



## PRESS RELEASE

### **Parmalat: acquisition in Canada of the “natural cheese” division of Kraft Heinz Canada**

*Milan, November 6, 2018* – Parmalat S.p.A. (“**Parmalat**” or the “**Company**”) announces that, upon the completion of a competitive bidding process launched by Kraft Heinz Canada ULC (“**Kraft**”), it reached agreements to acquire certain assets belonging to the division that produces and markets Kraft’s natural cheese products mainly under the “Cracker Barrel,” “P’tit Quebec” and “aMOOza” brands (the “**Acquisition**”).

Net revenue generated by the assets subject of the Acquisition in the 2017 reporting year amounted to about CA\$ 560 million (corresponding to about 374 million euros at today’s exchange rate); the Acquisition price was stipulated as totaling CA\$ 1.62 billion (corresponding to about 1.1 billion euros at today’s exchange rate) and is not subject to adjustment mechanisms (the “**Purchase Price**”).

With this transaction, in a strategic market such as the Canadian, Parmalat Group acquires a relevant portfolio in the "natural" cheese segment with high added value.

The significant strategic value of this Acquisition is mainly attributable to the possibility for Parmalat to: (i) leverage, in the branded segment of the natural cheese, the Cracker Barrel brand, allowing it to complement its existing offering in Canada of the Black Diamond branded natural cheese, (ii) improve its positioning throughout Canada, with particular reference to Quebec, a region in which Parmalat Group currently has a limited penetration, and to other areas of the country in which the Group is not present and (iii) grow in retail channels with higher added value.

The acquired activity includes a production facility in Ingleside, Ontario, that has about 400 employees, and relevant volumes of milk quotas, obtaining benefits in terms of volumes produced.

This Acquisition will be financed in part with internal resources and in part by indebtedness and is subject to approvals from the Canadian Regulatory Authorities.

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### **Issuing of a parent guarantee on the acquisition**

Under the sales agreement that sets forth the Acquisition’s terms and conditions, B.S.A. S.A. (“**BSA**”), Parmalat’s controlling company that exercises guidance and coordination over Parmalat pursuant to Article 2497 of the Italian Civil Code, shall issue a “parent guarantee” for Parmalat’s benefit and in Kraft’s interest (the “**Guarantee**”) aimed at irrevocably and unconditionally guaranteeing the correct and timely performance of all obligations undertaken by Parmalat within the context of the Acquisition and, specifically, the obligation to pay the Purchase Price.



The Guarantee is instrumental for the completion of the Acquisition, and in view of the relationship that exists between BSA and Parmalat, the Guarantee qualifies as a “*related-party transaction*” pursuant to Article 3.1 of the Related-party Transaction Procedure adopted by Parmalat’s Board of Directors on July 31, 2018 (the “**Related-party Procedure**”) and Annex 1 to Consob Regulation 17221/2010 (the “**RPT Regulation**”), because:

- (i) BSA holds an interest in Parmalat equal to about 89.63% of its share capital and, consequently, it automatically controls the Company;
- (ii) BSA exercises guidance and coordination activity over Parmalat pursuant to Article 2497 of the Italian Civil Code.

In addition, the Guarantee also qualifies as a “*highly material*” transaction pursuant to Article 6.1 of the Related-party Procedure and Annex 3 to the RPT Regulation because, even though it amounts to 1.1 million euros at today’s exchange rate, taking into account the equivalent value of the guaranteed obligations and, more in general, the economic terms of the acquisition as a whole, the face value of the Guarantee amounts, at today’s exchange rate, to about 1.1 billion euros and exceeds the threshold for highly material transaction as set forth in the RPT Regulation and the Related-party Procedure.

Therefore, pursuant to Article 6.1 of the Related-party Procedure and Article 8 of the RPT Regulation, the Guarantee was approved with the majority of the votes, with the abstaining of Jean-Marc Bernier and Michele Peslier – that in relation to the guarantee, have declared pursuant to article 2391 of the Italian Civil Code, a third party interest – by Parmalat’s Board of Directors on November 6, 2018, with a prior favorable opinion regarding the existence of the Company’s interest in executing the Guarantee and the advantageousness and substantive fairness of its terms provided with a unanimous vote by Parmalat’s Related-party Committee.

The information memorandum concerning the Guarantee, prepared pursuant to Article 5 of the RPT Regulation, will be made available to the public at the Company’s registered office, on its website <http://www.parmalat.com/en/> and on the 1INFO storage mechanism available at the [www.1info.it](http://www.1info.it) address within the deadline required pursuant to law.

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