



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

2nd Quarter Report as at 30th June 2004

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1. Prospetti contabili consolidati

1.1 Consolidated balance sheet

(thousands Euro)	June 30- 04		June 30-03		March 31- 04		December 31 03	
Fixed assets								
Tangible fixed assets	25,586		27,252		25,802		26,360	
Intangible fixed assets	19,728		21,846		20,243		20,739	
Investments and securities	1,850		1,792		1,603		1,603	
Total fixed assets	47,163	94.3%	50,890	94.9%	47,648	94.3%	48,702	96.8%
Working capital								
Trade receivables	16,000		18,313		16,457		17,743	
Inventories	2,690		2,838		2,596		2,705	
Receivables from controlling companies	7,748		8,532		7,161		8,531	
Other current assets	369		392		490		195	
Prepaid expenses and accrued income	(18,492)		(19,180)		(16,993)		(20,193)	
Trade payables	(4,736)		(6,666)		(4,219)		(4,948)	
Other payables	(203)		(269)		(1,491)		(1,653)	
Taxes payable	(516)		(1,221)		(1,134)		(790)	
Accrued expenses and deferred income	2,860	5.7%	2,738	5.1%	2,866	5.7%	1,591	3.2%
Net working capital	50,023	100.0%	53,628	100.0%	50,514	100.0%	50,292	100.0%
Reserves for long-term liabilities								
Reserve for employee severance indemnity	3,713		3,609		3,668		3,622	
Other provisions	646		294		585		566	
Provision for deferred taxes	1,000		661		1,030		1,000	
Total long-term liabilities and reserves	5,359	10.7%	4,565	8.5%	5,283	10.5%	5,188	10.3%
Financial position								
Cash, banks and securities	(10,206)		(6,238)		(9,630)		(7,585)	
Treasury stock	-		(460)		-		(751)	
Payables to banks	60		403		275		-	
Medium/long-term financing	13,311		15,805		13,982		14,529	
Net financial position	3,165	6.3%	9,510	17.7%	4,628	9.2%	6,193	12.3%
Shareholders' equity								
Share capital	20,600		20,600		20,600		20,600	
Reserves	15,268		14,381		15,535		14,381	
Income (loss) for the year	2,913		(*) 1,690		(*) 1,713		(**) 1,148	
Total shareholders' equity	38,782	77.5%	36,672	68.4%	37,848	74.9%	36,130	71.8%
Capital and reserves attributable to minority interests	2,717	5.4%	2,881	5.4%	2,756	5.5%	2,782	5.5%
TOTAL OWN AND MINORITIES CAPITAL EMPLOYED	50,023	100.0%	53,628	100.0%	50,516	100.0%	50,292	100.0%

(*) Before tax

(**) After tax

Consolidated profit & loss account

(thousands Euro)	II QRT 2004		II QRT 2003		June30-04		June30-03		Dec31-03	
Value of production										
Revenues from sales and services	23,917	99.2%	24,076	98.3%	48,850	99.2%	47,902	99.0%	95,646	99.3%
Change in inventories	(8)	0.0%	152	0.6%	5	0.0%	120	0.2%	20	0.0%
Other income and revenues	211	0.9%	259	1.1%	374	0.8%	388	0.8%	690	0.7%
Value of production	24,119	100.0%	24,487	100.0%	49,229	100.0%	48,409	100.0%	96,356	100.0%
Costs of production										
Services	(5,482)	-22.7%	(5,379)	-22.0%	(11,133)	-22.6%	(10,742)	-22.2%	(21,313)	-22.1%
Raw materials	(13,074)	-54.2%	(13,442)	-54.9%	(26,641)	-54.1%	(26,872)	-55.5%	(53,564)	-55.6%
Other operating costs	(235)	-1.0%	(335)	-1.4%	(635)	-1.3%	(617)	-1.3%	(1,460)	-1.5%
Added value	5,328	22.1%	5,331	21.8%	10,821	22.0%	10,180	21.0%	20,019	20.8%
Personnel costs	(2,691)	-11.2%	(2,495)	-10.2%	(5,221)	-10.6%	(5,018)	-10.4%	(9,702)	-10.1%
Gross operating margin	2,637	10.9%	2,835	11.6%	5,599	11.4%	5,162	10.7%	10,317	10.7%
Writedown of accounts receivable	(16)	-0.1%	(3)	0.0%	(115)	-0.2%	(75)	-0.2%	(124)	-0.1%
Depreciation and amortisation of fixed assets	(1,287)	-5.3%	(1,422)	-5.8%	(2,585)	-5.3%	(2,801)	-5.8%	(5,683)	-5.9%
Provisions for contingencies	(1)	0.0%	(1)	0.0%	(3)	0.0%	(3)	0.0%	(5)	0.0%
Operating income	1,333	5.5%	1,409	5.8%	2,897	5.9%	2,283	4.7%	4,505	4.7%
Writedown of treasury stock in portfolio	-	0.0%	27	0.1%	-	0.0%	(1)	0.0%	291	0.3%
Writedown of investments	(4)	0.0%	(1)	0.0%	(44)	-0.4%	(61)	-0.6%	(461)	-0.5%
Interest and financial income	29	0.1%	95	0.4%	465	0.9%	112	0.2%	184	0.2%
Financial charges	(162)	-0.7%	(189)	-0.8%	(389)	-0.8%	(472)	-1.0%	(861)	-0.9%
Extraordinary income	86	0.4%	25	0.1%	154	0.3%	114	0.2%	235	0.2%
Extraordinary expense	(153)	-0.6%	(133)	-0.5%	(235)	-0.5%	(345)	-0.7%	(634)	-0.7%
Income (loss) before taxes	1,131	4.7%	1,233	5.0%	2,848	5.8%	1,631	3.4%	3,260	3.4%
Income taxes for the period	-	0.0%	-	0.0%	-	0.0%	-	0.0%	(2,074)	-2.2%
Prepaid (deferred) taxes	-	0.0%	-	0.0%	-	0.0%	-	0.0%	(196)	-0.2%
Net total income (loss)	1,131	4.7%	1,233	5.0%	2,848	5.8%	1,631	3.4%	990	1.0%
Minority interest income (loss)	(39)	-0.2%	(11)	0.0%	(66)	-0.1%	-	0.0%	(158)	0.2%
Income (loss)	(*) 1,170	4.9%	(*) 1,244	5.1%	(*) 2,913	5.9%	(*) 1,631	3.4%	1,148	1.2%

(*) Before tax

2. Notes to the Financial Statements

2.1 Foreword

This Quarterly Report has been drawn up in compliance with Section 82 of CONSOB Resolution No. 11971 dated 14th May 1999 , as integrated by resolution No. 12475 dated 6th April 2000.

This quarterly report for the period ending 30th June 2004, reporting figures before tax deduction, in addition to the operations results for the quarter in question, will also make a comparison with the results of the same period of 2003 FY, of the previous quarter ending as at 31st March 2004, and with the Financial Report ending 31st December 2003.

2.2 Consolidation area and evaluation criteria

Consolidation area includes periodic reports as at 30th June 2004 of "Centrale del Latte di Torino & C. S.p.A." as the Holding Company, of "Centro Latte Rapallo S.p.A." 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 quarterly results of "Centrale del Latte di Vicenza S.p.A." (hereinafter referred to as CLAV).

The 40% share in Frascheri S.p.A. has not been consolidated, because it is not required by the applicable provisions of law.

Evaluation criteria.

Evaluation criteria and accounting principles adopted when drawing up the financial statements of Centrale del Latte di Torino & C. S.p.A., Centro Latte Rapallo S.p.A., and CLAV Finanziaria S.p.A. are no different from those previously adopted for drawing up the consolidated Financial Statement for 2003 FY.

2.3 Notes to the Profit & Loss Account

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

Profit before taxes and net of minority interest amounts to €2,913 thousand, as against €1,631 thousand in the same period of the previous year.

Net proceeds of the Group in the first half of 2004 amounted to €48,850 thousand, as against €47,902 thousand in the first quarter of 2003, thus reporting a 2% increase.

(migliaia di Euro)	II QRT 04	II QRT 03	Change		Total June 30-04	Total June 30 -03	Change	
Fresh milk	10,671	11,073	(402)	-3.6%	21,902	21,879	23	0.1%
UHT milk	5,021	5,014	7	0.1%	10,775	10,687	88	0.8%
Yoghurt	1,912	1,989	(78)	-3.9%	3,634	3,598	36	1.0%
Bulk milk and cream	1,003	369	634	171.7%	1,842	994	848	85.3%
Other packaged products	5,310	5,630	(321)	-5.7%	10,697	10,744	(47)	-0.4%
Total	23,917	24,076	(159)	-0.7%	48,850	47,902	948	2.0%

During the first two months of the quarter in question, the consumption drop was felt more strongly than in the first quarter. In June, a good growth was reported compared to the previous financial year, which, however, failed to make up for the loss recorded in April and May. Consumption drop was more significant in the North– East covered by Centrale del Latte di Vicenza which, in any case, was able to increase its market share in all sales segments, in spite of the contingent situation, thus paving the way to better sales results, as soon as the expected consumption recovery takes place.

Fresh milk segment: at the end of the first half, sales in this segment recorded a growth in both value (4%) and volumes (4%) terms 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.p.A..

Geographic Distribution

The following table shows sales figures during the second quarter of 2004 carved up by geographic areas:

(thousands Euro)	Fresh milk	UHT milk	Yoghurt	Bulk milk and cream	Other packaged products	Total
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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%	3%	14%	5%	5%	5%	
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%	
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%		-18%	-8%	
Altre							
30-giu-04				1,055		1,055	2%
30-giu-03	-	-	-	607	-	607	1%
Change %	-	-	-	74%	-	74%	
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%	46,0%	-0,4%	2,0%	

Operating Costs. The quarter reported in 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 was in line with the general trend for the year and with the budget.

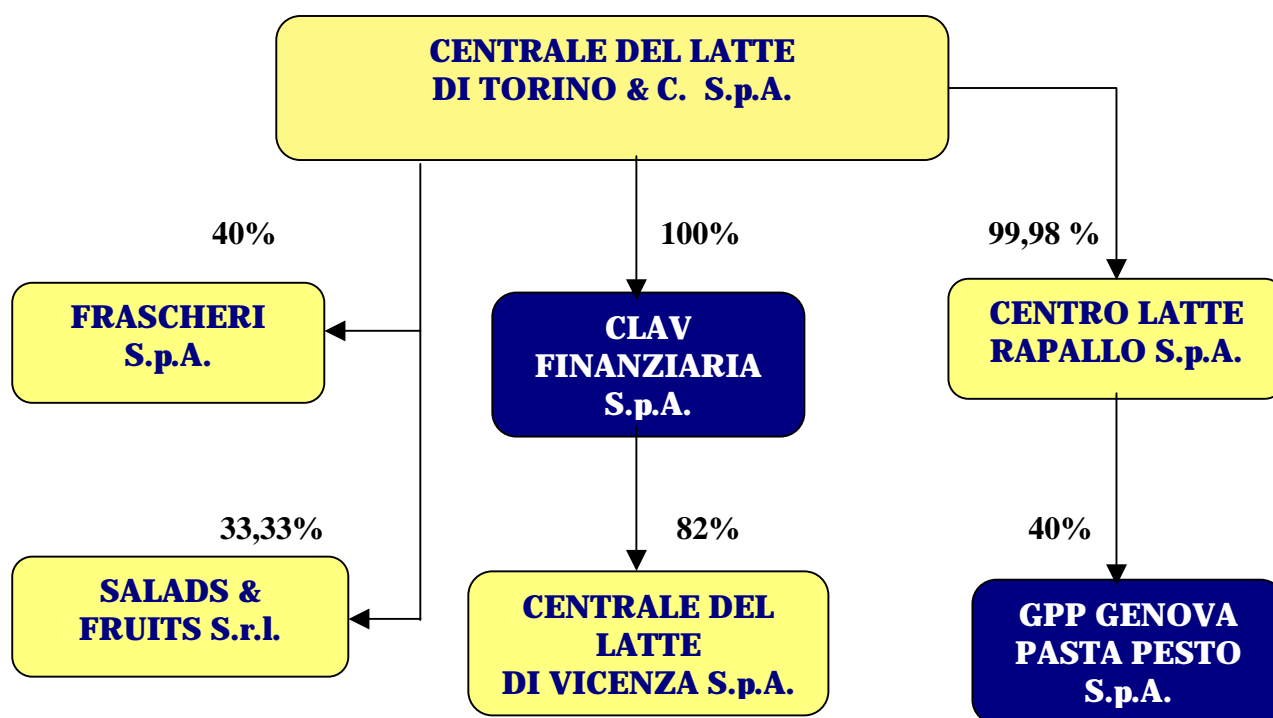
Extraordinary financial income and charges during this quarter did not report any critical or irregular situation except for what specified under the following item.

2.4 Shareholding in Subsidiary Companies

During the quarter 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:



2.5 Consolidated Financial Position

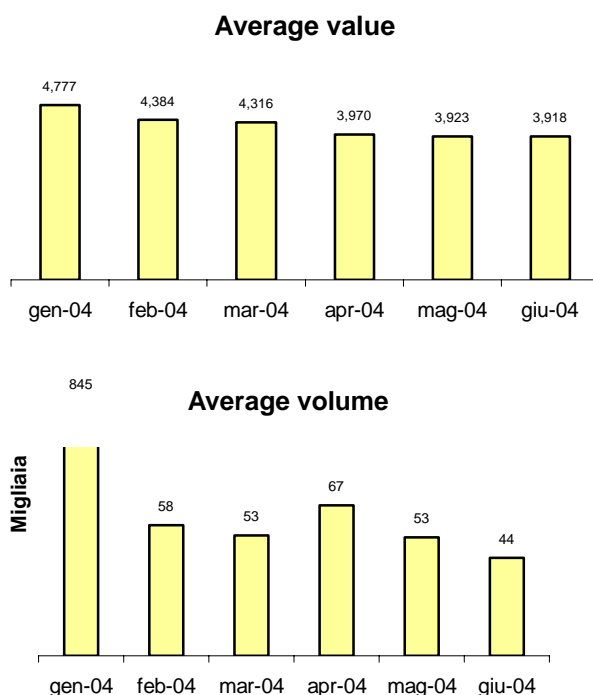
The net financial position as at 30th June 2004 compared to the same period of the previous financial year reported a net improvement, after payment of dividends and taxes.

(thousands Euro)	June 30- 04	30June-03	December 31-03
Liquid assets	10,206	5,599	7,585
Treasury stock	-	460	751
	10,206	6,059	8,336
Payables to Banks	(60)	(403)	-
Medium/long term financing	(13,311)	(15,805)	(14,529)
	(13,371)	(16,208)	(14,529)
Net Financial position	(3,166)	(10,149)	(6,193)

2.6 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.

3. Remarks on Operations Results

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:

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

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 (*)	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%
Gross operating margin	4,008	13.8%	3,554	12.9%	7,069	13.0%
Operating income	2,671	9.2%	1,797	6.5%	3,554	6.5%
Income (loss) before taxes	2,769	9.5%	1,510	5.5%	3,025	5.6%

(*) Sales revenues include inter-group

Net financial position

(thousands Euro)	June 30-04	June 30-03	December 31-
Liquid assets	8,650	4,652	5,269
Treasury stock	-	460	751
	8,650	5,112	6,020
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)	(3,137)

3.2 Centro Latte Rapallo S.p.A.:

3.2 Centro Latte Rapallo S.p.A.:

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 (*)	11,669	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%	22,967	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%	641	4.9%	1,381	5.3%
Operating income	(257)	-2.1%	(138)	-1.1%	(220)	-0.8%
Income (loss) before taxes	(382)	-3.2%	(328)	-2.5%	(775)	-2.9%

(*) Incidenza % sul valore della produzione

(**) I valori arrotondati possono comportare differenze di una unità

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)

3.4 Frasccheri S.p.A.

During the second quarter of 2004, the affiliated 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.

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.

5. Financial Statements of the Holding Company

5.1 Parent company – balance sheet

(thousands Euro)	June 30- 04		June 30-03		March 31- 04		December 31- 03	
Fixed assets								
Tangible fixed assets								
Intangible fixed assets	7,522		9,646		7,883		8,362	
Investments and securities	1,212		1,677		1,312		1,442	
Total fixed assets	32,418		32,608		32,168		32,208	
Working capital	41,152	96.4%	43,931	97.3%	41,363	95.9%	42,012	96.6%
Trade receivables								
Inventories	8,937		10,335		10,051		10,856	
Receivables from controlling companies	1,189		1,276		1,171		1,208	
Other current assets	4,576		5,455		4,245		5,634	
Prepaid expenses and accrued income	192		222		238		154	
Trade payables	(9,919)		(10,379)		(9,033)		(11,003)	
Other payables	(2,935)		(4,495)		(2,823)		(3,456)	
Taxes payable	(79)		(141)		(1,138)		(1,205)	
Accrued expenses and deferred income	(407)		(1,071)		(932)		(713)	
Net working capital	1,554	3.6%	1,202	2.7%	1,778	4.1%	1,475	3.4%
Reserves for long-term liabilities	42,706	100.0%	45,133	100.0%	43,140	100.0%	43,486	100.0%
Reserve for employee severance indemnity								
Other provisions	1,809		1,718		1,802		1,765	
Provision for deferred taxes	57		-		-		-	
Total long-term liabilities and reserves	1,866	4.4%	1,718	3.8%	1,802	4.2%	1,765	4.1%
Financial position								
Cash, banks and securities	(8,650)		(4,652)		(7,598)		(5,265)	
Treasury stock	-		(460)		-		(751)	
Payables to banks	7		311		270		-	
Medium/long-term financing	8,434		9,917		8,688		9,157	
Net financial position	(209)	-0.5%	5,116	11.3%	1,360	3.2%	3,141	7.2%
Shareholders' equity								
Share capital	20,600		20,600		20,600		20,600	
Reserves	17,680		16,187		17,680		16,187	
Income (loss) for the year	(*) 2,769		(*) 1,512		(*) 1,699		(**) 1,793	
Total shareholders' equity	41,049	96.1%	38,299	84.9%	39,979	92.7%	38,580	88.7%
TOTAL OWN AND MINORITIES CAPITAL EMPLOYED								
	42,706	100.0%	45,133	100.0%	43,141	100.0%	43,486	100.0%

(*) Before tax

(**) After tax

5.2 Profit & Loss Account of the Holding Company

(thousands Euro)	II QRT 2004		II QRT 2003		June30-04		June30-03		Dec31-03	
Value of production										
Revenues from sales and services	13,944	98.4%	13,126	97.9%	28,764	99.0%	27,016	98.4%	53,688	98.7%
Change in inventories	21	0.1%	62	0.5%	(56)	-0.2%	112	0.4%	99	0.2%
Other income and revenues	202	1.4%	216	1.6%	337	1.2%	333	1.2%	624	1.1%
Value of production	14,167	100.0%	13,404	100.0%	29,044	100.0%	27,461	100.0%	54,411	100.0%
Costs of production										
Services	(2,981)	-21.0%	(2,826)	-21.1%	(6,086)	-21.0%	(5,644)	-20.6%	(11,245)	-20.7%
Raw materials	(7,734)	-54.6%	(7,300)	-54.5%	(15,861)	-54.6%	(15,425)	-56.2%	(30,718)	-56.5%
Other operating costs	(142)	-1.0%	(130)	-1.0%	(266)	-0.9%	(204)	-0.7%	(431)	-0.8%
Added value	3,310	23.4%	3,148	23.5%	6,830	23.5%	6,188	22.5%	12,017	22.1%
Personnel costs	(1,509)	-10.7%	(1,310)	-9.8%	(2,823)	-9.7%	(2,634)	-9.6%	(4,947)	-9.1%
Gross operating margin	1,801	12.7%	1,838	13.7%	4,008	13.8%	3,554	12.9%	7,069	13.0%
Writedown of accounts receivable	(9)	-0.1%	6	0.0%	(83)	-0.3%	(40)	-0.1%	(46)	-0.1%
Depreciation and amortisation of fixed assets	(581)	-4.1%	(856)	-6.4%	(1,254)	-4.3%	(1,718)	-6.3%	(3,469)	-6.4%
Provisions for contingencies										
Operating income	1,211	8.5%	988	7.4%	2,671	9.2%	1,797	6.5%	3,554	6.5%
Writedown of treasury stock in portfolio	-	0.0%	30	0.2%	-	0.0%	(1)	0.0%	291	0.5%
Writedown of investments	-	0.0%	(1)	0.0%	(40)	-0.1%	(61)	-0.2%	(461)	-0.8%
Interest and financial income	27	0.2%	224	1.7%	461	1.6%	236	0.9%	273	0.5%
Financial charges	(73)	-0.5%	(130)	-1.0%	(205)	-0.7%	(313)	-1.1%	(477)	-0.9%
Extraordinary income	40	0.3%	6	0.0%	88	0.3%	29	0.1%	46	0.1%
Extraordinary expense	(135)	-1.0%	(69)	-0.5%	(205)	-0.7%	(175)	-0.6%	(202)	-0.4%
Income (loss) before taxes	1,070	7.6%	1,048	7.8%	2,769	9.5%	1,512	5.5%	3,025	5.6%
Income taxes for the period	-	0.0%	-	0.0%	-	0.0%	-	0.0%	(1,375)	2.5%
Prepaid (deferred) taxes	-	0.0%	-	0.0%	-	0.0%	-	0.0%	143	0.3%
Net total income (loss)	(*) 1,070	7.6%	(*) 1,048	7.8%	(*) 2,769	9.5%	(*) 1,512	5.5%	1,793	3.3%

(*) Before tax

6. SUBSEQUENT EVENTS

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., which process is likely to be completed by next September, with the transfer of the 82% share in Centrale del Latte di Vicenza S.p.A. to the Holding.

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.

Turin, 29th July 2004

The Chairman of the Board of Directors

Luigi LUZZATI