CENTRALE DEL LATTE DI TORINO & C. S.p.A.

ANALYST PRESENTATION

Star Conference 2014

Milan, 25th march 2014

Centrale del Latte di Torino

AGENDA

1. The Group at a glance
2. Market overview
3. Financials
4. Share Price

Centrale del Latte di Torino

SPEAKERS

LUIGI LUZZATI
Chairman of Centrale del Latte di Torino & C. S.p.A.

RICCARDO POZZOLI
Vice Chairman and Chief Executive Officer of Centrale del Latte di Torino & C. S.p.A.

NICOLA CODISPOTI
Chief Executive Officer of Centrale del Latte di Torino & C. S.p.A.

VITTORIO VAUDAGNOTTI
Chief Financial Officer of Centrale del Latte di Torino & C. S.p.A.

1. The Group at a glance

1. Il Gruppo

MISSION

1. *Producing and marketing high quality products in the following segments:*

- *Fresh milk, long life (UHT) and Extended Shelf Life (ESL)*
- *Ready –to –eat (salad)*
- *Yogurt anf probiotic*
- *Fresh cream, long life (UHT) and Extended Shelf Life (ESL)*

2. *Developing and strengthening our role of interregional net work among large groups and small-sized local players.*

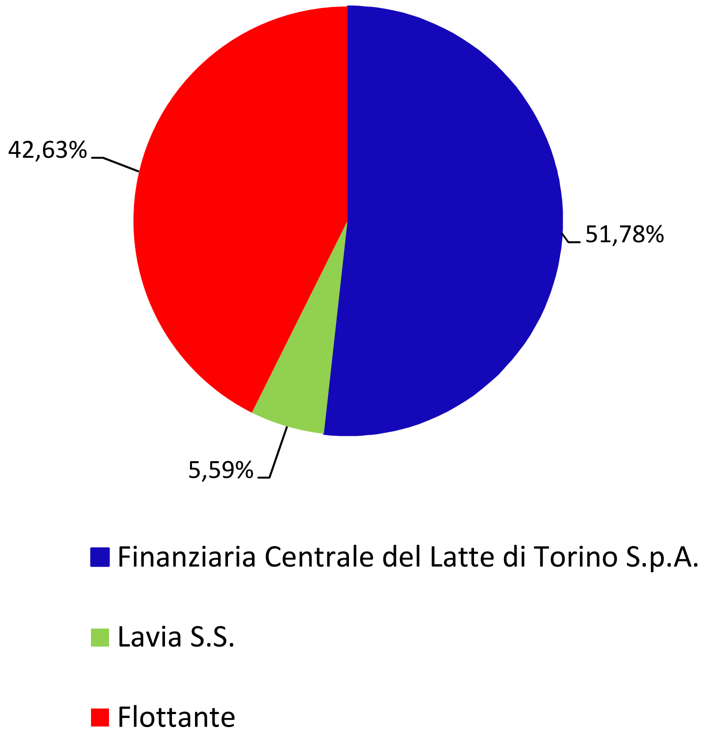
1. The Group at a glance

GROUP IDENTITY

- ✓ **Since 1950 Centrale del Latte is leading brand of milk in Turin.**
- ✓ During the yearss the Group experienced a day by day growth becoming a multiregional active in the production and distribution of milk, milkderivates and other fresh products.
- ✓ High quality production, strong diversification strategy and effective distribution network enabled the Group to become a leading regional player, always aiming to preserve its «daily and dairy» realtionship with its customers.

SHAREHOLDERS

Centrale del Latte di Torino & C. S.p.A. as of 19th march 2014

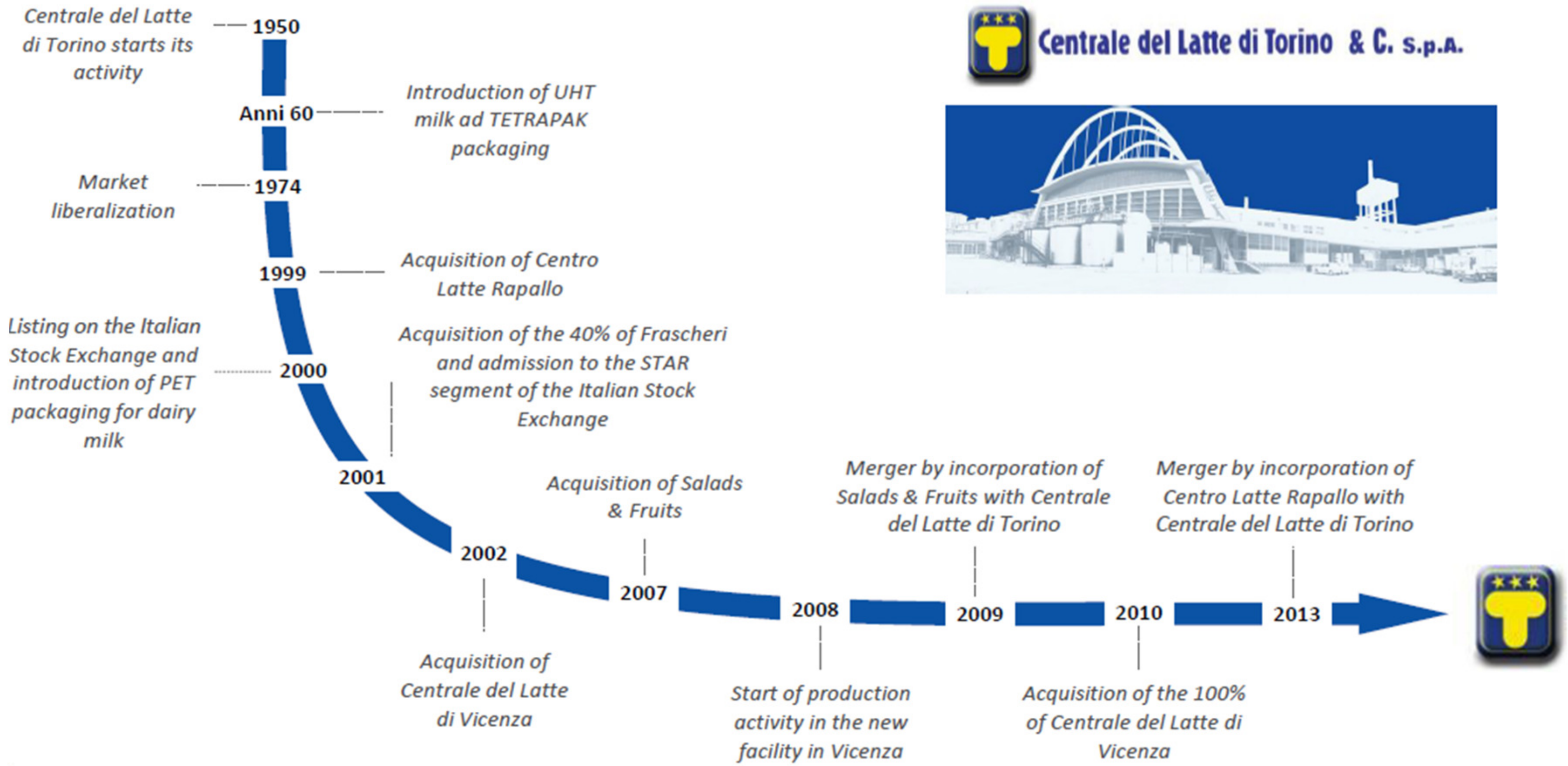


Numbers of shareholders as of 31th january 2014: 2.261

1. The Group at a glance

MISSION

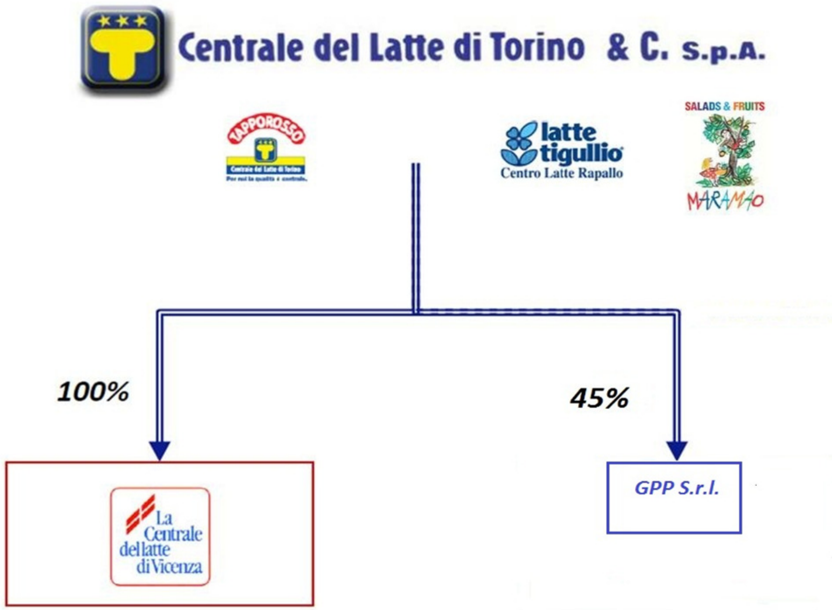
Source: Centrale del Latte di Torino & C. S.p.A.



1. The Group at a glance

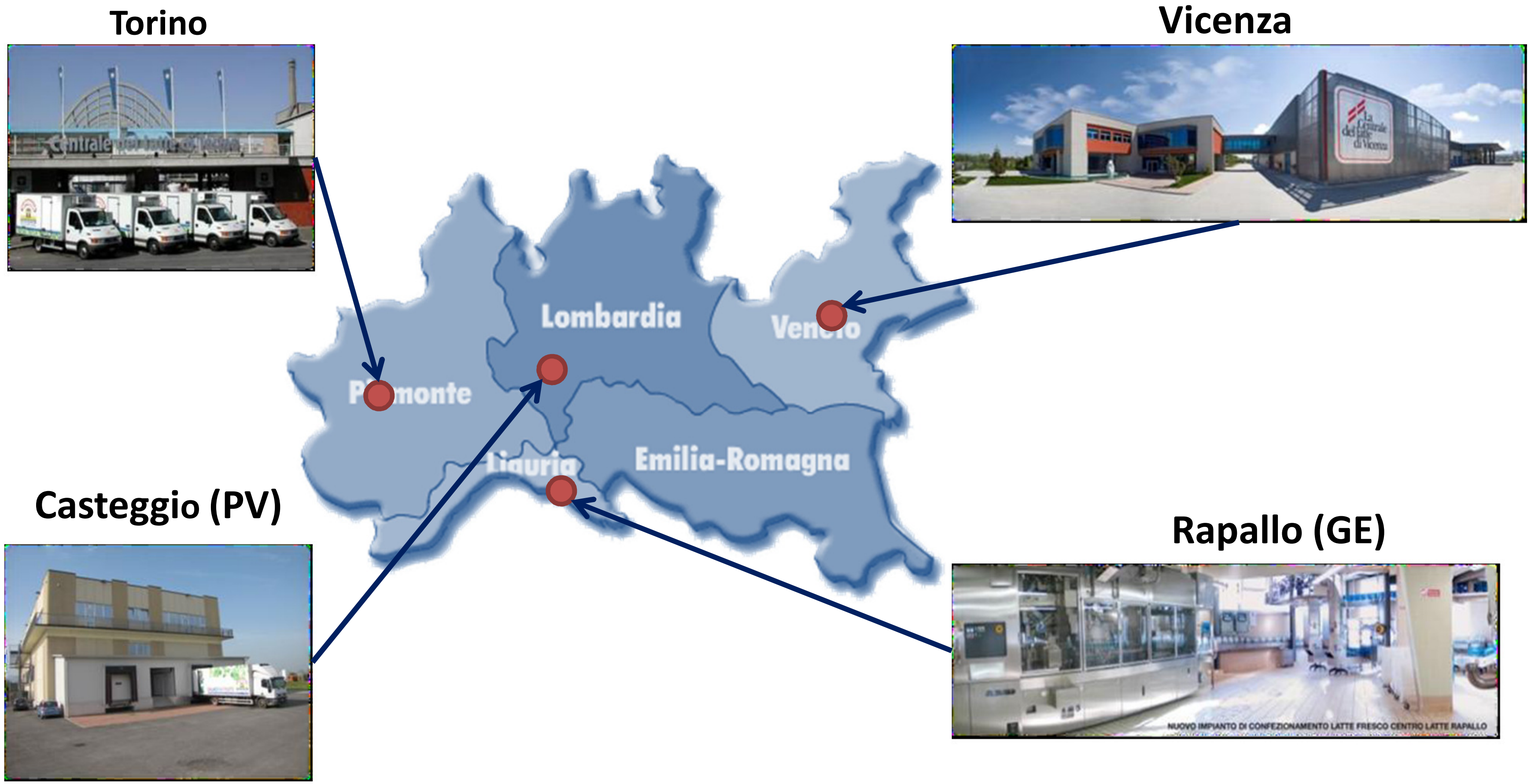
GROUP STRUCTURE

- With effect from 1st April 2013 of the merger of incorporation of Centro Latte Rapallo with Centrale del Latte di Torino & C. S.p.A., production and commercial activities in Rapallo will be perfomed through the new business unit CLR – Latte Tigullio.
- In the month of november 2013 after more than 10 years of successful collaboration Centrale del Latte di Torino sold its 40% stake in Frascheri S.p.A.



1. The Group at a glance

AN INTERREGIONAL POLE



1. The Group at a glance

TAPPOROSSO
Centrale del Latte di Torino
Per noi la qualità è centrale.

A FULL RANGE OF PRODUCTS

FRESH, ESL AND UHT MILK

65% of revenues 2013

Centrale del Latte di Torino | **Latte Tigullio** | **Centrale del Latte di Vicenza**

TAPPOROSSO Centrale del Latte di Torino Per noi la qualità è centrale.

latte tigullio Centro Latte Rapallo

La Centrale del latte di Vicenza

1. The Group at a glance

A FULL RANGE OF PRODUCTS

YOGURT E DESSERT

*8% of revenues 2013**

Centrale del Latte di Torino

Latte Tigullio

Centrale del Latte di Vicenza

**the revenues % refers only to yogurt*

1. The Group at a glance

OTHER PRODUCTS

READY TO EAT SALAD

5% of revenues 2013

CHEESE*

CREAM*

FRESH PASTA AND PESTO SAUCE*

EGGS*

CURED MEATS*

** The other products: 19% of revenues 2013*

1. The Group at a glance

GROUP'S NEW PRODUCTS

SOY BASED DRINK

- **Purpose**: reach out fast-moving markets focused on milk alternative products.

- **Market**: niche market (7.7% of total UHT market in Piedmont, Aosta Valley, Liguria and Veneto) but in constantly growing (9,8% of volume; sourceFonte IRI: AT Feb '13).
- **Involved channels :** large scale distribution, traditional shops and wholesalers.
- **Shelf life**: 12 mounths.
- **Lancio**: may 2013.
- **Caratteristiche del prodotto**: the product aims to meet dietary requirements of lactose intolerant (both to cow's milk and milk proteins) and vegetarian/vegan individuals with a drink still very close to the cow's milk taste. The product takes advantage from the technological know how of Centrale del Latte's UHT production and combines such an innovative mix:

1. 100% Italian soya – No OGM,
2. Algae Calcium (20%, sensitively higher vs. market average),
3. Vitamin: B2 (for nervous system) – D2 (for immune system)- B12 (to reduce tiredness).

1. The Group at a glance

TAPPOROSSO
Centrale del Latte di Torino
Per noi la qualità è centrale.

GROUP'S NEW PRODUCTS

FRESH AND UHT CREAM AND UHT MILK IN SPECIAL SIZE

- **New production line** (FBR Elpo) for sterile packaging in bags.
- **Purpose:** strengthen our role as a reference player in the professional bakery and ice-cream channel.
- **Lancio**: june 2013.
- **Involved channels**: professional.
- **Size**: 5/10 litre-kg.
- **Main features:** innovative packaging (stand-up bag in foil-lined aluminium material) easy to transport and pour, allowing a full consumption of the product.

1. The Group at a glance

• GROUP'S NEW PRODUCTS

BIO MILK

- **Purpose**: reach out new customer targets and lead the product innovation to new market needs.
- **Market**: niche market (3,6%of total fresh milk/ESL) but constantly growing; average price premium price.
- **Competitors**: Granarolo hold the leadership with Prima Natura Bio; Private labels brands involvement increasing.
- **Channels involved:** large scale distribution, traditional shop and wholesalers.
- **Shelf life:** 25 days
- **Launch:** march 2013 for Centrale del Late di Torino and business unit Rapallo, april 2013 for Centrale del Latte di Vicenza.
- **Main features:** organic milk made exclusively by cows reared in Piedmont area according to the **highest organic farming standards.** The virtuous supply chain guarantees animal health, environmental sustainability, respect for nature and organically grown animal feed. The innovative Bio milk is addressed to consumers driven by health, environmental protection, organic attitude.

1. The Group at a glance

• GROUP'S NEW PRODUCTS

EXPORT IN CHINA

CLT & Co. has signed a five-year contract 2014-2018 for the export of long-life milk and soy beverage company with a primary importer-distributor for the markets of China, Hong Kong and Macau.

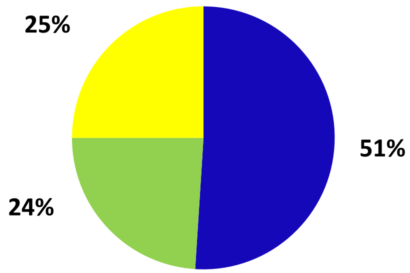
Currently 18 containers were shipped with a program order for 2014 of approximately 2,000,000 liters.

To further strengthen the export strategy and distribution, in May 2014 CLT & C. will participate at SIAL, the important food fair which is held every year in Shanghai.

1. Il Gruppo

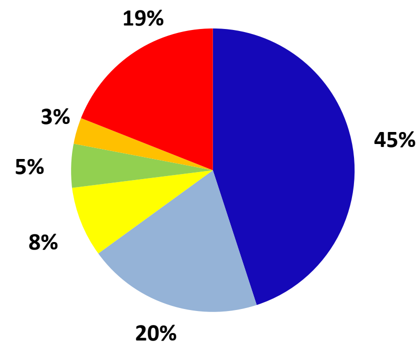
2013 SALES BREAKDOWN (€ 98 mn):

By region



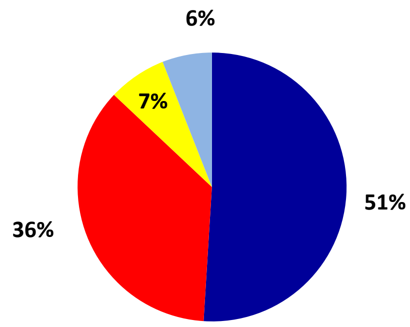
- Piedmont (€ 49,7 Mln)
- Liguria (€ 23,5 Mln)
- Veneto (€ 24,8 Mln)

By Products



- Fresk milk (€ 43,7 mn)
- UHT Milk (€ 19,3 mn)
- Yogurt (€ 8,1 mn)
- Ready-to-eat salad (€4,7 mn)
- Unbottled milk and creami (€ 3,7 mn)
- Othe packed products (€ 18,5 mn)

By distribution channel



- Large scale distribution (€ 50 mn)*
- Traditional shops (€ 35,3 mn)**
- Private labels (€ 6,8mn)
- Others (€ 5,8 mn)

** Circa 1.550 point of sale daily served*
*** Circa 8.000 point of sale daily served*

2. Market overwiew

2. Market overview

SPOT MILK PRICE

Source: Elaboration on CLAL data (ww.clal.it)

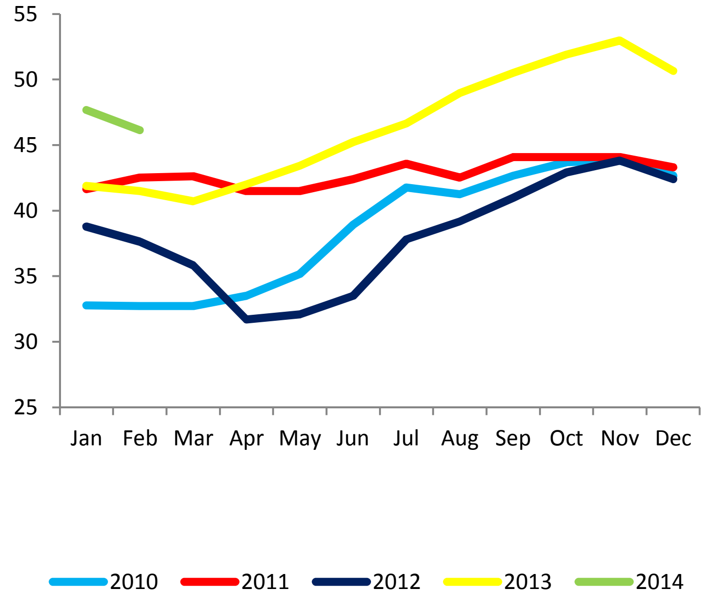
*Spot milk average monthly prices * (2010 – march 2014)*

Price in Euro for 100 litres

Month	2010 average	2011 average	2012 average	2013 average	2014 average
Gennaio	32.78	41.63	38.79	41.88	47.68
Febbraio	32.73	42.53	37.63	41.50	45.88
Marzo	32.73	42.61	35.83	40.72	42.79
Aprile	33.51	41.50	31.70	42.01	
Maggio	35.18	41.50	32.09	43.43	
Giugno	38.92	42.4	33.51	45.24	
Luglio	41.76	43.56	37.81	46.65	
Agosto	41.24	42.53	39.18	48.97	
Settembre	42.66	44.08	40.98	50.52	
Ottobre	43.69	44.08	42.92	51.89	
Novembre	43.82	44.08	43.82	52.97	
Dicembre	42.66	43.3	42.4	50.65	
Media annua	38.47	42.82	38.06	46.43	45.45

** Spot prices of milk bulk in the tank, free destination. Prices are fixed by the Commission reporting to the Lodi Chamber of Commerce. Average between minimum and maximum monthly spot milk price.*

*Trend of spot milk monthly prices * (2010 – march 2014)*



2. Market overview

FARM – GATE RAW MILK PRICES

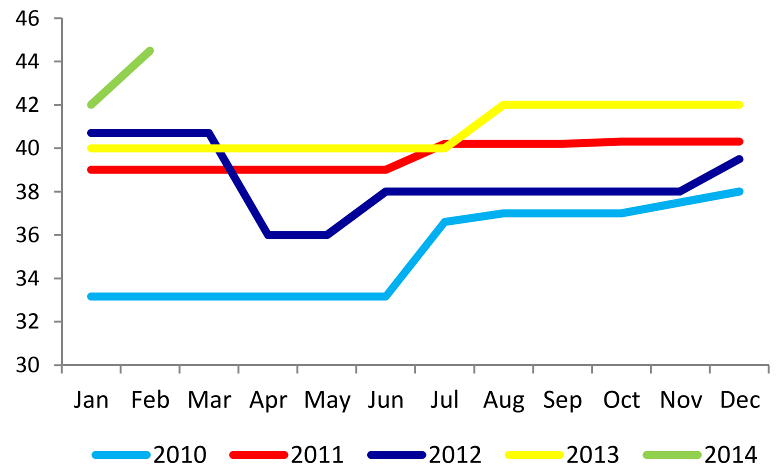
Source: Elaboration on CLAL data (ww.clal.it)

Farm-gate raw milk monthly prices [1] (2010 – march 2014)

Prezzi in euro per 100 litri

Month	2010 average	2011 average	2012 average	2013 average	2014 average
Gennaio	33.16	39.0	40.7	40 (e)	42(e)
Febbraio	33.16	39.0	40.7	40 (e)	44.5(e)
Marzo	33.16	39.0	40.7	40 (e)	44.5(e)
Aprile	33.16	39.0	36.0	40 (e)	
Maggio	33.16	39.0	36.0	40 (e)	
Giugno	33.16	39.0	38.0	40 (e)	
Luglio	36.6	40.2	38.0	40 (e)	
Agosto	37.00	40.2	38.0	42(e)	
Settembre	37.00	40.2	38.0	42(e)	
Ottobre	37.00	40.3	38.0	42(e)	
Novembre	37.5	40.3	38.0	42(e)	
Dicembre	38.00	40.3	39.5	42(e)	
Media annua	35.17	39.63	38.47	40.83	43.67

Trend of the farm-gate raw milk monthly average price* (2010 – march 2014)



[1] Price established in the Region Lombardy. Given the substantial volume of milk produced, the prices fixed in Lombardy are considered as points of reference for negotiations in other locations.

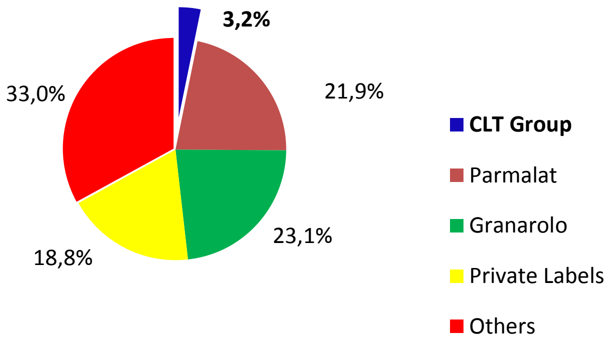
[2] Prices from January 2012 to march 2014 are «estimated», as they are an approximate estimation of the general trend deduced by CLAL according to industry commercial agreements and main market news.

2. Market overview: fresh milk, ESL Iper + super

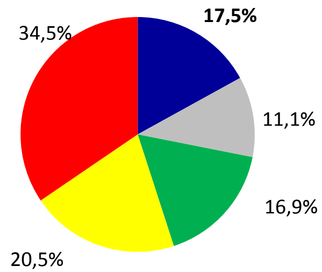
Source: IRI Infoscan I+S

2013 COMPETITOR ANALYSIS (market share value)

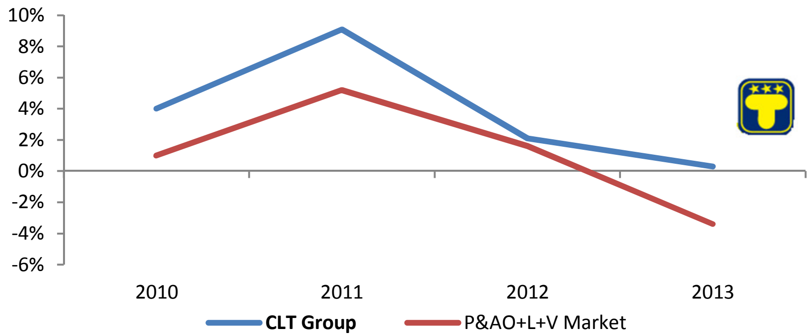
TOTAL ITALY



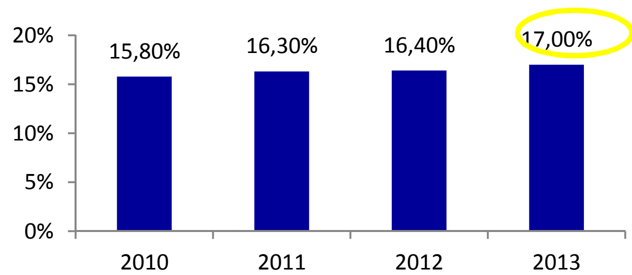
TOT. PIEDMONT & AOSTA VALLEY, LIGURIA, VENETO (18,2% OF TOTAL ITALY)



CLT VS MARKET *



CLT MARET SHARE *



** Total value of Piedmont & Aosta Valley, Liguria e Veneto*

2. Market overview: fresh milk, ESL Iper + super

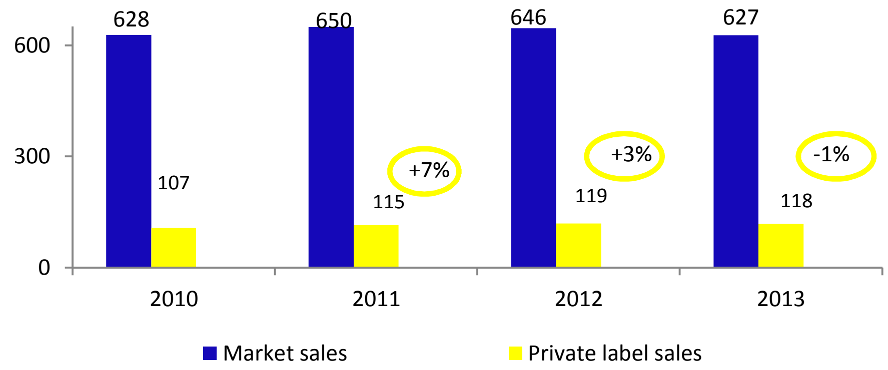
Source: IRI Infoscan I+S

TREND OF PRIVATE LABEL SALES IN THE FRESH MILK MARKET

- Private labels' fresh milk/ESL sales strongly increased even though with a slowing down trend. Share market trend: **4,0%** in 2006 and as far as l **18,8%** in **2013**.

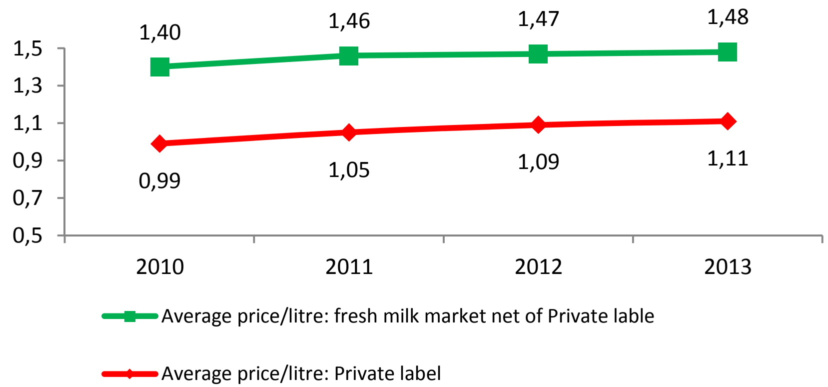
ITALIAN MARKET TREND

Figure in million Euro, except precentage



AVERAGE MARKET PRICE TREND

Figure in Euro

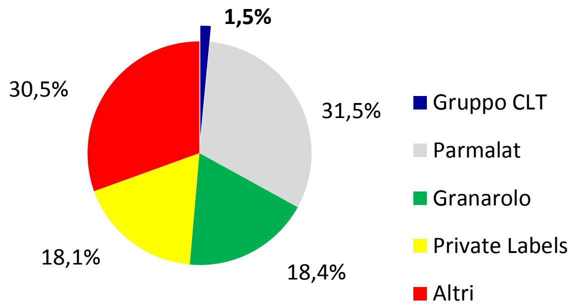


2. Market Overview: UHT Milk Iper + Super

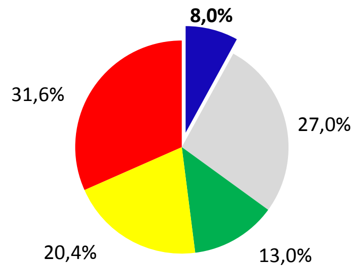
Source: IRI Infoscan I+S

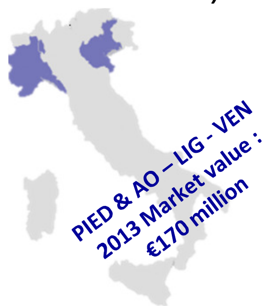
2013 COMPETITORS ANALYSIS (market share value)

TOTAL ITALY

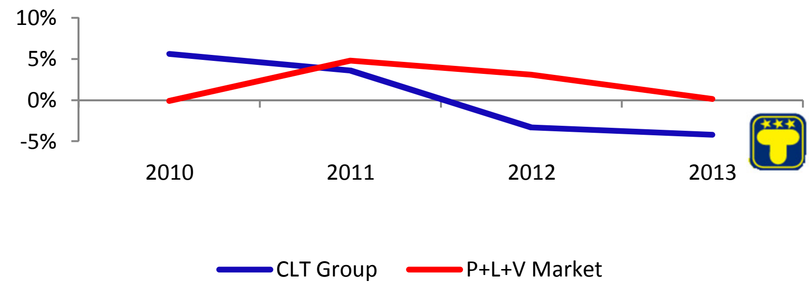


PIEDMONT & AOSTA VALLEY+LIGURIA+VENETO (18,4% OF TOTAL ITALIAN MARKET)

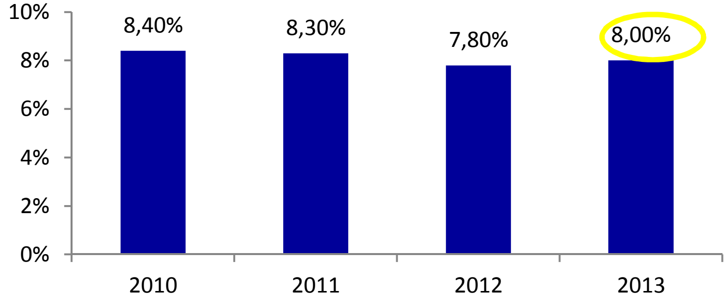




CLT VS MARKET* (sales trend 2010-2013)



CLT MARKET SHARE *

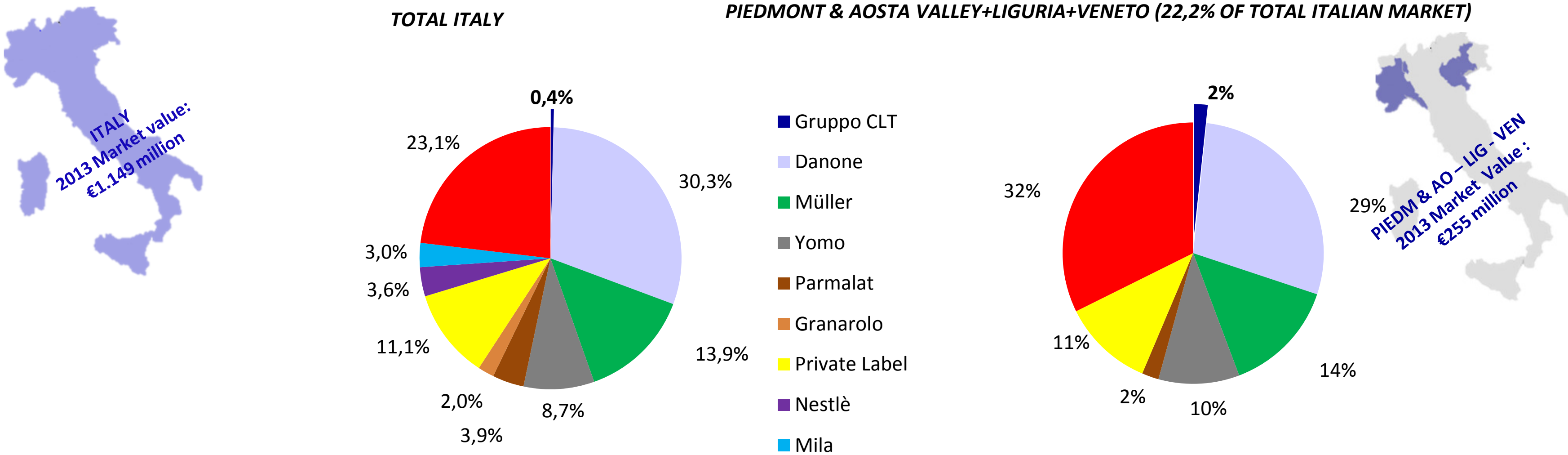


*** Total market Piedmont & Aosta Valley, Liguria e Veneto**

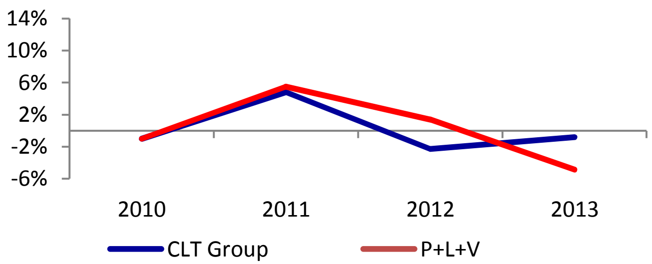
2. Market Overview: Yogurt Iper + Super

Source: IRI Infoscan I+S

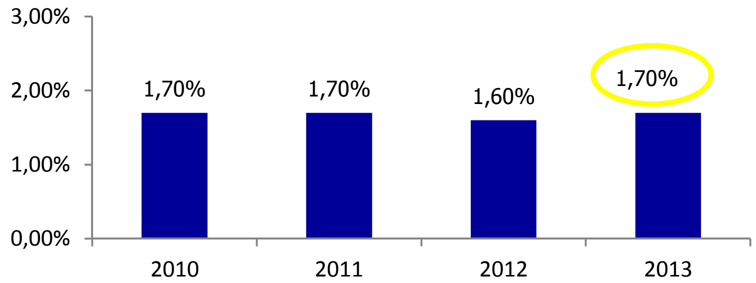
2013 COMPETITORS ANALYSIS (market share value)



CLT VS MARKET (sales trend 2010-2013)*



*CLT MARKET SHARE **



** Total market Piedmont & Aosta Valley, Liguria e Veneto*

2. Market Overview

Source: IRI Infoscan I+S

2013 – JAN/FEB 2014 MARKET TREND

- In 2013, fresh milk/ESL, UHT milk and yogurt sales in Iper + super channel were **in decrease with 2012 (-3.1**). **January – February 2014:** signs of a modest and fragile economic recovery

	Tot. Italian Market		Tot. Pied. – Ao, Liguria e Veneto	
	2013	**Gen-Feb 2014**	**2013**	**Gen-Feb 2014**
Fresh milk/ESL	**-2.8%**	**-0.5%**	**-3.4%**	**-3.4%**
UHT Milk	**-0.2%**	**1.1%**	**0.6%**	**0.6%**
Yogurt	**-5.4%**	**1.1%**	**-4.9%**	**0.2%**
Tot. Iper + Super	**-3.1%**	**0.7%**	**-2.9%**	**-0.5%**

2. Market Overview

2013 MARKETING INITIATIVES

- The Group always supported its strong positioning in regional markets with **high marketing and communication investments.**

MARKETING INVESTMENTS

€ 2,1 million
(2.1% of 2012 turnover

€ 2,4 million
(2.4% of 2013 turnover)

2. Market overview

2013 MARKETING INITIATIVES

Seguici su facebook

Centrale del Latte di Torino e Vicenza online from March 2013

2. Market overview

2013 MARKETING INITIATIVES

Partecipation to ***Cibus*, *International Food Fair*** *15th e 16th Edition*

«Consumer day»

Training seminars for teachers and guided tours
Sponsored by local institutions, MIUR (Ministry of Education) and FIMP (Italian Pediatric Association)

*Centrale del Latte di Torino sponsor for **Palio di Asti***

*Centrale del Latte sponsor di **CioccolaTò from 2011***

FOCUS SULL'EXPORT

*Partecipation to **FCH China**, International Exhibition of Food & Drinks 17th Edition, 13 -15 november 2013. Distribution agreement and authorization to the marketing.*

Procedures for distribution and marketing authorization of yogurt in Russia, in the course

2. Market overview

KEY STRATEGIES

Strengthen the market leadership of core-business products. Marketing investments focused on «immediate-return» activities.
Innovation: focus on internal production for core business products

- **Fresh milk & UHT Milk:** strengthen sales volume and market shares. Fresh milk growing promotional support. Retail price evolution according to prospective pomotional campaigns in the market.
- **ESL standard milk:** enhance the Group's growth in suche a fast growing market. Advertising and promotional support to the new product Bio milk.
- **High Digestibility milk:** support the growth of this innovative and profitable segment mainly via further development of long-lasting product thanks to its excellent performance in the course.
- **Yogurt and Probiotico**: efficiency driven by excellence in production at the plant in Vicenza (polo research, development and production of yogurt for the companies of the Group). Potential growth driven by recent new line Defilé Yogurt (strawberry, peach and pineapple) and new recipes on line probiotic FloraPlus.
- **Ready-to-eat salad:** develop our brand in line also with the continuous launch of innovative products to the market, characterized by localism origin of the raw material. Important support promotion / advertising. Increase production to third-party brand.
- **Fresh Cream and UHT**: continue the development project to become a player in the channel pastry / ice cream. New packaging line for special sizes (5/10 liters).
- **Third Companies production:** constantly looking for business partnerships in fresh milk, UHT milk and yogurt from Centrale del Latte di Vicenza and eady –to –eat salad by Salads & Fruits (a division of Centrale del Latte di Torino).
- **Strong connection with le local territory:** sponsoship for cultural, sport and food education events.
- **Export**: start-up activities for business development in China and Russia.

3. Financials

Centrale del Latte di Torino & C. S.p.A.

3. Financial

CONSOLIDATED INCOME STATEMENT

Euro thousand
IFRS Compliant

	31-dic-13		31-dic-12	
Sales	99,983	99,9%	99,276	99.4%
Valore della produzione	**99,983**	**100.0%**	**99,275**	**99.3%**
Service	(25,860)	-25.9%	(25,965)	-26.0%
Raw material consumption	(53,564)	-53,6%	(51,502)	-51.9%
Other operating costs	(1,052)	-53.6%	(1,471)	-1.5%
Costs of production	**(80,476)**	**-80.5%**	**(78,938)**	**-79.5%**
Personnel costs	(14,133)	-14.1%	(13,948)	-14.0%
EBITDA	**5,374**	**5.4%**	**6,389**	**6.4%**
Depreciation & Amortization	(4,245)	-4.2%	(6,075)	-6.1%
EBIT	**1,129**	**1.1%**	**315**	**0.3%**
Interest income	76	0.1%	116	0.1%
Financial expenses	(755)	-0.8%	(1,082)	-1.1%
Gain from partecipation	1,606	1.6%	-	0,0%
Dividend from associate	40	0.0%	-	0,0%
Profit (loss) before tax	**2,096**	**2.1%**	**(651)**	**-0.7**
Tax	(827)	-0.8%	90	0.1%
Group's profit (loss) after tax	**1,270 1.3%**		**(561)**	**-0.6%**

NOTES TO 2013 INCOME STATEMENT

- *The financial statements as at 31 December 2012 have been **reclassified** where necessary to make **homogenous comparison** in relation to:*
  - Change consolidation area;
  - Change in useful life brands;
  - Application of the revised IAS 19 - Employee Benefits.

3. Financial

CONSOLIDATED BALANCE SHEET

Euro thousand
IFRS Compliant

	31-dic-13	%	31-dic-12	%
Tangible assets	52,652	76.1%	54,365	73.8%
Intangible assets	11,777	17.0%	11,925	16.2%
Finacial assets	67,584	0.1%	1,033	1.4%
Fixed asstes	**64,496**	**93.3%**	**67,323**	**91.4%**
Trade receivables	16,514	23.9%	18,364	24.9%
Inventories	3,473	5.0%	3,575	4.9%
Other assets	8,405	12.2%	8,285	11.2%
Trade payables	(18,419)	-26.6%	(17,436)	-23.7
Othe liabilities	(5,316)	-7.7	(6,416)	-8.7
Net working capital	**4,657**	**6.7%**	**6,371**	**8.6%**
NET ASSETS	**69,153**	**100.0%**	**73,695**	**100.0%**
Severance & other funds	8,479	125.3%	8,677	11.8%
Cash & equivalent	(7,822)	-11.3%	(6,235)	-8.5%
Financial debt	27,772	40.2%	31,912	43.3%
Net financial position	**19,950**	**28.8%**	**25,677**	**34.8%**
Share capital & reserves	39,454	57.1%	39,903	54.1%
Profi (loss) to the year	1,270	1.8%	(536)	-0.7%
Shareholder's equity	**40,724**	**58.9%**	**39,367**	**53,4%**
NET LIABILITIES	**69,153**	**100.0%**	**73,721**	**100.0%**

NOTES TO 2013 BALANCE SHEET

During the year 2013, the Group has progressively reduced the total net financial debt due to cash generated from operations and the sale of the stake in Frascheri SpA

3. Financial

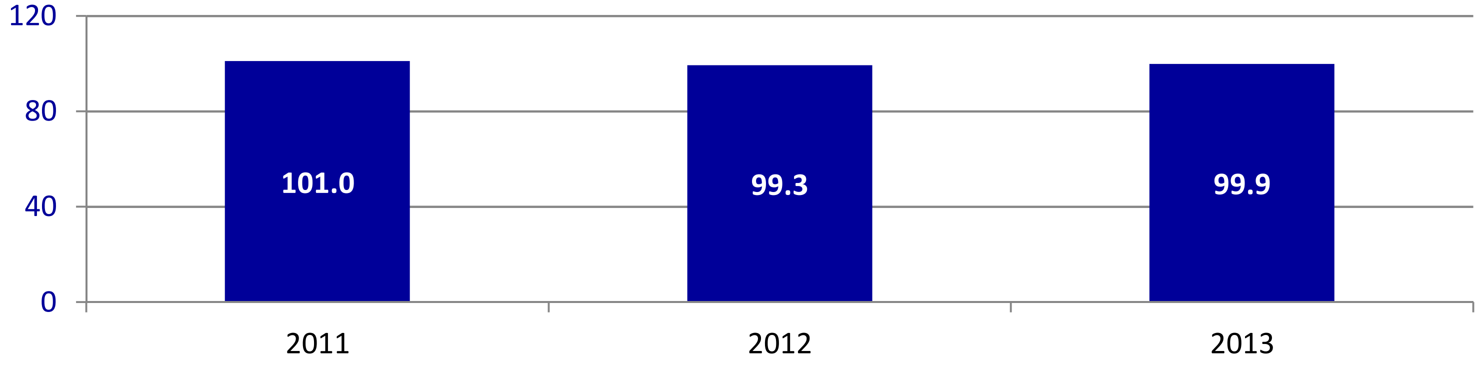
SHAREHOLDER’S MEETING 30th April 2014

- The shareholder’s meeting of April 30, 2014 will be proposed to distribute a dividend of EUR 0.06 per n. 10,000,000 of the company's shares in payment from May 8, 2014 ex dividend day May 5, 2014 and record date May 7, 2014.

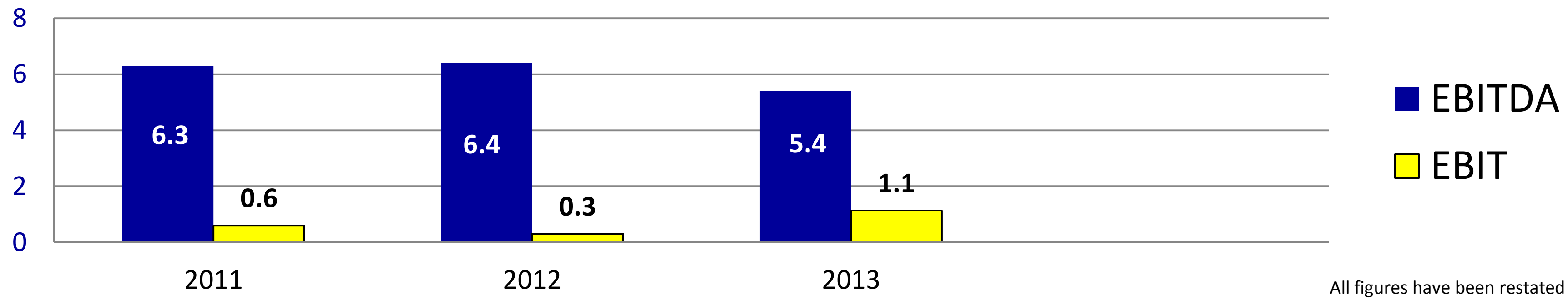
- It should be noted that the dividend is to be understood in the ordinary measure of EUR 0.02 per share and outstanding in the amount of EUR 0.04 per share as a result of capital gains realized in the year of participation.

3. Financial

TOTAL OPERATING REVENUES TREND (2011 - 2013)



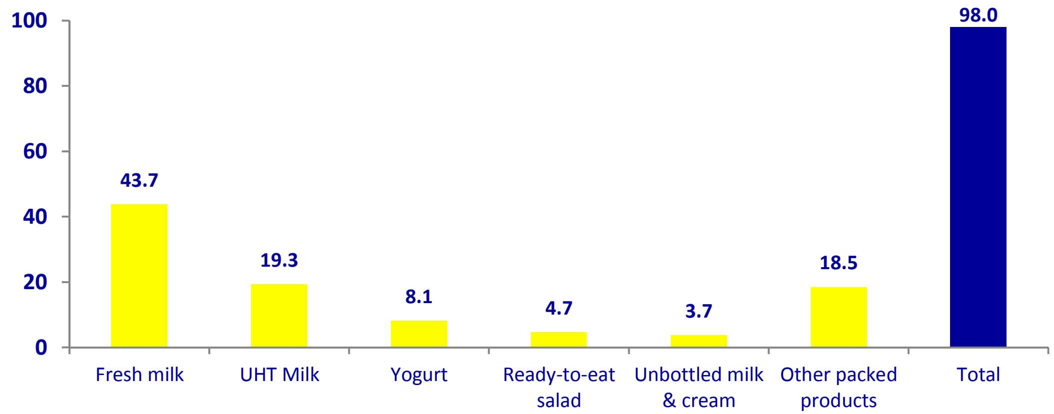
EBITDA AND EBIT TREND (2011 - 2013)



All figures have been restated

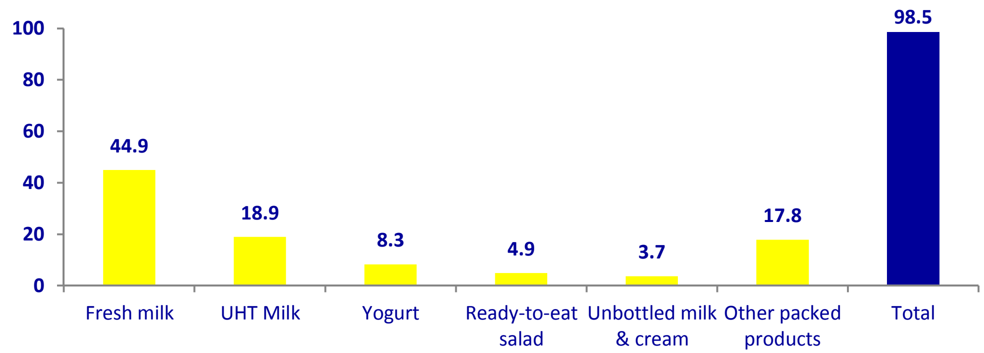
3. Financial

2013 SALES BREAKDOWN BY PRODUCT



Euro million

2013 SALES BREAKDOWN BY PRODUCT

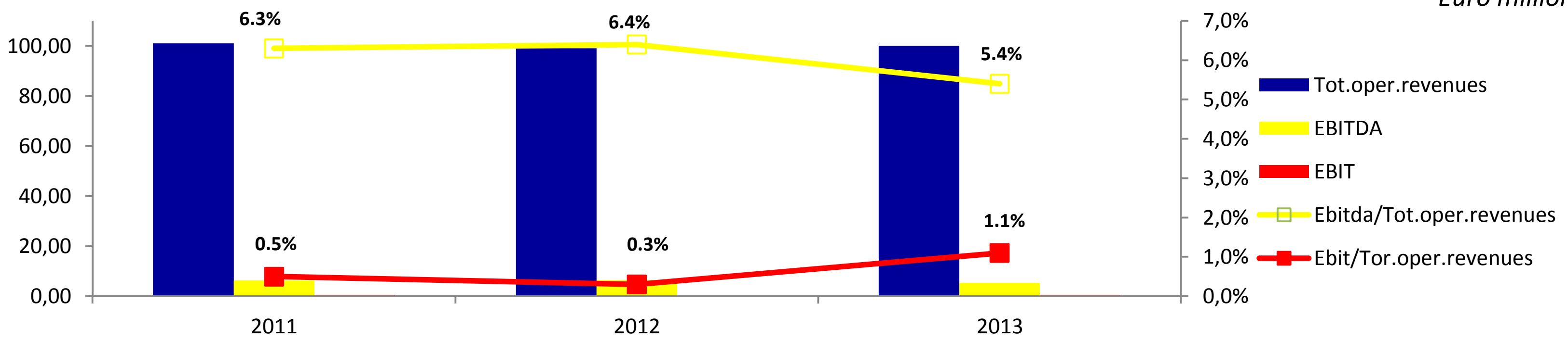


All figures have been restated

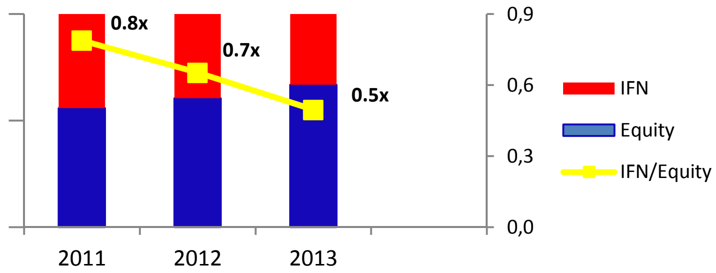
3. Financial

EBITDA ed EBIT MARGINS

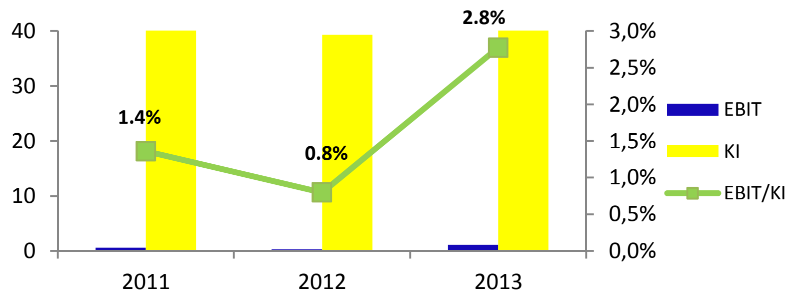
Euro million



IFN/EQUITY



EBIT/CAPITAL INVESTED (Ki)



All figures have been restated

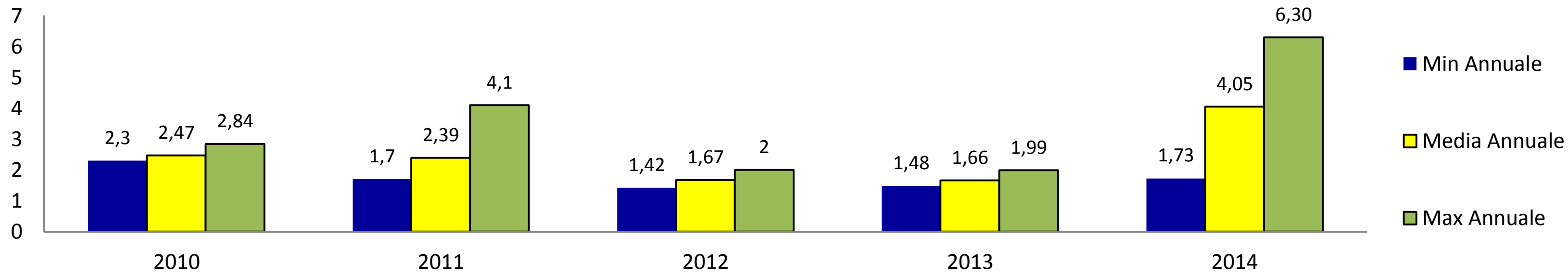
4. Share price

4. Il Titolo

SHARE PRICE 2010 - 2014 YTD

Source: Borsa Italiana S.p.A. Price in Euro relative to 2014, referring to the March 18, 2014

PRICE PER SHARE 2010 - 2014 YTD

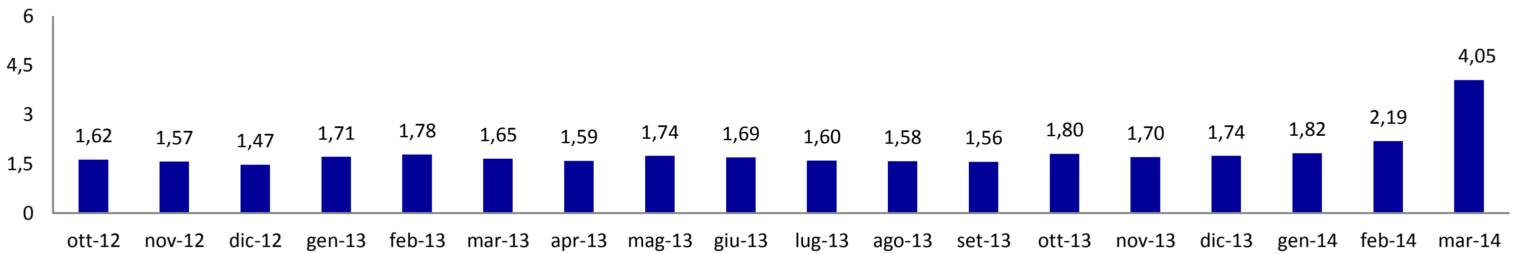


4. Il Titolo

LAST YEAR SHARE PRICE vs FTSE ITALIA STAR INDEX

LTM SHARE PRICE – MONTHLY ANALYSIS

Source: Borsa Italiana S.p.A. Price in Euro relative to 2014, referring to the March 18, 2014



Contacts

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