



## PRESS RELEASE

### THE BOARD OF DIRECTORS APPROVES THE 2016 DRAFT FINANCIAL STATEMENTS

- POSITIVE RESULTS IN TERMS OF GROWTH: **IMPROVEMENT OF ALL MAIN ECONOMIC-FINANCIAL BUSINESS INDICATORS**

- **AT CONSTANT EXCHANGE RATES AND SCOPE OF CONSOLIDATION AND EXCLUDING VENEZUELA**, GIVEN THAT COUNTRY'S CRITICAL SITUATION, NET REVENUE GREW BY 2.5% AND EBITDA INCREASED BY 6.6%, BUT PROFIT FOR THE YEAR CONTRACTED (-15.5%) DUE TO WRITEDOWNS OF INTANGIBLE ASSETS IN BRAZIL REQUIRED BY THE IMPAIRMENT TEST

- **AT CURRENT EXCHANGE RATES AND SCOPE OF CONSOLIDATION AND INCLUDING VENEZUELA**, NET REVENUE GREW BY 1.1%; EBITDA INCREASED BY 3.2% (SHARP GAINS IN THE NORTH AMERICA AND AFRICA AREAS); THE PROFIT FOR THE YEAR DECREASED (-45.6%)

- MOTION TO DISTRIBUTE 27.7 MILLION EUROS IN DIVIDENDS (**0.015 EUROS PER SHARE**)

- **ORDINARY SHAREHOLDERS' MEETING CONVENED FOR APRIL 28**

- **2017 GUIDANCE:** GROWTH OF ABOUT 4% FOR NET REVENUE AND EBITDA AT CONSTANT EXCHANGE RATES AND EXCLUDING THE VENEZUELA SUBSIDIARY

#### Consolidated Financial Highlights of the Group and Parmalat S.p.A.

<b>PARMALAT GROUP</b>				
(amounts in millions of euros)	2016	2015 <sup>1</sup>	Change at current exchange rates and scope of consolidation (includ. hyperinflation)	Change at constant exchange rates and scope of consolidation (exclud. hyperinflation)
<b>Net revenue</b>	6,489.4	6,416.1	+1.1%	+2.5%
<b>EBITDA</b>	458.5	444.5	+3.2%	+6.6%
<b>Profit for the year</b>	79.4	146.1	-45.6%	-15.5%
<b>Net financial assets</b>	334.4	310.8		

<b>PARMALAT SPA</b>			
(amounts in millions of euros)	2016	2015	Change
<b>Profit for the year</b>	56.9	65.3	-12.8%
<b>Regular coupon per share</b>	0.015	0.017	

<sup>1</sup> As required by IFRS 3, having completed the purchase price allocation in 2016, the income statement and statement of financial position balances at December 31, 2015 were restated to take into account, at the date of acquisition, the definitive fair value of the acquired assets and assumed liabilities.



Milan, March 3, 2017 – The Company's Board of Directors, meeting today under the Chairmanship of Gabriella Chersicla, approved the draft financial statements at December 31, 2016, the highlights of which are reviewed below, and resolved to convene an Ordinary Shareholders' Meeting.

## Parmalat Group

In 2016, the global economy was characterized by modest growth and an uneven trend. On the currency front, most of the year was characterized by the uncertainty dictated by the potential outcome of the U.S. presidential election and the modalities of the expected rise in U.S. interest rates.

During most of the year, a global surplus in the supply of raw milk held down milk prices, albeit with significant regional differences and with indications of a trend reversal in some areas, beginning at the end of the third quarter.

Among the main countries in which the Group operates, Brazil, while continuing to be in a recession, began to show positive signs. In Venezuela, the situation remains highly critical due to the state of uncertainty, both at the economic and political level, and the high consumer price inflation.

More specifically, **net revenue** increased to 6,489.4 million euros, up 73.3 million euros (+1.1%) compared with 6,416.1 million euros in 2015. With data at constant exchange rates and comparable scope of consolidation<sup>2</sup> and excluding the Venezuelan subsidiary, the gain in net revenue amounts to 128.8 million euros (+2.5%), with a positive contribution from all of the regions in which the Group operates, except for Europe, where net revenue were down slightly.

**EBITDA** totaled 458.5 million euros, or 14 million euros more (+3.2%) than the 444.5 million euros earned in 2015, despite the negative effect of the devaluation of the Venezuelan currency versus the euro. With data at comparable exchange rates and scope of consolidation and excluding the results of the Venezuelan subsidiary, the EBITDA increase amounts to 26.5 million euros (+6.6%), thanks mainly to an improved performance in North America and Africa.

The performance of the main geographic areas is reviewed below.

## Europe

In 2016, the Europe sales region reported net revenue 1,073.4 million euros and EBITDA of 108.6 million euros.

The significant devaluation of the ruble versus the euro had a negative impact on the region's net revenue and EBITDA amounting to about 7.9 million euros and 0.3 million euros, respectively.

Results with data at constant exchange rates show net revenue decreasing by 1.1% and EBITDA contracting by 2% compared with the previous year.

In **Italy**, volumes contracted in the dairy market, mainly due to a negative trend in the milk and UHT cream segments. Despite this, the local subsidiary strengthened its leadership position in the milk category (considering all sales channels) thanks primarily to an outstanding performance by the *Zymil* brand in the UHT milk and pasteurized milk segments. In the UHT cream category, Parmalat consolidated its first-place competitive position and increased its market share.

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<sup>2</sup> A comparable scope of consolidation is obtained by excluding the results of the activities acquired in Brazil (*Elebat*), Mexico (*Esmeralda Group*) and Australia (*Longwarry* and *Parmalat Australia YD*).



## North America

In 2016, the North America sales region generated net revenue of 2,489.5 million euros and EBITDA of 249.2 million euros.

The decrease in the value of the Canadian dollar versus the euro had a negative impact on the region's net revenue and EBITDA amounting to about 52 million euros and 4.4 million euros, respectively.

With data at constant exchange rates, the net revenue and EBITDA of the North America sales region increased by 3.7% and 16.3%, respectively, compared with the previous year.

In the **United States of America**, Parmalat achieved excellent results, reporting sharply higher sales volumes compared with the previous year, thanks primarily to a positive performance in the cheese category (which accounts for about 80% of total volumes) and increased sales of ingredients, mainly in the second half of the year.

In a year characterized by a steady increase in consumption in the cheese market (considering the market perimeter within which the local subsidiary operates), Parmalat confirmed its leadership position in the soft ripened cheese, chunk mozzarella and ricotta segments and held unchanged its competitive positions in the other segments in which it operates (fresh mozzarella, feta cheese, snack cheese, gourmet cheddar cheese and gourmet spreadable cheese).

In **Canada**, even though it operates in markets characterized by strong competitive pressure, the local subsidiary confirmed its standing as the second player in the cheese market, while holding steady its competitive positions in the milk and yogurt segments.

## Latin America

The Latin America sales region includes the subsidiaries that operate in Brazil, Mexico, Venezuela, Colombia, Ecuador, Paraguay and some other companies. The Group strengthened its presence in Brazil, with the acquisitions 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 2016, excluding the effect of hyperinflation in Venezuela, the region's net revenue totaled 1,387.4 million euros and EBITDA amounted to 52.9 million euros.

At constant exchange rates and comparable scope of consolidation, excluding the acquisitions completed in 2015 and the contribution of Venezuela, the results for the year showed net revenue up 1.6% and EBITDA down 3.8% compared with the previous year.

In **Brazil**, viewed in the context of a still ongoing reorganization process, aimed at normalizing all of the acquired activities and achieving synergies and optimizations both in the production processes and in the reference markets, the overall economic results achieved in 2016 were positive. The local subsidiary confirmed its position as the second player in the cheese segment and continued to hold a significant market share in the UHT milk category.

In **Mexico**, the local subsidiary is implementing a reorganization of its production activities, accompanied by investments to increase production capacity, aimed at achieving a more effective use of local facilities and improving quality. In addition, distribution logistics were reorganized and the product portfolio was strengthened. The year 2016 was a particularly positive one for the cheese segment, the local subsidiary's main market, with positive trends both on a volume and value basis.

In **Venezuela**, where the situation remains highly critical both from an economic and political standpoint, the local subsidiary suffered a significant reduction in sales volumes.

## Africa

In the Africa sales region, net revenue totaled 397.3 million euros and EBITDA amounted to 33.1 million euros in 2016.



The devaluation versus the euros of all of the local currencies, the South African rand in particular, produced a negative translation effect of about 62 million euros on net revenue and 4.5 million euros on EBITDA.

With data at constant exchange rates, net revenue and EBITDA showed gains of 9.8% and 5.9%, respectively.

In 2016, the Africa sales region was adversely affected by instability in the performance of the local currencies and in international commodity prices, in addition to a particularly unfavorable economic environment in Zambia and Mozambique.

In **South Africa**, Parmalat continues to hold a strong leadership position in the flavored milk segment and confirmed its second-place competitive position in UHT milk. In the cheese market, the local subsidiary strengthened its status as the top player in the cheese slices and hard cheese segments, while consolidating its second-place competitive position and increasing its market share in the yogurt category.

### **Oceania**

In the Oceania region, net revenue totaled 1,058.4 million euros and EBITDA amounted to 61.9 million euros in 2016.

The slight loss in the value of the Australian dollar versus the euro had a negative translation effect of about 7 million euros on net revenue and 0.4 million euros on EBITDA.

With data at constant exchange rates and comparable scope of consolidation - excluding *Longwarry*, acquired in the first quarter of 2015, and the yogurt and dairy dessert activities acquired in first quarter of 2016 through the *Parmalat Australia YD* subsidiary - net revenue increased slightly compared with the previous year, but profitability contracted by 12.5%.

It is worth mentioning that the **Australian** operations are in the process of reorganizing their activities, mainly through a program of acquisitions.

Parmalat confirmed its leadership position in the pasteurized milk category and retained its second-place competitive position in the flavored milk and UHT milk segments, thanks mainly to the positive results achieved with the *Pauls* brand. The local subsidiary also retained its second-place position in the yogurt market and strengthened its position as the leader in the dessert market, posting impressive growth.

The **profit for the year** amounted to 79.4 million euros, or 66.7 million euros less than the 146.1 million euros earned in 2015.

With data at constant scope of consolidation and excluding the Venezuelan subsidiaries, the profit for the year showed a decrease of 25.6 million euros.

This reduction is mainly attributable to the writedown of intangible assets required by the impairment test and to lower income from litigation settlements, offset in part by a decrease in net financial expense.

The **net financial position** amounted to 334.4 million euros, or 23.6 million euros more than the 310.8 million euros reported at December 31, 2015. This change is the result of the following factors: the cash generated by operating activities for 154.2 million euros (137.4 million euros in 2015); the cash absorbed by non-recurring transactions for 43.5 million euros, mainly in connection with the acquisition of yogurt and dairy dessert activities in Australia and the payment to *BRF S.A.* of the price adjustment on the net financial position and working capital of *Elebat Alimentos S.A.*; the cash absorbed by financing activities for 74.6 million euros, mainly attributable to the temporary investment by the Parent Company of a portion of its liquid assets in instruments maturing after one year; the payment of dividends for 33 million euros, and a positive translation effect of 8.9 million euros.



## **PARMALAT S.p.A.**

The **profit for the year** decreased to 56.9 million euros, or 8.4 million euros less than the 65.3 million euros earned in 2015. This reduction was mainly determined by a decrease in net income from litigation settlements and lower dividends from investee companies (5.7 million euros, compared with 11.3 million euros in 2015), offset in part by a reduction in the tax liability attributable to the reporting year and smaller writedowns of equity investments required by the impairment test.

The **net financial position** decreased to 61.3 million euros, or 75.5 million euros less than the 136.8 million euros reported on December 31, 2015.

Net working capital dynamics and the payment of the 2015 dividend are the main reasons for this decrease.

Cash and cash equivalents and other financial assets are invested in sight deposits and short-term instruments with counterparties belonging to top banking groups.

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## **Business Outlook**

### **2017 Guidance**

For the 2017 reporting year, at constant exchange rates and excluding the Venezuelan subsidiary, given the critical situation that developed in that country due to the high rate of inflation and massive devaluation of the local currency, Parmalat expects both net revenue and EBITDA to increase by about 4%.

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Consistent with past practice, the guidance data take into account additional conservative factors compared with the industrial plan, without which growth is estimated at about 9% for net revenue and about 6% for EBITDA compared with the previous year.

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### **Disclaimer**

*This document contains forward looking statements, particularly in the section entitled "Business Outlook". Projections for 2017 are based, inter alia, on the Group's performance in the fourth quarter of 2016 and take into account trends at the beginning of 2017. The Group's performance is affected by exogenous variables that could have unforeseen consequences in terms of its results: these variables, which reflect the peculiarities of the different countries where the Group operates, are related to weather conditions and to economic, socio-political and regulatory factors.*

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## **Dividends**

The draft of the 2016 Annual Report that the Board of Directors reviewed today, before submitting it to the Shareholders' Meeting, contains, *inter alia*, a motion to distribute a dividend of 0.015 euros on each of the 1,853,083,820 common shares outstanding at December 31, 2016 (net of the 2,049,096 treasury shares held by the Company) for a total amount of 27,796,257 euros.

The amount allocated to the coupon will be payable on May 24, 2017, with May 22, 2017 coupon presentation date, to the shares registered in the books of accounts as of May 23, 2017 (record date).



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## **Corporate Governance**

The Board of Directors approved the 2016 Annual Report on Corporate Governance. The purpose of the Report is to provide a general overview of the corporate governance system adopted by Parmalat. This document will be available online, within the statutory deadline, on the Company website: [www.parmalat.com/en/corporate\\_governance/](http://www.parmalat.com/en/corporate_governance/).

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## **Compensation Policy**

The Board of Directors, acting consistent with a prior favorable opinion by the Nominating and Compensation Committee, approved the annual compensation policy, Part One of which, pursuant to Article 123-ter, Section 6, of Legislative Decree No. 58/1998, will be submitted to the Shareholders' Meeting for a consultative vote. The Report on the Compensation of Directors, the General Manager and Executives with Strategic Responsibilities will be available online, within the statutory deadline, on the Company website at the following address: [www.parmalat.com/en/corporate\\_governance/annual\\_general\\_meeting/](http://www.parmalat.com/en/corporate_governance/annual_general_meeting/).

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## **Verification of Compliance with Independence Requirements by Directors**

The Board of Directors verified the compliance by Directors with the independence requirements of the Corporate Governance Code and of Article 147-ter, Section 4, of Legislative Decree No. 58/1998 ("TUF").

The Directors Pier Giuseppe Biandrino, Nicolò Dubini, Angela Gamba, Umberto Mosetti and Elena Vasco were found to be in compliance with the independence requirements of Article 147-ter, Section 4, of the TUF and Article 3 of the Corporate Governance Code.

Gabriella Chersicla was found to be independent pursuant to Article 147-ter, Section 4, of the TUF.

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## **Notice of Shareholders' Meeting**

The Board of Directors resolved to convene an Ordinary Shareholders' Meeting that will be held at the Hotel Meliã, via Masaccio, 19, Milan, on a single calling at 2:30 PM on April 28, 2017.

The Shareholders Meeting will also resolve on the appointment of the Statutory Auditors.

The Notice of Shareholders' Meeting and the supporting documents concerning the items on the Agenda will be available within the statutory deadline at the Company's registered office, 9 Via Guglielmo Silva, in Milan, through the storage mechanism 1Info ([www.1Info.it](http://www.1Info.it)) and on the Company website: [www.parmalat.com/en/corporate\\_governance/annual\\_general\\_meeting/](http://www.parmalat.com/en/corporate_governance/annual_general_meeting/). Shareholders may view these documents and request copies of them.

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Financial statement schedules are annexed to this press release.

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*As required by Article 154 bis, Section 2, of the Uniform Financial Code (Legislative Decree No. 58/1998), Pierluigi Bonavita, in his capacity as Corporate Accounting Documents Officer, declares that the accounting information provided in this press release is consistent with the information in the supporting documents and in the Company's books of accounts and other accounting records.*

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The draft financial statement at December 31, 2016, the report of the Statutory Auditors and the report of the Independent Auditors will be available, within their respective statutory deadlines, at the Company's registered office, 9 Via Guglielmo Silva, in Milan, through the storage mechanism 1Info ([www.1Info.it](http://www.1Info.it)) and on the Company website: [www.parmalat.com/en/investor\\_relations/financial\\_reports/annual\\_reports/](http://www.parmalat.com/en/investor_relations/financial_reports/annual_reports/).

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## Data by Geographic Region

<i>(amounts in millions of euros)</i>							<i>Delta %</i>	
Region	YEAR 2016			YEAR 2015			Net Revenue	EBITDA
	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	EBITDA %		
Europe	1,073.4	108.6	10.1	1,093.5	111.2	10.2	-1.8%	-2.3%
North America	2,489.5	249.2	10.0	2,448.5	217.8	8.9	+1.7%	+14.4%
Latin America	1,387.4	52.9	3.8	1,338.4	85.5	6.4	+3.7%	-38.1%
Africa	397.3	33.1	8.3	418.2	35.4	8.5	-5.0%	-6.6%
Oceania	1,058.4	61.9	5.8	1,000.0	64.7	6.5	+5.8%	-4.4%
Other <sup>1</sup>	(17.9)	(16.5)	n.s.	(17.8)	(16.7)	n.s.	n.s.	+1.4%
<b>Group excl. hyperinflation</b>	<b>6,388.2</b>	<b>489.3</b>	<b>7.7</b>	<b>6,280.8</b>	<b>498.0</b>	<b>7.9</b>	<b>+1.7%</b>	<b>-1.8%</b>
Hyperinflation in Venezuela	101.3	(30.7)	n.s.	135.3	(53.5)	n.s.	n.s.	n.s.
<b>Group</b>	<b>6,489.4</b>	<b>458.5</b>	<b>7.1</b>	<b>6,416.1</b>	<b>444.5</b>	<b>6.9</b>	<b>+1.1%</b>	<b>+3.2%</b>

Regions represent the consolidated countries.

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

In order to improve comparability with the 2015 data, the table below presents the Group's results at constant exchange rates and comparable scope of consolidation and excluding Venezuela:

<i>(amounts in millions of euros)</i>							<i>Delta %</i>	
Region	YEAR 2016			YEAR 2015			Net Revenue	EBITDA
	Net Revenue	EBITDA	EBITDA %	Net Revenue	EBITDA	EBITDA %		
Europe	1,081.3	109.0	10.1	1,093.5	111.2	10.2	-1.1%	-2.0%
North America	2,539.0	253.3	10.0	2,448.5	217.8	8.9	+3.7%	+16.3%
Latin America	299.0	(17.3)	(5.8)	294.2	(16.7)	(5.7)	+1.6%	-3.8%
Africa	459.2	37.5	8.2	418.2	35.4	8.5	+9.8%	+5.9%
Oceania	986.6	60.1	6.1	981.9	68.7	7.0	+0.5%	-12.5%
Other <sup>1</sup>	(17.8)	(16.3)	n.s.	(17.8)	(16.7)	n.s.	n.s.	+2.3%
<b>Group</b> (constant exch. rates/ scope of consolidation) <sup>2</sup>	<b>5,347.3</b>	<b>426.3</b>	<b>8.0</b>	<b>5,218.4</b>	<b>399.8</b>	<b>7.7</b>	<b>+2.5%</b>	<b>+6.6%</b>

Regions represent the consolidated countries.

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

2. Excluding Venezuela and new activities consolidated in 2015 (Longwarry, Esmeralda and Elebat) and in 2016 (Parmalat Australia YD)



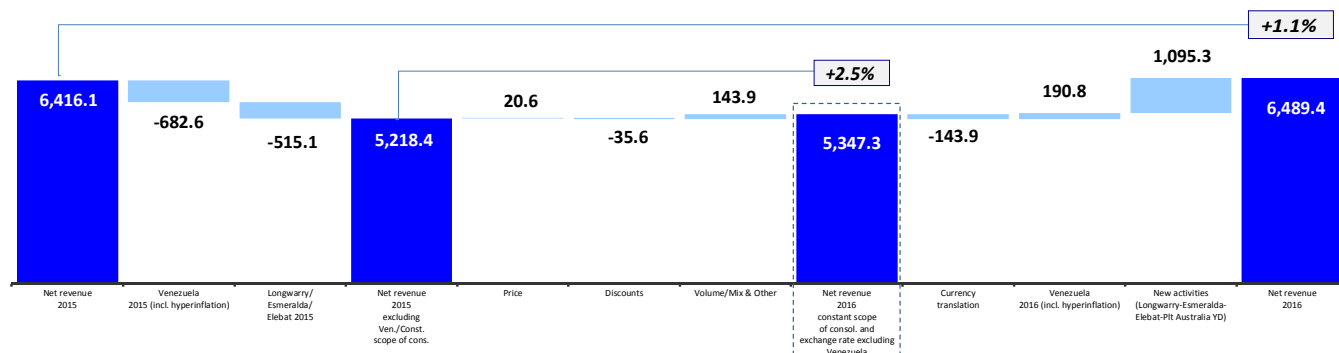


## Like for Like Net Revenue and EBITDA

The diagram below presents the main variables that determined the evolution of net revenue and EBITDA in 2016, compared with the previous year.

Cumulative Net Revenue December 2016 vs 2015

(€ m)



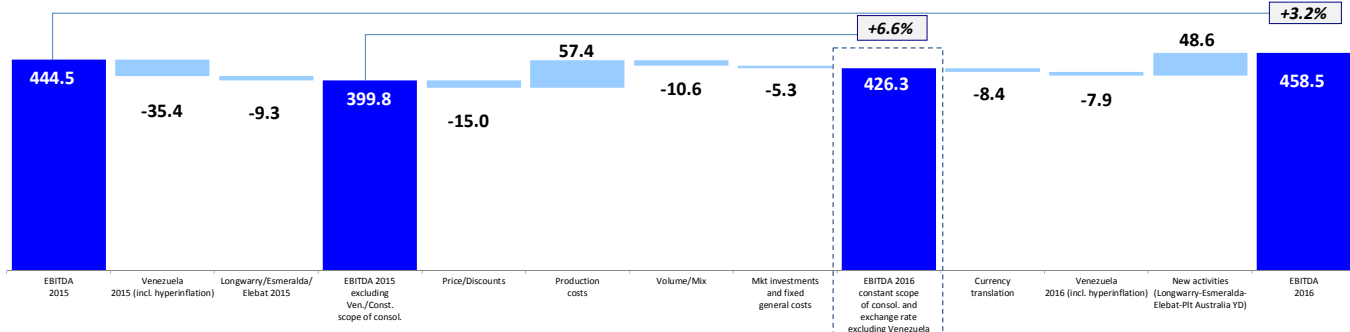
**Bridge with Reclassified Consolidated Income Statement:**

Net Revenue 2015	6,416.1
Δ Perimeter	580.2
Δ Venezuela	(491.8)
Δ Business	128.8
Curr. translation 16	(143.9)
Net Revenue 2016	6,489.4

Difference between result of new activities 2016 (1,095.3 mln euros) and Longwarry/Esmeralda/Elebat 2015 (515.1 mln euros)  
 Difference between result of Venezuela 2016 incl. hyperinflation (190.8 mln euros) and result 2015 (682.6 mln euros)

Cumulative EBITDA December 2016 vs 2015

(€ m)



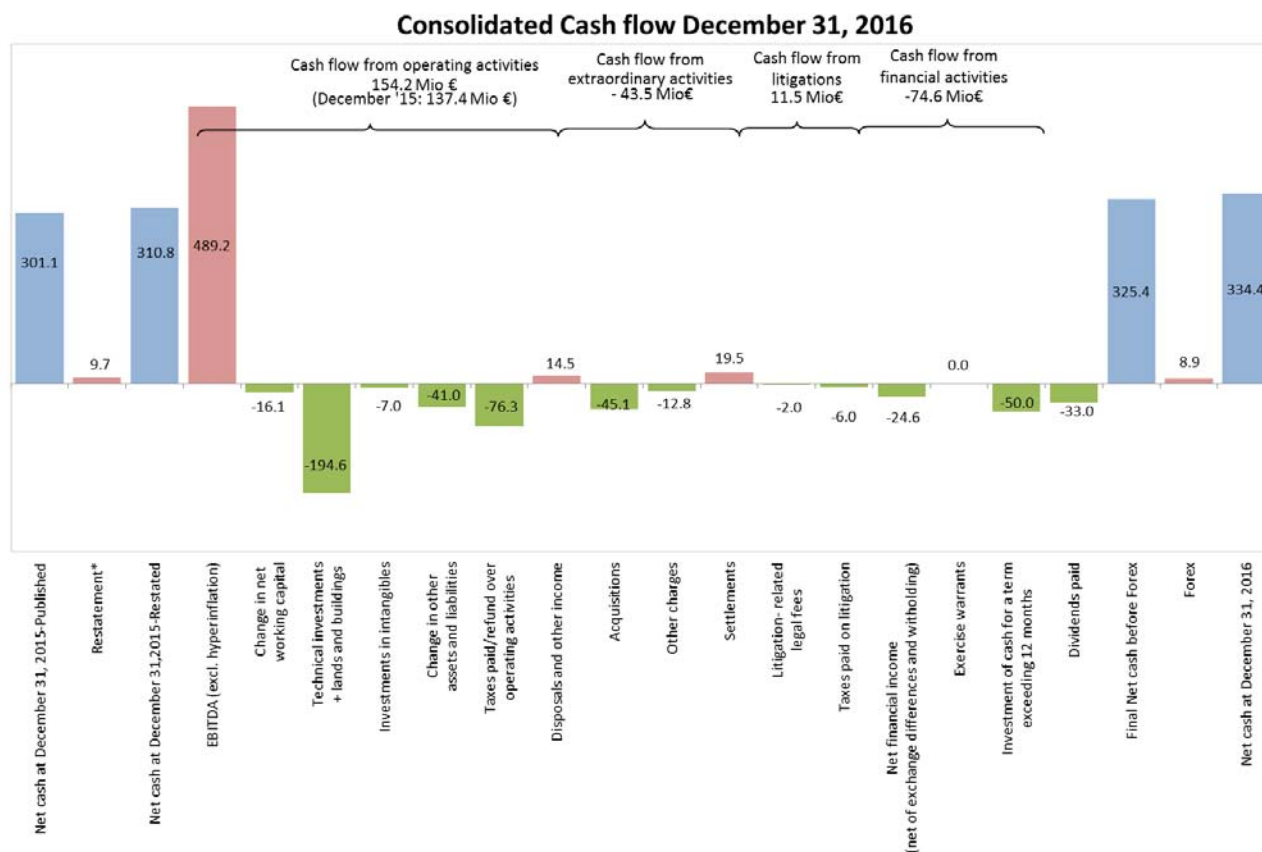
**Bridge with Reclassified Consolidated Income Statement**

EBITDA 2015	444.5
Δ Perimeter	39.3
Δ Venezuela	(43.3)
Δ Business	26.5
Curr. translation 16	(8.4)
EBITDA 2016	458.5

Difference between result of new activities 2016 (48.6 mln euros) and Longwarry/Esmeralda/Elebat 2015 (9.3 mln euros)  
 Difference between result of Venezuela 2016 incl. hyperinflation (-7.9 mln euros) and result 2015 (35.4 mln euros)



## Consolidated Statement of Cash Flows



\* This amount was restated further to the settlement, in 2016, of the price adjustment for the acquisition of *Esmeralda* (Mexico).



## Parmalat Group

### RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<i>(in millions of euros)</i>	First half 2016 (A)	$\Delta$ scope of consolidation (2016 vs 2015) (B)	$\Delta$ Venezuela (2016 vs 2015) (C)	2016 pro forma at current exchange rates (D=A-B-C)	2015 restated <sup>(1)</sup>
<b>REVENUE</b>	<b>6,529.9</b>	<b>529.1</b>	<b>(497.2)</b>	<b>6,498.0</b>	<b>6,458.6</b>
Net revenue	6,489.4	527.7	(491.8)	6,453.5	6,416.1
Other revenue	40.5	1.4	(5.4)	44.5	42.5
<b>OPERATING EXPENSES</b>	<b>(6,061.9)</b>	<b>(517.7)</b>	<b>452.6</b>	<b>(5,996.8)</b>	<b>(6,004.2)</b>
Purchases, services and miscellaneous costs	(5,233.3)	(455.2)	367.4	(5,145.5)	(5,165.9)
Personnel expense	(828.6)	(62.5)	85.2	(851.3)	(838.3)
<b>Subtotal</b>	<b>468.0</b>	<b>11.4</b>	<b>(44.6)</b>	<b>501.2</b>	<b>454.4</b>
Impairment losses on receivables and other provisions	(9.5)	(0.6)	1.3	(10.2)	(9.9)
<b>EBITDA</b>	<b>458.5</b>	<b>10.8</b>	<b>(43.3)</b>	<b>491.0</b>	<b>444.5</b>
Depreciation, amortization and impairment losses on non-current assets	(260.6)	(14.2)	6.5	(252.9)	(202.2)
Other income and expense:					
- Litigation-related legal expenses	(2.1)			(2.1)	(3.1)
- Miscellaneous income and expenses	9.4	(0.8)	0.1	10.1	33.7
<b>EBIT</b>	<b>205.2</b>	<b>(4.2)</b>	<b>(36.7)</b>	<b>246.1</b>	<b>272.9</b>
Net financial income/(expense)	(10.3)	(4.2)	10.3	(16.4)	(26.3)
Other income from/(Charges for) equity invest.	0.2	0.0	0.0	0.2	1.2
<b>PROFIT BEFORE TAXES</b>	<b>195.1</b>	<b>(8.4)</b>	<b>(26.4)</b>	<b>229.9</b>	<b>247.8</b>
Income taxes	(115.7)	(1.9)	(4.4)	(109.4)	(101.7)
<b>PROFIT FOR THE YEAR</b>	<b>79.4</b>	<b>(10.3)</b>	<b>(30.8)</b>	<b>120.5</b>	<b>146.1</b>
Attributable to:					
Non-controlling interests	(0.9)	0.0	0.4	(1.3)	(1.8)
Owners of the parent	78.5	(10.3)	(30.4)	119.2	144.3

### Continuing operations:

Basic earnings per share (in euros)	<b>0.0423</b>	<b>0.0786</b>
Diluted earnings per share (in euros)	<b>0.0423</b>	<b>0.0780</b>

<sup>(1)</sup> As required by IFRS 3, having completed the purchase price allocation in 2016, the income statement and statement of financial position balances at December 31, 2015 were restated to take into account, at the date of acquisition, the fair value of the acquired assets and assumed liabilities.



## Parmalat Group

### RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euros)

	12/31/16	12/31/15 <i>Restated</i> <sup>(1)</sup>
<b>NON-CURRENT ASSETS</b>	<b>3,024.7</b>	<b>2,797.3</b>
Intangible assets	1,309.5	1,333.9
Property, plant and equipment	1,489.7	1,303.8
Non-current financial assets	153.5	86.1
Deferred tax assets	72.0	73.5
<b>NON-CURRENT ASSETS HELD FOR SALE, NET OF CORRESPONDING LIABILITIES</b>	<b>0.9</b>	<b>9.2</b>
<b>NET WORKING CAPITAL</b>	<b>452.2</b>	<b>368.0</b>
Inventories	729.8	587.7
Trade receivables	631.2	539.9
Trade payables (-)	(937.4)	(756.5)
<b>Operating working capital</b>	<b>423.6</b>	<b>371.1</b>
Other assets	226.2	175.7
Other liabilities (-)	(197.6)	(178.8)
<b>INVESTED CAPITAL NET OF OPERATING LIABILITIES</b>	<b>3,477.8</b>	<b>3,174.5</b>
<b>EMPLOYEE BENEFITS (-)</b>	<b>(98.7)</b>	<b>(93.1)</b>
<b>PROVISIONS FOR RISKS AND CHARGES (-)</b>	<b>(374.7)</b>	<b>(352.8)</b>
<b>PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS</b>	<b>(10.0)</b>	<b>(10.3)</b>
<b>NET INVESTED CAPITAL</b>	<b>2,994.4</b>	<b>2,718.3</b>
<i>Covered by:</i>		
<b>EQUITY</b>	<b>3,328.8</b>	<b>3,029.1</b>
Share capital	1,855.1	1,855.1
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	52.9	52.9
Other reserves and retained earnings	1,322.3	957.3
Profit for the year	78.5	144.3
Non-controlling interests	20.0	19.5
<b>NET FINANCIAL POSITION</b>	<b>(334.4)</b>	<b>(310.8)</b>
Loans payable to banks and other lenders	694.3	398.3
Other financial assets (-)	(288.6)	(175.6)
Cash and cash equivalents(-)	(740.1)	(533.5)
<b>TOTAL COVERAGE SOURCES</b>	<b>2,994.4</b>	<b>2,718.3</b>

<sup>(1)</sup>As required by IFRS 3, having completed the purchase price allocation in 2016, the income statement and statement of financial position balances at December 31, 2015 were restated to take into account, at the date of acquisition, the fair value of the acquired assets and assumed liabilities.



## Parmalat Group

### STATEMENT OF CHANGES IN NET FINANCIAL POSITION IN 2016

<i>(in millions of euros)</i>	2016	2015 <i>restated</i>
<b>Net financial position at beginning of the year</b>	<b>(310.8)</b>	<b>(1,119.1)</b>
Changes during the year:		
- Cash flow from operating activities for the year	(360.3)	(306.4)
- Cash flow from other investing activities	294.5	992.0
- Accrued interest expense	18.4	14.4
- financial liability for acquisitions	-	84.7
- Cash flow from settlements	(11.5)	(63.3)
- Dividend payments	33.0	30.5
- Exercise of warrants	-	(23.2)
- Miscellaneous items	11.2	34.8
- Translation effect	(8.9)	44.8
Total changes during the year	(23.6)	808.3
<b>Net financial position at end of the year</b>	<b>(334.4)</b>	<b>(310.8)</b>

### BREAKDOWN OF NET FINANCIAL POSITION

<i>(in millions of euros)</i>	12/31/16	12/31/15 <i>restated</i>
Loans payable to banks and other lenders	694.3	398.3
Other financial assets (-)	(288.6)	(175.6)
Cash and cash equivalents (-)	(740.1)	(533.5)
<b>Net financial position</b>	<b>(334.4)</b>	<b>(310.8)</b>

### RECONCILIATION OF CHANGE IN NET FINANCIAL POSITION TO THE STATEMENT OF CASH FLOWS (Cash and Cash Equivalents)

<i>(in millions of euros)</i>	Cash and cash equivalents	Other financial assets	Gross indebtedness	Net financial assets
<b>Opening balance</b>	<b>(533.5)</b>	<b>(175.6)</b>	<b>398.3</b>	<b>(310.8)</b>
Cash flow from operating activities for the year	(360.3)	-	-	(360.3)
Cash flow from other investing activities	409.4	(114.9)	-	294.5
New borrowings	(440.4)	-	440.4	-
Loan repayments	181.2	-	(181.2)	-
Accrued interest expense	-	-	18.4	18.4
Cash flow from settlements	(11.5)	-	-	(11.5)
Dividend payments	33.0	-	-	33.0
Miscellaneous items	-	(0.7)	11.9	11.2
Translation effect	(18.0)	2.6	6.5	(8.9)
<b>Closing balance</b>	<b>(740.1)</b>	<b>(288.6)</b>	<b>694.3</b>	<b>(334.4)</b>



## Parmalat S.p.A.

### RECLASSIFIED INCOME STATEMENT

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015</b>
<b>REVENUE</b>	<b>883.7</b>	<b>897.7</b>
Net revenue	846.4	864.6
Other revenue	37.3	33.1
<b>OPERATING EXPENSES</b>	<b>(810.2)</b>	<b>(824.8)</b>
Purchases, services and miscellaneous costs	(689.3)	(704.0)
Personnel expense	(120.9)	(119.2)
<b>Subtotal</b>	<b>73.5</b>	<b>74.5</b>
Impairment losses on receivables and other provisions	(2.5)	(3.4)
<b>EBITDA</b>	<b>71.0</b>	<b>71.1</b>
Depreciation, amortization and impairment losses on non-current assets	(25.1)	(28.4)
Other income and expense:		
- Litigation-related legal expenses	(2.1)	(3.1)
- (Accruals to)/Reversals of provisions for investee companies	(3.8)	(21.1)
- Miscellaneous income and expense	14.7	53.1
<b>EBIT</b>	<b>54.7</b>	<b>71.6</b>
Net financial income/(expense)	12.2	10.1
Other income from (Charges for) equity investments	5.7	11.3
<b>PROFIT BEFORE TAXES</b>	<b>72.6</b>	<b>93.0</b>
Income taxes	(15.7)	(27.7)
<b>PROFIT FOR THE YEAR</b>	<b>56.9</b>	<b>65.3</b>



## Parmalat S.p.A.

### RECLASSIFIED STATEMENT OF FINANCIAL POSITION

<i>(in millions of euros)</i>	<b>12/31/16</b>	<b>12/31/15</b>
<b>NON-CURRENT ASSETS</b>	<b>3,252.4</b>	<b>3,177.0</b>
Intangible assets	353.4	354.8
Property, plant and equipment	157.9	160.6
Non-current financial assets	2,719.5	2,635.0
Deferred tax assets	21.6	26.6
<b>ASSETS HELD FOR SALE, NET OF CORRESPONDING LIABILITIES</b>	<b>0.0</b>	<b>0.0</b>
<b>NET WORKING CAPITAL</b>	<b>(5.4)</b>	<b>(40.9)</b>
Inventories	47.2	44.0
Trade receivables	119.3	127.4
Trade payables (-)	(188.8)	(194.3)
<b>Operating working capital</b>	<b>(22.3)</b>	<b>(22.9)</b>
Other assets	60.2	39.8
Other liabilities (-)	(43.3)	(57.8)
<b>INVESTED CAPITAL NET OF OPERATING LIABILITIES</b>	<b>3,247.0</b>	<b>3,136.1</b>
<b>EMPLOYEE BENEFITS (-)</b>	<b>(26.1)</b>	<b>(26.6)</b>
<b>PROVISIONS FOR RISKS AND CHARGES (-)</b>	<b>(179.8)</b>	<b>(176.3)</b>
<b>PROVISION FOR CONTESTED LIABILITIES FOR PREFERENTIAL AND PREDEDUCTION CLAIMS</b>	<b>(9.6)</b>	<b>(9.9)</b>
<b>NET INVESTED CAPITAL</b>	<b>3,031.5</b>	<b>2,923.3</b>
<i>Covered by:</i>		
<b>SHAREHOLDERS' EQUITY</b>	<b>3,092.8</b>	<b>3,060.1</b>
Share capital	1,855.1	1,855.1
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	52.9	52.9
Other reserves and retained earnings	1,127.9	1,086.8
Profit for the year	56.9	65.3
<b>NET FINANCIAL POSITION</b>	<b>(61.3)</b>	<b>(136.8)</b>
Loans payable to banks and other lenders	519.2	178.7
Loans payable to/(receivable) from investee companies	(12.1)	(15.9)
Other financial assets (-)	(278.2)	(159.4)
Cash and cash equivalents(-)	(290.2)	(140.2)
<b>TOTAL COVERAGE SOURCES</b>	<b>3,031.5</b>	<b>2,923.2</b>



## Parmalat S.p.A.

### STATEMENT OF CHANGES IN NET FINANCIAL POSITION IN 2016

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015</b>
<b>Net financial position at the beginning of the year</b>	<b>(136.8)</b>	<b>(758.8)</b>
Changes during the year:		
- Cash flow from operating activities	(40.3)	(100.5)
- Cash flow from investing activities	101.3	775.9
- Interest expense	2.9	1.4
- Cash flow from settlements, net of litigation expenses <sup>1</sup>	(14.2)	(49.7)
- Dividends paid to shareholders	31.5	29.3
- Dividend income	(5.7)	(11.1)
- Exercise of warrants	0.0	(23.2)
- Miscellaneous items	0.0	(0.1)
Total changes during the year	75.5	622.0
<b>Net financial position at the end of the year</b>	<b>(61.3)</b>	<b>(136.8)</b>

<sup>1</sup>This amount is net of legal expenses and taxes directly attributable to collected settlements.

### BREAKDOWN OF NET FINANCIAL POSITION

<i>(in millions of euros)</i>	<b>12/31/16</b>	<b>12/31/15</b>
<b>(Net financial assets)</b>		
Loans payable to banks and other lenders	519.2	178.7
Net loans payable to/(receivable from) investee companies	(12.1)	(15.9)
Other financial assets (-)	(278.2)	(159.4)
Cash and cash equivalents (-)	(290.2)	(140.2)
<b>Total</b>	<b>(61.3)</b>	<b>(136.8)</b>

### RECONCILIATION OF CHANGE IN NET FINANCIAL POSITION TO THE STATEMENT OF CASH FLOWS (Cash and Cash Equivalents)

<i>(in millions of euros)</i>	<b>Cash and cash equivalents</b>	<b>Other financial assets</b>	<b>Gross indebtedness</b>	<b>Net financial assets</b>
<b>Opening balance</b>	<b>(140.2)</b>	<b>(175.3)</b>	<b>178.7</b>	<b>(136.8)</b>
Cash flow from operating activities	(40.3)			(40.3)
Cash flow from investing activities	101.3			101.3
New borrowings	(344.3)	3.8	340.5	0.0
Interest expense	2.9			2.9
(Investments in)/Divestments of financial assets	118.8	(118.8)		0.0
Cash flow from settlements	(14.2)			(14.2)
Dividend payments	31.5			31.5
Dividend income	(5.7)			(5.7)
<b>Closing balance</b>	<b>(290.2)</b>	<b>(290.3)</b>	<b>519.2</b>	<b>(61.3)</b>