



PRESS RELEASE

CENTRALE DEL LATTE D'ITALIA S.p.A.: the Board of Directors approved the results as at 30 September 2016.

- **Due to the incorporation of Centrale del Latte di Firenze, Pistoia e Livorno Spa, net profit after taxes stood at € 12.3 million, shareholders' equity rose to € 63.6 million and net financial debt equalled € 60.5 million.**
- **In the first 9 months of 2016, on a like-for-like basis before the merger, consolidated net revenue increased to 71.7 million (+0.2% vs. € 71.6 million at 30/9/2015), EBITDA decreased to € 1.9 million (vs. € 4 million at 30/9/2015) and EBIT was negative to the tune of € 746 thousand (vs. € 1.4 million at 30/9/2015).**

The Board of Directors of Centrale del Latte di Torino & C. S.p.A. – a company listed on the STAR segment of Borsa Italiana, dealing in the production and sale of fresh milk, milk products and ultra-fresh products, with plants in Turin, Florence, Vicenza, Rapallo (Ge) and Casteggio (Pv) – today approved the consolidated results at 30 September 2016.

Merger transaction

As provided for in the merger plan, on 16 September 2016 the deed of merger between Centrale del Latte di Firenze, Pistoia e Livorno S.p.A. (CLF) and Centrale del Latte di Torino & C. S.p.A. (CLT) was signed.

On 29 September 2016, by resolution no. 0086846/16, Consob granted the judgement of equivalence pursuant to article 57, paragraph 1, letter d) of Consob Regulation no. 11971/1999 on the information document related to the merger.

From 30 September 2016, the statutory, accounting and tax effects of the merger have become effective, pursuant to articles 2501-*ter* et seq. of the Italian Civil Code.

Consequently, CLT implemented a) the share capital increase from € 20,600,000 to € 28,840,041.20, by issuing 4,000,020 new ordinary shares with a par value of € 2.06 each, with the same characteristics as those outstanding and destined for CLF's shareholders and b) the change of the company name to "**Centrale del Latte d'Italia S.p.A.**" (CLI).

Subsequently, effective from 1 October 2016, CLI transferred the company already controlled by CLF ("Mukki Company") into a new company, wholly owned by CLI, with registered and operating office in Florence, named "**Centrale del Latte della Toscana S.p.A.**".

Accounting situation at 30 September 2016

In application of the international accounting standards, (IAS/IFRS) the assets and liabilities and financial situation of Centrale del Latte d'Italia S.p.A. at 30 September 2016 includes the assets and liabilities of the incorporated company CLF (specifically, the values of the tangible and intangible fixed assets and the assets and liabilities have been assumed in line with the values indicated in the assessment drawn up by an independent expert), so the financial situation and the assets and liabilities at 30 September 2016 cannot be compared with those of the same period of the previous year.



The income statement, on the other hand, comprises only the financial values of the nine months leading up to 30 September 2016 relating to the scope of the Group prior to the merger.

At 30 September 2016, the net profit due to the *business combination* equalled € 12.3 million, the Group's shareholders' equity amounted to € 63.6 million and net financial debt amounted to € 60.5 million; the increase was mainly due to the long-term loans taken to build the plant in Florence, in via dell'Olmatelyello 20, launched in 2005.

In the first nine months of 2016, on a like-for-like basis before the merger, CLI recorded net consolidated revenue of € 71.7 million, up 0.2% compared to the € 71.6 million recorded at 30/09/2015. EBITDA went from € 4 million at 30/9/2015 to € 1.9 million at 30/9/2016, whereas EBIT went from the positive figure of € 1.4 million at 30/9/2015 to the negative figure of € 746 thousand at 30/9/2016.

The positive turnover confirms that the quality of the products and the activities in support of the brands allow the Group to deal more effectively with the market, which is not showing any sign of recovery. The operating results, on the other hand, were mainly affected by the rise in business costs to support the Group's brands and to extend sales areas, and to the costs linked to the merger, as well as significant on-going maintenance costs sustained to make the Group factories increasingly efficient.

Further to 30 September 2016, the Group continued to maintain a positive presence in the respective areas, further strengthening its market shares. The Group also continued to introduce new products manufactured in the Group's plants, both in the milk segment and the drinks of plant origin segment, which continue to prove popular with consumers. The Group will continue to seek ways to boost industrial efficiency, keep costs in check and guarantee excellent management of its financial position.

In a deflationary market with poor reactivity to monetary and fiscal stimuli, results in terms of turnover for the last quarter of the year will be mainly characterised by the consolidation of the business activities of Centrale del Latte della Toscana S.p.A.

Pursuant to paragraph 2 of article 154-bis of the Consolidated Finance Law, the Executive in charge of drafting corporate accounts, Mr. Vittorio Vaudagnotti, stated that the accounting information herein contained tallies with the company's documentary evidence, ledgers and accounts.

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Turin, 14 November 2016