



Consolidated quarterly report at June 30 2001

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Operating results

The tables below show the operating results for the consolidated quarterly report of Centrale del Latte di Torino & C. S.p.A.

Income statement data are given for the quarter in question and year-to-date at the end of this quarter, together with a comparison with results for same period of the previous year and those for the year ended December 31 2000.

Balance sheet and financial data show the situation at the end of the quarter concerned, the second quarter of the prior year, the last quarter and at year-end 2000.

(millions of Lire)	2nd QRT 2001		2nd QRT 2001		June 30, 2001		June 30, 2000		Dec,31 2000	
<i>Value of production</i>										
Revenues from sales and services	30.527	98,5%	28.259	99,9%	60.665	99,5%	56.494	99,4%	113.779	98,9%
Changes in inventories	211	0,7%	(78)	-0,3%	(98)	-0,2%	62	0,1%	317	0,3%
Other revenues and income	241	0,8%	98	0,3%	385	0,6%	291	0,5%	942	0,8%
Value of production	30.979	100,0%	28.279	100,0%	60.952	100,0%	56.848	100,0%	115.038	100,0%
<i>Production costs</i>										
Services	(6.651)	-21,5%	(5.699)	-20,2%	(12.917)	-21,2%	(11.292)	-19,9%	(23.813)	-20,7%
Raw materials	(17.694)	-57,1%	(16.491)	-58,3%	(34.691)	-56,9%	(33.111)	-58,2%	(68.423)	-59,5%
Other operating costs	(691)	-2,2%	(737)	-2,6%	(1.107)	-1,8%	(1.456)	-2,6%	(2.055)	-1,8%
Value added	5.943	19,2%	5.353	18,9%	12.237	20,1%	10.988	19,3%	20.747	18,0%
Personnel costs	(3.330)	-10,8%	(2.910)	-10,3%	(6.372)	-10,5%	(5.845)	-10,3%	(11.624)	-10,1%
Gross operating margin (EBITDA)	2.613	8,4%	2.443	8,6%	5.864	9,6%	5.143	9,0%	9.123	7,9%
Writedown of accounts receivable	1	0,0%	(66)	-0,2%	(108)	-0,2%	(94)	-0,2%	(183)	-0,2%
Amortisation and depreciation of fixed assets	(2.074)	-6,7%	(1.678)	-5,9%	(3.838)	-6,3%	(3.263)	-5,7%	(6.862)	-6,0%
Operating profit (EBIT)	540	1,7%	699	2,5%	1.918	3,1%	1.786	3,1%	2.078	1,8%
Financial income	523	1,7%	152	0,5%	809	1,3%	154	0,3%	509	0,4%
Financial expenses	(319)	-1,0%	(326)	-1,2%	(654)	-1,1%	(625)	-1,1%	(1.499)	-1,3%
Extraordinary income	16	0,1%	277	1,0%	16	0,0%	291	0,5%	551	0,5%
Extraordinary expenses	(173)	-0,6%	(195)	-0,7%	(276)	-0,5%	(200)	-0,4%	(646)	-0,6%
Pre-tax profit	587	1,9%	607	2,1%	1.813	3,0%	1.406	2,5%	993	0,9%
Income tax on current year earnings	(615)	-2,0%	(425)	-1,5%	(1.326)	-2,2%	(858)	-1,5%	(1.283)	-1,1%
Other non-deductible taxes	6	0,0%	(34)	-0,1%	(128)	-0,2%	(65)	-0,1%	(113)	-0,1%
Income tax paid in advance		0,0%		0,0%		0,0%		0,0%	0	0,0%
Total net profit (loss)	(22)	-0,1%	148	0,5%	359	0,6%	483	0,8%	(403)	-0,4%
Minority interest profit (loss)		0,0%		0,0%		0,0%		0,0%	0	0,0%
Net profit (loss)	(22)	-0,1%	148	0,5%	359	0,6%	483	0,8%	(403)	-0,4%

(Euro)	2nd QRT 2001		2nd QRT 2001		June 30, 2001		June 30, 2000		Dec,31 2000	
<i>Value of production</i>										
Revenues from sales and services	15.765.801	98,5%	14.594.339	99,9%	31.330.671	99,5%	29.176.834	99,4%	58.761.956	98,9%
Changes in inventories	108.863	0,7%	(40.088)	-0,3%	(50.363)	-0,2%	32.131	0,1%	163.873	0,3%
Other revenues and income	124.675	0,8%	50.703	0,3%	198.599	0,6%	150.385	0,5%	486.689	0,8%
Value of production	15.999.339	100,0%	14.604.953	100,0%	31.478.907	100,0%	29.359.350	100,0%	59.412.518,1	100,0%
<i>Production costs</i>										
Services	(3.434.787)	-21,5%	(2.943.109)	-20,2%	(6.671.010)	-21,2%	(5.831.995)	-19,9%	(12.298.567)	-20,7%
Raw materials	(9.138.275)	-57,1%	(8.516.658)	-58,3%	(17.916.508)	-56,9%	(17.100.569)	-58,2%	(35.337.581)	-59,5%
Other operating costs	(356.882)	-2,2%	(380.552)	-2,6%	(571.634)	-1,8%	(752.002)	-2,6%	(1.061.474)	-1,8%
Value added	3.069.395	19,2%	2.764.634	18,9%	6.319.755	20,1%	5.674.783	19,3%	10.714.895	18,0%
Personnel costs	(1.719.993)	-10,8%	(1.502.685)	-10,3%	(3.291.033)	-10,5%	(3.018.739)	-10,3%	(6.003.422)	-10,1%
Gross operating margin (EBITDA)	1.349.402	8,4%	1.261.949	8,6%	3.028.722	9,6%	2.656.044	9,0%	4.711.473	7,9%
Writedown of accounts receivable	367	0,0%	(34.299)	-0,2%	(55.785)	-0,2%	(48.405)	-0,2%	(94.509)	-0,2%
Amortisation and depreciation of fixed assets	(1.070.986)	-6,7%	(866.717)	-5,9%	(1.982.187)	-6,3%	(1.684.992)	-5,7%	(3.544.122)	-6,0%
Operating profit (EBIT)	278.783	1,7%	360.933	2,5%	990.749	3,1%	922.646	3,1%	1.072.843	1,8%
Financial income	270.257	1,7%	78.366	0,5%	417.671	1,3%	79.770	0,3%	262.995	0,4%
Financial expenses	(164.892)	-1,0%	(168.286)	-1,2%	(337.954)	-1,1%	(322.866)	-1,1%	(774.409)	-1,3%
Extraordinary income	8.189	0,1%	143.183	1,0%	8.189	0,0%	150.138	0,5%	284.340	0,5%
Extraordinary expenses	(89.380)	-0,6%	(100.627)	-0,7%	(142.425)	-0,5%	(103.338)	-0,4%	(332.975)	-0,6%
Pre-tax profit	302.957	1,9%	313.570	2,1%	936.231	3,0%	726.351	2,5%	512.793	0,9%
Income tax on current year earnings	(317.621)	-2,0%	(219.667)	-1,5%	(684.822)	-2,2%	(443.035)	-1,5%	(662.614)	-1,1%
Other non-deductible taxes	3.343	0,0%	(17.607)	-0,1%	(66.102)	-0,2%	(33.769)	-0,1%	(58.264)	-0,1%
Income tax paid in advance										
Total net profit (loss)	(11.321)	-0,1%	76.295	0,5%	185.308	0,6%	249.547	0,8%	(208.085)	-0,4%
Minority interest profit (loss)										
Net profit (loss)										

(millions of lire)	June 30 2001		June 30 2000		March 31 2001		Dec 31 2000	
Non - current assets								
Technical fixed assets	33.784		31.347		33.559		33.365	
Intangible fixed assets	28.990		28.506		29.540		30.287	
Shareholdings and securities	3.649		293		3.649		53	
Total non-current assets	66.423	98,3%	60.146	101,1%	66.749	99,3%	63.706	102,2%
Current assets								
Trade receivables	20.916		18.166		20.695		20.609	
Inventories	3.509		3.195		3.347		3.568	
Accrued income & prepaid expenses	1.145		757		1.233		745	
Other current assets	13.411		17.047		12.484		13.597	
Trade payables	(25.443)		(24.988)		(24.695)		(29.538)	
Other payables	(9.265)		(1.614)		(8.886)		(7.978)	
Accrued expenses & deferred income	(2.485)		(1.956)		(1.806)		(843)	
Taxes liabilities	(611)		(11.269)		(1.889)		(1.534)	
Net current assets	1.177	1,7%	(662)	-1,1%	482	0,7%	(1.374)	-2,2%
TOTAL FUND EMPLOYED	67.601	100,0%	59.484	100,0%	67.231	100,0%	62.332	100,0%
Long-term liabilities and provisions								
Provision for employee severance	4.087		3.871		3.975		3.932	
For tax	0		557		0		0	
Other provision	0		100		0		0	
Deffered taxes	576		530		540		474	
Total long-term liabilities and provisions	4.663	6,9%	5.058	8,5%	4.515	6,7%	4.406	7,1%
Financial position								
Cash, bank and securities	(26.449)		(1.486)		(24.549)		(30.143)	
Own shares	(345)		0		0		0	
Bank debts	19.501		21.513		17.161		17.580	
Debts due to holding company	0		500		0		0	
Credits due from holding company	(188)		0		(188)		(188)	
Medium/long term financing	969		969		969		969	
Net financial position	(6.511)	-9,6%	21.497	36,1%	(6.606)	-9,8%	(11.781)	-18,9%
Shareholders' equity								
Share capital	39.887		28.500		39.887		39.887	
Reserves	29.203		3.945		29.105		30.223	
Net profit	359		483		330		(403)	
Total Shareholders' equity	69.449	102,7%	32.928	55,4%	69.322	103,1%	69.707	111,8%
TOTAL OWN & MINORITY FUNDS	67.601	100,0%	59.484	100,0%	67.231	100,0%	62.332	100,0%

euro	June 30 2001		June 30 2000		March 31 2001		Dec 31 2000	
Non - current assets								
Technical fixed assets	17.448.169		16.189.146		17.331.722		17.231.837	
Intangible fixed assets	14.971.901		14.722.304		15.256.352		15.642.111	
Shareholdings and securities	1.884.763		151.379		1.884.763		27.429	
Total non-current assets	34.304.833	98,3%	31.062.829	101,1%	34.472.837	99,3%	32.901.377	102,2%
Current assets								
Trade receivables	10.802.303		9.381.915		10.687.842		10.643.595	
Inventories	1.812.234		1.649.980		1.728.585		1.842.510	
Accrued income & prepaid expenses	591.143		390.875		636.585		384.820	
Other current assets	6.926.217		8.804.048		6.447.558		7.022.481	
Trade payables	(13.139.961)		(12.905.062)		(12.753.762)		(15.254.970)	
Other payables	(4.785.175)		(833.591)		(4.589.189)		(4.120.038)	
Accrued expenses & deferred income	(1.283.424)		(1.010.368)		(932.752)		(435.543)	
Taxes liabilities	(315.306)		(5.236.919)		(975.836)		(792.443)	
Net current assets	608.031	1,7%	(342.091)	-1,1%	249.032	0,7%	(709.589)	-2,2%
TOTAL FUND EMPLOYED	34.912.864	100,0%	30.720.738	100,0%	34.721.868	100,0%	32.191.788	100,0%
Long-term liabilities and provisions								
Provision for employee severance	2.110.697		1.999.457		2.052.993		2.030.949	
For tax	0		287.666		0		0	
Other provision	0		325.345		0		0	
Deffered taxes	297.674		0		278.884		244.645	
Total long-term liabilities and provisions	2.408.371	6,9%	2.612.469	8,5%	2.331.877	6,8%	2.275.594	7,1%
Financial position								
Cash, bank and securities	(13.659.860)		(767.225)		(12.678.358)		(15.567.676)	
Own shares	(178.346)		0		0		0	
Bank debts	10.071.652		11.110.713		8.862.939		9.079.486	
Debts due to holding company	0		258.228		0		0	
Credits due from holding company	(96.836)		0		(96.836)		(96.836)	
Medium/long term financing	500.532		500.532		500.532		500.532	
Net financial position	(3.362.857)	-9,6%	11.102.249	36,1%	(3.411.723)	-9,8%	(6.084.494)	-18,9%
Shareholders' equity								
Share capital	20.600.000		14.719.022		20.600.000		20.600.000	
Reserves	15.082.043		2.037.452		15.031.516		15.608.773	
Net profit	185.308		249.547		170.199		(208.085)	
Total Shareholders' equity	35.867.350	102,7%	17.006.020	55,4%	35.801.715	103,1%	36.000.688	111,8%
TOTAL OWN & MINORITY FUNDS	34.912.864	100,0%	30.720.738	100,0%	34.721.868	100,0%	32.191.788	100,0%

Comments on operating results

The consolidation area includes the situation at June 30 2001 as regards the Holding Company. "Centrale del Latte di Torino & C. S.p.A.". and its subsidiary company "Centro Latte Rapallo S.p.A".

The evaluation criteria and accounting principles adopted when preparing the individual and consolidated financial statements are the same as those used for preparing the annual financial statements.

The Group **income statement** for the period of six months ended June 30 2001 shows a gross operating margin (EBITDA) of 5,864 million lire against 5,143 million recorded for the period ended June 30 2000 which represents an increase of 722 million or 14%. The operating profit (EBIT) amounts to 1,918 million lire compared with 1,786 million for the period ended June 30 2000, an increase for the period of 132 million or 7.4%. The pre-tax profit at June 30 2001 is 1,813 million lire against 1,406 million for the period ended June 30 2000 and represents an increase of 406 million equal to 28.9%.

About the second quarter the consolidated income statement shows a gross operating margin of 2,613 million lire compared with a increase of 170 million lire against the same period of last year equal to 6.9%.

The operating profit notes a decrease of 159 million lire.

Sales revenues

Group net sales for the quarter ended June 30 2001 were 2,268 million lire higher than in the same period ended June 30 2000 and achieve 30,527 million which represents an increase of 8%. Net sales for the first half of 2001 were 4,171 million lire higher than the first half of last year which represents an increase of 7,4%.

The following table gives a breakdown of consolidated sales revenues for the Group's main product categories covering the second quarter current and previous year and the first half current and previous year.

(millions of lire)	2 nd QRT01	2ndQRT00	change		June30, 01	June30, 00	change	
Fresk milk	16.492	14.933	1.559	10,4%	32.465	30.298	2.167	7,2%
UHT milk	5.972	5.366	606	11,3%	12.644	12.131	513	4,2%
Yoghurt	970	902	68	7,5%	1.749	1.717	32	1,9%
Other products	7.093	7.057	36	0,5%	13.807	12.348	1.459	11,8%
Total	30.527	28.258	2.269	8,0%	60.665	56.494	4.171	7,4%

Production costs

No negative factors were noted during the quarter ended June 30 2001 as regards trends for production costs.

Financial expenses. While financial expenses remained essentially stable there was a financial income from securities held as part of the Holding Company's current assets and from credit tax by the subsidiary Centro Latte Rapallo S.p.A. dividends.

The positive net financial position at Group level reported in the following table shows a decrease from the situation at the end of 2000. This was the result of the purchase during the month of January 2001 of shares amounting in total to 3,596 million lire in the associated company. Frascheri S.p.A, of the dividend payment to shareholders (581 million lire) and for a new financing by Mediobanca SpA amounting in total to 3,000 million lire used to finance the second machinery for the PET bottles.

(millions of lire)	June 30 01	June 30 00	March 31 01	Dec.31 00
Cash banks and securities	26.449	1.486	24.549	30.143
Own stocks	345	0	0	0
Banks debt	(19.501)	(21.513)	(17.161)	(17.580)
Holding company debt	0	(500)	0	0
Holding credit	188	0	188	188
Other source of financing debt	(969)	(969)	(969)	(969)
Net financial position	6.511	(21.497)	6.606	11.781

Acquisition of own shares

As approved at the Ordinary General Meeting of 30 April 2001, the parent company began acquiring its own shares in June. As of 30 June it had 000000 of its own shares in portfolio, to the value of 344.293.009 Lire, at an average price per share of € 4.45

The total value of these shares (including bank commission) has been entered in the current assets of the parent company, at the same time transferring the same amount from the extraordinary reserve to the reserve unavailable for own shares entered in the group's stockholders' equity.

Comments on operations

The second quarter also showed positive results in terms of growth in revenues, which, as previously noted, increased by 8% despite a slight drop in sales recorded in June, confirming the 7.4% increase of the first quarter. The new products introduced during the opening months of the

year continued to grow, particularly the sector 'other products', which has increased by 11.8% compared to the first six months of the previous year.

The results of the second quarter leave EBITDA and EBIT substantially unaltered compared to the same period of the previous year.

This half of the year therefore shows more than positive performance, with a 7.4% increase in revenues. EBITDA has reached 9.6% of net sales, while EBIT is at 3.1% of net sales.

The second quarter showed all the effects of the beginning of the new dairy year and the consequent increases in the price of raw materials, showing an increase in the incidence of raw materials consumption from the 56.7% of the first quarter to 57.1% in the quarter which closed on 30 June 2001. Aside from consequently updating its selling prices, the Group also initiated a policy of rationalising the purchase of raw materials, centralising the purchasing of milk and thus at consolidated level achieving a decrease in the incidence of consumption which went from 58.3% of the second quarter of 2000 to 57.1% in the recently closed quarter, thus implementing a successful rationalisation of the supply of raw materials.

The first PET bottle packaging machinery for fresh milk, which the group installed in the Turin plant upon completion of the necessary running-in period, reached the production capacity necessary to fulfil in part the requirements of the subsidiary company Centro Latte Rapallo S.p.A. and the associated company FRASCHERI S.p.A.

Thus the activities of integration, rationalisation and collaboration between subsidiary and associated companies continue, not only for production processes, supplies, marketing and commercial, but also in the accounting and operations context, with the aim of identifying and exploiting all the opportunities and potential of the single companies.

Development of activities

This quarter, which closes on 30 September 2001, will be strongly influenced by the seasonal factors which have always characterised the summer period, including the months of July and August. It is thought, however, that the positive performance of sales and the positive results in terms of incidence of costs will allow the group to improve its results in the third quarter of 2001, compared to those of the previous year, and on balance will confirm the growth of all the indicators discussed herein.

During the month of July the group reached an agreement with the trade unions for the voluntary redundancy of six employees, who will leave the company at different times but all before the end of the year. The positive consequences of this will be fully felt in the course of 2002, and totally balanced in the current year by incentives granted to personnel on the basis of their seniority.

The associated company FRASCHERI S.p.A.

The company FRASCHERI S.p.A. showed at the end of first half year 2001 a net sales of 7,245 million lire with an increase, against the same period of last year, of 310 million lire equivalent to 4.5%.

Thus the activities of integration, rationalisation and collaboration with the associated company continue, not only for production processes, supplies, marketing and commercial, but also in the accounting and operations context, with the aim of identifying and exploiting all the opportunities and potential of this company.

Events following the closure of the quarter

On 24 July 2001 following the Group's presentation of the request for a regional contribution for the "Improvement of conditions of manufacturing and marketing of agricultural products", the plan for the second PET bottling line for fresh milk was judged suitable by the board of the Piedmont Regional administration, and received capital funding equivalent to 35% of the entire investment.

Operating results for the Holding Company

The tables below show the operating results for the quarterly report of Holding Company Centrale del Latte di Torino & C. S.p.A.

Income statement data are given for the quarter in question and year-to-date at the end of this quarter, together with a comparison with results for same period of the previous year and those for the year ended December 31 2000.

Balance sheet and financial data show the situation at the end of the quarter concerned, the second quarter of the prior year, the last quarter and at year-end 2000.

(millions of Lire)	2nd QRT 2001		2nd QRT 2001		June 30, 2001		June 30, 2000		Dec,31 2000	
<i>Value of production</i>										
Revenues from sales and services	23.839	98,3%	20.596	100,2%	47.471	99,4%	41.376	99,3%	84.087	98,7%
Changes in inventories	155	0,6%	(117)	-0,6%	(115)	-0,2%	23	0,1%	261	0,3%
Other revenues and income	261	1,1%	85	0,4%	393	0,8%	267	0,6%	823	1,0%
Value of production	24.255	100,0%	20.564	100,0%	47.749	100,0%	41.666	100,0%	85.171	100,0%
<i>Production costs</i>										
Services	(4.796)	-19,8%	(4.028)	-19,6%	(9.291)	-19,5%	(8.167)	-19,6%	(16.465)	-19,3%
Raw materials	(15.047)	-62,0%	(12.510)	-60,8%	(29.255)	-61,3%	(25.242)	-60,6%	(52.915)	-62,1%
Other operating costs	(244)	-1,0%	(166)	-0,8%	(489)	-1,0%	(450)	-1,1%	(976)	-1,1%
Value added	4.167	17,2%	3.859	18,8%	8.714	18,2%	7.807	18,7%	14.816	17,4%
Personnel costs	(2.419)	-10,0%	(2.110)	-10,3%	(4.591)	-9,6%	(4.245)	-10,2%	(8.489)	-10,0%
Gross operating margin (EBITDA)	1.748	7,2%	1.750	8,5%	4.123	8,6%	3.562	8,5%	6.327	7,4%
Writedown of accounts receivable	4	0,0%	(45)	-0,2%	(77)	-0,2%	(65)	-0,2%	(109)	-0,1%
Amortisation and depreciation of fixed assets	(1.187)	-4,9%	(949)	-4,6%	(2.315)	-4,8%	(1.840)	-4,4%	(3.896)	-4,6%
Operating profit (EBIT)	565	2,3%	756	3,7%	1.730	3,6%	1.657	4,0%	2.322	2,7%
Financial income	771	3,2%	399	1,9%	1.043	2,2%	401	1,0%	746	0,9%
Financial expenses	(269)	-1,1%	(260)	-1,3%	(543)	-1,1%	(504)	-1,2%	(1.234)	-1,4%
Extraordinary income	16	0,1%	277	1,3%	16	0,0%	291	0,7%	551	0,6%
Extraordinary expenses	(138)	-0,6%	(195)	-0,9%	(226)	-0,5%	(200)	-0,5%	(645)	-0,8%
Pre-tax profit	944	3,9%	977	4,8%	2.021	4,2%	1.645	3,9%	1.740	2,0%
Income tax on current year earnings	(476)	-2,0%	(343)	-1,7%	(1.020)	-2,1%	(557)	-1,3%	(888)	-1,0%
Other non-deductible taxes	0	0,0%	0	0,0%	0	0,0%	0	0,0%	29	0,0%
Income tax paid in advance		0,0%		0,0%		0,0%		0,0%		0,0%
Total net profit (loss)	468	1,9%	635	3,1%	1.001	2,1%	1.088	2,6%	881	1,0%
Minority interest profit (loss)		0,0%		0,0%		0,0%		0,0%		0,0%
Net profit (loss)	468	1,9%	635	3,1%	1.001	2,1%	1.088	2,6%	881	1,0%

(Euro)	2nd QRT 2001		2nd QRT 2001		June 30, 2001		June 30, 2000		Dec,31 2000	
<i>Value of production</i>										
Revenues from sales and services	12.311.982	98,3%	10.636.913	100,2%	24.516.960	99,4%	21.368.934	99,3%	43.427.537	98,7%
Changes in inventories	79.954	0,6%	(60.326)	-0,6%	(59.342)	-0,2%	11.893	0,1%	134.804	0,3%
Other revenues and income	134.658	1,1%	43.722	0,4%	202.823	0,8%	137.912	0,6%	424.999	1,0%
Value of production	12.526.593	100,0%	10.620.309	100,0%	24.660.442	100,0%	21.518.739	100,0%	43.987.339,6	100,0%
<i>Production costs</i>										
Services	(2.477.045)	-19,8%	(2.080.509)	-19,6%	(4.798.380)	-19,5%	(4.217.902)	-19,6%	(8.503.238)	-19,3%
Raw materials	(7.771.280)	-62,0%	(6.460.889)	-60,8%	(15.108.927)	-61,3%	(13.036.444)	-60,6%	(27.328.518)	-62,1%
Other operating costs	(125.942)	-1,0%	(85.736)	-0,8%	(252.738)	-1,0%	(232.198)	-1,1%	(503.833)	-1,1%
Value added	2.152.327	17,2%	1.993.174	18,8%	4.500.396	18,2%	4.032.195	18,7%	7.651.751	17,4%
Personnel costs	(1.249.409)	-10,0%	(1.089.534)	-10,3%	(2.371.275)	-9,6%	(2.192.454)	-10,2%	(4.384.245)	-10,0%
Gross operating margin (EBITDA)	902.918	7,2%	903.640	8,5%	2.129.122	8,6%	1.839.741	8,5%	3.267.506	7,4%
Writedown of accounts receivable	2.138	0,0%	(23.189)	-0,2%	(39.775)	-0,2%	(33.519)	-0,2%	(56.546)	-0,1%
Amortisation and depreciation of fixed assets	(613.152)	-4,9%	(490.187)	-4,6%	(1.195.802)	-4,8%	(950.204)	-4,4%	(2.011.864)	-4,6%
Operating profit (EBIT)	291.904	2,3%	390.264	3,7%	893.545	3,6%	856.018	4,0%	1.199.096	2,7%
Financial income	398.020	3,2%	205.977	1,9%	538.675	2,2%	207.284	1,0%	385.514	0,9%
Financial expenses	(139.135)	-1,1%	(134.156)	-1,3%	(280.216)	-1,1%	(260.336)	-1,2%	(637.506)	-1,4%
Extraordinary income	8.189	0,1%	143.183	1,3%	8.189	0,0%	150.138	0,7%	284.340	0,6%
Extraordinary expenses	(71.390)	-0,6%	(100.627)	-0,9%	(116.688)	-0,5%	(103.338)	-0,5%	(332.975)	-0,8%
Pre-tax profit	487.588	3,9%	504.641	4,8%	1.043.505	4,2%	849.767	3,9%	898.469	2,0%
Income tax on current year earnings	(245.833)	-2,0%	(176.886)	-1,7%	(526.786)	-2,1%	(287.666)	-1,3%	(458.614)	-1,0%
Other non-deductible taxes	0	0,0%	0	0,0%	0	0,0%	0	0,0%	15.050	0,0%
Income tax paid in advance		0,0%		0,0%		0,0%		0,0%		0,0%
Total net profit (loss)	241.755	1,9%	327.755	3,1%	516.719	2,1%	562.101	2,6%	454.905	1,0%
Minority interest profit (loss)		0,0%		0,0%		0,0%		0,0%		0,0%
Net profit (loss)	241.755	1,9%	327.755	3,1%	516.719	2,1%	562.101	2,6%	454.905	1,0%

(millions lire)	June 30 2001		June 30 2000		March 31 2001		Dec 31 2001	
Non - current assets								
Technical fixed assets	24.356		21.879		23.874		24.061	
Intangible fixed assets	4.685		2.108		4.723		4.930	
Shareholdings and securities	37.163		33.567		37.163		33.567	
Total non-current assets	66.204	99,3%	57.554	102,2%	65.761	100,0%	62.559	104,7%
Current assets								
Trade receivables	18.416		13.804		18.417		17.608	
Inventories	2.694		2.495		2.724		2.899	
Accrued income & prepaid expenses	863		563		1.066		707	
Other current assets	11.935		15.491		11.028		11.535	
Trade payables	(22.423)		(20.169)		(22.167)		(26.521)	
Other payables	(8.208)		(396)		(7.644)		(6.857)	
Accrued expenses & deferred income	(2.360)		(1.840)		(1.603)		(737)	
Taxes liabilities	(462)		(11.196)		(1.845)		(1.426)	
Net current assets	456	0,7%	(1.248)	-2,2%	(23)	0,0%	(2.793)	-4,7%
TOTAL FUND EMPLOYED	66.660	100,0%	56.306	100,0%	65.738	100,0%	59.766	100,0%
Long-term liabilities and provisions								
Provision for employee severance	3.012		2866		2.945		2.897	
Other provision	0		657		0		0	
Total long-term liabilities and provisions	3.012	4,5%	3.523	6,3%	2.945	4,5%	2.897	4,8%
Financial position								
Cash, bank and securities	(26.150)		(1.383)		(24.141)		(29.493)	
Own shares	(345)		0		0		0	
Bank debts	17.611		19.011		14.869		14.248	
Debts due to holding company	0		500		0		0	
Credits due from holding company	(188)		0		(188)		(188)	
Medium/long term financing	969		969		969		969	
Net financial position	(8.103)	-12,2%	19.097	33,9%	(8.491)	-12,9%	(14.463)	-24,2%
Shareholders' equity								
Share capital	39.887		28.500		39.887		39.887	
Reserves	30.864		4.097		30.864		30.564	
Net profit	1.001		1.088		532		881	
Total Shareholders' equity	71.752	107,6%	33.685	59,8%	71.284	108,4%	71.332	119,4%
TOTAL OWN & MINORITY FUNDS	66.660	100,0%	56.305	100,0%	65.738	100,0%	59.766	100,0%

euro	June 30 2001		June 30 2000		March 31 2001		Dec 31 2000	
Non - current assets								
Technical fixed assets	12.578.777		11.299.601		12.329.982		12.426.607	
Intangible fixed assets	2.419.517		1.088.630		2.439.454		2.546.327	
Shareholdings and securities	19.193.294		17.335.961		19.193.294		17.335.961	
Total non-current assets	34.191.588	99,3%	29.724.192	102,2%	33.962.730	100,0%	32.308.895	104,7%
Current assets								
Trade receivables	9.510.853		7.129.068		9.511.695		9.093.958	
Inventories	1.391.415		1.288.325		1.406.881		1.497.049	
Accrued income & prepaid expenses	445.701		290.709		550.575		365.183	
Other current assets	6.164.093		8.000.190		5.695.655		5.957.552	
Trade payables	(11.580.657)		(10.416.320)		(11.448.322)		(13.697.109)	
Other payables	(4.238.847)		(204.337)		(3.947.564)		(3.541.537)	
Accrued expenses & deferred income	(1.218.666)		(950.264)		(827.838)		(380.856)	
Taxes liabilities	(238.617)		(5.782.317)		(952.905)		(736.655)	
Net current assets	235.273	0,7%	(644.946)	-2,2%	(11.824)	0,0%	(1.442.414)	-4,7%
TOTAL FUND EMPLOYED	34.426.861	100,0%	29.079.246	100,0%	33.950.907	100,0%	30.866.481	100,0%
Long-term liabilities and provisions								
Provision for employee severance	1.555.320		1.480.000		1.521.028		1.496.128	
Other provision	0		339.312		0		0	
Total long-term liabilities and provisions	1.555.320	4,5%	1.819.312	6,3%	1.521.028	4,5%	1.496.128	4,8%
Financial position								
Cash, bank and securities	(13.505.523)		(714.490)		(12.467.797)		(15.231.900)	
Own shares	(178.346)		0		0		0	
Bank debts	9.095.086		9.818.560		7.679.107		7.358.648	
Debts due to holding company	0		258.228		0		0	
Credits due from holding company	(96.836)		0		(96.836)		(96.836)	
Medium/long term financing	500.532		500.532		500.532		500.532	
Net financial position	(4.185.086)	-12,2%	9.862.831	33,9%	(4.384.993)	-12,9%	(7.469.555)	-24,2%
Shareholders' equity								
Share capital	20.600.000		14.719.022		20.600.000		20.600.000	
Reserves	15.939.908		2.115.981		15.939.908		15.785.003	
Net profit	516.719		562.101		274.965		454.905	
Total Shareholders' equity	37.056.627	107,6%	17.397.103	59,8%	36.814.872	108,4%	36.839.908	119,4%
TOTAL OWN & MINORITY FUNDS	34.426.861	100,0%	29.079.246	100,0%	33.950.907	100,0%	30.866.481	100,0%

On April 2 2001 the Company was accepted for listing on the new segment of the Italian Stock Exchange known as STAR - Segmento Titoli ad Alti Requisiti (High Standard Share Segment) - intended for companies whose share capital dose not exceed 800 million Euro and that meet higher standards of transparency in terms of information given tha those required for listing on the Telematic Stock Exchange.

Chairman of the Board of Directors

Luigi LUZZATI