) benefits transferred to the Parent Company.

Annex 2 - List of revenues and costs from/to subsidiaries, associated controlling and related companies for the 2007 financial year

(in thousands of Euros)	Revenues				Total	Expenses				Total
	Financial	Services	Sales	Other (a)	revenues	Financial	Services	Sales	Other	expenses
Subsidiaries:										
C. Centro Comm. Ingrosso Carni S.r.l.	159	6	-	-	**165**	-	-	-	-	**-**
Chef Express S.p.A.	327	657	2	150	**1,136**	21	248	-	-	**269**
Cremonini Rail Iberica S.A.	416	-	-	-	**416**	-	-	-	-	**-**
Cremonini Restauration S.A.S.	82	451	-	464	**997**	-	236	84	-	**320**
Cremonini SEC S.r.l.	-	79	-	-	**79**	-	-	-	-	**-**
Domogel S.r.l. in liquidation	2	-	-	-	**2**	-	-	-	-	**-**
Fernie S.r.l. in liquidation	-	-	-	-	**-**	2	-	-	-	**2**
Frimo S.a.m.	-	42	-	-	**42**	-	-	-	-	**-**
Ges.Car. S.r.l.	18	20	-	-	**38**	-	-	-	-	**-**
Global Service Logistics S.r.l.	31	-	-	55	**86**	1	4,392	-	-	**4,393**
Global Service S.r.l.	1	68	-	254	**323**	13	692	-	2	**707**
Guardamiglio S.r.l.	258	48	-	1	**307**	-	-	-	-	**-**
In.Al.Sarda S.r.l.	29	12	-	-	**41**	-	-	-	-	**-**
INALCA S.p.A.	312	1,257	4	70	**1,643**	4	20	224	-	**248**
Interjet S.r.l.	88	39	-	-	**127**	-	216	-	-	**216**
MARR S.p.A.	31	966	-	13,771	**14,768**	12	9	4,201	26	**4,248**
Momentum Services Ltd.	-	612	-	204	**816**	20	30	-	-	**50**
Montana Alimentari S.p.A.	69	564	2	50	**685**	1,289	77	3,342	6	**4,714**
Railrest S.A.	-	528	-	184	**712**	56	-	-	-	**56**
Realfood 3 S.r.l.	1	130	-	1	**132**	14	-	-	-	**14**
Roadhouse Grill Italia S.r.l.	245	492	2	100	**839**	-	5	-	-	**5**
Salumi d'Emilia S.r.l.	1,099	167	-	11	**1,277**	-	-	-	-	**-**
Sara S.r.l.	15	4	-	-	**19**	2	-	-	-	**2**
SGD S.r.l.	4	12	-	-	**16**	32	188	-	-	**220**
Società Agricola Bergognina S.r.l.	-	-	-	-	**-**	-	-	-	-	**-**
Soc. Agr. Corticella S.r.l.	881	18	-	3	**902**	-	-	-	-	**-**
Tecnostar Due S.r.l.	10	23	-	3	**36**	1	81	-	-	**82**
Time Vending S.r.l.	-	46	32	46	**124**	2	13	3	-	**18**
Total subsidiaries	**4,078**	**6,241**	**42**	**15,367**	**25,728**	**1,469**	**6,207**	**7,854**	**34**	**15,564**
Associated companies:										
RealBeef S.r.l.	-	6	-	-	6	-	-	-	-	**-**
Total associated companies	**-**	**6**	**-**	**-**	**6**	**-**	**-**	**-**	**-**	**-**
Related companies:										
Fiorani & C. S.r.l.	-	36	-	-	36	-	-	-	-	**-**
Total related companies	**-**	**36**	**-**	**-**	**36**	**-**	**-**	**-**	**-**	**-**

(a) Other revenues include dividends from subsidiaries

Annex 3 - Statement of changes in tangible assets for the financial year ended as at 31 December 2007

(in thousands of Euros)	Opening position		
	Initial cost	Depreciation provision	Balance at 31.12.2006
Land and buildings	78,442	(8,858)	69,584
Plant and machinery	24,165	(16,319)	7,846
Industrial and business equipment	5,153	(4,362)	791
Other assets	17,508	(11,309)	6,199
Fixed assets under construction and advances	691		691
Total	**125,959**	**(40,848)**	**85,111**

Changes over the period				Closing position		
Acquisitions	Net decreases	Reclass./ Other changes	Depreciation	Initial cost	Depreciation provision	Balance at 31.12.2007
2,430	(108)	683	(1,481)	81,307	(10,199)	71,108
795	(97)	1,565	(1,390)	26,028	(17,309)	8,719
550	(3)	33	(407)	5,666	(4,702)	964
807	(131)	523	(1,307)	17,566	(11,475)	6,091
2,886	(81)	(3,174)		322		322
7,468	**(420)**	**(370)**	**(4,585)**	**130,889**	**(43,685)**	**87,204**

Annex 4 - Statement of changes in intangible assets for the financial year ended as at 31 December 2007

(in thousands of Euros)	Opening position		
	Initial cost	Amortization provision	Balance at 31.12.2006
Patents and intellectual property rights	1,382	(1,263)	119
Concessions, licences, trademarks and similar rights	371	(250)	121
Fixed assets under development and advances	1,029		1,029
Other intangible assets	2,587	(1,221)	1,366
Total	**5,369**	**(2,734)**	**2,635**

	Changes over the period			Closing position		
Acquisitions Other changes	Net decreases	Reclass./ Write-downs/	Amortization	Initial cost	Amortization provision	Balance at 31.12.2007
99	(6)	116	(167)	1,590	(1,429)	161
35			(21)	406	(271)	135
242	(102)	(661)		508		508
67	(21)	437	(289)	3,062	(1,502)	1,560
443	**(129)**	**(108)**	**(477)**	**5,566**	**(3,202)**	**2,364**

Annex 5 - List of equity investments classified under non-current assets as at 31 December 2007

(in thousands of Euros) Company name	Percentage	Initial value	Purchases or subscriptions
Subsidiaries:			
Autoplose GmbH in liquidation	100.00	611	
Chef Express S.p.A.	100.00	23,829	2,000
Cons. C. Comm. Ingr. Carni S.r.l.	85.92	5,285	27
Cremonini Rail Iberica S.A.	100.00	3,870	805
Cremonini Restauration S.A.S.	86.00	195	
Domogel S.r.l in liquidation	100.00	-	
Fernie S.r.l. in liq.	95.00	527	
Global Service S.r.l.	100.00	136	
INALCA S.p.A.	100.00	145,093	
Interjet S.r.l.	100.00	1,594	
MARR S.p.A.	57.19	60,547	645
Momentum Services Ltd.	51.00	188	
Montana Alimentari S.p.A.	100.00	45,510	
Mutina Consulting S.r.l. liquidated	99.90	18	
Railrest S.A.	51.00	255	
Roadhouse Grill Italia S.r.l.	100.00	4,408	
SGD S.r.l.	50.00	42	
Società Agricola Bergognina S.r.l.	94.00	94	
Tecno-Star Due S.r.l	60.00	8	
Time Vending S.r.l.	80.00	80	
Total subsidiaries		**292,290**	**3,477**
Associated companies:			
Az. Agr. Serra della Spina S.r.l. in liq.	33.33	10	
Emilia Romagna Factor S.p.A.	15.42		5,597
Food & Co. S.r.l.	30.00	3	
Total associated companies		**13**	**5,597**
Other companies:			
Emilia Romagna Factor S.p.A.		2,806	
Futura S.p.A.		600	
Other minor companies		191	
Total other companies		**3,597**	**-**
Total equity investments		**295,900**	**9,074**

Disposals	(Write-downs) Revaluations	Other changes	Percentage	Final value
			100.00	611
			100.00	25,829
			86.69	5,312
	(941)		100.00	3,734
			86.00	195
			-	-
			95.00	527
			100.00	136
			100.00	145,093
	(1,033)		100.00	561
			57.12	61,192
			51.00	188
			100.00	45,510
	(2)	(16)		-
			51.00	255
			100.00	4,408
			50.00	42
			94.00	94
			60.00	8
			80.00	80
-	**(1,976)**	**(16)**		**293,775**
	(10)			-
		2,806	22.80	8,403
			30.00	3
-	**(10)**	**2,806**		**8,406**
		(2,806)		-
				600
				191
-	**-**	**(2,806)**		**791**
0	**(1,986)**	**(16)**		**302,972**

Annex 6 - List of equity investments in subsidiaries and associated companies as at 31 December 2007 (Article 2427, paragraph 5, of the Italian Civil Code).

(in thousands of euros) Name	Registered office	Capital stock (in Euro if not otherwise stated)	Net profit (loss) for the year ended at 31.12.07
Subsidiaries:			
Autoplose GmbH in liquidation	Matrei (Austria)	36,336	8
Chef Express S.p.A.	Castelvetro di Modena (MO)	4,500,000	(2,017)
Cons. Centro Comm. Ingrosso Carni S.r.l.	Bologna	1,500,000	311
Cremonini Rail Iberica S.A.	Madrid (Spain)	2,697,006	(539)
Cremonini Restauration S.A.S.	Paris (France)	1,500,000	1,142
Fernie S.r.l. in liquidation	Modena	1,033,000	(15)
Global Service S.r.l.	Castelvetro di Modena (MO)	93,000	161
INALCA S.p.A.	Castelvetro di Modena (MO)	140,000,000	(9,366)
Interjet S.r.l.	Castelvetro di Modena (MO)	1,550,000	(520)
MARR S.p.A.	Rimini	33,262,560	27,950
Momentum Services Ltd	Birmingham (Great Britain)	GBP 225,000	1,600
Montana Alimentari S.p.A.	Gazoldo degli Ippoliti (MN)	40,248,000	1,172
Railrest S.A.	Brussels (Belgium)	500,000	2,241
Roadhouse Grill Italia S.r.l.	Castelvetro di Modena (MO)	4,000,000	26
SGD S.r.l.	Castelvetro di Modena (MO)	83,000	25
Società Agricola Bergognina S.r.l.	Castelvetro di Modena (MO)	100,000	(24)
Tecno-Star Due S.r.l	Formigine (MO)	10,400	-
Time Vending S.r.l.	Castelvetro di Modena (MO)	100,000	48
Total subsidiaries			
Associated companies:			
Emilia Romagna Factor S.p.A.	Bologna	25,000,000	1,913
Food & Co S.r.l.	Roma	150,000	4
Total associated companies			

NOTES

(a) -The data refers to the reporting used for the consolidation as at 31 december 2007 as much as the Company ends it's financial year on the 30th September every year.

(b) - Figures refer to liquidation balance sheet

Net equity at 31.12.07	Percentage held at 31.12.07	Carrying value (A)	Valuation based on NE (B)	Difference (B) - (A)	Notes
619	100.00%	611	619	8	(a)
3,521	100.00%	25,829	21,315	(4,514)	
2,512	86.69%	5,312	3,280	(2,032)	
810	100.00%	3,734	4,315	581	
2,692	86.00%	195	2,347	2,152	
1,062	95.00%	527	1,009	482	(b)
318	100.00%	136	302	166	
164,601	100.00%	145,093	178,660	33,567	
551	100.00%	561	551	(10)	
177,736	57.12%	61,192	88,787	27,595	
1,888	51.00%	188	959	771	
37,550	100.00%	45,510	47,412	1,902	
2,855	51.00%	255	1,456	1,201	
5,089	100.00%	4,408	5,229	821	
244	50.00%	42	55	13	
75	94.00%	94	58	(36)	
9	60.00%	8	6	(2)	
148	80.00%	80	116	36	
		293,775	**356,476**	**62,701**	
38,246	22.80%	8,403	8,720	317	
12	30.00%	3	4	1	
		8,406	**8,724**	**318**	

STATUTORY AUDITORS' REPORT

BOARD OF STATUTORY AUDITORS' REPORT PURSUANT TO ART. 153 OF LAW DECREE 58/1998 AND ART. 2429 OF THE ITALIAN CIVIL CODE. (FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT 31.12.2007)

Dear Cremonini S.p.a. Shareholders,

We are complying with this report, which includes compliance with art. 2429 of the Italian Civil Code, with the provisions of art. 153 of Legislative Decree no. 58 of 24.2.1998 that provides the Board of Statutory Auditors with the obligation of reporting on the supervisory activities that it has conducted to the Shareholders' Meeting, as well as the facility to make proposals on the financial statements, their approval and matters of its authority

During the course of the financial year we have observed the duties mentioned in art. 149 of the aforesaid Legislative Decree 58/1998 and carried out our work in accordance with the behaviour principles recommended by the Professional Orders.

We have participated in the meetings of the Board of Directors, during the course of which the Directors advised us on the business conducted and transactions of significant equity and financial importance, which have been carried out or planned by the Company and/or by its subsidiaries.

In this regard, we have ascertained that the transactions approved and carried out conform to the law and By-laws, as well as being based on principles of correct administrative conduct, which do not contrast with resolutions passed at shareholders' meetings or are in conflict of interest.

The Company's organisational structure is suitable for its size. The meetings held with the heads of functions and with the representatives of the company in charge of auditing have always allowed us to collect the necessary information with regard to compliance with the principles of diligent and correct administrative conduct.

Internal control, meaning a system that has the task of verifying compliance with internal procedures - operational as well as administrative - adopted for the purpose of guaranteeing a correct form of management, as well as preventing possible risks of a financial and operational nature, appears substantially adequate for the Company's size. We have always attended, individually or collectively, the meetings of the Internal Control Committee.

The directives imparted by the Company and the information received from its subsidiaries pursuant to art. 114 of Legislative Decree 58/1998 also seem adequate.

The Board of Directors, within the timing of the law, has provided us with its interim and annual report and has also provided the other periodical reports, again pursuant to law.

To the extent of our area of competence, we can attest that:

- the financial statements have been drafted in conformity with the international accounting standards and according to the indications of Consob. In this regard, we have verified the observance of the legal rules and regulations and carried out the checks within the limits mentioned in art.149 of Legislative Decree 58/1998;
- the Explanatory Notes to the financial statements, further to the indications required by the Italian Civil Code, provide all the information required by the legal rules and regulations deemed appropriate to represent the equity and financial situation of the Company;
- the Directors' Report contains the appropriate information regarding operations, deemed exhaustive and complete;
- the obligation to provide information to the Board of Statutory Auditors, pursuant to art. 150 of Legislative Decree 58/1998 and art. 21 of the By-laws, has been fulfilled by the Directors according to the due periodicity, through the information and data reported during the course of the Board of Directors' meetings;
- there were no atypical or unusual transactions with Group companies, third parties or with related parties. The infra-group transactions related to the exchange of goods and services, as illustrated by the Directors, have been carried out under normal market conditions. In this regard, no profiles of conflict of interest, nor occurrences of manifestly imprudent or risky operations, or liable to cause prejudice to the equity and financial situation of the Company and the Group, have been brought to our attention nor have emerged;
- the audit certification report, issued by Reconta Ernst & Young pursuant to art. 156 of Legislative Decree 58/1998, does not contain significant and referential information, nor related observations or limitations;
- during the course of the financial year, the Board of Directors has held ten meetings, which we have always attended;
- during the course of the financial year, the Statutory Board of Auditors has held ten meetings and has also exchanged information with the external auditors;
- Reconta Ernst & Young or parties connected to the latter do not have continuous relationships, nor have additional assignments to auditing been given to them;
- no reports pursuant to art. 2408 of the Italian Civil Code, nor exhibits in general, have been received by the Board of Statutory

Auditors from Shareholders;

- during the course of the financial year we have issued the opinions required of the Board of Statutory Auditors pursuant to the law and By-laws;
- the Company, in compliance with the provisions of the Self-regulatory Code for Corporate Governance and Issuers' Regulations, has conformed with the directives for listed companies;
- the Company has approved several amendments to the By-laws for the purpose of updating the text to the provisions of Law no. 262/2005 and Legislative Decree no. 305/2006. Such amendments have affected, among others, the rules for the appointment of Directors and Statutory Auditors, as well as the introduction of the person of "executive responsible for preparing accounting documents". In this regard and pending the favourable opinion of the Board of Statutory Auditors, the Board of Directors has arranged for the appointment of Mr. Stefano Lalumera by resolution dated 7 August 2007.

The Board of Statutory Auditors, on the basis of its audit checks carried out during the financial year, deems that it can give its favourable opinion with regard to your approval of the financial statements for the year ended on 31 December 2007 and of the Board of Directors' proposal for allocation of the profit.

Castelvetro di Modena, 11 April 2008

THE BOARD OF STATUTORY AUDITORS
The Chairman
(Mr. Giovanni Zanasi)

Standing Statutory Auditor
(Mr. Claudio Malagoli)

Standing Statutory Auditor
(Mr. Ezio Maria Simonelli)

AUDITORS' REPORT

ERNST & YOUNG

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INDEPENDENT AUDITORS' REPORT
pursuant to Article 156 of Legislative Decree No. 58 of February 24, 1998
(Translation from the original Italian text)

To the Shareholders of
Cremonini S.p.A.

1. We have audited the financial statements of Cremonini S.p.A. as of and for the year ended December 31, 2007, comprising the balance sheet, the statement of income, changes in shareholders' equity and cash flows and the related explanatory notes. These financial statements are the responsibility of the Cremonini S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

   For the opinion on the financial statements of the prior year, which are presented for comparative purposes, reference should be made to the auditors' report dated April 12, 2007, issued by other auditors.

3. In our opinion, the financial statements of Cremonini S.p.A. at December 31, 2007 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the measures issued to implement art. 9 of the Italian Legislative Decree n° 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations, the changes in shareholders' equity and the cash flows of Cremonini S.p.A. for the year then ended.

Bologna, April 11, 2008

Reconta Ernst & Young S.p.A.
Signed by: Roberto Tabarrini, Partner

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

Reconta Ernst & Young S.p.A.
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CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER **2007**

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET ASSETS

(in thousands of Euros)	Note	31.12.2007	31.12.2006
Non-current assets			
Tangible asset	1	637,886	595,242
Goodwill	2	148,382	139,894
Other intangible assets	3	8,796	7,352
Investments valued at equity	4	11,950	3,887
Investments in other companies	5	2,686	5,513
Financial instruments / Derivatives	18	-	2,339
Non-current financial receivables	6	3,691	1,833
Deferred tax assets	7	11,706	14,965
Other non-current assets	8	9,420	8,496
Total non-current assets		**834,517**	**779,521**
Current assets			
Inventories	9	225,115	234,248
Biological assets	10	9,684	17,808
Current financial receivables	11	7,116	2,173
relating to related parties		*514*	*525*
Current trade receivables	12	415,038	395,400
relating to related parties		*6,740*	*5,139*
Current tax assets	13	17,164	11,031
Financial assets held for sale		6	-
Financial instruments / Derivatives	18	3,265	-
Cash and cash equivalents	14	128,474	107,169
Other current assets	15	52,342	53,964
relating to related parties		*5*	*12*
Total current assets		**858,204**	**821,793**
Total assets		**1,692,721**	**1,601,314**

BALANCE SHEET LIABILITIES

(in thousands of Euros)	Note	31.12.2007	31.12.2006
Shareholders' Equity			
Share capital	16	67,074	66,918
Reserves		173,051	174,332
Retained earnings		31,484	29,621
Result for the period		10,040	11,627
Shareholders' Equity attributable to the Group		*281,649*	*282,498*
Minority interests' capital and reserves		55,322	51,676
Profit for the period attributable to minority interests		15,203	14,512
Shareholders' Equity attributable to minority interests		*70,525*	*66,188*
Total Shareholders' Equity		**352,174**	**348,686**
Non-current liabilities			
Non-current financial payables	17	315,467	364,355
Financial instruments / Derivatives	18	-	3,272
Employee benefits	19	36,585	42,265
Non-current provisions for risks and charges	20	7,153	5,979
Deferred tax liabilities	21	57,957	63,851
Other non-current liabilities	22	3,726	3,227
Total non-current liabilities		**420,888**	**482,949**
Current liabilities			
Current financial payables	23	434,901	325,969
relating to related parties		*440*	*458*
Financial instruments / Derivatives	24	1,576	-
Current tax liabilities	25	12,117	15,396
Current trade liabilities	26	410,354	370,493
relating to related parties		*2,547*	*4,178*
Other current liabilities	27	60,711	57,821
Total current liabilities		**919,659**	**769,679**
Total liabilities		**1,692,721**	**1,601,314**

INCOME STATEMENT

(in thousands of Euros)	Note	31.12.2007	31.12.2006
Revenues	28	2,445,481	2,311,254
relating to related parties		*5,853*	*2,096*
Other revenues	29	36,958	37,587
relating to related parties		*1,272*	*1,291*
Change in inventories of finished and semi-finished goods		(12,652)	1,076
Capitalisation of internal construction costs		991	717
Costs for purchases	30	(1,690,464)	(1,616,867)
relating to related parties		*(37,767)*	*(19,773)*
Other operating costs	31	(390,759)	(376,592)
relating to related parties		*(2,501)*	*(2,433)*
Personnel costs	32	(240,723)	(218,066)
Amortization and depreciation	33	(44,633)	(41,271)
Write-downs and provisions	33	(10,419)	(10,058)
Revenues from equity investments		(43)	352
relating to related parties		*6*	*14*
Financial (Income)/Charges	34	(47,431)	(31,359)
relating to related parties		*(12)*	*75*
Financial (Income)/Charges - Non recurring	34	-	(1,337)
Result before taxes		**46,306**	**55,436**
Income taxes	35	(21,063)	(29,297)
Result before minority interests		**25,243**	**26,139**
Result attributable to minority interests		(15,203)	(14,512)
Result for the period attributable to the Group		**10,040**	**11,627**

Basic earnings per share		0.0780	0.0903
Diluted earnings per share		0.0780	0.0903

STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY OVER THE FINANCIAL YEAR ENDED AS AT 31 DECEMBER 2007 (NOTE 16)

(in thousands of Euros)				Other reserves			
	Share capital	Nominal value treasury stock in portfolio	Total Share capital	Share premium reserve	Legal reserve	Reserve for IAS adjustments	Reserve for trading treasury stock
Balances at 31 December 2005	**73,746**	**(6,783)**	**66,963**	**78,280**	**14,749**	**79,036**	**1,126**
Allocation of the results of previous year:							
- retained earnings reserve							
- distribution of dividends							
Net effect purchases/sales treasury stock		(45)	**(45)**				(140)
Gain/losses on treasury stock							
Cash flow hedge							
Inalca Cash flow hedge							
Effect of the Stock Option Plan							
Changes in the translation reserve and other changes							
Net profit (loss) for the year ended 31 December 2006							
Balances at 31 December 2006	**73,746**	**(6,828)**	**66,918**	**78,280**	**14,749**	**79,036**	**986**
Allocation of the results of previous year:							
- retained earnings reserve							
- distribution of dividends							
Net effect purchases/sales treasury stock		156	**156**				485
Gain/losses on treasury stock							
Cash flow hedge							
Inalca Cash flow hedge							
Effect of the Stock Option Plan							
Changes in the translation reserve and other changes							
Net profit (loss) for the year ended 31 December 2007							
Balances 30 December 2007	**73,746**	**(6,672)**	**67,074**	**78,280**	**14,749**	**79,036**	**1,471**

Reserve translation differences	Cash flow hedge reserve	Total Reserves	Profits (Losses) carried forward	Result attributable to the Group	Shareholders' Equity attributable to the Group	Minority interests' capital and reserves	Result attributable to minority interests	Shareholders' Equity attributable to minority interests	Total
458	**(51)**	**173,598**	**17,964**	**40,558**	**299,083**	**52,801**	**11,948**	**64,749**	**363,832**
			40,558	(40,558)	**0**	11,948	(11,948)	**0**	**0**
			(29,077)		**(29,077)**	(10,725)		**(10,725)**	**(39,802)**
		(140)			**(185)**				**(185)**
									0
	1,351	**1,351**			**1,351**				**1,351**
			214		**214**				**214**
			383		**383**	286		**286**	**669**
(477)		**(477)**	(421)		**(898)**	(2,634)		**(2,634)**	**(3,532)**
				11,627	**11,627**		14,512	**14,512**	**26,139**
(19)	**1,300**	**174,332**	**29,621**	**11,627**	**282,498**	**51,676**	**14,512**	**66,188**	**348,686**
			11,627	(11,627)	**0**	14,512	(14,512)	**0**	**0**
			(10,295)		**(10,295)**	(10,854)		**(10,854)**	**(21,149)**
		485			**641**				**641**
									0
	38	**38**			**38**				**38**
			484		**484**				**484**
			38		**38**	28		**28**	**66**
(1,804)		**(1,804)**	9		**(1,795)**	(40)		**(40)**	**(1,835)**
				10,040	**10,040**		15,203	**15,203**	**25,243**
(1,823)	**1,338**	**173,051**	**31,484**	**10,040**	**281,649**	**55,322**	**15,203**	**70,525**	**352,174**

CASH FLOW STATEMENTS FOR THE FINANCIAL YEARS ENDED AS AT 31 DECEMBER 2007 AND 2006

(in thousands of Euros)	31.12.2007	31.12.2006
Net profit before minority interests	**25,243**	**26,139**
Amortization and depreciation	44,633	41,271
Net change in Staff Severance Provision	0	2,206
Net change in other provisions and non-monetary income items	3,188	6,661
Reversal of the effects from extraordinary transactions		
Operating cash-flow	**73,064**	**76,277**
(Increase) decrease in receivables from customers	(23,476)	(4,609)
(Increase) decrease in inventories	17,257	(29,809)
Increase (decrease) in payables to suppliers	38,993	27,823
(Increase) decrease in other items of the working capital	(5,605)	(4,257)
Change in working capital	**27,169**	**(10,852)**
CASH-FLOW FROM OPERATING ACTIVITIES	**100,233**	**65,425**
Net (investments) in intangible assets	(12,076)	(8,358)
Net (investments) in tangible assets	(82,665)	(60,267)
Change in financial assets	(12,548)	(28,980)
Net effects from the change in consolidation area	0	0
CASH-FLOW FROM INVESTING ACTIVITIES	**(107,289)**	**(97,605)**
FREE - CASH FLOW BEFORE EXTRAORDINARY TRANSACTIONS	**(7,056)**	**(32,180)**
Cash-flow from extraordinary transactions	**0**	**0**
Cash-flow from distribution of dividends	(22,399)	(39,802)
Capital increases, change in treasury stock and other changes, including those of minority interests	644	(158)
Cash-flow from (for) change in shareholders' equity	**(21,755)**	**(39,960)**
FREE - CASH FLOW	**(28,811)**	**(72,140)**
Opening net financial debt	(584,224)	(512,084)
Cash-flow for the period	(28,811)	(72,140)
Closing net financial debt	**(613,035)**	**(584,224)**
Increase (Decrease) medium-long term borrowings	(48,888)	18,014
Increase (Decrease) medium-long term liabilities for derivatives	(3,272)	(3,055)
Cash flow from (for) medium-long term financial activities	**(52,160)**	**14,959**
CASH FLOW SHORT TERM OF THE PERIOD	**(80,971)**	**(57,181)**
Initial net short term indebtness	(216,596)	(159,415)
Cash flow of the period	(80,972)	(57,181)
Final net short term indebtness	**(297,568)**	**(216,596)**
Increase (Decrease) short term borrowings	108,931	75,598
Changes in other securities and other financial assets	(4,965)	997
Increase (Decrease) short term liabilites for derivatives	(1,690)	(1,448)
Cash flow from (for) short term financial assets	**102,276**	**75,147**
INCREASE (DECREA.) CASH AND CASH EQUIVALENTS	**21,305**	**17,966**
Cash and cash equivalents at the beginning of the period	107,169	89,203
Cash flow of the period	21,305	17,966
Cash and cash equivalents at the end of the period	**128,474**	**107,169**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form and content of the consolidated financial statements

The consolidated financial statements as at 31 December 2007 were prepared in accordance with the accounting policies and measurement criteria laid down by the International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure referred to in Article 6 of the (EC) Regulation No. 1606/2002 of the European Parliament and Council of 19 July 2002, as adopted by Legislative Decree no. 28 of 28 February 2005 as amended, CONSOB communications and resolutions and ordinances promulgated in implementation of art. 9 of Legislative Decree 38/2005.

The financial statements for the year were authorised for publication by the Board of Directors on 25 March 2008.

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

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

For the purpose of comparison, the consolidated financial statements as at 31 December 2007 show the figures for the financial year ended as at 31 December 2006.

The following classifications were utilised:

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

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

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

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

CONSOLIDATION METHODS

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

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

CONSOLIDATION AREA

The consolidated financial statements as at 31 December 2007 include the financial statements of the Parent Company Cremonini S.p.A. and those of the companies it either directly or indirectly controls (including the specifically destined entities), excluding the subsidiaries whose value is not of significance.

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

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

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

The equity investments included in the scope of consolidation as at 31 December 2007, with the indication of the consolidation method, are listed in Annex 6.

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

In particular, compared to 31 December 2006, the following companies have been included in the scope of consolidation:
- New Catering S.r.l., a company 100% acquired by MARR, active in distribution (company acquired during the course of 2007);
- Società Agricola Bergognina S.r.l. (consolidated commencing from 1 January 2007);
- Global Service Logistics S.r.l. (consolidated commencing from 1 January 2007);
- Time Vending S.r.l. (consolidated commencing from 1 January 2007);
- Baldini Adriatica Pesca S.r.l. (company acquired during the course of 2007).

Moreover, during the 2007 financial year, the following occurred:

- A change in the percentage of control in MARR S.p.A. from 57.19% to 57.12% as a combined effect of the dilution deriving from the exercise of part of the stock options originally assigned to the employees and the acquisition of a further 0.12% of the share capital thereof.

CHANGES IN ACCOUNTING STANDARDS

The new IFRS and IFRIC adopted by the EU, in force commencing from 1 January 2007, are shown below with a brief description. The adoption of these revised standards and interpretations has not had effects on the financial statements but has resulted, in some cases, in additional information only.

IFRS 7 Financial instruments: additional information

This standard, adopted by the EU in January 2006 (EC Regulation no. 108-2006), totally substitutes IAS 30 (Information required in the financial statements of banks and financial institutions) and adopts the disclosures section contained in IAS 32 (Financial instruments: exposure in financial statements and additional information) though with changes and additions; consequently, IAS 32 changed its title to "Financial instruments: exposure in financial statements". The new information is shown in various points of the financial statements.

Changes to IAS 1 - Presentation of the financial statements - Information relative to the capital

This standard, adopted by the EU in January 2006 (EC Regulation no. 108-2006), provide that an entity must present information that allows users of its financial statements to evaluate its objectives, policies and capital management procedures. This new information is shown in the continuation of these notes in the paragraph "Capital management policy".

IFRIC 8 Area of application of IFRS 2
On 8 September 2006 the European Commission adopted the IFRIC 8 interpretation (Area of application of IFRS 2) with EC Regulation no. 1329 - 2006. IFRIC 8 specifies that IFRS 2 (Payments based on shares) is applied to contracts in which a company makes payments based on shares, including against services apparently of no value or in any event inadequate. Specifically, IFRIC 8 specifies that, if the value of the identifiable service appears inferior to the fair value of the instrument representative of the shareholders' equity assigned (or liability incurred) such situation typically shows that an additional service was or will be received. The application of this interpretation has not resulted in any effect on the financial statements for the year ended 31 December 2007.

IFRIC 9 Re-determination of the value of the incorporated derivatives
On 8 September 2006, the European Commission adopted with EC Regulation no. 1329-2006 the IFRIC 9 interpretation (Re-determination of the value of the incorporated derivatives). This interpretation specifies that the company must evaluate if incorporated derivatives must be separated from the primary contract and be booked as derivatives at the time when the company itself becomes part of the contract. A subsequent valuation is prohibited unless there is a change of the contractual conditions that significantly modifies the financial flows that otherwise would be required based on the contract, in which case a re-examination is required on the separation of the incorporated derivative. The application of this interpretation has not resulted in any effect on the financial statements for the year ended 31 December 2007.

IFRIC 10 Interim financial reporting and impairment
On 1 June 2007, the European Commission adopted with EC Regulation no. 610-2007 IFRIC 610-2007 (Interim financial statements and value impairment). This interpretation has the object of interaction between the directives of IAS 34 (Interim financial statements) and recording of the losses for value impairment of the goodwill mentioned in IAS 36 and on some financial assets mentioned in IAS 39, and the effect of this interaction on the subsequent interim and annual financial statements. IFRIC 10 clarifies the accounting treatment to be applied, in the annual financial statements or in subsequent interim financial statements, to the value impairment of some assets recorded in a previous interim period (for example, quarterly and half-yearly financial statements) whenever at the period-end the conditions that previously had induced an entity to record a write-down no longer apply (impairment loss). The application of this interpretation has not resulted in any effect on the financial statements for the year ended 31 December 2007.

Future changes in accounting standards
The International Accounting Standards Board and the IFRIC promulgated further standards and interpretations during the year that will come into force in the periods subsequent to the date of these financial statements. The company has not adopted any of these standards and interpretations in advance. The main effects expected from the application of these standards and interpretations are illustrated below.

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

IAS 23 Operating segments
IFRS 8 substitutes IAS 14 for the purpose of aligning itself, with some slight variations, to the "Financial Accounting Standards Board Statement No. 131 Disclosure about Segments of an Enterprise and Related Information". IFRS 8 specifies the manner in which a company should show the data, both annually and in interim reports, with regard to the operating segments and delineates the requisites for communication of the data organised by products and services, geographic area and important customers. IFRS 8 will be adopted from its effective date (1 January 2009). The utilisation of this standard will not have any effect on the financial position but will give additional information.

IFRIC 12 Service concessions arrangements
The IFRIC 12 interpretation was promulgated in November 2006 and will become effective for financial years which commence from 1 January 2008 or subsequently. This interpretation applies to the operators that provide concession services and establishes how to account for the obligations adopted and the rights received in connection with a concession agreement. The Group anticipates that adoption of this standard will not have significant impacts on the financial statements.

IFRIC 13 Customer loyalty programmes
The IFRIC 13 interpretation was promulgated in June 2007 and will become effective for financial years which commence from 1 July 2008 or subsequently. This interpretation requires that the credits conceded to the clientele such as loyalty rewards are booked as a separate component of the sales transactions in which they were granted and consequently that part of the fair value of the consideration received is allocated to rewards and amortised over the period in which the credits/rewards are recovered. The

Group does not expect that this interpretation will have impacts on the financial statements as presently there are no existing loyalty plans.

IFRIC 14 IAS 19 Limitations on assets of a defined benefits plan Minimum funding requirements and their interaction
The IFRIC 14 interpretation was promulgated in July 2007 and will become effective for financial years which commence from 1 July 2008 or subsequently. The interpretation provides indications on how to determine the limit to the excess of a defined benefits plan that can be recorded as an asset in compliance with IAS 19 Employee benefits. The Group does not expect that this interpretation will have impacts on the financial position or on the Group's results as the only defined benefits plan (Staff severance indemnities due at 31 December 2006) is in deficit.

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

IFRS 3R Business Combinations and IAS 27/R Consolidated and separate financial statements
The two revised standards were approved in January 2008 and will come into force from the first financial year subsequent to 1 July 2009. IFRS 3R introduces some changes in the recording of business combinations that will have effects on the amount of goodwill recorded, result for the financial year in which the acquisition takes place and on the results of the subsequent financial years. IAS 27R requires that a change in the amount of the equity investment held in a subsidiary is booked as a capital transaction. As a consequence, this change will not have an impact on goodwill, and will not give rise to either profits or losses. Furthermore, the revised standard will introduce the recording of a loss suffered by a subsidiary as a loss of control of the subsidiary. The changes introduced by standards IFRS 3R and IAS 27R must be applied in a perspective manner and will have impacts on future acquisitions and transactions with minority shareholders.

IAS 1 Revised presentation of the financial statements
The IAS 1 revised standard, Presentation of the financial statements, was approved in September 2007 and will come into force in the first financial year subsequent to 1 January 2009. The standard separates the changes that took place in the shareholders' equity between shareholders and non-shareholders. The schedule of the changes in the shareholders' equity will only include the detail of the transactions with shareholders while all the changes relative to transactions with non-shareholders will be presented on a single line. Furthermore, the standard introduces the "comprehensive income" statement: this statement contains all the revenue and cost items for the period recorded in the income statement, and in addition every other recorded revenue and cost item. The "comprehensive income" statement can be presented in the form of a single statement or in two correlated statements. The company is evaluating how to adjust to the changes to the standard.

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

ACCOUNTING POLICIES

For the purposes of preparing the consolidated financial statements as at 31 December 2007, the same accounting standards and criteria applied in drawing up the IAS-IFRS reconciliation statements for the previous financial year were applied. The most important accounting policies adopted to prepare the consolidated financial statements are shown in the following points:

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

depreciated, even if purchased together with a building, as well as tangible assets held for sale, measured at the lower between the book value and fair value after transfer charges.
Costs for improvement, modernisation and transformation increasing tangible assets are entered as assets in the balance sheet.
The recoverability of the book value of tangible assets is determined by adopting the criteria indicated in the section "Impairment of assets".

The rates applied are the following:

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

Leasing

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

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

Goodwill and other intangible assets

Intangible assets are assets that lack physical substance, controlled by the Group and capable of generating future economic benefits, as well as goodwill, whenever purchased for a valuable consideration.
Identification is defined by reference to the possibility of distinguishing acquired intangible assets from the goodwill. This requirement is normally satisfied when:
(i) the intangible assets are traceable to a legal or contractual right, or
(ii) the asset is separable, that is it may be assigned, transferred, leased out or exchanged autonomously or is an integral part of other assets. Control over the business consists in the power to exploit the future economic benefits deriving from the assets and the possibility of limiting access to it by others.
Intangible assets are entered at cost, measured in accordance with the criteria established for tangible assets. No revaluations are allowed, even in pursuance to specific laws.
Intangible assets with a definite useful life are systematically amortized over their useful life, based on the estimate of the period over which the assets will be used by the Group; the recoverability of their book value is determined by adopting the criteria included in the section "Impairment of assets".
Goodwill and other intangible assets, if any, with an indefinite useful life, are not subject to amortization; the recoverability of their book value is determined at least each year and, in any case, whenever in the presence of events implying a loss in value. As far as goodwill is concerned, verification is made on the smallest aggregate, upon which Management, either directly or indirectly assesses the return on investment, including the goodwill itself (cash generating unit). Write-downs are not subject to value restoration.

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

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

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

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

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

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

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

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

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

Derecognition
A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is cancelled from the financial statements when:
- the rights of the asset to receive financial flows are extinguished;
- the right of the asset to receive financial flows is conserved but there is a contractual obligation to pay the total without delay to a third party;
- the Group has transferred the right to receive financial flows from the asset and (a) it has substantially transferred all the risks and benefits of ownership of the financial asset or (b) it has not substantially transferred or retained all the risks and benefits of ownership of the asset, but has transferred control thereof.

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

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

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

Earnings per share

Basic and Diluted

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

Financial liabilities

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

Accounting treatment of derivative contracts

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

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

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

Employee benefits

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

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

Following the recent reform of the national legislation that regulates the staff severance indemnities for companies with more than 50 employees, the staff severance indemnities maturing from 1 January 2007 are configured as a defined contribution plan, the payments for which when recorded are booked directly to the income statement as a cost. The staff severance indemnities due up to 31.12.2006 remains a defined benefits plan, without future contributions. Accordingly, its valuation is carried out by independent actuaries on the basis of the expected average residual working life of the employees only, no longer considering the remuneration that they earned over a predetermined period of service. The staff severance indemnities due before 1 January 2007 therefore have a calculation variation as an effect of the lack of the actuarial hypotheses, related to the salary increases, previously provided. Specifically, the liability related to the "staff severance indemnities accrued" is actuarially valued at 1 January 2007 without application of the pro-rata (years of service/overall years of service), as the benefits of all employees relative to 31 December 2006 can be considered almost entirely due (with the sole exception of the revaluation) in application of paragraph 67 (b) of IAS 19. It follows that, for the purpose of this calculation, the "current service costs" relative to the future work of employees are to be considered null and void as they are represented by the contributions to the additional welfare funds or the INPS Treasury Fund. The change to the formula calculation indicated above has resulted in profits or losses that are booked in accordance with the rules provided for curtailment by paragraph 109 of IAS 19. As a consequence the "curtailment" effect was booked to the income statement (including any actuarial profits or losses not accounted for previously).

Provisions for liabilities and charges

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

Income taxes

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

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

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

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

Currency translation

Receivables and payables initially expressed in foreign currency are translated into Euro at current exchange rates. The receivables and payables originally expressed in foreign currencies are translated into Euro at the historical exchange rates at the dates of the relative transactions. The exchange rate differences realised on receipt of the receivables and payment of the payables in foreign currencies are recorded in the income statement. At the date of preparation of the annual financial statements the receivables and payables in foreign currencies are translated at the exchange rates prevailing at 31 December 2007 with recording of the relative effects to the income statement and a contra entry to the respective items of the balance sheet.

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

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

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

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

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

Currency	Year-end exchange rate		Average exchange rates	
	2007	2006	2007	2006
Dollars (USA)	1.47210	1.31700	1.37048	1.25560
Dinars (Algeria)	98.25113	93.69440	95.30890	91.43280
Readjustado Kwanza (Angola)	110.42403	105.73100	105.01995	100.95900
Real (Brazil)	2.61078	2.81333	2.66379	2.73313
Roubles (Russia)	35.98546	34.68000	35.01830	34.11107
Zloty (Poland)	3.59350	3.83100	3.78370	3.89586

Stock options

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

Securitization transaction

On 6 January 2007 the Board of Directors of Cremonini S.p.A. approved the commencement of the procedure of early extinction of the transaction for the purpose of taking the opportunity to improve and optimise management of the Cremonini Group's trade receivables and to obtain operating and cost efficiencies.

The securities were reimbursed by the vehicle company on 24 April 2007 (date of coupon payment) utilising the receipts from existing receivables. Consequently the payable for bonds was reclassified to the current liabilities items.

Business combinations

Business combinations are recorded by applying the so-called purchase method (as defined by IFRS 3, "Business combinations"). The purchase method requires that, after having identified the purchaser in the context of the business combination and having determined the purchase cost, all assets and liabilities (including to so-called contingent liabilities) purchased must be valued at their fair value. To this end the company is required to value any intangible assets purchased specifically. Any goodwill is to be calculated in residual form, as the difference between the cost of the business combination (including additional charges and any contingent consideration) and the share pertaining to the company of the difference between assets and liabilities purchase, valued at their fair value.
Any goodwill emerging as described above, just as with any other intangible assets of indefinite life that may have been entered, must not be amortized but subjected to impairment test at least on an annual basis.

Recognition of revenues

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

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

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

Recognition of costs

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

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

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

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

Sector information

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

The principal summarized figures by business sector are shown below:

Breakdown of revenues by sector

(in thousands of Euros)	Year 2007	Year 2006	Change total value	Change %
Production				
Net revenues	990,828	992,688	(1,860)	(0.19)
Intercompany revenues	50,412	51,793		
Total revenues	1,041,240	1,044,481	(3,241)	(0.31)
Gross operating margin	51,003	50,078	925	1.85
Amortization, depreciation and write-downs	(31,634)	(30,535)	(1,099)	3.60
Operating profit (loss)	19,369	19,543	(174)	(0.89)
Distribution				
Net revenues	1,042,356	948,330	94,026	9.91
Intercompany revenues	22,346	24,405		
Total revenues	1,064,702	972,735	91,967	9.45
Gross operating margin	69,470	61,575	7,895	12.82
Amortization, depreciation and write-downs	(9,757)	(8,177)	(1,580)	19.32
Operating profit (loss)	59,713	53,398	6,315	11.83
Catering				
Net revenues	443,900	396,893	47,007	11.84
Intercompany revenues	224	147		
Total revenues	444,124	397,040	47,084	11.86
Gross operating margin	31,391	30,095	1,296	4.31
Amortization, depreciation and write-downs	(10,754)	(8,667)	(2,087)	24.08
Operating profit (loss)	20,637	21,428	(791)	(3.69)
Holding company property and centralized activities				
Net revenues	5,355	10,931	(5,576)	(51.01)
Intercompany revenues	8,516	7,798		
Total revenues	13,871	18,729	(4,858)	(25.94)
Gross operating margin	(2,820)	(2,556)	(264)	10.33
Amortization, depreciation and write-downs	(2,908)	(3,950)	1,042	(26.38)
Operating profit (loss)	(5,728)	(6,506)	778	(11.96)
Consolidation adjustment				
Total revenues	*(81,498)*	*(84,143)*		
Gross operating margin	*(211)*	*(83)*		
Amortization, depreciation and write-downs				
Operating profit (loss)	*(211)*	*(83)*		
Total				
Total revenues	2,482,439	2,348,842	133,597	5.69
Gross operating margin	148,833	139,109	9,724	6.99
Amortization, depreciation and write-downs	(55,053)	(51,329)	(3,724)	7.26
Operating profit (loss)	93,780	87,780	6,000	6.84

Breakdown of revenues from sales and services by geographic area

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

Year 2006 (in thousands of Euros)	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	641,641	65.4	854,122	91.7	264,664	68.1	9,325	93.9	1,769,752	76.6
European Union	152,174	15.5	52,630	5.7	124,173	31.9	444	4.5	329,421	14.3
Extra-EU countries	187,365	19.1	24,417	2.6	133	0.0	166	1.6	212,081	9.1
Total	981,180	100.0	931,169	100.0	388,970	100.0	9,935	100.0	2,311,254	100.0

Consolidated balance sheet structure by business sector

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

As at 31 December 2006 (in thousands of Euros)	Production	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	18,895	77,456	50,390	505		147,246
Tangible assets	416,796	58,472	39,708	80,266		595,242
Equity investments and other financial assets	5,994	453	1,354	4,410		12,211
Total fixed assets	**441,685**	**136,381**	**91,452**	**85,181**	**0**	**754,699**
Trade net working capital						
- *Trade receivables*	149,621	217,985	37,263	5,381	(20,537)	389,713
- *Inventories*	162,407	80,508	8,706	353	82	252,056
- *Trade payables*	(138,973)	(156,177)	(59,252)	(2,702)	19,671	(337,433)
Total trade and net working capital	173,055	142,316	(13,283)	3,032	(784)	304,336
Other current assets	21,205	19,358	8,771	25,907	(18,360)	56,881
Other current liabilities	(16,548)	(15,199)	(35,353)	(22,006)	18,194	(70,912)
Net working capital	**177,712**	**146,475**	**(39,865)**	**6,933**	**(950)**	**290,305**
Staff Severance Provision and other medium/long-term provisions	**(63,545)**	**(21,549)**	**(13,829)**	**(13,171)**		**(112,094)**
Net invested capital	**555,852**	**261,307**	**37,758**	**78,943**	**(950)**	**932,910**

Net consolidated debt broken down by sector

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

As at 31 December 2006 (in thousands of Euros)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(132,742)	(42,473)	(4,248)	(145,940)	(325,403)
- due between 1 and 5 years	(94,443)	(34,466)	(1,238)	(135,063)	(265,210)
- due beyond 5 years	(63,813)	(3,972)	(1,899)	(32,733)	(102,417)
Total payables to banks, bonds and other financial institutions	**(290,998)**	**(80,911)**	**(7,385)**	**(313,736)**	**(693,030)**
Liquidity					
- cash and cash equivalents	14,908	35,751	17,367	39,142	107,168
- other financial assets		903	735		1,638
Total liquidity	**14,908**	**36,654**	**18,102**	**39,142**	**108,806**
Securitization and internal treasury current accounts	**(45,276)**	**(54,221)**	**(26,927)**	**126,424**	
Total net debt	**(321,366)**	**(98,478)**	**(16,210)**	**(148,170)**	**(584,224)**

Significant accounting estimates and assumptions

The application of generally accepted accounting standards for the drafting of the interim financial statements and accounting reports means that the management of the company is required to carry out accounting estimates based on complex and/or subjective judgements, estimates based on previous experience and hypotheses considered reasonable and realistic on the basis of the information known at the time when the estimate is made. The use of these accounting estimates influences the value at which assets and liabilities are entered into the accounts and information on potential assets and liabilities at the date of the financial statements, as well as the amount of revenues and costs over the reference period. Actual results may differ from those estimated because of the uncertainty characterising the hypotheses and the conditions on which the estimates are based.

Below are the accounting estimates of critical importance in the process of drawing up the interim financial statements and accounting reports because involving a high degree of reliance on subjective judgements, assumptions and estimates relating to questions which are by their nature uncertain. A change in the conditions underlying the judgement, assumptions and estimates adopted may have a significant impact on subsequent results.

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

- Estimates adopted to value to impairment of assets

In order to measure any impairment of goodwill entered in the financial statements, the Group has adopted the method previously illustrated in the section on "impairment of assets". The recoverable value was determined on the basis of the calculation of the usable value.
Cash flows of cash generating units attributable to each goodwill/consolidation difference have been inferred for 2007 from the Budget for 2007, and for subsequent years from estimates calculated by corporate management utilising constant growth rates that are never higher than the programmed rate of inflation. The average cost of capital (WACC) of 6.5% (7% per MARR and its subsidiaries) was utilised as the discount rate. The evaluation of any losses in value of the assets (impairment test on goodwill) was carried out annually with reference to 31 December 2007.

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

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

In the shareholders' meeting of 2 September 2003, the subsidiary MARR S.p.A. approved a stock option plan reserved to a number of employees, and authorised the corresponding capital increase to service the plan. The stock option plan provides for the assignment of rights to subscribe for the Company's new ordinary shares, and is split up into two different share incentive stock option plans, one of which reserved to the Chief Executive Officer and to Company managers, and the other to a number of Company employees, both plans designed to spur production and foster the loyalty of these directors, managers and employees towards the Company.

Part of the Options was assigned through resolution adopted by the Board of Directors following approval of the Plan's regulations. As far as the remaining Options are concerned, these regulations state that the Options are to be assigned to the entitled beneficiaries as follows: (i) partly on an annual basis starting from 2003 up to 2007, provided the employment relationship with the Company runs until the date of the shareholders' meeting held to approve the financial statements for the year in question, (ii) partly on an annual basis starting from 2003 to 2007, subject to achievement of the budget objectives set by the Board of Directors of the Company for the year in question, and (iii) partly upon completion of the listing process of the Company's shares, subject to duration of the employment relationship with the Company.

The regulations of the stock option plans, amended as strictly required following the resolution adopted by the shareholders' meeting of 11 March 2005, establish the assignment to the beneficiaries of a maximum amount of 133,131 Options, each of which entitles them to the subscription of 10 ordinary shares of the Company, with a par value of Euro 0.50 each. The exercise price of these options has been determined on the basis on an independent expert's appraisal on 29 August 2003, as being equal to Euro 22.50 per option (Euro 2.25 per share of Euro 0.50).

Reverting to the conditions provided by the Stock Option Plans, the Options are assigned against payment of a consideration equal to three percent of the nominal value of the company's ordinary shares to which the said Options give the right to subscribe.

On 20 June 2005 the recipients of the stock option plan have fully exercised the option rights due on the date of admission to listing. Consequently 836,280 shares have been subscribed and liberated, constituting a part of the capital increase reserved for them by the Shareholders' Meeting on 2 September 2003.

On 30 June 2006 some of the recipients of the stock option plan subscribed for and liberated 158,730 shares, constituting a part of the capital increase reserved for them by the Shareholders' Meeting on 2 September 2003.

On 3 and 4 July 2006 the recipients of the stock option plan who had not exercised the option in the month of June subscribed for and liberated a further 68,630 new shares.

On 30 April 2007 the recipients of the stock option plan subscribed for and liberated the last tranche of 227,360 shares, constituting a part of the capital increase reserved for them by the Shareholders' Meeting on 2 September 2003.

The fair value of the plan was measured by an independent actuary, based on the following assumptions:

- The cost of the stock options was determined as at the date of assignment of the plan (2 September 2003), by assuming the presumable value of Marr S.p.A. as at the date of admission to the regulated market, and based also on the evaluation of the Company delivered by the independent export on 29 August 2003;
- The free risk rates curve was inferred from the Euroswap rates at 31 December 2003;
- The evaluation method used is the Monte Carlo method;
- The flow of expected dividends was inferred from the Business Plan approved by the Board of Directors;
- The estimated volatility of the MARR stock (pre-listing) was inferred from the history of the Cremonini stock.

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

The valuation of the staff severance provision was made by an independent actuary on the basis of the following assumptions:
- the expected inflation rate is 2%;
- * the discounting back rate used is 4.85%;
- ** the expected rate of increase in retribution (including inflation) can be split as follows: (i) Directors 4.5%; (ii) White-collar workers/Executives 3%; (iii) Blue-collar workers 3%;
- the expected annual rate of increase in the staff severance provision is 3%;

- the turnover of employees was 10%, with the exception of the Alisea and Sfera companies for which the turnover rate was 9%.

* With regard to the re-determination of the Staff Severance Indemnities Provision at 31 December 2006, following the changes made by Law 27 of December 2006, no. 296 and subsequent Decrees and Regulations, the discounting rate utilised is 4.25% (estimate utilised in the 2006 financial statements).
** The estimates of the expected rates of the remuneration increases are only utilised for the companies with 50 or less employees.

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

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

- the expected voluntary turnover rate is 3%;
- the expected company turnover rate for MARR S.p.A is 8% and 18.5% for the other companies;
- the discounting back rate used is 3%.

▶ Deferred taxes

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

▶ Other estimates and hypotheses utilised

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

- inventory obsolescence;
- amortisation and depreciation
- valuations of other assets.

FINANCIAL RISK MANAGEMENT

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

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

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

Market risks

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

Exchange rate risk

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

The exchange rate changes have impacted:

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

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

Sensitivity analysis
In general, an appreciation of the Euro against other currencies has a negative effect on the pre-tax profit and vice versa.
At 31 December 2007, the effects of an appreciation or depreciation of the Euro of 5% against the foreign currencies in which the Group operates are shown in the following table:

Effects on the pre-tax result:

(in thousands of Euros)	Euro 5% Appreciation	Euro 5% Depreciation
US - Dollars	6,848	(2,603)
GB - Pounds	32	(32)
Angola - Readjustado Kwanza	1,119	(1,119)
Russia - Rubles	720	(720)

Furthermore, a 5% appreciation of the Euro against the American dollar would have determined a reduction of the other shareholders' equity items of 39 thousand Euro ascribable to the change in the cash flow hedge reserve (due to the change in the fair value of the forward contracts on the exchange rates). Instead, a depreciation of the Euro against the Dollar of the same entity would have determined a positive effect of 43 thousand Euro.

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

Sensitivity analysis
At 31 December 2007, a hypothetical increase of 5% in the interest rate, all other variables being equal, would have determined a higher pre-tax charge (and therefore a corresponding reduction of shareholders' equity) of about 1,228 thousand Euro on an annual basis (1,157 thousand Euro at 31 December 2006).

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

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

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

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

(in thousands of Euros)	31.12.2007	31.12.2006
Current trade receivables	415,038	395,400
Other non-current assets	9,420	8,496
Other current assets	52,342	53,964
Total	**476,800**	**457,860**

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

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

Liquidity risk

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

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

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

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

(in thousands of Euros)	Within 12 months	1-5 years	Over 5 years	Total
31 December 2007				
Financial payables	434,901	247,414	68,053	750,368
Financial instruments / Derivatives	1,576	-	-	1,576
Trade Liabilities	410,354	-	-	410,354
	846,831	**247,414**	**68,053**	**1,162,298**
31 December 2006				
Financial payables	325,969	261,938	102,417	690,324
Financial instruments / Derivatives	-	3,272	-	3,272
Trade Liabilities	370,493	-	-	370,493
	696,462	**265,210**	**102,417**	**1,064,089**

Classes of financial instruments

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

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

(in thousands of Euros)		31 December 2006	
Balance Sheet Assets	**Loans and Receibles**	**Derivates utilised for hedging**	**Total**
Non-current financial receivables	-	2,339	2,339
Other non-current receivable items	1,833	-	1,833
Current financial receivables	8,496	-	8,496
Current trade receivables	2,173	-	2,173
Current derivative financial instruments	395,400	-	395,400
Current tax receivables	11,031	-	11,031
Cash and cash equivalents	107,169	-	107,169
Other current receivable items	53,964	-	53,964
Total	**580,066**	**2,339**	**582,405**
Balance Sheet Liabilities	**Other financial liabilities**	**Derivates utilised for hedg.**	**Total**
Non-current financial payables	364,355	-	364,355
Current financial payables	3,272	-	3,272
Derivative financial instruments	325,969	-	325,969
Total	**693,596**	**-**	**693,596**

Capital management policy

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

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

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

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

Other information

With reference to censurable facts, it should be noted that:

- with reference to information on the summons issued to the Chairman of the Board of Cremonini S.p.A. relative to an alleged cash bribe to a civil servant, the Rome judge has pronounced an absolution ruling as there was no evidence of the fact;

- the Turin Court of Appeal Turin decreed the absolution of the Chairman of the Board of Cremonini S.p.A. and an executive of the subsidiary INALCA S.p.A. relative to a sentence for the alleged offence of "misleading advertising" as there was no evidence of the fact;

- with reference to the penal sentence decree, contested by the person concerned as the alleged offence could have been committed by others, issued by the Judge of the Rome District Small Claims Court against the Chief Executive Officer of the catering sector relating to the supply of foods conservatives, the state of which was not indicated in the menu available for customers, the fine inflicted was Euro 671;

- The Parma Court decreed the deferment of judgment of the Vice-Chairman of the Board of Directors of Cremonini S.p.A. for complicity in fraudulent bankruptcy relative to the "Parmalat" affair. the first preliminary hearing was fixed within the first half of 2008;

- The Milan Court decreed the deferment of judgment of the Vice-Chairman of the Board of Directors of Cremonini S.p.A. for the offence of market manipulation and obstructing the supervisory functions of CONSOB relative to the "Parmalat" affair. The first instance process is presently pending in the preliminary enquiry phase before the first Penal Section of the Milan Court;

It is observed that, for the last two procedures, this director is a defendant together with many other parties representing the directors and statutory auditors in office of the companies that at the time were recorded for the purpose of the offences.

Even taking into account the consequences of the aforesaid law suits, the figures and information contained in the consolidated financial statements as at 31 December 2007 are correct from a formal and substantial point of view and provide a fair view of the Group's results and financial position.

Information included in the Directors' Report

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

DETAILS OF THE MAIN ITEMS OF THE CONSOLIDATED BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

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

1. Tangible assets

(in thousands of Euros)	Balance at 31.12.2006	Change in consolidation area	Purchases	Decreases	Other	Amorti-zation	Balance at 31.12.2007
Land and buildings	408,420	568	17,942	(199)	13,233	(12,510)	427,454
Plant and machinery	125,028		18,725	(653)	10,586	(21,659)	132,027
Industrial and business equipment	6,399	98	2,124	(114)	220	(2,106)	6,621
Other assets	26,904	142	8,597	(1,903)	1,444	(6,214)	28,970
Fixed assets under construction and advances	28,491		41,326	(1,134)	(25,869)		42,814
Total	**595,242**	**808**	**88,714**	**(4,003)**	**(386)**	**(42,489)**	**637,886**

Land and buildings

The increase in the item Land and buildings above all regarded the Catering (8,842 thousand Euro) and Production (6,183 thousand Euro) sectors.

This change in the catering sector is above all ascribable to Roadhouse Grill S.r.l.'s acquisition of 3 new premises - Ferrara, Corbetta and Bergamo, while in the production sector the increase mainly regarded the investments in the sliced meat department of the Gazoldo degli Ippoliti (MN) factory for Montana S.p.A., the construction of a new de-boning hall for Guardamiglio S.r.l and the improvements made in some factories, as well as the construction of a new department dedicated to production of hamburgers for McDonald's by INALCA S.p.A.

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

At 31 December 2007 seven financial leases were operational, of which one regards the purchase of an aircraft, while the remaining relate to the purchase of property. The summarized figures of these transactions are shown below:

	Building Ca' di Sola	Building Legnano	Building Opera (MI)
Commencement of the lease term	1-12-2004	1-12-2005	21-10-2004
Duration finance lease	96 months	180 months	96 months
Nr. of lease payments	95 months	179 months	96 months
Value of the leased asset	12.4 million Euros	3 million Euros	7 million Euros
Initial payment at the sign of the contract	1,200 thousand Euros	300 thousand Euros	700 thousand Euros
Amount of the monthly payment	117 thousand Euros	18 thousand Euros	72 thousand Euros
Interest rate	Euribor	Euribor	Euribor
Amount of final option	1,200 thousand Euros	300 thousand Euros	350 thousand Euros
2007 payments*	1,532 thousand Euros	253 thousand Euros	872 thousand Euros
Residual value as at 31 December 2007	6.6 million Euros	2.5 million Euros	6.5 million Euros

* Values inclusive of interest indexation.

	Building Corbetta	Building Ferrara	Building Bergamo
Commencement of the lease term	1-03-2007	1-06-2007	1-07-2007
Duration finance lease	180 months	180 months	180 months
Nr. of lease payments	179 months	179 months	179 months
Value of the leased asset	1.6 million Euros	1.3 million Euros	2.9 million Euros
Initial payment at the sign of the contract	163 million Euros	133 thousand Euros	296 thousand Euros
Amount of the monthly payment	10 thousand Euros	8 thousand Euros	19 thousand Euros
Interest rate	Euribor	Euribor	Euribor
Amount of final option	326 thousand Euros	267 thousand Euros	589 thousand Euros
2007 payments*	96 thousand Euros	61 thousand Euros	98 thousand Euros
Residual value as at 31 December 2007	1.4 million Euros	1.2 million Euros	2.6 million Euros

* Values inclusive of interest indexation

	Airplane
Commencement of the lease term	1-02-2006
Duration finance lease	60 months
Nr. of lease payments	59 months
Value of the leased asset	9.2 million Euros
Initial payment at the sign of the contract	922 thousand Euros
Amount of the monthly payment	137 thousand Euros
Interest rate	Euribor
Amount of final option	922 thousand Euros
2007 payments*	1,895 thousand Euros
Residual value as at 31 December 2007	5.9 million Euros

* Value inclusive of interest indexation

Plant and machinery

The major investments were made by INALCA S.p.A. (5,960 thousand Euro) for the construction of a new department for production of hamburgers for McDonald's, by Montana S.p.A. (2,747 thousand Euro) for the construction of a new sliced meat department at the Gazoldo degli Ippoliti (MN) factory, and by Cremonini Restauration S.a.s.(2,105 thousand Euro), MARR S.p.A. (1,752 thousand Euro) and Chef Express (1,245 thousand Euro) for plant and machinery utilised in the conduct of their respective production activities.

Other assets

The main investments justifying the increase with respect to 31 December 2006 were made by MARR S.p.A., principally with reference to vehicles (1,960 thousand Euro), internal transport means and electronic machines (743 thousand Euro), by the subsidiary Roadhouse S.r.l. (1,117 thousand Euro) and Chef Express S.p.A. (1,077 thousand Euro) for the purchase of electronic machines and furniture and fittings for newly opened premises. The highest disinvestment was made by MARR S.p.A. (1,201 thousand Euro) and refers mainly to the sale of vehicles.

Fixed assets under construction and advances

Most of the increases can be accounted for as follows:

- 20,751 thousand Euro for disbursement of advances relative to the construction by the subsidiary Kaskad of a new distribution and production platform for Mc Donald's in Russia.
- 7,829 thousand Euro for construction and refurbishment works at various sales outlets of the subsidiary Chef Express S.p.A.;
- 3,480 thousand Euro for the construction of a new building and new refrigerating cells for the subsidiary Inalca Kinshasa in Africa and,
- investments of 2,777 thousand Euro relative to the refurbishment of various station buffets of Cremonini S.p.A.'s catering division.

The non-current assets are respectively mortgaged or covered by liens for 614 million Euro and 373 million Euro, to secure the loans received.

2. Goodwill

The 8.5 million Euro increase compared to 31 December 2006 is mainly due to:

- the distribution sector's acquisition of New Catering S.r.l. (2.1 million Euro) and the business branch of Cater Roma S.p.A. (3.4 million Euro); specifically, for each of these transactions, temporally the combination cost, awaiting precise determination as at the date of the respective closings (being discussed with the seller) of the classes of assets, liabilities and potential liabilities acquired, was determined at the book values of the acquired company at 31 December 2006, in conformity with the IFRS. The details of the net assets acquired and of the provisionally determined goodwill, are illustrated below:

	Cater Roma	New Catering
Acquisition price	4,093	2,800
Costs directly attributable to the business combination	165	38
Total cost of the business combination	**4,258**	**2,838**
Fair value of assets acquired, liabilities and contingent liabilities assumed	898	742
Goodwill	**3,360**	**2,096**

Book values determined in conformity with the IFRS immediately prior to the combination	Cater Roma	New Catering
Intangible fixed assets	305	86
Inventories	500	500
Securities	-	240
Payables to employee	1,051	13
Payables to employee	-	547
Payables to agents	-	432
Payables to banks	-	25
Suppliers (taking over)	-	5
Intangible fixed assets	-	(393)
Inventories	(108)	(69)
Payables to employee	-	581
Payables to agents	-	(1,037)
Payables to banks	(850)	(164)
Suppliers assumptions	-	(24)
Fair value of assets acquired, liabilities and contingent liabilities assumed	**898**	**742**

- to the catering sector take-overs in railway and bus station buffets for an overall value of 2.5 million Euro.

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

(in thousands of Euros)	Balance at 31.12.2006	Change in consolidation area	Purchases	Decreases	Other	Impairment test	Balance at 31.12.2007
Production - Beef	13,105		618		(582)		13,141
Production - Others	4,892						4,892
Distribution	76,445	64	5,899	(43)	21	(72)	82,314
Catering	45,050		2,618	(35)			47,633
Holding company and services	402						402
Total	**139,894**	**64**	**9,135**	**(78)**	**(561)**	**(72)**	**148,382**

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

3. Other intangible assets

(in thousands of Euros)	Balance at 31.12.2006	Change in consolidation area	Purchases	Decreases	Other	Amortization	Balance at 31.12.2007
Patents and intellectual property rights	2,201	1	1,703	(6)	126	(1,206)	2,819
Concessions, licences, trademarks and similar rights	1,442		2,328	(296)		(417)	3,057
Fixed assets under development and advances	1,522		242	(102)	(1,198)		464
Long-term costs	2,187		293	(21)	477	(480)	2,456
Total	**7,352**	**1**	**4,566**	**(425)**	**(595)**	**(2,103)**	**8,796**

The increase in the item "Industrial patent rights" mainly includes the purchases of corporate software and the fees, specifically indicated in the contracts, paid in connection with the acquisition of the subsidiary New Catering S.r.l. and the Cater Roma S.p.A. business branch that are to be amortised over 5 years, equal to the term of the non-competition agreement of each seller.

The increase in the item "Concessions, licenses, brands and similar rights", is mainly ascribable to the acquisition of the ownership and all rights connected to the Roadhouse Grill brand for 50 European countries for a counter value of 1.1 million USD.

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

Non-current assets under development and advances

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

4. Investments valued at equity

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

Equity investments in subsidiaries

The balance refers to equity holdings in Fernie S.r.l. in liquidation, Inalca Brasil Comercio Ltda, Inalca Hellas in liquidation and Prometex S.a.m.

Equity investments in associated companies

The main changes in the value of the associated companies refer to the increase in the equity investment in Emilia Romagna Factor S.p.A. (8,577 thousand Euro), the write-down of the equity investment in A.OR. Konservni (516 thousand Euro) and write-up of the equity investment in Fiorani & C. S.p.A. (89 thousand Euro) as an effect of the respective financial results included pro-quota in the consolidated financial statements.

With reference to the equity investment in Emilia Romagna Factor S.p.A. it is noted that Cremonini S.p.A has subscribed to the option rights it held in connection with share capital increase approved during the course of 2007 and subscribed for part of the increase for which the options were not taken up. Following this increase Cremonini S.p.A. holds 22.8% of Emilia Romagna Factor S.p.A.'s share capital and, consequently, this equity investment is now reclassified under equity investments in associated companies (previously classified as "Other equity investments").

5. Investments in other companies

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

6. Non-current financial receivables

(in thousands of Euros)	31.12.2007	31.12.2006
Interest-bearing and non-interest-bearing loans to third parties	3,691	1,833
Total	**3,691**	**1,833**

The balance as at 31 December 2007, of 3,691 thousand Euro, is mainly attributable to Marr S.p.A. and regards the portion of receivables after 12 months from haulage contractors for the sale to them of the motor vehicles used for the transport of MARR products.

7. Deferred tax assets

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

8. Other non-current assets

(in thousands of Euros)	31.12.2007	31.12.2006
Trade receivables	269	410
Tax assets	5,531	3,346
Accrued income and prepaid expenses	1,055	2,096
Other receivables	2,565	2,644
Total	**9,420**	**8,496**

Tax assets

The increase in the item Non-current tax credits is mainly attributable to Chef Express S.p.A. and refers to the request for set-off of the VAT receivables accrued in previous financial years.
This item also includes 1,808 thousand Euro for the amount due over one year of the tax receivable due in connection with Law 388 of 23 December 2000 art. 8 relative to the concessions in disadvantaged areas; this amount arises from the Marr S.p.A.'s acquisition of "Euromercato" and "Superfresco" (respectively from "Euro Italia" and "Euro Roma").

Other non-current assets

The other non-current receivables refer to security deposits of 1.0 million Euro and mainly relative to deposits paid by Cremonini S.p.A., Inalca Algerie and Chef Express S.p.A. and 1.5 million of other receivables.

CURRENT ASSETS

9. Inventories

(in thousands of Euros)	31.12.2007	31.12.2006
Raw materials, secondary materials and consumables	18,134	19,928
Work in progress and semi-finished goods	3,291	3,581
Finished goods and goods for resale	203,693	211,178
Advances	547	307
Provision for write-down of inventories	(550)	(746)
Total	**225,115**	**234,248**

10. Biological assets

The amount for biological assets all refers to the valuation of the cattle owned by the Società Agricola Corticella and Guardamiglio in compliance with IAS 41.
The increase in the value of cattle compared to the last financial year was mainly due to the increased number of head remaining (9,779 as at 31 December 2007 compared to 20,853 of 2006).

11. Current financial receivables

(in thousands of Euros)	31.12.2007	31.12.2006
Receivables from subsidiaries	**141**	**135**
Montana Farm s.p.zo.o.	141	135
Receivables from associated companies	**373**	**390**
Az. Agr. Serra della Spina S.r.l.	-	5
Buona Italia Alimentos Ltda.	-	40
Parma France S.a.s	58	-
Farm Service S.r.l.	315	345
Other financial receivables	**6,602**	**1,648**
Interest-bearing and non-interest-bearing loans to third parties	4	168
Treasury receivables from minorities	6,598	1,639
Provision for bad debts	-	(159)
Total	**7,116**	**2,173**

The increase in the balance with respect to 2006 is mainly linked to the increase in financial receivables due to MARR from third parties (4.2 million Euro overall) and Railrest (1.1 million Euro).
Specifically, the receivables for loans to third parties of the subsidiary MARR, all interest-bearing, refer to the financial receivables from transporters (335 thousand Euro) following the sales to the latter of the transport vehicles with which MARR's goods are delivered, services supplier partners (3,633 thousand Euro) and loans to agents (177 thousand Euro).

12. Current trade receivables

Trade receivables are broken down as follows:

(in thousands of Euros)	31.12.2007	31.12.2006
Trade receivables	**408,384**	**390,261**
Due within 12 months	427,567	410,063
Provision for bad debts	(19,183)	(19,802)
Receivables from unconsolidated subsidiaries	**1,086**	**386**
Montana Farm S.p.zo.o.	361	353
Prometex S.a.m.	2	33
Inalca Hellas e.p.e. in liquidation	723	-
Bad debt provision	-	-
Receivables from associated companies	**5,568**	**4,753**
A.O. Konservni	4,450	5,412
Farm Service S.r.l.	136	166
Fiorani & C. S.p.A.	57	267
Food & Co. S.r.l.	44	77
Realbeef S.r.l.	1,604	22
Bad debts provision	(723)	(1,191)
Total	**415,038**	**395,400**

The amount of the receivables from related companies prevalently refers to trade receivables due to Cremonini S.p.A. from A.O. Konservni, INALCA's subsidiary in Russia that produces and markets canned meat. The trade receivables include 86 thousand Euro from related companies.
The Group's bad debt provision is substantially attributable to trade receivables. The amounts shown in the balance sheet are net of provisions for bad debts, estimated by the Group's management on the basis of their historical experience and evaluation of the current economic situation.

At 31 December 2007 the composition of the overdue trade receivables from third parties is the following:

(in thousands of Euros)	31.12.2007		31.12.2006	
	Amount	Bad Debt Prov.	Amount	Bad Debt Prov.
Trade receivables not overdue	304,256	(557)	288,379	(1,098)
Overdue up to 30 days	31,473	(91)	46,387	(165)
Overdue from 31 to 60 days	30,528	(101)	23,760	(25)
Overdue from 61 to 90 days	15,491	(70)	14,053	(37)
Overdue from 91 to 120 days	39,829	(15,304)	29,119	(11,616)
Overdue over 120 days	6,259	(3,060)	8,775	(6,861)
Total	**427,836**	**(19,183)**	**410,473**	**(19,802)**

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

13. Current tax assets

(in thousands of Euros)	31.12.2007	31.12.2006
Receivables for advance on direct taxes	5,098	635
Receivables for withholdings	246	81
VAT credit and other taxes requested for reimbursement	9,014	7,628
Other sundry receivables	2,875	3,068
Bad debts provision	(69)	(381)
Total	**17,164**	**11,031**

At 31 December 2007 the Group showed a tax receivable. The increase balance compared to 31 December 2006 can be attributed to the increase of the item "Receivables for advances on direct taxes".

14. Cash and cash equivalents

(in thousands of Euros)	31.12.2007	31.12.2006
Cash	25,061	30,846
Checks	52	278
Bank and postal accounts	103,361	76,045
Total	**128,474**	**107,169**

The balance represents the cash and cash equivalents and the existence of money in circulation and notes at the financial year-end.
Please refer to the cash flow statement for the year 2007 for the evolution of cash and cash equivalents.

15. Other current assets

(in thousands of Euros)	31.12.2007	31.12.2006
Accrued income and prepaid expenses	5,059	5,985
Other receivables		
Advances to suppliers	33,950	33,060
Receivables from insurance companies	835	2,661
Receivables for contributions to be collected	1,493	828
Receivables from social security institutions	833	1,060
Receivables from agents	2,433	1,883
Receivables from employees	450	589
Down payments	148	30
Guarantee deposits	294	298
Other sundry receivables	8,531	9,489
Provision for bad debts	(1,684)	(1,919)
Total	**52,342**	**53,964**

The "Advances to suppliers" refer, for 31,099 thousand Euro, to the distribution sector and the amount is linked to the re-supply methods typical of that activity; in particular they include payments made to foreign suppliers for goods purchased on a "F.O.B." basis.
As far as receivables from related companies are concerned, it should be specified that other current items include 4 thousand Euro of receivables from Collizzoli S.p.A.

LIABILITIES

Shareholders' equity

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

16. Share Capital

The share capital amounts to 73,746,400 thousand Euro and is represented 141,820,000 ordinary shares of the Parent Company Cremonini S.p.A., fully subscribed and paid-up, with normal rights, with a par value of Euro 0.52 each.

Treasury stock
At 31 December 2007 the Parent Company held 12,831,670 treasury shares (13,131,670 at 31 December 2006).
During the 2007 financial year 300,000 shares were acquired. The amounts paid were shown directly under shareholders' equity.

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

The share premium reserve constitutes the share premium paid by shareholders at the time of the Public Subscription Offer during the course of 1998. The reserve of 78,280 thousand Euro has not changed with respect to 31 December 2006.

The reserve for treasury shares trading includes the profits and losses deriving from the purchase and sale of treasury shares and the amount of the book value of the treasury shares that exceeds the nominal value that has already been charged as a reduction of the share capital.

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

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

The basic earnings per share as at 31 December 2007 amounted to Euro 0.0780 (Euro 0.0903 as at 31 December 2006) and was calculated on the basis of net profits of 10,040 thousand Euro divided by the weighted average number of ordinary shares in 2007, equal to 128,716,549. There is no difference between basic and diluted earnings per share.

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

(in thousands of Euros)	Financial year as at 31.12.2007		
	Capital stock and reserve	Profit/(loss)	Shareholders' equity
Parent Company's shareholders' equity and profit/(loss) for the year	**187,360**	**10,836**	**198,196**
Elimination of carryng value of consolidated subsudiaries:			
- Difference between the carryng value and pro rata shareholder's equity, net of the effects of intra-Group transactions	(29,370)	-	(29,370)
- Pro rata subsidiary profits (losses)	0	12,183	12,183
- Investments write-downs	(1,992)	1,992	0
- Dividends	15,373	(15,373)	0
- Consolidation differences	101,699	-	101,699
Elimination of the effects of commercial transactions between Group companies	(1,652)	399	(1,253)
Adjustment of the financial statement of the consolidated companies in accordance with the Group principles and shareholders' equity valuation of investments	191	3	194
Total adjustments	84,249	(796)	83,453
Group's share of net equity and profit/(loss)	**271,609**	**10,040**	**281,649**
Minorities' share of net equity and profit/(loss)	55,322	15,203	70,525
Consolidated financial statements shareholders' equity and profit/(loss) for the year	**326,931**	**25,243**	**352,174**

Non-current liabilities

17. Non-current financial payables

(in thousands of Euros)	31.12.2007	31.12.2006
Due between 1 and 5 years		
Payables to banks	225,908	244,199
Payables to other financial institutions	21,506	17,739
Total payables due between 1 and 5 years	**247,414**	**261,938**
Due beyond 5 years		
Payables to banks	65,763	97,052
Payables to other financial institutions	2,290	5,365
Total payables due beyond 5 years	**68,053**	**102,417**
Total	**315,467**	**364,355**

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

(in thousands of Euros)	Credit line	Interest Rate	Current portion	Between 1 and 5 years	Beyond 5 years	Balance at 31.12.2007
Overdraft	66,775	Euribor + spread	19,162	3	-	19,165
Advances - Imports	46,650		15,413	-	-	15,413
Advances - Exports	57,400		35,076	-	-	35,076
Advances on invoices Italy	195,258		216,882	-	-	216,882
Advances subj. to collection	158,001	Euribor + spread	3,385	-	-	3,385
Hot Money	86,515	Euribor + spread	38,826	-	-	38,826
Mortgages	-	Euribor + spread	97,784	225,905	65,763	389,452
Total	**610,599**		**426,528**	**225,908**	**65,763**	**718,199**

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

Other financial institutions	Interest rate	Expiry date	Current	Non current	Total 31.12.2007
Leasing					
Locafit S.p.A.	Euribor + spread	2-12-2012	1,217	5,431	6,648
Banca Italease	Euribor + spread	1-12-2020	131	2,323	2,454
Capitalia	Euribor + spread	21-10-2012	824	3,693	4,517
Banca Italease	Euribor + spread	1-06-2022	45	1,134	1,179
Banca Italease	Euribor + spread	1-03-2022	56	1,373	1,429
Banca Italease	Euribor + spread	1-07-2022	96	2,528	2,624
Locafit S.p.A.	Euribor + spread	1-02-2011	1,751	4,142	5,893
Due to Factoring companies	Euribor + spread	-	2,663	-	2,663
Other Relationships	Euribor + spread	-	1,024	3,172	4,196
Total			**7,807**	**23,796**	**31,603**

18. Liabilities from derivative instruments

The Group uses financial instruments offered by the market (including so-called "derivatives") solely with a view to optimizing debt cost and hedging interest and exchange rate fluctuations.
At 31 December 2007 several "interest rate swap" coverage contracts existed that replaced the variable-rate EURIBOR with a fixed rate. These transactions, booked using hedge accounting criteria, are the following:

- "interest rate swap" contract with Deutsche Bank for 41.7 million (expires 25.3.2015);
- "interest rate swap" contract with Cariparma e Piacenza for 17.0 million (expires 11.05.2015);
- "interest rate swap" contract with BNL for 6.6 million (expires 01.04.2012);
- "interest rate swap" contract with BNL for 40.0 million (expires 16.11.2014);
- "interest rate swap" contract with Cariparma e Piacenza for 3.2 million (expires 10.12.2011);
- "interest rate swap" contract with Carisbo (Sanpaolo IMI Group) for 4.4 million (expires 01.07.2014).

The valuation of these hedging contracts resulted in an asset of 3,265 thousand Euro which, in compliance with the IAS, was shown under shareholders' equity and booked to the income statement, neutralizing the financial effects produced by the underlying transactions.

At 31 December 2007 there were also two existing transactions on interest rates that were not booked using hedge accounting criteria. These transactions, for a net notional value of 77.5 million Euro (the net notional value does not take into account transactions cancelled over time by "unwinding" transactions, in other words for equal or minus amounts) are composed of two "interest rate swap" contracts with Cofiri SIM (now the Capitalia group), with due dates ranging from 25.03.2008 to 12.04.2008, which have made it possible to replace a variable EURIBOR rate with the US$ LIBOR rate.

Quantification of estimated losses considering a fair value calculation of the abovementioned transactions, taking into account interest rate trend forecasts, resulted in a liabilities entry of 189 thousand Euro at 31 December 2007 (3,272 thousand Euro at 31 December 2006).

19. Employee benefits

(in thousands of Euros)	31.12.2007	31.12.2006
Staff Severance Provision	36,556	42,184
Other benefits	29	81
Total	**36,585**	**42,265**

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

(in thousands of Euros)	31.12.2007	31.12.2006
Current value of bonds	36,770	43,630
Unrecognised actuarial (loss)/profit	(214)	(1,446)
Total	**36,556**	**42,184**

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

(in thousands of Euros)	31.12.2007	31.12.2006
Opening balance	42,184	39,978
Effect of the change in consolidation area	422	794
Use for the financial year	(5,587)	(6,287)
Financial year provision	1,937	7,776
Other changes	(2,400)	(77)
Closing balance	**36,556**	**42,184**

"Other movements" includes 3,452 thousand Euro relating to the "Curtailment" effect deriving from the actuarial calculation of the staff severance indemnities, conducted in compliance with Law no. 296 of 27 December 2006 ("2007 Financial law") and subsequent decrees and regulations as better described in the "Accounting Principles" section. Following this effect, a negative 1,446 thousand Euro is included in the same item, being actuarial losses not previously accounted for. Both the effects were booked to the income statement under "Personnel costs", the detail for which is shown in note no. 32.

20. Provision for non-current liabilities and charges

(in thousands of Euros)	31.12.2007	31.12.2006
Provisions for taxes	874	117
Labour disputes	1,156	984
Minor lawsuits and disputes	476	919
Supplementary clientele severance indemnity	2,491	2,458
Provision for losses on equity investments	370	423
Provision for future risks and losses	1,786	1,078
Total	**7,153**	**5,979**

As far as Marr S.p.A. is concerned, there is a also a tax dispute pending for alleged breaches of direct taxes (1993-1999) and VAT (tax years 1998-1999) legislation. During the 2004 financial year the Rimini Provincial Tax Commission imposed tax and penalties for an overall amount of 4.7 million Euro plus interest. On 20 December 2004, Marr S.p.A. appealed against the abovementioned ruling to the Bologna Tax Commission. On 16 January 2006 the case came before Section 24 of the Emilia Romagna Regional Tax Commission.
On 3 April 2006 the Bologna Tax Commission, after hearing the reasons presented by the company in the deeds of the II degree of judgement, provided further technical consultation by officially designated experts by the appointment of a Board composed of three professionals to give an opinion, amongst other things, precisely on the matters contended. On 18 November 2006 the Technical Consultation Experts Board) filed its conclusions, stating that: "in summary it can be established that these losses have the pertinence requisite as they are objectively referable to the company's activities". On 15 January 2007 the dispute was again discussed in a public hearing when the CTU's conclusions were represented.

With ruling no. 23/10/07 the Bologna Tax Commission reformed, in a sense favourable to MARR S.p.A., its first instance ruling with reference to four observations on the dispute, however, without any motivation, it completely disregarded the conclusions of the technical consultants that it appointed with reference to the principal observation noted as "CRC" confirming, therefore, the point as laid down by the first instance ruling. Although in the face of the negative result of the second instance ruling, showing that in the same instance of the procedure no less than two technical consultants, perfectly in agreement with each other, prepared by four professionals who are certainly authorative and of whom no less than three appointed by the Tax Commission itself, expressed an opinion without uncertainties fully favourable to MARR S.p.A. and considering that the consultants appointed had already discovered legitimacy defects in the aforesaid ruling such that permit the contestability before the Supreme Court of Cassation and that they consider that the latter will rule in the company's favour prescribing the complete reform of the aforesaid ruling, the directors have not considered it necessary to make a provision, as they consider, supported by the opinion of their consultants, that there are no reasonable conditions that lead to a conclusion of the probable existence of significant liabilities for the company ascribable to the effects of the abovementioned disputes.

MARR S.p.A. paid 1,945 thousand Euro on account of taxes pending judgement; the amount was classified as tax receivables as at 31 December 2007.

Again with reference to MARR S.p.A., during the course of 2007 various disputes arose with the Customs Office regarding the payment of preferential customs duties on some fish imports. With reference to the disputes, the most significant of these relating to some purchases of goods originating from Mauritania, it is noted that a similar dispute involved many other specialised operators in the sector with in the same period. As far as is known the anticipated assessments are still in existence, including between the Customs Authorities of the countries concerned, directed at effectively identifying which, amongst the purchase transactions involved in the investigation, should not benefit from the preferential applied at the time of importation by the Office itself.

21. Deferred tax liabilities

At 31 December 2007 the amount of this item, 57,957 thousand Euro, comprised 52,280 thousand Euro resulting from the application of international accounting standards, the effect of the various amounts of tax-deductible amortization and depreciation compared to that booked, the differing tax handling of leases and 5,677 thousand Euro from effects deriving from consolidation entries, deferred capital gains and other miscellaneous items.

22. Other non-current liabilities

(in thousands of Euros)	31.12.2007	31.12.2006
Accrued expenses and deferred income	1,337	1,381
Payables for acquisition of equity investments/branches of business	1,808	1,564
Payables to Social Security Institutions	3	3
Other payables	578	279
Total	**3,726**	**3,227**

Liabilities for purchase of equity investments refer mainly to acquiring by MARR the business branches of Euromercato and Superfresco in Spezzano Albanese (CS), with acts stipulated in 2005.

CURRENT LIABILITIES

23. Current financial payables

(in thousands of Euros)	31.12.2007	31.12.2006
Payables to unconsolidated subsidiaries		
Fernie S.r.l. in liq.	441	458
Bonds	-	120,829
Payables to banks	426,528	198,184
Payables to other financial institutions	7,807	6,390
Other payables	125	108
Closing balance	**434,901**	**325,969**

The annulment of the bonds payable is justified by the early extinction of the securitization transaction, for which the outstanding debt was completely repaid on 24 April 2007.
With regard to the change in bank loans compared to the previous year you are referred to the cash flow statement and comments in the Directors' Report with reference to the net debt position.
The composition of the item "Payables to other financial institutions" is shown in point 17 above.

Net Debt

As required by CONSOB recommendation no. 6064293 of 28 July 2006 shown below is the overall net financial debt and details of its chief elements.

(in thousands of Euros)	31.12.2007	31.12.2006
A. Cash	25,061	30,846
B. Cash equivalent	103,413	76,323
C. Financial assets held for sale	6	0
D. Liquidity (A) + (B) + (C)	**128,480**	**107,169**
E. Current financial assets	**6,598**	**1,637**
F. Current bank liabilities	426,528	319,013
G. Current financial instruments	(1,689)	0
H. Other current financial liabilities	7,807	6,390
I- Current financial liabilities	**432,646**	**325,403**
J. Current net debt (I) - (E) - (D)	**297,568**	**216,597**
K. Non current bank liabilities	291,671	341,250
L. Bonds	0	0
M. Other non current financial liabilities	23,796	23,105
N. Non current financial instruments	0	3,272
O. Non current debt (K) + (L) + (M) + (N)	**315,467**	**367,627**
P. Net Debt (J) + (O)	**613,035**	**584,224**

Several loan contracts require financial covenants. The bank reserves the right to revoke the loans in the event of failure to comply with the covenants. The covenants on loans in force as at 31 December 2007, completely complied with, are listed in the following table.

(in thousands of Euros)	Efibanca (a)	Carisbo (b)	BNL (b)	San Paolo Multiborr. (b)
Amount of the loans as at 31 December 2007	28,222	20,000	80,000	83,333
Expiry date	30-06-2011	16-10-2011	16-11-2014	25-03-2015
Covenants				
Net Debt/Equity	<= 1.5	<= 2	<= 2	<= 2
Net Debt/Ebitda	<= 3.6	<= 5.5	<= 5.5	<= 5.5

Compliance with covenants is verified annually on the basis of the audited consolidated financial statements, as at 31 December, no other contractual verification is envisaged during the year.
(a) covenants calculated on the MARR Group's consolidated financial statements;
(a) covenants calculated on the Cremonini Group's consolidated financial statements.

24. Liabilities from derivative instruments

The amount all refers to the effects of INALCA transactions for Euro/USD exchange rate options. The notional value of the options receivable is 48.0 million Euro, whereas options payable amount to 85.0 million Euro. At 31 December 2007 the valuation of the aforementioned options has resulted in the recording of a liability of 1,383 thousand Euro.
These options, though allowing partial hedging of the EUR/USD exchange rate risk with regard to receivables from the Company's exports in US dollars do not meet all the conditions envisaged for hedge accounting financial instruments, so these are entered at fair value with income statement set-off.

25. Current taxes payable

(in thousands of Euros)	31.12.2007	31.12.2006
VAT	2,837	2,584
IRAP	805	1,642
IRES	417	4,218
Withholding taxes	5,925	5,470
Substitute taxes and other taxes payable	2,133	1,482
Total	**12,117**	**15,396**

IRAP and IRES payables relate to 2007 financial year taxes not yet paid at the balance sheet date.

26. Current trade payables

(in thousands of Euros)	31.12.2007	31.12.2006
Suppliers	409,192	366,316
Payables to unconsolidated subsidiaries		
Inalca Brasil Comercio Ltda.	(19)	-
Prometex S.a.m.	65	-
Payables to associated companies		
Farm Service S.r.l.	-	10
Fiorani & C. S.p.A.	204	1,264
Parma France S.a.s.	26	584
Parma Turc S.a.s.	-	877
Prometex S.a.m.	-	338
Realbeef S.r.l.	886	1,104
Total	**410,354**	**370,493**

The current payables to suppliers mainly refer to balances deriving from commercial transactions and a payable due to commercial agents. The increase in the balance with respect to 31 December 2007 is mainly attributable to the distribution sector. The trade payables include 1,385 thousand Euro due to related companies.

27. Other current liabilities

(in thousands of Euros)	31.12.2007	31.12.2006
Accrued expenses and deferred income	2,434	1,836
Inps/Inail/Scau	6,242	5,447
Inpdai/Previndai/Fasi/Besusso	223	116
Enasarco/FIRR	590	589
Payables to other social security institutions	6,367	5,048
Other payables		
Advances and other payables to customers	5,441	6,098
Payables for employee remuneration	26,864	24,542
Payables for acquisition of equity investments	3,060	6,494
Guarantee deposits and down payments received	293	463
Payables to directors and auditors	817	1,196
Payables to agents	358	365
Other minor payables	8,022	5,627
Total	**60,711**	**57,821**

Payables to employees include current remuneration still to be paid as at 31 December 2007 and the allocations set aside relating to deferred remuneration.

The item "Due for acquisitions of equity investments" refers mainly to the residual payable for the acquisitions of the Cater Roma S.p.A. business branch. (2.09 million Euro) and New Catering S.r.l. (0.7 million Euro). The reduction with respect to 31 December 2006 is ascribable to the contractually anticipated payments for the acquisitions of Sfera S.p.A. and New Catering S.r.l.

Guarantees, sureties and commitments

(in thousands of euros)	31.12.2007
Direct guarantees – sureties	
- related companies	120
- other companies	68,085
	68,205
Direct guarantees – letter of comfort	
- associated companies	3,486
- other companies	2,169
	5,655
Other risks and commitments	10,821
Total guarantees, sureties and commitments	**84,681**

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

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

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

Company to which the guarantee is provided	Beneficiary	Amount	Reason
Revenue Office/VAT Office Modena	Cremonini S.p.A. and other subsidiaries	32,194	VAT for compensation
Customs Office	Cremonini S.p.A.	17,327	Customs rights
Ferrovie dello Stato nd operating companies (Grandi Stazioni, Cento Stazioni, Fer Servizi, Trenitalia, ecc.)	Cremonini S.p.A.	8,457	Guaranteeing concessions for on-board catering services, station buffets and operation of storage facilities
Other minor items	Cremonini S.p.A. and other subsidiaries	10,107	Administration of rented properties, energy supplies, credit cards, successful conclusion of contracts, etc.
Total		**68,085**	

Direct guarantees - comfort letters
The comfort letters exclusively regard guarantees given to banks for the granting of loans or credit lines and include "simple" comfort letter of the Parent Company for 89,517 thousand Euro.

Indirect guarantees - credit mandates
The credit mandates relate to bank overdrafts and endorsement credits of subsidiaries guaranteed by credit lines granted by banks to the Group.

Other risks and commitments

Details of "Other risks and commitments", for commitments of Group companies, are shown below (in thousands of Euro):

Description	Company to which the risk or commitment refers	Amount
Credit letter of purchase of goods	MARR S.p.A.	5,643
Promise of purchase of property	Roadhouse Grill Italia S.r.l.	4,457
Other sundry	Montana Al. S.p.A. - MARR S.p.A. - Soc. Agr. Bergognina	721
Total		**10,821**

The "commitments to purchase buildings" refer to potential contracts to purchase buildings required to develop the "steakhouse" chain further.

DETAILS OF THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

28. Revenues

Revenues are broken down as follows:

(in thousands of Euros)	2007	2006
Revenues from sales - Finished goods	802,843	821,137
Revenues from sales - Goods for resale	1,310,363	1,191,669
Revenues from sales - Oil	55,221	49,727
Revenues from sales - Others	48,090	42,136
Revenues from services	213,242	190,281
Advisory services to third parties	999	1,269
Rent income	5,504	6,686
Other revenues from ordinary activities	9,219	8,349
Total	**2,445,481**	**2,311,254**

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

(in thousands of Euros)	2007	2006
Italy	1,846,355	1,769,751
European Union	369,295	329,421
Non-EU countries	229,831	212,082
Total	**2,445,481**	**2,311,254**

29. Other revenues

The other revenues can be broken-down as follows:

(in thousands of Euros)	2007	2006
Contributions by suppliers and others	22,249	18,768
Operating grants	1,263	2,054
Other sundry revenues	13,446	16,765
Total	**36,958**	**37,587**

Other sundry revenues

(in thousands of Euros)	2007	2006
Rent income	505	465
Insurance reimbursements	1,719	1,501
Capital gains on disposal of capital goods	373	1,002
Other cost reimbursements	2,672	4,001
Services, consultancy and other minor revenues	8,177	9,796
Total	**13,446**	**16,765**

30. Costs for purchases

(in thousands of Euros)	2007	2006
Costs for purchases - Raw materials	(523,240)	(579,032)
Costs for purchases - Goods for resale	(960,733)	(874,638)
Costs for purchases - Secondary materials, consumables, semi-finished goods, packages	(52,790)	(52,339)
Costs for purchases - Finished goods	(25,790)	(21,675)
Costs for purchases - Oil	(53,412)	(47,825)
Costs for purchases - Stationery and printed paper	(1,823)	(1,658)
Changes in inventories of raw materials, secondary materials, consumables and goods for resale	(4,232)	28,661
Other costs for purchases	(68,444)	(68,361)
Total	**(1,690,464)**	**(1,616,867)**

The "Oil purchases" refer to the sale of fuel in the motorway service stations and the related matching entry is "Revenues from sales - Oil".

31. Other operating costs

(in thousands of Euros)	2007	2006
Costs for services	(334,074)	(326,366)
Costs for leases and rentals	(45,551)	(38,006)
Other operating charges	(11,134)	(12,220)
Total	**(390,759)**	**(376,592)**

Costs for services

(in thousands of Euros)	2007	2006
Energy consumption and utilities	(24,117)	(23,965)
Maintenance and repairs	(16,405)	(15,849)
Transport on sales	(64,055)	(59,316)
Commisions, commercial and distribution services	(81,848)	(80,643)
Third-party services and outsourcing	(36,985)	(38,987)
Purchasing services	(36,166)	(34,953)
Franchising	(4,634)	(5,097)
Other technical and general services	(69,864)	(67,556)
Total	**(334,074)**	**(326,366)**

Costs for leases and rentals

(in thousands of Euros)	2007	2006
Lease of business premises, royalties and others	(27,003)	(22,068)
Costs for leases	(38)	(154)
Leases and rentals related to real and personal property	(18,510)	(15,784)
Total	**(45,551)**	**(38,006)**

The increase in the value of the item "Lease of business premises, royalties and others" refers to the increase in the number of premises and service stations managed by the businesses operating in the catering sector.
With regard to relationships with related companies, it should be noted that "Leases and rentals related to real and personal property" include 744 thousand Euro to Le Cupole S.r.l. for the rental of an industrial property in Rimini, used for some time by Marr S.p.A.

Other operating charges

(in thousands of Euros)	2007	2006
Losses on receivables	(682)	(386)
Indirect taxes and duties	(4,652)	(4,428)
Capital losses on disposal of assets	(597)	(712)
Contributions and membership fees	(661)	(620)
Other minor costs	(4,542)	(6,074)
Total	**(11,134)**	**(12,220)**

32. Personnel costs

(in thousands of Euros)	2007	2006
Salaries and wages	(180,414)	(160,833)
Social security contributions	(52,759)	(47,851)
Staff Severance Provision	(5,886)	(8,020)
Pension and similar provisions	(83)	(241)
Other personnel costs	(1,581)	(1,121)
Total	**(240,723)**	**(218,066)**

The change in personnel costs in mainly impacted by the change in the number of staff in the Group and changes in the scope of consolidation.

At 31 December 2007 the Group's employees totalled 8,226 compared to 7,655 at 31 December 2006, an increase of 571. Of this increase, 183 relate to the change in the scope of the consolidation and the remainder to the effect of the development of the Group's business, above all with regard to Chef Express, Inalca Kinshasa, Global Service Logistics and Cremonini Restauration. The break down by category and average number of employees in 2007 is shown in the following schedule:

	Factory staff	Office staff	Managers	Total
Employees as at 31.12.2006	5,061	2,462	132	7,655
Employees as at 31.12.2007	**5,461**	**2,616**	**149**	**8,226**
Increases (decreases)	400	154	17	571
Average no. of employees during year 2007	**5,470**	**2,470**	**143**	**8,083**

33. Amortization, depreciation and write-downs

(in thousands of Euros)	2007	2006
Depreciation of tangible assets	(42,488)	(39,395)
Amortization of intangible assets	(2,144)	(1,876)
Other write-downs of fixed assets	(72)	(440)
Write-downs and provisions	(10,348)	(9,618)
Total	**(55,052)**	**(51,329)**

34. Financial income and charges

(in thousands of Euros)	2007	2006
Net exchange rate differences	(8,374)	(2,501)
Income (Charges) from management of derivatives	1,231	(1,283)
Net financial Income (Charges)	(40,288)	(28,912)
Total	**(47,431)**	**(32,696)**

Exchange rate differences

(in thousands of Euros)	2007	2006
Realized exchange rate profits	7,701	7,110
Realized exchange rate losses	(12,801)	(6,706)
Unrealized exchange rate profits	6,526	1,451
Unrealized exchange rate losses	(9,311)	(6,171)
Realized income from management of exchange rate derivatives	894	322
Evaluated income from management of exchang rate derivatives	-	1,507
Realized charges from management of exchange rate derivatives	-	(14)
Evaluated charges from management of exchange rate derivatives	(1,383)	-
Total	**(8,374)**	**(2,501)**

The net exchange rate valuation differences refer to the valuation of balance sheet balances in foreign currencies to the existing exchange rates at the end of the financial year.

Income (Charges) from management of derivatives

(in thousands of Euros)	2007	2006
Realized Income from management of derivatives	615	61
Realized Charges from management of derivatives	(2,559)	(4,000)
Valuation Income from management of derivatives	3,175	3,586
Valuation Charges from management of derivatives		(930)
Total	**1,231**	**(1,283)**

Income of 3.2 million Euro can be attributed to the fair value valuation of derivates contracts on interest rates existing at 31 December 2007 that could not be booked with hedge accounting criteria.

Net financial Income (Charges)

(in thousands of Euros)	2007	2006
Financial Income (Charges) due to controlling companies	**0**	**75**
Financial income		
- Bank interest receivable	1,398	812
- Other financial income	2,168	1,438
Total financial income	**3,566**	**2,250**
Financial charges		
- Interest payable on loans	(17,193)	(11,678)
- Interest payable on factoring	(4,034)	(2,629)
- Interest payable on current accounts and others	(17,998)	(9,968)
- Other bank charges	(275)	(422)
- Interest on bonds	(1,615)	(4,839)
- Other sundry charges	(2,739)	(1,701)
Total financial charges	**(43,854)**	**(31,237)**
Total	**(40,288)**	**(28,912)**

The increase in financial charges compared to the last financial year is ascribable to the interest rates trend and the corresponding average equity balances.

35. Income taxes

(in thousands of Euros)	2007	2006
IRES	(14,930)	(15,822)
IRAP	(9,346)	(10,103)
Net deferred tax assets/liabilities	3,213	(3,372)
Total	**(21,063)**	**(29,297)**

Information pursuant to art. 149 - duodecies of the Consob Issuers Regulations

The following schedule shows, as required by art. 149-duodecies of the Consob Issuer's Regulations, the fees for audit and non-audit services for the 2007 financial year.

(in thousands of Euros)	Company that provided the service	Recipient	Fees pertaining to 2007
Audit	PricewaterhouseCoopers S.p.A.	Cremonini S.p.A.	91,350
	PricewaterhouseCoopers S.p.A.	Subsidiaries	169,581
	Reconta Ernst & Young S.p.A.	Cremonini S.p.A.	34,062
	Reconta Ernst & Young S.p.A.	Subsidiaries	207,173
Compliance audit			0
Other services			0
Total			**502,166**

* * * * * *

Castelvetro di Modena, 25 March 2008

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

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS AMENDED

1. The undersigned Vincenzo Cremonini as Chief Executive Officer and Stefano Lalumera, as Executive supervising the preparation of Cremonini S.p.A.'s accounting documents, certify, also taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998 :

- the adequacy in relation to the company's characteristics and
- the effective application

of the administrative and accounting procedures during 2007 for the preparation of the financial statements for the year.

2. The evaluation of the adequacy of the administrative and accounting procedures for the preparation of the consolidated financial statements as at 31 December 2007 is based on a process defined by Cremonini S.p.A. consistent with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission that represents a generally accepted reference framework internationally.

3. It is declared, furthermore, that the financial statements as at 31 December 2007:

- correspond to the books of account and accounting records;
- were prepared in conformity with the International Accounting Standards (IAS/IFRS) promulgated by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with the procedure mentioned in art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and Counsel on 19 July 2002, and in this regard, is appropriate to provide a truthful and correct representation of the equity, economic and financial situation of the issuer and the combination of companies included in the consolidation.

Castelvetro di Modena, 25 March 2008

The Chief Executive Officer

Vincenzo Cremonini

The Executive supervising the preparation
of the company's accounting documents
Stefano Lalumera

ANNEXES

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

- Annex 1 - Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2007;
- Annex 2 - List of revenues and costs from/to subsidiaries, associated, controlling and related companies for 2007;
- Annex 3 - Statement of changes in tangible assets for the financial year ended as at 31 December 2007;
- Annex 4 - Statement of changes in intangible assets for the financial year ended as at 31 December 2007;
- Annex 5 - List of equity investments classified under financial assets as at 31 December 2007 and others;
- Annex 6 - List of equity investments in subsidiaries and associated companies as at 31 December 2007 (Article 2427, paragraph 5, of the Italian Civil Code) with an indication of those falling within the scope of consolidation.

Annex 1 - Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2007

(in thousands of Euros)	Trade		Other		Total	
	Receivables	Payables	Receivables	Payables	Receivables	Payables
Subsidiaries:			(a)			
Fernie S.r.l. in liquidation	-	-	-	440	**-**	**440**
Inalca Brasil Comercio Ltda.	-	(19)	-	-	**-**	**(19)**
Montana Farm S.p.zo.o.	361	-	141	-	**502**	**-**
Prometex S.a.m.	2	82	-	-	**2**	**82**
Total subsidiaries	**363**	**63**	**141**	**440**	**504**	**503**
Associated companies:						
A.O. Konservni	4,450	-	-	-	**4,450**	**-**
Farm Service S.r.l.	143	-	316	-	**459**	**-**
Fiorani & C. S.r.l.	93	500	-	-	**93**	**500**
Food & Co S.r.l.	76	-	-	-	**76**	**-**
Parma France S.a.s.	4	706	58	-	**62**	**706**
Parma Turc S.a.s.	-	392	-	-	**-**	**392**
Realbeef S.r.l.	1,611	886	-	-	**1,611**	**886**
Total associated companies	**6,377**	**2,484**	**374**	**-**	**6,751**	**2,484**
Related companies:						
Collizzolli S.p.A.	-	-	4	-	**4**	**-**
Total related companies	**-**	**-**	**4**	**-**	**4**	**-**

(a) Other receivables include receivables for dividends calculated on the distributable portion of profit for the 2007.

Annex 2 - List of revenues and costs from/to subsidiaries, associated, controlling and related companies for 2007

(in thousands of Euros)	Trade		Other		Total	
	Revenues	Costs	Revenues	Costs	Revenues	Costs
Subsidiaries:						
Fernie S.r.l. in liquidation	-	-	-	2	**-**	**2**
Inalca Brasil Comercio Ltda.	-	202	-	-	**-**	**202**
Montana Farm S.p.zo.o.	-	-	8	-	**8**	**-**
Prometex S.a.m.	9	75	4	-	**13**	**75**
Total subsidiaries	**9**	**277**	**12**	**2**	**21**	**279**
Associated companies:						
Farm Service S.r.l.	512	1,029	-	-	**512**	**1,029**
Fiorani & C. S.r.l.	318	1,585	1,239	24	**1,557**	**1,609**
Parma France S.a.s.	-	5,274	8	-	**8**	**5,274**
Parma Turc S.a.s.	-	5,205	-	-	**-**	**5,205**
Realbeef S.r.l.	4,935	26,130	21	-	**4,956**	**26,130**
Total associated companies	**5,765**	**39,223**	**1,268**	**24**	**7,033**	**39,247**
Related companies:						
Agricola 2000 S.r.l.	5	-	-	-	**5**	**-**
Le Cupole S.r.l.	5	744	-	-	**5**	**744**
Tre Holding S.r.l.	69	-	-	-	**69**	**-**
Total related companies	**79**	**744**	**-**	**-**	**79**	**744**

Annex 3 - Statement of changes in tangible assets for the financial year ended as at 31 December 2007

(in thousands of Euros)	Opening position		
	Initial cost	Depreciation provision	Balance at 31.12.2006
Land and buildings	452,182	(43,762)	408,420
Plant and machinery	266,236	(141,208)	125,028
Industrial and business equipment	22,544	(16,145)	6,399
Other assets	65,567	(38,663)	26,904
Fixed assets under construction and advances	28,491		28,491
Total	**835,020**	**(239,778)**	**595,242**

	Changes over the period					Closing position		
	Net effects of the change in consolidation area	Acquisitions	Net decreases	Reclassif./ Other changes	Depreciation	Initial cost	Depreciation provision	Balance at 31.12.2007
	568	17,942	(199)	13,233	(12,510)	483,257	(55,803)	427,454
		18,725	(653)	10,586	(21,659)	291,648	(159,621)	132,027
	98	2,124	(114)	220	(2,106)	24,731	(18,110)	6,621
	142	8,597	(1,903)	1,444	(6,214)	71,314	(42,344)	28,970
		41,326	(1,134)	(25,869)		42,814		42,814
	808	**88,714**	**(4,003)**	**(386)**	**(42,489)**	**913,764**	**(275,878)**	**637,886**

Annex 4 - Statement of changes in intangible assets for the financial year ended as at 31 December 2007

(in thousands of Euros)	Opening position		
	Initial cost	Amortization provision	Balance at 31.12.2006
Patents and intellectual property rights	10,541	(8,340)	2,201
Concessions, licences, trademarks and similar rights	2,476	(1,034)	1,442
Fixed assets under development and advances	1,522		1,522
Other intangible assets	4,548	(2,361)	2,187
Total	**19,087**	**(11,735)**	**7,352**

	Changes over the period				Closing position		
Net effects change in consolidation area	**Acquisitions**	**Net decreases**	**Reclassification Other changes**	**Amortiz.**	**Initial cost**	**Amortization provision**	**Balance at 31.12.2007**
1	1,703	(6)	126	(1,206)	12,288	(9,469)	2,819
	2,328	(296)		(417)	4,508	(1,451)	3,057
	242	(102)	(1,198)		464		464
	293	(21)	477	(480)	5,786	(3,330)	2,456
1	**4,566**	**(425)**	**(595)**	**(2,103)**	**23,046**	**(14,250)**	**8,796**

Annex 5 - List of equity investments classified under financial assets as at 31 December 2007 and others

(in thousands of Euros) Company name	Percentage	Initial value	Purchases or subscription
Subsidiaries:			
Fernie S.r.l. in liq.	95.00	527	
Global Service Logistics S.r.l.	100.00	100	
Ibis S.p.A. in banckruptcy	98.00	-	
Inalca Brasil Comercio Ltda.	99.80	173	
Inalca Hellas e.p.e. in banckruptcy	95.00	-	285
Montana Farm S.p.zo.o.	100.00	-	
Prometex S.a.m.			112
Società Agricola Bergognina S.r.l.	94.00	94	
Time Vending S.r.l.	80.00	80	
Total subsidiaries		**974**	**397**
Associated companies:			
A.O. Konservni	25.00	1,672	
Az. Agr. Serra della Spina S.r.l. in liq.	33.33	10	
Buona Italia Alimentos Ltda.	49.00	-	
Consorzio I.R.I.S. a r.l.	25.00	3	1
Due Effe Service S.r.l.	24.00	1	
Eurobeef S.r.l.	44.40	130	
Emilia Romagna Factor S.p.A.			5,597
Farm Service S.r.l.	30.00	174	
Fiorani & C. S.p.A.	49.00	433	
Food & Co. S.r.l.	30.00	3	
Masofico S.A.	40.00	-	
Parma France S.a.s.	30.40	404	
Prometex S.a.m.	39.33	59	
Realbeef S.r.l.	24.00	24	
Total associated companies		**2,913**	**5,598**
Other companies:			
Centro Agroalimentare Riminese S.p.A.		280	
Emilia Romagna Factor S.p.A.		2,806	
Futura S.p.A.		600	
Nuova Campari S.p.A.		1,549	
Other minor		278	
Total other companies		**5,513**	**0**
Total equity investments		**9,400**	**5,995**

(a) Write-down exceeding the book value of the equity investment has been allocated to an appropriate provision for risks.
(b) Now included in the scope of consolidation.
(c) Company dissolved on 26 September 2007.
(d) Company now classified under subsidiary companies.
(e) Company now classified under related companies.

Disposals	(Write-downs) Revaluations	Other changes	Percentage	Final value	Notes
			95.00	527	
		(100)	100.00	-	(b)
			98.00	-	
			99.80	173	
	(200)		95.00	85	
			100.00	-	(a)
		59	99.00	171	
		(94)	94.00	-	(b)
		(80)	80.00	-	(b)
0	**(200)**	**(215)**		**956**	
	(516)		25.00	1,156	
	(10)		33.33	-	
			49.00	-	(c)
			25.00	4	
(1)			-	-	
			44.40	130	
	174	2,806	22.80	8,577	
			30.00	174	
	89		49.00	522	
			30.00	3	
			40.00	-	
			30.40	404	
		(59)		-	(d)
			24.00	24	
(1)	**(263)**	**2,747**		**10,994**	
				280	
		(2,806)		-	(e)
				600	
				1,549	
(30)		9		257	
(30)	**0**	**(2,797)**		**2,686**	
(31)	**(463)**	**(265)**		**14,636**	

Annex 6 - List of equity investments in subsidiaries and associated companies as at 31 December 2007 (Article 2427, paragraph 5, of the Italian Civil Code) with an indication of those falling within the scope of consolidation

(in thousands of Euros) Company name	HQ	Share capital (expressed in Euro, unless otherwise indicated)	Result for the financial year ended 31.12.07	Shareholders' equity at 31.12.07
Companies consolidated on a line-by-line basis:				
Alisea S.c.a r.l.	Impruneta (FI)	500,000	454	1,607
As.Ca. S.p.A.	Santarcangelo di Romagna (RN)	518,000	1,263	4,845
Autoplose GmbH in liquid.	Matrei (Austria)	36,336	8	619
Baldini Adriatica Pesca S.r.l.	Santarcangelo di Romagna (RN)	10,000	179	189
Cons. Centro Comm. Ingrosso Carni S.r.l.	Bologna	1,500,000	311	2,512
Chef Express S.p.A.	Castelvetro di Modena (MO)	4,500,000	(2,017)	3,521
Cremonini Restauration S.a.s.	Paris (France)	1,500,000	1,142	2,692
Cremonini Rail Iberica S.A.	Madrid (Spain)	2,697,006	(539)	810
Cremonini SEC S.r.l. in liquid.	Castelvetro di Modena (MO)	10,000	(40)	1
Cremonini S.p.A.	**Castelvetro di Modena (MO)**	**73,746,400**	**10,836**	**198,196**
Frimo S.a.m.	Principate of Monaco	150,000	139	730
Ges.Car. S.r.l.	Castelvetro di Modena (MO)	330,000	226	473
Global Service S.r.l.	Castelvetro di Modena (MO)	93,000	161	318
Global Service Logistics S.r.l.	Castelvetro di Modena (MO)	100,000	-	100
Guardamiglio S.r.l.	Piacenza	4,135,000	(57)	3,917
INALCA S.p.A.	Castelvetro di Modena (MO)	140,000,000	(9,366)	164,601
Inalcammil Ltda.	Luanda (Angola)	Kwanza 810,000,000	240	9,020
Inalca Algerie S.a r.l.	Algeri (Algerie)	DA 20,000,000	178	1,371
Inalca Brazzaville S.a r.l.	Brazzaville (Rep. of Congo)	USD 3,575	167	195
Inalca Kinshasa S.p.r.l.	Kinshasa (Dem. Rep. of Congo)	USD 1,710,000	1,215	4,137
Inter Inalca Angola Ltda.	Luanda (Angola)	Kwanza 900,000	(551)	925
Interjet S.r.l.	Castelvetro di Modena (MO)	1,550,000	(520)	551
In.Al.Sarda S.r.l.	Cagliari	300,000	(293)	(88)
Kaskad L.l.c.	Moscow (Russia)	Ruble 777,180,363	(116)	23,403
Marr Alisurgel S.r.l. in liquid.	Santarcangelo di Romagna (RN)	10,000	65	164
Marr Foodservice Iberica S.A.	Madrid (Spain)	600,000	15	559
Marr Russia L.l.c.	Moscow (Russia)	Ruble 100,000	682	3,422
MARR S.p.A.	Rimini	33,262,560	27,950	177,736
Momentum Services Ltd.	Birmingham (Great Britain)	GBP 225,000	1,600	1,888
Montana Alimentari S.p.A.	Gazoldo degli Ippoliti (MN)	40,248,000	1,172	37,550
New Catering S.r.l.	Santarcangelo di Romagna (RN)	33,900	398	776
Quinto Valore S.c.a r.l.	Reggio Emilia	90,000	-	90
Railrest S.A.	Brussels (Belgium)	500,000	2,241	2,855
Realfood 3 S.r.l.	Castelvetro di Modena (MO)	5,000,000	(1,469)	3,462
Roadhouse Grill Italia S.r.l.	Castelvetro di Modena (MO)	4,000,000	26	5,089
Salumi d'Emilia S.r.l.	Castelvetro di Modena (MO)	5,300,000	922	5,404
Sara S.r.l.	Castelvetro di Modena (MO)	100,000	(409)	(301)
Sfera S.p.A.	Santarcangelo di Romagna (RN)	220,000	11	745
SGD S.r.l.	Castelvetro di Modena (MO)	83,000	25	244
Società Agricola Bergognina S.r.l.	Castelvetro di Modena (MO)	100,000	(25)	75
Società Agricola Corticella S.r.l.	Spilamberto (MO)	5,000,000	(8)	4,878
TECNO-STAR DUE S.r.l.	Formigine (MO)	10,400	-	9
Time Vending S.r.l.	Castelvetro di Modena (MO)	100,000	48	148
Zaklady Miesne Soch. S.p.zo.o.	Warsaw (Poland)	Zloty 1,800,000	(143)	595

Control share at 31.12.07	Shareholding at 31.12.07	Consolidation method	Participants at 31.12.2007	Control share at 31.12.2006	Shareholding at 31.12.2006	Notes
55.00%	31.42%	Line-by-line	MARR S.p.A.	55.00%	31.45%	
100.00%	57.12%	Line-by-line	MARR S.p.A.	100.00%	57.19%	
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	(a)
100.00%	57.12%	Line-by-line	MARR S.p.A.	-	-	
86.69%	86.69%	Line-by-line	Cremonini S.p.A.	86.69%	86.54%	
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
86.00%	86.00%	Line-by-line	Cremonini S.p.A.	86.00%	86.00%	
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
19.00%	19.00%	Line-by-line	Global Service S.r.l.	19.00%	19.00%	
		Parent company				
74.90%	74.90%	Line-by-line	INALCA S.p.A.	74.90%	74.90%	
80.00%	80.00%	Line-by-line	INALCA S.p.A.	80.00%	80.00%	
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
100.00%	100.00%	Line-by-line	Global Service S.r.l.	100.00%	100.00%	
100.00%	100.00%	Line-by-line	INALCA S.p.A.	100.00%	100.00%	
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
99.90%	99.90%	Line-by-line	INALCA S.p.A.	99.90%	99.90%	(b)
55.00%	55.00%	Line-by-line	INALCA S.p.A.	55.00%	55.00%	(b)
97.90%	53.85%	Line-by-line	Inalca Kinshasa S.p.r.l.	97.90%	53.85%	(b)
55.00%	55.00%	Line-by-line	INALCA S.p.A.	55.00%	55.00%	(b)
100.00%	100.00%	Line-by-line	INALCA S.p.A.	100.00%	100.00%	(b)
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
100.00%	100.00%	Line-by-line	INALCA S.p.A.	100.00%	100.00%	
100.00%	100.00%	Line-by-line	INALCA S.p.A.	100.00%	100.00%	(b)
100.00%	57.12%	Line-by-line	MARR: 97%; Sfera: 3%	100.00%	57.19%	
100.00%	57.12%	Line-by-line	MARR S.p.A.	100.00%	57.19%	
60.00%	60.00%	Line-by-line	Kaskad L.l.c.	60.00%	60.00%	(b)
57.12%	57.12%	Line-by-line	Cremonini S.p.A.	57.19%	57.19%	
51.00%	51.00%	Line-by-line	Cremonini S.p.A.	51.00%	51.00%	
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
100.00%	57.12%	Line-by-line	MARR S.p.A.	-	-	
50.00%	50.00%	Proportional	INALCA: 47%; Realfood 3: 3%	50.00%	50.00%	
51.00%	51.00%	Line-by-line	Cremonini S.p.A.	51.00%	51.00%	
100.00%	100.00%	Line-by-line	INALCA S.p.A.	100.00%	100.00%	
100.00%	100.00%	Line-by-line	Cremonini S.p.A.	100.00%	100.00%	
100.00%	100.00%	Line-by-line	Montana Alimentari S.p.A.	100.00%	100.00%	
100.00%	100.00%	Line-by-line	INALCA S.p.A.	100.00%	100.00%	
100.00%	57.12%	Line-by-line	MARR S.p.A.	100.00%	57.19%	
50.00%	50.00%	Line-by-line	Cremonini S.p.A.	50.00%	50.00%	
94.00%	94.00%	Line-by-line	Cremonini S.p.A.	94.00%	94.00%	
100.00%	100.00%	Line-by-line	INALCA S.p.A.	100.00%	100.00%	
60.00%	60.00%	Line-by-line	Cremonini S.p.A.	60.00%	60.00%	
80.00%	80.00%	Line-by-line	Cremonini S.p.A.	80.00%	80.00%	
90.00%	90.00%	Line-by-line	INALCA S.p.A.	90.00%	90.00%	(b)

(continue Annex 6)

continue Annex 6

(in thousands of Euros) Company name	HQ	Share capital (expressed in Euro, unless otherwise indicated)	Result for the financial year ended 31.12.07	Shareholders' equity at 31.12.2007
Investments valued at equity:				
Associated companies:				
A.O. Konservni	Stavropol (Russia)	USD 1,785	(1,721)	2,087
Emilia Romagna Factor S.p.A.	Bologna	25,000,000	1,913	38,246
Fiorani & C. S.p.A.	Piacenza	500,000	477	1,371
Food & Co. S.r.l.	Rome	150,000	4	12
Investments valued at cost:				
Subsidiaries				
Fernie S.r.l. in liquidation	Modena	1,033,000	(15)	1,062
Ibis S.p.A. in bankruptcy	Busseto (PR)	471,750	17	(8,592)
Inalca Brasil Comercio Ltda.	Sao Paulo (Brazil)	Reais 521,481	(11)	87
Inalca Hellas e.p.e. in liquidation	Athens (Greece)	154,600	65	(320)
Montana Farm S.p.zo.o.	Platyny (Poland)	Zloty 3,394,000	12	(439)
Prometex S.a.m.	Principate of Monaco	150,000	2	205
Associated companies:				
Consorzio IRIS a r.l.	Bolzano	10,000	(2)	20
Eurobeef S.r.l.	Rovigo	90,000	(169)	(52)
Farm Service S.r.l.	Reggio Emilia	500,000	2	939
Masofico S.A.	Nouakchott (Mauritania)	OuguiYa 9,600,000	-	-
Parma France S.a.s.	Lione (Francia)	1,000,000	101	1,454
Realbeef S.r.l.	Flumeri (AV)	100,000	2	77

NOTES
(a) The figures refer to the reports utilised for the consolidation as at 31.12.2007 as the company's financial year ends on 30 September of each year. / (b) Amounts expressed in Euro resulting from the translation of the original amounts in foreign currencies. / (c) A liabilities provision was raised against the equity deficit. / (d) The figures shown in the financial statements refer to the last equity situation drawn up by the bankruptcy curator as at 31.12.2007 / (e) The figures refer to 31 December 2005, the last financial statements available. / (f) Figures not yet available. / (g) The figures refer to 31 December 2006, the last financial statements available.

Control share at 31.12.07	Shareholding at 31.12.07	Book value (A)	Portion of the Shareholders' Equity (B)	Difference (B) - (A)	Participants at 31.12.2007	Control share at 31.12.06	Shareholding at 31.12.06	Notes
25.00%	25.00%	1,156	522	(634)	INALCA S.p.A.	25.00%	25.00%	(b) (g)
22.80%	22.80%	8,577	8,720	143	Cremonini S.p.A.			
49.00%	49.00%	522	672	150	INALCA S.p.A.	49.00%	49.00%	(g)
30.00%	30.00%	3	4	1	Cremonini S.p.A.	30.00%	30.00%	
95.00%	95.00%	527	1,009	482	Cremonini S.p.A.	95.00%	95.00%	
98.00%	98.00%	-	(8,420)	(8,420)	Montana Alimentari S.p.A.	98.00%	98.00%	(d)
99.81%	99.81%	173	87	(86)	INALCA S.p.A.	99.81%	99.81%	(b) (g)
95.00%	95.00%	85	(304)	(389)	INALCA S.p.A.	95.00%	95.00%	(b) (e)
100.00%	100.00%	-	(439)	(439)	Montana Alimentari S.p.A.	100.00%	100.00%	(b) (c)
98.70%	73.93%	171	202	31	Frimo S.a.m.	39.33%	29.46%	
25.00%	37.50%	4	5	1	Interjet S.r.l.	25.00%	25.00%	(g)
44.40%	44.40%	130	(23)	(153)	INALCA S.p.A.	-	-	
30.00%	30.00%	174	282	108	INALCA S.p.A.	30.00%	30.00%	
40.00%	22.85%	-	-	-	MARR S.p.A.	40.00%	22.88%	(f)
30.40%	30.40%	404	442	38	INALCA S.p.A.	30.40%	30.40%	(g)
24.00%	24.00%	24	18	(6)	INALCA S.p.A.	24.00%	24.00%	(g)

STATUTORY AUDITORS' REPORT

BOARD OF STATUTORY AUDITORS' REPORT PURSUANT TO ART. 41 OF LEGISLATIVE DECREE 127/1991 (CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT 31.12.2007)

Dear Cremonini S.p.a. Shareholders,

The consolidated financial statements provided to you for the year 2007 - Balance Sheet, Income Statement and Explanatory Notes - present a profit of €25,243 thousand and a profit pertaining to the Group of €10,040 thousand.

The documents in question, prepared by the Directors in compliance with the International Accounting Standards (IFRS), were provided to us pursuant to law, together with the detailed schedules and Directors' Report.

The Balance Sheet and Income Statement present the comparative figures of the consolidated financial statements for the preceding financial year.

Information regarding the situation of the group of companies included in the scope of consolidation, and the events that characterised operations, have been provided in the Directors' Report, Explanatory Notes and the relevant schedules, together with the methods of consolidation and valuation criteria.

The information provided by the subsidiaries to the Parent Company, for the drafting of the consolidated financial statements, have been examined by the auditors of the individual companies according to the audit plan prepared by the appointed Bodies; the Board of Statutory Auditors' check was therefore not extended to these financial statements.

The consolidated financial statements have been subjected to audit by Reconta Ernst & Young.

The checks carried out by the external auditors have ascertained that:
- the figures exhibited in this document agree with the accounting records of the Parent Company and the financial statements of the subsidiaries prepared by the Boards of Directors for the respective shareholders meetings and the information submitted by the latter to the Parent Company;
- the determination of the scope of consolidation, choices of accounting principles for the consolidation and the operational procedures adopted for consolidation conform to the prescriptions of the law and the accounting standards established by the IFRS and, therefore, the consolidated financial statements are deemed to be in line with the specific regulations.

To the extent of our area of competence, we observe that:
- the Explanatory Notes show the details required by articles 38 and 39 of Legislative Decree 127/1991;
- the Directors' Report provides the information required by art. 2428 of the Italian Civil Code, art. 40 of Legislative Decree 127/1991 and the regulatory and consultation norms of Consob and that the report is deemed to be congruent with the other results reported in the consolidated financial statements.

In light of the above, the Board of Statutory Auditors expresses the opinion that the Cremonini Group's consolidated financial statements as at 31 December 2007 correctly represent the equity and financial situation of the Parent Company and of the consolidated companies.

Castelvetro di Modena, 11 April 2008

THE STATUTORY BOARD OF AUDITORS
The Chairman
(Mr. Giovanni Zanasi)

The Standing Auditor
(Mr. Claudio Malagoli)

The Standing Auditor
(Mr. Ezio Maria Simonelli)

AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT
pursuant to Article 156 of Legislative Decree No. 58 of February 24, 1998
(Translation from the original Italian text)

To the Shareholders of
Cremonini S.p.A.

1. We have audited the consolidated financial statements of Cremonini S.p.A. (and its subsidiaries) (the "Cremonini Group") as of and for the year ended December 31, 2007, comprising the balance sheet, the statement of income, changes in shareholders' equity and cash flows and the related explanatory notes. These consolidated financial statements are the responsibility of the Cremonini S.p.A.'s management. 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 procedures recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards and procedures we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such consolidated financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes, reference should be made to the auditors' report dated April 12, 2007, issued by other auditors.

3. In our opinion, the consolidated financial statements of the Cremonini Group at December 31, 2007 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the measures issued to implement art. 9 of the Italian Legislative Decree n° 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations, the changes in shareholders' equity and the cash flows of the Cremonini Group for the year then ended.

Bologna, April 11, 2008

Reconta Ernst & Young S.p.A.
Signed by: Roberto Tabarrini, Partner

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

SUMMARY OF THE RESOLUTIONS

ORDINARY SHAREHOLDERS' MEETING HELD ON 26 APRIL 2008

Shareholders were given notice of a general shareholders' meeting to be held on 26 April 2008 by an insertion in the Official Gazette of the Italian Republic - page no. 35 on 22 March 2008. The meeting was duly held on the day indicated in Via Modena no. 53, Castelvetro di Modena, with Cavaliere del Lavoro Luigi Cremonini in the chair.

Thirty seven shareholders, holding 87,684,898 ordinary shares, equal to 61.828% of the entire share capital, attended the meeting in person or by proxy.

Following the reading of the directors' report and proposals, the reports of the Board of Statutory Auditors and external auditors, the Shareholders' Meeting approved:

Ordinary section:

– the financial statements as at 31 December 2007 and the directors' report, including therein a declaration of a dividend of €0.080 per ordinary share, due to shareholders holding coupon no. 8 on 30 June and payable on 3 July;

– the appointment of the Board of Directors for the three-years 2008-2010, composed of Messrs.:

Cremonini Luigi	- Chairman
Sciumè Paolo	- Vice-Chairman
Cremonini Vincenzo	
Fabbian Valentino	
Pedrazzi Giorgio	
Rossetti Mario	
Barberis Giovanni	

– the appointment of the Board of Statutory Auditors for the three-years 2008-2010, composed of Messrs.:

Simonelli Ezio Maria	- Chairman
Orienti Eugenio	- Standing statutory auditor
Motter Albino	- Standing statutory auditor
Calzolari Grazia	- Alternate statutory auditor
Pipitone Rosa	- Alternate statutory auditor

– the decision not to resolve in connection with the authorisation for the acquisition and disposal of treasury shares;

Extraordinary section:

– the amendment, in accordance with the provisions of art. 2371 of the Italian Civil Code, of Articles 13 and 15 of the By-laws.

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