

A Letter to Shareholders

For Parmalat, 2010 was a year during which industrial profitability improved, compared with 2009, confirming the soundness of the decision to pursue a strategy of greater focus on the Group's strong brands, both globally and locally, and increased industrial profitability.

Despite an extremely challenging macroeconomic environment, the Group was thus able to report a 2.6% increase in EBITDA in 2010. This improvement reflects the contribution of Australia, a full-fledged participant in the industry's consolidation process, South Africa, which succeeded in fully restoring its profitability, and Canada.

In Australia, consistent with a strategy of strengthening the Group's units in the most important countries and retain the rank of market leader or co-leader or second player, Parmalat S.p.A. proceeded with the process of integrating Parmalat Food Products Limited (PFP), growing from a regional player into a national player.

In South Africa, the Group tackled an aggressive restructuring of its product portfolio, focusing on products with a higher value added, while it streamlined its cost structure.

In Canada, where the growth rate has been limited and the market environment is highly competitive, Parmalat achieved outstanding results in the segments with a higher value added.

The Group's international connotation, with a preponderance of mature countries over developing countries, has been a factor that helped limit risk in a scenario still dominated by an extremely uncertain outlook.

The strategy of investing to support the Group's brands continued in all target markets, with a substantial effort in terms of communications and advertising that justifies expectations of continuing organic growth in future years.

Specifically, management is focusing its attention on the Group's leading products and market testing projects are already scheduled to launch in 2011 to assess the growth potential that could be realized through the geographic expansion of these products.

Special attention must be paid to Venezuela, where the industrial results achieved in 2010 fell short of those reported in 2009, due a series of exogenous factors.

Litigation activities, while headed for their natural conclusion, continued successfully in 2010 with the settlement of some significant positions.

The Board of Directors is grateful to the management team and all employees for their work and thanks the shareholders for their support.

The Board of Directors