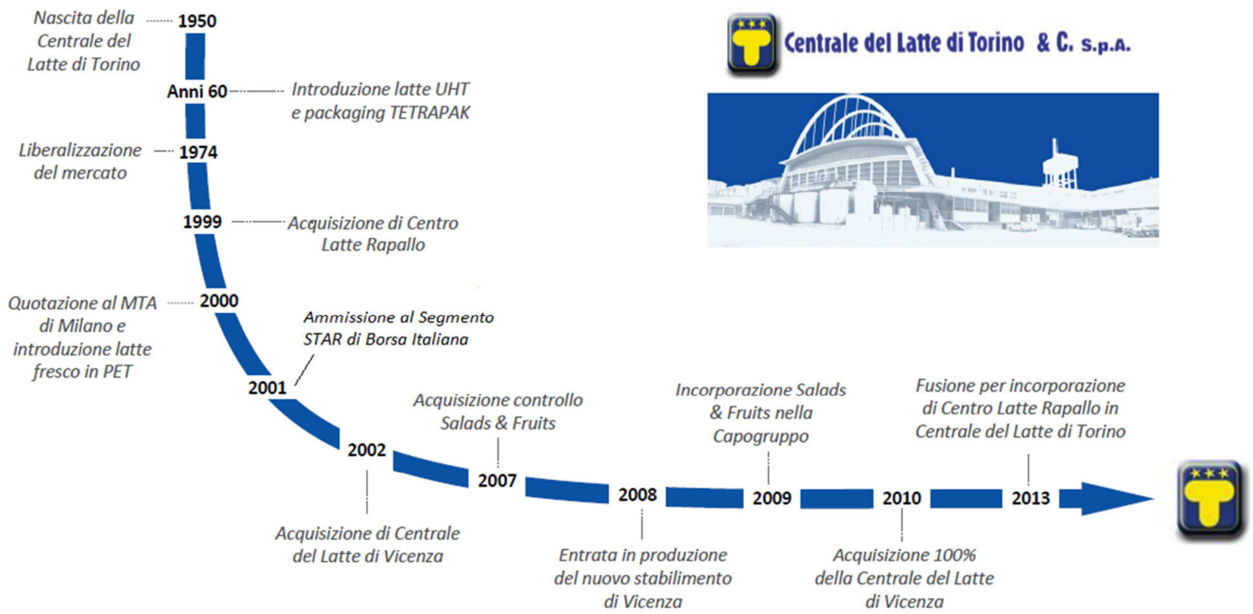
Centrale del Latte di Torino & C. S.p.A.
2013 Separate and Consolidated Financial Statements

Centrale del Latte di Torino & C. S.p.A. - Via Filadelfia 220 – 10137 Torino
Cap.soc.Euro 20.600.000 i.v. - C.C.I.A.A. Torino n. 520409 - Tribunale Torino n. 631/77
Cod.Fisc. – Part.IVA 01934250018
Tel. 0113240200 – fax 0113240300 E-mail: posta@centralelatte.torino.it www.centralelatte.torino.it

Introducing the Company and the Group

History

Since 1950, milk in Turin has been synonymous with Centrale del Latte. A private firm since its foundation, with head offices in Via Filadelfia 220, Turin, its day to day growth has led it to develop and expand in two directions: on the one hand, it has ensured widespread coverage of the milk market in Turin, while on the other it has also expanded beyond its traditional geographical distribution area. Over the years, painstaking attention to production and a coherent product diversification strategy have earned the Group a prestigious leadership role that is the result of the relationship of trust and familiarity built up over time.
After 50 years of constant success in the business, and in view of the perfectly mature market situation, Centrale del Latte di Torino & C. S.p.A. has implemented a policy of expansion, conducted both internally—by widening the range of products offered—and externally, through acquisitions.
It was to provide financial support for this growth and development process that in November 2000 the company listed its shares on the MTA (Electronic Stock Market) of Milan, and in 2001 was admitted to the STAR segment of Borsa Italiana.



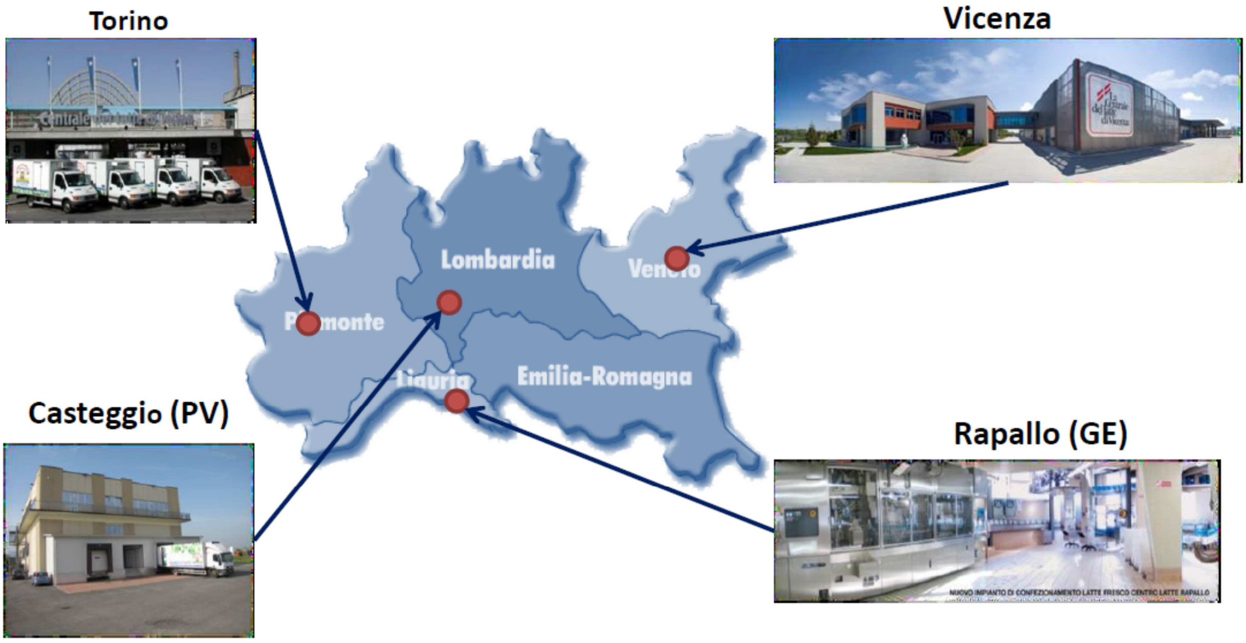
Foundation of Centrale del Latte di Torino
Introduction of UHT milk and TETRAPAK packaging
Liberalisation of the market
Acquisition of Centro Latte Rapallo
Listing on the MTA of Milan and introduction of fresh milk in PET bottles
Admission to the STAR segment of Borsa Italiana
Acquisition of Centrale del Latte di Vicenza
Acquisition of control of Salads & Fruits
Start of production in the new Vicenza facility
Salads & Fruits incorporated into the Parent Company
Acquisition of 100% of Centrale del Latte di Vicenza
Merger by incorporation of Centro Latte Rapallo into Centrale del Latte di Torino

The Group

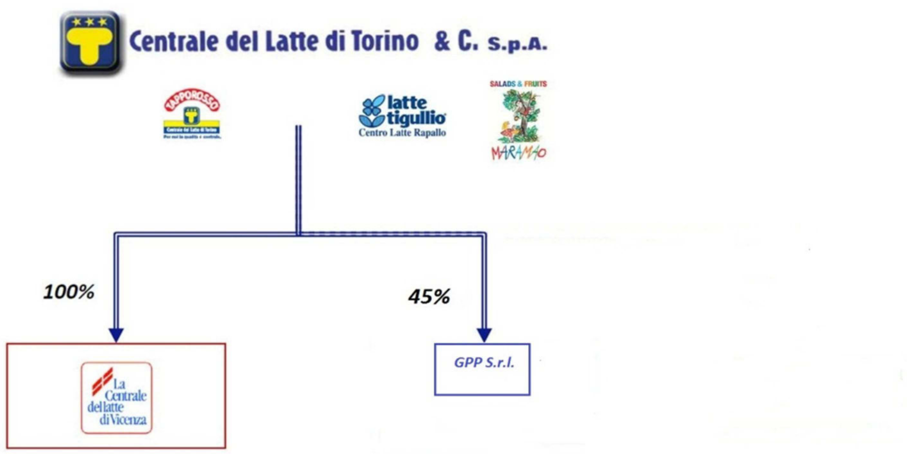
The Centrale del Latte di Torino & C. S.p.A. Group is inter-regional in scope, and specialises in the production and direct sale – also through the Centro Latte Rapallo production unit and the subsidiary Centrale del Latte di Vicenza S.p.A. – of dairy products such as fresh milk, long-life (UHT) milk, yogurt and fresh vegetables.
Given its dynamic nature and tendency towards diversification, the Group has for some time been selling own-brand packaged products in the fresh food sector, such as eggs, cheeses, pasta, vegetables and fresh salads and fruit, produced either directly or through carefully selected third-party companies.

The Group has a very strong territorial base, with almost all of its turnover realised in the Piedmont, Liguria and Veneto regions, where it enjoys a leadership position as regards fresh and long-life milk.

The Group has five production facilities to its name, all equipped with cutting-edge technology for the processing, packaging and cold storage of its products. These are located in: Turin, Rapallo (Genoa), Casteggio (Pavia), and Vicenza.



At 31 December 2013, the Centrale del Latte di Torino & C. S.p.A. Group was made up as follows:



The Shareholders

The share capital of the Company is equal to € 20,600,000.00 fully paid-up, divided into 10,000,000 common shares with a par value of € 2.06 each.

According to the information available at 31 January 2014, Centrale del Latte di Torino & C. S.p.A. has 2,261 registered shareholders, divided up as follows:

Finanziaria Centrale del Latte di Torino S.p.A.	51.78%
B & E Equities S.p.A.	15.03%
Lavia s.s.	5.90%
Free float	27.29%

Centrale del Latte di Torino Group
2013 Separate and Consolidated Financial Statements

Directors' Report

Dear Shareholders,

FY2013 was marked by a number of important, positive decisions regarding corporate reorganisation, focusing of business and changes to accounting standards. Worth recalling in particular is the merger by incorporation into the parent group of Centro Latte Rapallo S.p.A. and the sale of the equity investment in FrascheriS.p.A...

The deed of the merger that took place on 1 April 2013 (effective from 1 January 2013 for tax and accounting purposes) was filed with Companies' House, rendering effective the incorporation of Centro Latte Rapallo S.p.A., with the improvements and streamlining in terms of organisation and efficiency this was expected to bring. In our opinion, further to the increase in their market share and in sales, there is no longer a limit to the period during which the Centro Latte Rapallo and Latte Tigullio trademarks are expected to generate positive cash flows for the company; they are therefore considered as having an indefinite useful life.

*Similarly,*in view of the market shares, the huge investments made and how well known the brand is, there is no longer considered to be a limit to the period during which the brands belonging to Centrale del Latte di Torino & C. S.p.A. *are expected to generate positive cash flows for the company and the Group; they are therefore considered as having an indefinite useful life.*

All the brands have been subjected to impairment tests conducted by an external, independent body, which have showed results congruent with those shown in the financial statements.

Because this is a change in accounting estimates, as provided for by IAS 8, it has been applied prospectively, and therefore has no impact on the values of the previous FY.

Finally, in November, after over ten years of fruitful, active collaboration, Centrale del Latte di Torino & C. S.p.A. sold the 40% equity investment it held in Frascheri S.p.A.The transaction was concluded with a capital gain of € 1.6 million posted to the 2013 financial statements.

As a result of the application as of 1 January 2013 of the revised IAS 19, there has been a change to the recording of financial charges to discount severance indemnity, which are recognised in the statement of comprehensive income – OCI and charged directly to Shareholders' Equity.

For the purposes of providing a like-for-like comparison with the same period of 2012, the accounting situations were redetermined at 31 December 2012, implementing the amendments applied in 2013.

The complex, difficult economic scenario already evident in 2012 worsened during 2013.The employment crisis and the stress placed on family spending by fiscal measures imposed, with an increasingly clear lack of faith in a solution to the crisis in the short term, aggravated by rising prices and local taxation and the persistent squeeze on credit on the part of banks vis-à-vis all elements of society, have cut consumer spending power even further, forcing families into drastically reducing consumption even in a primary sector such as food products.

In addition, speculative manoeuvres outside of the Italian market have significantly conditioned milk raw material prices, which during 2013 rose by an average of 7% compared to 2012, increasing by 10% in the last quarter of 2013 compared to the preceding quarter. The impossibility of passing on even a part of such increases to sales prices to the public had a negative impact on results for 2013.In such a serious situation, the Group was able to keep sales largely stable (-0.4%), thanks to the strength of its own brands, which consumers recognise as a guarantee of quality and safety. Profits margins, although down, remain satisfactory for the moment, thanks to the rationalisation and control of company costs undertaken in preceding years and which continued during 2013.Of particular importance in such a situation is the Group's ability to honour its financial commitments by cutting indebtedness to € 19.950 million (down € 5.726 million compared to the previous year) with a 2.5% average cost of debt.

As mentioned earlier, Group sales remained stable, reaching a figure of € 98.058 million, down 0.4% on 2012.The fresh milk and fresh vegetable segments showed more significant drops, 2.6% and 3.9% respectively. As regards fresh milk, the drop is attributable to a fall in consumption, and partly to the negative effects brought about by changes to contract conditions, which resulted in large-scale retailers' promotion contributions becoming discounts. These effects have a particularly negative effect in this segment, because fresh milk represents 45% of the total turnover.

As regards the fresh vegetables (ready-to-eat salads) segment, the service element that characterises the retail price penalised sales, with consumers shifting towards goods without this element added to the purchase price.

The UHT milk segment grew by 2.3%, thanks to promotional activities and to products processed for third parties by the subsidiary in Vicenza.

The yogurt segment remained largely stable, with a drop of € 193 thousand. There was a 4.2% rise in the "other packaged products" segment, mainly due to the rise in sales of eggs (+7%), a food that provides quality protein at a low price and is widely used in times of economic difficulty. Group sales showed positive results with regard to the new products launched during 2013 and which will become a stable part of the range in 2014.Worth mentioning in particular are the Organic milk, the Soya-based drink, the new-size packs of UHT cream, yogurt with low sugar content and Leben milk.

The Group closed FY2013 with an EBITDA of € 5.374 million compared to € 6.388 million of 2012 (-16%), an EBIT of € 1.129 million against € 314 thousand of 2012 (+259%) and with an after-tax net profit of € 1.270 million compared to the loss of € 563 thousand of 2012.

The results for 2013 were characterised not only by the significant increase in milk raw material prices, but also by a number of extraordinary balance sheet items. Particularly worth mentioning is the allocation of € 337 thousand to provision for risks (referred to in "Other Risks" below), € 126 thousand for future losses liable to be attributable to the affiliate GPP S.r.l., and the capital gain relating to the sale of the 40% equity investment in Frascheri S.p.A.

Personnel costs reached € 14.133 million, compared to € 13,947 million in 2012.The average number of employees in FY2013 was 259, compared to 262 in 2012. This figure can be broken down into categories as follows:

- Managers 15
- Middle management 8
- White-collar personnel 102
- Blue-collar personnel 134

Depreciation of tangible fixed assets went from € 3.639 million in 2012 to € 3.830 million, while amortisation of intangible fixed assets totalled € 148 thousand related to the new information system. As regards amortisation of intangible fixed assets, see the preceding paragraphs.

Financial income and expenses. Financial expenses registered at the end of FY2013 amounted to a total of € 754 thousand, a rise compared to the € 1.082 million of the previous FY, and are mainly attributable to interest on loans and financing (€ 566 thousand).Financial income from interest totalled € 76 thousand, compared to € 122 thousand in 2012.

Investment income. During 2013, the 40% equity investment in Frascheri S.p.A. generated income of € 40 thousand for the distribution of the 2012 dividend and a capital gain of € 1.606 million for the sale of the equity interest.

At the end of the financial year, the main indicators in the income statement were summarised and compared with those of the previous year in the table that follows.

For each of the paragraphs considered hitherto, regarding revenue and costs for FY2013, statements illustrating the figures and comparing them with the previous financial year have been drawn up and published in the notes to the consolidated financial statements.

The economic management and the equity position of the Group in FY2013 are illustrated in the reclassified consolidated financial statements in annex a) of this report.This annex contains a description of the criteria adopted for drawing up the reclassified accounting statements, notes referring back to the items in the statutory financial statements and information regarding "alternative performance indicators".

(€/000)	31/12/2013	31/12/2012 redetermined		31/12/2012
Revenues from sales and services	98,058	98,465	-0,4%	103,227
Value of production	99,967	99,275	+0,7%	104,076
EBITDA	5,374	6,388	-16%	6,697
EBIT	1,129	314	+259%	418
Pre-tax result	2,097	(654)	+420%	(1,171)
Net result after taxes	1,270	(563)	+326%	(1,099)

The Group's net revenues amounted to € 98 thousand, compared to € 98,465 thousand of the previous FY. They are broken down in the following chart:

(€/000)	31/12/2013		31/12/2012 redetermined		Change		31/12/2012
Fresh milk	43,750	45%	44,904	46%	(1,154)	-2,6%	45,806
UHT milk	19,266	20%	18,883	19%	383	2,0%	19,587
Yogurt	8,077	8%	8,270	8%	(193)	-2,3%	8,421
Fresh vegetables	4,733	5%	4,923	5%	(190)	-3,9%	5,271
Bulk milk and cream	3,687	4%	3,683	4%	5	0,1%	3,780
Other packaged products	18,545	19%	17,803	18%	742	4,2%	20,362
Total	**98,058**	**100%**	**98,465**	**100%**	**(407)**	**-0,4%**	**103,227**

The table below shows turnover at 31 December 2013, divided up into geographical areas:

(€/000)	Fresh milk	UHT milk	Yogurt	Fresh vegetables	Bulk milk and cream	Other packaged products	Total
Piedmont							
31/12/2013	**25,144**	**12,935**	**2,029**	**2,665**	**2,038**	**4,931**	**49,743**
31/12/2012	23,885	12,481	1,936	2,630	1,085	5,404	47,421
% change	5%	4%	5%	1%	88%	-9%	5%
Liguria							
31/12/2013	**11,396**	**575**	**719**	**1,607**	**186**	**9,030**	**23,513**
31/12/2012	13,361	1,264	848	1,815	293	8,153	25,735
% change	-15%	-55%	-15%	-11%	-37%	11%	-9%
Veneto							
31/12/2013	**7,210**	**5,756**	**5,329**	**460**	**1,479**	**4,583**	**24,818**
31/12/2012	7,658	5,137	5,487	478	1,228	4,245	24,234
% change	-6%	12%	-3%	-4%	20%	8%	2,4%
Other							
31/12/2013	**-**	**-**	**-**	**-**	**-**	**-**	**-**
31/12/2012	-	-	-	-	1,076	-	1,076
% change	-	-	-	-	-100%	-	-100%
Total							
31/12/2013	**43,750**	**19,266**	**8,077**	**4,733**	**3,687**	**18,545**	**98,058**
31/12/2012	44,904	18,883	8,270	4,923	3,683	17,803	98,465
% change	**-3%**	**2%**	**-2%**	**-4%**	**0%**	**4%**	**-0,4%**

Financial position.

The net financial position of the Group at the end of FY2013, after payment of dividends for € 200 thousand, of the balance of taxes for 2012 and advance on taxes for FY2013 for € 1,074 thousand, was negative for € 19,950 thousand, considerably up compared to the figure at the end of 2012, i.e. € 25,676 thousand (a € -5,726 thousand difference).Worth noting is the € 4,189 thousand VAT rebate still to be paid out.

(€/000)	31/12/2013	31/12/2012 redetermined	31/12/2012
Cash and cash equivalents (12ne+13ne)	7,822	6,235	6,558
Total current financial assets	**7,822**	**6,235**	**6,558**
Payables to banks (21ne)	(4,782)	(3,092)	(3,093)
Current share of medium/long-term loans (22ne)	(4,844)	(6,741)	(6,774)
Current share of payables to other lenders (23ne)	(850)	(820)	(820)
Total current financial liabilities	**(10,475)**	**(10,654)**	**(10,687)**
Payables for medium/long-term loans (16ne)	(13,388)	(16,499)	(16,499)
Payables to other lenders for medium/long-term loans (17ne)	(3,909)	(4,759)	(4,759)
Total non-current financial liabilities	**(17,297)**	**(21,257)**	**(21,257)**
Total financial liabilities	**(27,772)**	**(31,911)**	**(31,944)**
Net financial position	**(19,950)**	**(25,676)**	**(25,387)**

At the end of FY2013 the operating cash flow was € 6.639 million, compared to € 7.085 million at the end of 2012, whereas the cash flow absorbed by investments in technical and financial fixed assets was € 705 thousand (€ 502 thousand in 2012); the cash flow from financing activities and from changes in shareholders' equity yielded a figure of € 102 thousand as liquidity absorbed.
Changes to the equity and financial structure of the Group compared to 31 December 2012 are illustrated in the cash flow statement.

INFORMATION ON FINANCIAL AND OPERATING RISKS OF THE GROUP.

Risks associated with the business activity

The main risk related to the Group's specific industrial activity regards fluctuations in milk raw material prices. The Group contains this risk by drawing up annual agreements with milk producers, which set the purchase prices at the beginning of the dairy year and maintain those prices for the whole of the period that runs from 1 April to 31 March of the following year, save for particular circumstances in which agreements may be reached on a different basis.
For purchases made outside of the main supply channel, reference is made to the most advantageous market conditions available when the need arises.

Financial risks.

The financial instruments of the Group comprise bank loans and sight and short-term bank deposits. The aim of these instruments is to finance the Group's operating activities. Other financial instruments of the Group are trade payables and receivables deriving from operating activity.
The main risks generated by financial instruments are the interest rate, liquidity and credit risk.

Interest rate risk.

The Group's exposure to interest rate risk is connected mainly to long-term loans and financing, to which are normally applied interest rates equivalent to 3 month and 6 month Euribor rates plus a fixed spread. With the application of the so-called "Basel 2" all the companies in the Group are subjected to an analysis on the part of credit institutes that attribute a rating to them; the fixed spread may vary depending on the rating assigned. At the date of closure of these consolidated financial statements, no variations had been applied. Details of the rates applied to individual loans are provided in the notes to the consolidated financial statements, specifically in the note regarding financial payables.

Liquidity risk. The Group contains liquidity risk by planning the use of liquidity by considering financial investments, financial assets (trade receivables and other financial assets) and cash flows expected from transactions.

Credit risk. The Group mainly deals with familiar, reliable clients. Receivables are monitored during the financial year in order to limit exposure to losses. The maximum risk is equivalent to the book value of these assets in the event of insolvency on the part of the counterparty. At the date of the financial statements, there were no overdue receivables that had not suffered impairment.

Other risks.

In relation to the dispute with the ENASARCO foundation of the incorporated party Centro Latte Rapallo S.p.A., on 29 January 2013, the Court of Rome ruled that the findings of the ENASARCO Foundation were valid, thus rejecting the appeal presented by Centro Latte Rapallo S.p.A. The Company appealed against this sentence of the court of first instance, since it is convinced of having applied the correct legal framework and that this interpretation will be confirmed in appeal. The next hearing will be held on 14 November 2014.With the allowance amounting to € 337 thousand made in 2013, the full amount to cover the ENASARCO dispute has been set aside.
Following an inspection on the part of the ENASARCO Foundation, in 2012 Centrale del Latte di Torino & c. S.p.A. received an injunction for € 658 thousand inclusive of penalties and interest, against which it rapidly presented an appeal, asking the Employment Tribunal of the Court of Rome to suspend the injunction. The Court of Rome has set April 1 as the date for the first hearing. Although the company is firmly convinced that it is in the right, it considers the risk possible, in application of IAS 37, so in the 2012 financial statements it allocated a figure of € 329 thousand, equal to 50% of the request for payment presented by the ENASARCO foundation.
La Guardia di Finanza (Italian Financial Police), following the inspection, drafted and gave notice of a Report on Findings for failure to pay withholding tax to the self-employed drivers used for distribution. The subsequent Notice of Assessment issued by the Provincial Office of the Agenzia delle Entrate of Turin, required a payment of € 427 thousand inclusive of interest and penalties. Although it considers the request set out in the aforementioned notice unfounded, Centrale del Latte di Torino & C. S.p.A. has presented a settlement proposal containing the deductions in its defence.

Regarding the tax inspection concerning FY 2004, please note that, following the sentence of the Regional Taxation Commission, which partially admitted the appeal presented by the company regarding the most significant findings, and the rebate of € 97 thousand paid out by Agenzia delle Entrate, the latter presented an appeal to the Supreme Court of Appeal against the sentence of the Regional Taxation Commission.

Centrale del Latte di Torino & C. S.p.A. – stock performance

The stock performance of Centrale del Latte di Torino & C. S.p.A., listed on the STAR division of Borsa Italiana, has been affected by the world financial crisis.The peak price registered was € 1.99 per share against a minimum of € 1.48.The last trading day of the year, the company shares closed at € 1.75.The stock is characterised by very low volumes of daily trading, and a float of 27.5%, which make it illiquid; consequently, the share price does not reflect the actual value of the Company.

On 31 December 2013, after twelve years of fruitful collaboration, the Banca Intermobiliare di Investimenti e Gestioni S.p.A.'s role as specialist operator for the company came to an end.As of 1 January 2014, this role has been entrusted to Banca IMI S.p.A.

The graphs below illustrate share prices from 1 January to 31 December 2013 and prices as compared to the FTSE Italia STAR index, with the colour blue referring to share prices and light blue referring to the index (source Borsa Italiana).

________ CLTO ________ FTSE Italia STAR

INFORMATION ON THE PARENT COMPANY'S MANAGEMENT

Economic management

L'esercizio 2013 della Centrale del Latte di Torino & C. FY 2013 of Centrale del Latte di Torino S.p.A., marked by the merger by incorporation of Centro Latte Rapallo and the sale of the equity investment in Frascheri S.p.A, closed with net revenue totalling € 73.924 million, down 1.6% compared to the € 75.112 million of FY 2012.The net after-tax result showed a profit of € 1.154 million, against a loss of € 78 thousand.This was particularly influenced both by the write-down of the equity investment in Centrale del Latte di Vicenza S.p.A., for € 1.088 thousand, and by the € 337 thousand allowance for the risks related to the dispute with ENASARCO, mentioned in the paragraph "Other risks" here above, for future losses related to the subsidiary GPP Srl and to the capital gain related to the disposal of the equity investment in Frascheri for € 1.606 million

As regards strictly management-related issues, the same considerations apply as set out in the part dedicated to the Group. Specifically with regard to milk raw material prices, the careful policy to control spending and consumption has made it possible to cut costs and maintain profitability at acceptable levels.

At the end of FY2013, the main indicators in the income statement are summarised and compared with those of FY2012 in the following table:

	31/12/2013	31/12/2012 redetermined	Change	31/12/2012
Net sales	73,924	75,112	-1.6%	57,407
Value of production	75,062	75,526	-1%	57,760
EBITDA	4,798	5,348	-10%	4,881
EBIT	1,925	2,106	-9%	2,373
Pre-tax result	2,233	525	+326%	455
Net profit (loss)	1,154	(78)		(129)

Revenues from sales

Revenues from sales fell by 1.6% compared to 2012.This is a sharper decrease than the consolidated figure, which is able to count on the processing of products for third parties, which the parent company, in its facilities in Turin, Casteggio and Rapallo, does not carry out. The reasons underlying sales performance per segment are the same as those set out in the part dedicated to the consolidated financial statements, inclusive of the changes to contract conditions, which resulted in large-scale retailers' promotion contributions becoming discounts.

The following table clearly illustrates sales in the segments that make up the turnover:

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012	
Fresh milk	36,540	49.4%	37,641	50.1%	(1,101)	-2.9%	24,116	42%
Intra-group	338	0.5%	268	0.4%	69	25.9%	3,875	7%
Total fresh milk	**36,878**	**49.9%**	**37,910**	**50.5%**	**(1,032)**	**-2.7%**	**27,991**	**49%**
UHT milk	13,510	18.3%	13,887	18.5%	(377)	-2.7%	12,481	22%
Intra-group	24	0.0%	72	0.1%	(48)	-67.2%	914	2%
Total UHT milk	**13,533**	**18.3%**	**13,959**	**18.6%**	**(425)**	**-3.0%**	**13,395**	**23%**
Yogurt	2,748	3.7%	2,791	3.7%	(43)	-1.5%	1,936	3%
Total yogurt	**2,748**	**3.7%**	**2,791**	**3.7%**	**(43)**	**-1.5%**	**1,936**	**3%**
Fresh vegetables	4,272	5.8%	4,295	5.7%	(22)	-0.5%	2,710	5%
Intra-group	273	0.4%	287	0.4%	(14)	-5.0%	1,462	3%
Total fresh vegetables	**4,545**	**6.1%**	**4,582**	**6.1%**	**(37)**	**-0.8%**	**4,172**	**7%**
Bulk milk and cream	2,224	3.0%	2,455	3.3%	(231)	-9.4%	2,240	4%
Intra-group	29	0.0%	218	0.3%	(189)	-86.7%	1,467	3%
Total bulk milk and cream	**2,253**	**3.0%**	**2,672**	**3.6%**	**(420)**	**-15.7%**	**3,707**	**6%**
Other packaged products	13,962	18.9%	13,183	17.6%	779	5.9%	5,405	9%
Intra-group	5	0.0%	15	0.0%	(11)	-68.5%	801	1%
Total other packaged products	**13,966**	**18.9%**	**13,198**	**17.6%**	**768**	**5.8%**	**6,206**	**11%**
Total	**73,924**	**100.0%**	**75,112**	**100.0%**	**(1,188)**	**-1.6%**	**57,407**	**100%**
of which intra-group	**668**	**0.9%**	**861**	**1.1%**	**(193)**	**-22.4%**	**8,520**	**14.8%**

Geographical breakdown

The turnover of the parent company is divided between Piedmont (€ 50.412 million, accounting for 68% of the total), and Liguria (€ 23.512 million, accounting for the remaining 32%).

Other revenues

Other revenues amounted to € 1.042 million compared to € 550 thousand in FY2012.They are broken down in a pertinent table of the notes.

Personnel costs reached € 10.606 million, compared to € 10.451 million in 2012.The average number of employees in FY2013 was 195, compared to 197 in 2012. This figure can be broken down into categories as follows:

- Managers 12
- Middle management 6
- White-collar personnel 74
- Blue-collar personnel 103

Depreciation of tangible fixed assets went from € 2.462 million in 2012 to € 2.204 million of 2013, while amortisation of intangible fixed assets totalled € 148 thousand related to the new information system. As regards amortisation of intangible fixed assets, see the comments in the previous paragraphs concerning the merger by incorporation of Centro Latte Rapallo S.p.A..

Financial income and expenses. Financial expenses registered at the end of FY2013 amounted to a total of € 318 thousand, a fall compared to the € 521 thousand of the previous FY, and are mainly attributable to interest on loans and financing (€ 220 thousand).Financial income from interest totalled € 72 thousand (€ 88 thousand in 2012).

Investment income. During 2013, the equity interest in Frascheri S.p.A. generated income for the distribution of the 2012 dividend, totalling € 40 thousand, and a capital gain of € 1.606 million for the sale of the entire equity interest.

Write-downs of equity investments.

The equity investment in Centrale del Latte di Vicenza S.p.A. was written down for € 1,088 thousand, reaching € 27,198,328, an amount consistent with the economic and equity situation of the Company.

For each of the paragraphs considered hitherto, regarding revenues and costs for FY2013, statements illustrating the figures and comparing them with the previous financial year have been drawn up and published in the notes to the financial statements.

The economic management and the equity position of the Parent Company in FY2013 are illustrated in the reclassified consolidated financial statements in annex a) of this report. This annex contains a description of the criteria adopted for drawing up the reclassified accounting statements, notes referring back to the items in the statutory financial statements and information regarding "alternative performance indicators".

Net financial position

The net financial position of the Parent Company at the end of FY2013, after payment of dividends for € 200 thousand, of the balance of taxes for 2012 and advance on taxes for FY2013 for € 885 thousand, was negative for € 2.256 million, considerably up compared to the figure at the end of 2012, i.e. € 7.532 million (a € -5.274 thousand difference), with a 2.7% average cost of debt. Worth noting is the € 3.599 million VAT rebate still to be paid out.

	31/12/2013	31/12/ after merger	31/12/2012
Cash and cash equivalents (15ne+16ne)	7,745	6,216	2,685
Total current financial assets	**7,745**	**6,216**	**2,685**
Payables to banks	(565)	-	-
Current share of medium/long-term loans (24ne)	(4,072)	(5,970)	(5,970)
Current share of payables to other lenders (25ne)	(70)	(75)	(75)
Total current financial liabilities	**(4,708)**	**(6,045)**	**(6,045)**
Payables for medium/long-term loans (19ne)	(5,288)	(7,627)	(7,627)
Payables to other lenders for medium/long-term loans (20ne)	(6)	(76)	(76)
Total non-current financial liabilities	**(5,294)**	**(7,703)**	**(7,703)**
Total financial liabilities	**(10,002)**	**(13,748)**	**(13,748)**
Net financial position	**(2,256)**	**(7,532)**	**(11,063)**

At the end of FY2013 the operating cash flow was € 6.085 million, compared to € 6.169 million at the end of 2012, whereas the cash flow absorbed by investments in technical and financial fixed assets was € 612 thousand (€ 501 thousand in 2012); the cash flow from financing activities and from changes in shareholders' equity yielded a figure of € 962 thousand as liquidity absorbed.

The changes to the equity and financial structure of the Parent Company from 31 December 2012 are illustrated in the cash flow statement.

Information on the Subsidiaries included in the scope of consolidation.

Centrale del Latte di Vicenza S.p.A.

Centrale del Latte di Vicenza S.p.A., a 100% subsidiary, closed FY2013 with a net loss of € 974 thousand, compared to a net loss of € 1.019 million in 2012.The net revenues, gross of intra-group sales, amounted to € 26.844 million, compared to € 26.229 million in FY2012.

The value of the intangible, property and technical assets of the subsidiary Centrale del Latte di Vicenza S.p.A. underwent assessments on the part of external, independent bodies, which showed that their economic value is higher than that entered in the financial statements.

The reclassified accounting schedules and the respective net financial positions of the subsidiaries are provided in the annexes to this report.

Reconciliation between Financial Statements and consolidated Financial Statements.

The reconciliation between the result of the Parent Group and its net equity and the corresponding result of the Group and its net equity is set out in the explanatory notes to the consolidated financial statements.

OTHER INFORMATION

Information on Compliance with Codes of Practice (Art. 89-bis of Consob Regulation).

Corporate Governance Code. The parent company has adopted a self-regulatory Code in the application of its Corporate Governance, i.e. the system of rules by which a company is managed and controlled. The latest version of the Code, approved by the Board of Directors on 3 August 2012, and the annual report on Corporate Governance, are available on the company's website:
http://www.centralelatte.torino.it/ita/finanza/documenti/codice_autodisciplina_2007.pdfhttp://www.centralelatte.torino.it/ita/finanza/documenti/codice_autodisciplina_2007.pdf

The Code is in the process of being updated, following the new elements introduced at the end of December 2011; this process will be completed within the set time.

Code of behaviour for internal dealing. The parent company has adopted the Code of practice in order to govern the obligations regarding information, and has drawn up a register of those people who have access to confidential information, in compliance with the provisions of articles 2.6.3, 2.6.4 and 2.6bis of the "Regulation of Markets organised and managed by Borsa Italiana S.p.A.", approved by Consob resolution no. 13655 of 9 July 2002, and with articles 152*bis-ter-quater-quinquies-sexies-septies-octies* of the Consob Regulation for issuers, regarding the operations as per article 2.6.4 of the Borsa Italiana regulation carried out by relevant individuals as defined in article 2 of the Code of practice on internal dealing. The latest version of the Code of practice for internal dealing, approved by the Board of Directors on 13 February 2007, is available on the Company's website:
http://www.centralelatte.torino.it/ita/finanza/documenti/codice_internal_dealing_2007.pdfhttp://www.centralelatte.torino.it/ita/finanza/documenti/codice_internal_dealing_2007.pdf

Code of procedures for dealing with transactions with related parties. The parent company has adopted the Code of Practice with related parties in compliance with the provisions of Consob resolution no. 17221 of 12 March 2010 as amended. The version of the code for related-party transactions, approved by the Board of Directors on 11 November 2010, is available on the Company's website:
http://www.centralelatte.torino.it/ita/finanza/documenti/Procedure%20operazioni%20parti%20correlate.pdfhttp://www.centralelatte.torino.it/ita/finanza/documenti/Procedure%20operazioni%20parti%20correlate.pdf

Organisation Model as per Legislative Decree 231/2001 - Risk management and internal audit systems.

Centrale del Latte di Torino & C. S.p.A. (hereinafter referred to as CLT) believes that the adoption of the Model as per the Decree is a further means of raising awareness among directors, employees and all other third parties that have dealings with CLT, so that, in carrying out their activities, their conduct is correct, transparent and in line with the ethical and social values that inspire CLT in the pursuit of its business purpose and prevent the risk of offences set out in Legislative Decree no. 231/2001 from being committed.

The adoption and spread of the model is aimed at rendering potential offenders fully aware that they may in fact be committing an offence and at carrying out constant observation and monitoring of activities so as to ensure CLT is able to adopt preventive measures or to intervene swiftly in order to stop offences being committed. The Model is available on the Company's website:
http://www.centralelatte.torino.it/ita/finanza/investors.html
http://www.centralelatte.torino.it/ita/finanza/investors.html

Intra-group dealings and dealings with related parties.

As regards operations carried out with related parties, including intra-group operations, these may not be considered atypical or unusual, since they are part of the normal activities carried out by the companies in the group. Said operations are regulated at market conditions. Information regarding dealings with related companies, including those required as indicated by Consob on 28 July 2006, is presented in the notes.

Offices of the Parent Company.

Registered, administrative and production office:Turin Via Filadelfia 220
Production and distribution facility:Rapallo (Ge) Via S. Maria del Campo 157
Production plant: Casteggio (Pv) Via Rossini 10

Tax consolidation.

The parent company joined the tax consolidation regime together with its subsidiary Centrale del Latte di Vicenza S.p.A. The option is valid for three financial years from the one that closed at 31 December 2011.

Treasury shares.

The Parent Company does not hold treasury shares or shares of the ultimate parent company. The Parent Company did not sell or purchase treasury shares or shares of the ultimate parent company during the year.

Stock option plans

There were no outstanding stock option plans at 31 December 2013.

CORPORATE EVENTS

The deed of the merger that took place on 1 April 2013 was filed with Companies' House, rendering effective the incorporation of Centro Latte Rapallo S.p.A., with the improvements and streamlining in terms of organisation and efficiency this was expected to bring.

BUSINESS OUTLOOK.

The first months of the new FY have shown signs of a modest, fragile recovery of the economy, with a positive sales performance. The activity carried out during 2013 with a view to expanding the Group's business outside of Italy has led to the signing of an important contract for the supply of UHT milk and a soya drink with a leading operator on the markets of China, Hong Kong and Macao, with interesting projects for growth.

As regards the purchase price of milk raw material, the international tension and speculation that pushed it up have slackened off, creating the conditions for a turnaround in the trend and making purchase prices likely to remain largely stable compared with 2013.

EVENTS FOLLOWING THE CLOSE OF THE FINANCIAL YEAR.

The month of February saw the beginning of exports of UHT milk and soya drinks, with regular weekly deliveries to China.

Dear Shareholders,

The end of this financial year sees the expiry of the three-year appointment of the Board of Directors. We would like to thank you for placing your trust in us, and request that you see to the appointment of the new Board of Directors.

Dear Shareholders,

We would like to thank those in charge of the KPMG S.p.A. Audit Company, the board of statutory auditors, managers, employees and workers for their cooperation, and we invite you to approve the financial statements at 31 December 2013, the relevant explanatory notes and this report on management allocating – considering the extraordinary transactions – the profit for the year (€ 1,153,709) as follows:

- to the legal reserve: € 57,685
- a dividend of € 0.06 per share to the 10 million common shares for a total of € 600,000, payable from May 8, 2014, ex-dividend date: May 5, 2014.
- to the extraordinary reserve: € 496,024

Turin, 7 March 2014

The Chairman of the Board of Directors
Luigi Luzzati

Centrale del Latte di Torino & C. Group

2013 Financial Statements

Directors' Report – Annexes

Reclassified schedules.

The accounting schedules as at 31 December 2012 have been reclassified where necessary for the purposes of providing a like-for-like comparison concerning the following:

- Change in the scope of consolidation – Equity investments in subsidiaries.
- Application of IAS 19 revised – Employee benefits.

The reference in the first column is to the individual item or group of items in the statutory schedule on which the reclassification is based.

Alternative performance indicators.

In setting out the financial statements, the half-yearly report and the quarterly reports, the group provides information on a number of alternative performance indicators. These indicators are the added value, the EBITDA, an acronym of *Earnings Before Interest Taxes Depreciation and Amortisation,* and EBIT, an acronym of *Earnings Before Interest and Taxes*.
The values of such indicators have been obtained by reclassifying the revenue and costs presented in the compulsory income statement schedule, without making any corrections or additions.

Annex a) Reclassified consolidated accounting schedules

The amounts shown are in €/000.

Where necessary, the comparative figures from the 2012 financial statements have been restated to provide a consistent basis of comparison with the 2013 financial statements.

Reclassified consolidated statement of comprehensive income

		31/12/2013		31/12/2012 redetermined		31/12/2012	
1ec	Revenues from sales and services	98,058	98.1%	98,465	99.2%	103,227	98.6%
3ec	Change in inventories	70	0.1%	(113)	-0.1%	(115)	-0.1%
2ec	Other revenues and income	1,838	1.8%	923	0.9%	964	0.9%
	Value of production	**99,967**	**100.0 %**	**99,275**	**100.0%**	**104,076**	**100.0%**
12ec+13ec	Services	(25,860)	-25.9%	(25,966)	-26.2%	(26,800)	-25.6%
4ec	Raw materials	(53,549)	-53.6%	(51,502)	-51.9%	(54,516)	-52.1%
15ec	Other operating costs	(1,052)	-1.1%	(1,471)	-1.5%	(1,486)	-1.4%
-	**Added value**	**19,507**	**19.5%**	**20,337**	**20.5%**	**21,274**	**20.4%**
5ec+6ec+7ec +8ec	Personnel costs	(14,133)	-14.1%	(13,948)	-14.1%	(14,577)	-14.0%
	EBITDA	**5,374**	**5.4%**	**6,389**	**6.4%**	**6,697**	**6.4%**
11ec	Allocation to provision for bad debts	(250)	-0.2%	(199)	-0.2%	(212)	-0.2%
10ec	Depreciation of tangible fixed assets	(3,383)	-3.4%	(3,639)	-3.7%	(3,830)	-3.7%
9ec	Amortisation of intangible fixed assets	(148)	-0.1%	(1,707)	-1.7%	(1,707)	-1.6%
14ec	Allowances for risks	(463)	-0.5%	(529)	-0.5%	(529)	-0.5%
	EBIT	**1,129**	**1.1%**	**314**	**0.3%**	**418**	**0.4%**
16ec	Financial income	76	0.1%	116	0.1%	122	0.1%
18ec	Capital gain on equity investment disposal	1,606	1.6%	-	0.0%	-	0.0%
17ec	Financial charges	(751)	-0.8%	(1,082)	-1.1%	(1,709)	-1.6%
	of which discounting charges	-	-	-		*-(591)*	*-0.6%*
19ec	Adjustments to equity investments	(4)	0.0%	(2)	0.0%		
20e	Dividends from affiliates	40	0.0%	-	0.0%	-	0.0%
	Pre-tax result	**2,097**	**2.1%**	**(655)**	**-0.7%**	**(598)**	**-0.6%**
21ec	Income taxes from tax consolidation	(911)	-0.9%	(1,039)	-1.0%	(1,086)	-1.0%
22ec	(Deferred) prepaid taxes	84	0.1%	582	0.6%	555	0.5%
23ec	Taxes for previous years	-	0.0%	548	0.6%	571	0.5%
	Net profit (loss) for the year	**1,270**	**1.3%**	**(563)**	**-0.6%**	**(1,097)**	**-1.1%**

STATEMENT OF COMPREHENSIVE INCOME

Total net profit (loss)	**1,270**	**(563)**
Actuarial gains (losses) due to defined-benefit retirement plans	659	(753)
Tax effect due to other profits (losses)	(142)	162
Total other comprehensive profits (losses)	**517**	**(591)**
Comprehensive net profit (loss)	**1,787**	**(1,154)**

Consolidated equity and financial position

		31/12/2013		31/12/2012 redetermined		31/12/2012	
	Fixed assets						
1	Technical fixed assets	52,278		54,354		55,244	
2	Current technical fixed assets	374		11		11	
3	Intangible fixed assets	11,777		11,925		11,925	
4	Equity investments and securities	68		1,033		72	
11	Financial receivables from affiliates	303		385		385	
	Total fixed assets	**64,800**	**93.7%**	**67,709**	**91.9%**	**67,637**	**91.8%**
	Working capital						
7+8	Trade receivables	16,211		17,979		20,316	
6	Inventories	3,473		3,575		3,812	
5+9+10	Other short-term assets	8,405		8,285		8,404	
33+34	Trade payables	(18,419)		(17,437)		(18,158)	
37+38	Other payables	(4,985)		(5,829)		(7,677)	
36	Tax liabilities	(333)		(587)		(626)	
	Net working capital	**4,353**	**6.3%**	**5,985**	**8.1%**	**6,063**	**8.2%**
	LIABILITIES AND EQUITY	**69,153**	**100.0%**	**73,694**	**100.0%**	**73,700**	**100.0%**
	Long-term liabilities and provisions						
27	Employee severance indemnity	3,313		3,763		4,040	
29	Other provisions	1,205		985		985	
28	Provision for Directors' indemnity at the end of their term in office	138		76		76	
26	Provision for deferred taxes	3,823		3,853		3,853	
	Total long-term liabilities and provisions	**8,479**	**12.3%**	**8,677**	**11.8%**	**8,954**	**12.1%**
	Financial position						
12+13	Cash, banks and securities	(7,822)		(6,235)		(6,558)	
30	Payables to banks	4,782		3,093		3,093	
31	Current share of medium/long-term loans	4,844		6,741		820	
32	Current share of payables to other lenders	850		820		6,774	
25	Medium/long-term payables to other lenders	3,909		4,759		4,759	
24	Medium/long-term loans	13,388		16,499		16,499	
	Net financial position	**19,950**	**29.1%**	**25,677**	**34.8%**	**25,387**	**34.4%**
	Shareholders' equity						
14	Share capital	20,600		20,600		20,600	
15+16+17+18+ 19+20+21+22+	Reserves	18,854		19,303		19,856	
23	Net profit (loss) for the period	1,270		(563)		(1,097)	
	Total net equity	**40,723**	**58.9%**	**39,341**	**53.4%**	**39,359**	**53.4%**
	LIABILITIES AND EQUITY	**69,153**	**100.0%**	**73,694**	**100.0%**	**73,700**	**100.0%**

Annex b) Reclassified accounting schedules of Centrale del Latte di Torino & C. S.p.A.

Costs and revenues are reported gross of intra-group sales and the result gross of consolidation adjustments.

The amounts shown are in €/000.

Where necessary, the comparative figures from the 2012 financial statements have been restated to provide a consistent basis of comparison with the 2013 financial statements.

Reclassified statement of comprehensive income

		31/12/2013		31/12/2012 redetermined		31/12/2012	
1ec	Revenues from sales and services	73,924	98.5%	75,112	99.5%	57,407	98.8%
3ec	Change in inventories	96	0.1%	(136)	-0.2%	(101)	-0.2%
2ec	Other revenues and income	1,042	1.4%	550	0.7%	454	0.8%
	Value of production	**75,062**	**100.0 %**	**75,526**	**100.0%**	**57,760**	**100.0%**
12ec+13ec	Services	(20,292)	-27.0%	(20,453)	-27.1%	(14,092)	-24.3%
4ec	Raw materials	(38,581)	-51.4%	(38,176)	-50.5%	(30,547)	-52.6%
15ec	Other operating costs	(785)	-1.0%	(1,098)	-1.5%	(576)	-1.0%
-	**Added value**	**15,404**	**20.5%**	**15,799**	**20.9%**	**12,545**	**21.7%**
5ec+6ec+7ec +8ec	Personnel costs	(10,606)	-14.1%	(10,451)	-13.8%	(7,664)	-13.3%
	EBITDA	**4,798**	**6.4%**	**5,348**	**7.1%**	**4,881**	**8.5%**
11ec	Allocation to provision for bad debts	(56)	-0.1%	(64)	-0.1%	(44)	-0.1%
10ec	Depreciation of tangible fixed assets	(2,204)	-2.9%	(2,462)	-3.3%	(1,947)	-3.4%
9ec	Amortisation of intangible fixed assets	(148)	-0.2%	(187)	-0.2%	(187)	-0.3%
14ec	Allowances for risks	(463)	-0.6%	(529)	-0.7%	(329)	-0.6%
	EBIT	**1,925**	**2.6%**	**2,105**	**2.8%**	**2,373**	**4.1%**
16ec	Financial income	72	0.1%	88	0.1%	22	0.0%
17ec	Financial charges	(322)	-0.4%	(521)	-0.7%	(794)	-1.4%
	of which discounting charges			-		*-(282)*	*-0.5%*
18ec	Capital gain on equity investment disposal	1,606	2.1%				
19ec	Adjustments to equity investments	(1,088)	-1.4%	(1,148)	-1.5%	(1,146)	-2.0%
20ec	Dividends from affiliates	40	0.1%		-		
	Pre-tax result	**2,233**	**3.0%**	**524**	**0.7%**	**455**	**0.8%**
18ec	Income taxes from tax consolidation	(1,106)	-1.5%	(1,097)	-1.5%	(904)	-1.6%
19ec	(Deferred) prepaid taxes	26	0.0%	53	0.1%	(6)	0.0%
20ec	Taxes for previous years			442	0.6%	326	0.6%
	Net profit (loss) for the year	**1,154**	**1.5%**	**(78)**	**-0.1%**	**(129)**	**-0.2%**

STATEMENT OF COMPREHENSIVE INCOME

	Total net profit (loss)	**1,154**	**(78)**
	Actuarial gains (losses) due to defined-benefit retirement plans	657	(640)
	Tax effect due to other profits (losses)	(142)	138
	Total other comprehensive profits (losses)	**515**	**(502)**
	Comprehensive net profit (loss)	**1,669**	**(580)**

Reclassified financial and equity position

		31/12/2013		31/12/2012 redetermined		31/12/2012	
	Fixed assets						
1	Technical fixed assets	15,398		16,389		12,586	
2	Current technical fixed assets	374		10		-	
3	Intangible fixed assets	6,491		7,573		686	
4	Equity investments and securities	27,264		29,317		46,587	
11	Financial receivables from affiliates	303		385		-	
	Total fixed assets	**49,830**	**97.7%**	**53,674**	**95.7%**	**58,859**	**97.2%**
	Working capital						
7+8	Trade receivables	9,999		11,099		9,803	
6	Inventories	1,921		2,034		1,637	
5+9+10	Other short-term assets	6,486		6,470		5,092	
33+34	Trade payables	(13,308)		(4,682)		(10,204)	
37+38	Other payables	(3,733)		(469)		(4,303)	
36	Tax liabilities	(199)		(3)		(272)	
	Net working capital	**1,166**	**2.3%**	**2,417**	**4.3%**	**1,743**	**2.8%**
	LIABILITIES AND EQUITY	**50,957**	**100.0%**	**56,091**	**100.0%**	**61,602**	**100.0%**
	Long-term liabilities and provisions						
27	Employee severance indemnity	2,550		2,960		1,770	
29	Other provisions	927		710		330	
28	Provision for Directors' indemnity at the end of their term in office	138		76		76	
26	Provision for deferred taxes	2,325		2,645		522	
	Total long-term liabilities and provisions	**5,940**	**11.7%**	**6,392**	**11.3%**	**2,697**	**4.4%**
	Financial position						
12+13	Cash, banks and securities	(7,745)		(6,216)		(2,685)	
30	Payables to banks	565		-		-	
31	Current share of medium/long-term loans	4,072		5,970		5,970	
32	Current share of payables to other lenders	70		75		75	
25	Medium/long-term payables to other lenders	6		76		76	
24	Medium/long-term loans	5,288		7,627		7,627	
	Net financial position	**2,256**	**4.4%**	**7,532**	**13.3%**	**11,063**	**18.0%**
	Shareholders' equity						
14	Share capital	20,600		20,600		20,600	
15+16+17+18+19+20+21+22+	Reserves	21,047		21,645		27,370	
23	Net profit (loss) for the period	1,154		(78)		(129)	
	Total net equity	**42,801**	**83.9%**	**42,167**	**75.2%**	**47,841**	**77.7%**
	LIABILITIES AND EQUITY	**50,957**	**100%**	**56,091**	**100.0%**	**61,602**	**100.0%**

Annex c) Accounting Schedules of Centrale del Latte di Vicenza S.p.A. – subsidiary

The income (€ 272 thousand) deriving from the transfer of the loss to the consolidated tax position is presented under the opposite sign among "(Deferred) prepaid taxes".

Where necessary, the comparative figures from the 2012 financial statements have been restated to provide a consistent basis of comparison with the 2013 financial statements.

Reclassified overall income statement

	31/12/2013		31/12/2012 redetermined		31/12/2012	
Revenues from sales and services	26,844	96.7%	26,229	97.7%	26,229	97.7%
Change in inventories	(26)	-0.1%	23	0.1%	23	0.1%
Other revenues and income	931	3.4%	494	1.8%	494	1.8%
Value of production	**27,749**	**100.0%**	**26,746**	**100.0%**	**26,746**	**100.0%**
Services	(5,679)	-20.5%	(5,573)	-20.8%	(5,573)	-20.8%
Raw materials	(17,699)	-63.8%	(16,262)	-60.6%	(16,262)	-60.6%
Other operating costs	(267)	-1.0%	(373)	-1.4%	(373)	-1.4%
Added value	**4,103**	**14.8%**	**4,538**	**17.0%**	**4,538**	**17.0%**
Personnel costs	(3,527)	-12.7%	(3,496)	-13.1%	(3,496)	-13.1%
EBITDA	**576**	**2.1%**	**1,042**	**3.9%**	**1,042**	**3.9%**
Allocation to provision for bad debts	(193)	-0.7%	(135)	-0.5%	(135)	-0.5%
Depreciation of tangible fixed assets	(1,181)	-4.3%	(586)	-2.2%	(586)	-2.2%
Amortisation of intangible fixed assets	-	-	(1,186)	-4.4%	(1,186)	-4.4%
EBIT	**(798)**	**-2.9%**	**(865)**	**-3.2%**	**(865)**	**-3.2%**
Financial income	4	0.0%	27	0.1%	27	0.1%
Financial charges	(433)	-1.6%	(560)	-2.1%	(649)	-2.4%
of which discounting charges	-	-	-		*(89)*	*-0.3%*
Pre-tax result	**(1,227)**	**-4.4%**	**(1,398)**	**-5.2%**	**(1,487)**	**-5.6%**
Income taxes	(77)	-0.3%	(94)	-0.4%	(94)	-0.4%
(Deferred) prepaid taxes	497	1.8%	387	1.4%	387	1.4%
Taxes for previous years	-	-	106	0.4%	106	0.4%
Net profit (loss) for the year	**(974)**	**-3.5%**	**(999)**	**-3.8%**	**(1,088)**	**-4.1%**

STATEMENT OF COMPREHENSIVE INCOME

Total net profit (loss)	**(974)**	**(999)**
Actuarial gains (losses) due to defined-benefit retirement plans	1	(113)
Tax effect due to other profits (losses)	-	24
Total other comprehensive profits (losses)	**1**	**(89)**
Comprehensive net profit (loss)	**(975)**	**(1,088)**

Reclassified financial and equity position

	31/12/2013		31/12/2012 redetermined		31/12/2012	
Fixed assets						
Technical fixed assets	36,920		38,000		38,000	
Intangible fixed assets	5,286		5,286		5,286	
Equity investments and securities	2		3		3	
Total fixed assets	**42,208**	**92.9%**	**43,288**	**92.2%**	**43,288**	**92.2%**
Working capital						
Trade receivables	7,252		8,078		8,078	
Inventories	1,552		1,541		1,541	
Other short-term assets	1,919		1,775		1,775	
Trade payables	(6,150)		(5,937)		(5,937)	
Other payables	(1,252)		(1,769)		(1,769)	
Tax liabilities	(135)		(118)		(118)	
Net working capital	**3,186**	**7.1%**	**3,569**	**7.6%**	**3,569**	**7.6%**
LIABILITIES AND EQUITY	**45,394**	**100.0%**	**46,857**	**100.0%**	**46,857**	**100.0%**
Long-term liabilities and provisions						
Employee severance indemnity	763		803		803	
Other provisions	279		275		275	
Provision for deferred taxes	1,332		1,501		1,501	
Total long-term liabilities and provisions	**2,373**	**5.3%**	**2,579**	**5.5%**	**2,579**	**5.5%**
Financial position						
Cash, banks and securities	(78)		(18)		(18)	
Payables to banks	4,217		3,092		3,092	
Current share of medium/long-term loans	3,903		4,682		4,682	
Current share of payables to other lenders	779		745		745	
Medium/long-term payables to other lenders	771		771		771	
Medium/long-term loans	8,100		8,871		8,871	
Net financial position	**17,693**	**39.5%**	**18,144**	**38.7%**	**18,144**	**38.7%**
Shareholders' equity						
Share capital	29,162		29,162		29,162	
Reserves	(3,024)		(2,030)		(1,941)	
Net profit (loss) for the period	(974)		(999)		(1,088)	
Total Shareholders' Equity	**25,161**	**55.4%**	**26,134**	**55.8%**	**26,134**	**55.8%**
LIABILITIES AND EQUITY	**45,394**	**100.0%**	**46,857**	**100.0%**	**46,857**	**100.0%**

Net financial position

	31/12/2013	31/12/2012
Cash and cash equivalents	**78**	**18**
Payables to banks	(4,217)	(3,092)
Current share of medium/long-term payables	(3,903)	(4,682)
Current share of payables to other lenders	(779)	(745)
Current financial liabilities	**(8,899)**	**(8,520)**
Medium/long-term payables	(8,100)	(8,871)
Medium/long-term payables to other lenders	(771)	(771)
Non-current financial liabilities	**(8,871)**	**(9,642)**
Total financial liabilities	**(17,770)**	**(18,162)**
Net financial position	**(17,693)**	**(18,144)**

Annex d) Economic and Financial Indicators

The amounts shown are in €/000.

Consolidated Financial Statements – Economic Indicators

ROI	**31/12/2013**	**31/12/2012**
Current assets	35,911	35,864
Non-current assets	64,800	67,918
Current liabilities	(51,509)	55,764
Non-current liabilities	(8,479)	8,677
Invested capital	**40,723**	**39,341**
Operating Profit	**1,129**	**274**
ROI	**2.8%**	**0.7%**
ROE		
Net profit (loss)	1,270	(563)
Net equity	40,723	39,341
ROE	**3.1%**	**-1.4%**
ROS		
Operating Profit	1,129	314
Revenues from sales	98,058	98,465
ROS	**1.2%**	**0.3%**
Operating Profit/Invested Capital		
Operating Profit	1,129	314
Invested capital	40,723	39,341
Operating Profit/Invested Capital	**2.8%**	**0.8%**
ROD		
Financial charges	698	1,038
Financial payables	27,772	37,418
Cost of debt	**2.5%**	**2.8%**

Consolidated Financial Statements - Financial Indicators

Acid test ratio	**31/12/2013**	**31/12/2012**
Acid test	7,822	6,235
Non-current and current liabilities	59,988	64,441
Acid test ratio	**0.13**	**0.10**
Quick test ratio		
Current assets	35,911	35,864
Current liabilities	51,509	55,764
Quick test ratio	**0.70**	**0.64**
ROT		
Revenues from sales and services	99,897	98,465
Invested capital	40,723	39,341
ROT	**2.45**	**2.53**
Net financial debt/Equity		
Net financial debt	19,950	25,676
Equity	40,723	39,341
Net financial debt/Equity	**0.5**	**0.7**

Centrale del Latte di Torino & C. S.p.A. Financial Statements – Economic indicators

The amounts shown are in €/000.

ROI	**31/12/2013**	**31/12/2012**
Current assets	26,150	25,819
Non-current assets	49,830	53,674
Current liabilities	27,241	30,934
Non-current liabilities	5,939	6,392
Invested capital	**42,801**	**42,167**
Operating Profit	**1,925**	**2,105**
ROI	**4.5%**	**5.0%**
ROE		
Net profit (loss)	1,154	(78)
Net equity	42,801	42,669
ROE	**2.7%**	**-0.2%**
ROS		
Operating Profit	1,925	2,105
Revenues from sales	73,924	75,662
ROS	**2.6%**	**2.8%**
Operating Profit/Invested Capital		
Operating Profit	1,886	2,105
Invested capital	42,801	42,167
Operating Profit/Invested Capital	**4.4%**	**5.0%**
ROD		
Financial charges	270	497
Financial payables	10,002	13,748
ROD	**2.7%**	**3.6%**

Centrale del Latte di Torino & C. S.p.A. Financial Statements – Financial indicators

Acid test ratio	**31/12/2013**	**31/12/2012**
Acid test	7,745	6,216
Non-current and current liabilities	33,180	37,326
Acid test ratio	**0.23**	**0.17**
Quick test ratio		
Current assets	26,150	25,819
Current liabilities	27,241	30,934
Quick test ratio	**0.96**	**0.83**
ROT		
Revenues from sales and services	74,966	75,662
Invested capital	42,801	42,167
ROT	**1.75**	**1.79**
Net financial debt/Equity		
Net financial debt	2,256	7,532
Equity	42,81	42,167
Net financial debt/Equity	**0.1**	**0.2**

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

Report on corporate governance and company structure (art. 123-bis of the Consolidated Finance Law) for FY2013 – Approved by the Board of Directors of 7 March 2013

Report available on www.centralelatte.torino.it

REPORT ON CORPORATE GOVERNANCE AND COMPANY STRUCTURE (art. 123-*bis* of Legislative Decree 58 Consolidated Finance Law).

1. ISSUER'S PROFILE

The company produces, treats, processes and sells treated milk and food and dairy products in general. The Company may also undertake all transactions involving trade, finance, industry, securities and real estate that are necessary or useful to achieving the Company's object, including the acquisition of equity investments in companies having similar objects or that are instrumental to its business (also comprising the issue of personal guarantees or collateral for third parties and the contracting of loans and mortgages), but excluding trust and professional services reserved under the law, the solicitation of investment from the public and the provision of all services that qualify as "financial activity" to the public.

The company is run by a Board of Directors composed of eleven members, appointed by resolution of the Shareholders' Meeting. The Directors are chosen from a list of candidates.

2. INFORMATION ON THE COMPANY STRUCTURE (as per article 123 bis paragraph 1 of TUF) at 12 March 2012

Share capital structure (as per article 123-bis, paragraph 1, letter a), TUF)

The share capital of Centrale del Latte di Torino & C. S.p.A. amounts to € 20,600,000, fully subscribed and paid-up, and is divided into 10,000,000 common shares with a par value of € 2.06 each. All the shares of the Company are listed on the Star segment of the Electronic Stock Market (MTA) organised and managed by Borsa Italiana S.p.A.

Common shares are registered, freely transferrable, in electronic format and centrally managed by Monte Titoli S.p.A.

Each common share confers the right to one vote at the Company's ordinary and extraordinary shareholders' meetings, in addition to other financial and administrative rights provided under applicable laws and corporate by-laws.

SHARE CAPITAL STRUCTURE				
	No. of shares	**% on SC**	**Listed**	**Rights and obligations**
Common shares	10,000,000	100%	Borsa Italiana FTSE Italia STAR	Right to vote in ordinary and extraordinary meetings
Shares with limited voting rights	-	-		
Shares with no voting rights	-	-		

Other financial instruments

There are no other financial instruments that confer the right to subscribe for newly issued shares, including bonus shares, or share-based incentive schemes.

Share-based incentive scheme

At the date of approval of this Report, there were no share-based incentive schemes involving bonus issues or other forms of share capital increase.

Restrictions on security transfer (as per article 123-bis, paragraph 1, letter b), TUF)

There are no restrictions on transfers of the securities of the Company.

Major shareholders (as per article 123-bis, paragraph 1, letter c), TUF)

According to the information available at 31 January 2014, 2,261 shareholders are registered on the shareholders' register of Centrale del Latte di Torino & C. S.p.A.

The holders of more than 2% of common shares are:

MAJOR SHAREHOLDERS			
Declaring party	**Direct shareholder**	**% on ordinary capital**	**% on voting capital**
Adele Artom	Finanziaria Centrale del Latte di Torino S.p.A.	51.78%	51.78%
Adele Artom	Lavia s.s.	5.90%	5.90%
B&E Equities S.p.A.	B&E Equities S.p.A.	15.03%	15.03%

Securities granting special rights (as per article 123-bis, paragraph 1, letter d), TUF)

No securities granting special controlling rights have been issued.

Employee shareholder system (as per article 123-bis, paragraph 1, letter e), TUF)

The Articles of Association of the Company contain no particular instructions regarding the voting rights of employee shareholders.

Restrictions on voting rights

There are no restrictions on voting rights.

Restrictions on security transfer (as per article 123-bis, paragraph 1, letter f), TUF)

There are no restrictions on transfers of the securities of the Company.

Shareholders' agreements (as per article 123-bis, paragraph 1, letter g), TUF)

There are no agreements among shareholders known to the issuer, pursuant to art. 122 of the TUF.

Change-of-control clauses (as per article 123-bis, paragraph 1, letter h), TUF)

Neither the issuer nor its subsidiaries have entered into significant agreements which become effective, are amended or cease to be valid in the event of a change of control as regards the contracting company.

Proxies for share capital increases and share buy-back authorisations (as per article 123-bis, paragraph 1, letter m), TUF)

The company directors have not been entrusted with proxies for share capital increases or for the issue of financial instruments or the purchase of treasury shares. The question is regulated by the corporate by-laws.

Management and coordination (as per article 2497 et seq. of the Italian Civil Code)

Pursuant to articles 36 and 37 of the Consob Regulation no. 16191/2007, regarding the publication of information prescribed by paragraphs 12 and 13 of article 2.6.2 of the Regulation of Borsa Italiana, it is hereby certified that Centrale del Latte di Torino & C. S.p.A.:

- is not controlled by companies set up and governed by the law of countries not belonging to the European Union;

- is not subject to management and coordination activities on the part of the ultimate parent company Finanziaria Centrale del Latte di Torino S.p.A., because the main aim of the company is the direct management of civil buildings and does not have a structure able to control and/or channel decisions of an operational nature.

The information required by article 123-bis, first paragraph, letter i) is contained in section II of the report on the remuneration paid to directors and members of the audit bodies.

The information required by article 123-bis, first paragraph, letter l) is illustrated in the Report on corporate governance.

3. COMPLIANCE (as per article 123-bis, paragraph 2, letter a), TUF)

Compliance with codes of practice

Centrale del Latte di Torino & C. S.p.A., with regard to the codes of practice on corporate governance promoted by Borsa Italiana S.p.A, has adopted the following:

Self-Regulatory Corporate Governance Code. The Company has adopted a self-regulatory Code in the application of its Corporate Governance, i.e. the system of rules by which a company is managed and controlled. The latest version of the Code, approved by the Board of Directors on 3 August 2012, and the annual report on Corporate Governance are available on the company's website:

http://www.centralelatte.torino.it/ita/finanza/documenti/codice_autodisciplina_2012.pdf

and on the website of Borsa Italiana S.p.A.:
http://www.borsaitaliana.it/borsa/azioni/elenco-completo-corporate-governance.html?isin=IT0003023980&lang=it
http://www.borsaitaliana.it/borsa/azioni/elenco-completo-corporate-governance.html?isin=IT0003023980&lang=it

Code of practice for internal dealing. The Company has adopted the Code of practice in order to govern the obligations regarding information, and has drawn up a register of those people who have access to confidential information, in compliance with the provisions of articles 2.6.3, 2.6.4 and 2.6bis of the "Regulation of Markets organised and managed by Borsa Italiana S.p.A.", approved by Consob resolution no. 13655 of 9 July 2002, and with articles 152*bis-ter-quater-quinquies-sexies-septies-octies* of the Consob Regulation for issuers, regarding the operations as per article 2.6.4 of the Borsa Italiana regulation carried out by relevant individuals as defined in article 2 of the Code of practice on internal dealing*.* The latest version of the Code of practice for internal dealing, approved by the Board of Directors on 13 February 2007, is available on the company's website:
http://www.centralelatte.torino.it/ita/finanza/documenti/codice_internal_dealing_2007.pdfhttp://www.centralelatte.torino.it/ita/finanza/documenti/codice_internal_dealing_2007.pdf
and on the website of Borsa Italiana S.p.A.:
http://www.borsaitaliana.it/borsa/quotazioni/azioni/elenco-completo-internal-dealing.html?isin=IT0003023980&lang=it<}100{>http://www.borsaitaliana.it/borsa/quotazioni/azioni/elenco-completo-internal-dealing.html?isin=IT0003023980&lang=it

Code of procedures for dealing with transactions with related parties. The Company adopted the code of procedures for dealing with transactions with related parties, pursuant to Consob resolution no. 17221 as amended. This code is available on the company's website:
http://www.centralelatte.torino.it/ita/finanza/documenti/Procedure operazioni parti correlate.pdf
http://www.centralelatte.torino.it/ita/finanza/documenti/Procedure operazioni parti correlate.pdf

4. BOARD OF DIRECTORS

Appointment and replacement of directors (as per article 123-bis, paragraph 1, letter l), TUF)

The company is managed by a Board of Directors made up of three to eleven members, appointed by resolution of the Shareholders' Meeting. The Directors are chosen from a list of candidates. Lists may be filed only by those shareholders who, alone or jointly with other shareholders, hold a total of shares representing at least 2.5% (two point five percent) of the share capital with voting rights in the ordinary meeting. Each shareholder cannot file, either through a third party or by trusts, more than one list or vote for different lists. Each candidate may be appointed in one list only, under penalty of ineligibility. Candidates may not be admitted to the lists if they already hold directorships in other five companies or entities whose stocks are liable for trading on a regulated market featured on the list provided for by articles 63 and 67 of Legislative Decree no. 58/1998. The minority list that has obtained the greatest number of votes and that is in no way connected, directly or indirectly, to the list that has received the most votes, has the right to appoint a member of the Board of Directors. The lists submitted must be filed at the headquarters of the company at least twenty five days before the date of the Meeting called upon to resolve upon the appointment of the members of the board of directors.
By the same deadline, statements must be filed along with each list in which each candidate accepts the nomination, and declares, undertaking full responsibility, that there are no reasons for which they are incompatible or could not be appointed, and that they fulfil the requirements set forth by the by-laws and current regulations for each office. Where a list does not meet the above requirements, its submission shall be considered null.
Where a single list is submitted, this represents the entire Board of Directors. In the event no list is submitted, the shareholders' meeting shall resolve by majority vote. Abstentions shall not be taken into account.
How and by when lists must be submitted is indicated in the call notice.
The lists presented may be consulted by the public on the company's website and through other means provided for by law, at least 21 days before the date of the Shareholders' Meeting.
The directors shall remain in office for a period of no more than three financial years and their term of office shall end on the date of the meeting convened to approve the financial statements for the last financial year of their term. Directors may be re-appointed.

Before directors are appointed, the shareholders' meeting shall determine the number of Board members and the duration of their term. Where the number of Directors determined is lower than the maximum number provided for, the shareholders' meeting, during the Board's term of office, may increase this number. The term of Directors thus appointed shall expire together with those serving on the Board at the time of their appointment. The remuneration due to the members of the Board of Directors shall be determined by the Shareholders' Meeting.

No plan for succession has been provided for in the event the Members of the Board of Directors are replaced before the natural expiry of their term.

Structure of the Board of Directors and Committees

At the closing date of FY2013 the Board of Directors was made up of 11 (eleven) directors. The Board has not defined general criteria regarding the maximum number of management and auditing offices held in other companies that can be considered compatible with the effective performance of the role of company director.

The structure of the Board of Directors is indicated in the enclosed chart 1).

Role of the Board of Directors

The Board of Directors exercises the powers, functions and competences regarding the ordinary and extraordinary management of the company, with the sole exception of those competences that are attributed to the shareholders' meeting, either by law or by the corporate by-laws.

The Board of Directors also has the power to resolve upon the following:

- mergers in the cases provided for under articles 2505 and 2505 bis of the Italian Civil Code;
- transfer of the Company's registered office within Italy;
- the setting up or closure of secondary offices;
- the indication of which directors—in addition to the Chairman, the Vice Chairman and the Managing Directors—and executives may represent the company, in accordance with the subsequent articles 17 and 18 of the corporate by-laws;
- reduction of the share capital in the event of the withdrawal of a shareholder;
- adjustments to the corporate by-laws in accordance with regulatory provisions.

The Board of Directors met 8 times during 2013, in order to discuss and resolve upon the following:

- The draft financial statements and the draft consolidated financial statements and pertinent reports and notes at 31 December 2012;
- Annual report on corporate governance for 2012;
- The annual report of the Supervisory Body;
- Report on the remuneration paid to the members of the management and audit bodies, general managers and other key management personnel
- The call for the Shareholders' Meeting;
- The granting of powers to the Board Member Maurizio Macchiavello for the operating unit CLR – Latte Tigullio;
- Verification of the independence requisites of the independent Board Members;
- The setup of a Temporary Association of Companies (ATI) between Centrale del Latte di Torino & C. S.p.A. and Centrale del Latte di Vicenza S.p.A., called "La filiera del latte tra Genova, Torino e Vicenza" (The milk production chain linking Genoa, Turin and Vicenza), for the purpose of presenting an application for access to the "food chain contracts", pursuant to the Decree of 22 November of the Ministry of Agriculture, Food and Forestry Policies; to approve the spending and investment programme;
- Participation in the public auction of the assets making up the company belonging to Consorzio Cooperativo Vallestura;
- Sale of the equity investment in Frascheri S.p.A.;
- Interim report at 31 March 2013 and 30 September 2013 of Centrale del Latte di Torino & C. S.p.A.;
- Interim report at 30 June 2013;
- 2014-2016 Business Plan

When the nature of the matters on the agenda so required, Directors and Statuary Auditors were provided in advance with documentation pertaining to the matters to be considered.

Article 11 of the Company's Self-Regulatory Code deals with the question of relationships and economic transactions with related parties. The Code recommends that in the case of transactions conducted with related parties, those directors that have an interest—including a potential or indirect interest—in the transaction should provide timely, exhaustive notification thereof to the board regarding such interest and the circumstances of the same, and should leave the board meeting when the pertinent resolutions are made.

Should the nature, value, or other characteristics of the transaction so require, in order to avoid terms being set that would not be in keeping with those normally agreed upon by non-related parties, the Board of Directors arranges for it to be carried out with the assistance of independent experts, in order to determine the value of the assets or of the pertinent financial, legal, or technical profiles.

CONSOB has given a specific indication of subjects that may be deemed related parties, as described in IAS 24; these include those that control the issuer, those that are controlled by the issuer and those that are linked to the issuer, as defined by IAS 28.

Between the parent company and the subsidiary Centrale del Latte di Vicenza S.p.A., transactions have been conducted at normal market conditions, with regard both to the production of branded products and to bulk milk. The sales prices applied have been verified and monitored by the person appointed for the purpose to the Company's Monitoring Committee. This activity, in which no censurable practice was evident, has been amply reported to the Board of Directors.

As of 1 January 2011, relations with related parties are regulated by the code of procedures for dealing with transactions with related parties, pursuant to Consob resolution no. 17221 as amended.

Chairman of the Board of Directors and Managing Directors.

The Chairman of the Board of Directors and the Managing Directors are invested with the powers provided for by the Civil Code and by the corporate by-laws.

Other executive directors.

There are no executive directors other than those indicated in table 1).

Independent directors.

The Board of Directors has assessed whether the Directors appointed by the Shareholders' Meeting and indicated in table 1) fulfil the requirements of independence following the verification carried out by the Board of Statutory Auditors.

Share-based incentive scheme

On the date of approval of this report there were no share-based incentive schemes.

Compensation due to directors in the event of resignation, dismissal or severance.

An indemnity is provided for at the end of the term of office of the Executive Directors, amounting to 1/12 of their gross yearly remuneration for each FY starting from FY2011.

Regulations applicable to the appointment and replacement of directors and audit and supervisory committees

The regulations for the appointment and replacement of directors and monitoring and supervisory committees are described in the by-laws, in the Self-Regulatory Corporate Governance Code and in the pertinent annual reports.

5. HANDLING OF COMPANY INFORMATION.

All directors and auditors must maintain confidentiality on documents and information acquired in the course of carry out their task, and must comply with the procedures for conveying such documents and price-sensitive information to persons outside the company.

Acting on a proposal by the Managing Directors, the Board, during the meeting held on 18 December 2000 resolved to limit to the Chairman and the Managing Directors the right to provide persons outside the company with details on documents and information regarding the company, with particular reference to price-sensitive information. They may use the services of the consultancy firm to which financial information is entrusted to.

6. BOARD'S INTERNAL COMMITTEES.

Remuneration Committee

Within the Board of Directors, a remuneration committee has been set up. It is composed of 3 executive directors, the majority of which are independent.

The remuneration committee presents the Board with:

- proposals for the remuneration of the Chairman, the Managing Directors and the Directors that hold particular offices, monitoring the application of the decisions adopted by the Board;

- periodic assessments of the criteria adopted for the remuneration of key management personnel, overseeing their application based on information provided by the managing directors, and formulating general recommendations on the subject for the Board of Directors.

No director takes part in the meetings of the remuneration committee in which proposals are formulated regarding his own remuneration.

The Remuneration Committee is made up of the following members:

Guido Artom	Director
Alberto Tazzetti	Independent Director
Germano Turinetto	Independent Director

During FY2013 the Committee did not meet.

7. REMUNERATION OF EXECUTIVE DIRECTORS, NON-EXECUTIVE DIRECTORS (INCLUDING THOSE BELONGING TO COMMITTEES) AND KEY MANAGEMENT PERSONNEL.

For information regarding the remuneration paid to directors, see the Report on the remuneration of directors and audit bodies, published pursuant to article 123-ter of the Consolidated Finance Law.

8. INTERNAL AUDIT COMMITTEE.

The Board of Directors has formed the Internal Audit Committee, which is intended to serve in an advisory and proactive capacity, consisting of four members, three of whom are non-executive directors (two of whom are independent), and one of whom is a member of the Audit Committee.

The Internal Audit Committee:

a) assesses the correct use of accounting standards and their consistency for the purposes of drafting the consolidated financial statements, together with the executive appointed to draft corporate accounts and the auditing firm;

b) assesses, and expresses opinions on specific issues related to the identification of the main company risks;

c) assesses the bids made by the auditing firm to obtain the assignment, as well as the work schedule prepared for the audit and the results set forth in the report and advisory letter, if present;

d) ensures that the auditing process is effective;

e) performs additional duties assigned by the Board of Directors;

f) periodically reports to the Board of Directors—at least every six months—on the activities performed and on the appropriateness of the internal audit system.

The Internal Audit Committee of Centrale del Latte di Torino & C. S.p.A. and its subsidiaries is authorised to supply advice and submit proposals. The committee is made up of four members, three of whom are non-executive directors (two of them independent) plus the person in charge of the audit committee..

The person in charge of the audit committee appointed, Mr Federico GAI, does not operate under any figure in charge of the operational areas, and answers to the managing directors, the internal audit committee and the auditors.

The other members of the Audit Committee are:

- **Antonella Forchino** Director
- **Luciano Roasio** Independent Director
- **Alberto Tazzetti** Independent Director

During 2013 the person in charge of the audit committee carried out inspections on the following:

- the appropriateness and the correct application of the internal procedures manual adopted by the Group Companies, with the aim of identifying areas potentially subject to greater risk and of indicating corrective action where necessary;
- the existence of problems regarding the presence, monitoring and management of company risks linked to disputes regarding labour, fiscal issues and IT security;
- the completeness and reliability of accounting information and the even application of the accounting principles currently in force;
- the existence of any breaches of the Code of Ethics;
- the main changes that have occurred in the organisational structure and the IT systems;

- the activity carried out by the independent auditors;
- compliance of company practice with laws, regulations, directives and Group procedures.
- whether relationships with related parties comply with normal trading conditions;

In the course of these inspections, carried out in the Parent Company, subsidiaries and affiliates, no situations or practices were identified that are in contrast with the procedures; no areas subject to risk or inefficiencies were identified, and in particular, no indication was found of censurable or irregular conduct in dealings with related parties.

In a number of cases, the meetings of the Board of Statutory Auditors of Centrale del Latte di Torino & C. S.p.A. were attended by a representative of the Auditing Firm.

The interim reports of the Audit Committee provided ample information to the Board of Directors.

The members of the Board of Statutory Auditors accepted the invitation to attend the working sessions of the Committee.

During 2013 the Internal Audit Committee met 2 times.

9. ORGANISATION MODEL AS PER LEGISLATIVE DECREE 231/2001.

Risk management and internal audit systems.

Centrale del Latte di Torino & C. S.p.A. (hereinafter referred to as CLT) believes that the adoption of the Model as per the Decree is a further means of raising awareness among directors, employees and all other third parties that have dealings with CLT, so that, in carrying out their activities, their conduct is correct, transparent and in line with the ethical and social values that inspire CLT in the pursuit of its business purpose and prevent the risk of offences set out in Legislative Decree no. 231/2001 from being committed.

The adoption and spread of the model is aimed at rendering potential offenders fully aware that they may in fact be committing an offence and at carrying out constant observation and monitoring of activities so as to ensure CLT is able to adopt preventive measures or to intervene swiftly in order to stop offences being committed.

The Model was drawn up with reference to the actual situation of the company, and may constitute a departure from—without affecting the validity of—the guidelines issued by Confindustria and approved by the Ministry of Justice.

By drafting the model, the company's intention is to:

- identify offences that may give rise to administrative liability;
- identify the areas vulnerable to the commission of offences provided for by Legislative Decree no. 231/2001;
- indicate procedures;
- establish information obligations vis-à-vis the Supervisory Body;
- illustrate the disciplinary system set up to deal with failure to comply with company procedures and regulations.

The Model is the set of documents that determine the responsibilities, activities and procedures adopted and implemented to carry out the activities typical of the company that are considered at risk of offences as per Legislative Decree no. 231/2001.

The Model is a structured, coherent system of procedures and monitoring activities able to prevent risks, composed of manuals and codes of practice adopted by the company. These documents, which are regularly added to and updated in order to keep pace with changes to laws, regulations and the conditions in which the company operates, are an integral part of the Model, and the relevant parts contain the protocols that all individuals who carry out their activity in and/or for the company must comply with and ensure the application of.

The manuals and the codes of practice comprise:

- the accounting and administration procedures manual;
- the management system manual (MSM) and the procedures referred to therein, drafted in compliance with the voluntary technical standards CLT is certified for;
- the code of practice for internal dealing;
- the self-regulatory code for the application of Corporate Governance;
- the Code of Ethics.

The versions of the manuals and codes of practice, duly added to and updated, are promptly made available to all the interested parties; they are published on the company intranet and sent directly to the relevant subjects outside the company.

Activities in the context of which it is theoretically possible for offences relevant to Legislative Decree No. 231/2001 to be committed in the interest or to the benefit of CLT are:

- dealings with the Public Administration (hereinafter P.A.) or other Public Institutions (hereinafter P.I.);

- transactions and communications of an accounting, economic and financial nature;
- offences against industry and commerce;
- IT offences and illegal processing of data;
- selection of personnel and establishment of working relations;
- identification of suppliers and dealings therewith
- handling of cash
- activities governed by the regulations regarding the prevention of accidents in the workplace and the safeguarding of workplace health and hygiene;
- breach of copyright.

The Company set up a Supervisory Body as per Legislative Decree 231/2001, made up of the following Directors: Antonella Forchino, Luciano Roasio and Alberto Tazzetti;

The organisational management and control model pursuant to former Legislative Decree no. 231/2001 is available on the Company's website

http://www.centralelatte.torino.it/ita/finanza/documenti/modello_dlgs_231_2001.pdf

http://www.centralelatte.torino.it/ita/finanza/documenti/modello_dlgs_231_2001.pdf

10. TRANSACTIONS WITH RELATED PARTIES.

On 11 November 2010 the Board of Directors of the Company resolved upon the adoption of a procedure for transactions with related parties, in application of Consob resolution no. 17221 as amended. This procedure is an essential element in the internal control system of the group headed by Centrale del Latte di Torino & C. S.p.A. and the organisational model as per Legislative Decree no. 231 of 8 June 2001. The procedure is also valid as an instruction given by the Parent Company to its subsidiaries, pursuant to article 114, para. 2 of the Consolidated Finance Law.

The procedure provides for the set-up of a Committee for transactions with related parties, made up of the members of the Audit Committee , with a supplementary alternate member, who is the independent Director not part of the Audit Committee.

During 2013 the Committee's intervention was not required, because the conditions provided for under points 5.1 and 5.2 of the regulation governing transactions with related parties did not arise.

10. AUDITING COMPANY.

KPMG S.p.A. Engaged on 28 April 2006; engagement expires with the approval of the 2014 financial statements.

11. EXECUTIVE IN CHARGE OF DRAFTING CORPORATE ACCOUNTS.

The Board of Directors, after having heard the opinion of the board of statutory auditors, appoints or removes the executive in charge of drafting accounts, who must be in possession of the appropriate professional skills pertaining to administration, accounting and finance.

The executive in charge of drafting corporate accounts establishes the appropriate administrative and accounting procedures to draft the financial statements, the consolidated financial statements and all other communication documents of a financial nature. The executive is granted the powers and means necessary to carry out the tasks assigned to him/her.

The executive in charge of drafting corporate accounts, in a specific report provided as an annex to the financial statements and, where provided for, to the consolidated financial statements, attests to the appropriateness and the effective application of the procedures and declares that the financial statements tally with the accounting books and records.

The Board of Directors has appointed Mr. Vittorio VAUDAGNOTTI, administrative and financial manager of the Company, as the executive in charge of drafting corporate accounts.

12. KEY TRAITS OF THE CRITERIA FOR THE RISK MANAGEMENT AND INTERNAL AUDIT SYSTEMS IN PLACE IN RELATION TO THE FINANCIAL REPORTING PROCESS AT THE SEPARATE AND CONSOLIDATED LEVEL

The internal audit system of the Centrale del Latte di Torino Group is made up of the set of company rules and procedures designed, through an appropriate process of identifying the main risks connected to the setting out and communication of financial information, to meet the company's aim to provide reliable, accurate and timely information.

The accounting reports, including consolidated accounting reports, must provide users with a clear and correct picture of management, allow for the issue of statements and declarations required by law attesting to the fact that the documents and details provided to the market by the Parent Company regarding accounting information, including interim reports, tally with the accounting books and records, as well as to the appropriateness and effective application of the administrative and accounting procedures during the period the accounting documents (financial statement, half-yearly and quarterly report) refer to, and the fact that they have been drafted in compliance with the relevant international accounting standards.

Centrale del Latte di Torino Group has implemented, and regularly updates, a system of administrative and accounting procedures able to guarantee a reliable financial reporting process. This system comprises both the procedures and guidelines by means of which the Parent Company ensures an efficient exchange of data with the consolidated companies and conducts the necessary coordination activities, and the operating regulations established by the consolidated companies.

The assessment, updating or monitoring of the internal audit system linked to financial reporting involves identifying and evaluating the risk of significant errors, including those caused by fraud, in the elements that make up the financial report, assessing whether the existing monitoring measures are able to identify such errors and verifying the efficacy of the monitoring process.

The measures in place in the Group aimed at preventing significant errors in the preparation and publication of the financial report substantially regard the following:

- measures applied at group or individual consolidated company level, such as the allocation of responsibilities, powers and proxies, the division of tasks and allocation of privileges and rights of access to IT applications;
- measures applied at process level, such as the issue of authorisations and the carrying out of reconciliation and the performance of consistency checks.

The efficacy of these measures is regularly verified by the executive in charge of drafting corporate accounts.

13. TRANSACTIONS WITH RELATED PARTIES.

On 11 November 2010 the Board of Directors of the Company resolved upon the adoption of a procedure for transactions with related parties, in application of Consob resolution no. 17221 as amended. This procedure is an essential element in the internal control system of the group headed by Centrale del Latte di Torino & C. S.p.A. and the organisational model as per Legislative Decree no. 231 of 8 June 2001. The procedure is also valid as an instruction given by the Parent Company to its subsidiaries, pursuant to article 114, para. 2 of the Consolidated Finance Law.

The procedure provides for the set-up of a Committee for transactions with related parties, made up of the members of the Audit Committee , with a supplementary alternate member, who is the independent Director not part of the Audit Committee.

Transactions with related parties are carried out in line with the proper criteria in terms of both substances and procedure.

For transactions involving related parties, the directors who have even a potential or indirect interest in the operation:

a) provide the Board of Directors with exhaustive, timely notification of the existence of this interest and the circumstances of the same;
b) withdraw from Board meetings at the time of resolution.

Should the nature, value, or other characteristics of the transaction so require, in order to avoid terms being set that would not be in keeping with those normally agreed upon by non-related parties, the Board of Directors arranges for it to be carried out with the assistance of independent experts, in order to determine the value of the assets or of the pertinent financial, legal, or technical profiles.

During 2013 the Committee's intervention was not required, because the conditions provided for under points 5.1 and 5.2 of the regulation governing transactions with related parties did not arise.

The code may be consulted on the company's website:

http://www.centralelatte.torino.it/ita/finanza/documenti/Procedureoperazioniparticorrelate.pdfhttp://www.centralelatte.torino.it/ita/finanza/documenti/Procedureoperazioniparticorrelate.pdf

14. APPOINTMENT OF AUDITORS.

The Board of Statutory Auditors is composed of three Statutory Auditors and three Alternate Auditors who hold office for three years and may be re-elected. The minority group is entitled to elect one Statutory Auditor and one Alternate Auditor. The Board of Statutory Auditors is appointed on the basis of lists submitted by shareholders, in which the candidates are indicated by a progressive number. list is composed of two sections: one for candidates for the office of Statutory Auditor and another for candidates for the office of Alternate Auditor. Lists may be filed only by those shareholders who, alone or jointly with other shareholders, hold a total of shares representing at least 2.5% (two point five percent) of the share capital with voting rights in the ordinary meeting. Each shareholder cannot file, either through a third party or by trusts, more than one list or vote for different lists. Each candidate may be appointed in one list only, under penalty of ineligibility. Candidates may not be admitted to the lists if they already hold directorships in other five companies or entities whose stocks are liable for trading on a regulated market featured on the list provided for by articles 63 and 67 of Legislative Decree no. 58/1998, or if they are not in possession of the requirements of honourability, professionalism and independence established by the pertinent regulations. The lists submitted must be filed with the company's headquarters at least 25 days before the date of the Shareholders' Meeting called upon to resolve upon the appointment of the members of the board of statutory auditors. How and by when lists must be submitted is indicated in the call notice.

By the same deadline, statements must be filed along with each list in which each candidate accepts the nomination, and declares, undertaking full responsibility, that there are no reasons for which they are incompatible or could not be appointed, and that they fulfil the requirements set forth by the by-laws and current regulations for each office. Where a list does not meet the above requirements, its submission shall be considered null. Election of statutory auditors takes place as follows:

1. two statutory and two alternate members shall be taken from the list obtaining the highest number of votes in the Meeting, according to the progressive order in which the candidates are listed in the sections.
2. the remaining statutory and the other alternate member shall be taken from the second list obtaining the highest number of votes in the Meeting, according to the progressive order in which the candidates are listed in the sections.

The first candidate on the minority list obtaining the highest number of votes will be the Chairman. Should the Auditor no longer be in possession of the requisites established by the regulations and the by-laws, s/he shall be removed from office. Should a statutory auditor be replaced, the latter shall be replaced by the alternate auditor from the same list.

Resolutions are passed by an absolute majority of the votes of those in attendance.

The above rulings regarding the election of Auditors do not apply to meetings held, pursuant to the law, to appoint Statutory and/or Alternate Auditors and the Chairman required to complete the Board of Statutory Auditors following the replacement or expiry of the term of an Auditor. In such cases, the meeting shall resolve by relative majority, without prejudice to the clause at paragraph two of this article. Where one list only is submitted, the entire Board of Statutory Auditors shall be appointed from said list. In the event no list is submitted, the shareholders' meeting shall resolve by majority vote. Abstentions shall not be taken into account.

The lists are made available to the public on the company's website and by the other means provided for by law at least 21 days before the date of the Shareholders' Meeting called upon to resolve upon the appointment of the members of the board of statutory auditors.

The remuneration of the Statutory Auditors is established by the Shareholders' Meeting.

The Board of Statutory Auditors may also meet by telecommunication means, provided the following conditions are met:

a) participants must be able to view, receive or transmit all the necessary documentation;
b) it must be possible to participate in the discussion in real time, in compliance with the board standards.

Meetings are held at the location of the Chairman, or in the absence of the Chairman, of the most senior Auditor in terms of age.

15. AUDITORS.

The make-up of the Board of Statutory Auditors, the date of appointment and the expiry of their engagement are indicated in table 3).

Their office expires with the approval of the 2014 financial statements. The appointment took place during the Meeting of 30 April 2012.

During FY2013, the Board of Statutory Auditors met five times, with meetings lasting 2 hours on average.

16. RELATIONS WITH SHAREHOLDERS.

The Company has set up a dedicated section on its website, easily identifiable and accessible under the heading "Investor Relations", where shareholders can access information regarding the Company.

17. SHAREHOLDERS' MEETINGS.

Mechanisms governing the Shareholders' Meeting.

A shareholders' meeting can be ordinary or extraordinary. The ordinary shareholders' meeting is called by the Chairman, the Vice Chairman or one of the Vice Chairmen or one of the Managing Directors, at least once a year and within 120 days of the closure of the corporate year, in order to deal with the matters provided for by law.

Where the law so provides for, the ordinary shareholders' meeting may be called after the 120-day period, provided it takes place within 180 days from the end of the corporate year. The extraordinary shareholders' meeting is called to deal with matters provided for by law or by these by-laws.

The meeting may be called at the request of a number of shareholders sufficient to represent at least one twentieth of the capital of the company, who shall indicate the questions to be discussed. Requests for a meeting to be called or additions to the agenda may not be made with regard to issues the meeting resolves upon, in compliance with the law, in response to a proposal by the directors, or on the basis of a project or report drafted by them.

The shareholders' meeting is called at the company headquarters, or elsewhere, provided it is held in Italy, with notice to be published under the terms and by the means provided for by current regulations for the questions to be dealt with, on the company's website, in the Official Gazette of the Republic of Italy or in the daily newspaper "LA STAMPA", in accordance with the terms and the means provided for by the applicable regulations, specifying the day, time and place of the meeting and the matters to be dealt with.
The notice of the call may also indicate the date of further calls.
Subjects entitled to vote may participate in the Shareholders' Meeting, or appoint a representative to do so on their behalf as provided for by law, provided their entitlement has been attested to by the relevant intermediary and notified to the company in compliance with the applicable regulations..
The right to intervene and to grant a power of attorney are governed by the applicable regulations.
Powers of attorney may be notified to the company by certified e-mail before the beginning of the Shareholders' Meeting, at the address indicated on the call notice.
The setting up of the shareholders' meeting and the validity of the resolutions therein adopted are regulated by the law, with the exception of the appointment of Directors, for which the provisions of article 11 apply, and for the appointment of the Board of Statutory Auditors, for which the provisions of article 20 apply.
For each Shareholders' Meeting, the company designates a subject the shareholders may grant a power of attorney, with voting instructions, for some or all of the proposals on the agenda.
The shareholders' meeting may be held in more than one location, close to or distant from each other, linked by both audio and video, under the following conditions, which must be indicated in the minutes:

- the Chairman and the Secretary, who draft the minutes, must be in attendance at the same location;
- the Chairman is able to determine the identity and entitlement of participants, control the proceedings and determine and announce the results of each vote;
- the Secretary is able to take proper note of the events that take place during the meeting;
- participants may take part in the discussion and vote simultaneously on the issues on the agenda, and may view, receive or transmit documents;
- the notice of the call must indicate the locations with which the company has set up an audio/video link and that participants may attend; the meeting shall be held to have taken place in the location where the Chairman and Secretary are present;
- an attendance sheet must be filled out at each location.

The shareholders' meeting is chaired by the Chairman of the Board, or if s/he is absent or unable to attend, by the most senior Vice Chairman in terms of each, or, should the latter be absent or unable to attend, by another person appointed for the purpose by the shareholders' meeting. The Chairman is assisted by a Secretary or a Notary.
The Chairman, also with the assistance of persons appointed for the purpose:

- verifies the identity and entitlement of those present;
- verifies whether the shareholders' meeting has been regularly set up and that the quorum for passing resolutions has been reached;
- leads and governs the shareholders' meeting;
- establishes voting procedures (which are in any case evident) and announces the results thereof.

Turin, 7 March 2014

The Chairman of the Board of Directors
Luigi Luzzati

TABLE 1:
STRUCTURE OF THE BOARD OF DIRECTORS AND THE AUDIT COMMITTEE, INDICATING THE INVESTOR RELATOR

Office	Members	In office from	In office up to	List (*)	Executive	Non-executive	Indep. according to Code	Indep. according to TUF	% (**)	Audit Committee	Remuneration Committee	Supervisory Body	No. of other offices
Chairman	LUZZATI Luigi	28/04/2011	Approval of 2013 Financial Statements	M	YES				100%				2
Executive Vice Chairman and Managing Director	POZZOLI Riccardo	28/04/2011	Approval of 2013 Financial Statements	M	YES				100%				
Managing Director	CODISPOTI Nicola	28/04/2011	Approval of 2013 Financial Statements	M	Yes				100%				
Managing Director	Maurizio MACCHIAVELLO	24/04/2013	Approval of 2013 Financial Statements	M	YES				100%				
Director	ARTOM Adele	28/04/2011	Approval of 2013 Financial Statements	M		YES			80%				
Director	ARTOM Guido	28/04/2011	Approval of 2013 Financial Statements	M		YES			65%		YES		
Director	DE BENEDETTI Benedetto	28/04/2011	Approval of 2013 Financial Statements	m		YES			100%				
Director	FORCHINO Antonella	28/04/2011	Approval of 2013 Financial Statements	M		YES			100%	YES		YES	
Director	ROASIO Luciano	28/04/2011	Approval of 2013 Financial Statements	M		YES	YES	YES	100%	YES		YES	
Director	TAZZETTI Alberto	28/04/2011	Approval of 2013 Financial Statements	M		YES	YES	YES	75%	YES	YES	YES	
Director	TURINETTO Germano	28/04/2011	Approval of 2013 Financial Statements	M		YES	YES	YES	50%		YES		2

(*) **M** = Majority list
(**) % of attendance at Board and Committee meetings
m = minority list

Quorum required for the submission of lists for the last appointment: the shareholders who, alone or jointly with other shareholders, hold a total of shares representing at least 2.5% (two point five percent) of the share capital with voting rights in the ordinary meeting.

Office	Name	
Head of Internal Audit	Federico GAI	Self-employed professional
Investor Relator	Vittorio VAUDAGNOTTI	Head of Management and Control for the Company

	Boards of Directors	nternal Audit Committee	Remuneration Committee	Supervisory Body
Number of meetings held during the period	8	2	-	2

TABLE 2: OTHER OFFICES OF THE DIRECTORS

At 31 December 2013

Office	Members	Other office held	In LISTED COMPANIES (foreign too)	In BANKING OR INSURANCE COMPANIES	In COMPANIES OF SIGNIFICANT SIZE
Chairman	Luigi LUZZATI	Chairman	Acque Potabili S.p.A. – Turin		
		Director with power of attorney Director			Mediterranea delle acque S.p.A. - Genoa
Director	Germano TURINETTO	Chairman		Terfinance S.p.A.	Vega Management S.p.A.

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Office	Members	In office from	In office up to	List (*)	Indep. according to Code	% (**)	No. of other offices
Chairman	Francesco FINO	30/04/2012	Approval of 2014 Financial Statements	m	YES	90%	6
Statutory Auditor	RAYNERI Giovanni	30/04/2012	Approval of 2014 Financial Statements	M	YES	100%	32
Statutory Auditor	ROSSOTTO Vittoria	30/04/2012	Approval of 2014 Financial Statements	M	YES	75%	9
Alternate Auditor	FISCHER Massimiliano	30/04/2012	Approval of 2014 Financial Statements	M	YES		
Alternate Auditor	RAYNERI Michela	30/04/2012	Approval of 2014 Financial Statements	M	YES		
Alternate Auditor	RICHETTI Franco	30/04/2012	Approval of 2014 Financial Statements	m	YES		

(*) **M** = Majority list
(**) % of attendance at Board and Committee meetings
m = minority list

Quorum required for the submission of lists for the last appointment: the shareholders who, alone or jointly with other shareholders, hold a total of shares representing at least 2.5% (two point five percent) of the share capital with voting rights in the ordinary meeting.

2013 Financial Statements
Centrale del Latte di Torino & C. S.p.A.

Report on the remuneration paid to the members of the management and audit bodies, general managers and other key management personnel.

REPORT ON THE REMUNERATION PAID TO THE MEMBERS OF THE MANAGEMENT AND AUDIT BODIES, GENERAL MANAGERS AND OTHER KEY MANAGEMENT PERSONNEL

SECTION I

The Company is managed by a Board of Director, which is made up of eleven directors. The Board of Directors will stay in office for three years, until the approval of 2013 financial statements, and was appointed by the ordinary Shareholders' Meeting of 28 April 2011.
The ordinary shareholders' meeting held on 24 April 2013 appointed as director Mr. Maurizio Macchiavello, already co-opted on 6 November 2012, who will remain in office until the 2013 financial statements are approved.
The Board of Directors is made up as follows:

Mr. Luigi LUZZATI	Chairman
Mr. Riccardo POZZOLI	Executive Vice Chairman and Managing Director
Mr. Nicola CODISPOTI	Managing Director
Ms Adele ARTOM	Director
Mr. Guido ARTOM	Director
Mr. Benedetto DE BENEDETTI	Director
Ms Antonella FORCHINO	Director
Mr. Maurizio MACCHIAVELLO	Executive Director
Mr. Luciano ROASIO	Independent Director
Mr. Alberto TAZZETTI	Independent Director
Mr. Germano TURINETTO	Independent Director

No general managers or key management personnel were appointed by the company.

a) *Bodies or individuals involved in the preparation and approval of the remuneration policy, specifying their respective roles, and bodies or individuals responsible for the proper implementation of this policy.*

   The following boards/individuals were involved in the preparation and approval of the remuneration policy:

   - The ordinary shareholders' meeting with regard to the remuneration fixed proportion
   - The Directors Remuneration Committee for the fixed, variable and termination indemnity of Executive Directors and Managing Directors and the remuneration of the directors who are members the Company's internal Committees.

b) *Mention any role played by a Remuneration Committee or other committee responsible on this matters, describing their members, authority and mode of operation.*

   The Remuneration Committee of Directors is made up of the following members:

   a. Mr. Guido ARTOM, non-executive Director
   b. Mr. Alberto TAZZETTI, independent non-executive Director
   c. Mr. Germano TURINETTO, independent non-executive Director

   The Directors Remuneration Committee proposes the remuneration of the Chairman and the Managing Directors, the Directors with special duties and the directors who are members of internal committees, monitoring the implementation of decisions taken by the Board; periodically, it reviews the criteria adopted to set the remuneration, overseeing the implementation thereof based on information provided by the Managing Directors and makes general recommendations on these matters to the Board of Directors .

c) *Mention any role played by independent experts.*

   No independent experts were involved in determining the remuneration policy.

d) *Aims of the remuneration policy, underlying principles and any changes in the remuneration policy compared to the previous financial year.*

   The remuneration policy is aimed at attracting people with skills and diversified professional experience who can positively contribute to the Company's growth and control of corporate activities. There were no changes in the methods of setting and calculating the variable remuneration compared to the previous financial year.

e) *Description of policies on the remuneration fixed and variable components with particular regard to the indication of their respective proportion within the overall remuneration and distinction between the short term and medium-long term variable components.*

The fixed component of executive directors remuneration accounts for 82% of the overall remuneration, while the variable remuneration accounts for 18% of the total. The base salary is paid monthly, while variable remuneration is calculated on earnings for the financial year and paid out in the next.

f) *Policy applied with regard to non-monetary benefits.*

There are no non-monetary benefits.

g) *With reference to the variable components, a description of performance targets upon which they are assigned, distinguishing between the short term and medium-long term variable components, and information about the link between changes in performance and changes in remuneration.*

Depending on the business sector in which the Company operates, while pursuing medium to long term objectives, it is not necessary that remuneration be based on results from subsequent years, as it can be granted taking into account EBITDA resulting from the financial statements for the relevant financial year. Given the particular nature of the sector the Group operates in, the main factor in determining the results was the cost of raw materials, in this specific case milk. The purchase price is set for very short periods of time, six months at the most. For this reason, the aim of the remuneration incentives is to reward those activities liable to boost profits over a financial year.

h) *Criteria used for assessing the performance targets underlying the allocation of shares, options, other financial instruments or other variable remuneration components.*

The Directors' variable remuneration shall be calculated on the basis of a percentage grid applied to the Group EBITDA: for the Chairman and the Executive Vice Chairman and Managing Director the applicable percentage is 0.7% while a 0.4% shall apply for the Managing Director. The resulting remuneration shall not in any case exceed € 100.000,00 for each director.

i) *Information aimed at highlighting that the remuneration policy is consistent with the pursuit of the company's long-term interests and its risk management policy, where a formal policy in place.*

The use of EBITDA, in consideration of the company' size, is an appropriate performance indicator.

j) *The vesting periods, any deferred payment systems specifying the respective deferment periods and the criteria used for determining these periods and, any ex-post adjustment mechanisms.*

Not applicable.

k) *Information on any clause requiring that securities be held in portfolio after their acquisition, such holding periods and the criteria used for the determination of these periods.*

There are no provisions requiring that securities be held in portfolio as there are no incentive plans based on financial instruments.

l) *Policy on the remuneration provided in the event of cessation of office or termination of employment, specifying circumstances which determine the entitlement and any link between this remuneration and the Company's performance.*

At the end of their mandate the executive directors are entitled to a termination indemnity equal to 1/12th of their annual gross remuneration per each financial year, starting from the financial year during which they were appointed.

m) *Information on any insurance or social security or pension benefits, other than those provided for by law.*

The Company has in place a group accident insurance policy and a policy for the legal protection for all executive and non-executive directors.

n) *Remuneration policy, if any, applied with reference to: (i) independent directors, (ii) participation in committees and (iii) performance of specific offices (Chairman, Vice Chairman, etc.).*

Entitlement to remuneration accrues from the time of appointment. The remuneration fixed portion is paid monthly, while the variable component is paid during the year following the closure of the consolidated financial statements.

The remuneration of non-executive directors who are members of the Company's internal committees amounts to € 750.00 for each meeting.

o) *Specify whether the remuneration policy was defined with reference to the remuneration policies of other companies and, if so, the criteria used for choosing these companies.*

The Company's remuneration policy was defined without reference to the remuneration policies adopted by other companies.

SECTION II

PART ONE

1.1 ITEMS THAT MAKE UP THE REMUNERATION

Board of Directors:

a) **Executive Directors:**

- the fixed portion is determined by resolution of the Shareholders' Meeting and the Board of Directors upon the proposal of the Remuneration Committee;
- the Chairman, and the managing directors were granted use of a company car by the Company and/or its subsidiaries
- the Company has in place a group accident insurance policy in favour of the executive Directors and an insurance policy for the legal protection:
- the variable portion is determined by resolution of the Board of Directors upon the proposal of the Remuneration Committee;
- the termination indemnity is determined by resolution of the Board of Directors upon the proposal of the Remuneration Committee;
  - indemnity amounting to 1/12th of the gross annual remuneration for each financial year
  - there are no performance criteria underlying the allowance allocation;
  - there are no incentive plans based on financial instruments;
  - there are no agreements in place providing for the assignment or retention of non-monetary benefits or the engagement under consulting agreements after cessation of office;
  - there are no agreements in place providing for paid non-competition commitments.

b) **Non-Executive Directors:**

1. the fixed portion is determined by resolution of the Shareholders' Meeting;
2. the variable portion payable for participation in Committees is determined by resolution of the Board of Directors upon the proposal of the Remuneration Committee;
3. there is no termination of indemnity.
4. the company has in place a group accident insurance policy in favour of non-executive directors.

The table below shows the remuneration payable to the Board of Directors' members.

Luigi LUZZATI	Chairman	118,000
Riccardo POZZOLI	Vice Chairman and Managing Director	168,000
Nicola CODISPOTI	Managing Director	288,000
Maurizio MACCHIAVELLO	Managing Director	198,000
Adele ARTOM	Director	8,000
Guido ARTOM	Director	8,000
Benedetto DE BENEDETTI	Director	8,000
Antonella FORCHINO	Director	9,500
Luciano ROASIO	Director	9,500
Alberto TAZZETTI	Director	9,500
Germano TURINETTO	Director	8,000

The Company did not appoint any general manager.

Board of Statutory Auditors:

The remuneration is determined, on a fixed basis, by the Shareholders' meeting, at the time of appointment and for the full term of office. The remuneration varies between the Chairman and the statutory auditors.

The ordinary shareholders' meeting held on 30 April 2012 appointed the new Board of Statutory Auditors, which will remain in office until the 2014 financial statements are approved. It is made up as follows:

Mr Francesco FINO Chairman of the Board of Statutory Auditors

Mr Giovanni RAYNERI	Statutory Auditor
Ms Vittoria ROSSOTTO	Statutory Auditor
Ms Michela RAYNERI	Alternate Auditor
Mr Massimiliano FISCHER	Alternate Auditor
Mr Franco RICHETTI	Alternate Auditor

The table below shows the remuneration payable to the Board of auditors' members.

		Fixed remuneration
Francesco FINO	Chairman of the Board of Statutory Auditors	24,000
Giovanni RAYNERI	Regular Auditor	18,000
Vittoria ROSSOTTO	Regular Auditor	18,000

Key management personnel:

Remuneration payable to any other key management personnel.

There are no managers whom are assigned strategic responsibilities having the authority and responsibility for planning, directing and auditing the Company, either directly or indirectly.

1.2 *With specific reference to arrangements providing for compensation in case of early termination of office, the following information is provided:*

1.2.1 *Whether any such agreement is in place.*

Executive Directors:

the termination indemnity is determined by resolution of the Board of Directors, upon the proposal of the Remuneration Committee, amounting to 1/12th of the gross annual remuneration for each financial year

Non-Executive Directors:

There are no agreements in place providing for compensation in the event of early termination of office.

1.2.2 *Criteria for determining the indemnity payable to each person.*

See paragraph 1.2.1. above.

1.2.3 *Specification of any performance criteria underlying the granting of the indemnity.*

Granting of the indemnity is not based on any performance targets.

1.2.4 *Potential effects of office termination upon the rights granted under incentive plans based on financial instruments or to be paid in cash*

Not applicable.

1.2.5 *Cases when the directors become entitled to the indemnity*

Not applicable.

1.2.6 *Specify whether there are any agreements in place providing for the assignment or retention of non-monetary benefits or the engagement under consulting agreements after cessation of office*

No agreements have been entered into.

1.2.7 *Specify whether there are any agreements in place providing for paid non-competition commitments*

No agreements have been entered into.

1.2.8 *With reference to the directors who cease office during the financial year, any differences in the determined indemnity compared to that established in the reference agreement*

Not applicable.

1.2.9 *If no specific agreements are in place, explain the criteria used in determining the accrued termination indemnities.*

No termination indemnity was paid during 2013.

PART TWO

Attached Table 1 as provided for by schedule 7-bis of the Issuers' Regulations

PART THREE

Pursuant to art. 84-quater, paragraph four, of Issuers' Regulation, table 1 attached hereto shows the investments held in the Company or its subsidiaries by the Directors and the Statutory Auditors, and by the non legally separated spouses and minor children, either directly or through subsidiaries, trust companies or nominees, resulting from the shareholders' register, the communications or other disclosures received from the Directors and Auditors (Table 2 provided for by the schedule 7-ter of the Issuers' Regulation).

Turin, 7 March 2014

The Chairman of the Board of Directors
Luigi Luzzati

Table 1)

EMOLUMENTS PAID TO THE MEMBERS OF THE BOARD OF DIRECTORS

Director	Office	Period in which office was held	Expiration of term	Fixed remuneration	Salaries	Remuneration for attendance to committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Severance allowance
							Variable remuneration	Profit sharing					
Luigi LUZZATI	**Chairman**	**3 years**	**31/12/2013**										
Remuneration from CLTO & C. S.p.A.				118,000	224,880	-	46,879	-	-	-	449,759	-	9,167
Total				**118,000**	**224,880**	-	**46,879**	-	-	-	**449,759**	-	**9,167**

Director	Office	Period in which office was held	Expiration of term	Fixed remuneration	Salaries	Remuneration for attendance to committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Severance allowance
							Variable remuneration	Profit sharing					
Riccardo POZZOLI	**VC and Managing Director**	**3 years**	**31/12/2013**										
Remuneration from CLTO & C. S.p.A.				168,000	214,880	-	46,879	-	-	-	429,759	-	13,333
Remuneration from subsidiaries				80,000	-	-	-	-	-	-	80,000	-	-
Total				**248,000**	**214,880**	-	**46,879**	-	-	-	**509,759**	-	**13,333**

Director	Office	Period in which office was held	Expiration of term	Fixed remuneration	Salaries	Remuneration for attendance to committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Severance allowance
							Variable remuneration	Profit sharing					
Nicola CODISPOTI	**Managing Director**	**3 years**	**31/12/2013**										
Remuneration from CLTO & C. S.p.A.				288,000	-	-	26,300	-	-	-	314,300	-	23,333
Total				**288,000**	**-**	**-**	**26,300**	**-**	**-**	**-**	**314,300**	**-**	**23,333**

Executive Director	Office	Period in which office was held	Expiration of term	Fixed remuneration	Salaries	Remuneration for attendance to committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Severance allowance
							Variable remuneration	Profit sharing					

Maurizio MACCHIAVELLO	**Director**	**1 and 3 months**	**31/12/2013**										
Remuneration from CLTO & C. S.p.A.				198,000	-	-	13,000	-	-	-	211,000	-	-
Total				**198,000**	**-**	**-**	**13,000**	**-**	**-**	**-**	**211,00**	**-**	**-**

Director	**Office**	**Period in which office was held**	**Expiration of term**	**Fixed remuneration**	**Salaries**	**Remuneration for attendance to committees**	**Non-equity variable remuneration**		**Non-monetary benefits**	**Other remuneration**	**Total**	**Fair value of equity remuneration**	**Severance allowance**
							Variable remuneration	**Profit sharing**					
Adele ARTOM	**Director**	**3 years**	**31/12/2013**										
Remuneration from CLTO & C. S.p.A.				8,000	-	-	-	-	-	-	8,000	-	-
Total				**8,000**	**-**	**-**	**-**	**-**	**-**	**-**	**8,000**	**-**	**-**

Director	**Office**	**Period in which office was held**	**Expiration of term**	**Fixed remuneration**	**Salaries**	**Remuneration for attendance to committees**	**Non-equity variable remuneration**		**Non-monetary benefits**	**Other remuneration**	**Total**	**Fair value of equity remuneration**	**Severance allowance**
							Variable remuneration	**Profit sharing**					
Guido ARTOM	**Director**	**3 years**	**31/12/2013**										
Remuneration from CLTO & C. S.p.A.				8,000	-	-	-	-	-	-	8,000	-	-
Total				**8,000**	**-**	**-**	**-**	**-**	**-**	**-**	**8,000**	**-**	**-**
							-	-	-	-			

Director	**Office**	**Period in which office was held**	**Expiration of term**	**Fixed remuneration**	**Salaries**	**Remuneration for attendance to committees**	**Non-equity variable remuneration**		**Non-monetary benefits**	**Other remuneration**	**Total**	**Fair value of equity remuneration**	**Severance allowance**
							Variable remuneration	**Profit sharing**					
Benedetto DE BENEDETTI	**Chairman**	**3 years**	**31/12/2013**										
Remuneration from CLTO & C. S.p.A.				8,000	-	-	-	-	-	-	8,000	-	-
Total				**8,000**	**-**	**-**	**-**	**-**	**-**	**-**	**8,000**	**-**	**-**

Director	Office	Period in which office was held	Expiration of term	Fixed remuneration	Salaries	Remuneration for attendance to committees	Non-equity variable remuneration: Variable remuneration	Non-equity variable remuneration: Profit sharing	Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Severance allowance
Antonella FORCHINO	**Director**	**3 years**	**31/12/2013**										
Remuneration from CLTO & C. S.p.A.				8,000	-	1,500	-	-	-	-	9,500	-	-
Total				**8,000**	**-**	**1,500**	**-**	**-**	**-**	**-**	**9,500**	**-**	**-**

Director	Office	Period in which office was held	Expiration of term	Fixed remuneration	Salaries	Remuneration for attendance to committees	Non-equity variable remuneration: Variable remuneration	Non-equity variable remuneration: Profit sharing	Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Severance allowance
Luciano ROASIO	**Chairman**	**3 years**	**31/12/2013**										
Remuneration from CLTO & C. S.p.A.				8,000	-	1,500	-	-	-	-	9,500	-	-
Total				**8,000**	**-**	**1,500**	**-**	**-**	**-**	**-**	**9,500**	**-**	**-**

Director	Office	Period in which office was held	Expiration of term	Fixed remuneration	Salaries	Remuneration for attendance to committees	Non-equity variable remuneration: Variable remuneration	Non-equity variable remuneration: Profit sharing	Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Severance allowance
Alberto TAZZETTI	**Chairman**	**3 years**	**31/12/2013**										
Remuneration from CLTO & C. S.p.A.				8,000	-	1,500	-	-	-	-	9,500	-	-
Total				**8,000**	**-**	**1,500**	**-**	**-**	**-**	**-**	**9,500**	**-**	**-**

Director	Office	Period in which office was held	Expiration of term	Fixed remuneration	Salaries	Remuneration for attendance to committees	Non-equity variable remuneration: Variable remuneration	Non-equity variable remuneration: Profit sharing	Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Severance allowance
Germano	**Chairman**	**3 years**	**31/12/2013**										

TURINETTO													
Remuneration from CLTO & C. S.p.A.				8,000	-	-	-	-	-	-	8,000	-	-
Total				**8,000**	**-**	**-**	**-**	**-**	**-**	**-**	**8,000**	**-**	**-**
TOTAL REMUNERATION FROM CLTO & C. S.P.A.				818,000	439,760	4,500	133,546	-	-	-	1,465,806	-	61,666
TOTAL REMUNERATION FROM SUBSIDIARIES				80,000	-	-	-	**-**	**-**	**-**	80,000	**-**	0
TOTAL REMUNERATION				**908,000**	**439,760**	**4,500**	**133,546**	-	-	-	**1,545,806**	-	**61,666**

Table 2)

EMOLUMENTS PAID TO THE MEMBERS OF THE BOARD OF AUDITORS

Director	Office	Period in which office was held	Expiration of term	Fixed remuneration	Salaries	Remuneration for attendance to committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Severance allowance
							Variable remuneration	Profit sharing					
Francesco FINO	**Chairman**	**2 years**	**31/12/2014**										
Remuneration from CLTO & C. S.p.A.				24,000 **24,000**							24,000 **24,000**		

Director	Office	Period in which office was held	Expiration of term	Fixed remuneration	Salaries	Remuneration for attendance to committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Severance allowance
							Variable remuneration	Profit sharing					
Giovanni RAYNERI	**Auditor**	**2 years**	**31/12/2014**										
Remuneration from CLTO & C. S.p.A.				18,000 **18,000**							18,000 **18,000**		

Director	Office	Period in which office was held	Expiration of term	Fixed remuneration	Salaries	Remuneration for attendance to committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Severance allowance
							Variable remuneration	Profit sharing					
Vittoria ROSSOTTO	**Auditor**	**2 years**	**31/12/2014**										
Remuneration from CLTO & C. S.p.A.				18,000 **18,000**							18,000 **18,000**		
TOTAL REMUNERATION				**60,000**							**60,000**		

EQUITY INVESTMENTS HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS AND OF THE BOARD OF AUDITORS

	Office	Subsidiary	Shares held at 01/01/2013	Purchased in 2013	Sold in 2013	Shares held at 31/12/2013
Luigi LUZZATI	Chairman	Centrale del Latte di Torino & C. S.p.A.	166,062	-	-	166,062
Riccardo POZZOLI	Executive Vice Chairman and Managing Director	Centrale del Latte di Torino & C. S.p.A.	59,125	-	-	59,125
Nicola CODISPOTI	Managing Director	Centrale del Latte di Torino & C. S.p.A.	50,000	-	-	50,000
Adele ARTOM	Director	Centrale del Latte di Torino & C. S.p.A.	3,593,864	-	-	3,593,864
Benedetto DE BENEDETTI	Director	Centrale del Latte di Torino & C. S.p.A.	751,525	-	-	751,529
Antonella FORCHINO	Director	Centrale del Latte di Torino & C. S.p.A.	137,306	-	-	137,306
Maurizio MACCHIAVELLO	Director	Centrale del Latte di Torino & C. S.p.A.	10,000	-	-	10,000

No other member of the Board of Directors or the Board of Statutory Auditors holds shares in the company Centrale del Latte di Torino & C. S.p.A.

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

2013 Financial Statements

Accounting schedules

Introduction

The accounting schedules as at 31 December 2012 have been reclassified where necessary for the purposes of providing a like-for-like comparison concerning the following:

- Merger by incorporation of Centro Latte Rapallo S.p.A. into Centrale del Latte di Torino & C. S.p.A.
- Application of IAS 19 revised – Employee benefits

Notes:

- The references in the first column are to the individual item or group of items in the reclassified accounting schedules;
- The references in the second column are to the breakdown and analysis of the individual items set out in the notes, if present.

INCOME STATEMENT (amounts shown in Euros)

				31/12/2012 redetermined	31/12/2012
1ec	**1ene**	**Revenues from sales**	**73,923,703**	**75,112,092**	**57,406,717**
		Of which from subsidiaries	*668,044*	*860,593*	*8,334,932*
		Of which from affiliate	-	*652,302*	*652,302*
2ec	2ene	Other revenues	1,041,799	550,069	454,299
		Of which from subsidiaries	*51,392*	*50,597*	*88,165*
3ec	3ene	Change in inventories of semi-finished and finished goods	96,313	(180)	(206)
		Total revenues from sales and services	**75,061,815**	**75,526,299**	**57,760,251**
4ec	4ene	Raw and ancillary materials, consumables and goods	(38,581,445)	**(38,176,165)**	**(30,546,559)**
		Of which vis-à-vis subsidiaries	*(2,064,091)*	*(2,064,972)*	*(1,911,865)*
		Of which vis-à-vis affiliate	-	*(52,164)*	*(23,456)*
		Personnel costs	**(10,606,294)**	**(10,451,120)**	**(7,664,492)**
5ec	5ene	Wages and salaries	(7,502,951)	(7,373,743)	(5,453,971)
6ec	6ene	Social security contributions	(2,456,963)	(2,366,442)	(1,721,058)
7ec	7ene	Employee severance indemnity	(510,947)	(569,042)	(406,106)
8ec	8ene	Other costs	(135,433)	(141,892)	(83,357)
		Depreciation, amortisation and write-downs	**(2,408,583)**	**(2,713,454)**	**(2,178,862)**
9ec	9ene	Amortisation of intangible fixed assets	(148,092)	(187,468)	(187,468)
10ec	10ene	Depreciation of tangible fixed assets	(2,204,043)	(2,461,947)	(1,947,013)
11ec	11ene	Write-downs of current receivables	(56,447)	(64,039)	(44,381)
		Other operating costs	**(21,540,132)**	**(22,080,557)**	**(15,001,744)**
12ec	12ene	Services	(19,848,297)	(20,063,460)	(13,785,321)
		Of which vis-à-vis subsidiaries	*(60,000)*	*(60,000)*	*(60,000)*
13ec	13ene	Lease and rental costs	(443,464)	(389,308)	(306,673)
		Of which vis-à-vis the ultimate parent company	*(9,573)*	*(10,349)*	*(10,349)*
14ec	14ene	Allowances for risks	(463,405)	(529,324)	(329,324)
15ec	15ene	Sundry operating expenses	(784,966)	(1,098,466)	(576,390)
		EBIT	**1,925,360**	**2,105,003**	**2,372,631**
16ec	16ene	Financial income	72,049	88,351	22,486
17ec	17ene	Financial charges	(321,560)	(521,438)	(794,041)
18ec	18ene	Capital gain on equity investment disposal	1,606,207	-	-
19ec	19ene	Adjustment to equity investments	(1,087,991)	(1,148,200)	(1,145,837)
20ec	20ene	Financial income from equity investments in affiliate	40,000	-	-
		Pre-tax profit (loss)	**2,234,065**	**523,716**	**455,240**
21ec	21ene	Income taxes	(1,106,239)	(1,097,222)	(904,454)
22ec	22ene	(Deferred) prepaid taxes	25,883	53,228	(6,229)
23ec	23ene	Taxes for previous years	-	442,647	326,426
		NET PROFIT (LOSS) (A)	**1,153,709**	**(77,630)**	**(129,016)**
		Parent Company's shareholders	1,153,709	(77,630)	(129,016)
		Number of shares with voting rights	10,000,000	10,000,000	10,000,000
		Diluted net earnings (loss) per share	0.154	(0.007)	(0.01)

STATEMENT OF COMPREHENSIVE INCOME (amounts shown in Euros)

	31/12/2013	31/12/2012 redetermined	31/12/2012
NET PROFIT (LOSS) (A)	**1,153,709**	**(77,630)**	**(129,016)**
Actuarial gains (losses) due to defined-benefit retirement plans	657,213	(640,211)	-
Tax effect due to other profits (losses)	(141,752)	138,085	-
TOTAL OTHER COMPREHENSIVE PROFITS (LOSSES) (B)	**515,461**	**(502,126)**	**-**
COMPREHENSIVE NET PROFIT (LOSS) (A+B)	**1,669,170**	**(579,756)**	**(129,016)**
Parent Company's shareholders	1,669,170	(579,756)	(129,016)
Number of shares with voting rights	10,000,000	10,000,000	10,000,000
Diluted net earnings (loss) per share	0.167	(0.06)	(0.01)

STATEMENT OF EQUITY AND FINANCIAL POSITION - ASSETS (amounts shown in Euros)

		ASSETS		31/12/2012 redetermined	31/12/2012
		NON-CURRENT ASSETS			
	1ne	**Tangible fixed assets**	**15,771,927**	**16,398,903**	**12,586,335**
1		Land	2,656,138	2,656,138	2,115,180
1		Buildings	7,556,066	7,845,239	5,349,513
1		Plants and machinery	4,070,624	4,789,657	4,530,649
1		Industrial and commercial equipment	936,329	824,027	580,493
1		Other	178,477	273,342	-
2		Fixed assets under development and advances	374,294	10,500	10,500
	3ne	**Intangible fixed assets**	**6,491,250**	**7,573,257**	**685,783**
3		Trademarks	5,840,983	6,774,896	237,501
3		Goodwill	350,078	350,078	-
3		Software	300,190	448,282	448,282
	4ne	**Financial fixed assets**	**27,665,726**	**29,802,278**	**46,687,228**
4		Equity investments in subsidiaries	27,198,328	28,286,319	45,624,145
4		Equity investments in affiliates	45,000	1,006,293	961,293
4		Other financial assets	20,507	24,426	1,639
5	5ne	Deferred tax assets	98,620	100,150	100,150
6	6ne	Financial receivables from affiliates	303,271	385,089	-
		TOTAL NON-CURRENT ASSETS	**49,928,903**	**53,774,437**	**59,959,346**
		CURRENT ASSETS			
	7ne	**Inventories**	**1,921,335**	**2,034,403**	**1,637,143**
7		Raw and ancillary materials and consumables	900,074	1,093,071	956,450
7		Finished products and goods	1,021,261	941,333	680,633
		Trade and other receivables	**16,385,806**	**17,468,264**	**13,649,751**
8	8ne	Trade receivables	9,876,309	11,090,740	7,265,161
9	9ne	Receivables from affiliates	-	337	-
10	10ne	Receivables from subsidiaries	122,375	7,806	1,392,849
11	11ne	Tax assets	4,719,115	4,363,791	3,491,543
12	12ne	Receivables from others	1,668,007	2,005,589	1,500,198
		Cash and cash equivalents	**7,744,562**	**6,216,398**	**2,685,199**
13	13ne	Bank and postal accounts	7,563,344	5,838,016	2,427,112
14	14ne	Cash and valuables on hand	181,218	378,382	258,087
		TOTAL CURRENT ASSETS	**26,051,703**	**25,719,065**	**17,972,094**
		TOTAL ASSETS	**75,980,606**	**79,493,503**	**77,931,440**

STATEMENT OF EQUITY AND FINANCIAL POSITION - LIABILITIES (amounts shown in Euros)

		LIABILITIES AND NET EQUITY	31/12/2013	31/12/2012 redetermined	31/12/2012
15	15ne	**Share capital**	**20,600,000**	**20,600,000**	**20,600,000**
		Reserves	**22,161,155**	**21,567,217**	**27,248,451**
16		Share premium account	14,324,577	14,324,577	14,324,577
17		Revaluation reserve	196,523	196,523	196,523
18		Legal reserve	1,019,111	1,019,111	1,019,111
19		Other reserves	10,198,121	10,398,121	10,398,121
20		Non-distributable IFRS first-time adoption reserve	1,265,968	1,265,968	1,265,968
21		Profits (losses) carried forward	191,255	(502,126)	-
22		Merger surplus	166,015	166,015	166,015
24		Merger difference	(6,314,748)	(5,223,342)	-
23		Profit (loss) for the period	1,153,709	(77,630)	(129,016)
	15ne	**SHAREHOLDERS' EQUITY**	**42,800,532**	**42,167,217**	**47,841,299**
		NON-CURRENT LIABILITIES			
24	16ne	Long-term loans	5,287,872	7,627,316	7,627,316
25	17ne	Long-term payables to other lenders	5,750	76,208	76,208
26	18ne	Deferred taxes	2,324,736	2,645,399	522,183
		Provisions	**3,614,202**	**3,746,457**	**2,175,295**
27	19ne	Employee severance indemnity	2,549,625	2,960,485	1,769,582
28	20ne	Provision for Directors' indemnity at the end of their term in office	138,056	76,389	76,389
29	21ne	Provision for liabilities and charges	926,521	709,583	329,324
		TOTAL NON-CURRENT LIABILITIES	**11,788,116**	**14,095,380**	**10,401,002**
		CURRENT LIABILITIES			
		Financial payables	**4,708,138**	**6,044,952**	**6,044,952**
30	22ne	Payables to banks	565,489	-	-
31	23ne	Current share of long-term loans	4,072,191	5,969,609	5,969,609
32	24ne	Current share of payables to other lenders	70,458	75,343	75,343
		Trade and other payables	**17,239,376**	**17,185,954**	**13,644,187**
33	25ne	Trade payables	12,389,942	11,630,228	9,470,153
34	26ne	Payables to subsidiaries	918,077	399,442	732,421
35	27ne	Payables to affiliates' shareholders	-	3,488	-
36	28ne	Payables to parent company	-	1,701	1,701
37	29ne	Tax liabilities	198,619	469,286	272,404
38	30ne	Payables to social security authorities	663,774	1,514,044	562,764
39	31ne	Other payables	3,068,932	3,167,766	2,604,744
		TOTAL CURRENT LIABILITIES	**21,391,958**	**23,230,906**	**20,834,437**
		TOTAL EQUITY AND LIABILITIES	**75,980,606**	**79,493,503**	**77,931,440**

Cash flow statement (amounts shown in Euros)

	31/12/2013	31/12/2012 redetermined	31/12/2012
Initial cash availability	6,216,397	2,681,172	(1,211,586)
A. Cash flow from operating activities			
Profit (loss) for the year	1,153,709	(77,630)	(129,016)
Amortisation of intangible fixed assets	148,092	187,468	187,468
Depreciation of tangible fixed assets	2,204,043	2,461,947	1,947,013
Write-down of Centrale del Latte di Vicenza S.p.A.'s equity investment	1,087,991	1,145,837	1,145,837
Total depreciation, amortisation and write-downs	**3,440,127**	**3,795,252**	**3,280,317**
Employee severance indemnity accrued in the FY, net of indemnities already paid and OCI effect	(90,588)	(137,686)	148,407
Provision for Directors' indemnity at the end of their term in office	61,667	45,833	45,833
Deferred taxes	(27,414)	(47,001)	-
Accrual to (Use of) provision for liabilities and charges	216,938	402,862	329,324
Total net accruals	**160,603**	**264,008**	**523,564**
Change in net working capital			
Net trade receivables and other receivables (intra-group included)	1,182,018	3,822,465	2,974,608
Inventories	113,068	48,796	(34,238)
Other receivables	104,615	776,803	1,190,266
Suppliers (parent company and intra-group included)	1,000,971	(3,445,593)	(2,846,781)
Sundry payables	(949,105)	917,269	1,281,865
Tax liabilities	(120,800)	67,323	88,336
Total change in net working capital	**1,330,767**	**2,187,062**	**2,654,056**
Operating cash flow	**6,085,206**	**6,168,692**	**6,328,920**
B. Cash flow from (for) investing activities			
Net acquisitions of technical fixed assets	(1,577,067)	(483,339)	(279,643)
Net acquisitions of intangible assets	-	(20,024)	(20,024)
Financial (investments) divestments	965,212	2,363	-
Total cash flow from (for) investing activities	**(611,855)**	**(501,001)**	**(299,667)**
Free cash flow	**5,473,351**	**5,667,691**	**6,029,253**
C. Cash flow from change in shareholders' equity			
Dividends paid	(200,000)	(200,000)	(200,000)
Total cash flow from change in shareholders' equity	**(200,000)**	**(200,000)**	**(200,000)**
D. Cash flow from financing activities			
Change in medium/long-term financial payables	(4,310,677)	(1,932,468)	(1,932,468)
Total cash flow from financing activities	**(4,310,677)**	**(1,932,468)**	**(1,932,468)**
Total cash flows for the period	**962,674**	**3,535,225**	**3,896,785**
CASH AND BANKS AT YEAR-END (net of payables to banks)	**7,179,071**	**6,216,397**	**2,685,199**
of which bank accounts and cash on hand	7,744,562	6,216,397	2,685,199
of which payables to banks	(565,489)	-	-
Financial charges paid	317,641	506,008	496,577
Taxes paid	885,000	1,097,222	997,818

Changes in net equity (amounts shown in Euros)

	At 1 Jan 12	Result allocation	Dividend payment	Comprehensive net profit (loss)	Changes for the period	At 31 Dec 12- redetermined
Share capital	20,600,000	-	-	-	-	20,600,000
Share premium account	14,324,577	-	-	-	-	14,324,577
Revaluation reserve	196,523	-	-	-	-	196,523
Legal reserve	1,005,079	14,032	-	-	-	1,019,111
Other reserves	10,331,510	66,613	-	-	-	10,398,123
Non-distributable IFRS first-time adoption reserve	1,265,967	-	-	-	-	1,265,967
Profits (losses) carried forward	-	-	-	(502,126)	-	(502,126)
Merger surplus	166,015	-	-	-	-	166,015
Merger difference	-	-	-		(5,223,342)	(5,223,342)
Profit (loss) for the period	280,645	(80,645)	(200,000)	-	(77,630)	(77,630)
	48,170,316	-	**(200,000)**	**(502,126)**	**(5,725,468)**	**42,167,2179**

-

	At 1 January 13- redetermined	Result allocation	Dividend payment	Comprehensive net profit (loss)	Changes for the period	At 31 December 2013
Share capital	20,600,000	-	-	-	-	20,600,000
Share premium account	14,324,577	-	-	-	-	14,324,577
Revaluation reserve	196,523	-	-	-	-	196,523
Legal reserve	1,019,111	-	-	-	-	1,019,111
Other reserves	10,398,123	-	(200,000)	-	-	10,198,123
Non-distributable IFRS first-time adoption reserve	1,265,967	-	-	-	-	1,265,967
Profits (losses) carried forward	(502,126)	(77,630)	-	771,011	-	191,256
Merger surplus	166,015	-	-	-	-	166,015
Merger difference	(5,223,342)	-	-	-	(1,091,406)	(6,314,748)
Profit (loss) for the period	(77,630)	77,630	-	-	1,153,709	1,153,709
	42,167,2179	**-**	**(200,000)**	**771,011**	**62,303**	**42,800,532**

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

2013 Financial Statements

Notes to the 2013 Financial Statements

The Company.

Centrale del Latte di Torino & C. S.p.A., set up and domiciled in Italy and headquartered in Turin, in Via Filadelfia 220, deals with the processing, transformation and sale of:

- milk and dairy products
- packaged products in the fresh and ultra-fresh segment
- fresh vegetables.

The company shall exist until 31 December 2050; the duration may be prolonged one or more times by resolution of the Shareholders' Meeting.

The Company's shares are listed on the STAR segment of Borsa Italiana.The Company is a 51.78% subsidiary of Finanziaria Centrale del Latte di Torino S.p.A.

The publication of the 2013 financial statements was authorised by the Board of Directors on 7 March 2014.

The Company has also prepared, in its capacity as Parent Company, the consolidated financial statements at 31 December 2013.

Structure and content of the accounting schedules.

The financial statements at 31 December 2013 are composed of the equity and financial position, the statement of comprehensive income, the cash-flow statement, the statement of changes in Net Equity and the Notes.The statement of the equity and financial position consists of assets and liabilities analysed by maturity date, separating the current and non-current entries with maturity date, respectively, within and beyond a 12-month period.

The statement of comprehensive income is set out in accordance with the one-statement approach and is classified on the basis of the nature of costs. The cash flow statement was prepared using the indirect method.

Where necessary, the comparative figures from the 2012 financial statements have been restated – with particular reference to the merger by incorporation of Centro Latte Rapallo S.p.A. into Centrale del Latte di Torino & C. S.p.A. – to provide a consistent basis of comparison with the 2013 financial statements.

The financial statements for FY 2013 were drafted in Euros.

Audit

The 2013 financial statements are subject to audit by KPMG S.p.A..

Accounting and assessment standards

The financial statements of Centrale del Latte di Torino & C. S.p.A. at 31 December 2013 were drafted in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union, and as required by the measures enforcing article 9 of Legislative Decree no. 38/2005.IFRS also include the International Accounting Standards (IAS), still in force, as well as all the interpretation documents issued by the International Financial Reporting Interpretations Committee (IFRIC), previously named Standing Interpretations Committee (SIC).

The separate financial statements are drafted on the historical cost principle, on a going concern basis, except for the "other financial assets" carried at fair value.

The following accounting standards, amendments and interpretations effective from 1 January 2013 and not relevant to the company should be noted:

- Amendments to IFRS 1 First-time adoption of IFRS – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to IFRS – Financial instruments: supplementary information– Offsetting financial assets and financial liabilities
- IFRS 13 Fair value measurement
- Amendments to IAS 12 Income taxes – Deferred tax: recovery of underlying assets
- IFRIC 20 – Stripping costs in the production phase of a surface mine

Please note that the following accounting principles, amendments and interpretations, effective as of 1 January 2013 have been applied for the first time. Their effects are shown in the information provided together with this report:

- IAS 19 (revised) - Employee benefits
- Amendments to IAS 1 – Presentation of financial statements. Presentation of Items of Other Comprehensive Income

In drafting the financial statements for FY 2010 at 31 December 2013, a number of assessments, estimates and hypotheses were formulated that have an impact on the application of the accounting standards and on the amounts of the assets, liabilities, costs and revenues indicated in the financial statements. The estimates and assumptions are based on previous experience and on other factors considered reasonable in the relevant cases, and were adopted in order to estimate the book value of assets and liabilities that could not readily be deduced from other sources. It should be noted, however, that these are estimates and therefore the final figures may differ from the estimated figures. Estimates are used to show provisions for credit risk, inventory obsolescence, amortisation and depreciation, write-downs of assets, employee benefits, taxes, and provisions for liabilities and charges.
These estimates and assumptions are revised regularly. Any changes deriving from the revision of accounting estimates are shown in the period in which the revision takes places, where the revision affects that period only. Where the revision affects both the current and future periods, the change is shown in the period in which the revision took place and in the relevant future periods.
The accounting standards and assessment criteria are illustrated below.

Intangible fixed assets
Intangible fixed assets can have a definite useful life, or an indefinite useful life if the length of the period during which said assets are able to generate positive cash flows cannot be readily predicted.
These fixed assets are entered as credit in the statement of financial position when it is likely that the use of the assets will determine future economic benefits and when the cost of the assets can be reliably determined. They are entered at contribution value, at acquisition price or production cost, inclusive of any ancillary expenses.
Further to initial booking:

- Intangible assets with definite useful lives are amortised systematically on the basis of their expected future use so that the net amount at period end corresponds to their residual use or recoverable amount according to company production plans. Amortisation begins when the asset becomes available for use;
- Intangible assets with an indefinite useful life are entered at the cost adjusted for impairment; they are therefore not amortised, but are subjected to impairment tests at least once a year.

In 2013, the company transferred the brands Centro Latte Rapallo, Latte Tigullio and those of Centrale del Latte di Torino & C. S.p.A. from assets with a definite useful life to assets with an indefinite useful life, because over the last few years they have gained in strength and visibility. Specifically, during 2013 there was a further increase in market share and new products were launched; these factors have contributed to lengthening the useful life of the assets. In the light of these changes, it is believed that, for the moment, it is not possible to predict for how long these brands are expected to generate positive cash flows for the company, and they are therefore considered as having an indefinite useful life. Because this is a change in accounting estimates, as provided for by IAS 8, it has been applied prospectively, and therefore has no impact on the values of the previous FY.
Goodwill is tested for impairment on an annual basis or more frequently if events that may result in impairment losses have occurred.
The "software" category includes the group operating system, used to manage all company activities, amortised at a rate of 20% per year.

Tangible fixed assets

Tangible fixed assets are recognised at purchase cost, plus any directly attributable accessory expenses required to prepare the asset for use and less commercial allowances or discounts. The period-end amount is net of accumulated depreciation.

The depreciation charges recognised in the statement of comprehensive income have been calculated systematically and consistently according to rates deemed representative of the estimated economic and technical lives of the assets, as illustrated below:

- Buildings 4%
- General plants 10%
- Specific plants 5% - 16%
- Equipment 20%
- Office furniture and ordinary equipment 12%
- Electronic equipment 20%
- Motor vehicles and internal means of transport 20%
- Motor vehicles 25%

The depreciation period begins from the financial year in which the asset is available for use.

Land is not depreciated, as it is presumed to have an indefinite useful life.

The land on which the Company's facilities stand was measured at fair value by independent experts during the transition to international accounting standards.

Profits and losses deriving from the divestment or sale of fixed assets, calculated with reference to their book value, are entered among operating income and expenses on the statement of comprehensive income. Maintenance and repair costs are charged to the statement of comprehensive income for the financial year in which they were sustained, except for those of an incremental nature, which are charged to the fixed assets they refer to and are amortised on the basis of their residual use. Incremental expenses are those reasonably likely to increase future economic benefits, such as a rise in useful life, an increase in productive capacity, an improvement in product quality, or the adoption of production processes that lead to a substantial reduction in production costs.

Assets held through financial leasing contracts through which are substantially transferred all the risks and benefits linked to ownership are initially shown as tangible fixed assets at their fair value, or, if lower, at the current value of the minimum payments due for the leasing contract and subsequently depreciated in relation to the relative useful life. The corresponding liability owed to the lessor is entered in the financial statements among payables to other lenders.

Impairment of fixed assets

Tangible fixed assets, intangible fixed assets and other non-current assets are periodically subjected to impairment tests, each time circumstances indicate that they may be impaired. The value of a fixed asset is reduced if its net carrying amount exceeds its recoverable amount, which is defined as the greater of its net market value (fair value less costs to sell) and current value in use.

Equity investments carried at cost

These are equity investments in subsidiaries and joint ventures that are carried at cost in the financial statements and are written down to reflect permanent impairment losses, which are recovered in subsequent years if the grounds for the write-downs cease to apply.

Other financial assets

Equity investments in other companies are carried at fair value. Profits and losses deriving from changes in fair value are charged directly to net equity (fair value reserve) until they are transferred or become impaired; in which case overall profits and losses are charged to the income statement for the period. When fair value cannot be reliably determined, equity investments are carried at the cost adjusted for impairment, the effect of which is recognised in the income statement.

Stocks widely traded on regulated markets are entered at fair value, with reference made to the stock price registered at close of trading on the closing date of the period, with variations in fair value recorded in the statement of comprehensive income if held for trading.

Financial assets and liabilities

Financial assets and liabilities are initially recognised at their fair value, plus any directly attributable transaction costs, whereas subsequent measurements are conducted using the amortised cost method.

Derivative financial instruments

The company owns no derivative financial instruments.

Trade receivables and payables

Trade receivables, which are set to come due under normal commercial terms, are presented at their presumed realisable values.

Trade payables, which are set to come due under normal commercial terms, are recognised at their face values.

Cash and cash equivalents

These include bank deposits and cash holdings carried at par value.

Inventories

They are entered at whichever is lower between the purchase cost and the market value. For finished products, cost is determined on the basis of the direct production cost, plus overheads directly attributable to the product. For marketed products, raw materials and consumables, the weighted average cost for the year is used. The net market value is determined on the basis of sales prices net of sales costs.

Accruals and deferrals

These are calculated using the accrual accounting method and in application of the matching principle that offsets revenues against expenses for the same financial year. They include costs or revenues common to two or more financial years and are entered under other receivables and other payables.

Employee benefits – Employee severance indemnity

Employee severance indemnity is compulsory for Italian companies under Law 297/1982.Effective from 1 January 2007, the decrees implementing the budget act introduced considerable changes in the rules governing employee severance indemnity, including the worker's choice of how to allocate future accruals. In particular, workers may allocate new accruals to specific pension plans or keep them with their employers (in which case the Company pays employee severance indemnity accruals into a treasury account with the INPS).The amendment of the law has resulted in the transformation of the nature of the employee severance indemnity from a defined-benefit plan to a defined-contribution plan for future accruals, whereas it continues to be regarded as defined-benefit plans for accruals prior to 31 December 2006.

Actuarial gains and losses are shown in the statement of comprehensive income – OCI, net of the fiscal effect and charged to net equity.

Provision for liabilities and charges

These provisions are entered into the financial statements when the Company has a legal or implicit obligation to pay particular amounts, as a result of past events, and it is probable that a financial outflow will be required from the company to the Company in order to settle the obligation. These amounts are recognised in the financial statements only when it is possible to carry out a reliable estimate of the pertinent amount.

Contingencies which represent only possible liabilities are described in the notes, in the section of the comments on provisions.

In the event of merely remote events, i.e. events that are highly unlikely to occur, no provision is recognised, nor is any relevant information provided.

Provisions are presented at the current amount of expected outlays where the discount effect is material.

Revenues

Revenues are carried at the fair value of the payment received or owed, net of any discounts, refunds, credits and bonuses.

Revenues on the sale of an asset are recognised when the entity has substantially transferred all risks and rewards of ownership of that asset to the buyer.

Revenues on services rendered are recognised when the degree of completion of the transaction at the reporting date for the financial statements may be reliably determined according to the date of accrual of the service.

Public contributions

Contributions are entered into the financial statements only when it is reasonably certain that the company will comply with the conditions set for receiving the contribution and that those contributions will effectively be received. Public contributions for plants are entered as deferred revenues and are systematically charged as income to the income statement during the useful life of the asset they refer to.

Contributions for current expenses are carried to the income statement in the financial year in which the conditions exist for their recognition.

Costs

Costs are carried at the fair value of the amount paid or payable.

They are entered into the financial statements on an accrual accounting principle, net of returns, discounts, premiums and bonuses.

Financial income and expenses

Financial expenses incurred for investments in assets for which a set period of time is normally required for the asset to be ready for use or sale (qualifying assets), are capitalised and amortised through the useful life of the class of assets they refer to .Financial income and other expenses are shown and entered in the financial statements on an accrual accounting principle.

Taxes

Taxes payable for the period are determined in accordance with the current fiscal regulations. Deferred taxes are calculated on temporary differences between the recognised amounts of assets and liabilities and the amounts of those assets and liabilities for tax purposes. Deferred tax assets are only recognised where it is likely that the entity will earn taxable income against which it may set off the temporary deductible difference. Deferred tax liabilities are recognised on all the temporary taxable differences.

In addition, the tax consolidation program governed by Presidential Decree 971/86, amended by Legislative Decree 344/2003, was introduced in 2005. The program allows for optional group taxation, which consists of determining a single taxable group income for the ultimate parent company corresponding to the algebraic sum of the net total incomes of participants and thus a single income tax for Group companies.

The companies that joined the tax consolidation regime are Centro Latte Rapallo S.p.A. and Centrale del Latte di Vicenza S.p.A. The option is valid for three financial years from the one that closed at 31 December 2011.

Segment reporting

The organisation of the Company is based on a single business segment for the production and sale of food products.

BREAKDOWN OF ASSETS

NON-CURRENT ASSETS

Tangible fixed assets (1ne)

Changes in tangible fixed assets and the pertinent provisions are broken down in the tables below:

TANGIBLE FIXED ASSETS	Land	Buildings	Plants and machinery	Industrial and commercial equipment	Other	Total	Fixed assets under development	Totals
Historical cost	2,115,180	12,599,364	23,249,759	3,518,453	4,157	41,486,914	10,500	41,497,414
Accumulated depreciation	-	(7,249,851)	(18,719,111)	(2,937,960)	(4,157)	(27,029,914)	-	(27,029,914)
Initial amount	**2,115,180**	**5,349,513**	**4,530,648**	**580,493**	**-**	**12,575,833**	**10,500**	**12,586,333**
Historical cost from merger	540,957	4,725,201	5,056,624	2,934,523	1,573,807	14,831,111	-	14,831,111
Depreciation from surplus	-	(2,229,475)	(4,797,615)	(2,690,989)	(1,300,465)	(11,018,544)	-	(11,018,544)
Amount after merger	**2,656,137**	**7,845,239**	**4,789,657**	**824,027**	**273,342**	**16,388,400**	**10,500**	**16,398,900**
Acquisitions	-	227,600	548,242	224,750	365,570	1,366,160	374,294	1,740,456
Transfers	-	-	10,500	-	-	10,500	(10,500)	-
Disposals and eliminations	-	-	(47,546)	(143,120)	(318,473)	(509,139)	-	(509,139)
Use of provisions	-	-	47,546	105,906	192,300	345,752	-	345,752
Depreciation	-	(516,773)	(1,277,773)	(75,234)	(334,262)	(2,204,042)	-	(2,204,042)
Final amount	**2,656,137**	**7,556,066**	**4,070,625**	**936,329**	**178,477**	**15,397,631**	**374,294**	**15,771,927**

Changes in accumulated depreciation of tangible fixed assets:

TANGIBLE FIXED ASSETS	Buildings	Plants and machinery	Industrial and commercial equipment	Other	Total
Initial amount	**7,249,851**	**18,719,111**	**2,942,117**	**-**	**28,911,081**
Accumulated depreciation from surplus	2,229,475	4,797,615	2,690,989	1,300,465	**11,018,544**
Amount after merger	**9,479,326**	**23,516,726**	**5,633,106**	**1,300,465**	**39,929,625**
Use of provisions	516,773	1,277,773	75,234	334,263	2,204,043
Depreciation	-	(47,546)	(105,906)	(192,300)	(345,752)
Final amount	**9,996,099**	**24,746,953**	**5,602,434**	**1,442,428**	**41,787,914**

Tangible fixed assets include the net book value of machinery under finance lease contracts for € 74,893.

Intangible fixed assets (3ne)

Changes in intangible fixed assets and the pertinent provisions are broken down in the tables below:

INTANGIBLE FIXED ASSETS	Trademarks	Goodwill	Software	Total
Historical cost	787,783	-	740,462	1,528,245
Accumulated amortisation	(550,282)	-	(292,180)	(842,462)
Initial amount	**237,501**	**-**	**448,282**	**685,783**
Merger deficit allocation	18,678,274	350,078	-	19,028,351
	(13,074,792)	-	-	(13,074,792)
Amount after merger	**5,840,983**	**350,078**	**448,282**	**6,639,342**
Acquisitions	-	-	-	-
Amortisation for the period	-	-	(148,092)	(148,092)
Final amount	**5,840,983**	**350,078**	**300,190**	**6,491,250**

Financial fixed assets (4ne)

With the merger by incorporation of Centro Latte Rapallo into Centrale del Latte di Torino & C. S.p.A. the equity investment was written off against the shareholders' equity of the merged company.In 2013 the company sold the equity investment in the subsidiary Frascheri S.p.A. and wrote down the equity investment in Centrale del Latte di Vicenza S.p.A. for €.

	Equity investments in subsidiaries	Equity investments in subsidiary	Equity investments in other companies	Totals
Initial amount	**45,624,145**	**961,293**	**1,639**	**46,587,077**
Equity investments from merger	(17,337,826)	45,000	22,787	(17,270,039)
Amount after merger	**28,286,319**	**1,006,293**	**24,426**	**29,317,038**
Decreases	(1,087,991)	(961,293)	(3,919)	(2,053,203)
Final amount	**27,198,328**	**45,000**	**20,507**	**27,263,835**

List of equity investments in subsidiaries

The figures presented below have been drawn from the subsidiaries' most recent financial statements, those for the year that ended on 31 December 2013:

	Share capital	Shareholders' equity	Profit (loss) for the year	Share held	Amount of equity investment entered
Centrale del Latte di Vicenza S.p.A.					
Via Faedo 60 - Vicenza	29,162,303	24,741,734	(1,393,187)	100%	27,198,328

The value of the subsidiary Centrale del Latte di Vicenza S.p.A. was subjected to an impairment test prepared by an external, independent body, the findings of which indicated that its economic value is superior to the net equity of the company. Any impairments are considered by the Directors as being of a temporary nature.

List of other financial equity investments

Equity investments in other companies not exceeding € 1,000 on an individual basis come to a collective total of € 1,639 and consist of interests held in credit guarantee and power supply consortia.

Deferred tax assets (5ne)

The following table illustrates the changes in the temporary differences that gave rise to deferred tax assets:

	Initial amount	Increases	Decreases	Final amount
Amortisation and depreciation recovered further to tax audit	154,932	-	(10,550)	144,382
Tax recovery of depreciation of buildings	109,381	-	-	-
Remuneration of directors	62,400	68,880	(62,400)	68,880
	326,712	**68,880**	**(72,950)**	**322,642**

Deferred tax assets were calculated on temporary differences for the year and the final amount of those differences, net of amounts recovered in 2013, by applying the IRES (corporate income tax) rate of 27.5% and the IRAP (regional production tax) rate of 3.9%.The following table illustrates the changes in deferred tax assets:

	Initial amount	Increases	Decreases	Final amount
Amortisation and depreciation recovered further to tax audit	48,643	-	(3,313)	45,330
Tax recovery of depreciation of buildings	34,347	-	-	34,347
Remuneration of directors	17,160	18,942	(17,160)	18,943
	100,150	**18,942**	**(20,473)**	**98,620**

CURRENT ASSETS

Inventories (6ne)

Inventories at 31 December 2013 amounted to € 1,921,335.They were broken down as follows:

	Initial amount	Initial amount from merger	Initial amount after merger	Final amount	Change
Raw and ancillary materials and consumables	878,516	136,621	1,015,137	900,074	(115,063)
Finished products and goods	724,389	260,639	985,028	1,021,261	36,233
	1,602,905	**397,260**	**2,000,165**	**1,921,335**	**(78,830)**

Trade receivables (7ne)

Trade receivables, all of which were due within one year, came to € 9,876,309 at 31 December 2013, derive from normal commercial sales transactions and have been presented net of the associated provisions for impairment. In further detail, the provisions allocated to account for receivables claimed in bankruptcies have been fully and directly applied to decrease the amounts of the associated assets, reducing those amounts to zero.

The following table provides a breakdown of provisions for impaired receivables and changes in those provisions during 2013:

	Initial amount	Initial amount from merger	Initial amount after merger	Increases	Decreases	Final amount
Taxed provision for impaired receivables	50,491	86,358	136,849	-	(3,907)	132,940
0.5% provision for bad debts	564,857	19,658	584,515	57,447	(116,966)	523,996
	615,348	**106,016**	**721,364**	**57,447**	**(120,873)**	**656,936**

Payables to affiliates (8ne) were not present.

Receivables from subsidiaries (9ne)

Receivables from subsidiaries came to € 122,374 at the end of 2013 and were associated with normal commercial sales transactions undertaken between the Company and its subsidiary Centrale del Latte di Vicenza S.p.A..

Tax assets (10ne)

	31/12/2013	31/12/2012 after merger	From merger	31/12/2012
VAT receivable	3,599,708	3,087,578	760,355	2,327,222
Direct taxes	1,089,249	1,238,243	108,443	1,129,800
Employee severance indemnity withholdings	30,125	23,842	3,451	20,391
Withholding taxes on interest receivable	-	14,127	-	14,127
Total tax assets	**4,719,082**	**4,363,792**	**872,249**	**3,491,543**

Other receivables (11ne)

Receivables from others include:

	31/12/2013	31/12/2012 after merger	From merger	31/12/2012
Receivables for performance guarantees received securing the payment of the surtax in accordance with Law 486/92 (milk quotas)	953,374	1,224,139	-	1,224,139
Receivables from distributors	434,408	497,641	470,141	27,500
Accrued income and prepaid expenses	133,623	122,035	17,727	104,308
Credits to be received	60,453	52,122	-	52,122
Deposits	44,577	43,105	11,123	31,985

Loans to employees	15,356	24,973	6,400	18,573
Miscellaneous	10,325	19,292	-	19,292
Receivables from social security institutions	10,266	1,100	-	1,100
Advances to suppliers	5,625	20,686	-	20,686
Total other receivables	**1,668,007**	**2,005,589**	**505,391**	**1,500,198**

Accrued income and prepaid expenses

The following table illustrates the breakdown of accrued income and prepaid expenses:

	31/12/2013	31/12/2012 after merger	From merger	31/12/2012
ACCRUED INCOME				
Interest on bank accounts	14,400	-	-	-
TOTAL ACCRUED INCOME	**14,400**	**-**	**-**	**-**
PREPAID EXPENSES				
Maintenance fees	38,976	26,634	-	26,634
VAT guarantee policies	29,009	34,680	-	34,680
Loan fees	20,360	13,293	-	13,293
Leases	18,998	11,408	11,408	-
Lieu tax	10,990	20,195	-	20,195
Other costs	890	14,700	5,195	9,506
TOTAL PREPAID EXPENSES	**119,223**	**122,035**	**17,727**	**104,308**
TOTAL ACCRUED INCOME AND PREPAID EXPENSES	**133,623**	**122,035**	**17,727**	**104,308**

Financial receivables from affiliates (12ne). This is accounted for by a loan granted to the subsidiary GPP S.r.l.. Genova Pasta e Pesto.

Cash and cash equivalents (13ne+14ne).

Cash and cash equivalents, all of which are freely available, came to € 7,744,562 and are presented in the schedule that illustrates financial position in the analysis of financial payables.

BREAKDOWN OF LIABILITIES

SHAREHOLDERS' EQUITY

Share capital (15ne)

Share capital, fully subscribed and paid-up, came to € 20,600,000, divided into 10,000,000 shares with a par value of € 2.06.

Changes in equity are illustrated in a specific schedule of the financial statements at 31 December 2013.

Availability and eligibility for distribution of equity reserves

		Nature	Use	Available	Eligible for distribution
Share capital	20,600,000				
Share premium account	14,324,577	Profits/capital	-	YES	NO
Revaluation reserve	196,523	Profits/capital	-	YES	YES
Legal reserve	1,019,111	Profits/capital	-	YES	YES
Other reserves	10,198,123	Profits/capital	YES	YES	YES
Non-distributable IFRS first-time adoption reserve	1,265,967	Profits/capital	-	NO	NO
Profits (losses) carried forward	191,256	Merger	-	NO	NO
Merger surplus	166,015	Merger	-	NO	NO
Merger difference	(6,314,748)	Merger	-	NO	NO

Profit (loss) for the period	1,114,334	Profits/capital	-	YES	YES

NON-CURRENT LIABILITIES

Financial payables (16ne+17ne+22ne+23ne+24ne)

The following is an analysis of the items that comprise the Company's financial indebtedness, sub-divided by maturity.

Financial payables to banks and other lenders amounted to € 9,436,270, broken down as follows:

	Within 12 months	Over one year, within 5 years	Over 5 years	Total payables over 1 year	Total payables
Payables to banks for loans	4,843,620	5,287,871	-	5,287,871	9,360,062
Payables to other lenders	70,458	5,750	-	5,750	76,208
Totals	**4,914,078**	**5,293,621**	**-**	**5,293,621**	**9,436,270**

The item "payables to other lenders" refers to finance lease contracts.

Medium/long-term loans are broken down as follows:

Issuer	Amount granted	Amount paid	Residual debt	Last deadline	Guarantees
Banca Passadore& C. S.p.A.	2,500,000	2,500,000	833,334	01/07/14	---
Euribor rate 6 months + 1.35					
Deutsche Bank S.p.A.	2,500,000	2,500,000	937,500	14/03/15	---
Euribor rate 3 months + 0.80					
Credito Emiliano S.p.A.	1,000,000	1,000,000	508,144	19/04/15	---
Euribor rate 6 months + 1.60					
Unicredit S.p.A.	1,300,000	1,300,000	243,750	31/5/15	First mortgage on industrial property located in Casteggio (PV) for € 2,600,000
Euribor rate 6 months + 1.40					
Monte dei Paschi di Siena S.p.A.	2,000,000	2,000,000	617,789	30/06/15	---
Euribor rate 6 months + 0.70					
Banca Sella S.p.A.	1,500,000	1,500,000	1,016,097	1/10/15	---
Euribor rate 3 months + 3.25					
Unicredit S.p.A.	2,000,000	2,000,000	1,404,257	30/09/16	---
Euribor rate 3 months + 1.85					
Banca Regionale Europea S.p.A.	2,500,000	2,500,000	2,019,194	08/09/17	---
Euribor rate 6 months + 0.80					
Banco Popolare S.c.p.a.	1,780,000	1,780,000	1,780,000	28/06/18	---
Euribor					

The following table presents total residual debt, broken down by maturity:

	within 12 months	over one year, within 5 years	over 5 years	Totals
Banca Regionale Europea S.p.A.	490,217	1,528,977	-	2,019,194
Banco PopolareS.c.p.a.	222,500	1,557,500	-	1,780,000
Unicredit S.p.A.	657,858	990,140	-	1,648,007
Banca Sella S.p.A.	499,827	516,270	-	1,016,097
Deutsche Bank S.p.A.	625,000	312,500	-	937,500

Banca Passadore& C. S.p.A.	833,334	-	-	833,334
Monte dei Paschi di Siena S.p.A.	410,122	207,667	-	617,789
Credito Emiliano S.p.A.	333,333	174,811	-	508,144
	4,843,620	**5,287,871**	-	**9,360,062**

Payables to other lenders can be broken down as follows:

	within 12 months	over one year, within 5 years	over 5 years	Totals
Finance lease payables	70,458	5,750	-	76,208
	70,458	**5,750**	**-**	**76,208**

Finance lease payables refer to leases of plant and equipment.

Financial position.

The following table contains an illustration of the Company's net financial position at 31 December 2013 in accordance with the requirements of CONSOB Notice No. DEM/6264293 of 28 July 2006 and the CESR's recommendations of 10 February 2005, CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No. 809/2004:

	31/12/2013	31/12/ after merger	From merger	31/12/2012
Cash and cash equivalents (13ne+14ne)	7,744,562	6,216,398	3,531,199	2,685,199
Total current financial assets	**7,744,562**	**6,216,398**	**3,531,599**	**2,685,199**
Payables to banks	(565,489)	-	-	-
Current share of medium/long-term loans (23ne)	(4,072,191)	(5,969,609)	-	(5,969,609)
Current share of payables to other lenders (24ne)	(70,458)	(75,343)	-	(75,343)
Total current financial liabilities	**(4,708,138)**	**(6,044,952)**	-	**(6,044,952)**
Payables for medium/long-term loans (16ne)	(5,287,872)	(7,627,316)	-	(7,627,316)
Payables to other lenders for medium/long-term loans (17ne)	(5,750)	(76,208)	-	(76,208)
Total non-current financial liabilities	**(5,293,621)**	**(7,703,524)**	-	**(7,703,524)**
Total financial liabilities	**(10,001,760)**	**(13,748,476)**	-	**(13,748,476)**
Net financial position	**(2,257,198)**	**(7,531,879)**	**3,531,599**	**(11,063,277)**

Loan covenants

No covenants apply to the loans issued to the Company.

Deferred taxes (18ne)

The following table illustrates the changes in the provisional differences that gave rise to deferred taxes:

	Initial amount	Initial amount from merger	Initial amount after merger	Increases	Decreases	Final amount
Trademarks	-	5,603,482	5,603,482	-	-	5,603,482
Measurement of land	1,663,000	-	-	-	-	1,663,000
Tax items	-	159,450	159,450	-	(2,512)	156,938
Capital gains	-	23,061	23,061	-	(23,061)	**-**
	1,663,000	**6,036,092**	**7,699,092**	**-**	**(25,573)**	**7,423,420**

Deferred tax liabilities have been calculated on temporary differences for the year and the final amount of those differences, net of amounts recovered in 2013, by applying the IRES (corporate income tax) rate of 27.5% and the IRAP (regional production tax) rate of 3.9%.The following table illustrates the changes in deferred tax liabilities:

	Initial amount	Initial amount from merger	Initial amount after merger	Increases	Decreases	Final amount
Trademarks	-	1,759,493	1,759,493	-	-	1,759,493
Measurement of land	522,182	-	522,182	-	-	522,182
Tax items	-	61,574	61,574	-	(18,513)	43,061
Capital gains	-	8,901	8,901	-	(8,901)	**-**
	522,182	**1,829,968**	**2,352,149**	**-**	**(27,414)**	**2,324,736**

Long-term provisions

Employee severance indemnity (19ne)

At 31 December 2013 the severance indemnity amounted to € 2,549,625.

Initial amount	**1,769,582**
Initial amount from merger	1,190,903
Initial amount after merger	**2,960,485**
Service cost	199,999
Decreases and uses	(95,398)
Actuarial loss (income)	(515,461)
Final amount	**2,549,625**

Actuarial gains and losses are shown in the statement of comprehensive income – OCI, net of the fiscal effect and charged to net equity.The key actuarial assumptions pertain to the technical interest rate, inflation rate and the revaluation rate for salaries and employee severance indemnity. Technical assessments were conducted on the basis of the assumptions set forth below:

- technical annual discount rate 3.15%
- annual inflation rate 2.00%
- annual rate of severance indemnity increase 3.00%

The Iboxx Eurozone Corporates AA 10 + index was used as the discount rate.

Provision for indemnities for Directors at the end of their term in office (20ne).

The provision for indemnities for Directors at the end of their term in office amounted to € 138,056.The methods of calculation used are set out in the Report on Corporate Governance.

Provision for liabilities and charges (21ne)

With regard to the provision for liabilities and charges, see the heading "Other risks".

	Initial amount	Initial amount from merger	Initial amount after merger	Increases	Decreases	Final amount
Provision for future capital losses	329,324	290,089	619,413	463,405	265,309	817,509
	329,324	**290,089**	**619,413**	**463,405**	**265,309**	**817,509**
Provision for customer indemnities	-	90,169	90,169	18,843	-	109,012

	329,324	**90,169**	**90,169**	**18,843**	**-**	**109,012**
TOTAL PROVISION FOR LIABILITIES AND CHARGES	**329,324**	**380,258**	**709,582**	**482,248**	**265,309**	**926,521**

CURRENT LIABILITIES

Short-term payables to banks (22ne- 23ne) totalled € 4,082,124 and related to current shares for mortgages and uses of credit lines.

Current share of payables to other lenders (24ne) amounted € 70,458.

Trade payables (25ne) amounted to € 12,389,942, all payable by year-end.

Payables to subsidiaries (26ne) associated with normal commercial sales transactions between the Company and its subsidiary Centrale del Latte di Vicenza S.p.A. during the year came to € 918,077.

Payables to affiliates (27ne) were not present.

Payables to parent company (28ne) were not present.

Tax liabilities (29ne) came to € 198,619 and comprise the following line items:

	31/12/2013	31/12/ after merger	From merger	31/12/2012
Payables for taxes	99,055	198,983	101,204	97,779
Payables for employees' withholding taxes	66,061	261,467	88,131	173,336
Withholdings payable on independent contractors' fees	33,503	8,836	7,546	1,289
	198,619	**469,286**	**196,881**	**272,404**

Payables to social security authorities (30ne) consist of social-security contributions payable on wages and salaries and the contributions associated with the separate management of coordinated ongoing independent contractors, for a total amount of € 663,774.

The item "Other payables" (31ne) includes:

	31/12/2013	31/12/ after merger	From merger	31/12/2012
Surtaxes payable under Law 486/92 (milk quotas)	1,004,823	1,276,085	-	1,276,085
Payables for wages and salaries	1,377,218	1,171,743	360,062	811,680
Accrued liabilities and deferred income	396,570	560,284	201,614	358,667
Withholdings from milk producers payable under Law 88/88	77,697	77,697	-	77,697
Payables for remuneration of directors and auditors	193,680	62,400	-	62,400
Security deposits received	12,578	12,578	-	12,578
Employee trade union withholdings	1,461	5,053	160	4,893
Other payables	4,904	1,927	1,182	744
	3,068,931	**3,167,765**	**563,021**	**2,604,744**

Accrued liabilities and deferred income are broken down as follows:

	31/12/2013	31/12/ after merger	From merger	31/12/2012
DEFERRED INCOME				
Contributions to operating expenses	297,550	391,312	103,007	288,305
Other	77,110	29,863	-	29,863
Total deferred income	**374,660**	**421,176**	**103,007**	**318,169**
ACCRUED LIABILITIES				
Accrued personnel costs	-	65,175	65,175	-
Interest on bank loans	21,910	40,498	-	40,498
Warehouse rentals	-	29,500	29,500	-

Other charges	-	3,935	3,935	-
Total accrued liabilities	**21,910**	**139,108**	**98,610**	**40,498**
TOTAL ACCRUED INCOME AND PREPAID EXPENSES	**396,570**	**560,284**	**201,617**	**358,667**

COMMITMENTS AND OTHER CONTINGENT LIABILITIES

There were no off-balance sheet commitments or other contingent liabilities at 31 December 2013.

BREAKDOWN OF INCOME STATEMENT ITEMS

Following the merger by incorporation of Centro Latte Rapallo S.p.A. into Centrale del Latte di Torino & C. S.p.A., all the items that make up the income statement have been redetermined in order to allow for a like-for-like comparison.

REVENUES

Revenues from sales and services (1ene)

Breakdown of sales by turnover segment (1ene):

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012	
Fresh milk	36,540,088	49%	37,641,403	50%	9,188,931	33,6%	24,116,083	42%
Intra-group	337,823	0%	268,404	0%	135,687	67,1%	3,875,721	7%
Total fresh milk	**36,877,911**	**50%**	**37,909,806**	**50%**	**9,324,618**	**33,8%**	**27,991,803**	**49%**
UHT milk	13,510,264	18%	13,886,511	18%	3,532,925	35,4%	12,480,624	22%
Intra-group	23,662	0%	72,061	0%	(35,102)	-59,7%	914,152	2%
Total UHT milk	**13,533,926**	**18%**	**13,958,572**	**19%**	**3,497,823**	**34,9%**	**13,394,776**	**23%**
Yogurt	2,748,168	4%	2,791,380	4%	600,021	27,9%	1,935,540	3%
Total yogurt	**2,748,168**	**4%**	**2,791,380**	**4%**	**600,021**	**27,9%**	**1,935,540**	**3%**
Fresh vegetables	4,272,528	6%	4,294,946	6%	784,210	22%	2,710,033	5%
Intra-group	272,628	0%	286,840	0%	47,979	21%	1,461,801	3%
Total fresh vegetables	**4,545,156**	**6%**	**4,581,786**	**6%**	**832,189**	**22%**	**4,171,834**	**7%**
Bulk milk and cream	2,223,731	3%	2,454,588	3%	394,896	22%	2,240,158	4%
Intra-group	29,066	0%	217,856	0%	(161,853)	-85%	1,466,867	3%
Total bulk milk and cream	**2,252,797**	**3%**	**2,672,444**	**4%**	**233,043**	**12%**	**3,707,026**	**6%**
Other packaged products	13,962,211	19%	13,182,672	18%	4,248,280	44%	5,404,762	9%
Intra-group	4,865	0%	15,433	0%	1,425	41%	800,976	1%
Total other packaged products	**13,967,076**	**19%**	**13,198,104**	**18%**	**4,249,705**	**44%**	**6,205,738**	**11%**
Total	**73,925,034**	**100%**	**75,112,092**	**100%**	**18,737,400**	**34%**	**57,406,717**	**100%**
of which intra-group	**668,044**	**0.9%**	**860,593**	**1%**	**(11,864)**	**-2%**	**8,519,517**	**14.8%**

Breakdown of other revenues (2ene)

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012
Extraordinary income	610,096	59%	167,013	30%	443,083	265%	580,596
Contributions to operating expenses	176,614	17%	133,082	24%	43,532	33%	176,614
Other	88,514	9%	57,052	10%	31,463	55%	88,514
Recoveries from subsidiaries	51,392	5%	91,615	17%	(40,223)	-44%	51,292
Sales of salvaged materials	39,617	4%	35,746	6%	3,871	11%	39,717
Capital gains on asset disposal	36,796	4%	20,874	4%	15,921	76%	36,796
Contributions from suppliers	23,113	2%	13,387	2%	9,726	73%	23,113
Recoveries	10,150	1%	26,330	5%	(16,180)	-61%	10,150
Rental income	4,169	0%	3,117	1%	1,051	34%	4,169
Indemnities	1,338	0%	1,855	0%	(517)	-28%	1,338
Total	**1,041,799**	**100%**	**550,070**	**100%**	**462,228**	**84%**	**454,299**

Use of raw materials and consumables (4ene)

The costs for raw materials and consumables amounted to € 38,581,445 and include:

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012
Purchases of ingredients – sundry foodstuffs	22,893,830	59%	22,429,241	59%	464,589	2%	21,105,674
Packaging materials	4,735,704	12%	4,833,637	13%	(97,933)	-2%	4,291,482
Goods for resale	8,092,824	21%	7,868,508	21%	224,316	3%	2,688,241
Intra-group products	2,025,396	5%	1,929,142	5%	96,255	5%	1,476,176
Consumables and ancillary material	794,996	2%	682,076	2%	112,920	17%	525,841
Intra-group purchases of ingredients	15,756	0%	1,618,053	4%	(1,602,297)	-99%	422,046
Intra-group ancillary material	22,939	0%	11,514	0%	11,425	99%	13,643
Total	**38,581,445**	**100%**	**38,176,165**	**100%**	**405,280**	**1%**	**30,546,559**

Personnel costs (5ene+6ene+7ene+8ene)

Personnel costs totalled € 10,606,294, broken down as follows:

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012	
Wages and salaries	7,502,951	71%	7,373,743	71%	129,208	2%	5,453,971	71%
Social security charges	2,456,963	23%	2,366,442	23%	90,521	4%	1,721,058	22%
Employee severance indemnity	510,947	5%	569,042	5%	(58,095)	-10%	406,106	5%
Other costs	135,433	1%	141,892	1%	(6,459)	-5%	83,357	1%
Total	**10,606,294**	**100%**	**10,451,120**	**100%**	**155,174**	**1%**	**7,664,492**	**100%**

The employee severance indemnity accrued in 2013 may be considered a defined-contribution plan in the amount of € 510,947.

The average workforce came to 195 at 31 December 2013 (197 at 31 December 2012).

	Engagements	Resignations	Transfers	In service	Average workforce
Managers	-	1	1	12	12
Middle management	-	-	-	6	6
White-collar personnel	1	1	-	73	74
Blue-collar personnel	4	-	-	101	103
TOTAL	**5**	**2**	**2**	**192**	**195**

Amortisation and depreciation (9ene + 10ene)

Amortisation of intangible assets was calculated and recognised in the total amount of € 148,092.Depreciation of tangible assets was calculated and recognised in the total amount of € 2,204,043.

The following tables provide a breakdown of intangible and tangible assets by category:

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012
Licenses and trademarks	-	-	39,375	22%	(39,375)	-100%	39,375
Software	148,092	79%	148,092	79%	-	-	148,092
Total	**148,092**	**100%**	**187,467**	**100%**	**(39,375)**	**-100%**	**187,467**

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012
Plants and machinery	1,277,773	58%	1,479,967	60%	(202,194)	-14%	1,363,234

Buildings	516,773	23%	519,157	21%	(2,384)	-	347,159
Industrial and commercial equipment	409,497	19%	462,823	19%	(53,326)	-12%	236,620
Total	**2,204,043**	**100%**	**2,461,947**	**100%**	**(257,904)**	**-10%**	**1,947,013**

Costs for services (12ene)

The costs for services amounted to € 19,848,297 and include:

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012
Transport for product distribution	7,202,875	36%	7,220,101	36%	(17,226)	0%	4,795,815
Administrative services	2,669,050	13%	3,076,153	15%	(407,103)	-13%	1,888,666
Commercial and advertising services	2,032,013	10%	1,804,817	9%	227,196	13%	1,267,032
Motive power and natural gas	1,732,732	9%	1,853,553	9%	(120,821)	-7%	1,523,645
Industrial services	1,713,588	9%	1,957,291	10%	(243,703)	-12%	1,493,406
Purchase services	1,310,300	7%	1,304,963	7%	5,337	0%	829,002
Large-scale retailers' promotion contributions	1,165,124	6%	1,154,800	6%	10,324	1%	692,743
Maintenance services	986,472	5%	864,753	4%	121,719	14%	563,892
Free gifts with products	643,610	3%	424,499	2%	219,111	52%	424,499
Insurance services	332,533	2%	342,531	2%	(9,998)	-3%	246,621
Intra-group administrative services	60,000	0%	60,000	0%	-	100%	60,000
Total	**19,848,297**	**100%**	**20,063,460**	**100%**	**(215,164)**	**-1%**	**13,785,321**

Lease and rental costs (13ene)

Lease and rental costs amounted to € 443,464.Industrial leases refer to leased plant.

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012
Industrial leases	354,496	80%	281,646	72%	72,850	26%	281,646
Leases of premises and buildings	88,968	20%	107,662	28%	(18,694)	-17%	25,027
Total	**443,464**	**100%**	**389,308**	**100%**	**54,156**	**14%**	**306,673**

The minimum financial commitments in connection with industrial leases that cannot be cancelled come to:

- for 2013 - € 151,732;

Provisions for risks (14ene)

With regard to provisions for risks and charges, see "Other risks".

Sundry operating expenses (15ene)

Sundry operating expenses amounted to € 784,966 Euro and include:

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012
Taxes other than income taxes	422,244	54%	404,217	37%	18,027	4%	369,411
Contingent liabilities	201,944	26%	439,515	40%	(237,571)	-54%	121,047
Membership fees	81,024	10%	71,167	6%	9,857	14%	43,265
Capital losses	34,200	4%	23,269	2%	10,931	47%	14,719
Entertainment expenses	23,647	3%	6,032	1%	17,615	292%	6,032
Subscriptions to magazines and books	4,903	1%	6,487	1%	(1,584)	-24%	6,175
Fines and penalties	4,208	1%	127,181	12%	(122,973)	-97%	15,742
Total	**784,966**	**100%**	**1,098,466**	**100%**	**(313,500)**	**-40%**	**576,389**

Financial income and charges (16ene + 17ene)

A breakdown of financial income and charges is shown in the table below:

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012
Financial income							
Interest on VAT refunds	10,085	14%	16,218	18%	(6,132)	-38%	16,218

Interest from banking institutions	56,561	79%	64,050	72%	(7,489)	-12%	4,737
Other	5,403	7%	8,083	9%	(2,680)	-33%	1,531
Actuarial income							
Total	**72,049**	**100%**	**88,351**	**100%**	**(16,301)**	**-18%**	**22,486**

	31/12/2013		**31/12/2012 redetermined**		**Change**		**31/12/2012**
Financial charges							
Interest on mortgages and loans	221,771	70%	334,241	64%	112,470	34%	334,241
Charges for employee severance indemnity discounting	-	-	-		-	-	282,034
Interest on current accounts	42,912	14%	153,267	29%	110,355	72%	153,159
Performance bond expenses	46,106	15%	24,464	5%	(21,642)	-88%	15,142
Finance lease interest	5,589	2%	9,177	2%	3,588	39%	9,177
Other	1,263	0%	288	0%	(975)	-338%	288
Total	**317,641**	**100%**	**521,438**	**100%**	**203,797**	**39%**	**794,041**

Capital gain on equity investment disposal (18ne). The capital gain - € 1,606,206 – refers to the sale of 40% of the equity investment in Frascheri S.p.A.'s capital.

Adjustments to financial assets (19ene)

Adjustments to financial assets refer to the impairment loss on the investment in Centrale del Latte di Vicenza S.p.A. of € 1,087,991 and to the impairment loss on the investment in Capitalimpresa of € 3,919.

Financial income from equity investments in affiliates (20ene)

Income amounted to € 40,000 and refers to dividends on 2012 profits distributed by Frascheri S.p.A. during 2013.

Taxes (21ene + 22ene).

Income taxes, not including deferred tax assets and liabilities, came to € 1,079,080 compared to € 904,454 in FY2012.

	31/12/2013		**31/12/2012 redetermined**		**Change**	
IRES for the year 27.5%	675,513	61%	767,076	59%	(91,563)	-12%
IRAP for the year 3.9%	430,726	39%	530,655	41%	(99,929)	-19%
TOTAL TAXES	**1,106,239**	**100%**	**1,297,731**	**100%**	**(132,934)**	**-14%**
Taxes for previous years	-		(324,426)		326,426	-100%
TOTAL TAXES	**1,106,239**		**973,305**		**132,934**	**14%**
Prepaid taxes	(25,883)		6,229		(19,654)	131%
TOTAL PREPAID AND DEFERRED TAXES	**(25,883)**		**6,229**		**(19,654)**	**131%**
NET TOTAL TAXES	**1,080,356**		**979,534**		**100,822**	**10%**

The following schedule reconciles pre-tax profit and taxable income:

	Taxable base for IRES purposes		**IRES tax**
Net result	**1,153,709**	**Notional IRES**	**317,270**
Increases	3,488,932		
of which write-downs of equity investments	*1,087,991*		
Decreases	2,098,399		
Taxable base	**2,539,741**	**Actual IRES**	**675,513**

	Taxable base for IRAP purposes		**Regional income tax payable**

EBIT	**1,925,360**	**Notional IRAP**	**75,089**
Increases in personnel costs	10,606,294		
Increases	2,120,070		
Decreases	49,926		
Decreases in personnel costs	4,077,401		
Taxable base	**11,044,250**	**Actual IRAP**	**430,726**

Dealings with related parties.

The Company has not undertaken transactions with related parties beyond those presented in the following tables:

Equity investments in the issuer held by directors, statutory auditors and their non-legally separated spouses and minor children, either directly or through subsidiaries.

Relevant persons	Office	Shares held at 01/01/2013	Purchased in 2013	Sold in 2013	Shares held at 31/12/2013
Luigi LUZZATI	Chairman	166,062	-	-	166,062
Riccardo POZZOLI	Vice Chairman and Managing Director	59,125	-	-	59,125
Nicola CODISPOTI	Managing Director	50,000	-	-	50,000
Adele ARTOM	Director	3,593,864	-	-	3,593,864
Benedetto DE BENEDETTI	Director	751,529	-	-	751,529
Antonella FORCHINO	Director	137,306	-	-	137,306
Maurizio MACCHIAVELLO	Managing Director	10,000	-	-	10,000

Commercial dealings with other related parties.

In the past, the Parent Company entered into a lease agreement for an area adjacent to the Turin production facility used as a parking lot for the motor vehicles of its employees and distributors and a residence made available for use by the Company's employees, both of which were owned by the ultimate parent company, Finanziaria Centrale del Latte di Torino S.p.A., in the total amount of € 9,573.

The following table presents the situation of dealings with related parties at 31 December 2013:

	Receivables	Payables	Costs	Revenues
Finanziaria Centrale del Latte di Torino S.p.A. vis-à-vis				
Centrale del Latte di Torino & C. S.p.A. - subsidiary	-	-	-	9,573
	-	-	-	**9,573**
Centrale del Latte di Torino & C. S.p.A. vis-à-vis:				
Finanziaria Centrale del Latte di Torino S.p.A. – ultimate parent company	-	-	9,573	-
Centrale del Latte di Vicenza S.p.A. - subsidiary	122,374	645,888	2,124,091	719,336
GPP S.r.l. – subsidiary	303,271	-	-	-
	425,645	**645,888**	**2,124,091**	**719,336**
Centrale del Latte di Vicenza S.p.A. vis-à-vis:				
Centrale del Latte di Torino & C. S.p.A.	645,888	122,374	719,336	2,124,091
	645,888	**122,374**	**719,336**	**2,124,091**
GPP S.r.l. vis-à-vis:				
Centrale del Latte di Torino & C. S.p.A.	-	303,271	-	-
	-	**303,271**	**-**	**-**

Remuneration of Directors and Auditors.

For information regarding the remuneration paid to Directors and Auditors, see the report on the remuneration paid to members of the management and audit bodies, general managers and other key management personnel.

FINANCIAL AND OPERATIONAL RISKS

Risks associated with the business activity

The main risk related to the Company's specific industrial activity regards fluctuations in milk raw material prices. The Company contains this risk by drawing up annual agreements with milk producers, which set the purchase prices at the beginning of the dairy year and maintain those prices for the whole of the period that runs from 1 April to 31 March of the following year, save for particular circumstances in which agreements may be reached on a different basis.

For purchases made outside of the main supply channel, reference is made to the most advantageous market conditions available when the need arises.

Financial risks.

The financial instruments of the Company comprise bank loans, sight and short-term bank deposits. The aim of these instruments is to finance the Company's operating activities. Other financial instruments of the Company are trade payables and receivables deriving from operating activity.

The main risks generated by financial instruments are the interest rate, liquidity and credit risk.

Interest rate risk. The Company's exposure to interest rate risk is connected mainly to long-term loans and financing, to which are normally applied interest rates equivalent to 3 month and 6 month Euribor rates plus a fixed spread. With the application of the so-called "Basel 2" Accord, the companies are subjected to an analysis on the part of lending credit institutes that attribute a rating to them; the fixed spread may vary depending on the rating assigned. At the date of closure of these consolidated financial statements, no variations had been applied.

Liquidity risk. The Company contains liquidity risk by planning the use of liquidity by considering financial investments, financial assets (trade receivables and other financial assets) and cash flows expected from transactions.

Credit risk. The Company mainly deals with familiar, reliable clients. Receivables are monitored during the financial year in order to limit exposure to losses. The maximum risk is equivalent to the book value of these assets in the event of insolvency on the part of the counterparty. At the date of the financial statements, there were no overdue receivables that had not suffered impairment.

Other risks.

Other risks.

In relation to the dispute with the ENASARCO foundation of the incorporated party Centro Latte Rapallo S.p.A., On 29 January 2013, the Court of Rome ruled that the findings of the ENASARCO Foundation were valid, thus rejecting the appeal presented by Centro Latte Rapallo S.p.A. The Company appealed against this sentence of the court of first instance, since it is convinced of having applied the correct legal framework and that this interpretation will be confirmed in appeal. The next hearing will be held on 14 November 2014.With the allowance amounting to € 337 thousand made in 2013, the full amount to cover the ENASARCO dispute has been set aside.

Following an inspection on the part of the ENASARCO Foundation, in 2012 Centrale del Latte di Torino & c. S.p.A. received an injunction for € 658 thousand inclusive of penalties and interest, against which it rapidly presented an appeal, asking the Employment Tribunal of the Court of Rome to suspend the injunction. The Court of Rome has set April 1 as the date for the first hearing. Although the company is firmly convinced that it is in the right, in the 2012 financial statements it nonetheless allocated a figure of € 329 thousand, equal to 50% of the request for payment presented by the ENASARCO foundation. Given the above, and in application of IAS 37, the Directors believe a possible risk exists.

La Guardia di Finanza (Italian Financial Police), following the inspection, drafted and gave notice of a Report on Findings for failure to pay withholding tax to the self-employed drivers used for distribution. The subsequent Notice of Assessment issued by the Provincial Office of the Agenzia delle Entrate of Turin, required a payment of € 427 thousand inclusive of interest and penalties. Although it considers the request set out in the aforementioned notice unfounded, Centrale del Latte di Torino & C. S.p.A. has presented a settlement proposal containing the deductions in its defence.

Regarding the tax inspection concerning FY 2004, please note that, following the sentence of the Regional Taxation Commission, which partially admitted the appeal presented by the company regarding the most significant findings, and the rebate of € 97 thousand paid out by

Agenzia delle Entrate, the latter presented an appeal to the Supreme Court of Appeal against the sentence of the Regional Taxation Commission.

FEES OWED TO THE AUDITING FIRM KPMG S.p.A.

Article 149 duodecies of the Issuers' Regulations

Audit of yearly report and consolidated financial statements:€ 59,822

Audit of interim report:€ 10,130

CORPORATE EVENTS

The deed of the merger that took place on 1 April 2013 was filed with Companies' House, rendering effective the incorporation of Centro Latte Rapallo S.p.A., with the improvements and streamlining in terms of organisation and efficiency this was expected to bring.

MATERIAL NON-RECURRING EVENTS AND TRANSACTIONS

In 2013 Centrale del Latte di Torino & C. S.p.A. sold the 40% equity investment it held in Frascheri S.p.A..

BUSINESS OUTLOOK.

The first months of the new FY have shown signs of a modest, fragile recovery of the economy, with a positive increase in sales that has not been seen for many months. The activity carried out during 2013 with a view to expanding the Group's business outside of Italy has led to the signing of an important contract for the supply of UHT milk and a soya drink with a leading operator on the markets of China, Hong Kong and Macao, with interesting projects for growth.

As regards the purchase price of milk raw material, the international tension and speculation that pushed it up have slackened off, creating the conditions for a turnaround in the trend and making purchase prices likely to remain largely stable compared with 2013.

EVENTS FOLLOWING THE CLOSE OF THE FINANCIAL YEAR.

The month of February saw the beginning of exports of UHT milk and soya drinks, with regular deliveries to China.

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

2013 Consolidated Financial Statements

Accounting schedules

Introduction

The accounting schedules as at 31 December 2012 have been reclassified where necessary for the purposes of providing a like-for-like comparison concerning the following:

- Change in the scope of consolidation – Equity investments in subsidiaries.
- Change in the useful life of Centro Latte Rapallo trademarks
- Application of IAS 19 revised – Employee benefits

Notes:

- The references in the first column are to the individual item or group of items in the reclassified accounting schedules;
- The references in the second column are to the breakdown and analysis of the individual items set out in the notes, if present.

INCOME STATEMENT (amounts shown in Euros)

			31/12/2013	31/12/2012 redetermined	31/12/2012
1ec	**1ene**	**Revenues from sales**	**98,058,351**	**98,465,375**	**103,226,901**
		Of which from affiliate	-	*631,436*	-
2ec	2ene	Other revenues	1,838,176	922,739	963,998
3ec	3ene	Change in inventories of semi-finished and finished goods	70,476	(112,189)	(114,657)
		Total revenues from sales and services	**99,967,003**	**92,275,295**	**104,076,242**
4ec	4ene	Raw and ancillary materials, consumables and goods	**(53,548,558)**	**(51,501,519)**	**(54,515,673)**
		Of which vis-à-vis affiliate	**-**	*(52,164)*	-
		Personnel costs	**(14,133,034)**	**(13,947,217)**	**(14,577,442)**
5ec	5ene	Wages and salaries	(9,983,120)	(9,858,587)	(10,320,720)
6ec	6ene	Social security contributions	(3,285,638)	(3,187,114)	(3,333,522)
7ec	7ene	Employee severance indemnity	(695,582)	(731,591)	(753,275)
8ec	8ene	Other costs	(168,694)	(169,925)	(169,925)
		Depreciation, amortisation and write-downs	**(3,781,471)**	**(5,545,807)**	**(5,749,298)**
9ec	9ene	Amortisation of intangible fixed assets	(148,092)	(1,707,475)	(1,707,475)
10ec	10ene	Depreciation of tangible fixed assets	(3,383,458)	(3,639,267)	(3,830,041)
11ec	11ene	Write-downs of current receivables	(249,921)	(199,066)	(211,782)
		Other operating costs	**(27,374,793)**	**(27,966,054)**	**(28,815,437)**
12ec	12ene	Services	(25,201,242)	(25,392,757)	(26,175,617)
13ec	13ene	Lease and rental costs	(658,291)	(572,793)	(624,647)
		Of which vis-à-vis parent company	-	*(9,509)*	-
14ec	14ene	Allowances for risks	(463,405)	(529,324)	(529,324)
15ec	15ene	Sundry operating expenses	(1,051,855)	(1,471,180)	(1,485,849)
		EBIT	**1,129,147**	**314,698**	**418,391**
16ec	16ene	Financial income	76,075	115,791	122,231
17ec	17ene	Financial charges	(750,588)	(1,081,848)	(1,708,943)
18ec	18ene	Capital gain on equity investment disposal	1,606,207	-	-
19ec	19ene	Adjustment to equity investments	(3,919)	(2,363)	(2,363)
20ec	20ene	Financial income from equity investments in affiliate	40,000	-	-
		Pre-tax profit (loss)	**2,096,922**	**(653,723)**	**(1,170,685)**
21ec	21ene	Income taxes	(910,953)	(1,039,637)	(1,086,063)
22ec	22ene	(Deferred) prepaid taxes	83,944	581,827	586,809
23ec	23ene	**Taxes for previous years**	**-**	548,291	570,997
		NET PROFIT (LOSS) (A)	**1,269,914**	**(563,242)**	**(1,098,942)**
		Parent Company's shareholders	1,269,214	(563,242)	(1,098,942)
		Number of shares with voting rights	10,000,000	10,000,000	10,000,000
		Diluted net earnings (loss) per share	0.127	(0.056)	(0.109)

STATEMENT OF COMPREHENSIVE INCOME (amounts shown in Euros)

	31/12/2013	31-dic-12 redetermined	31-dic-12
NET PROFIT (LOSS) (A)	**1,269,914**	**(563,242)**	**(1,098,942)**
Actuarial gains (losses) due to defined-benefit retirement plans	658,768	(753,072)	-
Effetto fiscale relativo a altri utili (perdite)	(142,087)	162,427	-
TOTAL OTHER COMPREHENSIVE PROFITS (LOSSES) (B)	**516,681**	**(590,645)**	**-**
COMPREHENSIVE NET PROFIT (LOSS) (A+B)	**1,786,595**	**(1,153,887)**	**(1,098,942)**
Parent Company's shareholders	1,786,595	(1,153,887)	(1,098,942)
Number of shares with voting rights	10,000,0000	10,000,000	10,000,000
Diluted net earnings (loss) per share	0.178	(0.115)	(0.109)

STATEMENT OF EQUITY AND FINANCIAL POSITION - ASSETS (amounts shown in Euros)

		ASSETS	31/12/2013	31/12/2012 redetermined	31/12/2012
		NON-CURRENT ASSETS			
	1ne	**Tangible fixed assets**	**52,652,271**	**54,365,309**	**55,255,187**
1		Land	11,687,533	11,687,533	11,721,569
1		Buildings	21,694,200	22,289,665	22,724,031
1		Plants and machinery	17,067,249	18,520,532	18,761,666
1		Industrial and commercial equipment	1,648,019	1,259,374	1,599,299
1		Other	180,976	596,780	437,197
2		Fixed assets under development and advances	374,294	11,425	11,425
	3ne	**Intangible fixed assets**	**11,776,938**	**11,925,031**	**11,925,031**
3		Trademarks	11,126,670	11,126,671	11,126,671
3		Goodwill	350,078	350,078	350,078
3		Software	300,190	448,282	448,282
		Financial fixed assets	**331,082**	**1,242,585**	**250,092**
4	4ne	Equity investments in affiliates	45,000	1,006,293	45,000
4	4ne	Other financial assets	22,584	27,003	27,203
5	5ne	**Deferred tax assets**	263,498	209,288	209,288
		TOTAL NON-CURRENT ASSETS	**64,760,291**	**67,532,924**	**67,461,710**
		CURRENT ASSETS			
	6ne	**Inventories**	**3,473,064**	**3,574,913**	**3,833,708**
6		Raw and ancillary materials and consumables	2,121,993	2,267,778	2,384,925
6		Finished products and goods	1,351,071	1,307,135	1,448,783
		Trade and other receivables	**24,654,807**	**26,439,891**	**28,895,523**
7	7ne	Trade receivables	16,210,281	17,978,702	18,548,482
8	8ne	Receivables from affiliates	-	1,530	202
9	9ne	Tax assets	5,335,473	4,971,638	5,053,654
10	10ne	Receivables from others	2,805,783	3,104,125	3,127,434
11	11ne	**Financial receivables from affiliates**	303,271	385,089	385,089
		Cash and cash equivalents	**7,822,113**	**6,234,638**	**6,557,530**
12	12ne	Bank and postal accounts	7,628,594	5,845,244	6,155,403
13	13ne	Cash and valuables on hand	193,519	389,394	402,128
		TOTAL CURRENT ASSETS	**35,949,984**	**36,249,442**	**37,506,099**
		TOTAL ASSETS	**100,710,275**	**103,782,367**	**104,967,809**

STATEMENT OF EQUITY AND FINANCIAL POSITION - LIABILITIES (amounts shown in Euros)

		LIABILITIES AND NET EQUITY	31/12/2013	31-dic-12 redetermined	31/12/2012
14	14ne	**Share capital**	**20,600,000**	**20,600,000**	**20,600,000**
		Reserves	**19,664,443**	**18,740,702**	**18,767,140**
15		Share premium account	14,324,578	14,324,578	14,324,578
16		Revaluation reserve	196,523	196,523	196,523
17		Legal reserve	1,019,111	1,019,111	1,019,111
18		Other reserves	2,315,302	2,515,302	2,515,302
19		Consolidation reserve	1,679,365	1,679,365	1,679,365
20		Non-distributable IFRS first-time adoption reserve	134,886	134,886	134,886
21		Profits (losses) carried forward	(982,275)	(731,836)	(169,698)
22		Merger surplus	166,015	166,015	166,015
23		Profit (loss) for the period	1,269,914	(563,242)	(1,098,943)
	14ne	**GROUP NET EQUITY**	**40,723,419**	**39,340,702**	**39,367,139**
		NON-CURRENT LIABILITIES			
24	15ne	Long-term loans	13,387,872	16,498,745	16,498,745
25	16ne	Long-term payables to other lenders	3,909,080	4,758,682	4,758,682
26	17ne	Deferred taxes	3,823,192	3,852,926	3,852,926
		Provisions	**4,655,726**	**4,824,349**	**5,101,026**
27	18ne	Employee severance indemnity	3,312,559	3,763,046	4,039,723
28	19ne	Provision for Directors' indemnity at the end of their term in office	138,056	76,389	76,389
29	20ne	Provision for liabilities and charges	1,205,111	984,914	984,914
		TOTAL NON-CURRENT LIABILITIES	**26,331,425**	**29,934,702**	**30,211,379**
		CURRENT LIABILITIES			
		Financial payables	**10,475,399**	**10,653,554**	**10,686,691**
30	21ne	Payables to banks	4,782,215	3,092,500	3,092,735
31	22ne	Current share of long-term loans	4,843,620	6,741,037	6,773,939
32	23ne	**Current share of payables to other lenders**	849,564	820,017	820,017
		Trade and other payables	**23,735,589**	**23,853,409**	**24,702,599**
33	24ne	Trade payables	18,417,660	17,431,945	18,152,940
34	25ne	Payables to affiliates' shareholders	-	3,488	2,093
35	26ne	Payables to parent company	-	1,701	1,701
36	27ne	Tax liabilities	333,344	586,978	626,433
37	28ne	Payables to social security authorities	859,579	1,683,303	1,714,218
38	29ne	Other payables	4,125,006	4,145,993	4,205,212
		TOTAL CURRENT LIABILITIES	**33,655,432**	**34,506,962**	**35,389,289**
		TOTAL EQUITY AND LIABILITIES	**100,710,275**	**103,782,367**	**104,967,809**

Cash flow statement (amounts shown in Euros)

	31/12/2013	31/12/2012 redetermined	31/12/2012
Initial cash availability	3,142,138	153,291	410,195
A. Cash flow from operating activities			
Profit (loss) for the year	1,269,914	(563,242)	(1,098,942)
Amortisation of intangible fixed assets	148,092	1,707,475	1,707,475
Depreciation of tangible fixed assets	3,383,458	3,639,267	3,830,041
Total depreciation, amortisation and write-downs	**3,531,550**	**5,346,742**	**5,537,516**
Employee severance indemnity accrued in the FY, net of indemnities already paid and OCI effect	(128,995)	(226,836)	418,566
Provision for Directors' indemnity at the end of their term in office	61,667	45,833	45,833
Deferred taxes	(29,735)	(526,191)	(526,191)
Accrual to (Use of) provision for liabilities and charges	220,197	611,555	611,554
Total net accruals	**123,134**	**(95,639)**	**549,762**
Change in net working capital			
Net trade receivables and other receivables (intra-group included)	1,850,576	4,929,117	4,866,583
Inventories	101,849	56,676	33,584
Other receivables	(119,703)	1,078,799	1,041,710
Suppliers (parent company and intra-group included)	980,525	(4,598,573)	(4,571,784)
Sundry payables	(844,711)	877,038	889,325
Tax liabilities	(253,634)	53,907	76,718
Total change in net working capital	**1,714,902**	**2,396,964**	**2,336,136**
Operating cash flow	**6,639,499**	**7,084,825**	**7,324,472**
B. Cash flow from (for) investing activities			
Net acquisitions of technical fixed assets	(1,670,420)	(483,867)	(596,966)
Net acquisitions of intangible assets	-	1,864	(20,024)
Financial (investments) divestments	965,712	(20,024)	1,863
Total cash flow from (for) investing activities	**(704,708)**	**(502,029)**	**(615,128)**
Free cash flow	**5,934,795**	**6,582,797**	**6,709,344**
C. Cash flow from change in shareholders' equity			
Dividends paid	(200,000)	(200,000)	(200,000)
Total cash flow from change in shareholders' equity	**(200,000)**	**(200,000)**	**(200,000)**
D. Cash flow from financing activities			
Change in medium/long-term financial payables	(5,837,033)	(3,393,950)	(3,454,744)
Total cash flow from financing activities	**(5,837,033)**	**(3,393,950)**	**(3,454,744)**
Total cash flows for the period	**(102,239)**	**2,988,847**	**3,054,600**
CASH AND BANKS AT YEAR-END (net of payables to banks)	**3,039,897**	**3,142,138**	**3,464,795**
Of which bank accounts and cash on hand	7,822,113	6,234,638	6,557,530
Of which payables to banks	(4,782,215)	(3,092,500)	(3,092,735)
Financial charges paid	750,588	1,019,024	1,019,024
Taxes paid	1,074,000	1,191,085	1,191,085

Changes in redetermined shareholders' equity **(amounts shown in Euros)**

	At 01/01/2012	Result allocation	Dividend payment	Comprehensive net profit (loss)	Changes for the period	At 31/12/2012
Share capital	20,600,000	-	-	-	-	20,600,000
Share premium account	14,324,578	-	-	-	-	14,324,578
Revaluation reserve	196,523	-	-	-	-	196,523
Legal reserve	1,005,079	14,032		-	-	1,019,111
Other reserves	2,648,689	66,613	(200,000)	-	-	2,515,302
Consolidation reserve	1,679,365	-	-			1,679,365
Non-distributable IFRS first-time adoption reserve	134,886	-	-	-	-	134,886
Profits (losses) carried forward	920,124	(1,101,847)	-	(550,113)	-	(731,836)
Merger surplus	166,015		-	-	-	166,015
Profit (loss) for the period	(1,021,202)	1,021,202	-	-	(563,242)	(563,242)
	40,654,057	**-**	**(200,000)**	(550,113)	**(563,242)**	**39,340,702**

	At 01/01/2013	Result allocation	Dividend payment	Comprehensive net profit (loss)	Changes for the period	At 31 December 2013
Share capital	20,600,000	-	-	-	-	20,600,000
Share premium account	14,324,578	-	-	-	-	14,324,578
Revaluation reserve	196,523	-	-	-	-	196,523
Legal reserve	1,019,111	-	-	-	-	1,019,111
Other reserves	2,515,302		(200,000)	-	-	2,315,302
Consolidation reserve	1,679,365	-	-	-	-	1,679,365
Non-distributable IFRS first-time adoption reserve	134,886	-	-	-	-	134,886
Profits (losses) carried forward	(731,836)	(563,242)	-	312,802	-	(982,276)
Merger surplus	166,015		-	-	-	166,015
Profit (loss) for the period	(563,242)	563,242	-	-	1,269,914	1,269,914
	39,340,702	**-**	**(200,000)**	**312,802**	**1,269,914**	**40,723,419**

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

2013 Consolidated Financial Statements

Notes to the 2013 Consolidated Financial Statements

The Group.

The Parent Company, Centrale del Latte di Torino & C. S.p.A., incorporated and domiciled in Turin, Italy, at Via Filadelfia 220, manages, coordinates and provides general guidance for the industrial, commercial, managerial and financial policies of its subsidiary, Centrale del Latte di Vicenza S.p.A.

The Group deals with the processing, transformation and sale of:

- milk and dairy products
- packaged products in the fresh and ultra-fresh segment
- fresh vegetables.

The publication of the 2013 consolidated financial statements was authorised by the Board of Directors on 7 March 2014.

Scope of consolidation.

The line-by-line method is applied to the consolidation of equity investments in operating companies in which the Group holds a direct or indirect interest and controls the majority of voting rights or has the power to determine their financial and management policies in order to obtain the benefits of their activities.

Changes in the scope of consolidation.

The deed of the merger that took place on 1 April 2013 was filed with Companies' House, rendering effective the incorporation of Centro Latte Rapallo S.p.A. into Centrale del Latte di Torino & C. S.p.A..

In 2013 Centrale del Latte di Torino & C. S.p.A. sold the equity investment it held in Frascheri S.p.A..Consequently, the financial statements for the year of Centrale del Latte di Torino & C. S.p.A. and its 100% subsidiary Centrale del Latte di Vicenza S.p.A. – Via Faedo 60 – Vicenza have been incorporated into the consolidated financial statements drawn up.Both financial statements were drawn up using the same accounting standards and approved by the respective Boards of Directors.

Consolidation techniques.

In preparing the consolidated financial statements, the assets, liabilities, costs and revenues of consolidated companies are added up line by line, attributing minority-interest shareholders their portion of net equity and the profit or loss for the period in specific items in the balance sheet and statement of comprehensive income.If control of a company is acquired during the year, the Group's share of that company's costs and revenues is recognised in the consolidated financial statements beginning on the date on which control is acquired.

The main adjustments applied in preparing the condensed consolidated interim financial statements are as follows:

- the carrying amounts of consolidated equity investments are derecognised, along with the subsidiary's net equity;
- dealings among the consolidated entities in the form of payables and receivables and costs and revenue are derecognised;
- the difference between the price of the equity investment and the present value of the acquiree's assets and liabilities at the acquisition date is recognised among intangible assets.

Structure and content of the accounting schedules.

The financial statements at 31 December 2013 consist of the consolidated statement of financial and equity position, consolidated statement of comprehensive income, consolidated cash flow statement, statement of changes in equity and explanatory notes.

The consolidated statement of comprehensive income has been presented according to the one-statement approach and classified according to the nature of the costs.The consolidated cash flow statement is presented using the indirect method.

Where necessary, the comparative figures from the consolidated financial statements at 31 December 2012 have been restated to provide a consistent basis of comparison with the figures at 31 December 2013.

The consolidated financial statements at 31 December 2013, the accounting schedules and the pertinent notes are in Euros.

Audit

The consolidated financial statements at 31 December 2013 are subject to audit by KPMG S.p.A..

Accounting and assessment standards

The consolidated financial statements at 31 December 2013 were drafted in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and approved by the European Union, and as required by the measures enforcing article 9 of Legislative Decree no. 38/2005.IFRS also include the International Accounting Standards (IAS), still in force, as well as all the interpreting documents issued by the International Financial Reporting Interpretations Committee (IFRIC), previously named Standing Interpretations Committee (SIC).

These consolidated financial statements were drafted in continuity with the standards applied in the previous FY, except for the new features introduced by the new amendments, indicated below, in force as of 2013.

These consolidated financial statements were drafted on the historical cost principle, on a going concern basis, except for the "other financial assets" carried at cost.

The following accounting standards, amendments and interpretations effective from 1 January 2013 and not relevant to the company should be noted:

- Amendments to IFRS 1 First-time adoption of IFRS – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to IFRS – Financial instruments:supplementary information– Offsetting financial assets and financial liabilities
- IFRS 13 – Fair value measurement
- Amendments to IAS 12 Income taxes – Deferred tax:recovery of underlying assets
- IFRIC 20 – Stripping costs in the production phase of a surface mine

Please note that the following accounting principles, amendments and interpretations, effective as of 1 January 2013, have been applied for the first time. Their effects are shown in the information provided together with this report:

- IAS 19 (revised) - Employee benefits
- Amendments to IAS 1 – Presentation of financial statements. Presentation of Items of Other Comprehensive Income

In drafting the consolidated financial statements for FY 2009 at 31 December 2013, a number of assessments, estimates and hypotheses were formulated that have an impact on the application of the accounting standards and on the amounts of the assets, liabilities, costs and revenue indicated in the financial statements.The estimates and assumptions are based on previous experience and on other factors considered reasonable in the relevant cases, and were adopted in order to estimate the book value of assets and liabilities that could not readily be deduced from other sources.It should be noted, however, that these are estimates and therefore the final figures may differ from the estimated figures.Estimates are used to show provisions for credit risk, inventory obsolescence, amortisation and depreciation, write-downs of assets, employee benefits, taxes, and provisions for liabilities and charges.

These estimates and assumptions are revised regularly.Any changes deriving from the revision of accounting estimates are shown in the period in which the revision takes places, where the revision affects that period only.Where the revision affects both the current and future periods, the change is shown in the period in which the revision took place and in the relevant future periods.

The accounting standards and assessment criteria are illustrated below.

Intangible fixed assets

Intangible fixed assets can have a definite useful life, or an indefinite useful life if the length of the period during which said assets are able to generate positive cash flows cannot be readily predicted.

These fixed assets are entered as credit in the statement of financial position when it is likely that the use of the assets will determine future economic benefits and when the cost of the assets can be reliably determined.They are entered at contribution value, at acquisition price or production cost, inclusive of any ancillary expenses.

Further to initial booking:

- Intangible assets with definite useful lives are amortised systematically on the basis of their expected future use so that the net amount at period end corresponds to their residual use or recoverable amount according to company production plans.Amortisation begins when the asset becomes available for use;
- Intangible assets with an indefinite useful life are entered at the cost adjusted for impairment; they are therefore not amortised, but are subjected to impairment tests at least once a year.

In 2013, the company transferred the brands Centro Latte Rapallo, Latte Tigullio and those of Centrale del Latte di Torino & C. S.p.A. and those of Centrale del Latte di Vicenza S.p.A. from assets with a definite useful life to assets with an indefinite useful lifebecause over the last few years they have gained in strength and visibility.Specifically, during 2013 there was a further increase in market share and new products were launched; these factors have contributed to lengthening the useful life of the assets. In the light of these changes, it is believed that, for the moment, it is not possible to predict for how long these brands are expected to generate positive cash flows for the company, and they are therefore considered as having an indefinite useful life.

All the brands have been subjected to impairment tests conducted by an external, independent body, which have showed results congruent with those shown in the financial statements.

Because this is a change in accounting estimates, as provided for by IAS 8, it has been applied prospectively, and therefore has no impact on the values of the previous FY.

The line item "Goodwill" represents the fair value of the payment transferred, plus the amount recognised of any equity investments held by third parties in the company purchased, less the net amount recognised (usually the fair value), of the identifiable assets purchased.Goodwill is tested for impairment on an annual basis or more frequently if events that may result in impairment losses have occurred.

The "software" category" includes the group operating system, used to manage all company activities.

Tangible fixed assets

Tangible fixed assets are recognised at purchase cost, plus any directly attributable accessory expenses required to prepare the asset for use and less commercial allowances or discounts.The period-end amount is net of accumulated depreciation.

The depreciation charges recognised in the statement of comprehensive income have been calculated systematically and consistently according to rates deemed representative of the estimated economic and technical lives of the assets, as illustrated below:

- Buildings 2% - 4%
- General plants 3.4% - 10%
- Specific plants 16% - 18,4%
- Equipment 3.8% - 20%
- Office furniture and ordinary equipment 5% - 12%
- Electronic equipment 20% - 25%
- Motor vehicles and internal means of transport 6.6% - 20%
- Motor vehicles 25% - 25%

The depreciation period begins from the financial year in which the asset is available for use.

Land is not depreciated, as it is presumed to have an indefinite useful life.

The land on which the Group's facilities stand was measured at fair value by independent experts during the transition to international accounting standards.

Profits and losses deriving from the divestment or sale of fixed assets, calculated with reference to their book value, are entered among operating income and expenses on the statement of comprehensive income.Maintenance and repair costs are charged to the statement of comprehensive income for the financial year in which they were incurred, except for those of an incremental nature, which are charged to the fixed assets they refer to and are amortised on the basis of their residual use.Incremental expenses are those reasonably likely to increase future economic benefits, such as a rise in useful life, an increase in productive capacity, an improvement in product quality, or the adoption of production processes that lead to a substantial reduction in production costs.

Assets held through financial leasing contracts through which are substantially transferred all the risks and benefits linked to ownership are initially shown as tangible fixed assets at their fair value, or, if lower, at the current value of the minimum payments due for the leasing contract and subsequently depreciated in relation to the relative useful life.The corresponding liability owed to the lessor is entered in the financial statements among payables to other lenders.

Impairment of fixed assets

Tangible fixed assets, intangible fixed assets and other non-current assets are periodically subjected to impairment tests, each time circumstances indicate that they may be impaired.Excepted from this are intangible fixed assets with an indefinite useful life and goodwill, both subjected to impairment tests at least once a year, as provided for by IAS 38, the value of a fixed asset is reduced if its net carrying amount exceeds its recoverable amount, which is defined as the greater of its net market value (fair value less costs to sell) and current value in use.

Financial instruments

Equity investments carried at equity

These are equity investments in affiliates that are measured according to the equity method in the consolidated financial statements on the basis of the most recently approved financial statements available, adjusted to ensure they are consistent with international accounting standards.

Other financial assets

Equity investments in other companies are carried at fair value.Profits and losses deriving from changes in fair value are charged directly to net equity (fair value reserve) until they are transferred or become impaired; in which case overall profits and losses are charged to the income statement for the period.When fair value cannot be reliably determined, equity investments are carried at the cost adjusted for impairment, the effect of which is recognised in the income statement.

Stocks widely traded on regulated markets are entered at fair value, with reference made to the stock price registered at close of trading on the closing date of the period, with variations in fair value recorded in the statement of comprehensive income if held for trading.

Financial assets and liabilities

Financial assets and liabilities are initially recognised at their fair value, plus any directly attributable transaction costs, whereas subsequent measurements are conducted using the amortised cost method.

Derivative financial instruments

The Group did not hold any derivative financial instruments in 2013.

Trade receivables and payables

Trade receivables, which are set to come due under normal commercial terms, are presented at their presumed realisable values.

Trade payables, which are set to come due under normal commercial terms, are recognised at their face values.

Cash and cash equivalents

These include bank deposits and cash holdings carried at par value.

Inventories

They are entered at whichever is lower between the purchase cost and the market value.For finished products, cost is determined on the basis of the direct production cost, plus overheads directly attributable to the product. For marketed products, raw materials and consumables, the weighted average cost for the year is used.The net market value is determined on the basis of sales prices net of sales costs.

Accruals and deferrals

These are calculated using the accrual accounting method and in application of the matching principle that offsets revenue against expenses for the same financial year. They include costs or revenue common to two or more financial years and are entered under other receivables and other payables.

Employee benefits – Employee severance indemnity

Employee severance indemnity is compulsory for Italian companies under Law 297/1982.Effective 1 January 2007, the decrees implementing the budget act introduced considerable changes in the rules governing employee severance indemnity, including the worker's choice of how to allocate future accruals.In particular, workers may allocate new accruals to specific pension plans or keep them with their employers (in which case the Company pays employee severance indemnity accruals into a treasury account with the INPS).The amendment of the law has resulted in the transformation of the nature of the employee severance indemnity from a defined-benefit plan to a defined-contribution plan for future accruals, whereas it continues to be regarded as defined-benefit plans for accruals prior to 31 December 2006.

Actuarial gains and losses are shown in the statement of comprehensive income – OCI, net of the fiscal effect and charged to net equity.

Provision for liabilities and charges

These provisions are entered into the financial statements when the Group has a legal or implicit obligation to pay particular amounts, as a result of past events, and it is probable that a financial outflow will be required from the Group in order to settle the obligation.These amounts are recognised in the financial statements only when it is possible to carry out a reliable estimate of the pertinent amount.

Contingencies which represent only possible liabilities are described in the notes, in the section of the comments on provisions.

In the event of merely remote events, i.e. events that are highly unlikely to occur, no provision is recognised, nor is any relevant information provided.

Provisions are presented at the current amount of expected outlays where the discount effect is material.

Revenues

Revenues are carried at the fair value of the payment received or owed, net of any discounts, refunds, credits, and bonuses.

Revenues on the sale of an asset are recognised when the entity has substantially transferred all risks and rewards of ownership of that asset to the buyer.

Revenues on services rendered are recognised when the degree of completion of the transaction at the reporting date for the financial statements may be reliably determined according to the date of accrual of the service.

Public contributions

Contributions are entered into the financial statements only when it is reasonably certain that the company will comply with the conditions set for receiving the contribution and that those contributions will effectively be received.Public contributions for plants are entered as deferred revenue and are systematically charged as income to the income statement during the useful life of the asset they refer to.

Contributions for current expenses are carried to the income statement in the financial year in which the conditions exist for their recognition.

Costs

Costs are carried at the fair value of the amount paid or payable.

They are entered into the financial statements on an accrual accounting principle, net of returns, discounts, premiums and bonuses.

Financial income and expenses

Financial expenses incurred for investments in assets for which a set period of time is normally required for the asset to be ready for use or sale (qualifying assets*)*, are capitalised and amortised through the useful life of the class of assets they refer to.Financial income and other expenses are shown and entered in the financial statements on an accrual accounting principle.

Taxes

Taxes payable for the period are determined in accordance with the current fiscal regulations.

Deferred taxes are calculated on temporary differences between the recognised amounts of assets and liabilities and the amounts of those assets and liabilities for tax purposes.Deferred tax assets are only recognised where it is likely that the entity will earn taxable income against which it may set off the temporary deductible difference.Deferred tax liabilities are recognised on all the temporary taxable differences.In addition, the tax consolidation program governed by Presidential Decree 971/86, amended by Legislative Decree 344/2003, was introduced in 2005. The program allows for optional group taxation, which consists of determining a single taxable group income for the ultimate parent company corresponding to the algebraic sum of the net total incomes of participants and thus a single income tax for Group companies.

The companies that joined the tax consolidation regime are Centro Latte Rapallo S.p.A. (a company merged by incorporation effective from 1 January 2013) and Centrale del Latte di Vicenza S.p.A.The option is valid for three financial years from the one that closed at 31 December 2011.

Segment reporting

The organisation of the Group is based on a single business segment for the production and sale of food products.

EPS

Earnings per share are calculated by dividing earnings by the weighted average number of shares outstanding during the period. It is presented at the foot of the statement of comprehensive income

BREAKDOWN OF ASSETS

NON-CURRENT ASSETS

Tangible fixed assets (1ne)

Changes in tangible fixed assets and the pertinent provisions are broken down in the tables below:

TANGIBLE FIXED ASSETS	**Land**	**Buildings**	**Plants and machinery**	**Industrial and commercial equipment**	**Other**	**Total**	**Fixed assets under development**	**Totals**
Historical cost	**11,721,568**	**33,854,935**	**47,479,854**	**7,611,154**	**2,846,820**	**103,514,331**	**11,425**	**103,525,756**
Accumulated depreciation	-	(11,130,904)	(28,718,186)	(6,332,795)	(2,088,685)	(48,270,570)		(48,270,570)
Initial amount	**11,721,568**	**22,724,031**	**18,761,666**	**1,278,359**	**758,135**	**55,243,761**	**11,425**	**55,255,186**
Historical cost due to change in the scope of consolidation	(34,035)	(664,284)	(1,612,933)	(189,190)	(644,488)	(3,144,930)		(3,144,930)
Accumulated depreciation due to change in the scope of consolidation		229,918	1,371,799	170,205	483,130	2,255,052		2,255,052
Redetermined amount	**11,687,533**	**22,289,665**	**18,520,532**	**1,259,374**	**596,777**	**54,353,883**	**11,425**	**54,365,306**
Reclassifications	-	-	-	320,939	(320,934)	-	-	-
Acquisitions	-	239,956	607,061	255,614	365,570	1,468,200	374,294	1,842,494
Transfers	-	-	11,425	-	-	11,425	(11,425)	-
Disposals and eliminations	-	-	(47,546)	(143,120)	(318,475)	(509,141)	-	(509,141)
Use of provisions	-	-	38,858	105,906	192,300	345,752	-	345,752
Depreciation	-	(835,421)	(2,063,080)	(150,694)	(334,262)	(3,383,457)	-	(3,383,457)
Final amount	**11,687,533**	**21,694,200**	**17,067,249**	**1,648,019**	**180,976**	**11,687,533**	**374,294**	**52,652,271**

Changes in accumulated depreciation of tangible fixed assets:

TANGIBLE FIXED ASSETS	**Buildings**	**Plants and machinery**	**Industrial and commercial equipment**	**Other**	**Total**
Initial amount	**11,130,904**	**28,718,186**	**6,332,253**	**2,089,224**	**48,270,567**
Accumulated depreciation due to change in the scope of consolidation	229,918	1,371,799	170,205	483,130	2,255,052
Redetermined amount	**11,360,821**	**30,089,985**	**6,502,458**	**2,572,354**	**50,525,618**
Use of provisions	-	(47,546)	(105,906)	(192,300)	(345,752)
Depreciation	835,421	2,063,080	150,694	334,262	3,383,457
Final amount	**12,196,242**	**32,105,519**	**6,547,246**	**2,714,316**	**53,563,322**

Tangible fixed assets include the net book value of machinery under finance lease contracts for € 6,912,210.

Intangible fixed assets (3ne)

Changes in intangible fixed assets and the pertinent provisions are broken down in the tables below:

INTANGIBLE FIXED ASSETS	**Trademarks**	**Software**	**Total**
Historical cost	32,733,813	740,462	33,474,275
Accumulated amortisation	(21,607,1473)	(292,180)	(21,899,325)
Initial amount	**11,126,670**	**448,282**	**55,373,602**
Acquisitions	-	-	-
Amortisation for the period	-	(148,092)	(773,561)
Final amount	**11,126,670**	**300,190**	**10,801,390**

List of other financial equity investments (4ne)

Equity investments in other companies are broken down in the table below:

	31/12/2012	31-dic-12 redetermined
Capitalimpresa S.p.A.	18,718	22,637
Consorzio CFV	1,700	1,700
Other equity investments individually worth less than one thousand euro	2,866	2,666
Total equity investments in other companies	**22,584**	**27,003**

Deferred tax assets (5ne)

The following table illustrates the changes in the temporary differences that gave rise to deferred tax assets:

	Initial amount	Increases	Decreases	Final amount
Allocation to taxed provisions for risks	325,000	160,000	-	485,000
Amortisation recovered further to audit	143,550	-	(10,550)	133,000
Tax recovery of depreciation of buildings	109,382	-	-	109,382
Remuneration of directors	69,900	83,847	(69,900)	83,847
Supplementary customer indemnity	14,397	-	(8,388)	6,009
Membership fees	1,611	20,921	(1,611)	20,921
	663,840	**264,768**	**(90,449)**	**838,159**

Deferred tax assets were calculated on temporary differences for the year and the final amount of those differences, net of amounts recovered in 2013, by applying the IRES (corporate income tax) rate of 27.5% and the IRAP (regional production tax) rate of 3.9%.The following table illustrates the changes in deferred tax assets:

	Initial amount	Increases	Decreases	Final amount
Allocation to taxed provisions for risks	104,061	50,240	-	154,301
Amortisation recovered further to audit	48,648	-	(3,313)	45,336
Tax recovery of depreciation of buildings	34,347	-	-	34,347
Remuneration of directors	17,207	23,058	(19,223)	21,042
Supplementary customer indemnity	4,519	-	(2,307)	2,212
Membership fees	506	5,753	-	6,259
	209,288	**79,051**	**(24,842)**	**263,498**

CURRENT ASSETS

Inventories (6ne)

Inventories at 31 December 2013 amounted to € 3,473,064.They were broken down as follows:

	Initial amount	Initial amount due to change in the scope of consolidation	Initial amount - redetermined	Final amount	Change
Raw and ancillary materials and consumables	2,363,584	117,147	2,267,778	2,121,993	(145,785)
Finished products and goods	1,448,783	141,647	1,307,135	1,351,071	43,936
	3,812,367	**258,794**	**3,574,913**	**3,473,064**	**(101,849)**

Trade receivables (7ne)

Trade receivables, all of which were due within one year, came to € 16,210,281 at 31 December 2013, derive from normal commercial sales transactions and have been presented net of the associated provisions for impairment. In further detail, the provisions allocated to account for receivables claimed in bankruptcies have been fully and directly applied to decrease the amounts of the associated assets, reducing those amounts to zero.

The following table provides a breakdown of provisions for impaired receivables and changes in those provisions during 2013:

	Initial amount	Initial amount due to change in the scope of consolidation	Initial amount - redetermined	Increases	Decreases	Final amount
Taxed provision for impaired receivables	636,625	-	373,962	160,000	3,909	530,053
0.5% provision for bad debts	373,962	17,737	618,889	89,921	141,222	567,588
	1,010,587	**17,737**	**992,851**	**249,921**	**145,131**	**1,097,641**

Tax assets (9ne)

	31/12/2013	31-dic-12 redetermined	Change in the scope of consolidation	31/12/2012
VAT receivable	4,189,435	3,687,937	53,700	3,741,638
Direct taxes	1,115,913	1,245,729	28,316	1,274,045
Employee severance indemnity withholdings	30,125	23,841	-	23,841
Withholding taxes on interest receivable	-	14,130	-	14,130
Total tax assets	**5,335,473**	**4,971,638**	**82,016**	**5,053,654**

Other receivables (10ne)

Receivables from others include:

	31/12/2013	31-dic-12 redetermined	Change in the scope of consolidation	31/12/2012
Receivables for performance guarantees received securing the payment of the surtax in accordance with Law 486/92 (milk quotas)	1,726,704	1,997,967	-	1,997,967
Receivables from distributors	471,160	501,841	-	501,841
Credits to be received	275,721	264,353	2,280	266,633
Accrued income and prepaid expenses	194,424	182,785	15,783	198,568
Deposits	46,853	50,380	3,990	54,371
Miscellaneous	36,038	37,402	1,256	38,657
Receivables from social security institutions	20,332	9,563	-	9,563
Loans to employees	15,356	24,973	-	24,973

Advances on salaries	13,570	14,175	-	14,175
Advances to suppliers	5,625	20,686	-	20,686
Total other receivables	**2,805,783**	**3,104,125**	**23,309**	**3,127,434**

Accrued income and prepaid expenses

The following table illustrates the breakdown of accrued income and prepaid expenses:

	31/12/2013	31-dic-12 redetermined	Change in the scope of consolidation	31/12/2012
PREPAID EXPENSES				
Maintenance fees	62,501	51,283	-	51,283
VAT guarantee policies	33,043	38,714	-	38,714
Loan fees	43,767	36,700	-	36,700
Lieu tax	10,990	20,195	-	20,195
Other costs	6,288	16,634	1,152	19,017
Insurance	-	-	13,681	13,681
Leases	21,231	13,589	-	13,589
Advertising costs	2,205	4,440	-	4,440
Software leases	-	-	948	948
Total prepaid expenses	**180,025**	**182,784**	**15,782**	**198,568**
ACCRUED INCOME				
Interest on bank accounts	14,400	-	-	-
Total accrued income	**14,400**	**-**	**-**	**-**
TOTAL ACCRUED INCOME AND PREPAID EXPENSES	**194,425**	**182,784**	**15,782**	**198,568**

Cash and cash equivalents (12ne+13ne).

Cash and cash equivalents, all of which are freely available, came to € 7,822,113 and are presented in the schedule that illustrates financial position in the analysis of financial payables.

BREAKDOWN OF LIABILITIES

SHAREHOLDERS' EQUITY

Share capital (14ne)

Share capital, fully subscribed and paid-up, came to € 20,600,000, divided into 10,000,000 shares with a par value of € 2.06.

Changes in the Group's net equity are illustrated in the specific schedule of the consolidated financial statements at 31 December 2013.

Availability and eligibility for distribution of equity reserves

	Nature	Use	Available	Eligible for distribution
Share capital		-	-	-
Share premium account	Profits/capital	-	YES	YES
Revaluation reserve	Profits/capital	-	YES	YES
Legal reserve	Profits/capital	-	YES	YES
Other reserves	Profits/capital	-	YES	YES
Consolidation reserve	Profits/capital	-	YES	NO
Non-distributable IFRS first-time adoption reserve	Profits/capital	-	NO	NO
Profits (losses) carried forward	Profits (losses)	-	NO	NO
Merger surplus	Merger	-	NO	NO
Profit (loss) for the period	Profits (losses)	-	NO	NO

The following schedule reconciles the profit or loss for the period and net equity of the Parent Company with the profit or loss for the period and net equity in the consolidated financial statements:

	Result for the period	**Shareholders' equity**
Balances from accounting schedules of Centrale del Latte di Torino & C. S.p.A. at 31 December 2013	1,153,709	42,800,532
Result for the year of Centrale del Latte di Vicenza S.p.A.	(973,587)	25,161,335
Derecognition of equity investments in companies within the scope of consolidation	1,089,791	(27,198,328)
Other consolidation adjustments	-	(40,121)
Balances as consolidated accounting schedules at 31 December 2013	**1,269,914**	**40,723,419**

NON-CURRENT LIABILITIES

Financial payables (15ne+16ne+21ne+22ne+23ne)

The following is an analysis of the items that comprise the Company's financial indebtedness, sub-divided by maturity.

Financial payables to banks and other lenders amounted to € 27,772,351, broken down as follows:

	Within 12 months	**Over one year, within 5 years**	**Over 5 years**	**Total payables over 1 year**	**Total payables**
Payables to banks for loans	4,843,620	8,373,585	5,014,287	13,387,872	18,231,521
Payables to other lenders	849,564	2,566,414	1,342,666	3,909,080	4,758,644
Totals	**5,693,184**	**10,939,999**	**6,356,953**	**17,296,952**	**22,990,136**

The item "payables to other lenders" refers to finance lease contracts.

Medium/long-term loans are broken down as follows:

Issuer	**Amount granted**	**Amount paid**	**Residual debt**	**Last deadline**	**Guarantees**
Banca Passadore& C. S.p.A. Euribor rate 6 months + 1.35	2,500,000	2,500,000	833,334	01/07/14	---
Deutsche Bank S.p.A. Euribor rate 3 months + 0.80	2,500,000	2,500,000	937,500	14/03/15	---
Credito Emiliano S.p.A. Euribor rate 6 months + 1.60	1,000,000	1,000,000	508,144	19/04/15	---
Unicredit S.p.A. Euribor rate 6 months + 1.40	1,300,000	1,300,000	243,750	31/5/15	First mortgage on industrial property located in Casteggio (PV) for € 2,600,000
Monte dei Paschi di Siena S.p.A. Euribor rate 6 months + 0.70	2,000,000	2,000,000	617,789	30/06/15	---
Banca Sella S.p.A. **Euribor 3 mesi + 3,25**	1,500,000	1,500,000	1,016,097	1/10/15	---
Unicredit S.p.A. Euribor rate 3 months + 1.85	2,000,000	2,000,000	1,404,257	30/09/16	---
Banca Regionale Europea S.p.A. Euribor rate 6 months + 0.80	2,500,000	2,500,000	2,019,194	08/09/17	---

Banco Popolare S.c.p.a. **Euribor**	1,780,000	1,780,000	1,780,000	28/06/18	---

Issuer	Amount granted	Amount paid	Residual debt	Last deadline	Guarantees
Unicredit S.p.A. Euribor rate 6 months + 1.80	10,000,000	10,000,000	6,571,429	30/06/25	Mortgage on an owned property in Vicenza for € 20 million
Unicredit S.p.A. Euribor rate 6 months + 2.80	3,000,000	3,000,000	2,300,000	30/06/25	Mortgage on an owned property in Vicenza for € 20 million

The following table presents total residual debt, broken down by maturity:

	within 12 months	over one year, within 5 years	over 5 years	Totals
Unicredit S.p.A.	1,429,287	4,075,863	5,014,287	10,519,437
Banca Regionale Europea S.p.A.	490,217	1,528,977	-	2,019,194
Banca Passadore& C. S.p.A.	833,334	-	-	833,334
Deutsche Bank S.p.A.	625,500	312,500	-	937,500
Credito Emiliano S.p.A.	333,333	174,811	-	508,144
Banca Sella S.p.A.	499,827	516,267	-	1,016,094
Monte dei Paschi di Siena S.p.A.	410,122	207,667	-	617,789
Banco PopolareS.c.p.a.	222,500	1,557,500	-	1,780,000
	4,843,620	**8,373,585**	**5,014,287**	**18,231,492**

Payables to other lenders can be broken down as follows:

	within 12 months	over one year, within 5 years	over 5 years	Totals
Finance lease payables	849,564	2,566,414	1,342,666	4,758,644
	849,564	**2,566,414**	**1,342,666**	**4,758,644**

Finance lease payables refer to leases of plant and equipment.

Financial position.

The following table contains an illustration of the Company's net financial position at 31 December 2013 in accordance with the requirements of CONSOB Notice No. DEM/6264293 of 28 July 2006 and the CESR's recommendations of 10 February 2005, CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No. 809/2004:

	31/12/2013	31-dic-12 redetermined	Change in the scope of consolidation	31/12/2012
Cash and cash equivalents (12ne+13ne)	7,822,113	6,234,638	322,893	6,557,530
Total current financial assets	**7,822,113**	**6,234,638**	**322,893**	**6,557,530**
Payables to banks	(4,782,215)	(3,092,500)	(235)	(3,092,735)
Current share of medium/long-term loans (22ne)	(4,843,620)	(6,741,037)	(32,902)	(6,773,939)
Current share of payables to other lenders (23ne)	(849,564)	(820,017)	-	(820,017)
Total current financial liabilities	**(10,475,399)**	**(10,653,554)**	**(33,138)**	**(10,686,691)**
Payables for medium/long-term loans (15ne)	(13,387,872)	(16,498,745)	-	(16,498,745)

Payables to other lenders for medium/long-term loans (16ne)	(3,909,080)	(4,758,682)	-	(4,758,682)
Total non-current financial liabilities	**(17,296,952)**	**(21,257,427)**	**-**	**(21,257,427)**
Total financial liabilities	**(27,772,351)**	**(31,910,981)**	**(33,138)**	**(31,944,118)**
Net financial position	**(19,950,239)**	**(25,676,343)**	**289,755**	**(25,386,588)**

Loan covenants

No covenants apply to the loans issued to the Company.

Deferred taxes (17ne)

The following table illustrates the changes in the provisional differences that gave rise to deferred taxes:

	Initial amount	Increases	Decreases	Final amount
Trademarks	10,512,843	-	-	10,512,843
Measurement of land	1,663,000	-	-	1,663,000
Elimination of tax interference – accelerated amortisation	57,564	-	(25,269)	56,295
Adjustment of employee severance indemnity to present value	11,208	-	-	11,208
Capital gains	12,394	-	(12,394)	-
	12,257,009	**-**	**(63,663)**	**12,193,346**

Deferred tax liabilities have been calculated on temporary differences for the year and the final amount of those differences, net of amounts recovered in 2013, by applying the IRES (corporate income tax) rate of 27.5% and the IRAP (regional production tax) rate of 3.9%.The following table illustrates the changes in deferred tax liabilities:

	Initial amount	Increases	Decreases	Final amount
Trademarks	3,159,917	-	-	3,159,917
Measurement of land	522,182	-	-	522,182
Elimination of tax interference – accelerated amortisation	163,336	-	(22,244)	141,092
Adjustment of employee severance indemnity to present value	3,085	-	(3,085)	-
Capital gains	4,407	-	(4,407)	-
	3,852,926		**(29,736)**	**3,823,191**

Long-term provisions

Employee severance indemnity (18ne)

At 31 December 2013 the severance indemnity amounted to € 3,312,559.

Initial amount	**4,039,723**
Change in the scope of consolidation	(276,676)
Initial amount - redetermined	**3,763,046**
Service cost	225,051
Decreases and uses	(158,857)
Actuarial loss (income)	(516,681)
Final amount	**3,312,559**

Actuarial gains and losses are shown in the statement of comprehensive income – OCI, net of the fiscal effect and charged to net equity.

The key actuarial assumptions pertain to the technical interest rate, inflation rate and the revaluation rate for salaries and employee severance indemnity.Technical assessments were conducted on the basis of the assumptions set forth below:

- technical annual discount rate 3.15%

- annual inflation rate 2.00%
- annual rate of severance indemnity increase 3.00%

The Iboxx Eurozone Corporates AA 10 + index was used as the discount rate.

Provision for indemnities for Directors at the end of their term in office (19ne).

The provision for indemnities for Directors at the end of their term in office amounted to € 138,056.The methods of calculation used are set out in the Report on Corporate Governance.

Provision for liabilities and charges (20ne)

With regard to the provision for liabilities and charges, see the heading "Other risks".

	Initial amount	Increases	Decreases	Final amount
Provision for future capital losses	844,413	463,405	265,309	1,042,509
Provision for risks – milk quotas	25,631	-	-	25,631
Provision for customer indemnities	114,870	22,102	-	136,971
	984,914	**485,507**	**265,309**	**1,205,111**

CURRENT LIABILITIES

Short-term payables to banks (21ne- 22ne) totalled € 9,070,279 and related to uses of credit lines and current shares for mortgages.

Current share of payables to other lenders (22ne) amounted € 849,564.

Trade payables (24ne) amounted to € 18,417,660, all payable by year-end.

Payables to affiliates (25ne) were not present.

Payables to parent company (26ne) were not present.

Tax liabilities (27ne) came to € 333,334 and comprise the following line items:

	31/12/2013	31-dic-12 redetermined	Change in the scope of consolidation	31/12/2012
Payables for employees' withholding taxes	186,954	365,986	12,393	378,379
Payables for income taxes	99,055	207,861	22,829	230,690
Withholdings payable on independent contractors' fees	47,335	13,131	4,233	17,264
	333,344	**586,978**	**39,455**	**626,433**

Payables to social security authorities (28ne) consist of social-security contributions payable on wages and salaries and the contributions associated with the separate management of coordinated ongoing independent contractors for a total amount of € 859,579.

The item "Other payables" (29ne) includes:

	31/12/2013	31-dic-12 redetermined	Change in the scope of consolidation	31/12/2012
Surtaxes payable under Law 486/92 (milk quotas)	1,778,155	2,049,416	-	2,049,416
Payables for wages and salaries	1,596,210	1,329,379	54,641	1,384,020
Accrued liabilities and deferred income	410,380	567,689	58	567,747
Payables for remuneration of directors and auditors	208,647	66,072	-	66,072
Withholdings from milk producers payable under Law 88/88	77,974	77,974	-	77,974
Other payables	38,757	37,022	4,520	41,542
Security deposits received	12,578	12,579	-	12,579

Employee trade union withholdings	2,305	5,864	-	5,864
	4,125,006	**4,145,993**	**59,220**	**4,205,212**

Accrued liabilities and deferred income are broken down as follows:

	31/12/2013	31-dic-12 redetermined	Change in the scope of consolidation	31/12/2012
DEFERRED INCOME				
Contributions to operating expenses	297,550	218,368	-	218,368
Other	77,100	202,808	-	202,808
Total deferred income	**374,660**	**421,176**	**-**	**421,176**
ACCRUED LIABILITIES				
Interest on bank loans	21,910	40,498		40,498
Accrued personnel costs	-	65,175		65,175
Warehouse rentals	-	29,500		29,500
Other charges	13,810	11,340	58	11,398
Total accrued liabilities	**35,720**	**146,513**	**58**	**146,571**
TOTAL ACCRUED INCOME AND PREPAID EXPENSES	**410,380**	**567,689**	**58**	**567,747**

COMMITMENTS AND OTHER CONTINGENT LIABILITIES

There were no off-balance sheet commitments or other contingent liabilities at 31 December 2013.

BREAKDOWN OF INCOME STATEMENT ITEMS

Following the merger by incorporation of Centro Latte Rapallo S.p.A. into Centrale del Latte di Torino & C. S.p.A., all the items that make up the income statement have been redetermined in order to allow for a like-for-like comparison.

REVENUES

Revenues from sales and services (1ene)

Breakdown of sales by turnover segment (1ene):

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012	
Fresh milk	43,750,217	45%	44,904,423	45,5%	(1,154,206)	-2,6%	45,805,102	44%
UHT milk	19,265,966	20%	18,882,592	19,0%	383,375	2,0%	19,585,734	19%
Yogurt	8,077,139	8%	8,270,217	8,8%	(193,077)	-2,3%	8,420,890	8%
Fresh vegetables	4,732,696	5%	4,922,828	5,3%	(190,132)	-3,9%	5,270,964	5%
Bulk milk and cream	3,687,378	4%	3,682,553	3,6%	4,825	0,1%	3,780,222	4%
Other packaged products	18,544,955	19%	17,802,762	17,7%	742,192	4,2%	20,363,989	20%
Total	**98,058,351**	**100%**	**98,465,375**	**100%**	**(407,024)**	**-0.4%**	**103,226,901**	**100%**

Breakdown of other revenues (2ene)

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012	
Extraordinary income	735,120	40%	252,101	27%	483,019	192%	259,025	27%
Recoveries	606,826	33%	227,402	25%	379,424	167%	227,402	15%
Other	191,170	10%	216,497	23%	(25,327)	-12%	223,298	14%
Sales of salvaged materials	39,617	2%	37,430	4%	2,187	6%	37,430	2%
Capital gains on asset disposal	39,496	2%	24,874	3%	14,621	59%	25,305	2%

Contributions from suppliers	23,113	1%	13,487	1%	9,626	71%	39,586	3%
Insurance refunds	22,051	1%	14,749	2%	7,303	50%	15,753	1%
Rental income	4,169	0%	3,117	0%	1,051	34%	3,117	0%
Contributions to operating expenses	176,614	10%	133,082	14%	43,532	33%	133,082	9%
Total	**1,838,176**	**100%**	**922,739**	**100%**	**915,437**	**99%**	**963,998**	**100%**

Use of raw materials and consumables (4ene)

The costs for raw materials and consumables amounted to € 53,548,558 and include:

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012	
Purchases of ingredients – sundry foodstuffs	33,717,415	63%	32,468,831	63%	1,248,584	4%	33,724,992	62%
Goods for resale	10,915,989	20%	10,353,218	20%	562,770	5%	7,865,860	14%
Packaging materials	7,841,788	15%	7,630,529	15%	211,259	3%	11,649,394	21%
Consumables and ancillary material	1,073,367	2%	1,048,939	2%	24,428	2%	1,275,427	2%
Total	**53,548,558**	**100%**	**51,501,518**	**100%**	**2,047,040**	**4%**	**54,515,673**	**100%**

Personnel costs (5ene+6ene+7ene+8ene)

Personnel costs totalled € 14,133,034, broken down as follows:

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012	
Wages and salaries	9,983,120	71%	9,858,587	71%	124,533	1%	10,320,720	71%
Social security charges	3,285,638	23%	3,187,114	23%	98,524	3%	3,333,522	23%
Employee severance indemnity	695,582	5%	731,591	5%	(36,009)	-5%	753,275	5%
Other costs	168,694	1%	169,925	1%	(1,231)	-1%	169,925	1%
Total	**14,133,034**	**100%**	**13,947,217**	**100%**	**185,817**	**1%**	**14,577,442**	**100%**

The employee severance indemnity accrued in 2013 may be considered a defined-contribution plan in the amount of € 695,582.

The average workforce came to 259 at 31 December 2013 (262 at 31 December 2012).

	Engagements	Resignations	Transfers	In service	Average workforce
Managers	1	1	-	15	15
Middle management	-	1	1	7	7
White-collar personnel	3	2	(1)	103	102
Blue-collar personnel	5	2	-	131	134
TOTAL	**9**	**6**	**-**	**256**	**259**

Amortisation and depreciation (9ene + 10ene)

Amortisation of intangible assets was calculated and recognised in the total amount of € 148,092.Depreciation of tangible assets was calculated and recognised in the total amount of € 3,383,458.

The following tables provide a breakdown of intangible and tangible assets by category:

	31/12/2013		31/12/2012		Change	
Licenses and trademarks	-	-	1,559,382	91%	(1,559,382)	-100%
Software	148,092	19%	148,092	9%	-	0%
Total	**148,092**	**100%**	**1,707,475**	**100%**	**(1,559,382)**	**-91%**

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012
Plants and machinery	2,063,080	61%	2,297,924	63%	(234,844)	-10%	2,326,790
Buildings	846,466	25%	785,624	22%	60,842	8%	855,847
Industrial and commercial equipment	473,912	14%	412,499	11%	61,413	15%	425,191

Other	-	0%	143,220	4%	(143,220)	- 100%	222,214
Total	**3,383,458**	**100%**	**3,639,267**	**100%**	**(255,809)**	**-7%**	**3,819,042**

Costs for services (12ene)

The costs for services amounted to € 25,201,242 and include:

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012
Transport for product distribution	8,848,182	35%	8,935,060	35%	(86,878)	-1%	9,015,809
Administrative services	3,116,695	12%	3,565,071	14%	(448,377)	-13%	3,684,375
Motive power and natural gas	2,941,326	12%	3,081,927	12%	(140,601)	-5%	3,166,032
Commercial and advertising services	2,460,007	10%	2,169,905	9%	290,102	13%	2,461,953
Industrial services	2,155,647	9%	2,378,914	9%	(223,267)	-9%	2,387,729
Purchase services	1,616,447	6%	1,548,698	6%	67,748	4%	1,553,596
Maintenance services	1,543,138	6%	1,432,492	6%	110,646	8%	1,593,170
Large-scale retailers' promotion contributions	1,479,928	6%	1,445,084	6%	34,844	2%	1,447,484
Free gifts with products	691,576	3%	477,402	2%	214,174	45%	487,095
Insurance services	348,296	1%	358,204	1%	(9,908)	-3%	378,375
Total	**25,201,242**	**100%**	**25,392,757**	**100%**	**(191,515)**	**-1%**	**26,175,617**

Lease and rental costs (13ene)

Lease and rental costs amounted to € 658,291.Industrial leases refer to leased plant.

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012	
Industrial leases	569,323	86%	454,665	79%	114,658	25%	476,921	569,323
Leases of premises and buildings	88,968	14%	118,128	21%	(29,160)	-25%	147,726	88,968
Total	**658,291**	**100%**	**572,793**	**100%**	**85,498**	**15%**	**624,647**	**658,291**

The minimum financial commitments for 2014 in connection with industrial leases that cannot be cancelled come to € 849,564.

Provisions for risks (14ene)

The provision amounts to a total of € 463,405, of which€ 337,405 for the ENASARCO dispute and € 126,000 allocated prudentially to support any losses that may be suffered by the affiliate GPP S**.r.l.**.

Sundry operating expenses (15ene)

Sundry operating expenses amounted to € 1,051,855 Euro and include:

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012
Taxes other than income taxes	604,199	57%	513,376	35%	90,823	18%	515,459
Contingent liabilities	257,320	24%	481,266	33%	(223,946)	-47%	484,163
Membership fees	101,946	10%	93,349	6%	8,597	9%	97,207
Capital losses	34,200	3%	182,949	12%	(148,749)	100%	182,949
Entertainment expenses	29,419	3%	11,471	1%	17,948	156%	11,471
Other	12,796	1%	50,598	3%	(37,802)	-75%	56,253
Subscriptions to magazines and books	7,071	1%	9,048	1%	(1,977)	-22%	9,048
Fines and penalties	4,904	0%	129,123	9%	(124,219)	-96%	129,300
Total	**1,051,855**	**100%**	**1,471,180**	**100%**	**(419,325)**	**-29%**	**1,485,849**

Financial income and charges (16ene + 17ene)

A breakdown of financial income and charges is shown in the table below:

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012	
Financial income								
Interest from banking institutions	56,607	74%	64,064	55%	(7,457)	-13%	40,224	33%

Interest on VAT refunds	13,251	17%	16,218	14%	(2,967)	-22%	65,789	54%
Other	6,216	8%	35,519	31%	(29,303)	-471%	16,218	13%
Total	**76,075**	**100%**	**115,801**	**100%**	**(39,726)**	**-52%**	**122,231**	**100%**

	31/12/2013		31/12/2012 redetermined		Change		31/12/2012	
Financial charges								
Interest on mortgages and loans	493,450	66%	691,611	66%	(198,162)	-40%	691,611	40%
Interest on current accounts	131,803	18%	214,037	20%	(82,234)	-62%	215,735	13%
Finance lease interest	72,326	10%	111,678	11%	(39,352)	-54%	111,678	7%
Performance bond expenses	49,273	7%	29,119	3%	20,154	41%	29,119	2%
Other	2,324	0%	1,022	0%	1,302	56%	2,282	0%
Interest on suppliers	1,412	0%	269	0%	1,143	81%	268	0%
Charges for employee severance indemnity discounting	-	-	-	-	-	-	624,138	37%
Interest on severance indemnity discounting	-	-	34,112	3%	(34,112)	-100%	34,112	2%
Total	**750,588**	**100%**	**1,047,736**	**100%**	**(297,148)**	**-40%**	**1,708,943**	**100%**

Capital gain on equity investment disposal (18ne)

The capital gain - € 1,606,207 – refers to the sale of 40% of the equity investment in Frascheri S.p.A.'s capital.

Adjustments to equity investments (19ene)

The negative adjustment refers to the equity investment in Capitalimpresa, and amounts to € 3919.

Financial income from equity investments in affiliates (20ene)

This income amounts to € 40,000 and refers to dividends on profits distributed by Frascheri S.p.A. during 2013.

Taxes (21ene + 22ene).

Income taxes, not including deferred tax assets and liabilities, came to € 910,953 compared to € 1,039,637 in FY2012.

	31/12/2012		31/12/2012 redetermined		Change	
IRES for the year 27.5%	403,324	44%	505,520	49%	(102,196)	-20%
IRAP for the year 3.9%	507,629	56%	534,117	51%	(26,489)	-5%
TOTAL TAXES	**910,953**	**100%**	**1,039,637**	**100%**	**(128,685)**	**-12%**
Prepaid and deferred taxes	(83,944)		(581,827)			
Taxes for previous years	-		(548,291)			
NET TOTAL TAXES	**827,008**		**(90,481)**			

Dealings with related parties.

The Company has not undertaken transactions with related parties beyond those presented in the following tables:

Equity investments in the issuer held by directors, statutory auditors and their non-legally separated spouses and minor children, either directly or through subsidiaries.

Relevant persons	Office	Shares held at 01/01/2013	Purchased in 2013	Sold in 2013	Shares held at 31/12/2013
Luigi LUZZATI	Chairman	166,062	-	-	166,062
Riccardo POZZOLI	Vice Chairman and Managing Director	59,125	-	-	59,125

Nicola CODISPOTI	Managing Director	50,000	-	-	50,000
Adele ARTOM	Director	3,593,864	-	-	3,593,864
Benedetto DE BENEDETTI	Director	751,529	-	-	751,529
Antonella FORCHINO	Director	137,306	-	-	137,306
Maurizio MACCHIAVELLO	Managing Director	10,000	-	-	10,000

Commercial dealings with other related parties.

In the past, the Parent Company entered into a lease agreement for an area adjacent to the Turin production facility used as a parking lot for the motor vehicles of its employees and distributors and a residence made available for use by the Company's employees, both of which were owned by the ultimate parent company, Finanziaria Centrale del Latte di Torino S.p.A., for a total amount of € 10,349.

The following table presents the situation of dealings with related parties at 31 December 2013:

	Receivables	Payables	Costs	Revenues
Finanziaria Centrale del Latte di Torino S.p.A. vis-à-vis				
Centrale del Latte di Torino & C. S.p.A. - subsidiary	-	-	-	9,573
	-	-	-	**9,573**
Centrale del Latte di Torino & C. S.p.A. vis-à-vis:				
Finanziaria Centrale del Latte di Torino S.p.A. – ultimate parent company	-	-	9,573	-
	-	**-**	**9,573**	**-**

Remuneration of Directors and Auditors.

For information regarding the remuneration paid to Directors and Auditors, see the report on the remuneration paid to members of the management and audit bodies, general managers and other key management personnel.

FINANCIAL AND OPERATIONAL RISKS

Risks associated with the business activity

The main risk related to the Company's specific industrial activity regards fluctuations in milk raw material prices.The Company contains this risk by drawing up annual agreements with milk producers, which set the purchase prices at the beginning of the dairy year and maintain those prices for the whole of the period that runs from 1 April to 31 March of the following year, save for particular circumstances in which agreements may be reached on a different basis.

For purchases made outside of the main supply channel, reference is made to the most advantageous market conditions available when the need arises.

Financial risks.

The financial instruments of the Company comprise bank loans, sight and short-term bank deposits.The aim of these instruments is to finance the Company's operating activities.Other financial instruments of the Company are trade payables and receivables deriving from operating activity.

The main risks generated by financial instruments are the interest rate, liquidity and credit risk.

Interest rate risk. The Company's exposure to interest rate risk is connected mainly to long-term loans and financing, to which are normally applied interest rates equivalent to 3 month and 6 month Euribor rates plus a fixed spread.With the application of the so-called "Basel 2" Accord, the companies are subjected to an analysis on the part of lending credit institutes that attribute a rating to them; the fixed spread may vary depending on the rating assigned.At the date of closure of these consolidated financial statements, no variations had been applied.

Liquidity risk. The Company contains liquidity risk by planning the use of liquidity by considering financial investments, financial assets (trade receivables and other financial assets) and cash flows expected from transactions.

Credit risk.The Company mainly deals with familiar, reliable clients.Receivables are monitored during the financial year in order to limit exposure to losses.The maximum risk is equivalent to the book value of these assets in the event of insolvency on the part of the counterparty.At the date of the financial statements, there were no overdue receivables that had not suffered impairment.

Other risks.

In relation to the dispute with the ENASARCO foundation of the incorporated party Centro Latte Rapallo S.p.A., on 29 January 2013, the Court of Rome ruled that the findings of the ENASARCO Foundation were valid, thus rejecting the appeal presented by Centro Latte Rapallo S.p.A.The Company appealed against this sentence of the court of first instance, since it is convinced of having applied the correct legal framework and that this interpretation will be confirmed in appeal.

Following an inspection on the part of the ENASARCO Foundation, in 2012 Centrale del Latte di Torino & c. S.p.A. received an injunction for € 658 thousand inclusive of penalties and interest, against which it rapidly presented an appeal, asking the Employment Tribunal of the Court of Rome to suspend the injunction.The Court of Rome has set April 1 2014 as the date for the first hearing.Although the company is firmly convinced that it is in the right, in the 2012 financial statements it nonetheless allocated a figure of € 329 thousand, equal to 50% of the request for payment presented by the ENASARCO foundation.During FY2013, Centrale del Latte di Torino & C. S.p.A. set aside a risk provision totalling € 337,405 to fully cover the payables to the counterparty, self-employed drivers identified at the time.Given the above, and in application of IAS 37, the Directors believe a possible risk exists.

Directly in relation with the ENASARCO dispute, the Guardia di Finanza (Italian Financial Police), following an inspection, drafted and gave notice of a Report on Findings for failure to pay withholding tax; this was followed by a Notice of Assessment issued by the Provincial Office of the Agenzia delle Entrate of Turin, requiring a payment of € 427,639, inclusive of interest and penalties.On 23 January 2014, although it considers the request set out in the aforementioned notice unfounded, Centrale del Latte di Torino & C. S.p.A. presented a settlement proposal containing the deductions in its defence.

Regarding the tax inspection concerning FY2004, please note that, following the sentence of the Regional Taxation Commission, which partially admitted the appeal presented by the company regarding the most significant findings, and the rebate of € 97 thousand paid out by Agenzia delle Entrate, the latter presented an appeal to the Supreme Court of Appeal against the sentence of the Regional Taxation Commission.

FEES OWED TO THE AUDITING FIRM KPMG S.p.A.

Article 149 duodecies of the Issuers' Regulations

Audit of yearly report and consolidated financial statements:€ 59,822

Audit of half-yearly report:€ 10,130

CORPORATE EVENTS

The deed of the merger that took place on 1 April 2013 was filed with Companies' House, rendering effective the incorporation of Centro Latte Rapallo S.p.A., with the improvements and streamlining in terms of organisation and efficiency this was expected to bring.

MATERIAL NON-RECURRING EVENTS AND TRANSACTIONS

In 2013 Centrale del Latte di Torino & C. S.p.A. sold the 40% equity investment it held in Frascheri S.p.A..

BUSINESS OUTLOOK.

The first months of the new FY have shown signs of a modest, fragilerecovery of the economy, with a positive increase in sales that has not been seen for many months.The activity carried out during 2013 with a view to expanding the Group's business outside of Italy has led to the signing of an important contract for the supply of UHT milk and a soya drink with a leading operator on the markets of China, Hong Kong and Macao, with interesting projects for growth.

As regards the purchase price of milk raw material, the international tension and speculation that pushed it up have slackened off, creating the conditions for a turnaround in the trend and making purchase prices likely to remain largely stable compared with 2013.

EVENTS FOLLOWING THE CLOSE OF THE FINANCIAL YEAR.

The month of February saw the beginning of exports of UHT milk and soya drinks, with regular weekly deliveries to China.