



Canadian Market Briefing: Parmalat Group announces proposal to acquire Kraft Heinz Canadian natural cheese division

Subsequent to the formal news release issued in Italy, below please find additional information pertinent to our business in Canada.

Today's Announcement

Parmalat Group has reached an agreement to acquire the natural cheese division of Kraft Heinz Canada. The transaction, if approved, would mean that Parmalat Canada will take on stewardship of iconic Kraft Heinz Canada cheese brands: Cracker Barrel, P'tit Quebec and aMOOza!. This will help build on our proud Canadian cheese traditions. Parmalat Canada has been producing natural cheese since 1881. This acquisition, if approved, would also include a processing plant in Ingleside, Ontario and its almost 400 employees. The transaction is valued at \$1.62 billion CDN.

What it means for Canada

- Parmalat Group and Parmalat Canada is uniquely positioned for this transaction as natural cheese is at the core of our business.
- The transaction is a significant investment in Canadian dairy and is a vote of confidence in Canada's dairy industry that will provide important benefits to Canada.
- If approved, the transaction will both secure and grow cheese production in Canada and make Parmalat Canada a more competitive company which in turn will help protect jobs and support dairy farm incomes.
- The proposed transaction will also help key customer partners –both retail and foodservice – as they seek to meet growing demand from consumers.
- Each of the brands in our portfolio, and the brands we will be acquiring, will remain distinct, with its own unique consumer appeal. Each will remain active and vitally important to our company, as they have always been for each and every family who buys our nutritious dairy products.
- The transaction, coupled with further planned investment, is expected to produce synergies with the existing Parmalat Canada manufacturing and distribution network which in turn could lower costs, will protect jobs and support dairy farm incomes.
- The Ingleside plant fits well into our current network and helps expand our operations in Eastern Canada. Along with our existing processing facilities in Winchester and Belleville, ON and Victoriaville, QC (all three of which will remain open post the closing of this transaction), we are well positioned for future growth.



- Parmalat Canada can use the new Ingleside site to improve efficiencies and grow the business. The brands being acquired have wide brand recognition and offer channels for business expansion.
- Parmalat Canada produces a wide array of dairy products. This transaction will allow us to utilize more of the milk ingredients we produce which will allow us to become more self-sufficient, reduce waste, and grow our business.
- This proposed transaction represents a strong commitment to Parmalat's Canadian business. It builds on our current Canadian footprint, which includes nearly 3,000 employees, 16 dairy processing plants and a dedicated Research & Development facility.
- Parmalat Group and its parent company Lactalis take pride in curating and nurturing heritage brands in a way that preserves generations of cheese-making craftsmanship – this is core to our business and who we are as a company. Parmalat Group, which is listed on the Italian Stock Exchange, is controlled by the Lactalis Group – whose head office is in Laval, France – a worldwide leader in the dairy industry.
- Parmalat Canada is one of Canada's most innovative dairy companies. With more than 130 years of brand heritage in Canada's dairy industry, this deal will enhance Parmalat's ability to serve its customers.

A Message from our President and CEO, Mark Taylor

"Today's announcement speaks volumes about our drive to support dairy farmers, help the local economy and continue to build on our family tradition of cheese making," said Mark Taylor, Parmalat CEO and President. "We are excited to work closely with the community and our stakeholders to ensure we can grow sustainably and help Canada's natural cheese business thrive. Parmalat's brands in Canada date back as far as 1881 (Balderson). This deep-rooted heritage in Canada makes the proposed transaction a logical step for us as we seek to make an even more significant economic and social contribution in Canada."

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