



PRESS RELEASE

Contract Signed to Acquire BRF's Dairy Division

In accordance with the terms of the Memorandum of Understanding dated September 3, 2014, the final contract for the acquisition, by the Parmalat Group, of the Dairy Division of BRF S.A. (BRF), one of Brazil's top companies in the food sector, with shares listed on the BM&FBOVESPA S.A. (Brazil's securities exchange), was executed today.

The transaction will be carried out through the acquisition, by the Lactalis do Brasil Ltda subsidiary, of the entire share capital of a company (Newco) to which, prior to the closing expected sometime over the next six months, BRF will convey all of its dairy business assets, including 11 production facilities located in Brazil and the brands Batavo, Elegé, Cotochés, Santa Rosa and DoBon. The pro forma revenues of BRF's dairy division totaled about 2.6 billion reais (equal to about 825 million euros) in 2013.

The "debt and cash free" price, which was set at about US\$700 million, equal to 1.8 billion reais at the exchange rate in effect on December 4, 2014 (equal to about 570 million euros), is subject to adjustments based on the debt and working capital levels at the closing date; the price will be paid in full upon completion of the transaction.

This acquisition will be financed exclusively with internal resources.

Some ancillary contracts aimed at governing the asset transfer process will also be signed at closing.

The acquisition is subject to the fulfillment of some conditions precedent, including approval by the Brazilian antitrust authority (CADE).

This transaction is consistent with the Group's strategy of expansion in the Brazilian market, where, in July 2013, the Group acquired Balkis Indústria e Comércio de Laticínios Ltda, a company active in the segment of typical gourmet cheeses in the São Paulo area, and, more recently, was allocated some production assets belonging to Lácteos Brasil S.A. – Em Recuperação Judicial (LBR) and, consequently, regained the right to direct use of the "Parmalat" brand, formerly licensed to LBR.

Milan, December 5, 2014

Parmalat S.p.A.