Interim Management Statement

at March 31, 2016

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

Contents

Board of Directors, Board of Statutory Auditors and Independent Auditors

(information updated as of the approval date of this Interim Management Statement)

Board of Directors

Chairperson	Gabriella Chersicla[1]
Chief Executive Officer and General Manager	Yvon Guérin
Directors	Pier Giuseppe Biandrino[2,3] Nicolò Dubini[2,3,4] Angela Gamba[2,3,4] Patrice Gassenbach Umberto Mosetti[2] Michel Peslier Elena Vasco[2,4]

Board of Statutory Auditors

Chairman	Marco Pedretti
Statutory Auditors	Giorgio Loli Alessandra Stabilini

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

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[1] Gabriella Chersicla is a senior officer of the Company, pursuant to implementation criterion 3.C.2 of the Corporate Governance Code approved by the Corporate Governance Committee. Chairperson Gabriella Chersicla is an independent Director pursuant to Article 3 of the Corporate Governance Code.

[2] Independent Director.

[3] Member of the Control and Risk Committee.

[4] Member of the Nominating and Compensation Committee.

Financial Highlights

Income Statement Highlights

(amounts in millions of euros)				
PARMALAT GROUP	**First quarter 2016**	**First quarter 2015**	**Change at current exchange rate & scope of consolid.** **(including Venezuela)**	**Change at constant exchange rate & scope of consolid.** **(excluding Venezuela)**
- NET REVENUE	1,401.6	1,357.8	3.2%	0.7%
- EBITDA	77.5	81.7	(5.1%)	16.1%
- EBIT	38.8	46.8	(17.1%)	22.6%
- NET PROFIT	13.5	19.4	(30.4%)	49.7%
- EBIT/REVENUE (%)	2.7	3.4	(0.7)	0.7
- NET PROFIT/REVENUE (%)	1.0	1.4	(0.4)	0.7

Statement of Financial Position Highlights

(amounts in millions of euros)		
PARMALAT GROUP	**3/31/16**	**12/31/15**
- NET FINANCIAL ASSETS	197.9	301.1
- ROI (%)[1]	5.6	11.6
- ROE (%)[1]	1.8	4.7
- EQUITY/ASSETS	0.6	0.6
- NET FINANCIAL POSITION/EQUITY	(0.1)	(0.1)

[1] Indices computed based on annualized income statement data and average balance sheet data for the period.

Operating Performance

NOTE: The data are stated in millions of euros and local currency. As a result, change and percentage amounts could reflect apparent differences caused exclusively by the rounding of figures.

Revenue and Profitability

In the first quarter of 2016, the global economy was characterized by an uncertain trend that reflected not only the restructuring of the Chinese economy and a context of low oil and commodity prices, but also major geopolitical tensions and significant redistribution trends between economic sectors, geographic areas and individual economies.

Parmalat Group

The Group's key data for the first quarter of 2016, compared with those for the previous year, are provided below:

	First Quarter			
(amounts in millions of euros)	**2016**	**2015**	**Variance**	**Varian.%**
Net Revenue	**1,401.6**	**1,357.8**	**43.8**	*+3.2%*
EBITDA	**77.5**	**81.7**	**-4.2**	*-5.1%*
EBITDA %	*5.5*	*6.0*	*-0.5 ppt*	

Net revenue totaled 1,401.6 million euros, for a gain of 3.2% compared with the previous year, while EBITDA decreased to 77.5 million euros, or 5.1% less than the 81.5 million euros reported in 2015, mainly due to the effect of the devaluation of the Venezuelan currency versus the euro.
Compared with last year's first quarter, the consolidation of the Venezuelan subsidiary, at current exchange rates and including the effect of hyperinflation, had a negative impact on the Group's revenue and EBITDA of 115.2 million euros and 12.7 million euros, respectively.
During the reporting period, profitability improved in the United States and in the Australia and Europe regions.

For a better understanding of the Group's performance compared with the previous year, some analyses, in addition to using constant exchange rates and scope of consolidation, exclude the results of the Venezuela subsidiary, given the uncertainty that characterizes that country, accompanied by a massive devaluation of the local currency.

With data stated at constant exchange rates and comparable scope of consolidation, obtained by excluding the results of the activities acquired in 2015 in Brazil (Elebat), Mexico (Esmeralda Group) and Australia (Longwarry) and in the first quarter of 2016 (Parmalat Australia YD), the Group's performance, as shown in the table below, reflects an improvement both in terms of net revenue and profitability:

Constant exchange rates and excl. Venezuela	First Quarter			
(amounts in millions of euros)	**2016**	**2015**	**Variance**	**Varian.%**
Net Revenue	**1,223.8**	**1,214.7**	**9.1**	*+0.7%*
EBITDA	**85.7**	**73.9**	**11.9**	*+16.1%*
EBITDA %	*7.0*	*6.1*	*0.9 ppt*	

At constant scope of consolidation and exchange rates and excl. Venezuela

Net revenue grew by 0.7%, with a positive contribution by the North America, the United States especially, and Africa sales regions; in other regions, despite higher sales volumes, the increased use of sales incentives, in a context of falling raw material prices, caused net sales revenue to decline.

EBITDA, with data on a comparable basis, rose by 16.1%, thanks mainly to gains reported in the United States, Europe and Australia.

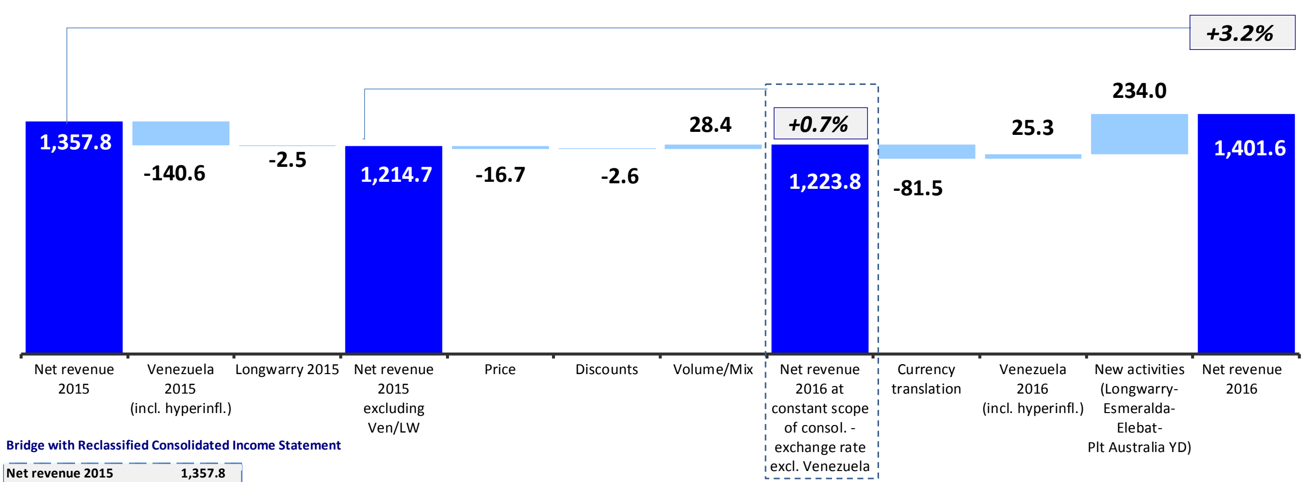
The increase in profitability reported by the Group in the first quarter of 2016 reflects the positive impact of a steady improvement in operating efficiency, an optimized use of sales promotions and the containment of overheads.

Like for Like Net Revenue and EBITDA

The diagram below presents the main variables that determined the evolution of net revenue and EBITDA in the first quarter of 2016, compared with the previous year.

Net Revenue First Quarter 2016 vs 2015

(€ m)



Bridge with Reclassified Consolidated Income Statement

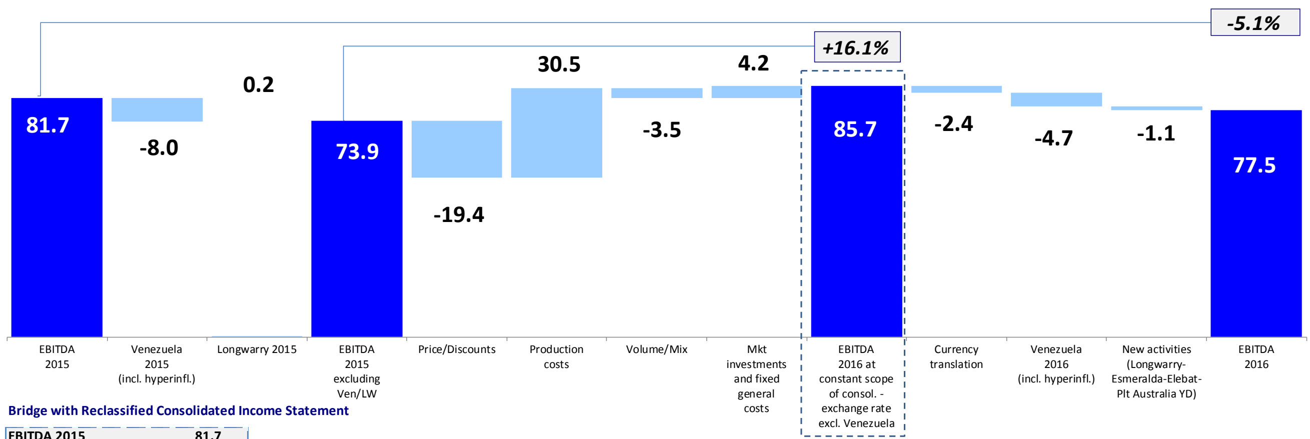
Net revenue 2015	**1,357.8**
D Perimeter	231.5
D Hyperinflation	(115.2)
D Business	9.1
Currency translation 16	(81.5)
Net revenue 2016	**1,401.6**

Difference between result of new activities 2016 (234 mln euros) and Longwarry 2015 (2.5 mln euros)

Difference between results of Venezuela in 2016 including hyperinfl. (25.3 eur ml) and 2015 (140.6 eur ml)

EBITDA First Quarter 2016 vs 2015

(€ m)



Bridge with Reclassified Consolidated Income Statement

EBITDA 2015	**81.7**
D Perimeter	(0.9)
D Hyperinflation	(12.7)
D Business	11.9
Currency translation 16	(2.4)
EBITDA 2016	**77.5**

Difference between result of new activities 2016 (-1.1 mln euros) and Longwarry 2015 (-0.2 mln euros)

Difference between results of Venezuela in 2016 including hyperinfl. (-4.7 eur ml) and 2015 (8.0 eur ml)

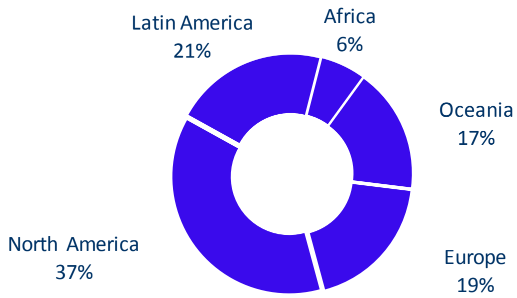
When the 2015 pro forma data for the acquisitions are taken into account, as recommended by the guidance, the revenue and EBITDA for the period show increases of 0.6% and 25%, respectively, at constant exchange rates.

Data by Geographic Region

(amounts in millions of euros)	First Quarter 2016	First Quarter 2015	*Delta %*
Region	**Net Revenue**	**Net Revenue**	***Net Revenue***
Europe	264.4	267.6	*-1.2%*
North America	522.7	529.3	*-1.2%*
Latin America	293.5	201.9	*+45.3%*
Africa	84.7	111.6	*-24.1%*
Oceania	237.6	240.0	*-1.0%*
Other [1]	(3.1)	(3.9)	*n.s.*
Group excl. hyperinflation	**1,399.7**	**1,346.5**	***+4.0%***
Hyperinflation in Venezuela	1.9	11.3	*n.s.*
Group	**1,401.6**	**1,357.8**	***+3.2%***

Region represent the consolidated countries
1. Includes other non-core companies and eliminations between regions

Net Revenue by Geographic Region



In order to improve comparability with the 2015 data, the table below presents the Group's results at constant exchange rates and comparable scope of consolidation and excluding Venezuela:

(amounts in millions of euros)	**First Quarter 2016**	**First Quarter 2015**	***Delta %***
Region	**Net Revenue**	**Net Revenue**	***Net Revenue***
Europe	267.3	267.6	*-0.1%*
North America	543.3	529.3	*+2.7%*
Latin America	67.7	72.7	*-6.8%*
Africa	113.2	111.6	*+1.4%*
Oceania	235.2	237.4	*-0.9%*
Other [1]	(3.0)	(3.9)	*n.s.*
Group (constant scope of consol. and exchange rates) [2]	**1,223.8**	**1,214.7**	***+0.7%***

Region represent the consolidated countries
1. Includes other non-core companies and eliminations between regions
2. Excl. Venezuela and new activities consolidated in 2015 (Longwarry) and in 2016 (Elebat, Longwarry, Esmeralda and Parmalat Australia YD)

Data by Product Division

(amounts in millions of euros)	**First Quarter 2016**	**First Quarter 2015**	***Delta %***
Division	**Net Revenue**	**Net Revenue**	**Net Revenue**
Milk [1]	721.1	694.2	*+3.9%*
Fruit base drinks [2]	39.6	88.3	*-55.1%*
Cheese and other fresh products [3]	612.7	517.6	*+18.4%*
Other [4]	26.3	46.5	*-43.5%*
Group excl. hyperinflation	**1,399.7**	**1,346.5**	***+4.0%***
Hyperinflation in Venezuela	1.9	11.3	*n.s.*
Group	**1,401.6**	**1,357.8**	***+3.2%***

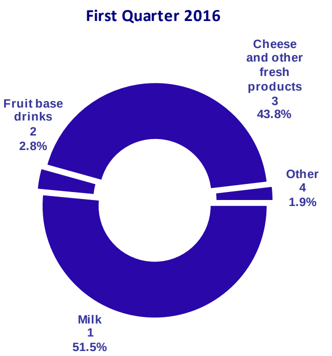
1 Includes milk, cream and béchamel

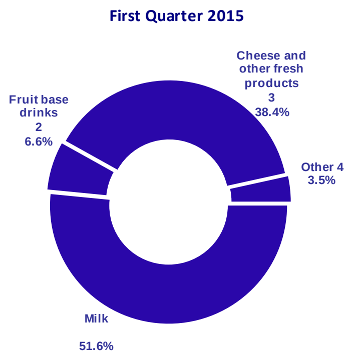
2 Includes fruit base drinks and tea

3 Includes yogurt, dessert, cheese

4 Includes other products and whey

Net Revenue by Product Division





1 Includes milk, cream and béchamel

2 Includes fruit base drinks and tea

3 Includes yogurt, dessert, cheese

4 Includes other products and whey

In order to improve comparability with the 2015 data, the table below presents the Group's results at constant exchange rates and comparable scope of consolidation and excluding Venezuela:

(amounts in millions of euros)	**First Quarter 2016**	**First Quarter 2015**	***Delta %***
Division	**Net Revenue**	**Net Revenue**	***Net Revenue***
Milk [1]	651.0	644.5	*+1.0%*
Fruit base drinks [2]	32.6	34.6	*-5.9%*
Cheese and other fresh products [3]	515.5	489.4	*+5.3%*
Other [4]	24.7	46.3	*-46.6%*
Group (constant scope of consol. and exchange rates) [2]	**1,223.8**	**1,214.7**	***+0.7%***

1 Includes milk, cream and béchamel

2 Includes fruit base drinks and tea

3 Includes yogurt, dessert, cheese

4 Includes other products and whey

5. Excl. Venezuela and new activities consolidated in 2015 (Longwarry) and in 2016 (Elebat, Longwarry, Esmeralda and Parmalat Australia YD)

Europe

(amounts in millions of euros)	First Quarter 2016	2015	Variance	Varian.%
Net Revenue	**264.4**	**267.6**	**-3.2**	*-1.2%*

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 of the Europe sales region.

The significant devaluation of the ruble versus the euro had a negative impact on the sales region's revenue amounting to about 3 million euros. Results with data at constant exchange rates show revenue in line with the previous year.

Italy

The Italian economy is being affected by a slowing of the pace of recovery, which became apparent in the closing months of 2015 and continued in the first quarter of 2016. The effects of the competitiveness produced by a weak euro are being offset by low external demand, effect of a system fragility that primarily originates from low productivity and conditions in the credit market.

Market and Products

During the first three months of 2016, the overall Milk market witnessed a sharp drop in consumption in both of its main segments: Pasteurized Milk and UHT Milk. Despite this challenging environment, Parmalat was not only able to retain the sector's leadership, but actually increased its market share, thanks primarily to the performance of its *Zymil* brand.

Consumption decreased in the UHT Cream market, mainly due to a negative performance by the key Cooking Cream segment. Parmalat, thanks to its *Chef* brand, bucked the market trend and reported positive results, retaining the leadership position in this segment and achieving significant growth in market share both on a value and volume basis.

In the Yogurt market, consumption was down slightly during the first three months of the year compared with the same period last year, but the local subsidiary succeeded in retaining its competitive position.

In the Fruit Beverage category, consumption decreased significantly compared with the first three months of 2015, confirming the continuation of a widely acknowledged challenging period for this market. *Santàl,* the brand with which Parmalat competes in this market, retained the third-place competitive position.

Total volumes sold increased compared with the previous year, thanks to higher sales of UHT Milk and Pasteurized Milk achieved despite a market contraction, thanks to rising sales of *Zymil* brand milk.

The Business Unit reported net revenue basically in line with the previous year, as it stepped up the use of promotional programs during the first three months of the year, especially in the UHT Milk category.
Noteworthy developments included a positive trend for *Chef* brand UHT Cream, due in part to demand during the Easter holiday period, which came earlier than the previous year, and an outstanding performance by the *Zymil* brand in the UHT Milk and Microfiltered Pasteurized Milk categories, which grew owing in part to investments in advertising.

Russia

Internal consumption was adversely affected by international sanctions, the slowing of the Russian economy caused by the slide in oil prices and a contraction in real wages. However, inflationary pressure showed signs of abating in the first quarter of 2016, due in part to restrictive economic policies and a relatively more stable ruble.

In the early months of 2016, consumption increased in the main market segments in which the local subsidiary operates, UHT Milk and UHT Cream, which enjoyed positive trends both on a volume and value basis. On the other hand, the Fruit Beverage segment went through a challenging period, with a significant reduction in consumption. Nevertheless, Parmalat was able to retain its competitive position in all of the markets in which it operates.

The local subsidiary reported volumes substantially in line with the previous year and, with data stated in the local currency, a revenue gain of 1.9% compared with the previous year, following the price list increases implemented for all of the main categories in which the Business Unit operates.

Portugal

Since mid-2015, there has been a weakening of the positive signals that, on the contrary, characterized the Portuguese economy in recent years. This context, coupled with a high unemployment rate, continues to constrains internal demand by consumers.

Sales volumes were substantially in line with the previous year but net revenue decreased, due to a greater use of sales promotions.

Romania

The economic recovery that got under way in the past two years is continuing, as are the indications of a robust increase in internal demand, the growth component that was most affected by the crisis in the past and is now benefitting from a reduction of the VAT on food items that went into effect last year.

In continuity with the performance reported last year, the local subsidiary’s operating results for the first quarter of 2016 show an overall improvement compared with the previous year, made possible by an increase in sales volumes and effective promotional programs carried out in a favorable market environment.

North America

	First Quarter			
(amounts in millions of euros)	**2016**	**2015**	**Variance**	**Varian.%**
Net Revenue	**522.7**	**529.3**	**-6.6**	*-1.2%*

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.

The loss of value of the Canadian dollar versus the euro, mitigated only in part by the appreciation of the U.S. dollar, had a negative impact on revenue amounting to about 21 million euros.
In the first quarter of 2016, with data at constant exchange rates, the net revenue of the North America sales region show increases of 2.7%, compared with the previous year, thanks mainly to a positive performance by the U.S. subsidiary.

Canada

Even though the Canadian economy was adversely affected by the trend in oil prices in 2015, it still saw a rebound in GDP growth in the first quarter of 2016, driven by the real estate market, internal consumption and exports. However, it is still too early to speak of a full recovery, as the labor market appears to be only partially capable of reabsorbing the redundancies created by investment cutbacks in the energy sector.

Market and Products

Overall, consumption decreased slightly in the Milk market, due mainly to problems in the in the "Basic" segment; on the other hand, the "Premium" category enjoyed growth both on a volume and value basis. Parmalat, while suffering a significant reduction of its market share due to the loss of some distribution contracts, was able to confirm its third-place competitive position.

Consumption was up significantly in the Yogurt market in the first three months of 2016, due mainly to a positive performance in the spoonable "Greek Yogurt" and the "Drinkable Yogurt" segments. Thanks to its *Astro* brand, Parmalat retained its fifth-place market position in a highly competitive market scenario.

During the first quarter of the year, consumption trends were slightly negative in the cheese market, especially in the "Processed" segment and, to a lesser extent, in the "Natural" segment. In this context, the Business Unit retained its second-place market position in the overall Cheese market.

The Canadian subsidiary shows a decrease in total sales volumes, attributable to a negative performance in the Pasteurized Milk category that reflects a contraction in the market in general. On the other hand, sales were up sharply in the Cheese category compared with the previous year.

Higher sales of Cheese, the category with the highest value added, made it possible to report revenue substantially in line with the previous year, despite a sales decrease in the Pasteurized Milk category.

United States of America

In the first quarter of 2016, the U.S. economy confirmed expectations of a widespread slowing, caused by a contraction in exports, due in part to the appreciation of the U.S. dollar, and determined by weakness in internal consumption (more than two-thirds of GDP). Conflicting signals still do not justify a lessening of skepticism about expansion: an improvement in the labor market is not yet matched by an adequate upturn in consumption and inflation.

Market and Products

The positive trends that characterized the Cheese market in 2015 continued during the first three months of 2016, with significant gains in the size, both on a volume and value basis, for all of the categories in which the local subsidiary operates. Due to high competitive pressure, Parmalat suffered a slight reduction in its value market share, as a result of which the local subsidiary now occupies the third-place competitive position in its target market.

The segments in which Parmalat succeeded in retaining its position as the market leader include “Chunk Mozzarella,” “Soft Ripened Cheese” and “Ricotta.” These segments enjoyed solid increases in consumption and the local subsidiary significantly strengthened its leadership position in all categories.

The “Fresh Mozzarella” and “Snack Cheese” categories were the most dynamic segments of the entire Cheese market during the first three months of the year, posting double-digit growth rates. In these segments, Parmalat reported a significant reduction in value market share.

In the first quarter of 2016, the “Feta Cheese,” “Gourmet Cheddar Cheese” and “Gourmet Spreadable Cheese” segments showed positive trends both on volume and value basis. Parmalat held its market position unchanged in all segments and significantly increased its market share in the “Gourmet Spreadable Cheese” category.

The sales volumes reported by the U.S. subsidiary increased significantly compared with the previous year, mainly due to a positive performance in the Cheese category, which accounts for about 80% of the total volume, and to higher sales in the Ingredients category.

As a result, net revenue stated in the local currency increased by 7.3% despite adjustments made to sales prices in response to an increase in promotional pressure, in a context in which raw milk prices continue to hold at particularly low levels, especially when compared with the record prices recorded in 2014.

Latin America

Excl. hyperinflation in Venezuela *(amounts in millions of euros)*	First Quarter 2016	 2015	 Variance	 Varian.%
Net Revenue	**293.5**	**201.9**	**91.5**	*+45.3%*

The Latin America sales region includes the subsidiaries that operate in Brazil, Mexico, Venezuela, Colombia, Ecuador and Paraguay. The Group strengthened its presence in Brazil, with the acquisitions of LBR (January 2015) and Elebat (July 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.

With data at constant exchange rates and comparable scope of consolidation, excluding Elebat and Esmeralda and the contribution of the Venezuelan operations, revenue decreased by 6.8%.

Brazil

A low level of confidence in short-term projections by the private sector continued in the first quarter of 2016. This situation is being caused, in addition a the judicial investigation that is targeting the most senior government officials and is having serious repercussions on the entire infrastructure sector and the economy in general, by an alternating of fiscal reforms with diverging objectives and a restrictive monetary policy.

The Group strengthened its presence in Brazil thanks to major acquisitions completed in 2015.

On January 8, 2015, it closed 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 title to the exclusive license to use the *Parmalat* brand throughout Brazil.

In July 2015, it completed the acquisition of Elebat Alimentos S.A., the dairy division of BRF S.A. (“BRF”), one of Brazil’s top food companies. Concurrently with this transaction, the Group also closed the acquisition of Nutrifont Alimentos S.A., a company active in the market for nutritional supplements with a high value added.

In Brazil, Parmalat operates in the two largest segments of the region’s diary market, Cheese and UHT Milk, both of which continued to show the same positive consumption trends experienced last year. In each competitive arena, Parmalat held unchanged its respective market positions.

The results reported in the first quarter of 2016 continued to be adversely affected by the negative performance of the local economy, while the local subsidiary is still engaged in an ongoing reorganization process to normalize the acquired activities and generate synergies and optimizations in production processes and the target markets.

Mexico

The Mexican economy was adversely affected by foreign disinvestments motivated by a desire to rebalance portfolios with a greater focus on more nature economies, less exposed to the effect of oil prices. A large trade deficit contributed to the continuing pressure on the Mexican peso, the performance of which, combined with a more restrictive tax policy, hampered growth in domestic consumer spending.

The Cheese market, the largest among those in which the Group operates, is one of the most dynamic of the entire Dairy sector, showing a positive growth trend for consumption. Within the Mexican competitive context, the local subsidiary holds a third-place market position.

The Group strengthened its presence in Mexico thanks to the acquisition of an organization that operates in the Cheese market (Esmeralda) and the positive results reported it in the first quarter of 2016.

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. A new reform of the currency system was announced in March of this year.

In this context, the total volumes sold by the local subsidiary decreased sharply compared with the previous year, due mainly to lower sales of Fruit Beverages and Pasteurized Milk.
Net revenue, stated in the local currency and excluding the effect of accounting for hyperinflation grew strongly compared with the previous year, reflecting the adjustments made to price lists to reflect the country's high level of inflation.

Colombia

Even though the trend in oil prices slowed economic growth and the resulting uncertainty contributed to weakening the Colombian peso and importing inflation, Colombia is proving to be one of the countries in Latin America best equipped to deal with international turbulence, thanks to the reserves built up in previous years and its status within numerous international trade agreements.

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 quarter of 2016 show net revenue in line with the previous year.

Other Countries in Latin America

In **Ecuador,** with data in the local currency, net revenue held relatively steady compared with the previous year.

In **Paraguay,** sales volumes rebounded compared with the previous year, mainly due to gains in the UHT Milk category; this increase generated a benefit in terms of higher revenue.

The acquisition of the Esmeralda Group strengthened the Group's position not only in Mexico but also in **Uruguay** and **Argentina** with manufacturing organizations that operate mainly in the Cheese market.

Africa

	First Quarter			
(amounts in millions of euros)	**2016**	**2015**	**Variance**	**Varian.%**
Net Revenue	**84.7**	**111.6**	**-26.9**	*-24.1%*

The Africa sales region includes the subsidiaries that operate in South Africa, Zambia, Botswana, Swaziland and Mozambique. South Africa accounts for about 85% of the net revenue and EBITDA of the entire sales region.

The devaluation versus the euros of all of the currencies of the Africa sales region, the South African rand in particular, had a negative translation effect on the consolidated data shown above, reducing net revenue by about 29 million euros; with data stated at constant exchange rates, the region's results show an increase of 1.4% for revenue.

In the first quarter of the year, the Africa sales region was adversely affected by instability in the performance of the local currencies and in international commodity prices and a particularly unfavorable trend in the Zambian economy.

South Africa

A lackluster performance by the mining sector and instability in the value of the rand contributed to weakening the South African economy, already characterized by structural problems in the supply of electric power, high interest rates and limits both on domestic demand and exports.

Market and Products

The UHT Milk market is enjoying strong growth, with its two main segments, White Milk and Flavored Milk showing double-digit increases in consumption. Parmalat reported positive results in both segments during the first three months of the year compared with 2015. In the White Milk category, Parmalat is the second-place player with a growing value market shares; in the Flavored Milk category, Parmalat is the market leader thanks to its *Steri Stumpie* brand.

The local subsidiary also retained its position as the leader in the rapidly growing Cheese market, thanks to a positive performance in the emerging prepackaged “Hard Cheese” segment, and is the leading player in the highly profitable “Processed Cheese” segment.

Consumption was up in the Yogurt market during the first three months of the year, which helped boost size also on a value basis. Thanks to a positive performance, Parmalat strengthened its second-place competitive position.

The local subsidiary's net revenue grew by 1.6%, with data in the local currency, thanks to higher sales volumes in the Cheese category.

Zambia

In Zambia, the second largest market in the Africa sales region, volumes decreased compared with the previous year, with net revenue growing, with data stated in the local currency, due to price list increases implemented to reflect the country's rising inflation.

Other Countries in Africa

With data at constant exchange rates, the net revenue reported in the other African countries (Swaziland, Mozambique and Botswana) was up overall compared with the previous year, thanks mainly to a positive performance in Swaziland and Botswana determined by an increase in sales volumes.

Oceania

In Australia, the rebalancing of the economy with a greater focus on internal demand, consumer spending in particular, continued in response to a reduction of investments in infrastructures in the mining sector, adversely affected by the slowing of exports of mineral resources to China.

Market and Products

The Pasteurized Milk segment showed modest growth and the local subsidiary held steady its market share, retaining the leadership position in this category. In the UHT Milk segment Parmalat strengthened its market share and consolidated its second-place competitive position, despite a generalized contraction in consumption.

The highly positive growth trends that characterized the Flavored Milk market continued in the first quarter of 2016 and Parmalat confirmed its position as the market's second-place player.

Consumption held steady overall in the Yogurt market, despite a general reduction in the average price for this category. On the other hand, the "Greek Yogurt" segment is growing at a rapid pace and continues to be the most dynamic segment of the entire category. The local subsidiary has a firm hold on the second-place position in the Yogurt market, due in part to the new activities acquired from Fonterra.

In the first quarter of 2016, the Dessert market continued to contract both on a volume and value basis; despite this negative context, Parmalat reported important gains and confirmed its position as this market's leader with an expanding market share, thanks in part to the new acquisitions.

The table below shows the results for 2016 compared with the previous year; the data include the contribution of the new activities acquired in the first quarter of 2015 (Longwarry) and the first quarter of 2016 (Parmalat Australia YD):

	First Quarter			
(amounts in millions of euros)	**2016**	**2015**	**Variance**	**Varian.%**
Net Revenue	**237.6**	**240.0**	**-2.4**	*-1.0%*

The devaluation of the Australian dollar versus the euro had a negative translation effect of about 15 million euros on net revenue.

With data at constant exchange rates and comparable scope of consolidation, net revenue held substantially steady compared with the previous year.

In the first quarter of 2015, the Group acquired Longwarry Food Park, a company that operates mainly in the ingredients business, including Whole Powdered Milk; despite the continuation of a negative trend in the dairy ingredients market, this acquisition proved to be positive, due in part to the benefits achieved in the procurement of raw milk for the entire Australia sales region.

In the first quarter of 2016, the Group acquired Fonterra's Yogurt and Dessert operations, which include two production facilities. It also signed agreements with Nestlé through which it obtained, limited to the territory of Australia, the Ski trademark and was licensed to use some other confectionary brands.
Thanks to this acquisition, Parmalat strengthened its second-place competitive position in the Yogurt market and consolidated its leadership position in the Dessert market.

Financial Performance

Financial Results

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

The Group's liquid assets totaled 581.9 million euros, including 309.8 million euros held by Parmalat S.p.A. At March 31, 2016, 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 1.7 million euros, including 0.6 million euros attributable to Parmalat S.p.A. A reduction in available liquidity was the main reasons for the decrease compared with the previous year.

During the first quarter, Parmalat S.p.A., the Group's Parent Company, did not draw any additional amounts from the medium/long-term facility for 500 million euros provided under an agreement executed on April 28, 2015, which continues to be utilized by the same total amount of 180 million euros drawn in 2015 to finance the Group's growth through acquisitions. This facility will continue to be available until next July.

Change in Net Financial Position

The Group's net financial position decreased from 301.1 million euros at December 31, 2015 to 197.9 million euros at March 31, 2016, after a dividend payment of 0.1 million euros and a negative translation effect of 7.5 million euros.

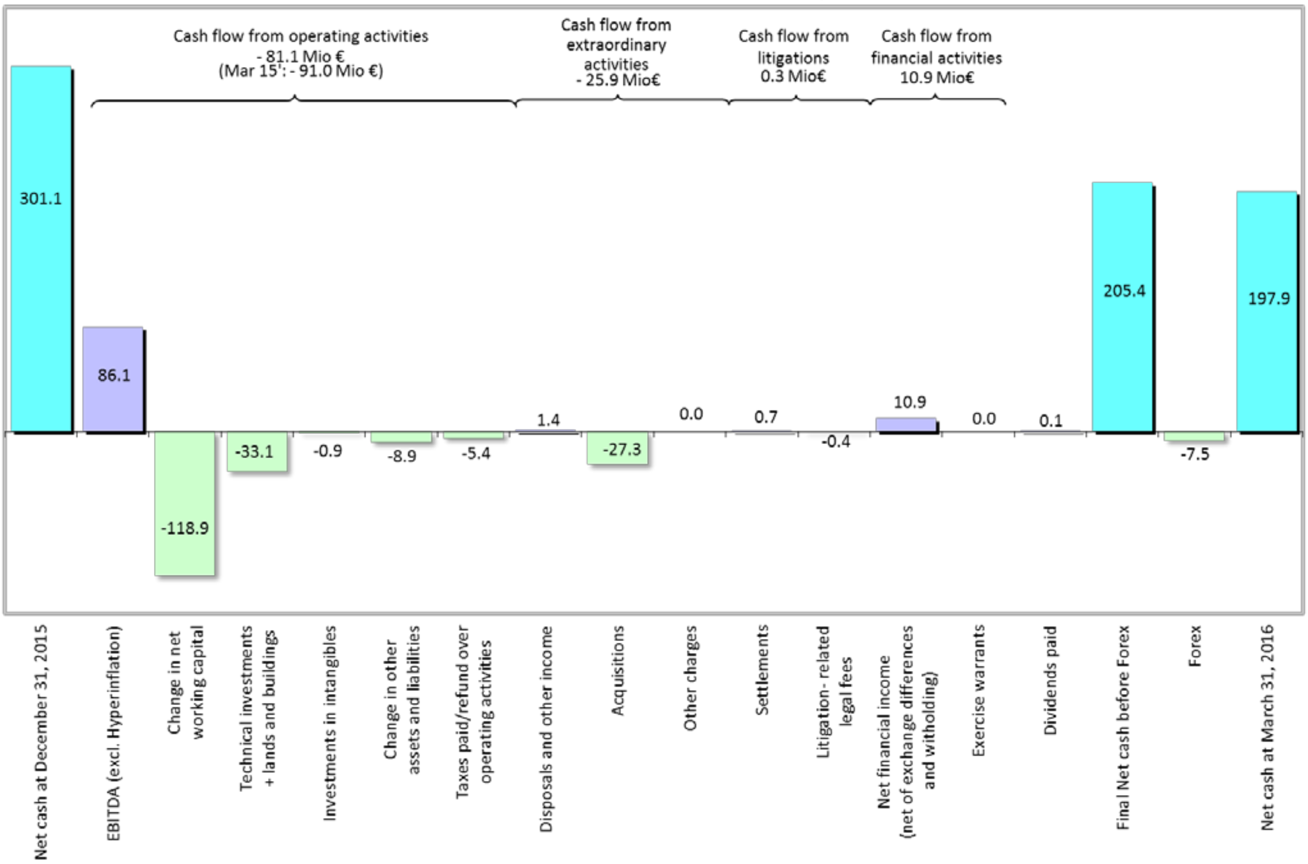
The operating activities absorbed cash totaling 81.1 million euros. Excluding the cash flow used for the new acquisitions, amounting to about 8.1 million euros, the cash flow absorbed by operating activities would amount to 73.0 million euros, compared with a cash absorption of 91.0 million euros in the first quarter of 2015.

The cash absorbed by non-recurring activities, which amounted to 25.9 million euros, is mainly attributable to the acquisitions of Nestlè trademarks in Australia and Fonterra's trademarks and other assets also in Australia.

The cash flow from litigation settlements generated net proceeds of 0.3 million euros.

The cash flow from financing activities boosted the net financial position by 10.9 million euros, with the mark-to-market change in derivative hedging intercompany facilities amounting to 16.3 million euros.

Consolidated Cash flow at March 31, 2016



Acquisitions

Australia: Yogurt and Dairy Dessert Operations

On December 16, 2015, Parmalat Australia Pty Ltd, a subsidiary of Parmalat S.p.A., entered into an agreement with Fonterra Brands (Australia) Pty Ltd ("Fonterra") to purchase its yogurt and dairy dessert operations in Australia, which include two production facilities (Tamar Valley, Tasmania, and Echuca, Victoria) with a staff of about 250 employees.
In the latest reporting year, Fonterra's yogurt and dairy dessert operations reported pro forma revenue of about 95 million euros. The enterprise value of the acquired operations was about 10 million euros.
To complete the acquisition, agreements were signed with Nestlé on February 22, 2016, through which Parmalat obtained, limited to the territory of Australia, the Ski trademark and was licensed to use some confectionary trademarks. The consideration paid to Nestlé was 16 million euros. The acquisition was thus completed with the transfer of title to the assets, including the trademarks Tamar Valley, Soleil, CalciYum and Connoisseur (the last two under license).

For the acquisition mentioned above, as was the case for those completed in previous years and discussed in the corresponding Interim and Annual Reports, the Group carefully monitors the stipulated contractual guarantees in order to activate, if necessary, specific compensation procedures.

Economic Effect of the Acquisitions on the Consolidated Financial Statements at March 31. 2016

In order to allow a better understanding of the consolidated financial statements at March 31, 2016, the schedule that follows presents the income statement at March 31, 2016 of the Group and the acquired entities, which created a discontinuity between first quarter of 2016 and the comparative period. They include Longwarry (acquired at the end of January 2015, a group of companies operating mainly in Mexico (acquired at the end of April 2015), Elebat and Nutrifont (acquired in July 2015) and certain yogurt and dairy dessert operations in Australia (acquired on February 22, 2016):

(*in millions of euros*)	Parmalat Group Cumulative at 3/31/16	Amount from				Acquired companies Cumulative at 3/31/16
		Longwarry[1] (January 2016)	Group of companies operating mainly in Mexico[2] (January-March 2016)	Elebat and Nutrifont[3] (January-March 2016)	Yogurt and dairy dessert operations acquired in Australia (March 2016)	
Revenue	**1,412.0**	**2.0**	**36.7**	**180.0**	**11.4**	**230.1**
Net revenue	1,401.6	2.0	36.6	180.0	11.4	230.0
Other revenue	10.4	0.0	0.1	0.0	0.0	0.1
OPERATING EXPENSES	**(1,332.1)**	**(2.1)**	**(37.2)**	**(179.6)**	**(11.5)**	**(230.4)**
Raw material purchases, outside services and miscellaneous costs	(1,141.9)	(1.7)	(29.1)	(161.6)	(9.9)	(202.3)
Personnel expense	(190.2)	(0.4)	(8.1)	(18.0)	(1.6)	(28.1)
Subtotal	**79.9**	**(0.1)**	**(0.5)**	**0.4**	**(0.1)**	**(0.3)**
Impairment losses on receivables and other accruals	(2.4)	0.0	0.0	(0.5)	0.0	(0.5)
EBITDA	**77.5**	**(0.1)**	**(0.5)**	**(0.1)**	**(0.1)**	**(0.8)**

[1] *Company acquired on January 30, 2015.*
[2] *Group of companies acquired on April 30, 2015.*
[3] *Companies acquired on July 1, 2015.*

With regard to Longwarry (acquired at the end of January 2015), the group of companies that operate mainly in Mexico (acquired at the end of April 2015), Elebat and Nutrifont (acquired in July 2015), the source of discontinuity is the inclusion of the data of these companies for the first quarter of 2016, on a non-comparable scope of consolidation basis, for comparative purposes with the previous period.

LAG Acquisition

With regard to the LAG acquisition, on March 14, 2016, the Internal Control, Risk Management and Corporate Governance Committee, which also serves in the capacity as Committee for Related Party Transactions (the “Committee”), reviewed the opinion rendered by Professor Mario Massari, an expert on corporate issues, as part of an assignment to assess the work performed by the Committee and determine whether the assumptions underlying the business plan submitted by the seller for Vendor Due Diligence purposes were indeed reasonable. Professor Massari’s opinion, reviewed also by the Board of Directors, confirmed the reasonableness of the abovementioned assumptions.
The Committee, which the Board of Directors, having met earlier on March 21, 2016, urged repeatedly to render the opinion required by the regulations governing related party transactions, at a meeting held on March 22, 2016, agreed by a majority vote not to issue an opinion, asking instead the Board of Director to determine if it would be preferable to make the decision regarding the pursuit of any action for compensation or indemnification pursuant to the relevant clause of the LAG sales agreement conditional on the outcome of a further review of a legal nature, performed taking into account Professor Massari’s opinion.
The Board of Directors, meeting on March 30, 2016, agreed with the Committee’s recommendation and asked Professor Giorgio De Nova and Professor Paolo Montalenti to render a joint opinion. The legal opinion, issued by the abovementioned experts on April 7, 2016, concluded that *“in light of Professor Massari’s opinion, the assumptions do not appear to be unreasonable and, consequently, there is no basis for any action for compensation or indemnification for damages caused by unreasonable prospective information (see Clause 5.24.3) beyond the settlement amount paid under the Price Adjustment Agreement.”*
At a meeting held on April 11, 2016, the Committee unanimously expressed the opinion that there was no basis to enforce the contractual guarantees versus the seller. However, the Committee agreed, by a majority vote, that the abovementioned opinion could not be taken into consideration for the purposes of the regulations governing related party transactions and asked, also by a majority vote, for a further opinion on this issue, even though the implementation of the corresponding procedure had already been resolved by the Board of Directors, which qualified the assessment of the enforcement of the contractual guarantee as a highly material related party transaction.
The Board of Directors, meeting on April 14, 2016, lacking the opinion required by the regulations currently in effect, acknowledged that, under current circumstances, it was unable to adopt the planned resolutions.

Human Resources

Group Staff

The table below provides a breakdown by geographic region of the employees of the Group at March 31, 2016 and a comparison with the data at December 31, 2015.

Total payroll by geographic region

Geographic region	March 31, 2016	December31, 2015	Δ	Notes *(acquisitions in 2016)*	
Europe	3,342	3,350	- 0.2%		
North America	4,612	4,630	- 0.4%		
Latin America	13,867	14,220	- 2.5%		
Africa	3,182	3,194	- 0.4%		
Asia Pacific	2,447	2,202	11.1%	*Echuca plant* *Tamar Valley plant*	114 129
Total	**27,450**	**27,596**	**- 0.5%**		

The Group's staff had decreased slightly at March 31, 2016, numbering 146 fewer employees than at the end of the previous year, due mainly to the reorganization processes of the companies acquired in Latin America in 2015: Esmeralda (4,195 employees, 184 fewer than December 31, 2015) in Mexico, LBR (1,096 employees, 161 fewer than December 31, 2015) and Elebat (5,226 employees, 27 fewer than at December 31, 2015) in Brazil.
However, the staff increased in the Ocean Pacific region, due to the acquisitions of the Echuca plant (114 employees) and the Tamar Valley plant (129 employees).

Capital Expenditures

Overview of the capital expenditures of the Parmalat Group at March 31, 2016

(in millions of euros)	FIRST QUARTER 2016		FIRST QUARTER 2015		% change
Geographic region	**Amount**	**% of the total**	**Amount**	**% of the total**	
Europe	2.8	8.5%	4.6	19.0%	-39.1%
North America	19.5	59.0%	10.1	42.2%	93.3%
Latin America	5.7	17.3%	1.1	4.7%	419.3%
Africa	1.6	4.9%	3.5	14.7%	-53.7%
Australia	3.5	10.4%	4.7	19.4%	-26.6%
Group	**33.1**	**100.0%**	**24.0**	**100.0%**	**38.0%**
Group *(constant scope of consolidation[1] and exchange rate)*	**32.0**		**24.0**		**33.3%**

[1] *Excluding one month for Longwarry, Esmeralda, Elebat, Nutrifont and Shaftsbury.*

In the first three months of 2016, the Group's capital expenditures totaled 33.1 million euros, or 38.0% more than the previous year. With data at constant scope of consolidation and exchange rates, capital expenditures show an increase of 33.3% compared with the previous period.

Investment projects 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:

- Expansion of the automated warehouse for handling finished products in Collecchio (Italy);
- Implementation of a new mozzarella line in Victoriaville (Canada) and introduction of new and more efficient production processes;
- Start of construction of a new factory in Winnipeg (Canada);
- Optimization of the purification plant in Montreal (Canada);
- Upgrade of production facilities for a new product in Clarence Gardens (Australia).

The capital expenditures described above do not include the cost of licensing and implementing information systems, which amounted to 0.9 million euros in 2016, mainly for projects carried out in Canada and Colombia.

Review of Operating and Financial Performance

Parmalat Group

Net revenue increased to 1,401.6 million euros, up 43.8 million euros (+3.2%) compared with 1,357.8 million euros in the first three months of 2015. With data at constant exchange rates and scope of consolidation and excluding the Venezuelan subsidiaries, the gain in net revenue amounts to 9.1 million euros (+0.7%). More specifically, in the first quarter of 2016, net revenue grew in North America and Africa, but decreased in Latin America and the Asia Pacific region.

EBITDA totaled 77.5 million euros, or 4.2 million euros less (-5.1%) than the 81.7 million euros earned in the first three months of 2015. With data at constant exchange rates and scope of consolidation and excluding the Venezuelan subsidiaries, the EBITDA increase amounts to 11.9 million euros (+16.1%). This gain was made possible by a steady improvement in operating efficiency, which more than offset the effect of lower list prices, especially in North America, Europe and the Asia Pacific region.

EBIT amounted to 38.8 million euros, down 8.0 million euros compared with the 46.8 million euros reported in the first three months of 2015. With data at constant scope of consolidation and excluding the Venezuelan subsidiaries, EBIT increased by 9.9 million euros.
This improvement is chiefly the result of a better performance by the industrial operations
Depreciation and amortization expense and impairment losses on non-current assets totaled 37.1 million euros (34.7 million euros in the first three months of 2015).

The **profit attributable to owners of the parent** amounted to 13.2 million euros, down 5.8 million euros compared with 19.0 million euros in the first three months of 2015. With data at constant scope of consolidation and excluding the Venezuelan subsidiaries, this item shows an increase of 8.6 million euros.
This gain is mainly attributable to the improvement in EBIT, which more than offset the impact of the higher financial expense incurred in the first quarter of 2016.

Operating working capital increased to 482.1 million euros, or 110.9 million euros more than the 371.2 million euros reported at December 31 2015. This increase is chiefly the result of the higher inventory of finished goods held by the Canadian subsidiary, due to seasonal factors that characterize its business, involving an increase in cheese production earlier in the year, in anticipation of higher sales in the later months, and the consolidation of the yogurt and dairy dessert activities acquired in Australia in the first quarter of 2016.

Net invested capital totaled 2,906.6 million euros, for a gain of 177.2 million euros compared with 2,729.4 million euros at December 31, 2015. The increase in operating working capital, the consolidation of the activities purchased from Fonterra Brands (Australia) Pty Ltd in the first quarter of 2016 and the positive translation differences mainly attributable to the appreciation of the Brazilian real versus the euros account for most of this increase.

The **net financial position** amounted to 197.9 million euros, down 103.2 million euros compared with 301.1 million euros at December 31, 2015. The main reasons for this decrease include the cash absorbed by operating activities (81.1 million euros) and by non-recurring transactions (25.9 million euros), mainly in connection with the acquisition of yogurt and dairy dessert activities in Australia, and a negative translation effect of 7.5 million euros.
This decrease was offset in part by the cash generated by financing activities for 10.9 million euros.

The **equity attributable to owners of the parent** increased to 3,084.9 million euros, for a gain of 73.9 million euros compared with 3,011.0 million euros at December 31m 2015, mainly due to the effect of translating into euros the financial statements of companies operating outside the Eurozone and the profit for the period attributable to owners of the parent.

Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)	**Cumulative at 3/31/16 (A)**	*Δ scope of consolidation (March 2016 vs March 2015) (B)*	*Δ Venezuela (March 2016 vs March 2015) (C)*	***Cumulative at 3/31/16 pro forma at current exchange rates (D=A-B-C)***	**Cumulative at 3/31/15 (A)**
REVENUE	**1,412.0**	***230.1***	***(115.9)***	***1,297.8***	**1,365.6**
Net revenue	1,401.6	*230.0*	*(115.2)*	*1,286.8*	1,357.8
Other revenue	10.4	*0.1*	*(0.7)*	*11.0*	7.8
OPERATING EXPENSES	**(1,332.1)**	***(230.4)***	***103.0***	***(1,204.7)***	**(1,282.0)**
Purchases, services and miscellaneous costs	(1,141.9)	*(202.3)*	*79.9*	*(1,019.5)*	(1,091.7)
Personnel expense	(190.2)	*(28.1)*	*23.1*	*(185.2)*	(190.3)
Subtotal	**79.9**	***(0.3)***	***(12.9)***	***93.1***	**83.6**
Impairment losses on receivables and other provisions	(2.4)	*(0.5)*	*0.2*	*(2.1)*	(1.9)
EBITDA	**77.5**	***(0.8)***	***(12.7)***	***91.0***	**81.7**
Depreciation, amortization and impairment losses on non-current assets	(37.1)	*(6.5)*	*2.0*	*(32.6)*	(34.7)
Other income and expense:					
- Litigation-related legal expenses	(0.6)	*0.0*	*0.0*	*(0.6)*	(0.5)
- Miscellaneous income and expenses	(1.0)	*0.0*	*0.1*	*(1.1)*	0.3
EBIT	**38.8**	***(7.3)***	***(10.6)***	***56.7***	**46.8**
Net financial income/(expense)	(5.5)	*(4.0)*	*5.1*	*(6.6)*	(3.2)
Other income from (Charges for) equity invest.	0.0	*0.0*	*0.0*	*0.0*	(0.4)
PROFIT BEFORE TAXES	**33.3**	***(11.3)***	***(5.5)***	***50.1***	**43.2**
Income taxes	(19.8)	*0.6*	*1.8*	*(22.2)*	(23.8)
PROFIT FOR THE PERIOD	**13.5**	***(10.7)***	***(3.7)***	***27.9***	**19.4**
Attributable to:					
Non-controlling interests	(0.3)	0.0	0.0	(0.3)	(0.4)
Owners of the parent	13.2	(10.7)	(3.7)	27.6	19.0

Continuing operations:

Basic earnings per share (in euros)	**0.0072**	**0.0104**
Diluted earnings per share (in euros)	**0.0072**	**0.0103**

Parmalat Group

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euros)	**3/31/16**	**12/31/15**
NON-CURRENT ASSETS	**2,873.3**	**2,795.2**
Intangible assets	1,367.7	1,338.1
Property, plant and equipment	1,345.6	1,298.1
Non-current financial assets	86.3	86.1
Deferred tax assets	73.7	72.9
NON-CURRENT ASSETS HELD FOR SALE, NET OF CORRESPONDING LIABILITIES	**9.3**	**9.2**
NET WORKING CAPITAL	**472.6**	**369.3**
Inventories	611.1	587.7
Trade receivables	590.4	539.9
Trade payables (-)	(719.4)	(756.4)
Operating working capital	**482.1**	**371.2**
Other assets	190.7	175.7
Other liabilities (-)	(200.2)	(177.6)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**3,355.2**	**3,173.7**
EMPLOYEE BENEFITS (-)	**(92.1)**	**(93.1)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(346.3)**	**(340.9)**
PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(10.2)**	**(10.3)**
NET INVESTED CAPITAL	**2,906.6**	**2,729.4**
Covered by:		
EQUITY	**3,104.5**	**3,030.5**
Share capital	1,855.1	1,855.1
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	52.9	52.9
Other reserves and retained earnings	1,163.7	957.2
Profit for the period	13.2	145.8
Non-controlling interests	19.6	19.5
NET FINANCIAL POSITION	**(197.9)**	**(301.1)**
Loans payable to banks and other lenders	384.0	398.3
Other financial assets (-)	(213.1)	(165.9)
Cash and cash equivalents(-)	(368.8)	(533.5)
TOTAL COVERAGE SOURCES	**2,906.6**	**2,729.4**

Key Events in the First Quarter of 2016

Resignation by the Director Paolo Lazzati

On January 12, 2016, Parmalat announced that Paolo Lazzati, Independent Director, resigned from his post for personal reasons, effective immediately. Paolo Lazzati was Chairman of the Compensation and Nominating Committee and served on the Internal Control, Risk Management and Corporate Governance Committee.

Resignation by the Director Laura Gualtieri and appointment of Elena Vasco and Nicolò Dubini as replacements for the resigning Directors

At the meeting of the Company's Board of Directors held on February 18, 2016, the Independent Director Laura Gualtieri resigned from the posts she held, effective immediately, due to newly arisen professional commitments. The Board of Directors then appointed Elena Vasco and Nicolò Dubini to the Board of Directors, pursuant to Article 2386 of the Italian Civil Code and Article 11 of the Company Bylaws, as replacements for Paolo Lazzati and Laura Gualtieri, who resigned, after verifying that they met the independence requirements of Article 3 of the Corporate Governance Code of Borsa Italiana and Article 147-*ter,* Section 4, of the TUF. The term of office of the newly appointed Directors, who were drawn from a slate filed by the shareholder Sofil S.a.s. at the Shareholders' Meeting of April 17, 2014, will end with next Shareholders' Meeting.

Completed the acquisition of Fonterra's yogurt and dairy dessert operations in Australia

On December 16, 2015, Parmalat Australia Pty Ltd, a subsidiary of Parmalat S.p.A., entered into an agreement with Fonterra Brands (Australia) Pty Ltd ("Fonterra") to purchase its yogurt and dairy dessert operations in Australia, which include two production facilities (Tamar Valley, Tasmania, and Echuca, Victoria) with a staff of about 250 employees.
In the latest reporting year, Fonterra's yogurt and dairy dessert operations reported pro forma revenue of about 95 million euros. The enterprise value of the acquired operations was about 10 million euros.
To complete the acquisition, agreements were signed with Nestlé on February 22, 2016, through which Parmalat acquired, limited to the territory of Australia, the Ski trademark and was licensed to use some confectionary brands. The consideration paid to Nestlé was 16 million euros. The acquisition was completed with the transfer of title to the assets, including the trademarks Tamar Valley, Soleil, CalciYum and Connoisseur (the last two under license).

Resignation by the Chairman of the Board of Statutory Auditors

On March 9, 2016, Michele Rutigliano, Chairman of the Board of Statutory Auditors resigned from his post for professional reasons, effective as of the next Shareholders' Meeting.

Resignations of Non-independent Directors Nominated by the Majority Shareholder

On March 10, 2016, the Director Antonio Sala handed in his resignation effective as of the approval of the 2015 financial statements by the Shareholders' Meeting convened for April 29, 2016.
The resigning Director stated that, even though Parmalat reported once again growing results and demonstrated a propensity to tackle challenging industrial choices, he felt the need to hand in his resignation due to the continuous recurrence of contrasts within the Board of Directors. In his opinion, these contrasts do not facilitate the Board's activities in the strategic and management areas in which the Group is most heavily involved, given the complex situations in the countries and markets in which it operates.
Yvon Guérin and Patrice Gassenbach concurred with this position, in turn handing in their resignation from the Board of Directors, effective as of the same date. Pursuant to Article 11, Section 17, of the Company Bylaws, this situation triggered the expiration of the term of office of the entire Board of Directors effective as of the Shareholders' Meeting convened for April 29, 2016, which then proceeded with the election of a new Board of Directors.

Notice of Shareholders’ Meeting

On March 10, 2016, the Board of Directors resolved to schedule for April 29, 2016 an Extraordinary and Ordinary Shareholders’ Meeting, convened on a single calling. The Notice of Shareholders’ Meeting and documents concerning the items on the Meeting’s Agenda were made available to the pubic within the deadline required by current legislation at the Company’s registered office, through the 1Info storage system (www.1info.it) and on the Company website.

The Shareholders’ Meeting of April 29, 2016 was held in lieu of the shareholders’ Meeting listed on the corporate calendar for April 21, 2016.

Parmalat/Tetra Pak International S.A.

In the action to void filed in 2004 against Tetra Pak International S.A. (“Tetra Pak”) seeking the restitution of the amount of about 15.1 million euros, plus interest and inflation adjustment, in connection with a payment made by Parmalat Finance Corporation B.V. to Tetra Pak during the so-called “suspect period” preceding the declaration of insolvency as repayment of a loan provided by Tetra Pak to Parmalat Finance Corporation B.V. and guaranteed by Parmalat S.p.A., by a decision handed down on March 15, 2016, the Bologna Court of Appeals upheld the lower court’s decision and ordered Tetra Oak to pay legal costs incurred at the appellate level.

Parmalat, through its counsel, requested from Tetra Pak payment of the awarded amount.

Events Occurring After March 31, 2016

Extraordinary and Ordinary Shareholders' Meeting of Parmalat S.p.A.

The Shareholders' Meeting of Parmalat S.p.A., convened on April 29, 2016 on a single calling, meeting in extraordinary session, agreed to amend the following articles of the Company Bylaws:

- Article 2 ("Registered Office"),
- Article 11 ("Board of Directors"),
- Article 13 ("Obligation Incumbent Upon Directors"),
- Article 14 ("Chairman of the Board of Directors"), and
- Article 18 ("Committees").

The Shareholders' Meeting, convened in ordinary session, then approved the financial statements for the 2015 reporting year and agreed to adopt a 2016-2018 three-year cash incentive plan for the top management of the Parmalat Group. It also elected a Board of Directors, the Chairman of the Board of Statutory Auditors and an Alternate Statutory Auditor.

Lastly, the Shareholders' Meeting adopted a resolution concerning the compensation for the Board of Directors.

Verification that the independent Directors meet the independence requirements, appointment of a Chief Executive Officer and establishment of the Internal Board Committees

The Board of Directors of Parmalat S.p.A., meeting on May 9, 2016 under the chairmanship of Gabriella Chersicla, carried out an assessment to determine the independence of its Directors elected by the Shareholders' Meeting on April 29, 2016. Based on the declarations provided by the Directors and the information available to the Company, the following Directors qualified as independent pursuant to Article 148, Section 3, of Legislative Decree No. 58/1998, Article 3 of the Corporate Governance Code of Borsa Italiana and Article 37 of the Market Regulations adopted by the Consob with Resolution No. 16191 of October 29, 2007, as amended: Pier Giuseppe Biandrino, Nicolò Dubini, Angela Gamba, Umberto Mosetti and Elena Vasco.

Gabriella Chersicla qualified as independent pursuant to Article 148, Section 3, of the TUF.

In addition, the Board of Statutory Auditors, acting pursuant to Article 8.C.1. of the Corporate Governance Code, verified that all of its members qualified as independent also in accordance with the criteria set forth in Article 3.C.1. of the abovementioned Code with regard to Directors and communicated this information to the Board of Directors.

The Board of Directors appointed Yvon Guérin, already General Manager and a Company Director, to the post of Chief Executive Officer, providing him with all of the powers necessary for the exercise of his office and named him Director Responsible for the Internal Control System.

The Board of Directors then appointed the members of the Board Committees.

More specifically, the following Directors were appointed to the Control and Risk Committee: Pier Giuseppe Biandrino (independent), serving as Chairman, Nicolò Dubini (independent) and Angela Gamba (independent). Consistent with the provisions of the Procedure Governing Related-party Transactions, the Control and Risk Committee also serves in the capacity as Committee for Related-party Transactions. The following Directors were appointed to the Nominating and Compensation Committee: Elena Vasco (independent), serving as Chairperson, Nicolò Dubini (independent) and Angela Gamba (independent). Lastly, the Board of Directors approved the regulations governing the activities of the Board Committees.

The Board of Directors, having been informed that Legislative Decree No. 25/2016 implementing the new Transparency Directive (Directive No. 2013/50/EC) had gone into effect, resolved to publish on a voluntary basis an Interim Management Statement that will provide disclosures regarding the Group's performance and a breakdown of sales revenues by geographic area and product division, reserving the right to reconsider this decision, taking also into account changes in the relevant regulatory framework.

The Board of Directors also amended the Company's financial calendar, scheduling the approval of the Interim Management Statement for May 24, 2016 (in lieu of May 13, 2016).

Principles for the Preparation of the Interim Management Statement at March 31, 2015

As a result of the changes introduced with Legislative Decree No. 25 of February 15, 2016, in implementation of Directive No. 2013/50/EU of the European Parliament and Council of October 22, 2013, the obligation to publish interim reports on operations was abolished as of March 18, 2016.
However, Parmalat's Board of Directors, in continuity with past practice and in a context in which the regulatory framework changed very recently and is potentially not yet settled, decided to publish on a voluntary basis an Interim Management Statement at March 31, 2016. In any event, this decision is not binding on the Company for the future and, consequently, could change in response to changes in the regulatory framework. The Company will be sure to provide adequate disclosures about subsequent decisions in this area.

This Interim Management Statement at March 31, 2016 was prepared in accordance with the same consolidation principles and valuation criteria applied to prepare the financial statements at December 31, 2015, which should be read for additional information, and with new IFRS pronouncements in effect as of January 1, 2016, which are reviewed below.

The following recently published accounting principles, amendments and interpretations went into effect on January 1, 2016, as adopted by the European Commission:

Amendments to IAS 19 – Defined-Benefit Plans: Employee Contributions (applicable to accounting periods beginning on or after February 1, 2015). 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 February 1, 2015. As of the date of this Interim Management Statement, the adoption of these amendments had no impact on the Group.

Amendments to IFRSs – Annual Improvements to IFRSs 2010-2012 Cycle (applicable to accounting periods beginning on or after February 1, 2015). 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.* As of the date of this Interim Management Statement, the adoption of these amendments had no impact on the Group.

Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants (applicable to accounting periods beginning on or after January 1, 2016).
According to this amendment, plants that are used exclusively for the cultivation of agricultural products over multiple years, known as bearer plants, should be accounted for in the same way as property, plant and equipment in IAS 16 because their "operation" is similar to that of manufacturing. Consequently, in accordance with IAS 16, these biological assets should be valued at cost and no longer mandatorily measured at fair value less cost to sell, in accordance with IAS 41.
As of the date of this Interim Management Statement, the adoption of these amendments had no impact on the Group.

Amendments to IFRS 11 – Accounting for the Acquisition of an Interest in a Joint Operation (applicable to accounting periods beginning on or after January 1, 2016).
This amendment provides guidance on accounting for the acquisition of an interest in a joint operation the activity of which constitutes a business as defined in IFRS 3. Pursuant to this amendment, the principles of IFRS 3 should be applied in this case.
As of the date of this Interim Management Statement, the adoption of these amendments had no impact on the Group.

Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization (applicable to accounting periods beginning on or after January 1, 2016).
According to the amendments to IAS 16, a depreciation method that is based on revenue is not appropriate because, according to the amendments, revenue generated by an activity that includes the use of the asset that is being depreciated generally reflect factors other than the mere consumption of an asset's economic benefits.
The amendments to IAS 38 introduce a rebuttable presumption that a revenue based amortization method is considered as a rule inappropriate for the same reasons as in IAS 16. In the case of intangible assets, this presumption can be overcome, but only in limited and specific circumstances.
As of the date of this Interim Management Statement, the adoption of these amendments had no impact on the Group.

Amendments to IFRSs – Annual Improvements to IFRSs 2012-2014 Cycle (applicable to accounting periods beginning on or after January 1, 2016).
The main issues addressed by these amendments include:

- in IAS 19, the amendment clarifies that the discount rate applied to an obligation for a defined-benefit plan must be determined based on "high-quality corporate bonds or government bonds" denominated in the same currency used to pay the benefits;
- in IFRS7, the amendment clarifies that, insofar as the offsetting of financial assets and liabilities is concerned, additional disclosures are required only with the annual financial statements.
  It also clarifies that an entity that transferred financial assets and derecognized them from its statement of financial position is required to provide additional disclosures regarding its residual involvement, if it entered into service contracts that provide evidence of the entity's interest in the future performance of the transferred financial assets;
- In IFRS 5 , the amendment clarifies that there is no accounting impact if an entity, changing its disposal plan, reclassifies an assets or a disposal group from/to "held for sale" to/from "held for distribution." The change in the disposal plan is deemed to be a continuation of the original plan.

As of the date of this Interim Management Statement, the adoption of these amendments had no impact on the Group.

Amendments to IAS 1 – Disclosure Initiative (applicable to accounting periods beginning on or after January 1, 2016)
The amendment provides guidance regarding disclosures that could be perceived as impediments to a clear and intelligible presentation of financial statements.
As of the date of this Interim Management Statement, the adoption of these amendments had no impact on the Group.

Amendments to IAS 27 – Equity Method in Separate Financial Statements (applicable to accounting periods beginning on or after January 1, 2016).
This amendment introduces the option of using the equity method in an entity's financial statements to value investments in subsidiaries, joint ventures and associated companies. Consequently, further to the introduction of this amendment, an entity may recognize the abovementioned investments in its separate financial statements alternatively at cost or, as allowed by IFRS 9, using the equity method.
As of the date of this Interim Management Statement, the adoption of these amendments had no impact on the Group.

When preparing the Interim Management Statement, Directors apply accounting principles and methods that, in some cases, are based on complex and subjective valuations and estimates, which 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 Interim Management Statement 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, business combinations and derivatives. 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, 2015.

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.

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.

This Interim Management Statement at March 31, 2016 was not audited.

The publication of this Interim Management Statement was authorized by the Board of Directors on May 24, 2016.

Scope of Consolidation

The main changes to the scope of consolidation that occurred in the first quarter of 2016 compared with December 31, 2015 are the result of the acquisition from Fonterra Brands (Australia) Pty Ltd of yogurt and dairy dessert activities in Australia, including the Tamar Valley, Soleil, CalciYum and Connoisseur trademarks (the last two under license), two production facilities (Tamar Valley, Tasmania, and Echuca, Victoria) and the signing of agreements with Nestlé through which Parmalat obtained, limited to the territory of Australia, the Ski trademark and was licensed to use some confectionary trademarks.
The newly acquired activities were consolidated as of February 22, 2016, which is the date when the Group effectively obtained control.

With regard to this acquisition, 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.

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. At December 31, 2015, the amounts shown in the financial statement that were not stated in terms of the current measuring unit were restated using a rate of inflation that approximated the national consumer price index (INPC) published by Banco Central de Venezuela on February 18, 2016. On the date of preparation of this Interim Management Statement, absent data published by Banco Central de Venezuela, the inflation index for the first three months of 2016 was estimated based on the average inflation reported by Banco Central de Venezuela for the fourth quarter of 2015. The estimated index at the reference date of this Interim Management Statement was 3,245.5 with a change of 190.5% compared with the previous year (86.4% in 2015). The change in the index compared with December 31, 2015 was 34.6% (22.9% in the first quarter of 2015).

The following changes to the foreign exchange system were published in Venezuela's Official Gazette on March 9, 2016 and went into effect the next day, March 10:

- the *"cambio protegido"* (also called "*DIPRO"*), reserved for basic necessities, including food products**,** was increased from 6.30 VEF/USD to 10.00 VEF/USD;

- the *SICAD* system, based on auctions scheduled by the central bank is being retained. The last SICAD auction held in August and reserved for the agricultural sector set an exchange rate of 13.50 VEF/USD, effective as of September 1, which is still in effect;

- a *"cambio complementario flotante de mercado"* (also called *DICOM*) was introduced. It will replace the existing *SIMADI* as a system in which individuals and companies can exchange foreign currency through authorized international institutions. The *DICOM/SIMADI* exchange rate was set at 215.30 VEF/USD on March 10. By March 31, 2016, this exchange rate had risen to 272.90 VEF/USD.

As of the date of this Interim Management Statement, about 92% of the foreign currency transactions were being executed through the two "managed systems" (*DIPRO* e *SICAD*) with the remaining 8.0% executed through *DICOM/SIMADI*.

The Venezuelan subsidiaries, while expecting to have continued access to purchasing foreign currency at the DIPRO rate, based on the regulations in effect, during the first quarter of 2016 also purchased about 154,000 U.S. 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.

Based on available documented evidence and in a context of significant uncertainty characterized by constant changes to the foreign exchange system, it was deemed appropriate to translate the statement of financial position and income statement balances of the Venezuelan subsidiaries at the *DICOM/SIMADI* rate, because it is thought to be more representative of operating conditions during the reporting period.
At March 31, 2016, this rate was the exchange rate applicable to future dividend payments and repatriation of capital.

However, 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 effect also on Parmalat's consolidated financial statements.

Business Outlook

The trend of excess production of raw milk continued in the first quarter of 2016, with a resulting reduction in raw material costs in most of the countries where the Group operates.

In this context, the Group's historical subsidiaries will prioritize implementing a carefully crafted pricing policy, paying special attention to dynamics with large-scale retailers and major competitors; staying focused on the efficiency of the manufacturing system, through a strong commitment to up-to-date technologies; and improving the ability to innovate.

For the recently acquired businesses in Latin America and Australia, which are faced with specific challenges in the markets in which they operate, their priority will be on implementing reorganization processes aimed at achieving their full integration, aligning their quality standards with those of the Group and attaining the desired results.

2016 Guidance

In 2016, the Parmalat Group is launching a new growth phase, consistent with its long established strategic objectives.

For 2016, at constant exchange rates, considering for the new acquisitions pro forma 2015 comparative data and excluding the Venezuelan subsidiary, given the uncertainty that characterizes the situation in that country accompanied by a massive devaluation of the local currency, Parmalat expects gains of about 5% for net revenue and about 10% for EBITDA.

More specifically, projections call for a first half of the year during which economic conditions in the countries where Group operates will not be particularly favorable, with growth concentrated mainly in the second half of the year, when the benefits expected from the efficiency boosting plan currently under way and the reorganization processes that are being implemented for the new acquisitions will be realized.

Disclaimer

This document contains forward looking statements, particularly in the section entitled "Business Outlook." Projections for 2016 are based, inter alia, on the Group's performance in the first quarter of 2016 and take into account trends in subsequent periods. 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.

Certification Pursuant to Article 154 *bis,* Section 2, of Legislative Decree No. 58/98, as Amended

As required by Article 154 *bis*, Section 2, of the Italian Uniform Financial Code (Legislative Decree No. 58/1998), the Corporate Accounting Documents Officer, Pierluigi Bonavita, hereby declares that the accounting disclosures provided in this Statement are consistent with the data in the supporting documents and in the Company's books of accounts and other accounting records.

Signed: Pierluigi Bonavita
Corporate Accounting Documents Officer

Parmalat S.p.A.

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parmalat

GROUPE LACTALIS