

Bit Market Services

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Societa' : CENTRALE DEL LATTE DI TORINO & C.

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Informazione
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Oggetto : BUSINESS COMBINATION APPROVED
BY THE COMPANIES CENTRALE DEL
LATTE DI TORINO & C AND CENTRALE
DEL LATTE DI FIRENZE, PISTOIA E
LIVORNO

Testo del comunicato

Vedi allegato.



JOINT PRESS RELEASE

“CENTRALE DEL LATTE D’ITALIA” PROJECT

BUSINESS COMBINATION APPROVED BY THE COMPANIES CENTRALE DEL LATTE DI TORINO & C AND CENTRALE DEL LATTE DI FIRENZE, PISTOIA E LIVORNO

A THIRD MILK AND DAIRY HUB IN ITALY

Centrale del Latte di Torino & C S.p.A. (“**CLT**”), a company listed on the STAR segment of the Electronic Stock Market (“**MTA**”), organised and managed by Borsa Italiana, and Centrale del Latte di Firenze, Pistoia e Livorno S.p.A. (“**CLF**” or “**Mukki**” and jointly with CLT, the “**Companies**”), both dealing in the production and sale of fresh milk, ESL, UHT, yogurt and by-products and ultra-fresh products, hereby announce that today an agreement (the “**Agreement**”) was signed in order to achieve a business combination (the “**Transaction**”), to be implemented through the merger by incorporation of CLF into CLT (the “**Merger**”).

Further to the merger, CLT will change its name to “Centrale del Latte d’Italia” and will remain listed on the STAR segment of the MTA (the “**Post-Merger Company**” or “**CLI**”).

As a result of the merger, CLI will take over all the legal rights and obligations of CLF; these rights and obligations (“**Mukki**”), as a result of a subsequent separation operation (the “**Separation**”), will be transferred into a new company, wholly owned by CLI (“**Centrale del Latte della Toscana**”), with registered and business headquarters in Florence.

The net turnover of CLF at 31 October 2015 was around € 68.6 million. At the same date EBITDA equalled 6.8%. The number of employees at 31 October 2015 totalled 173.

REASONS FOR THE TRANSACTION

The aim of the Transaction is to create an inter-regional hub facility specialising in the production and sale of milk and dairy products, bringing together local situations and brands with the same fundamental values, such as quality, safety, a local dimension, continuing relations with the Tuscan stock rearing and food production chain, and to create Italy’s third milk and dairy hub, with a leadership position in the Piemonte, Toscana, Liguria and Veneto regions.

The Transaction will also involve (i) the completion of the product portfolio offered by CLT, thanks to the wide range of Mukki products, (ii) a strong sales boost for Mukki products, thanks to the extensive CLT network, (iii) an increase in negotiating power vis-à-vis customers and suppliers, (iv) the possibility of increasing export volumes and expanding export markets, and (v) an increase in the capacity to invest in research and development.

FORM AND TERMS OF THE TRANSACTION

The transaction will be finalised through the merger by incorporation of Mukki into CLT. The share exchange ratio has been set by the competent bodies of CLT and Mukki, using the widely accepted evaluation methods, at 1 new ordinary CLI share for 6.1965 ordinary CLF shares (the “**Exchange Rate**”). Specifically, the Exchange Rate has been determined based on the adjusted net equity at 30 June 2015 of the companies involved in the Merger. No Exchange Rate adjustment mechanisms are provided for. No cash adjustments are provided for.

The adequacy of the Exchange Rate, which will also be approved upon the resolution to approve the merger plan on the part of each company taking part, will also be verified by an



auditing company, the appointment of which will be jointly requested, by the means and according to the terms provided for by law, by the companies involved in the merger.

To comply with the exchange rate resulting from the merger, CLT will increase its share capital from € 20,600,000 to € 28,840,041, by issuing 4,000,020 new ordinary CLT shares with the same characteristics as those in circulation. Further to the merger, the ordinary shares of CLT will still be listed on the Electronic Stock Market (MTA) organised and managed by Borsa Italiana S.p.A.

The Merger grants no entitlement to withdrawal to those shareholders who did not approve the Merger Plan resolution during the shareholders' meeting, because the resolutions proposed do not come under any of the cases provided for by the law.

Under the terms of the Transaction, immediately after the Merger becomes effective, CLI will transfer Mukki (currently controlled by CLF) into Centrale del Latte della Toscana. The aim of this transaction is to guarantee equity consolidation, to safeguard the production facility and current levels of employment of the present Mukki company, an important institutional presence locally.

CONDITIONS PRECEDENT FOR THE TRANSACTION

The Merger is subject, *inter alia*, to the following conditions:

- (i) signing on the part of the controlling shareholders of CLF (as yet not identified) of a shareholders' agreement grouping together a total of at least 51% of the share capital of the Post-Merger CLI, containing governance agreements designed to maintain management stability in the Group, to safeguard the corporate mission and to regulate the system for the circulation of the CLI shares bound by the shareholders' agreement;
- (ii) non-applicability to the shareholders who have signed the shareholders' agreement of the regulation governing mandatory public offers as per article 49, para. 1, lett. (g) of the Consob Regulation;
- (iii) changes to the articles of association to provide not only for the change to the company name, but also the increase up to 14 in the number of members of the Board of Directors and the addition of the increased voting rights clause;
- (iv) acceptance on the part of the ordinary shareholders' meeting of CLT of the resolution:
 - (a) to integrate, with effect from the Date of Efficacy of the Merger, the Board of Directors of CLT, with the appointment of 4 new members, nominated by the shareholders of CLF; and
 - (b) to authorise the purchase and disposal of treasury shares;

Should these conditions fail to be met by 30 September 2016, the Agreement shall be considered definitively and automatically cancelled and ineffective.

CLI BODY OF SHAREHOLDERS AFTER THE TRANSACTION

Based on the information available to date, the shareholders with an equity investment superior to 5% of the Post-Merger Company will be as follows:



<i>Shareholder</i>	<i>Share capital percentage</i>
Finanziaria Centrale del Latte di Torino S.p.A.	36,99%
Municipality of Florence	12,25%
Fidi Toscana S.p.A.	6,83%
Municipality of Pistoia	5,26%

INDICATIVE TIMESCALE FOR THE TRANSACTION

Pursuant to the Agreement, the Merger Plan is expected to be approved by the Boards of Directors of the Companies by 25 January 2015, and by the extraordinary shareholders' meetings of the Companies by 25 March 2016.

The Merger – subject to the fulfilment of all the conditions precedent – is expected to become fully effective by the end of 1H 2016.

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SHAREHOLDERS' AGREEMENTS

As mentioned earlier, under the terms of the Agreement, the Merger is also subject to the signing on the part of the controlling shareholders of CLT (the "**CLT Shareholders**") and the shareholders of CLF (the "**CLF Shareholders**") and, jointly with the CLT Shareholders, the "**Syndicated Shareholders**") of an agreement containing a number of shareholders' agreements pertinent to article 122 of the Consolidated Law on Finance (the **Agreement**), designed to regulate a number of questions, including several aspects of corporate governance regarding CLI and a number of subsidiaries, including Centrale del Latte della Toscana and Centrale del Latte di Vicenza S.p.A., so as to ensure the maintenance of management stability in the Group, to safeguard the corporate mission and to regulate the system for the circulation of the ordinary CLI shares bound by the provisions of the Agreement.

The Agreement will last 3 years, and may be tacitly renewed, without prejudice to the fact it will be rendered ineffective in the event the ordinary CLI shares bound by the Agreement no longer account for at least 51% of the share capital of the Post-Merger Company. Under the terms of the Agreement, the Syndicate Shareholders may not, for the duration of the Agreement, enter into agreements of any kind, other than the Agreement, relating to the Post-Merger Company.

The Agreement will also impose a lock-up of the shares covered by the shareholders' agreement for a period of 2 years starting from the Date of Efficacy (the **Lock-up Period**"). At the end of the Lock-up Period, the ordinary CLI shares bound by the Agreement may be transferred, and also traded on the market, provided the right of pre-emption has been offered to the other Syndicate Shareholders.

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