



PRESS RELEASE

The Board of Directors Approves the Third Interim Report on Operations at September 30, 2012

- Net revenues increase (+13.2%)
- EBITDA highly improves (+14.6%)
- Solid operating results in Australia and Russia
- Positive performance by LAG: EBITDA +32.9% in the third quarter
- Significant increase in free cash flow
- 2012 guidance: EBITDA expected within a range of 430 to 440 million euros

<u>PARMALAT GROUP</u>	Amounts in millions of euros	Cumulative at September 30, 2012 ⁽¹⁾	Cumulative at September 30, 2011	3 rd quarter 2012 ⁽¹⁾	3 rd quarter 2011
NET REVENUES UP TO 3,690.1 MILLION EUROS (+13.2%)	Net revenues	3,690.1	3,259.3	1,413.2	1,112.4
EBITDA HIGHLY IMPROVES UP TO 279.2 MILLION EUROS (+14.6%)	EBITDA	279.2	243.6	115.8	94.3
GROUP INTEREST IN NET PROFIT OF 140.5 MILLION EUROS	Group interest in net profit	140.5	152.2	58.0	75.4
	Amounts in millions of euros	9/30/12	6/30/12	12/31/11	
NET FINANCIAL ASSETS OF 745.7 MILLION EUROS	Net financial assets	745.7	1,578.0	1,518.4	
<u>PARMALAT SPA</u>	Amounts in millions of euros	Cumulative at September 30, 2012	Cumulative at September 30, 2011	3 rd quarter 2012	3 rd quarter 2011
PARENT COMPANY'S NET PROFIT OF 68.1 MILLION EUROS	Net profit	68.1	64.5	8.4	29.9

¹ The data for the third quarter and first nine months of 2012 include the consolidation, as of July 3, 2012, of Lactalis American Group Inc. (and its subsidiaries), Lactalis do Brazil e Lactalis Alimentos Mexico.

Parmalat S.p.A. announces that its Board of Directors, meeting today under the chairmanship of Francesco Tatò, reviewed and approved the Third Interim Report on Operations at September 30, 2012.



Parmalat Group

Despite persisting negative economic conditions in some geographic regions and heightened price competition in all markets, the Parmalat Group reported positive results both in terms of revenues and profitability.

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 in virtually all markets starting at the end of 2011, higher sales volumes in Australia, Russia and Africa and the appreciation of some currencies versus the euro 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, the containment of overhead and the appreciation of some currencies versus the euro.

The Group's performance in the main countries in which it operates is reviewed below.

In **Italy**, net revenues totaled 709.0 million euros (730.7 million euros in the first nine months of 2011), down 3% due to a decrease in consumption in the main product categories in which the Business Unit operates and a growing market presence by private labels; EBITDA was up (+13.0%) compared with the same period last year, due to the price increases implemented in the second half of 2011, the containment of variable production costs and overhead.

Parmalat retained the leadership position in the UHT milk and cream market.

In **Canada**, with data stated in euros, net revenues grew to 1,230.6 million euros, up from 1,171.8 million euros (+5.0%) in the first nine months of 2011. Despite a highly competitive market, EBITDA increased to 115.1 million euros, up from 108.0 million euros in the same period in 2011 (+6.5%), due to the containment of overhead. In 2012, 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.

Parmalat retained the leadership position in the "premium" segment of pasteurized milk and in the "snack" cheese markets.

In **Australia**, the local subsidiary increased its revenues to 713.1 million euros, or 16.3% more than the 613.3 million euros booked in the first nine months of 2011; EBITDA rose to 40.2 million euros, up sharply from the 31.1 million euros earned in the same period last year (+29.5%), thanks to rising sales of products with a higher value added. 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.

In **Africa**, a sales region that includes South Africa, Mozambique, Zambia, Botswana and Swaziland, with data stated in euros, net revenues totaled 319.4 million euros, up from 303.5



million euros in the first nine months of 2011 (+5.2%); EBITDA decreased to 20.6 million euros, down from 29.2 million euros in the same period in 2011 (-29.4%), due mainly to a sharp increase in raw milk purchasing cost, recovered only in part through price increases, and higher advertising investments. The South African subsidiary confirmed its leadership position in the cheese and flavored milk markets.

In the **United States of America**, an area where, as a result of the LAG acquisition, the Group reestablished a direct industrial presence, with data stated in euros, subsidiary reported, in the last quarter, net revenues' increase (185 million), up from 162.7 million (+13.7%) of the 2011 pro-forma results, thanks mainly to a strong performance in the food service, deli and an increase in retail sales. EBITDA totaled 19.8 million euros, up from 14.9 million (+32.9%) of the 2011 pro-forma results, benefited from the price increases implemented during the year compared with the same period last year. The local subsidiary also stepped up its investments in marketing, to support an increased focus on its main brands.

In **South America**, a sales region that includes the Group's subsidiaries in Venezuela, Colombia, Ecuador, Paraguay and, starting in the third quarter of 2012, the newly acquired activities in Mexico and Brazil, which became operational only recently, with data stated in euros, net revenues grew to 410.0 million euros, or 83.5 million euros more than in the first nine months of 2011 (+25.6%), when they amounted to 326.5 million euros. However, EBITDA decreased (-31.9%) to 16.7 million euros (24.5 million euros in the first nine months of 2011), due mainly to the problems faced by the subsidiary in Venezuela (restrictions on the ability to adjust sales prices and extremely challenging market conditions).

In **Russia**, net revenues, with data stated in euros, totaled 76.6 million, up from 67.9 million of the first nine months of 2011 (+12.8%); the profitability of the local subsidiary improved significantly (+85%) totaling 8.8 million from 4.8 million of the first nine months of 2011, thanks to the combined effect of higher sales prices and a favorable trend in the cost of raw milk, which decreased compared with the previous year.

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.

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, which totaled 43.6 million euros last year.

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.



PARMALAT S.p.A.

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: an increase of EBITDA (+4 million euros), 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 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.).

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LAG's Operating and Financial Results

At today's meeting, the Board of Directors reviewed the uncertified operating data of Lactalis American Group Inc (and its subsidiaries), Lactalis do Brazil and Lactalis Alimentos Mexico for the period from January 1 to September 30, 2012, which show EBITDA up 9.2% compared with the previous year and about 7.7% below budget. The outlook for the last quarter allows, today, to foresee the recovery of the gap with respect to the budget expectations.

The Board of Directors was informed that, should the abovementioned results' variance from the budget persist for the full 2012 reporting year, the price 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.

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BUSINESS OUTLOOK

2012 Guidance

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

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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.

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Presentation to the Financial Community

The data for the third interim report on operations of 2012 will be presented to the financial community at 4:30 PM (CET) – 3:30 PM (GMT) on Friday, November 9, 2012 at the offices of Parmalat SpA, 2 Via Podgora, in Milan. The presentation will be followed by a Q&A session.

The presentation may be followed live through:

- Webcasting: <http://parmalat.it.cms.ipercast.net>
- Conference call by dialing the following numbers:
800 40 80 88 ; +39 06 33 48 68 68 ; +39 06 33 48 50 42
Access code: * 0

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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 of Parmalat S.p.A., 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 Interim Report on Operations at September 30, 2012, will be made available to the public within the deadline and in the manner required by current laws. The document will also be available on the Company website: www.parmalat.com → Investor Relations → Financial Reports.

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The quarterly report was not audited.

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

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Parmalat S.p.A.

Milan, November 9, 2012

Company contact

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Data by Geographic Region

<i>(in millions of euros)</i>	Cumulative at September 30, 2012			Cumulative at September 30, 2011			% Change	
	Revenues	EBITDA	EBITDA %	Revenues	EBITDA	EBITDA %	Revenues	EBITDA
Region								
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%
<i>Russia</i>	76,6	8,8	11,5	67,9	4,8	7,0	+12,8%	+85,0%
<i>Portugal</i>	41,3	1,0	2,4	40,3	1,2	2,9	+2,3%	-13,3%
<i>Romania</i>	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%
<i>Canada</i>	1.230,6	115,1	9,4	1.171,8	108,0	9,2	+5,0%	+6,5%
<i>USA</i>	185,0	19,8	10,7					
South America	410,0	16,7	4,1	326,5	24,5	7,5	+25,6%	-31,9%
<i>Venezuela</i>	276,8	8,7	3,1	212,8	19,4	9,1	+30,0%	-55,3%
<i>Colombia</i>	112,5	7,9	7,1	94,6	4,7	5,0	+19,0%	+67,7%
<i>Other South America</i> 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%
<i>South Africa</i>	268,1	17,8	6,6	258,0	24,8	9,6	+3,9%	-28,0%
<i>Other Africa</i>	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

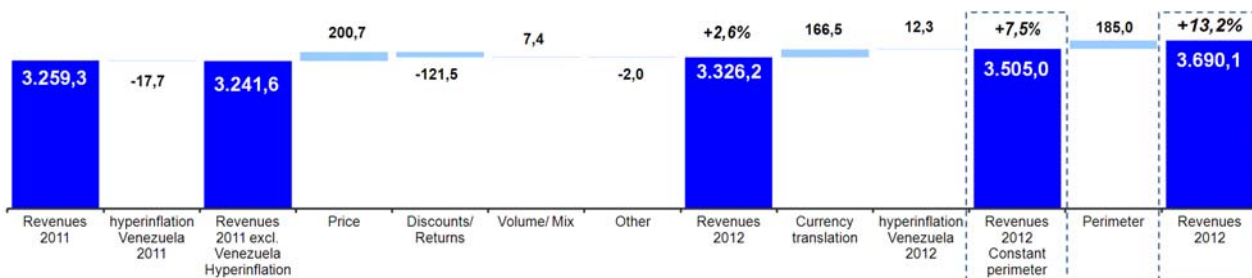
3. Excluding the new activities acquired during the III quarter 2012



Like for Like Net Revenues and EBITDA

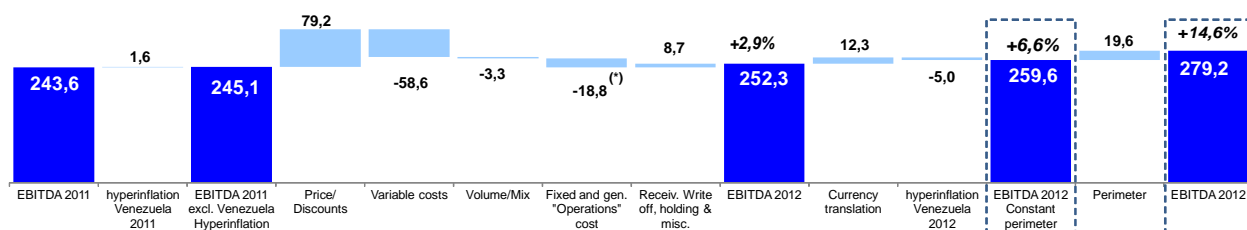
Revenues September 2012 vs 2011

(€ m)



EBITDA September 2012 vs 2011

(€ m)



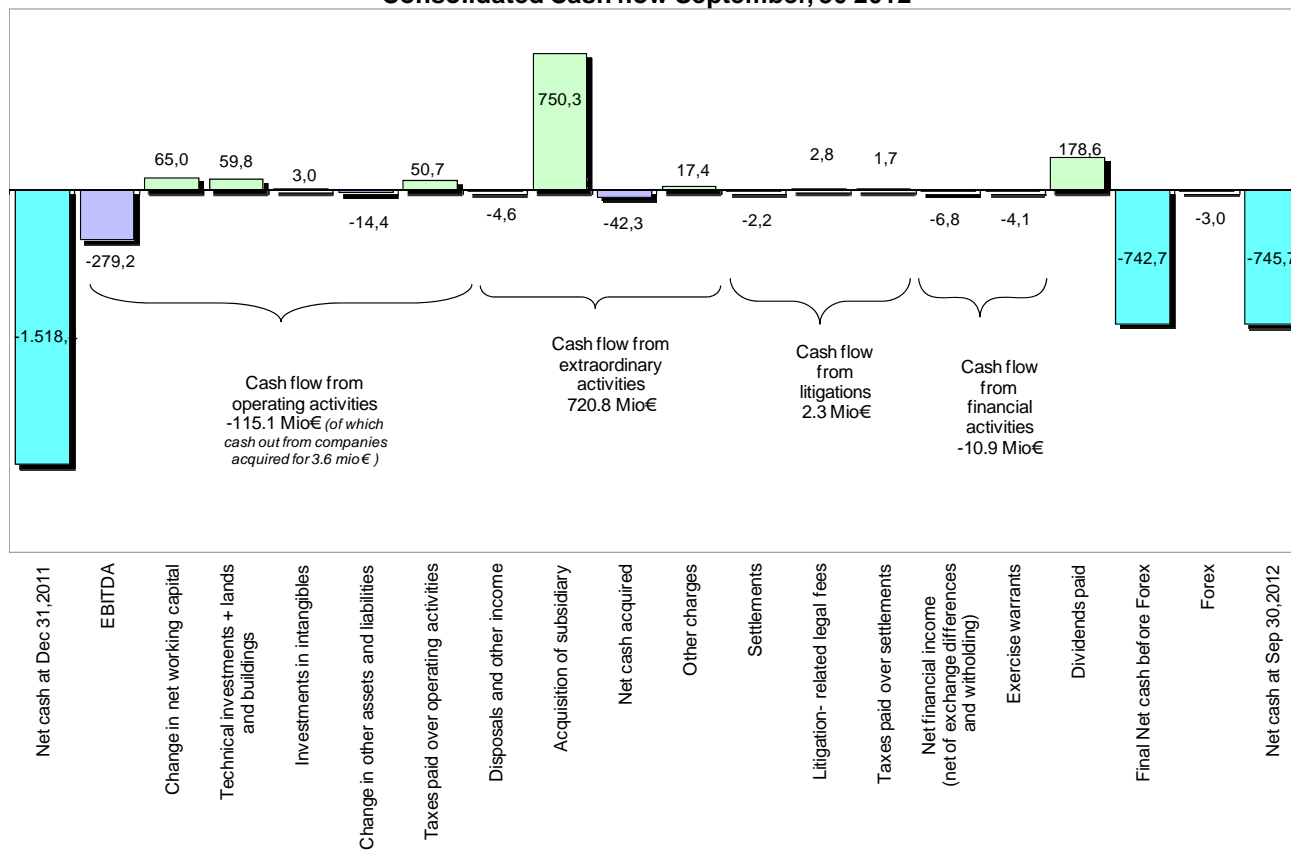
(*) The variance of the Venezuelan SBU, mainly due to inflation phenomena, amounts to -23.6 millions euros.

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



Consolidated Statement of Cash Flows

Consolidated Cash flow September, 30 2012





Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<i>(in millions of euros)</i>	Cumulative at September 30, 2012	Cumulative at September 30, 2011
REVENUES	3,712.2	3,294.1
Net sales 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

<i>(in millions of euros)</i>	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
<i>Covered by:</i>		
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.

RECLASSIFIED INCOME STATEMENT

<i>(in millions of euros)</i>	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

<i>(in millions of euros)</i>	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
<i>Covered by:</i>		
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