Interim Report on Operations

at March 31, 2014

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

Contents

Board of Directors and Board of Statutory Auditors

Board of Directors

Chairperson	Gabriella Chersicla[i]
Directors	Patrice Gassenbach Laura Gualtieri[i] [2] [3] Paolo Francesco Lazzati[i] [1] [2] Umberto Mosetti[i] [1] [2] [3] Riccardo Perotta[i] [1] Antonio Sala[3]

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

Board of Statutory Auditors

Chairman	Michele Rutigliano
Statutory Auditors	Giorgio Loli Alessandra Stabilini

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

Financial Highlights

Income Statement Highlights

(amounts in millions of euros)			
PARMALAT GROUP	**First quarter 2014**	**First quarter 2013**	**Change**
- NET REVENUES	1,192.8	1,232.5	(3.2%)
- EBITDA	76.4	94.8	(19.4%)
- EBIT	46.9	67.3	(30.3%)
- NET PROFIT	48.4	56.6	(14.5%)
- EBIT/REVENUES (%)	3.9	5.4	(1.5)
- NET PROFIT/REVENUES (%)	4.0	4.6	(0.6)
PARMALAT S.p.A.		**2013 pro forma data[1]**	
- NET REVENUES	209.6	209.7	(0.0%)
- EBITDA	12.5	13.1	(4.6%)
- EBIT	1.8	4.0	(55.0%)
- NET PROFIT	4.2	23.6	(82.2%)
- EBIT/REVENUES (%)	0.8	1.8	(1.0)
- NET PROFIT/REVENUES (%)	1.9	10.8	(8.9)

Statement of Financial Position Highlights

(amounts in millions of euros)		
PARMALAT GROUP	**3/31/14**	**12/31/13**
- NET FINANCIAL ASSETS	1,016.6	1,065.6
- ROI (%)[2]	9.2	14.6
- ROE (%)[2]	6.2	7.3
- EQUITY/ASSETS	0.7	0.7
- NET FINANCIAL POSITION/EQUITY	(0.3)	(0.3)
PARMALAT S.p.A.		
- NET FINANCIAL ASSETS	803.8	855.6
- ROI (%)[2]	1.3	4.0
- ROE (%)[2]	0.6	3.7
- EQUITY/ASSETS	0.9	0.9
- NET FINANCIAL POSITION/EQUITY	(0.3)	(0.3)

(1) Following the merger by absorption of Carnini S.p.A., Latte Sole S.p.A. and Parmalat Distribuzione Alimenti S.r.l. into Parmalat S.p.A. in December 2013, the pro forma income statement data for the first quarter of 2013 shown for comparative purpose present retrospectively the effects of the merger at March 31, 2013.

(2) These indices were computed based on annualized data for the income statement and average period data for the statement of financial position.

Operating Performance

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

Revenues and Profitability

The advanced countries, led by the United States, continued to drive the global economy on a path of moderate growth in the first quarter of 2014. A relative slowdown of the Chinese economy was a factor that further penalized the commodity-based currencies, such as the Canadian dollar, the Australian dollar and the South African rand.

In the first quarter of 2014, net revenues totaled 1,192.8 million euros and EBITDA amounted to 76.4 million euros. The Group's performance was affected to a significant degree by a particularly unfavorable currency translation effect, as the currency of the main countries where the Group operates lost value versus the euro. However, this development was consistent with expectations for the reporting period.

With data at constant exchange rates and comparable scope of consolidation, which is obtained by excluding the contribution of the Balkis Brazilian subsidiary, acquired at the end of July 2013, net revenues show an increase of 7.8%, while EBITDA contracted by 8.7%, due to a sharp and widespread increase in the cost of raw milk and unfavorable trends in some of the Groups' markets and to higher investments in marketing. These economic and financial indicators are being compared with a particularly positive performance reported in the previous year.

Parmalat protected its profit margins thanks to a steady improvement in operating efficiency and a policy of list price adjustments, implemented despite difficulties in transferring to end prices significant increases in raw material costs, due to a time lag for the acceptance of list price increases by the trade.

Parmalat Group

The table below shows the highlights of the Group's results in the first quarter of 2014 and a comparison with the corresponding period the previous year:

	I QUARTER			
(amounts in millions of euros)	**2014**	**2013**	**Variance**	**Varian.%**
Revenues	**1,192.8**	**1,232.5**	**-39.8**	*-3.2%*
EBITDA	**76.4**	**94.8**	**-18.4**	*-19.4%*
EBITDA %	*6.4*	*7.7*	*-1.3 ppt*	

Net revenues totaled 1,192.8 million euros, or 3.2% less than in the corresponding period the previous year, and EBITDA amounted to 76.4 million euros, for a reduction of 18.4 million euros (-19.4%) compared with 94.8 million euros in 2013.

The table below shows the results of the Parmalat Group at comparable scope of consolidation and constant exchange rates and excluding the effects of hyperinflation in Venezuela. A comparable scope of consolidation is obtained by excluding the contribution provided by Balkis, a Brazilian company acquired at the end of July 2013.

Constant exchange rates *(amounts in millions of euros)*	I QUARTER 2014	2013	Variance	Varian.%
Revenues	**1,326.9**	**1,230.9**	**95.9**	*+7.8%*
EBITDA	**89.7**	**98.2**	**-8.5**	*-8.7%*
EBITDA %	*6.8*	*8.0*	*-1.2 ppt*	

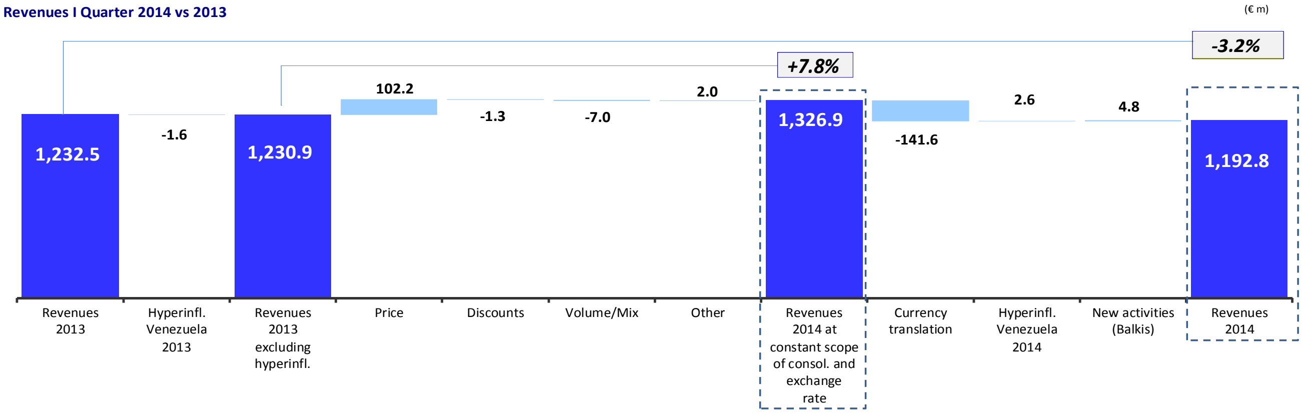
Constant scope of consolidation, exchange rates and excluding hyperinflation impact

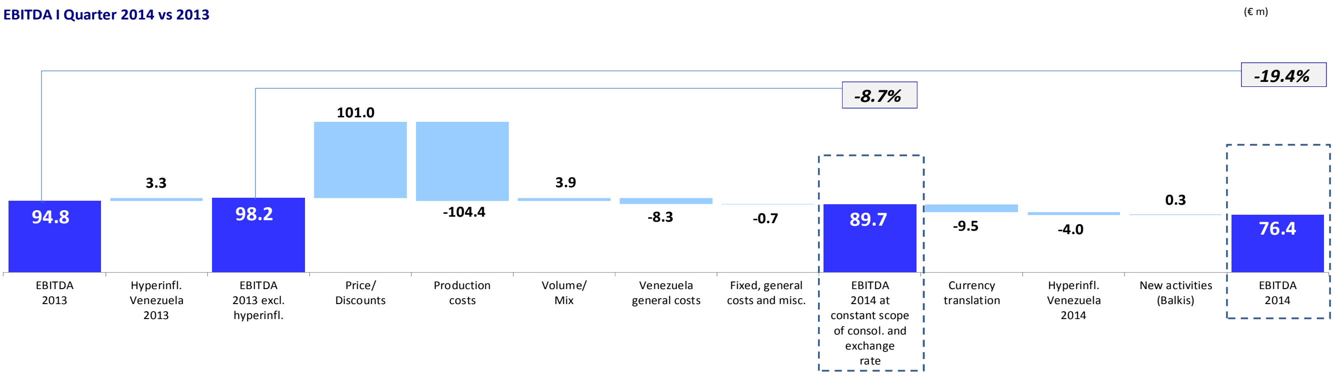
Net revenues grew by 7.8%, with the operations in Latin America, North Americas and Africa providing a particularly strong contribution; revenues were up in Europe and Australia as well, but growth rates were lower than in other areas.

EBITDA with data on a comparable basis decreased by 8.7%, due mainly to the performance in the Australia sales region, which was adversely affected by a sharp increase in the price of raw milk, as explained more in detail later in this Report.

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 quarter of 2014, compared with the same period the previous year.



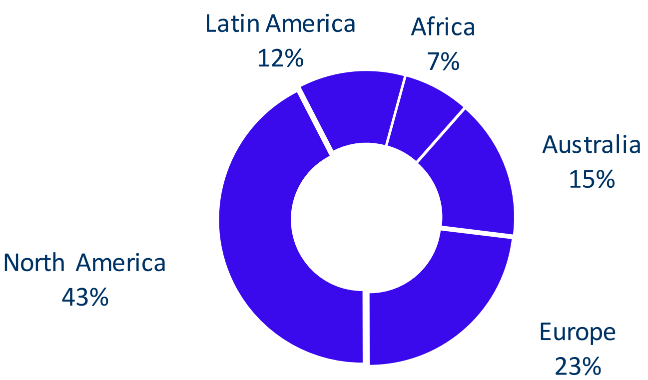


Data by Geographic Region

(amounts in millions of euros)	I Quarter 2014			I Quarter 2013			Delta %	
Region	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***	***Revenues***	***EBITDA***
Europe	274.9	22.3	*8.1*	275.2	23.8	*8.7*	*-0.1%*	*-6.4%*
North America	506.9	39.5	*7.8*	505.6	43.9	*8.7*	*+0.3%*	*-10.1%*
Latin America	140.8	7.7	*5.5*	133.4	6.7	*5.1*	*+5.6%*	*+14.7%*
Africa	86.5	5.6	*6.5*	102.1	7.3	*7.1*	*-15.3%*	*-23.1%*
Australia	184.5	6.4	*3.4*	216.5	17.9	*8.3*	*-14.8%*	*-64.5%*
Other [1]	-0.9	-5.0	*n.s.*	-0.3	-4.8	*n.s.*	*n.s.*	*+4.7%*
Group	**1,192.8**	**76.4**	***6.4***	**1,232.5**	**94.8**	***7.7***	***-3.2%***	***-19.4%***

Region represent the consolidated countries
1. Includes other non-core companies, eliminations between regions and Group's Parent Company costs

Revenues by Geographic Region



In order to improve comparability with the 2013 data, the table below presents the Group's results at constant exchange rates and comparable scope of consolidation and excluding the effects of hyperinflation in Venezuela:

(amounts in millions of euros)	I Quarter 2014			I Quarter 2013			Delta %	
Region	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**
Europe	280.3	22.5	*8.0*	275.2	23.8	*8.7*	*+1.9%*	*-5.6%*
North America	556.5	43.5	*7.8*	505.6	43.9	*8.7*	*+10.1%*	*-0.9%*
Latin America	162.8	14.2	*8.7*	131.8	10.1	*7.6*	*+23.6%*	*+41.3%*
Africa	106.5	6.8	*6.4*	102.1	7.3	*7.1*	*+4.3%*	*-6.0%*
Australia	221.6	7.6	*3.4*	216.5	17.9	*8.3*	*+2.3%*	*-57.3%*
Other [1]	-0.9	-5.0	*n.s.*	-0.3	-4.8	*n.s.*	*n.s.*	*+4.7%*
Group (constant scope of consolid./ exchange rates) [2]	**1,326.9**	**89.7**	***6.8***	**1,230.9**	**98.2**	***8.0***	***+7.8%***	***-8.7%***

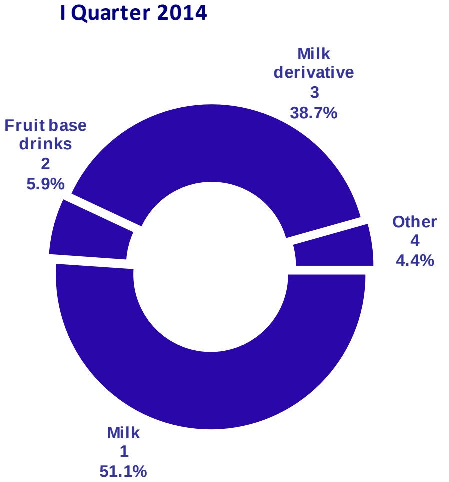
Regions represent the consolidated countries
1. Includes other non-core companies, eliminations between regions and Group's Parent Company costs
2. Excluding hyperinflation and activities acquired in the third quarter 2013 (Balkis)

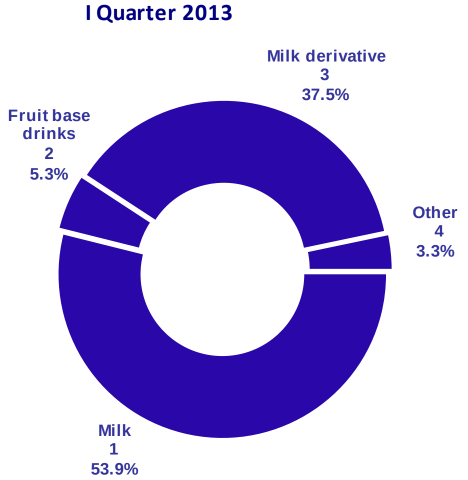
Data by Product Division

(amounts in millions of euros)	I Quarter 2014			I Quarter 2013			*Delta %*	
Division	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**
Milk [1]	609.7	21.4	*3.5*	664.3	40.2	*6.0*	*-8.2%*	*-46.6%*
Fruit base drinks [2]	69.8	8.1	*11.6*	65.7	7.3	*11.2*	*+6.3%*	*+10.6%*
Milk derivative [3]	461.1	42.7	*9.3*	462.0	48.8	*10.6*	*-0.2%*	*-12.7%*
Other [4]	52.2	4.2	*8.1*	40.6	(1.5)	*(3.7)*	*+28.6%*	*n.s.*
Group	**1,192.8**	**76.4**	***6.4***	**1,232.5**	**94.8**	***7.7***	***-3.2%***	***-19.4%***

1 Includes milk, cream and béchamel
2 Includes fruit base drinks and tea
3 Includes yogurt, dessert, cheese
4 Includes other products, whey, impact of hyperinflation in Venezuela and Group's Parent Company costs

Net Revenues by Product Division





1 Includes milk, cream and béchamel
2 Includes fruit base drinks and tea
3 Includes yogurt, dessert, cheese
4 Includes other products, whey, impact of hyperinflation in Venezuela

In order to improve comparability with the 2013 data, the table below presents the Group's results at constant exchange rates and comparable scope of consolidation and excluding the effects of hyperinflation in Venezuela:

(amounts in millions of euros)	I Quarter 2014			I Quarter 2013			*Delta %*	
Division	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**
Milk [1]	680.0	22.0	*3.2*	664.3	40.2	*6.0*	*+2.4%*	*-45.3%*
Fruit base drinks [2]	82.2	9.7	*11.7*	65.7	7.3	*11.2*	*+25.1%*	*+31.4%*
Milk derivative [3]	511.0	48.8	*9.5*	462.0	48.8	*10.6*	*+10.6%*	*-0.2%*
Other [4]	53.7	9.3	*17.3*	39.0	1.8	*4.6*	*+37.9%*	*n.s.*
Group (constant scope of consolid. & exchange rates) [5]	**1,326.9**	**89.7**	***6.8***	**1,230.9**	**98.2**	***8.0***	***+7.8%***	***-8.7%***

1 Includes milk, cream and béchamel
2 Includes fruit base drinks and tea
3 Includes yogurt, dessert, cheese
4 Includes other products, whey and Group's Parent Company costs
5. Excluding hyperinflation impact and activities acquired in the third quarter 2013 (Balkis)

Europe

(amounts in millions of euros)	I QUARTER 2014	2013	Variance	Varian.%
Revenues	**274.9**	**275.2**	**-0.3**	*-0.1%*
EBITDA	**22.3**	**23.8**	**-1.5**	*-6.4%*
EBITDA %	*8.1*	*8.7*	*-0.5 ppt*	

The Europe sales region includes the subsidiaries that operate in Italy, Russia, Portugal and Romania. Italy accounts for about 85% of the net revenues and about 90% of the EBITDA of the Europe sales region.

The significant loss of value of the ruble versus the euro had a negative impact on the sales region's net revenues and EBITDA amounting to about 5.4 million euros and 0.2 million euros, respectively.

Italy

The first quarter of the year was characterized by timid signs of a recovery, which, however, have not yet filtered down to consumer spending. In this environment, the price variable, particularly in the food product category, continues to be a major factor in orienting consumption decisions by households.

Market and Products

The contraction in milk consumption that was already apparent last year continued in 2014, particularly in the Pasteurized Milk segment. Despite a generally challenging situation, Parmalat retained its top-rank competitive position on a value basis in this segment and confirmed its status as the leader of the UHT segment.

In the market for UHT Cream, consumption was up modestly and Parmalat retained its position as the market leader.

Demand continued to decrease in the Yogurt market, due mainly to a significant contraction in the functional product segment; in this environment, Parmalat was able to retain in competitive position.

Consumption was down sharply in the Fruit Beverage market, due in part to adverse seasonal factors; Parmalat, with its Santàl brand, retained its second-place market position.

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

Products	2014 value market share	2013 value market share
UHT milk[1]	29.7%	31.3%
Pasteurized milk[2]	21.6%	22.8%
UHT cream[1]	24.9%	25.3%
Yogurt[1]	4.4%	4.5%
Fruit beverages[3]	10.8%	10.9%

[1]Source: Nielsen – Total Italy from 1/1/14 to 3/30/14

[2]Source: Nielsen Modern Channel from 1/1/14 to 3/30/14

[3]Source: IRI – Total Italy from 1/1/14 to 3/30/14

Overall sales volumes were down 3.9% compared with the previous year, due mainly to lower sales volumes of UHT Milk and Pasteurized Milk; sales of Fruit Beverages increased, despite a declining market trend.

Even though sales volumes were down, the Business Unit reported net revenues substantially in line with the previous year thanks to the effect of price increases implemented mainly in the second half of 2013.

EBITDA for the reporting period decreased, due to an increase in the average cost of domestic raw milk and higher investments in advertising to support the main brands; the effects of these factors were offset in part by containing overhead.

Russia

The UHT Milk and Flavored Milk markets continued to perform particularly well, with positive trend both on a volume and value basis; in this environment, the local subsidiary held its competitive position steady in both markets. In the highly competitive Fruit Beverage segment, dominated by the presence of two multinational groups, Parmalat maintained its value market share and confirmed its market position.

The Russian subsidiary reported higher net revenues, even though unit sales were substantially in line compared with the previous year.
Despite the increase in revenues, EBITDA were down compared with the previous year, due mainly to a contraction in the supply of raw milk, which drove its average cost significantly higher. The profitability of the local subsidiary was also affected by the devaluation of the ruble versus the euro, which caused an increase in the costs of imported raw materials.

Portugal

Thanks to the performance of its UCAL and Santàl brands, Parmalat succeeded in maintaining its competitive position in the main segments in which the local subsidiary operates: Flavored Milk and Fruit Beverages.

Net revenues were higher than in the previous year reflecting the impact of an increase in sales volumes, particularly in the UHT Milk category.
Profitability also improved compared with previous year, thanks in part to programs to contain overhead.

Romania

In the Fruit Beverage Market, which is virtually the only segment in which the local subsidiary operates, the contraction in consumption that started in earlier years continued in the first three months of 2014. In this negative context, Parmalat significantly increased its value market share, while maintaining a firm hold on its competitive position.

The profitability of the local subsidiary improved slightly compared with the previous year due to a recent adjustment to list prices and a reduction in overhead.

North America

(amounts in millions of euros)	I QUARTER 2014	2013	Variance	Varian.%
Revenues	**506.9**	**505.6**	**1.3**	*+0.3%*
EBITDA	**39.5**	**43.9**	**-4.4**	*-10.1%*
EBITDA %	*7.8*	*8.7*	*-0.9 ppt*	

The North America sales region includes the subsidiaries in Canada and the United States, the latter acquired in the second half of 2012.

With data at constant exchange rates, the net revenues for the North America sales region show an increase of 10.1%, with EBITDA substantially in line with the previous year.

Canada

The Canadian economy continued to grow, benefiting in part from the recovery in the United States, but the high level of household debt is causing an increase in the propensity to save and a concurrent reduction of their willingness to consume.

Market and Products

The downward trend in milk consumption, caused mainly by the negative performance of the "Premium" segment, continued during the first three months of the year. In this context, Parmalat maintained its third-place competitive position.

Consumption held relatively steady in the Yogurt market thanks to a modest increase in the "spoonable" segment, offset in part by a contraction in the "drinkable" segment; in a highly competitive market, Parmalat maintained its position, ranking fourth nationwide.

In the Cheese market, consumption was down in the first three months of 2014, due mainly to contractions in the "Natural" and "Snack" segments. In this environment, Parmalat strengthened its competitive position, ranking second nationwide, and retained the leadership position in the "Snack" segment.

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

Products	2014 value market share	2013 value market share
Milk	16.9%	16.9%
Spoonable yogurt	11.9%	13.5%
Drinkable yogurt	6.6%	6.6%
"Snack" cheese	39.9%	35.6%
"Natural" cheese	13.6%	13.8%

Source: ACNielsen, MarketTrack, National Grocery Banner+Drug+Mass Merch, from 1/1/14 to 3/8/14

The local subsidiary reported sales volumes in line with the previous year and higher net revenues, stated in the local currency, thanks to a carefully planned sales policy and a positive sales performance in the Cheese category, despite a market contraction.

EBITDA increased compared with the previous year, thanks to a better sales mix and the effect of programs implemented to contain overhead and industrial costs.

United States of America

The U.S. economy continues to drive the recovery in the advanced countries. Employment level data were particularly encouraging, which, in turn, stimulated consumer spending.

Market and Products

In the first three months of 2014, consumption was basically stable in the main segments in which the local subsidiary operates, while the market value was up significantly due to an increase in sales prices.

The U.S. subsidiary confirmed its market position, retaining the leadership of the "ricotta," "chunk mozzarella," "gourmet spreadable" and "soft ripened" segments of the cheese market.

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

Products	2014 value market share	2013 value market share
Total cheese [1]	12.4%	13.5%
Gourmet spreadable	32.1%	33.9%
Feta cheese	14.4%	17.5%
Fresh mozzarella	22.2%	23.8%
Soft ripened cheese	42.1%	46.7%
Chunk mozzarella	17.4%	18.2%
Ricotta	26.4%	29.2%
Non-spreadable gourmet cheddar	1.5%	2.6%
Snack cheese	5.8%	6.0%

Source: SymphonyIRI Group Market Advantage, Total US Multioutlet – from 1/1/14 to 3/23/14

(1) The scope of the market in question includes the following categories*:* snack cheese, chunk mozzarella cheese, feta cheese, ricotta cheese, fresh mozzarella, soft ripened cheese, gourmet spreadable cheese and non-spreadable gourmet cheddar.

Overall, the U.S. operations reported an increase in sales volume compared with the previous year, due mainly to positive performances in the ricotta, chunk mozzarella and whey derivative segments.

Net revenues, stated in the local currency, increased by 16.4%, thanks to higher sales and price adjustments in the main sales channels.

EBITDA contracted slightly compared with the previous year, reflecting the impact of a substantial increase in the purchase price of raw milk.

Latin America

(amounts in millions of euros)	I QUARTER 2014	2013	Variance	Varian.%
Revenues	**140.8**	**133.4**	**7.4**	*+5.6%*
EBITDA	**7.7**	**6.7**	**1.0**	*+14.7%*
EBITDA %	*5.5*	*5.1*	*0.4 ppt*	

The Latin America sales region includes the subsidiaries that operate in Venezuela, Colombia, Ecuador, Paraguay, Mexico and Brazil. In addition, the Group strengthened its presence in this region with the acquisition of a new company in Brazil in the third quarter of 2013 (Balkis) and the establishment of commercial companies in Uruguay, Peru and Bolivia.

The data presented above include the effect of hyperinflation in Venezuela and a negative translation effect, which reduced revenues and EBITDA by about 31 million euros and 1,8 million euros, respectively, due mainly to the devaluation of the Venezuelan bolivar versus the euro.

With data at constant exchange rates and comparable scope of consolidation (excluding Balkis, acquired in the third quarter of 2013) and without the effects of hyperinflation, the results for this sales region show gains of 23.6% for revenues and 41.3% for EBITDA.

Venezuela

The social and political unrest that characterized the first quarter of 2014, combined with the world's highest price inflation, are the characterizing elements of a macroeconomic scenario that remains extremely uncertain and which the reform of the foreign exchange system implemented in recent months by the Venezuelan government has made even more complicated for domestic and foreign businesses.

In the Fruit Beverage market, which is the main category in which the local subsidiary operates, consumption was down significantly, due primarily to a negative trend in the Pasteurized Beverage segment. Despite this negative market environment, the local subsidiary retained its second-place market rank and reported rising sales.

The total volumes sold by the local subsidiary decreased by 4% compared with the previous year, with sales up sharply in the Fruit Beverage segment but contracting in the Powdered Milk, Pasteurized Milk and Yogurt segments.

Net revenues stated in the local currency grew by 29.8% compared with the previous year, reflecting the impact of Venezuela's high inflation level and higher unit sales of Fruit Beverages.

EBITDA increased compared with the previous year, thanks to an improved sales mix and a carefully planned sales policy.

Colombia

The positive trend of previous periods continued in the UHT Milk market. The local subsidiary retained its competitive position and increased its market share.

Net revenues and sales volumes were up by 10.8% and 4.1%, respectively, due mainly to a positive performance in the UHT Milk and Powdered Milk categories.

The decrease in EBITDA compared with the previous year is due exclusively to the effect of nonrecurring income recognized in the first quarter of 2013.

Other Countries in Latin America

The net revenues generated in the other countries of this region (Ecuador, Paraguay, Brazil and Mexico) increased compared with the previous year, owing in part to the acquisition of Balkis, a Brazilian company, completed at the end of July 2013.

In **Ecuador,** net revenues stated in the local currency were up by 8.7%, due mainly to an increase in unit sales in the UHT Milk (APP) category, made possible in part by the local subsidiary's ongoing effort to strengthen its sales organization.

In **Paraguay,** net revenues stated in the local currency increased by 13.2% compared with the previous year, due mainly to rising sales of UHT Milk and Yogurt; EBITDA were about the same as in the first three months of 2013.

Mexico and **Brazil** present attractive growth opportunities. In the third quarter of 2013, with the acquisition of Balkis, a company active primarily in the production and distribution of cheese, the Group strengthened its presence in Brazil.

Africa

(amounts in millions of euros)	**I QUARTER 2014**	**2013**	**Variance**	**Varian.%**
Revenues	**86.5**	**102.1**	**-15.6**	*-15.3%*
EBITDA	**5.6**	**7.3**	**-1.7**	*-23.1%*
EBITDA %	*6.5*	*7.1*	*-0.7 ppt*	

The Africa sales region includes South Africa, Zambia, Botswana, Swaziland and Mozambique.

The data presented above, stated in euros, reflect a negative translation effect, which reduced revenue and EBITDA by about 20 million euros and 1.2 million euros, respectively, due to the loss of value of the local currencies versus the euro, which was particularly pronounced in the case of the South African rand.
With data stated at constant exchange rates, the results for the region show an increase of 4.3% for revenues and a reduction of 6% for EBITDA.

South Africa

A further slide in the value of the South African rand versus the other major currencies generated inflation pressure, which, coupled with the hike in interest rate carried out in January, slowed internal demand.

Market and Products

The healthy growth trend that characterized the UHT Milk market continued in the first three months of 2014, thanks mainly to a migration of consumption away from Pasteurized Milk. In a highly competitive environment, in which private labels are steadily increasing their market share, Parmalat retained its second-place market rank.

In the Flavored Milk market, Parmalat strengthened its leadership position, even though consumption was down significantly during the first three months of the year.

The Cheese market grew at a sustained pace on a value basis thanks to positive results in the “Hard Cheese” and “Processed Cheese” segments. Parmalat retained the market leadership position at the national level.

The Yogurt market was characterized by positive sales trends, both on a volume and value basis; despite the heightened pressure exercised by its competitors, Parmalat retained its second-place competitive position.

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

Products	2014 value market share	2013 value market share
UHT Milk	14.5%	17.6%
Yogurt	17.5%	17.1%
Cheese	35.1%	37.7%
Flavored Milk	52.3%	48.3%

Source: Aztec Top-end Retail & Wholesale – January-February 2014

Total sales volumes decreased compared with the previous year due to negative performances in the main product categories caused for the most part by difficulties in obtaining in the market the quantity of raw milk needed to fulfill production and sales programs.
With data in the local currency, net revenues show a gain of 4.3%, owing to sales price increases in the main product categories implemented in the last quarter of 2013.

EBITDA for the period were down compared with the previous year, due to the abovementioned scarcity of raw milk and a higher purchase cost; in addition, the significant devaluation of the local currency versus the euros caused an increase in the cost of imported raw materials and packaging materials.

Zambia

In Zambia, the second largest Group subsidiary market in the Africa sales region reported sales volumes in line with the previous year and a gain of 5.3% in net revenues, with data in the local currency, thanks to a policy focused on key brands and to sales price increases implemented in 2013. The local subsidiary retained the leadership position in the main market segments in which it operates.

Other Countries in Africa

With data at constant exchange rates, the net revenues and EBITDA reported in the other African countries (Swaziland, Mozambique and Botswana) were up overall, thanks mainly to sales gains in Botswana and Swaziland.

Australia

The process of rebalancing the Australian demand with a greater focus on internal demand, consumer spending in particular, continued in response to slowing exports of mineral resources to China.

Market and Products

In the Pasteurized Milk market, consumption was down significantly, while private labels continued to grow to the detriment of branded products. In this environment, Parmalat lost some market share but retained its leadership position.

The Flavored Milk market enjoyed a significant growth trend, with Parmalat increasing its value market share and strengthening its second-place competitive position, thanks to a positive performance by the OAK and Ice Break brands.

The Yogurt market performed well in the first quarter of 2014; the local subsidiary confirmed its third-place competitive position, with a slight increase of its value market share.

Even though demand was down in the Dessert segment, the local subsidiary reported a substantial increase both in sales and value market share.

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

Products	2014 value market share	2013 value market share
Pasteurized milk	17.9%	20.3%
Flavored milk	34.5%	32.2%
Yogurt	14.8%	14.5%
Desserts	28.9%	19.3%

Source: Aztec Australia – from 1/1/14 to 3/16/14

The table below shows the results for the first quarter of 2014 and provides a comparison with the previous year:

(amounts in millions of euros)	**I QUARTER** **2014**	**2013**	**Variance**	**Varian.%**
Revenues	**184.5**	**216.5**	**-32.0**	*-14.8%*
EBITDA	**6.4**	**17.9**	**-11.5**	*-64.5%*
EBITDA %	*3.4*	*8.3*	*-4.8 ppt*	

The value of the Australian dollar decreased significantly in the first quarter of 2014, contracting by 20.1% versus the euro compared with the exchange rate applied last year; the resulting negative effect on revenues and EBITDA amounted to about 37 million euros and 1.3 million euros, respectively.

With data stated in the local currency, net revenues show an increase of 2.3% and EBITDA a reduction of 57.3% compared with the same period last year.

The decrease in profitability is chiefly the result of the higher purchase cost of raw milk, which could not be fully recovered through list price adjustments due to strong competitive pressure.

Financial Performance

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

At March 31, 2014, the Group's liquid assets totaled 1,150.7 million euros, including 698.5 million euros held by Parmalat S.p.A. At March 31, 2014, the full amount of this liquidity was invested in sight and short-term bank deposits. The remaining liquid assets are held by individual Group companies, which invest them in the same instruments as the Parent Company. At the Group level, bank interest income amounted to 3.6 million euros, including 2.4 million euros attributable to Parmalat S.p.A. The cash pooling system was never used in 2014.

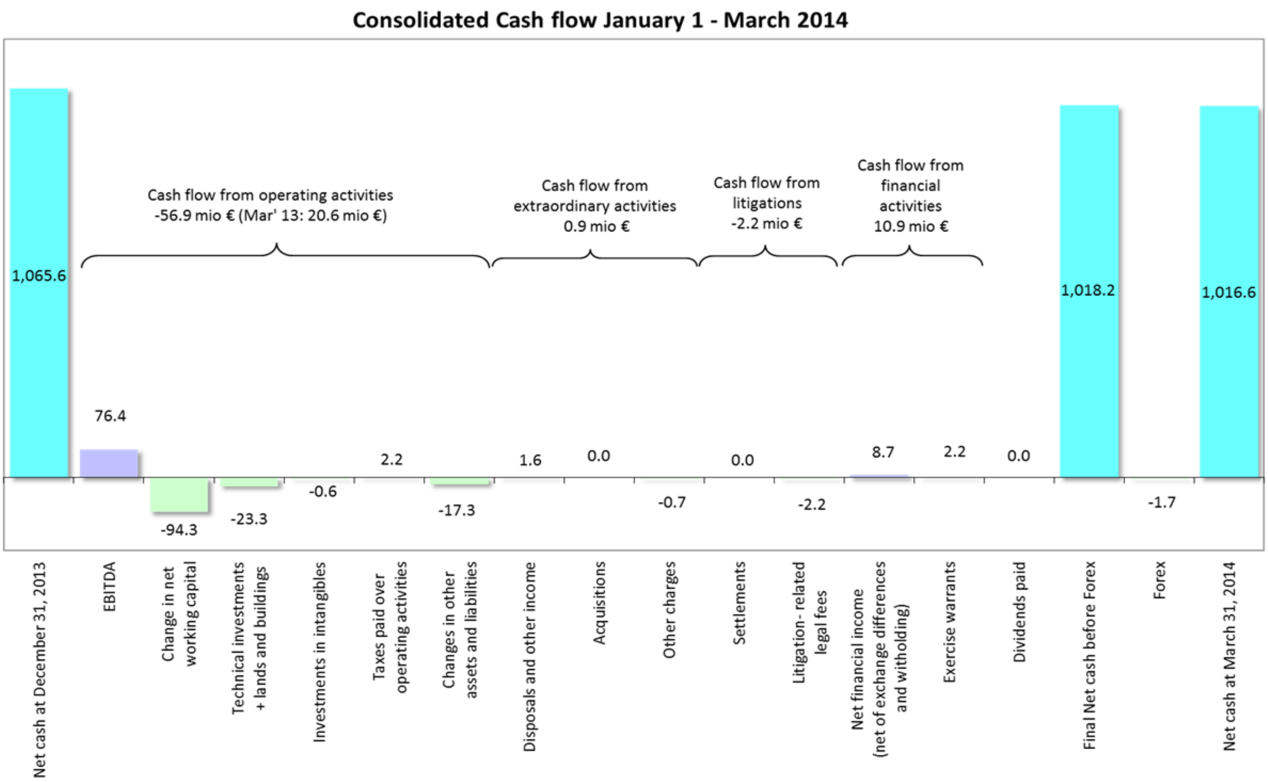
Change in Net Financial Position

The Group's net financial assets decreased from 1,065.6 million euros at December 31, 2013 to 1,016.6 million euros at March 31, 2014, after a negative translation effect of 1.7 million euros.

The cash flow from operating activities was negative by 56.9 million euros, due mainly the seasonality of the Group's business, which generated a positive cash flow of 175.9 million euros in the last quarter of 2013.

Nonrecurring transactions and litigation-related activities absorbed about 1.3 million euros.

The cash flow from financial transactions amounted to 10.9 million euros, including about 2.2 million euros from the exercise of warrants.



Human Resources

Group Staffing

The table below provides a breakdown by geographic region of the employees of the companies consolidated line by lime at March 31, 2014 and a comparison with the data at December 31, 2013.

Total number of employees by geographic region		
Geographic region	**March 31, 2014**	**December 31, 2013**
Europe	3,297	3,363
North America	4,566	4,589
Latin America	3,849	3,776
Africa	2,722	2,777
Australia	1,854	1,847
Total	**16,288**	**16,352**

In the first quarter of 2014, the Group's staff decreased slightly, contracting by 64 employees. The most significant changes took place in Europe, due mainly to the reorganization processes and the expiration of short-term contracts that were not renewed, and in South Africa, following the reorganization of the distribution centers. Employment levels held relatively steady in the Group's other geographic regions, with the exception of Latin America, where there was an increase due mainly to the introduction of short-term contracts in Colombia.

Capital Expenditures

Overview of the capital expenditures of the Parmalat Group at March 31, 2014

(in millions of euros)	First quarter 2014		First quarter 2013		% change
Geographic region	**Amount**	**% of the total**	**Amount**	**% of the total**	
Europe	3.5	15.0%	3.6	18.2%	-2.8%
North America	9.4	40.3%	9.3	47.0%	1.1%
Latin America	3.4	14.6%	1.9	9.6%	78.9%
Africa	3.7	15.9%	0.8	4.0%	362.5%
Australia	3.3	14.2%	4.2	21.2%	-21.4%
Total for the Group	**23.3**	**100.0%**	**19.8**	**100.0%**	**17.7%**

Total for the Group *(at constant scope of consolidation and exchange rates)*[1]	**22.8**	**19.8**	**15.2%**

[1] *Excluding Brazil(Balkis), Peru, Bolivia and Uruguay*

In the first three months of 2014, the Group's capital expenditures totaled 23.3 million euros, for an increase of 17.7% compared with the previous year. With data at comparable scope of consolidation, the year-over-year increase is 15.2%.

Investments focused on continuously improving production processes, efficiency, quality and occupational safety, as well as on complying with new regulatory requirements and on expansion projects mainly in the following areas:

- installation of a UHT production line in Rowville (Australia);
- expansion and optimization of the butter production lines in Whinchester (Canada);
- expansion and optimization of the mozzarella production lines in Victoriaville (Canada).

The capital expenditures described above do not include the cost of licensing and implementing information systems, which amounted to 0.6 million euros in 2014, mainly for projects in Italy and Canada.

Review of Operating and Financial Performance

Parmalat Group

Net revenues decreased to 1,192.8 million euros, or 39.8 million euros less (-3.2%) than the 1,232.5 million euros reported in the first quarter of 2013. With data at constant exchange rates and scope of consolidation and excluding the effects of hyperinflation in Venezuela, net revenues show a gain of 95.9 million euros (+7.8%). List-price increases and sales of more profitable products account for most of this improvement.

EBITDA totaled 76.4 million euros, down 18.4 million euros (-19.4%) compared with the 94.8 million euros in the first quarter of 2013. With data at constant exchange rates and scope of consolidation and excluding the effects of hyperinflation in Venezuela, the EBITDA decrease amounts to 8.5 million euros (-8.7%). An increase in the purchase cost of raw milk, particularly in Europe, North America and Australia, that could be reflected only partially in final sales prices is the reason for this reduction.

EBIT amounted to 46.9 million euros, down 20.4 million euros compared with 67.3 million euros in the first quarter of 2013. With data at constant exchange rates and scope of consolidation the decrease narrows to 14.2 million euros.
Lower EBITDA and a smaller contribution by nonrecurring items are the main reasons for this reduction.
Depreciation and amortization expense and writedowns of non-current assets amounted to 29.2 million euros (32.5 million euros in the first quarter of 2013).

Group interest in net profit totaled 47.7 million euros, or 8.1 million euros less than the 55.8 million euros earned in the first quarter of 2013, but shows an increase of 0.8 million euros with data at constant exchange rates and scope of consolidation.
This gain reflects primarily the effect of higher net financial income and lower income taxes for the period (due to a lower taxable income), which more than offset the reduction in EBIT.

Operating working capital amounted to 403.7 million euros, for an increase of 87.9 million euros compared with 315.8 million euros at December 31, 2013. This gains is chiefly the result of the higher inventory of finished goods held by the Canadian subsidiary, due to seasonal factors that characterize its business, involving an increase in cheese production earlier in the year, in anticipation of higher sales in the later months, and of larger inventories of powdered milk and fruit concentrates held by the Venezuelan subsidiary to support increased production planned for the second quarter.
This increase was offset in part by a negative translation effect caused mainly by the appreciation of the euro versus the Canadian dollar.

Net invested capital grew to 2,110.3 million euros, for a gain 85.4 million euros compared with 2,024.9 million euros at December 31, 2013. This increase reflects primarily the gain in operating working capital, offset in part by a negative translation effect caused mainly by the appreciation of the euro versus the Canadian dollar.

Net financial assets totaled 1,016.6 million euros, or 49.0 million euros less than the 1,065.6 million euros held at December 31, 2013. The cash flow absorbed by operating activities (56.9 million euros), offset in part by cash flow generated by financing activities (10.9 million euros) is the main reason this decrease.

Group interest in shareholders' equity amounted to 3,102.5 million euros, for a gain of 36.3 million euros compared with 3,066.2 million euros at December 31, 2013. This increase reflects primarily the effect of the Group's interest in net profit (47.7 million euros) and the proceeds from the warrants exercised during the period (2.2 million euros).
These gains were offset in part by foreign exchange difference from the translation of the financial statements of companies that operate with currencies different from the euro amounting to 14.1 million euros.

Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)	**First quarter 2014**	**First quarter 2013**
REVENUES	**1,201.0**	**1,242.1**
Net revenues	1,192.8	1,232.5
Other revenues	8.2	9.6
OPERATING EXPENSES	**(1,121.9)**	**(1,145.8)**
Purchases, services and miscellaneous costs	(956.9)	(973.2)
Labor costs	(165.0)	(172.6)
Sub Subtotal	**79.1**	**96.3**
Writedowns of receivables and other provisions	(2.7)	(1.5)
EBITDA	**76.4**	**94.8**
Depreciation, amortization and writedowns of non-current assets	(29.2)	(32.5)
Other income and expenses:		
- Litigation-related legal expenses	(0.9)	(0.4)
- Miscellaneous income and expenses	0.6	5.4
EBIT	**46.9**	**67.3**
Net financial income/(expense)	13.7	10.3
PROFIT BEFORE TAXES	**60.6**	**77.6**
Income taxes	(12.2)	(21.0)
NET PROFIT FOR THE PERIOD	**48.4**	**56.6**
Attributable to:		
- Non-controlling interest	(0.7)	(0.8)
- Owners of the parent	47.7	55.8

Continuing operations:

Basic earnings per share	**0.0261**	**0.0317**
Diluted earnings per share	**0.0259**	**0.0313**

Parmalat Group

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euros)	**3/31/14**	**12/31/13**
NON-CURRENT ASSETS	**2,102.1**	**2,113.6**
Intangibles	1,035.7	1,045.4
Property, plant and equipment	931.9	934.7
Non-current financial assets	63.6	63.6
Deferred-tax assets	70.9	69.9
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	**2.5**	**2.4**
NET WORKING CAPITAL	**459.0**	**376.3**
Inventories	480.2	454.1
Trade receivables	460.1	439.9
Trade payables (-)	(536.6)	(578.2)
Operating working capital	**403.7**	**315.8**
Other current assets	186.4	184.7
Other current liabilities (-)	(131.1)	(124.2)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**2,563.6**	**2,492.3**
PROVISIONS FOR EMPLOYEE BENEFITS (-)	**(112.1)**	**(125.7)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(335.1)**	**(335.6)**
PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS (-)	**(6.1)**	**(6.1)**
NET INVESTED CAPITAL	**2,110.3**	**2,024.9**
Covered by:		
SHAREHOLDERS' EQUITY	**3,126.9**	**3,090.5**
Share capital	1,825.6	1,823.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	53.2	53.2
Other reserves and retained earnings	1,176.0	968.6
Profit for the year	47.7	221.0
Non-controlling interest	24.4	24.3
NET FINANCIAL ASSETS	**(1,016.6)**	**(1,065.6)**
Loans payable to banks and other lenders	133.9	137.4
Loans payable to investee companies	0.2	2.2
Other financial assets (-)	(314.0)	(264.9)
Cash and cash equivalents (-)	(836.7)	(940.3)
TOTAL COVERAGE SOURCES	**2,110.3**	**2,024.9**

Parmalat S.p.A.

Following the merger by absorption of Carnini S.p.A., Latte Sole S.p.A. and Parmalat Distribuzione Alimenti S.r.l. into Parmalat S.p.A. in December 2013, a pro forma income statement was prepared that simulates, retrospectively, the effects of the merger at March 31, 2013. As a result, the comparisons with the data for the first quarter of 2014 are made against the corresponding data in the pro forma income statement.

Net revenues totaled 209.6 million euros, virtually unchanged compared with 209.7 million euros in the first quarter of 2013.
Excluding non-core products (crates, pallets and bulk items), net revenues amount to 205.6 million euros, compared with 206.7 million euros in March 2013, for a year-over-year decrease of about 0.5%.
A 7% reduction in sales volumes, particularly in the Milk segment, is the main reason for this decrease. However, the shortfall in unit sales was almost entirely offset by an important sales price recovery. Pasteurized Milk was heavily penalized by a 5% contraction in market demand, while UHT Milk felt the impact of more conservative promotional policies.
Fruit Beverage volumes increased by 2.8% compared with 2013, despite persistently negative market conditions. Lastly, it is worth mentioning that the different dates of the Easter holidays (end of March in 2013 and mid-April in 2014) penalized sales of Cream and Béchamel, which, however, should recover in April.

EBITDA amounted to 12.5 million euros, or 0.6 million euros less than the 13.1 million euros earned in the same period in 2013. This negative change reflects, in addition to the factors that caused the reduction in revenues, the higher cost of Italian raw milk, which posted a further increase of about 5% since the beginning of 2014.
The containment of overhead mitigated in part the effects described above enabling the Company to resume advertising investments in support of its main brands.

EBIT totaled 1.8 million euros, for a decrease of 2.2 million euros compared with 4.0 million euros at March 31, 2013. The reduction in EBIT reflects primarily the higher nonrecurring charges incurred in the first quarter of 2014 compared with the same period last year, which include the recognition of a provision for the first batch of charges for the personnel restructuring plan agreed upon with the labor unions, amounting to about 2.7 million euros.

The net profit for the period decreased to 4.2 million euros, or 19.4 million euro less than the 23.6 million euros reported in March 2013. The main reasons for this decrease include, in addition to the shortfall in EBIT, a reduction in dividends received from investee companies (0.6 million euros compared with 17.4 million euros in the first quarter of 2013), as some subsidiaries declared dividend distributions to Parmalat S.p.A. after the end of the quarter.

Net invested capital amounted to 2,175.3 million euros, for an increase of 58.0 million euros compared with 2,117.3 million euros at December 31, 2013. A medium-term loan of 50.0 million euros provided to the Parmalat Australia Pty Ltd subsidiary to finance the purchase of the investment in Harvey Food and Beverage Ltd. is the main reason for this increase.

Net financial assets decreased from 855.6 million euros at December 31, 2013 to 803.8 million euros at March 31, 2014. The main reason for this decrease of 51.8 million euros is the abovementioned loan provided to the Parmalat Australia Pty Ltd. subsidiary (50.0 million euros).
Liquid assets and other financial assets are invested in short-term instruments with Italian credit institutions.

The Company's **shareholders' equity** totaled 2,979.1 million euros, up from 2,972.9 million euros at December 31, 2013. The increase of 6.2 million euros is the result of the profit for the first quarter of 2014 and the proceeds from the exercise of warrants during the period.

Parmalat S.p.A.

RECLASSIFIED INCOME STATEMENT

(in millions of euros)	**First quarter 2014**	**First quarter 2013 proforma[1]**
REVENUES	**219.4**	**218.4**
Net revenues	209.6	209.7
Other revenues	9.8	8.7
OPERATING EXPENSES	**(204.8)**	**(204.6)**
Purchases, services and miscellaneous costs	(176.3)	(178.0)
Labor costs	(28.5)	(26.6)
Subtotal	**14.6**	**13.8**
Writedowns of receivables and other provisions	(2.1)	(0.7)
EBITDA	**12.5**	**13.1**
Depreciation, amortization and writedowns of non-current assets	(7.5)	(8.1)
Other income and expenses:		
- Litigation-related legal expenses	(0.9)	(0.4)
- Miscellaneous income and expenses	(2.3)	(0.6)
EBIT	**1.8**	**4.0**
Net financial income (expense)	6.8	6.2
Other income from (Charges for) equity investments	0.6	17.4
PROFIT BEFORE TAXES	**9.2**	**27.6**
Income taxes	(5.0)	(4.0)
NET PROFIT FOR THE PERIOD	**4.2**	**23.6**

[1] Following the merger by absorption of Carnini S.p.A., Latte Sole S.p.A. and Parmalat Distribuzione Alimenti S.r.l. into Parmalat S.p.A. in December 2013, a pro forma income statement was prepared that simulates, retrospectively, the effects of the merger at March 31, 2013.

Parmalat S.p.A.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(in millions of euros)	**3/31/14**	**12/31/13**
NON-CURRENT ASSETS	**2,336.9**	**2,290.4**
Intangibles	360.2	361.6
Property, plant and equipment	154.3	158.8
Non-current financial assets	1,786.5	1,734.0
Deferred-tax assets	35.9	36.0
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	**0,0**	**0.0**
NET WORKING CAPITAL	**45.0**	**30.4**
Inventories	50.6	46.9
Trade receivables	130.6	139.3
Trade payables (-)	(188.3)	(207.4)
Operating working capital	**(7.1)**	**(21.2)**
Other current assets	96.9	94.7
Other current liabilities (-)	(44.8)	(43.1)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**2,381.9**	**2,320.8**
PROVISIONS FOR EMPLOYEE BENEFITS (-)	**(26.0)**	**(26.0)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(174.9)**	**(171.8)**
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS (-)	**(5.7)**	**(5.7)**
NET INVESTED CAPITAL	**2,175.3**	**2,117.3**
Covered by:		
SHAREHOLDERS' EQUITY	**2,979.1**	**2,972.9**
Share capital	1,825.6	1,823.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	53.2	53.2
Other reserves and retained earnings	1,096.1	986.8
Profit for the period	4.2	109.5
NET FINANCIAL ASSETS	**(803.8)**	**(855.6)**
Loans payable to banks and other lenders	0.2	0.2
Loans payable to (receivable from) investee companies	(105.5)	(106.7)
Other financial assets (-)	(275.6)	(235.5)
Cash and cash equivalents (-)	(422.9)	(513.6)
TOTAL COVERAGE SOURCES	**2,175.3**	**2,117.3**

Key Events in the First Quarter of 2014

Complaint Pursuant to Article 2409 of the Italian Civil Code

In the proceedings for the appeals filed by the Statutory Auditors involved in the proceedings, the Director Marco Reboa and the Public Prosecutor of the Court of Parma, respectively, against the decree, not immediately enforceable, issued on November 11, 2013 by the Court of Parma at the conclusion of the proceedings activated pursuant to Article 2409 of the Italian Civil Code, at a hearing held on January 17, 2014, the Bologna Court of Appeals ordered that all of the appeals filed, including the one filed by the Directors nominated by the majority shareholder and the Statutory Auditors who are parties to the proceedings against the decree issued by the Court of Parma on March 29, 2013, be combined and adjourned the proceedings for oral arguments to May 9, 2014. At the hearing, oral arguments were completed and the Court must now hand down its final decision.

Labor Union Agreement of January 31, 2014

On January 31, 2014, Parmalat S.p.A. and its labor unions signed an agreement for the reorganization of the Italian operations that calls for staff downsizing affecting 98 employees by November 30, 2014.
In order to minimized as much as possible the social impact of these development, the agreement includes a "Social Plan" that, in addition to the use of the long-term unemployment program, calls for separation incentives, assistance in finding employment outside the Group and/or starting independent activities and the possibility of being rehired within the Group at locations and with occupations different from the current ones.

Resignation by the Majority of the Members of the Board of Directors

Upon the meeting of the Board of Directors being called to order on February 25, 2014, the Directors Gabriella Chersicla, Francesco Gatti, Yvon Guérin, Marco Jesi, Daniel Jaouen, Marco Reboa, Antonio Sala, Franco Tatò and Riccardo Zingales announced that they were resigning from the Board of Directors effective as of the approval of the annual financial statements at December 31, 2013.

Amendments to the Bylaws

On March 4, 2014, the Company received from its shareholder Sofil SAS a detailed request to convene an Extraordinary Shareholders' Meeting pursuant to Article 2367 of the Italian Civil Code and Article 8 of the Company Bylaws concerning proposed amendments to the Company Bylaws.
This request is available online at the following address:
http://www.parmalat.net/it/corporate_governance/documenti
and should be consulted for additional information.

Criminal Proceedings for Fraudulent Bankruptcy: Decision by the Court of Cassation

In the main criminal proceedings in which former Directors, Statutory Auditors and employees of the old Parmalat Group companies and external parties are charged with the crime of fraudulent bankruptcy, the Court of Cassation, by a decision handed down on March 7, 2014, basically upheld the decision of the Court of Appeals, except for slightly reducing the sentences imposed on some defendants and returning the proceedings to a different section of the Court of Appeals for the purpose of revising the sentence for one defendant, but denying all other challenges by the defendants, who were ordered to pay court costs.
Consequently, the Court of Cassation confirmed the provisional compensation payment ordered by the Court of Appeals in the amount of (i) 2 billion euros owed jointly by the 12 defendants convicted with a final decision and (ii) 6 million euros owed jointly by three other defendants convicted with a final decision, both amounts for the benefit of the companies under extraordinary administration, which are parties to the proceedings as plaintiffs seeking damages.

Acquisition of Harvey Fresh in Australia

On March 31, 2014 (the "closing date"), the Parmalat Australia Pty Ltd subsidiary executed an agreement to acquire Harvey Food and Beverage Ltd ("Harvey Fresh"), which will be consolidated as of April 1, 2014 (the "acquisition date").
With this transaction, the Parmalat Group strengthened its position in the Australian market, broadening its geographic footprint in Australia and becoming a full-fledged national player in that country. This acquisition also enhances the Group's standing as an exporter to the Asian markets.

Harvey Fresh, which operates in Western Australia where Parmalat has a marginal presence, is specialized in the production of milk (fresh and UHT) and dairy products. It also operates an important business in the fruit beverage market. In that area of the country, Harvey Fresh is the second largest producer in the dairy sector. This company operates two production facilities (Harvey and Griffith) and has about 250 employees.
This past year, the company reported revenues, in euros, of about 113 million.
The enterprise value of the acquired operations was deemed to be, in euros, about 79 million; the acquisition was financed entirely by the Group with internal resources.

Events Occurring After March 31, 2014

Ordinary and Extraordinary Shareholders' Meeting and Election of a New Board of Directors

The Shareholders' Meeting of Parmalat S.p.A. was convened on April 17, 2014, on a single calling, at the Starhotels Rosa Grand, 3 Piazza Fontana, Milan. Convened in extraordinary session, the Shareholders' Meeting agreed to amend the Company Bylaws in accordance with the motion submitted by the shareholder Sofil S.a.s. Convened in ordinary session, it approved the financial statements for the 2013 reporting year and proceeded with the election of the Board of Directors and the Board of Statutory Auditors as follows:

The following candidates were elected to the Board of Directors:
1. Gabriella Chersicla, Chairperson (*)
2. Antonio Lino Sala
3. Riccardo Perotta (*)
4. Patrice Gassenbach
5. Paolo Francesco Lazzati (*)
6. Laura Gualtieri (*)
7. Umberto Mosetti (*)

(*) Candidates who declared that they qualify as independent Directors.

The Directors from number 1 to number 6 were drawn from slate number 2, filed by the majority shareholder Sofil S.a.s on March 24, 2014, while Director number 7 was drawn from slate number 1, filed on March 24, 2014 by the minority shareholders "Fidelity Funds", "Gabelli Funds LLC," "Setanta Asset Management Limited" and "Amber Global Opportunities Master Fund Ltd."
Gabriella Chersicla was elected Chairperson of the Board of Directors.

The following candidates were elected to the Board of Statutory Auditors:
1. Giorgio Loli (Statutory Auditor)
2. Alessandra Stabilini (Statutory Auditor)

as Statutory Auditors drawn from slate number 2, filed by the majority shareholder on March 24, 2014; and
3. Michele Rutigliano (Chairman)

as a candidate drawn from slate number 1 filed on March 24, 2014 by the minority shareholders "Fidelity Funds", "Gabelli Funds LLC," "Setanta Asset Management Limited" and "Amber Global Opportunities Master Fund Ltd," which received the second highest number of votes and, consequently, pursuant to Article 21 of the Company Bylaws, was named Chairman of the Board of Statutory Auditors.

The following candidates, drawn from slated filed on March 24, 2014 by the shareholder Sofil S.a.s. and the shareholders "Fidelity Funds", "Gabelli Funds LLC," "Setanta Asset Management Limited" and "Amber Global Opportunities Master Fund Ltd," were elected as Alternates:
4. Saverio Bozzolan (Alternate)
5. Marco Pedretti (Alternate)

The term of office of the Directors and Statutory Auditors will run for three reporting years, i.e., until the Shareholders' Meeting convened to approve the financial statements at December 31, 2016. Exhaustive information about the personal and professional background of the members of the Company's governance bodies is available on the Company website: www.parmalat.com, Corporate Governance – Shareholders' Meeting page.

Principles for the Preparation of the Interim Report on Operations at March 31, 2014

The Interim Report on Operations at March 31, 2014 was prepared in accordance with the provisions of Article 154-*ter* *"Financial Reporting"* of the Uniform Financial Code, as set forth in Legislative Decree No. 195 of November 6, 2007, by which the Italian Legislature implemented Directive 2004/109/CE (so-called Transparency Directive) on periodic financial reporting.

The Interim Report on Operations at March 31, 2014 was prepared in accordance with the same consolidation principles valuation criteria as those applied to prepare the Annual Report at December 31, 2013, which is cited here by reference, and the new IFRS pronouncements in effect as of January 1, 2014 listed below.

The following recently published accounting principles, amendments and interpretations went into effect on January 1, 2014, as adopted by the European Commission:

IFRS 10 – Consolidated Financial Statements (applicable to accounting periods beginning on or after January 1, 2014). This new principle replaces *SIC-12 Consolidation – Special Purpose Entities* and parts of *IAS 27 – Consolidated and Separate Financial Statements,* which was renamed *Separate Financial Statements* and governs the accounting treatment of investments in associates in separate financial statements. As of the date of this Interim Report on Operations, the adoption of this new principle had no impact within the Group.

IFRS 11 – Joint Arrangements (applicable to accounting periods beginning on or after January 1, 2014). This new principle replaces *IAS 31 – Interests in Joint Ventures* and *SIC-13 – Jointly Controlled Entities – Non-Monetary Contributions by Venturers.* Subsequent to the publication of this principle, *IAS 28 – Investments in Associates* was amended to include investments in joint ventures in its scope of implementation, as of the principle's effective date. As of the date of this Interim Report on Operations, the adoption of this new principle had no impact within the Group.

IFRS 12 – Disclosure of Interests in Other Entities (applicable to accounting periods beginning on or after January 1, 2014). As of the date of this Interim Report on Operations, the adoption of this principle had no impact in terms of the valuation of financial statement items.

Amendments to IFRS 10, IFRS 11 and IFRS 12 (applicable to accounting periods beginning on or after January 1, 2014) As of the date of this Interim Report on Operations, the adoption of these amendments had no impact within the Group.

Amendments to IAS 32 – Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (applicable to accounting periods beginning on or after January 1, 2014). As of the date of this Interim Report on Operations, the adoption of this revised version had no impact within the Group in terms of the valuation of financial statement items.

Amendments to IAS 36 – Impairment of Assets (applicable to accounting periods beginning on or after January 1, 2014). As of the date of this Interim Report on Operations, the adoption of this revised version had no impact within the Group in terms of the valuation of financial statement items.

Amendments to IAS 39 – Financial Instruments: Recognition and Measurement. Novation of Derivatives and Continuation of Hedge Accounting (applicable to accounting periods beginning on or after January 1, 2014). As of the date of this Interim Report on Operations, the adoption of this revised version had no impact within the Group.

As part of the process of preparing the Interim Report on Operations, Directors are required to adopt accounting principles and methods that, in some instances, entail 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 adoption 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 amounts actually realized for the financial statement items for which the abovementioned estimates and assumptions are used may differ from the amounts shown in the financial statements, 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 estimates are revised, if the revision affects only the current period, or for subsequent periods if the revisions affects both the current period and future periods. 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, current and deferred taxes, the allowance for doubtful accounts, the provisions for risks and charges (particularly with regard to outstanding disputes), employee benefit provisions 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 any impairment losses are detected.

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

Sales of some of the Group's 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 Group's sales significantly reduces this seasonal impact.

The Interim Report on Operations at March 31, 2014 was not audited.

The Board of Directors authorized the publication of this Interim Report on Operations on May 15, 2014.

Scope of Consolidation

During the first quarter of 2014, the Group's scope of consolidation did not change significantly compared with December 31, 2013.
Harvey Food and Beverage Limited, a company acquired on March 31, 2014 (the "closing date"), will be consolidated as of April 1 (the "acquisition date"), which is the date when the Group effectively gained control of the company.

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 2011. According to this principle, the financial statements of an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current on the date of the financial statements. All statement of financial position amounts that are not stated in terms of the measuring unit current on the date of the financial statements must be restated by applying a general price index. All income statement components must be stated in terms of the measuring unit current on the date of the financial statements, applying the change in the general price index that occurred since the date when revenues and expenses were originally recognized in the financial statements. The restatement of the financial statement amounts was carried out using Venezuela's consumer price index (INPC). As of the date of this Interim Report on Operations, the index was 542.7 (344.1 in March 2013) and the year-over-year change in the index was 57.72%.
As of the first quarter of 2014, with the start, on March 24, of a second *Sistema Complementario de Administracion de Divisas* (also known as *SICAD II*), which is based on a system of continuous auctions, the Venezuelan foreign exchange system is characterized by the concurrent presence of an official exchange rate of 6.30 bolivars for one U.S. dollar,

accompanies by an implied exchange rate derived from the outcome of the auctions carried out with the *SICAD I* system (with an exchange rate of 10.70 at March 31) and a new implied exchange rate derived from the outcome of the auctions carried out with the *SICAD II* system. The first *SICAD II* auction ended with an adjudication at an exchange rate of 51.86, while a *SICAD II* auction held on March 31 produced an exchange rate of 49.81,

Parmalat uses the official exchange rate of 6.30 VEF/USD to convert the income statement and statement of financial position data of the local subsidiary for the purposes of its consolidated Group financial statements. Parmalat believes that this exchange rate is the most representative rate for the goods and services produced by the Venezuelan subsidiary, considering also that this official rate is reserved by the Venezuelan government for goods and services that are deemed "essential," which include food products.

However, given the situation of uncertainty that exists with regard to Venezuela's foreign exchange system, the possibility that, in the future, the rates resulting from the *SICAD I* or *SICAD II* system may have to applied to convert the goods and services handled by the Venezuelan subsidiary cannot be excluded.

If the *SICAD I* or *SICAD II* had been used instead of the exchange rate of 6.30 VEF/USD, the contribution of the subsidiary to the consolidated shareholders' equity would have been reduced by 61.6 million euros and 130.8 million euros, respectively, due to the translation. Likewise, revenues would have decreased by 40 million euros with *SICAD I* and 84.9 million euros with *SICAD II*, while the negative impact on EBITDA would have amounted to 2.4 million euros and 5.2 million euros, respectively.

It is possible that significant fluctuation in exchange rates, and other related developments affecting Venezuela, could have an impact on the subsidiary's activities in the future, which could also have a material effect on Parmalat's consolidated financial statements.

Business Outlook

The Group confirms its revenue and EBITDA growth targets, in line with the positive trend of recent years.

The continuation of adverse economic conditions, such as the high level of raw material costs and the presence of significant social tensions in an important country where the Group operates, such as Venezuela, point to a more uncertain first half of the 2014, with growth expectations concentrated mainly in the balance of the year.

Guidance for 2014

For 2014, at constant exchange rates and scope of consolidation and excluding the effect of hyperinflation, Parmalat expects net revenues and EBITDA to grow by 3%, even though the first half of the year could still be adversely affected by challenging conditions related to market trends and milk prices.

Disclaimer
This document contains forward looking statements, particularly in the section entitled "Business Outlook." Projections for 2014 are based, inter alia, on the Group's performance in the fourth quarter of 2013 and take into account market trends at the beginning of the year. 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 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.

A company subject to guidance and coordination by B.S.A. S.A.

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Share capital: 1,825,562,281 euros fully paid-in

Parma R.E.A. No. 228069

Parma Company Register No. 04030970968

Tax I.D. and VAT No. 04030970968