

Electronic office machinery - This item increased by Lire 28,082,085 from Lire 54,042,200 to Lire 82,124,285 due to the acquisition of new equipment.

Costs to be depreciated - This item's value of Lire 34,302,150 at December 31, 1988, was completely depreciated during the year.

Laboratory material inventories - The total of Lire 38,869,850 represents the value of chemicals used for analysis which had not been utilised at December 31, 1988.

Fixed income securities - This item increased from Lire 12,246,070,000 to Lire 13,034,718,500 due to the following movements:

- increases following acquisitions	L. 3,942,160,000
- decreases following sales	L. 2,947,111,500
decrease following the loss in value of some of the securities in the portfolio on the basis of the valuation carried out on the average stock exchange settlement price in the last quarter of 1988	L. 206,400,000

Investments - There was a fall of Lire 4,477,512,898 from Lire 135,917,654,473 to Lire 131,440,141,575 due to the following movements:

- sale of 10,289 shares in Lavorazione Sociale Vinacce to the Subsidiary Martini & Rossi I.V.L.A.S. S.p.A.	L. 5,144,500
- fall in value of SAES S.p.A. on the basis of the valuation carried out on the average stock exchange settlement price in the last quarter of 1988	L. 4,473,973,298

The value of your subsidiary Martini & Rossi Ltd (Pty) Sidney rose from Lire 404,875,830 to Lire 406,480,730 with an increase of Lire 1,604,900 following your Company's contribution of Lire 516,711,186 to cover losses incurred during 1988. As previously mentioned, this operation was made necessary for the restructuring of the Australian company and the reconstituting of its net capital.

Trade receivables - This item dropped from Lire 673,168,950 to Lire 522,947,778 with a fall of Lire 150,221,172 on ordinary operations.

Receivables from the subsidiary and associated companies - This item increased by Lire 2,759,542,700 from Lire 2,922,113,450 to Lire 5,681,656,150.

The largest receivables are those from the subsidiary Martini & Rossi I.V.L.A.S. S.p.A. for the provision of services and production revenues totalling Lire 1,178,126,964 and the loan with JET, our associated company, of Lire 3,057,815,000.

Sundry receivables - The total of this item was up Lire 4,457,253,964 from Lire 15,476,810,285 to Lire 19,934,064,249.

The major contributing factors to this amount are credits with the tax office for advance taxes paid and tax credits for previous years totalling Lire 1,750,009,320, withholding tax on interest and dividends totalling Lire 2,666,185,929 and tax credits on dividends totalling Lire 13,409,688,037.

Accrued income - This entry in the Financial Statements stands at Lire 461,668,646 as opposed to Lire 439,989,154 the year before.

The account includes interest on Government securities and on the loan to JET falling due during the year, the amount of which will be shown next year.

We certify that the accrued income has been calculated in detail with the application of criteria of strict temporal pertinence in agreement with the Board of Auditors and in accordance with the law.

Liquidity in cash and at banks - Bank receivables and cash increased by Lire 53,447,666 from Lire 582,073,930 to Lire 635,521,596 as a result of normal operations.

LIABILITIES

Capital stock - The total of Lire 31,500,000,000 was unchanged.

Legal reserve - This item rose by Lire 1,014,930,730 from Lire 4,865,875,041 to Lire 5,880,805,771 following the year's provision.

Extraordinary reserve - This shows an increase of Lire 7,192,306,444 from Lire 27,628,076,556 to Lire 34,820,383,000 in compliance with the resolution of the Shareholders' Meeting on May 5, 1988.