



Interim Financial Report

at June 30, 2015



Company listed on the Italian Stock Exchange since October 6th, 2005

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CERTIFICATION OF THE CONDENSED CONSOLIDATED SEMIANNUAL FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 (WHICH CITES ARTICLE 154-BIS, SECTION 5, OF THE UNIFORM FINANCIAL CODE, AS AMENDED)	118
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Board of Directors, Board of Statutory Auditors and Independent Auditors

Board of Directors

Chairperson	Gabriella Chersicla ¹
Chief Executive Officer and General Manager	Yvon Guérin
Directors	Patrice Gassenbach Laura Gualtieri ^{2 4 5} Paolo Francesco Lazzati ^{2 3 4} Umberto Mosetti ^{2 3 4 5} Riccardo Perotta ^{2 3} Antonio Sala ⁵

Board of Statutory Auditors

Chairman	Michele Rutigliano
Statutory Auditors	Giorgio Loli Alessandra Stabilini

Independent Auditors	KPMG S.p.A.
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Parmalat S.p.A. – A company subject to guidance and coordination by B.S.A. S.A.



¹ Gabriella Chersicla is a senior officer of the Company, pursuant to implementation criterion 3.C.2 of the Corporate Governance Code of Borsa Italiana. Chairperson Gabriella Chersicla is an independent Director pursuant to Article 3 of the Corporate Governance Code.

² Independent Director.

³ Member of the Internal Control, Risk Management and Corporate Governance Committee.

⁴ Member of the Nominating and Compensation Committee.

⁵ Member of the Litigation Committee.

Financial Highlights

Income Statement Highlights

<i>(amounts in millions of euros)</i>		Change at exchange rates and scope of consolidation	
	First half 2015	First half 2014	
PARMALAT GROUP			current (including hyperinflation) constant (excluding hyperinflation)
- NET REVENUE	2.962,6	2.617,9	13.2% 6.0%
- EBITDA	169,4	184,4	(8.1%) 10.3%
- EBIT	87,4	132,7	(34.1%) 2.4%
- PROFIT FOR THE PERIOD	38,5	90,0	(57.2%) 5.7%
- EBIT/REVENUE (%)	2,9	5,0	(2.1) (0.2)
- PROFIT FOR THE PERIOD/REVENUE (%)	1,3	3,4	(2.1) 0.0
PARENT COMPANY	First half 2015	First half 2014	current constant
- NET REVENUE	427,0	428,2	(0.3%) (3.2%)
- EBITDA	32,6	29,6	10.1% 10.5%
- EBIT	18,9	25,6	(26.2%) (23.4%)
- PROFIT FOR THE PERIOD	27,5	47,6	(42.2%) (41.2%)
- EBIT/REVENUE (%)	4,3	5,7	(1.4) (1.1)
- PROFIT FOR THE PERIOD/REVENUE (%)	6,2	10,7	(4.5) (4.1)

Statement of Financial Position Highlights

<i>(amounts in millions of euros)</i>		
PARMALAT GROUP		6/30/15 12/31/14
- NET FINANCIAL POSITION		730.9 1,119.1
- ROI (%) ¹		7.5 15.5
- ROE (%) ¹		2.3 6.5
- EQUITY/ASSETS		0.7 0.7
- NET FINANCIAL POSITION/EQUITY		(0.2) (0.3)
PARENT COMPANY		
- NET FINANCIAL POSITION		43.5 758.8
- ROI (%) ¹		5.1 8.5
- ROE (%) ¹		1.8 2.0
- EQUITY/ASSETS		0.8 0.9
- NET FINANCIAL POSITION/EQUITY		(0.2) (0.3)

¹ These indices were computed based on annualized data for the income statement and average period data for the statement of financial position.

Interim Report on Operations

Revenue and Profitability

NOTE: The data are stated in millions of euros and local currency. As a result, the amount of changes and percentages could reflect apparent disparities caused exclusively by the rounding of figures.

In the first half of 2015, the global economy posted moderate growth, which continues to be driven by the advanced economies. The first six months of the year, initially characterized by a decline in the price of oil and high volatility in the foreign exchange markets, saw the start of a rebalancing of the drivers of economic growth, shifting from the petroleum exporting countries to those that are mainly main importers.

The decline in oil prices on the international market had a particularly strong effect on Venezuela's balance of payments, with repercussions on the effectiveness of the country's foreign exchange system and inflationary dynamics that significantly affected the result of the local subsidiary.

At the beginning of the year, the relevant national entities (Central Bank and National Statistics Institute) stopped publishing the national consumer price index. Consequently, a reference index based on consensus data developed by banks and research institutes had to be adopted in order to prepare this Financial Report, based on the continuing adoption of the financial reporting standard for hyperinflationary economies, necessary for a proper understanding of operating results.

An international context characterized by a negative trend not just for oil but for commodities in general engendered, albeit with significant regional differences, a reduction in the price of raw milk. Specific events, such as the end of the milk quota system in the European Union and the Russian embargo, constituted additional factors driving the trend of excess supply compared with the demand for milk.

This situation of a widespread decrease in the price of milk helped improve profitability in some areas where Parmalat operates, the United States in particular. However, it is worth mentioning that the reduction in the cost of raw milk, while on the one hand it translated into a benefit in term of product cost, on the other hand, it caused a downward adjustment in sales prices and, in some cases, an impairment loss on the carrying amount of inventories consistent with the lower cost of raw milk; some subsidiaries also experienced an increase in the inventory of finished products and semifinished goods, with an increase in the cash absorbed by operating activities.

Group

The table below shows the highlights of the Group's results in 2015 and a comparison with the first half of the previous year:

(amounts in millions of euros)	FIRST HALF		Variance	Varian.%
	2015	2014		
Net revenue	2,962.6	2,617.9	344.6	+13.2%
EBITDA	169.4	184.4	-15.0	-8.1%
<i>EBITDA %</i>	<i>5.7</i>	<i>7.0</i>	<i>-1.3 ppt</i>	

Net revenue totaled 2,962.6 million euros, for a gain of 13.2% compared with the previous year, and EBITDA amounted to 169.4 million euros, or 15.0 million euros less (-8.1%) than the 184.4 million euros reported in 2014, due mainly to the accounting of hyperinflation in Venezuela. During the reporting period, profitability improved appreciably in the United State and Europe regions.

For a better understanding of the results presented above, it is important to keep in mind that the data for the first half of 2015 reflect the consolidation of the results of some recent acquisitions. In the case of LBR in Brazil and Latterie Friulane in Italy, the Group is restructuring poorly performing business operations with the aim of helping them achieve profitability levels in line with its standards. In the case of Longwarry in Australia and the Esmeralda Group in Mexico, characterized by a significant exposure to the price of Powdered Milk (Longwarry) and Cheese (Esmeralda), the context conditions described above produced unfavorable business conditions that adversely affected the results for the quarter.

With data stated at constant exchange rates and comparable scope of consolidation, obtained by excluding the contribution provided by the Harvey Fresh Group, acquired in Australia in the second quarter of 2014, and the results of the activities acquired in the first half of 2015, including Lácteos Brasil S.A. – Em Recuperação Judicial (LBR) in Brazil, Latterie Friulane in Italy, Longwarry in Australia and the Esmeralda Group in Mexico, and excluding the effects of hyperinflation in Venezuela, the results of the Group, as shown in the table below, reflect a significant improvement both in terms of net revenue and profitability with a significant contribution of Venezuela.

Constant exchange rates (amounts in millions of euros)	FIRST HALF		Variance	Varian.%
	2015	2014		
Net revenue	2,713.4	2,561.0	152.5	+6.0%
EBITDA	212.3	192.4	19.9	+10.3%
<i>EBITDA %</i>	<i>7.8</i>	<i>7.5</i>	<i>0.3 ppt</i>	

Constant scope of consolidation, exchange rates and excluding hyperinflation impact.

More specifically, net revenue grew by 6.0%, with the operations in the Latin America, Africa and Australia sales regions providing a particularly strong contribution; at the same time, revenue declined in the Europe and North America sales regions, mainly due to a reduction in average sales prices caused by a decrease in the price of raw milk compared with the first half of last year.

EBITDA, with data on a comparable basis, grew by 10.3%, increasing in all of the Group's sales regions with the best gains reported in Africa, Europe and Australia.

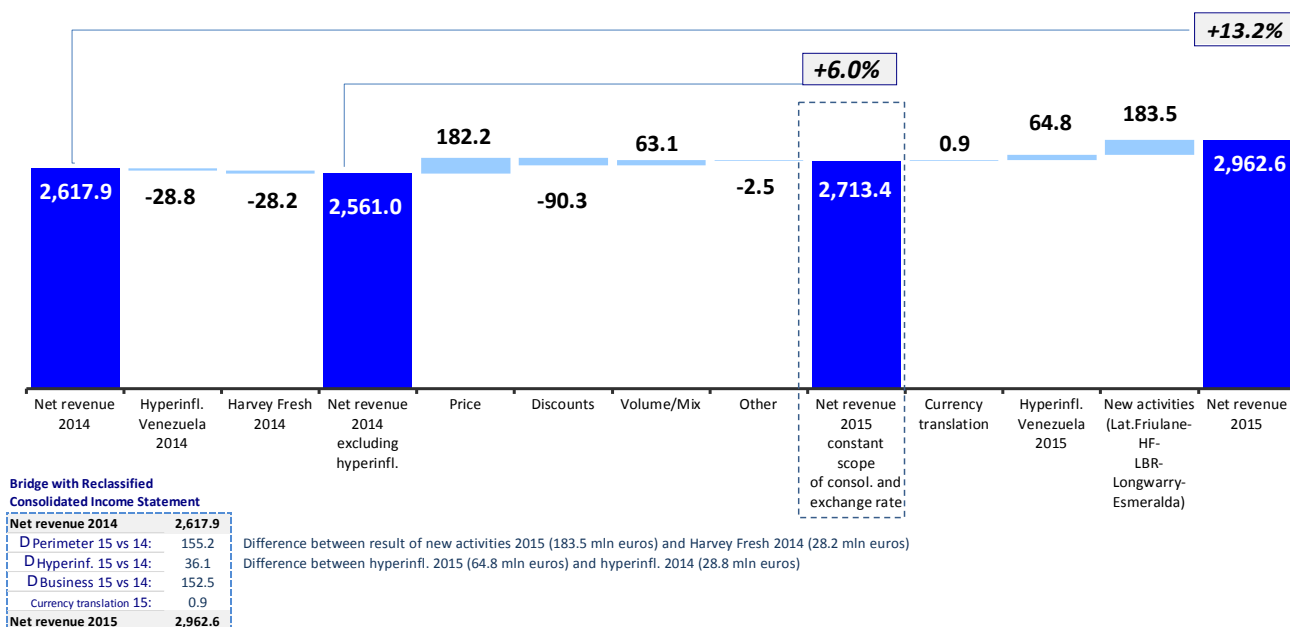
The increase in profitability reported by the Group in the first six months of 2015 reflects the positive impact of a steady improvement in operating efficiency and an optimized use of sales promotions in those markets where the purchase price of raw milk decreased.

Like for Like Net Revenue and EBITDA

The diagram below presents the main variables that determined the evolution of net revenue and EBITDA in 2015, compared with the previous year.

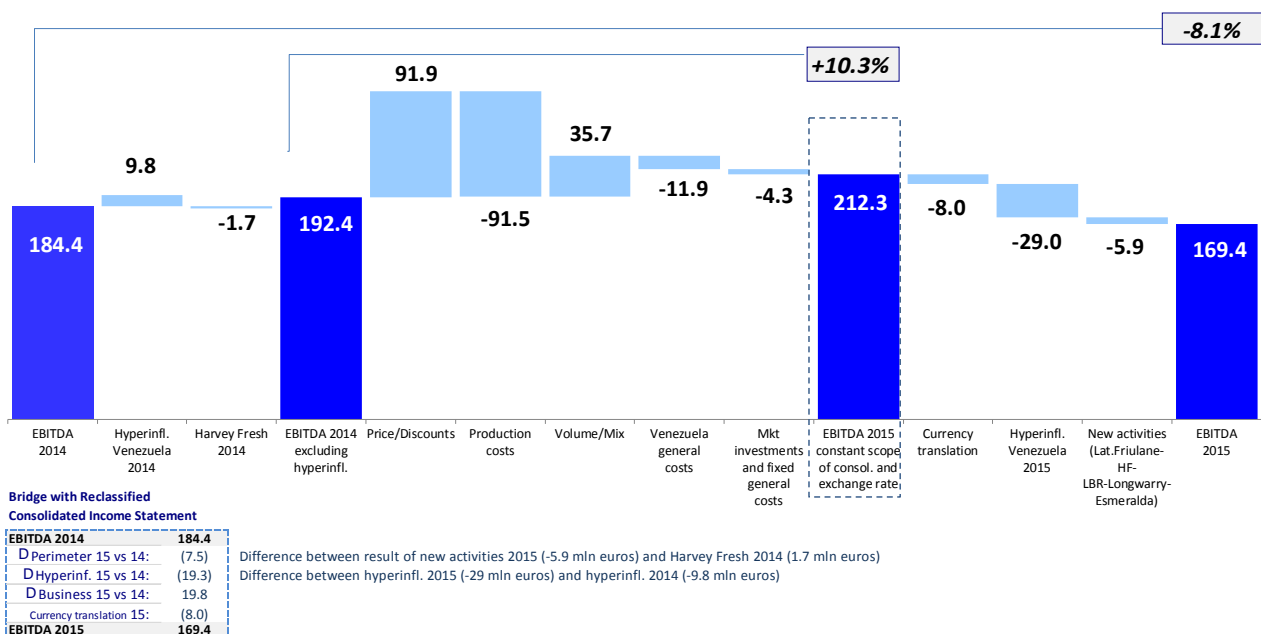
Net Revenue First Half 2015 vs 2014

(€ m)



EBITDA First Half 2015 vs 2014

(€ m)



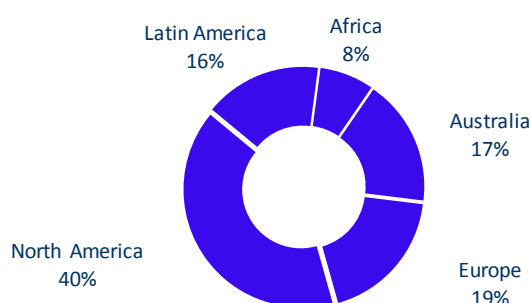
Data by Geographic Region

(amounts in millions of euros)							Delta %	
Region	First Half 2015			First Half 2014				
	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA
Europe	543.2	53.2	9.8	560.6	48.8	8.7	-3.1%	+9.1%
North America	1,172.6	96.0	8.2	1,102.2	82.9	7.5	+6.4%	+15.8%
Latin America	468.6	29.7	6.3	323.4	50.1	15.5	+44.9%	-40.8%
Africa	217.0	16.6	7.7	179.1	13.2	7.4	+21.2%	+25.9%
Australia	504.5	11.3	2.2	426.3	7.5	1.7	+18.3%	+51.9%
Other ¹	(8.1)	(8.4)	n.s.	(2.4)	(8.2)	n.s.	n.s.	-2.4%
Group excl. hyperinflation	2,897.8	198.4	6.8	2,589.1	194.2	7.5	+11.9%	+2.2%
Hyperinflation in Venezuela	64.8	(29.0)	n.s.	28.8	(9.8)	n.s.	n.s.	n.s.
Group	2,962.6	169.4	5.7	2,617.9	184.4	7.0	+13.2%	-8.1%

Region represent the consolidated countries.

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

Net Revenue by Geographic Region



In order to improve comparability with the 2014 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:

(amounts in millions of euros)							Delta %	
Region	First Half 2015			First Half 2014				
	Net revenue	EBITDA	EBITDA %	Net revenue	EBITDA	EBITDA %	Net revenue	EBITDA
Europe	546.2	54.3	9.9	560.6	48.8	8.7	-2.6%	+11.4%
North America	1,031.0	83.8	8.1	1,102.2	82.9	7.5	-6.5%	+1.1%
Latin America	540.3	56.2	10.4	323.4	50.1	15.5	+67.1%	+12.1%
Africa	197.6	15.1	7.7	179.1	13.2	7.4	+10.4%	+14.7%
Australia	405.0	11.3	2.8	398.1	5.7	1.4	+1.7%	+97.2%
Other ¹	(6.7)	(8.4)	n.s.	(2.4)	(8.2)	n.s.	n.s.	-2.4%
Group (constant scope of consol. and exchange rates) ²	2,713.4	212.3	7.8	2,561.0	192.4	7.5	+6.0%	+10.3%

Region represent the consolidated countries.

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

2. Excl. hyperinflation and activities acquired in the second quarter 2014 (Harvey Fresh) and in the the first half 2015 (LBR, Latterie Friulane, Longwarry and Esmeralda,

Data by Product Division

(amounts in millions of euros)			First Half 2015			First Half 2014			Delta %	
Division	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA		
Milk ¹	1,437.4	51.2	3.6	1,306.4	51.4	3.9	+10.0%	-0.4%		
Fruit base drinks ²	198.9	28.7	14.4	182.5	40.3	22.1	+9.0%	-28.9%		
Cheese and other fresh products ³	1,143.3	114.3	10.0	989.6	83.8	8.5	+15.5%	+36.3%		
Other ⁴	118.1	4.3	3.6	110.7	18.6	16.8	+6.7%	n.s.		
Group excl. hyperinflation	2,897.8	198.4	6.8	2,589.1	194.2	7.5	+11.9%	+2.2%		
Hyperinflation in Venezuela	64.8	(29.0)	n.s.	28.8	(9.8)	n.s.	n.s.	n.s.		
Group	2,962.6	169.4	5.7	2,617.9	184.4	7.0	+13.2%	-8.1%		

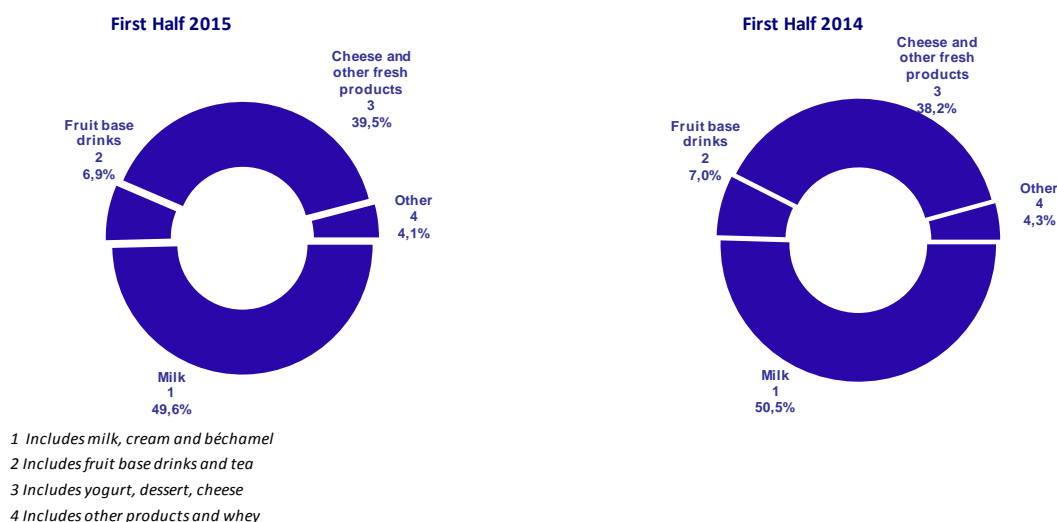
¹ Includes milk, cream and béchamel

² Includes fruit base drinks and tea

³ Includes yogurt, dessert, cheese

⁴ Includes other products, whey and Group's Parent Company costs

Net Revenue by Product Division



In order to improve comparability with the 2014 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:

(amounts in millions of euros)			First Half 2015			First Half 2014			Delta %	
Division	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA		
Milk ¹	1,359.1	56.2	4.1	1,293.6	50.5	3.9	+5.1%	+11.3%		
Fruit base drinks ²	255.5	39.9	15.6	179.9	40.2	22.4	+42.0%	-0.8%		
Cheese and other fresh products ³	1,009.1	111.8	11.1	986.9	83.6	8.5	+2.2%	+33.6%		
Other ⁴	89.8	4.3	4.8	100.5	18.0	17.9	-10.7%	n.s.		
Group (constant scope of consolid. & exchange rates) ⁵	2,713.4	212.3	7.8	2,561.0	192.4	7.5	+6.0%	+10.3%		

¹ Includes milk, cream and béchamel

² Includes fruit base drinks and tea

³ Includes yogurt, dessert, cheese

⁴ Includes other products, whey and Group's Parent Company costs

⁵ Excluding hyperinflation impact and activities acquired in the second quarter 2014 (Harvey Fresh) and in the first half 2015 (LBR, Lotterie Friulane, Longwarry and Esmeralda)

Europe

<i>(amounts in millions of euros)</i>	FIRST HALF		Variance	Varian.%
	2015	2014		
Net revenue	543.2	560.6	-17.4	-3.1%
EBITDA	53.2	48.8	4.4	+9.1%
<i>EBITDA %</i>	<i>9.8</i>	<i>8.7</i>	<i>1.1 ppt</i>	

The Europe sales region includes the subsidiaries that operate in Italy, Russia, Portugal and Romania. Italy accounts for about 90% both of the net revenue and EBITDA of the Europe sales region.

The significant devaluation of the ruble versus the euro, which began in the second half of last year, had a negative impact on the sales region's revenue and EBITDA amounting to about 15.7 million euros and 1.0 million euros, respectively. results with data at constant exchange rates and comparable scope of consolidation show revenue decreasing by 2.6% and EBITDA increasing by 11.4%.

The improvement in the region's profitability is favored by a reduction in the cost of raw milk that began in the third quarter of 2014 and was most pronounced in Italy and Portugal and by a carefully implemented sales policy.

Italy

The Italian economy is struggling to emerge from a protracted recession. Early signs of a reversal in business sentiment, driven by the competitiveness of the euro, a more solid economic upturn in the Eurozone and indications of a loosening up of the credit market, became apparent during the first half of 2015.

Market and products

Difficult conditions continued to characterize the Milk market in the first six months of 2015, with sharply negative performances in both categories both on a volume and value basis. The downward trend was particularly pronounced for Pasteurized Milk, due in part to shrinking volume in the traditional retail channel. The trend was also negative for the UHT Mil segment, with consumption contracting at an accelerating rate. Despite this challenging market situation, Parmalat consolidated its position as the leader of the UHT Milk category and its second-place competitive position in the Pasteurized Milk segment (first place when the traditional retail channel is included).

Even though consumption was down significantly in the UHT Cream market, thanks to a strong performance by the *Chef* brand, Parmalat substantially increased its value market share, further strengthening its position as the leader in this category.

During the first six months of 2015, Yogurt consumption showed modest signs of an upturn, recouping in part the reductions of previous periods and the market is now basically stable. Parmalat reported a modest reduction of its value market share but held steady its competitive position,

In the Fruit Beverage category, the negative trend that characterized previous years continued. Even the Discount channel, which in the past was notable for being the only one enjoying a positive trend, slipped into negative territory, in line with the other channels. Under these challenging market conditions, Parmalat retained its third-place market position.

Total sales volumes increased compared with the previous year, both for brand-name products and private labels, due to an overall positive performance for UHT Milk; on the other hand, sales of Fruit Beverages and Pasteurized Milk decreased.

Despite the growth in unit sales, the revenue reported by the Business Unit decreased slightly compared with the previous year, due to an increased use of sales promotions, driven by the decrease in the cost of raw milk, particularly in the UHT Milk category. On a positive note, the trend was positive for UHT Cream and *Chef* brand béchamel, thanks in part to investments in advertising, and the *Zymil* brand performed particularly well in the UHT Milk and Microfiltered Pasteurized Milk categories.

EBITDA grew compared with the first half of 2014, due to a carefully implemented sales policy in a context of lower costs paid for raw materials, mainly milk and plastics, and the optimization of operating expenses.

Russia

Internal consumption was adversely affected by international sanctions (which also affected the milk and dairy sector), a slowing of the Russian economy caused by the slide in oil prices and a contraction in real wages. A healthy rebound by the ruble and government intervention regrading prices of “socially important” products helped keep the level of inflation under control.

A persisting slump in consumption is continuing to adversely affect some of the main markets within the food area in Russia. Specifically, the UHT Milk and Fruit Beverage categories, which are the main segments in which the local subsidiary operates, showed the biggest contractions. In this difficult market environment, Parmalat was able to hold its competitive position unchanged.

With data stated in the local currency, the results of the local subsidiary show a net revenue gain of 9.2% compared with the previous year, following the price list increases implemented for all of the main categories in which the Business Unit operates.

Thanks to the growth in revenue, EBITDA also improved compared with the previous year, despite the higher costs incurred to purchase raw milk and the effects of the devaluation of the local currency on prices of imported raw materials and packaging materials. The improvements achieved in the industrial area are also worth mentioning.

Portugal

There were positive signals for the Portuguese economy following the restructuring of public finances. However, the high rate of unemployment and the deleveraging process affecting households continue to constrain internal demand by consumers.

Among the markets in which the local subsidiary operates, those for Flavored Milk and Fruit Beverages were the most affected by the crisis; on the other hand, the trend was positive in the UHT Cream market.

Net revenue decreased compared with the previous year, reflecting the impact of lower sales volumes, particularly in the UHT Milk category, and an increased use of sales promotions; despite the reduction in unit sales, profitability improved in the first half of 2015 thanks to a carefully implemented sales policy, consistent with the reduction in the purchasing costs of raw milk.

Romania

The robust economic recovery that got under way in 2014 gained momentum in the first half of 2015 and there were signs of an increase in internal demand, which was the component most affected by the crisis of recent years.

The Fruit Beverage Market, which is practically the only segment in which the local subsidiary operates, showed signs of modest growth during the first half of 2015, driven mainly by gains in the Still Drinks and Juice segments. Parmalat, with its *Santàl* brand, held steady its competitive position.

The local subsidiary's operating results for the first half of 2015 show an overall improvement compared with the previous year, made possible by a significant increase in sales volumes and its ability to contain overheads.

North America

(amounts in millions of euros)	FIRST HALF		Variance	Varian.%
	2015	2014		
Net revenue	1,172.6	1,102.2	70.3	+6.4%
EBITDA	96.0	82.9	13.1	+15.8%
<i>EBITDA %</i>	<i>8.2</i>	<i>7.5</i>	<i>0.7 ppt</i>	

The North America sales region includes the subsidiaries that operate in the United States and Canada, with the latter accounting for about 60% of the region's revenue and EBITDA.

The significant increase in the value of the U.S. dollar and Canadian dollar versus the euro had a positive impact on revenue and EBITDA amounting to about 142 million euros and 12.2 million euros, respectively.

With data at constant exchange rates, the net revenue of the North America sales region show a reduction of 6.5% and EBITDA a gain of 1.1% compared with the previous year.

Canada

In the first half of the year, the Canadian economy, severely affected by the trend in oil prices, saw a reduction in consumer spending. However, the budgets of households and businesses benefitted from a decline in energy costs during a period of particularly inclement winter weather. During the first half of 2015, the weakening of the local currency versus the U.S. dollar imported inflation from the United States, Canada's main trading partner.

Market and Products

The decrease in Milk consumption that characterized this market segment throughout 2014 continued during the first six months of 2015. This contraction is chiefly the result of a negative trend in the *Premium Milk* category, which was particularly pronounced for *Filtered Milk*, the category's main segment. Despite this challenging market situation, Parmalat succeeded in strengthening its third-place competitive position.

Consumption was up modestly in the Yogurt market, with a positive impact also reflected in an increase on a value basis. Growth in the *Drinkable Yogurt* segment offset a slight reduction in the *Spoonable Yogurt* segment, which contracted despite a positive performance by the *Greek* variety. In this category, the local subsidiary completed the launch of a new product under the brand *Astro Athentikos* with positive preliminary results.

During the first three months of 2015, consumption was down sharply in the Cheese market, due to negative performances by its two main segments: *Natural* and *Processed*. On the other hand, there was healthy volume growth in the *Snack Cheese* category, the other main market segments in which the local subsidiary operates as the market leader. Within the overall Cheese market, the Business Unit held its value market share virtually unchanged, confirming its second-place market position.

With data stated in the local currency, the Canadian subsidiary shows a decrease both in sales volumes and net revenue, mainly attributable to a negative performance in the Pasteurized Milk category that, however, was smaller than the general market contraction.

Despite a decrease in the average purchase price of production materials compared with the previous year, EBITDA contracted, chiefly as a result of the sales trend in markets characterized by strong competitive pressure.

United States of America

The U.S. economy continues to drive the recovery in the advanced countries. Consumer spending, the true engine of the American economy, while again adversely affected by a very cold winter at the beginning of the year, continued to benefit from positive indicators regarding industrial activity, disposable income and the labor and real estate markets.

Market and Products

In the Cheese category, based on a market perimeter limited to the categories in which the Group operates, the trend was positive in the first half of 2015, with a significant increase in consumption, particularly in the *Snack Cheese* and *Fresh Mozzarella* segments. In this context, despite a reduction of its value market share, Parmalat retained its competitive position.

The segments in which Parmalat succeeded in retaining its position as the market leader included *Chunk Mozzarella*, *Ricotta* and *Soft Ripened Cheese*. Consumption was down in the first two of these segments, but the *Soft Ripened Cheese* category was characterized by a positive trends both on a volume and value basis.

The *Fresh Mozzarella* and *Snack Cheese* categories were the most dynamic during the first six months of the year. Even though it reported a minor loss in value market share in both categories, the local subsidiary held unchanged its market position.

During the first six months of the year, consumption was down for some premium segments, *Gourmet Cheddar Cheese* and *Gourmet Spreadable Cheese* in particular. The performance of the local subsidiary was adversely affected by the reduction in consumption, reporting a minor loss of market share in both segments.

There were positive signals in the *Feta Cheese* category, with Parmalat increasing its market share and strengthening its second-place competitive position.

Overall, the sales volumes reported by U.S. subsidiary increased compared with the previous year, thanks to a positive performance in the Cheese category, which accounts for about 70% of the total volume, and a pickup in sales of ingredients in the second quarter.

As for net revenue, the data stated in the local currency show a decrease of 11.4% due to a reduction in average sales prices resulting from the fact that under some contracts sales prices were indexed to Cheese prices in the U.S. market, with the cost of raw milk decreasing compared with last year's record levels.

The profitability of the U.S. subsidiary improved significantly compared with the previous year (+41.3% with data in the local currency), thanks to favorable terms for the procurement of raw milk and strong sales in the Cheese area.

Latin America

Excl. hyperinflation <i>(amounts in millions of euros)</i>	FIRST HALF		Variance	Varian.%
	2015	2014		
Net revenue	468.6	323.4	145.2	+44.9%
EBITDA	29.7	50.1	-20.4	-40.8%
EBITDA %	6.3	15.5	-9.2 ppt	

The Latin America sales region includes the subsidiaries that operate in Venezuela, Colombia, Ecuador, Paraguay, Mexico and Brazil. In addition, the Group strengthened its presence in Brazil, with the acquisition of LBR in January 2015, as well as in Mexico, Uruguay and Argentina, with the acquisition of the Esmeralda Group in the second quarter of 2015; in addition, commercial companies operate in Uruguay, Peru and Bolivia.

Due to a sharp increase in Venezuela's inflation rate, in order to allow a better assessment of the performance of this sales region, the data presented above are stated excluding the effect of the hyperinflation adjustment.

With data at constant exchange rates and comparable scope of consolidation (excluding LBR and Esmeralda) and without the effects of hyperinflation, revenue and EBITDA show gains of 67.1% and 12.1%, respectively. The negative translation effect, caused mainly by the devaluation of the Venezuelan bolivar versus the euro reduced revenue by about 164 million euros and EBITDA by 21 million euros.

Venezuela

Economic and political uncertainty, combined with consumer price inflation, are the main elements of a picture that remains volatile and which, for domestic and foreign businesses, is complicated by the scarcity of foreign currency, for which the reform of the foreign exchange system implemented in February does not yet appear to have found a solution.

In this context, the total volumes sold by the local subsidiary increased compared with the previous year; more specifically, an analysis by categories shows significant gains for sales of Pasteurized Milk, Yogurt and cheese.

Net revenue stated in the local currency and excluding the effect of hyperinflation grew by 92.2% compared with the previous year, reflecting the adjustments made to price lists to reflect the country's high level of inflation and the abovementioned increase in sales volumes.

Excluding the effects of accounting for hyperinflation, EBITDA increased compared with the previous year, thanks to an improved sales mix and price list adjustments in the main product categories.

Colombia

Despite the anticipated slowing of its growth rate caused by the slump in oil prices, the Colombian economy is proving to be one of the best equipped in Latin America to deal with international turbulence, thanks to the reserves built up in previous years and its status within numerous international trade agreements. During the first half of the year, internal consumption was up sharply, thanks in part to purchases of basic necessities, including food items.

In a highly competitive environment, characterized by an increase in promotional pressure in the main markets in which the local subsidiary operates, the results for the first six months show a 6.5% revenue reduction, due to a contraction in sales volumes, particularly in the Liquid Milk and Yogurt categories, EBITDA decreased compared with the previous year due in part to a negative performance in the Powdered Milk market, characterized by an increase in imports, originating mainly in the United States and Chile, and a particularly low international price.

Other Countries in Latin America

The net revenue generated by the other countries in this sales region increased compared with the previous year, owing in part to the acquisitions of LBR in Brazil and the Esmeralda Group.

Mexico and **Brazil** present attractive growth opportunities; upon completion on January 8, 2015 of certain procedures subject of some conditions precedent, the Group strengthened its presence in Brazil thanks to the acquisition of some production units, complete with the respective trademarks, personnel and administrative offices, of Lácteos Brasil S.A. – Em Recuperação Judicial (LBR), a company in composition with creditors proceedings under Brazilian law. This transaction, the subject of which is a portfolio of business operations in the UHT Milk and local Cheese segments, also enabled the Parmalat Group to regain full ownership of the exclusive license to use the *Parmalat* brand throughout Brazil. The Group also strengthened its presence in Mexico, where it was already present with a commercial company, thanks to the acquisition, in the first quarter of 2015, of various companies specialized in the production and distribution of cheese (Esmeralda) that operate mainly in Mexico, but also in Argentina and Uruguay.

In **Brazil**, the first half of the year was characterized by a low level of confidence in short-term projections by the private sector. The situation was made worse, in addition to the scandal involving the national oil company, which is having repercussions on the entire infrastructure sector and the economy in general, by the social reforms and the restrictive monetary policy pursued by the government.

In the first half of 2015, the results of the new activities acquired in Brazil were adversely affected by the negative conditions described above, in addition to the challenge of restarting production after a temporary stoppage during the composition with creditors proceedings - resulting in unavailability of products at points of sale - which caused EBITDA to be negative (-5.7 million euros) even though the second quarter showed an improvement compared with the first three months of the year, thanks to appropriate programs that the management is implementing to enable the business to return to its full operating capacity; a further rebound in profitability is expected in the second half of the year.

In **Ecuador**, net revenue grew by 8.0%, with data in the local currency, due mainly to increases both in volumes of UHT Milk and sales prices

In **Paraguay**, there was a sharp drop in net revenue, mainly due to a contraction in milk sales.

Africa

(amounts in millions of euros)	FIRST HALF		Variance	Varian. %
	2015	2014		
Net revenue	217.0	179.1	37.9	+21.2%
EBITDA	16.6	13.2	3.4	+25.9%
<i>EBITDA %</i>	<i>7.7</i>	<i>7.4</i>	<i>0.3 ppt</i>	

The Africa sales region includes the subsidiaries that operate in South Africa, Zambia, Botswana, Swaziland and Mozambique. South Africa accounts for more than 80% of the net revenue and 75% of the EBITDA of the entire sales region.

The data presented above, stated in euros, reflect a positive translation effect, which increased revenue and EBITDA by about 19 million euros and 1.5 million euros, respectively, due mainly to the increase in the value of the South African rand versus the euro.

With data stated at constant exchange rates, the region's results show increases of 10.4% for revenue and 14.7% for EBITDA.

The positive performance achieved in the Africa sales region, compared with the previous year, is the result of an increase in sales volumes, made possible in part by a greater availability of raw milk.

South Africa

Consumer spending grew strongly in the first half of 2015 compared with the previous year. A positive performance by the mining sector, combined with the low cost of crude oil, boosted the level of disposable income. Another positive factor was the absence of labor strikes on a national basis, which instead conditioned the performance of the economy in the recent past.

Market and Products

In the UHT Milk segment consumption was down slightly in the first six months of 2015, due to higher sales prices. In this category, in which private labels account for about half of the total value, Parmalat increased its market share and narrowed the gap with the segment leader.

The Flavored Milk segment performed well during the first six months of the year, ranking again as one of the most dynamic segment in the Dairy category. Thanks to its *Steri Stumpie* brand, which accounts for more than half of the total market on a value basis, the local subsidiary continues to hold a firm grip on the market leadership position.

The Cheese market grew at an attractive rate on a value basis, thanks mainly to positive performances in the *Hard Cheese*, *Processed Cheese* and *Feta Cheese* segments. Parmalat strengthened its position as the segment's leader and significantly increased its value market share.

After a long period of contracting consumption, demand began to grow again in the Yogurt category, thanks to the *Eating Yoghurt* segment and, even more so, the *Drinkable Yoghurt* segment. Parmalat maintained the second-place competitive position.

Net revenue grew by 12%, with data in the local currency, thanks to an excellent sales volume performance (+7.9%) compared with the previous year, with the strongest gains reported in the UHT Milk, Yogurt and Cheese categories. This increase also benefits from better conditions for the procurement of raw milk, compared with 2014 when there was a significant scarcity of milk.

Despite an increase in the purchase costs of raw milk, EBITDA for the period improved compared with the previous year, thanks to higher sale, the price increases introduced in 2014 and the optimization of distribution costs. In addition, the appreciation of the South African rand versus the euro helped reduce purchase costs for imported ingredients and packaging materials.

Zambia

In Zambia, the second largest market in the Africa sales region, volumes decreased slightly compared with the previous year, with net revenue growing by 5.6%, with data stated in the local currency. Profitability deteriorated due to major disruptions in the supply of energy, which adversely affected the local subsidiary's manufacturing activity, and the condition of the country's economy, adversely affected by a drop in the price of copper.

Other Countries in Africa

With data at constant exchange rates, the net revenue and EBITDA reported in the other African countries (Swaziland, Mozambique and Botswana) were up overall, thanks to a generally positive sales trend.

The positive performance in Botswana, determined by strong sales of UHT Milk in a growing local Dairy market, was particularly noteworthy. The results in Mozambique were adversely affected by the country's economic crisis, particularly in the second quarter of the year.

Australia

The rebalancing the Australian economy with a greater focus on internal demand, consumer spending in particular, is continuing concurrently with a gradual reduction of investments in infrastructure to support the mining sector and a slowing of exports of mineral resources to China.

Market and Products

The trend in the Pasteurized Milk market was positive in the first half of 2015, with modest gains on a volume basis, due to a positive performance by private labels, which dominate the competitive context and are continuing to weaken brand-name companies with their growth. Despite a modest loss of value market share, Parmalat retained the market leader position.

The Flavored Milk market continued to enjoy positive momentum, growing both on a volume and value basis owing in part to strong promotional pressure by the main players in this category. Thanks to a strong performance by its *Oak* brand, Parmalat significantly narrowed the gap with the market leader, thus retaining its second-place competitive position.

Overall consumption was down sharply in the Yogurt market in the first six months of 2015, even though the *Greek Yogurt* segment continued to enjoy positive growth. Parmalat maintained its third-place market position.

A highly negative trend, characterized by a sharp drop in consumption, continued in the Dessert market during the first six months of 2015. Despite these challenging market conditions, the local subsidiary significantly increased its value market share, achieving the leadership position in this category thanks to a strong performance by its *Pauls* brand.

The table below shows the results for 2015 compared with the previous year; the data include the contribution of the new activities acquired in the second quarter of 2014 (Harvey Fresh) and the first quarter of 2015 (Longwarry):

	FIRST HALF			
(amounts in millions of euros)	2015	2014	Variance	Varian. %
Net revenue	504.5	426.3	78.2	+18.3%
EBITDA	11.3	7.5	3.9	+51.9%
<i>EBITDA %</i>	<i>2.2</i>	<i>1.7</i>	<i>0.5 ppt</i>	

The appreciation of the local currency generated a positive effect on revenue and EBITDA of about 21 million euros and 0.6 million euros, respectively.

With data at constant exchange rates and comparable scope of consolidation, net revenue and EBITDA show increases of 1.7% and 4.6%, respectively, thanks mainly to a positive performance in the Flavored Milk category and higher sales of UHT Milk.

The profitability of the local subsidiary improved compared with the first half of 2014, thanks to the containment of overheads and distribution costs and lower costs paid for raw milk.

Review of Operating and Financial Performance

In order to allow a better understanding of the developments that characterized the first half of the year, the data for 2015 are presented showing specific sources of discontinuity, including:

- the change in scope of consolidation caused by acquisitions;
- the change caused by hyperinflation in Venezuela;
- comparable semiannual data.

Parmalat Group

Net revenue increased to 2,962.6 million euros, up 344.6 million euros (+13.2%) compared with 2,617.9 million euros in the first six months of 2014. With data at constant exchange rates and scope of consolidation and excluding the effects of hyperinflation in Venezuela, the gain in net revenue amounts to 152.5 million euros (+6.0%). Price list increases and sales of more profitable products account for most of this improvement.

EBITDA totaled 169.4 million euros, or 15.0 million euros less (-8.1%) than the 184.4 million euros earned in the first six months of 2014. The data show a decrease due to hyperinflation in Venezuela and the challenges that, as expected, are being faced by the newly acquired companies during the reorganization process. With data at constant exchange rates and scope of consolidation and excluding the effects of hyperinflation in Venezuela, the EBITDA increase amounts to 19.9 million euros (+10.3%). This gain reflects the combined effect of the strategy of price list increases launched in the second half of 2014, a better sales mix and a reduction in the cost of raw milk, particularly in Europe and North America.

EBIT amounted to 87.4 million euros, for a decrease of 45.3 million euros compared with 132.7 million euros reported at June 30, 2014. With data at constant scope of consolidation and excluding the effects of hyperinflation in Venezuela, the decrease in EBIT is equal to 8.6 million euros.

This reduction is chiefly the result of a lower contribution from nonrecurring transactions, caused by a decrease in proceeds from actions to void and actions for damages, offset only in part by improved results by the industrial operations.

Depreciation and amortization expense and impairment losses on non-current assets totaled 75.5 million euros (62.3 million euros in the first half of 2014). Recent acquisitions are the main reasons for this increase.

The **profit attributable to owners of the parent** amounted 37.6 million euros, down 51.3 million euros compared with 88.9 million euros in the first six months of 2014. With data at constant scope of consolidation and excluding the effects of hyperinflation in Venezuela, this item shows a decrease of 10.4 million euros.

Reductions both in the contribution from nonrecurring transactions and in net financial income, the latter due to lower yields on invested liquidity, account for most of this decrease.

Operating working capital amounted to 562.6 million euros, or 183.9 million euros more than the 378.7 million euros reported at December 31, 2014. This increase is chiefly the result of: the higher inventories held by the Canadian and South African subsidiaries, due both to an increase in the supply of raw milk and to seasonal factors that characterize the business, involving an increase in cheese production earlier in the year, in anticipation of higher sales in the later months; increased investments in cheese stock in Canada and South Africa compared with the past; an increase in value terms of the inventories held by the Venezuelan subsidiaries due to inflation during the period; and the acquisitions completed in the first half of the year.

Net invested capital totaled 2,659.9 million euros, up 536.9 million euros compared with 2,123.0 million euros at December 31, 2014. This gain primarily reflects the combined effect of the increase in operating working capital, the acquisitions completed during the first half of the year and the positive currency translation differences due to the appreciation of the euro versus the currencies of the main countries where the Group operates.

The **net financial position** amounted to 730.9 million euros, down 388.2 million euros, compared with 1,119.1 million euros at December 31, 2014. The main reasons for this decrease include: the cash absorbed by non-recurring transactions, for 258.9 million euros, mainly concerning the acquisitions of some production units of Lácteos Brasil S.A., of Longwarry Food Park Pty Ltd in Australia, of a group of companies operating mainly in Mexico and of the business operations of Consorzio Cooperativo Latterie Friulane S.C.A.; the cash absorbed by operating activities, for 115.4 million euros, including 28.3 million euros attributable to the new acquisitions; and the payment of dividends, for 30.2 million euros.

This decrease was offset in part by net proceeds from litigation settlements totaling 5.1 million euros and the cash generated by financing activities, amounting to 1.2 million euros.

At June 30, 2015, the commitments undertaken by the Group under binding agreements totaled 623.6 million euros; the entire amount refers to the acquisition of the dairy division of BRF S.A., which closed early in July.

The **equity attributable to owners of the parent** increased to 3,368.3 million euros, or 148.5 million euros more than the 3,219.8 million euros reported at December 31, 2014, due mainly to the effect of translating into euros the financial statements of companies operating outside the Eurozone, for 95.4 million euros, the change in fair value of derivatives executed by the Group to hedge the foreign exchange risk exposure resulting from the signing of a binding agreement to buy the dairy division of BRF S.A. for 35.4 million euros, and the profit for the period attributable to owners of the parent, for 37.6 million euros.

These increases were offset in part by the dividend payments approved by the Shareholders Meeting on April 16, 2015 in the amount of 29.3 million euros.

Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

	First half 2015 (A)	Δ Scope of consolid. (June 2015 vs June) 2014) (B)	Δ Hyperinflation (June 2015 vs June 2014) (C)	First half 2015 pro forma at current exchange rates (D=A-B-C)	First half 2014
<i>(in millions of euros)</i>					
REVENUE	2,980.3	155.6	36.4	2,788.3	2,635.3
Net revenue	2,962.6	155.2	36.1	2,771.3	2,617.9
Other revenue	17.7	0.4	0.3	17.0	17.4
OPERATING EXPENSES	(2,806.7)	(163.1)	(55.7)	(2,587.9)	(2,447.9)
Purchases, services and miscellaneous costs	(2,393.4)	(141.6)	(46.7)	(2,205.1)	(2,090.7)
Personnel expense	(413.3)	(21.5)	(9.0)	(382.8)	(357.2)
Subtotal	173.6	(7.5)	(19.3)	200.4	187.4
Impairment losses on receivables and other provisions	(4.2)	0.0	0.0	(4.2)	(3.0)
EBITDA	169.4	(7.5)	(19.3)	196.2	184.4
Depreciation, amortization and impairment losses on non-current assets	(75.5)	(7.4)	(1.8)	(66.3)	(62.3)
Other income and expense:					
- Litigation-related legal expenses	(1.7)	0.0	0.0	(1.7)	(1.7)
- Miscellaneous income and expenses	(4.8)	(0.1)	(0.6)	(4.1)	12.3
EBIT	87.4	(15.0)	(21.7)	124.1	132.7
Net financial income/(expense)	(10.0)	(2.8)	(3.1)	(4.1)	(0.1)
Other income from (Charges for) equity investments	(0.4)	0.0	0.0	(0.4)	0.0
PROFIT BEFORE TAXES	77.0	(17.8)	(24.8)	119.6	132.6
Income taxes	(38.5)	1.6	(0.2)	(39.9)	(42.6)
PROFIT FOR THE PERIOD	38.5	(16.2)	(25.0)	79.7	90.0
Attributable to:					
Non-controlling interests	(0.9)	0.0	0.3	(1.2)	(1.1)
Owners of the parent	37.6	(16.2)	(24.7)	78.5	88.9

Continuing operations:

Basic earnings per share	0.0205	0.0487
Diluted earnings per share	0.0203	0.0482

Note: See the Glossary provided at the end of the Interim Report on Operations for the definition of income statement components.

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in millions of euros)</i>	6/30/15	12/31/14
NON-CURRENT ASSETS	2,549.6	2,234.0
Intangible assets	1,262.9	1,104.7
Property, plant and equipment	1,143.9	996.5
Non-current financial assets	63.1	59.9
Deferred tax assets	79.7	72.9
ASSETS HELD FOR SALE, NET OF CORRESPONDING LIABILITIES	12.7	12.5
NET WORKING CAPITAL	584.7	336.3
Inventories	715.1	534.2
Trade receivables	524.8	487.0
Trade payables (-)	(677.3)	(642.5)
Operating working capital	562.6	378.7
Other assets	209.4	135.6
Other liabilities (-)	(187.3)	(178.0)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	3,147.0	2,582.8
EMPLOYEE BENEFITS (-)	(119.8)	(110.4)
PROVISIONS FOR RISKS AND CHARGES (-)	(356.9)	(338.9)
PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	(10.4)	(10.5)
NET INVESTED CAPITAL	2,659.9	2,123.0
Covered by:		
EQUITY¹	3,390.8	3,242.1
Share capital	1,835.1	1,831.1
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	52.9	53.2
Other reserves and retained earnings	1,442.7	1,132.4
Profit for the period	37.6	203.1
Non-controlling interests	22.5	22.3
NET FINANCIAL POSITION²	(730.9)	(1,119.1)
Loans payable to banks and other lenders	346.7	132.4
Loan liabilities with investee companies	0.0	0.2
Other financial assets (-)	(80.9)	(94.4)
Cash and cash equivalents(-)	(996.7)	(1,157.3)
TOTAL COVERAGE SOURCES	2,659.9	2,123.0

Note: See the Glossary provided at the end of the Interim Report on Operations for the definition of the components of the statement of financial position.

¹ A schedule showing a reconciliation of the result and equity of Parmalat S.p.A. at June 30, 2014 to the consolidated result and equity is provided in the "Notes to the condensed consolidated semiannual financial statements."

² A breakdown of the financial statement items included in "Net financial position" is provided in the "Other Information section of the Notes to the Condensed Consolidated Semiannual Financial Statements."

Parmalat Group

STATEMENT OF CHANGES IN NET FINANCIAL POSITION IN THE FIRST HALF OF 2015

<i>(in millions of euros)</i>	First half 2015	First half 2014
Net financial position at beginning of period	(1,119.1)	(1,065.6)
Changes during the period:		
- Cash flow from operating activities for the period	28.9	(107.4)
- Cash flow from acquisitions	257.6	74.9
- Cash flow from other investing activities	59.1	62.5
- Accrued interest expense	5.7	5.3
- Cash flow from settlements	(5.1)	(13.2)
- Dividend payments	30.2	53.5
- Exercise of warrants	(3.5)	(3.7)
- Miscellaneous items	25.3	(1.7)
- Translation effect	(10.0)	20.2
Total changes during the period	388.2	90.4
Net financial position at end of period	(730.9)	(975.2)

BREAKDOWN OF NET FINANCIAL POSITION

<i>(in millions of euros)</i>	6/30/15	12/31/14
Loans payable to banks and other lenders	346.7	132.4
Loan liabilities with investee companies ¹	0.0	0.2
Other financial assets (-)	(80.9)	(94.4)
Cash and cash equivalents (-)	(996.7)	(1,157.3)
Net financial position	(730.9)	(1,119.1)

¹ Owed to Wishaw Trading sa.

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 indebtedness	Net financial assets
Opening balance at December 31, 2014	(1,157.3)	(94.4)	132.6	(1,119.1)
Cash flow from operating activities for the period	28.9	-	-	28.9
Cash flow from acquisitions	207.8	(3.9)	53.7	257.6
Cash flow from other investing activities	39.7	19.4	-	59.1
New borrowings	(164.5)	-	164.5	-
Loan repayments	37.2	-	(37.2)	-
Accrued interest expense	-	-	5.7	5.7
Cash flow from settlements	(5.1)	-	-	(5.1)
Dividend payments	30.2	-	-	30.2
Exercise of warrants	(3.5)	-	-	(3.5)
Miscellaneous items	-	(1.1)	26.4	25.3
Translation effect	(10.1)	(0.9)	1.0	(10.0)
Closing balance at June 30, 2015	(996.7)	(80.9)	346.7	(730.9)

Parmalat S.p.A.

As announced on December 30, 2014, Parmalat S.p.A. acquired from Consorzio Cooperativo Latterie Friulane, effective as of January 1, 2015, some business operations engaged in the production, marketing and distribution of milk and dairy products (pasteurized and UHT milk, yogurt, Montasio cheese, mozzarella and ricotta, together with the corresponding trademarks, facilities and staff). The income statement for the first half of 2015 reflects the effects of this acquisition.

Net revenue totaled 427.0 million euros, for a decrease 0.3% compared with 428.2 million euros in the first six months of 2014. The revenue generated by the “Latterie Friulane” business operations amounted to 12.7 million euros. Despite the persisting crisis in some of the main markets in which Company operates, sales volumes increased, due in part to the growing pressure of sales promotions (reflected in the deeper discounts made possible by a reduction in the cost of raw materials) in the UHT milk and fruit juice segments. These factors also explain the revenue decline shown with data at constant scope of consolidation (-3.2%). The positive results achieved with the *Chef* UHT cream and béchamel, with sales gains driven by advertising programs that produced an increase in market share, and Zymil’s outstanding performance, both in the UHT and microfiltered milk segments were noteworthy.

EBITDA amounted to 32.6 million euros, compared with 29.6 million euros in the same period last year. The gain of 3.0 million euros (-0.1 million euros for the “Latterie Friulane” business operations) is chiefly the result of the optimization of operating expenses and a decrease in the cost of the main raw materials, namely milk and packaging materials, offset in part by higher costs for some fruit based ingredients.

EBIT totaled 18.9 million euros (-0.7 million euros for the “Latterie Friulane” business operations), for a decrease of 6.7 million euros compared with 25.6 million euros at June 30, 2014. This result primarily reflects a reduction in net nonrecurring income compared with the first half of 2014, which more than offset the EBITDA gain.

The **profit for the period** decreased to 27.5 million euros, or 20.1 million euros less than the 47.6 million euros earned in the first half of 2014. This decrease mainly reflects the combined effect of a reduction in EBIT, lower net financial income (down from 11.9 million euros to 6.4 million euros, due to lower yields on invested liquidity) and a contraction in dividends and other income from investee companies (11.3 million euros compared with 23.2 million euros in the first half of 2014).

Net invested capital amounted to 2,958.6 million euros, for a gain of 720.7 million euros compared with 2,237.9 million euros at December 31, 2014. The financial support provided to foreign subsidiaries to complete certain acquisitions in Latin America (Esmeralda transaction and BRF’s dairy division) accounts for most of this increase.

The **net financial position** decreased from 758.8 million euros at December 31, 2014 to 43.5 million euros at June 30, 2015, for a reduction of 715.3 million euros. This decrease, attributable for the most part to the abovementioned additions to equity investment, also reflects a partial drawdown (150 million euros) from the facility obtained in the second quarter of 2015.

Cash and cash equivalents is invested in short-term instruments with counterparties belonging to top banking groups.

The Company's **equity** increased to 3,002.1 million euros compared with 2,996.7 million euros at December 31, 2014. This increase of 5.4 million euros is the net result of the profit for the period, the exercise of warrants during the first half of the year and the distribution of the 2014 dividend to shareholders.

Parmalat S.p.A.

RECLASSIFIED INCOME STATEMENT

<i>(in millions of euros)</i>	First half of 2015	<i>amount for "Latterie Friulane business operations"</i>	First half 2014
REVENUE	443.2	12.7	447.0
Net revenue	427.0	12.7	428.2
Other revenue	16.2	0.0	18.8
OPERATING EXPENSES	(408.7)	(12.8)	(415.6)
Purchases, services and miscellaneous costs	(346.2)	(9.9)	(357.0)
Personnel expense	(62.5)	(2.9)	(58.6)
Subtotal	34.5	(0.1)	31.4
Impairment losses on receivables and other provisions	(1.9)	0.0	(1.8)
EBITDA	32.6	(0.1)	29.6
Depreciation, amortization and impairment losses on non-current assets	(14.1)	(0.6)	(15.0)
Other income and expense:			
- Litigation-related legal expenses	(1.7)	0.0	(1.7)
- Miscellaneous income and expense	2.1	0.0	12.7
EBIT	18.9	(0.7)	25.6
Net financial income/(expense)	6.4	0.0	11.9
Other income from (Charges for) equity investments	11.3	0.0	23.2
PROFIT BEFORE TAXES	36.6	(0.7)	60.7
Income taxes	(9.1)	0.2	(13.1)
PROFIT FOR THE PERIOD	27.5	(0.5)	47.6

Parmalat S.p.A.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

<i>(in millions of euros)</i>	6/30/15	12/31/14
NON-CURRENT ASSETS	3,163.5	2,452.2
Intangible assets	356.4	357.0
Property, plant and equipment	155.7	143.4
Non-current financial assets	2,621.1	1,920.2
Deferred tax assets	30.3	31.6
ASSETS HELD FOR SALE, NET OF CORRESPONDING LIABILITIES	0.0	0.0
NET WORKING CAPITAL	4.3	(12.4)
Inventories	48.2	42.9
Trade receivables	126.1	123.3
Trade payables (-)	(185.0)	(180.9)
Operating working capital	(10.7)	(14.7)
Other assets	60.0	47.8
Other liabilities (-)	(45.0)	(45.5)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	3,167.8	2,439.8
EMPLOYEE BENEFITS (-)	(27.0)	(26.1)
PROVISIONS FOR RISKS AND CHARGES (-)	(172.2)	(165.7)
PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	(10.0)	(10.1)
NET INVESTED CAPITAL	2,958.6	2,237.9
Covered by:		
SHAREHOLDERS' EQUITY	3,002.1	2,996.7
Share capital	1,835.1	1,831.1
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	52.9	53.2
Other reserves and retained earnings	1,086.6	1,051.4
Profit for the period	27.5	61.0
NET FINANCIAL POSITION	(43.5)	(758.8)
Loans payable to banks and other lenders	147.9	0.0
Loan liabilities with investee companies	(13.2)	(10.4)
Other financial assets (-)	(71.6)	(70.7)
Cash and cash equivalents(-)	(106.6)	(677.7)
TOTAL COVERAGE SOURCES	2,958.6	2,237.9

Financial Results

Structure of the Net Financial Position of the Group and Its Main Companies

The Group's liquid assets totaled 1,077.6 million euros, including 178.2 million euros held by Parmalat S.p.A. At June 30, 2015, the entire amount of this liquidity was invested in sight and short-term bank deposits with counterparties belonging to top banking groups. The remaining liquid assets are held by individual Group companies, which invest them in the same instruments as the Parent Company. At the Group level, bank interest income totaled 4.4 million euros, including 2.8 million euros attributable to Parmalat S.p.A. A reduction in interest rates is the main reason for the decrease compared with the previous period. In the first half of 2015, Parmalat S.p.A. never used the cash pooling system tool established with B.S.A. Finances S.n.c..

At the end of June, Parmalat S.p.A., the Group's Parent Company, carried out an initial drawdown of 150 million euros from the medium/long-term facility of 500 million euros obtained on April 28 and described in the section of this Report entitled "Key Events in the First Half of 2015." This drawdown was used in part to finance the acquisition of the Brazilian company Elebat Alimentos S.A., which closed on July 1.

Change in Net Financial Position

The Group's net financial position decreased from 1,119.1 million euros at December 31, 2014 to 730.9 million euros at June 30, 2015, after a positive translation effect of 10.0 million euros and a dividend payment of 30.2 million euros.

During the first half of 2015, the operating activities absorbed cash totaling 115.4 million euros as against cash generation of 45.1 million euros in the same period last year, for a negative change of 160.5 million euros between the two periods. New acquisitions, particularly those in Brazil and Mexico, which required a natural investment in initial working capital, accounted for about 28.3 million euros of this difference. In addition, non-recurring items that characterized the first half of 2014, such as the collection of large prior-period VAT refunds by Italian Group companies (about 42 million euros) and the collection by Parmalat S.p.A. of tax refunds that predate the composition with creditors amounting to about 5.7 million euros, were absent in 2015. Additional items accounting for the balance include higher tax payments in Venezuela and Canada for a total of about 43.2 million euros and an increase of about 61 million euros in the amount absorbed by net working capital, caused mainly by higher inventories in Canada and South Africa, where investments in cheese inventories by local companies was particularly significant. In the case of the Canadian subsidiary, the effect of the working capital increase was magnified, in the first half of 2015, by cutbacks, compared with the past, in butter buying programs by local dairy authorities.

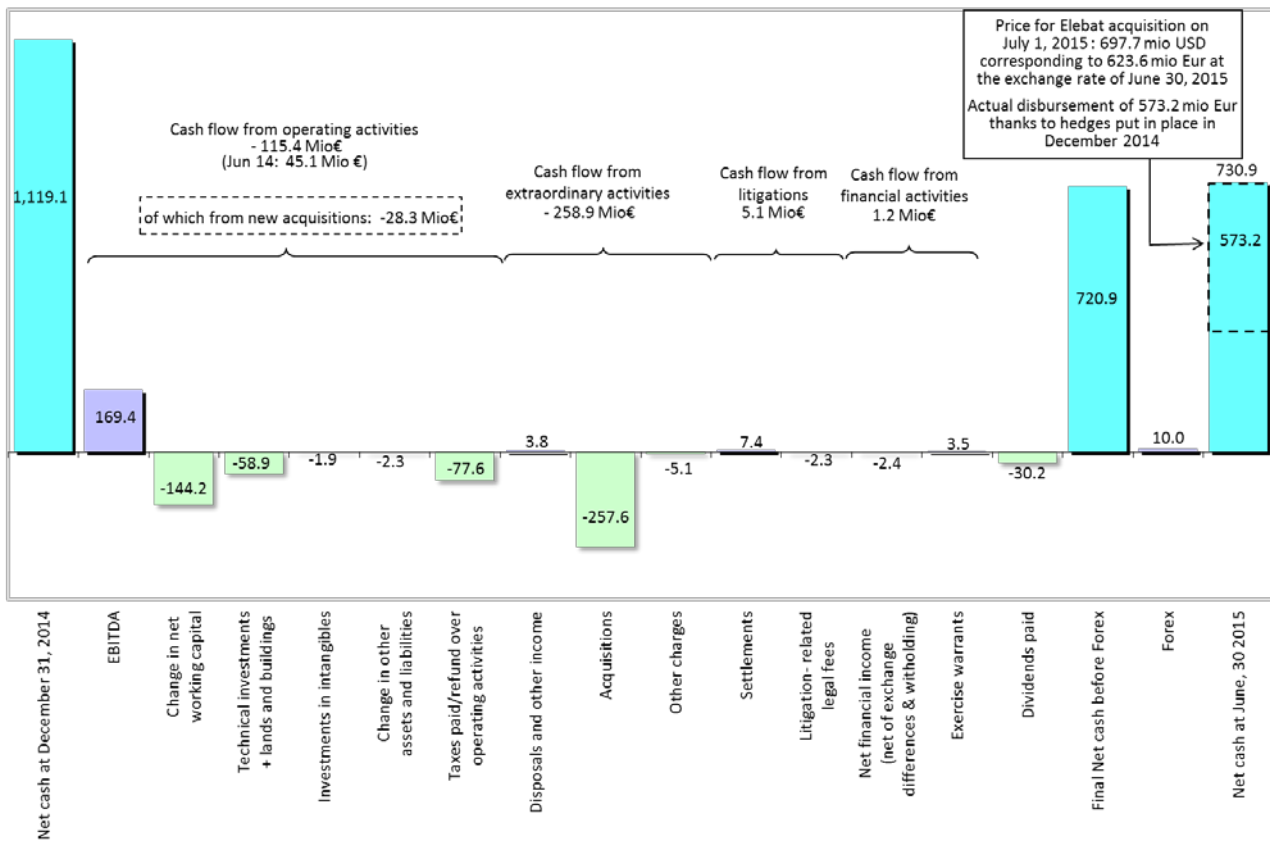
The cash absorbed by non-recurring activities, which amounted to 258.9 million euros, is mainly attributable to the acquisitions of Lácteos Brasil in Brazil, Longwarry in Australia, Latterie Friulane in Italy and Esmeralda in Mexico. All of these transactions are described in detail in the "Acquisitions" section of this Report.

The cash flow from litigations generated net proceeds of 5.1 million euros (including 17.1 million euros from dispute settlements).

The cash flow from financing activities amounted to 1.2 million euros, including 3.5 million euros generated by the exercise of warrants.

It is worth mentioning that the day after the closing of the first half of the year, the Group's net financial position decreased, due to the closing of the acquisition of Elebat Alimentos S.A., described in greater detail in the section of this Report entitled "Events Occurring After June 30, 2015." At June 30, 2015, the corresponding amount in euros of the stipulated purchase price, amounting to USD 697.7 million, was equal to 623.6 million euros; thanks to the hedging transactions executed immediately after the signing of the purchase contract in December 2014, the actual amount disbursed in euros was 573.2 million euros.

Consolidated Cash Flow at June 30, 2015



Managing Enterprise Risks

In the normal course of its business operations, the Group is exposed to the operating risks that arise from the possible occurrence of accidents, malfunctions and breakdowns with an impact on product quality or the environment, which could cause potential damages to persons and, consequently, have an impact on the income statement and the statement of financial position.

The Group is also exposed to risks of a general nature and to the following financial risks:

- Risk from exposure to fluctuations in interest rates, foreign exchange rates, commodity prices and country risk;
- Credit risk, which is the risk that a counterparty may become insolvent;
- Liquidity risk, which is the risk of not being able to perform obligations associated with financial liabilities;

Lastly, the Company and the Group are defendants in a series of civil and administrative lawsuits and the Company has filed a series of actions for damages, liability actions (both in civil and criminal venues) and actions to void in bankruptcy. An analysis of the main proceedings to which the Group is a party and of the related contingent liabilities is provided in the section of the Notes to the Financial Statements of the Parmalat Group entitled “Legal Disputes and Contingent Liabilities at June 30, 2015.”

Risks of a General Nature

The Group operates in the food industry, which, by its very nature, is less exposed than other activities to the negative effects of changes in economic conditions. However, its investment portfolio includes companies that operate in countries exposed to situations of geopolitical uncertainty at the local level or environmental events that could have an effect on the Group’s performance. Risks in this area could arise from:

- problems resulting from the current social, political and economic situation in Venezuela;
- the effects caused by the ongoing embargo imposed against Russia;
- macroeconomic expectations in Brazil.

Operational Risks

Parmalat implemented at the Group level a process to allow individual SBUs to map operational risks. Operational risks are mapped by means of a special tool that ranks them based on probability of occurrence and economic impact. Risks are classified in the following categories: competition, external context, regulatory environment, processes and procedures, sustainability, health and safety, market and brand management, organization, systems and technology, production and supply chain performance. The activities described above are updated every six months, as required to comply with the provisions of Article 2428 of the Italian Civil Code regarding “risks and uncertainties.”

An analysis of the risks mapped with the abovementioned methodology produced the following conclusions:

- a) Changes in the price of raw materials—milk in particular—and in the availability of resources, due also to weather factors or regulatory issues at individual locations, can have an impact of product prices. The fact that the price of powdered milk is at an all-time low and its impact on the price of milk purchased from producers, coupled with the deregulation of the European milk market, are generating tensions between producers and processors.
- b) The Group operates in some markets in which consumers have a reduced buying power and consumption patterns are changing with an increasing bias towards lower price product categories. This scenario produced heightened competition, with the main competitors pursuing increasingly aggressive pricing policies, which resulted in lower purchases of brand name product to the benefit of private labels. Parmalat differentiated geographic footprint and the policy of acquisition pursued at the global level enable it to offset the downward trends in some areas with stability or growth in other markets. Technological innovation and the ongoing quest for better quality standard are succeeding in strengthening customer loyalty towards the Group’s brands.

- c) There appears to be a general trend towards creating concentrations in the retailing and distribution sectors, with an attendant reduction in the number of potential customers for manufacturers and an increase in the bargaining power of counterparties in demanding discounts and promotions. This scenario represents a risk for the Group, both for its potential effect on margins and the increased risk of insolvency by major customers. To mitigate these event, Parmalat's strategy has always been to develop lasting and well balanced relationships with its main commercial partners and strive for differentiation from its competitors, so as to approach customers with unique products for a mutually beneficial relationship.
- d) The Group's growth to acquisitions allows a faster penetration of new markets and the creation of synergies with already consolidated companies. The inclusion into the Group, within a short period of time, of various companies that must be quickly integrated into the Group's organization could create organizational integration and process difficulties, resulting in an increase in economic and financial risks and greater complexities in terms of reporting and budgeting. In order to facilitate coordination between geographically and culturally different organizations and efficiently integrate the acquired companies, the Group is actively engaged in providing constant support, specifically in redesigning organizational structures, transferring specific competencies within the Group, identifying key resources and fine-tuning internal reporting.
- e) The quality of its products and the satisfaction of consumers are priority objectives for the Group and their achievement is predicated on the presence of highly qualified employees in the manufacturing and sales areas. Because the Group also operates in developing countries, it may occasionally find it difficult to recruit resources with adequate skills to maintain the desired standards. For this reason, it launched international mobility projects, as well as programs to empower key resources and incentive systems based on the quality of employee performance.
- f) The integrity of its products and the preservation of their organoleptic characteristics at every phase before they reach end customers are key elements of Parmalat's reputation, as is its ability to offer products with the longest possible shelf life. For this reason, the Group launched in various countries programs to improve its supply chain, particularly where transportation infrastructures are not sufficiently developed or the geographic extension of the territories poses distribution management challenges.
- g) The growing international concern for the protection of the environment resulted in an increase in the number of laws and regulations applicable to Group entities. By their very nature, manufacturing activities have an impact on the environment in terms of energy consumption, water usage and generation of waste materials. The Parmalat Group, acting in accordance with the laws of its host countries, implemented numerous programs to minimize consumption and waste, carefully monitoring the performance of its production facilities.

Financial Risks

The Group's financial risk management policy is coordinated through guidelines defined by the Parent Company and customized by each company into local policies adopted to address specific issues that exist in different markets. The guidelines establish benchmarks within which each company is required to operate and require compliance with some parameters. Specifically, the use of derivatives is allowed only to manage the exposure of cash flows, statement of financial position items and income statement components to fluctuations in interest rates and foreign exchange rates. Speculative transactions are not allowed.

Foreign Exchange Risk and Country Risk

The Group has a limited exposure to foreign exchange risk due to the nature of the business activities normally pursued by its member companies, in accordance with which purchases and sales are denominated primarily in the local currency.

Any limited exposure to transactional foreign exchange risk is hedged with simple hedging instruments, such as forward contracts.

From a more purely financial standpoint, the Group's policy requires that any bank credit lines and investments of liquid assets be denominated in the local currency of the company involved, except for special needs, which require the approval of the Group's Parent Company.

Intercompany financing facilities are the subject of appropriate foreign exchange hedging. More specifically, the foreign exchange risk to which Parmalat Belgium SA is exposed in connection with an intercompany loan provided to LAG Holding Inc. (notional amount of USD 400 million) is fully hedged with cross currency swaps executed in July 2012 concurrently with the disbursement of the loan. At June 30, 2015, the Group's exposure to the foreign exchange risk on intercompany financing position was limited to the support provided to the recently acquired Mexican companies amounting to about USD 27 million.

The contracts executed by Parmalat Belgium SA on December 10, 2014 to buy U.S. dollars in the forward market for a face amount of USD 500 million, equal to about 70% of the purchase price of the dairy division of BRF SA, were exercised at the end of June.

Lastly, Group companies that operate in countries with an economy that is highly regulated are exposed to an economic risk. In these countries, higher internal costs may not be fully transferable to sales prices. Information about Venezuela is provided in a separate section of the Notes to the Consolidated Financial Statements.

Interest Rate Risk

The exposure to the interest risk in connection with financial liabilities is negligible at the Group level because the only significant exposures concern the Parent Company and the Canadian subsidiary, in a context of interest rates that are expected to remain low over the near term. Financial assets were invested in short-term securities and, consequently, there was no significant exposure to the risk of changes in their market value caused by fluctuations in interest rates.

Price Risk

The Group is not exposed to the risk related to changes in stock market prices because its investment policy forbids investments in such instruments.

Credit Risk

The liquid assets of Parmalat Spa are held in Italy and invested in sight and short-term bank deposits with counterparties belonging to top banking groups. The remaining liquidity held by other Group companies is deposited with banks with an investment grade credit rating, in the countries where this is possible. Commercial credit risk is monitored at the country level with the goal of achieving an acceptable quality level for the customer portfolio. Given the limited availability of independent ratings for their customer bases, each company implements internal procedures to minimize the risk related to trade receivable exposure. The Group's exposure to the commercial credit risk is limited because, in each country, receivables are owed by a small number of large supermarket chains, which traditionally have been reliable and liquid, and a highly diversified portfolio of smaller customers.

Liquidity Risk

The Group's liquidity risk is managed mainly at the individual company level, with each company operating in accordance with guidelines defined by the Parent Company, which the main operating companies incorporated in special Cash Management Policies that take into account the specificities of individual markets. The Group's Parent Company is kept constantly informed about changes in outlook concerning the financial and economic position of its subsidiaries so that it may help them identify timely solutions to prevent the occurrence of financing problems. The abundant liquid assets available to the Group's Parent Company and the cash flow from operations that is being generated at the Group level guaranteed coverage of the liquidity risk during the first half of 2015. The execution by Parmalat S.p.A. of an agreement for the facility described in the section of this Report entitled "Key Events in the First Half of 2015" provides a reliable channel to access the liquidity necessary for the Group's operations and its continued growth.

Acquisitions

Italy: Latterie Friulane

On December 30, 2014, with effect as of January 1, 2015, Parmalat purchased from Consorzio Cooperativo Latterie Friulane S.C.A. (Latterie Friulane) business operations encompassing the activities engaged in the production, marketing and distribution of milk and dairy products.

This transaction was completed with the transfer of a net capital of 5.75 million euros and the assumption of bank debt of equal amount.

Brazil: LBR's Assets

On January 8, 2015, upon completion of the procedures required to fulfill certain contractually stipulated conditions precedent, title to some production units, complete with the respective trademarks, personnel and administrative offices, of Lácteos Brasil S.A. – Em Recuperação Judicial (LBR) was transferred to Lactalis do Brasil against payment of a price of 250 million reais. On the same date, the existing contract licensing the Parmalat trademark to LBR was cancelled. Please note that the Group had taken over management of these activities on November 1, 2014.

Australia: Longwarry

On January 30, 2015, having received the approval of FIRB (Foreign Investment Review Board), the Group closed the acquisition of Longwarry Food Park Pty Ltd upon payment of a purchase price of 70 million Australian dollars. This acquisition was funded entirely with internal resources.

With this transaction, the Group further strengthened its position in the Australian market, expanding its local production capacity, entered the powdered milk market and consolidated its supply base. In addition, it bolstered the export potential of Parmalat Australia.

Mexico: Acquisition of a Group of Companies

On April 30, 2015, the Group virtually finalized the acquisition of a group of companies that operate mainly in Mexico, originally announced on January 28, 2015, against payment of a purchase price of USD 105 million, a portion of which was deposited in an escrow account.

With this transaction, the Parmalat Group acquired businesses engaged in the production and distribution of cheese that occupy leadership positions in the Mexican market in the categories in which they operate.

Economic Effect of the Acquisitions on the Consolidated Financial Statements at June 30, 2015

In order to allow a better understanding of the condensed consolidated semiannual financial statements at June 30, 2015, the schedule that follows shows the income statement of the acquired entities that are the source of discontinuity between the first half of 2015 and 2014, i.e., Harvey Fresh (acquired in April 2014), the business operations of Latterie Friulane (acquired in January 2015), the production units of LBR (acquired in January 2015, after taking over their management in November 2014), Longwarry (acquired at the end of January 2015) and a group of companies operating mainly in Mexico (acquired at the end of April 2015):

(in millions of euros)	Parmalat Group cumulative First half 2015	Amount from Harvey Fresh ¹ (January-March 2015)	Amount from Latterie Friulane (January-June 2015)	Amount from LBR's production units (January-June 2015)	Amount from Longwarry (February-June 2015)	Amount from companies operating mainly in Mexico (May-June 2015)
Revenue	2,980.3	34.3	12.7	64.6	16.5	27.5
Net revenue	2,962.6	34.2	12.7	64.6	16.4	27.3
Other revenue	17.7	0.1	0.0	0.0	0.1	0.2
OPERATING EXPENSES	(2,806.7)	(33.1)	(12.8)	(70.3)	(19.9)	(27.0)
Raw material purchases, outside services and miscellaneous costs	(2,393.4)	(25.7)	(9.9)	(65.2)	(18.7)	(22.1)
Personnel expense	(413.3)	(7.4)	(2.9)	(5.1)	(1.2)	(4.9)
Subtotal	173.6	1.2	(0.1)	(5.7)	(3.4)	0.5
Impairment losses on receivables and other accruals	(4.2)	0.0	0.0	0.0	0.0	0.0
EBITDA	169.4	1.2	(0.1)	(5.7)	(3.4)	0.5
Depreciation, amortization and impairment losses on non-current assets	(75.5)	(1.7)	(0.6)	(3.7)	(1.0)	(0.4)
Miscellaneous income and expense	(6.5)	(0.1)	0.0	0.0	0.0	0.0
EBIT	87.4	(0.6)	(0.7)	(9.4)	(4.4)	0.1
Financial income/(expense), net	(10.0)	(0.5)	0.0	(0.2)	0.0	(2.1)
Other income from (expense for) equity investments	(0.4)	0.0	0.0	0.0	0.0	0.0
Profit before taxes	77.0	(1.1)	(0.7)	(9.6)	(4.4)	(2.0)
Income taxes	(38.5)	0.1	0.2	0.0	1.3	0.0
Profit for the period	38.5	(1.0)	(0.5)	(9.6)	(3.1)	(2.0)
(Profit)/Loss attributable to non-controlling interests	(0.9)	-	-	-	-	-
Profit/(Loss) attributable to owners of the parent	37.6	(1.0)	(0.5)	(9.6)	(3.1)	(2.0)

In the case of Harvey Fresh, acquired in April 2014, the source of discontinuity is the inclusion of this company's data for the first quarter of 2015, on a comparable scope of consolidation, for year-over-year comparison purposes.

The results of several recent acquisitions were also consolidated in the first half of 2015.

In two instances, LBR's production units in Brazil and Latterie Friulane in Italy, the Group is restructuring poorly performing business operations with the aim of helping them achieve profitability levels in line with its standards.

In two other cases, Longwarry in Australia and the Esmeralda Group in Mexico, characterized by a significant exposure to the price of powdered milk (Longwarry) and cheese (Esmeralda), the results for the first half of the year reflect the impact of lower milk prices. The data include inventory impairment losses of about 2.6 million euros resulting from the valuation at the lower of cost or market due to a reduction in list prices consistent with the decrease in raw material prices.

With regard to the impact of the acquisition on the statement of financial position, please see the section of the notes to the condensed consolidated semiannual financial statements entitled "Business Combinations."

¹ Acquired in April 2014.

Information About Parmalat's Securities

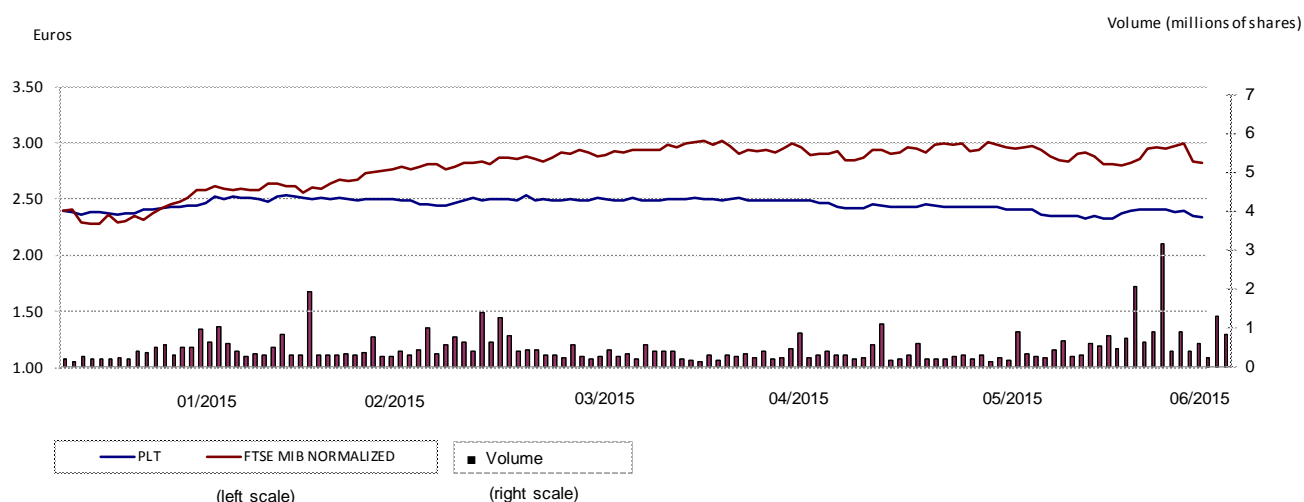
The securities of Parmalat S.p.A. have been traded on the Online Stock Market since October 6, 2005. The key data for the first half of 2015 are summarized below:

	Common shares	Warrants
Securities outstanding at 6/30/15	1,835,104,348	21,689,878
Closing price on 6/30/15 (in euros)	2.3420	1.3280
Capitalization (in euros)	4,297,814,383.02	28,804,157.98
High for the period (in euros)	2.5280 February 5, 2015	1.5160 January 26, 2015
Low for the period (in euros)	2.3200 June 15, 2015	1.3120 June 15, 2015
Average price in June (in euros)	2.3694	1.3575
Highest daily trading volume	3,165,023 June 19, 2015	81,483 February 6, 2015
Lowest daily trading volume	119,346 May 25, 2015	828 January 6, 2015
Average trading volume in June	741,706.18 ¹	23,025.73

¹ 0.04% of the share capital.

Performance of the Parmalat's Stock

As shown in the chart below, the price of the Parmalat stock held relatively steady during the first half of 2015



Stock Ownership Profile

As required by Article 120 of the Uniform Financial Code, the table below lists the shareholders who held a significant interest in the Company at July 15, 2015.

Significant interests		
Shareholder	No. of shares	Percentage
Sofil S.a.s.	1,584,354,826	86.31%

For the sake of full disclosure, please note that, as a result of the share allocation process and the resulting crediting of shares to the creditors of the Parmalat Group, as of the writing of this Report, the Company's subscribed capital increased by 478,631 euros. Consequently, the share capital, which totaled 1,835,104,348 euros at June 30, 2015, amounted to 1,835,582,979 euros at July 15, 2015

With regard to the information provided above, please note that:

- 3,685,286 shares, equal to 0.2% of the share capital, which are still held on deposit by Parmalat S.p.A. belong to commercial creditors who have been identified by name;
- 2,049,096 shares, equal to 0.1% of the share capital, belong to the Company as treasury shares. Please note that these shares were attributable to shareholders who failed to claim them and whose right to receive shares and warrants expired pursuant to Article 9.4 of the Composition with Creditors Agreement.

The maintenance of the Stock Register is outsourced to Computershare S.p.A.

Characteristics of the Securities

Shares

The shares are registered common shares, with regular ranking for dividends as of January 1 of the year in which the capital increase through which they were issued was carried out.

The Extraordinary Shareholders' Meeting of March 1, 2005 approved a capital increase of up to 2,009,967,908 euros, reserved as follows:

- a) up to 1,502,374,237 euros for unsecured creditors with verified claims;
- b) up to 38,700,853 euros for Fondazione Creditori Parmalat;
- c) up to 238,892,818 euros for creditors with contested or conditional claims;
- d) up to 150,000,000 euros for late-filing creditors;
- e) up to 80,000,000 euros for the conversion of warrants.

The Extraordinary Shareholders' Meeting of September 19, 2005 approved a resolution making "permeable" the tranches into which the capital increase approved at the Shareholders' Meeting of March 1, 2005 is divided.

On April 28, 2007, the Shareholders' Meeting, convened in Extraordinary Session and acting pursuant to Article 5 of the Company Bylaws, approved a resolution increasing from 80 million euros to 95 million euros the share capital reserved for the conversion of warrants and making the reserves referred to in Items c) and d) above permeable.

If one of the tranches into which the abovementioned capital increase is divided (except for the first tranche, for an amount up to 1,502 million euros, and the last tranche of 80,000,000 euros, now 95,000,000 euros, reserved for warrant conversion purposes) should contain more shares than are needed to actually convert into share capital the claims for which it has been reserved, the surplus can be used to draw the resources needed to convert the claims of a different category of creditors, whose conversion needs are greater than those that can be accommodated with the capital increase tranche reserved for them pursuant to the resolution approved by the Extraordinary Shareholders' Meeting of March 1, 2005.

The Extraordinary Shareholders' Meeting of May 31, 2012 approved a resolution to partially amend the capital increase resolution approved by the Extraordinary Shareholders' Meeting of March 1, 2005 (as amended by the Shareholders' Meetings of September 19, 2005 and April 28, 2007), limited to the capital increases referred to in items c) and d) above, reducing the capital increase approved by said resolutions by 85,087,908 euros, finding that the capital approved by said resolutions was excessive by an equal amount for the reasons stated in the resolution approved by the Shareholders' Meeting.

Consequently, as of the approval date of this Report, the maximum approved share capital amounts to 1,939,880,000 euros, broken down as follows:

- a) up to 1,502,374,237 euros for unsecured creditors with verified claims;
- b) up to 38,700,853 euros for Fondazione Creditori Parmalat;
- c) up to 153,804,910 euros for creditors with contested or conditional claims;
- d) up to 150,000,000 euros for late-filing creditors;
- e) up to 95,000,000 for the conversion of warrants.

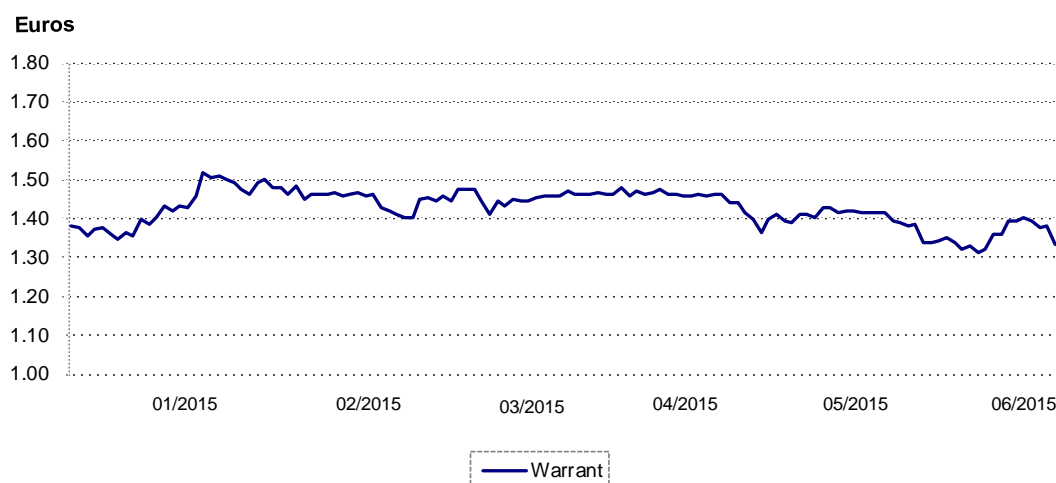
Acting in accordance with the abovementioned resolutions of the Shareholders' Meeting, the Board of Directors carried out the requisite capital increases, as needed.

The Extraordinary Shareholders' Meeting of February 27, 2015 resolved:

1. to verify and acknowledge that the ten-year subscription deadline for the share capital increase ("Paragraph b") approved by the Extraordinary Shareholders' Meeting on March 1, 2005 runs from March 1, 2005 and expires on March 1, 2015;

2. to extend by five additional years, i.e., from March 1, 2015 to March 1, 2020 the official subscription deadline for the share capital increase approved by the Extraordinary Shareholders' Meeting of Parmalat S.p.A. on March 1, 2005, for the part reserved for Challenging Creditors, Conditional Creditors and Late-Filing Creditors, and for its implementation by the Board of Directors, also with regard to the warrants;
3. consisted with the foregoing terms of this Resolution, to amend Article 5) of the Company Bylaws, second sentence of Paragraph b);
4. to require that the subscription of the shares of "Parmalat S.p.A." by parties who, because of the events mentioned in Section 9.3, Letters ii), iii) and iv), of the Parmalat Proposal of Composition with Creditors, will be recognized as creditors of "Parmalat S.p.A." after March 1, 2015 and up to March 1, 2020, be carried out not later than 12 months from the dates set forth in the abovementioned Section 9.3, Letters ii), iii) and iv), of the Parmalat Proposal of Composition with Creditors, it being understood that once this deadline expires the subscription right shall be extinguished;
5. to provide the Board of Directors with a mandate to implement the foregoing terms of this resolution and file with the Company Register the updated version of the Company Bylaws, as approved above;
6. to provide the Board of Directors with a mandate to:
 - a. adopt regulations for the award of warrants also to parties who, because of the events mentioned in Section 9.3, Letters ii), iii) and iv), of the Parmalat Proposal of Composition with Creditors will be recognized as creditors of "Parmalat S.p.A." after December 31, 2015 and up to March 1, 2020, and request the award of the warrants within 12 months from the from the dates set forth in the abovementioned Section 9.3, Letters ii), iii) and iv), of the Parmalat Proposal of Composition with Creditors, it being understood that the abovementioned Regulations shall substantively reflect the content of the Warrant Regulations currently in effect, providing the warrant subscribers with the right to exercise the subscription rights conveyed by the warrants up to March 1, 2010;
7. request listing of the abovementioned warrants and carry out the required filings pursuant to Article 11.1 of the Proposal of Composition with Creditors.

Warrants



The warrants, which have a par value of 1 euro each, are issued in dematerialized form and have been negotiable on the Online Stock Market since the date of listing (October 28, 2005).

Each warrant conveys the right to subscribe shares at par for cash on a continuous basis, effective on the tenth day of the month following the month when the application to exercise is filed in a given calendar year, from 2005 to 2015.

The terms and conditions for the exercise of the warrants are set forth in the respective regulations, which were approved by the Company's Board of Directors on March 1, 2005 and are available at the Parmalat website (www.parmalat.com).

The additional shares issued through the exercise of the warrants will be issued with regular ranking, i.e., with a valid coupon as of the effective exercise date of the warrants.

Global Depositary Receipts

Pursuant to the Composition with Creditors and with express exemption from any related liability, the Fondazione Creditori Parmalat and the Issuer have been authorized, each within the scope of its jurisdiction, to award to unsecured creditors who can be classified as "Qualified Institutional Buyers" or "Accredited Investors" (in accordance with the meaning that these terms have pursuant to the "General Rules and Regulations Under the U.S. Securities Act of 1933") the Issuer's shares and warrants that they are entitled to receive in the form of Global Depositary Receipts, and to take all steps necessary to establish the required Global Depositary Receipts Programs.

The credit institution that issues these financial instruments is the Bank of New York, which should be contacted for all related documents and transactions.

Human Resources

Group Staff

The table below provides a breakdown by geographic region of the employees of the Group at June 30, 2015 and a comparison with the data at December 31, 2014.

Total payroll by geographic region					
Geographic region	June 30, 2015	December 31, 2014	Δ	Notes	
Europe	3,372	3,262	110	staff of Latterie Friulane (Italia)	137
North America	4,686	4,596	90		
Latin America	8,871	3,799	5,072	staff of Esmeralda (Mexico, Uruguay, Argentina) ad LBR (Brazil)	4.145 988
Africa	3,138	2,665	473		
Australia	2,155	2,150	5	staff of Longwarry Food Park	48
Total	22,222	16,472	5,750		5.318

In the first half of 2015, the Group's staff grew by 5,750 employees compared with the end of the previous year. The acquisitions in Latin America of the Esmeralda companies and LBR's production units account for most of this increase. The payroll also grew slightly in Europe, due to the acquisition of the business operations of Latterie Friulane in Italy and in Australia for the acquisition of Longwarry.

In North America, there was a small increase in production staff and in the number of employees hired under short-term contracts. The payroll was up in Africa in the first half of 2015, due to the stabilization of the production staff required by the new laws enacted in South Africa.

Elebat (Brazil), with a staff of 5,552 employees, will be included in the Group's scope of consolidation as of July 1, 2015.

Capital Expenditures

Overview of the capital expenditures of the Parmalat Group at June 30, 2015a

<i>(in millions of euros)</i>	First half 2015		Firth half 2014		% change
Geographic region	Amount	% of the total	Amount	% of the total	
Europe	11.5	19.6%	9.4	15.0%	22.7%
North America	26.3	44.6%	25.3	40.1%	3.8%
Latin America	4.7	8.0%	9.4	14.9%	-50.1%
Africa	6.6	11.2%	9.2	14.5%	-28.3%
Australia	9.8	16.7%	9.8	15.5%	0.0%
Total for the Group	58.9	100.0%	63.1	100.0%	-6.7%

In the first six months of 2015, the Group's capital expenditures totaled 58.9 million euros, for a decrease of 6.7% compared with the previous year, even though it launched important development and rationalization projects concerning mainly Canada (development of new mozzarella production lines) and Australia (installation of new yogurt lines).

Investment projects also included numerous programs aimed at improving production processes, efficiency, quality and occupational safety and complying with new regulatory requirements.

The most significant investment projects included the following:

- installation of a cogenerating facility in Collecchio and a trigeneration system in Zevio (Italy), to improve the energy efficiency of factories and reduce their environmental impact;
- new bottle blower machine at Zevio (Italy), to increase the factory's production capacity;
- new cheese department and production lines in Bonnievale (South Africa), to increase production capacity and improve efficiency;
- installation of a new mozzarella line in Victoriaville (Canada), with the introduction of new and more efficient production processes;
- introduction of the process for the production of "Shred" chees at the Nampa plant (USA), as part of a predefined innovation process;
- expansion of the yogurt production department in Bendigo (Australia), with expansion of the product line and increase of production capacity at the Lidcombe plant.

The capital expenditures described above do not include the cost of licensing and implementing information systems, which amounted to 1.9 million euros in 2015, mainly for projects carried out in Canada, Italy and Colombia.

Research and Development

The Research group continued to pursue its mission of providing innovative support for the Group's brands in an increasingly challenging and complex market.

The Research group views innovation as a "global process with concern for local needs," increasingly based on the concept of cross-fertilization of ideas and the exchange of knowhow, to activate important synergies the objectives of which includes bringing to new markets products already successful in other areas. This approach to work has already resulted in increasingly intense collaborative exchanges both with research centers located in the various countries where the Parmalat Group operates and the Research organization of the Lactalis Group.

Parmalat has the great advantage of having an outstanding product portfolio and a presence in numerous countries, which enabled it to focus special attention on products that can combine innovative appeal, "health and sustainability" concepts and affordability.

The study of new products covered all the most important lines in the Parmalat portfolio: milk, yogurt, cream, cheese and fruit juices, offering innovative ideas at the packaging level as well.

The Product Lifecycle Management (PLM) system adopted by the Company ensured access to constant updates about the projects being pursued at various R&D facilities throughout the world, fostering collaboration between groups and optimizing the use of available resources. This system also supported decision-making processes by the Corporate R&D and marketing functions in terms of priority.

The scientific area is continuing its work within the "milk culture" project, to promote milk's nutritional value and the importance of milk consumption. It completed two studies to assess the potential of some milk "components" for the development of new products and an observation clinical study of the eating habits of 15,000 people who habitually perform physical activities. It also launched a project, in collaboration with the Lactalis parent company, to monitor the nutritional value of products and verify that the nutritional value meets the needs of the local population in the various countries.

Other Information

The subsidiaries do not own any Parmalat S.p.A. shares. The Company holds 2,049,096 treasury shares, as authorized by a resolution approved by the Shareholders' Meeting on May 31, 2012.

Parmalat and its subsidiaries do not hold nor did they hold during the period, either directly or through a nominee or a third party, any shares of the controlling company.

Intercompany and related-party transactions were neither atypical nor unusual and were conducted in the normal course of business. These transactions were carried out on market terms, i.e., on the same terms as those that would be applied by unrelated parties.

Information about transactions with related parties, including those required by the Consob Communication of July 28, 2006, is provided in the section of the condensed consolidated semiannual financial statements of Parmalat S.p.A. entitled "Related-party Transactions."

Guidance and Coordination Activity

The Company is subject to guidance and coordination by B.S.A. S.A. further to a resolution adopted by the Board of Directors on July 31, 2012.

On April 16, 2015 the Board of Directors, after consulting the Internal Control, Risk Management and Corporate Governance Committee, approved the procedure governing influenced decisions within the framework of guidance and coordination activities. The approval comes at the conclusion of an internal assessment phase started in 2014 with the support of an external consultant to map transactions between Parmalat and the Lactalis Group.

The Company then published this procedure on its website ensuring dissemination of the document.

The Company ranks among the first operators to adopt an internal procedural system capable of ensuring a more effective governance and greater transparency in transactions with the controlling entity that exercises guidance and coordination activity over the Company.

Tax Issues

The tax burden of the Parmalat Group totaled 38.5 million euros in the first half of 2015, down 4.1 million euros compared with the amount in the first six months of 2014.

The Group's effective tax rate was 50.0% in the first half of 2015, compared with 32.1% in the first six months of 2014. The increase in the Group's effective tax rate compared with the previous period is mainly due to the inflation adjustment applied to taxable income in Venezuela and to tax losses incurred during the period by some companies in South America that are not deemed to be recoverable. Excluding the first one of these two developments, the Group's effective tax rate would decrease to 40.2%; if the second one is also excluded, the effective tax rate drops to 32.2%. The effective tax rate of Parmalat S.p.A., the Group's Parent Company, was 24.9%.

The main reason for the difference between the effective tax rate and the statutory tax rate (31% including the regional tax rate) is the tax effect of income excluded from the taxable base, consisting of dividends.

Starting in 2007, Parmalat S.p.A., in its capacity as the consolidating company, and its direct Italian subsidiaries elected to file a national consolidated income tax return pursuant to Article 117 and following articles of the Uniform Income Tax Code.

Corporate Governance

Parmalat's corporate organization follows the so-called "conventional model," which is based on corporate governance bodies that include the Shareholders' Meeting, the Board of Directors (supported by Board Committees) and the Board of Statutory Auditors.

The corporate governance model also includes the allocation of specific powers and the delegation of jurisdictional authority; the enactment of internal control procedures, of a Code of Conduct and of an Internal Dealing Code; and the adoption of an Organizational, Management and Control Model pursuant to Legislative Decree No. 231/01, which is binding on all members of the organization: Directors, Statutory Auditors and employees.

Insofar as compliance with Legislative Decree No. 231/01 is concerned, after adopting its own Organizational, Management and Control Model in November 2006, Parmalat S.p.A. promoted the adoption of individual organizational models by its Italian subsidiaries and developed conduct guidelines for the Group's main foreign entities. The Organizational, Management and Control Models of the main Italian subsidiaries are reviewed periodically under the responsibility of the relevant Oversight Boards. The Guidelines for foreign subsidiaries approved by the Parent Company's Board of Directors and later transmitted to the Boards of Directors of the subsidiaries are implemented in accordance with the different corporate organizations and consistent with local legislation. The Guidelines set forth principles of conduct and organizational rules, inspired by the Group's Code of Conduct and the various corporate process, that are relevant for compliance with Legislative Decree No. 231, which each company is required to adopt taking into account the applicable laws at each location.

On July 28, 2011, the Company appointed a Corporate Accounting Documents Officer, as required by Article 154 *bis* of Legislative Decree No. 58/98 (Uniform Financial Code). This appointment was made by means of a resolution approved by the Board of Directors on July 28, 2011, with the prior favorable opinion of the Board of Statutory Auditors and the Internal Control and Corporate Governance Committee, designating the Group's Chief Financial Officer as the Corporate Accounting Documents Officer. At a meeting held on March 6, 2015, the Board of Directors approved the expense budget for the 2015 reporting year of the Corporate Accounting Documents Officer, who is required to report to Board of Directors, every six months as a minimum, about the use of the abovementioned budget. Consistent with the powers and functions assigned to him, through the approval of the Guidelines by the Board of Directors in July 2011, the Corporate Accounting Documents Officer may exceed the approved budget, in the event of specific and demonstrable requirements, provided a specific resolution is approved by the Board of Directors.

Key Events in the First Half of 2015

Transfer of LBR's Assets and Payment of the Corresponding Price

On January 8, 2015, the conditions precedent set forth in the contractual stipulations having been fulfilled, title to the assets subject of the acquisition was transferred to Lactalis do Brazil against payment of a price of 250 million reais. On the same date, the licensing agreement for the Parmalat trademark existing with LBR was cancelled.

Agreement with the Labor Unions for the Acquisition of the Business Operations of the Former Consorzio Cooperativo Latterie Friulane S.C.A.

On January 15, 2015, following its acquisition of the business operations of the former Consorzio Cooperativo Latterie Friulane S.C.A., Parmalat and the labor unions, meeting at the office of the Ministry of Labor, signed an agreement to implement the Reorganization Plan originally submitted to Consorzio Latterie Friulane, specifically concerning the modalities, timing and criteria for accessing the Special Supplemental Income Fund and the Long-term Unemployment Benefits Fund.

On January 27, 2015, Parmalat and the labor Unions, meeting at the offices of the Udine Manufacturers' Association, signed an agreement providing long-term unemployment benefits to 89 employees within the framework of the Reorganization Plan of the former Latterie Friulane.

The agreement provides, first of all, for the separation of employees who are living voluntarily and of those who already qualify for retirement or will do so while they receive long-term unemployment benefits and provides to employees who are receiving those benefits economic support in terms of voluntary separation incentives. The Company also agreed to consider the possibility rehiring redundant employees at other Group facilities and the option of offering vertical part-time employment.

Longwarry Closing

On January 30, 2015, further to the approval by the Foreign Investment Review Board (FIRB), the acquisition of Longwarry Food Park Pty Ltd was completed with payment of a price of 70 million Australian dollars. This acquisition was funded exclusively with internal resources.

Extraordinary Shareholders' Meeting

An Extraordinary Shareholders' Meeting was held on February 27, 2015. On that occasion it adopted resolutions to (i) extend the subscription deadline for the share capital increase reserved for challenging and late-filing creditors, which is the subject of Article 5, Letter b) of the Company Bylaws; (ii) to delegate to the Board of Directors the necessary power to implement this resolution; and (iii) empower the Board of Directors to regulate the allocation of warrants subsequent to January 1, 2016, all of the above action being taken to comply with the requirements of the Parmalat Composition with Creditors regarding the allotment of shares and warrants.

Citibank Proceedings

In the criminal proceedings for fraudulent bankruptcy pending before the Court of Parma against officers and employees of Citigroup, which Parmalat S.p.A. in A.S. joined as a plaintiffs seeking damages, with certain companies of the Citibank Group standing as parties civilly liable for the actions of their employees, at a hearing held on March 5, 2015, the Court, further to a motion for plea bargaining filed by all defendants, handed down its decision accepting the agreement proposed by the parties.

Under the plea bargaining arrangement, the Judge cannot address the compensation claims put forth by the plaintiffs seeking damages and, consequently, the Court's decision does not set forth any ruling regarding damage compensation. Consequently, the Company filed a lawsuit before the Milan Civil Court seeking compensation from those plaintiffs who in the criminal proceedings received the stipulated sentence and against the companies of the Citibank Group who, in the same proceedings, were found to be civilly liable.

Ordinary Shareholders' Meeting

An Ordinary Shareholders' Meeting of Parmalat S.p.A., convened on a single calling, was held on April 16, 2015. The Shareholders' Meeting approved the financial statements for the 2014 financial year, which ended with a profit of 61.0 million euros (at the consolidated level, the profit attributable to the owners of the parent was 203.1 million euros) and agreed to distribute a dividend of 0.016 euros on each eligible common share. The dividend will payable as

of May 20, 2015, with May 18, 2015 as the coupon presentation date (to the shares registered in the books of accounts on May 19, 2015 – record date).

The Shareholders' Meeting approved a resolution to increase the number of Directors from 7 to 8 and elect a new Director, in the person of Yvon Guérin, currently the Company's General Manager, as recommended by the Board of Directors in its Explanatory Report to the Shareholders' Meeting. The purpose of this election is to enable the Board of Directors to appoint Mr. Guérin to the post of Chief Executive Officer, with the corresponding powers.

Mr. Guérin's term of office will end concurrently with the expiration of the mandate of the Board of Directors, i.e., with the Shareholders' Meeting convened to approve the financial statements at December 31, 2016.

Information about Mr. Guérin's personal and professional background is available on the Company website: http://www.parmalat.com/it/il_gruppo/management/.

The Board of Directors appoints a Chief Executive Officer

On April 16, 2015, the Board of Directors appointed the General Manager Yvon Guérin to the additional post of Chief Executive Officer, providing him with the powers necessary to exercise the functions of his office.

The Board of Directors, consistent with the recommendations of the relevant Committee, updated the materiality threshold for excluding from the ordinary course of business related-party transactions, as set forth in Article 8, Letter c), of the Procedure governing related-party transactions and the corresponding Policy. The abovementioned threshold was lowered from 30 million euros to 5 million euros.

Signing of a Loan Agreement with a Pool of Banks

On April 28, 2015, Parmalat S.p.A. signed a loan agreement for a 500-million-euro medium/long-term facility with a pool of banks that includes UniCredit S.p.A., Banca Nazionale del Lavoro S.p.A., Cariparma Crédit Agricole and Crédit Agricole Corporate and Investment Bank Milan branch in the capacity as Mandated Lead Arrangers. The UniCredit Group was named Agent Bank for the pool.

This credit line can be disbursed in response to one or multiple drawdown requests submitted within nine months from the agreement signing date. An initial drawdown of 150 million euros was carried out at the end of June 2015 in connection with the acquisition of the Brazilian company Elebat Alimentos S.A., completed on July 1, 2015. This credit line, which is unsecured, will expire in April 2020. The interest rate is indexed to the Euribor plus a spread in line with the best market conditions currently available. The credit line provides a reliable channel to access the liquidity necessary for the Group's operations and its continued growth.

Acquisition of a Group of Companies Operating in Mexico

On April 30, 2015, the Group virtually finalized the acquisition of a group of companies that operate mainly in Mexico, originally announced on January 28, 2015, against payment of a purchase price of USD 105 million, a portion of which was deposited in an escrow account.

LAG Acquisition

With regard to the LAG acquisition, as already mentioned at the Shareholders' Meeting held on April 16, 2015, the Board of Directors, working with the support of the Internal Control, Risk Management and Corporate Governance Committee, in view of the fact that the data reported by LAG show a negative variance, particularly in 2014, compared with the acquisition's business plan, is in the process of completing an assessment as to whether, based on the acquisition agreement, the necessary requirements are being met to activate the stipulated safeguards, also in terms of the warranty provided about the accuracy of information, including the forecast data supplied by the seller. In conducting the abovementioned assessment, the Board of Directors and the Committee relied on the support of two highly respected independent experts, Giorgio De Nova and Paolo Montalenti, each one of whom was required to provide a separate opinion about the abovementioned issues. The Board of Directors expects to complete later this year this assessment process, which, as necessary, will include the applicable procedures for related-party transactions.

Events Occurring After June 30, 2015

Closing of Acquisition in Brazil

On July 1, 2015, The acquisition of the dairy division of BRF S.A. (BRF), one of Brazil's top companies in the food sector, was completed on July 1, 2015, in implementation of an agreement executed on December 5, 2014. The transaction was carried out through the acquisition, by the subsidiary Lactalis do Brasil Ltda, of the entire share capital of Elebat Alimentos S.A. (Elebat), a company to which BRF conveyed all of its dairy business assets, comprised of 11 production facilities in Brazil and several brands, including Batavo, Elegé, Cotochés, Santa Rosa and DoBon. The pro forma revenue of BRF's dairy division totaled about 2.7 billion reais (about 865 million euros) in 2014 (2.6 billion reais in 2013). The price, stipulated by the parties in the amount of about USD 700 million, was paid in full on July 1, 2015 and will be subject to adjustments based on the level of Elebat's debt and working capital on the closing date. This acquisition was financed with internal resources and through the partial utilization of a medium/long-term financing facility obtained on April 28, 2015.

On July 2, 2015, through the payment to Carbey Luxembourg Sarl of the price of 45.0 million reais, Lactalis do Brasil Ltda acquired a 50% interest in Nutrifont Alimentos S.A., the remaining 50% being already held by the acquired company Elebat. With this acquisition, Parmalat's operations in Brazil now include 100-% ownership of a company specialized in the production of nutritional ingredients with a high value added.

Settlement reached with Standard & Poor's

On July 30, 2015, Parmalat S.p.A., Parmalat Finanziaria S.p.A. in extraordinary administration and Parmalat S.p.A. in extraordinary administration, party of the first part, and The McGraw-Hill Companies (Standard & Poor's Credit Market Services) S.r.l., McGraw-Hill (France) S.a.s. and Standard & Poor's Credit Market Services France S.a.s., party of the second part, permanently settled the action for damages pending before the Milan Court of Appeals, filed in 2005 by Enrico Bondi, Extraordinary Commissioner, seeking damages of more than 4 billion euros in connection with the rating assigned by Standard & Poor's to the old Parmalat Group before it became insolvent. Pursuant to this settlement, Standard & Poor's will pay to Parmalat the amount of 14.5 million euros in exchange for Parmalat desisting from the pursuit of the pending litigation and waiving any all further damage claims.

Business Outlook

In the first half of 2015, the global economy provided confirmation of moderate growth driven by the advanced economies, with a slowing of the emerging economies.

In addition, particularly starting in the second quarter, there was evidence of widespread decreases in the cost of raw milk, with a corresponding impact on sales prices of dairy products.

In this context the Group confirms its growth estimates, at constant scope of consolidation, consistent with its development targets for the second half of the year.

The recently acquired business activities in South America and Australia are feeling the impact of challenging conditions in the markets in which they operate. In addition, they are undergoing scheduled and complex reorganization processes that will continue in the second half of the year.

Guidance for 2015

For 2015, at constant exchange rates and scope of consolidation and excluding the effect of hyperinflation, the Parmalat Group confirms estimates of net revenue and EBITDA growing at a rate of about 3% to 5%.

The performance of the new companies acquired in the first half of 2015 and, specifically, the expectations for the dairy division of BRF in Brazil justify projections of further growth of about 8% for revenues and about 3% for EBITDA, basically in line with expectations. Specifically, these data are at lower end of the ranges of the guidance provided on earlier occasions, which projected gains between 8% and 10% for revenues and between 3% and 5% for EBITDA. This clarification is motivated by a better understanding of the challenges entailed by the abovementioned reorganization processes.

Disclaimer

This document contains forward looking statements, particularly in the section entitled "Business Outlook." Projections for the second half of 2015 are based, inter alia, on the Group's performance in the second quarter of 2015 and take into account trends in the months of July. 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.

Glossary

“Other assets”	This item includes other current assets.
“Other liabilities”	This item includes other current liabilities and income taxes payable.
“Net financial position”	This item consists of the gross financial debt less “Cash and cash equivalents” and “Other current financial assets.”
“Provisions for risks and charges”	This item also includes Deferred tax liabilities.
“Non-current financial assets”	This item includes equity investments and other non-current financial assets.
“Intangible assets”	This item includes assets listed in the Consolidated Statement of Financial Position under goodwill, trademarks with an indefinite useful life and other intangible assets.
“EBITDA”	EBITDA represents the difference between consolidated net revenue and operating expenses before non-monetary charges related to depreciation and amortization and impairment (net of any reversals) of non-current assets.
“EBIT”	EBIT is obtained by subtracting from EBITDA non-monetary charges related to depreciation and amortization and impairment (net of any reversals) of non-current assets and adding the net effect of “Other income and expense,” i.e., income and expense items that originate from transactions that do not recur frequently in the normal course of business, such as, for example, proceeds from actions to void and actions for damages, litigation-related legal expenses and any other non-recurring income and expense.

**Parmalat Group – Condensed
Consolidated Semiannual Financial
Statements at June 30, 2015**

Parmalat Group
Financial Statements at June 30, 2015

Consolidated Statement of Financial Position

Note ref.	(in millions of euros)	(*)	6/30/15	(*)	12/31/14
	NON-CURRENT ASSETS		2,549.6		2,234.0
(1)	Goodwill		628.3		491.9
(2)	Trademarks with an indefinite useful life		553.6		546.8
(3)	Other intangible assets		81.0		66.0
(4)	Property, plant and equipment		1,143.9		996.5
	Investments in associates		47.3		44.2
	Other non-current financial assets		15.8		15.7
	Deferred tax assets		79.7		72.9
	CURRENT ASSETS		2,526.9		2,408.5
(5)	Inventories		715.1		534.2
(6)	Trade receivables		524.8		487.0
	<i>amount from transactions with related parties</i>	11.9		8.6	
(7)	Other current assets		209.4		135.6
	<i>amount from transactions with related parties</i>	0.0		0.1	
(8)	Cash and cash equivalents		996.7		1,157.3
	Current financial assets		80.9		94.4
	Assets held for sale		12.7		12.5
	TOTAL ASSETS		5,089.2		4,655.0
	EQUITY		3,390.8		3,242.1
(9)	Share capital		1,835.1		1,831.1
(10)	Reserve for creditor challenges and claims of late-filing creditors convertible into share capital		52.9		53.2
	Other reserves and retained earnings:				
(11)	- Reserve for currency translation differences		(114.3)		(209.7)
	- Cash flow hedge reserve		35.2		(0.7)
(12)	- Miscellaneous reserves		1,521.8		1,342.8
(13)	Profit for the period		37.6		203.1
	Equity attributable to owners of the parent		3,368.3		3,219.8
(14)	Equity attributable to non-controlling interests		22.5		22.3
	NON-CURRENT LIABILITIES		771.7		552.7
(15)	Financial liabilities		284.6		92.9
	Deferred tax liabilities		220.2		211.1
	Provisions for employee benefits		119.8		110.4
(16)	Provisions for risks and charges		136.7		127.8
	Provision for contested preferential and pre deduction claims		10.4		10.5
	CURRENT LIABILITIES		926.7		860.2
(15)	Short-term borrowings		62.1		39.7
	<i>amount from transactions with related parties</i>	0.0		0.5	
(17)	Trade payables		677.3		642.5
	<i>amount from transactions with related parties</i>	30.0		24.7	
(18)	Other current liabilities		171.0		137.0
(19)	Income taxes payable		16.3		41.0
	Liabilities directly attributable to assets held for sale		0.0		0.0
	TOTAL LIABILITIES AND EQUITY		5,089.2		4,655.0

(*) A breakdown of the items in Italics is provided in the section of this Report entitled "Intercompany and Related Party Transactions."

Consolidated Income Statement

Note ref.	(in millions of euros)	(*)	First half 2015	(*)	First half 2014
(20)	REVENUE		2,980.3		2,635.3
	Net revenue		2,962.6		2,617.9
	<i>amount from transactions with related parties</i>	25.1		27.5	
	Other revenue		17.7		17.4
	<i>amount from transactions with related parties</i>	2.5		1.0	
(21)	Cost of sales		(2,438.1)		(2,101.1)
	<i>amount from transactions with related parties</i>	(47.0)		(37.0)	
(21)	Distribution costs		(243.4)		(213.3)
	<i>amount from transactions with related parties</i>	(12.4)		(9.6)	
(21)	Administrative expenses		(204.9)		(198.8)
	<i>amount from transactions with related parties</i>	(4.9)		(3.0)	
	Other income and expense:				
(22)	- Litigation-related legal expenses		(1.7)		(1.7)
(23)	- Miscellaneous income and expense		(4.8)		12.3
	EBIT		87.4		132.7
	Financial income		16.6		17.6
	Financial expense		(26.6)		(17.7)
(24)	Net financial expense		(10.0)		(0.1)
	Other income from (expense for) equity investments		(0.4)		0.0
	PROFIT BEFORE TAXES		77.0		132.6
(25)	Income taxes		(38.5)		(42.6)
	PROFIT FOR THE PERIOD		38.5		90.0
	(Profit)/Loss attributable to non-controlling interest		(0.9)		(1.1)
	Profit/(Loss) attributable to owners of the parent		37.6		88.9
Continuing Operations:					
	Basic earnings per share (in euros)		0.0205		0.0487
	Diluted earnings per share (in euros)		0.0203		0.0482

(*) A breakdown of the items in Italics is provided in the section of this Report entitled "Intercompany and Related Party Transactions."

Consolidated Statement of Comprehensive Income

Note ref. (in millions of euros)	First half 2015	First half 2014
Profit for the period (A)	38.5	90.0
Other comprehensive gains/(losses) that will not be later reclassified into profit/(loss) for the period:		
Remeasuring of defined-benefit plans net of tax effect	2.6	1.8
Total other comprehensive gains/(losses) that will not be later reclassified into profit/(loss) for the period net of tax effect (B1)	2.6	1.8
Other comprehensive gains/(losses) that will be later reclassified into profit/(loss) for the period:		
Change in fair value of derivatives (<i>cash flow hedge</i>), net of tax effect	35.9	-
Change in fair value of available-for-sale securities, net of tax effect	3.0	-
Difference on translation of financial statements in foreign currencies	95.9	(11.6)
Total other comprehensive gains/(losses) that will be later reclassified into profit/(loss) for the period net of tax effect (B2)	134.8	(11.6)
Total other components of the comprehensive income statement, net of tax effect (B)=(B1)+(B2)	137.4	(9.8)
Total comprehensive net profit/(loss) for the period (A) + (B)	175.9	80.2
Total comprehensive net profit/(loss) for the period attributable to:		
(Profit)/Loss attributable to non-controlling interests	(1.4)	(0.2)
Profit/(Loss) attributable to owners of the parent	174.5	80.0

Consolidated Statement of Cash Flows

Note ref.	(in millions of euros)	First half 2015	First half 2014
OPERATING ACTIVITIES FOR THE PERIOD			
	Profit from operating activities	38.5	90.0
(26)	Depreciation, amortization and impairment losses on non-current assets	75.5	62.3
	Additions to provisions	90.3	85.5
	Interest and other financial expense	5.9	5.5
	Non-cash (income) expense items	49.5	(3.3)
	(Gains) Losses on divestments	(0.7)	(1.1)
(23)	Proceeds from actions to void and actions for damages	(7.3)	(17.1)
(22)	Litigation-related legal expenses	1.7	1.7
	Cash flow from operating activities before change in working capital	253.4	223.5
<i>Change in net working capital and provisions:</i>			
	Operating working capital	(144.2)	(89.2)
	Payments of income taxes on operating results	(77.6)	(10.7)
	Other assets/Other liabilities and provisions	(60.5)	(16.2)
	Total change in net working capital and provisions	(282.3)	(116.1)
	CASH FLOW FROM OPERATING ACTIVITIES FOR THE PERIOD	(28.9)	107.4
	<i>amount from transactions with related parties</i>	<i>(35.0)</i>	<i>(27.4)</i>
INVESTING ACTIVITIES			
	Investments:		
(3)	- Intangible assets	(1.9)	(1.4)
(4)	- Property, plant and equipment	(58.9)	(63.1)
	- Non-current financial assets	(1.8)	(0.2)
	- Investments in Other current financial assets maturing in more than 3 months from the date of purchase	19.4	22.2
	- Consideration paid to acquire a controlling interest net of acquired cash ¹	(207.8)	(74.9)
	Divestments and sundry items	3.5	2.2
	CASH FLOW FROM INVESTING ACTIVITIES	(247.5)	(115.2)
	<i>amount from transactions with related parties</i>	<i>(0.0)</i>	<i>(1.2)</i>
	PROCEEDS FROM SETTLEMENTS	7.4	17.1
	LITIGATION-RELATED LEGAL EXPENSES	(2.3)	(3.9)
FINANCING ACTIVITIES			
(15)	New loans and finance leases	164.5	6.0
(15)	Repayment of principal and accrued interest of loans and finance leases	(37.2)	(27.9)
	Dividends paid	(30.2)	(53.5)
	Exercise of warrants	3.5	3.7
	CASH FLOW FROM FINANCING ACTIVITIES	100.6	(71.7)
	<i>amount from transactions with related parties</i>	<i>(25.6)</i>	<i>(44.6)</i>
	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM JANUARY 1 TO JUNE 30	(170.7)	(66.3)
(8)	CASH AND CASH EQUIVALENTS AT JANUARY 1	1.157.3	940.3
	Increase (Decrease) in cash and cash equivalents from January 1 to June 30	(170.7)	(66.3)
	Net impact of the translation of cash and cash equivalents denominated in foreign currencies	10.1	(11.9)
(8)	CASH AND CASH EQUIVALENTS AT JUNE 30	996.7	862.1

¹ See the "Business Combinations" section for additional information.

Loan interest income amounted to 4.0 million euros in the first half of 2015 (6.3 million euros in the first half of 2014).

Loan interest expense amounted to 4.7 million euros in the first half of 2015 (4.1 million euros in the first half of 2014).

Changes in Consolidated Shareholders' Equity

(in millions of euros)

	Share capital ¹	Reserve convertible into share capital ²	Other reserves and retained earnings						Profit (Loss) for the period	Equity attributable to owners of parent	Equity attrib. to non-controlling interests	Total equity
			Statutory reserve	Res. for divid. to challenges and condit. claims	Reserve for translation differences	Cash flow hedge reserve	Reserve for remeasuring of defined-benefit plans	Sundry reserves ³				
Balance at January 1, 2014	1,823.4	53.2	99.6	26.7	(211.9)	-	(29.4)	1,083.6	221.0	3,066.2	24.3	3,090.5
Profit for the period									88.9	88.9	1.1	90.0
Difference from the translation of financial statements in foreign currencies					(10.7)					(10.7)	(0.9)	(11.6)
Change in fair value of derivatives												
Remeasuring of defined-benefit plans							1.8			1.8	-	1.8
Comprehensive profit for the period	-	-	-	-	(10.7)	-	1.8	-	88.9	80.0	0.2	80.2
Share capital incr. from convertible reserve	0.7							(0.7)		-	-	-
Exercise of warrants	3.7									3.7	-	3.7
Appropriation of the 2013 result			5.5					162.6	(168.1)	-	-	-
2013 dividend (for Parmalat S.p.A., 0.029 euros per share)									(52.9)	(52.9)	(1.1)	(54.0)
Dividend to opposing shareholders with awarded shares				(0.2)						(0.2)	-	(0.2)
Purchase of non-controlling interests								0.5		0.5	(0.5)	-
Balance at June 30, 2014	1,827.8	53.2	105.1	26.5	(222.6)	-	(27.6)	1,246.0	88.9	3,097.3	22.9	3,120.2
Balance at January 1, 2015	1,831.1	53.2	105.1	26.5	(209.7)	(0.7)	(45.7)	1,256.9	203.1	3,219.8	22.3	3,242.1
Profit for the period									37.6	37.6	0.9	38.5
Difference from the translation of financial statements in foreign currencies					95.4					95.4	0.5	95.9
Remeasuring of defined-benefit plans							2.6			2.6	-	2.6
Change in fair value of derivatives						35.9				35.9	-	35.9
Change in fair value of available-for-sale securities								3.0		3.0	-	3.0
Comprehensive profit for the period	-	-	-	-	95.4	35.9	2.6	3.0	37.6	174.5	1.4	175.9
Share capital incr. from convertible reserve	0.5	(0.3)						(0.2)		-	-	-
Exercise of warrants	3.5									3.5	-	3.5
Appropriation of the 2014 result			3.0					170.8	(173.8)	-	-	-
2014 dividend (for Parmalat S.p.A., 0.016 euros per share)									(29.3)	(29.3)	(1.2)	(30.5)
Dividend to opposing shareholders with awarded shares				(0.2)						(0.2)	-	(0.2)
Balance at June 30, 2015	1,835.1	52.9	108.1	26.3	(114.3)	35.2	(43.1)	1,430.5	37.6	3,368.3	22.5	3,390.8

¹ The share capital includes 2,049,096 treasury shares acquired free of charge and belonging to creditors who failed to claim them. Pursuant to Article 9.4 of the Composition with Creditors, these share are now the property of Parmalat S.p.A.

² For creditors challenging exclusions and late-filing creditors.

³ Limited to 25,139,000 euros, this reserve can be used to satisfy claims of late filing creditors and contested claims, if and when such claims are verified.

Notes to the Condensed Consolidated Semiannual Financial Statements

Foreword

The registered office of Parmalat S.p.A. is located in Italy, at 4 Via delle Nazioni Unite, in Collecchio (province of Parma). Its shares are traded on the Online Stock Market operated by Borsa Italiana. Parmalat S.p.A. is controlled by Sofil S.a.s., a French company that, on the date this Semiannual Financial Report was approved, owned 86.3% of Parmalat's share capital.

Parmalat S.p.A. is subject to guidance and coordination by B.S.A. S.A. Transaction with B.S.A. S.A. and other companies subject to the same guidance and coordination activities constitute related-party transactions and are discussed in the Note entitled "Related-party Transactions."

Parmalat S.p.A. and its subsidiaries are organized into a food industry group that pursues a multinational strategy. The Group operates in 25 countries worldwide divided into five geographic regions: Europe, North America, Latin America, Africa and Australia. The Group has an extensive and well-structured product portfolio organized into three segments: *Milk* (UHT, pasteurized, condensed, powdered and flavored milk; cream and béchamel), *Cheese and Other Fresh Products* (yogurt, cheese, fermented milk, desserts and butter) and *Fruit Beverages* (fruit juices, nectars and teas).

The Group is a world leader in the UHT milk and pasteurized milk market segments and has attained a competitive position in the rapidly growing market for fruit beverages. The Group benefits from strong brand awareness. The products in its portfolio are sold under global brands (Parmalat and Santal), international brands (Zymil, Vaalia, Fibresse and Omega3) and a number of strong local brands.

Parmalat is a company with a strong innovative tradition: the Group has been able to develop leading-edge technologies in the leading segments of the food market, including UHT milk, ESL (extended shelf life) milk, conventional types of milk, functional fruit juices (fortified with wellness supplements) and cream-based white sauces.

These condensed consolidated semiannual financial statements at June 30, 2015 are denominated in euros, which is the presentation currency of Parmalat S.p.A., the Group's Parent Company. They consist of a consolidate statement of financial position, an income statement, a statement of comprehensive income, a statement of cash flows, a statement of changes in shareholders' equity and the accompanying notes. All of the amounts listed in these notes are in millions of euros, except as noted.

The income statement data for the six months ended June 30, 2015 are compared with the data for the six months ended June 30, 2014, while statement of financial position data at June 30, 2015 are compared with the data at December 31, 2014.

The presentation format used for the consolidate statement of financial position, the income statement, the statement of comprehensive income, the statement of cash flows and the statement of changes in shareholders' equity is consistent with the format used in the annual financial statements.

The condensed consolidated semiannual financial statements at June 30, 2015 were the subject of a limited audit by KPMG S.p.A. in accordance with the assignment it received for the 2014-2022 period, pursuant to a resolution approved by the Shareholders' Meeting on April 22, 2013. A limited audit entails a significantly smaller scope of auditing work than a full audit performed in accordance with statutory auditing principles.

The publication of these condensed consolidated semiannual financial statements at June 30, 2015 was authorized by the Board of Directors on July 30, 2015.

Principles for the Preparation of the Condensed Consolidated Semiannual Financial Statements

The condensed consolidated semiannual financial statements at June 30, 2015 of the Parmalat Group were prepared in accordance with the provisions of Article 154-ter “*Financial Reporting*” of the Uniform Financial Code introduced with Legislative Decree No. 195 of November 6, 2007, by which the Italian legislature implemented Directive 2004/109/CE (so-called *Transparency Directive*) on regular financial reporting.

The condensed consolidated semiannual financial statements, prepared in accordance with IAS 34 – *Interim Financial Reporting*, do not contain all of the information and disclosures required for the annual financial statements and, consequently, should be read in conjunction with the consolidated financial statements at December 31, 2014.

These condensed consolidated semiannual financial statements were prepared based on the going concern assumption, as the Directors determined that there were no financial, operational or other indicators suggesting difficulties about the Group’s ability to meet its obligations in the near future and specifically over the next 12 months.

These condensed consolidated semiannual financial statements were prepared in accordance with the same consolidation principles and valuation criteria applied to prepare the consolidated financial statements at December 31, 2014, which should be read for additional information, and with new IFRS pronouncements in effect as of January 1, 2015, which are reviewed below.

The following recently published accounting principles, amendments and interpretations went into effect on January 1, 2015, as adopted by the European Commission:

Amendments to IAS 19 – Defined-Benefit Plans: Employee Contributions (applicable to accounting periods beginning on or after July 1, 2014). These amendments simplify the accounting treatment of contributions to defined-benefit plans by employees or third parties in specific cases. These amendments are effective retroactively for annual periods beginning on or after July 1, 2014. As of the date of this Semiannual Financial Report, the adoption of these amendments had no impact on the Group.

Amendments to IFRSs – Annual Improvements to IFRSs 2010-2012 Cycle and IFRSs 2011-2013 Cycle (applicable to accounting periods beginning on or after July 1, 2014). The main issues addressed by these amendments include: the definition of vesting conditions in *IFRS 2 – Share Based Payments*, the disclosure about the estimates and judgment decisions used to aggregate operating segments in *IFRS 8 – Operating Segments*, the identification and disclosure of the related-party transaction that arises when a service company provides the service of managing executives with strategic responsibilities to the company that prepares the financial statements in *IAS 24 – Related-Party Disclosures*, the exclusion from the implementation of *IFRS 3 – Business Combinations* of all types of joint arrangements, and some clarifications regarding exceptions to the adoption of *IFRS 13 – Fair Value Measurement*. As of the date of this Semiannual Financial Report, the adoption of these amendments had no impact on the Group.

When preparing the condensed consolidated semiannual financial statements, Directors apply accounting principles and methods that, in some cases, are based on complex and subjective valuations and estimates that are based on historical data and assumptions that, in each individual case, are deemed to be reasonable and realistic in light of the relevant circumstances. The use of these estimates and assumptions has an impact on the amounts reported in the financial statement schedules and in additional disclosures. The amounts shown for those components of the financial statements for which the abovementioned estimates and assumptions were used could differ from the amounts actually realized, due to the uncertainty that characterizes all assumptions and the conditions upon which the estimates were based. Estimates and assumptions are revised on a regular basis and the impact of any resulting change is recognized in the period when a revision of estimates occurred, if the revision affects only the current period, and is also applied to future periods, when the revision has an impact both on the current period and on future periods. The financial statement items that require the most use of subjective judgment by Directors in developing estimates and with respect to which a change in the underlying assumptions used could have a material impact on the condensed consolidated semiannual financial statements are those concerning goodwill, trademarks with an indefinite useful life, depreciation and amortization of non-current assets, current and deferred taxes, the allowance for doubtful accounts, the provisions for risks and charges (specifically with regard to pending litigation), the provisions for employee benefits, the reserves for creditor challenges and claims of late-filing creditors and business combinations. Information about the main assumptions and the sources used to develop estimates is provided in the relevant notes to the consolidated financial statements at December 31, 2014.

A complete determination as to whether the value of non-current assets has been impaired is carried out only in connection with the preparation of the annual financial statements, when all necessary information is available, except in cases when impairment indicators that require an immediate assessment of any impairment losses are detected.

The income tax liability is recognized based on the best estimate of the tax rate projected for the entire year.

Seasonality of the Group's Businesses

Sales of some Group products are more seasonal than the rest of the product line, due to different buying habits and consumption patterns. However, the geographic diversification of the Group's sales significantly reduces the impact of seasonal factors.

Scope of Consolidation

The condensed consolidated semiannual financial statements at June 30, 2015 include the financial statements of all subsidiaries from the date when control is acquired until the moment when control ceases to exist.

The accounting data of all subsidiaries, used to prepare the condensed consolidated semiannual financial statements have the same closing date as that of the Parent Company.

Control exists when the Group simultaneously has decision-making power over the investee company, has title to the variable results (positive or negative) and can use its decision-making power to determine the amount of the results stemming from its investment in the entity.

The existence of control is verified whenever facts or circumstances show that a change occurred in one or more of the three qualifying elements of control.

Please note that the requirements for determining control are currently still being met with regard to the Centrale del Latte di Roma subsidiary pending a final resolution of the judicial dispute discussed in detail in the section of this Report entitled *"Legal Disputes and Contingent Liabilities at June 30, 2015."* The Group views this subsidiary as strategically significant and intends to retain this investment.

The main changes to the scope of consolidation that occurred in the first half of 2015 compared with December 31, 2014 are the result of the following acquisitions:

- Acquisition of business operations engaged in the production, marketing and distribution of dairy products from Consorzio Cooperativo Latterie Friulane S.C.A.

These business operation were consolidated as of January 1, 2015, which is the date when the Group effectively obtained control of them.

- Acquisition of some production units, including trademarks, staff and administrative offices, of Lácteos Brasil S.A. – Em Recuperação Judicial, a Brazilian company in composition with creditors proceedings pursuant to Brazilian law.

In order to assist in the resumption of business activities, the Group took over management of these production units from November 1, 2014 until January 8, 2015, which is the date when the acquisition closed, upon completion of certain procedures subject of contractually stipulated conditions precedent.

- Acquisition from a third party of Longwarry Food Park Pty Ltd ("Longwarry"), an Australian company based in the State of Victoria specialized in the production of milk (powdered, fresh and UHT) and spreadable cheese.

This company was consolidated as of January 30, 2015, which is the date when the Group effectively obtained control of this company.

- Acquisition from a third party of a group of companies operating mainly in Mexico specialized in the production and distribution of cheese.

This group of companies was consolidated as of April 30, 2015, which is the date when the Group effectively obtained control of the companies.

With regard to these acquisitions, the Group will proceed with the determination of the fair value of the acquired assets and assumed liabilities and of the contingent liabilities within the deadline required by IFRS 3.

The difference between the price paid and the fair value of the net acquired assets was recognized on a preliminary basis as goodwill.

Venezuela

The income statement and statement of financial position data of the Venezuelan subsidiaries, when stated in the local currency, are affected by a rate of inflation that, over the past three years, exceeded the cumulative threshold of 100%, which triggered the adoption of the adjustments required by IAS 29 – Financial Reporting in Hyperinflationary Economies. According to this principle, the financial statements of an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current on the date of the financial statements. All statement of financial position amounts that are not stated in terms of the measuring unit current on the date of the financial statements must be restated by applying a general price index. All income statement components must be stated in terms of the measuring unit current on the date of the financial statements, applying the change in the general price index that occurred since the date when revenue and expense were originally recognized in the financial statements.

Until December 31, 2014, the restatement of the financial statement amounts not stated in terms of the current unit of measure was carried out using the national consumer price index (INPC) published by the Venezuelan Central Bank (“VCB”). Starting on January 1, 2015, the VCB stopped publishing this index. As a result, the available information is characterized by the presence of a significant plurality and variability of estimates as to the country’s inflation index developed by different market operators. Consequently, as of the closing date of this Semiannual Financial report, the Venezuela subsidiaries estimated the country’s inflation index using as a reference highly reputable international studies that used the same basket of goods as the one used in previous years by the VCB to compute the INPC. At the end of the reporting period, the inflation index was 1,287.1 (639.7 at June 2014) with a change of 101.2% compared with the same period the previous year; the change in the index compared with December 31, 2014 was 54.7% (28.4% the change in the first half of 2014). The negative effect of hyperinflation of EBITDA and EBIT compared with June 2014, was 19.3 million euros and 25 million euros, respectively.

On February 10, 2015, the Venezuelan authorities announced the following changes to the foreign exchange system:

- the official exchange rate of 6.30 VEF/USD is maintained and will continue to be available for basic necessities, including dairy products;
- the two existing *SICAD* and *SICAD II* auction systems were combined into a single *SICAD* system still based on auctions held by the central bank. The first *SICAD* auction was held on June 15, 2015. The press release published at the end of the auction set an exchange rate of 12.80 VEF/USD, in effect as of June 23;
- a *Sistema Marginal de Divisas* (also called *SIMADI*) was introduced, in which individuals and companies can exchange foreign currency through about 3,800 locations that act as intermediaries between buyers and seller of foreign currency. *SIMADI* became operational on February 12, 2015, with an exchange rate of 170 VEF/USD. At June 30, 2015, this exchange rate was 197 VEF/USD.

As of the date of this Semiannual Financial Report, 96.0% of the foreign currency transactions were being executed through the two “managed systems” (official rate and *SICAD* rate) with the remaining 4% executed through *SIMADI*.

The Venezuelan subsidiaries, while continuing to have access to foreign currency at the official rate, during the first half of 2015, also purchased about 172,000 dollars through the *SIMADI* auctions. The exchange rate paid in this case, while less favorable, made it possible to obtain more quickly the foreign currency needed to settle certain transactions with commercial counterparties.

Despite this situation of uncertainty, it was deemed appropriate to translate the statement of financial position and income statement balances of the Venezuelan subsidiaries at the SICAD rate, because, thus far, it is still thought to be representative of operating conditions during the reporting period.

At June 30, 2015, this rate was the exchange rate applicable to future dividend payments and repatriation of capital.

A change in the exchange rate from the SICAD (12.80 VEF/USD) to SIMADI (197 VEF/USD) would have caused, at June 30, the contribution of the Venezuelan subsidiaries to the consolidated shareholders' equity at June 30, 2015 to decrease by 196 million euros, while the negative impact on net revenue and EBITDA would have amounted to 331 million euros and 9.1 million euros, respectively.

It is possible that significant changes in exchange rates and in the exchange rate system, and other related developments affecting Venezuela, could have an additional impact on the future activities of the subsidiaries, with an impact also on Parmalat's consolidated financial statements.

Business Combinations

2015

Italy: Latterie Friulane

On December 30, 2014, with effect as of January 1, 2015, Parmalat purchased from Consorzio Cooperativo Latterie Friulane S.C.A. (Latterie Friulane) business operations encompassing the activities engaged in the production, marketing and distribution of milk and dairy products.

This transaction was completed with the transfer of a net capital of about 5.75 million euros and the assumption of bank debt of equal amount.

With regard to the business combination requirements, the Group will determine the fair value of the acquired assets and assumed liabilities and of the contingent liabilities within the deadline required by IFRS 3.

Since the date of acquisition, these business operations contributed 12.7 million euros to consolidated net revenue, a negative 0.1 million euros to EBITDA and a negative 0.5 million euros to the consolidated profit for the period.

Brazil: LBR's Assets

On January 8, 2015, upon completion of the procedures required to fulfill certain contractually stipulated conditions precedent, title to some production units, complete with the respective trademarks, personnel and administrative offices, of Lácteos Brasil S.A. – Em Recuperação Judicial (LBR) was transferred to Lactalis do Brasil against payment of a price of about 255 million reais (equal to 75.9 million euros). On the same date, the existing contract licensing the Parmalat trademark to LBR was cancelled. Please note that the Group had taken over management of these activities on November 1, 2014.

Acquisition costs totaling 0.9 million euros were classified under “Other income and expense” in the consolidated income statement for the first half of 2015.

With regard to the business combination requirements, the Group will determine the fair value of the acquired assets and assumed liabilities and of the contingent liabilities within the deadline required by IFRS 3.

As required by IFRS 3, the difference between the price paid and the provisional fair value of the net acquired assets, amounting to 15.8 million euros, was allocated to goodwill on a preliminary basis.

Since the date of acquisition, the acquired assets contributed 64.6 million euros to consolidated net revenue, a negative 5.7 million euros to EBITDA and a negative 9.6 million euros to the consolidated profit for the period.

Australia: Longwarry

On January 30, 2015, having received the approval of FIRB (Foreign Investment Review Board), the Group, acting through its Parmalat Australia Pty Ltd subsidiary, closed the acquisition of Longwarry Food Park Pty Ltd and its subsidiaries. This Australian Group is an established player in the fresh and basic dairy product sector.

With this transaction, the Group further strengthened its position in the Australian market expanding its local production capacity, entered the powdered milk market and consolidated its supply base. In addition, it bolstered the export potential of Parmalat Australia.

Longwarry owns a production facility and has about 50 employees.

This acquisition required a total cash outlay of 70 million Australian dollars (49.7 million euros) counting both the price paid for the entire share capital (amounting to 36.4 million euros) and 13.3 million euros in assumed debt. This acquisition was funded entirely with the Group's internal resources.

Acquisition costs totaling 0.6 million euros were classified under “Other income and expense” in the consolidated income statement for the first half of 2015. These costs include 0.3 million euros paid for stamp duty.

With regard to the business combination requirements, the Group will determine the fair value of the acquired assets and assumed liabilities and of the contingent liabilities within the deadline required by IFRS 3.

As required by IFRS 3, the difference between the price paid and the provisional fair value of the net acquired assets, amounting to 27.9 million euros, was allocated to goodwill on a preliminary basis.

Since the date of acquisition, this company contributed 16.4 million euros to consolidated net revenue, a negative 3.4 million euros to EBITDA and a negative 3.1 million euros to the consolidated profit for the period.

Mexico: Acquisition of a Group of Companies

On April 30, 2015, the Group, acting through Lactalis Alimentos Mexico S. de R.L., Parmalat Belgium SA and Dalmata S.p.A. for a minor interest, finalized the acquisition of a group of companies that operate mainly in Mexico (Esmeralda Group), against payment of a purchase price of USD 105 million (equal to 89.4 million euros), a portion of which was deposited in an escrow account.

With this transaction, the Parmalat Group acquired businesses engaged in the production and distribution of cheese that occupy leadership positions in the Mexican market in the categories in which they operate.

The acquired assets include four production facilities located in Mexico, Uruguay and Argentina.

Acquisition costs totaling 1.6 million euros were classified under “Other income and expense” in the consolidated income statement for the first half of 2015.

With regard to the business combination requirements, the Group will determine the fair value of the acquired assets and assumed liabilities and of the contingent liabilities within the deadline required by IFRS 3.

As required by IFRS 3, the difference between the price paid and the provisional fair value of the net acquired assets, amounting to 90.0 million euros, was allocated to goodwill on a preliminary basis.

Since the date of acquisition, this company contributed 27.3 million euros to consolidated net revenue, a negative 0.5 million euros to EBITDA and a negative 2.0 million euros to the consolidated profit for the period.

The table below lists the provisional fair value of the assets and liabilities of the various companies on the acquisition date or their carrying value, when a provisional fair value was not available:

(in millions of euros)	LATTERIE FRIULANE Provisional fair value of the acquired assets and liabilities	LONGWARRY Provisional fair value of the acquired assets and liabilities	LBR Provisional fair value of the acquired assets and liabilities	ESMERALDA Carrying value of the acquired assets and liabilities
Other intangible assets	1.1	0.3	17.2	
Property, plant and equipment	15.0	19.4	47.5	23.5
Other non-current financial assets	0.1			0.7
Deferred tax assets	-	0.7		3.2
Inventories	2.0	4.7		25.5
Trade receivables	5.4	5.5		10.2
Other current assets	0.1	0.5		13.8
Cash and cash equivalents	-	0.4		7.8
Total acquired assets	23.7	31.5	64.7	84.7
Deferred tax liabilities	-	0.8		
Financial liabilities	6.0	13.2		47.7
Provision for employee benefits	2.9			3.1
Provisions for risks and charges	3.9			0.1
Trade payables	5.2	5.9	4.6	27.6
Other current liabilities	1.4	1.8		6.6
Deferred tax liabilities	-	1.3		0.2
Total acquired liabilities	19.4	23.0	4.6	85.3
Total acquired equity	4.3	8.5	60.1	(0.6)
Equity attributable to non-controlling interests	-	-		
Recognized goodwill	-	27.9	15.8	90.0
Projected costs for the reorganization of the acquired assets	(4.3)	-		
Price paid	-	36.4	75.9	89.4

The recognized goodwill, while determined on a provisional basis, is not expected to be tax deductible.

Pending a final allocation of the price paid for the acquisitions, the Group is restructuring the poorly performing business operations (Latterie Friulane and LBR), in order to bring them to levels of profitability consistent with its standards, and is addressing the business context challenges (in the case of Longwarry and Esmeralda) described in the Interim Report on Operations, which created unfavorable business conditions with a negative impact on the results for the first half of 2015.

Seller's Guarantees

With regard to the abovementioned acquisitions, as is the case for those completed in previous years and mentioned in the corresponding reports and financial statements, the Group monitors each year the respective contractual guarantees, to determine whether the indemnification procedures provided should be activated.

With regard to the LAG acquisition, as already mentioned at the Shareholders' Meeting held on April 16, 2015, the Board of Directors, working with the support of the Internal Control, Risk Management and Corporate Governance Committee, in view of the fact that the data reported by LAG show a negative variance, particularly in 2014, compared with the acquisition's business plan, is in the process of completing an assessment as to whether, based on the acquisition agreement, the necessary requirements are being met to activate the stipulated safeguards, also in terms of the warranty provided about the accuracy of information, including the forecast data supplied by the seller. In conducting the abovementioned assessment, the Board of Directors and the Committee relied on the support of two highly respected independent experts, Giorgio De Nova and Paolo Montalenti, each one of whom was required to provide a separate opinion about the abovementioned issues. The Board of Directors expects to complete later this year this assessment process, which, as necessary, will include the applicable procedures for related-party transactions.

Related-party Transactions

Intercompany and related-party transactions occurred in the first half of 2015 were carried out by the Group companies in the normal course of business therefore they were neither atypical nor unusual. These transactions were settled on market terms, i.e., on the terms that would have been applied between two independent parties. Currently, the Group executes transactions with some subsidiaries of the Lactalis Group. These transactions are related to sale and procurement of raw materials and finished goods, provision of services, invoicing for seconded personnel and use of commercial licenses.

Starting in 2012, the companies of the Lactalis Group and the Parmalat Group launched a strategy of collaboration with the aim of seizing market opportunities and achieving cost savings through operational and industrial synergies, without affecting the individuality, structure and scope of the individual companies.

A breakdown of receivables and payables by type is provided below:

(in millions of euros)		6/30/15					
Company	Country	Trade receivables	Financial receivables	Other receivables	Trade payables	Financial payables	Other payables
B.S.A. S.A	France				0.8		
Celia Etablissement Siège	France	0.1					
Egidio Galbani S.p.A.	Italy	1.4			4.5		
Groupe Lactalis Etablissement Siège	France				0.1		
Grupo Lactalis Iberia S.A	Spain				0.1		
Italatte S.p.A.	Italy				0.9		
KIM d.o.o.	Croatia				0.1		
L.A. Management S.n.c.	France				0.2		
L.C.H.F. S.n.c.	France	0.1					
L.G.P.O. S.n.c.	France	0.1			0.8		
L.M.P. Management S.n.c	France				0.3		
L.N.U.F. Laval S.n.c.	France				0.5		
L.P.L.V. ACE	France				0.3		
L.R.D. S.n.c.	France				0.1		
Lactalis Europe S.n.c.	France				0.3		
Lactalis Forlasa S.L.	Spain				0.3		
Lactalis Gestion International S.n.c.	France				0.2		
Lactalis Informatique S.n.c.	France				0.1		
Lactalis Ingrédients S.n.c.	France	4.4			0.4		
Lactalis International S.n.c.	France	2.7			0.8		
Lactalis Investissements S.n.c.	France	0.1					
Lactalis Jindi Pty Ltd	Australia	0.6					
Lactalis Logistique S.n.c.	France				0.2		
Lactalis Management S.n.c.	France				1.2		
Lactalis McLelland Limited	UK				0.7		
Lactalis Nutrition Santé S.a.s.	France				0.1		
Lactalis Österreich GMBH	Austria				0.1		
Lactalis Puleva S.L.U.	Spain				0.3		
Lemnos Foods Pty Ltd	Australia	2.1					
Les Distributeurs Associes S.n.c.	France				7.1		
Marcillat Corcieux S.n.c.	France				0.4		
Société Beurriere de Retiers S.n.c.	France				0.2		
Société Beurriere d'Isigny S.n.c.	France				0.2		
Société des Caves S.a.s.	France	0.3			7.2		
Société Fromagère de Bouvron S.n.c.	France				0.1		
Société Fromagère de Charchigne S.n.c.	France				0.4		
Société Fromagère de Domfront S.n.c.	France				0.1		
Société Fromagère de Lons Le Saunier S.n.c.	France				0.1		
Société Fromagère de Retiers S.n.c.	France				0.1		
Société Fromagère de Riblaire S.n.c.	France				0.1		
Société Fromagère de Vercel S.n.c.	France				0.1		
Société Fromagère de Vitré S.n.c	France				0.5		
Total		11.9	-	-	30.0	-	-

(in millions of euros)

12/31/14

Company	Country	Trade receivables	Financial receivables	Other receivables	Trade payables	Financial payables	Other payables
B.S.A. S.A.	France				0.6		
B.S.A. Finances S.n.c.	France					0.3	
BPA Italia Srl	Italy				0.1		
Celia Etablissement Siège	France	0.1					
Egidio Galbani S.p.A.	Italy	1.5			5.1		
Gruppo Lactalis Iberia S.A.	Spain				1.0		
Italatte S.p.A.	Italy				2.5		
KIM d.o.o.	Croatia				0.2		
L.A. Management S.n.c.	France				0.2		
L.G.P.O. S.n.c.	France	0.1			0.6		
L.J.S. - Ljubljanske Mlekarnе d.d.	Slovenia				0.1		
L.M.P. Management S.n.c.	France				0.2		
L.N.U.F. Laval S.n.c.	France				0.4		
L.P.L.V. ACE	Portugal			0.1	0.4		
L.R.D. S.n.c.	France				0.1		
Lactalis CZ S.r.o.	Czech Republic				0.1		
Lactalis Europe S.n.c.	France				0.1		
Lactalis Forlasa S.L.	France				0.2		
Lactalis Gestion International S.n.c.	France				0.2		
Lactalis Informatique S.n.c.	France				0.2		
Lactalis Ingrédients S.n.c.	France	3.3					
Lactalis International S.n.c.	France	0.9			0.2		
Lactalis Investissements Etablissement SONOVI	France				0.1		
Lactalis Jindi PTY LTD	Australia	0.6			0.1		
Lactalis Logistique S.n.c.	France				0.2		
Lactalis Management S.n.c.	France				1.0		
Lactalis McLelland Limited	UK				1.2		
Lactalis Nutrition Santé S.a.s.	France				0.1		
Lactalis Österreich GMBH	Austria				0.1		
Lactalis Portugal Produtos Lacteos Ida	Portugal	0.5					
Lactalis Romania Srl	Romania	0.1					
Lemnos Foods Pty Ltd	Australia	1.4					
Les Distributeurs Associes S.a.s.	France	0.1			1.0		
Les Distributeurs Associes S.n.c.	France				5.0		
Marcillat Corcieux S.n.c.	France				0.4		
Société Beurriere d'Isigny S.n.c.	France				0.5		
Société Beurriere de Retiers	France				0.1		
Société des Caves S.a.s.	France				1.0		
Société Fromagère de Bouvron S.n.c.	France				0.2		
Société Fromagère de Charchigne S.n.c.	France				0.3		
Société Fromagère de Domfront S.n.c.	France				0.1		
Société Fromagère de Lons Le Saunier	France				0.1		
Société Fromagère de Retiers S.n.c.	France				0.1		
Société Fromagère de Riblaire S.n.c.	France				0.1		
Société Laitiere de Vitre S.n.c.	France				0.4		
Yefremovsky Butter and Cheese plant	Russia				0.1		
Total		8.6	-	0.1	24.7	0.3	-

The table that follows provides a breakdown of revenue and expense by type and shows the impairment losses on receivables recognized during the period:

<i>(in millions of euros)</i>		6/30/15					
Company	Country	Net revenue	Other revenue	Financial income	Cost of sales	Distribution costs	Administrative expenses
Al Nour Company for Dairy Products EJSC	Egypt				0.1		
B.S.A. S.A.	France					1.2	
BIG S.R.L.	Italy	0.1					
BPA Italia S.R.L.	Italy						0.1
Dukat Dairy Industry Inc. JSC	Croatia				0.3		
Egidio Galbani S.p.A.	Italy				4.2	2.1	
Groupe Lactalis Iberia S.A.	Spain				0.3		0.3
Italatte S.p.A.	Italy	1.2			6.3		
Kim d.o.o	Croatia				0.3		
L.A. Management S.n.c.	France						0.2
L.C.H.F. S.n.c.	France	0.2					
L.G.P.O. S.n.c.	France						0.7
Ljubljanske Mlekarne d.d.	Slovenia				0.1		
L.M.P. Management S.n.c.	France						0.7
L.N.U.F. Laval S.n.c.	France				1		
L.P.L.V. ACE	France						0.4
L.R.D. S.n.c.	France						0.1
Lactalis Europe S.n.c.	France				0.3		
Lactalis Forlasa S.L.	Spain				1.1		
Lactalis Gestion International S.n.c.	France		0.2				1.1
Lactalis Informatique S.n.c.	France				0.1		0.1
Lactalis Ingredients S.n.c.	France	8.6			0.7		0.2
Lactalis International S.n.c.	France	9.1	0.2		1.5		
Lactalis Jindi PTY Ltd.	Australia	1.8				0.1	
Lactalis Logistique S.n.c.	France				0.4	0.1	
Lactalis Management S.n.c.	France						0.9
Lactalis McLelland Limited	UK				5.3		
Lactalis Nutrition Santé S.a.s.	France				0.6	0.1	
Lactalis Puleva S.L.U.	Spain				0.2		
Lemnos Foods Pty Ltd.	Australia	2.9	2.1				
Les Distributeurs Associes S.n.c.	France					8.6	0.1
Marcillat Corcieux S.n.c.	France				2		
Marcillat Loulans S.n.c.	France				0.2		
Société Beurriere de Retiers S.n.c.	France				0.7	0.1	
Société Beurriere d'Issigny S.n.c.	France				2	0.1	
Société des Caves S.a.S.	France				13.2		
Société Fromagère de Bouvron S.n.c.	France				0.6		
Société Fromagère de Charchigne S.n.c.	France				1.7		
Société Fromagère de Clecy S.n.c.	France				0.1		
Société Fromagère de Craon S.n.c.	France				0.1		
Société Fromagère de Domfront S.n.c.	France				0.3		
Société Fromagère de Lons le Saunier S.n.c.	France				0.5		
Société Fromagère de Retiers S.n.c.	France				0.6		
Société Fromagère de Riblaire S.n.c.	France				0.7		
Société Fromagère de Vercel S.n.c.	France				0.2		
Société Laitière de l'Hermitage S.n.c.	France				0.3		
Société Fromagère de Vitré S.n.c.	France				0.5		
United Foods Industries Company LLC	Saudi Arabia	1.2			0.1		
Yefremovsky Butter and Cheese	Russia				0.4		
Total		25.1	2.5	-	47.0	12.4	4.9

(in millions of euros)		6/30/14					
Company	Country	Net revenue	Other revenue	Financial income	Cost of sales	Distribution costs	Administrative expenses
Al Nour Company for Dairy Products EJSC	Egypt				0.1		
B.S.A. S.A.	France					1.0	
Egidio Galbani S.p.A.	Italy				5.3	1.5	
Groupe Lactalis Iberia S.A.	Spain						0.2
Italatte S.p.A.	Italy	1.7			6.4		
Kim d.o.o	Croatia				0.1		
L.A. Management S.n.c.	France						0.4
L.G.P.O. S.n.c.	France						0.5
Ljubljanske mlekarne d.d.	Slovenia				0.2		
L.M.P. Management S.n.c.	France						0.2
L.N.P.F. Italia S.R.L.	Italy				0.1		
L.N.U.F. Laval S.n.c.	France				0.7		
L.P.L.V. ACE	Portugal		0.1				0.4
L.R.D. S.n.c.	France						0.1
Lactalis Europe S.n.c.	France				0.3		
Lactalis Forlase S.L.	Spain				1.1		
Lactalis Gestion International S.n.c.	France						0.5
Lactalis Informatique S.n.c.	France						0.1
Lactalis Ingredients S.n.c.	France	8.1			0.1		
Lactalis International S.n.c.	France	11.4	0.2		2.3	0.1	
Lactalis Investissements S.n.c.	France		0.1				
Lactalis Jindi Pty Ltd	Australia	1.1					
Lactalis Logistique S.n.c.	France				0.2	0.1	
Lactalis Management S.n.c.	France						0.3
Lactalis Nutrition Santé S.a.s.	France				0.3		0.1
Lemnos Foods Pty Ltd	Australia	4.0	0.5				
Les Distributeurs Associés S.n.c.	France					6.8	0.2
Longa Vida Industrias Lacteas S.A.	Portugal		0.1				
Marcillat Corcieux S.n.c.	France				2.2	0.1	
Marcillat Loulans S.n.c.	France				0.1		
Molkerei Laiterie Walhorn S.A.	Belgium				0.1		
Société Beurrière de Retiers S.n.c.	France				0.7		
Société Beurrière d'Issigny S.n.c.	France				2.0		
Société des Caves S.a.S.	France				7.6		
Société Fromagère de Bouvron S.n.c.	France				1.0		
Société Fromagère de Charchigne S.n.c.	France				1.6		
Société Fromagère de Clecy S.n.c.	France				0.1		
Société Fromagère de Craon S.n.c.	France				0.1		
Société Fromagère de Domfront S.n.c.	France				0.3		
Société Fromagère de Lons le Saunier S.n.c.	France				0.6		
Société Fromagère de Retiers S.n.c.	France				0.6		
Société Fromagère de Riblaire S.n.c.	France				0.7		
Société Fromagère de Sainte Cecile S.n.c.	France				0.1		
Société Fromagère de Vercel S.n.c.	France				0.1		
Société Laitière de l'Hermitage S.n.c.	France				0.3		
Société Fromagère de Vitre S.n.c.	France				0.8		
United Foods Industries Company LLC	Saudi Arabia	1.2			0.1		
Yefremovsky Butter and Cheese	Russia	-			0.7		
Total		27.5	1.0	-	37.0	9.6	3.0

Guarantees received from related parties

Parmalat S.p.A. availed itself of the option to guarantee the refund of VAT credits through the issuance of a payment obligation by B.S.A. S.A., its French parent company. At June 30, 2015, the total guaranteed amount was 43.9 million euros. In exchange for this guarantee, the parties stipulated a consideration for B.S.A. S.A. equal to 0.4% of the guaranteed amount.

Percentage of Total Amounts Attributable to Transactions with Related Parties

<i>(in millions of euros)</i>	Consolidated assets	Consolidated liabilities	Net revenue	Other revenue	Cost of sales	Distribution costs	Administrative expenses
Total consolidated amount	5,089.2	1,698.4	2,962.6	17.7	2,438.1	243.4	204.9
Related-party amount	11.9	30.0	25.1	2.5	47.0	12.4	4.9
Percentage of the total	0.2%	1.8%	0.8%	14.1%	1.9%	5.1%	2.4%

Compensation Awarded to Directors and Statutory Auditors

The compensation awarded to members of the Board of Directors of Parmalat S.p.A. attributable to the first half of 2015 amounted to 0.6 million euros (0.7 million euros in the first six months of 2014), including the amount allotted for attending meetings of Board Committees.

The compensation awarded to members of the Board of Statutory Auditors of Parmalat S.p.A. attributable to the first half of 2015 amounted to 0.1 million euros (0.1 million euros in the first half of 2014).

Compensation Awarded to Key Management Personnel

The table below shows the compensation attributable to the first half of 2015 awarded to executives with strategic responsibilities (key management personnel):

<i>(in millions of euros)</i>	First half 2015	First half 2014
Short-term benefits	1.4	1.7
Post-employment benefits	0.1	0.1
Long-term benefits	0.2	0.2
Total	1.7	2.0

Notes to the Statement of Financial Position – Assets

(1) Goodwill

Goodwill amounted to 628.3 million euros. The changes that occurred during the first six months of 2014 and 2015 are listed below:

(in millions of euros)	Goodwill
Balance at 1/1/14	460.5
- Business combinations	32.3
- Currency translation differences	7.1
Balance at 6/30/14	499.9
Balance at 1/1/15	491.9
- Business combinations	133.7
- Currency translation differences	2.7
Balance at 6/30/15	628.3

Goodwill of 628.3 million euros is shown net of the corresponding provision for impairment amounting to 85.4 million euros (81.7 million euros at December 31, 2014), which reflects impairment losses recognized in previous years.

Goodwill was allocated to the cash generating units based on the Group's geographic regions.

The increase in goodwill is attributable for 133.7 million euros to the acquisitions carried out in Australia, Brazil and Mexico during the first half of 2015 and for 2.8 million euros to currency translation difference.

With regard to the acquisitions completed in the first half of the year in Australia, Brazil and Mexico, as required by IFRS 3 and described in detail in the "Business Combinations" section of these Notes, the difference between the price paid and the fair value of the net acquired assets, amounting to 133.7 million euros, was allocated to goodwill on a preliminary basis. The final accounting will be carried out within the deadline required by IFRS 3.

With regard to the currency translation differences, the following cash generating units were most affected by the weaker euro: USA (3.1 million euros), Canada (2.1 million euros) e Australia (1.7 million euros). The effect of these increases was offset in part by negative changes for the cash generating units Brazil (-2.4 million euros) and Mexico (-2.2 million euros) attributable to the strengthening of the euros versus the Brazilian real and the Mexican peso, respectively.

Goodwill has been allocated to the following cash generating units:

(in millions of euros)	6/30/15	12/31/14
Europe		
- Parmalat S.p.A.	184.0	184.0
- Centrale del Latte di Roma S.p.A.	34.6	34.6
- Russia	3.8	3.3
- Romania	0.1	0.1
North America		
- Canada	130.7	128.6
- USA (LAG)	39.7	36.6
Latin America		
- Brazil	28.5	15.1
- Mexico	87.7	-
Australia	119.2	89.6
Total	628.3	491.9

Pursuant to IAS 36, goodwill is not amortized. However, it is tested for impairment at least once a year or more frequently in response to specific events or circumstances that could indicate that its value was impaired.

No impairment indicators affecting the value of goodwill that would have caused Directors to test it for impairment were detected in the first half of 2015.

(2) Trademarks with an Indefinite Useful Life

Trademarks with an indefinite useful life were valued at 553.6 million euros. The changes that occurred during the first six months of 2014 and 2015 are listed below:

(in millions of euros)	Trademarks with an indefinite useful life
Balance at 1/1/14	537.0
- Currency translation differences	6.7
Balance at 6/30/14	543.7
Balance at 1/1/15	546.8
- Currency translation differences	6.8
Balance at 6/30/15	553.6

Trademarks with an indefinite useful life of 553.6 million euros are net of the corresponding provision for impairment amounting to 62.7 million euros (62.3 million euros at December 31, 2014), due to the effect of impairment losses recognized in previous years.

The increase in Trademarks with an indefinite useful life, amounting to 6.8 million euros, is attributable to currency translation difference. The following regions were affected by the weaker euro: North America (3.7 million euros), Australia (1.6 million euros) and Latin America, Africa and Europe for smaller amounts.

A breakdown of trademarks with an indefinite useful life, carried at 553.6 million euros, is as follows:

(in millions of euros)	6/30/15	12/31/14
Europe		
- <i>Parmalat</i>	126.1	125.9
- <i>Santàl</i>	28.4	28.0
- <i>Centrale del Latte di Roma</i>	24.7	24.7
- <i>Chef</i>	15.1	15.1
- <i>Sundry trademarks</i>	4.0	4.0
North America		
- <i>Beatrice</i>	85.2	83.9
- <i>Lactantia</i>	70.3	69.2
- <i>Black Diamond</i>	31.9	31.4
- <i>Astro</i>	23.6	23.2
- <i>Sundry trademarks</i>	16.4	16.0
Latin America		
- <i>Parmalat</i>	15.4	15.3
Australia		
- <i>Pauls</i>	84.1	82.5
- <i>Sundry trademarks`</i>	0.3	0.3
Africa		
- <i>Parmalat</i>	12.8	12.4
- <i>Bonnita</i>	10.4	10.1
- <i>Sundry trademarks</i>	4.9	4.8
Total	553.6	546.8

Trademarks that qualify as having an indefinite useful life pursuant to IAS 36 are not amortized. Instead, the Group tests the recoverability of these trademarks at least once a year or more frequently, in response to specific events or circumstances that could indicate that their value had been impaired.

No impairment indicators affecting the value of trademarks that would have caused Directors to test them for impairment were detected in the first half of 2015.

(3) Other Intangible assets

Other intangible assets of 81.0 million euros include costs capitalized by Parmalat S.p.A. and its subsidiaries, which are expected to produce benefits over several years.

The table below provides a breakdown of Other intangible assets and shows the changes that occurred in the first half of 2014 and 2015:

(in millions of euros)	Trademarks with a finite life	Concessions, licenses and similar rights	Miscellaneous intangible assets	Work in progress	Total
Balance at 1/1/14	23.5	15.1	6.5	2.8	47.9
- Business combinations	0.6	-	0.3	-	0.9
- Additions	-	0.1	0.3	1.0	1.4
- Amortization (-)	(1.7)	(3.0)	(1.3)	-	(6.0)
- Other changes	-	0.9	2.2	(0.9)	2.2
- Monetary adjustment for hyperinflation	1.2	-	0.5	-	1.7
- Currency translation differences	(1.5)	0.1	(0.6)	-	(2.0)
Balance at 6/30/14	22.1	13.2	7.9	2.9	46.1
Balance at 1/1/15	36.2	20.1	5.3	4.4	66.0
- Business combinations	11.4	-	7.3	-	18.7
- Additions	-	-	0.7	1.2	1.9
- Amortization (-)	(3.2)	(2.6)	(2.1)	-	(7.9)
- Other changes	-	(6.1)	6.1	-	-
- Monetary adjustment for hyperinflation	2.0	-	0.8	-	2.8
- Currency translation differences	(0.2)	0.3	(0.6)	-	(0.5)
Balance at 6/30/15	46.2	11.7	17.5	5.6	81.0

Business combinations, amounting to 18.7 million euros, mainly refer to the carrying value of the trademarks *Da Matta*, *Boa Nata* and *Poços de Caldas* and other intangible assets recognized in connection with the acquisition of some production units of the Brazilian company Lácteos Brasil S.A. – Em Recuperação Judicial for 17.2 million euros; the value of the Latterie Friulane trademark recognizes upon the acquisition of the business operations of Consorzio Cooperativo Latterie Friulane S.C.A. for 1.1 million euros.

Additions of 1.9 million euros refer mainly to purchases of SAP software implementation and usage licenses.

(4) Property, Plant and Equipment

Property, plant and equipment totaled 1,143.9 million euros. The table below provides a breakdown of this item and shows the changes that occurred in the first half of 2014 and 2015:

(in millions of euros)							
	Land	Buildings	Plant and machinery	Industrial equipment	Other assets	Construction in progress	Total
Balance at 1/1/14	153.9	294.9	354.4	13.7	35.6	82.2	934.7
- Business combinations	13.6	-	21.8	-	-	-	35.4
- Additions	-	1.8	6.9	0.3	3.5	50.6	63.1
- Disposals (-)	(0.1)	-	(0.1)	-	(0.4)	(0.2)	(0.8)
- Depreciation (-)	-	(10.9)	(36.4)	(2.7)	(6.3)	-	(56.3)
- Other changes	0.4	7.4	43.0	1.9	2.7	(55.6)	(0.2)
- Monetary correction for hyperinflation	3.5	9.0	6.7	-	0.6	(1.6)	18.2
- Currency translation differences	(3.0)	(9.8)	(2.8)	0.4	(0.5)	(0.3)	(16.0)
Balance at 6/30/14	168.3	292.4	393.5	13.6	35.2	75.1	978.1
Balance at 1/1/15	155.6	291.4	417.1	15.0	44.9	72.5	996.5
- Business combinations	18.9	24.5	45.8	6.7	1.7	7.8	105.4
- Additions	-	1.4	16.1	1.4	2.1	37.9	58.9
- Disposals (-)	-	-	(0.2)	-	(0.5)	(0.1)	(0.8)
- Depreciation (-)	-	(12.5)	(44.3)	(3.0)	(7.4)	-	(67.2)
- Other changes	1.2	2.2	17.7	(2.8)	4.1	(22.8)	(0.4)
- Monetary correction for hyperinflation	6.9	14.2	9.6	-	0.7	1.5	32.9
- Currency translation differences	0.2	6.2	9.0	0.4	1.1	1.7	18.6
Balance at 6/30/15	182.8	327.4	470.8	17.7	46.7	98.5	1,143.9

Information about the Group's investments in property, plant and equipment is provided in the "Capital Expenditures" section of the Interim Report on Operations.

Currency translation difference are due mainly to the effect of the loss of value of the euro versus the currencies of the main countries where the Group operates, offset in part by the appreciation of the euro versus the Venezuelan bolivar and the Brazilian real.

A breakdown of property, plant and equipment acquired under finance leases, totaling 9.7 million euros, is as follows:

(in millions of euros)		6/30/15	12/31/14
Buildings		3.7	3.9
Plant and machinery		-	0.3
Industrial equipment		-	-
Other assets		3.4	4.2
Construction in progress		2.6	-
Total property, plant and equipment acquired under finance leases		9.7	8.4

(5) Inventories

Inventories totaled 715.1 million euros, for an increase of 180.9 million euros compared with December 31, 2014.

<i>(in millions of euros)</i>	6/30/15	12/31/14
Raw materials, auxiliaries and supplies	250.0	184.9
Work in progress and semifinished goods	51.4	22.1
Finished goods and merchandise	419.8	334.7
Advances	2.6	2.7
Provision for impairment losses on inventory	(8.7)	(10.2)
Total inventories	715.1	534.2

This increase is chiefly the result of the following factors:

- Higher inventories of finished products held by the Canadian subsidiary, due to seasonal factors that characterize its business, involving an increase in cheese production in the first six months of the year, in anticipation of higher sales later in the year. In addition to this seasonal factor, the Canadian and South African subsidiaries increased the investments in inventory compared with the same period last year.
- Increase in the value of the inventories held by the Venezuelan subsidiary due to the effect of inflation during the reporting period.
- The acquisitions completed during the first half of the year.

(6) Trade Receivables

Trade receivables totaled 524.8 million euros, or 37.8 million euros more than at December 31, 2014.

This change reflects primarily the acquisitions completed in the first half of 2015; positive currency translation differences due to the loss of value of the euro versus the currencies of the main countries where the Group operates; and the effects of increases in sales volumes and sales prices in Venezuela.

Trade receivables owed by third-party customers totaled 512.9 million euro, net of an Allowance for doubtful accounts of 70.6 million euros. The table that follows shows the changes that occurred in this allowance in the first half of 2014 and 2015:

<i>(in millions of euros)</i>	
Balance at 1/1/14	68.1
- Additions	2.4
- Currency translation differences	(0.4)
Balance at 6/30/14	70.1
Balance at 1/1/15	69.4
- Business combinations	1.8
- Additions	2.7
- Other changes	(3.3)
Balance at 6/30/15	70.6

Trade receivables owed by related parties, amounting to 11.9 million euros, are reviewed in the section of these Notes entitled "Related-party Transactions."

(7) Other Current Assets

Other current assets totaled 209.4 million euros, or 73.8 million euros more than at December 31, 2014:

<i>(in millions of euros)</i>	6/30/15	12/31/14
Amount receivable from the tax authorities for VAT	92.0	53.0
Income tax refunds receivable and estimated tax payments	52.4	22.6
Sundry receivables	29.3	27.0
Accrued income and prepaid expenses	35.7	33.0
Total	209.4	135.6

Amount receivable from the tax authorities for VAT refers mainly to:

- VAT receivables of Italian companies for which refunds have not yet been received. These receivables, amounting to 46 million euros, increased by 13.2 million euros in the first half of 2015. However, it is worth mentioning that the VAT refund for the third quarter of 2014, amounting to 7.7 million euros, was collected at the beginning of July 2015.
- The new companies acquired during the reporting period caused VAT receivables to increase by 16.6 million euros.
- VAT receivables of the Venezuela subsidiaries totaling 16.8 million euros, which grew by 8 million euros during the reporting period reflecting the impact of an increase in turnover.

The increase that occurred in the first half of 2015 in Income tax refunds receivable and estimated tax payments reflects primarily estimated income tax payment made by the Australian subsidiaries amounting to 12.6 million euros (not offset against tax liabilities) and income tax refunds receivable for estimated payments made and sundry tax receivables related to the businesses acquired during the first half of 2015 for 9.4 million euros.

(8) Cash and Cash Equivalents

Cash and investments in financial assets with an original maturity of three months or less at the time of purchase amounted to 996.7 million euros, for a decrease of 160.6 million euros compared with December 31, 2014:

<i>(in millions of euros)</i>	6/30/15	12/31/14
- Bank and postal accounts	991.7	1,154.7
- Cash and securities on hand	1.0	0.6
- Checks in transit	1.0	-
- Financial assets	3.0	2.0
Total cash and cash equivalents	996.7	1,157.3

The decrease of 160.6 million euros in Cash and cash equivalents was due primarily to the acquisitions completed in the first half of 2015, net of acquired cash, for 207.8 million euros, disbursements for intangible assets and property, plant and equipment amounting to 60.8 million euros and dividend payments totaling 30.2 million euros. The resulting decrease was offset in part by a drawdown of 150 million euros from a medium/long-term credit line provided to the Group at the end of April.

It is worth mentioning that, pursuant to a binding agreement, the Group had earmarked, at June 30, 2015, 622.6 million euros in liquid assets for the purchase of the dairy division of BRF S.A. The acquisition was completed on July 1, 2015.

Notes to the Statement of Financial Position – Equity

At June 30, 2015, the equity attributable to owners of the parent totaled 3,368.3 million euros.

(9) Share Capital

The share capital amounted to 1,835,104,348 euros. The change compared with December 31, 2014 is the result of the following items: (i) the amount of the claims of late-filing creditors and/or of creditors who successfully challenged the exclusion of their claims (charged against reserves established for this purpose), which totaled 490,538 euros; and (ii) the exercise of warrants for 3,544,865 euros.

The table below shows a breakdown of the change in the number of shares outstanding (par value 1 euro each) that occurred in the first six months of 2015:

	Number of shares
Shares outstanding at 1/1/15	1,831,068,945
Shares issued upon verification of claims of late-filing creditors and/or upon the settlement of challenges (using reserves established for this purpose)	490,538
Shares issued upon the conversion of warrants	3,544,865
Shares outstanding at 6/30/15	1,835,104,348

The share capital includes 2,049,096 treasury shares acquired free of charge and belonging to creditors who failed to claim them. Pursuant to Article 9.4 of the Composition with Creditors, these share are now the property of Parmalat S.p.A.

Maximum Share Capital Amount

Pursuant to the resolutions approved by the Shareholders' Meetings of March 1, 2005, September 19, 2005, April 28, 2007 and May 31, 2012, the Company's share capital may be increased up to 1,940 million euros as follows:

- Increase reserved for creditors with unsecured claims included in the lists of verified claims	1,541.1
- Increase reserved for unsecured creditors with conditional claims and/or who are challenging their exclusion from the lists of verified claims and/or late-filing creditors	303.8
Total increases reserved for creditors	1,844.9
- Shares available for the conversion of warrants	95.0
Total capital increase	1,939.9
Share capital amount at Company establishment	0.1
Maximum share capital amount	1,940.0

As shown above, the Company's share capital amounted to 1,835.1 million euros at June 30, 2015. As of the writing of this Report, it had increased by 0.5 million euros to a total of 1,835.6 million euros.

An Extraordinary Shareholders' Meeting held on February 27, 2015 resolved (i) to extend the subscription deadline for the share capital increase referred to in Article 5, Letter b) of the Company Bylaws, reserved for Challenging Creditors and Late-Filing Creditors; (ii) to delegate its implementation to the Board of Directors; and (iii) to provide the Board of Directors with a mandate to adopt regulations for the award of warrants after January 1, 2016, all of the above for the purpose of complying with the provisions of the Parmalat composition with creditors regarding awards of shares and warrants.

(10) Reserve for Creditor Challenges and Claims of Late-filing Creditors Convertible into Share Capital

At June 30, 2015, the reserve convertible into share capital amounted to 52.9 million euros.

The utilization of this reserve will cause the share capital of Parmalat S.p.A. to increase by an amount equal to the additional verified claims.

(11) Reserve for Currency Translation Differences

The Reserve for currency translation differences, negative by 114.3 million euros, reflects differences generated by the translation into euros of the financial statements of companies that operate in countries outside the Eurozone. The positive change of 95.4 million euros in this reserve compared with December 31, 2014 is due to the effect of hyperinflation in Venezuela for 81.1 million euros and to a positive currency translation effect for 14.3 million euros.

(12) Other Reserves

At June 30, 2015 Other reserves of 1,521.8 million euros included the following items: (i) retained earnings and miscellaneous reserves of 1,430.5 million euros; this item can be used to satisfy claims of late-filing creditors and creditors with contested claims, if and when their claims are verified, for an amount of up to 25.1 million euros; (ii) a statutory reserve of 108.1 million euros; (iii) a dividend reserve of 26.3 million euros for claims of creditors who challenged the exclusion of their claims from the sum of liabilities and creditors with conditional claims (as required under the terms of the Composition with Creditors) who later may be entitled to receive Company shares; (iv) a negative reserve of 43.1 million euros for the remeasuring of defined-benefit plans, recognized upon the adoption of IAS 19 revised.

(13) Profit for the Period

The profit for the period attributable to owners of the parent amounted to 37.6 million euros.

Reconciliation of the Equity of Parmalat S.p.A. to the Consolidated Equity

<i>(in millions of euros)</i>	Equity before result for the period	Result for the period	Equity
Equity of Parmalat S.p.A. at 6/30/15	2,974.6	27.5	3,002.1
<i>Elimination of the carrying value of consolidated investments in associates</i>			
- Difference between the carrying amount and the pro rata interest in the underlying equity	823.8	-	823.8
- Effect of the acquisition of Lactalis American Group Inc. (and its subsidiaries), Lactalis do Brazil and Lactalis Alimentos Mexico	(376.9)	-	(376.9)
- Pro rata interest in the results of investee companies	-	20.4	20.4
- Reserve for currency translation differences	(114.3)	-	(114.3)
<i>Other adjustments:</i>			
- Elimination of impairment losses on receivables owed by subsidiaries	23.5	0.9	24.4
- Elimination of dividends	-	(11.1)	(11.1)
- Elimination of gains on liquidation of investee companies	-	(0.1)	(0.1)
Parmalat Group equity attributable to owners of the parent at 6/30/15	3,330.7	37.6	3,368.3
Equity and result for the period attributable to non-controlling interests	21.6	0.9	22.5
Consolidated equity at 6/30/15	3,352.3	38.5	3,390.8

(14) Equity attributable to Non-controlling Interests

At June 30, 2015, the equity attributable to non-controlling interests totaled 22.5 million euros. This amount refers almost exclusively to the following companies:

<i>(in millions of euros)</i>	6/30/15	12/31/14
Centrale del Latte di Roma S.p.A.	12.8	13.4
Parmalat Zambia Limited	4.9	5.0
Industria Lactea Venezolana CA (Indulac)	3.4	2.7
Sundry companies	1.4	1.2
Total	22.5	22.3

Notes to the Statement of Financial Position – Liabilities

(15) Financial liabilities

A breakdown of current and non-current financial liabilities, which totaled 346.7 million euros, is provided below:

(in millions of euros)	6/30/15	12/31/14
- Non-current	284.6	92.9
- Current	62.1	39.7
	346.7	132.6

The table that follows shows the changes that occurred in the first half of 2014 and 2015:

(in millions of euros)	Financial liabilities
Balance at 1/1/14	139.6
- New borrowings	6.0
- Repayments (principal and interest) (-)	(27.9)
- Accrued interest	5.3
- Translation effect on borrowings in foreign currencies	0.2
- Other changes	(2.3)
- Monetary correction for hyperinflation	(0.2)
- Currency translation differences	(1.8)
Balance at 6/30/14	118.9
Balance at 1/1/15	132.6
- Business combinations	53.7
- New borrowings	164.5
- Repayments (principal and interest) (-)	(37.2)
- Accrued interest	5.7
- Mark to market	26.8
- Translation effect on borrowings in foreign currencies	0.2
- Other changes	(0.4)
- Monetary correction for hyperinflation	(0.2)
- Currency translation differences	1.0
Balance at 6/30/15	346.7

The increase in Financial liabilities compared with December 31, 2014 is mainly due to:

- A drawdown of 150 million euros carried out at the end of June from a medium/long-term credit line provided to Parmalat S.p.A. by a pool of banks for a total amount of 500 million euros. Additional amounts may be drawn from this credit line, which is unsecured, upon the presentation of one or more utilization requests, which must be filed by January 2016. The interest rate is indexed to the Euribor plus a spread in line the best market conditions currently available. This credit line, combined with the liquidity available internally, will provide the support necessary for the continued growth of the Group's operations.

- The acquisition, during the reporting period, of a group of companies operating mainly in Mexico, which resulted in the consolidation of preexisting financial debt, currently being renegotiated.

(16) Provisions for Risks and Charges

Provisions for risks and charges totaled 136.7 million euros. The changes that occurred in the first half of 2014 and 2015 are shown below:

(in millions of euros)

	Centrale del Latte di Roma litigation	Staff downsizing	Supplemental sales agent benefits	Risks on investee companies	Risk on provisional refund of registration fee on court documents	Litigation	Legal disputes with employees	Miscellaneous	Provision for other risks and charges	Provision for Tax-related Risks and Charges	Total
Balance at 12/31/13 (A)	96.1	6.8	6.5	8.0	3.9	1.8	0.1	1.2	124.4	18.3	142.7
- Increases	-	4.5	0.2	-	-	-	0.4	0.2	5.3	1.8	7.1
- Decreases (-)	-	(2.2)	(0.2)	-	-	-	-	(0.2)	(2.6)	-	(2.6)
- Reversals (-)	-	(0.3)	-	-	(0.1)	-	-	(0.1)	(0.5)	(5.2)	(5.7)
- Other changes	-	-	-	-	-	-	-	-	-	(4.4)	(4.4)
- Monetary adjustment for hyperinflation	-	-	-	-	-	-	-	-	-	0.5	0.5
- Currency translation differences	-	-	-	-	-	-	(0.2)	-	(0.2)	(2.7)	(2.9)
Balance at 6/30/14	96.1	8.8	6.5	8.0	3.8	1.8	0.3	1.1	126.4	8.3	134.7
Balance at 1/1/15	96.4	5.8	6.2	1.4	3.8	3.1	0.6	1.9	119.2	8.6	127.8
- Business combinations	-	3.8	-	-	-	-	-	0.1	3.9	-	3.9
- Increases	-	8.4	0.1	0.4	-	1.8	-	1.1	11.8	0.3	12.1
- Decreases (-)	-	(3.9)	-	(1.2)	-	(0.1)	-	(1.1)	(6.3)	-	(6.3)
- Reversals (-)	-	(0.7)	-	-	-	-	(0.1)	-	(0.8)	-	(0.8)
- Other changes	-	-	-	-	-	-	-	-	-	-	-
- Monetary adjustment for hyperinflation	-	-	-	-	-	-	-	-	-	(0.1)	(0.1)
- Currency translation differences	-	-	-	-	-	(0.1)	-	0.1	-	0.1	0.1
Balance at 6/30/15	96.4	13.4	6.3	0.6	3.8	4.7	0.5	2.1	127.8	8.9	136.7

Provision for Other Risks and Charges

The increase in the first half of 2015 reflects primarily the estimated costs that will be incurred to close the plant in Marieville (Canada), scheduled for the end of September. The closing of this facility will enable the Canadian subsidiary to improve its production process by concentrating all cheese production for Quebec at the Victoriaville plant.

The recognition of a provision for risks for the “Centrale del latte di Roma litigation” is related to the unfavorable outcome of the proceedings at the lower court level, given the decision handed down by the Court of Rome and the risk associated with that decision. Parmalat appealed the decision by the Court of Rome to protect its rights, asking that the enforcement of the appealed decision be stayed. For additional details about this dispute, see the information provided in the section of these Notes entitled “Legal Disputes and Contingent Liabilities at June 30, 2015.”

Provision for Tax-related Risks and Charges

This item refers mainly to tax-related risks of a subsidiary in South America, regarding municipal taxes, and to some Italian companies for tax risks regarding previous years, the risk level of which has been assessed as probable.

An analysis of the most significant legal disputes involving Group companies is provided in the section of these Notes entitled “*Legal Disputes and Contingent Liabilities at June 30, 2015.*”

(17) Trade Payables

Trade payables totaled 677.3 million euros, or 34.8 million euros more than at December 31, 2014:

(in millions of euros)	6/30/15	12/31/14
- Trade payables owed to suppliers	646.0	616.9
- Trade payables owed to related parties	30.0	24.7
- Advances	1.3	0.9
Total	677.3	642.5

The change in trade payables reflects primarily an increase in purchases of raw materials carried out in Venezuela to meet and an increase in demand; the acquisitions completed in the first half of 2015; and positive currency translation differences, due mainly to the loss of value of the euro versus currencies of the main countries where the Group operates.

Payables owed to related parties totaling 30.0 million euros are detailed in the section of this Report entitled “*Related-party Transactions.*”

(18) Other Current Liabilities

Other current liabilities totaled 171.0 million euros, or 34.0 million euros more than at December 31, 2014.

(in millions of euros)	6/30/15	12/31/14
- Taxes payable	28.3	15.2
- Amounts owed to social security institutions	13.7	9.8
- Other payables	106.1	92.2
- Accrued expenses and deferred income	23.0	19.8
Total	171.0	137.0

The acquisitions completed in the first half of 2015 and new labor laws that are being implemented gradually in Venezuela, starting in the second half of 2014, which provide greater employee benefits, are the main reasons for the increase in this item.

(19) Income Taxes Payable

The balance of 16.3 million euros represents a decrease of 24.8 million euros compared with December 31, 2014. The main changes that occurred in the first half of 2015 included: the recognition of income taxes payable totaling 36.6 million euros; the utilization of income tax credits and taxes withheld on income from invested liquid assets to offset the income tax liability amounting to 8.5; and payments totaling 55.5 million euros.

Guarantees and Commitments

Guarantees

(in millions of euros)	6/30/15			12/31/14		
	Sureties	Collateral	Total	Sureties	Collateral	Total
provided on behalf of Group companies	1.6	-	1.6	1.6	-	1.6
provided on behalf of the Company	174.8	29.8	204.6	179.2	17.2	196.4
Total guarantees	176.4	17.6	206.2	180.8	17.2	198.0

The sureties provided by outsiders on behalf of the Company (174.8 million euros) refer mainly to guarantees provided by banks and/or insurance companies to government finance agencies in connection with VAT refunds and prize contests. This item includes 43.9 million euros in payment obligations provided by B.S.A. S.A., the French Parent Company, to government revenue entities in connection with VAT refunds claimed by Parmalat S.p.A.

Collateral of 29.8 million euros was provided to banks and other credit institutions to secure credit lines provided to an Australian subsidiary and some recently acquired Mexican companies and consists of assets of the companies receiving the credit lines.

Parmalat S.p.A. and the other companies of the Group are subject to limitations and/or conditions that restrict their ability to encumber corporate assets for amounts that do not hamper their financial capabilities.

Commitments

(in millions of euros)	6/30/15	12/31/14
Commitments:		
- Operating leases	65.3	69.0
<i>within 1 year</i>	14.7	15.7
<i>from 1 to 5 years</i>	37.4	37.3
<i>after 5 years</i>	13.2	16.0
- Purchases of controlling interests and business operations	623.6	707.7
- Other commitments	35.3	44.8
Total commitments	724.2	821.5

Commitments under operating leases apply mainly to the Canadian subsidiary (31.1 million euros), and the subsidiaries in Australia (23.5 million euros) and Africa (10.3 million euros).

At June 30, 2015, the overall commitment undertaken by the Group under a binding agreement, aimed at the acquisition of controlling interests, totaled 623.6 million euros. The entire amount referred to the acquisition of the dairy division of BRF SA, one of Brazil's top food industry company. Title to the assets was transferred to the Group on July 1, 2015.

Other commitments of 35.3 million euros refer mainly to short-term contracts to purchase raw materials, packaging materials and non-current assets signed by Parmalat Canada Inc. (23.7 million euros) and by subsidiaries in Africa (4.8 million euros) and Australia (3.1 million euros). This item includes the par value of Parmalat shares (3.7 million euros) transferable to creditors of the companies included in the composition with creditors identified by name.

Legal Disputes and Contingent Liabilities at June 30, 2015

The Group is a defendant in civil and administrative proceedings that, based on the information currently available and in view of the existing provisions, are not expected to have a material negative impact on the financial statements.

Challenge to the Composition with Creditors

An appeal filed against the decision handed down by the Bologna Court of Appeals on January 16, 2008, which was favorable to Parmalat, is currently pending before the Court of Cassation.

By a communication dated May 15, 2015, the Court of Cassation informed the parties that a hearing for oral arguments was scheduled for June 23, 2015. At that hearing, the Court of Cassation adjourned the proceedings.

Citibank

By an order dated July 18, 2014 and communicated on August 29, 2014, the Bologna Court of Appeals ruled that “the decision of the Superior Court of New Jersey...of October 27, 2008... was enforceable in the Italian Republic...” By this decision, the Superior Court of New Jersey awarded to Citibank N.A. the sum of US\$431,318,828.84 (US\$ 364,228,023 in principal amount and US\$ 67,090,801.84 in accrued interest).

The abovementioned order, which was handed down upon the conclusion of an action filed by Citibank N.A. to enforce in Italy a foreign court decision against Parmalat Finanziaria S.p.A. in A.S., Parmalat S.p.A. in A.S., Centro Latte Centallo S.r.l. in A.S., Contal S.r.l. in A.S., Eurolat S.p.A. in A.S., Geslat S.r.l. in A.S., Lactis S.p.A. in A.S., Newco S.r.l. in A.S., Panna Elena C.P.C. S.r.l. in A.S. and Parmengineering S.r.l. in A.S. (the “Respondent Companies”), was notified to Parmalat on September 19, 2014.

In an appeal to the Court of Cassation notified to Citibank N.A. on November 17, 2014, the Respondent Companies challenged this Order on nine grounds, basically related to the violation and incorrect implementation of Article 64, Letter g), of Law No. 218/1995 (causing effects contrary to the public order). Some of the abovementioned grounds concern issues related to the identification of the parties who were plaintiffs before the Court of New Jersey and the resulting subjective extension of the Decision: the Respondent Companies reject in its entirety the reconstruction provided by Citibank N.A., as it is not possible to accept an adverse decision that does not include the identification of the conduct and specific unlawful actions that directly caused the damage and attributable to each of them. It is important to keep in mind that the only companies of the old Parmalat Group with which the Citibank Group executed financial transactions were Parmalat S.p.A. in A.S. and Geslat S.p.A. in A.S.

On December 23, 2014, Citibank N.A. notified its counter-appeal to the Respondent Companies. A hearing for oral arguments has not yet been scheduled.

To obtain the verification of its claims, Citibank will have to file an application with the Parma Bankruptcy Court for recognition of the status of late filing creditor, which would then be challenged in court by the entities in extraordinary administration; there is no indication that any such action has been filed thus far.

According to the arguments put forth by the opposing party, contested in its entirety by Parmalat, Citibank could seek recognition of the status of late filing creditor for each one of the companies under extraordinary administration target of the abovementioned order, based on an alleged joint liability of said companies, thereby obtaining, based on the respective recovery ratios,¹ percentage recoveries of its bankruptcy claims equal to the full repayment of its claim. Pursuant to the terms of the Composition with Creditors, Parmalat will be required to satisfy Citibank’s demands only if any of the filed claims were to be finally verified by means of a final court decision or accepted by virtue of a settlement agreement.

However, in such cases, Citibank’s claim would be satisfied with the award of Parmalat shares in accordance with the corresponding recovery ratios provided under the Composition with Creditors. It is also worth mentioning that, with regard to the abovementioned financial transactions taken into consideration in the proceedings before the superior court of New Jersey, the Citibank Group, having filed applications for the verification of claims against Parmalat S.p.A.

¹ Parmalat Finanziaria S.p.A. in A.S. (recovery ratio 5.72%), Parmalat S.p.A. in A.S. (recovery ratio 6.94%), Centro Latte Centallo S.r.l. in A.S. (recovery ratio 64.82%) , Contal S.r.l. in A.S. (recovery ratio 7.06%), Eurolat S.p.A. in A.S. (recovery ratio 100%), Geslat S.r.l. in A.S. (recovery ratio 28.22%), Lactis S.p.A. in A.S. (recovery ratio 100%), Newco S.r.l. in A.S. (recovery ratio 14.04%), Panna Elena C.P.C. S.r.l. in A.S. (recovery ratio 75.70%) e Parmengineering S.r.l. in A.S. (recovery ratio 4.90%).

in A.S. and Geslat S.p.A. in A.S. has already received satisfaction of its claims with the award of Parmalat S.p.A. shares in accordance with the terms and modalities of the Parmalat Composition with Creditors.

The capital increase approved on March 1, 2005, as amended most recently by a resolution dated May 31, 2012, which is reserved for late filing creditors, conservatively calls for the issuance of shares to cover the risk entailed by Citibank's claims. If, due to any claims pursued by Citibank as a late-filing creditor (none having been filed thus far) the current amount of the capital increase reserved for late-filing creditors should prove to be insufficient, Parmalat will be required to ask its Shareholders' Meeting to increase the amount of the abovementioned capital increase, restricting for that purpose a portion of "Other reserves and retained earnings."

Parmalat's Equity Stake in Centrale del Latte di Roma

With regard to the proceeding concerning the appeal of the decision handed down on April 18, 2013 by the Court of Rome, Civil Part III, denying *"all claims by the plaintiff Parmalat S.p.A. against the respondent Roma Capitale,"* ruling that *"Roma Capitale (formerly City of Rome) is the current and sole owner of 75% of the share capital of Centrale del Latte di Roma Spa, formerly the subject of a sales agreement dated January 26, 1998 between the City of Rome and Cirio Spa"* and ordering *"Parmalat Spa to immediately return to Roma Capitale the shares in question,"* at a hearing held on October 29, 2014, the Rome Court of Appeals, at the request of the parties, adjourned the proceedings to February 24, 2016 to allow oral arguments about the petition to stay the appealed decision and hear closing arguments.

Creditors Challenging the List of Liabilities and Late Filing Creditors

At June 30, 2015, litigation stemming from challenges to the composition of the lists of liabilities of the companies included in the Composition with Creditors and late filings of claims involved 14 lawsuits pending before the Court of Parma, 22 lawsuits pending before the Bologna Court of Appeals and 1 lawsuit pending before the Court of Cassation. Some of these lawsuits, 7 in total pending before the lower courts and at the appellate level, involve the alleged liability of Parmalat Finanziaria S.p.A. in A.S. as the sole shareholder of Parmalat S.p.A. in A.S. pursuant to Article 2362 of the Italian Civil Code (previous wording).

Criminal Proceedings

Criminal Proceedings Against Citigroup

(See *"Key Events in the First Half of 2015"*)

Criminal Proceedings Against JP Morgan

In the proceedings pending before the Court of Parma against employees and/or officers of JP Morgan, following a motion for indictment by the Public Prosecutor, the preliminary hearing is currently in progress. The companies of the Parmalat Group under Extraordinary Administration, designated as injured parties, completed the filings to join the proceedings as plaintiffs seeking damages.

At the hearing held on July 14, 2015, the Preliminary Hearing Judge allowed a motion to introduce evidence filed by the Public Prosecutor concerning the deposition of a witness and, accordingly, adjourned the proceedings to October 26, 2015.

"Tourism Operations" Criminal Proceedings

With regard to these proceeding, in which the defendants are former Directors, Statutory Auditors and employees of companies in the "tourism operations," and officers of some banks (insofar as these bank officers are concerned, Parmalat withdrew from the proceedings as a plaintiff seeking damages, whenever settlements were reached with the respective banks), on June 25, 2014, the Bologna Court of Appeals handed down a decision that, amending in part the lower court's decision, acquitted some of the defendants convicted by the lower court, revised the sentence of some other defendants and reduced the damage payments imposed on the convicted defendant to a total of 110 million euros. Following the filing of the details of the Court's decision on September 23, 2014, the defendants filed an appeal with the Court of Cassation. A hearing before the Court of Cassation has not yet been scheduled.

Other Criminal Proceedings

The proceedings targeting employees and/or officers of Standard & Poor's, in connection with which companies of the Parmalat Group under extraordinary administration had the status of injured parties, came to a close with a decision to end the proceedings by the Parma Preliminary Investigation Judge.

The criminal proceedings pending against Calisto Tanzi before the Court of Parma, one involving the recovery of works of art and another one concerning Parma A.C. and involving the purchase and subsequent resale of the soccer team were finalized through plea bargaining.

In the latter of these two proceedings, Giambattista Pastorello is also a defendant, having been served with a summons to appear before the Court of Parma. A hearing, which is still in the preliminary argument phase, is currently in progress. At a hearing held on July 16, 2015, the proceedings were adjourned to October 13, 2015 for the start of the discovery phase.

Parmalat S.p.A. in A.S. joined the proceedings as a plaintiff seeking damages

In the matter concerning Parma A.C., the second trial in which the Directors and Statutory Auditors of Parma A.C. and several players were indicted for the crime of bankruptcy, came to a conclusion on March 4, 2015, with a decision dismissing all charges against the defendants, who were being sued by Parmalat S.p.A. in A.S. and Parmalat Finanziaria S.p.A. in A.S. as the parties injured by the crime.

Lastly, criminal proceedings against Carlo Alberto Steinhauslin came to a conclusion with a decision handed down by the Court of Cassation on March 9, 2015.

The defendant had been convicted of money laundering by a lower court and ordered to refund to the plaintiff seeking damages the laundered amounts. The Florence Court of Appeals confirmed the criminal liability of the defendant, but voided the civil law ruling handed down by the lower court in favor of Parmalat S.p.A. in A.S., which joined the proceedings as a plaintiff seeking damages. Parmalat S.p.A. in A.S. appealed the decision to the Court of Cassation. By this decision, the Court of Cassation allowed the appeal, forwarding the proceedings to the Florence Civil Court of Appeals.

Investigation in Connection with the LAG Acquisition

On July 2, 2013 and, subsequently, on December 18, 2013 and August 20, 2014, several members of the Board of Directors who were no longer in office, the Director Antonio Sala and the current General Manager Yvon Guérin and Antonio Vanoli, who had been served with notices that they were the targets of an investigation, were informed that deadline for the preliminary investigation regarding crimes related to the LAG acquisition had been extended.

Civil Proceedings in Which the Company is a Plaintiff

Actions for Damages

Grant Thornton

By a decision dated April 9, 2013, the United States District Court for the Northern District of Illinois granted the motion filed by Grant Thornton and retained control of the proceedings, denying Parmalat's motions. Parmalat filed an appeal before the United States Court of Appeals for the Seventh Circuit, which, on June 25, 2014, granted Parmalat's motion and returned the proceedings to the Illinois State Court. This decision was not challenged by Grant Thornton and, consequently, the Illinois State Court has sole jurisdiction over these proceedings.

At a hearing on February 25, 2015, the parties put forth their arguments regarding the motion for summary judgment filed by Grant Thornton, with the judge reserving the right to decide regarding this matter. On March 23, 2015, the Illinois State Court granted the motion filed by Grant Thornton, once again based on the "*in pari delicto*" theory. The deadline for the filing of an appeal by Parmalat is currently pending. In April 2015, Parmalat filed a motion to preserve its right to appeal the decision.

JP Morgan

Three actions for damages filed against JP Morgan before the Court of Parma, seeking to establish the bank's responsibility for causing and aggravating the failure of the Parmalat Group with financial transactions (bond issues and derivatives) executed before its bankruptcy, are currently pending.

In March and May 2015, the Bologna Court of Appeals allowed the appeals filed by JP Morgan against the non-final decisions handed down by the Court of Parma concerning certain preliminary issues raised by JP Morgan in the course of the proceedings. Parmalat appealed both decisions to the Court of Cassation, which must now schedule the respective hearings.

Actions to Void in Bankruptcy

JP Morgan Chase Bank N.A.

By a decision handed down on July 12, 2012, the Court of Parma, upholding the claim lodged by Parmalat S.p.A. in A.S. and Parmalat S.p.A. against JP Morgan Chase Bank N.A., voided the checking account wire transfers executed by the defendant during the year preceding the declaration of insolvency, ordering the defendant to pay 1.9 million euros, plus interest and inflation adjustment, and legal costs. JP Morgan appealed this decision.

At the hearing held on November 4, 2014, the proceedings were adjourned to a hearing for closing arguments scheduled for October 26, 2016.

JP Morgan Europe Limited

An action to void in bankruptcy for about 20 million euros regarding a complex share purchasing and selling transaction aimed at disguising a loan to a subsidiary is pending before the Court of Parma. The court ordered technical expert's report has been filed and, at a hearing on June 4, 2015, the judge reserved the right to decide regarding JP Morgan's request for a new court ordered technical expert's report. A decision by the judge in this regard is now pending.

HSBC Bank PLC

By a decision handed down on November 14, 2012, the Court of Parma denied the action to void filed by Parmalat against HSBC Bank, ordering Parmalat to pay two-third of the legal costs. Parmalat is appealing this decision before the Bologna Court of Appeals. At a hearing on March 17, 2015, the Court adjourned the proceedings, scheduling a hearing for closing arguments for July 3, 2018.

The Royal Bank of Scotland N.V. (formerly ABN AMRO Bank N.V.)

An action to void in bankruptcy for about 0.3 million euros filed by Parmalat against ABN AMRO Bank is pending before the Bologna Court of Appeal. At the initial level of the judicial process, the Court of Parma denied Parmalat's plea. At the hearing held on December 2, 2014, the parties offered closing arguments and the publication of the decision is now pending.

Tetrapak International S.A.

By a decision handed down on January 8, 2013, the Court of Parma ruled that the payment of 15.1 million euros made by Parmalat Finance Corporation B.V. for Tetrapak's benefit was ineffective and voided it pursuant to Article 67 of the Bankruptcy Law, ordering Tetrapak to pay legal costs. On March 18, 2013, Tetrapak served notice that it was appealing the decision by the Court of Parma. At a hearing held on July 2, 2013, the Bologna Court of Appeals stayed the enforcement of the lower court decision, scheduling a hearing for closing arguments for February 3, 2015, later postponed to December 15, 2015.

Liability Actions

A liability actions filed against former Directors and Statutory Auditors of Parmalat Finanziaria S.p.A. and Parmalat S.p.A. and other third parties deemed responsible for causing and aggravating the failure of the Parmalat Group is currently pending.

Actions for Enforcement

With regard to the enforcement of the provisional awards granted to the companies under extraordinary administration that joined the proceedings as plaintiffs seeking damages in the criminal trial for fraudulent bankruptcy and the “tourism sector” criminal trial, numerous actions for enforcement are pending with the aim of obtaining remediation of the huge financial damages caused by unlawful conduct of the convicted defendants.

Tax Disputes and Other Information

Tax related information concerning Parmalat S.p.A. and its main Italian and foreign subsidiaries is provided below:

Italy

The tax risks of the companies under extraordinary administration included in the composition with creditors attributable to periods that predate the date of their eligibility for extraordinary administration proceedings are recognized in the Provision for contested preferential and prededuction claims for 5.6 million euros. These tax assessments were challenged before the relevant Tax Commissions and the resulting actions are being pursued through the successive stages of the judicial process.

Foreign Countries

Group companies in South America have recognized provisions for tax risks totaling about 5.3 million euros to cover tax related risks.

It is worth mentioning that, in the first half of 2015, a foreign Group subsidiary received from the tax authorities a communication alleging that some of the costs incurred in previous years were not deductible, with the resulting charge estimated at about 11.0 million euros. The affected company intends to defend its position before the relevant judicial authority.

In light of the foregoing consideration and comforted by the advice of consultants available at this point, who confirmed that the full deductibility of the costs in question is the most likely outcome, the Group chose not to recognized a provision in the first half of 2015.

Notes to the Income Statement

(20) Revenue

A breakdown of revenue is as follows:

<i>(in millions of euros)</i>	First half 2015	First half 2014
Net revenue	2,980.3	2,617.9
Other revenue	17.7	17.4
Total revenue	2,986.0	2,635.3

A geographic breakdown of net revenue is as follows:

<i>(in millions of euros)</i>	First half 2015	First half 2014
Europe	543.2	560.6
North America	1,172.6	1,102.2
Latin America	533.4	352.2
Australia	504.5	426.3
Africa	217.0	179.1
Other ¹	(8.1)	(2.4)
Total net revenue	2,962.6	2,617.9

¹ Includes minor companies, inter-area eliminations and Parent Company costs.

Other revenue includes the following:

<i>(in millions of euros)</i>	First half 2015	First half 2014
Rebiling of advertising expenses	3.6	4.6
Services rendered	2.1	0.5
Royalties	1.4	2.5
Rent	0.8	0.9
Gains on the sale of non-current assets	0.7	1.2
Out-of-period items and restatements	0.5	1.5
Expense reimbursements	0.4	0.1
Insurance settlements	0.3	0.1
Operating grants	0.2	0.1
Commissions on sales of products	0.1	0.9
Miscellaneous	7.6	5.0
Total other revenue	17.7	17.4

(21) Costs

A breakdown of the costs incurred in the first half of 2015 is as follows:

<i>(in millions of euros)</i>	First half 2015	First half 2014
Cost of sales	2,438.1	2,101.1
Distribution costs	243.4	213.3
Administrative expenses	204.9	198.8
Total costs	2,886.4	2,513.2

A breakdown by type of the costs incurred in the first half of 2015 is as follows:

<i>(in millions of euros)</i>	First half 2015	First half 2014
Raw materials and finished goods	1,694.0	1,467.5
Personnel expense	413.3	357.2
Packaging materials	233.9	198.3
Freight	167.0	141.1
Depreciation, amortization and impairment losses on non-current assets	75.5	62.3
Other services	74.0	59.4
Sales commissions	64.2	58.3
Energy, water and gas	56.2	49.3
Advertising and promotions	52.3	50.4
Supplies	40.7	32.5
Maintenance and repairs	38.0	26.9
Use of property not owned	25.8	22.3
Storage, handling and outside processing services	25.5	21.8
Miscellaneous charges	18.8	14.9
Postage, telephone and insurance	11.9	11.2
Consulting services	11.9	11.2
Impairment losses on receivables and additions to provisions	4.2	3.0
Auditing services	1.9	1.9
Fees to Chairman and Directors	0.6	0.9
Fees to Statutory Auditors	0.2	0.3
Changes in inventories of raw materials and finished goods	(123.5)	(77.5)
Total cost of sales, distribution costs and administrative expenses	2,886.4	2,513.2

The increase in “Cost of sales, distribution costs and administrative expenses” is due mainly to:

- a higher rate of inflation in Venezuela, which in the first half of 2015 rose to 55% (28% in the first half of 2014);
- a different scope of consolidation, in the first half of 2015 compared with the same period last year, due to the acquisitions.

These increases were offset only in part by the negative currency translation effect caused mainly the difference in the exchange rate used to convert the income statement data of the Venezuela subsidiaries between the first half of 2015 and the same period last year.

(22) Litigation-related Legal Expenses

The balance in this account reflects fees paid to law firms, amounting to 1.7 million euros (1.7 million euros in the first half of 2014) retained as counsel in connection with the actions for damages and actions to void filed by the companies under extraordinary administration prior to the implementation of the Composition with Creditors, which the Company is currently pursuing.

(23) Miscellaneous Income (Expense)

Net miscellaneous expense amounted to 4.8 million euros. A breakdown is as follows:

(in millions of euros)	First half 2015	First half 2014
Proceeds from actions to void and actions for damages	7.3	17.1
Benefit/(Expense) related to tax risks	(0.3)	3.4
Restructuring costs	(7.9)	(4.0)
Sundry income/(expense)	(3.9)	(4.2)
Total miscellaneous income (expense)	(4.8)	12.3

Proceeds from settlements of actions to void and actions for damages, amounting to 7.3 million euros, include the following:

- The amount paid by some companies under extraordinary administration (Coloniale S.p.A., Eliair S.r.l. and Partenopal S.r.l.) as part of the amount owed for verified claims;
- The amount received from some former Directors and Statutory auditors of Parmalat Finanziaria in A.S. as part of the damages awarded in connection with their criminal conviction.

The charges related to tax risks, amounting to 0.3 million euros, reflect a restatement of the estimate of probable tax liabilities.

Restructuring costs, totaling 7.9 million euros, refer mainly to the estimated charges for the closing of the plant in Marieville (Canada), scheduled for the end of September. The closing of this facility will enable the Canadian subsidiary to improve its production process by concentrating all cheese production for Quebec at the Victoriaville plant.

Net sundry expense of 3.9 million euros consists mainly of costs incurred in connection with acquisitions in Brazil, Mexico and Australia.

(24) Net Financial Income (Expense)

Net financial expense amounted to 10.0 million euros, broken down as follows:

(in millions of euros)	First half 2015	First half 2014
Interest earned from banks and other financial institutions	4.4	7.2
Net foreign exchange differences	0.5	1.3
Interest received from the tax authorities	0.4	0.4
Other financial income	0.8	3.0
Hyperinflation effect	(7.9)	(4.7)
Interest paid on loans	(5.7)	(5.3)
Bank fees	(1.8)	(1.3)
Actuarial losses	(0.1)	(0.1)
Other financial expense	(0.6)	(0.6)
Net financial income (expense)	(10.0)	(0.1)

At June 30, 2015, the hyperinflation effect was negative by 7.9 million euros (negative by 4.7 million euros at June 30, 2014). This change is chiefly attributable to a higher rate of inflation in Venezuela, which in the first half of 2015 rose to 55% (28% in the first half of 2014).

The reduction in financial income generated by investing the Group's liquid assets, attributable mainly to Parmalat S.p.A., is due to an across-the-board decrease in interest rates.

(25) Income Taxes

Income taxes totaled 38.5 million euros. A breakdown is as follows:

(in millions of euros)	First half 2015	First half 2014
Current taxes		
- Italian companies	7.3	9.9
- Foreign companies	29.3	25.2
Net deferred and prepaid taxes		
- Italian companies	5.0	2.2
- Foreign companies	(3.1)	5.3
Total	38.5	42.6

Current taxes of Italian companies totaled 7.3 million euros, including 1.0 million euros in regional taxes (IRAP) and 6.3 million euros in corporate income taxes (IRES).

Net deferred and prepaid taxes totaling 1.9 million euros were computed on the temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases.

A reconciliation of the statutory tax liability, determined by applying the corporate income tax rate in effect in Italy, to the amount recognized in the income statement is provided below:

<i>(in millions of euros)</i>	First half 2015	First half 2014
Consolidated profit before taxes	77.0	132.6
Statutory tax rate	27.5%	27.5%
Statutory tax liability	21.2	36.5
Tax effect of permanent differences	8.1	2.7
Tax losses for the year that are not deemed to be recoverable and elimination of deferred tax assets	5.4	0.3
Recognition of prior-period tax losses (-)	(0.8)	(2.1)
Derecognition of deferred tax liabilities on the revaluation implemented pursuant to Decree Law No. 185/2008 due to expiration of the monitoring period	-	(2.8)
Higher/(Lower) taxes as per income tax return	(0.5)	(0.3)
Differences between foreign tax rates and the Italian statutory tax rate and sundry items	(1.6)	5.4
Actual income tax liability	31.8	39.7
IRAP and other taxes computed on a base different from the profit before taxes	6.7	2.9
Actual tax liability shown on the income statement	38.5	42.6
Actual tax rate	50.0%	32.1%

The increase in the Group's effective tax rate compared with the previous period is mainly attributable to the tax effect of the permanent differences, caused primarily by the inflation adjustment applied to taxable income in Venezuela and, insofar as the South American companies are concerned, to the loss for the period, which, at this point, is not deemed to be recoverable for tax purposes in future years.

(26) Other Information

Material Nonrecurring Transactions and Atypical and/or Unusual Transactions

The Group did not execute material nonrecurring transactions or atypical or unusual transactions, pursuant to Consob Communication No. DEM/6064293 of July 28, 2006.

Net Financial Position

In accordance with the requirements of the Consob Communication of July 28, 2006 and consistent with the CESR's Recommendation of February 10, 2005 *"Recommendations for a Uniform Implementation of the European Commission's Prospectus Regulation,"* a schedule showing the net financial position of the Parmalat Group at June 30, 2015 is provided below:

(in millions of euros)	6/30/15	12/31/14
A) Cash	1.0	0.6
B) Cash equivalents and readily available financial assets:		
- Bank and postal accounts	991.7	1,154.7
- Checks in transit	1.0	
- Reverse repurchase agreements	1.6	12.2
- Accrued interest	0.9	0.7
- Time deposits	76.4	73.8
C) Negotiable securities	-	-
D) Liquid assets (A+B+C)	1,072.6	1,242.0
E) Current financial receivables	5.0	9.7
F) Current bank debt	60.7	38.2
G) Current portion of non-current indebtedness	0.1	0.1
H) Other current borrowings	1.3	1.4
<i>amount from transactions with related parties</i>	<i>0.0</i>	<i>0.5</i>
I) Current financial debt (F+G+H)	62.1	39.7
J) Net current financial debt (I-E-D)	(1,015.5)	(1,212.0)
K) Non-current bank debt	233.4	71.0
L) Debt securities outstanding	-	-
M) Other non-current borrowings	51.2	21.9
N) Non-current financial debt (K+L+M)	284.6	92.9
O) Net financial debt (J+N)	(730.9)	(1,119.1)

The section of the Interim Report on Operations entitled "Financial Performance" explains the main developments that occurred in this area and the Groups' risk management policy.

Breakdown of Personnel Expense by Type

A breakdown is as follows:

	First half 2015	First half 2014
Wages and salaries	293.0	253.3
Social security contributions	45.8	38.2
Severance benefits	40.1	36.8
Other personnel expense	34.4	28.9
Total personnel expense	413.3	357.2

New labor laws that are being implemented gradually in Venezuela, starting in the second half of 2014, which provide greater employee benefits, and the different scope of consolidation resulting from acquisitions completed in the first half of 2015 compared with the same period last year are the main reasons for the increase in Personnel expense. These increases were offset only in part by the negative currency translation effect caused mainly the difference in the exchange rate used to convert the income statement data of the Venezuela subsidiaries between the first half of 2015 and the same period last year.

Personnel expense of 413.3 million euros is included in cost of sales for 263.2 million euros (219.4 million euros in the first half of 2014), distribution costs for 60.2 million euros (52.1 million euros in the first half of 2014) and administrative expenses for 89.9 million euros (85.7 million euros in the first half of 2014).

Average Number of Employees

The table below provides a breakdown by category of the average number of employees on the Company's payroll:

<i>(in millions of euros)</i>	6/30/15	6/30/14
Executives	260	248
Middle managers	1,434	1,433
Office staff	5,970	4,681
Production staff	10,410	8,894
Short-term contracts	1,273	1,184
Total	19,347	16,440

The average number of employees is the half-sum of the number of employees at the beginning and the end of the period. The number of executives includes managers hired and working abroad, whose organizational position is consistent with the classification as executive.

The increase in the average number of employees is chiefly the result of the different scope of consolidation resulting from acquisitions completed in the first half of 2015 compared with the same period last year.

Depreciation, Amortization and Impairment Losses

A breakdown is as follows:

<i>(in millions of euros)</i>	First half 2015	First half 2014
- Amortization of intangible assets	7.9	6.0
- Depreciation of property, plant and equipment	67.2	56.3
- Impairment losses on non-current assets	0.4	-
Total depreciation, amortization and impairment losses	75.5	62.3

The increase in depreciation, amortization and impairment losses on non-current assets is mainly related to the different scope of consolidation resulting from acquisitions completed in the first half of 2015 compared with the same period last year

Depreciation, amortization and impairment losses, amounting to 75.5 million euros, are included in cost of sales for 55.8 million euros (46.5 million euros in the first half of 2014), distribution costs for 5.0 million euros (5.9 million euros in the first half of 2014) and administrative expenses for 14.7 million euros (9.9 million euros in the first half of 2014).

Earnings per share

The table below shows a computation of earnings per share in accordance with IAS 33:

<i>(in euros)</i>	First half 2015	First half 2014
Profit attributable to owners of the parent	37,605,537	88,934,524
broken down as follows:		
- Profit from continuing operations	37,605,537	88,934,524
- Profit (Loss) from discontinuing operations	-	-
Weighted average number of shares outstanding determined for the purpose of computing earnings per share:		
- basic	1,833,896,164	1,826,365,137
- diluted	1,850,354,739	1,846,849,831
Basic earnings per share	0.0205	0.0487
broken down as follows:		
- Profit from continuing operations	0.0205	0.0487
- Profit/(Loss) from discontinuing operations	-	-
Diluted earnings per share	0.0203	0.0482
broken down as follows:		
- Profit from continuing operations	0.0203	0.0482
- Profit/(Loss) from discontinuing operations	-	-

The number of common shares outstanding changed subsequent to the end of the reporting period due to the following capital increases:

- July 7, 2015: 478,631 euros

The computation of the weighted average number of shares outstanding, starting with the 1,831,068,945 shares outstanding on January 1, 2015, is based on the following changes that occurred during the reporting period:

- issuance of 366,830 common shares on 1/16/15
- issuance of 19,582 common shares on 2/13/15
- issuance of 1,606,979 common shares on 3/13/15
- issuance of 2,042,012 common shares on 6/5/15

The computation of diluted earnings per share takes into account the maximum number of issuable warrants (95 million), as set forth in a resolution approved by the Shareholders' Meeting of April 28, 2007. As of the date of these financial statements, a total of 16,458,575 warrants were exercisable with a dilutive effect.

Segment Information

The table below, which was prepared in accordance with the disclosure requirements of IFRS 8, provides segment information about the Group's operations at June 30, 2015 and the comparable data for 2014. The breakdown by geographic region is consistent with the Group's governance structure and is reflected on the income statement and statement of financial position data provided below. The statement of financial position data are end-of-period data.

	<i>(in millions of euros)</i>					
	EUROPE	NORTH AMERICA	LATIN AMERICA	AUSTRALIA	AFRICA	HOLDING, OTHER NON CORE CO.S AND ELIMINATION GROUP
2015						
Net segment revenue	543.2	1,172.6	533.4	504.5	217.0	(8.1) 2,962.6
Net inter-segment revenue	(0.5)	(7.7)	0.0	0.0	0.0	8.2
Net revenue from outsiders	542.7	1,164.9	533.4	504.5	217.0	0.1 2,962.6
EBITDA	53.2	96.0	0.7	11.3	16.6	(8.4) 169.4
% of net revenue	9.8	8.2	0.1	2.2	7.7	5.7
Depreciation, amortization and impairment losses of non-current assets	(19.2)	(25.4)	(12.9)	(13.6)	(4.4)	(75.5)
- Litigation-related expenses						(1.7)
- Miscell. income and expense						(4.8)
EBIT						87.4
Financial income						16.6
Financial expense						(26.6)
Other income from (expense for) equity investments						(0.4)
PROFIT BEFORE TAXES						77.0
Income taxes						(38.5)
PROFIT FROM CONTINUING OPERATIONS						38.5
Total segment assets	1,155.7	1,438.4	1,387.6	629.3	261.8	36.2 4,909.0
Total non-segment assets						180.2
Total assets						5,089.2
Total segment liabilities	407.8	291.1	216.4	137.5	68.3	(5.9) 1,115.2
Total non-segment liabilities						583.2
Total liabilities						1,698.4
Capital exp. (prop., plant & equip.)	11.5	26.3	4.7	9.8	6.6	0.0 58.9
Capital expenditures (intangibles)	0.6	0.6	0.5	0.0	0.2	0.0 1.9
Number of employees	3,372	4,686	8,871	2,155	3,138	22,222

- Capital expenditures for property, plant and equipment include land and buildings

More detailed information about the performance of the different segments in the first half of 2015 is provided in the Interim Report on Operations.

	(in millions of euros)						
	EUROPE	NORTH AMERICA	LATIN AMERICA	AUSTRALIA	AFRICA	HOLDING, OTHER NON CORE CO.S AND ELIMINATIONS BETWEEN REGIONS	GROUP
2014							
Net segment revenues	560.6	1,102.2	352.2	426.3	179.1	(2.4)	2,617.9
Net inter-segment revenues	(0.7)	(1.9)	0.0	0.0	0.0	2.6	
Net revenues from outsiders	559.9	1,100.3	352.2	426.3	179.1	0.2	2,617.9
EBITDA	48.8	82.9	40.3	7.5	13.2	(8.2)	184.4
% of net revenues	8.7	7.5	11.5	1.7	7.4		7.0
Depreciation, amortization and writedowns of non-current assets	(20.6)	(22.1)	(6.4)	(9.7)	(3.4)		(62.3)
- Writedowns of goodwill and trademarks with indefinite useful life							0.0
- Litigation related expenses							(1.7)
- Miscell. income and expense							12.3
EBIT							132.7
Financial income							17.6
Financial expense							(17.7)
Other income from (expense for) equity investments							0.0
PROFIT BEFORE TAXES							132.6
Income taxes							(42.6)
NET PROFIT FROM CONTINUING OPERATIONS							90.0
Total segment assets	1,744.0	1,380.7	315.8	557.0	225.4	46.4	4,269.3
Total non-segment assets							153.6
Total assets							4,422.9
Total segment liabilities	441.4	246.2	90.7	127.4	63.5	(3.1)	966.1
Total non-segment liabilities							336.6
Total liabilities							1,302.7
Capital exp. (prop., plant & equip.)	9.4	25.3	9.4	9.8	9.2	0.0	63.1
Capital expenditures (intangibles)	0.4	0.6	0.2	0.0	0.2	0.0	1.4
Number of employees	3,211	4,638	3,782	2,182	2,712		16,525
<i>- capital expenditures for property, plant and equipment include land and buildings</i>							

Fair Value Measurement

IFRS 7 requires that financial instruments measured at fair value be classified based on a hierarchical ranking that reflects the reliability of the inputs used to measure fair value. This hierarchical ranking includes the following levels:

- Level 1 – prices quoted in an active market for the assets or liabilities that are being measured;
- Level 2 – inputs other than the quoted prices of Level 1, but which are observable directly (prices) or indirectly (derived from prices) in the market;
- Level 3 – inputs not based on observable market data.

The table that follows lists by hierarchical ranking of fair value measurement the assets and liabilities that were measured at fair value at June 30, 2015 and December 31, 2014:

<i>(in millions of euros)</i>	Level 1	Level 2	Level 3	Total
6/30/15				
Investments in associates	-	-	47.0	47.0
Other non-current assets	0.2	-	-	0.2
Current financial assets	-	0.5	-	0.5
Total assets	0.2	0.5	47.0	47.7
Derivative liabilities	-	44.4	-	44.4
Total liabilities	-	44.4	-	44.4

<i>(in millions of euros)</i>	Level 1	Level 2	Level 3	Total
12/31/14				
Investments in associates	-	-	44.0	44.0
Other non-current assets	0.2	-	-	0.2
Current financial assets	-	9.1	-	9.1
Total assets	0.2	9.1	44.0	53.3
Derivative liabilities	-	18.0	-	18.0
Total liabilities	-	18.0	-	18.0

There were no transfers between hierarchical levels of fair value in the first half of 2015.

The table below shows the changes that occurred within Level 3 in the first half of 2015:

<i>(in millions of euros)</i>	Investments in associates
Balance at 12/31/14	44.0
(Gains)/Losses recognized in the statement of comprehensive income	3.0
Transfers from and to Level 3	-
Balance at 6/30/15	47.0

The fair value of investments in associates refers exclusively to the percentage interest held in Bonatti S.p.A., which is not a publicly traded company. Absent quoted prices, fair value was determined, as required by IFRS 13 (Level 3), based on the book value of the company's equity at December 31, 2014, using the latest available data for this company.

The fair value of derivatives was determined based both on quotes provided by bank counterparties and on valuation models generally adopted in the financial community.

The fair value of derivatives is determined taking into account the counterparty credit risk (so-called "credit valuation adjustment"); this component was taken into account when testing hedge effectiveness.

The carrying amount of financial instruments is substantially the same as their fair value.

Disclosure About Risks

For each type of risk inherent in financial instruments, a disclosure of the objectives, policies and process adopted to manage risk is provided in the section of the Report on Operations entitled "Managing Enterprise Risks."

Exchange Rates Used to Translate Financial Statements

Source: Banca d'Italia

LOCAL CURRENCY FOR 1 EURO	ISO CODE	6/30/15 (end of period rate)	12/31/14 (end of period rate)	% change (end of period rate)	6/30/15 (average rate)	6/30/14 (average rate)	% change (average rate)
PESO – ARGENTINA	ARS	10.1653	10.2755	-1.07%	9.83968	10.7293	-8.29%
DOLLAR – AUSTRALIA	AUD	1.45500	1.48290	-1.88%	1.42608	1.49890	-4.86%
BOLIVIANO – BOLIVIA	BOB	7.73160	8.38943	-7.84%	7.71011	9.46909	-18.58%
REAL – BRAZIL	BRL	3.46990	3.22070	7.74%	3.31015	3.14987	5.09%
PULA – BOTSWANA	BWP	11.0706	11.5473	-4.13%	10.9193	12.1156	-9.87%
DOLLAR – CANADA	CAD	1.38390	1.40630	-1.59%	1.37736	1.50288	-8.35%
PESO – COLOMBIA	COP	2,896.45	2,892.26	0.14%	2,772.64	2,686.10	3.22%
QUETZAL – GUATEMALA	GTQ	8.53326	9.22534	-7.50%	8.54361	10.6525	-19.80%
PESO – MEXICO	MXN	17.5332	17.8679	-1.87%	16.8887	17.9747	-6.04%
NEW METICAL – MOZAMBIQUE	MZM	42.7867	38.4384	11.31%	37.5192	41.7748	-10.19%
NEW ZEALAND – DOLLAR	NZD	1.65480	1.55250	6.59%	1.50634	1.61488	-6.72%
NUEVO SOL – PERU	PEN	3.55333	3.63265	-2.18%	3.45828	3.83776	-9.89%
GUARANI – PARAGUAY	PYG	5,781.77	5,620.07	2.88%	5,468.38	6,127.08	-10.75%
NEW LEU – ROMANIA	RON	4.47250	4.48280	-0.23%	4.44793	4.46428	-0.37%
RUBLE – RUSSIA	RUB	62.3550	72.3370	-13.80%	64.6407	47.9924	34.69%
LILANGENI – SWAZILAND	SZL	13.6416	14.0353	-2.81%	13.3048	14.6758	-9.34%
U.S.A. – DOLLAR ¹	USD	1.11890	1.21410	-7.84%	1.11579	1.37035	-18.58%
PESO – URUGUAY	UYU	30.2293	29.5864	2.17%	28.6360	30.9137	-7.37%
BOLIVAR FUERTE – VENEZUELA ²	VEF	14.3219	14.5692	-1.70%	13.4325	8.63318	55.59%
RAND – SOUTH AFRICA	ZAR	13.6416	14.0353	-2.81%	13.3048	14.6758	-9.34%
KWACHA – ZAMBIA	ZMW	8.40473	7.75276	8.41%	7.89384	8.31574	-5.07%

¹ The U.S. dollar is the reporting currency of the companies located in Ecuador.

² Additional information about the exchange rate used is provided in the “Venezuela” section of these notes.

Investments in Associates of the Parmalat Group

Parent Company

Company		Share capital			Equity investment			
Name	Type	Curr.	Amount	Number of shares/cap interests held	Held by	Number of shares/cap. interests	% interest held	Group interest
Head office	(1)							
PARMALAT S.P.A.	PC	EUR	1,835,104,348					
Collecchio								100.0000

Subsidiaries consolidated line by line

Company		Share capital			Equity investment			
Name	Type	Curr.	Amount	Number of shares/cap interests held	Held by	Number of shares/cap. interests	% interest held	Group interest
Head office	(1)							
EUROPE								
ITALY								
CENTRALE DEL LATTE DI ROMA S.P.A. *	C	EUR	37,736,000	5,661,400	Parmalat S.p.A.	5,661,400	75.013	
Rome							75.013	75.0130
COMPAGNIA FINANZIARIA ALIMENTI SRL in liquidation ⁽²⁾	LLP	EUR	10,000	10,000	Dalmata S.p.A.	10,000	100.000	
Collecchio							100.000	100.0000
DALMATA S.P.A.	C	EUR	120,000	1,000	Parmalat S.p.A.	1,000	100.000	
Collecchio							100.000	100.0000
SATA SRL	LLP	EUR	500,000	500,000	Parmalat S.p.A.	500,000	100.000	
Collecchio							100.000	100.0000
BELGIUM								
PARMALAT BELGIUM SA	F	EUR	62,647,500	2,505,900	Parmalat S.p.A.	2,505,899	100.000	
Brussels					Dalmata S.p.A.	1	0.000	100.0000
FRANCE								
LACTALIS EXPORT AMERICAS	F	EUR	16,000	1000	Lactalis American Group, Inc.	1000	100.000	
Choisy Le Roi							100.000	100.0000
PORTUGAL								
PARMALAT PORTUGAL PROD. ALIMENT. LDA	F	EUR	11,651,450.04	2	Parmalat S.p.A.	1	99.990	
Sintra					Dalmata S.p.A.	1	0.010	100.0000
ROMANIA								
PARMALAT ROMANIA SA	F	RON	26,089,760	2,608,957	Parmalat S.p.A.	2,608,957	99.999	
Comuna Tunari							99.999	99.9993
RUSSIA								
OAo BELGORODSKIY MOLOCHNIY KOMBINAT	F	RUB	67,123,000	67,060,000	Parmalat S.p.A.	66,958,000	99.754	
Belgorod					OOO Parmalat MK	102,000	0.152	
							99.906	99.9061
OOO PARMALAT MK	F	RUB	81,115,950	1	Parmalat S.p.A.	1	100.000	
Moscow							100.000	100.0000
OOO URALLAT	F	RUB	129,618,210	1	Parmalat S.p.A.	1	100.000	
Berezovsky							100.000	100.0000

* See the information provided in the section of the Report on Operations entitled "Legal disputes and contingent Liabilities at June 30, 2015."

⁽¹⁾ C = Corporation; PC = Publicly traded corporation; LLP = Limited liability partnership; F = Foreign company

⁽²⁾ Company in liquidation and subsidiaries

⁽³⁾ Company under Extraordinary Administration or noncore company

Company		Share capital			Equity investment			
Name	Type	Curr.	Amount	Number of	Held by	Number of	% interest held	Group
Head office	(1)			shares/cap		shares/cap.		interest
				interests held		interests		
NORTH AMERICA								
UNITED STATES OF AMERICA								
LAG HOLDING INC. Wilmington	F	USD	1	100	Parmalat Belgium SA	100	100.000	100.0000
LACTALIS AMERICAN GROUP INC. Wilmington	F	USD	140,585,000		Lag Holding Inc.		100.000	100.0000
LACTALIS RETAIL DAIRY INC. Midvale	F	USD	4,500	130,000	Sorrento Lactalis Inc.	130,000	100.000	100.0000
LACTALIS DELI INC. Wilmington	F	USD		100	Lactalis American Group Inc. Lactalis USA Inc.	60 40	60.000 40.000	100.0000
LACTALIS USA INC. Madison	F	USD	2,620,000	31,000	Lactalis American Group Inc.	31,000	100.000	100.0000
SORRENTO LACTALIS INC. Wilmington	F	USD	598,819		Lactalis American Group Inc.		100.000	100.0000
SCC PROPERTIES INC. New York	F	USD			Sorrento Lactalis Inc.		100.000	100.0000
MOZZARELLA FRESCA INC. Los Angeles	F	USD	2,864,753		Lactalis American Group Inc.		100.000	100.0000
CANADA								
PARMALAT CANADA INC. Toronto	F	CAD	1,072,480,000	938,019 Class A 134,460 Class B	Parmalat S.p.A. Parmalat S.p.A.	938,019 134,460	86.314 13.685	100.0000
CENTRAL AMERICA								
NETHERLANDS ANTILLES								
CURCASTLE CORPORATION NV Curaçao	F	USD	6,000	6,000	Dalmata S.p.A.	6,000	100.000	100.0000
CUBA								
CITRUS INTERNATIONAL CORPORATION SA in liquidation ⁽²⁾ Pinar del Rio	F	USD	11,400,000	627	Parmalat S.p.A.	627	55.000 55.000	55.0000
MEXICO								
LACTALIS ALIMENTOS MEXICO S. DE R.L. Mexico City	F	MXN	901,592,100	2	Parmalat Belgium SA Dalmata S.p.A.	1 1	100.000 0.000	100.0000
DERIVADOS DE LECHE LA ESMERALDA S.A. DE C.V.	F	MXN	57,228,938	57,228,938	Lactalis Alimentos Mexico S. de R.L. Dalmata S.p.A.	57,228,937 1	100.000 0.000	100.0000
DISTRIBUIDORA ALGIL S.A. DE C.V.	F	MXN	375	375	Lactalis Alimentos Mexico S. de R.L. Dalmata S.p.A.	374 1	99.733 0.267	100.0000
IMPULSORA DE VENTAS ALIMENTICIAS S.A. DE C.V.	F	MXN	300,225	300,225	Lactalis Alimentos Mexico S. de R.L. Dalmata S.p.A.	300,224 1	100.000 0.000	100.0000
DISTRIBUIDORA DE LACTEOS ALGIL S.A. DE C.V.	F	MXN	22,755,780	22,755,780	Lactalis Alimentos Mexico S. de R.L. Dalmata S.p.A.	22,755,779 1	100.000 0.000	100.0000
OPERADORA DE PRODUCTOS REFRIGERADOS S.A. DE C.V.	F	MXN	375,094	375,094	Lactalis Alimentos Mexico S. de R.L. Dalmata S.p.A.	375,093 1	100.000 0.000	100.0000

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⁽²⁾ Company in liquidation and subsidiaries

⁽³⁾ Company under Extraordinary Administration or noncore company

Company			Share capital		Equity investment			
Name Head office	Type (1)	Curr.	Amount	Number of shares/cap interests held	Held by	Number of shares/cap. interests	% interest held	Group interest
PROMOTORA TECNICA Y PROFESIONAL S.A. DE C.V.	F	MXN	60,000	60,000	Lactalis Alimentos Mexico S. de R.L. Dalmata S.p.A.	59,999 1	99.998 0.002 100.000	
TRALGIL S.A. DE C.V.	F	MXN	1,159,500	1,159,500	Lactalis Alimentos Mexico S. de R.L. Dalmata S.p.A.	1,159,499 1	100.000 0.000 100.000	
SOUTH AMERICA								
ARGENTINA								
LA MUCCA S.A. Buenos Aires	F	ARS	6,049,000	60,490	Parmalat Belgium SA Dalmata S.p.A.	59,885 605	99.000 1.000 100.000	100.0000
BOLIVIA								
PARMALAT BOLIVIA SRL Santa Cruz	F	BOB	451,000	451	Parmalat Belgium SA Dalmata S.p.A.	446 5	99.000 1.000 100.000	100.0000
BRAZIL								
LACTALIS DO BRAZIL COMERCIO IMPORTACAO E EXPORTACAO DE LATICINOS LTDA São Paulo	F	BRL	435,711,040	1,361,597	Parmalat Belgium SA Dalmata S.p.A.	1,361,596 1	99.999 0.001 100.000	100.000
COLOMBIA								
PARMALAT COLOMBIA LTDA Bogota	F	COP	20,466,360,000	20,466,360	Parmalat S.p.A. Dalmata S.p.A.	20,466,359 1	100.000 0.000 100.000	100.0000
PROCESADORA DE LECHEs SA (Proleche sa) Bogota	F	COP	173,062,136	138,102,792	Parmalat S.p.A. Dalmata S.p.A. Parmalat Colombia Ltda	131,212,931 4,101,258 2,788,603	94.773 2.962 2.014 99.749	99.7492
ECUADOR								
PARMALAT DEL ECUADOR SA (ex Leche Cotopaxi Lecocem SA) Quito	F	USD	13,389,910.76	323,018,972	Parmalat S.p.A.	323,018,972	96.496 96.496	96.4962
LACTEOSMILK SA (già Parmalat del Ecuador sa) Quito	F	USD	345,344	8,633,599	Parmalat S.p.A. Parmalat Colombia Ltda	8,633,598 1	100.000 0.000 100.000	100.0000
GUATEMALA								
LACTEOS ALGIL GUATEMALA S.A. Guatemala	F	GTQ	6,000	60	Parmalat Belgium SA Dalmata S.p.A.	59 1	98.333 1.667 100.000	100.0000
PARAGUAY								
PARMALAT PARAGUAY SA Asuncion	F	PYG	9,730,000,000	9,632	Parmalat S.p.A.	9,632	98.993 98.993	98.993
PERU								
PARMALAT PERU SAC Lima	F	PEN	2,526,132	2,526,132	Parmalat Belgium SA Dalmata S.p.A.	2,525,232 900	99.964 0.036 100.000	100.0000
URUGUAY								
INDUSTRIA LACTEA SALTENA S.A. Salto	F	UYU	10,321,983.06	10,321,980	Parmalat Belgium SA Dalmata S.p.A.	10,321,979 1	100.000 0.000 100.000	100.0000

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(2) Company in liquidation and subsidiaries

(3) Company under Extraordinary Administration or noncore company

Company		Share capital			Equity investment			
Name	Type	Curr.	Amount	Number of	Held by	Number of	% interest held	Group
Head office	(1)			shares/cap		shares/cap.		interest
				interests held		interests		
PARMALAT URUGUAY SRL	F	UYU	6,997,529	6,997,529	Parmalat Belgium SA	6,997,554	99.000	
Montevideo					Dalmata S.p.A.	69,975	1.000	
							100.000	100.0000
VENEZUELA								
INDUSTRIA LACTEA VENEZOLANA CA (INDULAC)	F	VEF	34,720,471.6	343,108,495	Parmalat S.p.A.	343,108,495	98.820	
Caracas							98.820	98.8202
QUESOS NACIONALES CA QUENACA	F	VEF	3,000,000	3,000,000	Indu.Lac.Venezol. ca-Indulac	3,000,000	100.000	
Caracas							100.000	98.8202
AFRICA								
BOTSWANA								
PARMALAT BOTSWANA (PTY) LTD	F	BWP	80,019,618	22,814	Dalmata S.p.A.	22,814	100.000	
Gaborone							100.000	100.0000
MOZAMBIQUE								
PARMALAT PRODUTOS ALIMENTARES SARL	F	MZM	57,841,500	536,415	Dalmata S.p.A.	536,415	92.739	
Matola							92.739	92.7390
SOUTH AFRICA								
PARMALAT SOUTH AFRICA (PTY) LTD	F	ZAR	1,368,288.73	122,010,000	Dalmata S.p.A.	122,010,000	89.170	
Stellenbosch				14,818,873	Parmalat S.p.A.	14,818,873	10.830	
							100.000	100.0000
SWAZILAND								
PARMALAT SWAZILAND (PTY) LTD	F	SZL	100	60	Dalmata S.p.A.	60	60.000	
Matsapha							60.000	60.0000
ZAMBIA								
PARMALAT ZAMBIA LIMITED	F	ZMK	27,281	19,506	Dalmata S.p.A.		71.500	
Lusaka							71.500	71.5000
ASIA/PACIFIC								
AUSTRALIA								
PARMALAT AUSTRALIA PTY LTD	F	AUD	222,727,759	22,314,388 ord.	Parmalat Belgium sa	22,314,388	10.023	
South Brisbane				200,313,371 pr.	Parmalat S.p.A.	200,313,371	89.977	
				1 sp.	Parmalat Finance Australia Pty Ltd	1	0.000	
							100.000	100.0000
PARMALAT FINANCE AUSTRALIA PTY LTD	F	AUD	120,000	120,000	Parmalat Belgium sa	120,000	100.000	
South Brisbane							100.000	100.0000
QUANTUM DISTRIBUTION SERV. PTY LTD	F	AUD	8,000,000	8,000,000	Parmalat Australia Pty Ltd	8,000,000	100.000	
South Brisbane							100.000	100.0000
HARVEY FRESH JUICE PTY LTD	F	AUD	100	100	Harvey Fresh (1994) Ltd	100	100.000	
West Perth							100.000	100.0000
HARVEY FRESH (1994) LTD	F	AUD	1,205,001	50,000,000	Parmalat Australia Pty Ltd	5,000,000	100.000	
West Perth							100.000	100.0000
LONGWARRY FOOD PARK PTY LTD	F	AUD	4,620,004	100	Parmalat Australia Pty Ltd	100	100.000	
South Brisbane							100.000	100.0000
GIPPY MILK PTY LTD	F	AUD	4,620,002	4,620,002	Longwarry Food Park Pty Ltd	4,620,002	100.000	
South Brisbane							100.000	100.0000
SAURIN INVESTMENTS PTY LTD	F	AUD	2	2	Parmalat Australia Pty Ltd	2	100.000	
South Brisbane							100.000	100.0000
NEW ZEALAND								
PARMALAT NZ LIMITED	F	NZD	100	100	Parmalat Australia Pty Ltd	100	100.000	
Auckland							100.000	100.0000

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⁽²⁾ Company in liquidation and subsidiaries

⁽³⁾ Company under Extraordinary Administration or noncore company

Companies that are majority owned but are not subsidiaries

Company		Share capital			Equity investment			
Name	Type ⁽¹⁾	Curr.	Amount	Number of shares/cap interests held	Held by	Number of shares/cap. interests	% interest held	
EUROPE								
NETHERLANDS								
DAIRIES HOLDING INTERNATIONAL BV	F	EUR	244,264,623.05	40 ord.	Dalmata S.p.A.	40	0.008	
in A.S. ⁽³⁾				542,765,829 pref.	Dalmata S.p.A.	542,765,829	99.992	
Rotterdam							100.000	
LUSSEMBURGO								
OLEX SA in A.S. ⁽³⁾	F	EUR	578,125	22,894	Dairies Holding Int.l Bv in A.S.	22,894	99.001	
Luxembourg							99.001	
SOUTH AMERICA								
BRAZIK								
PRM ADMIN E PART DO BRASIL LTDA ⁽²⁾	F	BRL	1,000,000	810,348	Parmalat S.p.A.	810,348	81.035	
São Paulo							81.035	
PPL PARTICIPACOES DO BRASIL LTDA ⁽³⁾	F	BRL	1,271,257,235	1,260,921,807	Parmalat S.p.A.	1,260,921,807	99.187	
São Paulo							99.187	
URUGUAY								
WISHAW TRADING SA ⁽³⁾	F	USD	30,000	300	Parmalat S.p.A.	50	16.667	
Montevideo					Parmalat Paraguay sa	90	30.000	
					Indu.Lac.Venezol. ca-Indulac	90	30.000	
					PPL Particip. do Brasil Ltda	70	23.333	
							100.000	

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⁽²⁾ Company in liquidation and subsidiaries

⁽³⁾ Company under Extraordinary Administration or noncore company

Other companies

Company		Share capital			Equity investment		
Name Head office	Type ⁽¹⁾	Curr.	Amount	Number of shares/cap interests held	Held by	Number of shares/cap. interests	% interest held
EUROPE							
ITALY							
ALBALAT SRL Albano Laziale (Rome)	LLP	EUR	20,000	100	Sata S.r.l.	100	0.500 0.500
BONATTI S.P.A. * Parma	C	EUR	35,696,792.28	1,837,082	Parmalat S.p.A.	1,837,082	26.555 26.555
CE.PI.M S.P.A. Parma	C	EUR	6,642,928	464,193	Parmalat S.p.A.	464,193	0.840 0.840
CONSORZIO PER LA TUTELA DEL FORMAGGIO MONTASIO Codroipo		EUR	84,498.96		Parmalat S.p.A.		16.02 16.02
COOPERFACTOR S.P.A. Bologna	C	EUR	11,000,000	10,329	Parmalat S.p.A.	10,329	0.094 0.094
HORUS SRL ⁽³⁾	LLP	EUR	n.d.	n.d.	Sata S.r.l.	n.d.	1.000 1.000
NUOVA HOLDING S.P.A. in A.S. ⁽³⁾ Parma	C	EUR	25,410,000	100	Sata S.r.l.	100	0.0003 0.0003
SO.GE.AP S.P.A. Parma	C	EUR	19,454,528	526	Parmalat S.p.A.	526	0.092 0.092
TECNOALIMENTI SCPA Milan	C	EUR	780,000	33,800	Parmalat S.p.A.	33,800	4.330 4.330
VENCHIAREDO SPA Sesto al Reghena	C	EUR	4,500,000		Parmalat S.p.A.		5.000 5.000
PORTUGAL							
EMBOPAR Lisbon	F	EUR	241,500	70	Parmalat Portugal	70	1.449 1.449
CNE – Centro Nacional de Embalagem Lisbon	F	EUR	488,871.88	897	Parmalat Portugal	1	0.111 0.111
L.P.L.V. ACE Sintra	F	EUR	-		Parmalat Portugal Prod. Alim. Lda		33.333 33.333
ASIA							
SINGAPORE							
LACTALIS SINGAPORE PTE LTD	F	SGD	1,000	338	Parmalat Australia Pty Ltd	338	33.800 33.800

* Even though Parmalat S.p.A. controls more than 20% of the voting rights, it does not exercise a significant influence on this company because it is not represented on its Board of Directors and is not involved in the decision-making process.

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Companies removed from the parmalat group in the first half of 2015

Company	Country	Reason
Balkis Industria e Comercio de Laticínios Ltda	Brazil	Merger
Parmalat (Zhaodong) Dairy Corporation Ltd	China	Disposal
Airetcal SA	Uruguay	Dissolution

Companies added to the parmalat group in the first half of 2014

Company	Country	Reason
Longwarry Food Park Pty Ltd	Australia	Acquisition
Saurin Investments Pty Ltd	Australia	Acquisition
Gippy Milk Pty Ltd	Australia	Acquisition
Derivados de Leche la Esmeralda S.A. de C.V.	Mexico	Acquisition
Distribuidora Algil S.A. de C.V.	Mexico	Acquisition
Impulsora de Ventas Alimenticias S.A. de C.V.	Mexico	Acquisition
Distribuidora de Lácteos Algil S.A. de C.V.	Mexico	Acquisition
Operadora de Productos Refrigerados S.A. de C.V.	Mexico	Acquisition
Promotora Técnica y Profesional S.A. de C.V.	Mexico	Acquisition
Tralgil S.A. de C.V.	Mexico	Acquisition
Lácteos Algil Guatemala, S.A.	Guatemala	Acquisition
Industria Láctea Salteña, S.A.	Uruguay	Acquisition
La Mucca, S.A.	Argentina	Acquisition

Signed: Gabriella Chersicla
Chairperson

Signed: Yvon Guérin
Chief Executive Officer

Certification of the Condensed Consolidated Semiannual Financial Statements Pursuant to Article 81-ter of Consob Regulation No. 11971 (which cites Article 154-bis, Section 5, of the Uniform Financial Code, as Amended)

We, the undersigned, Yvon Guérin, in my capacity as Chief Executive Officer, and Pierluigi Bonavita, in my capacity as Corporate Accounting Documents Officer, of Parmalat S.p.A., taking into account the provisions of Article 154-bis, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998, as amended,

CERTIFY

1. that the administrative and accounting procedures for the preparation of the condensed consolidated semiannual financial statements for the first half of 2015 are adequate in light of the characteristics of the business enterprise and were effectively applied. The process of assessing the adequacy of the administrative and accounting procedures for the preparation of the condensed consolidated semiannual financial statements at June 30, 2015 was carried out consistent with the Internal Control – Integrated Framework model published by the Committee of Sponsoring Organizations of the Treadway Commission, which constitutes a frame of reference generally accepted at the international level;
2. and that:
 - a) the condensed consolidated semiannual financial statements are consistent with the data in the Group's books of accounts and other accounting records;
 - b) the condensed consolidated semiannual financial statements were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union, and the statutes enacted to implement Legislative Decree No. 38/2005 and are suitable for providing a truthful and fair presentation of the statement of financial position, income statement and cash flow of the issuer company and all of the companies included in the scope of consolidation.
 - c) lastly, that the Interim Report on Operations provides information about material events that occurred during the first half of 2015 and their impact on the condensed consolidated semiannual financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year and information about significant transactions with related parties, as required by Article 154-ter, Section 4, of Legislative Decree No. 58 of February 24, 1998.

July 30, 2015

The Chief Executive Officer

The Corporate Accounting
Documents Officer

Parmalat Group – Report of the Independent Auditors



KPMG S.p.A.
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(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

To the shareholders of
Parmalat S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Parmalat Group, comprising the statement of financial position, income statement, statement of comprehensive income, statement of cash flows, statement of changes in equity and notes thereto, as at and for the six months ended 30 June 2015. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as adopted in Italy (Italian-ISA) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Parmalat Group as at and for the six months ended 30 June 2015 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 30 July 2015

KPMG S.p.A.

(signed on the original)

Giulio Capiaghi
Director of Audit

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Cooperative ("KPMG International"), entità di diritto svizzero.

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Bologna Bozano Brescia
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Padova Palermo Parma Perugia
Pescara Roma Torino Treviso
Trieste Varese Verona

Società per azioni
Capitale sociale
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Parmalat S.p.A.

Company subject to guidance and coordination by B.S.A. S.A.

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Share Capital: 1,835,104,348 euros fully paid-in

Parma R.E.A. No. 228069

Parma Company Register No. 04030970968

Tax I.D. and VAT No. 04030970968

