

financial statements 2010



Slow Food[®]

non profit organization

HEADQUARTERS at Piazza XX Settembre 5 Bra (CN), Italy

CAPITALE € 25.807

FISCAL CODE 91019770048





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introduction

Dear Members,

Your Association defends biodiversity and people's right to food sovereignty, battling against the standardization of flavors, intensive industrial agriculture and genetic manipulation. It closed the year with substantial balancing budgetary. To enable you to better understand the data and comments in the financial statements we are adding a report on the Association's operational and financial position. The report provides direct information on institutional activities as well as financial information.





organization

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Vice Presidents

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Vandana Shiva - India

John Kariuki Mwangi - Kenya

International Secretary

Paolo Di Croce - Italy

International Board of Director

Roberto Burdese - Italy

Josh Viertel - USA

Ursula Hudson – Germany

Gerry Danby – UK

Rafael Perez – Switzerland

Jean Lheritier - France

Wako Hirotoshi – Japan

Hans Van der Molen - Netherlands

International Council Italy

Roberto Burdese

Silvio Barbero

Massimo Bernacchini

Marco Brogiotti

Daniele Buttignol

Valeria Cometti

Antonello Del Vecchio

Andrea Pezzana

United States

Josh Viertel
Erika Lesser
Jeff Roberts
Joel Smith

Germany

Ursula Hudson
Walter Kress
Lars Jäger
Rupert Ebner

United Kingdom

Gerry Danby
Peter Jackson

Switzerland

Rafael Pérez
Giorgio Romano
Markus Gehri

France

Jean Lhéritier
Luicien Biolatto

Japan

Hirotooshi Wako
Yutaka Kayaba

Netherlands

Geert Veenendaal
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Friederike Kleijn

Slow Food Foundation for Biodiversity Onlus

Serena Milano

Representative of the University of Gastronomic Sciences

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Bulgaria

Dessislava Dimitrova



historical background, mission and philosophy of the association

The international Movement for the Defense of and the Right to Pleasure was officially founded on 9 November 1989 at the Opéra Comique in Paris. The Manifesto of the Movement was signed by delegates from: Argentina, Austria, Brazil, Denmark, France, Germany, Japan, Italy, Netherlands, Spain, United States, Sweden, Switzerland, Hungary and Venezuela.

Slow Food is a democratic and cultural international association promoting individual growth and development based on social aims.

MISSION

- **EDUCATE** people to take pleasure in taste, to appreciate quality food, and understand gastronomic sciences.
- **PROTECT** biodiversity and the traditional food products associated with it: food cultures that respect ecosystems, the pleasure of food and human quality of life.
- **PROMOTE** a new food model that respects the environment, traditions and cultural identities, one that is able to bring consumers closer to the world of production, creating a virtuous network of international relationships and greater sharing of knowledge.

PHILOSOPHY

The Slow Food philosophy starts from a rediscovery of pleasure through material culture. A pleasure in food and gastronomy which is educated, shared and responsible. This philosophy requires slowness, a discerning and calm approach to life as a whole. Everyone should be able to take a pleasure in food. Too often it has been wrongly considered a taboo, just reserved for a wealthy elite or even repressed. It is not a heretical action to help poor people to enjoy it too.

For Slow Food, being able to enjoy food means defending traditional products in harmony with their ecosystems, it involves rediscovering knowledge which is lost with the disappearance of food cultures, it requires sustainability in food production, the health of the Earth and human happiness.

The transition is not immediate but Slow Food is showing the way.

From eno-gastronomy to eco-gastronomy, and now finally neo-gastronomy, we address food culture in all its chaotic complexity. Our lives are enmeshed in a web of knowledge and flavors, with issues not only directly involving food but closely dependent on it.

Slow Food is now aware that our system for producing, distributing and consuming food is one of the central challenges presented by our post-modern age.

By backing those producing, distributing and consuming in a good, clean and fair way, the system can change, making us all happier, less frenetic, less standardized and less isolated.

Slow Food is slowly working to achieve more beauty, more pleasure and more diversity in the world. Everyone can enjoy the fruits of the earth, because everyone has a right to food freedom, while respecting our planetary home.

STRUCTURE

The International Slow Food movement is coordinated by an International Council and led by an International President's Committee.

There are currently 8 National Associations recognized within Slow Food:

- 1986 Slow Food Italy;
- 1992 Slow Food Germany
- 1993 Slow Food Switzerland
- 2000 Slow Food United States
- 2003 Slow Food France
- 2004 Slow Food Japan
- 2006 Slow Food United Kingdom
- 2008 Slow Food Netherlands

They independently organize member activities in their countries and are responsible to the International President's Committee.

In June 2010 it was decided to wind up the National Board in Australia due to economic difficulties and create a convivium leader for the entire country.

In the rest of the world the convivia are the movement's basic organization and they report directly to the Association's international bodies.

MEMBERSHIP INFORMATION

Year	2010	2009	2008	2007	2006	2005	2004
Number of active members	80,458	88,452	75,552	68,993	63,932	59,994	56,483

The number of members is certified by each National Association or where absent, by the International Association.

Membership details for 2010 according to geographical area:

Geographical Area	No. active members as at 31/12/2010
Europe	47,199
North America and United States	23,831
Asia and Oceania	3,966
Latin America	2,049
Africa	1,444
East Europe	1,863
Middle East	106
Total	80,458



activity report

Slow Food

The International Association

In 2010, Slow Food multiplied its projects around the world and increased its international impact with the launch of new campaigns. From GMOs to land grabbing to responsible fishing, the association mobilized on various fronts, getting producers, local authorities, institutions, consumers and the media actively involved. The whole fabric of the association was once again called to feed the two big events in Turin with ideas, energy and projects. The **Salone del Gusto** and the international **Terra Madre** meeting returned in October 2010, with a new look and deeper, more visible integration. This major showcase for the association was also an important moment for exchange and sharing, triggering a host of new projects. For example, the association's latest challenge, the ambitious **Thousand Gardens in Africa** project, was announced in Turin. Thanks to this initiative, a thousand sustainable food gardens will be created throughout the African continent. Local products will be cultivated with respect for the environment, guaranteeing fresh and healthy food for local communities. The gardens will be a tool for improving quality of life and social cohesion, while also sending an important message to the whole world about the need to protect biodiversity and traditional knowledge. In addition to the Terra Madre international meeting, nine regional meetings were also held in 2010, from Brazil to Kazakhstan via the Balkans. The second Terra Madre Day on December 10 was a huge success, with 125 countries organizing 1,130 events celebrating and promoting a local and sustainable diet. Regarding biodiversity protection, the Slow Food Foundation launched 15 new international **Presidia** and 20 new Italian Presidia, as well as adding 43 products to the international **Ark of Taste** and welcoming seven new **Earth Markets**. At a global level, the total number of members remained much the same throughout 2010. In January 2010 the international association had 88,966 members, and a year later the number was 87,163, having reached 94,253 in October as a result of the events in Turin. A slight easing off of member numbers in some areas (North and South America, Asia and Oceania) was balanced by a significant increase in Africa (up 21%) and in Eastern Europe and other former Soviet Bloc countries (up 39%). The association's brochures were revamped in 2010 and the website www.slowfood.com was radically overhauled, as was the newsletter, which is translated into eight languages and sent to thousands of contacts in the five continents.

Terra Madre Activities in 2010

The international gathering of food communities took place in Turin from October 21 to 25, 2010, with 6,400 participants from 160 countries. These included 4,432 delegates (farmers, fishers, food producers, cooks, teachers, students and musicians) from 1,557 food communities, coordinated by 650 volunteers. One of the biggest innovations at Terra Madre 2010 was a new focus on cultural and linguistic diversity, the protection of indigenous languages and the values of oral culture and memory. The event was covered by media around the world and attended by hundreds of

accredited journalists. During the closing ceremony at Turin's Palaolimpico Isozaki, Carlo Petrini and Roberto Burdese were joined onstage by internationally renowned experts: Marcello Buiatti, genetics professor at the University of Florence; scientist and activist Vandana Shiva; Serge Latouche, professor of economic sciences at the University of Paris-Sud; writer and food policy expert Raj Patel; economist and environmentalist Manfred Max-Neef; Daniele Giovannucci, co-founder and executive director of the Committee on Sustainability Assessment; and Angelo Consoli, director of the Foundation on Economic Trends.

Regional Terra Madres

Nine regional meetings were also held in 2010, part of the move to decentralize and multiply the networking opportunities while involving an increasingly large number of different actors.

Terra Madre Brazil – Brasilia, March 19-22, 2010

Terra Madre Argentina – Buenos Aires, July 8-11, 2010

Terra Madre Balkans – Sofia, Bulgaria, July 15-18, 2010

Terra Madre Georgia – Tbilisi, July 30-31, 2010

Terra Madre Azerbaijan – Shemakha, August 5, 2010

Terra Madre Kazakhstan – Alma Aty, September 2, 2010

Terra Madre Trentino – Trento, October 26-30, 2010

Terra Madre Tuscany – Alberese (GR), October 17, 2010

Terra Madre Province of Rome – Rome, October 25-28, 2010

Terra Madre day

More than 170,000 people took part in the second Terra Madre Day on December 10, 2010, with 1,130 events organized in 125 countries to celebrate and promote a local and sustainable diet. The global network of Slow Food *convivia*, the Terra Madre food communities and the many partner organizations who support good, clean and fair food production worked to organize collective dinners, local food fairs, seminars, educational workshops for children, producer visits and much more, demonstrating the movement's diversity and strength.

Communication

During 2010, Terra Madre Day was communicated via updates on the websites www.terramadre.org and www.slowdood.com/terramadreday (both available in eight languages). From the latter site, it was possible to download logos and other graphic elements for the event and files for printing posters, flags, badges, postcards and T-shirts. Communication tools were also produced in the run-up to the international gathering of food communities: badges, posters, postcards and Terra Madre presentation dossiers.

Biodiversity Protection Activities in 2010

The Slow Food Foundation for Biodiversity was founded in 2003 by Slow Food to coordinate and fund biodiversity-protection projects like the Ark of Taste, the Presidia and the Earth Markets.

Ark of Taste

In 2010, 43 new products from eight countries joined the Ark of Taste, bringing the number of products to 947. A total of 18 new products were from Spain, like Minorca lobster, caught from traditional small wooden boats, and the Blanca Comuna orange, grown in the Comunidad Valenciana. On the other side of the Atlantic, 12 new products came from the United States, including two types of squash (Canada Crookneck and Boston Marrow) and five types of apple. Three products came from Japan, which now has 25, and another three from the Philippines. Two new products from Italy bring the total of Italian Ark products to 416, while another two came from Colombia and Macedonia. New products also came from Canada (Tamworth pig) and Portugal (*doce de escorcioneira*, a sweet made from a local wild plant). On October 25, 2010, the International Ark Commission met at the Salone del Gusto in Turin, with representatives from 15 of the 19 national commissions.

Presidia

The Presidia, on which the Slow Food Foundation concentrates the majority of its financial and organizational resources, represent concrete and virtuous examples of a new agriculture, based on quality, animal welfare, sustainability, links to a local area and consumer health and pleasure. **In 2010, 15 new international Presidia and 20 new Italian Presidia were established.** From 19 international Presidia in 2002, we reached 77 in 2005, 91 in 2006, 107 in 2007, 121 in 2008 and 137 in 2009. As of December 31, 2010, following the closure of some projects, there were 148 active international Presidia, in addition to 194 Italian Presidia, making a total of 341 projects.

Earth Markets

The Earth Market project was launched in 2006 by the Slow Food association and the Slow Food Foundation for Biodiversity. Earth Markets are farmers' markets established according to guidelines that follow the Slow Food philosophy. The markets are run collectively and serve as meeting places where local producers can present quality products directly to consumers, selling them at fair prices and guaranteeing environmentally sustainable production methods. The markets also preserve the food culture of local communities and help protect biodiversity. Earth Markets were inaugurated in 2010 in Parndorf, Austria; Alba and Calamandrana in Piedmont, Italy; Ciampino, outside Rome; Colorno, in Emilia-Romagna; and Umbertide, in Umbria. The Slow Food Foundation also launched projects that will lead to the creation of new Earth Markets in Bulgaria, the United States and Spain. To date there are **16 Earth Markets**: 11 in Italy and 5 in Lebanon, Israel, Romania and Austria, plus the candidate market of Bazars Berga Bazara in Riga, Latvia.

Training

Training is an essential element of the Slow Food Foundation's activities. Seminars and training sessions were held in 2010 in Guatemala (technical assistance for Huehuetenango Highland Coffee Presidium producers), Argentina (training for Yacon Presidium producers and a seminar for 25 producers from the Quebrada de Humahuaca Andean Potatoes Presidium), Brazil (Aratu Presidium), Macedonia

(Wild Fig Slatko Presidium) and Bosnia (Pozegaca Plum Slatko Presidium). On August 30, a day-long training meeting for the Earth Market network was held in Cherasco (Piedmont), attended by all those responsible for the Italian markets and the relevant Slow Food International staff.

Events

The events organized by Slow Food around the world offer an important showcase for projects and producers. The Slow Food Foundation guarantees exhibition space for Presidia and Earth Markets, coordinates producer participation and organizes the international shipping of products. The biggest event in 2010 was the **Salone del Gusto**, held with Terra Madre in Turin from October 21 to 25. The event saw the participation of **280 Presidia** (175 from Italy, 39 from the rest of Western Europe, 17 from Central and Eastern Europe, 1 from North America, 22 from Latin America, 18 from Africa, 1 from the Middle East and 7 from Asia) and **three Earth Markets** (Lebanon, Riga and Bucharest).

Communication

The **websites** www.fondazione Slow Food.it and www.Slow Food Foundation.org, in Italian and English, were updated regularly, in anticipation of the major overhaul which concluded in February 2011. The 2009 Social Report was published in Italian and English and a booklet and roll-up posters were designed for the **Alliance Between Italian Chefs and Slow Food Presidia** project. In 2010 the Slow Food Foundation oversaw the editing and publication of a cookbook with traditional Tanzanian recipes for leafy vegetables, produced in English and Swahili. A **tasting manual for argan oil** was published in French and Arabic. A book (in Italian and English), a documentary, a brochure and a roll-up poster were produced for the project dedicated to Libya's oases and **traditional date varieties**. And the Earth Market website, www.earthmarkets.net, was enriched with sections about newly formed markets, in both Italian and English. Specific communication material was produced for the **Thousand Gardens in Africa** project: a photostory (in Italian, French, English, Spanish, Japanese and Korean), a poster, a roll-up poster and a brochure. A special section was created on the Foundation website (in Italian and English) and the Terra Madre site (eight languages) where the dossier, leaflet and guidelines can be downloaded.

International Education

Activities in 2010

International education activities increased and the initiatives were given a theoretical framework by the **international education manifesto**, drawn up in 2010 and based on a document already approved in Italy.

Education at Terra Madre 2010

The international meeting in Turin hosted an area dedicated to education and the network's learning projects. Inside the Oval, a room was set up with two computer terminals where participants could record their own culinary traditions and on-going education projects. The **sensory experience To the Origins of Taste** was also available to participants in the eight Terra Madre languages. It began with a

video introducing the concept of tasting and presented basic tasting vocabulary and other terms used to describe food products. It continued with a series of sensory games divided into various sections—taste, smell, sight, touch, multisensoriality—designed to inspire and stimulate the senses. The experience finished with a tasting of chocolate and apples accompanied by an audioguide. The topics studied in the first two sections were then reviewed by comparing and evaluating three types of apple and bitter chocolate, to define which samples were the crunchiest, sweetest, juiciest, most acidic, bitterest and most intensely flavored. The Terra Madre 2010 program also included various events on food and taste education: a workshop on **school catering**, another on the international education manifesto and a meeting of representatives from the **European network “Slow Food in the Canteen.”**

Sensory Kit

The sensory kit “To the Origins of Taste” is dedicated to taste education, the concept of food sovereignty and good practices and is designed to support education projects for children, adults and event visitors. In 2010 the kit was distributed to a number of projects in Belgium, Bulgaria, France, Ireland, Italy, Latvia, Poland, Romania, Spain and the United Kingdom.

Projects

Many education projects for adults and children were set up in 2010 with the support of Slow Food. For example, Slow Food UK launched Slow Food Baby in fall 2010, a workshop to help parents-to-be better understand the importance of taste and its link to healthy food choices. The most ambitious project this year was the **Thousand Gardens in Africa**. Presented at Terra Madre 2010, it aims to create a thousand sustainable food gardens in the continent by 2012. The gardens will be created in line with Slow Food philosophy, and local communities will be able to use them as a tool for passing knowledge about the land down through the generations.

The Canteen Network

Slow Food is strengthening its commitment to improving daily food and bringing “good, clean and fair” food to everyone’s table, with a particular focus on school canteens. Slow Food has come up with a series of activities intended to improve school catering services and children’s food habits, as well as guaranteeing students a meal that combines pleasure with respect for health and the environment. The main project in this field in 2010 was “European Schools for Healthy Food,” funded by the European Commission’s Directorate-General for Agriculture and Rural Development. This project, running from May 2010 to April 2011, involved a network of schools in Belgium, Bulgaria, France, Ireland, Italy, Latvia, Poland, Romania, Spain and the United Kingdom (Northern Ireland). The main objective of “European Schools for Healthy Food” is to promote children’s consumption of healthy, fresh food, informing schools and the entire network of Slow Food learning communities about good food habits. The campaign was targeted at families, school canteens and the authorities responsible for education policies. Part of the project involved distributing educational and informational tools and raising awareness among European schools about the school programs provided for by the Common Agricultural Policy and other European initiatives that could be used locally to improve

school catering services. Through these tools, school food can be improved: made healthier, more respectful of the environment and more rooted in the community. All the participating schools received the sensory education kit “To the Origins of Taste” so they could develop educational activities to stimulate the senses and encourage students and adults to learn more about food and its sensory qualities, origins and production methods. Suggestions were provided to schools about how to improve the quality and sustainability of the various components of the canteen service, such as purchasing, storage, preparation, food service and waste disposal. Following a training weekend (Pollenzo, July 19-21, 2010), the project was officially launched at Terra Madre, with two specific meetings on October 23 and 24, 2010, and continued with the organization of regional seminars in the ten participating countries. These regional meetings were open to educators, academics, farmers, food producers, cooks, political authorities, young people and Slow Food members from every country, and had the dual scope of promoting examples of best practices from Europe and widening the “European Schools for Healthy Food” network within the project’s countries.

The Future

Looking to the future, we see increasingly greater integration between Slow Food International and the Terra Madre network. Slow Food has allowed Terra Madre to take off and become the widespread network it is today, but equally the Terra Madre communities have managed to bring the Slow Food association to new places and strengthen it where previously it had only a marginal presence. The close and significant relationship between the two is not always fully grasped, and we believe that it is necessary to make this relationship slightly more structured, without ever losing the specificities that have so far characterized the shared work for good, clean and fair food in the world. Slow Food and Terra Madre are two subjects that must be able to participate in the next Slow Food International Congress as fully integrated equals, because they are each other’s vehicle, support and *raison d’être*. They are joined by shared values and they are both moving in exactly the same direction, making them a single, united, strong subject, able to reorient food and agriculture policies at both a local or national level and a supranational level. The coming years will be crucial for the future of global food policy, with the new Farm Bill in the United States scheduled for 2012 and the new European CAP for 2013. Slow Food is accredited with the relevant institutions as an authoritative subject for the preparation of these policies and this is why we will be organizing a “continental” edition of Terra Madre in Europe, with the aim of bringing food communities onto a stage where they will have an opportunity to make their demands to the politicians. We are already hard at work with the communities so that they take action on this front and we are setting out the groundwork with the institutions. At the same time, we believe that the growth of the Youth Food Movement, the “youth wing” of Slow Food and Terra Madre, is vital to our future. The movement will be supported and nourished around the world, encouraging young people to get involved in all of the major projects of the association and the network. It’s time for young people, whether food producers or consumers/co-producers, to get personally engaged and help us look forward at how to change the global food system over the long-term future. A first step will be

the Thousand Gardens in Africa, which we will use to lay the first foundation stones of a renaissance of the continent that we believe will make the most progress in sustainability in coming decades. Africa, in the hands of the Africans, can return to producing food for all its people, guaranteeing food sovereignty with its own human resources and its own biodiversity. Slow Food and the Terra Madre network want to help trigger this process of profound transformation, which we hope will soon start to produce its first fruits.





financial report

A – THE FINANCIAL CONDITION OF THE ASSOCIATION

Between the end of 2008 and early 2010 the international economy experienced its most serious recession since the war. Provisional results show that the tight situation, which affected those believing in Slow Food and supporting its initiatives, has adversely impacted the Association's financial condition.

The Association's capital and reserves stand at € 385,652 made up as follows:

- Social Fund € 25,807
- Restricted reserve € 160,000
- Legal reserve € 100,000
- Surplus brought forward € 99,646
- Surplus in financial year € 199

Given the position shown above, in 2010 the Association closed the activities of some projects started in 2009 and launched new projects with total direct costs of about € 376,422 while receiving about € 484,832 of revenue.

The year 2010 was marked by the Terra Madre event held in Turin; Slow Food was actively and prominently involved, providing the Terra Madre Foundation with professional skills and organizational support. The collaborative relationship was governed by a financial agreement which provided for the payment of € 700,000 to Slow Food for its services.

On examining the assets side of the balance sheet, it can be seen that the value of fixed assets did not change greatly from 2009, but there were significant shifts in the value of receivables and liquid funds.

Receivables increased by about € 460,000, or 32%; this rise is mainly due to the payment from the Terra Madre Foundation, together with other funds still to be received.

Liquid funds fell sharply, decreasing from about € 500,000 in 2009 to about € 75,000 in 2010.

This fall is closely linked to the difficulty in receiving payments promptly and securing new sources of funding in addition to existing ones.

When we look at the liabilities, there are significant changes in the items "Payables due to banks", "Payables due to suppliers", and "Sundry payables".

The difficulty in collecting receivables caused the Association's exposure to banks to increase sharply during the financial year as it had to resort to bank credit to fund its activities and projects.

Debts to suppliers decreased as a result of a policy which aimed to wind up many positions with a maturity greater than 12 months and contract new debts more prudently, bearing in mind that revenue has fallen by 5%.

Finally, the increase in the item "Sundry payables" can be attributed to the increased contribution paid to the Slow Food Foundation for Biodiversity, which rises from € 50,000 to € 100,000, and the increase in payables to convivium leaders, such as withdrawal of the share due from local membership, as well as other small changes during the year.

When the significant changes in receivables and payables are analyzed we can see there has been a general deterioration in our internal financial position accompanying the external economic difficulties.

B) – REVIEW OF OPERATIONS

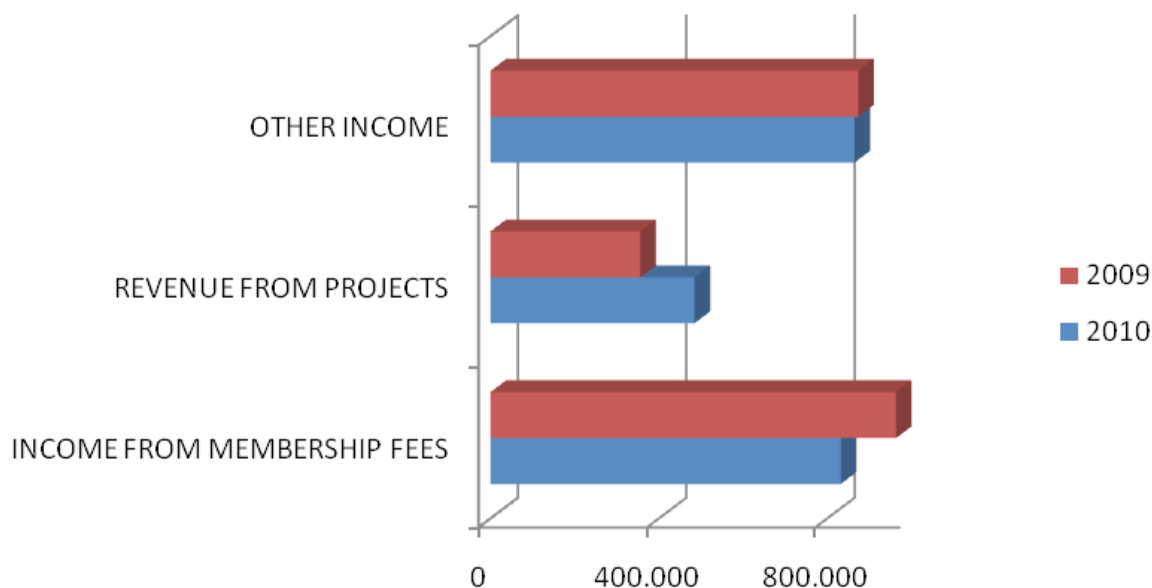
1) General: income and expenses

Income for the 2010 financial year was € 2,181,993 compared to € 2,193,328 in the previous year.

Total income can be broken down as shown below.

BREAKDOWN OF INCOME 2010

DESCRIPTION	2010	2009	CHANGE	CHANGE %
INCOME FROM MEMBERSHIP FEES	832.030	963.591	-131.561	-14%
REVENUE FROM PROJECTS	484.833	356.031	128.802	36%
OTHER INCOME	865.131	873.707	-8.576	-1%



There is thus a reduction of 1% in total income compared to the previous year.

We can analyze this more closely by examining the changes in the following individual items.

Compared to 2009, receipts from membership fees fell by 14% or € 131,000, due to the reduction in the share of fees paid by Slow Food Italy which fell from € 320,000 to € 130,000; this difference will be made up in the next two years but contributions from other National Boards remained similar to 2009. However the contribution from Slow Food Australia (€ 23,812 in 2009) was removed from the 2010 accounts since the Australian National Board was closed down in 2010. By contrast, an increase in

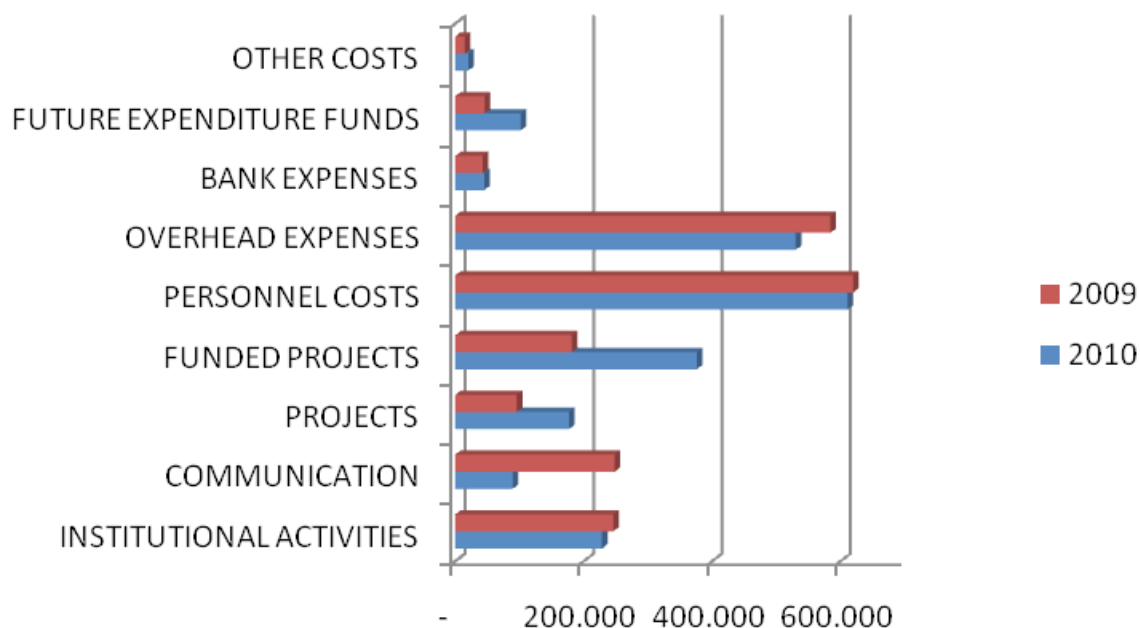
membership fee income was registered in the rest of the world, from € 190,000 in 2009 to € 220,000 in 2010.

The item “Revenue from projects” saw a significant increase of 36% (€ 128.802). This was due to the launch of a new project called “European Schools for Healthy Food” for € 106,000, an increase of about € 100,000 for projects funded by IFAD, and the remainder provided by an increase in funding from the Lighthouse Foundation. The item “Other Income” fell by € 8,000 or 1%, due to an increase of € 38,000 in donations and a decrease of € 50,000 from Eurogusto event; the item includes € 700,000 donated by Terra Madre Foundation.

Operating expenses totaled € 2,181,794 in the 2010 financial year, compared to € 2,080,632 in 2009 and were made up as follows:

BREAKDOWN OF EXPENSES 2010

DESCRIZIONE	2010	2009	VAR.	VAR. %
INSTITUTIONAL ACTIVITIES	228.623	246.359	- 17.736	-7%
COMMUNICATION	89.634	248.400	- 158.766	-64%
PROJECTS	173.762	96.007	77.755	81%
FUNDED PROJECTS	376.422	181.692	194.730	107%
PERSONNEL COSTS	611.210	619.842	- 8.632	-1%
OVERHEAD EXPENSES	534.177	584.534	- 50.357	-9%
BANK EXPENSES	45.526	42.907	2.619	6%
FUTURE EXPENDITURE FUNDS	101.965	46.000	55.965	122%
OTHER COSTS	20.475	14.891	5.584	37%



It can be seen that total expenses in 2010 increased by 5% compared to 2009.

If the individual items are examined we see that expenses for institutional activities are the same in the last year.

The costs of communication were around € 89,634, a drop of € 158,000 compared to 2009, or 64%.

This significant reduction was due to general cost cutting in all communication items.

However, the item for project expenses increased by 81% or € 77,755. This was due to an increase from € 50,000 to € 100,000 in the contribution made to the Slow Food Foundation for Biodiversity, an increase of about € 15,000 in expenses for Terra Madre. By contrast there was a reduction in Education of around € 14,500.

The item "Funded projects" saw a rise of about € 190,000 or 107%, but this increase has to be assessed in the light of the increase in corresponding revenues.

With IFAD projects there has been a rise of € 189,000 in direct expenses compared to 2009, while revenues have increased € 100,000: at first sight it may seem that the project is running at a loss but when the expenses of co-financing are considered we see that some expenses would have been incurred independently of the existence of the project and the burden on costs would have been even higher.

The project European Schools for Healthy Food also created an increase in costs of € 135,000 compared to 2009, but it should be remembered that the project was set up in 2010 and the same issue applies here as with the IFAD project. Faced with these cost burdens involving projects, it is worth highlighting reductions of € 53,000 in the Promo-Terroir Alcotra project and around € 93,000 in the item "Other projects".

Personnel costs have remained substantially unchanged compared to 2009, with a fall of just over 1%.

A significant reduction of about € 50,000 or 9% was recorded in overhead costs; this saving was mainly in IT systems. It reduced costs by € 29,000 compared to 2009 due to termination of an open-ended employment contract and efficiencies throughout the IT area. Cost reductions were also made in administrative and management services.

Costs of bank services (bank expenses and charges) and residual other expenses remained more or less unchanged.

Finally there was an increase of € 55,000 or 122 % in the item "Future expenditure funds".

This increase is due to the provision for bad debts (unpaid receivables). In fact following the decisions taken by the President's Committee on March 5 and 6 to cancel some payments due from various National Boards, it was considered essential to create an adequate bad debt provision for receivables. Besides the Board of Councillors decided to create an other fund of € 15,000 for Japan Tzunami emergency.

2) Research and development activities

In order to satisfy the requirements of current Italian civil law we declare that no research and development activities were undertaken, apart from those closely connected to institutional projects. The relevant costs have been entirely charged to the income statement.

3) Significant events occurring after the statement date

As indicated in the introduction to the Notes to the Financial Statements, for details on significant events occurring after the statement date, see the item "Income from Member Activities" in the section "Income and Expenses".

4) Presentation and management of the situation and financial risks

In accordance with the provisions of Art. 2428 n. 6 bis of the Italian Civil Code, we state that in carrying out its activity the Association is exposed to market risks through changes to interest rates and exchange rates.

Its financial position shows a steady deterioration through the year, falling from a net financial position on January 31, 2010 of + € 335,000 to - € 262,000 on December 31, 2010.

If we examine operating cash flow it is evident that operating flow is constantly in negative territory as a direct consequence of the low level of receipts and size of payments. On average the ratio 'Operating flow out' to 'Operating flow in' through the year stood between 1.5 and 2.2. If monthly liquid funds are considered, this indicates a situation of temporary financial stress but it could become structural if not corrected.

Looking at indicators, we can see that both the current ratio and the liquidity ratio at 0.48 are trending negative compared to 2009, but if set against the coverage of fixed assets, we see the latter indicator stands at around 2, showing the soundness of assets compared to investments made.

If we examine receivables and payables turnover, both have tended to worsen compared to 2009, shifting the financial cycle away from a theoretically optimal state.

The imbalance is mainly due to the difficult situation faced by both public and private supporters.

In order to improve the situation we have to make a further effort to remedy the cycle and return to normal levels of collecting receivables due.

It is finally necessary to closely examine the financial debts the association has had to incur during the year. When we analyze the situation we can see that debts began to rise in October, at the time the Terra Madre event was organized.

The Association's financial exposure was around € 7,500 in November and about € 250,000 in December. Given that the total credit line is € 490,000 the use of 50% should be considered a short-term measure but must not be allowed to become a long-term problem. The financial prospects for 2011 are slightly better for about half the year and it is expected that the Terra Madre Foundation will pay the Association the € 700,000 agreed by the Convention. This would mitigate and help to reduce the effects of global financial exposure.

5) Further information

Privacy: measures to safeguard and guarantee privacy

In accordance with Art. 26 of the rules governing the minimum privacy protection measures contained in Legislative Decree n. 196 of June 30, 2003 (Data Protection Code), the person responsible for privacy reports that they have drawn up privacy policy documentation by the legally required date.

The privacy policy documentation defines the policies, data protection standards and procedures followed by the organization in dealing with personal data, based on an analysis of the risks involving data, the distribution of tasks and responsibilities in data processing areas.

Supervision and control

In order to implement a model as specified in Legislative Decree 231/2001 regarding corporate penal responsibility, the Association has launched a study of appropriate ways to meet the requirements, taking account of the Foundation's size and complexity. It aims to identify an "organizational model" which more closely matches the Foundation's situation.

Choice of financial and non-financial indicators

It was considered appropriate to only use those financial indicators which involve liquidity management, since as we are not a commercial organization, carrying out an analysis with indicators of profitability rather than development or assets would be misleading.

C) CONCLUSION

You are invited to approve the financial statements for the 2010 financial year, comprising the Balance Sheet with the following final results:

ASSETS	€ 1,670,475
LIABILITIES	€ 1,660,135
SURPLUS	€ 199

together with the Statement of Operating Income and Expenses, and the Notes to the Financial Statements. The surplus created in the financial year is carried forward and will increase the surpluses from previous years.

Bra, May 15, 2011

International President
Carlo Petrini



<i>Balance Sheet Assets (Art. 2424 Italian Civil Code)</i>	<i>2010</i>	<i>2009</i>
A) SUBSCRIBED CAPITAL, UNPAID	-	-
Called up	-	-
Uncalled	-	-
B) FIXED ASSETS	167.361	147.860
<i>I- Intangible fixed assets</i>	<i>34.536</i>	<i>8.880</i>
1) Start-up and expansion costs	-	-
2) Research, development and advertising expenditure	-	1.920
3) Industrial patent rights and intellectual property rights	15.348	-
4) Concessions, licences, trademarks and similar rights	-	-
5) Goodwill	-	-
6) Assets under construction and advances	-	-
7) Other intangible fixed assets	19.188	6.960
<i>II - Tangible fixed assets</i>	<i>17.913</i>	<i>8.068</i>
1) Land and buildings	-	-
2) Plant and machinery	-	-
3) Industrial and commercial equipment	-	-
4) Other fixed assets	14.433	8.068
5) Construction in progress and advances	3.480	-
<i>III - Financial fixed assets</i>	<i>114.912</i>	<i>130.912</i>
1) Investments in:	-	128.000
a) Subsidiary companies	-	-
b) Associated companies	-	-
c) Parent companies	-	-
d) Other bodies	112.000	128.000
2) Receivables:	2.912	2.912
a) From subsidiary companies	-	-
b) From associated companies	-	-
c) From parent companies	-	-
d) From other parties	2.912	2.912
3) Other securities	-	-
4) Own shares	-	-
C) CURRENT ASSETS	1.509.037	1.453.433
<i>I - Inventories</i>	<i>-</i>	<i>-</i>

1) Raw, ancillary and consumable materials	-	-
2) Work in progress and semi-finished products	-	-
3) Contract work in progress	-	-
4) Finished products and goods for resale	-	-
5) Advances	-	-
II - Receivables	1.433.344	951.696
1) From supporters	443.441	615.478
due within 12 months	443.441	615.478
due beyond 12 months	-	-
2) From subsidiary companies	-	-
3) From associated companies	-	-
4) From founders	-	-
4a) Tax credits	29.436	27.530
4b) Tax advances	-	-
5) From third parties	960.467	308.688
due within 12 months	960.467	308.688
due beyond 12 months	-	-
III - Financial assets not held as fixed assets	-	-
1) Investments in subsidiary companies	-	-
2) Investments in associated companies	-	-
3) Investments in parent companies	-	-
4) Other investments	-	-
5) Own shares	-	-
6) Other securities	-	-
IV - Liquid assets	75.693	501.737
1) Bank and post-office deposits	74.509	501.434
2) Checks	-	-
3) Cash and cash equivalents	1.184	303
D) ACCRUALS AND DEFERRALS	9.077	3
Accrued income	-	3
<i>Accrued operating income</i>	-	3
<i>Accrued non-operating income</i>	-	-
Prepaid expenses	-	-
<i>Prepaid operating expenses</i>	9.077	-
<i>Prepaid non-operating expenses</i>	-	-
Discount on loans	-	-
TOTAL ASSETS	1.685.475	1.601.296

<i>Balance Sheet Liabilities (Art. 2424 Italian Civil Code)</i>	<i>2010</i>	<i>2009</i>
A) CAPITAL AND RESERVES	385.652	385.453
I – Capital (Social fund)	25.807	25.807
II – Free capital	-	-
III - Restricted assets	160.000	160.000
IV - Legal reserve	100.000	-
V - Treasury share reserve	-	-
VI - Statutory reserve	-	-
VII - Other reserves	-	-
VIII - Surplus (deficit) brought forward	99.646	86.950
IX - Surplus (deficit) for financial year	199	112.696
B) RESERVES FOR RISKS AND CHARGES	136.852	125.954
1) For pensions and similar obligations	-	-
2) For taxes, including deferred taxes	-	-
3) Other reserves	136.852	125.954
C) EMPLOYEE SEVERANCE INDEMNITY RESERVE	118.239	145.085
D) PAYABLES	1.008.491	741.317
1) Bonds	-	-
2) Convertible bonds	-	-
3) Payable to members for funding	-	-
4) Borrowings from banks	345.299	32.946
5) Payable to other financing sources	-	-
6) Advances	-	12.502
7) Payables due to suppliers	367.301	555.521
8) Notes payable	-	-
9) Payables to subsidiary companies	-	999.378
10) Payables to associated companies	-	-
11) Payables to parent companies	-	-
12) Tax payables	45.178	52.800
13) Payables to social security institutions	25.391	32.920
14) Other payables	225.322	54.628
E) ACCRUALS AND DEFERRALS	36.241	203.487

<i>Accrued liabilities</i>	36.241	37.068
Accrued operating liabilities	36.241	37.068
Accrued non-operating liabilities	-	-
<i>Deferred income</i>	-	166.419
Deferred operating income	-	166.419
Deferred non-operating income	-	-
Premium on loans	-	-
TOTAL LIABILITIES	1.685.475	1.601.296



<i>Statement of Operating Income and Expenses</i>	<i>2010</i>	<i>2009</i>
A) Value of production	2.210.489	2.313.882
1) Revenues from institutional activity	334.979	963.591
2) Change to work in progress, semi-finished and finished products inventories	-	-
3) Changes to contract work in progress	-	-
4) Additions to internally produced fixed assets	-	-
5) Other income and revenues	1.875.510	1.350.291
B) Cost of production	2.172.027	2.145.075
6) Raw, ancillary and consumable materials and goods for resale	50.945	27.862
7) Services	1.088.773	985.062
8) Leases and rentals	20.253	54.052
9) Personnel costs	612.397	727.864
a) Wages and salaries	441.533	523.342
b) Social security contributions	140.937	160.114
c) Severance indemnities	26.339	34.672
d) Pensions and similar obligations	-	2.547
e) Other costs	3.588	7.189
10) Amortization, depreciation and writedowns	86.138	33.110
a) Amortization of intangible fixed assets	13.386	33.110
b) Depreciation of tangible fixed assets	1.787	-
c) Writedowns of fixed assets	-	-
d) Writedown of receivables included in current assets and liquid assets	70.965	-
11) Changes to inventories of raw, ancillary and consumable materials and goods	-	-
12) Provisions for risks	-	-
13) Other provisions	30.000	85.000
14) Sundry operating expenses	283.521	232.125
Difference between value and cost of production (A - B)	38.462	168.807
C) Financial income and charges	6.616	-2.463
15) Income from equity investments	-	-
16) Other financial income	209	379
a) From receivables held as fixed assets	-	-

b) From securities held as fixed assets other than equity investments	-	
c) From securities included as current assets other than equity investments	-	
d) Other income	-	18.078
17) Interest and other financial expenses	1.138	2.620
17a) Foreign exchange gains and losses	7.545	-222
D) Value adjustments to financial assets	-16.000	-16.000
18) Revaluations of	-	-
a) Equity investments	-	-
b) Financial fixed assets other than equity investments	-	-
c) Securities included as current assets other than equity investments	-	-
19) Writedowns of	16.000	16.000
a) Equity investments	-16.000	16.000
b) Financial fixed assets other than equity investments	-	
c) Securities included as current assets other than equity investments		
E) Extraordinary income and expenses	-3.684	-8.437
20) Income	2.377	12.923
21) Expenses	6.061	21.360
Result before tax (A - B +- C +- D +- E)	25.394	141.907
22) Current, deferred and advance income tax for the year	25.195	29.211
23) Surplus (deficit) for the financial year	199	112.696





note of financial statement

CONTENT AND FORMAT OF THE FINANCIAL STATEMENTS

The financial statements for the year ending December 31, 2010 have been prepared in accordance with the provisions of articles 2423 et seq. of the Italian Civil Code insofar as they are applicable to non-profit entities. In particular the general provisions regarding the structure of financial statements (art. 2423 of the Italian Civil Code), their reporting principles (art. 2423 bis) and the valuation criteria specified for individual items (art. 2426) have been observed, without application of any of the derogations provided for under art. 2423, para. 4, of the Italian Civil Code. The Balance Sheet and Statement of Operating Income and Expenses have been drawn up in accordance with the requirements of the Civil Code in the version subsequent to the changes made by legislative decree 17 January 2003 n. 6. The financial statements for the year ended 31 December 2010 have been drawn up with values stated in euro. The financial statements also comply with the principles established by the Commission for Non-profit Organizations of the Consiglio Nazionale Dottori Commercialisti (Italian National Council of Accountants), and published by the relevant professional accounting bodies, aiming to ensure a truthful and correct representation of the financial and operational position is given. The financial statements, consisting of the Balance Sheet, Statement of Operating Income and Expenses and the Notes to the Financial Statements, correspond to the results of the accounting records and conform to the reporting principles and valuation criteria as required by articles 2423-bis and 2426 of the Italian Civil Code. No extraordinary events have arisen which require application of the derogations provided for under articles 2423 fourth para. and 2423-bis second para. of the Italian Civil Code.

The following documents are also attached:

- “Statement of Movements in Components of Capital and Reserves” (Annex 1);
- “Statement of Financial Position” (Annex 2);
- “Reclassified Income Statement” (Annex 3);

Data have been presented to show comparisons with the previous year and comments on the main changes are given in the Notes to the Statements.

The Balance Sheet shows individual items in order of liquidity, as required by the format adopted.

The Statement of Operating Income and Expenses gives information on how the Foundation’s resources have been acquired and used in the period, according to operating areas and projects.

The values presented in the Balance Sheet statements are reported in either units or thousands of euro, while in the subsequent comments on items, values are reported in thousands of euro (Keuro) if not otherwise specified.

A summary is given below on the valuation criteria, the accounting principles and the reporting principles used for the statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE STATEMENT DATE

Art. 2423 bis n. 4) states that financial statements must consider liabilities and losses accrued in the financial period, even if discovered after the end of the period. Events

of this type are subject to being reported in the statements for 2010. In accordance with art. 2428 n. 5 para. 2, it is declared that events of financial significance have occurred subsequent to the end of the financial period, since the International President's Committee decided on March 8, 2011 to change the 2010 membership fee for some national boards. For details see the item "Income from Member Activities" in the section "Income and Expenses".

RELATIONS WITH ASSOCIATED PARTIES

In accordance with Legislative Decree 32/2007 and observing the principle of transparency required by Art.2391 bis of the Italian Civil Code, relations with associated parties are reported below:

- ✓ Slow Food Foundation for Biodiversity
- ✓ Terra Madre Foundation

During the year Slow Food collaborated with the Slow Food Foundation for Biodiversity in order to implement certain of the Foundation's institutional projects. In order to carry out these projects the Foundation requested the assistance of some Slow Food staff, whose cost was charged according to the cost of regular work. As in previous years, Slow Food also paid a contribution to the Slow Food Foundation Biodiversity, which just for 2010 was increased from € 50,000 to € 100,000.

The relation with the Terra Madre Foundation is governed by a convention which specifies a contribution of € 700,000 made by the Foundation to Slow Food for support in implementing activities.

VALUATION CRITERIA, REPORTING AND DRAFTING PRINCIPLES

The Financial Statements at December 31, 2010 have been prepared applying the same valuation criteria, reporting and drafting principles adopted in the previous financial year.

Items in the statements have been valued prudently and, in cases required by law, with the agreement of the Board of Auditors. Account has been taken of income and expenses received or paid in the financial period, independently of the date of receipt or payment. Liabilities and losses of the period are also included, even if only discovered after the end of the reporting period.

Different elements included under various items in the financial statements have been considered separately for the purposes of valuation.

Asset items destined for long-term use have been recorded as fixed assets. The criteria used for classifying items have not been modified.

Improvements and revisions have been made to the presentation of the financial statements over time, which have enabled them to meet the standards of international best practices. This also allows comparisons to be made with other typical non-profit organizations by using financial indicators, while following the recommendations of the Commission for Non-profit Organizations. The valuation criteria and accounting principles adopted for the main items are described below.

BALANCE SHEET ASSETS

B) Fixed Assets

I - Intangible fixed assets

These are entered at cost of purchase, including all accessory charges and VAT, systematically amortized at constant rates for the period of their expected future utility, and reported net of cumulative amortization applied over previous years. This is directly attributed to individual items, with a rate of 10% for trademarks, 33.33% for software, and 20% for other intangibles.

Where provided for by the Italian Civil Code, the cost of intangible fixed assets extending over multiple years is shown as assets in the balance sheet with the agreement of the Board of Auditors, and is amortized over the residual term.

In particular, industrial patent rights and intellectual property rights are amortized according to their presumed duration of use, in any case not greater than that fixed by the licensing contract. Intangibles whose value at balance sheet date is significantly less than the residual cost to be amortized are entered at the lower value; this is not continued if in subsequent financial periods the reasons for the adjustment disappear.

The residual value of intangible fixed assets is written down in the event of lasting impairment of value and reversed if the reasons for the adjustment disappear, net of applicable amortization.

II - Tangible fixed assets

These are entered at cost of purchase net of depreciation, including all accessory charges and VAT.

The depreciation rates charged to the income statement have been calculated, the use, purpose and economic/technical life of the goods defined, according to the residual possibility of use, using a rate of 12% for furniture and fittings, while electronic equipment is depreciated at a higher rate of 20%, due to the faster loss of value and obsolescence.

The residual value of tangible fixed assets is written down in the event of lasting impairment of value and reversed if the reasons for the adjustment disappear, net of applicable depreciation.

III - Financial fixed assets

These consist of participating interests/endowment reserves in other organizations, acquired as long-term investments and, as such, they are valued at their acquisition cost. Financial fixed assets also include collateral deposits.

C) Current Assets

I - Stock

There is no left-over stock.

II - Receivables

These are entered according to their presumed value of realization, with provision where necessary for the risk of bad debts.

Receivables from national or international institutional bodies for projects in progress or already implemented, are entered according to the corresponding total expenses incurred at December 31, 2010.

Receivables in foreign currency are recorded according to the exchange rate on the date when the relevant operations were carried out; gains or losses due to valuations of foreign currency entries at the end of the financial year have been appropriately credited and debited to the financial year.

IV - Liquid assets

Liquid assets in bank and post-office deposits and as cash and cash equivalents are shown at their nominal value at December 31, 2010.

D) Accrued Income and Prepaid Expenses

These are calculated on an accrual basis and following the matching principle.

BALANCE SHEET LIABILITIES

A) Capital and Reserves

I - Capital (Social fund)

Capital (or the social fund) is entered at nominal value and is the value established when founding the Association.

II - Free capital (reserves and surplus)

Consists of the value of reserves relating to investments in the Terra Madre Foundation and the Foundation for Biodiversity, which the Association has entered as capital, free reserves and surpluses from previous financial years.

The funds are entered at their nominal value.

B) Reserves for Risks and Charges

These are allocated to cover certain or probable losses or payables, whose amount or contingent date cannot be determined at the end of the financial year.

Potential liabilities have been shown in the statements and entered in the reserves as they are considered probable and the amount of the charge can be reasonably estimated.

C) Employee Severance Indemnity

This is what is owed to employees at the end of the financial period according to current regulations and employment contracts, and is shown net of advance payments. This liability is subject to revaluation using parameters published by the Italian National Institute of Statistics (ISTAT).

D) Payables

Payables are recorded at their nominal value, which is considered representative of their discharge value.

“Payables due to suppliers”, apart from being the value of payables for invoices received, cover the value of invoices to be received for services rendered and orders delivered which have not been invoiced by the end of the financial year.

“Tax payables” cover the direct taxes in the financial year, consisting of IRAP (Regional Business Tax) calculated on the cost of personnel.

“Payables to social security institutions” cover the value of social charges for employees, scholarship holders and collaborators working on a continuous coordinated basis, which are due but unpaid at December 31, 2010. This also covers payables to the Italian Treasury Fund for employee severance indemnities (TFR) which are due but unpaid at December 31, 2010, for all employees who have elected to pay their employee severance indemnity to the Italian Social Security Institute (INPS).

“Other payables” cover remaining payables not included in previous items. This includes payables to employees of the Association for accrued liabilities according to current regulations and collective employment contracts, including the value of accrued holidays not taken at December 31, 2010, as well as payables to other bodies for projects carried out during the year.

E) Accrued Liabilities and Deferred Income

These are calculated on an accrual basis and following the matching principle.

STATEMENT OF OPERATING INCOME AND EXPENSES

Income

This is the income at December 31 2010 from institutional activities, fundraising, financial and investment revenue and extraordinary income from relevant operating areas.

Entries are recorded according to the matching principle.

Expenses

Expenses include costs incurred by the Association in the relevant period for carrying out its activities. These expenses are recorded according to the matching principle and shown according to their operating area.





notes to the financial statements

BALANCE SHEET ASSETS

B) Fixed Assets – Movements in Fixed Assets (art.2427)

I - Intangible fixed assets

The value of intangible fixed assets is € 34,536 compared to € 8,880 in the previous financial year. Purchases were made during the year for software personalization and updates

DESCRIPTION	HISTORIC COST	PURCHASE	DIVESTITURE	AMORT. FUND AT 31/12/2009	AMORT. 2010	AMORT. FUND AT 31/12/2010	RESIDUAL VALUE
Software	2,880	21,581	0	960	8,153	9,113	15,348
Other	8,700	17,460	0	1,740	5,232	6,972	19,188
Total	11,580	39,041	0	2,700	13,385	16,085	34,536

II - Tangible fixed assets

The value of tangible fixed assets is € 17,913 compared to € 8,068 in the previous financial year. Purchases were made during the year of furnishings and equipment for the office in Piazza XX settembre.

The item “Payments for tangible fixed assets on account” covers the purchase by Slow Food Promozione srl of an air conditioning system which will be invoiced and operational in 2011.

DESCRIPTION	HISTORIC COST	PURCHASE	DIVESTITURE	AMORT. FUND AT 31/12/2009	AMORT. 2010	AMORT. FUND AT 31/12/2010	RESIDUAL VALUE
Furniture and furnishings	4,501	2,657	0	270	700	970	6,188
Office equipment	3,977	5,496	0	140	1,088	1,228	8,245
Payments for tangible fixed assets on account	0	3,480	0	0	0	0	3,480
Total	3,403	11,633	0	410	1,788	2,198	17,913

III - Financial fixed assets

1) The item “Participating interests” refers to the two interests which Slow Food has in the Terra Madre Foundation and the Slow Food Foundation for Biodiversity; in both cases Slow Food made the investments when they were founded.

DESCRIPTION	HISTORIC COST	PURCHASE	DIVESTITURE	AMORT. FUND AT 31/12/2009	AMORT. 2010	AMORT. FUND AT 31/12/2010	RESIDUAL VALUE
Participating interest in Terra Madre Foundation	150,000	0	0	0	0	0	150,000
Participating interest in Slow Food Foundation for Biodiversity	10,000	0	0	0	0	0	10,000
Bad debt provision, participating interest in Terra Madre*	(32,000)	0	0	(32,000)	(16,000)	(48,000)	(48,000)
Total	128,000	0	0	(32,000)	(16,000)	(48,000)	112,000

* Following the principle of prudence, it is considered appropriate to allocate to the “Bad debt provision, participating interest” a further sum of 10% of the value of the interest (€ 16,000) to cover probable future losses.

2) The item “Receivables from others” covers security deposits for leasing the office in Piazza XX settembre and vehicles from Axus

DESCRIPTION	PREVIOUS YEAR	DEPOSIT IN YEAR	FINAL VALUE
Security deposits to Axus for vehicle rental	2,112	0	2,112
Security deposit for offices in Piazza XX settembre	800	0	800
Total	2,912	0	2,912

C) Current Assets

Current assets for 2010 total € 1,494,037 compared to € 1,453,433 in 2009.

The items in this area are exclusively receivables and liquid funds.

II - Receivables

Receivables total € 1,418,344 compared to € 951,696 last year, details are shown in the table below.

In accordance with Art.2427 para. 6 of the Italian Civil Code, the due date of receivables detailed below is declared to be exclusively within the 12 months.

	DESCRIPTION	NOMINAL VALUE	BAD DEBT PROVISION	NET VALUE
1	Receivables from customers	55,481	-	55,481
2	Receivables from Slow Food convivia	50,753	-	50,753
3	Receivables from National Associations	416,545	(94,338)	322,207
4	Receivables from tax authorities	29,436	-	29,436
5	Receivables from others	960,467	-	960,467
	TOTAL	1,512,682	(94,338)	1,418,344

1) Receivables from customers

In accordance with Art. 2423, 2423 bis, accounting principles and the recommendations of the Commission for Non-Profit Organizations of the Consiglio Nazionale dei Dottori Commercialisti (Italian National Council of Accountants) it has been decided to assess receivables from customers exclusively from:

- ✓ private companies based on a written agreement signed by the parties and paid by 5/04/2011.

This item totals € 55,481 and covers receivables both from Italian organizations, such as Saporearte for € 2,144.65 and Slow Food Promozione srl for € 32,400, and non-Italian organizations such as Eurogusto for € 15,000 and Ligaris Europe for € 5,999.67.

2) Receivables from Slow Food convivia

This item totals € 50,753 compared to € 39,985 last year and covers receivables which convivium leaders in countries where Slow Food is present have to pay the Association, based on receipts from membership fees in their area.

3) Receivables from National Associations

This item covers receivables due to Slow Food from National Associations; as specified by Art 2423 of the Italian Civil Code, these receivables have been assessed on the basis of a written agreement signed by the parties at the beginning of 2010. The total amount for this item, net of the bad debt provision for receivables, is € 322,207, compared to € 375,763 last year.

Details of receivables due from various National Associations are given below.

NATIONAL ASSOCIATION	AMOUNT AT 31/12/2010	AMOUNT AT 31/12/2009
SLOW FOOD USA *	183,172	83,647
SLOW FOOD ITALY	130,000	241,202
SLOW FOOD FRANCE	40,965	33,215
SLOW FOOD UK	30,303	0
SLOW FOOD NETHERLANDS	21,197	0
SLOW FOOD JAPAN	15,000	15,000
SLOW FOOD SWITZERLAND	10,908	0
OTHER NATIONAL ASSOCIATIONS	0	86,133
TOTAL RECEIVABLES	416,545	455,763
BAD DEBT PROVISION RECEIVABLES	(94,338)	(80,000)
NET TOTAL	322,207	375,763

(*)The amount receivable from SFUSA is composed of the second installment for 2010, totaling € 75,000, receivables for 2003 of € 18,050, with the remaining amount being receivables for 2008.

All the other receivables existing in 2010 are exclusively for 2010.

Bad debt provision, receivables - movements

BAD DEBT PROVISION RECEIVABLES 2009	USE IN 2010	ALLOCATION IN 2010	BAD DEBT PROVISION RECEIVABLES 2010
80,000	56,627	70,965	94,338
80,000	56,627	70,965	94,338

The use of the provision in 2010 was necessary since the International President's Committee meeting on March 5-6, 2011 decided, following a proposal from the International Secretary, to eliminate previous receivables due to Slow Food from Germany and Japan, and other residual receivables.

A significant allocation of € 50,000 was made to the bad debt provision during the year for the amount receivable from SF France for 2010.

4) Receivables from tax authorities

Receivables are due for advance payment of IRAP (Regional Business Tax) 2010 for € 27,719, for advance payment of IRES (Corporation Tax) of € 1,491 and a tax receivable on employee severance indemnity of € 226, making total tax receivables of € 29,436.

5) Receivables from others

This item totals € 960,467, with the most significant items being contributions receivable for € 240,880, an amount receivable from the Terra Madre Foundation of € 676,920 and receivables from employees of € 35,792.

Details of contributions receivable

FINANCING BODY	PROJECT	AMOUNT AT 31/12/2009
ALCOTRA	ITALY-FRANCE CROSS-BORDER COLLABORATION PROGRAM "PROMOTERROIR"	79,655
EUROPEAN UNION	SCHOOL CANTEEN EDUCATION PROGRAM "EUROPEAN SCHOOL FOR HEALTHY FOOD"	106,572
LIGHTHOUSE FOUNDATION	PROJECT TO SUPPORT FISHERMEN ON ROBINSON CRUSOE ISLAND	28,250
IFAD	INSTITUTIONAL CONTRACT FOR IMPLEMENTING THE TM EVENT IN BRAZIL AND INDIA	12,254
IFAD	SMALL GRANT STRENGTHENING THE NETWORK IN INDIA AND BRAZIL	13,564
VARIOUS FINANCING BODIES	VARIOUS CONTRIBUTIONS	585
TOTAL CONTRIBUTIONS RECEIVABLE		240,880

The amount receivable from the Terra Madre Foundation refers to the € 700,000 stated in the contribution agreement drawn up on 13/07/2010, and signed during the Steering Committee process.

The € 35,792 entered as receivables from employees refers to advances on employment severance indemnity (TFR), advances on salaries, advances on travel payments for events or visits to producers, companies or sponsors.

IV - Liquid funds

Liquid funds total € 75,693 compared to € 501,737 in the previous financial year.

They are composed of € 74,509 bank accounts and € 1,184 cash;

These funds are not tied up and earn interest at market rates.

D) Accruals and Deferrals

These total € 9,077 (€ 3 on December 31, 2009) and are exclusively due to the value of prepaid expenses for the 2011 installment of the Unipol insurance policy for workplace accidents.

BALANCE SHEET LIABILITIES

A) Capital and Reserves

Capital and reserves on December 31, 2010 totaled € 370,652 and are made up as shown below.

DESCRIPTION	INITIAL BALANCE	OPERATING SURPLUS/ DEFICIT	INCREASE/ DECREASE	OTHER MOVEMENTS	FINAL BALANCE
Social fund	25,807	0	0	0	25,807
Restricted reserve	160,000	0	0	0	160,000
Other reserves	100,000	0	0	0	100,000
Surplus brought forward	99,646	0	0	0	99,646
Operating surplus/ deficit	0	199	0	0	199
Total	385,453	199	0	0	385,453

The main information regarding individual items making up Capital and Reserves is given below.

I - Social fund

The sum of € 25,807 is fully paid up and is the contribution made by the founding members when establishing the Association. It has not been changed during the year.

II - Restricted reserve

This item is made up of € 150,000 from the Reserve for the participating interest in

the Terra Madre Foundation and € 10,000 from the participating interest in the Slow Food Foundation for Biodiversity.

III - Surplus brought forward

The surplus brought forward from 2010 is € 100,000. As decided by the International Committee on June 14-16, 2010, the amount allocated is part of the surplus achieved in 2009.

IV - Other reserves

Other reserves total € 99,646. Of this € 86,950 refers to operating balances before 2009, while the increase of € 12,696 during 2010, as decided by the International Committee on June 14-16, 2010, is allocated from the remaining surplus achieved in 2009.

V - Surplus

This amounts to 199 € and refers to the difference between income and expenses, as adjusted by extraordinary items and tax and financial

B) Provisions for Liabilities and Charges

The total for this item is € 136,857 compared to € 125,954 in 2009; the entire amount is made up as follows:

✓ Liabilities for future expenses fund	€ 21,575
✓ Environmental disaster emergency fund	€ 7,804
✓ International Congress fund	€ 90,000
✓ Chile fundraising fund	€ 17,427
✓ Japan fundraising Tsunami	€ 15,000

a) Liabilities for future expenses fund: during 2009 a fund was set up to prepare the Annual Report in 2010, the amount allocated was € 55,000. In 2010 the fund was used to cover the costs of preparing the Annual Report, totaling € 33,425; the fund currently has a residual balance of € 21,575.

b) Environmental disaster emergency fund: in 2008 various parties concerned about environmental protection created a fund with an initial balance of € 20,385. During 2009 a sum of € 9,431 was used to cover the costs of projects to support communities affected by flooding in Tabasco.

During 2010 a further € 3,150 was used to cover costs of projects for Tabasco. As at December 31, 2010 the final amount in the fund is € 7,804. During a meeting of the International President's Committee, the General Secretary agreed to make a proposal for using the residual sum by the end of 2011.

c) International Congress fund: during 2010 a further allocation of € 30,000 was made to create a fund to cover the costs of the Congress to be held during 2012; as at December 31, 2010 the fund has a balance of € 90,000.

d) Chile fundraising fund: during 2010 € 17,427 was raised for the population on Robinson Crusoe Island following the ecological disaster.

e) Japan fundraising Tsunami the fund was created after the end of the year, as during the month of March in Japan there was a tsunami, the President has decided

to allocate a fund equal to the amount of the contribution of Slow Food Japan was required to recognize Slow Food for 2010.

C) Employee Severance Indemnity

Provision for employee severance indemnity was € 118,239 compared to € 145,085 last year. During the year there have been nine payments for discontinued employment totaling € 52,824 plus substitute taxes of € 362.

DESCRIPTION	INITIAL BALANCE	PAYMENT	ALLOCATION	FINAL BALANCE
Employee severance indemnity (TFR)	145,085	53,186	26,339	118,239
TOTAL	145,085	53,186	26,339	118,239

As at 31/12/2010 there were 15 employees registered in the Single Employment Register (Libro Unico del Lavoro).

D) Payables

Current payables total € 979,712 compared to € 741,317 last year.

In accordance with Art 2427, point 6 of the Italian Civil Code, we declare that all payables described below are due within 12 months.

Also in accordance with the article of the Italian Civil Code cited above, we declare that no part of the amount payable is pledged as collateral security.

Details of changes and components of individual items are reported in the table below:

DESCRIPTION	INITIAL BALANCE	FINAL BALANCE	CHANGE
Payables due to banks	32,946	345,299	312,353
Payables due to suppliers	555,521	363,717	(191,804)
Payables due to tax authorities	52,800	19,983	(32,817)
Payables due to pensions and social security authorities	32,920	25,391	(7,529)
Other payables (*)	70,130	225,322	155,192
TOTAL	741,317	979,712	235,395

In accordance with Art.2427 of the Italian Civil Code we show payables according to geographical area below

DESCRIPTION	ITALY	REST OF WORLD	TOTAL
Payables due to banks	345,299	0	345,299
Payables due to suppliers	359,054	4,663	363,717
Payables due to tax authorities	19,983	0	19,983
Payables due to pensions and social security authorities	25,391	0	25,391
Other payables	225,322	0	225,322
TOTAL	975,049	4,663	979,712

Other payables

The following table shows other payables, totaling € 225,322, by geographical area.

DESCRIPTION	INITIAL BALANCE
Slow Food Italy	16,135
Slow Food Promozione srl	162
Advances to employees and collaborators with continuous coordinated relationship	1,337
ENPALS (Entertainment workers' social security/pension agency)	330
Payables to Secretariat / President's Office / Board	1,541
Payables due to convivium leaders	67,739
Sundry payables	1,354
Payables due to the Foundation for Biodiversity	100,000
Payables due to employees	24,440
Payables due to collaborators	8,445
Employee credit card	3,839
TOTAL	225,322

- ✓ Payables due to the Foundation for Biodiversity are the contribution paid by Slow Food every year. For 2010 the President's Committee decided to grant an extra contribution of € 50,000 in addition to the € 50,000 already allocated and budgeted.

E) Accruals and Deferrals

Accruals and deferrals exclusively refer to accrued expenses, totaling € 36,241 compared to € 203,486 last year.

The composition of accrued expenses is shown in the table below:

DESCRIPTION	VALORE
Accrued expenses for employee 14th month salary bonus	17,585
Accrued expenses for employee annual vacation	5,556
Accrued expenses for employee public holidays	5,064
Accrued expenses for employee special leave	8,037
TOTAL	36,241

INCOME AND EXPENSES (Operating Statement)

Further details are given of changes to main items in the Statement of Income and Expenses in addition to the information in the Review of Operations. In the tables presented below only the composition of items and the changes in the 2010 financial year compared to 2009 are shown.

In accordance with Art.2423 of the Italian Civil Code, costs, expenses, revenues and income have been entered on an accrual basis.

A) INCOME

Total income in 2010 was € 2,195,489, made up as follows:

- ✓ € 826,348 Income from member activities
- ✓ € 1,263,166 Income from institutional activities
- ✓ € 105,976 Income from non-institutional activities

1) Income from Member Activities

Revenue and income from member activities was € 2,195,489 in the 2010 financial year, compared to € 2,127,828 in 2009. This was made up as shown in the following table:

INCOME FROM MEMBER ACTIVITIES	AMOUNT 2010	AMOUNT 2009	CHANGE
Receipts from membership fees through convivium	120,532	98,448	22,084
Receipts from membership fees not through convivium	107,663	93,564	14,099
Slow Food Italy	130,000	320,000	(190,000)
Slow Food USA	150,000	150,000	0
Slow Food Germany	110,000	100,000	10,000
Slow Food UK	60,656	15,164	45,492
Slow Food France	50,000	50,000	0
Slow Food Switzerland	45,000	45,000	0
Slow Food Netherlands	43,400	43,400	0
Slow Food Japan	15,000	24,203	(24,203)
Slow Food Australia	9,097	23,812	(14,715)
TOTAL	841,348	963,591	(137,243)

In 2010 Slow Food concluded agreements with individual National Boards specifying the size of annual contributions to Slow Food. The table above shows details of contributions paid by individual National Associations. At the International President's Committee meeting on March 5-6, 2011, the following decisions were made regarding financial relationships with National Boards:

- The contributions from Slow Food Germany to Slow Food for 2010 were reduced by € 10,000, decreasing from € 110,000 to € 100,000.
- The debt owed by Slow Food Germany to Slow Food for 2007, totaling € 17,713.47, was cancelled.
- The debts owed by Slow Food Japan to Slow Food for 2008 totaling € 30,000 and for 2009 totaling € 9,203.40, were cancelled.
- The request from Slow Food Italy to delay payment of its contribution for 2010 was accepted. The extension provides for payment of € 130,000 in 2010, € 120,000 in 2011 and € 120,000 in 2012 for a total of € 370,000.

To cancel the receivables due from Japan and Germany we used the Bad Debt Provision for Receivables allocated in previous financial years and supplemented during 2010.

5) Other Revenue and Income

This is made up of:

- ✓ Income from institutional activities € 1,263,166
- ✓ Income from non-institutional activities € 105,976

Income from institutional activities was made up as follows:

INCOME FROM INSTITUTIONAL ACTIVITIES	AMOUNT 2010
Contribution from the Terra Madre Foundation	700,000
Christensen Foundation	112,323
EU European Schools for Healthy Food	106,572
IFAD Small Grant for Terra Madre Brazil	73,866
IFAD Small Grant for Terra Madre India	49,026
Lighthouse Foundation Robinson Crusoe Island project	28,250
EU Promo Terroir project	27,455
Christensen Foundation for Terra Madre India	22,500
C.E.F.A.	22,001
ALCOTRA for Promo Terroir project	21,451
IFAD (small grant and institutional contract 2010)	25,818
University of Berkeley	7,741
Georgia Organics	7,403
Slow Food Charleston USA	5,889
World Watch Institute	3,748
Regione Piemonte Alcotra Promo-Terroir project	17,570
Other contributions	20,076
Wallace Genetics	21,026
TOTAL	1,263,166

- ✓ During 2010 the Terra Madre Foundation made use of collaboration from Slow Food to organize the Terra Madre event in October 2010 and pursue its institutional objectives. The financial arrangements for this collaboration were governed through an agreement concluded on 13/07/2010, which provided for the payment of € 700,000 to Slow Food.
- ✓ The Christensen Foundation made a contribution of € 112,323 to develop the Terra Madre network.
- ✓ In 2010 a bid was successful in obtaining funding from the European Union for a project to raise awareness of proper diet in school canteens, the project was called “European Schools for Healthy Food”.
- ✓ The contributions made by IFAD through a small grant to set up Terra Madre Brazil and Terra Madre India include a portion paid in 2009 which applied to 2010.

Income from non-institutional activities was made up as follows:

INCOME FROM NON-INSTITUTIONAL ACTIVITIES	AMOUNT 2010
Eurogusto	50,000
Slow Food Promozione Srl	29,700
Ligaris Europe	15,267
Federlegno	8,800
Saporearte	1,833
Other	376
TOTAL	105,976

As in 2009, Slow Food adopted the flat-rate VAT regime 398 in 2010, so indicated income from non-institutional activities includes 50% of the VAT amount.

B) EXPENSES

Expenses refer to all supplies of any kind and for any purpose which are required to perform the Association’s activities.

Unlike income, all expenses are exclusively attributable to institutional activities.

Expenses of institutional activities

Details of operating expenses

DESCRIPTION	2010	2009
Raw materials, consumables and goods	50,945	27,862
Services	1,085,189	985,062
Use of third party goods	20,253	54,052
Wages and salaries	441,533	523,342
Social charges	140,937	160,114
Employment severance indemnity	26,339	34,672
Other personal provisions	3,558	9,736
Amortizations and write-downs	15,172	3,110
Write-down receivables	70,965	30,000
Other provisions	30,000	85,000
Sundry operating expenses	283,521	232,125
TOTAL	2,168,412	2,145,075

6 - Costs for raw materials, consumables and goods

The sum of € 50,945 covers all costs incurred for the purchase of goods used to carry out institutional activities. All entries are at incurred cost.

7 - Costs for services

This covers all the costs of purchasing services required to carry out institutional activities. The item is entered at incurred cost and totals € 1,085,189 compared to € 985,062 last year.

Details for individual items according to type are as follows.

TYPE OF SERVICE	AMOUNT
Travel and visits	253,947
Collaboration for projects	187,896
Planning, printing and setup costs	164,416
Consultancy	112,586
Staff transfers	60,524
Shipping costs	71,566
Utilities	38,589
Maintenance and cleaning	15,325
Banking services	11,052
Insurance	12,317
IT assistance	13,994
Other services	143,427
TOTAL	1,085,189

1) Operating costs include all costs required for running operations, such as printing, planning and shipping costs. They also include all costs for actions needed to develop and monitor institutional activities. These costs involve transferred staff, refunds for travel and flights.

3) Costs for collaboration and consultancy refer to contracts current during the year. Appointments were made to perform collaboration and consultancy work connected to the development and implementation of activities such as Presidia, the performance of routine activities and the management of various projects.

4) Costs of utilities and structure refer to all the costs incurred in running head office.

5) Costs connected to other services refer to costs for insurance, bank commissions and other services.

8 - Expenses for the use of third party goods

The item includes the costs incurred to benefit from the use of third party goods. The total amount for the year is € 20,253 compared to € 54,052 last year.

This item was made up as follows:

- ✓ Vehicle rental € 10,430
- ✓ Vehicle rental € 7,585
- ✓ Vehicle rental € 2,238

9 - Personnel costs

Personnel costs for 2010 totaled € 612,398 compared to € 727,864 last year, and cover entire staff costs subdivided as follows

- ✓ wages and salaries € 441,533
- ✓ social security costs € 140,937
- ✓ employee severance indemnity € 26,339
- ✓ other costs € 3,588

Composition of staff

In accordance with Art.2427 para 15 of the Italian Civil Code, we report the following information regarding the numbers of staff according to category.

CATEGORY	2010	2009
Senior executives	0	0
Managerial staff	1	1
Staff employees	14	19
Trainees	0	0

Fees for directors and members of controlling bodies

It should be noted that no fees are paid to directors, and the Board of Auditors does not receive remuneration for its auditing and control work.

10 – Provision for bad debts

After evaluating the receivables as at 31/12/2010, with regard to their age and risk of non-repayment, it was considered necessary to make additional provisions for bad debts of € 70,965.

11 - Other provisions

This item includes a provision of € 30,000 made following the decision of the International President's Committee regarding the organization of the 2012 International Congress.

14 - Sundry operating expenses

The amounts reported here refer to costs not directly attributable to revenue-generating activities. The total amount in 2010 was € 283,521 compared to € 232,125 last year.

DESCRIPTION	AMOUNT
Fines and out-of-pocket expenses	72
Gifts with individual value < € 50.00	82.40
Sundry taxes	4,837
Penalties	2,103
Revenue stamps	426
Allowances for rounding down	155.18
Donations	275,846
TOTAL	3,853

The item "Donations" covers € 100,000 as a contribution to the Slow Food Foundation for Biodiversity, € 50,000 to SF USA for fundraising, with the remainder being contributions given to various existing projects.

C) FINANCIAL INCOME AND CHARGES

16) Other financial income

Financial income refers to interest earned from deposits in bank current accounts. The total amount is € 209.

17) Interest payable and other financial charges

This item covers interest payable on loans and other financial charges. The amount is € 1,138.

The item also includes the balance due to the difference between foreign currency gains and losses, the net position is € 7,545.

D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS

19) Write-down for participatory interests

The sum of € 16,000 refers to the write-down provisions for participatory interests, corresponding to 10% of the total participating interest.

E) EXTRAORDINARY INCOME AND EXPENSES

20) Income

The item "Extraordinary Income" totals € 2,377 and is exclusively composed of extraordinary income due to cost savings after closing some convivia and receiving refunded expenses.

21) Expenses

The item "Extraordinary Expenses" totals € 6,061 and is exclusively composed of extraordinary expenses from various expense and revenue items.

22) Income taxes for financial year (current, deferred and prepaid)

Current income taxes for the financial year total € 25,417 due to IRAP (Regional Business Tax) and IRES (Corporate Income Tax) calculated as required by law for nonprofit organizations.

OTHER INFORMATION

Other information to supplement the contents of these Notes

Art. 2423, para. 3, of the Italian Civil Code: the information required by specific provisions of the law is sufficient to give a true and correct representation of the company's financial position and the operating income and expenses for the financial year.

Art. 2423 bis, para. 2, of the Italian Civil Code: the valuation criteria adopted during the year have not been changed compared to those adopted in the course of the previous financial year.

Art. 2423 ter, para. 5, of the Italian Civil Code: the items listed in the financial statements are comparable to those used in the previous financial year.

Art. 2424, para. 2, of the Italian Civil Code: the assets and liabilities in the balance sheet fall under the items for which they are entered.

Art. 2426, n. 1, of the Italian Civil Code: financial charges have not been capitalized.

Art. 2426, n. 2, of the Italian Civil Code: the depreciation and amortization criteria for tangible and intangible assets and the coefficients applied are the same as those used in the previous financial year.

Art. 2427, n. 6, of the Italian Civil Code: there are no payables or receivables of residual duration greater than 5 years, nor any payables secured by guarantees on assets.

Art. 2427, n. 8, of the Italian Civil Code: during the financial year no financial charge

has been attributed to values entered in the balance sheet assets.

**_*_*_

These financial statements, consisting of Balance Sheet, Statement of Operating Income and Expenses, and Note to the Statements, represent the financial position and operating results in the financial year and correspond to the results of the accounting records.

Carlo Petrini
President of Slow Food





SLOW FOOD
Non Profit Organisation
Headquarters at Piazza XX Settembre 5 - Bra (CN), Italy

Fiscal Code 91019770048

**BOARD OF AUDITORS' REPORT ON THE FINANCIAL STATEMENT
 FOR THE YEAR 2010**

Dear Councillors,

First of all, we would like to inform you that to fulfill our duties, we have made reference to article 34 of the Association Statute that establishes that "the Board has the task of verifying that:

- a) The law, the Statute and the principles of correct administration are being observed;
- b) The accounts are being kept correctly
- c) The Balance Sheet and the written accounts correspond to the facts of the management"

In particular, we have complied with the provisions of the Italian Civil Code and consistent with them, the "principles of conduct of the board of statutory auditors" issued by the National Board of Professional Accountants and Advisors.

The Board of Auditors has audited the financial statement closed on 31/12/2010 and drafted by the Board of Directors according to article 40 of the Association Statute. The responsibility of drafting the financial statement depends on the International Board of Directors as the Board of Auditors is assigned the task of issuing a professional opinion on the financial statement based on its audit of accounts.

The assessment carried out by the Board of Auditors complies with the principles established for the audit of accounts. Consistent with these principles, the audit has been planned and performed in order to acquire all the elements needed to verify whether any significant errors vitiate the financial statement and to make sure it is reliable overall. The audit procedure is based on sample checks and has taken into consideration evidence supporting the balances and the information in the financial statements, together with the suitability and correctness of the accounting criteria and the soundness of the estimates made by the administrators. The Board of Auditors believes that the work performed provides a sound basis to express a professional opinion.

The Balance Sheet and the Statement of Income compare values with the previous financial year that was audited by the Board with a report issued on 24th May 2010.

The table below sums up the balance sheet and the statement of income data at 31/12/2010 (data expressed in euro):

Balance Sheet	
Assets	1.685.475
Liabilities	1.299.823
Capital and reserves	385.652
Statement of Income	
Revenues	2.210.489
Expenses	2.172.027-

Financial management balance	6.616
Value adjustments to financial assets	16.000-
Extraordinary item balance	3.684-
Taxes	25.195-
Financial Year Surplus	199

According to the Board of Auditors, the financial statement has been drafted clearly overall and represents the true and correct balance sheet, financial and economic situation of the association for the year closed on 31/12/2010, in compliance with the rules regulating financial statements, the accounting principles and the recommendations issued by the Non Profit Organisations of Italian National Council of Accountants.

In particular, the Board of Auditors recognizes the allocation of € 160.000 as restricted reserve for participatory interests, considering there is no certainty about the future recovery of the endowment reserve of the Terra Madre Foundation and the Slow Food Foundation for Biodiversity and the decision to further depreciate by one tenth the value included under assets of this contribution by entering it as write-down counterpart of € 16.000 in the statement of income. The residual value of the contribution at 31/12/2010 amounts to € 112.000.

During the year, the Board of Auditors has performed supervision as established by the statute with the prescribed recurrent audits concerning administration, regular bookkeeping and correct correspondence between the written accounts and the facts of management.

The Board of Auditors has assessed the suitability of the accounting administrative system and its reliability in correctly representing the facts of management.

In particular, the transactions with related parties have been audited, i.e. with the different parties making up the association (National Boards, convivia, instrumental companies, Slow Food Foundation for Biodiversity and Terra Madre Foundation) and with Slow Food executives at different levels, by checking the procedural and substantial correctness of these transactions and recommending to observe the principles of compliance with the association mission and the text of article 36 in the Association Statute.

As to the destination of the operating surplus, The Board of Auditors recommends the proposal of allocating €199 as a reserve, considering the need for a suitable increase of the association capital and reserves.

Bra, 11th May 2011

THE BOARD OF AUDITORS
Antonio Cherchi
Roberto Berzia
Tony Greenham

Annex 1 **STATEMENT OF SHAREHOLDERS 'EQUITY**

ITEM	Social Fund	Assets restricted	Legal reserve	Surplus (Deficit) forward	Surplus (Deficit) for the year	Equity
BALANCE 2009	25.807	160.000		86.950	112.696	385.453
ALLOCATION OF 2009			100.000			
CAPITAL INCREASE						
EXTRAORDINARY LOSS COVERAGE						
OTHER CHANGESI						
PROFIT FOR THE YEAR					199	
BALANCE 2010	25.807	160.000	100.000	99.646	199	385.652

Annex 2 **FINANCIAL STATEMENT**

FINANCIAL BALANCE SHEET					
<i>Assets liabilities</i>	2010	2009	<i>Passivo</i>	2010	2009
FIXED ASSETS	€ 164.449	€ 144.948	SHAREHOLDERS EQUITY	€ 385.453	€ 272.757
Intangible assets	€ 34.536	€ 8.880	Share Capital	€ 25.807	€ 25.807
Tangible fixed assets	€ 17.913	€ 8.068	Reserves	€ 359.646	€ 246.950
Fixed assets	€ 112.000	€ 128.000			
			LIABILITIES CONSOLIDATED	€ 0	€ 9.690
ASSETS	€ 551.482	€ 1.147.660			
Stock	€ 0	€ 0			
Cash equivalent	€ 475.789	€ 645.923	LIABILITIES CURRENT	€ 1.299.823	€ 2.205.531
Immediate liquidity	€ 75.693	€ 501.737			
INVESTMENTS	€ 715.931	€ 1.292.608	CAPITAL FINANCING	€ 1.685.276	€ 2.487.978
			FIXED CAPITAL	€ 385.453	€ 282.447
			CURRENT CAPITAL	€ 1.299.823	€ 2.205.531
			SHAREHOLD CAPITAL	€ 385.453	€ 272.757

Annex 3 STATEMENT OF ICOME RESTATED

ICOME STATEMENT		
ITEMS	2010	2009
Revenues from assets	€ 334.979	€ 963.591
Domestic production	€ 0	€ 0
REVENUES FROM OPERATING	€ 334.979	€ 963.591
External operational costs	€ 1.159.971	€ 1.066.976
Value added	-€ 824.992	-€ 103.385
Personnel Costs	€ 612.397	€ 727.864
EBITDA	-€ 1.437.389	-€ 831.249
Depreciation	€ 116.138	€ 118.110
EBIT	-€ 1.553.527	-€ 949.359
Result of not core business	€ 1.591.989	€ 1.118.166
Result of financial area	-€ 8.246	-€ 15.843
EBIT NORMALIZED	€ 30.216	€ 152.964
Result of extraordinary area	-€ 3.684	-€ 8.437
FULL EBIT	€ 26.532	€ 144.527
Borrowing costs	€ 1.138	€ 2.620
GROSS	€ 25.394	€ 141.907
Income tax	€ 25.195	€ 29.211
NET	€ 199	€ 112.696



