



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

Half-yearly report at June 30 2004

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BOARD OF DIRECTOR

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Chairman

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Vice Chairman

Riccardo POZZOLI
Executive Vice Chairman
Managing Director

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Director

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Director (**)

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Director

Ermanno RESTANO (*)
Director

Alberto TAZZETTI (**)
Director

Germano TURINETTO (*) (**)
Director

(*) Members of the Internal Audit Committee

(**) Independent Director

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Chairman

Giovanni D'AMELIO
Auditor

Vittoria ROSSOTTO
Auditor

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

Group's Economic Management

Foreword

The Board of Directors of Centrale del Latte di Torino & C. S.p.A. has drawn up this half-year report for the period ending 30th June 2004 in compliance with Section 81 of CONSOB Resolution No. 11971 dated 14th May 1999, as integrated by resolution No. 12475 dated 6th April 2000.

The consolidation area includes periodic reports as at June 30 2004 of "Centrale del Latte di Torino & C. S.p.A." as the Holding Company, of "Centro Latte Rapallo S.p.A." (hereinafter referred to as "CLR") and of consolidated statements of "CLAV Finanziaria S.p.A." as subsidiary companies. The Periodic Statements issued by "CLAV Finanziaria S.p.A." includes the half-year results of "Centrale del Latte di Vicenza S.p.A." (hereinafter referred to as CLAV).

The Financial Statements of "CLAV Finanziaria S.p.A." and CLAV have been drawn up in compliance with the accounting principles currently applied also by the Holding Company and have both been audited by the Auditing Company AGN Serca based in Brescia that was appointed to audit the quarterly and half-year Financial Reports.

Group's Operations Results

The first half of 2004 was characterized by a consumption drop, in all market segments, which became even more evident in April and May. The impact of this situation was particularly felt by the Group in the North – East region of Italy which is the area covered by Centrale del Latte di Vicenza. Group's sales show stagnant volumes of fresh and long-life (UHT) milk products, as well as of the other packed products, whereas a slight increase in yogurt sales was recorded. Despite this unfavorable market situation, the Group was able to maintain its market position in all its historic areas of influence (Piedmont and Liguria), and even to increase its market share in the area where its Vicenza based subsidiary works, thus paving the way to better sales results, as soon as the expected consumption recovery takes place.

Net proceeds of the Group amounted to €48,850 thousand, as against €47,902 thousand in the first quarter of 2003, thus reporting a 2% increase and confirming that its foot-hold in more than one region is essential to promote Group's growth potentials.

(thousands of Euro)	June30-04		June30-03		Change		Dec.31-03	
Fresh milk	21,902	44.8%	21,879	45.7%	23	0.1%	43,199	45.2%
UHT milk	10,775	22.1%	10,687	22.3%	88	0.8%	21,499	22.5%
Yoghurt	3,634	7.4%	3,598	7.5%	36	1.0%	7,047	7.4%
Bulk milk and cream	1,842	3.8%	994	2.1%	848	85.3%	2,408	2.5%
Other packaged products	10,697	21.9%	10,744	22.4%	(47)	-0.4%	21,492	22.5%
Total	48,850	100.0%	47,902	100.0%	948	2.0%	95,646	100.0%

Fresh milk segment: at the end of the first half, sales in this segment showed a growth in both value (4%) and volumes (4%) in the North-West area. Conversely, sales by Centrale del Latte di Vicenza recorded a significant decrease, since it stopped selling fresh milk manufactured by third parties because of insufficient margin levels.

Sales of long-life milk (UHT) and yogurt. On a consolidated level, a limited growth in both production segments continued, although with opposite trends between Piedmont and Liguria - where a growth was recorded - and Veneto, where a drop was reported especially in the conventional yogurt segment, which is a strong selling item of Centrale del Latte di Vicenza S.pA..

When analyzing the growth by product line, during the first half of the FY a diversification took place within the "fresh/ultra-fresh" product segment. Total sales of the 'sundry product' segment today account for 22% of total net sales. A wider product offering in this direction in addition to higher gross margins also ensures more visibility and better Group brand awareness. Group brands are well known and appreciated not only in the 'historic' milk segment, but also in different segments such as fresh salads, ready-to-cook vegetables, and fresh pasta (fresh and filled pasta).

Geographic Distribution

(thousands of Euro))	Fresh milk	UHT Milk	Yoghurt	Bulk milk and cream	Other packaged products	Total	
Piemonte							
30-giu-04	12,374	6,724	872	399	3,803	24,172	49%
30-giu-03	11,651	6,524	763	380	3,613	22,931	48%
Change %	6,2%	3,1%	14,3%	5,0%	5,3%	5,4%	
31-dic-03	22,356	13,295	1,487	626	7,244	45,008	47.1%
Liguria							
30-giu-04	6,139	660	194	-	4,635	11,628	24%
30-giu-03	6,103	661	131	-	4,370	11,265	24%
Change %	1%	0%	48%	-	6%	3%	
31-dic-03	12,253	1,327	293	-	8,856	22,730	23.8%
Veneto							
30-giu-04	3,388	3,392	2,568	388	2,259	11,995	25%
30-giu-03	4,125	3,502	2,704	7	2,761	13,099	27%
Change %	-18%	-3%	-5%	5447%	-18%	-8%	
31-dic-03	8,589	6,877	5,267	41	5,392	26,166	27.4%
Altre							
30-giu-04	-	-	-	1,055	-	1,055	2%
30-giu-03	-	-	-	607	-	607	1%
Change %	-	-	-	74%	-	74%	
31-dic-03	-	-	-	1,741	-	1,741	1.8%
30-giu-04	21,902	10,775	3,634	1,842	10,697	48,850	100%
30-giu-03	21,879	10,687	3,598	994	10,744	47,902	100%
Change %	0.1%	0.8%	1.0%	85.3%	-0.4%	2.0%	
31-dic-03	43,199	21,499	7,047	2,408	21,492	95,646	100%

Altri ricavi

Gli altri ricavi sono illustrati nella tabella che segue:

	June30-04		June30-03		change		Dec.31-03	
Rents received	54	15%	51	13%	3	6%	105	15%
Sale of recycled material	51	14%	53	14%	(3)	-5%	108	16%
Contributions from suppliers	3	1%	24	6%	(21)	-88%	226	33%
Revenues from compensation	14	4%	11	3%	3	31%	14	2%
Capital gain from disposal	31	8%	32	8%	(1)	-1%	34	5%
Insurance compensation	24	6%	2	0%	22	1156%	8	1%
Other	2	1%	92	24%	(89)	-98%	95	14%
Contributions	195	52%	124	32%	71	57%	99	14%
Total	374	100%	388	100%	(14)	-4%	689	100%

The Profit and Loss Account of the Group at the end of the first half of 2004 reports EBITDA amounting to €5,599 thousand, corresponding to 11.4% of net sales, as against €5,162 thousand (10.7% of net sales) in the same period of the previous year, thus recording an 8.5% growth.

EBIT amounts to € 2,897 thousand, equal to 5.9% of net sales, as against €2,283 thousand in the previous year (4.7%).

Profit before taxes and net of minority interest amounts to €2,953 thousand, as against €1,631 thousand in the same period of the previous year.

Operating Costs. The first half covered by this Statement coincides with the beginning of the dairy year (31st March– 1st April), hence with the renewal of agreements with farmers for raw milk supply. Following negotiations, purchasing prices increased, in particular the price share linked to quality requirements.

All producers with an exclusivity agreement have positively responded to the demand for higher raw material quality, which in turn has led to a 4.2% increase on a quarter basis, and a 0.75% growth on a half-year basis, compared with the corresponding periods of the previous financial year.

During the second quarter, the Holding Company paid out the bonus linked to 2003 results, to white and blue collar workers as provided by the Agreement finalized between the Company and the Trade Unions. Based on the results for the period ending 2003, the premium paid out, including social security due - amounted to €195 thousand, thus recording an increase from €151 thousand in the previous year.

The other percentage shares of operating costs on net sales remained substantially stable and were in line with the general trend for the year and with the budget.

Depreciations on fixed tangible and intangible assets amounted to 5.3% of net sales in the first half of 2004, versus 5.8% in the same period of the previous FY.

They are carved up as indicated in the following tables:

AMORTISATION & DEPRECIATION OF TANGIBLE FIXED ASSETS			
(thousands of Euro)			
	June30-04	June30-03	Dec.31-03
Lands & buildings	251	247	498
Plant & machinery	980	1,097	2,212
Industrial, commercial & office equipment	216	236	496
Other	25	50	98
Total	1,472	1,630	3,304

AMORTISATION & DEPRECIATION OF INTANGIBLE FIXED ASSETS (thousands of Euro)			
	June30-04	June30-03	Dec.31-03
Set-up and expansion costs	176	176	353
R & D and advertising Costs	27	76	158
Patents and other intellectual property rights	75	75	172
Franchises, licences and trademarks	548	548	1,100
Goodwill	239	239	481
Other	48	57	115
Total	1,113	1,171	2,379

The average number of employees as at June 30 2004 amounted to 214 people, carved up as follows:

Managers No.	9
Middle Managers No.	14
White Collar Workers No.	86
Blue Collar Workers No.	105

Financial income and charges. Total financial charges for this half year amount to €389 thousand, thus showing a reduction from €472 thousand in the same period of the last FY. They are mainly due to interest payable on loans and borrowings.

They amount to 0.8% of total net sales, versus 1% in the previous financial year.

Financial revenues amount to €465 thousand corresponding to 0.9% of net sales, versus 0.2% in the previous financial year.

The capital gain deriving from the sale of treasury shares and amounting to €401 thousand was posted under financial revenues.

Extraordinary income and charges. A lower amount of extraordinary income and charges was reported than in the previous financial year. With no critical or irregular situations, they mainly refer to items recorded during 2004 although pertaining to the previous FY.

	no. stock	charge/sale average value	Total (000/Euro)
Opening balance	200,750	3.743	751
Increases	-	-	-
Decreases	200,750	5.742	1,152
Capital gain	-	1.998	401
Closing balance at June 30 2004	-	-	-

Extraordinary income and charges. A lower amount of extraordinary income and charges was reported than in the previous financial year. With no critical or irregular situations, they mainly refer to items recorded during 2004 although pertaining to the previous FY.

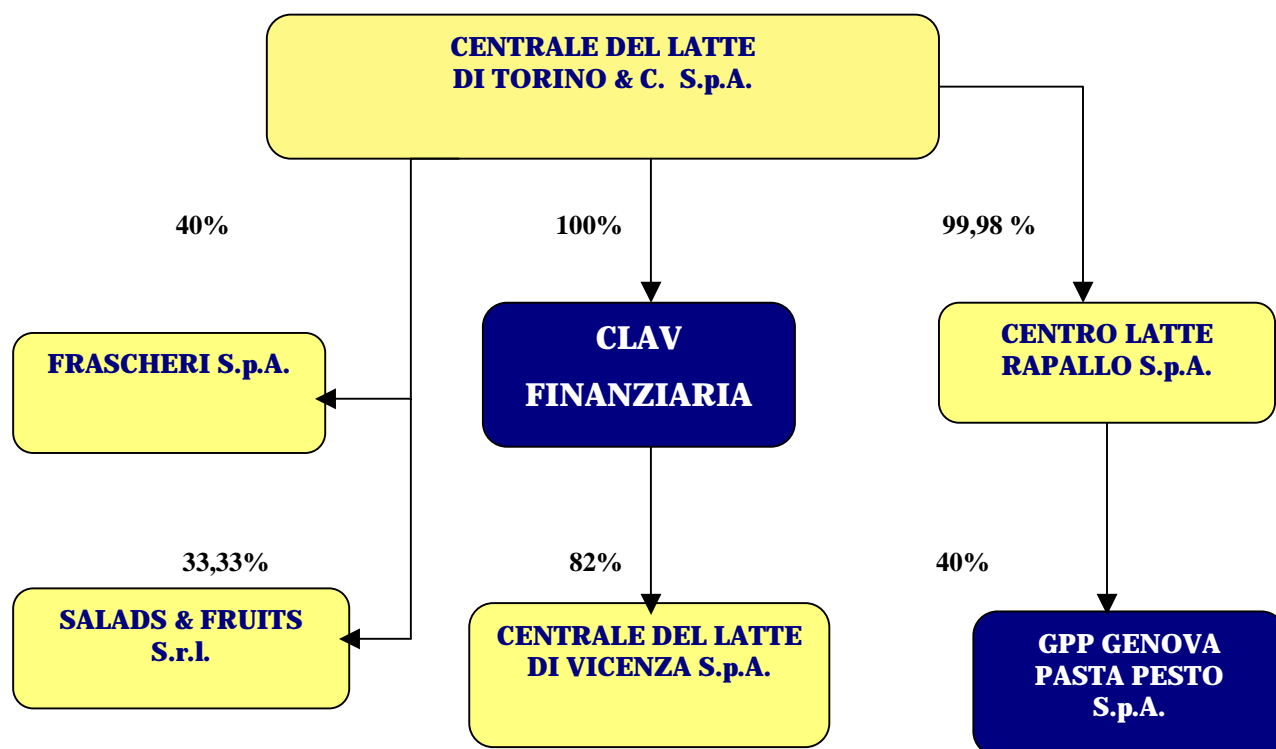
Operations results and the Annual Accounts for the Group in the first half of 2004 are presented in the reclassified Profit and Loss Account and the Annual Accounts (Annex A).

Shareholding in Subsidiary Companies

During the half year in question, as part of a diversification project for both products and production, Centrale del Latte di Torino & C. S.p.A. finalized the acquisition of a shareholding in a company producing, packing and distributing fresh fruit and vegetable products. This was achieved by underwriting a capital increase in Salads & Fruits Srl, amounting to a total of €250 thousand and corresponding to a 33.33% share in the company's equity.

The company based in Rapallo (Genoa) has been working in this sector since 2001, with total sales in 2003 amounting to €518 thousand and recording earnings after taxes of €781. With this new company's structure and a higher capital, the company now aims to build a new production unit in Casteggio (Pavia) where operations will be moved, and increase its turnover in a market segment which is constantly growing, with good results in terms of profit margins.

After the above described operation, Gruppo Centrale del Latte di Torino & C. S.p.A. as at 30th June 2004 features the following structure:



Financial Position. The net financial position as at 30th June 2004 reported a net improvement from the same period in the previous FY, after payment of dividends and taxes for 2003.

(thousands Euro)	June30-04	June30-03	Dec.31-03
Liquid assets	10,206	6,238	7,585
Treasury stock	-	460	751
	10,206	6,698	8,336
Payables to Banks	(60)	(403)	-
Medium/long term financing	(13,311)	(15,805)	(14,529)
	(13,371)	(16,208)	(14,529)
	(3,166)	(9,510)	(6,193)
Net Financial position			

Changes occurred in the capital and financial structure of the Group since December 31 2003 are reported in the Statement of Cash Flows (Annex C).

Operations with Subsidiary and Associated Companies

With the subsidiary Companies CLR and CLAV, during the half year in question, business operations concerning so called 'brand' products were conducted at standard market conditions.

Sales of bulk milk to CLR were based on an agreement finalized between the parties and revised on a quarterly basis, envisaging a price mark up on the average purchasing price depending on market trends. As to CLR branded products, standard market conditions were applied.

Also with the associated company Frascheri S.p.A., business operations with so called 'brand' products were conducted at standard market conditions.

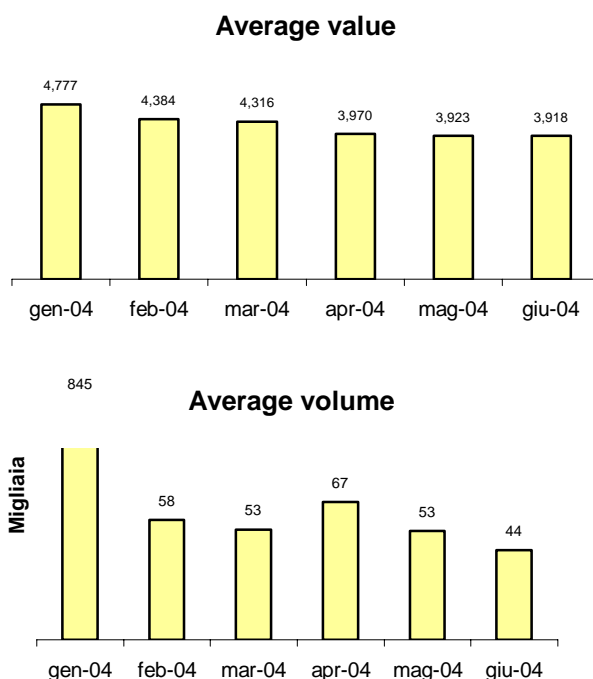
Sales prices were checked and controlled by the Head of the Corporate Control Board. The activity of this board, which identified no reproachable behavior, was extensively reported to the Board of Directors.

Company	Receivables	Payables	Costs	Revenues
	(thousands of Euro)			
Centrale del Latte di Torino & C. S.p.A. – parent company	2,038	21	41	3,561
Centro Latte Rapallo S.p.A. - subsidiary	21	1,883	3,561	41
Frascheri S.p.A. - affiliated	115	6	17	183
Centrale del Latte di Vicenza S.p.A. - subsidiary	-	-	-	-
Clav Finanziaria S.p.A. - subsidiary	-	100	-	-

Stock Market Performance of Centrale del Latte di Torino & C. S.p.A.

With regard to stock market performance of Centrale del Latte di Torino & C. S.p.A. which is listed in the STAR Segment (the high profile share segment of Borsa Italiana, the Italian Stock Exchange) following an initial period characterized by strong speculative fluctuations, stock stabilized at average monthly values ranging from €3.9 to €4.77. After January, when daily trade averaged 845 thousand shares, even volumes became stable.

On 30th June 2004, the company's stock closed at €4,028 per share, with an 18.91% increase from the closing quotation of the previous year (€3,388).



The European Investment Agency Standard Ethics, which publishes periodic ethical ratings of public companies according to certain principles and standards exclusively based on indications given by the United Nations, by the Organization for Cooperation and Development and by the European Union, gave Centrale del Latte di Torino & C. S.p.A. a EE+ rating.

This top rating is reason for satisfaction, because it provides recognition for the highest standards achieved in the application of principles necessary to give regular and transparent information to shareholders and the market, information by which the performance of a company and its management can be properly judged.

Company By-laws

Decree Law No. 6 dated January 17 2003 - also known as “Vietti's Act”, entered into force on January 1 2004, and further amended by another Decree Law dated January 29 2004 - introduced radical corporate law changes for public companies. In order to comply with these new regulations, an Extraordinary Meeting of Shareholders of Centrale del Latte di Torino & C. S.p.A was held on June 28 2004 at 11:00 a.m., which approved a new wording of the Company By-laws.

Privacy

Centrale del Latte di Torino & C. S.p.A. believes that a security policy on corporate processes is a distinctive success factor in order to ensure a high level of IT system protection and to reduce the risk of

economic damage, competitiveness loss, image deterioration, civil and criminal penalties that may arise out of unexpected accidents, and that its Total Quality system must also cover security issues. For this reason, a Security Programmatic Document (Documento Programmatico sulla Sicurezza - DPS) was adopted by Centrale del Latte di Torino & C. S.p.A, as well as by all its Group companies, as required by the applicable regulations on privacy.

The efficacy of adopted data security measures will be periodically checked by specially appointed staff, as required under clause 19 of the Technical Rules, providing for an updating of the DPS each year, by March 31. These audits will focus on maintaining already achieved security levels through the implementation of physic, logical, and organization measures.

In June 2004, the above mentioned Security Programmatic Document (DPS) was also adopted by the subsidiary companies Centro Latte Rapallo S.p.A. and Centrale del Latte di Vicenza S.p.A.

OPERATIONS RESULTS OF THE HOLDING COMPANY

Operations Results. In the first half of 2004, net sales of Centrale del Latte di Torino & C. amounted to € 28,764 thousand, versus € 27,016 thousand in the same period of the last financial year, with a 6.5% increase. EBITDA amounted to € 4,008 thousand, with a 12.8% increase from the same period of the last financial year. EBIT confirmed the upward trend amounting to € 2,671 thousand, with a 48.6% increase from the first half of 2003. Finally, profit before taxes grew 83.1% from 2003, amounting to € 2,769 thousand.

Sales proceeds

Sales performance by product segment is briefly reported in the following table:

(thousands of Euro)	June30-04		June30-03		Change		Dec.31-03	
Fresh milk	13,394	47%	12,345	46%	1,049	8,5%	23,820	44%
UHT milk	7,161	25%	6,970	26%	191	2,7%	14,188	26%
Yoghurt	880	3%	783	3%	97	12,4%	1,518	3%
Bulk milk and cream	3,239	11%	3,024	11%	215	7,1%	6,360	12%
Other packaged products	4,089	14%	3,894	14%	195	5,0%	7,802	14%
Total	28,764	100%	27,016	100%	1,748	6,5%	53,688	100%

Fresh Milk. Sales of fresh milk, accounting for 47% of total half-year sales, recorded an increase of 6.2% in value and 6.4% in volumes, net of inter-group sales.

Long-life Milk. Sales of long-life (UHT) milk recorded an increase of 2.7% in value and 5.2% in volumes, net of inter-group sales.

Yogurt. In this - always difficult and constantly evolving - market segment, sales recorded a 12.4% and 12% growth in value and volumes, respectively. In absolute terms, yogurt sales account for only 3% of total sales; however, considering the aggressive nature of competition in this market segment, reporting a turnover increase is indeed gratifying.

Other packed products. The Group's strategy to promote these high margin products that belong to the fresh/ultra-fresh product segment - continued. Net sales grew 5.% from the same period last year.

Geographic Distribution

Geographic distribution is not relevant, since the company's business is mainly carried out in Piedmont.

Other revenues

Other revenues is briefly reported in the following table:

(thousands of Euro)								
	June30-04		June30-03		Change		Dec.31-03	
Rents received	50	15%	47	14%	3	6%	97	15%
Sale of recycled material	30	9%	39	12%	(9)	-23%	76	12%
Contributions from suppliers	3	1%	72	22%	(69)	-96%	226	36%
Revenues from compensation	58	17%	55	16%	3	5%	100	16%
Capital gain from disposal	-	-	17	5%	(17)	-100%	20	3%
Insurance compensation	-	-	1	1%	(1)	-100%	3	1%
Other	1	0%	3	1%	(2)	-67%	3	1%
Contributions	195	58%	99	30%	96	97%	99	16%
Total	337	100%	333	100%	(4)	1%	625	100%

Operating, financial costs, and extraordinary charges

Operating Costs. Except for the events illustrated above concerning the Group's operating costs and related to the renewal of raw milk supply agreements with producers and the higher cost incurred to pay the bonus to employees, the Holding company's operating costs are substantially in line with the current FY and with the budget.

In the first half of 2004, depreciations amounted to 4.3% of net sales, versus 6.4% in the same period of the previous FY. In order to draw up the financial statements for 2004 as required by newly enforced regulations of TUIR (Consolidation Act on Income Tax) and of the Italian Civil Code, aiming to avoid any tax interference on the accounts, no advance depreciation was posted.

Depreciation figures are indicated in the following tables:

AMORTISATION & DEPRECIATION OF TANGIBLE FIXED ASSETS (thousands of Euro)	June30-04	June30-03	Dec.31-03
Lands & buildings			
Ordinary amortisation	177	174	349
Accelerated amortisation	-	10	21
	177	184	468
Plant & machinery			
Ordinary amortisation	727	777	1.558
Accelerated amortisation	-	313	629
	727	1.090	2.187
Industrial, commercial & office equipment			
Ordinary amortisation	121	108	224
Accelerated amortisation	-	68	145
	121	176	369
Total amortisation			
Ordinary amortisation	1.025	1.059	2.131
Accelerated amortisation	-	391	795
	1.025	1.450	2.926

AMORTISATION & DEPRECIATION OF TANGIBLE FIXED ASSETS (thousands of Euro)	June30-04	June30-03	Dec.31-03
Share listing costs	155	155	310
Set-up and expansion costs	14	14	29
R & D Costs	8	13	27
Advertising Costs	0,484	29	59
Patents and other intellectual property rights	32	35	78
Franchises, licences and trademarks	20	20	38
Other	0,416	0,416	1
Total amortisation	230	267	542

Value adjustments concerning financial activities.

With reference to the share held in the subsidiary company Clav Finanziaria S.p.A., owing to the lower value of the net shareholders' equity in the subsidiary company than entered under the Financial Assets item, following the carry forward of durable losses for the FYs 2002 and 2003, Centrale del Latte di Torino & C. resolved to reduce its share value in the company by €40 thousand.

Extraordinary income and charges.

Extraordinary charges net of extraordinary income amount to €117 thousand, versus €146 thousand in the same period of the previous FY. They amount to 0.4% of net sales, from 0.5% as at June 30, 2003.

The total net financial position of the Holding Company for the period ending June 30, 2004 improved from €- 3,137 thousand as at December 31 2003, to €+209 thousand as at June 30, 2004, after payment of dividends for € 300 thousand, tax balance for 2003 and tax account for 2004 totaling € 1,634 thousand.

(thousands Euro)	June30-04	June30-03	Dec.31-03
Liquid assets	8.650	4.652	5.265
Treasury stock	-	460	751
	8.650	5.112	6.016
Payables to Banks	(7)	(311)	-
Medium/long term financing	(8.434)	(9.917)	(9.157)
	(8.441)	(10.228)	(9.157)
Net financial position	209	(5.116)	(3.141)

Operations results and the Annual Accounts of the Holding Company for the first half of 2004 are illustrated under the reclassified Profit & Loss Account and Balance Sheet (Annex A).

Changes occurred in the financial structure since December 31 2003 are reported under the Statements of Cash Flows (Annex D).

Information on subsidiary and associated companies included in the consolidation area

In order to better illustrate the operations results for the Group and its companies, concise financial reports are presented here below for each operating company:

The figures reported in the following tables are gross of consolidation adjustments and write offs.

Centro Latte Rapallo S.p.A. - subsidiary company

(thousands Euro)	June 30-04		June 30-03		December 31-03	
<i>Value of production</i>						
Revenues from sales and services (*)	11,669	99.6%	11,310	99.5%	22,822	99.4%
Change in inventories	(9)	0.0%	30	0.3%	20	0.4%
Other income and revenues	52	0.4%	24	0.2%	45	0.2%
Value of production	11,712	100.0%	11,364	100.0%	22,887	100.0%
Gross operating margin	1,143	9.7%	966	8.5%	1,867	8.2%
Operating income	869	7.4%	573	5.0%	1,026	4.5%
Income (loss) before taxes	851	7.3%	538	4.7%	994	4.3%

(*) Sales revenues include inter-group

Net financial position

(thousands Euro)	June 30-04	June 30-03	December 31-03
Liquid assets	998	500	1,378
Payables to Banks	(39)	-	-
Medium/long term financing	(495)	(728)	(597)
	(534)	(728)	(597)
Net Financial position	464	(228)	781

3.3 Centrale del Latte di Vicenza S.p.A. (consolidated):

The figures reported in the following tables are gross of consolidation adjustments and write offs.

(thousands Euro)	June 30-04		June 30-03		December 31-03	
<i>Value of production</i>						
Revenues from sales and services (*)	11,995	99.1%	13,098	99.6%	26,174	100.0%
Change in inventories	70	0.6%	(22)	-0.2%	(99)	-0.4%
Other income and revenues	34	0.3%	74	0.6%	105	0.4%
Value of production	12,099	100.0%	13,150	100.0%	26,180	100.0%
Gross operating margin	446	3.7%	639	4.9%	1,381	5.3%
Operating income	(257)	-2.1%	(138)	-1.1%	(220)	-0.8%
Income (loss) before taxes	(382)	-3.2%	(340)	-2.6%	(775)	-2.9%

Net financial position

(thousands Euro)	June 30-04	June 30-03	December 31-03
Liquid assets	558	447	938
Payables to Banks	(14)	(92)	-
Medium/long term financing	(4,382)	(5,160)	(4,775)
	(4,396)	(5,252)	(4,775)
Net Financial position	(3,838)	(4,805)	(3,837)

During the second quarter, an application was submitted to the appropriate offices of the Municipality of Vicenza to get the permit for the construction of a new plant of Centrale del Latte di Vicenza S.p.A., as provided in the sale agreement finalized with the Municipality of Vicenza when the company was acquired.

Frascheri S.p.A. – Associated Company

During the second quarter of 2004, the associated company recorded an upward trend in sales, with an increase in both value and volumes of 4.4% and 2.9% respectively, compared to the same period of the previous financial year.

Following greater investments in advertising and promotions with customers, as well as an increase in the number of employees, the first half of 2004 closes with a loss of €75 thousand, gross of taxes, versus roughly a thousand Euro profit reported in the same period of the previous FY.

4. BUSINESS EVOLUTION

The second quarter of 2004 confirmed the upward trend of the Group's sales - despite a general consumption drop - obtained by exploiting the “season” effect, whereby the best sales results are reported in the first half of the year.

Conversely, the third quarter, as usual, will be negatively affected by a population drop in all main urban areas, due to summer holidays.

6. SUBSEQUENT EVENTS

In July, a theft was committed at Centrale del Latte di Torino & C. S.p.A. with bank cheques and cash stolen amounting to €209 thousand, against which a reserve fund was allocated for 50% of such amount. Investigations are currently under way to find the authors of the theft.

In order to implement the Group's streamlining plan, the Board of Directors resolved to wind up the subsidiary company CLAV Finanziaria S.p.A.

Last September 9, the Extraordinary Meeting of Shareholders of CLAV Finanziaria S.p.A. resolved to wind up the company and appoint a liquidator. The shareholding of Centrale del Latte di Vicenza S.p.A. in CLAV amounting to 82% was transferred to Centrale del Latte di Torino & C. S.p.A. at the price of Euro 12,376,183.00.

This operation will end next September 30, when a Meeting of Shareholders has been called to approve the closing winding up balance sheet, as well as all the subsequent procedures required to cancel the company and report discontinuance of business with all the bodies concerned.

Turin, 23 September 2004

The Chairman of the Board of Directors

Luigi LUZZATI

CONSOLIDATED FINANCIAL STATEMENT

Consolidated balance sheet - Assets (thousands of Euro)

ASSETS	June 30 04	June 30-03	Dec.31 03
B) FIXED ASSETS			
<i>I * Intangible fixed assets</i>			
1) Set-up & expansion costs - share listing costs	515	856	691
2) Research & development costs	54	148	85
3) Patents and intellectual property rights	232	274	253
4) Franchises, licences, trademarks and similar rights	17,217	18,317	17,766
5) Goodwill	1,427	1,909	1,667
7) Other fixed assets	283	342	278
Total intangible fixed assets	19,728	21,846	20,739
<i>II * Tangible fixed assets</i>			
1) Land and buildings	17,676	17,847	17,860
2) Plant & machinery	5,641	7,505	6,568
3) Industrial, commercial and office equipment	1,543	1,454	1,544
4) Other	230	290	249
5) Work in progress and down payments	497	156	138
Total tangible fixed assets	25,586	27,252	26,360
<i>III * Financial fixed assets</i>			
1) Investments in:			
b) associated companies	1,823	1,761	1,573
d) other companies	27	31	31
Total financial fixed assets	1,850	1,792	1,603
TOTAL FIXED ASSETS	47,163	50,890	48,702
C) CURRENT ASSETS:			
<i>I * Inventories</i>			
1) Raw, ancillary and consumable materials	1,353	1,625	1,479
4) Finished products and goods	1,337	1,212	1,225
Total inventories	2,690	2,838	2,705
<i>II * Accounts receivable</i>			
1) trade receivables	15,885	17,884	17,649
2) from associated companies	115	84	95
5) from other	7,748	8,532	8,531
Total receivables	23,747	26,500	26,274
<i>III * Non-fixed asset financial assets</i>			
5) Treasury stock in portfolio	-	460	751
6) Other securities	-	999	-
Total non-fixed asset financial assets	-	1,459	751
<i>IV * Liquid assets</i>			
1) Bank and post office accounts	10,184	5,115	7,500
3) Cash on hand	22	124	85
Total liquid assets	10,206	5,239	7,585
TOTAL CURRENT ASSETS	36,643	36,036	37,316
D) ACCRUED INCOME & PREPAID EXPENSES	369	392	195
TOTAL ASSETS	84,176	87,318	86,213

Consolidated balance sheet - Liabilities (thousands of Euro)

LIABILITIES	June 30 04	June 30-03	Dec.31 03
A) SHAREHOLDERS' EQUITY			
I * Capital stock	20,600	20,600	20,600
II * Share premium reserve	14,609	14,609	14,609
III * Revaluation reserve	197	197	197
IV * Legal reserve	425	335	335
V * Reserve for treasury stock in portfolio	0	460	751
VII * Other reserves	2,450	587	295
- consolidation reserve	1,679	1,679	1,679
VIII * Retained earnings (loss)	(4,131)	(3,485)	(3,485)
IX * Net income (loss) for the year	2,953	1,690	1,148
Total shareholders' equity	38,782	36,672	36,130
Capital and reserves attributable to minority interests	2,717	2,881	2,782
TOTAL SHAREHOLDERS' EQUITY & MINORITY INTERESTS	41,498	39,553	38,912
B) PROVISIONS FOR CONTINGENCIES & CHARGES			
3) Other provisions	646	294	566
Deferred taxes	1,000	661	1,000
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES	1,646	955	1,566
C) RESERVE FOR EMPLOYEE SEVERANCE INDEMNITY	3,713	3,609	3,622
D) ACCOUNTS PAYABLES			
3) To banks	12,960	15,751	14,117
4) To other financing sources	412	457	412
5) Down payments	10	-	10
6) Trade payables	18,487	19,172	20,186
7) Notes payable	-	105	-
9) To associated companies	6	8	7
11) Tax liabilities	203	269	1,653
12) Social security contributions	567	343	408
13) Other accounts payable	4,158	5,873	4,530
Total payables	36,803	41,978	41,323
E) ACCRUED EXPENSES & DEFERRED INCOME			
b) sundry	516	1,221	790
TOTAL LIABILITIES	84,176	87,318	86,213

Memorandum accounts (thousands of Euro)

	June 30 04	June 30-03	Dec.31 03
A) THIRD-PARTY GOODS			
1) Goods in use		276	41
B) COMPANY ASSETS HELD BY THIRD PARTIES			
1) Company goods in use and stock		359	349
C) RISKS			
1) Recourse on discounted bills		177	-
2) Disputed 1994 tax demand		38	38
D) GUARANTEES			
1) Guarantees from holding company		26.394	27.058
2) Guarantees issued to third parties		4.349	3.691
3) Guarantees from third parties		18.731	18.731
4) Mortgages in favour of third parties	57	-	57
TOTAL MEMORANDUM ACCOUNTS		50.324	49.965

Consolidated income statement (thousands of Euro)

	June 30 04	June 30-03	Dec.31 03
A) VALUE OF PRODUCTION			
1) Revenues from sales and services	48,850	47,902	95,646
2) Changes in inventory of products in processing, semi-finished and finished products	5	120	20
5) Other revenue and income:			
* sundry	180	264	590
* operating grants	195	124	99
TOTAL VALUE OF PRODUCTION	49,229	48,409	96,356
B) COSTI DELLA PRODUZIONE			
6) Raw, ancillary, consumable materials and goods	26,621	27,038	53,696
7) Services	10,938	10,551	20,932
8) Rental and leasing of third-party assets	195	190	381
9) Personnel costs			
a) salaries and wages	3,651	3,513	6,800
b) social security contributions	1,297	1,231	2,328
c) severance indemnity	251	247	519
e) other costs	22	27	56
	5,221	5,018	9,702
10) Amortisation, depreciation and writedowns			
a) amortisation of intangible fixed assets	1,113	1,171	2,379
b) depreciation of tangible fixed assets	1,472	1,630	3,304
d) writedown of accounts receivable	115	75	124
	2,700	2,876	5,807
11) Changes in inventory of raw and ancillary materials	20	(166)	(132)
12) Provisions for risks	3	3	5
14) Sundry production costs	635	617	1,460
TOTAL PRODUCTION COSTS	46,332	46,126	91,851
OPERATING INCOME	2,897	2,283	4,505

	June 30 04	June 30-03	Dec.31 03
C) PROVENTI E ONERI FINANZIARI			
15) Income from shareholdings	-	73	73
16) Other financial income			
from securities in current assets	411	-	-
from others	54	39	110
	465	39	110
17) Interest and other financial charges			
from others	(389)	(472)	(861)
Total financial income and expense	76	(360)	(677)
D) ADJUSTMENTS TO FINANCIAL FIXED ASSETS			
18) <i>Revaluations</i>			
c) securities in current assets			
- treasury stock	-	2	291
19) <i>Writedowns</i>			
b) writedowns of investments	(4)	(61)	(461)
c) securities in current assets	-	(2)	-
	(4)-	(63)	(461)
Total adjustments to financial fixed assets	(4)	(61)	(169)
E) EXTRAORDINARY INCOME AND EXPENSE			
20) Income			
- sundry	154	114	235
	154	114	235
21) Expenses			
- prior year taxes	(1)	(2)	(2)
- sundry	(234)	(343)	(632)
	(235)	(345)	(634)
Total extraordinary income and expense	(81)	(230)	(399)
INCOME (LOSS) BEFORE TAX	2.888	1.631	3.260
22) Taxes			
a) incombe taxes	-	-	(2.074)
c) deferred income tax	-	-	(196)
23) NET INCOME (LOSS) FOR THE PERIOD	2.888	1.632	990
27) Minority interests	(65)	(59)	(158)
28) GROUP NET INCOME (LOSS) FOR THE PERIOD	2.953	1.690	1.148

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Structure and content of the financial statements

Consolidated financial statements at June 30 2004 have been prepared in accordance with criteria established by D.Lgs. 9 aprile 1991 n. 127 and article 81 of CONSOB resolution no.11971 dated May 14 1999 and follow resolutions.

The half-yearly report have been prepared in accordance with the article 81, of CONSOB resolution no. 11971 without income taxes and the figures are showed in thousands of Euro.

Consolidation area

The consolidated financial statements include those prepared as at June 30 2004 by Parent Company, Centrale del Latte di Torino & C. S.p.A., the subsidiaries Centro Latte Rapallo S.p.A. and CLAV Finanziaria S.p.A..

The 40% investment in Frascheri S.p.A. has been excluded from the consolidation area bearing in mind the limited control the Parent Company has over it as a result of the ownership structure of this associated company.

Financial statements for companies included in the consolidation are derived from those prepared by the respective Boards of Directors. Where necessary they have been modified to harmonise them with accepted accounting principles and in order to conform to criteria for presentation established by the governing body of the Italian Institute of Chartered Accountants and to eliminate the entries made exclusively in application of tax regulation.

Consolidation method adopted

As regards the subsidiaries Company, the line-by-line consolidation method has been adopted, with the following adjustments and exceptions:

- The book value of the investment in subsidiaries Company Centro Latte Rapallo S.p.A. and CLAV Finanziaria S.p.A. has been netted out against the subsidiary company's shareholders' equity as the consolidation includes its assets, liabilities, revenues and costs on a line-by-line basis.
- Entries giving rise to accounts receivable and payable, revenues and costs between consolidated companies have been eliminated.

Evaluation criteria

The evaluation criteria used to prepare the consolidated financial statements do not differ from those adopted in previous years and are in conformity with the provisions of Art. 2426 of the Civil Code.

The evaluation criteria and accounting principles adopted are indicated below.

Intangible fixed assets

Intangible fixed assets are recorded at purchase cost. These assets are amortised on a straight-line basis over five years, except for advertising, which has a forecast useful life of three years, and trademarks, which are amortised over 20 years.

Costs relating to the listing of the Company's shares on the Italian Stock Exchange have also been recorded as an asset and are amortised over 5 years.

Tangible fixed assets

Tangible fixed assets are recorded at purchase cost plus any directly associated charges. Final balances shown are net of depreciation.

The asset values reported include revaluation as shown in the table covering asset revaluations in the notes. Depreciation charged to the income statement has been calculated systematically on an annual straight-line basis, reduced by 50% in the year assets are purchased, and is based on rates that reflect the useful economic-technical life of the assets concerned.

The normal depreciation rates applied are as follows:

- Buildings	4%
- General plant and machinery	10%
- Specific plant and machinery	16%
- Tools and equipment	20%
- Furniture and normal office equipment	12%
- Electronic equipment	20%
- Vehicles and equipment for internal transport	20%
- Motor vehicles	25%

Assets subject to revaluation are reported in a specific table. Values for land and buildings only refer to the latter and amounts reported are gross of depreciation and include changes that took place during the year.

Accelerated depreciation was not calculated and charged to the income statement.

No revaluations were made in the first half of 2004.

Ordinary maintenance and repair costs are charged to the income statement for the year in which they are incurred, whereas those of an extraordinary nature are capitalised.

As regards fixed assets in progress, no depreciation was applied, in accordance with the provisions of Civil Code.

Financial fixed assets

Investments are recorded at cost and, where necessary, are written down in the event of long-term losses in value.

Inventories

These are recorded at the lesser of purchase costs and market value. As regards finished products, the amount reported represents the direct production cost including any structural costs directly associated with the product. For raw, ancillary, consumable materials and goods for resale, values reported are based on the average weighted cost for the year.

Accounts receivable and payable

Receivables are reported at forecast realisable value.

Payables are reported at nominal value.

Prepayments, accruals and deferrals

Prepaid expenses and accrued income, accrued expenses and deferred income are calculated using the principle of financial and temporal competence in order to match revenues and costs for the half-year and include costs or income common to two or more years.

Employee severance indemnity

The liability for employee severance indemnity includes amounts due as at the end of the first half of 2004 in accordance with the law and contractual conditions in force, less any advances made to employees.

Revenues and costs

These are included in the financial statements based on the principle of financial competence and are recorded net of returns, discounts, premiums and allowances.

Financial income and expense

The income and expenses of a financial nature are recorded in the financial statements based on the principle of temporal competence.

Extraordinary income and expense

This includes positive and negative items affecting income, generated by non-recurring situations or contingent assets and liabilities relating to prior years.

CONSOLIDATED BALANCE SHEET

ANALYSIS OF INDIVIDUAL ITEMS IN ASSETS

Intangible fixed assets

Changes in intangible fixed assets:

INTANGIBLE FIXED ASSETS (thousands of Euro)	Set up & Expansion costs	R & D costs	Patents	Licences & Trade marks	Goodwill	Others	Total
Historical cost	1,793	1,333	899	23,539	8,027	778	36,369
Accumulated amortisation	1,102	1,248	646	5,773	6,361	500	15,630
Opening balance	691	85	253	17,766	1,666	278	20,739
Acquisitions	-	-	54	-	-	54	108
Transfers/consolidation adjustments	(1)	(5)	-	-	-	-	(6)
Depreciation	175	26	74	549	240	49	1,113
Closing balance at June 30-04	515	54	232	17,217	1,427	283	19,728

Changes in reserves for amortisation of intangible fixed assets:

RESERVES FOR INTANGIBLE FIXED ASSETS (thousands of Euro)	Set up & Expansion costs	R & D costs	Patents	Licences & Trade marks	Goodwill	Others	Total
Opening balance	1,102	1,248	646	5,773	6,361	500	15,630
Amortisation for the period	175	26	74	549	240	49	1,113
Closing balance at June 30-04	1,277	1,274	720	6,322	6,601	549	16,743

Tangible fixed assets

Changes in tangible fixed assets:

TANGIBLE FIXED ASSETS (thousands of Euro)	Land & buildings	Plant machinery	Ind. comm, Office equip.	Other	Total tangible fixed assets	Work in progress	Total
Historical cost	20.343	27.665	6.034	736	54.779	138	54.917
Revaluations	2.462	116	6	-	2.583	-	2.583
Reserve for depreciation	4.944	21.214	4.495	487	31.140	-	31.140
Opening balance	17.860	6.567	1.544	249	26.222	138	26.360
Acquisitions	66	53	224	6	349	359	708
Disposals and write-offs	-	97	40	26	163	-	163
Utilisation of reserves	-	97	30	26	153	-	153
Depreciation	251	980	216	25	1.472	-	1.472
Closing balance at June 30-04	17.676	5.641	1.543	230	25.089	497	25.586

Changes in reserves for depreciation of tangible fixed assets:

RESERVES FOR TANGIBLE FIXED ASSETS (thousands of Euro)	Land & buildings	Plant machinery	Ind. comm, Office equip.	Other	Total tangible fixed assets
Opening balance	4.944	21.214	4.495	487	31.140
Depreciation for the period	251	980	216	25	1.472
Utilisation in period	-	97	30	26	153
Closing balance at June 30-04	5.195	22.097	4.681	486	32.459

Table showing the revaluation of tangible fixed assets:

TANGIBLE FIXED ASSETS (thousands of Euro)	Land & buildings	Plant machunery	Ind. comm, Office equip.	Other	Total tangible fixed assets
Historical cost before revaluation	20.409	27.621	6.218	716	54.964
Revaluation Law 72/1983	395	116	6	-	517
Revaluation Law 413/1991	894	-	-	-	894
Merger deficit 1990	770	-	-	-	770
Merger deficit 1999	403	-	-	-	403
Total revaluations	2.462	116	6	-	2.584
Revalued historical cost	22.871	27.737	6.224	716	57.548

(1) The revaluation shown for land and buildings only refers to buildings.

Financial fixed assets

FINANCIAL FIXED ASSETS (thousands of Euro)	Investments in subsidiary companies	Investments in associated companies	Total
Opening balance	1,573	30	1,603
Acquisitions	250	-	250
Disposals	-	-	-
Writedowns	-	3	3
Closing balance at June 30-04	1,823	27	1,850

List of investments in non-consolidated associated companies:

INVESTMENTS IN ASSOCIATED COMPANY					Amount recorded for investment in financial statements
(thousands of Euro)	Share capital	Shareholders' equity	Net income (loss) for year	Percentage owned	
FRASCHERI S.p.A. (*) Via C.Battisti 29 Bardineto (Sv)	599	1396	19	40%	1761
(*)Amounts refer to the latest approved financial statements at December 31 2003					
GPP S.p.A. Genova Pasta e Pesto (*) L.go S.Giuseppe 3/32 Genova (Ge)	500	431	(48)	40%	211
(*)Amounts refer to the latest approved financial statements at December 31 2003					
SALADS & FRUITS S.r.l. Via della libertà 20/3 Rapallo (Ge)	(*) 108	(*) 538	(**) 1	33,33%	250
(*) Amounts after share capital increase at June 16 2004					
(**) income year 2003					

List of investments in other non-consolidated companies:

(thousands of Euro)	June 30-04	June 30-03	Dec 31-03
▪ Consorzio Cooperativo Vallestura a.r.l.	22	26	26
▪ Energindustria	1	1	1
▪ Consorzio CFV	2	1	1
▪ Sogea S.c.p.a. Genova	1	1	1
▪ Other valu less then one thousand Euro	1	2	2
▪ Total other non-consolidated investments	27	31	31

Trade receivables

Trade receivables are the result of normal sales operations and are reported net of respective reserves for writedowns, in particular reserves set up for receivables subject to legal proceedings and those referred to in Art. 25 of Presidential Decree 42/1988 cover the entire amount of such receivables and therefore the book value in assets is zero.

The composition of these reserves and changes in the first half of 2004, which were in conformity with accepted accounting and fiscal principles, are shown in the table below.

Receivables from associated companies were the result of normal sales operations between the companies concerned.

(thousands of Euro)	Accounts receivable within 1 year	Due beyond 1 year within 5 years	Due beyond 5 years	Total receivables beyond 1 year	Total receivables
CURRENT ASSETS					
Accounts receivable					
1) trade receivables	15.885	-	-	-	15.885
2) from associated companies	115	-	-	-	115
5) from others	6.792	930	26	956	7.748
CURRENT ASSETS	22.792	930	26	956	23.747

Utilisation and allocation to provisions for writedown of accounts receivable (thousands of Euro)	Opening balance	Increases	Decreases	Closing balance at June 30-04
Taxed provision for writedown of receivables	304	33	77	260
Provision for risks on receivables - 0.5%	252	82	36	299
TOTAL FISCAL PROVISION FOR WRITEDOWNS	556	115	113	559
Provision for writedown of receivables	62	-	-	62
for negotiated settlements	11	-	-	11
Provision for writedown of receivables Art.25 DPR 42/88	50	34	-	84
TOTAL PROVISION FOR NEGOTIATED SETTLEMENTS	123	34	-	157
TOTAL	679	148	113	716

Other receivables

Other receivables includes:

(thousands of Euro)	June 30-04	June30-03	Dec.31-03
<ul style="list-style-type: none"> ▪ Receivables for suretyships received as guarantees for payment of supplementary taxes as per Law 486/92 (milk quota) ▪ VAT reimbursement due ▪ VAT to be compensated ▪ other ▪ taxes to be compensated ▪ tax credit for withholdings on employee severance indemnity ▪ tax reimbursement due ▪ receivables from distributors ▪ prepaid taxes ▪ loans to employees ▪ VAT ▪ advances to suppliers ▪ receivables from social security organizations ▪ deposits ▪ prepaid taxes ▪ advances on salaries and wages ▪ payments to be received ▪ tax withheld on interest received 	2.366 3.021 - 208 - 151 181 139 871 30 43 69 38 28 159 91 345 8	4,214 2,838 - 464 255 190 181 - 168 52 44 33 31 24 16 15 6 1	3,540 3,600 291 237 23 162 178 139 - 33 47 34 11 20 159 2 53 2
Total other receivables	7.748	8,532	8,531

Prepaid expenses and accrued income

A breakdown of prepayments and accruals is given in the following table.

(thousands of Euro)			
	June 30-04	June30-03	Dec.31-03
PREPAYMENTS			
Long-term charges re Sabatini Law	-	72	36
Long-term charges on financing	-	12	13
	-		
Total long-term charges on financing		84	49
* suretyships for VAT	55	17	17
* income taxes	12	16	16
* commissions on financing	24	27	4
* advertising costs	50	56	19
* other costs	35	20	8
* Inail contributions	28	29	-
* leasing	16	11	6
* insurance	101	96	-
* software fees	-	1	66
* maintenance fees	18	20	10
TOTAL PREPAYMENTS	339	377	195
ACCRUED INCOME			
* interest on bank current accounts	30	15	-
TOTAL ACCRUED INCOME	30	15	-
TOTAL PREPAID EXPENSES AND ACCRUED INCOME	369	392	195

ANALYSIS OF INDIVIDUAL ITEMS IN LIABILITIES**Shareholders' equity****Share capital**

The fully paid-up share capital amounts to 20,600,000 euros, represented by 10,000,000 shares with a par value of 2.06 euros each.

Reserve for shareholders' equity

In conformity with the resolution taken by the shareholders' meeting of April 29 2004 the net result of year 2003 was destined as follow:

- Euro 89,658 to legal reserve
- Euro 1,403,479 to other reserve
- Dividends 0,03 Euro by no. 10.000.000 ordinary stock for total 300,000 Euro

Following the sale of treasury stock held in portfolio the reserve for purchase of treasury stock was transferred to the reserve for purchase of treasury stock from the extraordinary reserve.

The consolidation reserve shown in shareholders' equity is the result of including the balance sheet situation of CLAV Finanziaria S.p.A. at June 30 2004 in the consolidated financial statements.

	Capital Stock reserve	Share premium reserve	Reval Reserve	Legal Reserve	Treas. stock reserve	Other reserve	Consol. reserve	Retaind loss	Income (loss) Of period	Total
Opening balance	20,600	14,609	197	335	751	295	1,679	(3,485)	1,148	36,130
Income to reserve	-	-	-	90	-	1,403	-	-	(1,493)	-
Adj. treasury stock reserve	-	-	-	-	(751)	751	-	-	-	-
Loss carried forward	-	-	-	-	-	-	-	(646)	646	-
Dividends	-	-	-	-	-	-	-	-	(300)	(300)
Group consolidated result	-	-	-	-	-	-	-	-	2,953	2,953
Total changes during period	-	-	-	90	(751)	2,155	-	(646)	2,953	2,653
Closing balance June 30 04	20,600	14,609	197	425	-	2,451	1,679	(4,091)	2,953	38,782

Reserve for employee severance indemnity

At June 30 2002 the reserve for employee severance indemnity amounted to 1,589,949 euros net of advances made and allocations to the supplementary pension fund ALIFOND for white-collar and blue-collar employees and PREVINDAI for executives who participate in this initiative.

UTILISATION OF AND ALLOCATIONS TO RESERVE FOR EMPLOYEE SEVERANCE INDEMNITY				
(thousands of Euro)	Opening balance	Increases and allocations	Decreases and utilisation	Balance at June 30 2004
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITY	3,622	259	168	3,713

Other provisions

UTILISATION OF AND ALLOCATIONS FOR OTHER PROVISIONS				
(thousands of Euro)	Opening Balance	Increases and allocations	Decreases and utilisation	Balance at June 30 2004
OTHER PROVISIONS	566	90	10	646

Account payable

Below is an analysis of items, with a breakdown by due date, which represent the Group's financial liabilities.

(thousands of Euro)	Due within 1 year	Due beyond 1 year, within 5 years	Due beyond 5 years	Total payables beyond 1 year	Total payables
ACCOUNTS PAYABLE					
to banks for mortgages	2.538	9.102	1.259	10.361	12.899
to banks for overdrafts	61	-	-	-	61
to other financing sources	46	200	166	366	412
trade payables	18.497	-	-	-	18.497
to associated companies	6	-	-	-	6
to tax authorities	203	-	-	-	203
to social security institutions	567	-	-	-	567
to others	3.260	908	-	908	4.168
Total	25.168	10.212	1.425	11.633	36.803

The item payables to other financing sources refers to a loan granted by Minindustria on July 17 1996 - Special rotating fund for technological innovation as per Law 46 of February 17 1982 - with a duration of 15 years with repayment over the last 10 years of the term.

The item payables to tax authorities includes the following balances:

(thousands of Euro)	June 30-04	June 30-03	Dec.31-03
▪ payables for tax	-	-	1.286
▪ payables for employee tax withholdings	168	175	248
▪ payables for tax not related to income	12	70	53
▪ payables for tax withholdings for freelance workers	23	24	66
Total payables to tax authorities	203	269	1.652

The item payables to social security institutions comprises payables for contributions due on salaries and wages of full-time employees.

The item other payables includes:

(thousands of Euro)	June 30-04	June 30-03	Dec.31-03
▪ Payables for supplementary taxes Law 486/92 (milk quota)	2.847	5.106	3.964
▪ Other payables	174	353	68
▪ Payables for wages and salaries	1.040	263	325
▪ Payables for withholdings from milk producers Law 88/88	83	97	97
▪ Payables for deposits received	24	28	24
▪ Payables for emoluments to Directors and Statutory Auditors	-	25	46
▪ Payables for employee union dues withheld	-	2	7
Total other payables	4.168	5.874	4.530

Accrued expenses and deferred income

The breakdown of these accruals and deferrals is given in the following table.

(thousands of Euro)			
	June 30-04	June 30-03	Dec.31-03
DEFERRED INCOME AND ACCRUED EXPENSES			
* operating grants (FEOGA)	276	363	363
* contributions from suppliers	-	32	8
* sundry income	5	9	5
Total deferred income	381	404	376
ACCRUED EXPENSES			
* accrued employee compensation and related charges	55	654	367
* interest on bank financing	28	139	25
* interest on bank overdrafts	-	5	-
* bank commissions and expenses	8	1	5
* commissions on guarantee	4	4	1
* sundry expenses	40	14	16
Total accrued expenses	135	817	414
TOTAL DEFERRED INCOME AND ACCRUED EXPENSES	516	1.221	790

INCOME STATEMENT

Details of revenues are reported in the report of operations.

Financial income and expense

Details of financial income and expense are reported in the following table.

	(thousands of Euro)	June 30-04	June 30-03	Dec.31-03
PROVENTI FINANZIARI				
Proventi da partecipazioni: from other				
* tax credit on dividends		-	73	73
Other financial income: from other				
* bank interest		53	35	72
* interest on securities in portfolio		-	-	-
* interest on overdue receivables		-	-	18
* income on securities in portfolio		401	-	-
* interest on securities in portfolio		8	-	3
* interest on VAT reimbursements		-	-	12
* other		3	4	4
Total other financial income		465	39	110
FINANCIAL CHARGES AND INTEREST				
Financial charges: from other				
* interest on mortgages and loans		243	340	682
* interest on bank overdrafts		44	52	58
* dividend warrants		7	25	32
* interest to suppliers		14	19	19
* charges for guarantees		9	19	35
* bank commissions		23	16	34
* bank commissions on swap contract		49	-	-
* other		-	1	2
Total financial interest and charges		389	472	861
TOTAL FINANCIAL INCOME AND EXPENSE		76	(360)	(677)

Adjustments to financial fixed assets

ADJUSTMENTS TO FINANCIAL FIXED ASSETS			
(thousands of Euro)			
	June 30-04	June 30-03	Dec.31-03
Revaluation of treasury stock in portfolio	-	2	291
Writedown of treasury stock in portfolio	-	(2)	-
Writedown other financial investments	-	(2)	-
Writedown investments in subsidiary	(40)	(61)	(461)
Writedown investements in other	(4)	-	-
TOTAL ADJUSTMENTS TO FINANCIAL FIXED ASSETS	(44)	(63)	(169)

Extraordinary income and expense

Details of financial income and expense are reported in the following table.

(thousands of Euro)			
	June 30-04	June 30-03	Dec.31-03
EXTRAORDINARY INCOME			
* contingent assets	79	113	234
* extraordinary income	75	1	1
TOTAL EXTRAORDINARY INCOME	154	114	235
EXTRAORDINARY EXPENSES			
* contingent liabilities	203	219	281
* extraordinary expenses	32	126	353
Total extraordinary expenses	235	344	634
TOTAL EXTRAORDINARY INCOME AND EXPENSE	(82)	(229)	(399)

Reconciliation between Group shareholders' equity and the result for the first half of 2004

	Result for the period	Shareholders' equity
Balances at Jun. 30 2004 per financial statements of Centrale del Latte di Torino & C. S.p.A.	2.769	41.049
Difference between the book value of the company investment included in the consolidation area and relevant shareholders' equity	-	768
Half-yearly result for Centro Latte Rapallo S.p.A.	851	851
Half-yearly result for CLAV Finanziaria S.p.A.	(317)	(317)
Difference between book value of investment in CLAV Finanziaria S.p.A. and relevant shareholders' equity	-	(891)
Writedown of CLAV Finanziaria S.p.A. investment	40	-
Amortisation of trademarks	(320)	(3.524)
Amortisation of start-up costs	(70)	(770)
Reversal of accelerated depreciation and amortisation recorded by Centro Latte Rapallo S.p.A.	-	1.616
Balances per consolidated financial statements at Jun. 30 2002	2.953	38.782

HOLDING COMPANY FINANCIAL STATEMENT

Balance sheet - Assets (thousands of Euro)

ASSETS	June 30 04	June 30-03	Dec.31 03
B) FIXED ASSETS			
<i>I * Intangible fixed assets</i>			
1) Set-up & expansion costs - share listing costs	485	823	654
2) Research & development costs	23	75	32
3) Patents and intellectual property rights	129	165	161
4) Franchises, licences, trademarks and similar rights	572	612	592
7) Other	3	4	3
Total intangible fixed assets	1.212	1.678	1.442
<i>II * Tangible fixed assets</i>			
1) Land and buildings	4.555	4.800	4.697
2) Plant & machinery	2.460	4.194	3.143
3) Industrial, commercial and office equipment	481	618	509
5) Work in progress and down payments	26	33	15
Total tangible fixed assets	7.522	9.646	8.362
III * Financial fixed assets			
1) Investments in:			
a) subsidiary companies	30.805	30.845	30.845
b) associated companies	1.611	1.761	1.361
d) other companies	1	1	1
Total financial fixed assets	32.418	32.608	32.208
TOTAL FIXED ASSETS	41.152	43.931	42.013
C) CURRENT ASSETS:			
<i>I * Inventories</i>			
1 Raw, ancillary and consumable materials	613	750	643
4) Finished products and goods	576	525	565
Total inventories	1.189	1.276	1.207
<i>II * Accounts receivable</i>			
1) trade receivables	6.784	7.357	8.187
2) from associated companies	115	84	95
3) from subsidiaries	2.038	2.559	2.574
5) from others	4.576	5.455	5.634
Total receivables	13.513	15.455	16.490
<i>III * Non-fixed asset financial assets</i>			
5) Treasury stock in portfolio	-	460	751
6) Other securities	-	999	-
Total non-fixed asset financial assets	-	1.459	751
<i>IV * Liquid assets</i>			
1) Bank and post office accounts	8.649	3.653	5.265
3) Cash on hand	1	-	-
Total liquid assets	8.650	3.653	5.265
TOTAL CURRENT ASSETS	23.352	21.842	23.713
D) ACCRUED INCOME & PREPAID EXPENSES	192	222	154
TOTAL ASSETS	64.696	65.995	65.880

Balance sheet - Liabilities (thousands of Euro)

LIABILITIES	June 30 04	June 30-03	Dec.31 03
A) SHAREHOLDERS' EQUITY			
I * Capital stock	20,600	20,600	20,600
II * Share premium reserve	14,609	14,609	14,609
III * Revaluation reserve	197	197	197
IV * Legal reserve	425	335	335
V * Reserve for treasury stock in portfolio	-	460	751
VII * Other reserves	2,450	587	295
IX * Net income (loss) for the period	2,769	1,512	1,793
Total shareholders' equity	41,049	38,299	38,580
Provisions for contingencies & caharges	57	-	-
C) RESERVE FOR EMPLOYEE SEVERANCE INDEMNITY	1,809	1,718	1,765
D) DEBITI			
3) To banks	8,029	9,771	8,745
4) To other financing sources	412	457	412
6) Trade payables	9,892	9,904	10,905
7) Notes payable	-	105	53
8) To subsidiary companies	21	28	39
9) To associated companies	6	8	7
11) Tax liabilities	79	141	1,205
12) Social security contributions	297	118	198
13) Other accounts payable	2,637	4,377	3,258
Total payables	21,374	24,907	24,821
E) ACCRUED EXPENSES & DEFERRED INCOME	407	1,071	713
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	64,696	65,995	65,880

Memorandum accounts (thousands of Euro)

MEMORANDUM ACCOUNTS	June 30 04	June 30-03	Dec.31 03
B) COMPANY ASSETS HELD BY THIRD PARTIES			
1) company assets held	49	67	49
C) RISKS			
1) Recovery of bank receipts and notes presented for payment	-	177	-
2) Disputed 1994 tax demand	38	38	38
D) GUARANTEES			
2) Guarantees issued to third parties	18.516	17.900	18.902
3) Guarantees from third parties	1.678	3.493	2.835
4) Mortgages in favour of third parties	5.681	5.681	5.681
TOTAL MEMORANDUM ACCOUNTS	25.962	27.356	27.505

Income statement (thousands of Euro)

	June 30 04	June 30-03	Dec.31 03
A) VALUE OF PRODUCTION			
1) Revenues from sales and services	28.764	27.016	53.688
2) Change in inventories for products in process, semi-finished and finished products	(56)	112	99
5) Other revenue and income:			
* sundry	142	234	525
* operating grants	195	99	99
TOTAL VALUE OF PRODUCTION	29.044	27.461	54.411
B) PRODUCTION COSTS			
6) Raw, ancillary, consumable materials and goods	15.898	15.387	30.625
7) Services	6.054	5.611	11.182
8) Rental and leasing of third-party assets	33	33	63
9) Personnel costs			
a) salaries and wages	1.974	1.845	3.461
b) social security contributions	701	643	1.157
c) severance indemnity	126	119	276
e) other costs	21	27	54
	2.823	2.634	4.947
10) Amortisation, depreciation and writedowns			
a) amortisation of intangible fixed assets	230	267	542
b) depreciation of tangible fixed assets	1.024	1.450	2.927
d) writedown of accounts receivable	83	40	46
	1.336	1.757	3.515
11) Change in inventories for raw, ancillary and consumable materials	(37)	39	93
12) Provisions for risks	-	-	-
14) Sundry production costs	266	204	431
TOTAL PRODUCTION COSTS	26.372	25.665	50.857
OPERATING INCOME - (A - B)	2.671	1.796	3.554

	June 30 04	June 30-03	Dec.31 03
C) FINANCIAL INCOME AND EXPENSE			
15) Income from shareholdings			
in subsidiary companies	-	130	130
from others	-	73	73
	-	203	203
16) Other financial income			
from securities in current assets	408	-	-
from others	52	33	70
	461	33	70
17) Interest and other financial charges			
from others	(205)	(313)	(477)
Total financial income and expense	256	(77)	(204)
D) ADJUSTMENTS TO FINANCIAL FIXED ASSETS			
18) <i>Revaluations</i>			
c) of securities recorded in current assets - treasury stock -	-	2	291
19) <i>Writedowns</i>			
b) of investments	(40)	(61)	(461)
c) of securities recorded in current assets - treasury stock -	-	(2)	-
Total adjustments to financial fixed assets	(40)	(61)	(169)
E) EXTRAORDINARY INCOME AND EXPENSE			
20) Income			
b) sundry	88	29	46
21) Expenses			
c) sundry	(205)	(175)	(202)
Total extraordinary income and expenses	(117)	(146)	(156)
RESULT BEFORE TAX	2.769	1.512	3.025
22) Taxes on income	-	-	(1.375)
Deffered taxes	-	-	143
23) RESULT OF PERIOD	2.769	1.512	1.793

ANNEX

ANNEX A)

Consolidated balance sheet

(thousands of Euro)

	June 30- 04		June 30-03		Dec. 31 03	
Fixed assets						
Tangible fixed assets	25,586		27,252		26,360	
Intangible fixed assets	19,728		21,846		20,739	
Investments and securities	1,850		1,792		1,603	
Total fixed assets	47,163	94.3%	50,890	94.9%	48,702	96.8%
Working capital						
Trade receivables	16,000		18,313		17,743	
Inventories	2,690		2,838		2,705	
Receivables from controlling companies	7,748		8,532		8,531	
Other current assets	369		392		195	
Prepaid expenses and accrued income	(18,492)		(19,180)		(20,193)	
Trade payables	(4,736)		(6,666)		(4,948)	
Other payables	(203)		(269)		(1,653)	
Taxes payable	(516)		(1,221)		(790)	
Accrued expenses and deferred income	2,860	5.7%	2,738	5.1%	1,591	3.2%
Net working capital	50,023	100.0%	53,628	100.0%	50,292	100.0%
Reserves for long-term liabilities						
Reserve for employee severance indemnity	3,713		3,609		3,622	
Other provisions	646		294		566	
Provision for deferred taxes	1,000		661		1,000	
Total long-term liabilities and reserves	5,359	10.7%	4,565	8.5%	5,188	10.3%
Financial position						
Cash, banks and securities	(10,206)		(6,238)		(7,585)	
Treasury stock	-		(460)		(751)	
Payables to banks	60		403		-	
Medium/long-term financing	13,311		15,805		14,529	
Net financial position	3,165	6.3%	9,510	17.7%	6,193	12.3%
Shareholders' equity						
Share capital	20,600		20,600		20,600	
Reserves	15,228		14,381		14,381	
Income (loss) for the year	2,953		(*) 1,690		(**) 1,148	
Total shareholders' equity	38,782	77.5%	36,672	68.4%	36,130	71.8%
Capital and reserves attributable to minority interests	2,717	5.4%	2,881	5.4%	2,782	5.5%
TOTAL OWN AND MINORITIES CAPITAL EMPLOYED	50,023	100.0%	53,628	100.0%	50,292	100.0%

(*) Before taxes

(**) After taxes

Consolidated income statement*(thousands of Euro)*

	June30-04		June30-03		Dec31-03	
<i>Value of production</i>						
Revenues from sales and services	48,850	99.2%	47,902	99.0%	95,646	99,3%
Change in inventories	5	0.0%	120	0.2%	20	0,0%
Other income and revenues	374	0.8%	388	0.8%	690	0,7%
Value of production	49,229	100.0%	48,409	100.0%	96,356	100,0%
<i>Costs of production</i>						
Services	(11,133)	-22.6%	(10,742)	-22.2%	(21,313)	-22,1%
Raw materials	(26,641)	-54.1%	(26,872)	-55.5%	(53,564)	-55,6%
Other operating costs	(635)	-1.3%	(617)	-1.3%	(1,460)	-1,5%
Added value	10,821	22.0%	10,180	21.0%	20,019	20,8%
Personnel costs	(5,221)	-10.6%	(5,018)	-10.4%	(9,702)	-10,1%
Gross operating margin	5,599	11.4%	5,162	10.7%	10,317	10,7%
Writedown of accounts receivable	(115)	-0.2%	(75)	-0.2%	(124)	-0,1%
Depreciation and amortisation of fixed assets	(2,585)	-5.3%	(2,801)	-5.8%	(5,683)	-5,9%
Provisions for contingencies	(3)	0.0%	(3)	0.0%	(5)	0,0%
Operating income	2,897	5.9%	2,283	4.7%	4,505	4,7%
Writedown of treasury stock in portfolio	-	0.0%	(1)	0.0%	291	0,3%
Writedown of investments	(4)	-0.4%	(61)	-0.6%	(461)	-0,5%
Interest and financial income	465	0.9%	112	0.2%	184	0,2%
Financial charges	(389)	-0.8%	(472)	-1.0%	(861)	-0,9%
Extraordinary income	154	0.3%	114	0.2%	235	0,2%
Extraordinary expense	(235)	-0.5%	(345)	-0.7%	(634)	-0,7%
Income (loss) before taxes	2,888	5.8%	1,631	3.4%	3,260	3,4%
Income taxes for the period	-	0.0%	-	0.0%	(2,074)	-2,2%
Prepaid (deferred) taxes	-	0.0%	-	0.0%	(196)	-0,2%
Net total income (loss)	2,888	5.8%	1,631	3.4%	990	1,0%
Minority interest income (loss)	(65)	-0.1%	-	0.0%	(158)	0,2%
Income (loss)	2,953	5.9%	1,631	3.4%	1,148	1,2%

ANNEX B)**Balance Sheet Centrale del Latte di Torino & C. S.p.A.**

(thousands of Euro)

	June30-04	June30-03	Dec31-03
Fixed assets			
Tangible fixed assets	7,522	9,646	8,362
Intangible fixed assets	1,212	1,677	1,442
Investments and securities	32,418	32,608	32,208
Total fixed assets	41,152 96,4%	43,931 97,3%	42,012 96,6%
Working capital			
Trade receivables	8,937	10,335	10,856
Inventories	1,189	1,276	1,208
Other current assets	4,576	5,455	5,634
Prepaid expenses and accrued income	192	222	154
Trade payables	(9,919)	(10,379)	(11,003)
Other payables	(2,935)	(4,495)	(3,456)
Taxes payable	(79)	(141)	(1,205)
Accrued expenses and deferred income	(407)	(1,071)	(713)
Net working capital	1,554 3,6%	1,202 2,7%	1,475 3,4%
Reserves for long-term liabilities	42,706 100,0%	45,133 100,0%	43,486 100,0%
Reserve for employee severance indemnity			
Other provisions	1,809	1,718	1,765
Provision for deferred taxes	57	-	-
Total long-term liabilities and reserves	1,866 4,4%	1,718 3,8%	1,765 4,1%
Financial position			
Cash, banks and securities	(8,650)	(4,652)	(5,265)
Treasury stock	-	(460)	(751)
Payables to banks	7	311	-
Medium/long-term financing	8,434	9,917	9,157
Net financial position	(209) -0,5%	5,116 11,3%	3,141 7,2%
Shareholders' equity			
Share capital	20,600	20,600	20,600
Reserves	17,680	16,187	16,187
Income (loss) for the year	(*) 2,769	(*) 1,512	(**) 1,793
Total shareholders' equity	41,049 96,1%	38,299 84,9%	38,580 88,7%
TOTAL OWN AND MINORITIES			
CAPITAL EMPLOYED	42,706 100,0%	45,133 100,0%	43,486 100,0%

(*) Before taxes

(**) After taxes

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

(thousands of Euro)

	June30-04		June30-03		Dec31-03	
<i>Value of production</i>						
Revenues from sales and services	28,764	99.0%	27,016	98.4%	53,688	98.7%
Change in inventories	(56)	-0.2%	112	0.4%	99	0.2%
Other income and revenues	337	1.2%	333	1.2%	624	1.1%
Value of production	29,044	100.0%	27,461	100.0%	54,411	100.0%
<i>Costs of production</i>						
Services	(6,086)	-21.0%	(5,644)	-20.6%	(11,245)	-20.7%
Raw materials	(15,861)	-54.6%	(15,425)	-56.2%	(30,718)	-56.5%
Other operating costs	(266)	-0.9%	(204)	-0.7%	(431)	-0.8%
Added value	6,830	23.5%	6,188	22.5%	12,017	22.1%
Personnel costs	(2,823)	-9.7%	(2,634)	-9.6%	(4,947)	-9.1%
Gross operating margin	4,008	13.8%	3,554	12.9%	7,069	13.0%
Writedown of accounts receivable	(83)	-0.3%	(40)	-0.1%	(46)	-0.1%
Depreciation and amortisation of fixed assets	(1,254)	-4.3%	(1,718)	-6.3%	(3,469)	-6.4%
Provisions for contingencies						
Operating income	2,671	9.2%	1,797	6.5%	3,554	6.5%
Writedown of treasury stock in portfolio	-	0.0%	(1)	0.0%	291	0.5%
Writedown of investments	(40)	-0.1%	(61)	-0.2%	(461)	-0.8%
Interest and financial income	461	1.6%	236	0.9%	273	0.5%
Financial charges	(205)	-0.7%	(313)	-1.1%	(477)	-0.9%
Extraordinary income	88	0.3%	29	0.1%	46	0.1%
Extraordinary expense	(205)	-0.7%	(175)	-0.6%	(202)	-0.4%
Income (loss) before taxes	2,769	9.5%	1,512	5.5%	3,025	5.6%
Income taxes for the period	-	0.0%	-	0.0%	(1,375)	2.5%
Prepaid (deferred) taxes	-	0.0%	-	0.0%	143	0.3%
Net total income (loss)	2,769	9.5%	1,512	5.5%	1,793	3.3%

ANNEX C)**Consolidated financial statement***(thousands of Euro)*

	June30-04	Dec31-03
CASH FLOW GENERATED BY OPERATIONS		
Net income (loss) for the period (A)	2,953	990
<i>Adjustments for items not affecting cash flow</i>		
Amortisation and depreciation	2,585	5,683
Allocations to employee severance indemnity less amount paid out	91	71
Allocations (utilisation) of provisions for risks and charges	80	245
Deffered taxes	-	339
<i>Total adjustments for items not affecting cash flow (B)</i>	<i>2,756</i>	<i>6,337</i>
<i>Changes in current assets and liabilities</i>		
Net trade and other accounts receivable	2,527	3,305
Inventories	15	(150)
Prepaid expenses and accrued income	(174)	173
Trade payables	(1,701)	30
Other accounts payable	(212)	(926)
Accrued expenses and deferred income	(274)	(145)
Taxes payable	(1,449)	1,151
<i>Total changes in current assets and liabilities (C)</i>	<i>(1,269)</i>	<i>3,440</i>
Total cash flow generated by operations (A+B+C)	4,400	10,768
CASH FLOW GENERATED BY INVESTMENT ACTIVITY		
(Increases) decreases in technical fixed assets	(698)	(1,526)
(Increases) decreases/writedown financial assets	(286)	247
(Increases) decreases in intangible fixed assets	(102)	(352)
Total cash flow generated by investment activity	(1,046)	(1,631)
CASH FLOW GENERATED BY FINANCIAL ACTIVITY		
Increases (decreases) in medium/long-term debt	(1,245)	823
(Increases) decreases in other fixed assets	751	(408)
Dividends paid	(300)	-
Total cash flow generated by financial activity	(794)	415
Increase (decrease) in cash and bank accounts	2,560	9,212
CASH AND BANKS AT BEGINNING OF FINANCIAL YEAR	7,585	(1,965)
CASH AND BANKS AT END OF FINANCIAL YEAR	10,146	7,585
<i>(excluding payables for mortgages and financing, short-term payables and securities in portfolio)</i>		

ANNEX D)**Financial statement Centrale del Latte di Torino & C. S.p.A.***(thousands of Euro)*

	June30-04	Dec31-03
CASH FLOW GENERATED BY OPERATIONS		
Net income (loss) for the period (A)	2,769	1,793
<i>Adjustments for items not affecting cash flow</i>	-	-
Amortisation and depreciation	1,254	3,469
Allocations to employee severance indemnity less amount paid out	43	94
Allocations (utilisation) of provisions for risks and charges	57	(26)
<i>Total adjustments for items not affecting cash flow (B)</i>	<i>1,354</i>	<i>3,537</i>
<i>Changes in current assets and liabilities</i>		
Net trade and other accounts receivable	2,440	1,447
Accounts receivable from subsidiary companies	536	(644)
Inventories	19	(6)
Prepaid expenses and accrued income	(38)	24
Trade payables	(1,067)	(262)
Accounts payable to subsidiary companies	(17)	12
Other accounts payable	(521)	(520)
Accrued expenses and deferred income	(306)	(157)
Taxes payable	(1,126)	971
<i>Total changes in current assets and liabilities (C)</i>	<i>(80)</i>	<i>866</i>
Total cash flow generated by operations (A+B+C)	4,044	6,196
CASH FLOW GENERATED BY INVESTMENT ACTIVITY		
(Increases) decreases in technical fixed assets	(184)	(573)
(Increases) decreases/writedown financial assets	(210)	459
(Increases) decreases in intangible fixed assets	-	(78)
Total cash flow generated by investment activity	(394)	(191)
CASH FLOW GENERATED BY FINANCIAL ACTIVITY		
Increases (decreases) in medium/long-term debt	(723)	1,500
(Increases) decreases in other fixed assets	(300)	-
Dividends paid	751	(408)
Total cash flow generated by financial activity	(272)	1,092
Increase (decrease) in cash and bank accounts	3,678	7,096
CASH AND BANKS AT BEGINNING OF FINANCIAL YEAR	5,265	(1,831)
CASH AND BANKS AT END OF FINANCIAL YEAR	8,643	5,265
<i>(excluding payables for mortgages and financing, short-term payables and securities in portfolio)</i>		