Interim Report on Operations

at September 30, 2015

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

Contents

Board of Directors, Board of Statutory Auditors and Independent Auditors

Board of Directors

Chairperson	Gabriella Chersicla[1]
Chief Executive Officer and General Manager	Yvon Guérin
Directors	Patrice Gassenbach Laura Gualtieri[2 4 5] Paolo Francesco Lazzati[2 3 4] Umberto Mosetti[2 3 4 5] Riccardo Perotta[2 3] Antonio Sala[5]

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.

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[1] Gabriella Chersicla is a senior officer of the Company, pursuant to implementation criterion 3.C.2 of the Corporate Governance Code of Borsa Italiana. Chairperson Gabriella Chersicla is an independent Director pursuant to Article 3 of the Corporate Governance Code.
[2] Independent Director.
[3] Member of the Internal Control, Risk Management and Corporate Governance Committee.
[4] Member of the Nominating and Compensation Committee.
[5] Member of the Litigation Committee.

Financial Highlights

Income Statement Highlights

(amounts in millions of euros) **PARMALAT GROUP**	**Cumulative at 9/30/15**	**Cumulative at 9/30/14**	**Change at current exchange rate & scope of consolid.** (including hyperinflation)	**Change at constant exchange rate & scope of consolid.** (excluding hyperinflation)	**3rd quarter 2015**	**3rd quarter 2014**
- NET REVENUE	4,744.5	3,969.8	19.5%	7.1%	1,781.9	1,351.9
- EBITDA	312.2	299.1	4.4%	21.5%	142.8	114.6
- EBIT	194.2	213.3	(9.0%)	24.7%	106.8	80.6
- NET PROFIT	108.1	144.4	(25.1%)	30.6%	69.6	54.4
- EBIT/REVENUE (%)	4.1	5.3	(1.2)	0.9	5.9	5.9
- NET PROFIT/REVENUE (%)	2.3	3.6	(1.3)	0.9	3.9	4.0
PARMALAT S.p.A.	**Cumulative at 9/30/15**	**Cumulative at 9/30/14**	**current**	**constant**	**3rd quarter 2015**	**3rd quarter 2014**
- NET REVENUE	643.3	643.2	0.0%	(3.2%)	216.3	215.0
- EBITDA	51.2	47.7	7.3%	7.3%	18.6	18.1
- EBIT	36.2	34.4	5.2%	3.2%	17.3	8.8
- NET PROFIT	41.0	55.1	(25.6%)	(26.5%)	13.5	7.5
- EBIT/REVENUE (%)	5.4	5.1	0.3	0.4	7.7	3.9
- NET PROFIT/REVENUE (%)	6.1	8.2	(2.1)	(1.9)	6.0	3.3

Statement of Financial Position Highlights

(amounts in millions of euros)			
PARMALAT GROUP	**9/30/15**	**6/30/15**	**12/31/14**
- NET FINANCIAL ASSETS	96.4	730.9	1,119.1
- ROI (%)[1]	10.2	7.5	15.5
- ROE (%)[1]	4.5	2.3	6.5
- EQUITY/ASSETS	0.6	0.7	0.7
- NET FINANCIAL POSITION/EQUITY	0.0	(0.2)	(0.3)
PARMALAT S.p.A.			
- NET FINANCIAL ASSETS	25.2	43.5	758.8
- ROI (%)[1]	6.4	5.1	8.5
- ROE (%)[1]	1.8	1.8	2.0
- EQUITY/ASSETS	0.8	0.8	0.9
- NET FINANCIAL POSITION/EQUITY	0.0	(0.2)	(0.3)

[1] Indices computed based on annualized income statement data and average balance sheet data for the period.

Operating Performance

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

Revenue and Profitability

In a context of low oil and commodity prices and sharp fluctuations in the currency markets, the global economy was characterized by modest and uneven growth in the economies of raw material producing countries, with a steady performance by the advanced economies and a slowing of the Chinese economy.

The decline in oil prices on the international market had a particularly pronounced effect on Venezuela's balance of payments, with repercussion on the reliability of its foreign exchange system and inflation dynamics that significantly affected the result of Parmalat's local subsidiary.
At the beginning of the year, the relevant government entities (Central Bank and National Statistics Institute) stopped publishing the national consumer price index. Consequently, a reference index based on consensus data developed by banks and research institutes had to be adopted in order to prepare this Report, based on the continuing adoption of the financial reporting standard for hyperinflationary economies, necessary for a proper understanding of operating results.

An international context characterized by a negative price trend not just for oil but for commodities in general engendered, albeit with significant regional differences, a reduction in the price of raw milk. Specific events, such as the end of the milk quota system in the European Union and the Russian embargo, constituted additional factors driving the trend of excess supply compared with the demand for milk.

This situation of a widespread decrease in the price of milk helped improve profitability in some areas where Parmalat operates, the United States in particular. However, it is worth mentioning that the reduction in the cost of raw milk, while on the one hand it translated into a benefit in term of product cost, on the other hand, it caused a downward adjustment in sales prices and, in some cases, an impairment loss on the carrying amount of inventories consistent with the lower cost of raw milk; some subsidiaries also experienced an increase in the inventory of finished products and semifinished goods, with an increase in the cash absorbed by operating activities.

Lastly, the macroeconomic context is not favorable in Brazil, where the GDP trend is expected to be negative for the current year, the local currency lost significant value during the reporting period and a series of scandals reached the highest echelons of the political establishment, with negative consequences on the level of confidence in the Brazilian system as a whole, both domestically and internationally.

Parmalat Group

The table below shows the highlights of the Group's results in 2015 and a comparison with the first nine months of the previous year:

	Cumulative at September 30			
(amounts in millions of euros)	**2015**	**2014**	**Variance**	**Varian.%**
Net Revenue	**4,744.5**	**3,969.8**	**774.7**	*+19.5%*
EBITDA	**312.2**	**299.1**	**13.2**	*+4.4%*
EBITDA %	*6.6*	*7.5*	*-1.0 ppt*	

Net revenue totaled 4,744.5 million euros, for a gain of 19.5% compared with the previous year, and EBITDA amounted to 312.2 million euros, or 13.2 million euros more (+4.4%) than the 299.1 million euros reported in 2014, despite the negative effect of having to apply hyperinflation accounting for Venezuela. During the reporting period, profitability improved appreciably in the United States and Venezuela and in the Australia and Europe regions.

For a better understanding of the results presented above, it is important to keep in mind that the data for the first nine months of 2015 reflect the consolidation of the results of some recent acquisitions. In the case of LBR in Brazil and Latterie Friulane in Italy, the Group is restructuring poorly performing businesses with the aim of helping them achieve profitability levels in line with its standards. In the case of Longwarry in Australia and the Esmeralda Group in Mexico, characterized by a significant exposure to the price of Powdered Milk (Longwarry) and Cheese (Esmeralda), the context conditions described above produced unfavorable business conditions that adversely affected the results for the period. In addition, in July 2015 the Group completed the acquisition of Elebat, which was the dairy division of BRF S.A. ("BRF"), one of Brazil's top food companies.

The table below shows the Group's results in the third quarter of 2015 compared with the previous year:

	Third Quarter			
(amounts in millions of euros)	**2015**	**2014**	**Variance**	**Varian.%**
Net Revenue	**1,781.9**	**1,351.9**	**430.0**	*+31.8%*
EBITDA	**142.8**	**114.6**	**28.2**	*+24.6%*
EBITDA %	*8.0*	*8.5*	*-0.5 ppt*	

Despite the highly negative impact that the adoption of hyperinflation accounting for Venezuela had on the result for the third quarter compared with the previous year, the data presented above show gains both in net revenue and EBITDA, due in part to the contribution of newly acquired companies, mainly Elebat in Brazil and Esmeralda in Mexico, the latter with production facilities in Uruguay and Argentina.
During the third quarter, the new acquisitions helped boost profitability, even though a reorganization process was still in progress for some production units, business conditions were not favorable in some countries, such as Brazil and Mexico, and there was a slight delay in including the Elebat acquisition compared with the original plan.

With data stated at constant exchange rates and comparable scope of consolidation, obtained by excluding the contribution provided by the Harvey Fresh Group, acquired in Australia in the second quarter of 2014, and the results of the activities acquired in 2015, including Lácteos Brasil S.A. – Em Recuperação Judical (LBR) and Elebat in Brazil, Latterie Friulane in Italy, Longwarry in Australia and the Esmeralda Group in Mexico, and excluding the effects of hyperinflation in Venezuela, the results of the Group, as shown in the table below, reflect a significant improvement both in terms of net revenue and profitability.

Constant exchange rates	**Cumulative at September 30**			
(amounts in millions of euros)	**2015**	**2014**	**Variance**	**Varian.%**
Net Revenue	**4,137.1**	**3,862.0**	**275.0**	*+7.1%*
EBITDA	**373.6**	**307.4**	**66.2**	*+21.5%*
EBITDA %	*9.0*	*8.0*	*1.1 ppt*	

Constant scope of consolidation, exchange rates and excluding hyperinflation impact.

Net revenue grew by 7.1%, with the operations in the Latin America and Africa sales regions providing a particularly strong contribution; in the Europe and North America sales regions, the decrease in revenue is chiefly the result of lower average sales prices, consistent with the reduction in the cost of raw milk compared with the first nine months of the previous year,

EBITDA, with data on a comparable basis, rose by 21.5%, increasing in all of the Group's sales regions with the best gains reported in Latin America, Australia and Africa.

The increase in profitability reported by the Group in the first nine months of 2015 reflects the positive impact of a steady improvement in operating efficiency and an optimized use of sales promotions in those markets where the purchase price of raw milk decreased.

The table below shows the Group's results in the third quarter of the year at constant exchange rates and scope of consolidation and excluding the effects of hyperinflation:

Constant exchange rates	**Third Quarter**			
(amounts in millions of euros)	**2015**	**2014**	**Variance**	**Varian.%**
Net Revenue	**1,423.6**	**1,301.1**	**122.6**	*+9.4%*
EBITDA	**161.4**	**115.0**	**46.4**	*+40.3%*
EBITDA %	*11.3*	*8.8*	*2.5 ppt*	

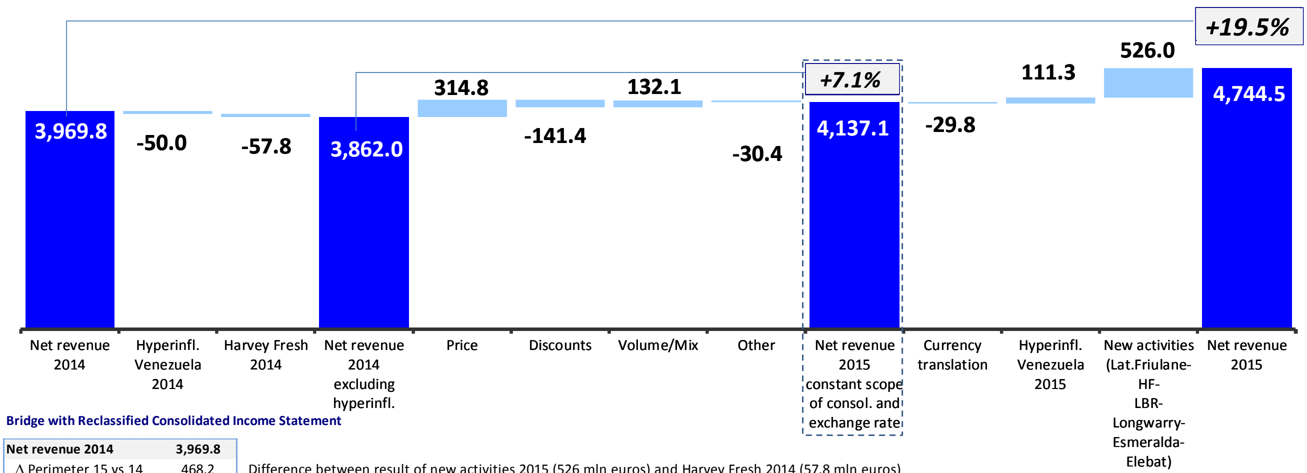
Constant scope of consolidation, exchange rates and excluding hyperinflation impact.

The results for the quarter, highly positive in terms both of revenue and profitability, reflect a strong performance in all of the areas where the Group operates, with the best gains recorded in Venezuela, Australia, North America and Italy.

Like-for-Like Net Revenue and EBITDA

The diagram below presents the main variables that determined the evolution of net revenue and EBITDA in 2015, compared with the same period the previous year.

Net Revenue Cumulative at September 2015 vs 2014 *(€ m)*

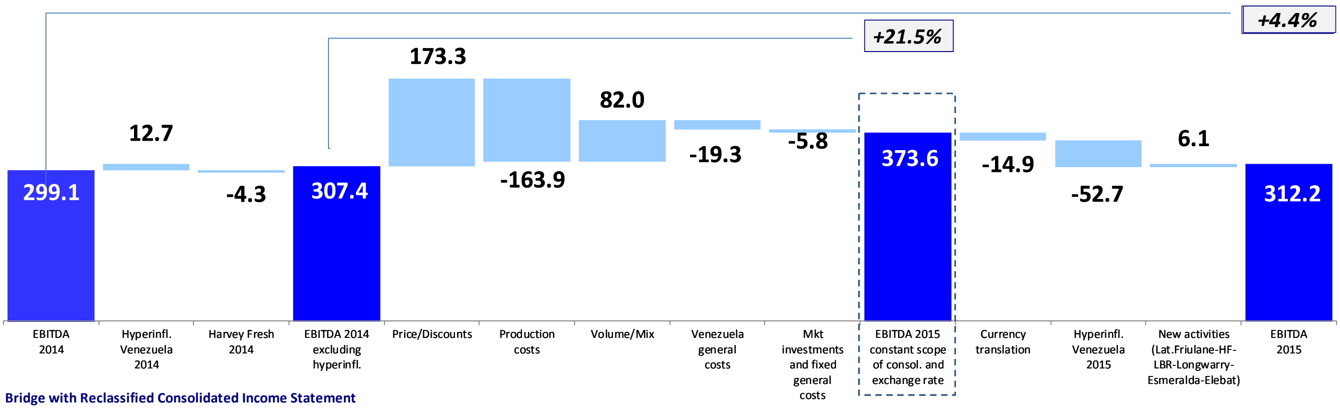


Bridge with Reclassified Consolidated Income Statement

Net revenue 2014	**3,969.8**
Δ Perimeter 15 vs 14	468.2
Δ Hyperinf. 15 vs 14	61.3
Δ Business 15 vs 14	275.0
Currency translation 15	(29.8)
Net revenue 2015	**4,744.5**

Difference between result of new activities 2015 (526 mln euros) and Harvey Fresh 2014 (57.8 mln euros)
Difference between hyperinfl. 2015 (111.3 mln euros) and hyperinfl. 2014 (50.0 mln euros)

EBITDA Cumulative at September 2015 vs 2014 *(€ m)*



Bridge with Reclassified Consolidated Income Statement

EBITDA 2014	**299.1**
Δ Perimeter 15 vs 14	1.7
Δ Hyperinf. 15 vs 14	(40.0)
Δ Business 15 vs 14	66.2
Currency translation 15	(14.9)
EBITDA 2015	**312.2**

Difference between result of new activities 2015 (6.1 mln euros) and Harvey Fresh 2014 (4.3 mln euros)
Difference between hyperinfl. 2015 (-52.70 mln euros) and hyperinfl. 2014 (-12.7 mln euros)

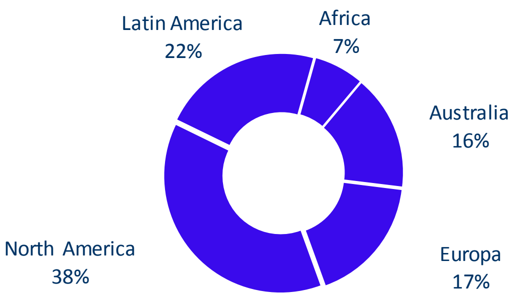
Data by Geographic Region

(amounts in millions of euros)	Cumulative at 9/30/2015			Cumulative at 9/30/2014			*Delta %*	
Region	**Net Revenue**	**EBITDA**	***Ebitda %***	**Net Revenue**	**EBITDA**	***Ebitda %***	**Net Revenue**	**EBITDA**
Europa	813.9	82.2	*10.1*	838.3	76.5	*9.1*	*-2.9%*	*+7.4%*
North America	1,754.0	152.7	*8.7*	1,668.3	133.4	*8.0*	*+5.1%*	*+14.4%*
Latin America	1,027.7	84.6	*8.2*	463.9	65.8	*14.2*	*+121.5%*	*+28.7%*
Africa	316.5	24.6	*7.8*	279.9	20.5	*7.3*	*+13.1%*	*+19.7%*
Australia	734.7	33.4	*4.5*	673.6	26.9	*4.0*	*+9.1%*	*+24.1%*
Other [1]	(13.6)	(12.6)	*n.s.*	(4.3)	(11.4)	*n.s.*	*n.s.*	*-10.5%*
Group excl. hyperinflation	**4,633.2**	**364.9**	***7.9***	**3,919.8**	**311.8**	***8.0***	***+18.2%***	***+17.0%***
Hyperinflation in Venezuela	111.3	(52.7)	*n.s.*	50.0	(12.7)	*n.s.*	*n.s.*	*n.s.*
Group	**4,744.5**	**312.2**	***6.6***	**3,969.8**	**299.1**	***7.5***	***+19.5%***	***+4.4%***

Region represent the consolidated countries.

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

Net Revenue by Geographic Region



In order to improve comparability with the 2014 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)	Cumulative at 9/30/2015			Cumulative at 9/30/2014			*Delta %*	
Region	**Net Revenue**	**EBITDA**	***Ebitda %***	**Net Revenue**	**EBITDA**	***Ebitda %***	**Net Revenue**	**EBITDA**
Europa	818.1	84.1	*10.3*	838.3	76.5	*9.1*	*-2.4%*	*+9.9%*
North America	1,579.4	136.5	*8.6*	1,668.3	133.4	*8.0*	*-5.3%*	*+2.3%*
Latin America	840.0	111.5	*13.3*	463.9	65.8	*14.2*	*+81.1%*	*+69.6%*
Africa	300.7	23.3	*7.8*	279.9	20.5	*7.3*	*+7.4%*	*+13.7%*
Australia	610.2	30.8	*5.0*	615.8	22.6	*3.7*	*-0.9%*	*+36.4%*
Other [1]	(11.4)	(12.6)	*n.s.*	(4.3)	(11.4)	*n.s.*	*n.s.*	*-10.5%*
Group (constant scope of consol. and exchange rates) [2]	**4,137.1**	**373.6**	***9.0***	**3,862.0**	**307.4**	***8.0***	***+7.1%***	***+21.5%***

Region represent the consolidated countries.

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

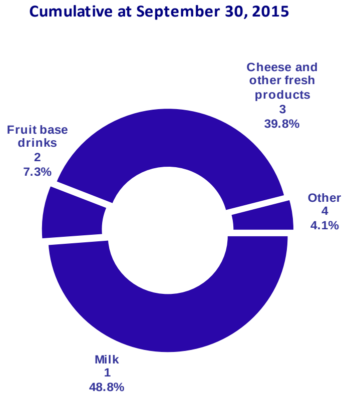
2. Excl. hyperinflation and activities acquired in the second quarter 2014 (Harvey Fresh) and in 2015 (LBR, Elebat, Latterie Friulane, Longwarry and Esmeralda).

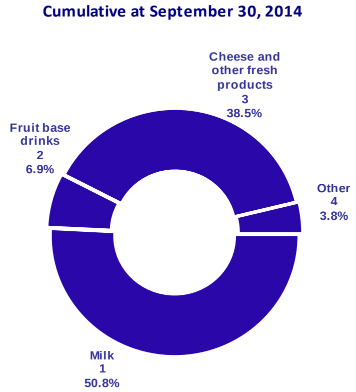
Data by Product Division

(amounts in millions of euros)	Cumulative at 9/30/2015			Cumulative at 9/30/2014			*Delta %*	
Division	**Net Revenue**	**EBITDA**	***EBITDA %***	**Net Revenue**	**EBITDA**	***EBITDA %***	***Net Revenue***	***EBITDA***
Milk [1]	2,260.6	104.3	*4.6*	1,990.7	92.6	*4.7*	*+13.6%*	*+12.6%*
Fruit base drinks [2]	337.5	54.5	*16.1*	269.1	55.3	*20.5*	*+25.4%*	*-1.5%*
Cheese and other fresh products [3]	1,845.8	195.6	*10.6*	1,511.0	132.8	*8.8*	*+22.2%*	*+47.3%*
Other [4]	189.2	10.5	*5.6*	149.1	31.1	*20.9*	*+26.9%*	*n.s.*
Group excl. hyperinflation	**4,633.2**	**364.9**	***7.9***	**3,919.8**	**311.8**	***8.0***	***+18.2%***	***+17.0%***
Hyperinflation in Venezuela	111.3	(52.7)	*n.s.*	50.0	(12.7)	*n.s.*	*n.s.*	*n.s.*
Group	**4,744.5**	**312.2**	***6.6***	**3,969.8**	**299.1**	***7.5***	***+19.5%***	***+4.4%***

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

Net Revenue 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 and whey

In order to improve comparability with the 2014 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)	Cumulative at 9/30/2015			Cumulative at 9/30/2014			*Delta %*	
Division	**Net Revenue**	**EBITDA**	***EBITDA %***	**Net Revenue**	**EBITDA**	***EBITDA %***	***Net Revenue***	***EBITDA***
Milk [1]	2,059.0	109.7	*5.3*	1,952.2	92.6	*4.7*	*+5.5%*	*+18.4%*
Fruit base drinks [2]	401.7	69.7	*17.4*	255.1	54.6	*21.4*	*+57.5%*	*+27.6%*
Cheese and other fresh products [3]	1,565.2	185.1	*11.8*	1,505.7	132.8	*8.8*	*+4.0%*	*+39.5%*
Other [4]	111.2	9.1	*8.2*	149.1	27.5	*18.4*	*-25.4%*	*n.s.*
Group (constant scope of consolid. & exchange rates) [5]	**4,137.1**	**373.6**	***9.0***	**3,862.0**	**307.4**	***8.0***	***+7.1%***	***+21.5%***

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 second quarter 2014 (Harvey Fresh) and in 2015 (LBR, Elebat, Latterie Friulane, Longwarry and Esmeralda)

Europe

(amounts in millions of euros)	Cumulative at September 30 2015	 2014	 Variance	 Varian.%
Net Revenue	**813.9**	**838.3**	**-24.5**	*-2.9%*
EBITDA	**82.2**	**76.5**	**5.7**	*+7.4%*
EBITDA %	*10.1*	*9.1*	*1.0 ppt*	

(amounts in millions of euros)	Third Quarter 2015	 2014	 Variance	 Varian.%
Net Revenue	**270.7**	**277.7**	**-7.1**	*-2.5%*
EBITDA	**29.0**	**27.8**	**1.2**	*+4.5%*
EBITDA %	*10.7*	*10.0*	*0.7 ppt*	

The Europe sales region includes the subsidiaries that operate in Italy, Russia, Portugal and Romania.

The significant devaluation of the ruble versus the euro, which began in the second half of last year, had a negative impact on the sales region's revenue and EBITDA amounting to about 25 million euros and 1.9 million euros, respectively. Results with data at constant exchange rates and comparable scope of consolidation show revenue decreasing by 2.4% and EBITDA increasing by 9.9%.

The improvement in the region's profitability is mainly attributable to the optimization of operating activities.

Italy

The Italian economy is struggling to emerge from a protracted recession. Some signs of a reversal in business sentiment, driven by the competitiveness of the euro and a more solid economic upturn in the Eurozone, became apparent during the reporting period.

Market and products

Highly difficult conditions continued to characterize the Milk sector, with sharply negative trends both on a volume and value basis. The decrease in consumption was particularly pronounced for Pasteurized Milk, due in part to major difficulties in the traditional retail channel. In the UHT Mil segment as well, consumption contracted at an accelerating rate particularly starting in the second quarter of this year. Despite this challenging market situation, Parmalat increased its value market share in both categories, strengthening its position as the leader of the UHT Milk category and its second-place competitive position in the Pasteurized Milk segment (first place when all channels are included).

Even though consumption was down significantly in the UHT Cream market, due mainly to a negative performance in the *Cooking Cream* segment, Parmalat substantially increased its value market share, thanks to a strong performance by the *Chef* brand, and further strengthened its position as the leader in this category.

During the first nine months of 2015, Yogurt consumption showed signs of an upturn, reversing the trend of previous periods thanks to the *Greek Yogurt* and *Soy Yogurt* segments. Parmalat reported a modest reduction of its value market share but held steady it competitive position.

The Fruit Beverage category saw a reversal of the negative market trend that characterized previous years. thanks to favorable weather conditions this past summer, posting gains both on a volume and value basis for the first nine months of the year. In this market environment, Parmalat retained its second-place competitive position.

Total sales volumes increased compared with the previous year due to a positive performance for UHT Milk; sales of Fruit Beverages and Pasteurized Milk were in line with the previous year.

Despite the growth in unit sales, the revenue reported by the Business Unit decreased slightly compared with the previous year, due to an increased use of sales promotions, particularly in the UHT Milk category. The trend was positive for UHT Cream and *Chef* brand Béchamel, thanks in part to investments in advertising, and the *Zymil* brand performed particularly well in the UHT Milk and Microfiltered Pasteurized Milk categories.

EBITDA grew compared with the first nine months of 2014, due to the optimization of operating expenses.

Russia

Internal consumption was adversely affected by international sanctions, a slowing of the Russian economy caused by the slide in oil prices and a contraction in real wages. Government intervention regarding prices of “socially important” products helped mitigate the effects of fluctuations in the ruble exchange rate on the level of inflation.

A persisting slump in consumption is continuing to characterize the main markets within the food area in Russia. Specifically, the UHT Milk and Fruit Beverage categories, which are the main segments in which the local subsidiary operates, showed the biggest contractions. In this difficult market environment, Parmalat was able to hold its competitive position unchanged in both categories.

With data stated in the local currency, the results of the local subsidiary show a slight decrease in sales volumes but a net revenue gain of 8.2% compared with the previous year, following the price increases implemented for all of the main categories in which the Business Unit operates. EBITDA also improved compared with the previous year, despite the higher costs incurred to purchase raw milk and the effects of the devaluation of the local currency on imported raw materials and packaging materials.

Portugal

There were positive signals for the Portuguese economy following the restructuring of public finances. However, the high rate of unemployment and the deleveraging process affecting households continue to constrain internal demand by consumers.

The main markets in which the local subsidiary operates (Flavored Milk and UHT Cream) followed contrasting trends, with lower consumption in the former offset by a slight increase in volumes in the latter. Parmalat confirmed its competitive position in the respective categories, both dominated by private labels.

Sales volumes grew compared with the previous year but net revenue declined due to a greater use of promotions; the profitability of the local subsidiary improved due mainly to lower purchase prices for raw milk.

Romania

Thus far, 2015 witnessed a consolidation of the economic recovery that got under way in 2014, with an increase in internal demand, which was the growth component most affected by the crisis of recent years.

The Fruit Beverage Market, which is practically the only segment in which the local subsidiary operates, benefited from a significant growth in consumption during the first nine months of 2015, driven by gains in the Still Drinks segment. Parmalat, with its *Santàl* brand, held steady its competitive position despite a reduction of its value market share.

The local subsidiary's operating results for the first nine months of 2015 show an overall improvement compared with the previous year, made possible by a significant increase in sales volumes and its ability to contain overheads.

North America

(amounts in millions of euros)	Cumulative at September 30 2015	2014	Variance	Varian.%
Net Revenue	**1,754.0**	**1,668.3**	**85.7**	*+5.1%*
EBITDA	**152.7**	**133.4**	**19.2**	*+14.4%*
EBITDA %	*8.7*	*8.0*	*0.7 ppt*	

(amounts in millions of euros)	Third Quarter 2015	2014	Variance	Varian.%
Net Revenue	**581.5**	**566.1**	**15.3**	*+2.7%*
EBITDA	**56.7**	**50.6**	**6.1**	*+12.1%*
EBITDA %	*9.8*	*8.9*	*0.8 ppt*	

The North America sales region includes the subsidiaries that operate in the United States and Canada, with the latter accounting for about 60% of the region's revenue and EBITDA.

The significant increase in the value of the U.S. dollar and Canadian dollar versus the euro had a positive impact on revenue and EBITDA amounting to about 175 million euros and 16.2 million euros, respectively.
With data at constant exchange rates, the net revenue of the North America sales region show a reduction of 5.3% and EBITDA a gain of 2.3% in the first nine months of 2015 compared with the previous year.

Canada

The Canadian economy, affected by the trend in oil prices, saw a reduction in consumer spending. However, the budgets of households and businesses benefitted from a decline in energy costs. The weakening of the local currency versus the U.S. dollar imported inflation from the United States, Canada's main trading partner.

Market and Products

The steady decrease in Milk consumption that characterized this market segment throughout 2014 continued during the first nine months of this year. This contraction is chiefly the result of a negative trend in both of this markets' categories: *Premium Milk* and, more importantly, *Base Milk,* which is the category's main segment. Despite this challenging market situation, Parmalat succeeded in increasing value market share and strengthening its third-place competitive position.

Consumption was up modestly in the Yogurt market, with a positive impact also reflected in its expansion on a value basis. Strong performances in the *Drinkable Yoghurt* and *Spoonable Greek Yoghurt* segments are the factors that drove the growth in demand; a new product, *Astro Athentikos*, was launched in the latter of these two segments with encouraging results. Parmalat held unchanged its competitive position in the Yogurt market.

In 2015, consumption was down sharply in the Cheese market, due to negative performances by its two main segments: *Natural* and *Processed.* On the other hand, there was healthy volume growth in the *Snack Cheese* category, the other main market segments in which the local subsidiary operates as the market leader. Within the overall Cheese market, the Business Unit held its value market share virtually unchanged, confirming its second-place market position.

With data stated in the local currency, the Canadian subsidiary shows a decrease both in sales volumes and net revenue, mainly attributable to a negative performance in the Pasteurized Milk category that, however, was less significant than the general market contraction.

Despite a decrease in the average purchase price of production materials compared with the previous year, EBITDA contracted, chiefly as a result of the sales trend in markets characterized by strong competitive pressure.

United States of America

The U.S. economy continues to drive the recovery in the advanced countries. Consumer spending, the true engine of the American economy, continued to benefit from positive indicators regarding industrial activity, disposable income and the labor and real estate markets.

Market and Products

During the first nine months of 2015, the Cheese market, based on a market perimeter limited to the categories in which the Group operates, enjoyed an increase in consumption that drove the market's expansion on a value basis. The fastest growing segments were those of *Snack Cheese* and *Fresh Mozzarella*, which boosted the performance of the entire category. In this market context, despite a reduction of its value market share, Parmalat retained its competitive position.

The segments in which the local subsidiary succeeded in retaining its position as the market leader included *Chunk Mozzarella, Ricotta* and *Soft Ripened Cheese.* The performance of the *Soft Ripened Cheese* segment was particularly noteworthy for its positive market trend, one of the most dynamic of the entire cheese category; on the other hand, consumption was down significantly for *Chunk Mozzarella* and *Ricotta.*

Fresh Mozzarella and *Snack Cheese* were the categories with the most significant increase in demand, which generated substantial growth in terms of size on a value basis. Despite a slight loss of market share in both categories, the local subsidiary held its market position unchanged.

During the first nine months of the year, some of the premium segments in which the local subsidiary operates followed diverging trends: a positive performance on a volume and value basis for *Gourmet Cheddar* was contrasted by a significant drop in consumption for *Gourmet Spreadable Cheese.* The local Business Unit reported a loss in value market share in both segments.

There were positive signals in the *Feta Cheese* category, where in a relatively dynamic market Parmalat improved its performance, strengthening its second-place competitive position.

Overall, the sales volumes reported by U.S. subsidiary increased compared with the previous year, thanks to a positive performance in the Cheese category, which accounts for about 70% of the total sales volumes.

As for net revenue, the data stated in the local currency show a decrease of 11% due to a reduction in average sales prices resulting from adjustments made to make net price lists consistent with the decrease in raw milk costs compared with last year's record levels.

The profitability of the U.S. subsidiary improved, thanks to favorable terms for the procurement of raw milk and rising sales, particularly in the Cheese area.

Latin America

Excl. hyperinflation	Cumulative at September 30			
(amounts in millions of euros)	2015	2014	Variance	Varian.%
Net Revenue	**1,027.7**	**463.9**	**563.8**	*+121.5%*
EBITDA	**84.6**	**65.8**	**18.9**	*+28.7%*
EBITDA %	*8.2*	*14.2*	*-5.9 ppt*	

Excl. hyperinflation	Third Quarter			
(amounts in millions of euros)	2015	2014	Variance	Varian.%
Net Revenue	**559.1**	**140.6**	**418.6**	*+297.8%*
EBITDA	**54.9**	**15.7**	**39.3**	*+250.8%*
EBITDA %	*9.8*	*11.1*	*-1.3 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 Brazil, with the acquisition of LBR (January 2015) and Elebat (July 2015), as well as in Mexico, Uruguay and Argentina, with the acquisition of the Esmeralda Group in the second quarter of 2015; in addition, commercial companies operate in Uruguay, Peru and Bolivia.

With data at constant exchange rates and comparable scope of consolidation (excluding LBR, Elebat and Esmeralda) and without the effects of hyperinflation, revenue and EBITDA show gains of 81.1% and 69.6%, respectively. The negative translation effect, caused mainly by the devaluation of the Venezuelan bolivar versus the euro reduced revenue by about 198 million euros and EBITDA by 31 million euros.

Venezuela

Economic and political uncertainty, combined with consumer price inflation, are the main elements of a picture that remains volatile and which, for domestic and foreign businesses, is complicated by the scarcity of foreign currency, for which the reform of the foreign exchange system implemented in February does not yet appear to have found a solution.

In this context, the total volumes sold by the local subsidiary were in line with those reported the previous year.
Net revenue stated in the local currency and excluding the effect of hyperinflation grew by 115% compared with the previous year, reflecting the adjustments made to price lists to account for the country's high level of inflation.
Excluding the effects of accounting for hyperinflation, EBITDA increased compared with the previous year, thanks to an improved sales mix and price list adjustments in the main product categories.

Colombia

Despite the anticipated slowing of its growth rate caused by the slump in oil prices, the Colombian economy is proving to be one of the best equipped in Latin America to deal with international turbulence, thanks to the reserves built up in previous years and its status within numerous international trade agreements.

In a highly competitive environment, characterized by an increase in promotional pressure in the main markets in which the local subsidiary operates, the results for the first nine months show a 5.7% reduction in net revenue, due to a contraction in sales volumes, particularly in the Powdered Milk category.

EBITDA decreased compared with the previous year due in part to a negative performance in the Powdered Milk market, characterized by an increase in imports, originating mainly in the United States and Chile, and a particularly low international price.

Other Countries in Latin America

The net revenue generated by the other countries in this sales region increased compared with the previous year, owing in part to the effect of the acquisition of LBR and Elebat in Brazil and the Esmeralda Group in Mexico.

The **acquisitions in Mexico** and **Brazil** present attractive growth opportunities; the Group, upon completion of the procedures required to fulfill certain conditions precedent, which occurred on January 8, 2015, strengthened its presence in Brazil thanks to the acquisition of some production units, complete with the respective trademarks, personnel and administrative offices, of Lácteos Brasil S.A. – Em Recuperação Judicial (LBR), a Brazilian company in composition with creditors proceedings pursuant to Brazilian law. This transaction, the subject of which is a portfolio of business operations in the UHT Milk and local Cheese segments, enabled the Parmalat Group to regain full ownership of the exclusive license to use the *Parmalat* brand throughout Brazil.
In addition, in July 2015, the Group completed the acquisition of Elebat Alimentos S.A., which was the dairy division of BRF S.A. ("BRF"), one of Brazil's top food companies. With this transaction, the Group also completed the acquisition of Nutrifont Alimentos S.A., a company specialized in the production of nutritional ingredients with a high value added.
In the second quarter of the year, the Group strengthened its presence in Mexico with the acquisition of companies active in the cheese market (Esmeralda), with operations also in Argentina and Uruguay.

In **Mexico,** the local economy benefits from the booster effect provided by the United States, its main trading partner, and by significant foreign investments, particularly in the automotive sector. On the other and, a weakening Mexican peso and an increase in tax rates had a dampening effect on internal consumer demand.

The local subsidiary, while focusing on strengthening its organization, was nevertheless able to generate positive results during the period, despite unfavorable business conditions.

in **Brazil,** the reporting period was characterized by the private sector's lack of confidence in short-term prospects. The negative factors affecting expectations included, in addition to the scandal that engulfed the national oil company and is having repercussions on the infrastructure sector and the economy in general, reforms of the tax system and a restrictive monetary policy promoted by the government.

The results of the new activities acquired in Brazil at the beginning of the year ("LBR") were affected by the negative conditions mentioned above as well as by the challenges faced in restarting activities that had been partially interrupted while the composition with creditors proceedings were in progress. Consequently, EBITDA for the first nine months of the year were slightly negative. Thanks to the programs that management is implementing to restore full operability, profitability began to improve in the third quarter with expectations of further gains in the last quarter of the year.

In **Ecuador,** net revenue grew by 3.6%, with data in the local currency, due mainly to an increase in volumes in the Yogurt category and higher sales prices.

In **Paraguay,** there was a sharp decline in net revenue compared with the previous year, due mainly to a contraction in milk sales.

Africa

	Cumulative at September 30			
(amounts in millions of euros)	**2015**	**2014**	**Variance**	**Varian.%**
Net Revenue	**316.5**	**279.9**	**36.6**	*+13.1%*
EBITDA	**24.6**	**20.5**	**4.0**	*+19.7%*
EBITDA %	*7.8*	*7.3*	*0.4 ppt*	

	Third Quarter			
(amounts in millions of euros)	**2015**	**2014**	**Variance**	**Varian.%**
Net Revenue	**99.5**	**100.8**	**-1.4**	*-1.4%*
EBITDA	**7.9**	**7.3**	**0.6**	*+8.7%*
EBITDA %	*8.0*	*7.2*	*0.7 ppt*	

The Africa sales region includes the subsidiaries that operate in South Africa, Zambia, Botswana, Swaziland and Mozambique. South Africa accounts for more than 80% of the net revenue and about 80% of the EBITDA of the entire sales region.

The data presented above, stated in euros, reflect a positive translation effect, which increased revenue and EBITDA by about 16 million euros and 1.2 million euros, respectively, due mainly to the appreciation of the South African rand versus the euro.

With data stated at constant exchange rates, the region’s results show increases of 7.4% for revenue and 13.7% for EBITDA.

The positive performance achieved in the Africa sales region, compared with the previous year, is the result of an increase in sales volumes, made possible in part by a greater availability of raw milk.

South Africa

Consumer spending grew strongly in the first nine months of 2015 compared with the previous year. A positive performance by the mining sector, despite the risk posed by the recent trend in exports, combined with the low cost of crude oil, boosted the level of disposable income. Another positive factor was the absence of labor strikes on a national basis, which adversely affected the performance of the economy in the recent past.

Market and Products

In the UHT Milk segment consumption increased significantly in the first nine months of 2015 both on a volume and value basis. In this category, in which private labels account for about half of the total value, Parmalat increased its market share, while strengthening its second-place competitive position and narrowing the gap with the market leader.

The Flavored Milk segment continued to perform as one of the most dynamic categories in South Africa’s Dairy industry. Thanks to its *Steri Stumpie* brand, which accounts for more than half of the total market on a value basis, the local subsidiary decisively confirmed its market leadership position.

The Cheese market grew at an attractive rate on a value basis, thanks mainly to positive performances in the *Hard Cheese, Processed Cheese* and *Feta Cheese* segments, which were among the market's most dynamic categories. Parmalat strengthened its position as the segment's leader thanks to a slight increase in its value market share.
The year 2015 was particularly positive for the Yogurt category, which, after a protracted decrease in consumption during previous years, is again showing a positive trend both on a volume and value basis. Parmalat maintained the second-place competitive position.

Net revenue grew by 8.6%, with data in the local currency, thanks to a positive sales performance (+4.4%) compared with the previous year, with the strongest gains reported in the UHT Milk and Cheese categories. This increase also benefits from a more abundant supply of raw milk, compared with 2014 when there was a significant scarcity of milk.

Despite an increase in the purchase costs of raw milk, EBITDA for the period improved compared with the previous year, thanks to higher sale, the product price increases introduced in 2014 and the optimization of distribution costs. In addition, the appreciation of the South African rand versus the euro helped reduce purchase costs for imported ingredients and packaging materials.

Zambia

In Zambia, the second largest market in the Africa sales region, volumes decreased compared with the previous year, but net revenue grew by 1.5%, with data stated in the local currency. The profitability of the local subsidiary improved compared with the previous year, despite major disruptions in the supply of energy and the condition of the country's economy, adversely affected by a drop in the price of copper.

Other Countries in Africa

With data at constant exchange rates, the overall net revenue and EBITDA reported in the other African countries (Swaziland, Mozambique and Botswana) increased, thanks mainly to a positive performance in Botswana, determined by strong sales of UHT Milk in a growing local Dairy market. The results in Mozambique were adversely affected by the country's economic crisis.

Australia

The rebalancing the Australian economy with a greater focus on internal demand, consumer spending in particular, is continuing concurrently with a reduction of investments in infrastructure in the mining sector, adversely affected by a slowing of exports of mineral resources to China.

Market and Products

The trend in the Pasteurized Milk market was relatively flat, as a decrease in demand for branded products was offset by the increase posted by private labels within this category. Private labels dominate the competitive context and are continuing to weaken brand-name companies. Despite a modest loss of value market share, Parmalat retained the market leader position.

The Flavored Milk market continued to a enjoy positive trend, growing both on a volume and value basis owing in part to strong promotional pressure by the main players in this category. Thanks to a strong performance by its *Oak* brand, Parmalat significantly narrowed the gap with the market leader, thus retaining its second-place competitive position.

While overall consumption was down sharply in the Yogurt market in 2015, the *Greek Yogurt* segment continued to enjoy he highly positive growth rates that characterized the previous year. Parmalat held steady its third-place market position despite a slight loss of value market share.

A highly negative trend, characterized by a sharp drop in consumption, continued in the Dessert market during the first nine months of 2015. Despite these challenging market conditions, the local subsidiary increased its value market share, strengthening its leadership position in this category thanks to a strong performance by its *Pauls* brand.

The table below shows the results for 2015 compared with the previous year; the data include the contribution of the new activities acquired in the second quarter of 2014 (Harvey Fresh) and the first quarter of 2015 (Longwarry):

	Cumulative at September 30			
(amounts in millions of euros)	**2015**	**2014**	**Variance**	**Varian.%**
Net Revenue	**734.7**	**673.6**	**61.1**	*+9.1%*
EBITDA	**33.4**	**26.9**	**6.5**	*+24.1%*
EBITDA %	*4.5*	*4.0*	*0.5 ppt*	

	Third Quarter			
(amounts in millions of euros)	**2015**	**2014**	**Variance**	**Varian.%**
Net Revenue	**230.2**	**247.3**	**-17.1**	*-6.9%*
EBITDA	**22.1**	**19.5**	**2.6**	*+13.4%*
EBITDA %	*9.6*	*7.9*	*1.7 ppt*	

The appreciation of the local currency compared with the exchange rate applied in the same period last year generated a positive effect on revenue and EBITDA of about 5.5 million euros and 0.3 million euros, respectively.

With data at constant exchange rates and comparable scope of consolidation, net revenue held relatively steady compared with the previous year, but volumes grew by 3.1%, thanks mainly to a positive performance in the Flavored Milk category and higher sales of UHT Milk.

The profitability of the local subsidiary improved compared with the first nine months of 2014, thanks to the lower costs paid for raw milk and the containment of overheads and distribution costs.

Financial Performance

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

The Group's liquid assets totaled 469.2 million euros, including 190.2 million euros held by Parmalat S.p.A. At September 30, 2015, the entire amount of this liquidity was invested in sight and short-term bank deposits with counterparties belonging to top banking groups. 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 totaled 6.2 million euros, including 3.3 million euros attributable to Parmalat S.p.A. A reduction in interest rates and lower liquid assets are the reasons for the decrease compared with the previous period. In the first nine months of 2015, Parmalat S.p.A. never used the cash pooling system established with B.S.A. Finances S.n.c.

Thus far, Parmalat S.p.A., the Group's Parent Company," carried out two drawdowns for a total of 180 million euros from the medium/long-term facility of 500 million euros obtained on April 28. These drawdowns were used in part to finance the acquisition of the Brazilian company Elebat Alimentos S.A., which closed on July 1, and to support the operations of the companies acquired in Latin America.

Change in Net Financial Position

The Group's net financial position decreased from 1,119.1 million euros at December 31, 2014 to 96.4 million euros at September 30, 2015, after a positive translation effect of 18.1 million euros and dividend payments of 30.5 million euros.

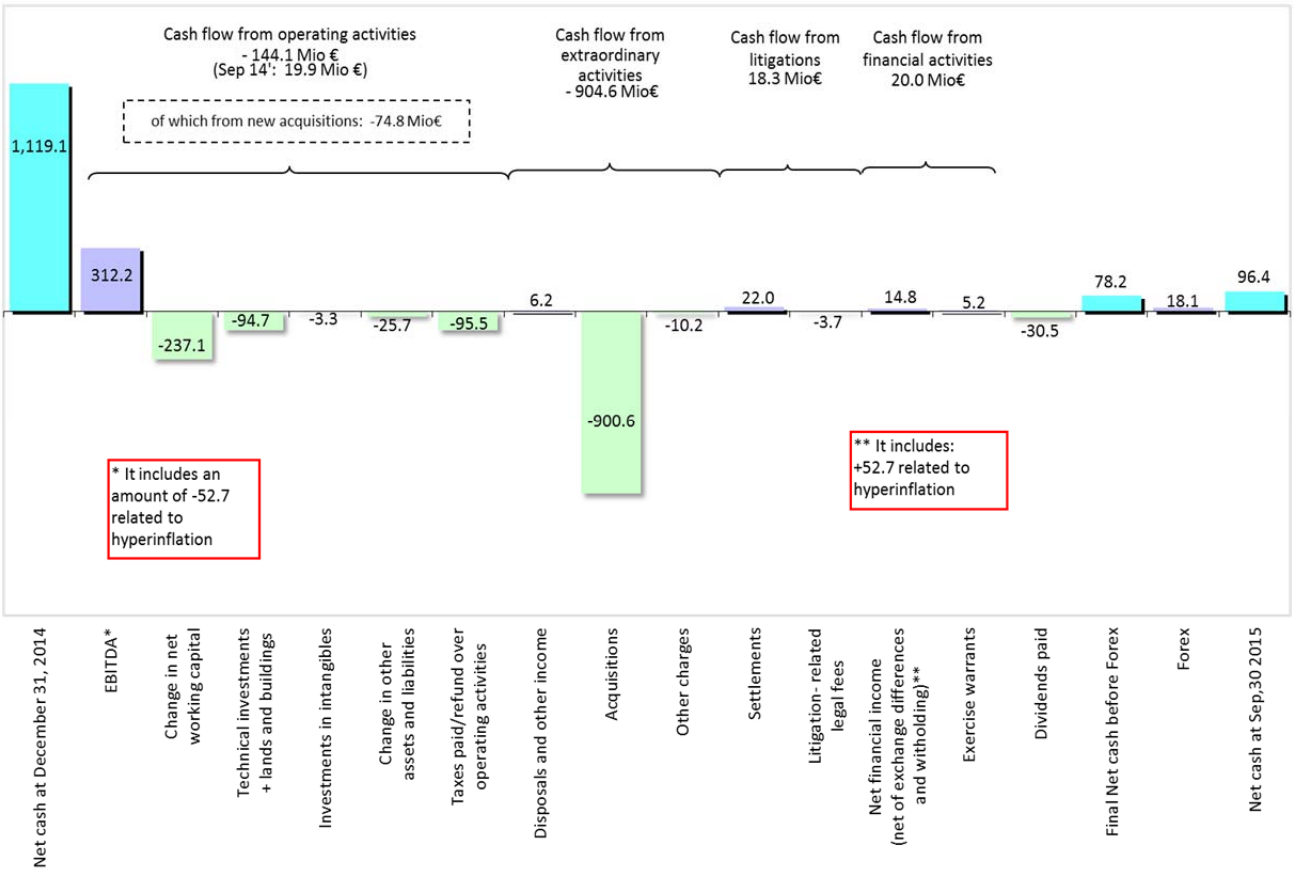
The operating activities absorbed cash totaling 144.1 million euros as against cash generation of 19.9 million euros in the same period in 2014.
When computed excluding the cash used by new acquisitions, amounting to about 74.8 million euros, which reflected the physiological investment in initial working capital required by the Brazilian and Mexican subsidiaries, and excluding the impact on EBITDA of the adoption on inflation accounting for Venezuela, which has an accounting rather than a financial effect and amounted to 52.7 million euros in 2015 (12.7 million euros in 2014), the cash flow from operating activities is negative by 16.6 million euros (on a comparable basis, positive by 32.6 million euros in 2014).
Considering the improvement in profitability, most of the difference of 49.2 million euros between the two periods is attributable to higher tax payments in Venezuela and Canada, for a total of about 54 million euros, and an increase of about 21 million euros in the amount absorbed by net working capital, caused mainly by higher inventories in Canada and South Africa, where investments in cheese inventories by local companies were particularly significant. In the case of the Canadian subsidiary, the effect of the working capital increase was magnified, in the first half of 2015, by cutbacks, compared with the past, in butter buying programs by local dairy authorities.

The cash absorbed by non-recurring activities, which amounted to 904.6 million euros, is mainly attributable to the acquisitions of Elebat, Nutrifont and Lácteos Brasil in Brazil, Longwarry in Australia, Latterie Friulane in Italy and Esmeralda in Mexico, Uruguay and Argentina.

The cash flow from litigations generated net proceeds of 18.3 million euros (including 22.0 million euros from dispute settlements).

The cash flow from financing activities amounted to 20.0 million euros, including 5.2 million euros generated by the exercise of warrants.

Consolidated Cash flow September 30, 2015



Acquisitions

Italy: Latterie Friulane
On December 30, 2014, with effect as of January 1, 2015, Parmalat purchased from Consorzio Cooperativo Latterie Friulane S.C.A. (Latterie Friulane) business operations encompassing the activities engaged in the production, marketing and distribution of milk and dairy products.
This transaction was completed with the transfer of a net capital of about 5.75 million euros and the assumption of bank debt of equal amount.

Brazil: LBR's Assets
On January 8, 2015, upon completion of the procedures required to fulfill certain contractually stipulated conditions precedent, title to some production units, complete with the respective trademarks, personnel and administrative offices, of Lácteos Brasil S.A. – Em Recuperação Judicial (LBR) was transferred to Lactalis do Brasil against payment of a price of 250 million reals. On the same date, the existing contract licensing the Parmalat trademark to LBR was cancelled. Please note that the Group had taken over management of these activities on November 1, 2014.

Australia: Longwarry
On January 30, 2015, having received the approval of FIRB (Foreign Investment Review Board), the Group closed the acquisition of Longwarry Food Park Pty Ltd upon payment of a purchase price of 70 million Australian dollars. This acquisition was funded entirely with internal resources.

With this transaction, the Group further strengthened its position in the Australian market, expanding its local production capacity, entered the powdered milk market and consolidated its supply base. In addition, it bolstered the export potential of Parmalat Australia.

Mexico: Acquisition of a Group of Companies
On April 30, 2015, the Group virtually finalized the acquisition of a group of companies that operate mainly in Mexico, originally announced on January 28, 2015, against payment of a purchase price of USD 105 million, a portion of which was deposited in an escrow account.

With this transaction, the Parmalat Group acquired businesses engaged in the production and distribution of cheese that occupy leadership positions in the Mexican market in the categories in which they operate.

Brazil: Elebat and Nutrifont
The acquisition of the dairy division of BRF S.A. (BRF), one of Brazil's top companies in the food sector, was completed on July 1, 2015, in implementation of an agreement executed on December 5, 2014. This transaction was carried out through the acquisition, by the subsidiary Lactalis do Brasil Ltda, of the entire share capital of Elebat Alimentos S.A. (Elebat), a company to which BRF conveyed all of its dairy business assets, comprised of 11 production facilities in Brazil and several brands, including *Batavo*, *Elegé*, *Cotochés*, *Santa Rosa* and *DoBon*. The price, stipulated by the parties in the amount of about USD 700 million, was paid in full on July 1, 2015 and will be subject to adjustments based on the level of Elebat's debt and working capital on the closing date. This acquisition was financed with internal resources and through the partial utilization of a medium/long-term financing facility obtained on April 28, 2015.

On July 2, 2015, through the payment to Carbery Luxembourg Sarl of the price of 45.0 million reais, Lactalis do Brasil Ltda acquired a 50% interest in Nutrifont Alimentos S.A., the remaining 50% being already held by the acquired company Elebat. With this acquisition, Parmalat's operations in Brazil now include 100% ownership of a company specialized in the production of nutritional ingredients with a high value added.

With regard to the abovementioned acquisitions, as was the case for those completed in previous years and mentioned in the corresponding reports and financial statements, the Group carefully monitors the respective contractual guarantees, to determine whether the indemnification procedures provided should be activated.

Economic Effect of the Acquisitions on the Consolidated Financial Statements at September 30, 2015

In order to allow a better understanding of the condensed consolidated financial statements at September 30, 2015, the schedule that follows shows the income statement of the acquired entities that are the source of discontinuity between the first nine months of 2015 and 2014, i.e., Harvey Fresh (acquired in April 2014), the business operations of Latterie Friulane (acquired in January 2015), the production units of LBR (acquired in January 2015, after taking over their management in November 2014), Longwarry (acquired at the end of January 2015), a group of companies operating mainly in Mexico (acquired at the end of April 2015) and Elebat and Nutrifont (acquired at the beginning of July 2015):

	Parmalat Group Cumulative at 9/30/*15*	Amount from Harvey Fresh[1] *(January-March 2015)*	Amount from the Latterie Friulane operations *(January-September 2015)*	Amount from LBR's production units *(January-September 2015)*	Amount from Longwarry *(February-September 2015)*	Amount from group of companies operating mainly in Mexico *(May-September2015)*	Amount from Elebat and Nutrifont *(July-September 2015)*	Acquired companies *Cumulative at 9/30/15*	Acquired companies *Third quarter 2015*
Revenue	**4,776.3**	**31.3**	**20.8**	**103.1**	**25.7**	**67.6**	**215.6**	**464.1**	**308.5**
Net revenue	4,744.5	31.2	20.8	103.1	25.6	67.3	215.6	463.6	308.4
Other revenue	31.8	0.1	0.0	0.0	0.1	0.3	0.0	0.5	0.1
OPERATING EXPENSES	**(4,457.7)**	**(29.8)**	**(20.8)**	**(107.9)**	**(29.7)**	**(64.1)**	**(210.5)**	**(462.8)**	**(299.7)**
Raw material purchases, outside services and miscellaneous costs	(3,826.0)	(25.8)	(16.7)	(103.2)	(27.7)	(50.1)	(188.0)	(411.5)	(269.9)
Personnel expense	(631.7)	(4.0)	(4.1)	(4.7)	(2.0)	(14.0)	(22.5)	(51.3)	(29.8)
Subtotal	**318.6**	**1.5**	**0.0**	**(4.8)**	**(4.0)**	**3.5**	**5.1**	**1.3**	**8.8**
Impairment losses on receivables and other accruals	(6.4)	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)
EBITDA	**312.2**	**1.5**	**0.0**	**(4.8)**	**(4.0)**	**3.5**	**5.0**	**1.2**	**8.7**
Depreciation, amortization and impairment losses on non-current assets	(115.2)							(13.0)	(5.6)
Miscellaneous income and expense	(2.8)							(2.5)	(2.4)
EBIT	**194.2**							**(14.3)**	**0.7**
Financial income/(expense), net	(20.3)							(9.2)	(6.4)
Other income from (expense for) equity investments	1.2							0.0	0.0
Profit before taxes	**175.1**							**(23.5)**	**(5.7)**
Income taxes	(67.0)							1.8	0.2
Profit for the period	**108.1**							**(21.7)**	**(5.5)**
(Profit)/Loss attributable to non-controlling interests	(1.3)							-	-
Profit/(Loss) attributable to owners of the parent	106.8							(21.7)	(5.5)

[1] Acquired in April 2014.

In the case of Harvey Fresh, acquired in April 2014, the source of discontinuity is the inclusion of this company's data for the first quarter of 2015, on a comparable scope of consolidation, for year-over-year comparison purposes.

The results of some recent acquisitions were also consolidated in the first nine months of 2015.
In two instances, LBR's production units in Brazil and Latterie Friulane in Italy, the Group is restructuring poorly performing businesses with the aim of helping them achieve profitability levels in line with its standards.
In other two cases, Longwarry in Australia and the Esmeralda Group in Mexico, characterized by a significant exposure to the price of powdered milk (Longwarry) and cheese (Esmeralda), the results for the first nine months of the year reflect the impact of lower milk prices. The data include inventory impairment losses of about 2.3 million euros resulting from the valuation at the lower of cost or market due to a reduction in list prices consistent with the decrease in raw material prices.

The consolidated data for the third quarter reflect a positive contribution by the Esmeralda Group and a modest improvement in profitability by LBR's operating units, still in the process of being reorganized. The third quarter also witnessed the integration of the Eleban and Nutrifont acquisitions, slightly behind schedule compared with the original plan (inclusion projected for the second quarter), with profitability slightly below expectations, due mainly to unfavorable business conditions in Brazil.

The Board of Directors and management instituted a series of controls to monitor the performance of the new acquisitions, those in Brazil in particular, with the aim of guaranteeing the utmost effectiveness of the program being implemented to restore the performance of the industrial operations.

LAG Acquisition

With regard to the LAG acquisition, insofar as it concerns the contractual warrantee provided by the seller regarding the accuracy of the information contained in the business plan, including forecast data, the Board of Directors, having secured the opinions of two experts retained for this purpose (Giorgio De Nova and Paolo Montalenti), is continuing to assess potential remedies that it may pursue to protect the Company's interest, consistent with the relevant procedures applicable to related party transactions, as necessary.

Human Resources

Group Staff

The table below provides a breakdown by geographic region of the employees of the Group at September 30, 2015 and a comparison with the data at December 31, 2014.

Total payroll by geographic region

Geographic region	September 30, 2015	December31, 2014	Δ	Notes	
Europe	3,372	3,262	3.4%	*staff of Latterie Friulane (Italy)*	133
North America	4,647	4,596	1.1%		
Latin America	14,554	3,799	283.1%	*staff of Esmeralda (Mexico, Uruguay, Argentina)*	4,363
				LBR (Brazil)	1,308
				and Elebat (Brazil)	5,512
Africa	3,158	2,665	18.5%		
Australia	2,183	2,150	1.5%	*staff of Longwarry Food Park*	50
Total	**27,914**	**16,472**	**69.5%**		

Elebat (Brazil), with a staff of 5,512 employees, was included in the Group's scope of consolidation as of July 1, 2015.

Compared with December 31, 2014, the staff increased in Africa, due to the stabilization of the production staff required by the new laws enacted in South Africa.

Capital Expenditures

Overview of the capital expenditures of the Parmalat Group at September 30, 2015

(in millions of euros)	**Cumulative at 9/30/15**		**Cumulative at 9/30/14**		**% change**
Geographic region	**Amount**	**% of the total**	**Amount**	**% of the total**	
Europe	20.4	21.6%	11.9	11.6%	71.8%
North America	40.9	43.2%	43.4	42.4%	-5.8%
Latin America	9.4	9.9%	18.1	17.7%	-48.0%
Africa	9.4	15.4%	12.7	12.4%	-26.2%
Australia	14.5	9.9%	16.2	15.8%	-10.3%
Group	**94.7**	**100.0%**	**102.3**	**100.0%**	**-7.5%**
Group *(constant scope of consolidation and exchange rate)*[1]	**84.7**		**102.3**		**-17.2%**

[1] *Excluding three months for Harvey Fresh, UPI LBR, Esmeralda, Longwarry, Elebat and Nutrifont.*

In the first nine months of 2015, the Group's capital expenditures totaled 94.7 million euros, or 7.5% less than the previous year. With data at constant scope of consolidation and exchange rates, capital expenditures show a decrease of 17.2% compared with the previous period.

Investment projects included numerous programs aimed at improving production processes, efficiency, quality and occupational safety and complying with new regulatory requirements.

The most significant investment projects included the following:

- installation of a cogenerating facility in Collecchio and a trigeneration system in Zevio (Italy);
- new bottle blower machine in Zevio (Italy);
- optimization of cheese production facilities in Bonnievale (South Africa);
- expansion and optimization of mozzarella production assets in Victoriaville (Canada);
- optimization of the process for the production of "Shred" cheese at the Nampa plant (USA);
- expansion and optimization of the production site in Lidcombe (Australia).

The capital expenditures described above do not include the cost of licensing and implementing information systems, which amounted to 3.3 million euros in 2015, mainly for projects carried out in Canada, Italy and Colombia.

Review of Operating and Financial Performance

In order to allow a better understanding of the developments that characterized the first nine months of the year, the data for 2015 are presented showing specific sources of discontinuity, including:

- the change in scope of consolidation caused by acquisitions;
- the change caused by hyperinflation in Venezuela;
- comparable data for the first nine months.

Parmalat Group

Net revenue increased to 4,744.5 million euros, up 774.7 million euros (+19.5%) compared with 3,969.8 million euros in the first nine months of 2014. With data at constant exchange rates and scope of consolidation and excluding the effects of hyperinflation in Venezuela, the gain in net revenue amounts to 275.0 million euros (+7.1%). The highly significant contribution provided by the Latin America and Africa sales regions accounts for most of this improvement.

EBITDA totaled 312.2 million euros, 13.2 million euros more (+4.4%) than the 299.1 million euros earned in the first nine months of 2014. With data at constant exchange rates and scope of consolidation and excluding the effects of hyperinflation in Venezuela, the EBITDA increase amounts to 66.2 million euros (+21.5%). This gain reflects the combined effect of a steady improvement in operating efficiency and the optimization of the sales promotion tool.

EBIT decreased to 194.2 million euros, or 19.1 million euros less than the 213.3 million euros reported at September 30, 2014. With data at constant scope of consolidation and excluding the effects of hyperinflation in Venezuela, the EBIT increase amounts to 38.7 million euros.
This gain is chiefly the result of improved results by the industrial operations, offset only in part by a lower contribution from nonrecurring transactions
Depreciation and amortization expense and impairment losses on non-current assets totaled 115.2 million euros (94.7 million euros in the first nine months of 2014). Recent acquisitions are the main reasons for this increase.

The **profit attributable to owners of the parent** amounted 106.8 million euros, down 36.3 million euros compared with 143.1 million euros in the first nine months of 2014. With data at constant scope of consolidation and excluding the effects of hyperinflation in Venezuela, this item shows an increase of 32.5 million euros.
This increase is attributable to improved results by the industrial operations, offset in part by decreases both in the contribution from nonrecurring transactions and in net financial income, the latter due to a reduction in net liquid assets and lower yields on invested liquidity.

Operating working capital amounted to 650.2 million euros, or 271.5 million euros more than the 378.7 million euros reported at December 31, 2014. This increase is chiefly the result of: the higher inventories held by the Canadian and South African subsidiaries, due both to an increase in raw milk volumes and to seasonal factors that characterize the business, particularly in Canada, involving an increase in cheese production earlier in the year, in anticipation of higher sales in later months; larger investments in cheese inventories in Canada and South Africa compared with the previous year; an increase in value terms of the inventories held by the Venezuelan subsidiaries due to inflation during the period; and the acquisitions completed during the reporting period.

Net invested capital totaled 3,043.2 million euros, up 920.2 million euros compared with 2,123.0 million euros at December 31, 2014. This gain primarily reflect the combined effect of the acquisitions completed during the reporting period and the increase in operating working capital, offset only in part by the negative currency translation differences due to the appreciation of the euro versus the currencies of the main countries where the Group operates.

The **net financial position** amounted to 96.4 million euros, down 1,022.7 million euros, compared with 1,119.1 million euros at December 31, 2014. The main reasons for this decrease include: the cash absorbed by non-recurring transactions, for 904.6 million euros, mainly concerning the acquisitions of Elebat and Nutrifont in Brazil, some production units of Lácteos Brasil S.A., Longwarry Food Park Pty Ltd in Australia, a group of companies operating mainly in Mexico and the business operations of Consorzio Cooperativo Latterie Friulane S.C.A.; the cash absorbed by operating activities, for 144.1 million euros, including 74.8 million euros attributable to the new acquisitions; and dividend payments, for 30.5 million euros.

This decrease was offset in part by the cash generated by financing activities, amounting to 20 million euros, the net proceeds from litigation settlements totaling 18.3 million euros and a positive currency translation effect of 18.1 million euros.

The **equity attributable to owners of the parent** decreased to 3,118.5 million euros, or 101.3 million euros less than the 3,219.8 million euros reported at December 31, 2014, due mainly to the effect of translating into euros the financial statements of companies operating outside the Eurozone, for 193.7 million euros, and the dividends declared by the Shareholders Meeting on April 16, 2015 in the amount of 29.3 million euros.
This decrease was offset in part by profit attributable to owners of the parent, amounting to 106.8 million euros, and the exercise of warrants during the reporting period for 5.2 million euros.

Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)	Cumulative at 9/30/15 (A)	Δ Scope of consolid. (Sept. 2015 vs Sept. 2014) (B)	Δ Hyperinflation (Sept. 2015 vs Sept. 2014) (C)	Cumulative at 9/30/15 pro-forma at current exchange rates (D=A-B-C)	Cumulative at 9/30/14
REVENUE	**4,776.3**	***464.1***	***61.9***	***4,250.3***	**3,994.9**
Net revenue	4,744.5	*463.6*	*61.3*	*4,219.6*	3,969.8
Other revenue	31.8	*0.5*	*0.6*	*30.7*	25.1
OPERATING EXPENSES	**(4,457.7)**	***(462.8)***	***(101.8)***	***(3,893.1)***	**(3,691.0)**
Purchases, services and miscellaneous costs	(3,826.0)	*(411.5)*	*(92.1)*	*(3,322.4)*	(3,158.7)
Personnel expense	(631.7)	*(51.3)*	*(9.7)*	*(570.7)*	(532.3)
Subtotal	**318.6**	***1.3***	***(39.9)***	***357.2***	**303.9**
Impairment losses on receivables and other accruals	(6.4)	*(0.1)*	*(0.0)*	*(6.3)*	(4.8)
EBITDA	**312.2**	***1.2***	***(39.9)***	***350.9***	**299.1**
Depreciation, amortization and impairment losses on non-current assets	(115.2)	*(13.0)*	*(2.7)*	*(99.5)*	(94.7)
Other income and expense:					
- Litigation-related legal expenses	(2.5)	*0.0*	*0.0*	*(2.5)*	(2.6)
- Miscellaneous income and expenses	(0.3)	*(2.5)*	*(0.9)*	*3.1*	11.5
EBIT	**194.2**	***(14.3)***	***(43.5)***	***252.0***	**213.3**
Net financial income/(expense)	(20.3)	*(9.2)*	*(3.4)*	*(7.7)*	1.8
Other income from (Charges for) equity investments	1.2	*0.0*	*0.0*	*1.2*	0.2
PROFIT BEFORE TAXES	**175.1**	***(23.5)***	***(46.9)***	***245.5***	**215.3**
Income taxes	(67.0)	*1.8*	*(0.7)*	*(68.1)*	(70.9)
PROFIT FOR THE PERIOD	**108.1**	***(21.7)***	***(47.6)***	***177.4***	**144.4**
Attributable to:					
Non-controlling interests	(1.3)	0.0	0.5	(1.8)	(1.3)
Owners of the parent	106.8	(21.7)	(47.1)	175.6	143.1

Continuing operations:

Basic earnings per share (in euros)	0.0582				0.0783
Diluted earnings per share (in euros)	0.0577				0.0774

Note: See the Glossary provided at the end of the Interim Report on Operations for the definitions of income statement components.

Parmalat Group

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euros)	**9/30/15**	**12/31/14**
NON-CURRENT ASSETS	**2,840.7**	**2,234.0**
Intangible assets	1,412.5	1,104.7
Property, plant and equipment	1,272.5	996.5
Non-current financial assets	62.2	59.9
Deferred tax assets	93.5	72.9
ASSETS HELD FOR SALE, NET OF CORRESPONDING LIABILITIES	**11.5**	**12.5**
NET WORKING CAPITAL	**670.9**	**336.3**
Inventories	740.6	534.2
Trade receivables	582.8	487.0
Trade payables (-)	(673.2)	(642.5)
Operating working capital	**650.2**	**378.7**
Other assets	218.7	135.6
Other liabilities (-)	(198.0)	(178.0)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**3,523.1**	**2,582.8**
EMPLOYEE BENEFITS (-)	**(116.7)**	**(110.4)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(352.8)**	**(338.9)**
PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(10.4)**	**(10.5)**
NET INVESTED CAPITAL	**3,043.2**	**2,123.0**
Covered by:		
EQUITY	**3,139.6**	**3,242.1**
Share capital	1,836.7	1,831.1
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	52.9	53.2
Other reserves and retained earnings	1,122.1	1,132.4
Profit for the period	106.8	203.1
Non-controlling interests	21.1	22.3
NET FINANCIAL POSITION	**(96.4)**	**(1,119.1)**
Loans payable to banks and other lenders	372.8	132.4
Loan liabilities with investee companies	0.0	0.2
Other financial assets (-)	(96.5)	(94.4)
Cash and cash equivalents(-)	(372.7)	(1,157.3)
TOTAL COVERAGE SOURCES	**3,043.2**	**2,123.0**

Note: See the Glossary provided at the end of the Interim Report on Operations for the definitions of the components of the statement of financial position.

Parmalat S.p.A.

Effective as of January 1, 2015, Parmalat S.p.A. purchased from Consorzio Cooperativo Latterie Friulane some business operations engaged in the production, marketing and distribution of milk and dairy products (pasteurized and UHT milk, yogurt, Montasio cheese, mozzarella and ricotta, together with the corresponding trademarks, facilities and staff). The financial statements at September 30, 2015 reflect the effects of this acquisition.

Net revenue totaled 643.3 million euros, compared with 643.2 million euros in the first nine months of 2014. The revenue generated by the “Latterie Friulane” business operations amounted to 20.8 million euros. Despite the persisting crisis in some of the main markets in which Company operates, sales volumes increased, due in part to the growing pressure of sales promotions (made possible by a reduction in the cost of raw materials) in the UHT milk and fruit juice segments. The increased promotional pressure and the resulting contraction in selling prices explains the revenue decline shown with data at constant scope of consolidation (-3.2%). Positive results were achieved in the UHT cream segment, with sales gains driven by advertising programs that produced an increase in market share, and in the UHT and Microfiltered Milk segments thanks to Zymil’s outstanding performance.

EBITDA amounted to 51.2 million euros, compared with 47.7 million euros in the same period last year. The gain of 3.5 million euros (0.0 million euros for the “Latterie Friulane” business operations) is chiefly the result of the optimization of operating expenses.

EBIT totaled 36.2 million euros (-0.7 million euros for the “Latterie Friulane” business operations), for an increase of 1.8 million euros compared with 34.4 million euros at September 30, 2014. This increase primarily reflects the gain in EBITDA for the period, offset in part by a reduction in Other income and expense.

The **profit for the period** decreased to 41 million euros, or 14.1 million euros less than the 55.1 million euros earned in the first nine months of 2014. This decrease reflects for the most part the combined effect of a reduction in net financial income (down from 16.4 million euros to 9 million euros, due to a decrease in both liquid assets and interest rates) and a contraction in dividends and other income from investee companies (11.3 million euros compared with 23.3 million euros in the first nine months of 2014).

Net invested capital amounted to 2,992.0 million euros, for a gain of 754.1 million euros compared with 2,237.9 million euros at December 31, 2014. The financial support provided to foreign subsidiaries to complete certain acquisitions in Latin America (Esmeralda transaction and BRF’s dairy division) accounts for most of this increase.

The **net financial position** decreased from 758.8 million euros at December 31, 2014 to 25.2 million euros at September 30, 2015, for a reduction of 733.6 million euros. This decrease, attributable for the most part to the abovementioned additions to equity investment, also reflects a partial drawdown (about 180 million euros) from the facility obtained in the second quarter of 2015, as explained in a press release dated April 28, 2015.
Cash and cash equivalents is invested in short-term instruments with counterparties belonging to top banking groups.

The Company's **equity** increased to 3,017.2 million euros compared with 2,996.7 million euros at December 31, 2014. The increase of 20.5 million euros is the net result of the profit for the period, the exercise of warrants during the first nine months of the year and the distribution of the 2014 dividend to shareholders.

Parmalat S.p.A.

RECLASSIFIED INCOME STATEMENT

(in millions of euros)	**Cumulative at September 30, 2015**	*amount for Latterie Friulane*	**Cumulative at September 30, 2014**
REVENUE	**668.0**	***20.8***	**671.3**
Net sales revenue	643.3	*20.8*	643.2
Other revenue	24.7	*0.0*	28.1
OPERATING EXPENSES	**(614.0)**	***(20.8)***	**(620.8)**
Purchases, services and miscellaneous costs	(523.4)	*(16.7)*	(535.8)
Personnel expense	(90.6)	*(4.1)*	(85.0)
Subtotal	**54.0**	***0.0***	**50.5**
Impairment losses on receivables and other accruals	(2.8)	*0.0*	(2.8)
EBITDA	**51.2**	***0.0***	**47.7**
Depreciation, amortization and impairment losses on non-current assets	(21.2)	*(0.7)*	(22.5)
Other income and expense:			
- Litigation-related legal expenses	(2.5)	*0.0*	(2.6)
- Miscellaneous income and expense	8.7	*0.0*	11.8
EBIT	**36.2**	***(0.7)***	**34.4**
Net financial income/(expense)	9.0	*0.0*	16.4
Other income from (Charges for) equity investments	11.3		23.3
PROFIT BEFORE TAXES	**56.5**	**(0.7)**	**74.1**
Income taxes	(15.5)	0.2	(19.0)
PROFIT FOR THE PERIOD	**41.0**	**(0.5)**	**55.1**

Parmalat S.p.A.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(in millions of euros)	**9/30/15**	**12/31/14**
NON-CURRENT ASSETS	**3,220.5**	**2,452.2**
Intangible assets	356.0	357.0
Property, plant and equipment	157.4	143.4
Non-current financial assets	2,675.8	1,920.2
Deferred tax assets	31.3	31.6
ASSETS HELD FOR SALE, NET OF CORRESPONDING LIABILITIES	**0.0**	**0.0**
NET WORKING CAPITAL	**(11.6)**	**(12.4)**
Inventories	45.5	42.9
Trade receivables	127.2	123.3
Trade payables (-)	(187.0)	(180.9)
Operating working capital	**(14.3)**	**(14.7)**
Other assets	50.6	47.8
Other liabilities (-)	(47.9)	(45.5)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**3,208.9**	**2,439.8**
EMPLOYEE BENEFITS (-)	**(26.8)**	**(26.1)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(180.1)**	**(165.7)**
PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(10.0)**	**(10.1)**
NET INVESTED CAPITAL	**2,992.0**	**2,237.9**
Covered by:		
SHAREHOLDERS' EQUITY	**3,017.2**	**2,996.7**
Share capital	1,836.7	1,831.1
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	52.9	53.2
Other reserves and retained earnings	1,086.6	1,051.4
Profit for the period	41.0	61.0
NET FINANCIAL POSITION	**(25.2)**	**(758.8)**
Loans payable to banks and other lenders	178.1	0.0
Loan liabilities with investee companies	(13.1)	(10.4)
Other financial assets (-)	(72.1)	(70.7)
Cash and cash equivalents(-)	(118.1)	(677.7)
TOTAL COVERAGE SOURCES	**2,992.0**	**2,237.9**

Key Events in the Third Quarter of 2015

Closing of Acquisition in Brazil

On July 1, 2015, The acquisition of the dairy division of BRF S.A. (BRF), one of Brazil's top companies in the food sector, was completed on July 1, 2015, in implementation of an agreement executed on December 5, 2014. The transaction was carried out through the acquisition, by the subsidiary Lactalis do Brasil Ltda, of the entire share capital of Elebat Alimentos S.A. (Elebat), a company to which BRF conveyed all of its dairy business assets, comprised of 11 production facilities in Brazil and several brands, including Batavo, Elegé, Cotochés, Santa Rosa and DoBon. The pro forma revenue of BRF's dairy division totaled about 2.7 billion reais (about 865 million euros) in 2014 (2.6 billion reais in 2013). The price, stipulated by the parties in the amount of about USD 700 million, was paid in full on July 1, 2015 and will be subject to adjustments based on the level of Elebat's debt and working capital on the closing date. This acquisition was financed with internal resources and through the partial utilization of a medium/long-term financing facility obtained on April 28, 2015.

On July 2, 2015, through the payment to Carbery Luxembourg Sarl of the price of 45.0 million reais, Lactalis do Brasil Ltda acquired a 50% interest in Nutrifont Alimentos S.A., the remaining 50% being already held by the acquired company Elebat. With this acquisition, Parmalat's operations in Brazil now include 100-% ownership of a company specialized in the production of nutritional ingredients with a high value added.

Settlement reached with Standard & Poor's

On July 30, 2015, Parmalat S.p.A., Parmalat Finanziaria S.p.A. in extraordinary administration and Parmalat S.p.A. in extraordinary administration, party of the first part, and The McGraw-Hill Companies (Standard & Poor's Credit Market Services) S.r.l., McGraw-Hill (France) S.a.s. and Standard & Poor's Credit Market Services France S.a.s., party of the second part, permanently settled the action for damages pending before the Milan Court of Appeals, filed in 2005 by Enrico Bondi, Extraordinary Commissioner, seeking damages of more than 4 billion euros in connection with the rating assigned by Standard & Poor's to the old Parmalat Group before it became insolvent. Pursuant to this settlement, Standard & Poor's paid to Parmalat the amount of 14.5 million euros in exchange for Parmalat desisting from the pursuit of the pending litigation and waiving any and all further damage claims.

Termination of Fondazione Creditori Parmalat

On September 24, 2015, Fondazione Creditori Parmalat was placed in voluntary liquidation due to the expiration of the ten-year statutory deadline and there being no further activities that the Foundation was required to perform, as Parmalat's creditors whose unsecured claims were officially verified could contact directly Parmalat S.p.A., instead of the Foundation, to exercise their recognized rights, in accordance with the stipulations of the composition with creditors.
The liquidator (Enrico Bondi) has already transferred to Parmalat S.p.A. the remaining assets, amounting to 1,109,084 euros on September 28, 2015.
There are no further assets or liabilities that may have to be transferred as part of the liquidation process, except for some residual liability positions.

Events Occurring After September 2015

Settlement Reached with JP Morgan

On October 29, 2015, Parmalat S.p.A. (Parmalat) ended by way of a settlement all judicial proceedings pending against some companies of the JPMorgan Chase & Co. Group, including JP Morgan Chase Bank (collectively "JP Morgan"), and originating from the failure of the old Parmalat Group in December 2003.
JP Morgan will pay to Parmalat, this action not constituting an admission of responsibility, the total amount of 42.9 million euros, in full and final satisfaction of all claims lodged against it.

Settlement Reached by Parmalat and Grant Thornton

On October 30, 2015, Parmalat S.p.A. and the Extraordinary Commissioner of the old Parmalat Group (collectively Parmalat), on the one hand, and Grant Thornton International Inc., Grant Thornton International Ltd. and Grant

Thornton LLP, on the other hand, reached an agreement by which they ended the lawsuit filed by Parmalat and currently pending before the Illinois Appellate Court, First District, and settled any and all claims or disputes connected with or related to the lawsuit.

The subject of this dispute, activated in 2004 by the Extraordinary Commissioner, was the auditing activity performed by an Italian company then called Grant Thornton S.p.A., member of the Grant Thornton International Inc. network, during the period preceding the discovery of the insolvency of the old Parmalat Group. Originally, the lawsuit was filed against Deloitte Touche Tohmatsu and some of its affiliate, but this dispute was ended in 2007 by means of a settlement. The damages claimed originally amounted to about 10 billion dollars.

First the U.S. District Court for the Southern District of New York and later the U.S. District Court for the Northern District of Illinois dismissed the lawsuit. Further to the outcome of appellate proceedings concerning jurisdictional issues, the proceedings were transferred to the Cook County Circuit Court, Illinois, which in March 2015 dismissed Parmalat's claims. The Extraordinary Commissioner appealed the dismissal decision.

The agreement calls for the payment of 4.4 million dollars by Grant Thornton International Inc. to Parmalat and the mutual acknowledgment that neither the agreement not the payment could be deemed to constitute an admission of responsibility. The agreement also provides Grant Thornton International Inc., Grant Thornton International Ltd. and Grant Thornton LLP with a full and total release. Lastly, under the agreement, no further claim or demand of any nature, in any way related to the abovementioned activity or the lawsuit, may be lodged against Grant Thornton International Inc., Grant Thornton International Ltd. or Grant Thornton LLP.

Principles for the Preparation of the Interim Report on Operations at September 30, 2015

The Interim Report on Operations at September 30, 2015 of the Parmalat Group were 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/CE (so-called *Transparency Directive*) on regular financial reporting.

This Interim Report on Operations at September 30, 2015 was prepared in accordance with the same consolidation principles and valuation criteria applied to prepare the financial statements at December 31, 2014, which should be read for additional information, and with new IFRS pronouncements in effect as of January 1, 2015, which are reviewed below.

The following recently published accounting principles, amendments and interpretations went into effect on January 1, 2015, as adopted by the European Commission:

Amendments to IAS 19 – Defined-Benefit Plans: Employee Contributions (applicable to accounting periods beginning on or after July 1, 2014). These amendments simplify the accounting treatment of contributions to defined-benefit plans by employees or third parties in specific cases. These amendments are effective retroactively for annual periods beginning on or after July 1, 2014. As of the date of this Interim Report on Operations, the adoption of these amendments had no impact on the Group.

Amendments to IFRSs – Annual Improvements to IFRSs 2010-2012 Cycle and IFRSs 2011-2013 Cycle (applicable to accounting periods beginning on or after July 1, 2014). The main issues addressed by these amendments include: the definition of vesting conditions in *IFRS 2 – Share Based Payments,* the disclosure about the estimates and judgment decisions used to aggregate operating segments in *IFRS 8 – Operating Segments,* the identification and disclosure of the related-party transaction that arises when a service company provides the service of managing executives with strategic responsibilities to the company that prepares the financial statements in *IAS 24 – Related-Party Disclosures,* the exclusion from the implementation of *IFRS 3 – Business Combinations* of all types of joint arrangements, and some clarifications regarding exceptions to the adoption of *IFRS 13 – Fair Value Measurement.* As of the date of this Interim Report on Operations, the adoption of these amendments had no impact on the Group.

When preparing the Interim Report on Operations, Directors apply accounting principles and methods that, in some cases, are based on complex and subjective valuations and estimates that are based on historical data and assumptions that, in each individual case, are deemed to be reasonable and realistic in light of the relevant circumstances. The use of these estimates and assumptions has an impact on the amounts reported in the financial statement schedules and in additional disclosures. The amounts shown for those components of the financial statements for which the abovementioned estimates and assumptions were used could differ from the amounts actually realized, due to the uncertainty that characterizes all assumptions and the conditions upon which the estimates were based. Estimates and assumptions are revised on a regular basis and the impact of any resulting change is recognized in the period when a revision of estimates occurred, if the revision affects only the current period, and is also applied to future periods, when the revision has an impact both on the current period and on future periods. The financial statement items that require the most use of subjective judgment by Directors in developing estimates and with respect to which a change in the underlying assumptions used could have a material impact on the Interim Report on Operations are those concerning goodwill, trademarks with an indefinite useful life, depreciation and amortization of non-current assets, current and deferred taxes, the allowance for doubtful accounts, the provisions for risks and charges (specifically with regard to pending litigation), the provisions for employee benefits, the reserves for creditor challenges and claims of late-filing creditors and business combinations. Information about the main assumptions and the sources used to develop estimates is provided in the relevant notes to the consolidated financial statements at December 31, 2014.

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 tax rate projected for the entire year.

Sales of some Group products are more seasonal than 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 the impact of seasonal factors.

This Interim Report on Operations at September 30, 2015 was not audited.

The publication of this Interim Report on Operations was authorized by the Board of Directors on November 10, 2015.

Scope of Consolidation

The main changes to the scope of consolidation that occurred in the first nine months of 2015 compared with December 31, 2014 are the result of the following acquisitions:

- Acquisition from a third party of business operations engaged in the production, marketing and distribution of dairy products from Consorzio Cooperativo Latterie Friulane S.C.A.
These business operation were consolidated as of January 1, 2015, which is the date when the Group effectively obtained control of them.

- Acquisition from a third party of some production units, including trademarks, staff and administrative offices, of Lácteos Brasil S.A. – Em Recuperação Judicial, a Brazilian company in composition with creditors proceedings pursuant to Brazilian law.
In order to assist in the resumption of business activities, the Group took over management of these production units from November 1, 2014 until January 8, 2015, which is the date when the acquisition closed, upon completion of certain procedures subject of contractually stipulated conditions precedent.

- Acquisition from a third party of Longwarry Food Park Pty Ltd ("Longwarry"), an Australian company based in the State of Victoria specialized in the production of milk (powdered, fresh and UHT) and spreadable cheese.
This company was consolidated as of January 30, 2015, which is the date when the Group effectively obtained control of this company.

- Acquisition from a third party of a group of companies operating mainly in Mexico specialized in the production and distribution of cheese.
This group of companies was consolidated as of April 30, 2015, which is the date when the Group effectively obtained control of the companies.

- Acquisition from a third party of the dairy division of BRF S.A. ("BRF"), one of Brazil's top companies in the food sector. This transaction was carried out through the acquisition, by the subsidiary Lactalis do Brasil Ltda, of the entire share capital of Elebat Alimentos S.A. (Elebat), a company to which BRF conveyed all of its dairy business assets, comprised of 11 production facilities in Brazil and several brands, including *Batavo*, *Elegé*, *Cotochés*, *Santa Rosa* and *DoBon*.
This company was consolidated as of July 1, 2015, which is the date when the Group effectively obtained control of this company.

- Acquisition from a third party of 50% of *Nutrifont Alimentos S.A.*, a Brazilian company specialized in the production of nutritional ingredients with a high value added. The remaining 50% was already held by the acquired company Elebat.
This company was consolidated as of July 2, 2015, which is the date when the Group effectively obtained control of this company.

With regard to these acquisitions, the Group will proceed with the determination of the fair value of the acquired assets and assumed liabilities and of the contingent liabilities within the deadline required by IFRS 3.
The difference between the price paid and the fair value of the net acquired assets was recognized on a preliminary basis as goodwill.

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. 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 revenue and expense were originally recognized in the financial statements.
Until December 31, 2014, the restatement of the financial statement amounts not stated in terms of the current unit of measure was carried out using the national consumer price index (INPC) published by the Venezuelan Central Bank ("VCB"). Starting on January 1, 2015, the VCB stopped publishing this index. As a result, the available information is characterized by the presence of a significant plurality and variability of estimates as to the country's inflation index developed by different market operators. Consequently, as of the closing date of this Interim Report on Operations, the Venezuelan subsidiaries estimated the country's inflation index using as a reference highly reputable international studies that used the same basket of goods as the one used in previous years by the VCB to compute the INPC. At the end of the reporting period, the inflation index was 1,518.4 (725.4 at September 2014) with a change of 109.3% compared with the same period the previous year; the change in the index compared with December 31, 2014 was 82.5% (45.6% the change in the first nine months of 2014). The negative effect of hyperinflation of EBITDA and EBIT compared with September 2014, was 39.9 million euros and 47.6 million euros, respectively.

On February 10, 2015, the Venezuelan authorities announced the following changes to the foreign exchange system:

- the official exchange rate of 6.30 VEF/USD is maintained and will continue to be available for basic necessities, including dairy products;

- the two existing *SICAD* and *SICAD II* auction systems were combined into a single *SICAD* system still based on auctions held by the central bank. After the first SICAD auction held in June, a second SICAD auction, reserved for the agricultural sector, was held in August. The press release published at the end of the auction set an exchange rate of 13.5 VEF/USD, in effect as of September 1;

- a *Sistema Marginal de Divisas* (also called *SIMADI*) was introduced, in which individuals and companies can exchange foreign currency through about 3,800 locations that act as intermediaries between buyers and seller of foreign currency. *SIMADI* became operational on February 12, 2015, with an exchange rate of 170 VEF/USD. At September 30, 2015, this exchange rate was 199.4 VEF/USD.

As of the date of this Interim Report on Operations, based on estimates by the Venezuelan Central Bank, 94.0% of the foreign currency transactions were being executed through the two “managed systems” (official rate and SICAD rate) with the remaining 6.0% executed through *SIMADI*.
The Venezuelan subsidiaries, while continuing to have access to foreign currency at the official rate, during the first half of 2015, also purchased about 172,000 dollars through the SIMADI auctions. The exchange rate paid in this case, while less favorable, made it possible to obtain more quickly the foreign currency needed to settle certain transactions with commercial counterparties.

Despite this situation of uncertainty, it was deemed appropriate to translate the statement of financial position and income statement balances of the Venezuelan subsidiaries at the SICAD rate, because, thus far, it is still thought to be representative of operating conditions during the reporting period.
At September 30, 2015, this rate was the exchange rate applicable to future dividend payments and repatriation of capital.

A change in the exchange rate from the SICAD (13.5 VEF/USD) to SIMADI (199.4 VEF/USD) would have caused, at September 30, the contribution of the Venezuelan subsidiaries to the consolidated shareholders’ equity and to net financial assets to decrease by 227 million euros and 39 million euros, respectively, while the negative impact on net revenue and EBITDA would have amounted to 599 million euros and 31 million euros, respectively.

It is possible that significant changes in exchange rates and in the exchange rate system, and other related developments affecting Venezuela, could have an additional impact on the future activities of the subsidiaries, with an impact also on Parmalat’s consolidated financial statements.

Business Outlook

In the first nine months of 2015, the global economy was characterized by modest growth, with a steady weakening of the emerging economies, producers of raw materials, mainly due to a slowing of the Chinese economy.

In an international context marked by a negative trend for commodity prices, there was evidence of a decreases in the cost of raw milk, accompanied by an excess of supply in some of the areas where the Group operates.

The recently acquired business activities in Latin America and Australia are feeling the impact of challenging conditions in the markets in which they operate and are affected by the complex reorganization processes required to bring them in line with Group standards.

In this challenging context, the Group confirms its overall growth estimates, with a positive performance by its businesses at constant scope of consolidation, and a slight lag in the performance of the new acquisitions compared with the original plans.

2015 Guidance

For 2015, the Parmalat Group confirms growth estimates of more than 10% for net revenue and more than 6% for EBITDA.

These growth rates, which are based on data at constant exchange rates and excluding the effect of hyperinflation, reflect the contribution of the new acquisitions.

Disclaimer
This document contains forward looking statements, particularly in the section entitled "Business Outlook." Projections for the fourth quarter of 2015 are based, inter alia, on the Group's performance in the third quarter of 2015 and take into account 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

Glossary

"EBIT"	EBIT is obtained by subtracting from EBITDA non-monetary charges related to depreciation and amortization and impairment (net of any reversals) of non-current assets and adding the net effect of "Other income and expense," i.e., income and expense items that originate from transactions that do not recur frequently in the normal course of business, such as, for example, proceeds from actions to void and actions for damages, litigation-related legal expenses and any other non-recurring income and expense.
"EBITDA"	EBITDA represents the difference between consolidated net revenue and operating expenses before non-monetary charges related to depreciation and amortization and impairment (net of any reversals) of non-current assets.
"Intangible assets"	This item includes assets listed in the Consolidated Statement of Financial Position under goodwill, trademarks with an indefinite useful life and other intangible assets.
"Net financial position"	This item consists of the gross financial debt less "Cash and cash equivalents" and "Other current financial assets."
"Non-current financial assets"	This item includes equity investments and other non-current financial assets.
"Other assets"	This item includes other current assets.
"Other liabilities"	This item includes other current liabilities and income taxes payable.
"Provisions for risks and charges"	This item also includes Deferred tax liabilities.

Parmalat S.p.A.

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

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parmalat

GROUPE
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