

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



ANALYST PRESENTATION

Italian Stock Market Opportunities

Milan, 11th September 2012



SALADS & FRUITS



AGENDA

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

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. The Group at a glance

MISSION

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

 *Fresh milk, long life (UHT) and ESL (Extended Shelf Life)*

 *Ready-to-eat (salad)*

 *Yogurt and probiotic*

 *Fresh cream, long life (UHT) and ESL (Extended Shelf Life)*

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

1. The Group at a glance

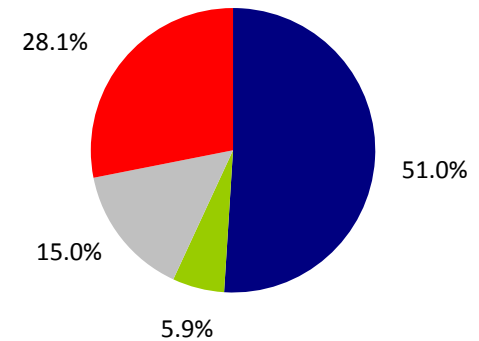
GROUP IDENTITY

- ✓ Since 1950 Centrale del Latte is the leading brand of milk in Turin
- ✓ During the years the Group experienced a day by day growth becoming a multiregional company active in the production and distribution of milk, milk derivatives 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” relationship with its customers



SHAREHOLDERS ¹

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



Number of shareholders as at May 31st 2012: 3,356

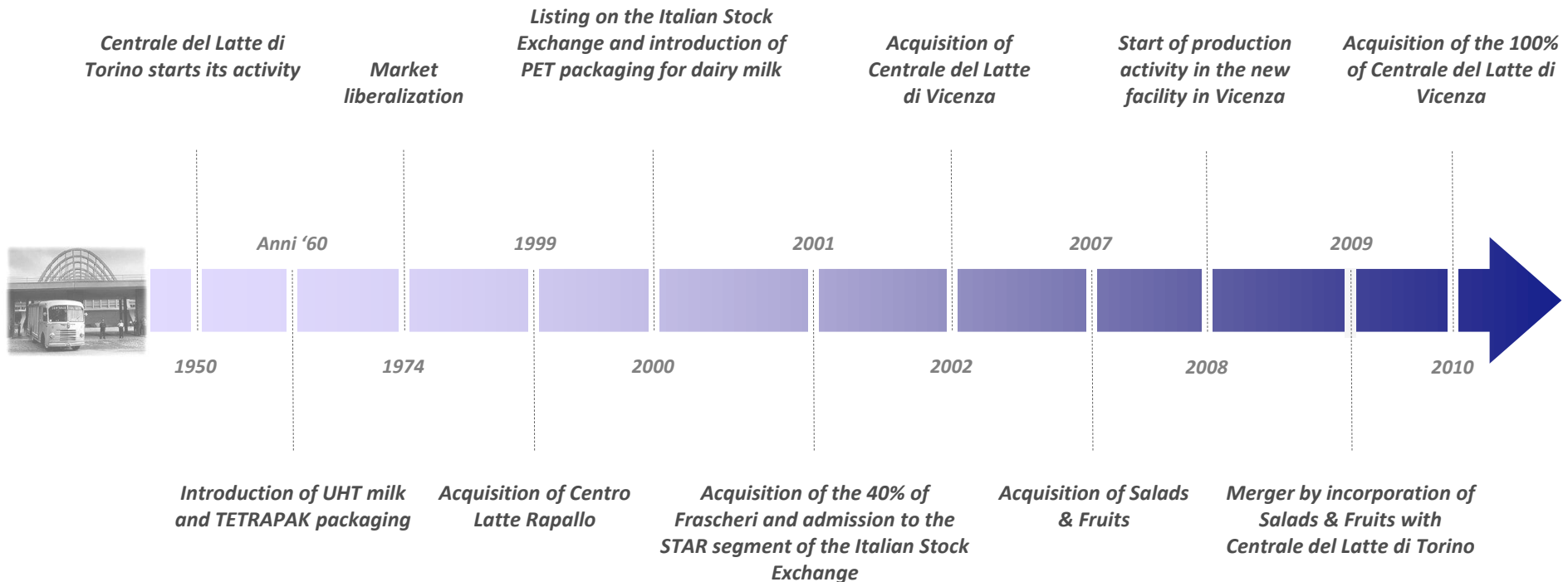
- Finanziaria Centrale del Latte di Torino
- Lavia S.S.
- B & E Equities S.p.A.
- Free Float

¹ Updated as of 31st May 2012.

1. The Group at a glance

EQUITY STORY

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



1. The Group at a glance

GROUP STRUCTURE ¹

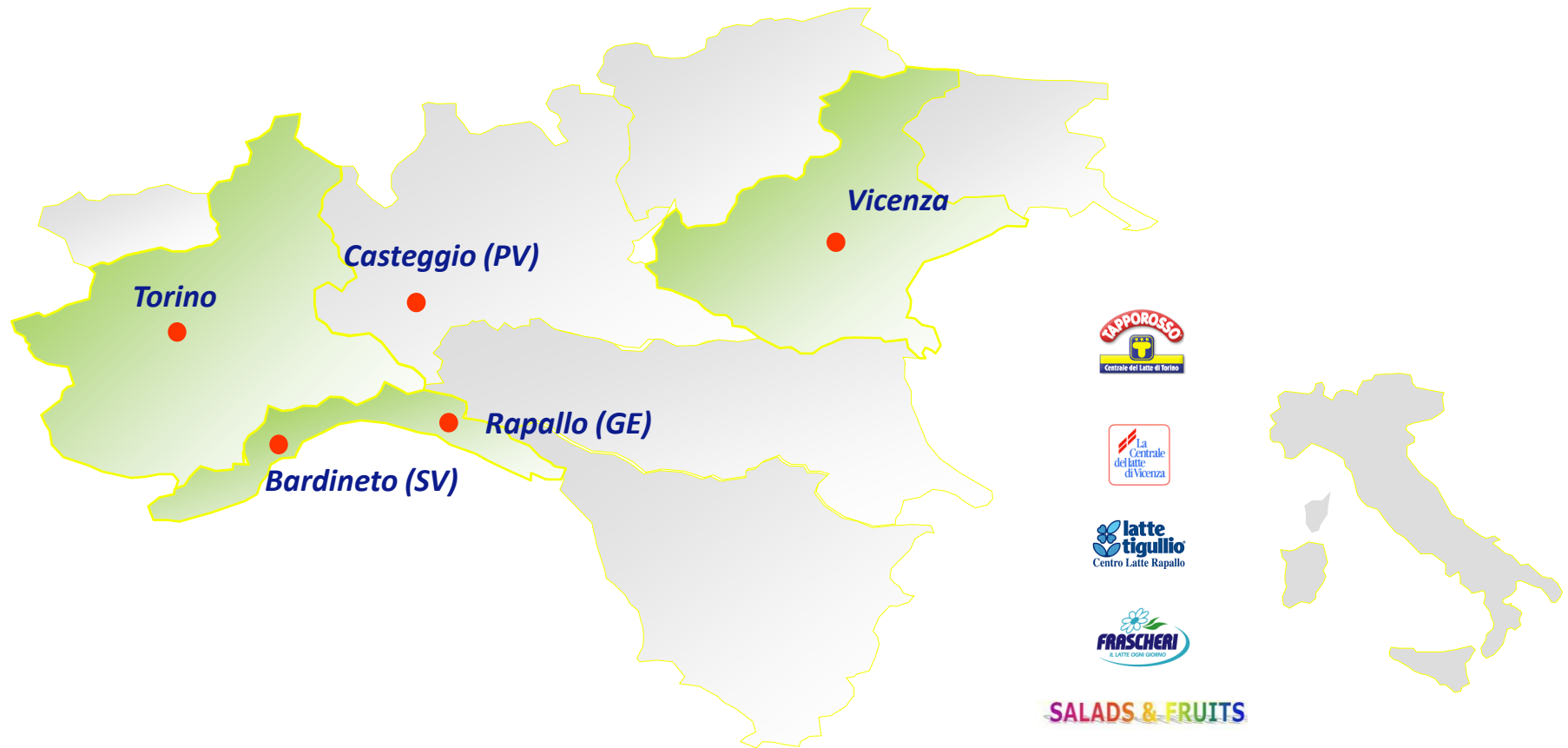
Source: Centrale del Latte di Torino & C. S.p.A.



¹ Updated as of September 2012.

1. The Group at a glance

AN INTERREGIONAL POLE



1. The Group at a glance

A FULL RANGE OF PRODUCTS

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

FRESH AND UHT MILK

64% of revenues 1H2012



YOGURT AND DESSERT

8% of revenues 1H2012



1. The Group at a glance

OTHER PRODUCTS

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

READY-TO-EAT SALAD ¹

5% of revenues 1H2012



CHEESE ¹



CREAM

4% of revenues 1H2012



FRESH PASTA AND PESTO SAUCE ¹



EGGS ¹



¹Tot. Other products: 19% of revenues 1H2012

1. The Group at a glance

GROUP'S NEW PRODUCTS

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

YOGURT GOLOSO: PISTACHIO – FIORDILATTE – NOUGAT



- ▶ **Purpose:** reach out to new consumer targets according to evolving markets
- ▶ **Channels involved:** large-scale distribution, traditional shops and wholesalers
- ▶ **Shelf life:** 50 days
- ▶ **Launch:** January 2012 for Centrale Latte di Torino and Centrale del Latte di Vicenza; April 2012 for Centro Latte Rapallo
- ▶ **Main features:** creaminess, fresh taste and delicate flavour of yogurt, which is naturally rich in live lactic cultures, are the product's most valued features. This product line is characterized by a distinctive positioning aimed to customers susceptible to hedonistic consumption, with its exclusive recipes

1. The Group at a glance

GROUP'S NEW PRODUCTS

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

HIGH PASTEURIZED FULL-FAT AND SEMI-SKIMMED MILK IN BLUE PET BOTTLE 1000 ML



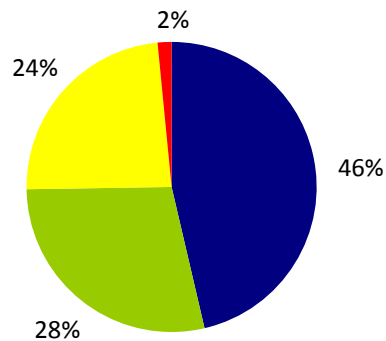
- ▶ **Purpose:** strengthen the leadership in the milk sector through innovation following consumers' evolving needs
- ▶ **Market:** High potential (22.8% of total fresh milk/ESL) and fast-growing (+5.2%) (Source: IRI Tot. ITA Iper + Super, April 11)
- ▶ **Competitors:** national leaders (Granarolo Più Giorni and Parmalat Blù Premium) and main private labels
- ▶ **Channels involved:** large-scale distribution, traditional shops and wholesalers
- ▶ **Shelf life:** 25 days
- ▶ **Launch:** September 2011 for Centrale Latte di Torino; November 2011 for Centro Latte Rapallo; May 2012 for Centrale del Latte di Vicenza
- ▶ **Main features:** thanks to a pasteurization process with higher temperature than fresh milk, its taste lasts longer, and a practical supply of fresh milk is guaranteed.

1. The Group at a glance

1H2012 SALES BREAKDOWN (€ 52.6 M)

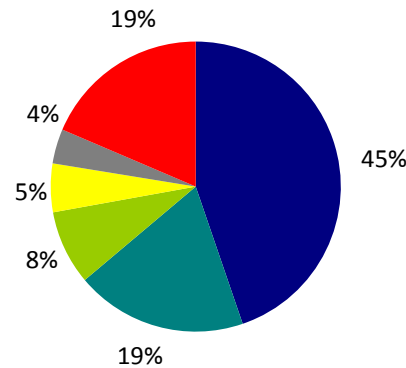
Source: Centrale del Latte di Torino & C. S.p.A.

By region



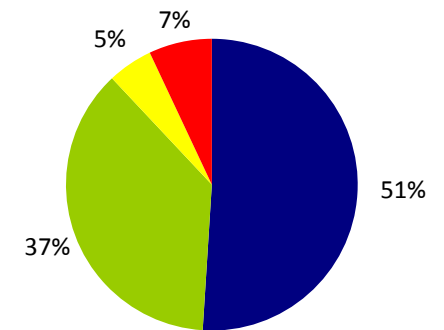
- Piedmont (€ 24.4 m)
- Liguria (€ 14.9 m)
- Veneto (€ 12.5 m)
- Other regions (€ 0.8 m)

By product



- Fresh milk (€ 23.5 m)
- UHT milk (€ 10 m)
- Yogurt (€ 4.4 m)
- Ready-to-eat salad (€ 2.9 m)
- Unbottled milk and cream (€ 2 m)
- Other packed products (€ 9.8 m)

By distribution channel



- Large-scale distribution (€ 26.8 m)¹
- Shops (€ 19.5 m)²
- Private Labels (€ 2.6 m)
- Others (€ 3.7 m)

¹ Nearly 1,250 point of sale daily served

² Nearly 8,000 point of sale daily served

2. Market Overview

2. Market Overview

SPOT MILK PRICES

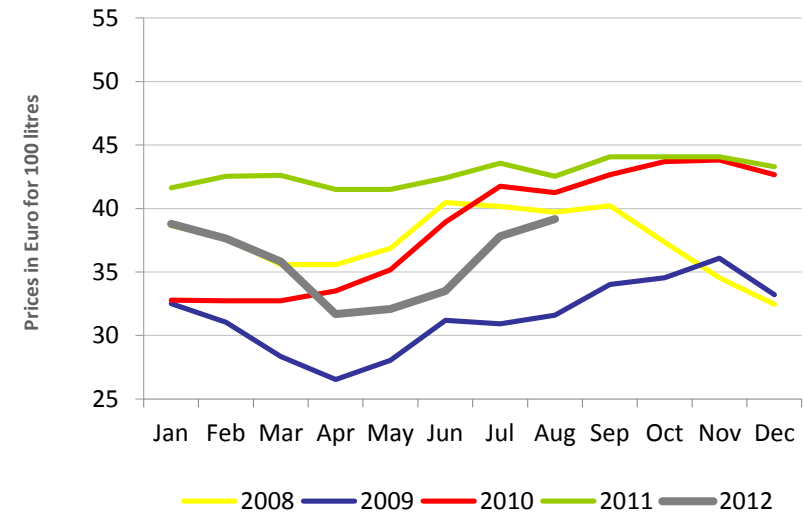
Source: Elaboration on CLAL data (www.clal.it)



*Spot milk average monthly prices ¹
(2008 - August 2012)*

Prices in Euro for 100 litres					
Month	2008	2009	2010	2011	2012
January	38.66	32.51	32.78	41.63	38.79
February	37.64	31.04	32.73	42.53	37.63
March	35.57	28.36	32.73	42.61	35.83
April	35.57	26.55	33.51	41.50	31.70
May	36.86	28.06	35.18	41.50	32.09
June	40.47	31.19	38.92	42.40	33.51
July	40.16	30.93	41.76	43.56	37.81
August	39.73	31.61	41.24	42.53	39.18
September	40.21	34.02	42.66	44.08	
October	37.35	34.56	43.69	44.08	
November	34.54	36.09	43.82	44.08	
December	32.45	33.20	42.66	43.30	
Ann. Average	37.43	31.51	38.47	42.82	35.82

*Trend of spot milk monthly prices ¹
(2008 - August 2012)*



¹ 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.

2. Market Overview

FARM-GATE RAW MILK PRICES

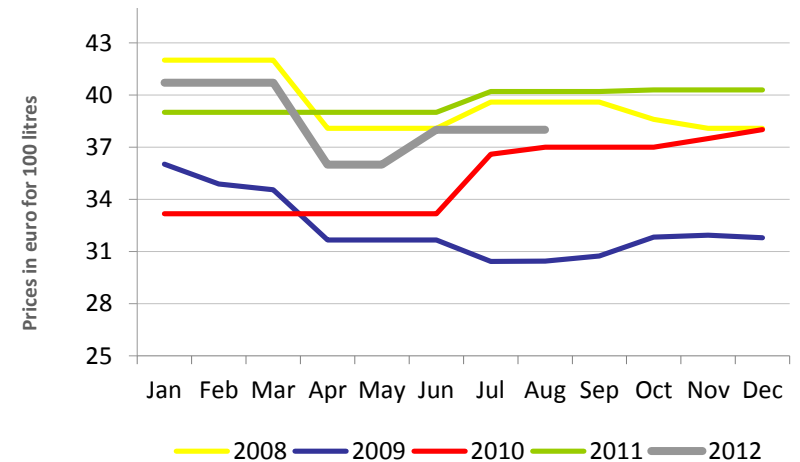
Source: Elaboration on CLAL data (www.clal.it)



*Farm-gate raw milk monthly prices ¹
(2008 - August 2012)*

Prices in euro for 100 litres					
Month	2008	2009	2010	2011	2012
January	42.00	36.02	33.16	39.00	40.70 (e)
February	42.00	34.87	33.16	39.00	40.70 (e)
March	42.00	34.54	33.16	39.00	40.70 (e)
April	38.09	31.66	33.16	39.00	36.00 (e)
May	38.09	31.66	33.16	39.00	36.00 (e)
June	38.09	31.66	33.16	39.00	38.00 (e)
July	39.59	30.43	36.60	40.20	38.00
August	39.59	30.45	37.00	40.20	38.00 ²
September	39.59	30.73	37.00	40.20	
October	38.59	31.83	37.00	40.30	
November	38.09	31.93	37.50	40.30	
December	38.09	31.78	38.00	40.30	
annual average	39.48	32.30	35.17	39.63	38.51

*Trend of the farm-gate raw milk monthly average price ¹
(2008 - August 2012)*



¹ Prices established in the Region of 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 July 2011 to March 2012 are "estimated", as they are an approximate estimation of the general trend deduced by CLAL according to industry commercial agreements and main market news.

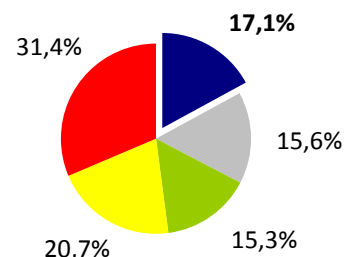
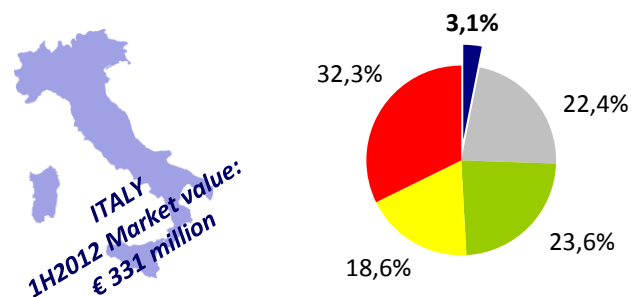
2. Market Overview: fresh milk Iper + Super

Source: IRI Infoscan I+S

1H2012 COMPETITOR ANALYSIS (market share value)

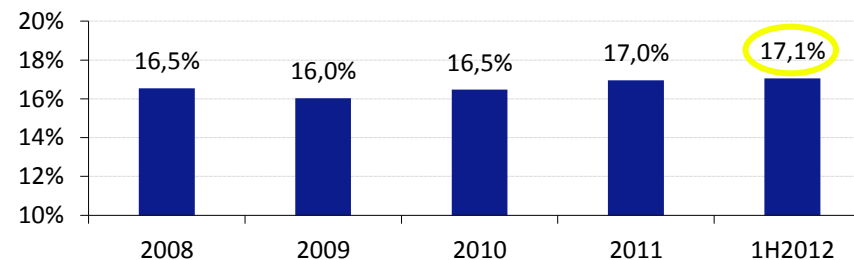
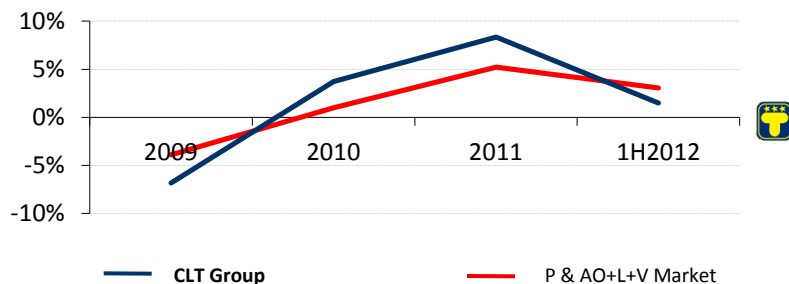
TOTAL ITALIAN MARKET OF FRESH MILK

PIEDMONT & AOSTA VALLEY+LIGURIA+VENETO
(18.3% OF TOTAL ITALIAN MARKET)



CLT VS MARKET* (2009-1H2012 sales trend)

CLT MARKET SHARE **



* Total value of Piedmont & Aosta Valley, Liguria and Veneto market

**On total market value of Piedmont, Aosta Valley, Liguria and Veneto

2. Market Overview: fresh milk Iper + Super

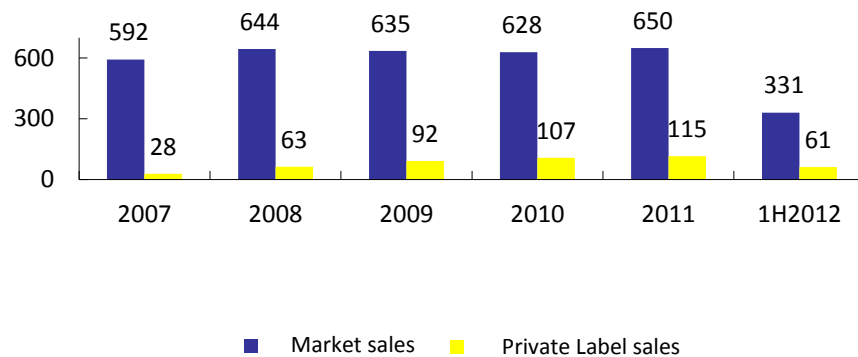
Source: IRI Infoscan I+S

TREND OF PRIVATE LABEL SALES IN THE FRESH MILK MARKET

- Private Labels' fresh milk/ESL sales strongly increased in the last four years, even though with a slowing down trend. Share market trend: **4.0% in 2006** and as much as **18.6% in 1H2012**.

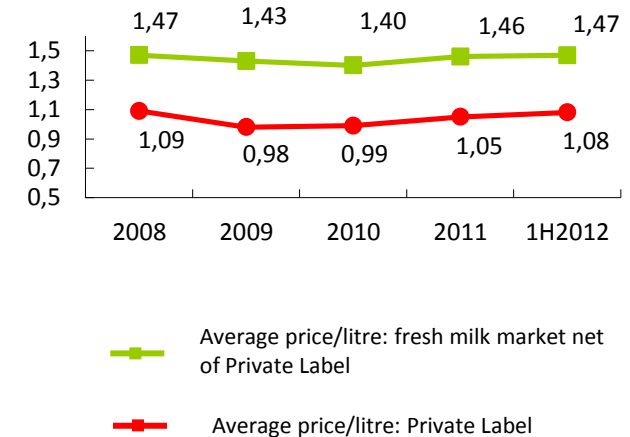
MARKET TREND

Figures in million Euro, except percentage



AVERAGE MARKET PRICE TREND

Figures in Euro

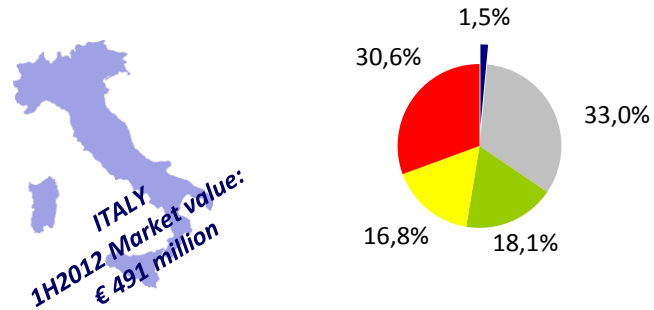


2. Market Overview: UHT Milk Iper + Super

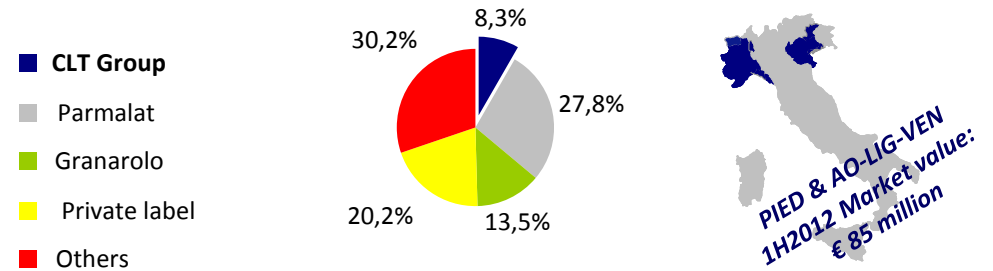
Source: IRI Infoscan I+S

1H2012 COMPETITORS ANALYSIS (market share value)

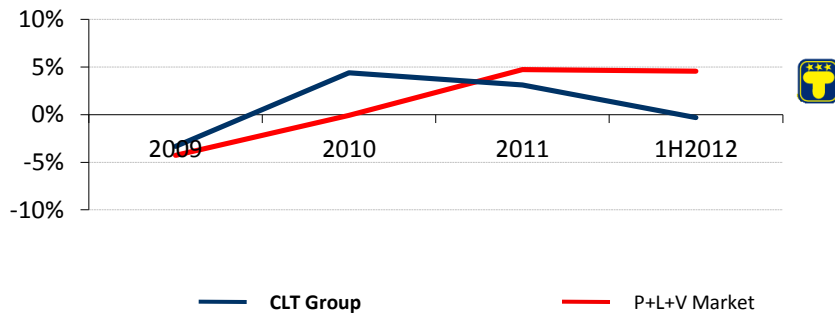
TOTAL ITALIAN MARKET OF UHT MILK



PIEDMONT & AOSTA VALLEY+LIGURIA+VENETO
(17.3% OF TOTAL ITALIAN MARKET)

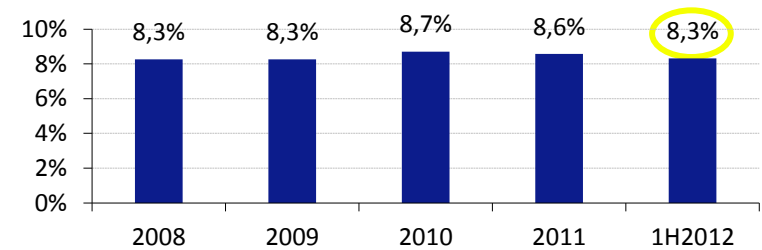


CLT VS MARKET* (sales trend 2009-1H2012)



* CLT vs total market of Piedmont & Aosta Valley, Liguria and Veneto

CLT MARKET SHARE **



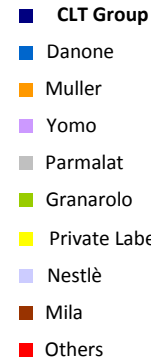
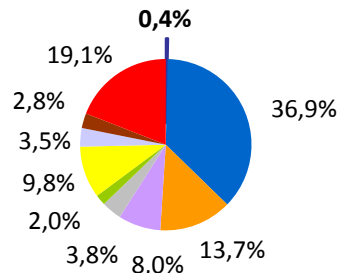
**On total market of Piedmont & Aosta Valley, Liguria and Veneto

2. Market Overview: Yogurt Iper + Super

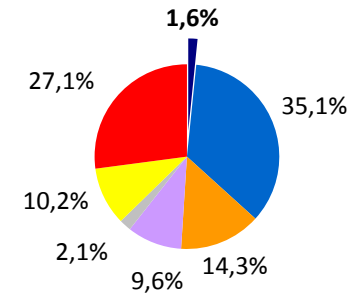
Source: IRI Infoscan I+S

1H2012 COMPETITORS ANALYSIS (market share value)

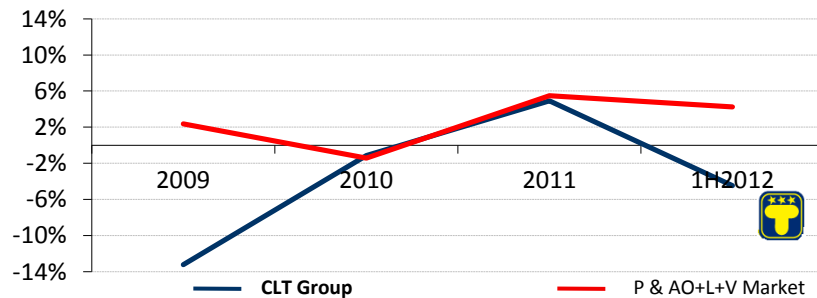
TOTAL ITALIAN MARKET OF UHT MILK



PIEDMONT & AOSTA VALLEY+LIGURIA+VENETO (22% OF TOTAL ITALIAN MARKET)

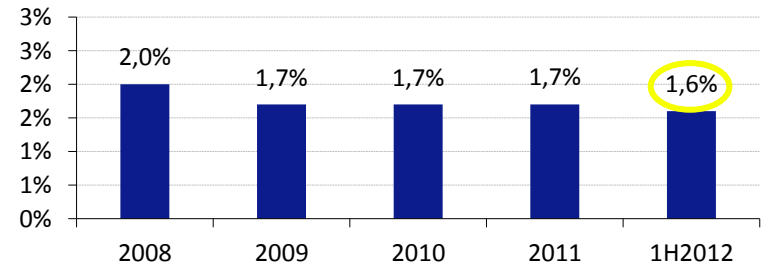


CLT VS MARKET* (sales trend 2009-1H2012)



* CLT vs total market of Piedmont & Aosta Valley, Liguria and Veneto

CLT MARKET SHARE **



**On total market of Piedmont & Aosta Valley, Liguria and Veneto

2. Market Overview

2011/2012 MARKETING INITIATIVES

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

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

MARKETING INVESTMENTS

€ 1.7 Million
(3.2% of 1H2011 turnover)

€ 1.6 Million
(3.1% of 1H2012 turnover)



2. Market Overview



2011/2012 MARKETING INITIATIVES

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

Novità della Centrale del Latte di Torino

FLORA FIBRE
Benessere regolare

SCOPRI LA NUOVA RICETTA
più fresca, più gustosa, da bere tutta in un sorso!

Nuova Ricetta
2,49
Prezzo Amico

PROBIOTICO

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

NOVITÀ DA LATTE TIGULLIO

La Cuoca Sapiente vi presenta...

Goloso yogurt

I NUOVI YOGURT DI LATTE TIGULLIO

- ✓ con latte fresco,
- ✓ ricchi di gusto,
- ✓ ideati per la vostra buona affezione.

latte tigullio
Centro Latte Rapallo

LA CENTRALE
PRESENTA

Latte UHT a lunga conservazione
nella nuova confezione da 500 ml

LA CENTRALE
PRESENTA

Latte UHT a lunga conservazione
nella nuova confezione da 500 ml

La Centrale del Latte di Vicenza

Per noi la qualità è centrale.

Novità da Latte Tigullio

MOZZARELLA FRESCA

150 grammi di SQUISITA BONTÀ!
nella nuova PRATICA VASCETTA!

latte tigullio
Centro Latte Rapallo

LE STAGIONALI

Centrale del Latte di Torino

L'Orto della Centrale

Insalate Macerata a Mano

LA CENTRALE PRESENTA

FLORA PLUS

Rinforzo quotidiano
PROBIOTICO

SCOPRI LA NUOVA RICETTA
Più fresca, più buona, da bere tutta in un sorso!

Nuova Ricetta
2,49
Prezzo Amico

La Centrale del Latte di Vicenza

Per noi la qualità è centrale.

dalla Centrale del latte di Vicenza, solo latte fresco veneto...

RACCOLTA PUNTI

110 Punti

60 Punti

LA RACCOLTA PUNTI È VALIDA FINO AL 31 MAGGIO 2012.

La Centrale del Latte di Vicenza

Per noi la qualità è centrale.

NOVITÀ DALLA CENTRALE

Bontà a lunga durata

Fai scelte del buon latte della Centrale!

La Centrale del Latte di Vicenza

Per noi la qualità è centrale.

COCCOLATEVI

Tutti i giorni.

latte tigullio
Centro Latte Rapallo

LA BONTÀ DEL LATTE TIGULLIO SCELTA DA CHI SI VUOLE BENE.

2. Market Overview

2011/2012 MARKETING INITIATIVES

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



Participation at **Cibus, International Food Fair**
(15th and 16th Edition)



Centrale del Latte di Torino sponsor for **Palio di Asti** from 2006
NEXT EDITION 16th September 2012

Official Sponsor for **CiocolaTò 2011 and 2012**

2. Market Overview



KEY STRATEGIES

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

Strengthen the market leadership in core-business products. Marketing investments focused on “immediate-return” activities. Innovation: focus on internal production, of core-business products

- ▶ **Fresh & UHT Milk:** strengthen sales volume and market shares. Fresh milk: growing promotional support. 1.5 lt fresh milk: completion of distribution enlargement process at Vicenza.
- ▶ **ESL standard milk:** cover this fast growing market (23.7% of total fresh milk; 2.8% YoY growth - source: 1H2012 IRI I+S) through the only dedicated production plant, based in Turin and serving all the Group’s companies.
- ▶ **High Digestibility milk:** support the growth of such innovative and profitable products through a further implementation of ESL technology.
- ▶ **Yogurt and Probiotic:** increase of efficiency guaranteed by the high quality production process of the new Vicenza plant (R&D and yogurt production for all the Group’s companies). Growth in volume through promotional support, new product format and new flavours for yogurt (chocolate, pistachio, nougat...), and new tastes for probiotic FloraPlus and FloraFibre.
- ▶ **Ready-to-eat salad:** expand our branded production through new innovative products for the each regional market characterized by local availability of raw materials. Strong promotional and commercial support. Further developing of third companies production.
- ▶ **UHT cream:** strengthening of the market share, aiming to become one of the leading players in bakeries distribution channel.
- ▶ **Third companies production:** further development of commercial partnerships in fresh, UHT milk and yogurt by the “Centrale del Latte di Vicenza” subsidiary and in ready-to-eat salads by Salads & Fruits business unit.
- ▶ Implementation for the whole Group of a **new ERP**
- ▶ **Strong connection with the local territory:** food and nutrition education and sponsorship for cultural and sport events.



3. Financials



3. Financials



CONSOLIDATED INCOME STATEMENT

Source: Centrale del Latte di Torino & C. S.p.A.
Euro million
IFRS compliant

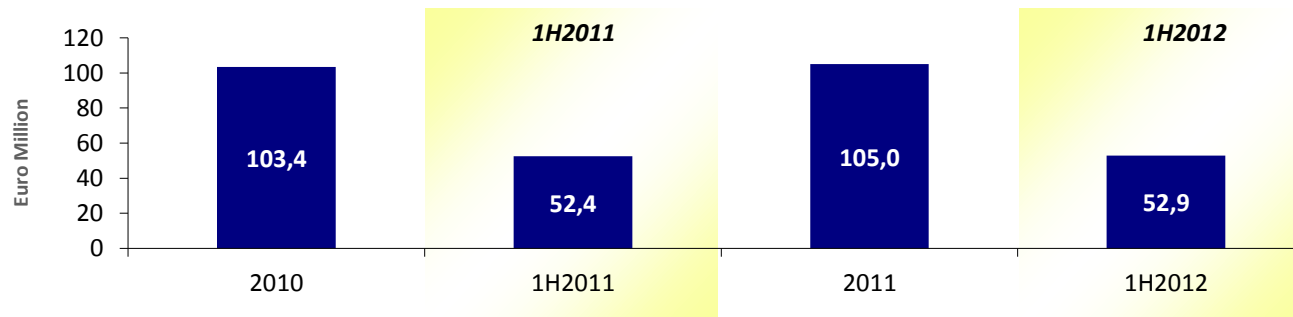
	30 Jun 12	%	30 Jun 11	%
Sales	52,571	99.3%	51,946	98.1%
Total operating revenues	52,946	100.0%	52,447	99.1%
Services	(13,450)	(25.4%)	(12,740)	(24.1%)
Raw materials consumption	(27,734)	(52.4%)	(28,288)	(53.4%)
Other operating costs	(657)	(1.2%)	(589)	(1.1%)
Cost of production	(41,842)	(79.0%)	(41,617)	(78.6%)
Personnel costs	(7,658)	(14.5%)	(7,864)	(14.9%)
EBITDA	3,447	6.5%	2,965	5.6%
Depreciation & Amortization	(2,856)	(5.4%)	(2,884)	(5.4%)
EBIT	591	1.1%	81	0.2%
Interest income	64	0.1%	47	0.1%
Financial expense	(1,084)	(2.0%)	(604)	(1.1%)
Profit (loss) before tax	(429)	(0.8%)	(476)	(0.9%)
Tax	(317)	(0.6%)	(150)	(0.3%)
Profit (loss) after tax	(747)	(1.4%)	(626)	(1.2%)
Minority interest	-	-	-	-
Group's profit (loss) after tax	(747)	(1.4%)	(626)	(1.2%)

3. Financials

TOTAL OPERATING REVENUES TREND (2010 - 1H2012)

Source: elaboration on CLT data

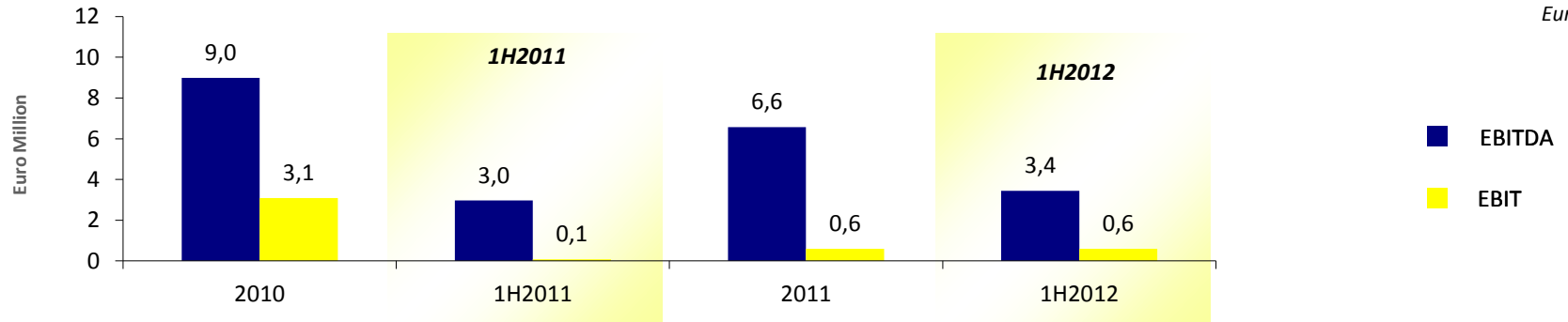
Euro million



EBITDA AND EBIT TREND (2010 - 1H2012)

Source: elaboration on CLT data

Euro million



3. Financials



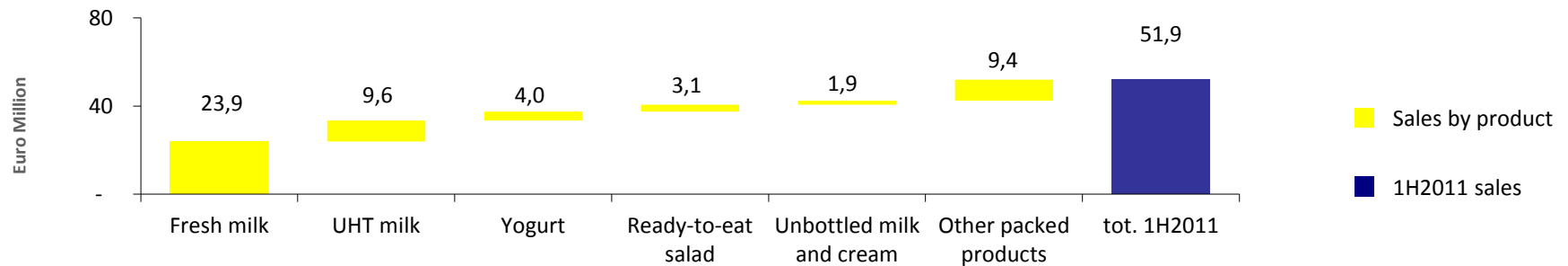
1H2012 SALES BREAKDOWN BY PRODUCT

Source: elaboration on CLT data, Euro million



1H2011 SALES BREAKDOWN BY PRODUCT

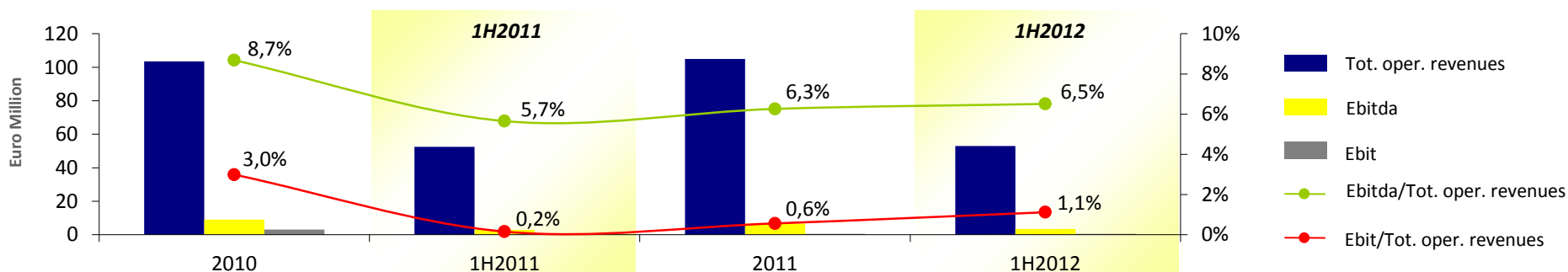
Source: elaboration on CLT data, Euro million



3. Financials

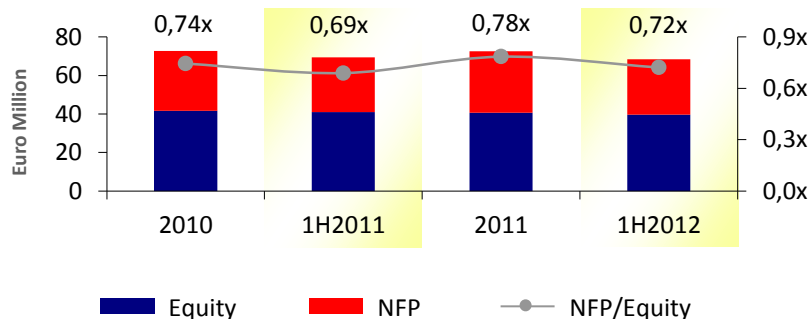
EBITDA and EBIT MARGINS

Source: elaboration on CLT data. Euro million



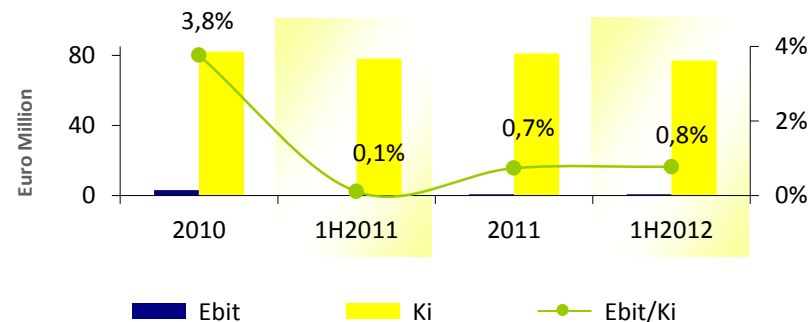
NFP/EQUITY

Source: elaboration on CLT data. Euro million



EBIT/CAPITAL INVESTED (Ki)

Source: elaboration on CLT data. Euro million



3. Financials



CONSOLIDATED BALANCE SHEET

Source: Centrale del Latte di Torino & C. S.p.A.
Euro million
IFRS compliant

	30 Jun 12	%	30 Jun 11	%
Tangible assets	12,777	16.6%	14,010	18.2%
Intangible assets	56,690	73.6%	59,949	77.8%
Fixed assets	69,541	90.3%	74,033	96.1%
Trade receivables	22,228	28.9%	19,576	25.4%
Inventories	3,861	5.0%	3,532	4.6%
Other assets	8,368	10.9%	8,438	11.0%
Trade payables	(18,292)	(23.7%)	(20,612)	(26.8%)
Other liabilities	(8,671)	(11.3%)	(6,779)	(8.8%)
Net working capital	7,494	9.7%	4,155	5.4%
NET ASSETS	77,035	100.0%	78,188	101.5%
Severance & other funds	8,656	11.2%	8,815	11.4%
Cash & equivalent	(8,036)	(10.4%)	(6,561)	(8.5%)
Financial debt	36,698	47.6%	34,865	45.3%
Net financial position	28,662	37.2%	28,304	36.7%
Share capital and reserves	40,464	52.5%	41,695	54.1%
Profit (loss) of the year	(747)	(1.0%)	(626)	(0.8%)
Shareholder's equity	39,717	51.6%	41,069	53.3%
Minorities	-	-	-	-
NET LIABILITIES	77,035	100.0%	78,188	101.5%

4. Share Price



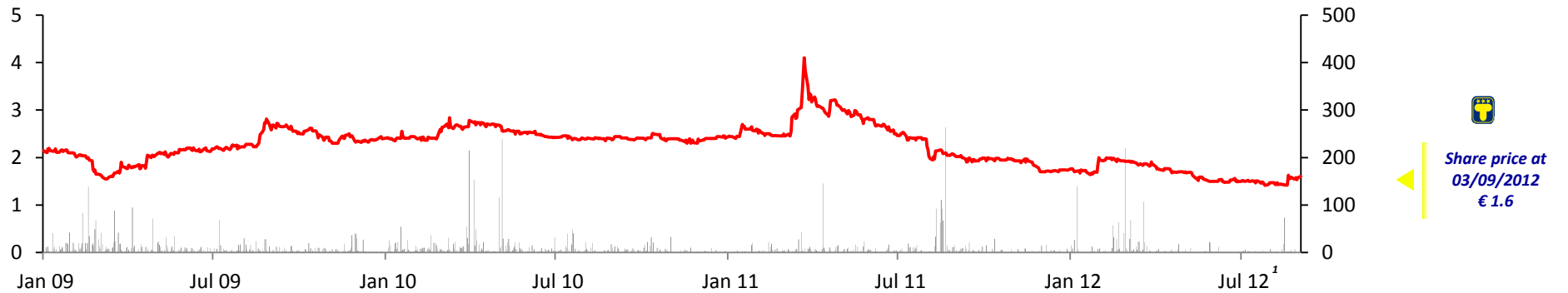
4. Share Price

SHARE PRICE 2009 - 2012 YTD

Source: elaboration on FactSet data

Prices in Euro

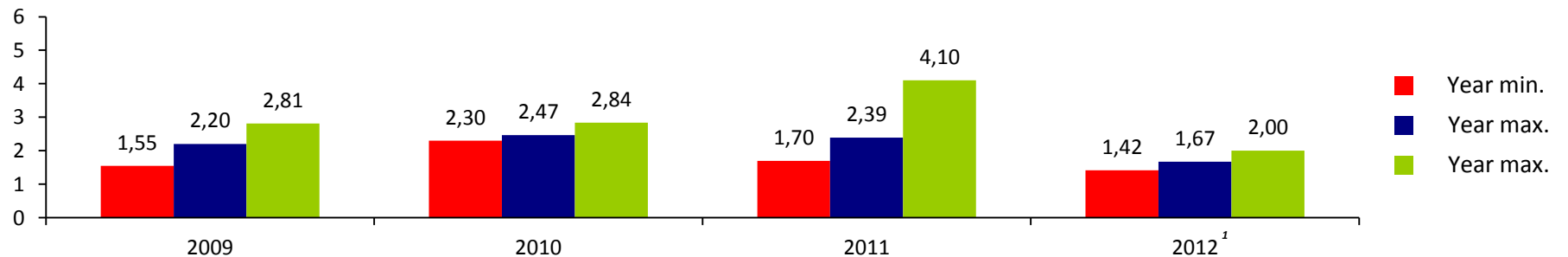
Volumes in thousands



PRICE PER SHARE 2009 - 2012 YTD

Source: elaboration on FactSet data

Prices in Euro

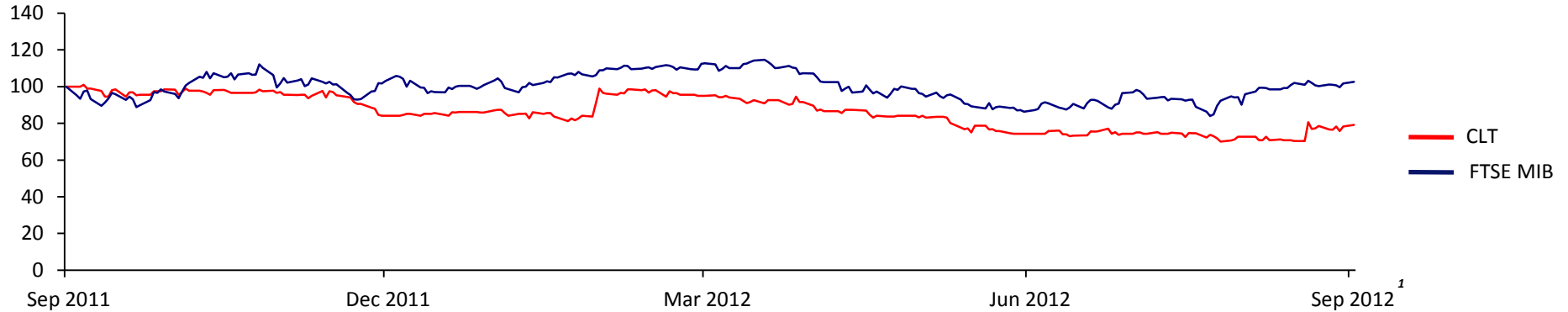


¹ Last price at 03/09/2012

4. Share Price

LAST YEAR SHARE PRICE vs. FTSE MIB INDEX

Source: elaboration on Factset data



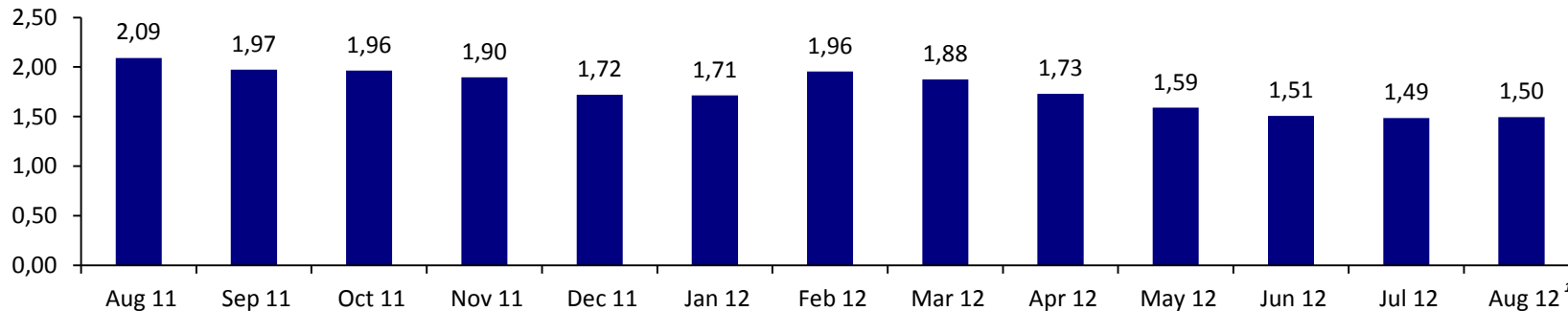
¹ Last price at 03/09/2012

Prices in Euro, base 100

LTM SHARE PRICE - MONTHLY ANALYSIS

Source: elaboration on Factset data

Prices in Euro



¹ Price per share at the end of each month, last price at 31/08/2012

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