Interim Report on Operations

at September 30, 2012

Società quotata alla Borsa Italiana dal 6 ottobre 2005

Contents

Board of Directors, Board of Statutory Auditors and Independent Auditors

Board of Directors

Chairman	Francesco Tatò (i) (3)
Chief Executive Officer	Yvon Guérin
Directors	Gabriella Chersicla (i) (1) (3) Francesco Gatti Daniel Jaouen Marco Jesi (i) (2) Antonio Aristide Mastrangelo (i) (1) Umberto Mosetti (i) (2) Marco Reboa (i) (1) Antonio Sala (3) Riccardo Zingales (i) (1) (2)

(i) Independent Director
(1) Member of the Internal Control and Corporate Governance Committee
(2) Member of the Nominating and Compensation Committee
(3) Member of the Litigation Committee

Board of Statutory Auditors

Chairman	Mario Stella Richter
Statutory Auditors	Roberto Cravero Alfredo Malguzzi

Parmalat S.p.A. – Company subject to oversight and coordination by B.S.A. S.A.

Financial Highlights

Income Statement Highlights

(amounts in millions of euros)				
PARMALAT GROUP	**Cumulative at September 30, 2012**[1]	**Cumulative at September 30, 2011**	**Third quarter of 2012**[1]	**Third quarter of 2011**
- NET REVENUES	3,690.1	3,259.3	1,413.2	1,112.4
- EBITDA	279.2	243.6	115.8	94.3
- EBIT	168.8	195.3	72.6	98.7
- NET PROFIT	142.0	152.6	58.4	76.2
- EBIT/REVENUES (%)	4.5	5.9	5.1	8.8
- NET PROFIT/REVENUES (%)	3.8	4.6	4.1	6.8
PARMALAT S.p.A.				
- NET REVENUES	585.1	615.0	188.9	199.4
- EBITDA	47.0	43.0	17.0	16.0
- EBIT	11.6	36.8	6.4	39.1
- NET PROFIT	68.1	64.5	8.4	29.9
- EBIT/REVENUES (%)	1.9	6.7	(1.8)	18.7
- NET PROFIT/REVENUES (%)	11.2	10.1	4.3	14.3

[1] The data for the third quarter and first nine months of 2012 reflect the consolidation as of July 3, 2012 of Lactalis American Group Inc. (and its subsidiaries), Lactalis do Brazil and Lactalis Alimentos Mexico.
[2] The data for the first nine months of 2011 and the third quarter of 2011 include nonrecurring income and expense, amounting to 43.6 million euros and 36.4 million euros, respectively, related mainly to the allocation of the Bonatti shares.

Statement of Financial Position Highlights

(amounts in millions of euros)			
PARMALAT GROUP	**9/30/12**	**6/30/12**	**12/31/11**
- NET FINANCIAL ASSETS	745.7	1,578.0	1,518.4
- ROI (%) [2]	10.1	9.5	9.6
- ROE (%)[2]	5.5	4.6	4.8
- EQUITY/ASSETS	0.7	0.7	0.8
- NET FINANCIAL POSITION/EQUITY	(0.2)	(0.4)	(0.4)
PARMALAT S.p.A.			
- NET FINANCIAL ASSETS	800.1[3]	1,659.2	1,562.2
- ROI (%)[2]	2.4	5.5	3.9
- ROE (%)[2]	3.1	4.0	6.4
- EQUITY/ASSETS	0.9	0.9	0.9
- NET FINANCIAL POSITION/EQUITY	(0.3)	(0.6)	(0.5)

[2] These indices were computed based on annualized data for the income statement and average period data for the statement of financial position.
[3] Includes receivables from subsidiaries.

Operating Performance

Note: The data are stated in millions of euros and in local currencies. As a result, the figures shown for change amounts and percentages could show apparent discrepancies caused exclusively by the rounding of figures.

The recovery is continuing at the global level, but the momentum has weakened. In the advanced economies, growth is too slow to produce a meaningful reduction in unemployment levels.
The area showing the greatest elements of weakness continues to be Europe, where two factors are hampering a turnaround: programs to contain government debt, which included cutbacks in government spending and higher taxes, and a reduced willingness on the part of banks to finance businesses and households.
Moreover, in recent months elements of uncertainty began to surface also in North America, specifically with regard to the United States' ability to develop a non-recessionary fiscal plan by the end of the year.

These developments also caused an important effect on the market for food products and dairy products. In Europe and the more mature economies in general, challenging situations produced a strong focus on prices, causing consumers to favor products with a lower value added and private labels.
The emerging countries, which continue to enjoy higher growth rates, witnessed fierce competition as well, both among industrial operators and retailers, with a resulting strong emphasis on pricing policies and cost management, which resulted in the widespread adoption of efficiency boosting programs.

Against this backdrop the Group reported solid gains of 13.2% and 14.6% in net revenues and EBITDA, respectively, thanks to the contribution of the acquired activities and its industrial operations. On a constant scope of consolidation basis, excluding the activities acquired in the third quarter of 2012, net revenues and EBITDA benefit from a positive operating performance, increasing by 7.5% and 6.6%, respectively.

The U.S. subsidiary, which joined the Group at the beginning of the third quarter, also performed well reporting positive results and higher EBITDA compared with the same quarter last year.

A solid performance by the Group's industrial operations was bolstered by the positive results of the financial activities, but EBIT were adversely affected by a reduction in proceeds from nonrecurring activities related to the award of the Bonatti shares in 2011, as discussed in more detail later in this Report.

The Group has begun to implement with determination an important process of change, focusing all of its efforts on its industrial and commercial performance.

Parmalat Group

The table below shows the Group's results in the first nine months of the year.

	Cumulative at September 30			
(in millions of euros)	**2012**	**2011**	**Variance**	**Varian.%**
Revenues	**3.690,1**	**3.259,3**	**430,7**	*+13,2%*
EBITDA	**279,2**	**243,6**	**35,6**	*+14,6%*
EBITDA %	*7,6*	*7,5*	*0,1 ppt*	

The table includes, for the third quarter of 2012, the results of the new operations acquired in the United States, Mexico and Brazil.

In the first nine months of 2012, net revenues grew by 13.2%, thanks to the acquisitions described later in this Report, the price increase implemented in virtually all markets starting at the end of 2011 and the appreciation of some currencies versus the euro.
Even though the Group faced persisting adverse economic conditions and highly competitive markets in some of the areas, it enjoyed a positive trend with regard to profitability.

EBITDA totaled to 279.2 million euros, or 35.6 million euros more (+14.6%) than the 243.6 million euros earned last year, thanks to the recently acquired activities and gains in Australia and Russia and to the appreciation of some currencies versus the euro.

Compared with 2011, the cost of raw milk held relatively steady in Canada, Italy and Australia and decreased in Russia.

The Group's performance in the third quarter was positive compared with 2011, which was a year when important industrial results were achieved.

The table below shows only the data for the third quarter:

(in millions of euros)	**III Quarter** **2012**	**2011**	**Variance**	**Varian.%**
Revenues	**1.413,2**	**1.112,4**	**300,8**	*+27,0%*
EBITDA	**115,8**	**94,3**	**21,5**	*+22,8%*
EBITDA %	*8,2*	*8,5*	*-0,3 ppt*	

The activities acquired in the third quarter of 2012 contributed net revenues totaling 185.0 million euros and EBITDA amounting to 19.6 million euros.

The table that follows shows the results of the Parmalat Group for the first nine months of the year with data based on a constant scope of consolidation.

Parmalat Group – Constant Scope of Consolidation *(excluding USA, Mexico and Brazil)*

(in millions of euros)	**Cumulative at September 30** **2012**	**2011**	**Variance**	**Varian.%**
Revenues	**3.505,0**	**3.259,3**	**245,7**	*+7,5%*
EBITDA	**259,6**	**243,6**	**16,0**	*+6,6%*
EBITDA %	*7,4*	*7,5*	*-0,1 ppt*	

For the first nine months of 2012, with data based on a constant scope of consolidation, revenues and EBITDA show increases of 7.5% and 6.6%, respectively, compared with the previous year.

Despite an extremely competitive scenario, a skillful commercial strategy made it possible to offset the impact of higher production costs and an intense use of promotional activities.

Efficiency improvements in the reduction of overhead and carefully targeted investments in marketing activities were pursued during the third quarter of 2012.

The table below shows the data for the third quarter based on a constant scope of consolidation:

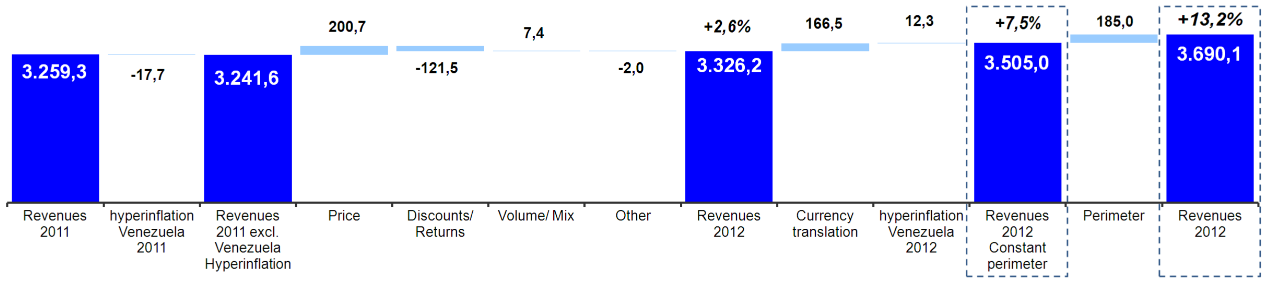
(in millions of euros)	**III Quarter** **2012**	**2011**	**Variance**	**Varian.%**
Revenues	**1.228,2**	**1.112,4**	**115,8**	*+10,4%*
EBITDA	**96,2**	**94,3**	**1,9**	*+2,0%*
EBITDA %	*7,8*	*8,5*	*-0,6 ppt*	

Like for Like Net Revenues and EBITDA

The diagram below presents the main variables that determined the evolution of net revenues and EBITDA in the first nine months of 2012, compared with the same period last year.

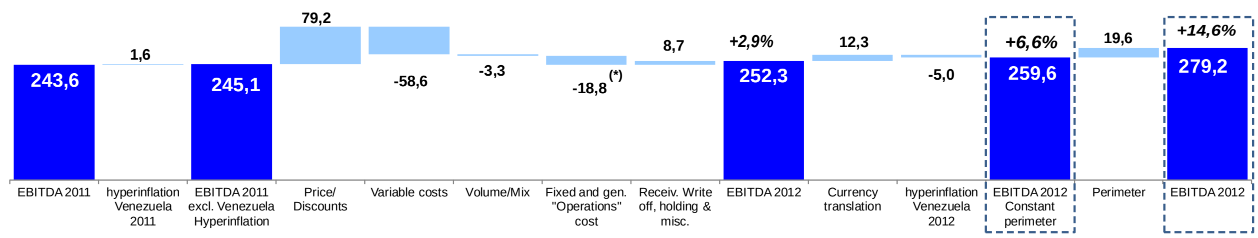
Revenues September 2012 vs 2011

(€ ml)



EBITDA September 2012 vs 2011

(€ ml)



(*) The variance of the Venezuelan SBU, mainly due to inflation phenomena, amounts to -23,6 millions euros.

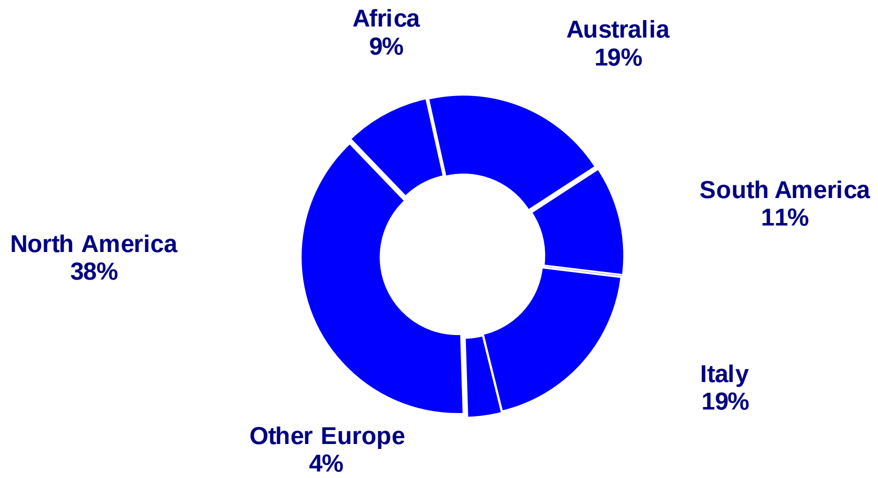
***Scope of consolidation:** it includes the data of the activities acquired in the third quarter of 2012.*

Data by Geographic Region

(in millions of euros)	Cumulative at September 30, 2012			Cumulative at September 30, 2011			% Change	
Region	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***	***Revenues***	***EBITDA***
Italy	**709,0**	**69,0**	***9,7***	**730,7**	**61,1**	***8,4***	***-3,0%***	***+13,0%***
Other Europe	**124,1**	**10,0**	***8,0***	**114,8**	**6,1**	***5,3***	***+8,1%***	***+62,8%***
Russia	76,6	8,8	*11,5*	67,9	4,8	*7,0*	*+12,8%*	*+85,0%*
Portugal	41,3	1,0	*2,4*	40,3	1,2	*2,9*	*+2,3%*	*-13,3%*
Romania	6,2	0,2	*2,5*	6,6	0,2	*3,2*	*-5,5%*	*-25,4%*
North America	**1.415,6**	**135,0**	***9,5***	**1.171,8**	**108,0**	***9,2***	***+20,8%***	***+24,9%***
Canada	1.230,6	115,1	*9,4*	1.171,8	108,0	*9,2*	*+5,0%*	*+6,5%*
USA	185,0	19,8	*10,7*					
South America	**410,0**	**16,7**	***4,1***	**326,5**	**24,5**	***7,5***	***+25,6%***	***-31,9%***
Venezuela	276,8	8,7	*3,1*	212,8	19,4	*9,1*	*+30,0%*	*-55,3%*
Colombia	112,5	7,9	*7,1*	94,6	4,7	*5,0*	*+19,0%*	*+67,7%*
Other South America [1]	20,8	0,1	*0,4*	19,1	0,4	*2,1*	*+8,5%*	*-79,8%*
Africa	**319,4**	**20,6**	***6,5***	**303,5**	**29,2**	***9,6***	***+5,2%***	***-29,4%***
South Africa	268,1	17,8	*6,6*	258,0	24,8	*9,6*	*+3,9%*	*-28,0%*
Other Africa	51,3	2,8	*5,5*	45,4	4,5	*9,8*	*+12,9%*	*-36,8%*
Australia	**713,1**	**40,2**	***5,6***	**613,3**	**31,1**	***5,1***	***+16,3%***	***+29,5%***
Other [2]	**(1,2)**	**(12,4)**	***n.s.***	**(1,3)**	**(16,5)**	***n.s.***	***-5,3%***	***n.s.***
Group	**3.690,1**	**279,2**	***7,6***	**3.259,3**	**243,6**	***7,5***	***+13,2%***	***+14,6%***
Group *(constant perimeter)* [3]	**3.505,0**	**259,6**	***7,4***	**3.259,3**	**243,6**	***7,5***	***+7,5%***	***+6,6%***

Regions represent the consolidated countries
1. Including Ecuador, Paraguay, Mexico and Brazil, new activities acquired, and Cuba
2. including Group's parent Company's costs, other no core companies and eliminations between regions
3. Excluding the new activities acquired during the III quarter 2012

Net Revenues by Geographic Region



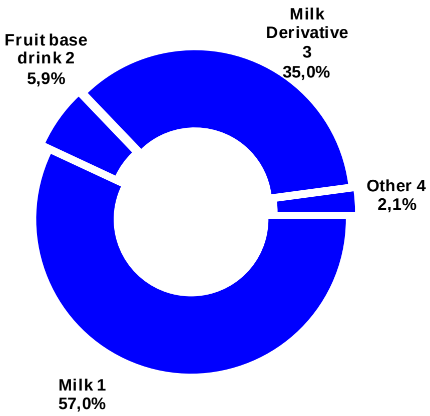
Data by Product Division

(in millions of euros)	Cumulative at September 30, 2012			Cumulative at September 30, 2011			% Change	
Division	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**
Milk [1]	2.101,9	106,2	*5,1*	1.935,2	95,6	*4,9*	*+8,6%*	*+11,1%*
Fruit base drink [2]	217,6	23,0	*10,6*	208,9	30,3	*14,5*	*+4,2%*	*-24,1%*
Milk Derivative [3]	1.291,7	148,7	*11,5*	1.037,3	117,3	*11,3*	*+24,5%*	*+26,8%*
Other [4]	78,8	1,3	*1,6*	78,0	0,4	*0,5*	*+1,1%*	*n.s.*
Group	**3.690,1**	**279,2**	***7,6***	**3.259,3**	**243,6**	***7,5***	***+13,2%***	***+14,6%***

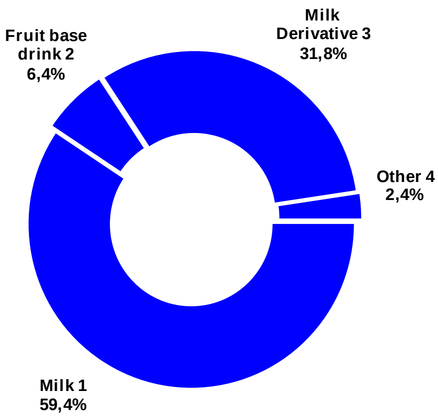
1 Include milk, cream and béchamel.
2 Include fruit base drink and tea.
3 Include yoghurt, dessert and cheese.
4 Include other products, hyperinflation in Venezuela and Group's parent Company costs.

Net Revenues by Product Division

Cumulative at September 30, 2012



Cumulative at September 30, 2011



1 Include milk, cream and béchamel.
2 Include fruit base drink and tea.
3 Include yoghurt, dessert and cheese.
4 Include other products, hyperinflation in Venezuela and Group's parent Company costs.

In order to make the performance of the industrial operations more readily understandable, the results of the Parmalat Group are shown based on a constant scope of consolidation, excluding the third quarter results of the newly acquired activities.

Data by Product Division at Constant Scope of Consolidation

(in millions of euros)	Cumulative at September 30, 2012			Cumulative at September 30, 2011			% Change	
Division	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**
Milk	2.101,9	106,2	*5,1*	1.935,2	95,6	*4,9*	*+8,6%*	*+11,1%*
Fruit base drink	217,6	23,0	*10,6*	208,9	30,3	*14,5*	*+4,2%*	*-24,1%*
Milk Derivative	1.106,7	128,9	*11,6*	1.037,3	117,3	*11,3*	*+6,7%*	*+9,9%*
Other	78,8	1,5	*1,9*	78,0	0,4	*0,5*	*+1,1%*	*n.s.*
Group	**3.505,0**	**259,6**	***7,4***	**3.259,3**	**243,6**	***7,5***	***+7,5%***	***+6,6%***

Italy

The performance of the Italian economy reflected the effects of a contraction in gross domestic product. Tax increases aimed at reducing government debt, unemployment levels that remain high and a general climate of uncertainty about the developments of the financial crisis in the euro zone constrained the propensity to consume on the part of households.

Market and Products

In the first nine months of 2012, the **UHT milk** market contracted significantly. Parmalat confirmed its position as the market leader, increasing its market share compared with its main competitor.

In the **pasteurized milk** market the trend was down both in the modern channel and the conventional channel; Parmalat saw its market share decline due to its presence in the most penalized areas and channels.

The **UHT cream** market also contracted slightly in the first nine months of 2012; Parmalat's performance, in line with that of the market as a whole, enabled it to retain its leadership position.

After the significant growth that characterized earlier periods, the situation was virtually static in the market for **spoonable yogurt,** with growth in the discount channel offset by a decline in the modern channel. Parmalat's performance was in line with that of the market.

In the market for **fruit beverages,** consumption was down sharply compared with the previous year, due mainly to the effects of the economic crisis, particularly in the last part of the quarter. Santàl's market share decreased slightly, due to the relentless pressure exercised by private labels

The table below shows the market share held by the local subsidiary in the main market segments in which it operates:

Product	Value market share
UHT milk	31.4%
Pasteurized milk[1]	22.5%
UHT cream	24.7%
Yogurt	4.8%
Fruit beverages	11.7%

Source: Nielsen – IRI Tot Italy

[1]Source: Nielsen Modern Channel

(in millions of euros)	**Cumulative at September 30** 2012	2011	Variance	Varian.%
Revenues	**709,0**	**730,7**	**(21,6)**	*-3,0%*
EBITDA	**69,0**	**61,1**	**7,9**	*+13,0%*
EBITDA %	*9,7*	*8,4*	*1,4 ppt*	

(in millions of euros)	**III Quarter** 2012	2011	Variance	Varian.%
Revenues	**226,6**	**241,1**	**(14,5)**	*-6,0%*
EBITDA	**23,1**	**21,5**	**1,6**	*+7,4%*
EBITDA %	*10,2*	*8,9*	*1,3 ppt*	

Sales volumes were down 3.3%; more specifically, unit sales of pasteurized milk (33% of the total), decreased by 5.7%, while those of UHT milk (45% of the total) grew by 1.3%.

The reduction in revenues in the first nine months of 2012 is consistent with the trend in sales volumes. More specifically, the decrease in net revenues became more pronounced in the third quarter, as consumers shifted their purchases towards private labels.

EBITDA were up compared with the previous year, due to list price increases implemented in the second half of 2011 and the containment of variable production costs and overhead.

Other Countries in Europe

(in millions of euros)	Cumulative at September 30 2012	 2011	Variance	Varian.%
Revenues	**124,1**	**114,8**	**9,3**	*+8,1%*
EBITDA	**10,0**	**6,1**	**3,8**	*+62,8%*
EBITDA %	*8,0*	*5,3*	*2,7 ppt*	

(in millions of euros)	III Quarter 2012	 2011	Variance	Varian.%
Revenues	**41,3**	**37,9**	**3,4**	*+8,9%*
EBITDA	**3,4**	**2,9**	**0,6**	*+20,8%*
EBITDA %	*8,3*	*7,5*	*0,8 ppt*	

The Other Countries in Europe sales region includes the subsidiaries in Russia, Portugal and Romania (active only in the fruit beverage and tea markets).

Russia

The growth of the Russian economy continues to be conditioned by the trend of oil prices in the international market. Recent crude price levels and a robust domestic demand support positive expectations of GDP growth in Russia.

The relentless and incisive sales policy that the local subsidiary has been pursuing for some time, coupled with a broader and better customer portfolio and focused promotional activities, enabled it to significantly improve its market shares, particularly in the UHT milk and extended-shelf-life cooking cream categories.

Unit sales and net revenues were up compared with the previous year and the subsidiary’s profitability improved substantially, thanks to the sales price adjustments implemented in the second half of 2011 and a favorable trend in the cost of raw milk, which decreased significantly compared with the previous year.

Portugal

In Portugal, the scenario remains challenging, due mainly to the restrictive measures adopted by the government, including higher taxes and drastic cuts in government spending. These programs had a negative impact on consumption, which decreased dramatically in the third quarter of 2012.

The consumer spending crisis penalized primarily products with a high value added, hitting the flavored milk market particularly hard.

In the first nine months of 2012, unit sales of UHT milk were up strongly, due to the decision to follow the market trend and reduce prices.

In the fruit beverage market, steady growth by private labels caused a shift in consumption towards low-price products, penalizing margins of brand-name products.

Even though revenues and unit sales were up, thanks mainly to higher sales of UHT milk, the SBU’s profitability decreased, due in part to restructuring charges and lower prices.

Canada

The Canadian economy continues to grow at a moderate pace, in line with the trend in the other advanced economies. The high level of consumer debt is causing an increase in the propensity to save on the part of households and a concomitant reduction of their willingness to consume.

Market and Products

The first nine months of the year saw a steady reduction in consumer demand in the milk market. This was particularly true in the "basic" segment, due mainly to price increases implemented earlier in the year, but the trend was reversed in the "premium" milk segment, which grew both on a volume and a value basis.

In the milk market, Parmalat held virtually unchanged its market share and was the only player with a positive growth trend in the "premium" segment, thereby consolidating its leadership position.

The trend was up in the yogurt market, driven mainly by gains in the "spoonable" segment, which continued to enjoy solid growth on a value basis. On the other hand, the "drinkable" segment contracted on a value basis, due primarily to aggressive pricing policies by the main competitors. Despite heightened competition, Parmalat retained its third-place ranking at the national level, thanks mainly to the performance of the Original and Zero brands.

In the cheese market, which was substantially stable in 2012, Parmalat succeeded in maintaining virtually unchanged its market share and its second-place market position. In the "snack" cheese area, the local subsidiary enjoyed faster growth than the market as a whole, retaining its leadership position.

The table below shows the market shares in the main market segments:

Product	Value market share
Milk	18.6%
Spoonable yogurt	15.2%
Drinkable yogurt	6.2%
Snack cheese	37.9%
Natural cheese	15.6%

Source: ACNielsen, MarketTrack, National Grocery Banner+Drug+Mass Merch, Latest 12. YTD and 52 weeks ending September 22, 2012

(in millions of euros)	Cumulative at September 30 2012	2011	Variance	Varian.%
Revenues	**1.230,6**	**1.171,8**	**58,8**	*+5,0%*
EBITDA	**115,1**	**108,0**	**7,1**	*+6,5%*
EBITDA %	*9,4*	*9,2*	*0,1 ppt*	

Local currency figures

(in milioni di val loc)	Cumulative at September 30 2012	2011	Variance	Varian.%
Revenues	**1.580,7**	**1.610,8**	**(30,1)**	*-1,9%*
EBITDA	**147,9**	**148,5**	**(0,7)**	*-0,4%*
EBITDA %	*9,4*	*9,2*	*0,1 ppt*	

The Canadian dollar increased in value by 6.6% compared with the exchange rate applied in the same period last year, with an impact on revenues and EBITDA of 80.7 million euros and 7.6 million euros, respectively.

In the first nine months of 2012, the overall sales volume decreased by 1.5%, due mainly to a contraction in the pasteurized milk category, which, together with flavored milk, accounts for 58% of the total sales volume.

The data showing the SBU's performance in the third quarter are presented below, both in euros and the local currency:

(in millions of euros)	III Quarter 2012	2011	Variance	Varian.%
Revenues	**440,1**	**409,0**	**31,1**	*+7,6%*
EBITDA	**41,9**	**38,6**	**3,3**	*+8,6%*
EBITDA %	*9,5*	*9,4*	*0,1 ppt*	

Local currency figures

(in milioni di val loc)	III Quarter 2012	2011	Variance	Varian.%
Revenues	**549,8**	**565,6**	**(15,8)**	*-2,8%*
EBITDA	**52,3**	**53,3**	**(1,0)**	*-1,8%*
EBITDA %	*9,5*	*9,4*	*0,1 ppt*	

Despite a decrease both in sales volumes and net revenues, particularly in the third quarter of 2012, and a highly competitive market environment, the Canadian subsidiary succeeded in holding EBITDA steady, thanks to its ability to contain overhead.

In the Canadian market for raw milk, the purchase price is regulated, with the aim of limiting the impact of price swings in the international market; the average price paid for raw milk was little changed compared with 2011.

United States of America

As a result of the LAG acquisition, the Parmalat Group reestablished a direct industrial presence the United States.
Insofar as the country's macroeconomic indicators are concerned, the unemployment rate was lower than the previous year in 2012, but the level of consumption continued to be adversely affected by uncertainty and an increase in government debt.
The summer months were characterized by a severe drought, with a negative impact on farmers and ranchers and, consequently, on raw milk prices.

Market and Products

As the third quarter of 2012 came to a close, the cheese market showed basic stability on a volume basis and grew on a value basis, due to across-the-board price increases in the main categories. In this context, the subsidiary was the brand leader in the market areas in which it operates.

The "gourmet spreadable segment" proved to be a highly dynamic category, with a sustained upward trend; the U.S. subsidiary retained its leadership position.

Parmalat continues to hold second place in the "feta" and "fresh mozzarella" segments, which are markets enjoying an extremely positive trend.

The "chunk mozzarella," "soft ripened" and "ricotta" segments experienced a contraction in consumption. In this environment, Parmalat confirmed its leadership position.

The table below shows Parmalat's market share in the main segments in which it operates:

Products	Value market share
Total cheese[1]	17.2%
Gourmet Spreadable	32%
Chunk Mozzarella	20.1%
Feta	18.3%
Ricotta	27.7%
Fresh Mozzarella	30.4%
Soft Ripened	44.1%
Snack	8.4%

Source: RI Total US Food – September 2012

(1) The scope of the market in question includes only the following categories: "Snack" cheese, "Chunk Mozzarella" cheese, "Feta" cheese, "Ricotta" cheese, "Fresh Mozzarella" cheese, "Soft Ripened" cheese and "Gourmet Spreadable" cheese.

The table below shows the results for the third quarter of the U.S. subsidiary and a pro forma comparison with the same period in 2011.

	III Quarter			
(in millions of euros)	**2012**	**2011 pro-forma**	**Variance**	**Varian.%**
Revenues	**185,0**	**162,7**	**22,4**	*+13,7%*
EBITDA	**19,8**	**14,9**	**4,9**	*+32,9%*
EBITDA %	*10,7*	*9,2*	*1,5 ppt*	

	III Quarter			
(in milioni di US$)	**2012**	**2011 pro-forma**	**Variance**	**Varian.%**
Revenues	**237,1**	**228,7**	**8,4**	*+3,7%*
EBITDA	**25,4**	**21,0**	**4,4**	*+21,2%*
EBITDA %	*10,7*	*9,2*	*1,5 ppt*	

The U.S. subsidiary reported an increase in sales volume and higher net revenues in U.S. dollars compared with the same quarter last year, thanks mainly to a strong performance in the food service and ingredients channel and an increase in retail sales supported by more effective promotional programs.

EBITDA benefited from the price increases implemented during the year compared with the previous year. During the same period, the local subsidiary also stepped up its investments in marketing to support the increased focus placed on its main brands.

Lastly, please note that in the first nine months of 2012, stated in the local currency, the U.S. operations reported slightly higher net revenues and a significant gain in EBITDA of about 9%.

South America

(in millions of euros)	Cumulative at September 30 2012	2011	Variance	Varian.%
Revenues	**410,0**	**326,5**	**83,5**	*+25,6%*
EBITDA	**16,7**	**24,5**	**(7,8)**	*-31,9%*
EBITDA %	*4,1*	*7,5*	*-3,4 ppt*	

(in millions of euros)	III Quarter 2012	2011	Variance	Varian.%
Revenues	**156,6**	**109,6**	**47,0**	*+42,9%*
EBITDA	**5,7**	**7,6**	**(1,9)**	*-24,6%*
EBITDA %	*3,6*	*6,9*	*-3,3 ppt*	

The Central and South America sales region includes the subsidiaries that operate in Venezuela, Colombia, Ecuador, Paraguay, Cuba and, starting in the third quarter of 2012, the activities acquired in Mexico and Brazil, which became operational only recently.

Venezuela

The Venezuelan economy benefited from a favorable trend in crude oil prices, particularly in the first quarter of the year. However, persistent hyperinflation dynamics had a strong negative effect on consumption. With the aim of containing general price-level increases, the local government enacted a law, which went into effect in the closing months of 2011, by which it introduced price control mechanisms, primarily in the food sector. An exceptionally rigid currency control system completes a framework in which the propensity of businesses to invest and consumers to spend is curtailed.
In the presidential election held at the beginning of October, the current President was confirmed as the country's leader.

The pasteurized segment of the fruit beverage market showed a significant growth trend in consumption. Parmalat reported lower unit sales due to procurement issues, but was able to retain the second-place position in this market.

Consumption of powdered milk was virtually unchanged, with Parmalat retaining the second-place position in this market.
In the yogurt category, consumption was down sharply during the first nine months of the year; Parmalat is still the second largest player in this segment.

Overall, the local subsidiary reported an 18.5% gain in net revenues, thanks to to the contribution of products with a high unit price, such as powdered milk, but sales volumes were down 8.3%. This decrease severely penalized EBITDA and made it impossible to fully cover overhead and offset the effects of inflation.

Colombia

The growth rate of the Colombian economy remained positive, particularly with regard to internal demand.

The UHT market continued to enjoy the favorable growth trend of recent quarters, generated by a gradual shift in milk consumption patterns from pasteurized milk to extended-shelf-life milk. The local subsidiary was able to retain its competitive position thanks to the dynamism of milk packaged in aseptic plastic pouches (APP). At the end of the third quarter of 2012, the yogurt market showed growth both on a volume and value basis: Parmalat held its market position unchanged.

The local subsidiary reported a 6.7% increase in net revenues, but sales volumes, 80% of which consists of liquid milk, decreased by 2.3%.

The change in sales policy that is being implemented produced an increase in profitability, making it possible to support higher marketing investments. The result reported in 2011 was adversely affected by nonrecurring costs (Equity Tax).

Other Countries in South America

In **Ecuador,** net revenues increased by 3.6%, with sales volumes holding at about the same level as last year.

In **Paraguay,** net revenues were up about 1% year-over-year, due to higher sales volumes (+6.1%).

Africa

(in millions of euros)[1]	Cumulative at September 30 2012	2011	Variance	Varian.%
Revenues	**319,4**	**303,5**	**15,9**	*+5,2%*
EBITDA	**20,6**	**29,2**	**(8,6)**	*-29,4%*
EBITDA %	*6,5*	*9,6*	*-3,2 ppt*	

(in millions of euros)	III Quarter 2012	2011	Variance	Varian.%
Revenues	**110,8**	**101,8**	**9,0**	*+8,8%*
EBITDA	**8,0**	**9,6**	**(1,6)**	*-16,3%*
EBITDA %	*7,2*	*9,4*	*-2,2 ppt*	

[1] *Consolidated data for South Africa, Mozambique, Zambia, Botswana and Swaziland.*

South Africa

The South African economy is growing slowly, at a lower rate than most emerging countries. Consumer spending is adversely affect by the high level of unemployment.

Market and Products

The strong growth of the UHT milk market continued in the third quarter of 2012, showing both on a volume and value basis that the positive trend that developed in the course of the year is continuing. In a context made extremely competitive by the aggressive pricing policies pursued by the main competitor and by private labels, Parmalat retained its second place market ran, narrowing the gap that separates it from the leader.

In the flavored milk market, which benefited from a particularly strong growth rate, Parmalat strengthened its leadership position, thanks to a solid performance by its Steri Stumpie brand.

The cheese market enjoyed strong growth on a value basis, particularly in the “everyday cheese” and “processed cheese” segments, which are those in which the local subsidiary is most active. Parmalat was thus able to confirm its leadership position and increase its market share compared with the previous year.

In the yogurt market, the positive trends that characterized the previous quarters continued in the first nine months of 2012, driven by the aggressive pricing policies implemented by the major competitors. Despite this highly competitive environment, the local subsidiary retained its second-place market position.

The table below shows the market share held by the South African subsidiary in the main market segments in which it operates:

Product	Value market share
UHT milk	17.1%
Cheese	36.3%
Yogurt	17.1%
Flavored milk	42.9%

Source: Aztec Top-End Retail Market August 2012

The local subsidiary shows increases in sales volumes and net revenues of 3.3% and 9.1%, respectively.

EBITDA were down, due mainly to the effects of sharply higher raw milk purchasing costs, which could be offset in part with price increases, and higher marketing expenses.

Other Countries in Africa

The net revenues booked in the other African countries (Swaziland, Mozambique, Botswana and Zambia) increased by 13% compared with the previous year, due mainly to a positive performance in Swaziland and Zambia.

In Zambia, where the region's main subsidiary operates, volumes and net revenues were up 13% and about 17%, respectively. The local subsidiary also increased its profitability by focusing on its main brands and maintained leadership positions in the main segments in which it operates.

Australia

The Australian economy, which in recent years has grown at a sustained pace, driven in part by economic expansion in China, is beginning to feel the impact of the economic slowdown in that country. In the retail sector, major supermarket chains implemented aggressive pricing strategies, which caused consumers to favor lower-priced products and private labels, particularly with regard to basic products.

Market and Products

The positive trend in consumption that characterized the dairy market is continuing, particularly in two of the main categories: pasteurized milk and yogurt.

Parmalat succeeded in retaining the leadership position. both on a volume and value basis, benefitting from an expanding pasteurized milk market.

The flavored milk market contracted on a volume basis, due largely to lower sales by the market leader. Parmalat, instead, continued to growth, thanks to its geographic expansion and advertising investments, confirming its second-place position in this market.

In the first nine months of 2012, a positive trend both on a volume and value basis continued in the yogurt category, with Parmalat market share unchanged.

The table below shows the market share held by Parmalat in the main market segments in which it operates:

Product	Value market share
Pasteurized milk	20.8%
Flavored milk	29.1%
Yogurt	14.7%
Desserts	18.8%

Source: Aztec information Systems – September 2012

(in millions of euros)	**Cumulative at September 30** **2012**	**2011**	**Variance**	**Varian.%**
Revenues	**713,1**	**613,3**	**99,8**	*+16,3%*
EBITDA	**40,2**	**31,1**	**9,2**	*+29,5%*
EBITDA %	*5,6*	*5,1*	*0,6 ppt*	

Local currency figures

(in milioni di val loc)	**Cumulative at September 30** **2012**	**2011**	**Variance**	**Varian.%**
Revenues	**883,5**	**830,3**	**53,2**	*+6,4%*
EBITDA	**49,8**	**42,0**	**7,8**	*+18,6%*
EBITDA %	*5,6*	*5,1*	*0,6 ppt*	

The value of the Australian dollar increased in 2012, rising by 8.5% versus the euro compared with the exchange rate applied last year. The translation effect of this change on revenues and EBITDA was 60.4 million euros and 3.4 million euros, respectively.

The local subsidiary reported higher unit sales in the first nine months of 2012. Sales of pasteurized milk, which, including flavored milk, account for 84% of the total, were up 7.8%, owing in part to increased contract production. Unit sales of yogurt also increased, rising by 7.8%.

Thanks to the developments commented above, the local subsidiary, which has become the Group's second largest entity in terms of net revenues, reported sharply higher EBITDA, thanks to strong sales of products with a higher value added.

The data for the third quarter are shown below both in euros and the local currency:

(in millions of euros)	**III Quarter** **2012**	**2011**	**Variance**	**Varian.%**
Revenues	**253,0**	**213,4**	**39,6**	*+18,6%*
EBITDA	**17,9**	**17,6**	**0,3**	*+1,8%*
EBITDA %	*7,1*	*8,2*	*-1,2 ppt*	

Local currency figures

(in milioni di val loc)	**III Quarter** **2012**	**2011**	**Variance**	**Varian.%**
Revenues	**305,6**	**287,2**	**18,5**	*+6,4%*
EBITDA	**21,8**	**23,7**	**(2,0)**	*-8,2%*
EBITDA %	*7,1*	*8,3*	*-1,1 ppt*	

In the third quarter of 2012, sales were substantially in line with the positive trend of the first nine months compared with 2011.

Financial Performance

At September 30, 2012, the Group's net financial assets totaled 745.7 million euros, compared with 1,518.4 million euros at December 31, 2011.

The cash flow from operating activities totaled 115.1 million euros, compared with 38.2 million euros in the same period in 2011. This improvement reflects primarily the effect of an increase in profitability achieved in tandem with a more carefully targeted management of working capital. The third quarter of 2012 saw a resumption of the normal flow of capital expenditures, which during the first half of the year decreased compared with the same period in 2011, while an analysis of the most effective projects and industrial developments was being carried out.

Flows for nonrecurring activities absorbed cash totaling 720.8 million euros, mainly for the "LAG, Brazil and Mexico" acquisition. With regard to this transaction, please note that, pursuant to the sales agreement and as explained in greater detail in the section of this Report entitled "LAG Acquisition," the provisional price was paid in two installments:

- on the closing date (i.e., July 3, 2012), with payment of the enterprise value in the amount of USD 904 million, which, by virtue of an expressed contract clause that provided the buyer with the option of paying an amount in euros at a predetermined exchange rate, resulted in an outlay of 708 million euros.
- on October 19, 2012, with the payment of 40.6 million euros, after the Board of Director of Parmalat SpA, at a meeting held on September 25, 2012, was informed that the net financial position of the acquired companies at June 30, 2012 totaled USD 53.2 million, equal to 42.3 million euros at the exchange rate in effect on that date, and the entire liability was reflected in the Group's net financial position at September 30, 2012.

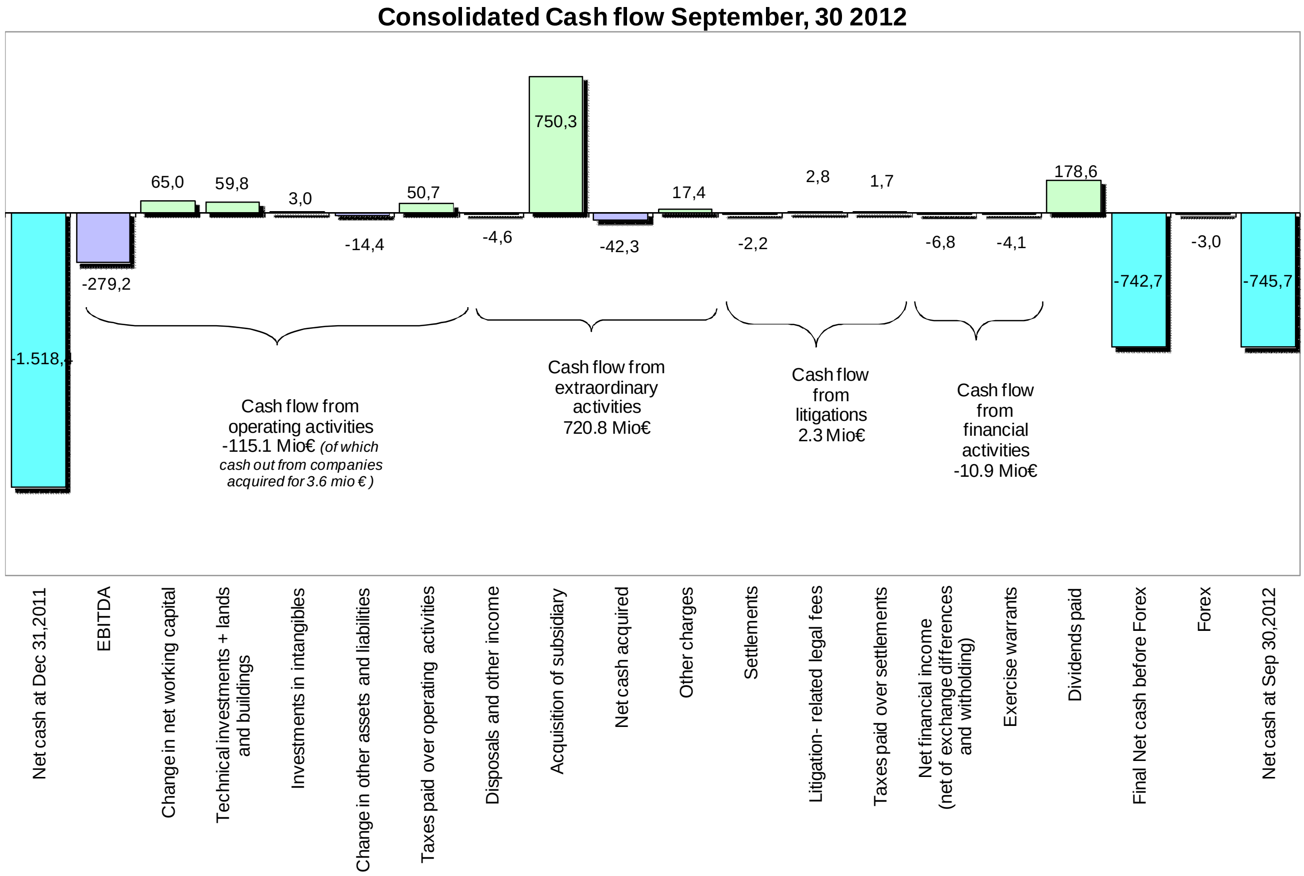
While litigation activities had a marginal effect, the cash flow from financial transactions had a positive impact of 10.9 million euros on the net financial position, including about 6.8 million euros in net financial income and 4.1 million euros generated by the exercise of warrants.

Lastly, dividends totaling 178.6 million euros were paid to shareholders and the positive translation effect amounted to 3.0 million euros.

In the second quarter of 2012, the returns offered by the Italian banking system were competitive compared with those of the cash pooling system. Consequently, during that quarter, in order to maximize the return on its liquid assets, Parmalat Spa withdrew from the cash pooling system a total of 400.0 million euros and invested that amount in equally flexible financial instruments (high yield checking accounts and deposit accounts) with top Italian banks.

Subsequent to the "LAG, Brazil and Mexico" acquisition, carried out through the newly established subsidiaries Parmalat Belgium SA and LAG Holding Inc. and fully financed with liquidity provided by Parmalat SpA. the Company withdrew the remaining liquidity invested in the cash pooling system, amounting to about 86.0 million euros. Since the beginning of July and currently, all of the liquid asset of Parmalat SpA are invested with top Italian banks, which continue to provide competitive rates of return.

The combined effect of the use of the cash pooling system in the first quarter of the year and the gradual shifting of the investments to the Italian banking system helped generate financial income that was 4.0 million euros higher than in the same period in 2011, despite the fact that the available liquidity decreased by over 700 million euros because of the abovementioned acquisition.


Consolidated Cash flow September, 30 2012
-1.518,4
-279,2
65,0
59,8
3,0
-14,4
50,7
-4,6
750,3
-42,3
17,4
-2,2
2,8
1,7
-6,8
-4,1
178,6
-742,7
-3,0
-745,7
Cash flow from operating activities -115.1 Mio€ (of which cash out from companies acquired for 3.6 mio €)
Cash flow from extraordinary activities 720.8 Mio€
Cash flow from litigations 2.3 Mio€
Cash flow from financial activities -10.9 Mio€
Net cash at Dec 31,2011
EBITDA
Change in net working capital
Technical investments + lands and buildings
Investments in intangibles
Change in other assets and liabilities
Taxes paid over operating activities
Disposals and other income
Acquisition of subsidiary
Net cash acquired
Other charges
Settlements
Litigation- related legal fees
Taxes paid over settlements
Net financial income (net of exchange differences and witholding)
Exercise warrants
Dividends paid
Final Net cash before Forex
Forex
Net cash at Sep 30,2012

Human Resources

Group Staffing

The table below provides a breakdown by geographic region of the employees of Group companies at September 30, 2012 and a comparison with the data at December 31, 2011.

Total payroll by geographic region			
Geographic region	**9/30/12**	**6/30/12**	**12/31/11**
Italy	1,971	2,002	2,042
Other countries in Europe	1,420	1,386	1,465
North America	4,570	2,917	2,904
Africa	2,501	2,485	2,452
Australia	1,875	1,824	1,757
South America	3,402	3,443	3,312
Total	**15,739**	**14,057**	**13,932**

Total (excl. USA, Mexico and Brazil)	**14,077**	**14,057**	**13,932**

As a result of the acquisition of the Lactalis American Group, the staff of the North America region increased by 1,662 employees.
In the third quarter of 2012, the Group's payroll was about the same as in the corresponding quarter the previous year, assuming a comparable scope of consolidation. The staff of the Italy Business Unit decreased, due mainly to a reorganization of the Sales area; further staff reductions were recorded in Venezuela and Colombia, where temporary employment contracts were not renewed. On the other hand, the Australia and Russia Business Units added employees with short-term employment contracts to their payrolls.

Capital Expenditures

Overview of the capital expenditures (including those for land and buildings) of the Parmalat Group at September 30, 2012

(in millions of euros)	September 2012		September 2011	
Geographic region	**Amount**	**% of the total**	**Amount**	**% of the total**
Italy	16.6	27.8%	16.9	20.2%
Other countries in Europe	2.3	3.9%	9.6	11.4%
North America	23.9	40.0%	24.8	29.6%
Africa	6.5	10.8%	8.4	10.0%
Australia	7.4	12.4%	19.2	22.8%
South America	3.1	5.1%	5.1	6.0%
Total	**59.8**	**100.0%**	**84.0**	**100.0%**
Total (excl. USA, Mexico and Brazil)	**50.8**	**-**	**84.0**	**-**

In the first nine month of 2012, the Group's capital expenditures totaled 59.8 million euros, or 28.8% less than in the same period last year.

The third quarter of 2012 saw a resumption of the normal flow of capital expenditures, which during the first half of the year decreased compared with the same period in 2011, while an analysis of the most effective projects and industrial developments was being carried out.

Capital expenditures include a number of projects aimed at continuously improving production processes, efficiency, quality and occupational safety, and complying with new regulations.

The main capital investment projects included the following:

- Construction of a refrigerated warehouse in Montreal and cheese production facilities in Marieville and Victoriaville (Canada);
- Replacement of commercial vehicles in Italy;
- Increase of milk and cheese storage capacity in Bonnievale (South Africa);
- New packaging facilities in Bendigo (Australia).

Capital expenditures do not include the cost of licensing and implementing information systems (3 million euros in the first nine months of 2012), incurred mainly in Italy, Canada and South Africa.

Review of Operating and Financial Performance

Parmalat Group

Net revenues increased to 3,690.1 million euros, up 430.7 million euros (+13.2%) compared with 3,259.3 million euros in the first nine months of 2011. With data on a constant scope of consolidation basis, i.e., excluding the effect of consolidating Lactalis American Group Inc. (and its subsidiaries), Lactalis do Brazil and Lactalis Alimentos Mexico in the third quarter of 2012, the revenue increase amounts to 245.7 million euros (+7.5%). Increases in sales prices implemented last year in the Group's main countries and higher sales volumes in Australia, Russia and Africa account for most of this improvement.

EBITDA totaled 279.2 million euros, or 35.6 million euros more (+14.6%) than the 243.6 million euros earned in the first nine months of 2011. With data on a constant scope of consolidation basis, i.e., excluding the effect of consolidating Lactalis American Group Inc. (and its subsidiaries), Lactalis do Brazil and Lactalis Alimentos Mexico in the third quarter of 2012, the EBITDA increase amounts to 16.0 million euros (+6.6%). This gain reflects the effect of the higher sales prices implemented last year and the containment of overhead, offset in part by an increase in some production costs.

EBIT amounted to 168.8 million euros, for a decrease of 26.5 million euros compared with 195.3 million euros reported at September 30, 2011. This reduction reflects the combined impact of improved results by the industrial operations, amounting to 16.0 million euros at constant scope of consolidation and a decrease of 61.7 million euros in the contribution provided by nonrecurring transactions. In the first nine months of 2012, the proceeds from litigation settlements reached during the period totaled 1.6 million euros (46.6 million euros in the first nine months of 2011). The 2011 amount included the gain resulting from the allocation by the Court of Parma of a 22.64% interest in the share capital of Bonatti S.p.A. Depreciation and amortization expense and writedowns of non-current assets totaled 92.3 million euros (91.9 million euros in the first nine months of 2011).

Group interest in net profit decreased to 140.5 million euros, or 11.7 million euros less than the 152.2 million euros earned in the first nine months of 2011. The improved results from the industrial operations and higher financial income generated during the period by invested liquid assets could not fully offset the impact of a reduction in the contribution provided by nonrecurring transactions.

Operating working capital grew to 485.2 million euros, for an increase of 120.9 million euros compared with 364.3 million euros at December 31, 2011. With data stated at constant scope of consolidation, the change amounts to 43.4 million euros. This gain is chiefly the result of the higher inventories accumulated by the Canadian, Venezuelan and South African subsidiaries, due in part to seasonal factors that characterize their businesses, involving an increase in inventory in the first nine months of the year, in anticipation of higher sales in the last quarter of the year. Part of this increase was offset by a reduction in trade receivables achieved primarily by Parmalat S.p.A. thanks to a more effective credit collection system.

Net invested capital amounted to 2,429.6 million euros, or 292.7 million euros more than the 2,136.9 million euros reported at December 31, 2011. With data stated at constant scope of consolidation, the gain amounts at 48.5 million euros. The increase in operating working capital is the main reason for the increase.

Net financial assets totaled 745.7 million euros, for a decrease of 772.7 million euros compared with 1,518.4 million euros at December 31, 2011. The main reasons for this reduction include the cash absorbed by nonrecurring transactions, amounting to 720.8 million euros, mainly in connection with the acquisition of Lactalis American Group Inc. (and its subsidiaries), Lactalis do Brazil and Lactalis Alimentos Mexico, and dividend payments totaling 178.6 million euros, offset in part by the cash generated by operating and financing activities, amounting to 115.1 million euros and 10.9 million euros, respectively.

Group interest in shareholders' equity decreased to 3,151.9 million euros, or 478.3 million euros less than at December 31, 2011, when it totaled 3,630.2 million euros. The difference between the provisional acquisition price of Lactalis American Group Inc. (and its subsidiaries), Lactalis do Brazil and Lactalis Alimentos Mexico and the net carrying amount of the acquired assets and liabilities is the main reason for this decrease. As required by OPI 1 (Assirevi's preliminary IFRS guidelines), determined a reduction of 476 million euros in Group interest in shareholders' equity (for more detailed information, see the section of this Report entitled "LAG Acquisition").
The final effect on Group interest in shareholders' equity will depend on the final definition of the purchase price.

Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)	**Cumulative at September 30, 2012**	**Cumulative at September 30, 2011**
REVENUES	**3,712.2**	**3,294.1**
Net revenues	3,690.1	3,259.3
Other revenues	22.1	34.8
OPERATING EXPENSES	**(3,430.5)**	**(3,044.6)**
Purchases, services and miscellaneous costs	(2,923.9)	(2,619.4)
Labor costs	(506.6)	(425.2)
Subtotal	**281.7**	**249.5**
Writedowns of receivables and other provisions	(2.5)	(5.9)
EBITDA	**279.2**	**243.6**
Depreciation, amortization and writedowns of non-current assets	(92.3)	(91.9)
Other income and expenses:		
- Litigation-related legal expenses	(6.1)	(5.2)
- Miscellaneous income and expenses	(12.0)	48.8
EBIT	**168.8**	**195.3**
Net financial income (expense)	31.4	20.2
Interest in the results of companies valued by the equity method	0.0	0.1
Other income from (charges for) equity investments	3.1	0.2
PROFIT BEFORE TAXES	**203.3**	**215.8**
Income taxes	(61.3)	(63.2)
NET PROFIT FROM CONTINUING OPERATIONS	**142.0**	**152.6**
NET PROFIT	**142.0**	**152.6**
Minority interest in net (profit) loss	(1.5)	(0.4)
Group interest in net profit	140.5	152.2

Continuing operations:

Basic earnings per share	**0.0799**	**0.0873**
Diluted earnings per share	**0.0791**	**0.0857**

Parmalat Group

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(in millions of euros)	**9/30/12**	**12/31/11**
NON-CURRENT ASSETS	**2,315.8**	**2,125.8**
Intangibles	1,149.1	1,084.0
Property, plant and equipment	1,015.8	899.0
Non-current financial assets	77.2	67.2
Deferred-tax assets	73.7	75.6
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	**3.1**	**3.0**
NET WORKING CAPITAL	**559.9**	**421.1**
Inventories	523.5	378.6
Trade receivables	560.8	525.8
Trade payables (-)	(599.1)	(540.1)
Operating working capital	**485.2**	**364.3**
Other current assets	228.8	209.1
Other current liabilities (-)	(154.1)	(152.3)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**2,878.8**	**2,549.9**
PROVISIONS FOR EMPLOYEE BENEFITS (-)	**(95.6)**	**(89.0)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(347.1)**	**(317.5)**
PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(6.5)**	**(6.5)**
NET INVESTED CAPITAL	**2,429.6**	**2,136.9**
Covered by:		
SHAREHOLDERS' EQUITY	**3,175.3**	**3,655.3**
Share capital	1,759.7	1,755.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	68.4	153.7
Other reserves and retained earnings	1,183.3	1,550.7
Profit for the period	140.5	170.4
Minority interest in shareholders' equity	23.4	25.1
NET FINANCIAL ASSETS	**(745.7)**	**(1,518.4)**
Loans payable to banks and other lenders	77.6	34.9
Loans payable to investee companies	3.3	4.5
Other financial assets (-)	(33.4)	(1,254.5)
Cash and cash equivalents (-)	(793.2)	(303.3)
TOTAL COVERAGE SOURCES	**2,429.6**	**2,136.9**

Parmalat S.p.A.

Net revenues amounted to 585.1 million euros, or 4.8% less than the 615.0 million euros reported at September 30, 2011. This decrease reflects in part the impact of the reduced activity carried out in 2011 to support the Centrale del Latte di Roma subsidiary. Price increases implemented both during 2012 and the second half of 2011 helped reduce the effect of lower unit sales in the refrigerated milk and fruit beverage segments, and contributed to the Company's ability to maintain margins.

EBITDA totaled 47.0 million euros, for an increase of 4.0 million euros compared with the 43.0 million euros reported at September 30, 2011. The process implemented to contain overhead, with had a positive effect specifically on labor costs, and a decrease in doubtful receivables, compared with the same period in 2011, are the main reasons for this improvement.

EBIT decreased to 11.6 million euros, down 25.2 million euros compared with September 30, 2011, when they totaled 36.8 million euros. This reduction is the net result of a 4.0-million-euro increase in the contribution from industrial activities, the absence of provisions for losses of subsidiaries, which amounted to 15.6 million euros at September 30, 2011, and a decrease of 44.7 million euros in the contribution from nonrecurring activities. In the first nine months of 2012, proceeds from litigation settlements reached during the period totaled 1.6 million euros, compared with 44.4 million euros in the same period in 2011. The 2011 amount included the gain from the allocation of a 22.64% interest in the share capital of Bonatti S.p.A., received as an advance on the enforceable provisional award against the defendants convicted for fraudulent bankruptcy at the first level of the judicial process.

Net financial income totaled 22.0 million euros, or 5.6 million euros more than the 16.4 million euros reported in the first nine months of 2011. This increase, which reflects the effect of the utilization of the cash pooling system in the first quarter of the year, followed by a gradual shift of the Company's investments to the banking system, was achieved despite the fact that liquid assets decreased by over 700.0 million euros starting at the beginning of July.

The net profit for the period amounted to 68.1 million euros, for a gain of 3.6 million euros compared with 64.5 million euros in the first nine months of 2011. This increase is chiefly the result of higher dividends received from investee companies (48.7 million euros, up from 35.5 million euros in the first nine months of 2011) and an increase in net financial income (+5.6 million euros). These positive factors more than offset a reduction in income from nonrecurring transactions.

Net invested capital totaled 2,120.6 million euros, or 658.8 million euros more than the 1,461.8 million euros reported at December 31, 2011. A capital increase of 708.0 million euros carried out by the Parmalat Belgium SA subsidiary in July 2012 for the purpose of acquiring Lactalis American Group Inc. (and its subsidiaries) is the main reason for this change.

Net financial assets decreased from 1,562.2 million euros at December 31, 2011 to 800.1 million euros at September 30, 2012, for a reduction of 762.1 million euros. This decrease is mainly the net results of the following items: on the minus side, a capital increase by the Parmalat Belgium SA subsidiary (708.0 million euros) and a dividend distribution (175.2 million euros), and, on the plus side, favorable dynamics in operating working capital (48.3 million euros), dividend received from subsidiaries (47.2 million euros) and proceeds from litigation settlements (4.8 million euros).
As of the date of this Report, the Company no longer had an investment in the cash pooling system of the Lactalis Group (operated by B.S.A. Finances S.n.c.).

The Company's **shareholders' equity** totaled 2,920.7 million euros, or 103.3 million euros less than at December 31, 2011, when it amounted to 3,024.0 million euros. The distribution of the 2011 dividends, offset in part by the net profit for the period and the exercise of warrants through September 2012 account for this change.

Parmalat S.p.A.

RECLASSIFIED INCOME STATEMENT

(in millions of euros)	**Cumulative at September 30, 2012**	**Cumulative at September 30, 2011**
REVENUES	**608.4**	**641.8**
Net revenues	585.1	615.0
Other revenues	23.3	26.8
OPERATING EXPENSES	**(560.7)**	**(595.1)**
Purchases, services and miscellaneous costs	(484.8)	(514.7)
Labor costs	(75.9)	(80.4)
Subtotal	**47.7**	**46.7**
Writedowns of receivables and other provisions	(0.7)	(3.7)
EBITDA	**47.0**	**43.0**
Depreciation, amortization and writedowns of non-current assets	(22.8)	(22.7)
Other income and expenses:		
- Legal expenses to pursue actions to void and actions for damages	(6.0)	(5.2)
- Additions to provision for losses of investee companies	-	(15.6)
- Miscellaneous income and expenses	(6.6)	37.3
EBIT	**11.6**	**36.8**
Net financial income (expense)	22.0	16.4
Other income from (charges for) equity investments	48.7	35.5
PROFIT BEFORE TAXES	**82.3**	**88.7**
Income taxes	(14.2)	(24.2)
NET PROFIT FROM CONTINUING OPERATIONS	**68.1**	**64.5**
NET PROFIT FOR THE PERIOD	**68.1**	**64,5**

Parmalat S.p.A.

RECLASSIFIED BALANCE SHEET

(in millions of euros)	**9/30/12**	**12/31/11**
NON-CURRENT ASSETS	**2,110.5**	**1,403.1**
Intangibles	364.7	368.7
Property, plant and equipment	143.6	147.5
Non-current financial assets	1,566.0	849.4
Deferred-tax assets	36.2	37.5
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	**0,0**	**0.0**
NET WORKING CAPITAL	**113.5**	**154.5**
Inventories	44.1	46.3
Trade receivables	161.4	188.5
Trade payables (-)	(183.4)	(164.4)
Operating working capital	**22.1**	**70.4**
Other current assets	139.9	129.2
Other current liabilities (-)	(48.5)	(45.1)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**2,224.0**	**1,557.6**
PROVISIONS FOR EMPLOYEE BENEFITS (-)	**(23.3)**	**(24.2)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(74.1)**	**(65.5)**
PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(6.0)**	**(6.1)**
NET INVESTED CAPITAL	**2,120.6**	**1,461.8**
Covered by:		
SHAREHOLDERS' EQUITY	**2,920.7**	**3,024.0**
Share capital	1.759.7	1,755.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	68.4	153.7
Other reserves and retained earnings	1,024.5	926.2
Profit for the period	68.1	188.7
NET FINANCIAL ASSETS	**(800.1)**	**(1,562.2)**
Loans payable to banks and other lenders	1.0	2.0
Loans payable to investee companies	(224.8)	(271.8)
Other financial assets (-)	(8.0)	(1,208.3)
Cash and cash equivalents (-)	(568.3)	(84.1)
TOTAL COVERAGE SOURCES	**2,120.6**	**1,461.8**

Key Events in the Third Quarter of 2012

Acquisition of Lactalis American Group

Please see the information provided in the section of this Report entitled "LAG Acquisition."

Cash pooling

After completing the LAG acquisition, fully financed with liquidity provided by Parmalat, the Company withdrew the remaining liquidity invested in the cash pooling system, amounting to about 86.0 million euros. Consequently, no liquid assets are currently invested in the cash pooling system.

Events Occurring After September 30, 2012

Standard & Poor's: Appeal Against the Lower Court's Decision

On September 29, 2012, Parmalat was served with a notice of appeal against the decision handed down by the lower Court of Milan, by which the Court granted only in part the claims lodged by Parmalat against "The McGraw-Hill Companies" (Standard & Poor's). By this decision, the Court ordered Standard & Poor's to refund the fees (784,000 euros) it collected for awarding to the Parmalat Group an "investment grade" rating from November 2000 until a few months before December 2003, but denied the related claim for damages.
The Court of Appeals scheduled the first hearing for May 29, 2013.

Claim Pursuant to Article 2409 of the Italian Civil Code

The Public Prosecutor at the Court of Parma, further to a complaint filed by Amber Capital LP, by a notice of claim served on Parmalat on October 8, 2012, filed charges with the Court of Parma alleging major management irregularities pursuant to Article 2409, Section 7, of the Italian Civil Code. At a hearing on October 26, 2012, all Parmalat's Directors and Statutory Auditors, represented by Alberto Guiotto, special administrator appointed by the Chief Judge of the Court of Parma, at the request of Parmalat's Chief Executive Officer pursuant to Article 78 of the Italian Code of Civil Procedure, joined the proceedings. The Court then adjourned the hearing to November 27, 2012.

Investigation Concerning the LAG Acquisition

The Company has become aware of the fact that the Public Prosecutor at the Court of Parma has begun an investigation concerning the LAG acquisition. At this point, no one has been listed in the register of parties under investigation.

Liquidity Payment Agreement

By a decision handed down on October 29, 2012, the Ontario Supreme Court of Justice denied the motion filed by the subsidiary Parmalat Canada Inc. on April 25, 2012 seeking to void the award handed down in the arbitration proceedings activated by the Ontario Teachers' Pension Plan Board ("OTPPB"), which ordered Parmalat Canada to pay to OTPPB a Liquidity Payment equal to 10% of the Net Value of Parmalat Canada (as defined in the Liquidity Payment Agreement).
Since the parties failed to reach an agreement as to the amount of the Liquidity Payment, quantified at about 92.7 million Canadian dollars by Parmalat Canada and as ranging between 193.3 and 203.3 million Canadian dollars by OTPPB, it will be determined definitively and without possibility of challenging it by a Canadian investment bank selected with the approval of both parties.
By November 26, 2012, pending this determination, Parmalat must disburse a Liquidity Payment, which it determined should amount to about 92.6 million Canadian dollars, plus accrued interest. Parmalat S.p.A. recognized in its consolidated financial statements at December 31, 2011 and in its semiannual financial report at June 30, 2012 a provision for risks for the abovementioned amount, with an effect, net of tax impact, of 53.9 million euros. At this stage, there are no new elements that would require revising the existing provision.

LAG Acquisition

On July 3, 2012, acting through it newly established subsidiaries Parmalat Belgium SA and LAG Holding Inc., completed the acquisition of Lactalis American Group Inc. (and its subsidiaries), Lactalis do Brazil - Comercio, Importaçao e Exportaçao de Laticinios Ltda and Lactalis Alimentos Mexico Sociedad de Responsabilitad Limitada (hereinafter “LAG”) from the Lactalis Group, paying a provisional price of USD 940 million and executing all of the commercial contracts related to the acquisition.
The provisional price paid represents the enterprise value of the acquired companies; by virtue of an expressed contract clause that provided the buyer with the option of paying an amount in euros at a predetermined exchange rate, Parmalat’s outlay totaled 708 million euros.
LAG is a holding company that heads a group of companies engaged in the production and distribution of cheeses and other dairy products with about 1,700 employees, activities mainly in the United States and a sales organization serving distributors, club stores, supermarket chains and producers. The net revenues of the acquired companies totaled about USD 980 million in 2011.
This transaction is aimed at achieving two strategic objectives: broaden the presence of the Parmalat Group to geographic areas where it is not present, such as the United States, Brazil and Mexico, and increase in its portfolio the weight of products with a higher value added (for additional information please consult the “Information Memorandum for the Acquisition of Lactalis American Group, Inc.”).

On September 25, 2012, the Board of Directors of Parmalat S.p.A. met to review the certified semiannual results of “LAG” for the first half of 2012. More specifically, it was informed that the net financial position, which in the Share Purchase Agreement is identified as an addition to the provisional price of USD 904 million, amounted to USD 53.2 million at June 30, 2012. Pursuant to the terms of the sales agreement, the payment of the abovementioned net financial position took place on October 19, 2012. The total price is thus USD 957 million.

The total consideration paid may later be adjusted, upwards or downwards, based on the EBITDA earned by “LAG” in 2012.
More specifically:

- If the enterprise value of “LAG” (meaning the EBITDA of the three companies subject of the acquisition for the 2012 reporting year multiplied by 9.5) should be less than USD 904 million, the seller shall pay the difference to the buyer, it being understood that the amount thus owed may not be greater than USD 144 million;
- If, on the other hand, the enterprise value should be greater than USD 904 million, the buyer shall pay the difference to the seller, it being understood that the amount thus owed may not be greater than USD 56 million.

To secure the potential payment of a downward price adjustment, Société Générale, in its capacity as Paying Agent, has been given an irrevocable payment order for the benefit of the buyer for up to USD 144 million plus interest, to be drawn against the revolving credit line available to the Lactalis Group.

On November 9, 2012, with the aim of obtaining additional information useful to assess the outlook for the full year, the Board of Directors reviewed the uncertified operating data of “LAG” for the first nine months of 2012, which show EBITDA up 9.2% compared with the previous year and about 7.7% below budget.

The Board of Directors was informed that, should the abovementioned results’ variance from the budget persist for the full year, the correction mechanism provided in the purchase agreement would be activated, resulting, through the application of the EBITDA multiple, in a full price adjustment benefiting Parmalat.

Pursuant to *IFRS 3 – Business Combinations,* the acquisition qualifies as an “under common control” transaction because both Parmalat and the acquired companies were controlled by the same party (“Lactalis Group”) both before and after the acquisition and the control is not temporary. Consequently, absent an IAS/IFRS reference accounting principle, these transactions were recognized taking into account the requirements of *IAS 8,* i.e., the concept of a reliable and faithful representation of the transaction, and the provisions of OPI 1 (preliminary guidelines by Assirevi about the IFRS) concerning the *“Accounting treatment of business combinations of entities under common control in the statutory and consolidated financial statements.”*
The criterion applied in recognizing these transactions was that of the continuity of values for the net transferred assets. The net assets were thus recognized in the consolidated financial statements at the

amounts at which they were carried in the accounting records of the companies parties to the business combination before the transaction. The difference (476 million euros) between the provisional acquisition price and the net carrying amount of the acquired assets and liabilities was recognized as an adjustment to the consolidated shareholders' equity reserves attributable to the Parmalat Group.
Please keep in mind that the final impact on the Group's shareholders' equity will depend on the final definition of the purchase price.
Consistent with the provisions of the relevant accounting principles, in the separate financial statements of Parmalat S.p.A. the investment in the acquired companies, which is held through the Parmalat Belgium SA and LAG Holding Inc. subsidiaries, is carried at cost, i.e., the cash amount paid.

Any price adjustments governed by the sales agreement will be recognized as an adjustment to the value of the investment.

Principles for the Preparation of the Interim Report on Operations at September 30, 2012

This Interim Report on Operations at September 30, 2012 was prepared in accordance with the provisions of Article 154-ter "Financial Reporting" of the Uniform Financial Code introduced with Legislative Decree No. 195 of November 6, 2007, by which the Italian legislature implemented Directive 2004/109/EC (so-called Transparency Directive) on periodic financial reporting.

The accounting principles and methods applied in the Interim Report on Operations at September 30, 2012 are the same as those used to prepare the Annual Report at December 31, 2011. Consequently, the former should be read in conjunction with the latter.

The following recently published accounting principles, amendments and interpretations went into effect on January 1, 2012, as adopted by the European Commission:

Amendments to IFRS 7 – Financial Instruments: Disclosures – Transfers of Financial Assets (applicable to accounting periods beginning on or after July 1, 2011). The adoption of this amended version did not have a material impact on the Interim Report on Operations at September 30, 2012.

As part of the process of preparing the Interim Report on Operations, Directors are required to use accounting principles and methods that, in some instances, call for the use of complex and subjective valuations and estimates based on historical data and assumptions that, in each case, are deemed to be reasonable and realistic under the circumstances existing at that time. The use of these estimates and assumptions has an impact on the amounts reported in the financial statements, which include the statement of financial position and the income statement, and affects the disclosures provided therein. The final amounts of the financial statement items for which the abovementioned estimates and assumptions were used could differ from the amounts actually realized due to the uncertainty that is inherent in all assumptions and the conditions upon which the estimates were based. Estimates and assumptions are reviewed periodically and any resulting change is recognized in the accounting records for the period in which the estimate was revised. The financial statement items that require more than others subjective input by the Directors in the development of estimates and with regard to which a change in the conditions underlying the assumptions could have a material impact on the Interim Report on Operations are: goodwill, writedowns of non-current assets, depreciation and amortization, deferred taxes, the allowance for doubtful accounts, the provisions for risks (particularly with regard to pending litigation), pension plans and other post-employment benefit plans, and the reserves for creditor challenges and claims of late-filing creditors.

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 potential impairment losses are detected.

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

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

This Interim Report on Operations at September 30, 2012 was not audited.

The Board of Directors authorized the publication of this Interim Report on Operations on November 9, 2012.

Scope of Consolidation

During the third quarter of 2012, except for the acquisition of Lactalis American Group Inc. (and its subsidiaries), Lactalis do Brazil - Comercio, Importaçao e Exportaçao de Laticinios Ltda and Lactalis Alimentos Mexico Sociedad de Responsabilitad Limitada, the Group's scope of consolidation did not change significantly compared with June 30, 2012.

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,* starting in 2009. According to this principle, the financial statements of an entity whose functional currency is 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 revenues and expenses were originally recognized in the financial statements. The restatement of financial statement amounts was carried out using Venezuela's consumer price index (INPC). On the date of this Interim Report on Operations, the index was 296.1 (250.9 at September 30, 2011) and the year-over-year change in the index was 18.02%.

The convertibility of the local currency (bolivar) is strictly regulated. The main channel to access U.S. dollars is the local foreign exchange entity (*CADIVI – Comisión de Administración de Divisas*), which, since January 1, 2011, allows only a single exchange rate of 4.30 bolivar for one U.S. dollar (VEF/USD). In practice, actual access to U.S. dollars by local residents is controlled by the *CADIVI*.
In addition, the Venezuelan Central Bank (*Banco Central de Venezuela*) has sole jurisdiction over regulating transactions involving securities of any issuer denominated in foreign currencies. Transactions in these securities through the "SITME" (*Sistema de Transacciones con Títulos en Moneda Extranjera*) mechanism provide residents with a source of foreign currency in addition the amount available through *CADIVI*. Merely for reference purpose, please note that, in 2012, the SITME implied exchange rate was about 5.3 VEF/USD.
Lastly, there is the possibility of bidding at public auctions for the allocation of securities ("*bonos*") denominated in U.S. dollars. The frequency of these auctions, the amounts offered and the auction allocation methods are unpredictable.

Parmalat used the official exchange rate of 4.30 VEF/USD to convert the income statement and balance sheet data of its subsidiary for inclusion in the Interim Report on Operations at September 30, 2012.

Business Outlook

Guidance for 2012

For 2012 EBITDA are projected within a range of 430 to 440 million euros.

Disclaimer

This document contains forward looking statements, particularly in the section entitled "Business Outlook." Projections for the fourth quarter of 2012 are based, inter alia, on the Group's performance in the third quarter of 2012 and take into account market trends in the month of October. 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 Report 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.

Company subject to oversight and coordination by B.S.A. S.A.
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Parma Company Register No. 04030970968
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