



## PRESS RELEASE

### THE BOARD OF DIRECTORS APPROVES THE SEMIANNUAL REPORT AT JUNE 30, 2017

### JEAN-MARC BERNIER IS APPOINTED CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER OF PARMALAT S.P.A.

- **Net revenue increasing:** +9.5% at current exchange rates and scope of consolidation and including Venezuela; +1.1% at constant exchange rates and scope of consolidation and excluding Venezuela
- **EBITDA growing:** +7.9% at current exchange rates and scope of consolidation and including Venezuela; +0.5% at constant exchange rates and scope of consolidation and excluding Venezuela, thanks to improved results in Latin America, Oceania and Africa
- **Net profit for the period decreasing**, mainly due to tax law changes enacted in Venezuela
- **2017 guidance revised:** growth within 1% for net revenue and EBITDA at constant exchange rates and scope of consolidation and excluding the Venezuela subsidiary

*Milan, September 12, 2017* – The Board of Directors of Parmalat S.p.A., meeting today under the Chairmanship of Gabriella Chersicla, reviewed and approved the semiannual financial report at June 30, 2017, the highlights of which are reviewed below.

#### CONSOLIDATED FINANCIAL HIGHLIGHTS OF THE GROUP

amounts in millions of euros (except for data in %)	First half 2017	First half 2016	Change at current exch. rates and scope of consolidation (including Venezuela)	Change at constant exch. rates and scope of consolidation (excluding Venezuela)
<b>Net revenue</b>	3,274.0	2,991.1	+9.5%	+1.1%
<b>EBITDA</b>	185.1	171.6	+7.9%	+0.5%
<b>Profit for the period</b>	30.6	45.4	-32.6%	-19.4%
amounts in millions of euros	<b>6/30/17</b>	<b>12/31/16</b>		
<b>Net financial assets</b>	63.4	334.4		

#### Parmalat Group

In the first half of 2017, there was across-the-board growth in the Group's various global macro-areas, bolstered by persistently expansive monetary policies.

During the same period, the foreign exchange effect on the Group's result was positive, but a further strengthening of the euro versus the U.S. dollar and, partially, the other main reference currencies could have a negative impact in the second half.

Insofar as the cost of raw milk is concerned, there was a reversal of the previous year's trend, as the supply surplus experienced last year mitigated, while purchases by China provided support for milk prices in the international markets.

Among the main countries where the Group operates, Brazil recorded an economic contraction in the first quarter, followed by a turnaround after two years of recession at a rate of more than 3%.



In Venezuela, however, the situation remains critical, both from an economic and political standpoint.

More specifically, **net revenue** increased to 3,274 million euros, up 282.9 million euros (+9.5%) compared with 2,991.1 million euros in the first half of 2016. With data at constant exchange rates and scope of consolidation<sup>1</sup> and excluding the results of the Venezuelan subsidiary, the gain in net revenue was 1.1%, with a positive contribution from all of the regions where the Group operates, with the exception of Latin America and Oceania.

**EBITDA** totaled 185.1 million euros, or 13.5 million euros more (+7.9%) than the 171.6 million euros earned in the first six months of 2016. With data at constant exchange rates and comparable scope of consolidation and excluding the results of the Venezuelan subsidiary, EBITDA grew at a rate of 0.5%, thanks mainly to improvements achieved in Latin America, Oceania and Africa.

The increase in profitability reported by the Group reflects the positive impact of a partial improvement in operating efficiency and the containment of overheads.

The performance of the main geographic areas is reviewed below.

## Europe

The Europe sales region reported net revenue of 550.2 million euros and EBITDA of 49 million euros in the first half of 2017.

Results with data at constant exchange rates showed net revenue increasing by 1.4%, but EBITDA contracted by 11.6% compared with the previous year, due to the negative effect of a change in the terms for the procurement of raw milk.

In **Italy**, the trend was negative in the main markets where the local subsidiary operates. In the milk segment, despite these challenging market conditions, Parmalat was able to retain the leadership position in both the UHT milk and pasteurized milk categories (counting all channels). In the UHT cream category, the local subsidiary retained the leadership position, with its *Chef* brand, increasing its value market share.

## North America

In the first six months of 2017, the region's net revenue totaled 1,229.9 million euros and EBITDA amounted to 110.3 million euros.

With data at constant exchange rates, net revenue showed an increase of 4.5%, but EBITDA decreased by 4.1% compared with the previous year.

In the **United States of America** the cheese market in which the local subsidiary operates, held relatively steady compared with the previous year. Parmalat, which began to operate also in the mozzarella and grated cheese segments, confirmed its leadership position in the soft ripened cheese, chunk mozzarella and ricotta categories and held unchanged its competitive positions in the other segments in which it operates.

The local subsidiary continued to pursue a marketing strategy based on strengthening its global brands and improving process efficiency for operating costs.

In **Canada** Parmalat, despite some difficulties in the industrial and commercial areas, significantly increased its value market share in the cheese segment, confirming its competitive position, and held unchanged its positions in the milk and yogurt categories.

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<sup>1</sup> A comparable scope of consolidation is obtained by excluding the results of the activities acquired in 2016 (*Parmalat Australia YD*) and 2017 (*Chile*).



## Latin America

The Latin America sales region includes the subsidiaries that operate in Brazil, Mexico, Venezuela, Colombia, Ecuador, Argentina, Uruguay, Paraguay and other lesser operations.

The Group, which during the year further strengthened its presence in Latin America with the acquisition of production activities in Chile, is in the process of implementing at its main subsidiaries in this region a series of organizational programs, involving processes and systems, aimed at improving operating effectiveness and efficiency.

In the first half of 2017, excluding the effects of hyperinflation in Venezuela, the sales region reported net revenue of 731.1 million euros and EBITDA of 21.3 million euros.

At constant exchange rates and comparable scope of consolidation, excluding Venezuela's contribution, the data showed a net revenue decrease of 4.6% but a gain in EBITDA compared with the previous year.

In **Brazil**, within the context of a still ongoing reorganization process, the results for the first half of 2017 were positive overall, thanks in part to the important investment program that the local subsidiary is implementing. Parmalat confirmed its position as the leader of the UHT milk category and retained the second-place position in the cheese category.

The subsidiaries that operate in **Colombia, Mexico, Argentina** and **Uruguay** find themselves in challenging situations resulting from changes in the costs of production components and difficulties in implementing appropriate sales policies in the face of difficult competitive situations.

In **Venezuela**, in a critical context both economically and politically, the local subsidiary experienced a sharp reduction in sales volumes compared with the previous year.

## Africa

In the first six months of 2017, the Africa sales region generated net revenue of 219.2 million euros and EBITDA of 14.6 million euros.

With data at constant exchange rates, the results showed gains of 6.7% for net revenue and 13.5% for EBITDA.

In **South Africa**, Parmalat continued to be the leader in the flavored milk segment, with an important value market share, and confirmed its second-place competitive position in the UHT milk segment. In the cheese category, the local subsidiary further strengthened its leadership position, thanks to the *Parmalat* brand and the migration of products from local brands to global brands. In the yogurt segment, Parmalat confirmed its second-place competitive position.

## Oceania

The region reported net revenue of 525.9 million euros and EBITDA of 12.9 million euros in the first half of 2017.

With data at comparable exchange rates and scope of consolidation, net revenue decreased by 2% compared with the previous year, but profitability improved by 31.7%, thanks to the sales policies currently being implemented and the successful market positioning of the Group's brands.

In **Australia**, Parmalat is the leader of the pasteurized milk category and retained its second-place position both in the flavored milk and UHT milk categories. In addition, the local subsidiary continued to hold the top competitive position in the dessert market and the second position in the yogurt segment.



The **profit for the period** amounted to 30.6 million euros, or 14.8 million euros less than the 45.4 million euros earned in the first half of 2016 (-32.6%), attributable primarily to a change in tax laws enacted in Venezuela in the second half of the previous year that eliminated the tax deductibility of the inflation effect.

With data at constant scope of consolidation and excluding the Venezuelan subsidiaries, this item showed a decrease of 7.7 million euros.

**Net financial assets** amounted to 63.4 million euros, down 271 million euros compared with 334.4 million euros at December 31, 2016. The main reasons for this decrease include: the cash absorbed by non-recurring transactions for 237.1 million euros, mainly in connection with the acquisition of the groups *La Vaquita* and *Karoun* in Chile and the United States, respectively; the cash absorbed by operating activities for 57.5 million euros (52.1 million euros at June 30, 2016) mainly attributable to seasonal factors; the payment of dividends for 29 million euros; and a negative translation effect of 20 million euros. This decrease was offset in part by the cash generated by financing activities for 73.4 million euros.

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

The **profit for the period** decreased to 17.7 million euros, or 4.3 million euros less than the 22 million euros earned in the first half of 2016. This reduction was mainly determined by a reduction in EBITDA, offset in part by a decrease in depreciation and amortization and lower non-recurring charges.

Net financial income and income from investee companies (dividends) were little changed compared with the first half of 2016.

The **net financial position** went from net financial assets of 61.3 million euros at December 31, 2016 to net financial debt of 3.3 million euros at June 30, 2017. This change is mainly attributable to the effect of higher financial investments made to support the acquisitions carried out during the first half of the year and to the payment of the 2016 dividend.

Cash and cash equivalents and other financial assets are invested in sight deposits and short-term instruments with counterparties belonging to top banking groups.

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#### **Business Outlook**

In some geographic areas, an uptick in the cost of raw milk is creating problems in updating sales terms, due to the policies pursued both by some competitors and by customers, with potentially significant effects on the Group's sales volumes.

In addition, despite the progress made compared with the previous year, some issues in the implementation of programs planned in the industrial and logistics areas are affecting performance in the third quarter, creating expectations of some delays also in the final quarter of the year.

#### **2017 Guidance**

In light of these considerations, at constant exchange rates and scope of consolidation and excluding the impact of Venezuela, the evolution of net revenue and EBITDA, while still positive, is expected to be limited within 1%.

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**Disclaimer**

*This document contains forward looking statements, particularly in the section entitled "Business Outlook". Projections for 2017 and 2018 are based, inter alia, on the Group's performance in the second quarter of 2017 and take into account current trends in the third quarter. The Group's performance is affected by exogenous variables that could have unforeseen consequences in terms of its results: these variables, which reflect the peculiarities of the different countries where the Group operates, are related to weather conditions and to economic, socio-political and regulatory factors.*

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**Conference Call with the Financial Community**

The data of the semiannual financial report will be presented to the financial community today, at 6:00 PM (CET) – 5:00 PM (GMT), in a conference call. The presentation will be followed by a Q&A session.

The conference call may be accessed through the following telephone numbers:

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

Access code: \* 0

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**Jean-Marc Bernier appointed Chief Executive Officer and General Manager of Parmalat S.p.A.**

Further to the resignation by Yvon Guérin from the posts of Director, Chief Executive Officer and General Manager of Parmalat S.p.A. announced this past July 28, effective as of today's meeting of the Board of Directors, the Board of Directors, upon a motion by Director Michel Peslier, acting pursuant to and for the purposes of Article 11 of the Company Bylaws and Article 2386 of the Italian Civil Code and with the favorable opinion of the Board of Statutory Auditors, appointed Jean-Marc Bernier to the post of Company Director for a term of office ending with the next shareholders' meeting.

Based on an affidavit provided by Mr. Bernier, the Board of Directors verified that he does not meet the independence requirement pursuant to Article 147-ter, Section 4, of the TUF, which cites Article 148, Section 3, of the TUF and Article 3 of the Corporate Governance Code of Borsa Italiana S.p.A.. Mr. Bernier stated that he does not hold any Company shares.

The Board of Directors, taking also into account the favorable conclusions of the activity carried out by the Nominating and Compensation Committee, appointed Jean-Marc Bernier Chief Executive Officer and named him General Manager of the Company, awarding him the corresponding powers.

Jean-Marc Bernier has enjoyed an extended career at the Lactalis Group, which he joined in 1995, holding positions in increasing responsibility in France and Italy, where he served as Chief Executive Officer of Gruppo Lactalis Italia, a leader in the Italian dairy industry with such brands as *Galbani*, *Invernizzi*, *Locatelli* and *Vallelata*. Jean-Marc Bernier's curriculum vitae is available on the website [www.parmalat.com](http://www.parmalat.com).

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*As required by Article 154 bis, Section 2, of the Uniform Financial Code (Legislative Decree No. 58/1998), Pierluigi Bonavita, in his capacity as Corporate Accounting Documents Officer, declares that the accounting information provided in this press release is consistent with the information in the supporting documents and in the Company's books of accounts and other accounting records.*

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The Semiannual Financial Report at June 30, 2017, together with the report of the Independent Auditors, will be available, within their respective statutory deadlines, at the Company's registered office, 9 Via Guglielmo Silva, in Milan, through the storage mechanism 1Info ([www.1Info.it](http://www.1Info.it)) and on the Company website: [www.parmalat.com](http://www.parmalat.com) → Investor Relations → Financial reports.

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Schedules providing a condensed presentation of the income statement, statement of financial position and cash flow are annexed to this press release.

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## Data by Geographic Region

<i>(amounts in millions of euros)</i>									
Region	First Half 2017			First Half 2016			Delta %		
	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	
Europe	550.2	49.0	8.9	532.1	54.8	10.3	+3.4%	-10.6%	
North America	1,229.9	110.3	9.0	1,144.3	111.8	9.8	+7.5%	-1.3%	
Latin America	731.1	21.3	2.9	628.9	10.1	1.6	+16.2%	+111.8%	
Africa	219.2	14.6	6.7	173.6	10.7	6.2	+26.3%	+36.3%	
Oceania	525.9	12.9	2.5	496.1	10.9	2.2	+6.0%	+18.2%	
Other <sup>1</sup>	(8.2)	(6.7)	n.s.	(7.9)	(8.8)	n.s.	n.s.	-23.5%	
<b>Group excl. hyperinflation</b>	<b>3,248.2</b>	<b>201.3</b>	<b>6.2</b>	<b>2,967.0</b>	<b>189.4</b>	<b>6.4</b>	<b>+9.5%</b>	<b>+6.3%</b>	
Hyperinflation in Venezuela	25.8	(16.3)	n.s.	24.1	(17.8)	n.s.	n.s.	n.s.	
<b>Group</b>	<b>3,274.0</b>	<b>185.1</b>	<b>5.7</b>	<b>2,991.1</b>	<b>171.6</b>	<b>5.7</b>	<b>+9.5%</b>	<b>+7.9%</b>	

*Regions represent the consolidated countries.*

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

In order to improve comparability with the 2016 data, the table below presents the Group's results at constant exchange rates and comparable scope of consolidation and excluding Venezuela:

<i>(amounts in millions of euros)</i>									
Region	First Half 2017			First Half 2016			Delta %		
	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	
Europe	539.5	48.4	9.0	532.1	54.8	10.3	+1.4%	-11.6%	
North America	1,195.9	107.2	9.0	1,144.3	111.8	9.8	+4.5%	-4.1%	
Latin America	563.7	6.6	1.2	591.0	1.2	0.2	-4.6%	+471.0%	
Africa	185.1	12.1	6.6	173.6	10.7	6.2	+6.7%	+13.5%	
Oceania	456.7	13.5	2.9	465.8	10.2	2.2	-2.0%	+31.7%	
Other <sup>1</sup>	(8.7)	(7.1)	n.s.	(7.9)	(8.7)	n.s.	n.s.	-19.1%	
<b>Group</b> (constant exch. rates/ scope of consolidation) <sup>2</sup>	<b>2,932.2</b>	<b>180.8</b>	<b>6.2</b>	<b>2,898.9</b>	<b>179.9</b>	<b>6.2</b>	<b>+1.1%</b>	<b>+0.5%</b>	

*Regions represent the consolidated countries.*

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

*2. Excluding Venezuela and new activities consolidated in 2016 (Parmalat Australia YD) and in 2017 (Chile)*

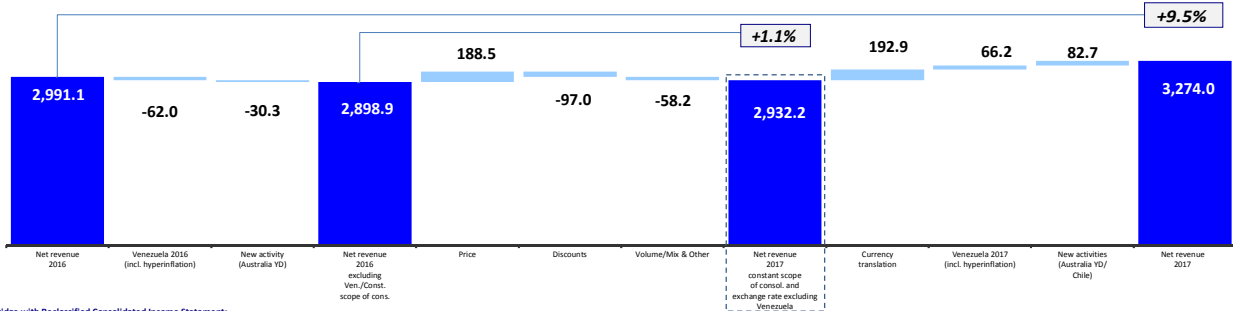


## Like for Like Net Revenue and EBITDA

The diagram below presents the main variables that determined the evolution of net revenue and EBITDA in the first half of 2017, compared with the previous year.

Cumulative Net Revenue June 2017 vs 2016

(€ m)



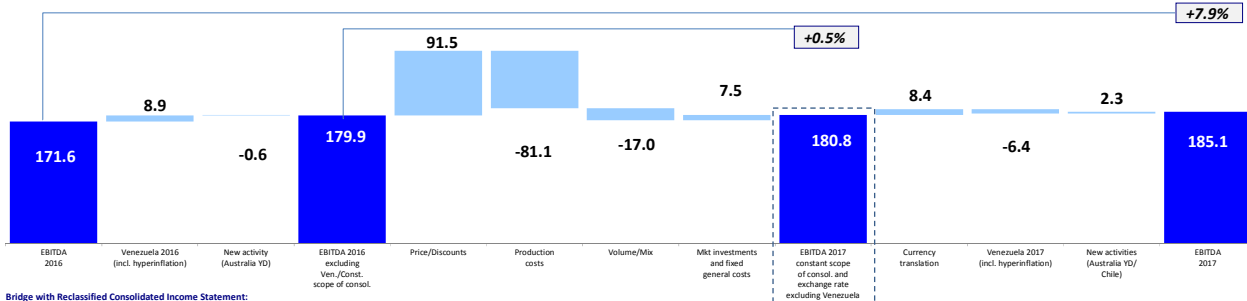
Bridge with Reclassified Consolidated Income Statement:

Net Revenue 2016	2,991.1
Δ Perimeter	52.4
Δ Venezuela	4.3
Δ Business	33.2
Curr. translation 17	192.9
Net Revenue 2017	3,274.0

Difference between result of new activities 2017 (82.7 mln euros) and 2016 (30.3 mln euros)  
 Difference between result of Venezuela 2017 incl. hyperinflation (66.2 mln euros) and result 2016 (62 mln euros)

Cumulative EBITDA June 2017 vs 2016

(€ m)



Bridge with Reclassified Consolidated Income Statement:

EBITDA 2016	171.6
Δ Perimeter	1.7
Δ Venezuela	2.5
Δ Business	0.9
Curr. translation 17	8.4
EBITDA 2017	185.1

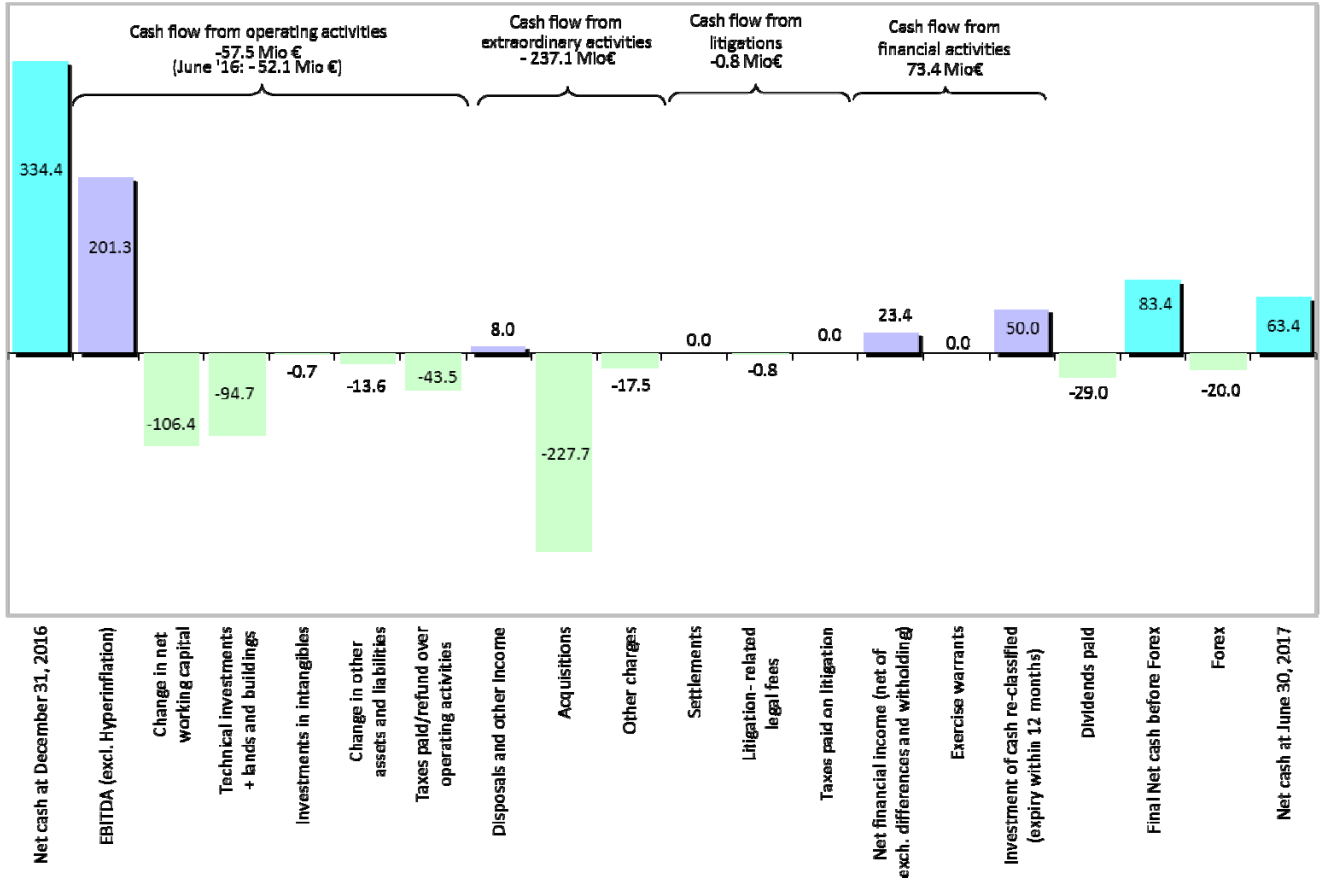
Difference between result of new activities 2017 (2.3 mln euros) and 2016 (0.6 mln euros)  
 Difference between result of Venezuela 2017 incl. hyperinflation (-6.4 mln euros) and result 2016 (-8.9 mln euros)





## Consolidated Statement of Cash Flows

### Consolidated Cash flow June 30, 2017





## Parmalat Group

### RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<i>(in millions of euros)</i>	First half 2017 (A)	<i>Δ scope of consolidation (June 2017 vs June 2016)<sup>1</sup></i> (B)	<i>Δ Venezuela (June 2017 vs June 2016)</i> (C)	<i>First half 2017 pro forma at current exchange rates</i> (D=A-B-C)	First half 2016
<b>REVENUE</b>	<b>3,297.5</b>	<b>54.3</b>	<b>4.1</b>	<b>3,239.1</b>	<b>3,008.5</b>
Net revenue	3,274.0	53.9	4.3	3,215.8	2,991.1
Other revenue	23.5	0.4	(0.2)	23.3	17.4
<b>OPERATING EXPENSES</b>	<b>(3,109.7)</b>	<b>(50.1)</b>	<b>(0.8)</b>	<b>(3,058.8)</b>	<b>(2,833.2)</b>
Purchases, services and miscellaneous costs	(2,671.0)	(45.8)	(3.7)	(2,621.5)	(2,432.2)
Personnel expense	(438.7)	(4.3)	2.9	(437.3)	(401.0)
<b>Subtotal</b>	<b>187.8</b>	<b>4.2</b>	<b>3.3</b>	<b>180.3</b>	<b>175.3</b>
Impairment losses on receivables and other provisions	(2.7)	(0.3)	(0.8)	(1.6)	(3.7)
<b>EBITDA</b>	<b>185.1</b>	<b>3.9</b>	<b>2.5</b>	<b>178.7</b>	<b>171.6</b>
Depreciation, amortization and impairment losses on non-current assets	(93.3)	(0.9)	(1.2)	(91.2)	(80.2)
Other income and expense:					
- Litigation-related legal expenses	(1.0)	(0.0)	(0.0)	(1.0)	(1.2)
- Miscellaneous income and expenses	(2.9)	(0.1)	(0.0)	(2.8)	(6.4)
<b>EBIT</b>	<b>87.9</b>	<b>2.9</b>	<b>1.3</b>	<b>83.7</b>	<b>83.8</b>
Net financial income/(expense)	0.6	(0.4)	7.6	(6.6)	(1.0)
Other income from (Charges for) equity invest.	1.6	0.0	0.0	1.6	0.1
<b>PROFIT BEFORE TAXES</b>	<b>90.1</b>	<b>2.5</b>	<b>8.9</b>	<b>78.7</b>	<b>82.9</b>
Income taxes	(59.5)	(0.3)	(18.2)	(41.0)	(37.5)
<b>PROFIT FOR THE PERIOD</b>	<b>30.6</b>	<b>2.2</b>	<b>(9.3)</b>	<b>37.7</b>	<b>45.4</b>

<sup>1</sup> The difference in scope of consolidation between June 2017 and June 2016 refers to the yogurt operation in Australia acquired in February 2016, Sadefox acquired in June 2016 and the La Vaquita Group acquired in March 2017.

Attributable to:

Non-controlling interests	(0.2)	(0.0)	0.1	(0.3)	(0.5)
Owners of the parent	30.4	2.2	(9.2)	37.4	44.9

### Continuing operations:

Basic earnings per share (in euros)	<b>0.0164</b>
Diluted earnings per share (in euros)	<b>0.0164</b>



## Parmalat Group

### RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in millions of euros)</i>	<b>6/30/17</b>	<b>12/31/16</b>
<b>NON-CURRENT ASSETS</b>	<b>3,092.5</b>	<b>3,024.7</b>
Intangible assets	1,422.2	1,309.5
Property, plant and equipment	1,474.2	1,489.7
Non-current financial assets	123.8	153.5
Deferred tax assets	72.3	72.0
<b>NON-CURRENT ASSETS HELD FOR SALE, NET OF CORRESPONDING LIABILITIES</b>	<b>3.4</b>	<b>0.9</b>
<b>NET WORKING CAPITAL</b>	<b>542.6</b>	<b>452.2</b>
Inventories	743.7	729.8
Trade receivables	579.1	631.2
Trade payables (-)	(836.1)	(937.4)
<b>Operating working capital</b>	<b>486.7</b>	<b>423.6</b>
Other assets	230.8	226.2
Other liabilities (-)	(174.9)	(197.6)
<b>INVESTED CAPITAL NET OF OPERATING LIABILITIES</b>	<b>3,638.5</b>	<b>3,477.8</b>
<b>EMPLOYEE BENEFITS (-)</b>	<b>(93.7)</b>	<b>(98.7)</b>
<b>PROVISIONS FOR RISKS AND CHARGES (-)</b>	<b>(366.3)</b>	<b>(374.7)</b>
<b>PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS</b>	<b>(9.9)</b>	<b>(10.0)</b>
<b>NET INVESTED CAPITAL</b>	<b>3,168.6</b>	<b>2,994.4</b>
<i>Covered by:</i>		
<b>EQUITY</b>	<b>3,232.0</b>	<b>3,328.8</b>
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	1,274.7	1,322.3
Profit for the period	30.4	78.5
Non-controlling interests	18.9	20.0
<b>NET FINANCIAL POSITION</b>	<b>(63.4)</b>	<b>(334.4)</b>
Loans payable to banks and other lenders	645.5	694.3
Other financial assets (-)	(287.1)	(288.6)
Cash and cash equivalents(-)	(421.8)	(740.1)
<b>TOTAL COVERAGE SOURCES</b>	<b>3,168.6</b>	<b>2,994.4</b>



## Parmalat Group

### STATEMENT OF CHANGES IN NET FINANCIAL POSITION IN THE FIRST HALF OF 2017

<i>(in millions of euros)</i>	First half 2017	First half 2016
<b>Net financial position at beginning of period</b>	<b>(334.4)</b>	<b>(310.8)</b>
Changes during the period:		
- Cash flow from operating activities for the period	(26.1)	(31.7)
- Cash flow for acquisitions	227.8	34.8
- Cash flow from other investing activities	45.5	77.7
- Accrued interest expense	4.1	8.1
- Cash flow from settlements	0.8	0.3
- Dividend payments	29.0	33.0
- Miscellaneous items	(30.1)	(1.7)
- Translation effect	20.0	7.1
Total changes during the period	271.0	127.6
<b>Net financial position at end of period</b>	<b>(63.4)</b>	<b>(183.2)</b>

### BREAKDOWN OF NET FINANCIAL POSITION

<i>(in millions of euros)</i>	6/30/17	12/31/16
Loans payable to banks and other lenders	645.5	694.3
Other financial assets (-)	(287.1)	(288.6)
Cash and cash equivalents (-)	(421.8)	(740.1)
<b>Net financial position</b>	<b>(63.4)</b>	<b>(334.4)</b>

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

<i>(in millions of euros)</i>	Cash and cash equivalents	Other financial assets	Gross indebtedness	Net financial position
<b>Opening balance</b>	<b>(740.1)</b>	<b>(288.6)</b>	<b>694.3</b>	<b>(334.4)</b>
Cash flow from operating activities for the period	(26.1)	-	-	(26.1)
Cash flow for acquisitions	212.0	(0.2)	16.0	227.8
Cash flow from other investing activities	48.3	(2.8)	-	45.5
New borrowings	(139.3)	-	139.3	-
Loan repayments	170.0	-	(170.0)	-
Accrued interest expense	-	-	4.1	4.1
Cash flow from settlements	0.8	-	-	0.8
Dividend payments	29.0	-	-	29.0
Miscellaneous items	-	-	(30.1)	(30.1)
Translation effect	23.6	4.5	(8.1)	20.0
<b>Closing balance</b>	<b>(421.8)</b>	<b>(287.1)</b>	<b>645.5</b>	<b>(63.4)</b>



## Parmalat S.p.A.

### RECLASSIFIED INCOME STATEMENT

<i>(in millions of euros)</i>	First half 2017	First half 2016
<b>REVENUE</b>	<b>443.6</b>	<b>441.2</b>
Net revenue	425.5	424.6
Other revenue	18.1	16.6
<b>OPERATING EXPENSES</b>	<b>(412.2)</b>	<b>(403.7)</b>
Purchases, services and miscellaneous costs	(352.2)	(341.7)
Personnel expense	(60.0)	(62.0)
<b>Subtotal</b>	<b>31.4</b>	<b>37.5</b>
Impairment losses on receivables and other provisions	(1.4)	(1.6)
<b>EBITDA</b>	<b>30.0</b>	<b>35.9</b>
Depreciation, amortization and impairment losses on non-current assets	(11.7)	(12.6)
Other income and expense:		
- Litigation-related legal expenses	(1.0)	(1.2)
- Miscellaneous income and expense	(2.5)	(2.9)
<b>EBIT</b>	<b>14.8</b>	<b>19.2</b>
Net financial income/(expense)	5.5	5.4
Other income from (Charges for) equity investments	5.6	5.7
<b>PROFIT BEFORE TAXES</b>	<b>25.9</b>	<b>30.3</b>
Income taxes	(8.2)	(8.3)
<b>PROFIT FOR THE PERIOD</b>	<b>17.7</b>	<b>22.0</b>



## Parmalat S.p.A.

### RECLASSIFIED STATEMENT OF FINANCIAL POSITION

<i>(in millions of euros)</i>	<b>6/30/17</b>	<b>12/31/16</b>
<b>NON-CURRENT ASSETS</b>	<b>3,324.5</b>	<b>3,252.4</b>
Intangible assets	352.4	353.4
Property, plant and equipment	155.7	157.9
Non-current financial assets	2,797.6	2,719.5
Deferred tax assets	18.8	21.6
<b>ASSETS HELD FOR SALE, NET OF CORRESPONDING LIABILITIES</b>	<b>0.0</b>	<b>0.0</b>
<b>NET WORKING CAPITAL</b>	<b>(20.0)</b>	<b>(5.4)</b>
Inventories	54.6	47.2
Trade receivables	116.1	119.3
Trade payables (-)	(200.1)	(188.8)
<b>Operating working capital</b>	<b>(29.4)</b>	<b>(22.3)</b>
Other assets	49.6	60.2
Other liabilities (-)	(40.2)	(43.3)
<b>INVESTED CAPITAL NET OF OPERATING LIABILITIES</b>	<b>3,304.5</b>	<b>3,247.0</b>
<b>EMPLOYEE BENEFITS (-)</b>	<b>(25.2)</b>	<b>(26.1)</b>
<b>PROVISIONS FOR RISKS AND CHARGES (-)</b>	<b>(177.7)</b>	<b>(179.8)</b>
<b>PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS</b>	<b>(9.6)</b>	<b>(9.6)</b>
<b>NET INVESTED CAPITAL</b>	<b>3,092.0</b>	<b>3,031.5</b>
<b>Covered by:</b>		
<b>SHAREHOLDERS' EQUITY</b>	<b>3,088.7</b>	<b>3,092.8</b>
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	1,163.0	1,127.9
Profit for the period	17.7	56.9
<b>INDEBTEDNESS/NET FINANCIAL ASSETS</b>	<b>3.3</b>	<b>(61.3)</b>
Loans payable to banks and other lenders	447.6	519.2
Loans payable to/(receivable) from investee companies	(21.9)	(12.1)
Other financial assets (-)	(278.9)	(278.2)
Cash and cash equivalents(-)	(143.5)	(290.2)
<b>TOTAL COVERAGE SOURCES</b>	<b>3,092.0</b>	<b>3,031.5</b>