



PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE 2014 DRAFT FINANCIAL STATEMENTS

- IMPORTANT GROWTH OBJECTIVES ACHIEVED, WITH IMPROVEMENTS IN THE MAIN ECONOMIC AND FINANCIAL INDICATORS

- MOTION TO DISTRIBUTE A DIVIDEND OF 0.016 EUROS PER SHARE
- ORDINARY SHAREHOLDERS' MEETING CONVENED FOR APRIL 16
- Net revenue up 9.5% at constant scope of consolidation and exchange rates (+3.7% at current scope of consolidation and exchange rates);
- EBITDA increase by 9.7% at constant scope of consolidation and exchange rates (+0.6% at current scope of consolidation and exchange rates);
- Profit attributable to owners of the parent decreases to 203.1 million euros, due to higher taxes and lower net financial income, in line with 2013 at constant exchange rates and scope of consolidation;
- Parmalat Australia becomes a national player with the acquisition of *Harvey Fresh*;
- The expansion process continues with acquisitions in Brazil, Italy and Australia that will be consolidated in 2015;
- Motion to distribute 29.2 million euros in dividends (0.016 euros per share);
- 2015 guidance: net revenue and EBITDA expected to grow at a rate of about 3-5% at constant exchange rates and scope of consolidation and excluding the effect of hyperinflation.

Consolidated Financial Highlights of the Group – Parmalat SpA				
<u>PARMALAT GROUP</u>	Amounts in millions of euros	12/31/14	12/31/13	% change
	Net revenue	5,547.6	5,350.3	+3.7%
	<i>Net revenue at constant scope of consolidation and exchange rates and excluding the effect of hyperinflation</i>	5,758.4	5,259.1	+9.5%
	EBITDA	439.7	437.2	+0.6%
	<i>EBITDA at constant scope of consolidation and exchange rates and excluding the effect of hyperinflation</i>	496.9	452.8	+9.7%
	Profit attributable to owners of the parent	203.1	221.0	-8.1%
	<i>Profit attributable to owners of the parent at constant scope of consolidation and exchange rates</i>	220.8	221.0	-0.1%
	Net financial position	1,119.1	1,065.6	+5.0%
<u>PARMALAT SPA</u>	Amounts in millions of euros	12/31/14	12/31/13	% change
	Profit for the year	61.0	109.5	-44.3%
	Regular coupon per share	0.016	0.029	



Parmalat S.p.A. announces that the Company's Board of Directors, meeting today under the Chairmanship of Gabriella Chersicla, approved the draft financial statements at December 31, 2014 and convened an Ordinary Shareholders' Meeting.

## **Parmalat Group**

In 2014, the Parmalat Group continued on its growth track, with a further improvement in its key economic and financial indicators, despite an external environment that was hardly favorable in terms of market growth and raw milk costs.

Highly unfavorable exchange rates for the currencies of the main countries where the Group operates contributed to penalizing the bottom line.

Noteworthy developments among the important activities that characterized 2014 included projects aimed at fostering growth through acquisitions, which included the purchase of *Harvey Fresh* in Australia and agreements that will become fully operational in 2015 (*Lácteos Brasil S.A. – Em Recuperação Judicial (LBR)* and *BRF* in Brazil, *Longwarry* in Australia and *Latterie Friulane* in Italy).

More specifically, **net revenue** totaled 5,547.6 million euros, or 197.3 million euros more (+3.7%) than the 5,350.3 million euros reported in 2013. With data at constant exchange rates and comparable scope of consolidation, which is obtained by excluding the contribution of *Balkis*, a Brazilian company acquired at the end of July 2013, the *Harvey Fresh* Group acquired in Australia in the second quarter of 2014, and the activities of *LBR*, taken under management starting in the fourth quarter of 2014, and excluding the effects of hyperinflation in Venezuela, the net revenue gain amounts to 499.3 million euros (+9.5%). List-price increases and sales of more profitable products account for most of this improvement.

**EBITDA** totaled 439.7 million euros, or 2.4 million euros more (+0.6%) than the 437.2 million euros earned in 2013. With data at constant exchange rates and scope of consolidation and excluding the effects of hyperinflation in Venezuela, the EBITDA increase amounts to 44.1 million euros (+9.7%). This improvement was achieved despite a higher purchase cost of raw milk, particularly in Australia, North America and Europe, that was offset by higher list prices and the effects of a multi-year plan currently being implemented by all of the Group's manufacturing units to increase operating efficiency.

The performance of the main geographic areas is reviewed below.

The **Europe area** includes the subsidiaries that operate in Italy, Russia, Portugal and Romania. Net revenue totaled 1,122.1 million euros, with EBITDA amounting to 109.4 million euros in 2014. With data at constant exchange rates, net revenue and EBITDA show gains of 2.2% and 17.2%, respectively.

In **Italy**, which accounts for about 85% of the net revenue of the Europe area, the markets in which Parmalat operates were characterized by a significant reduction in demand and strong competitive pressure. The local subsidiary confirmed its leadership position both in UHT milk and pasteurized milk and UHT cream and held steady its competitive positions in fruit beverage and yogurt. The investments in advertising implemented in 2014 to support the main brands were substantially higher than the previous year.



In **Russia**, the local subsidiary succeeded in protecting its profitability despite an unfavorable exchange rate, the high cost of raw milk and the effects of the embargo in the second half of the year.

The **North America area**, which includes the subsidiaries that operate in the United States and Canada, reported net revenue of 2,358.1 million euros and EBITDA of 189.2 million euros in 2014. With data at constant exchange rates, the net revenue of the North America area shows a gain of 5.6%, with EBITDA declining by 12.4% compared with the previous year, due mainly to sharp increases in the cost of raw milk in the United States, which, however, moderated in the second half of the year.

In **Canada** there was a steady decrease in milk consumption during the year and a modest contraction in the cheese market. In this market, Parmalat retained its second-place competitive position, due largely to the positive results of a new advertising campaign for the *Cheestrings* brand. Also in 2014, to foster growth in the “specialties” segment, the local subsidiary launched the *Mozzarella Galbani* produced in Canada and distributed nationwide. The local subsidiary maintained its competitive position in the yogurt and milk markets.

In the **United States of America**, the section of the cheese market comprised of the segments in which the local subsidiary operates held steady in 2014, with Parmalat maintaining its competitive position. Despite a particularly high cost of raw milk, the local subsidiary confirmed its market leadership position in the gourmet spreadable, soft ripened and ricotta segments of the cheese market, holding unchanged its share in the main categories and gaining in the chunk mozzarella segment.

The **Latin America area** includes the subsidiaries that operate in Venezuela, Colombia, Ecuador, Paraguay, Mexico and Brazil. In the last quarter, the Group strengthened its presence in Brazil by taking over operational management of the activities of *Lácteos Brasil S.A. – Em Recuperação Judicial (LBR)*. The acquisition of these assets, which closed at the beginning of 2015, enabled the Parmalat Group to regain full title to the Parmalat trademark throughout Brazil for the production and distribution of UHT milk.

In 2014, the area’s net revenue amounted to 726.3 million euros and its EBITDA totaled 59.3 million euros. These results include the effects of hyperinflation in Venezuela and a negative translation effect that reduced net revenue and EBITDA by about 244 million euros and 23 million euros, respectively, due mainly to the devaluation of the Venezuelan bolivar versus the euro.

With data at constant exchange rates and comparable scope of consolidation (excluding *Balkis*, acquired in the third quarter of 2013 and *LBR*) and without the effects of hyperinflation, the results for this area show gains of 55.6% for net revenue and 212.7% for EBITDA.

In **Venezuela**, the local subsidiary reported growing results due primarily to list-price adjustments, implemented to reflect the impact of the country’s high inflation rate, and higher unit sales in the main markets where it operates.

In the **Africa area**, which includes the subsidiaries that operate in South Africa, Zambia, Botswana, Swaziland and Mozambique, net revenue amounted to 393.1 million euros and EBITDA totaled 34.2 million euros in 2014.

These data reflect a negative translation effect that reduced net revenue and EBITDA by about 47 million euros and 4.1 million euros, respectively, due mainly to the loss of value of the South African rand versus the euro.

With data stated at constant exchange rates, the region’s results for 2014 show increases of 11.6% for net revenue and 30% for EBITDA. The positive performance achieved in the Africa area, compared with the previous year, is the result of an effective sales policy, an improved sales mix,



in a context characterized by a scarcity of raw milk, and an industrial activity focused on increasing efficiency.

In **South Africa**, Parmalat strengthened its leadership position in the flavored milk segment, despite a contraction in consumption, further increasing its market share (greater than 50%). The local subsidiary consolidated its position as the market leader in the cheese market, thanks in part to the support provided to its brands by investments in advertising, and strengthened its position in the yogurt market, thanks to an ambitious relaunch program.

In **Australia**, net revenue totaled 953.9 million euros and EBITDA amounted to 62.8 million euros in 2014. The value of the Australian dollar decreased significantly in 2014 compared with the exchange rate applied the previous year; even though the downward trend became less pronounced in the fourth quarter, the resulting negative effect on net revenue and EBITDA amounted to about 59 million euros and 3.7 million euros, respectively.

With data at constant exchange rates and comparable scope of consolidation (excluding the new *Harvey Fresh* operations), net revenue shows an increase of 2.1% and EBITDA a decrease of 30.9% compared with the previous year, mainly caused by the higher purchase cost of raw milk and other ingredients used in the production process, which could not be recovered with list-price increases due to strong competitive pressure. However, results improved in the second half of the year, thanks to decreasing raw milk prices.

The local subsidiary confirmed its position as the market leader in pasteurized milk and increased its market share in the flavored milk segment, thanks to a positive performance by the *Oak* and *Ice Break* brands supported by effective advertising campaigns, and in the dessert segment. In the yogurt category, Parmalat held steady its competitive position.

**Group EBIT** amounted to 315.3 million euros, for an increase of 12.9 million euros compared with 302.4 million euros in 2013. With data at constant exchange rates and scope of consolidation the increase is 39.7 million euros. This gain reflects primarily improved results by the industrial operations and a larger contribution by nonrecurring transactions.

Depreciation and amortization expense and impairment losses on non-current assets amounted to 131.9 million euros (138.9 million euros in 2013).

**Profit attributable to owners of the parent** totaled 203.1 million euros, for a decrease of 17.9 million euros compared with 221 million euros in 2013. With data at constant exchange rates and scope of consolidation, profit attributable to owners of the parent was in line with the amount reported the previous year.

The effect of higher taxes and lower net financial income was offset in part by the gain in EBIT.

**Net financial position** totaled 1,119.1 million euros, for a gain of 53.5 million euros compared with 1,065.6 million euros at December 31, 2013. The main reasons for this increase include: the cash flow generated by operating activities (198.4 million euros), the net proceeds from litigation (10.9 million euros) and the cash flow from financing activities (9.6 million euros). This increase was offset in part by the cash used for nonrecurring activities (95.2 million euros), mainly related to the acquisition of the *Harvey Fresh* Group in Australia; a dividend distribution of 53.8 million euros and a negative foreign exchange effect (16.4 million euros).



## **PARMALAT S.p.A.**

**The profit for the year** amounted to 61 million euros, or 48.5 million euro less than the 109.5 million euros reported in 2013. This decrease is the net result of a higher EBIT contribution offset by a reduction in dividends received from investee companies (25 million euros, compared with 101.5 million euros in 2013), attributable primarily to the Canadian subsidiary faced with the repayment of a large intercompany loan and the implementation of a major investment program.

**Net financial position** totaled 758.8 million euros, for a decrease of 96.8 million euros compared with 855.6 million euros at the end of 2013. This contraction is the net result of the following items: a dividend distribution (52.8 million euros), the disbursement of medium/long-term loans provided to the Australian and Belgian subsidiaries (166.5 million euros) earmarked for investments in associates, the collection of dividends from investee companies (23.2 million euros), the collection of litigation-related proceeds (17.2 million euros), the collection receivables from the revenues administration (69.1 million euros, including accrued interest) and proceeds from the exercise of warrants (5.4 million euros).

Liquid assets and other financial assets are invested in short-term instruments with Italian credit institutions and international banking groups.

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## **Business Outlook**

In a global economic scenario of moderate growth, driven mainly by the United States, in which stresses, such as the crisis in Ukraine, and sources of uncertainty heightened by the trend in oil prices, as is the case in Venezuela, are continuing, the Group is confirming its net revenue and EBITDA growth targets, in line with its positive performance of recent years.

The persisting presence of uncertain economic situations, such as the cost of raw materials and the performance of the economy in some areas where the Group operates, such as Venezuela and Russia, concentrates growth expectations in the second half of the year.

The cost of raw milk, while decreasing compared with the levels reached in 2014, continues to be unstable due to uncertainty about the duration of the embargo in Russia and the demand trend, particularly in the emerging economies. The scenario is dominated by an expectation of low growth in milk production among the main exporters and shrinking margins for producers.

The Group continues to pursue its commitment to invest resources in support of a growth strategy focused on its main brands and on improving its operating processes, benefitting from major cost savings.

In 2014, the Group completed some acquisitions and entered into agreements to buy important businesses that will join the Group in 2015, strengthening its presence in Italy, Australia and Brazil and which, over the medium term, will provide a major contribution to the Group's growth and the development of synergies in Latin America and Australia.



## Guidance

For 2015, at constant exchange rates and scope of consolidation and excluding the effect of hyperinflation, Parmalat expects net revenue and EBITDA to grow at a rate of about 3-5%.

These projections are supported the Group's positive performance in the last quarter of 2014 and the trend at the beginning of the year.

A further gain of about 8-10% in net revenue and about 3-5% in EBITDA is also expected, due to the new acquisitions that will be consolidated in the first quarter of 2015 (namely, *Latterie Friulane*, *Longwarry* in Australia and *LBR* in Brazil) and the acquisitions scheduled for the second half of 2015 (*BRF* in Brazil and *Esmeralda* in Mexico), provided the requisite authorizations are received.

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### **Disclaimer**

*This document contains forward looking statements, particularly in the section entitled "Business Outlook". Projections for 2015 are based in part on the Group's performance in the fourth quarter of 2014 and take into account trends at the beginning of the year. 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.*

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## Dividends

The draft of the 2014 Annual Report that the Board of Directors reviewed today, before submitting it to the Shareholders' Meeting, contains, *inter alia*, a motion to distribute a dividend of 0.016 euros on each of the 1,829,406,261 common shares outstanding on February 13, 2015 (net of the 2,049,096 treasury shares held by the Company), for a total amount of 29,270,500 euros.

The amount allocated to the coupon will be payable on May 21, 2015, with May 18, 2015 coupon presentation date and May 20, 2015 record date.

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## Corporate Governance

The Board of Directors approved the 2014 Annual Report on Corporate Governance. This Report, which reviews developments concerning corporate governance that occurred in 2014, will be available, within the statutory deadline, on the Parmalat website: [www.parmalat.com/en/corporate\\_governance/](http://www.parmalat.com/en/corporate_governance/).

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## Compensation Policy

The Board of Directors, acting consistent with a prior favorable opinion by the Nominating and Compensation Committee, approved the annual compensation policy, Part One of which, pursuant to Article 123-ter, Section 6, of Legislative Decree No. 58/98, will be submitted to the Shareholders' Meeting for a consultative vote. The Report on the Compensation of Directors, the General



Manager and Executives with strategic responsibilities will be available online, within the statutory deadline, on the Company website at the following address:  
[www.parmalat.com/en/corporate\\_governance/annual\\_general\\_meeting/](http://www.parmalat.com/en/corporate_governance/annual_general_meeting/).

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### **Notice of Shareholders' Meeting**

The Board of Directors resolved to convene an Ordinary Shareholders' Meeting that will be held at the Starhotels Rosa Grand, 3 Piazza Fontana, 20122 Milan, on a single calling at 11:00 AM on April 16, 2015 to discuss and vote on the following Agenda: 1) Approval of the financial statements at December 31, 2014. Motion for the appropriation of the year's net profit. Review of the Report on Operations and of the Report of the Board of Statutory Auditors. Pertinent and related resolutions; (2) Compensation Report: Compensation Policy. Pertinent and related resolutions; (3) Motion to increase the number of Directors from 7 to 8. Election of a Director. Pertinent and related resolutions.

The proposal included in the third item of the Agenda of the Shareholders' Meeting is based on the fact that the Board of Directors, also following the recently completed self-assessment process, and being understood that the Shareholders have sole jurisdiction over this topic, believes that the appointment to Director of the General Manager, Yvon Guérin, aimed at his appointment to Chief Executive Officer, might contribute to improving the Company's governance by making it more effective.

The Notice of Shareholders' Meeting is being released through SDIR NIS. It is also being published on the Company website at the following address:  
[www.parmalat.com/en/corporate\\_governance/annual\\_general\\_meeting/](http://www.parmalat.com/en/corporate_governance/annual_general_meeting/) and, in condensed form, in the newspapers *Il Sole 24 Ore* and *Milano Finanza*.

Supporting documents concerning the items on the Agenda required pursuant to the laws currently in effect will be available within the statutory deadline at the Company's registered office, 4 Via delle Nazioni Unite, in Collecchio, Parma, through the storage mechanism 1Info ([www.1Info.it](http://www.1Info.it)) and on the Company website: [www.parmalat.com/en/corporate\\_governance/annual\\_general\\_meeting/](http://www.parmalat.com/en/corporate_governance/annual_general_meeting/). Shareholders may view these documents and request copies of them.

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### **Parmalat's Corporate Governance Code**

The Board of Directors approved certain amendments to Parmalat's Corporate Governance Code, consisting mainly of updates to make the Code's content consistent with the recommendations of the new Corporate Governance Code of Borsa Italiana (July 2014) about compensation; Parmalat's Corporate Governance Code has been published on the Company website:  
[www.parmalat.com/en/corporate\\_governance/how\\_we\\_govern/policies/](http://www.parmalat.com/en/corporate_governance/how_we_govern/policies/)

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### **Conference Call with the Financial Community**

The data for the 2014 reporting year will be presented to the financial community today at 5:00 PM (CET) – 4:00 PM (GMT) in a conference call. The presentation will be followed by a Q&A session. The conference call may accessed through the following telephone numbers:

➤ 800 40 80 88 ; +39 06 33 48 68 68 ; +39 06 33 48 50 42

Access code: \* 0

\* \* \* \* \*



Financial statement schedules are annexed to this press release.

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*As required by Article 154 bis, Section 2, of the Uniform Financial Code (Legislative Decree No. 58/1998), 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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The draft financial statement at December 31, 2014, the report of the Statutory Auditors and the report of the Independent Auditors will be made available within the statutory deadline at the Company's registered office, 4 Via delle Nazioni Unite, in Collecchio, Parma, through the storage mechanism 1Info ([www.1Info.it](http://www.1Info.it)) and on the Company website: [www.parmalat.com/en/investor\\_relations/financial\\_reports/annual\\_reports/](http://www.parmalat.com/en/investor_relations/financial_reports/annual_reports/).

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Parmalat S.p.A.

Milan, March 6, 2015



## Data by Geographic Region

<i>(amounts in millions of euros)</i>		2014			2013			Delta %	
Region	Revenue	EBITDA	EBITDA %	Revenue	EBITDA	EBITDA %	Revenue	EBITDA	
Europe	1,122.1	109.4	9.8	1,120.2	94.7	8.4	+0.2%	+15.6%	
North America	2,358.1	189.2	8.0	2,337.0	226.5	9.7	+0.9%	-16.5%	
Latin America	726.3	59.3	8.2	602.5	18.5	3.1	+20.5%	+220.3%	
Africa	393.1	34.2	8.7	394.1	29.4	7.5	-0.3%	+16.1%	
Australia	953.9	62.8	6.6	899.0	83.5	9.3	+6.1%	-24.8%	
Other <sup>1</sup>	-6.0	-15.2	n.s.	-2.7	-15.4	n.s.	n.s.	+1.3%	
<b>Group</b>	<b>5,547.6</b>	<b>439.7</b>	<b>7.9</b>	<b>5,350.3</b>	<b>437.2</b>	<b>8.2</b>	<b>+3.7%</b>	<b>+0.6%</b>	

Region represent the consolidated countries

1. Includes other non-core companies, eliminations between regions and Group's Parent Company costs

In order to improve comparability with the 2013 data, the table below presents the Group's results **at constant exchange rates** and comparable scope of consolidation and excluding the effects of hyperinflation in Venezuela.

<i>(amounts in millions of euros)</i>		2014			2013			Delta %	
Region	Revenue	EBITDA	EBITDA %	Revenue	EBITDA	EBITDA %	Revenue	EBITDA	
Europe	1,144.5	111.0	9.7	1,120.2	94.7	8.4	+2.2%	+17.2%	
North America	2,467.4	198.4	8.0	2,337.0	226.5	9.7	+5.6%	-12.4%	
Latin America	795.4	106.9	13.4	511.3	34.2	6.7	+55.6%	+212.7%	
Africa	439.9	38.2	8.7	394.1	29.4	7.5	+11.6%	+30.0%	
Australia	918.1	57.7	6.3	899.0	83.5	9.3	+2.1%	-30.9%	
Other <sup>1</sup>	-6.9	-15.2	n.s.	-2.7	-15.5	n.s.	n.s.	+1.4%	
<b>Group</b> (constant scope of consolid./ exchange rates) <sup>2</sup>	<b>5,758.4</b>	<b>496.9</b>	<b>8.6</b>	<b>5,259.1</b>	<b>452.8</b>	<b>8.6</b>	<b>+9.5%</b>	<b>+9.7%</b>	

Regions represent the consolidated countries

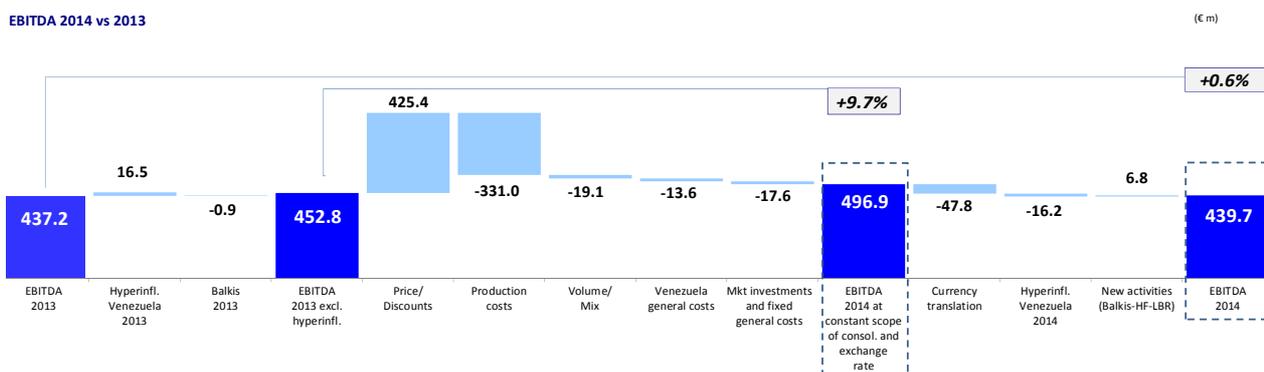
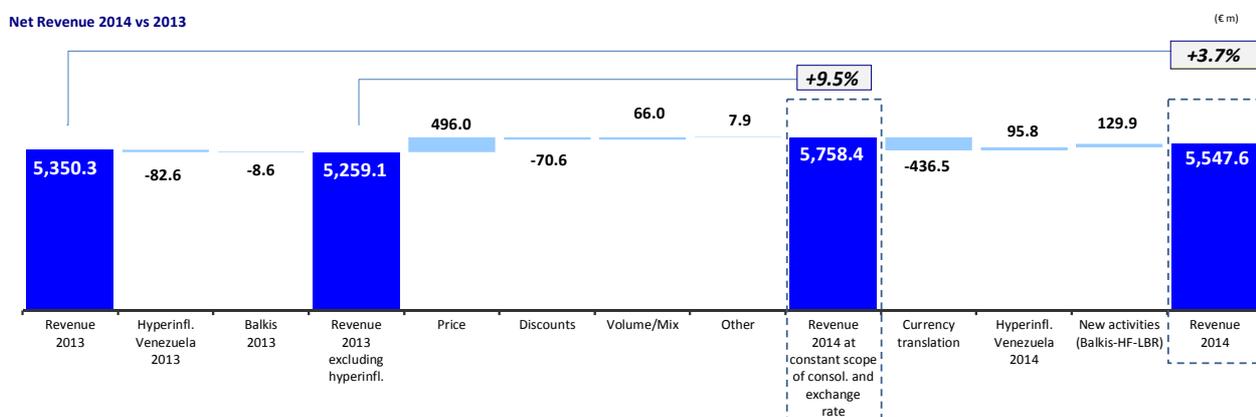
1. Includes other non-core companies, eliminations between regions and Group's Parent Company costs

2. Excluding hyperinflation impact and activities acquired in the third quarter 2013 (Balkis), in the second quarter 2014 (Harvey Fresh) and in the fourth quarter 2014 (LBR)



## Like-for-Like Net Revenue and EBITDA

The diagram below presents the main variables that determined the evolution of net revenue and EBITDA in 2014 compared with the previous year.

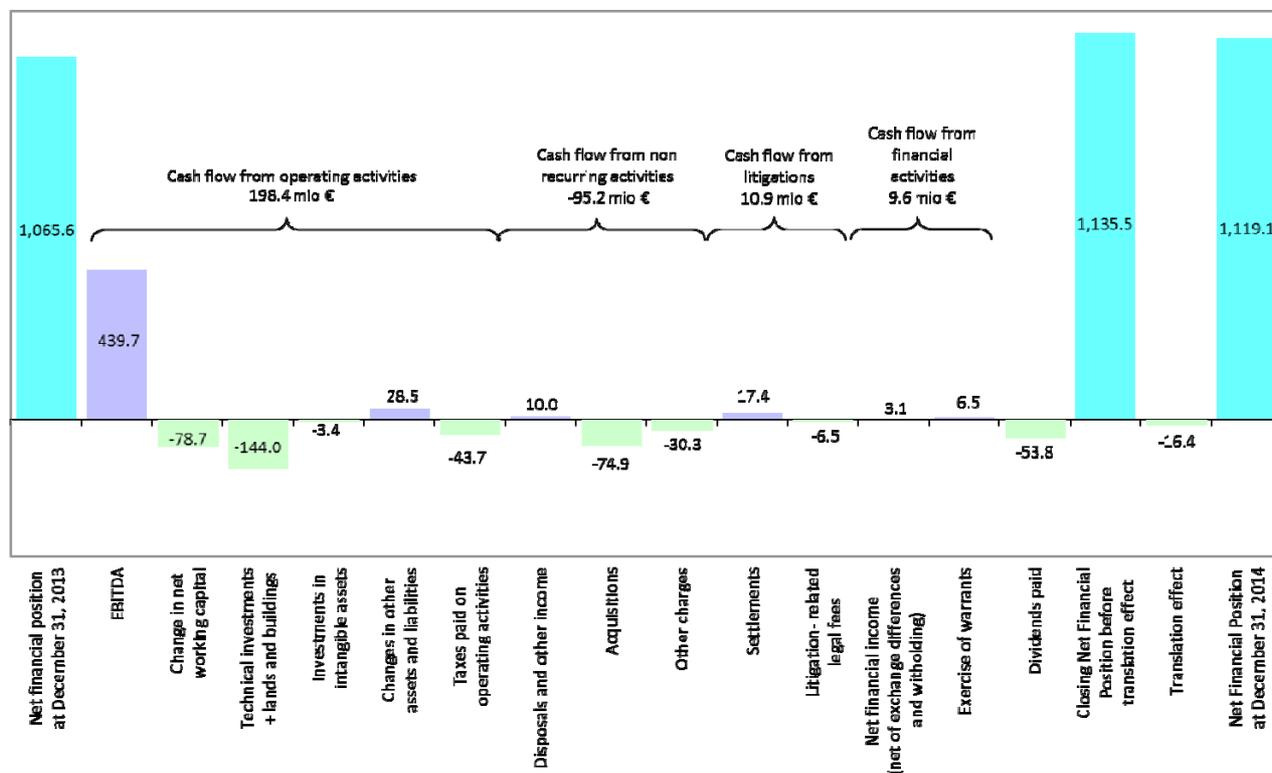


*Balkis 2013 includes the results for five months (August to December).*



## Consolidated Statement of Cash Flows

### Consolidated Cash flow January, 1 - December 31 2014





## Parmalat Group

### RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)

	2014	2013
<b>REVENUE</b>	<b>5,586.3</b>	<b>5,404.9</b>
Net sales revenue	5,547.6	5,350.3
Other revenue	38.7	54.6
<b>OPERATING EXPENSES</b>	<b>(5,138.4)</b>	<b>(4,967.8)</b>
Purchases, services and miscellaneous costs	(4,413.2)	(4,253.6)
Personnel expense	(725.2)	(714.2)
<b>Subtotal</b>	<b>447.9</b>	<b>437.1</b>
Impairment losses on receivables and other provisions	(8.2)	0.1
<b>EBITDA<sup>1</sup></b>	<b>439.7</b>	<b>437.2</b>
Depreciation, amortization and impairment losses on non-current assets	(131.9)	(138.9)
Other income and expense:		
- Litigation-related legal expenses	(3.4)	(3.5)
- Miscellaneous income and expenses	10.9	7.6
<b>EBIT<sup>2</sup></b>	<b>315.3</b>	<b>302.4</b>
Net financial income/(expense)	6.3	31.3
Other income from (Charges for) equity investments	1.0	0.2
<b>PROFIT BEFORE TAXES</b>	<b>322.6</b>	<b>333.9</b>
Income taxes	(117.4)	(110.7)
<b>PROFIT FOR THE YEAR</b>	<b>205.2</b>	<b>223.2</b>
Attributable to:		
Non-controlling interests	(2.1)	(2.2)
Owners of the parent	203.1	221.0
<b>Continuing operations:</b>		
<b>Basic earnings per share</b>	<b>0.1112</b>	<b>0.1240</b>
<b>Diluted earnings per share</b>	<b>0.1100</b>	<b>0.1225</b>

<sup>1</sup> "EBITDA" is equal to the difference between consolidated net revenue and operating expenses before non-cash costs for depreciation, amortization and impairment losses on non-current assets (net of any reversals of impairment losses on non-current assets).

<sup>2</sup> "EBIT" is obtained by subtracting from "EBITDA" non-cash costs for depreciation, amortization and impairment losses on non-current assets (net of any reversals of impairment losses on non-current assets) and adding the net effect of "Miscellaneous income and expense," i.e., income and expense deriving from transactions that do not recur frequently in the normal course of business such as, for example, proceeds from actions to void in bankruptcy and actions for damages, litigation-related legal expenses and other nonrecurring income and charges.



## Parmalat Group

### RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in millions of euros)</i>	<b>12/31/14</b>	<b>12/31/13</b>
<b>NON-CURRENT ASSETS</b>	<b>2,234.0</b>	<b>2,113.6</b>
Intangible assets <sup>1</sup>	1,104.7	1,045.4
Property, plant and equipment	996.5	934.7
Non-current financial assets	59.9	63.6
Deferred tax assets	72.9	69.9
<b>ASSETS HELD FOR SALE, NET OF CORRESPONDING LIABILITIES</b>	<b>12.5</b>	<b>2.4</b>
<b>NET WORKING CAPITAL</b>	<b>336.3</b>	<b>376.3</b>
Inventories	534.2	454.1
Trade receivables	487.0	439.9
Trade payables (-)	(642.5)	(578.2)
<b>Operating working capital</b>	<b>378.7</b>	<b>315.8</b>
Other assets <sup>2</sup>	135.6	184.7
Other liabilities (-) <sup>3</sup>	(178.0)	(124.2)
<b>INVESTED CAPITAL NET OF OPERATING LIABILITIES</b>	<b>2,582.8</b>	<b>2,492.3</b>
<b>EMPLOYEE BENEFITS (-)</b>	<b>(110.4)</b>	<b>(125.7)</b>
<b>PROVISIONS FOR RISKS AND CHARGES (-)<sup>4</sup></b>	<b>(338.9)</b>	<b>(335.6)</b>
<b>PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS</b>	<b>(10.5)</b>	<b>(6.1)</b>
<b>NET INVESTED CAPITAL</b>	<b>2,123.0</b>	<b>2,024.9</b>
<b>Covered by:</b>		
<b>EQUITY<sup>5</sup></b>	<b>3,242.1</b>	<b>3,090.5</b>
Share capital	1,831.1	1,823.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	53.2	53.2
Other reserves and retained earnings	1,132.4	968.6
Profit for the period	203.1	221.0
Non-controlling interests	22.3	24.3
<b>NET FINANCIAL POSITION<sup>6</sup></b>	<b>(1,119.1)</b>	<b>(1,065.6)</b>
Loans payable to banks and other lenders	132.4	137.4
Loans liabilities with investee companies	0.2	2.2
Other financial assets (-)	(94.4)	(264.9)
Cash and cash equivalents (-)	(1,157.3)	(940.3)
<b>TOTAL COVERAGE SOURCES</b>	<b>2,123.0</b>	<b>2,024.9</b>

<sup>1</sup> "Intangible assets" include assets listed in the Consolidated Statement of Financial Position under goodwill, trademarks with an indefinite useful life and other intangibles, while "Non-current financial assets" include investments in associates and other non-current financial assets

<sup>2</sup> "Other assets" include other current assets.

<sup>3</sup> "Other liabilities" include other current liabilities and income taxes payable.

<sup>4</sup> "Provisions for risks and charges" include deferred-tax liabilities.

<sup>5</sup> A schedule showing a reconciliation of the profit and equity of Parmalat S.p.A. at December 31, 2014 with the consolidated profit and equity is provided in the "Notes to the consolidated financial statements."

<sup>6</sup> "Net financial position" consists of the gross financial debt less "Cash and cash equivalents" and "Other current financial assets." A breakdown of "Net financial position" is provided in the section of the notes to the condensed consolidated semiannual financial statements entitled "Other Information."



## Parmalat Group

### STATEMENT OF CHANGES IN NET FINANCIAL POSITION IN 2014

<i>(in millions of euros)</i>	2014	2013
<b>Net financial position at beginning of year</b>	<b>(1,065.6)</b>	<b>(809.8)</b>
Changes during the period:		
- Cash flow from operating activities	(342.2)	(434.7)
- Cash flow from investing activities	214.3	76.4
- Accrued interest expense	10.3	8.7
- Cash flow from settlements	(10.9)	49.3
- Dividend payments	53.8	24.4
- Exercise of warrants	(6.5)	(7.7)
- Miscellaneous items	11.3	(17.4)
- Translation effect	16.4	45.2
Total changes during the year	(53.5)	(255.8)
<b>Net financial position at end of year</b>	<b>(1,119.1)</b>	<b>(1,065.6)</b>

### BREAKDOWN OF NET FINANCIAL POSITION

<i>(in millions of euros)</i>	12/31/14	12/31/13
Loans payable to banks and other lenders	132.4	137.4
Loans payable to investee companies <sup>1</sup>	0.2	2.2
Other financial assets (-)	(94.4)	(264.9)
Cash and cash equivalents (-)	(1,157.3)	(940.3)
<b>Net financial position</b>	<b>(1,119.1)</b>	<b>(1,065.6)</b>

<sup>1</sup> Owed to Wishaw Trading sa.

### RECONCILIATION OF CHANGE IN NET FINANCIAL ASSETS TO THE STATEMENT OF CASH FLOWS (Cash and Cash Equivalents)

<i>(in millions of euros)</i>	Cash and cash equivalents	Other financial assets	Gross indebtedness	Net financial position
<b>Opening balance</b>	<b>(940.3)</b>	<b>(264.9)</b>	<b>139.6</b>	<b>(1,065.6)</b>
Cash flow from operating activities	(342.2)	-	-	(342.2)
Cash flow from investing activities	49.7	164.6	-	214.3
New borrowings <sup>1</sup>	(14.2)	-	14.2	-
Loan repayments <sup>1</sup>	48.9	-	(48.9)	-
Accrued interest expense	-	-	10.3	10.3
Cash flow from settlements	(10.9)	-	-	(10.9)
Dividend payments	53.8	-	-	53.8
Exercise of warrants	(6.5)	-	-	(6.5)
Miscellaneous items	-	(4.3)	15.6	11.3
Translation effect	4.4	10.2	1.8	16.4
<b>Closing balance</b>	<b>(1,157.3)</b>	<b>(94.4)</b>	<b>132.6</b>	<b>(1,119.1)</b>

<sup>1</sup> See Note (19) to the consolidated financial statements.



## Parmalat S.p.A.

### RECLASSIFIED INCOME STATEMENT

<i>(in millions of euros)</i>	<b>2014</b>	<b>2013</b>
<b>REVENUE</b>	<b>902.4</b>	<b>902.2</b>
Net revenue	861.5	856.8
Other revenue	40.9	45.4
<b>OPERATING EXPENSES</b>	<b>(829.5)</b>	<b>(842.7)</b>
Purchases, services and miscellaneous costs	(715.8)	(730.9)
Personnel expense	(113.7)	(111.8)
<b>Subtotal</b>	<b>72.9</b>	<b>59.5</b>
Impairment losses on receivables and other provisions	(3.6)	(1.9)
<b>EBITDA</b>	<b>69.3</b>	<b>57.6</b>
Depreciation, amortization and impairment losses on non-current assets	(29.0)	(32.8)
Other income and expenses:		
- Litigation-related legal expenses	(3.4)	(3.5)
- Miscellaneous income and expenses	13.2	3.1
<b>EBIT</b>	<b>50.1</b>	<b>24.4</b>
Net financial income (expense)	17.8	21.9
Other income from (Charges for) equity investments	25.0	101.5
<b>PROFIT BEFORE TAXES</b>	<b>92.9</b>	<b>147.8</b>
Income taxes	(31.9)	(38.3)
<b>PROFIT FOR THE YEAR</b>	<b>61.0</b>	<b>109.5</b>



## Parmalat S.p.A.

### RECLASSIFIED STATEMENT OF FINANCIAL POSITION

<i>(in millions of euros)</i>	<b>12/31/14</b>	<b>12/31/13</b>
<b>NON-CURRENT ASSETS</b>	<b>2,452.2</b>	<b>2,290.4</b>
Intangible assets	357.0	361.6
Property, plant and equipment	143.4	158.8
Non-current financial assets	1,920.2	1,734.0
Deferred tax assets	31.6	36.0
<b>ASSETS HELD FOR SALE, NET OF CORRESPONDING LIABILITIES</b>	<b>0.0</b>	<b>0.0</b>
<b>NET WORKING CAPITAL</b>	<b>(12.4)</b>	<b>30.4</b>
Inventories	42.9	46.9
Trade receivables	123.3	139.3
Trade payables (-)	(180.9)	(207.4)
<b>Operating working capital</b>	<b>(14.7)</b>	<b>(21.2)</b>
Other current assets	47.8	94.7
Other current liabilities (-)	(45.5)	(43.1)
<b>INVESTED CAPITAL NET OF OPERATING LIABILITIES</b>	<b>2,439.8</b>	<b>2,320.8</b>
<b>EMPLOYEE BENEFITS (-)</b>	<b>(26.1)</b>	<b>(26.0)</b>
<b>PROVISIONS FOR RISKS AND CHARGES (-)</b>	<b>(165.7)</b>	<b>(171.8)</b>
<b>PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS (-)</b>	<b>(10.1)</b>	<b>(5.7)</b>
<b>NET INVESTED CAPITAL</b>	<b>2,237.9</b>	<b>2,117.3</b>
<i>Covered by:</i>		
<b>SHAREHOLDERS' EQUITY</b>	<b>2,996.7</b>	<b>2,972.9</b>
Share capital	1,831.1	1,823.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	53.2	53.2
Other reserves and retained earnings	1,051.4	986.8
Profit for the year	61.0	109.5
<b>NET FINANCIAL POSITION</b>	<b>(758.8)</b>	<b>(855.6)</b>
Loans payable to banks and other lenders	0.0	0.2
Loans liabilities with investee companies	(10.4)	(106.7)
Other financial assets (-)	(70.7)	(235.5)
Cash and cash equivalents (-)	(677.7)	(513.6)
<b>TOTAL COVERAGE SOURCES</b>	<b>2,237.9</b>	<b>2,117.3</b>



## Parmalat S.p.A.

### STATEMENT OF CHANGES IN NET FINANCIAL POSITION IN 2014

<i>(in millions of euros)</i>	2014	2013
<b>Net financial position at beginning of the year</b>	<b>(855.6)</b>	<b>(700.4)</b>
Changes during the year:		
- Cash flow from operating activities	(105.9)	(104.1)
- Cash flow from investing activities	185.2	31.0
- Interest expense	0.9	0.3
- Cash flow from settlements, net of lawsuit costs <sup>1</sup>	(6.0)	(0.1)
- Dividend payments	52.8	22.9
- Dividend income	(23.2)	(97.6)
- Exercise of warrants	(6.5)	(7.7)
- Miscellaneous items	(0.5)	0.1
Total changes during the year	96.8	(155.2)
<b>Net financial position at end of the year</b>	<b>(758.8)</b>	<b>(855.6)</b>

<sup>1</sup>This amount is net of legal costs and taxes directly attributable to collections of settlement proceeds.

### BREAKDOWN OF NET FINANCIAL POSITION

<i>(in millions of euros)</i>	12/31/14	12/31/13
<b>(Net financial position)</b>		
Loans payable to banks and other lenders	0.0	0.2
Loans payable to (receivable from) investee companies, net	(10.4)	(106.7)
Other financial assets (-)	(70.7)	(235.5)
Cash and cash equivalents (-)	(677.7)	(513.6)
<b>Total</b>	<b>(758.8)</b>	<b>(855.6)</b>

### RECONCILIATION OF CHANGE IN NET FINANCIAL POSITION TO THE STATEMENT OF CASH FLOWS (Cash and Cash Equivalents)

<i>(in millions of euros)</i>	Cash and cash equivalents	Other financial assets	Gross financial debt	Net financial position
<b>Opening balance</b>	<b>(513.6)</b>	<b>(342.2)</b>	<b>0.2</b>	<b>(855.6)</b>
Cash flow from operating activities	(105.9)			(105.9)
Cash flow from investing activities	185.2			185.2
Loan repayments	2.2		(0.2)	2.0
Loan disbursements	(2.0)			(2.0)
Interest expense	0.9			0.9
Divestments of other financial assets	(261.1)	261.1		0.0
Cash flow from settlements	(6.0)			(6.0)
Dividend payments	52.8			52.8
Dividend income	(23.2)			(23.2)
Exercise of warrants	(6.5)			(6.5)
Miscellaneous items	(0.5)			(0.5)
<b>Closing balance</b>	<b>(677.7)</b>	<b>(81.1)</b>	<b>0.0</b>	<b>(758.8)</b>