



Consolidated quarterly report at September 30, 2001

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1. Financial statements

1.1 Balance sheet (millions of lire)

	September 2001		September 2000		June 2001		Dec 31 2000	
Non - current assets								
Technical fixed assets	35,423		31,295		33,784		33,365	
Intangible fixed assets	28,264		28,002		28,990		30,287	
Shareholdings and securities	3,649		53		3,649		53	
Total non-current assets	67,337	94.2%	59,351	99.5%	66,423	99.3%	63,706	102.2%
Current assets								
Trade receivables	20,462		18,985		20,916		20,609	
Inventories	2,782		3,219		3,509		3,568	
Accrued income & prepaid expenses	1,272		670		1,145		745	
Other current assets	11,308		12,441		13,411		13,597	
Trade payables	(21,014)		(22,657)		(25,443)		(29,538)	
Other payables	(7,391)		(1,451)		(9,265)		(7,978)	
Accrued expenses & deferred income	(2,689)		(2,332)		(2,485)		(843)	
Taxes liabilities	(554)		(8,574)		(611)		(1,534)	
Net current assets	4,176	5.8%	299	0.5%	1,177	1.7%	(1,374)	-2.2%
TOTAL FUND EMPLOYED	71,513	100.0%	59,650	100.0%	67,601	100.0%	62,332	100.0%
Long-term liabilities and provisions								
Provision for employee severance	4,097		3,984		4,087		3,932	
For tax	0		335		0		0	
Other provision	0		100		0		0	
Deferred taxes	619		565		576		474	
Total long-term liabilities and provisions	4,717	6.6%	4,984	8.4%	4,663	6.9%	4,406	7.1%
Financial position								
Cash, bank and securities	(25,202)		(3,125)		(26,449)		(30,143)	
Own shares	(864)		0		(345)			
Bank debts	23,194		24,589		19,501		17,580	
Debts due to holding company	0		0		0		0	
Credits due from holding company	(188)		0		(188)		(188)	
Medium/long term financing	969		969		969		969	
Net financial position	(2,090)	-2.9%	22,432	37.6%	(6,511)	-9.6%	(11,781)	-18.9%
Shareholders' equity								
Share capital	39,887		28,420		39,887		39,887	
Reserves	29,009		4,026		29,203		30,223	
Net profit	(10)		(212)		359		(403)	
Total Shareholders' equity	68,886	96.3%	32,234	54.0%	69,449	102.7%	69,707	111.8%
TOTAL OWN & MINORITY FUNDS	71,513	100.0%	59,650	100.0%	67,601	100.0%	62,332	100.0%

1.2 Balance sheet (Euro)

	September 2001		September 2000		June 2001		Dec 31 2000	
Non - current assets								
Technical fixed assets	18,294,506		16,162,519		17,448,169		17,231,837	
Intangible fixed assets	14,597,313		14,462,342		14,971,901		15,642,111	
Shareholdings and securities	1,884,763		27,372		1,884,763		27,429	
Total non-current assets	34,776,582	98.3%	30,652,233	97.0%	34,304,833	99.3%	32,901,377	102.2%
Current assets								
Trade receivables	10,567,954		9,804,900		10,802,303		10,643,595	
Inventories	1,436,671		1,662,475		1,812,234		1,842,510	
Accrued income & prepaid expenses	656,878		346,026		591,143		384,820	
Other current assets	5,839,920		6,425,240		6,926,217		7,022,481	
Trade payables	(10,853,051)		(11,701,364)		(13,139,961)		(15,254,970)	
Other payables	(3,817,073)		(749,379)		(4,785,175)		(4,120,038)	
Accrued expenses & deferred income	(1,388,645)		(1,204,377)		(1,283,424)		(435,543)	
Taxes liabilities	(285,891)		(4,428,101)		(315,306)		(792,443)	
Net current assets	2,156,765	5.8%	155,420	0.5%	608,031	1.7%	(709,589)	-2.2%
TOTAL FUND EMPLOYED	36,933,347	100.0%	30,807,653	100.0%	34,912,864	100.0%	32,164,359	100.0%
Long-term liabilities and provisions								
Provision for employee severance	2,116,093		2,057,517		2,110,697		2,030,949	
For tax	0		173,013		0		0	
Other provision	0		51,646		0		0	
Deffered taxes	319,937		291,853		297,674		244,645	
Total long-term liabilities and provisions	2,436,030	6.6%	2,574,029	8.4%	2,408,371	6.9%	2,275,594	7.1%
Financial position								
Cash, bank and securities	(13,015,874)		(1,613,200)		(13,659,860)		(15,567,676)	
Own shares	(446,190)		0		(178,346)		0	
Bank debts	11,978,786		12,699,045		10,071,652		9,079,486	
Debts due to holding company	0		0		0		0	
Credits due from holding company	(96,836)		0		(96,836)		(96,836)	
Medium/long term financing	500,532		500,532		500,532		500,532	
Net financial position	(1,079,581)	-2.9%	11,586,377	37.6%	(3,362,857)	-9.6%	(6,084,494)	-18.9%
Shareholders' equity								
Share capital	20,600,000		14,677,500		20,600,000		20,600,000	
Reserves	14,982,132		2,079,255		15,082,043		15,608,773	
Net profit	(5,233)		(109,508)		185,308		(208,085)	
Total Shareholders' equity	35,576,899	96.3%	16,647,247	54.0%	35,867,351	102.7%	36,000,688	111.8%
TOTAL OWN & MINORITY FUNDS	36,933,347	100.0%	30,807,653	100.0%	34,912,864	100.0%	32,191,788	100.0%

1.3 Income statement (millions of lire)

(milions of Lire)	3rd QRT 2001		3rd QRT 2000		Sept, 30 2001		Sept, 30 2000		Dec,31 2000	
<i>Value of production</i>										
Revenues from sales and services	27,655	100.7%	26.544	99.6%	88.320	99.9%	83.038	99.4%	113.779	98.9%
Changes in inventories	(381)	-1.4%	(86)	-0.3%	(478)	-0.5%	(24)	0.0%	317	0.3%
Other revenues and income	180	0.7%	195	0.7%	564	0.6%	486	0.6%	942	0.8%
Value of production	27,454	100.0%	26,653	100.0%	88,406	100.0%	83,500	100.0%	115,039	100.0%
<i>Production costs</i>										
Services	(6,054)	-22.1%	(6,040)	-22.7%	(18,971)	-21.5%	(17,332)	-20.8%	(23,813)	-20.7%
Raw materials	(15,860)	-57.8%	(15,522)	-58.2%	(50,552)	-57.2%	(48,633)	-58.2%	(68,423)	-59.5%
Other operating costs	(592)	-2.2%	(836)	-3.1%	(1,699)	-1.9%	(2,292)	-2.7%	(2,055)	-1.8%
Value added	4,947	18.0%	4,255	16.0%	17,184	19.4%	15,243	18.3%	20,747	18.0%
Personnel costs	(2,832)	-10.3%	(2,890)	-10.8%	(9,204)	-10.4%	(8,735)	-10.5%	(11,624)	-10.1%
Gross operating margin (EBITDA)	2,116	7.7%	1,365	5.1%	7,980	9.0%	6,508	7.8%	9,123	7.9%
Writedown of accounts receivable	(362)	-1.3%	(77)	-0.3%	(470)	-0.5%	(171)	-0.2%	(183)	-0.2%
Amortisation and depreciation of fixed assets	(1,906)	-6.9%	(1,707)	-6.4%	(5,744)	-6.5%	(4,970)	-6.0%	(6,862)	-6.0%
Operating profit (EBIT)	(152)	-0.6%	(419)	-1.6%	1,766	2.0%	1,367	1.6%	2,077	1.8%
Financial income	299	1.1%	16	0.1%	1,107	1.3%	170	0.2%	509	0.4%
Financial expenses	(402)	-1.5%	(401)	-1.5%	(1,056)	-1.2%	(1,026)	-1.2%	(1,499)	-1.3%
Extraordinary income	25	0.1%	38	0.1%	41	0.0%	329	0.4%	551	0.5%
Extraordinary expenses	(108)	-0.4%	20	0.1%	(384)	-0.4%	(180)	-0.2%	(645)	-0.6%
Pre-tax profit	(338)	-1.2%	(746)	-2.8%	1,475	1.7%	660	0.8%	993	0.9%
Income tax on current year earnings	25	0.1%	51	0.2%	(1,301)	-1.5%	(807)	-1.0%	(1,283)	-1.1%
Other non-deductible taxes	(56)	-0.2%		0.0%	(184)	-0.2%	(65)	-0.1%	(113)	-0.1%
Income tax paid in advance		0.0%		0.0%		0.0%		0.0%		0.0%
Total net profit (loss)	(369)	-1.3%	(695)	-2.6%	(10)	0.0%	(212)	-0.3%	(403)	-0.4%
Minority interest profit (loss)		0.0%		0.0%		0.0%		0.0%		0.0%
Net profit (loss)	(369)	-1.3%	(695)	-2.6%	(10)	0.0%	(212)	-0.3%	(403)	-0.4%

1.4 Income statement (Euro)

(Euro)	3rd QRT 2001		3rd QRT 2000		Sept, 30 2001		Sept, 30 2000		Dec,31 2000	
<i>Value of production</i>										
Revenues from sales and services	14,282,660	100.7%	13,708,714	99.6%	45,613,330	99.9%	42,885,548	99.4%	58,761,956	98.9%
Changes in inventories	(196,562)	-1.4%	(44,526)	-0.3%	(246,925)	-0.5%	(12,395)	0.0%	163,873	0.3%
Other revenues and income	92,742	0.7%	100,613	0.7%	291,341	0.6%	250,998	0.6%	486,689	0.8%
Value of production	14,178,840	100.0%	13,764,801	100.0%	45,657,747	100.0%	43,124,151	100.0%	59,412,518	100.0%
<i>Production costs</i>										
Services	(3,126,861)	-22.1%	(3,119,236)	-22.7%	(9,797,871)	-21.5%	(8,951,231)	-20.8%	(12,298,567)	-20.7%
Raw materials	(8,191,250)	-57.8%	(8,016,279)	-58.2%	(26,107,758)	-57.2%	(25,116,848)	-58.2%	(35,337,581)	-59.5%
Other operating costs	(305,589)	-2.2%	(431,717)	-3.1%	(877,223)	-1.9%	(1,183,719)	-2.7%	(1,061,474)	-1.8%
Value added	2,555,139	18.0%	2,197,569	16.0%	8,874,894	19.4%	7,872,353	18.3%	10,714,895	18.0%
Personnel costs	(1,462,433)	-10.3%	(1,492,512)	-10.8%	(4,753,466)	-10.4%	(4,511,251)	-10.5%	(6,003,422)	-10.1%
Gross operating margin (EBITDA)	1,092,706	7.7%	705,057	5.1%	4,121,428	9.0%	3,361,102	7.8%	4,711,473	7.9%
Writedown of accounts receivable	(187,172)	-1.3%	(39,909)	-0.3%	(242,957)	-0.5%	(88,314)	-0.2%	(94,509)	-0.2%
Amortisation and depreciation of fixed assets	(984,290)	-6.9%	(881,798)	-6.4%	(2,966,477)	-6.5%	(2,566,791)	-6.0%	(3,544,122)	-6.0%
Operating profit (EBIT)	(78,756)	-0.6%	(216,650)	-1.6%	911,994	2.0%	705,997	1.6%	1,072,843	1.8%
Financial income	154,171	1.1%	8,027	0.1%	571,842	1.3%	87,798	0.2%	262,995	0.4%
Financial expenses	(207,467)	-1.5%	(207,019)	-1.5%	(545,420)	-1.2%	(529,885)	-1.2%	(774,409)	-1.3%
Extraordinary income	13,135	0.1%	19,776	0.1%	21,324	0.0%	169,914	0.4%	284,340	0.5%
Extraordinary expenses	(55,708)	-0.4%	10,376	0.1%	(198,132)	-0.4%	(92,962)	-0.2%	(332,975)	-0.6%
Pre-tax profit	(174,623)	-1.2%	(385,490)	-2.8%	761,608	1.7%	340,862	0.8%	512,793	0.9%
Income tax on current year earnings	12,882	0.1%	26,254	0.2%	(671,939)	-1.5%	(416,781)	-1.0%	(662,614)	-1.1%
Other non-deductible taxes	(28,800)	-0.2%	200	0.0%	(94,901)	-0.2%	(33,570)	-0.1%	(58,264)	-0.1%
Income tax paid in advance		0.0%		0.0%		0.0%		0.0%		0.0%
Total net profit (loss)	(190,541)	-1.3%	(359,036)	-2.6%	(5,233)	0.0%	(109,489)	-0.3%	(208,084)	-0.4%
Minority interest profit (loss)		0.0%		0.0%		0.0%		0.0%		0.0%
Net profit (loss)	(190,541)	-1.3%	(359,036)	-2.6%	(5,233)	0.0%	(109,489)	-0.3%	(208,084)	-0.4%

2. Comments on the financial statements

2.1 Introduction

This quarterly report has been prepared in accordance with Article 82 of Consob resolution no. 11971 dated May 14 1992, supplemented by resolution no. 12475 of April 6 2000.

In compliance with Consob notification no. 98083971 dated October 26 1998, the balance sheet and income statement are also given in euros, converted from lire using the fixed parity, in order to provide clearer and more complete information.

2.2 Consolidation area and evaluation criteria

The consolidation area includes the situation at September 30 2001 as regards the Holding Company, Centrale del Latte di Torino & C. S.p.A., and its subsidiary company, Centro Latte Rapallo S.p.A.

Evaluation criteria.

The evaluation criteria and accounting principles adopted to prepare individual and consolidated financial statements are the same as those used previously.

2.3 Comments on the income statement

The Group **income statement** for the period ended September 30 2001 shows a gross operating margin (EBITDA) of 7,980 million lire against 6,508 million recorded for the same period ended September 30 2000, which represents an increase of 1,472 million or 22.6%. The operating profit (EBIT) amounts to 1,766 million lire compared with 1,367 million for the period ended September 30 2000, an increase for the period of 399 million or 29.18%. Year-to-date pre-tax profit at September 30 2001 is 1,475 million lire against 660 million for the period ended September 30 2000 and represents an increase of 815 million equal to 123.5%.

As regards the third quarter, the Group income statement shows a gross operating margin of 2,116 million lire, which represents an increase of 751 million or 55% when compared with the same period in the prior year. The operating profit was negative. The loss reported of 152 million lire is partly due to extraordinary accruals amounting to 364 million (see paragraph "Purchase of treasury stock"), however, this compares with a loss for the prior year of 419 million lire and therefore represents an improvement of 267 million or 63.7%.

Sales revenues

Compared with the period ended September 30 2000, Group net sales revenues increased in the quarter ended September 30 2001 by 1,111 million lire or 4.2% to reach 27,655 million. For the nine-month period Group net sales rose by 5,282 million lire compared with the same period in the previous year, an increase of 6.4%.

The following table summarises the breakdown of consolidated sales revenues by main product line:

(millions of lire)	II Qtr 01	II Qtr 00	Change		30-09-01	30-09-00	Change	
Fresh milk	14,179	13,715	464	3.4%	46,415	45,564	851	1.9%
UHT milk	6,076	6,284	-208	-3.3%	18,949	18,415	534	2.9%
Yoghurt	866	868	-2	-0.2%	2,615	2,585	30	1.2%
Bulk milk and cream	798	1,551	-753	-48.5%	2,842	3,915	-1,073	-27.4%
Other packaged products	5,736	4,126	1,610	39.0%	17,499	12,559	4,940	39.3%
Total	27,655	26,544	1,111	4.2%	88,320	83,038	5,282	6.4%

Operating costs

During the quarter ended June 30 2001 there were no events that negatively impacted operating cost trends.

Interest expense. Interest expense remained essentially stable, whereas the interest income reported was derived from securities held as current assets by the Holding Company and the tax credit on distributed earnings of the Centro Latte Rapallo subsidiary.

2.4 Financial position

The Group's **net positive financial position** summarised in the following table shows a decrease from the position reported at the end of the 2nd quarter 2001. The main reasons for this drop in liquidity were utilisation of 884 million lire for the purchase of treasury stock and advances totalling 1,200 million paid to suppliers of plant for the second PET bottling line currently under installation. In addition, a delay in receiving the VAT reimbursement due of 1,500 million lire meant that at the end of September recourse had to be made to bank overdraft facilities.

(millions of lire)	30-09-01	30-09-00	30-06-01	31-12-00
Liquid assets	25,202	3,125	26,449	30,143
Treasury stock (net of accrual)	863	0	345	0
Payables to banks	(23,194)	(24,589)	(19,501)	(17,580)
Payables to controlling companies	0	0	0	0
Receivables from controlling companies	188	0	188	188
Payables to other financing sources	(969)	(969)	(969)	(969)
Net financial position	2,090	(22,432)	6,511	11,781

2.5 Purchase of treasury stock

As approved by the ordinary shareholders' meeting held on April 30 2001, starting in the month of June the Holding Company began to purchase treasury stock.

Treasury stock was recorded at its total value (including bank commissions) in the current assets of the Holding Company and simultaneously the same amount was transferred from the extraordinary reserve to the unavailable reserve for treasury stock forming part of the Holding Company's shareholders' equity.

Negative trends in financial markets, compounded by events in September last, led to a trading of Company shares below the range established in the shareholders' meeting on April 30 2001 for treasury stock purchase or sale operations.

At September 30 the treasury stock portfolio comprised 150,750 shares (equal to 1.5% of the capital stock) with a purchase value of 1,228,873,017 lire and therefore at an average price of 4.21 euros.

As the average share price in September was 2.9598 euros, an adjustment was made to the value of shares held in the portfolio amounting to 364,928,966 lire, representing the difference between the average unit value in the month of September and the average purchase price of the shares themselves.

3. Comments on operations

During the quarter in question sales diversification activity and introduction of new products continued. This strategic decision meant that it was possible to offset the negative impact on sales of seasonal factors that above all affect activities of the Holding Company. In the hotter months consumers in fact tend to consume alternative products and in the Holding Company's market area (Turin, its provincial area and Piedmont in general) July and August are traditionally summer holiday months that reduce the population in metropolitan areas and, therefore, consumption of the Company's typical products.

Diversification has helped to reduce this negative seasonal impact and in fact there was a 39% growth in other product sales over the same period in the previous year.

And so during the first nine months of the year growth continued, with an increase over the same period in the prior year of 6.4% for turnover, 22.6% for gross operating margin – EBITDA - and 55.8% for operating profit - EBIT.

During the course of the quarter under review Centro Latte Rapallo S.p.A. underwent an inspection by the Social Security Office of Sestri Levante (Genoa) and as a consequence received a notification for a total of 4,887,651,000 (equal to 2,524,265.05 euros) due as regards its relations with transporters (owner-drivers). The Company is in the process of preparing an opposition to this claim, which will be presented

within the prescribed term to the competent authorities, inasmuch it is held that the reasons underlying it are unfounded, also in the light of previous legal rulings on such matters.

3.1 Future trends

For the last quarter of the year, and therefore for 2001 as a whole, the expectations are that results achieved up to now can be improved on, with an internally based growth that will increase both turnover and all other indicators covered above.

4. Holding Company – Financial Statements

4.1 Balance sheet (millions of lire)

(millions of lire)	September 2001		September 2000		June 2001		Dec 31 2000	
Non - current assets								
Technical fixed assets	25,730		21,707		24,356		24,061	
Intangible fixed assets	4,488		2,135		4,685		4,930	
Shareholdings and securities	37,163		33,567		37,163		0	
Total non-current assets	67,381	94.2%	57,409	99.5%	66,204	99.3%	28,992	102.2%
Current assets								
Trade receivables	17,263		14,646		18,416		17,608	
Inventories	2,116		2,546		2,694		2,899	
Accrued income & prepaid expenses	1,089		539		863		707	
Other current assets	9,813		10,951		11,935		11,535	
Trade payables	(17,944)		(18,832)		(22,423)		(26,521)	
Other payables	(6,312)		(433)		(8,208)		(6,857)	
Accrued expenses & deferred income	(2,486)		(2,120)		(2,360)		(737)	
Taxes liabilities	(233)		(8,402)		(462)		(1,426)	
Net current assets	3,306	4.7%	(1,105)	-2.0%	455	0.7%	(2,793)	-10.7%
TOTAL FUND EMPLOYED	70,688	100.0%	56,304	100.0%	66,660	100.0%	26,199	100.0%
Long-term liabilities and provisions								
Provision for employee severance	2,987		2,942		3,012		2,897	
Other provision	0		435		0		0	
Total long-term liabilities and provisions	2,987	4.2%	3,377	6.0%	3,012	4.5%	2,897	4.8%
Financial position								
Cash, bank and securities	(24,715)		(1,916)		(26,150)		(29,493)	
Own shares	(864)		0		(345)		0	
Bank debts	20,971		20,623		17,611		14,248	
Debts due to holding company	0		0		0		0	
Credits due from holding company	(188)		0		(188)		(188)	
Medium/long term financing	969		969		969		969	
Net financial position	(3,826)	-5.4%	19,676	34.9%	(8,103)	-12.2%	(14,463)	-24.2%
Shareholders' equity								
Share capital	39,887		28,420		39,887		39,887	
Reserves	30,864		4,178		30,864		30,564	
Net profit	776		653		1,001		881	
Total Shareholders' equity	71,527	101.2%	33,251	59.1%	71,752	107.6%	71,332	119.4%
TOTAL OWN & MINORITY FUNDS	70,688	100.0%	56,304	100.0%	66,660	100.0%	59,766	100.0%

4.2 Balance sheet (Euro)

	September 2001		September 2000		June 2001		Dec 31 2000	
Non - current assets								
Technical fixed assets	13,288,675		11,210,721		12,578,777		12,426,607	
Intangible fixed assets	2,317,624		1,102,642		2,419,517		2,546,327	
Shareholdings and securities	19,193,294		17,335,961		19,193,294		0	
Total non-current assets	34,799,593	98.3%	29,649,324	97.0%	34,191,588	99.3%	14,972,934	102.2%
Current assets								
Trade receivables	8,915,698		7,564,005		9,510,853		9,093,958	
Inventories	1,092,702		1,314,825		1,391,415		1,497,049	
Accrued income & prepaid expenses	562,250		278,578		445,701		365,183	
Other current assets	5,068,070		5,655,693		6,164,093		5,957,552	
Trade payables	(9,267,068)		(9,725,828)		(11,580,657)		(13,697,109)	
Other payables	(3,259,921)		(223,797)		(4,238,847)		(3,541,537)	
Accrued expenses & deferred income	(1,284,124)		(1,095,054)		(1,218,666)		(380,856)	
Taxes liabilities	(120,139)		(4,339,418)		(238,617)		(736,655)	
Net current assets	1,707,468	4.7%	(570,996)	-2.0%	235,273	0.7%	(1,442,414)	-10.7%
TOTAL FUND EMPLOYED	36,507,061	100.0%	29,078,328	100.0%	34,426,861	100.0%	13,530,520	100.0%
Long-term liabilities and provisions								
Provision for employee severance	1,542,532		1,519,510		1,555,320		1,496,128	
Other provision	0		224,659		0		0	
Total long-term liabilities and provisions	1,542,532	4.2%	1,744,169	6.0%	1,555,320	4.5%	1,496,128	4.8%
Financial position								
Cash, bank and securities	(12,764,231)		(989,583)		(13,505,523)		(15,231,900)	
Own shares	(446,190)		0		(178,346)		0	
Bank debts	10,830,808		10,650,889		9,095,086		7,358,648	
Debts due to holding company	0		0		0		0	
Credits due from holding company	(96,836)		0		(96,836)		(96,836)	
Medium/long term financing	500,532		500,532		500,532		500,532	
Net financial position	(1,975,916)	-5.4%	10,161,838	34.9%	(4,185,086)	-12.2%	(7,469,555)	-24.2%
Shareholders' equity								
Share capital	20,600,000		14,677,500		20,600,000		20,600,000	
Reserves	15,939,908		2,157,503		15,939,908		15,785,003	
Net profit	400,537		337,318		516,719		454,905	
Total Shareholders' equity	36,940,444	101.2%	17,172,321	59.1%	37,056,627	107.6%	36,839,908	119.4%
TOTAL OWN & MINORITY FUNDS	36,507,061	100.0%	29,078,328	100.0%	34,426,861	100.0%	30,866,481	100.0%

4.3 Income Statement (millions of lire)

	3rd QRT 2001		3rd QRT 2000		Sept, 30 2001		Sept, 30 2000		Dec,31 2000	
<i>Value of production</i>										
Revenues from sales and services	20,870	100.8%	18,962	99.7%	68,342	99.8%	60,338	99.4%	84,087	98.7%
Changes in inventories	(343)	-1.7%	(71)	-0.4%	(458)	-0.7%	(48)	-0.1%	261	0.3%
Other revenues and income	183	0.9%	121	0.6%	576	0.8%	388	0.6%	823	1.0%
Value of production	20,710	100.0%	19,012	100.0%	68,459	100.0%	60,678	100.0%	85,171	100.0%
<i>Production costs</i>										
Services	(4,070)	-19.7%	(4,487)	-23.6%	(13,361)	-19.5%	(12,654)	-20.9%	(16,465)	-19.3%
Raw materials	(13,158)	-63.5%	(11,411)	-60.0%	(42,413)	-62.0%	(36,653)	-60.4%	(52,915)	-62.1%
Other operating costs	(309)	-1.5%	(341)	-1.8%	(798)	-1.2%	(791)	-1.3%	(976)	-1.1%
Value added	3,173	15.3%	2,773	14.6%	11,887	17.4%	10,580	17.4%	14,816	17.4%
Personnel costs	(1,976)	-9.5%	(2,146)	-11.3%	(6,567)	-9.6%	(6,391)	-10.5%	(8,489)	-10.0%
Gross operating margin (EBITDA)	1,197	5.8%	627	3.3%	5,320	7.8%	4,189	6.9%	6,327	7.4%
Writedown of accounts receivable	(359)	-1.7%	(35)	-0.2%	(436)	-0.6%	(100)	-0.2%	(109)	-0.1%
Amortisation and depreciation of fixed assets	(1,179)	-5.7%	(982)	-5.2%	(3,495)	-5.1%	(2,822)	-4.7%	(3,896)	-4.6%
Operating profit (EBIT)	(341)	-1.6%	(390)	-2.1%	1,389	2.0%	1,267	2.1%	2,322	2.7%
Financial income	294	1.4%	11	0.1%	1,337	2.0%	412	0.7%	746	0.9%
Financial expenses	(353)	-1.7%	(315)	-1.7%	(896)	-1.3%	(819)	-1.3%	(1,234)	-1.4%
Extraordinary income	25	0.1%	37	0.2%	41	0.1%	328	0.5%	551	0.6%
Extraordinary expenses	(83)	-0.4%	0	0.0%	(309)	-0.5%	(200)	-0.3%	(645)	-0.8%
Pre-tax profit	(457)	-2.2%	(657)	-3.5%	1,564	2.3%	988	1.6%	1,740	2.0%
Income tax on current year earnings	232	1.1%	131	0.7%	(788)	-1.2%	(335)	-0.6%	(888)	0.0%
Other non-deductible taxes	0	0.0%	91	0.5%	0	0.0%		0.0%	29	0.0%
Income tax paid in advance		0.0%		0.0%		0.0%		0.0%		0.0%
Total net profit (loss)	(225)	-1.1%	(435)	-2.3%	776	1.1%	653	1.1%	881	1.0%
Minority interest profit (loss)		0.0%		0.0%		0.0%		0.0%		0.0%
Net profit (loss)	(225)	-1.1%	(435)	-2.3%	776	1.1%	653	1.1%	881	1.0%

4.4 Income statement (Euro)

(Euro)	3rd QRT 2001		3rd QRT 2000		Sept, 30 2001		Sept, 30 2000		Dec,31 2000	
<i>Value of production</i>										
Revenues from sales and services	10,778,631	100.8%	9,792,877	99.7%	35,295,591	99.8%	31,161,811	99.4%	43,427,537	98.7%
Changes in inventories	(177,279)	-1.7%	(36,462)	-0.4%	(236,620)	-0.7%	(24,569)	-0.1%	134,804	0.3%
Other revenues and income	94,576	0.9%	62,601	0.6%	297,399	0.8%	200,513	0.6%	424,999	1.0%
Value of production	10,695,928	100.0%	9,819,016	100.0%	35,356,370	100.0%	31,337,755	100.0%	43,987,339,6	100.0%
<i>Production costs</i>										
Services	(2,101,870)	-19.7%	(2,362,624)	-24.1%	(6,900,250)	-19.5%	(6,535,367)	-20.9%	(8,503,238)	-19.3%
Raw materials	(6,795,615)	-63.5%	(5,893,237)	-60.0%	(21,904,543)	-62.0%	(18,929,682)	-60.4%	(27,328,518)	-62.1%
Other operating costs	(159,489)	-1.5%	(130,208)	-1.3%	(412,228)	-1.2%	(407,564)	-1.3%	(503,833)	-1.1%
Value added	1,638,953	15.3%	1,432,947	14.6%	6,139,349	17.4%	5,465,142	17.4%	7,651,751	17.4%
Personnel costs	(1,020,498)	-9.5%	(1,108,352)	-11.3%	(3,391,773)	-9.6%	(3,300,806)	-10.5%	(4,384,245)	-10.0%
Gross operating margin (EBITDA)	618,455	5.8%	324,595	3.3%	2,747,577	7.8%	2,164,336	6.9%	3,267,506	7.4%
Writedown of accounts receivable	(185,496)	-1.7%	(18,305)	-0.2%	(225,271)	-0.6%	(51,824)	-0.2%	(56,546)	-0.1%
Amortisation and depreciation of fixed assets	(608,985)	-5.7%	(507,528)	-5.2%	(1,804,787)	-5.1%	(1,457,732)	-4.7%	(2,011,864)	-4.6%
Operating profit (EBIT)	(176,026)	-1.6%	(201,238)	-2.0%	717,519	2.0%	654,780	2.1%	1,199,096	2.7%
Financial income	152,078	1.4%	5,253	0.1%	690,753	2.0%	212,537	0.7%	385,514	0.9%
Financial expenses	(182,319)	-1.7%	(173,119)	-1.8%	(462,534)	-1.3%	(433,455)	-1.4%	(637,506)	-1.4%
Extraordinary income	13,135	0.1%	19,115	0.2%	21,324	0.1%	169,254	0.5%	284,340	0.6%
Extraordinary expenses	(42,839)	-0.4%	10,552	0.1%	(159,527)	-0.5%	(92,786)	-0.3%	(332,975)	-0.8%
Pre-tax profit	(235,971)	-2.2%	(339,437)	-3.5%	807,534	2.3%	510,330	1.6%	898,469	2.0%
Income tax on current year earnings	119,789	1.1%	114,653	1.2%	(406,997)	-1.2%	(173,013)	-0.6%	(458,614)	-1.0%
Other non-deductible taxes	0	0.0%		0.0%	0	0.0%	0	0.0%	15,050	0.0%
Income tax paid in advance		0.0%		0.0%		0.0%		0.0%		0.0%
Total net profit (loss)	(116,182)	-1.1%	(224,784)	-2.3%	400,537	1.1%	337,317	1.1%	454,905	1.0%
Minority interest profit (loss)		0.0%		0.0%		0.0%		0.0%		0.0%
Net profit (loss)	(116,182)	-1.1%	(224,784)	-2.3%	400,537	1.1%	337,317	1.1%	454,905	1.0%

5. Significant events after the close of the quarter

On October 8 last, following a decision by Italy's Anti-trust Authority that blocked Granarolo S.p.A.'s acquisition of Centrale del Latte di Vicenza, the Municipality of Vicenza reopened the public bid for sale of the entire shareholding that it owns in the latter mentioned company.

Centrale del Latte di Torino management has been able to examine tax, administrative and management documentation relevant to Centrale del Latte di Vicenza and is currently evaluating the terms of a possible bid together with its financial advisor, Banca Intermobiliare.

On October 23 2001 the Holding Company received a tax claim relating to a 1995 tax credit, which the Authorities claim the Company used beyond the prescribed term. The claim, which includes fines and interest and in total amounts to 105 million lire, is currently being reviewed by the Holding Company's tax advisors to evaluate the possibility of presenting an opposition.

On October 25 last the complete, new line of biologically grown products sold under the brand name "Fior di Bio" was presented to the sales force and the press. This will be the first Centrale del Latte di Torino & C. S.p.A. brand to be distributed throughout Italy and represents a significant widening of the Company's territorial and customer base. The brand covers UHT milk, mozzarella and stracchino cheeses, butter, eggs and extra-pure olive oil and represents a completely innovative, alternative assortment of products by comparison to other competitors in this specific sector.

Chairman of the Board of Directors

Luigi LUZZATI