



## **PRESS RELEASE**

**CENTRALE DEL LATTE D'ITALIA S.p.A.:** the Board of Directors approved the results at 31 March 2017. Further to the change in the scope of consolidation the results differ from those of the same period of the previous year.

- **Consolidated net revenue of € 44.6 million (+82.8% vs. € 24.4 million at 31/03/2016).**
- **EBITDA of € 703 thousand (vs. € 1 million at 31/03/2016)**
- **EBIT negative for € 919 thousand (vs. positive EBITDA of € 126 thousand at 31/03/2016)**
- **Negative pre-tax result of € 1.1 million (vs. € -35 thousand at 31/03/2016).**

**The Board of Directors approved the Directors' fixed and variable remuneration system**

The Board of Directors of Centrale del Latte d'Italia – 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 – representing the third-largest fresh and ESL milk in Italy in terms of volumes sold – approved the results at 31 March 2017.

Please note that, following the change in the scope of consolidation after the merger of Centrale del Latte di Firenze, Pistoia e Livorno into Centrale del Latte di Torino, the reclassified schedule of the consolidated income statement for Q1 2017 is different from for the period that closed at 31 March 2016.

Some positive figures were recorded in Q1 2017, in a situation in which recovery appears weak and unable to turn around the sensation of uncertainty and lack of confidence among businesses and consumers. There were also some critical points, however, in particular the sharp increase in the milk raw material purchase price. This negative situation was tackled by the companies in the Group by proposing new price lists to customers, applying increases in line with those sustained for the purchase of the raw material. The new price lists, partially applied since April, will apply in full starting from June.

Concerning the individual segments, there was growth in the Fresh + ESL milk segment and in the plant-based drinks segment, aimed at customers following vegetarian, vegan and low-calorie diets, or who suffer from lactose allergies or intolerances, also further to the expansion of sales areas related to the new scope of consolidation, which includes Centrale del Latte della Toscana S.p.A..

At 31 March 2016, the Group recorded consolidated net revenue of € 44.6 million, up 82.8% compared to € 24.4 million at 31/03/2016; EBITDA reached € 703 thousand at 31 March 2017, compared to the € 1 million at 31 March 2016, whereas EBIT went from a positive figure of € 126 thousand at 31 March 2016 to the negative figure of € 919 thousand at 31 March 2017. The Group closed Q1 2017 with a pre-tax loss of € 1.1 million, compared to the € -35 thousand at 31/03/2016.

The Group's net financial position at 31 March 2017 – negative for € 64.7 million, compared to the negative figure of € 60.2 million at 31 December 2016 – takes account of the commitments to the investment programmes being implemented in the Group's factories and the delays accumulated in the reimbursement of VAT credits.



As regards the parent company Centrale del Latte d'Italia Spa, at 31 March 2017 the company recorded net revenue of € 19.4 million, compared with € 18.8 million at 31 March 2016; EBITDA stood at € 461 thousand, compared to the € 1 million reached at 31/03/2016; EBIT was negative for € 91 thousand, compared to the positive figure of € 439 thousand in Q1 2016; lastly, the pre-tax loss totalled € 168 thousand, compared to the profit of € 356 thousand recorded at 31/03/2016.

Concerning forecasts, considering that the Group companies confirmed their strong positions on the market, in the light of the regular progress of sales, the current rise in selling prices, greater control of company costs, and the synergies expected from the merger in terms of product cross selling and cost optimization, the economic result should reach the targets expected in the current quarter and in the months to follow, considering the general situation of the market, which remains weak.

Furthermore, the Board of Directors approved the short and medium-term fixed and variable remuneration system destined to executive directors.

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.