

Parmalat Group

2012 – Results Presentation

Milan, March 26th 2013

Parmalat Group – 2012 Results Presentation

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2012 a Year of Records

Net Sales
>5 Bln €
for the first time ever

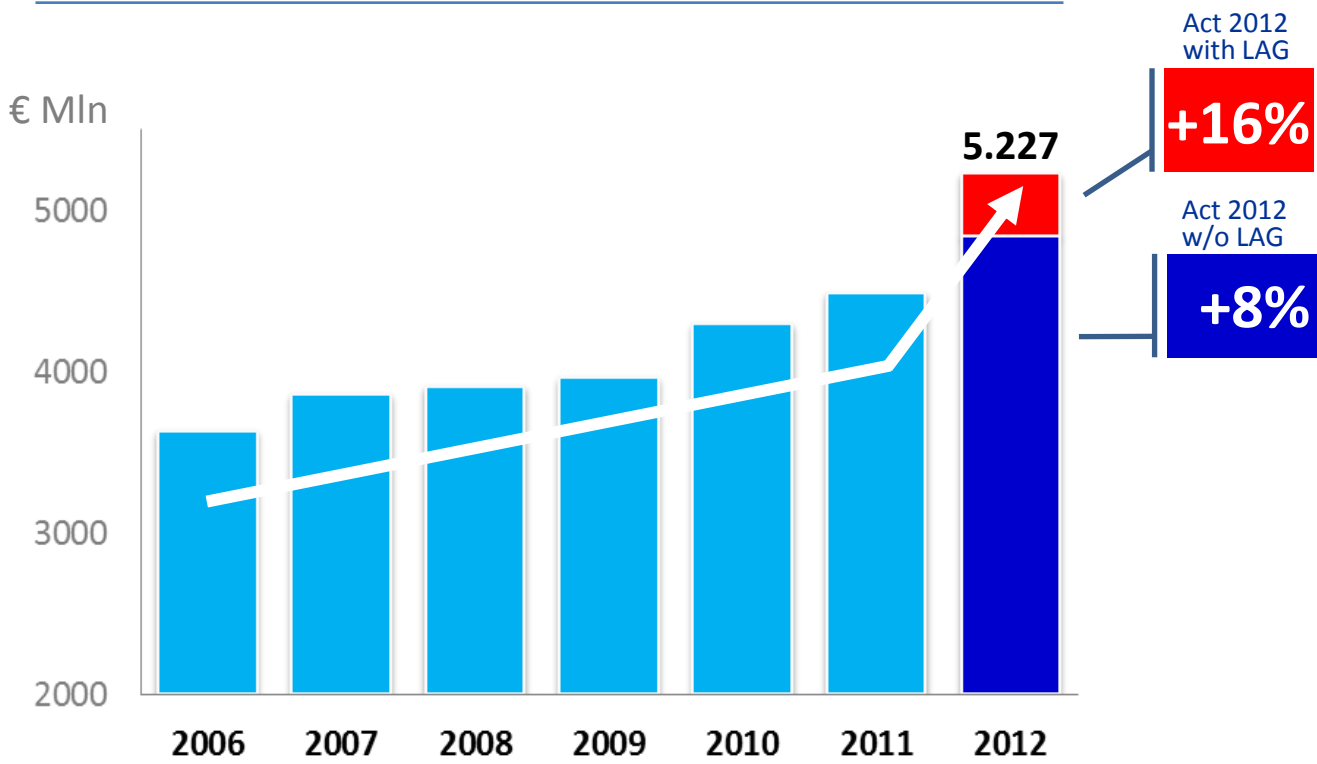
EBITDA
+17% vs. PY

Free Cash Flow
+85% vs. PY

The most important
acquisition
since the Listing



Net Sales

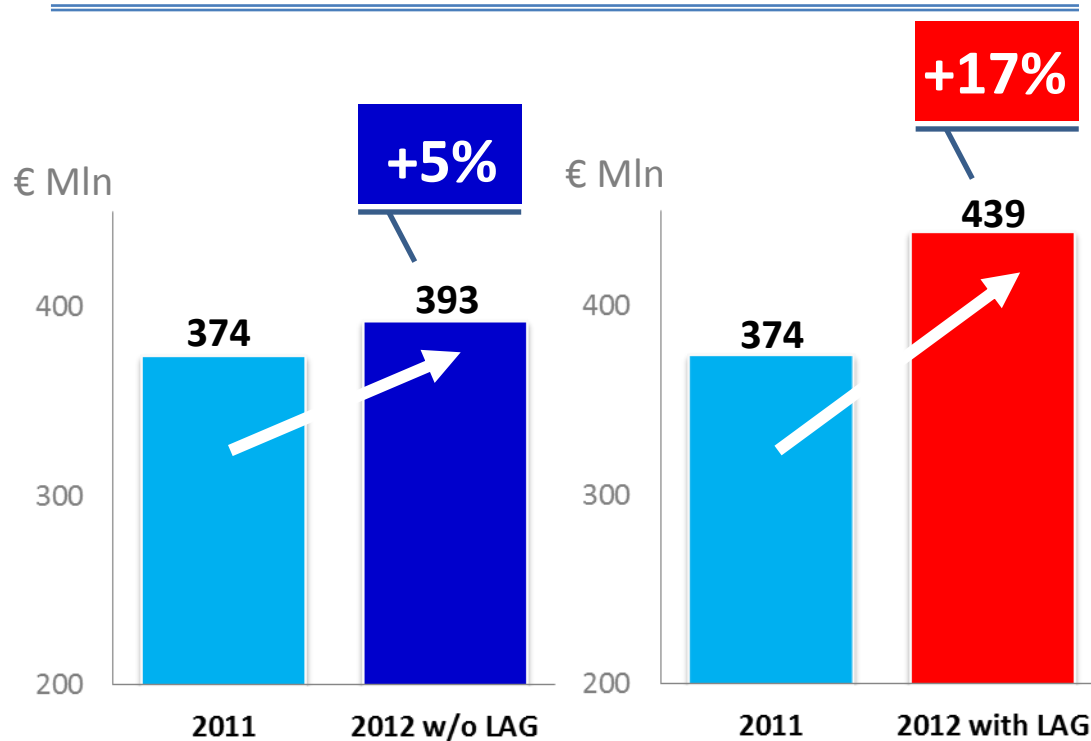


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Growing EBITDA with higher Marketing Investments



EBITDA



The highest EBITDA ever reached by PARMALAT, with a robust increase of Marketing Investments.





Free Cash Flow

€ Mln

300

200

100

0

137,2

253,4

2011

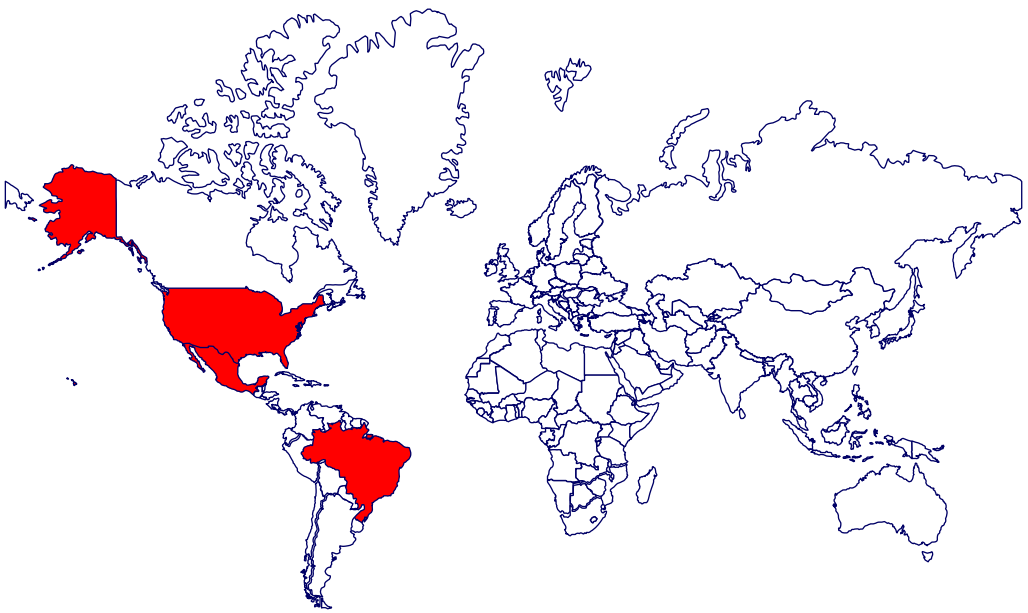
2012 with LAG

+85% vs. PY

Mainly thanks to the growth of EBITDA (also due to LAG acquisition) and to a better management of Working Capital

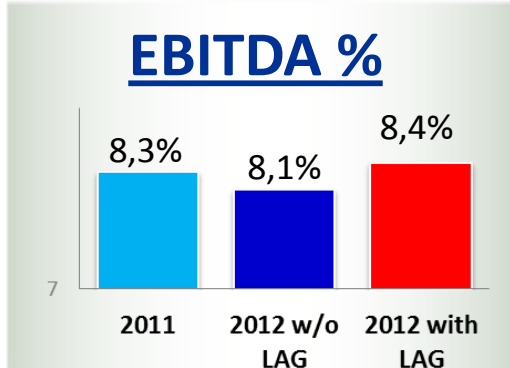
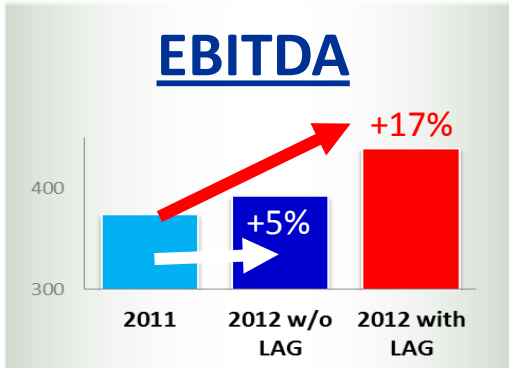
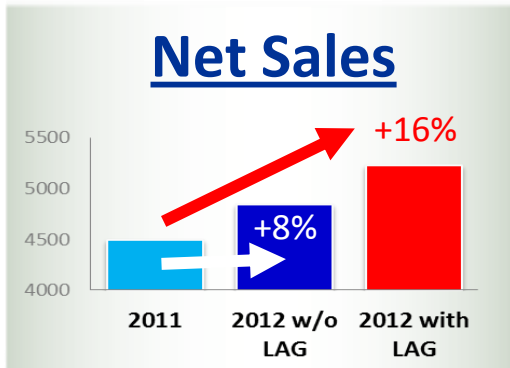


Acquisition



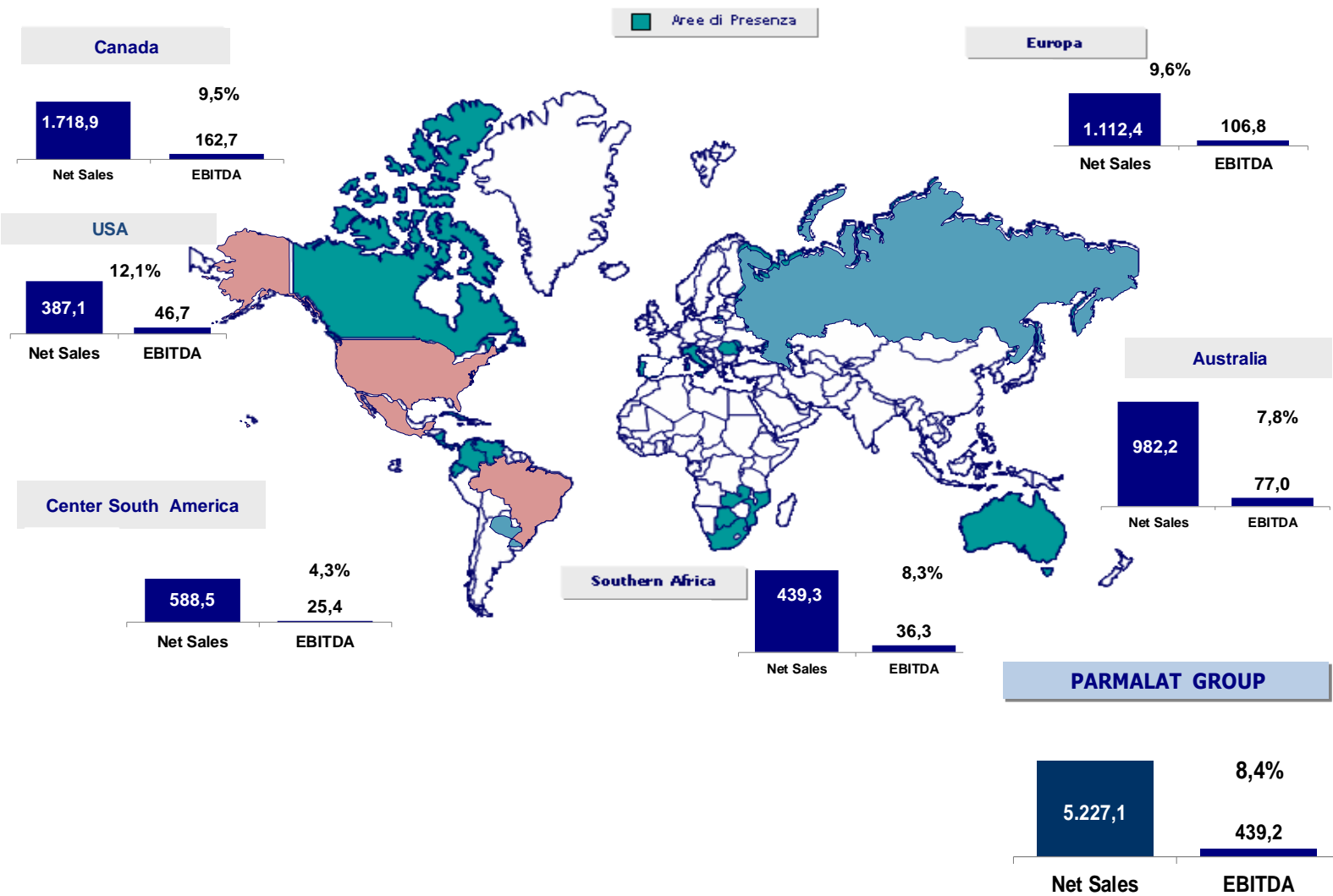
Acquisition of LAG had a positive contribution in:

- Net Sales
- EBITDA
- EBITDA %





Results by Geographic Area



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Parmalat Competitive Position



Parmalat Value Mkt Shares	Italy	Canada	Usa	Australia	South Africa	Venezuela
Pasteurized Milk	1 *	3	-	1	-	-
UHT Milk	1	-	-	2	2	-
Powder Milk	-	-	-	-	-	2
Flavored Milk	-	-	-	2	1	1 **
Yoghurt	5	3	-	2	2	2
UHT Cream	1	-	-	-	-	-
Fruit Beverages	2	-	-	-	-	2
Total Cheese	-	2	n.a.	-	1	-
Snack Cheese	-	1	5	-	-	-
Natural Cheese	-	2	-	-	-	-
Process Cheese	-	2	-	-	1	-
Total Chunk Mozzarella	-	-	1	-	-	-
Ricotta	-	-	1	-	-	-
Fresh Mozzarella	-	-	2	-	-	-
	-	-	1	-	-	-
	-	-	2	-	-	-
	-	-	1	-	-	-
	-	-	2	-	-	-
	-	-	1	-	-	-

Leader

Follower

Source [ITA]: Nielsen and IRI IT FOOD at 30/12/2012

Source [CAN]: ACNielsen, MarketTrack, National Grocery Banner+Drug+Mass Merch, Latest 4, YTD and 52 weeks ending DEC 15, 2012

Source [AUS]: Aztec Australia MAT 09/12/2012

Source [USA]: IRI, Total US Food, Data Through 16/12/2012

Source [SAF]: Aztec (previously Synovate): Top-end Retail & Wholesale – YTD December 2012

Source [VEN]: Nielsen, YTD December 2012

* Italian Pasteurized Milk including all channels.

**Venezuelan Flavoured Milk = Total Lacteos.

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Parmalat Value Market Shares



Parmalat Value Mkt Shares	Italy	Canada	Usa	Australia	South Africa	Venezuela
Pasteurized Milk	30,0% *	18,4%	-	20,9%	-	-
UHT Milk	31,2%	-	-	10,5%	19,0%	-
Powder Milk	-	-	-	-	-	10,9%
Flavored Milk	-	-	-	33,7%	45,3%	35,4% ***
Yoghurt	4,9%	13,0% **	-	14,7%	17,2%	22,7%
UHT Cream	25,6%	-	-	-	-	-
Fruit Beverages	11,5%	-	-	-	-	26,2%
Total Cheese	-	16,6%	-	-	36,9%	-
Snack Cheese	-	38,6%	8,5%	-	-	-
Natural Cheese	-	15,3%	-	-	-	-
Process Cheese	-	18,9%	-	-	66,5%	-
Total Chunk Mozzarella	-	-	20,5%	-	-	-
Ricotta	-	-	27,9%	-	-	-
Fresh Mozzarella	-	-	30,4%	-	-	-
Soft Ripened	-	-	44,8%	-	-	-
Feta	-	-	18,2%	-	-	-
Gourmet Spreadable	-	-	32,5%	-	-	-

Source [ITA]: Nielsen and IRI IT FOOD at 30/12/2012

Source [CAN]: ACNielsen, MarketTrack, National Grocery Banner+Drug+Mass Merch, Latest 4, YTD and 52 weeks ending DEC 15, 2012

Source [AUS]: Aztec Australia MAT 09/12/2012

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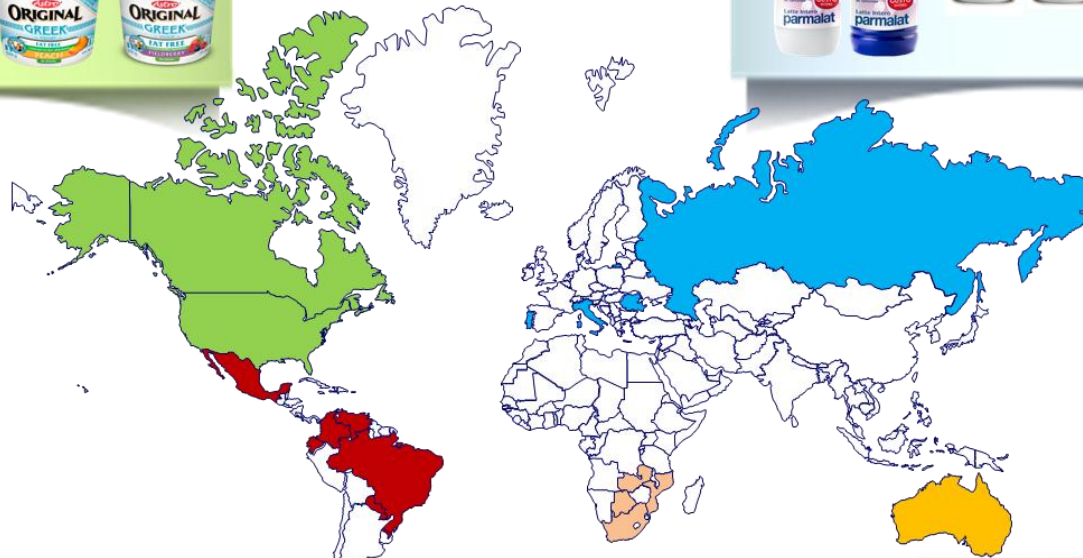
* Italian Pasteurized Milk including all channels.

** Canadian Total Yoghurt of which: Yoghurt in Tubs = 14,8% & Yoghurt Drinkable = 6,6%

***Venezuelan Flavoured Milk = Total Lacteos.

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Innovation





Marketing Investments

	Δ% (2012 vs. 2011)
Europe	+5,9%
Canada	-0,4%
Center and South America	+109,6%
Africa and Australia Cons.	+3,5%
Group (excl. LAG)	7,4%
GROUP TOTAL	14,1%
<i>Current Rates</i>	



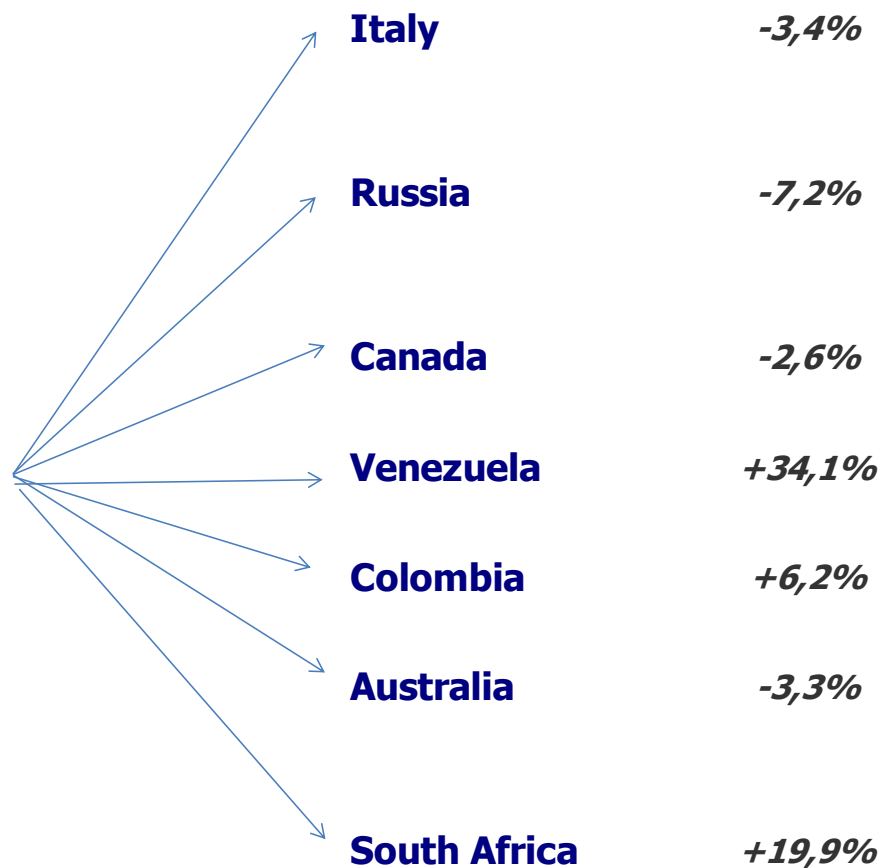


RAW MILK PURCHASES (VARIANCES 2012 vs 2011)

GROUP excl. LAG

*Price Average
variance (Local
Currency %)*

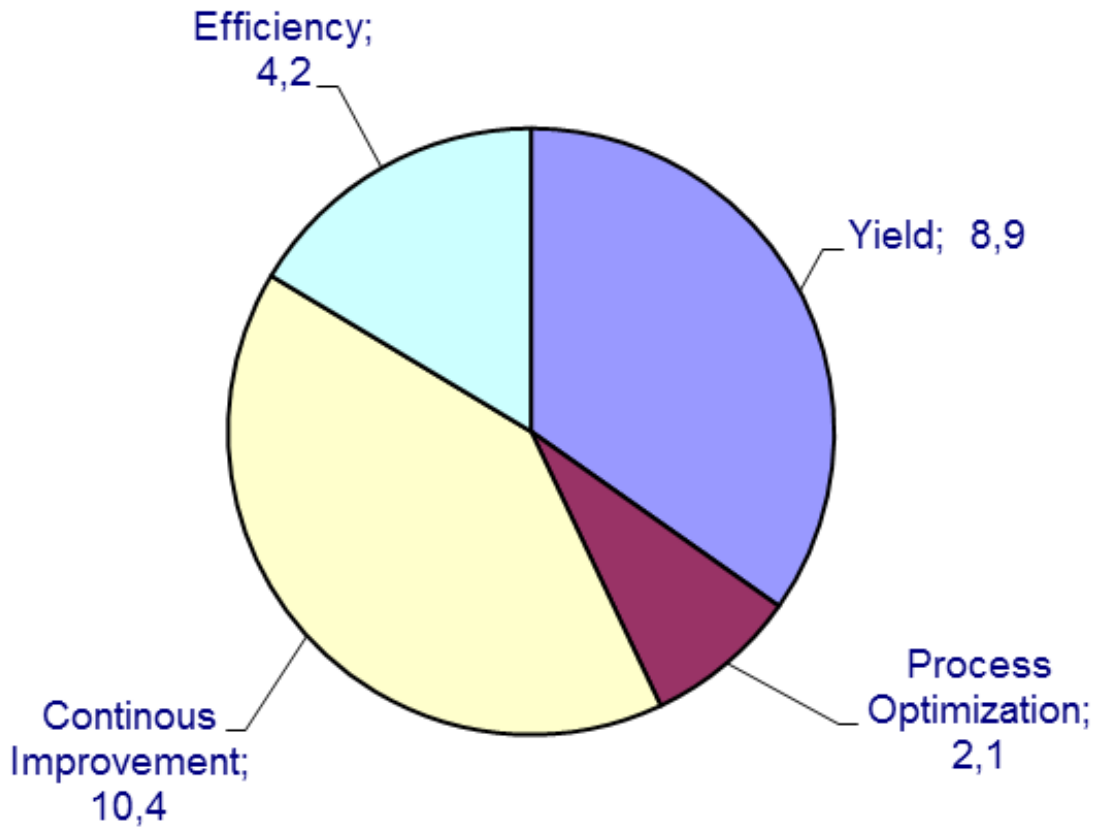
**Group (average)
-0,1%⁽¹⁾**



(1) Delta average Price excluding foreign exchange rate impacts



2012 Total Operation Saving 25,6 Mln Euro
(without Venezuela)





CAPEX			
€ ml	FY 2012	FY 2011	Δ%
Europe	23,0	31,5	-27%
Canada	22,2	34,5	-36%
Center and South America	5,6	6,2	-10%
Africa and Australia Cons.	22,5	45,3	-50%
Other			n.s.
Group (excl. LAG)	73,2	117,5	-38%
LAG (II Sem)	15,0		
GROUP TOTAL	88,2	117,5	-25%

Excl landing and Building; current Rates

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(in millions of euros)								
Region	YEAR 2012			YEAR 2011			Delta %	
	Revenues	EBITDA	EBITDA %	Revenues	EBITDA	EBITDA %	Revenues	EBITDA
Europe	1,112.4	106.8	9.6	1,133.6	105.2	9.3	-1.9%	+1.5%
Italy	942.1	93.6	9.9	978.6	96.2	9.8	-3.7%	-2.6%
Other countries in Europe	170.5	13.2	7.7	155.5	9.1	5.8	+9.7%	+45.0%
Russia	106.9	11.6	10.9	93.3	7.5	8.0	+14.6%	+54.6%
Portugal	54.9	1.5	2.7	53.2	1.3	2.4	+3.3%	+16.7%
Romania	8.7	0.1	0.6	8.9	0.3	3.2	-3.1%	-80.6%
Eliminations between regions	(0.3)			(0.4)				
North America	2,106.0	209.5	9.9	1,628.3	155.3	9.5	+29.3%	+34.9%
Canada	1,718.9	162.7	9.5	1,628.3	155.3	9.5	+5.6%	+4.8%
USA (II Half)	387.1	46.7	12.1					
South America	588.5	25.4	4.3	457.4	29.6	6.5	+28.7%	-14.1%
Venezuela	412.0	15.0	3.7	303.9	22.5	7.4	+35.6%	-33.2%
Colombia	149.2	10.3	6.9	127.6	6.9	5.4	+17.0%	+49.9%
Other countries in South America ¹	27.2	0.1	0.2	26.0	0.2	0.7	+4.9%	-66.3%
Africa	439.3	36.3	8.3	412.5	41.3	10.0	+6.5%	-12.2%
South Africa	368.2	31.0	8.4	349.0	34.2	9.8	+5.5%	-9.3%
Zambia	45.6	6.0	13.1	38.0	5.1	13.4	+20.0%	+17.3%
Other countries in Africa and eliminations between regions	25.5	(0.7)	(2.7)	25.5	2.0	8.0	-0.2%	-133.4%
Australia	982.2	77.0	7.8	860.6	63.9	7.4	+14.1%	+20.6%
Other ²	(1.2)	(15.8)	n.s.	(1.2)	(21.2)	n.s.	+1.4%	n.s.
Group	5,227.1	439.2	8.4	4,491.2	374.1	8.3	+16.4%	+17.4%
Group (at a constant scope of consolid.) ³	4,840.0	392.7	8.1	4,491.2	374.1	8.3	+7.8%	+5.0%

Regions represent the consolidated countries

1. Including Ecuador, Paraguay, Mexico and Brazil, new activities acquired, and Cuba

2. Including other no core companies, eliminations between regions and Group's parent Company's costs

3. Excluding new activities acquired in the III quarter of 2012



Italy

- ❁ Poor market performance in most of the segments, linked to the generalized decrease in consumer demand
- ❁ The Company undertook some important actions to rationalize the industrial structure
- ❁ Italy is keeping its market positions, with some marginal losses in market shares, mainly in favour of private labels

Russia

- ❁ Market growth has slowed down
- ❁ Positive volume and turnover growth linked to a focused commercial policy, a better management of the promotional activities and the launch of new pack sizes
- ❁ Profitability improved thanks to the carry over of the price increase of 2011 and a favourable trend in milk price





Canada



- ❁ Market performance is uneven with an overall strong pressure on pricing: decrease in Pasteurized Milk and Natural Cheese, growth in Yogurt and in Snack
- ❁ In 2012 the Yogurt competitive arena has significantly changed with the entrance of a new player with a relevant investment in both product range and communication
- ❁ Milk and Yogurt market share have slightly declined, Snack has increased and Natural Cheese remained stable
- ❁ Innovation was directed mainly on Yogurt (KIK launch, new Astro Greek and Original new variants)
- ❁ Turnover and EBITDA show a consequent slight decline (respectively -1.5% and -2.2%)



LAG



Sorrento

PRECIOUS

- Overall Cheese market performance shows a positive trend, particularly in value, driven by an exceptional milk price growth. The categories where LAG is present, nevertheless, are in general declining (Chunk Mozzarella, Ricotta and Soft Cheese)
- LAG confirms its leading position in the most important categories
- 2012 has seen the start of the migration from local brands to Galbani
- Turnover is stable with a significant increase in EBITDA



Venezuela

parmalat

Frica



LA
CAMPINA

- ✿ The economic environment still very tough in 2012 with strict Government control of consumer prices of the key categories in which Parmalat competes
- ✿ Powder milk consumption grows against 2011 shortage. Also Juices show positive trend, especially in the UHT segment
- ✿ Profitability negatively effected by the increase in milk price and labour cost without a proportional increase of retail shelf prices



South Africa

parmalat



- ✿ Interesting market growth in most of the segments where Parmalat is present achieving double digit in value, mainly driven by the inflationary effect of milk price increase
- ✿ Positive performance of Parmalat market shares in the most profitable categories
- ✿ Volume and Turnover are growing, but profitability suffers from the difficulties in transferring the production and distribution cost increase on the final retail shelf price



Australia



- ✿ Market shows an overall moderate increase with positive trend on Pasteurized Milk and Yogurt and negative trend on Flavoured Milk and Dessert
- ✿ Positive market share performance across all categories, with correspondent increase in Volume and Turnover
- ✿ Double digit growth for both Turnover and EBITDA

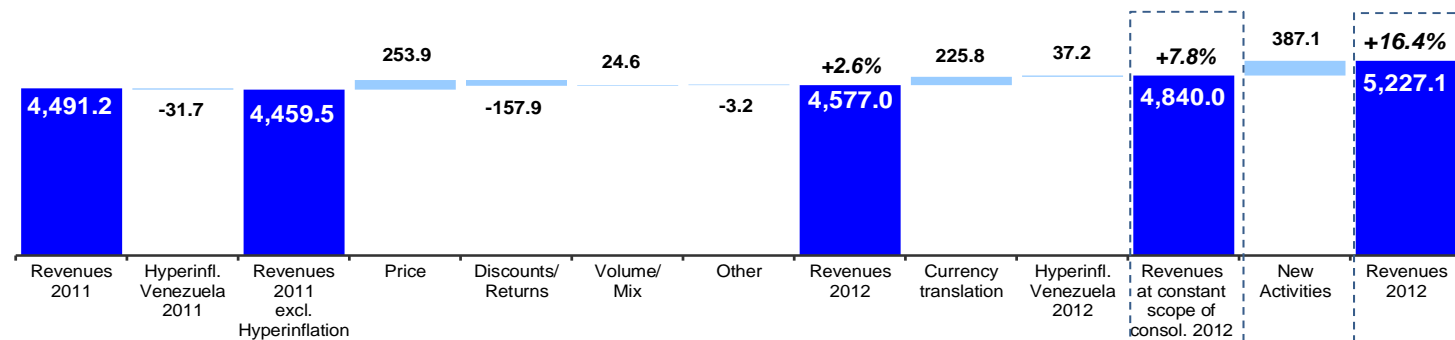
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2012 Financial Statement



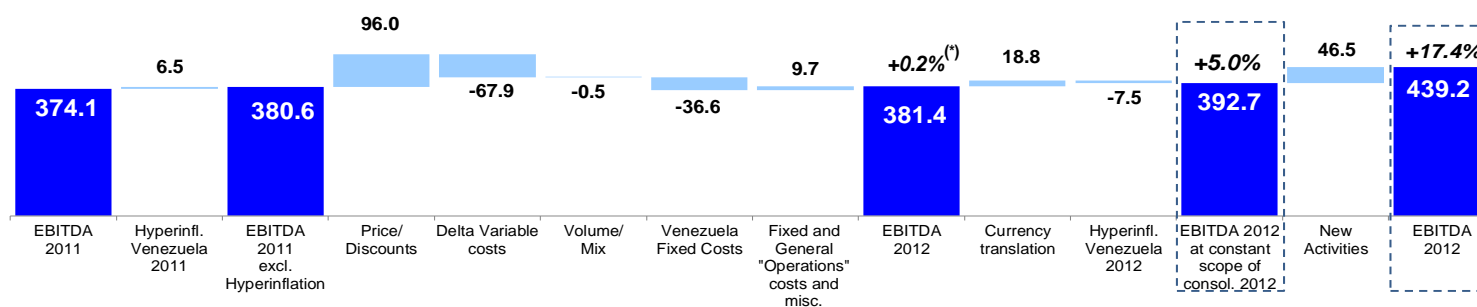
Revenues December 2012 vs 2011

(€ m)



EBITDA December 2012 vs 2011

(€ m)



New Activities includes the data of the activities acquired in the third quarter of 2012.

() Excluding the Venezuelan operations, EBITDA stated at constant scope of consolidation and exchange rates would have grown by 2.6% in 2012.*

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2012 Financial Statement



GROUP PARMALAT

PROFIT and LOSS

(in millions of euros)

	2012	2011
Revenues	5.227,1	4.491,2
EBITDA	439,2	374,1
margin	8,4%	8,3%
Other Income/(expenses)	(84,6)	(31,2)
Depreciation & Amortization	(134,7)	(143,5)
EBIT	219,9	199,4
Net financial income (expense) & Others	39,9	51,7
Taxes	(84,6)	(80,2)
Result of The period	175,2	170,9
Non-controlling interest	(3,0)	(0,5)
Result of the period (of the Group)	172,2	170,4

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2012 Financial Statement



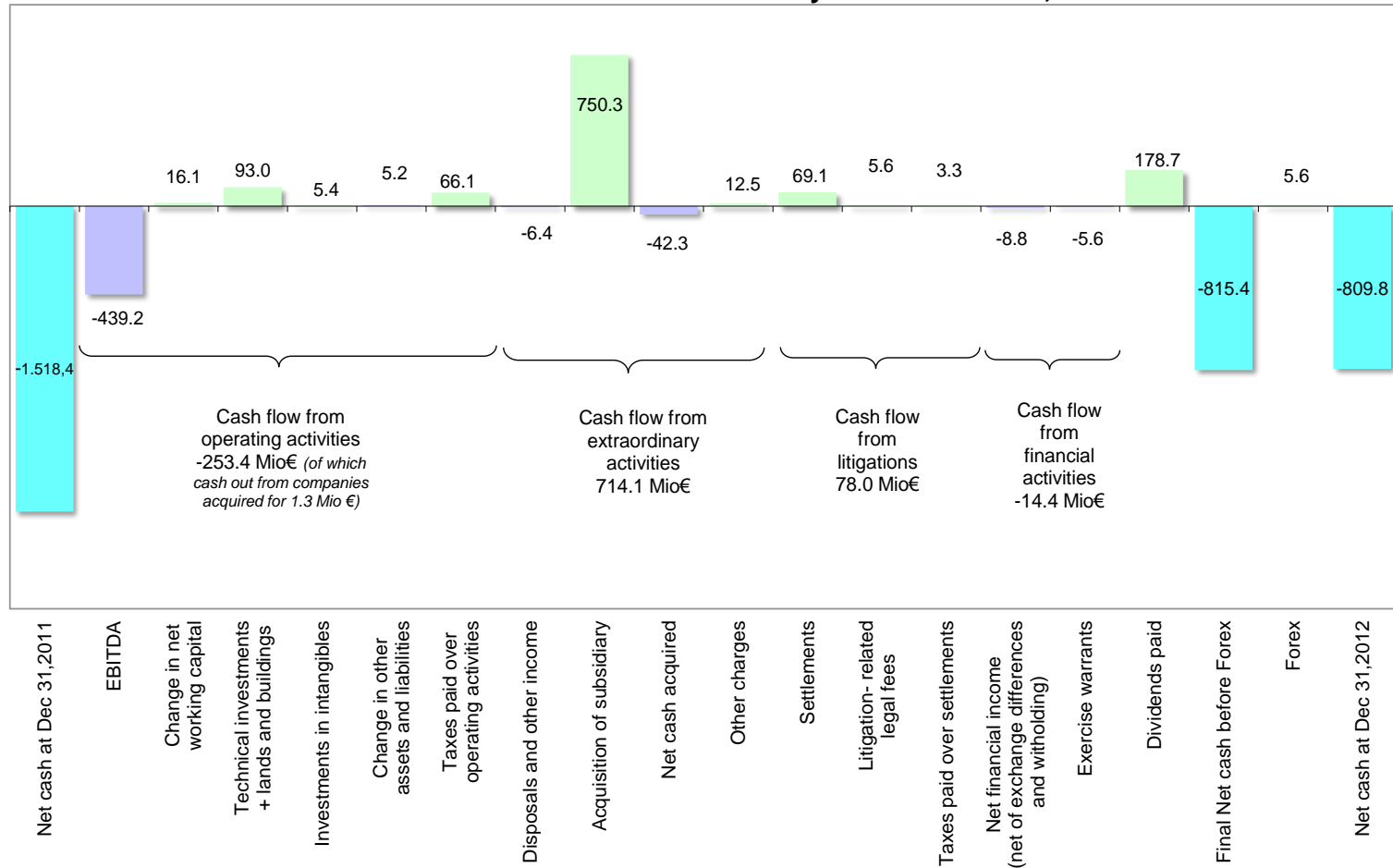
GROUP PARMALAT		
RECLASSIFIED CONSOLIDATED BALANCE SHEET		
<i>(in millions of euros)</i>	12/31/12	12/31/11
NON-CURRENT ASSETS	2.275,7	2.128,8
Intangible assets	1.123,4	1.084,0
Tangible assets	1.002,3	902,0
Financial and deferred tax assets	150,0	142,8
NET WORKING CAPITAL	443,4	421,1
Operating Working capital	424,1	364,3
Other assets/liabilities	19,3	56,8
Employee severance indemnity liabilities	(96,2)	(89,0)
Provisions	(268,8)	(324,0)
NET INVESTED CAPITAL	2.354,1	2.136,9
SHAREHOLDERS' EQUITY	3.163,9	3.655,3
Share capital	1.761,2	1.755,4
Reserve for creditor challenges and claims of late-filing creditors convertible	68,4	153,7
Other reserves and retained earnings	1.137,2	1.550,7
Profit for the year	172,2	170,4
Non-controlling interest	24,9	25,1
NET FINANCIAL ASSETS	(809,8)	(1.518,4)
Financial debt	35,8	39,4
Cash & Other Fin. Assets	(845,6)	(1.557,8)
TOTAL COVERAGE SOURCES	2.354,1	2.136,9

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2012 Financial Statement



Consolidated Cash flow January 1 - December 31, 2012



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2012 Financial Statement



Parmalat S.p.A.		
PROFIT and LOSS		
	2012	2011
<i>(in millions of euros)</i>		
Revenues	778,8	820,7
EBITDA	64,3	62,8
margin	8,3%	7,7%
Other Income/(expenses)	(26,9)	3,3
Depreciation & Amortization	(31,5)	(38,6)
EBIT	5,9	27,5
Net financial income (expense) & Others	27,9	26,2
Other income from equity investments	124,5	166,0
Taxes	(15,1)	(31,0)
Result of The period	143,2	188,7

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2012 Financial Statement



Parmalat S.p.A.

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(in millions of euros)

	12/31/12	12/31/11
NON-CURRENT ASSETS	2.303,9	1.403,1
Intangible assets	363,2	368,7
Tangible assets	143,9	147,5
Financial and deferred tax assets	1.796,8	886,9
NET WORKING CAPITAL	90,7	154,5
Operating Working capital	(2,5)	70,4
Other assets/liabilities	93,2	84,1
Employee severance indemnity liabilities	(22,8)	(24,2)
Provisions	(88,7)	(71,6)
NET INVESTED CAPITAL	2.283,1	1.461,8
SHAREHOLDERS' EQUITY	2.987,8	3.024,0
Share capital	1.761,2	1.755,4
Reserve for creditor challenges and claims of late-filing creditors convertible	68,4	153,7
Other reserves and retained earnings	1.015,0	926,2
Profit for the year	143,2	188,7
NET FINANCIAL ASSETS	(704,7)	(1.562,2)
Loans receivable from investee companies	(217,1)	(269,8)
Cash & Other Fin. Assets	(487,6)	(1.292,4)
TOTAL COVERAGE SOURCES	2.283,1	1.461,8

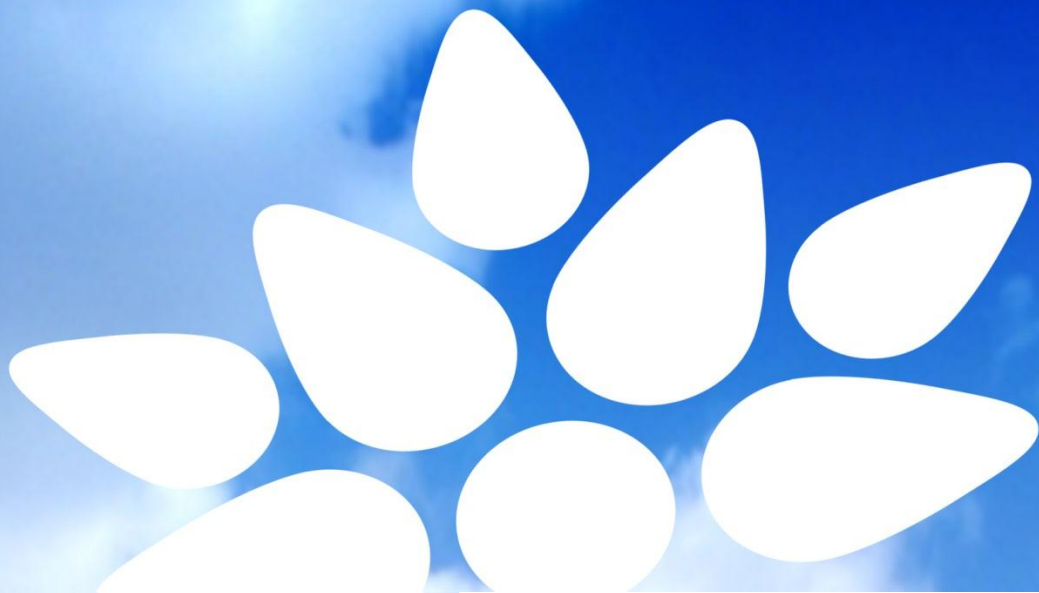
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(at Full Perimeter and Constant Rate)



DELTA % Bdg 2013 vs ACT 2012	
Net Sales	EBITDA
5%	5%

(in 2012 for LAG Combined used proforma FY)



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Q&A Session