



PRESS RELEASE

PARMALAT GROUP: DISCLOSURE FOR THE FIRST QUARTER OF 2018

- Sales volumes up 1.3% at constant scope of consolidation and excluding Venezuela
- Net revenue in line with last year at constant exchange rates and scope of consolidation and excluding Venezuela; down 7.6% at current exchange rates and scope of consolidation
- 2018 guidance confirmed

Milan, May 17, 2018 – The Board of Directors of Parmalat S.p.A., meeting today under the chairmanship of Gabriella Chersicla, reviewed the Group's performance in the first quarter of 2018.

Parmalat Group

In the first quarter of 2018, the milk market was characterized by a reduction in the cost of raw milk in virtually all of the areas in which the Group operates. In this context, Parmalat implemented specific sales policies aimed at achieving an optimum balance between volumes and prices.

With data at constant scope of consolidation – obtained by excluding the results of activities acquired in 2017 (*La Vaquita* Group in Chile, *Karoun* in the United States of America and *Silac* in Italy) - and excluding Venezuela, the Group's **sales volumes** showed an increase of 1.3% attributable to all geographic regions, with the exception of Latin America.

Net revenue, excluding hyperinflation, totaled 1,435.9 million euros, or 117.3 million euro less (-7.6%) than in the first three months of 2017. With data at constant exchange rates and scope of consolidation and excluding Venezuela, net revenue was in line with the previous year, with a negative change for Latin America, Brazil in particular, caused by contracting volumes.

PERFORMANCE BY GEOGRAPHIC REGION					
amounts in millions of euros (except for data in %)	Net revenue First quarter 2018	Net revenue First quarter 2017	Δ % net revenue at current exchange rates and scope of consolidation	Δ % net revenue at constant ² exchange rates and scope of consolidation and excluding Venezuela	Δ % sales volumes
DATA BY GEOGRAPHIC REGION					
Europe	284.3	267.0	+6.5%	+5.6%	+7.7%
North America	513.3	558.0	-8.0%	+1.1%	+6.4%
Latin America	287.6 ³	362.9 ³	-20.8%	-13.2%	-7.2%
Africa	109.6	112.4	-2.5%	+2.6%	+2.9%
Oceania	245.6	256.7	-4.3%	+6.4%	+2.6%
Corporate and other ¹	(4.5)	(3.8)	-20.0%	-20.0%	n.m.
Group excl. hyperinfl.	1.435.9	1.553.2	-7.6%	-0.3%	+1.3%⁴
Hyperinflation in Venezuela	7.5	7.1	+6.2%	-	-
Parmalat Group	1.443.4	1.560.3	-7.5%	-	-

The geographic regions represent the consolidated data for the corresponding countries.

1. Includes smaller companies, inter-region eliminations and Parent Company costs.

2. Excluding the operations consolidated in 2017 (Chile, Karoun in the United States of America and Silac in Italy).

3. Excluding hyperinflation.

4. At constant scope of consolidation (excluding Chile, Karoun in the United States of America and Silac in Italy) and excluding Venezuela.



Europe

In **Italy**, consumption decreased in the main categories in which Parmalat operates. In this context, the local subsidiary increased its market shares in the pasteurized and UHT milk categories, confirming its position as the top player in both segments, thanks in part to a positive performance by the *Zymil* brand. Parmalat also strengthened its leadership position in the UHT cream category with the *Chef* brand.

North America

The **United States of America** witnessed a significant upturn in consumption in the cheese market in the first three months of 2018; in this context, Parmalat confirmed its leadership position in the soft ripened cheese, ricotta and chunk mozzarella segments.

On the other hand, the trend in raw material costs affected the subsidiary's performance in the powdered product segment (serum proteins, etc.).

In **Canada**, the local subsidiary reported a slight reduction of its market share in the cheese category, but held unchanged its competitive positions in the milk and yogurt categories.

In a challenging competitive context, the local subsidiary is protecting its volumes through a reduction in sales prices.

Latin America

In **Brazil**, the local subsidiary retained its leadership and co-leadership positions in the UHT milk and cheese category, while pursuing efforts to reposition its product portfolio.

The area's other subsidiaries continue to face a particularly challenging context and market situation.

Africa

In **South Africa**, Parmalat confirmed its place as the top player in the flavored milk segment, growing its value market share to 52%, and maintained its competitive position in the white milk segment. The local subsidiary retained the leadership position in the cheese category and the second-place competitive position in the yogurt segment.

In **Zambia**, even though volumes improved, difficulties continued in the industrial and logistics areas.

Oceania

In **Australia**, the local subsidiary implemented a careful pricing policy, maintaining the leadership position the pasteurized milk category and holding a second-place competitive position in the UHT milk and flavored milk segments. It also confirmed its standing as the top player in the dessert market, with significant gains in market share, thanks mainly to the performance of the *Pauls* brand.

In the powdered product segment, Parmalat is responding to strong pressure consistent with the trend for raw milk.



2018 guidance

The first quarter of 2018 was characterized by a decrease in the cost of raw milk. This development caused, on the one hand, an adjustment of inventory valuations and, on the other hand, a revision of sales prices, with an attendant pressure on margins caused by the need to safeguard sales volumes.

Notwithstanding this context, the Group confirms the guidance announced in connection with the approval of the annual report at December 31, 2017.

Disclaimer

Projections for 2018 are based, inter alia, on the Group's performance in the first quarter of 2018 and take into account subsequent trends. The Group's performance is affected by exogenous variables that could have unforeseen consequences in terms of its results: these variables, which reflect the peculiarities of the different countries where the Group operates, are related to weather conditions and to economic, socio-political and regulatory factors.

Verification that the Chairman of the Board of Statutory Auditors meets the applicable independence requirements

The Board of Statutory Auditors informed the Board of Directors that, at a meeting held on May 14, 2018, as required by Article 8.C.1. of the Corporate Governance Code, it verified that the Chairman of the Board of Statutory Auditors, elected by the Shareholders' Meeting this past April 19, met the applicable independence requirements, including those set forth in Article 3.C.1. of the abovementioned Code regarding the independence of Directors.

Publication of the Minutes of the Ordinary Shareholders' Meeting of April 19, 2018

Parmalat S.p.A. announces that the Minutes of the Ordinary Shareholders' Meeting of April 19, 2018 are available to the public at the Company's registered office, through the authorized storage mechanisms 1Info (www.1Info.it) and on the Company website:

www.parmalat.com/en/corporate_governance/annual_general_meeting/archive/.

As required by Article 154 bis, Section 2, of the TUF, Pierluigi Bonavita, in his capacity as Corporate Accounting Documents Officer, declares that the accounting information provided in this press release is consistent with the information in the supporting documents and in the Company's books of accounts and other accounting records.

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