Gruppo Centrale del Latte di Torino & C.
Interim Financial Report at 30 june 2014

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Relazione finanziaria semestrale
al 30 giugno 2014

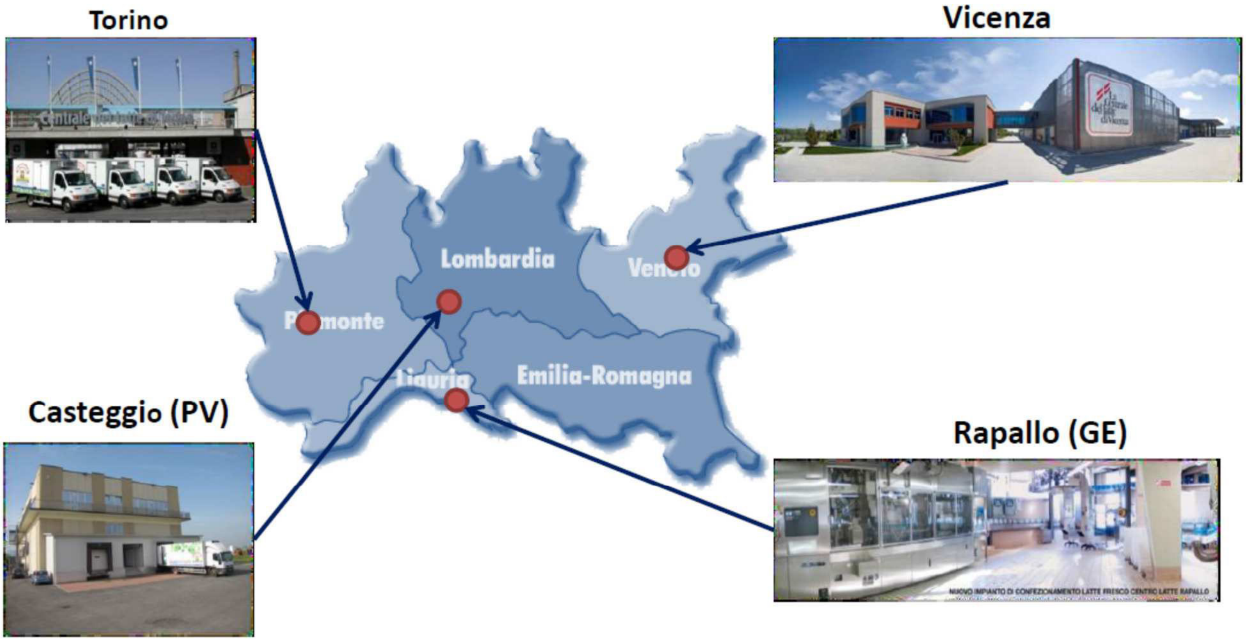
Gruppo Centrale del Latte di Torino & C.

Relazione intermedia sulla gestione

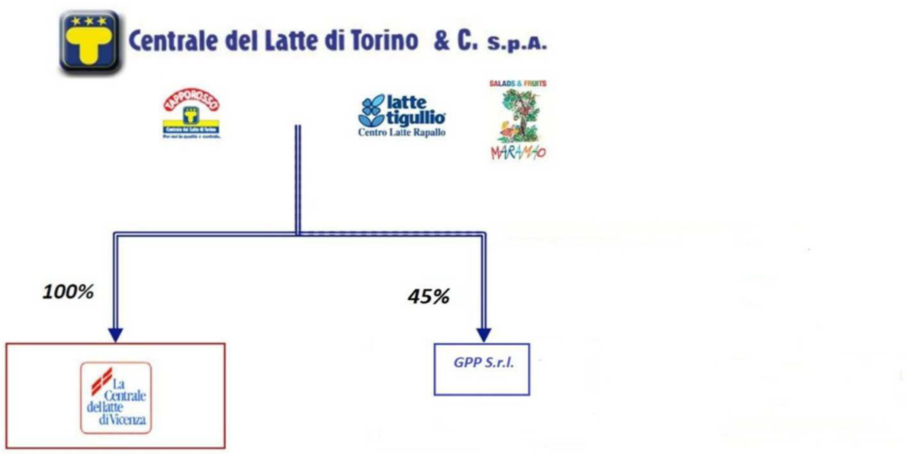
Il Gruppo

Il Gruppo Centrale del Latte di Torino & C. S.p.A. ha una dimensione interregionale, ed è specializzato nella produzione e commercializzazione diretta – anche attraverso l'unità produttiva Centro Latte Rapallo , e la controllata Centrale del Latte di Vicenza S.p.A. – di prodotti dell'industria lattiero caseario quali latte fresco, latte a lunga conservazione (UHT), yogurt e prodotti di IV gamma.
Grazie alla forte dinamicità e all'orientamento alla diversificazione, il gruppo ha da tempo attivato la vendita con propri marchi di prodotti confezionati nel segmento fresco come uova, formaggi, pasta, verdure, insalate di IV gamma realizzati direttamente e attraverso aziende terze attentamente selezionate.

Il Gruppo si caratterizza per un forte radicamento territoriale che vede in Piemonte, Liguria e Veneto la quasi totalità del suo giro d'affari con posizioni di leadership per ciò che riguarda il latte fresco e il latte a lunga conservazione.
Il Gruppo può contare su quattro stabilimenti produttivi dotati delle più avanzate tecnologie per il trattamento, il confezionamento e lo stoccaggio refrigerato dei prodotti ubicati a: Torino, Rapallo (Ge), Casteggio (Pv) e Vicenza.



Al 30 giugno 2014 il gruppo Centrale del Latte di Torino & C. S.p.A. è così strutturato:



Gli azionisti

Il capitale sociale della Società è pari a Euro 20.600.000,00 i.v. suddiviso in n. 10.000.000 di azioni ordinarie del valore nominale di Euro 2,06

Sulla base delle informazioni disponibili al 6 giugno 2014 sono iscritti al libro soci della Centrale del Latte di Torino & C. S.p.A. n. 2.050 azionisti così suddivisi.

Finanziaria Centrale del Latte di Torino S.p.A.	51,78%
Lavia s.s.	5,59%
Flottante	42,63%

La gestione economica del Gruppo

Andamento del Gruppo

Il primo semestre 2014 è stato caratterizzato da modesti e fragili segnali di ripresa economica che inducono a sperare in miglioramenti più consistenti almeno a partire dal 2015. Nel frattempo in un contesto ancora difficile il Gruppo ha registrato una crescita di vendite sia a volumi che a valori. Rispetto allo stesso periodo del 2013 le quantità vendute sono cresciute del 6% mentre il fatturato a valore è aumentato di 2,443 milioni di Euro pari al 5%. A tali incrementi ha contribuito l'avvio delle vendite verso la Cina che dopo un primo periodo di "rodaggio" troveranno il pieno compimento dell'accordo commerciale siglato, nel corso del prossimo semestre.

In una situazione economica generale ancora difficile è continuata in controtendenza la crescita del prezzo del latte italiano alla stalla. In un mercato europeo che rileva cali anche consistenti del prezzo, in Italia la tendenza resta sostenuta. Il primo semestre 2014 si chiude con un aumento del 9% rispetto allo stesso periodo del 2013. Gli aumenti del costo della materia prima non possono essere integralmente ribaltati sul prezzo di vendita al pubblico data la difficile situazione economica che il nostro Paese sta attraversando.

La costante attività di razionalizzazione e riduzione dei costi, che non ha intaccato le attività di marketing e promozione dei marchi del Gruppo né l'efficienza e la sicurezza delle Società del Gruppo, ha in parte coperto l'aumento del costo della materia prima senza però evitare una contrazione della marginalità operativa rispetto a quella rilevata al 30 giugno 2013. Marginalità che, viceversa è in linea con quella rilevata nel IV trimestre 2013 che scontava condizioni di mercato e di approvvigionamento della materia prima simili a quelle in corso.

Il valore della produzione al 30 giugno 2014 raggiunge i 51,781 milioni di Euro rispetto ai 49,577 milioni di Euro del I semestre 2013, il fatturato ammonta a 51,180 milioni di Euro contro i 48,737 milioni del 30 giugno 2013. Il margine operativo lordo passa dai 2,799 milioni di Euro del primo semestre 2013 ai 2,430 milioni di Euro del 30 giugno 2014, il margine operativo netto passa da 500 mila Euro del 30 giugno 2013 ai 764 mila Euro del I semestre 2014 ed infine il risultato netto alla fine del periodo oggetto della presente relazione è positivo per 55 mila Euro rispetto a una perdita di 255 mila Euro del 30 giugno 2013.

La tabella che segue pone a confronto i risultati e i margini del primo semestre 2014 con quelli dello stesso periodo dell'esercizio precedente:

	30-giu-14		30-giu-13		variazione	
Valore della produzione	51.781		49.577		2.204	4%
Margine operativo lordo	2.430	4,7%	2.799	5,6%	(369)	-13%
Margine operativo	764	1,5%	500	1,0%	264	53%
Risultato netto dopo le imposte	55	0,1%	(255)	-0,5%	310	121%

Il fatturato consolidato di Gruppo, alla fine del primo semestre 2014, ammonta a 51,180 milioni di Euro contro i 48,737 milioni di Euro con un incremento rispetto allo stesso periodo del 2013 di 2,443 milioni di Euro (+5%).

Il prospetto che segue illustra l'andamento delle vendite per segmento:

	30-giu-14		30-giu-13		variazione	
Latte fresco	21.592	42%	21.934	45%	(342)	-2%
Latte UHT	10.670	21%	9.210	19%	1.459	16%
Yogurt	4.071	8%	4.169	9%	(97)	-2%
Prodotti IV gamma	2.385	5%	2.424	5%	(39)	-2%
Latte e panna sfusi	1.997	4%	1.828	4%	168	9%
Altri prodotti confezionati	10.055	20%	9.172	19%	883	10%
Export	411	1%	-	-	411	100%
Totale	**51.180**	**100%**	**48.737**	**100%**	**2.443**	**5%**

Ripartizione geografica

Il prospetto che segue illustra il fatturato al 30 giugno 2014 suddiviso per aree geografiche:

	Latte fresco	Latte UHT	Yogurt	Prodotti IV gamma	Latte e panna sfusi	Altri confezionati	Totale
Piemonte							
30-giu-14	**12.343**	**6.577**	**1.072**	**1.435**	**1.201**	**3.237**	**25.864**
30-giu-13	12.373	6.109	1.061	1.478	1.040	3.231	25.293
Variazione %	0%	8%	1%	-3%	15%	0%	2%
Liguria							
30-giu-14	**5.684**	**621**	**371**	**699**	**102**	**4.467**	**11.944**
30-giu-13	5.891	576	384	707	94	3.807	11.459
Variazione %	-4%	8%	-3%	-1%	8%	17%	4%
Veneto							
30-giu-14	**3.565**	**3.472**	**2.628**	**251**	**694**	**2.351**	**12.961**
30-giu-13	3.669	2.525	2.724	239	694	2.134	11.985
Variazione %	-3%	38%	-4%	5%	0%	10%	8,1%
Altre							
30-giu-14	**-**	**-**	**-**	**-**	**-**	**-**	**-**
30-giu-13	-	-	-	-	943		943
Variazione %					-100%		-100%
Export							
30-giu-14	**-**	**352**	**-**	**-**	**-**	**58**	**410**
30-giu-13	-	-	-	-	-	-	-
		100%				100%	100%
30-giu-14	**21.592**	**11.022**	**4.071**	**2.385**	**1.997**	**10.113**	**51.180**
30-giu-13	21.934	9.210	4.169	2.424	1.828	9.172	48.737
Variazione %	**-2%**	**20%**	**-2%**	**-2%**	**9%**	**10%**	**5,0%**

Gli altri ricavi ammontano a 728 mila di Euro rispetto ai 1,060 milioni di Euro dello stesso periodo dell'esercizio precedente.

I costi operativi risultano in aumento rispetto al primo semestre 2013 in particolare, come detto in precedenza, a causa del costo della materia prima. Sono, viceversa in calo i costi per servizi mentre su i costi operativi pesa l'aumento dell'IMU sui fabbricati industriali.

Gli ammortamenti relativi alle immobilizzazioni materiali sono stati pari a 1,470 milioni di Euro (1,773 milioni di Euro nel 1° semestre 2013), mentre quelli relativi alle immobilizzazioni immateriali sono ammontati a 74 mila Euro.

Il costo per il personale ammonta a complessive 7,256 milioni di Euro (7,475 milioni di Euro al 30 giugno 2013). Il numero medio dei dipendenti al 30 giugno 2014 è di 260 persone (259 al 31 dicembre 2013 e 261 al 30 giugno 2013) così suddiviso:

Dirigenti	n.	16
Quadri	n.	9
Impiegati	n.	105
Operai	n.	133

Gli oneri e proventi finanziari. Gli oneri finanziari passano dai 383 mila Euro del primo semestre 2013 ai 431 mila del periodo chiuso al 30 giugno 2014. I proventi finanziari passano dai 40 mila Euro del 30 giugno 2013 a 37 mila Euro del 30 giugno 2014.

Per ciascuno dei paragrafi sin qui trattati e riguardanti i ricavi e i costi del primo semestre 2014 sono stati predisposti e pubblicati nelle note illustrative prospetti di illustrazione e confronto con il semestre dell'anno precedente in versione rideterminata.
La gestione economica e la situazione patrimoniale del Gruppo del primo semestre 2014 sono illustrate nel conto economico e nella situazione patrimoniale riclassificati all'allegato a).

L'allegato in questione riporta la descrizione dei criteri adottati nella predisposizione delle situazioni contabili riclassificate, apposite annotazioni di rinvio alle voci degli schemi obbligatori e le informazioni in ordine agli "indicatori alternativi di *performance*".

Posizione finanziaria

La posizione finanziaria netta dopo aver dato corso al pagamento del dividendo per 600 mila Euro e dell'acconto delle imposte per 218 mila Euro risulta negativa per 20,405 milioni di Euro. L'evoluzione della posizione finanziaria netta rispetto al 31 dicembre 2013 è illustrata nella tabella che segue:

	30-giu-14	**31-dic-13**
Disponibilità liquide (12ne+13ne)	8.903	7.822
Totale attività finanziarie correnti	**8.903**	**7.822**
Debiti verso banche (20ne)	(2.443)	(4.782)
Quota corrente di finanziamenti a medio lungo termine (21ne)	(6.068)	(4.844)
Quota corrente debiti verso altri finanziatori (22ne)	(832)	(850)
Totale passività finanziarie correnti	**(9.343)**	**(10.475)**
Debiti per finanziamenti a medio lungo termine (15ne)	(16.486)	(13.388)
Debiti verso altri finanziatori a medio lungo termine (16ne)	(3.479)	(3.909)
Totale passività finanziarie non correnti	**(19.965)**	**(17.297)**
Totale passività finanziarie	**(29.308)**	**(27.772)**
Posizione finanziaria netta	**(20.405)**	**(19.950)**

Le variazioni intervenute nella struttura patrimoniale e finanziaria del Gruppo rispetto al 30 giugno 2013 sono illustrate nel prospetto dei flussi di cassa.

INFORMATIVA SUI RISCHI FINANZIARI ED OPERATIVI DEL GRUPPO.

Rischi connessi all'attività

I rischi connessi all'attività propria della Società e del Gruppo sono strettamente legati all'andamento generale dell'economia in particolare l'andamento del Prodotto Interno Lordo, il livello di fiducia delle famiglie e delle imprese, l'andamento dei tassi di interesse, il costo delle materie prime, il tasso di disoccupazione, la facilità di ricorso al credito. L'andamento economico generale può pertanto condizionare negativamente o positivamente in maniera significativa le attività, le strategie e le prospettive della Società e del Gruppo.

I rischi connessi all'andamento del mercato nel settore lattiero caseario sono affrontati dal Gruppo svolgendo attività volte a mantenere e rafforzare la propria posizione di mercato attraverso il lancio di nuovi prodotti, lo sviluppo di nuovi mercati anche esteri, il mantenimento di elevati standard di qualità e sicurezza e la capillare distribuzione dei prodotti sul territorio e la massima attenzione alle esigenze della clientela.

Il rischio della fluttuazione del prezzo della materia prima latte è controllato stipulando contratti annuali con i produttori di

latte fissando il prezzo di acquisto all'inizio dell'annata casearia e mantenendolo, normalmente, tale per tutto il periodo che va dal 1 aprile al 31 marzo dell'anno successivo, fatte salve particolari situazioni nelle quali la contrattazione avviene su basi diverse.
Per acquisti al di fuori del canale principale di approvvigionamento si fa riferimento alle migliori condizioni di mercato proposte al momento della necessità.

I rischi connessi alla responsabilità del prodotto sono controllati tramite l'elevata attenzione del Gruppo alla qualità e alla sicurezza dei prodotti che ha consentito nel tempo di consolidare una tradizione di alta qualità e affidabilità riconosciuta dai consumatori. Tuttavia non essendo possibile escludere l'insorgenza di eventi causa di rischi relativi alla sicurezza alimentare il Gruppo ha sottoscritto adeguate polizze assicurative al fine di coprire i danni derivanti da problemi di qualità alimentare.
Rischi finanziari. Gli strumenti finanziari del Gruppo comprendono finanziamenti bancari, depositi bancari a vista e a breve termine. L'obiettivo di tali strumenti è di finanziare le attività operative del Gruppo. L'indebitamento finanziario del Gruppo è caratterizzato da indebitamento a medio lungo termine. I finanziamenti a medio lungo termine sono di norma stipulati a tasso variabile e non vengono utilizzati strumenti di copertura finanziaria. I principali rischi generati dagli strumenti finanziari sono il rischio di tasso di interesse , il rischio di liquidità e il rischio di credito.
Rischio di tasso. L'esposizione del Gruppo al rischio di tasso è connesso principalmente ai finanziamenti e mutui a lungo termine ai quali vengono normalmente applicati interessi pari all'Euribor a 3 mesi e a 6 mesi più uno *spread* fisso. Con l'applicazione del cosiddetto accordo "Basilea 2" tutte le società del Gruppo sono soggette all'analisi da parte degli istituti di credito che attribuiscono alle stesse un rating; sulla base del rating assegnato può variare in più o in meno lo *spread* fisso**.** Alla data di chiusura del presente bilancio consolidato nessuna variazione è stata applicata. Il dettaglio del tasso applicato ai singoli finanziamenti è riportato nella nota relativa ai debiti finanziari.
Rischio di liquidità. Il Gruppo controlla il rischio di liquidità pianificando l'impiego della liquidità considerando gli investimenti finanziari, le attività finanziarie (crediti commerciali e altre attività finanziarie) e i flussi finanziari attesi dalle operazioni.
Rischio di credito. Il Gruppo tratta prevalentemente clienti noti e affidabili. I singoli crediti vengono monitorati nel corso dell'esercizio in modo che l'importo delle esposizioni a perdite non sia significativo. Il rischio massimo è pari al valore contabile di queste attività in caso di insolvenza della controparte.
Rischio di concentrazione del fatturato. Il fatturato del Gruppo non rileva concentrazioni a favore di pochi soggetti. La clientela è ampia e appartiene ai segmenti della Grande Distribuzione Organizzata e del dettaglio tradizionale.
Altri rischi.
In relazione al contenzioso con la Fondazione ENASARCO dell'incorporata Centro Latte Rapallo S.p.A., in data 29 gennaio 2013 il Tribunale di Roma ha stabilito con propria sentenza che i rilievi mossi dalla Fondazione ENASARCO erano fondati respingendo pertanto il ricorso presentato dalla Centro Latte Rapallo S.p.A. Alla sentenza di primo grado la Società ha proposto ricorso in Appello fiduciosa di veder confermata la propria posizione in merito all'inquadramento giuridico applicato. La prossima udienza è prevista per il 29 novembre 2014. Con l'accantonamento di 337 mila Euro effettuato nel 2013 l'intero ammontare della contestazione ENASARCO è stato accantonato.
Centrale del Latte di Torino & c. S.p.A. a seguito di verifica ispettiva da parte della Fondazione ENASARCO ha ricevuto nel 2012 un decreto ingiuntivo per l'importo di Euro 658 mila comprensivo di sanzioni e interessi contro il quale la Società ha proposto tempestiva opposizione al Tribunale di Roma Giudice del Lavoro chiedendo la sospensione del decreto ingiuntivo. Il Tribunale di Roma nella prima udienza del 1° aprile 2014 nel rigettare la richiesta di concessione della provvisoria esecuzione ha ulteriormente rinviato l'espletamento dell'udienza al 30 ottobre 2014. La Società fermamente convinta della correttezza della propria posizione, ritenendo in applicazione dello IAS 37 il rischio possibile.
La Guardia di Finanza, a seguito di verifica ispettiva, ha redatto e notificato Processo Verbale di Constatazione per omessa ritenuta d'acconto di imposta nei confronti dei "padroncini" distributori. Il successivo Avviso di Accertamento emesso dalla Direzione Provinciale dell'Agenzia delle Entrate di Torino è stato notificato per 427 mila Euro comprensivi di interessi e sanzioni. Pur ritenendo priva di fondamento la pretesa avanzata con il citato accertamento, la Centrale del Latte di Torino & C. S.p.A. ha fatto istanza di accertamento con adesione, presentando le proprie deduzioni difensive. Il 30 maggio 2014 l'Agenzia delle Entrate ha irrogato le sanzioni per complessivi 355 mila Euro. A tale atto in data 17 maggio 2014 è stato depositato ricorso con istanza di sospensione successivamente accolta.
In merito alla verifica fiscale relativa all'esercizio 2004 si segnala che, dopo la sentenza della Commissione Tributaria Regionale che ha

parzialmente accolto l'appello presentato dalla società per i rilievi maggiormente significativi e il rimborso da parte dell'Agenzia delle Entrate di 97 mila Euro, la stessa Agenzia ha presentato ricorso in Cassazione contro la sentenza della Commissione Tributaria Regionale

Andamento del titolo della Centrale del Latte di Torino & C. S.p.A.

L'ultimo prezzo trattato alla fine del periodo oggetto della presente relazione è stato pari a 3,10 Euro per azione. Nel corso del primo semestre 2014 la quotazione massima raggiunta è stata di 6,23 Euro. L'andamento dei prezzi nei sei mesi precedenti ha rilevato un incremento del 93,61% mentre nell'anno l'incremento è stato del 102,55%.

Il titolo è caratterizzato da scambi giornalieri estremamente ridotti e da un flottante pari al 42,63% che lo rendono poco liquido e di conseguenza la quotazione non riflette il reale valore della Società.

Privacy

A seguito del D.L. 9 febbraio 2012 n. 5 cha ha abrogato l'articolo 26 del "disciplinare tecnico in materia di misure minime di sicurezza " non è più obbligatoria la tenuta e l'aggiornamento del Documento Programmatico sulla Sicurezza (DPS) così come stabilito dalla vigente normativa in materia di privacy. Si informa tuttavia che la Società e la sua controllata hanno adempiuto a quanto previsto in materia di protezione dei dati personali.

ALTRE INFORMAZIONI

Informazioni sull'adesione a codici di comportamento (art. 89-bis del regolamento Consob).

Codice di Autodisciplina. La capogruppo ha adottato un Codice di autodisciplina nell'applicazione della propria *Corporate Governance,* intesa quest'ultima come il sistema delle regole secondo le quali le imprese sono gestite e controllate. Il Codice nella sua ultima versione è stato approvato dal Consiglio di Amministrazione il 3 agosto 2012

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

Codice di comportamento *internal dealing.* La capogruppo ha adottato il Codice di comportamento diretto a disciplinare gli obblighi informativi e istituito il registro delle persone che hanno accesso a informazioni privilegiate, in ottemperanza a quanto previsto dagli artt. 2.6.3, 2.6.4 e 2.6bis del "Regolamento dei mercati organizzati e gestiti da Borsa Italiana S.p.A." approvato con delibera Consob n. 13655 del 9 luglio 2002 e dagli articoli 152*bis-ter-quater-quinquies-sexies-septies-octies* del Regolamento Consob per gli emittenti, inerenti le operazioni di cui all'articolo 2.6.4 del regolamento di Borsa effettuate per proprio conto da persone rilevanti così come definite dall'articolo 2 del Codice di comportamento *internal dealing.* Il codice di comportamento *internal dealing* nella sua ultima versione approvata dal Consiglio di Amministrazione il 13 febbraio 2007 è disponibile sul sito internet della società all'indirizzo: http://www.centralelatte.torino.it/ita/finanza/documenti/codice_internal_dealing_2007.pdf

Codice delle procedure per la gestione delle operazioni con parti correlate. La capogruppo ha adottato il Codice di comportamento con parti correlate in ottemperanza a quanto previsto dalla delibera Consob n. 17221 del 12 marzo 2010 e successive modifiche e integrazioni. Il codice di comportamento con parti correlate nella sua versione approvata dal Consiglio di Amministrazione l'11 novembre 2010 è disponibile sul sito internet della società all'indirizzo:

http://www.centralelatte.torino.it/ita/finanza/documenti/Procedure%20operazioni%20parti%20correlate.pdf

Modello di Organizzazione, gestione e controllo Dlgs 231/2001. La Centrale del latte di Torino & C. S.p.A. e le Società facenti parte del Gruppo hanno adottato il Modello di Organizzazione, gestione e controllo con le prescrizioni del Decreto Legislativo Dlgs 231/2001 e successive modifiche. Il Modello è disponibile sul sito internet della società all'indirizzo: http://www.centralelatte.torino.it/ita/finanza/investors.html

Azioni proprie.

La capogruppo non detiene azioni proprie né azioni della controllante. Nel corso dell'esercizio la capogruppo non ha alienato né acquistato azioni proprie e/o azioni della controllante.

Sedi della Capogruppo.

Sede legale amministrativa e produttiva: Torino, Via Filadelfia 220

Stabilimenti produttivi: Rapallo (Ge) Via S. Maria al campo 175 - Casteggio (Pv), Via Rossini 10

Consolidato fiscale.

La Capogruppo ha aderito all'istituto del consolidato fiscale insieme alla controllata Centrale del Latte di Vicenza S.p.A..

Piani di *stock options.*

Alla data del 30 giugno 2014 non sono in essere piani di *stock options.*

Rapporti infragruppo e con parti correlati.

Per quanto concerne le operazioni effettuate con parti correlate, comprese le operazioni infragruppo, queste non sono qualificabili né come atipiche né come inusuali, rientrando nel normale corso di attività delle società del gruppo. Dette operazioni sono regolate a condizioni di mercato. Le informazioni sui rapporti con parti correlate, incluse quelle richieste dalla comunicazione Consob del 28 luglio 2006, sono presentate nelle note illustrative.

EVENTI SOCIETARI

In data 30 aprile 2014 l'Assemblea ordinaria degli azionisti della Centrale del Latte di Torino & C. S.p.A. ha approvato il bilancio d'esercizio 2013, con la destinazione dell'utile di esercizio per 57.685 Euro a Riserva Legale, per 496.024 Euro a Riserva Straordinaria e la distribuzione di un dividendo di Euro 0,06 per ciascuna delle 10.000.000 di azioni per complessivi Euro 600.000 con utilizzo di una riserva di Patrimonio Netto con stacco il 5 maggio e pagamento l'8 maggio 2014 e ha nominato il Consiglio di Amministrazione per il triennio 2014 – 2015 – 2016.

PROGETTO DI RILOCALIZZAZIONE STABILIMENTO DI TORINO. Nel corso del mese di giugno la Capogruppo ha provveduto a presentare alla TNE-Torino Nuova Economia S.p.A. una manifestazione d'interesse per un'area nel territorio del Comune di Torino definita zona C "Area Mirafiori". L'esito positivo della manifestazione d'interesse con la conseguente assegnazione dell'area alla Centrale del Latte di Torino & C. S.p.A., ha sostanzialmente dato il via al progetto di rilocalizzazione dello stabilimento di Torino. Sono inoltre attesi ulteriori adempimenti burocratici da parte degli Enti competenti.
Le ragioni che sottendono la decisione della Società di dotarsi di un nuovo stabilimento produttivo sono legate alle prospettive di crescita e di sviluppo del gruppo, alla necessità di ampliamento della propria capacità produttiva garantendo la competitività a lungo termine dell'Azienda.
Parallelamente al piano di rilocalizzazione dello stabilimento, la Centrale del Latte di Torino & C. S.p.A. ha presentato al Comune di Torino un progetto preliminare per la riqualificazione urbanistica delle aree di proprietà di via Filadelfia dove sorge attualmente il sito produttivo. Tale operazione di valorizzazione, approvata all'unanimità dai componenti il Consiglio Comunale di Torino con delibera del 1° luglio 2014 n. 60 2014 02447/009, prevede lo sviluppo di volumi residenziali, commerciali e di verde pubblico e rappresenta per il Gruppo una importante fonte di risorse finanziarie che verranno destinate alla realizzazione del nuovo polo produttivo.

EVENTI SUCCESSIVI ALLA CHIUSURA DEL PERIODO

Nessun evento da menzionare si è verificato dopo la chiusura del periodo.

EVOLUZIONE DELL'ATTIVITA'.

Le aspettative di ripresa nella crescita economica e nei consumi interni non si sono al momento ancora concretizzate e nel secondo semestre si ritiene che le vendite del Gruppo a valore e volumi mantengano gli incrementi fino a qui ottenuti.
Il previsto calo nelle quotazioni della materia prima potrà portare a un recupero della marginalità

Torino, 1° agosto 2014

Il Presidente del Consiglio di Amministrazione
Luigi LUZZATI

Interim Financial Report
at 30 June 2014

Centrale del Latte di Torino & C. Group

Annexes to the Directors’ Interim Report

Reclassified schedules.

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

Reclassified consolidated statement of comprehensive income

		30/06/2014		30/06/2013	
1ec	Revenues from sales and services	51,180	98.8%	48,737	98.3%
3ec	Change in inventories	(127)	-0.2%	(206)	-0.4%
2ec	Other revenues and income	728	1.4%	1,046	2.1%
	Value of production	**51,780**	**100.0%**	**49,577**	**100.0%**
12ec+13ec	Services	(13,131)	-25.4%	(13,292)	-26.8%
4ec	Raw materials	(28,435)	-54.9%	(25,531)	-51.5%
15ec	Other operating costs	(527)	-1.0%	(479)	-1.0%
	Added value	**9,687**	**18.7%**	**10,274**	**20.7%**
5ec+6ec+7ec +8ec	Personnel costs	(7,256)	-14.0%	(7,475)	-15.1%
	EBITDA	**2,431**	**4.7%**	**2,799**	**5.6%**
11ec	Allocation to provision for bad debts	(122)	-0.2%	(74)	-0.1%
10ec	Depreciation of tangible fixed assets	(1,470)	-2.8%	(1,773)	-3.6%
9ec	Amortisation of intangible fixed assets	(74)	-0.1%	(387)	-0.8%
14ec	Allowances for risks	-	-	(65)	-0.1%
	EBIT	**764**	**1.5%**	**500**	**1.0%**
16ec	Financial income	37	0.1%	40	0.1%
17ec	Financial charges	(435)	-0.8%	(383)	-0.8%
18ec	Adjustment to equity investments	-	-	(68)	-0.1%
19ec	Financial income from equity investments in affiliate	-	-	40	0.1%
	Pre-tax result	**366**	**0.7%**	**129**	**0.2%**
20ec	Income taxes for the year	(381)	-0.7%	(592)	-1.2%
21ec	(Deferred) prepaid taxes	69	0.2%	208	0.4%
	Net profit (loss) for the period	**(*) 55**	**0.1%**	**(*) (255)**	**-0.5%**

STATEMENT OF COMPREHENSIVE INCOME

Total net profit (loss)	**55**	**(255)**
Actuarial gains (losses) due to defined-benefit retirement plans	256	**(284)**
Tax effect due to other profits (losses)	**(70)**	**61**
Total other comprehensive profits (losses)	**(186)**	**(223)**
Comprehensive net profit (loss)	**(131)**	**(478)**

(*) Result after income taxes

Reclassified consolidated equity and financial position

		30/06/2014		31/12/2013	
	Fixed assets				
1	Technical fixed assets	52,094		52,278	
2	Current technical fixed assets	246		374	
3	Intangible fixed assets	11,703		11,777	
4	Equity investments and securities	63		68	
11	Financial receivables from affiliates	140		303	
	Total fixed assets	**64,246**	**93.3%**	**64,800**	**93.7%**
	Working capital				
7+8	Trade receivables	17,156		16,210	
6	Inventories	3,587		3,473	
5+9+10	Other short-term assets	8,477		8,405	
33+34	Trade payables	(18,668)		(18,418)	
37+38	Other payables	(5,390)		(4,985)	
36	Tax liabilities	(568)		(333)	
	Net working capital	**4,595**	**6.7%**	**4,352**	**6.3%**
	LIABILITIES AND EQUITY	**68,841**	**100.0%**	**69,154**	**100.00%**
	Long-term liabilities and provisions				
27	Employee severance indemnity	3,688		3,313	
29	Other provisions	1,025		1,205	
28	Provision for Directors' indemnity at the end of their term in office	101		138	
26	Provision for deferred taxes	3,745		3,823	
	Total long-term liabilities and provisions	**8,560**	**12.4%**	**8,479**	**12.2%**
	Financial position				
12+13	Cash, banks and securities	(8,903)		(7,822)	
30	Payables to banks	2,443		4,782	
31	Current share of medium/long-term loans	6,068		4,844	
32	Current share of payables to other lenders	832		850	
25	Medium/long-term payables to other lenders	3,479		3,909	
24	Medium/long-term loans	16,486		13,388	
	Net financial position	**20,405**	**29.6%**	**19,951**	**28.9%**
	Shareholders' equity				
14	Share capital	20,600		20,600	
15+16+17+18+ 19+20+21+22+	Reserves	19,221		18,854	
23	Net profit (loss) for the period	(*) 55		(*) 1,270	
	Total Shareholders' Equity	**39,876**	**57.9%**	**40,724**	**58.9%**
	LIABILITIES AND EQUITY	**68,841**	**100.0%**	**69,154**	**100.0%**

(*) Result after income taxes

Interim Financial Report at 30 June 2014

Centrale del Latte di Torino & C. Group

Condensed Consolidated Interim Financial Statements

Introduction

Compared to the condensed consolidated financial statements at 30 June 2013, the Group also transferred the brands owned by 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 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 period closed at 30 June 2013.

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.

CONSOLIDATED INCOME STATEMENT (€/000)

			30/06/2014	30/06/2013
1ec	1ene	**Revenues from sales**	**51,180**	**48,737**
2ec	2ene	Other revenues	728	1,046
3ec	3ene	Change in inventories of semi-finished and finished goods	(127)	(206)
		Total revenues from sales and services	**51,781**	**49,577**
4ec	4ene	Raw and ancillary materials, consumables and goods	(28,435)	(25,531)
		Personnel costs	**(7,256)**	**(7,475)**
5ec	5ene	Wages and salaries	(5,003)	(5,118)
6ec	6ene	Social security contributions	(1,775)	(1,830)
7ec	7ene	Employee severance indemnity	(395)	(453)
8ec	8ene	Other costs	(83)	(75)
		Depreciation, amortisation and write-downs	**(1,666)**	**(2,233)**
9ec	9ene	Amortisation of intangible fixed assets	(74)	(387)
10ec	10ene	Depreciation of tangible fixed assets	(1,470)	(1,773)
11ec	11ene	Write-downs of current receivables	(122)	(74)
		Other operating costs	**(13,659)**	**(13,836)**
12ec	12ene	Services	(12,857)	(12,963)
13ec	13ene	Lease and rental costs	(275)	(329)
14ec	14ene	Allowances for risks	-	(65)
15ec	15ene	Sundry operating expenses	(527)	(479)
		EBIT	**765**	**500**
16ec	16ene	Financial income	37	40
17ec	17ene	Financial charges	(431)	(383)
18ec	18ene	**Adjustment to equity investments**	**(4)**	**(68)**
19ec	19ene	**Financial income from equity investments in affiliate**	**-**	**40**
		Pre-tax profit (loss)	**367**	**129**
20ec	20ene	Income taxes from tax consolidation	(381)	(592)
21ec	21ene	(Deferred) prepaid taxes	69	208
		NET PROFIT (LOSS) (A)	**55**	**(255)**
		Parent Company's shareholders	**55**	(255)
		Number of shares with voting rights	**10,000,000**	10,000,000
		Diluted net earnings (loss) per share	**0.005**	(0.03)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (€/000)

	30/06/2014	30/06/2013
NET PROFIT (LOSS) (A)	**55**	**(255)**
Items that will never be restated under profit/(loss) for the period		
Actuarial gains (losses) due to defined-benefit retirement plans	**(256)**	**(284)**
Tax effect due to other profits (losses)	**70**	**61**
TOTAL OTHER COMPREHENSIVE PROFITS (LOSSES) (B)	**(186)**	**(223)**
COMPREHENSIVE NET PROFIT (LOSS) (A+B)	**(131)**	**(478)**
Parent Company's shareholders	**(131)**	**(478)**
Number of shares with voting rights	**10,000,000**	10,000,000
Diluted net earnings (loss) per share	**(0.01)**	**(0.05)**

STATEMENT OF CONSOLIDATED EQUITY AND FINANCIAL POSITION – ASSETS
(€/000)

		ASSETS	30/06/2014	31/12/2013
		NON-CURRENT ASSETS		
	1ne	**Tangible fixed assets**	**52,340**	**52,652**
1		Land	11,688	11,688
1		Buildings	21,312	21,694
1		Plants and machinery	17,162	17,067
1		Industrial and commercial equipment	1,064	1,648
1		Other	868	181
2		Assets under development and advances	246	374
	2ne	**Intangible fixed assets**	**11,703**	**11,777**
3		Trademarks	11,127	11,127
3		Goodwill	350	350
3		Software	226	300
		Financial fixed assets	**388**	**331**
4	3ne	Equity investments in affiliates	45	45
4	4ne	Other financial assets	18	23
5	**5ne**	**Deferred tax assets**	325	263
		TOTAL NON-CURRENT ASSETS	**64,431**	**64,760**
		CURRENT ASSETS		
	6ne	**Inventories**	**3,587**	**3,473**
6		Raw and ancillary materials and consumables	2,318	2,122
6		Finished products and goods	1,269	1,351
		Trade and other receivables	**25,446**	**24,655**
7	7ne	Trade receivables	17,155	16,210
8	8ne	Tax assets	4,711	5,335
9	9ne	Receivables from others	3,440	2,806
10	10ne	**Financial receivables from affiliates**	140	303
		Cash and cash equivalents	**8,902**	**7,822**
11	11ne	Bank and postal accounts	8,838	7,629
12	12ne	Cash and valuables on hand	64	193
		TOTAL CURRENT ASSETS	**37,935**	**35,950**
		TOTAL ASSETS	**102,366**	**100,710**

STATEMENT OF CONSOLIDATED EQUITY AND FINANCIAL POSITION – LIABILITIES
(€/000)

		LIABILITIES AND NET EQUITY	30/06/2014	31/12/2013
13	**13ne**	**Share capital**	**20,600**	**20,600**
		Reserves	**19,276**	**20,123**
14		Share premium account	14,325	14,325
15		Revaluation reserve	197	197
16		Legal reserve	1,019	1,019
17		Other reserves	2,872	2,315
18		Consolidation reserve	1,679	1,679
19		Non-distributable IFRS first-time adoption reserve	135	135
20		Profits (losses) carried forward	(1,172)	(982)
21		Merger surplus	166	166
22		Profit (loss) for the period	55	1,270
	14ne	**GROUP NET EQUITY**	**39,876**	**40,723**
		NON-CURRENT LIABILITIES		
23	15ne	Long-term loans	16,486	13,388
24	16ne	Long-term payables to other lenders	3,479	3,909
25	17ne	Deferred taxes	3,745	3,823
		Provisions	**4,814**	**4,656**
26	18ne	Employee severance indemnity	3,688	3,313
27	19ne	Provision for Directors' indemnity at the end of their term in office	101	138
28	19ne	Provision for liabilities and charges	1,025	1,205
		TOTAL NON-CURRENT LIABILITIES	**28,524**	**26,331**
		CURRENT LIABILITIES		
		Financial payables	**9,342**	**10,475**
29	20ne	Payables to banks	2,443	4,782
30	21ne	Current share of long-term loans	6,067	4,844
31	22ne	**Current share of payables to other lenders**	832	850
		Trade and other payables	**24,624**	**23,736**
32	23ne	Trade payables	18,667	18,418
34	25ne	Tax liabilities	567	333
35	26ne	Payables to social security authorities	1,056	860
36	27ne	Other payables	4,333	4,125
		TOTAL CURRENT LIABILITIES	**33,966**	**33,655**
		TOTAL EQUITY AND LIABILITIES	**102,366**	**100,710**

CONSOLIDATED CASH FLOW STATEMENT (€/000)

	30/06/2014	**30/06/2013**
Initial cash availability	3,040	3,142
A. Cash flow from operating activities		
Profit (loss) for the year – gross of minority losses	55	(255)
Amortisation of intangible fixed assets	74	387
Depreciation of tangible fixed assets	1,470	1,773
Total amortisation and depreciation	**1,544**	**2,160**
Employee severance indemnity accrued in the FY, net of indemnities already paid and OCI effect	190	36
Deferred taxes	(78)	(112)
Accrual to (Use of) provision for liabilities and charges	143	(63)
Total accruals (uses)	**255**	**(139)**
Change in net working capital		
Net trade receivables and other receivables	(945)	3,589
Inventories	(114)	129
Other receivables	92	418
Suppliers	249	(2,946)
Sundry payables	405	173
Tax liabilities	233	433
Total change in net working capital	**(79)**	**1,797**
Operating cash flow	**1,775**	**3,563**
B. Cash flow from (for) investing activities		
Net acquisitions of technical fixed assets	(1,295)	(636)
Financial (investments/write-ups) divestments /write-downs	5	95
Total cash flow from (for) investing activities	**(1,290)**	**(540)**
Free cash flow	**485**	**3,278**
C. Cash flow from change in shareholders' equity		
Dividends paid	**(600)**	**(200)**
Total cash flow from change in shareholders' equity	**(600)**	**(200)**
D. Cash flow from financing activities		
Change in medium/long-term financial payables	3,534	(2,389)
Total cash flow from financing activities	**3,534**	**(2,389)**
Total cash flows for the period	**3,419**	**435**
CASH AND BANKS AT YEAR-END	**6,459**	**3,577**
Of which bank accounts and cash on hand	8,903	7,786
Of which payables to banks	(2,444)	(4,209)
Financial charges paid	**431**	**383**
Taxes paid	**218**	**370**

CHANGES IN CONSOLIDATED NET EQUITY *(€/000)*

	At 01/01/2013	Result allocation	Dividend payment	Other	Comprehensive net profit (loss)	Profit (loss) for the period	At 30/06/2013
Share capital	20,600	-	-	-	-	-	20,600
Share premium account	14,325	-	-	-	-	-	14,325
Revaluation reserve	197	-	-	-	-	-	197
Legal reserve	1,019	-	-	-	-	-	1,019
Other reserves	2,515	-	(200)	-	-	-	2,315
Consolidation reserve	1,679	-	-	-	-	-	1,679
Non-distributable IFRS first-time adoption reserve	134	-	-	-	-	-	134
Profits (losses) carried forward	(170)	(1,099)	-	(34)	(223)	-	1,526
Merger surplus	166	-	-	-	-	-	166
Overall profit (loss) for the period	(1,099)	1,099	-	-	-	(255)	(255)
Group net equity	**39,367**	**-**	**(200)**	**(34)**	**(223)**	**(255)**	**38,654**

	At 01/01/2014	Result allocation	Dividend payment	Other	Comprehensive net profit (loss)	Profit (loss) for the period	At 30/06/2014
Share capital	20,600	-	-	-	-	-	20,600
Share premium account	14,325	-	-	-	-	-	14,325
Revaluation reserve	197	-	-	-	-	-	197
Legal reserve	1,019	-	-	-	-	-	1,019
Other reserves	2,315	670	-	(113)	-	-	2,872
Consolidation reserve	1,679	-	-	-	-	-	1,679
Non-distributable IFRS first-time adoption reserve	135	-	-	-	-	-	135
Profits (losses) carried forward	(982)	-	-	-	(190)	-	(1,173)
Merger surplus	166	-	-	-	-	-	166
Overall profit (loss) for the period	1,270	(670)	(600)	-	-	55	55
Group net equity	**40,723**	**-**	**(600)**	**(113)**	**(190)**	**55**	**39,876**

Interim Financial Report
at 30 June 2014
Centrale del Latte di Torino Group

Notes

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 2014 interim report was authorised by the Board of Directors on 01 August 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 scope of consolidation has not changed since the financial statements at 31 December 2013. The only consolidated company was

Centrale del Latte di Vicenza S.p.A. – Via Faedo 60 – Vicenza.

The condensed consolidated interim financial statements are prepared by using the condensed interim financial statements prepared in accordance with the same accounting standards as applied by the Parent Company and approved by its Board of Directors.

Structure and content of the accounting schedules.

The condensed consolidated interim financial statements at 30 June 2014 are composed of the equity and financial position, the income statement, the statement of comprehensive income, the cash-flow statement, the statement of changes in Net Equity, and the Notes.

The statement of comprehensive income is presented separately from the income statement, with the latter drafted based the classification of costs by nature. The consolidated cash flow statement is presented using the indirect method.

The condensed consolidated interim financial statements at 30 June 2014, the accounting schedules and the notes are in Euros.

Audit

The condensed consolidated interim financial statements at 30 June 2014 are subject to limited audit by KPMG S.p.A..

Accounting and assessment standards

The condensed consolidated interim financial statements at 30 June 2014 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 condensed consolidated interim financial statements were drafted in continuity with the standards applied in the previous FY, except for the new features introduced by the new accounting standards, amendments and interpretations, indicated below, in force as of 2014 and in compliance with IAS 34 "Interim financial statements". These condensed interim financial statements therefore do not include all the information required for the annual financial statements, and must be read together with the latter.

Please note that the following accounting principles, amendments and interpretations, effective as of 1 January 2014 have been applied for the first time. Their effects – when present – are shown in the information provided together with this report:

- IFRS 10 – Consolidated financial statements
- IFRS 11 – Joint arrangements
- IFRS 12 - Disclosure of interests in other entities

Use of estimates and determination of fair value

In drafting the condensed consolidated interim financial statements at 30 June 2014, 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.

When drafting the condensed consolidated interim financial statements, the significant subjective considerations of the Company Management used for the application of the accounting standards and the main sources of uncertainty regarding the estimates were the same as those applied for drafting the consolidated financial statements for the FY closed at 31 December 2013.

A number of different accounting standards and a number of obligations regarding information require the Group to determine the fair value of financial and non-financial assets and liabilities.

IFRS 7 requires that changes in fair value – recognised in the statement of financial position – be classified on the basis of a hierarchy that reflects the significance of the inputs used to determine fair value. The classification uses three levels:

Level 1 - quoted prices in active markets for the assets or liabilities being measured;

Level 2 – input data other than quoted prices included in the previous paragraph, which are observable either directly or indirectly;

..Level 3 – input data not based on observable market data.

In the financial statements, measurements of fair value are classified under level 3, and mainly regard the determination of the fair value of the property that houses the headquarters of Centrale del Latte di Vicenza (type 2), of the fair value of the brands Centro Latte Rapallo, Latte Tigullio and Centrale del Latte di Vicenza and the fair value of the systems in use at Centrale del Latte di Vicenza, as well as other measurements referring to financial assets/liabilities. No transfers were found to have been made between the various levels of hierarchy in 1H 2014, nor any changes in fair value compared to those determined for the purposes of the 2013 financial statements.

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;
- lntangible 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 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.

All the brands were subjected to impairment tests at 31 December 2013 conducted by an external, independent body, which showed results congruent with those shown in the financial statements.

If the brands Centro Latte Rapallo, Latte Tigullio and Centrale del Latte di Vicenza had continued to be considered as having assets with a definite useful life, he net result at 30 June 2014 would have been negative to the tune of € 269 thousand.

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% -3%
• Light constructions	10%
• General plants	10%-5%
• specific plants	5% - 16%
• Equipment	20%-10%
• Office furniture and ordinary equipment	12%-5%
· Electronic equipment	20%-15%
• Motor vehicles and internal means of transport	20%
• Motor vehicles	25%
• Insulated vans	16%

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. Expenses are considered as being of an incremental nature when the pertinent future economic benefits are expected to be for the company.

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 36. 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.

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 average acquisition cost of raw materials, plus direct production costs and 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, together with the pertinent tax 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 or for which it is impossible to carry out a reliable estimate of the pertinent amount, 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

Revenue is 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.

Taxation

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 the Parent Company and Centrale del Latte di Vicenza S.p.A. The option is valid for three financial years from the one that will close at 31 December 2014.

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 develop ment**	**Totals**
Historical cost	**11,688**	**33,399**	**46,431**	**7,837**	**1,929**	**101,284**	**374**	**101,658**
Accumulated depreciation	-	(11,705)	(29,364)	(6,189)	(1,748)	(49,006)	-	(49,006)
Initial amount	**11,688**	**21,694**	**17,067**	**1,648**	**181**	**52,278**	**374**	**52,652**
Acquisitions	-	43	550	72	381	1,046	246	1,292
Transfers	-	-	374		450	374	(374)	-
Disposals and eliminations	-	-	(63)	(450) (208)	-	(270)	- -	(270)
Reversal of provisions	-	-	17	118	-	135	-	135
Depreciation	-	(426)	(784)	(116)	(144)	(1,470)	-	(1,470)
Final amount	**11,688**	**21,312**	**17,162**	**1,064**	**868**	**52,094**	**246**	**52,340**

Changes in provisions for tangible fixed assets:

TANGIBLE FIXED ASSETS	Buildings	Plants and machinery	Industrial and commercial equipment	Other	Total
Initial amount - redetermined	**11,726**	**29,316**	**6,189**	**1,447**	**48,678**
Reversal of provisions	-	(17)	(118)	-	(135)
Depreciation	426	784	117	144	1,470
Final amount	**12,152**	**30,083**	**6,188**	**1,591**	**50,013**

Tangible fixed assets include the net book value of machinery under finance lease contracts for € 7,606 thousand.

Intangible fixed assets (2ne)

Variations in intangible fixed assets and the respective provisions are illustrated in the table below:

INTANGIBLE FIXED ASSETS	Trademarks	Goodwill	Software
Historical cost	32,734	350	740
Accumulated amortisation	(21,607)	-	(440)
Initial amount	**11,127**	**350**	**300**
Acquisitions	-	-	-
Amortisation for the period	-	-	(74)
Final amount	**11,127**	**350**	**226**

The brands with an indefinite useful life, "Centro Latte Rapallo", "Latte Tigullio" and "Centrale del Latte di Vicenza", were not subjected to an impairment test at 30 June 2014, because at said date no impairment loss indicators were present.

The value of the equity investment in the affiliate GPP S.r.l. remained unchanged from 31 December 2013, and amounted to € 45 thousand.

Other financial assets (4ne)

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

	30/06/2014	31/12/2013
Capitalimpresa S.p.A.	14	18
Consorzio CFV	2	2
Other equity investments individually worth less than one thousand euro	2	3
Total equity investments in other companies	**18**	**23**

Financial receivables from affiliates (5ne). Financial receivables from affiliates refer to the receivables owed by the affiliate GPP S.r.l., amounting to € 140 thousand.

Deferred tax assets (6ne)

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

	Initial amount	Increases	Decreases	Final amount
Tax recovery of depreciation of buildings	109	-	-	109
Amortisation recovered further to audit	133	-	(5)	128
Allocation to taxed provisions for risks	485	45	-	530
Remuneration of directors	96	7	(96)	7
Supplementary customer indemnity	6	-	(6)	-
Actuarial adjustment of severance indemnity	-	335	(35)	300
Membership fees	21	-	(21)	-
	851	**387**	**(163)**	**1.074**

Deferred tax assets were calculated on temporary differences for the year and the final amount of those differences, net of amounts recovered in 1H 2014, by applying the IRES (corporate income tax) rate of 27.5% and the IRAP (regional production tax) rate of 3.50%. Adjustment to the new rate in force from 2014 is shown in the pertinent column of the table below illustrating variations in deferred tax assets:

	Initial amount	Increases	Decreases	Adjustment to new rate	Final amount
Allocation to taxed provisions for risks	154	14	-	(2)	166
Amortisation recovered further to audit	45	-	(3)	(1)	41
Tax recovery of depreciation of buildings	34	-	-	-	34
Remuneration of directors	21	-	(19)	-	2
Supplementary customer indemnity	2	-	(2)	-	-
Actuarial adjustment of severance indemnity	-	92	(10)	-	82
Membership fees	6	-	(6)	-	-
	263	**106**	**(40)**	**(3)**	**325**

CURRENT ASSETS

Inventories (7ne)

Inventories came to € 3.587 million at 30 June 2014 and may be broken down as follows:

	Initial amount	Final amount	Change
Raw and ancillary materials and consumables	2,122	2,318	196
Finished products and goods	1,351	1,269	(82)
	3,473	**3,587**	**114**

Trade receivables (8ne)

Trade receivables, all of which were due within one year, € 17.155 million at 30 June 2014, 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 1H 2014:

	Initial amount	Increases	Decreases	Final amount
Provision for bad debts	530	45	7	568
Taxed provision for impaired receivables	568	77	19	626
	1,098	**122**	**26**	**1,194**

Tax assets (10ne)

	30-giu-14	31-dic-13
VAT receivable	3,683	4,189
Direct taxes	990	1,115
Employee severance indemnity withholdings	30	31
Withholding taxes on interest receivable	**8**	**-**
Total tax assets	**4,711**	**5,335**

Other receivables (11ne)

Receivables from others include:

	30/06/2014	31/12/2013
Receivables for performance guarantees received securing the payment of the surtax in accordance with Law 486/92 (milk quotas)	1,727	1,727
Accrued income and prepaid expenses	675	194
Receivables from distributors	503	434
Credits to be received	207	60
Advances to suppliers	107	6
Miscellaneous	96	288
Deposits	73	47
Receivables from social security institutions	22	21
Advances on salaries	18	14
Loans to employees	12	15
Total other receivables	**3,440**	**2,806**

Accrued income and prepaid expenses

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

	30/06/2014	31/12/2013
PREPAID EXPENSES		
Personnel Costs	**326**	**-**
Insurance	**192**	**-**
Maintenance fees	55	62
Multiannual charges on loans	45	45
VAT guarantee policies	23	33
Other costs	16	6
Lieu tax	5	11
Leases	7	21
Software leases	5	-
Advertising costs	1	2
TOTAL PREPAID EXPENSES	**675**	**180**
ACCRUED INCOME		
Interest on bank accounts	**-**	**14**
TOTAL ACCRUED INCOME AND PREPAID EXPENSES	**675**	**194**

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

Cash and cash equivalents, all of which are freely available, came to € 8.903 thousand, of which € 8.838 thousand in bank accounts and € 65 thousand in cash in hand. They are presented in the schedule that illustrates financial position in the analysis of financial payables.

BREAKDOWN OF LIABILITIES

GROUP NET 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.

NON-CURRENT AND CURRENT LIABILITIES

Financial payables (15ne+16ne+20ne+21ne+22ne)

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

	Payables within year-end	Over one year, within 5 years	Over 5 years	Total payables over 1 year	Total payables
Payables to banks for loans	**6,067**	**11,857**	**4,629**	**16,486**	**22,553**
Payables to other lenders	832	3,009	470	3,479	4,311
Payables to banks	2,443	-	-	-	2,443
Totals	**9,342**	**14,866**	**5,099**	**19,965**	**29,308**

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	2,500	278	01/07/14	---
Banca Regionale Europea S.p.A. Euribor rate 3 months + 1.80	1,000	1,000	1,000	9/09/14	---
Monte dei Paschi di Siena S.p.A. Euribor rate 6 months + 2.10	800	800	800	30/09/14	---
Deutsche Bank S.p.A. Euribor rate 3 months + 0.80	2,500	2,500	625	14/03/15	---
Credito Emiliano S.p.A. Euribor rate 6 months + 1.60	1,000	1,000	340	29/04/15	---
Monte dei Paschi di Siena S.p.A. Euribor rate 6 months + 0.70	2,000	2,000	414	30/06/15	---
Banca Sella S.p.A. Euribor rate 3 months + +3.25	1,500	1,500	768	1/10/15	----
Banca del Piemonte S.p.A. Rate: 2.55	300	300	300	31/12/15	---
Unicredit Banca d'Impresa Euribor rate 3 months + 1.85	1,300	1,300	1,159	30/09/16	----
Deutsche Bank S.p.A. Euribor rate 1 month + 2.25	1,500	1,375	1,375	25/03/17	---
Banca Regionale Europea S.p.A. Euribor rate 6 months + 0.80	2,500	2,500	1,775	08/09/17	---
Banca Passadore & C. S.p.A. Euribor rate 6 months + 3	2,500	2,500	2,500	31/01/19	---
Banco Popolare S.c.p.a. Euribor rate 6 months + 3.90	1,780	1,780	1,780	15/06/18	---
Cariparma S.p.A. Euribor rate 3 months + 3.00	1,000	1,000	954	14/01/19	----
Unicredit Banca d'Impresa S.p.A. Euribor rate 6 months + 1.80	10,000	10,000	6,286	30/06/25	Mortgage on an owned property in Vicenza for € 20 million
Unicredit Banca d'Impresa S.p.A. Euribor rate 6 months + 2.80	3,000	3,000	2,200	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 Banca d'Impresa	1,275	3,740	4,629	9,644
Banca Regionale Europea S.p.A.	495	2,280	-	2,775
Banca Passadore & C. S.p.A.	278	2,500	-	2,778
Deutsche Bank S.p.A.	1,125	875	-	2,000
Banco Popolare S.c.p.a.	445	1,335	-	1,780
Monte dei Paschi di Siena S.p.A.	1,214	-	-	1,214
Cariparma S.p.A.	189	765	-	954
Banca Sella S.p.A.	508	260	-	768
Credito Emiliano CREDEM S.p.A.	340	-	-	340
Banca del Piemonte S.p.A.	199	101	-	300
	6,068	**11,857**	**4,629**	**22,553**

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	832	3,009	470	4,311

Finance lease payables refer to leases of plant and equipment.

Financial position.

The Group's net financial position at 30 June 2014 is broken down as follows:

	30/06/2014	31/12/2013
Cash and cash equivalents (12ne+13ne)	8,903	7,822
Total current financial assets	**8,903**	**7,822**
Payables to banks (20ne)	(2,443)	(4,782)
Current share of medium/long-term loans (21ne)	(6,068)	(4,844)
Current share of payables to other lenders (22ne)	(832)	(850)
Total current financial liabilities	**(9,343)**	**(10,476)**
Payables for medium/long-term loans (15ne)	(16,486)	(13,388)
Payables to other lenders for medium/long-term loans (16ne)	(3,479)	(3,909)
Total non-current financial liabilities	**(19,965)**	**(17,297)**
Total financial liabilities	**(29,308)**	**(27,773)**
Net financial position	**(20,405)**	**(19,951)**

Loan covenants

Loan issued by Unicredit Banca d'Impresa S.p.A. to Centrale del Latte di Vicenza S.p.A., set to mature on 30 June 2025, currently in the prepayment period, with an outstanding balance of € 6.286 million at 30 June 2014:

ratio of the borrower's net financial indebtedness to its net equity is not to exceed 1.5 at 31 December of each year.

Loan issued by Unicredit Banca d'Impresa S.p.A. to Centrale del Latte di Vicenza S.p.A., set to mature on 30 June 2025, with an outstanding balance of € 2.200 million at 30 June 2014: ratio of the borrower's net financial indebtedness to its net equity is not to exceed 1.3 at 31 December 2011 and 1.25 up to maturity. At 30 June 2014, the parameters indicated above were complied with.

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	10,513	-	-	10,513
Measurement of land	1,663	-	-	1,663
Elimination of tax interference – accelerated amortisation	56	-	-	56
Adjustment of employee severance indemnity to present value	11	-	-	11
	12,243	**-**	**-**	**12,243**

Deferred taxes have been calculated on provisional differences for the year and the final amount of those differences, net of amounts recovered in 1H 2014, by applying the IRES (corporate income tax) rate of 27.5% and the IRAP (regional production tax) rate of 3.50%. Adjustment to the new rate in force from 2014 is shown in the pertinent column of the table below illustrating variations in deferred tax assets:

	Initial amount	Increases	Decreases	Adjustment to new rate	Final amount
Trademarks	3.160	-	-	(42)	3.118
Measurement of land	522	-	-	(7)	515
Elimination of tax interference – accelerated amortisation	141	-	-	(29)	112
Adjustment of employee severance indemnity to present value	11	-	-	(11)	-
	3.823	**-**	**-**	**(89)**	**3.745**

Long-term provisions

Employee severance indemnity (18ne)

At 30 June 2014 the severance indemnity amounted to € 3.688 million.

Initial amount	**3.313**
Service cost	168
Decreases and uses	(48)
Actuarial loss (income)	255
Final amount	**3.688**

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 2.30%
- 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.

Sensitivity analysis

Changes considered reasonably possible in the actuarial assumptions at the date of closure of the FY would have had the following effects on the defined benefit obligation:

30/06/2014	**Annual discounting rate**		**Annual inflation rate**		**Annual turnover rate**	
	0.25%	**-0.25%**	**0.25%**	**-0.25%**	**1.0%**	**-1.0%**
Defined benefit obligation	3.611	3.768	3.740	3.638	3.697	3.682

Provision for liabilities and charges (19ne)

	Initial amount	Increases	Decreases	Final amount
Provision for future capital losses	1.043	-	164	879
Provision for customer indemnities	137	11	27	121
Provision for risks – milk quotas	26	-	-	26
	1.205	**11**	**191**	**1.025**

CURRENT LIABILITIES

Payables to banks (20ne): this is broken down under financial payables.

Current share of long-term loans (21ne): this is broken down under financial payables.

Current share of payables to other lenders (22ne): this is broken down under financial payables.

Trade payables (23ne) amounted to € 18.667 million, all payable by year end.

Tax liabilities (25ne) include the following line items:

	30/06/2014	31/12/2013
Payables for income taxes	125	187
Payables for employees' withholding taxes	403	99
Withholdings payable on independent contractors' fees	39	47
Total tax liabilities	**567**	**333**

Payables to social security authorities (26ne) - € 1.056 million – consist of social-security contributions payable on wages and salaries and the contribution associated with the separate management of coordinated ongoing independent contractors.

The item "Other payables" (27ne) includes:

	30/06/2014	31/12/2013
Payables for wages and salaries	1.983	1.596
Surtaxes payable under Law 486/92 (milk quotas)	1.778	1.778
Accrued liabilities and deferred income	390	410
Withholdings from milk producers payable under Law 88/88	78	78
Other payables	57	34
Payables for remuneration of directors and auditors	43	209
Employee union withholdings	4	7
Security deposits received	-	13
Total other payables	**4.333**	**4.125**

Accrued liabilities and deferred income are broken down as follows:

	30/06/2014	31/12/2013
DEFERRED INCOME		
Grants for current expenses	228	223
Other	70	152
Total deferred income	**298**	**375**
ACCRUED LIABILITIES		
Accrued personnel costs and associated charges	-	-
Interest on bank loans	54	32
Other	39	3
Total accrued liabilities	**93**	**35**
TOTAL ACCRUED LIABILITIES AND DEFERRED INCOME	**391**	**410**

BREAKDOWN OF INCOME STATEMENT ITEMS

REVENUES

Revenues from sales and services (1ene)

Breakdown of sales by turnover segment (1ene):

	30/06/2014		30/06/2013		Change	
Fresh milk	21,592	42%	21,934	45%	(342)	-2%
UHT milk	10,670	21%	9,210	19%	1,459	16%
Yogurt	4,071	8%	4,169	9%	(97)	-2%
Fresh vegetables	2,385	5%	2,424	5%	(39)	-2%
Bulk milk and cream	1,997	4%	1,828	4%	168	9%
Other packaged products	10,055	20%	9,172	19%	883	10%
Export	411	1%	-	-	411	100%
Total	**51,180**	**100%**	**48,737**	**100%**	**2,443**	**5%**

Other revenues (2ene)

	30/06/2014		30/06/2013		Change	
Recoveries	299	41%	320	31%	(21)	-7%
Extraordinary income	173	24%	495	47%	(322)	-65%
Other	79	11%	105	10%	(26)	-24%
Contributions from suppliers	59	8%	-	0%	59	100%
Sales of salvaged materials	22	3%	14	1%	8	58%
Capital gains on asset disposal	12	2%	17	2%	(5)	-29%
Insurance refunds	6	1%	15	1%	(9)	-61%
Rental income	5	1%	-	0%	5	100%
Grants for current expenses	73	10%	79	8%	(6)	-8%
	728	**100%**	**1.046**	**100%**	**(318)**	**-30%**

Use of raw materials and consumables (4ene)

The costs for raw materials and consumables amounted to € 28.435 million and include:

	30/06/2014		30/06/2013		Change	
Purchases of ingredients – sundry foodstuffs	18.326	64%	15.956	62%	2.370	15%
Goods for resale	5.605	20%	5.145	20%	460	9%
Packaging materials	3.994	14%	3.923	15%	71	2%
Consumables and ancillary material	510	2%	507	2%	3	1%
Total	**28.435**	**100%**	**25.531**	**100 %**	**2.904**	**11 %**

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

Personnel costs totalled € 7.256 million. A breakdown is provided below:

	30/06/2014		30/06/2013		Change	
Wages and salaries	5.003	69%	5.118	68%	(115)	-2%
Social security charges	1.775	24%	1.830	24%	(55)	-3%
Employee severance indemnity	395	5%	453	6%	(58)	-13%
Other costs	83	1%	75	1%	9	12%
Total	**7.256**	**100 %**	**7.475**	**100 %**	**(220)**	**-3%**

The employee severance indemnity accrued in 1H 2014 may be considered a defined-contribution plan for an amount of € 395 thousand.

The average workforce came to 260 at 30 June 2014 (259 at 31 December 2013 and 261 at 30 June 2013).

	Engagements	Resignations	Transfers	In service	Average workforce
Managers	1	1	1	16	16
Middle management	-	-	1	9	9
White-collar personnel	3	1	-	105	102
Blue-collar personnel	3	1	-	133	133
TOTAL	**7**	**3**	**1**	**263**	**260**

Amortisation and depreciation (9ene + 10ene)

As previously indicated, compared to the condensed consolidated financial statements at 30 June 2013, the Company also transferred the brands Centrale del Latte di Vicenza S.p.A and those owned by Centrale del Latte di Torino & C. S.p.A. from assets with a definite useful life to assets with an indefinite useful life.

Amortisation of intangible assets was calculated and recognised for a total amount of € 74 thousand. Depreciation of tangible assets was calculated and recognised for a total amount of € 1.470 thousand.

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

	30/06/2014	30/06/2013	Change	
				-
Trademarks	**-**	**313**	**(313)**	**100%**
Software	**74**	**74**	**-**	**-**
Total	**74**	**387**	**(313)**	**-81%**

	30/06/2014		30/06/2013		Change	
Buildings	784	53%	1,112	63%	(328)	-29%
Plants and machinery	426	29%	421	24%	5	1%
Other	144	10%	68	4%	76	111%
Industrial and commercial equipment	116	8%	172	10%	(55)	-32%
Total	**1.470**	**100 %**	**1.773**	**100 %**	**(302)**	**-17%**

Costs for services (12ene)

The costs for services amounted to € 12.857 million and include:

	30/06/2014		30/06/2013		Change	
Transport for product distribution	4.442	34%	4.075	31%	368	9%
Commercial and advertising services	1.667	13%	2.004	15%	(337)	-17%
Administrative services	1.466	11%	1.788	14%	(322)	-18%
Motive power and natural gas	1.448	11%	1.385	11%	64	5%
Industrial services	1.011	8%	1.066	8%	(55)	-5%
Maintenance services	907	7%	796	6%	111	14%
Purchase services	842	7%	815	6%	27	3%
Large-scale retailers' promotion contributions	597	5%	527	4%	69	13%
Free gifts with products	341	3%	357	3%	(16)	-4%
Insurance services	136	1%	150	1%	(14)	-10%
Total	**12.857**	**100 %**	**12.963**	**100%**	**(106)**	**-1%**

Lease and rental costs (13ene)

Lease and rental costs amounted to € 275 thousand. Leases currently refer to the industrial buildings and warehouses in Rapallo and to a parking area in Turin for employees.

	30/06/2014		30/06/2013		Change	
Industrial leases	225	82%	279	85%	(53)	-19%
Leases of premises and buildings	50	18%	51	15%	(1)	-3%
Total	**275**	**100%**	**329**	**100%**	**(55)**	**-17%**

Sundry operating expenses (15ene)

Sundry operating expenses amounted to € 527 thousand and include:

	30/06/2014		30/06/2013		Change	
Taxes other than income taxes	208	39%	185	39%	23	12%
Other	127	24%	153	32%	(27)	-17%
Contingent liabilities	83	16%	94	20%	(10)	-11%
Membership fees	47	9%	38	8%	9	24%
Capital losses	41	8%	-	0%	41	100%
Entertainment expenses	10	2%	4	1%	6	136%
Fines and penalties	7	1%	-	0%	7	100%
Subscriptions to magazines and books	4	1%	5	1%	(1)	-18%
Total	**527**	**100 %**	**479**	**100%**	**48**	**10%**

Financial income and charges (16ene + 17ene)

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

	30/06/2014		30/06/2013		Change	
Financial income						
Interest from banking institutions	31	82%	26	63%	5	21%
Interest on VAT refunds	3	9%	10	25%	(7)	-68%
Other	3	9%	5	11%	(1)	-26%
Total financial income	**37**	**100%**	**40**	**100%**	**(3)**	**-7%**
Financial charges						
Interest on mortgages and loans	306	71%	252	66%	54	21%
Interest on current accounts	54	13%	55	14%	(1)	-2%
Finance lease interest	34	8%	37	10%	(3)	-9%
Performance bond expenses	36	8%	37	10%	(1)	-2%
Other	1	0%	1	0%	(0)	-
Total	**431**	**100%**	**383**	**100%**	**48**	**12%**
Net financial charges	**(394)**		**(343)**		**51**	**15%**

Adjustment to equity investments

The negative adjustment of € 4000 refers to the equity investment in Capitalimpresa.

Taxes (18ene + 19ene).

Income taxes from tax consolidation, not including deferred tax assets and liabilities, came to € 312 thousand compared to € 384 thousand in 1H 2013.

	30/06/2014		30/06/2013		Change	
IRES for the year 27.5%	**181**	48%	331	56%	(150)	-45%
IRAP for the year 3.50%	200	52%	261	44%	(61)	-24%
TOTAL TAXES	**381**	**100%**	**592**	**100%**	**(103)**	**-21%**
Deferred/prepaid taxes	(69)		(208)		(139)	-66%
NET TOTAL TAXES	**312**		**384**		**(72)**	**-19%**

Dealings with related parties.

The Company has not undertaken dealings with related parties beyond those presented in the following table:

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 01/01/2014	Purchased in 2014	Sold in 2014	Shares held at 30/06/2014
Luigi LUZZATI	Chairman	166,062	-	-	166,062
Riccardo POZZOLI	Vice Chairman and Managing Director	59,125	-	4,000	55,125
Adele ARTOM	Director	3,593,864	-	36,000	3,557,864
Nicola CODISPOTI	Director	50,000	-	50,000	-
Antonella FORCHINO	Director	137,306	-	-	137,306
Maurizio MACCHIAVELLO	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. The area in question is owned by the ultimate parent, Finanziaria Centrale del Latte di Torino S.p.A.

The table below illustrates the situation regarding dealings with related parties at 30 June 2014, which is of no particular significance for the financial and equity position, net result and financial income or cash flows of the Group:

	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.	-	-	-	3
	-	**-**	**-**	**3**
Centrale del Latte di Torino & C. S.p.A. vis-à-vis:				
Finanziaria Centrale del Latte di Torino S.p.A.	-	-	3	-
GPP Srl	140	-	-	-
	140	**-**	**3**	**-**
GPP Srl vis-à-vis:				
Centrale del Latte di Torino & C. S.p.A.	-	140	-	-
	-	**140**	**-**	**-**

FINANCIAL AND OPERATIONAL RISKS

Risks associated with the business activity

The risks associated with the business activity of the Company and the Group are closely connected with the general economic situation, and in particular GDP, the level of confidence of families and businesses, interest rates, raw material costs, the unemployment rate and how easy it is to access credit. Therefore, the general economic situation may have a significantly positive or negative affect on the business activities, strategies and prospects of the Company and the Group.

The Group tackles **risks associated with the market conditions in the milk and dairy produce sector** by carrying out activities aimed at maintaining and strengthening its market position through the launch of new products, the development of new markets, including abroad, by maintaining high quality and safety standards, through the widespread distribution of its products and by paying maximum attention to the needs of customers.

The risk of the fluctuation of milk raw material prices is contained 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.

The risks associated with product responsibility are controlled by means of the close attention the Group pays to the quality and safety of its products, which over the years have allowed for the consolidation of a tradition based on quality and reliability that is acknowledged by consumers. However, since events liable to cause risks regarding food safety cannot be ruled out, the Group has taken out appropriate insurance policies to cover potential damages deriving from problems pertaining to food quality.

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. The Group's financial indebtedness is characterised by medium-long term indebtedness. Medium-long term loans are generally taken out at a variable interest rate and financial hedge instruments are not used. 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 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.

Turnover concentration risk. Concentration on a small number of subjects is not evident in the Group's turnover. The broad range of customers belongs to segments of the large-scale and traditional retail sector.

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. During the first hearing on 1 April 2014, the Court of Rome turned down the request for provisional execution to be granted and postponed the hearing further to 30 October 2014. The Company is firmly convinced of having adopted the correct position, considering possible risk as coherent with IAS 37.

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. On 30 May 2014, Agenzia delle Entrate imposed sanctions amounting to a total of € 355 thousand. On 17 May 2014 an appeal was filed against said sanctions, and the application for suspension was subsequently granted.

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.

CORPORATE EVENTS

On 30 April 2014 the Ordinary Shareholders' meeting of Centrale del Latte di Torino & C. S.p.A. was held to approve the 2013 financial statements, resolving to allocate both the profit for the year to the Legal Reserve (€ 57,685) and to the Extraordinary Reserve (€ 496,024), and a dividend of € 0.06 for each of the 10,000,000 shares, for a total of € 600,000 by using a shareholders' equity reserve, to be paid on 8 May 2014, ex-dividend date: 5 May. The Meeting also appointed the Board of Directors for the 2014 – 2015 – 2016 three year period.

EVENTS AFTER THE CLOSE OF THE PERIOD

There were no significant events after the close of the period.

BUSINESS OUTLOOK.

The expectations of an upturn in economic growth and in domestic consumption have yet to materialise, and it is therefore presumed that sales and volumes are liable to maintain the increases obtained so far.
The drop forecast in raw material prices may lead to the recovery of profit margins.

Turin, 1 August 2014 The Chairman of the Board of Directors

Luigi LUZZATI