



PRESS RELEASE

Board of Directors Meeting

PARMALAT: THE BOARD OF DIRECTORS APPROVES THE DRAFT 2007 ANNUAL REPORT

PARMALAT S.P.A. : NET PROFIT OF 554.7 MILLION EUROS AND A TOTAL DIVIDEND PAYOUT OF 264 MILLION EUROS, EQUAL TO 0.159 EUROS PER ELIGIBLE SHARE

Consolidated Financial Highlights (in millions of euros)

- NET REVENUES RISE TO 3,863.7 MILLION EUROS (+6.3%)
- EBITDA INCREASE TO 366.6 MILLION EUROS (+5.4%)
- GROUP INTEREST IN NET PROFIT IS 673.4 MILLION EUROS
- THE NET FINANCIAL POSITION IMPROVES TO 855.8 MILLION EUROS IN NET FINANCIAL ASSETS
- FURTHER GAINS IN IMPROVING THE FUNCTIONAL PRODUCT MIX
- CONTINUED SUCCESSFUL IMPLEMENTATION OF PROGRAMS TO OPTIMIZE PROCUREMENT COST PROCESSES AND REGAIN MANUFACTURING AND ORGANIZATIONAL EFFICIENCY

	2007	2006 restated	% change
Net revenues	3,863.7	3,633.6	+6.3%
EBITDA	366.6	347.7	+5.4%
Group interest in net profit	673.4	192.5	n.m.
Net financial assets (Net borrowings)	855.8	(170.0)	n.m.

Parmalat S.p.A. announces that its Board of Directors, meeting today under the chairmanship of Raffaele Picella, approved a draft of the 2007 Statutory and Consolidated Financial Statements.

Parmalat Group

Consolidated net sales revenues totaled 3,863.7 million euros, or 230.1 million euros more (+6.3%) than the 3,633.6 million euros reported in 2006. If the data are restated to eliminate the impact of the appreciation of the euro versus the main currencies (102.3 million euros) and of the change in the scope of consolidation caused mainly by the inclusion of Newlat S.p.A. and Carnini S.p.A. (97.6 million euros, net of intra-Group transactions), the deconsolidation of Italcheese S.p.A. (about 10 million euros) and the inclusion of the operations in Paraguay (6.4 million euros), net revenues show an increase of 6.6%. This improvement is chiefly the result of higher unit sales in Canada and Italy. Sales were up also in South Africa, aided in part by the growth of the local economy. In Italy, the launch of new functional products helped boost shipments of fruit juices by 16.3% compared with 2006, while in



Canada the overall increase in unit sales was driven mainly by an 8.5% gain in shipments of cheese products.

EBITDA grew to 366.6 million euros, up 18.9 million euros (+5.4%), while the return on sales was 9.5%. If the data are restated to eliminate the impact of the appreciation of the euro versus the main currencies (10.2 million euros) and of the change in the scope of consolidation caused mainly by the inclusion of Newlat S.p.A., Carnini S.p.A. and the operations in Paraguay and the deconsolidation of Italtel (6.0 million euros), EBITDA total 370.8 million euros, or 23.1 million euros more (+6.6%) more than the previous year. An improved sales mix, with a greater preponderance of higher value added products and a reduction in operating costs are the main reasons for this improvement, which was achieved despite a worldwide increase in the price of raw milk recouped also through list price increases.

A breakdown of revenues and EBITDA by geographic region is provided below:

Areas						
2006			December 31st	2007		
Revenues	EBITDA	EBITDA %	€ ml	Revenues	EBITDA	EBITDA %
1.015,8	105,8	10,4	Italy	1.146,7	117,2	10,2
132,7	18,7	14,1	Other Europe	152,2	20,0	13,1
57,3	9,9	17,3	Russia	71,4	9,5	13,4
63,8	7,1	11,2	Portugal	66,5	7,4	11,1
11,7	1,7	14,1	Romania	14,4	3,1	21,5
1.381,3	123,1	8,9	North America	1.400,6	137,0	9,8
343,8	39,9	11,6	Africa	354,1	40,4	11,4
417,9	39,5	9,5	Australia	446,7	37,7	8,4
335,8	43,5	13,0	Central & South America	366,1	34,1	9,3
194,6	27,8	14,3	Venezuela	204,7	21,0	10,3
108,3	10,9	10,1	Colombia	122,5	15,1	12,3
26,1	3,5	13,5	Nicaragua	23,8	(2,8)	(11,7)
3,2	(0,7)	n.s.	Ecuador	6,8	0,3	n.s.
3,6	2,0	54,5	Cuba	2,0	0,7	32,2
			Paraguay	6,4	(0,2)	(3,2)
(0,0)			<i>Elimination Intra Area</i>	(0,2)		
6,4	(22,8)	n.s.	Others *	(2,8)	(19,8)	n.s.
3.633,6	347,7	9,6	Group	3.863,7	366,6	9,5

Areas represent the consolidated countries

(*) Include Holding, Other no core Companies, eliminations between Areas



A review of the Group's performance in the main countries where it operates is provided below:

In **Italy**, net revenues totaled 1,146.7 million euros, or 12.9% more than the 1,015.8 million euros reported in 2006. Restated using the same scope of consolidation (i.e., without the contribution of Newlat and Carnini in 2006 and 2007), net revenues show an increase of about 3.4%.

EBITDA grew to 117.2 million euros, a gain of 11.4 million euros compared with the amount earned in 2006 (105.8 million euros).

The improved results reported by the Group's Italian operations reflect the positive impact of an improved sales mix, with a significant contribution from fruit juices and products with a high value added, and to the rationalization of the logistics and distribution organization.

In percentage terms, return on sales is substantially in line with that of 2006.

Tensions on the supply side of the raw milk market produced increases in purchase costs that could be recovered only in part by increasing list prices. In 2007, sales prices were adjusted repeatedly to bring them to a level consistent with the rise in the cost of raw milk, but the prices charged for the Group's products and the price paid for raw milk are only expected to be again fully in balance by the first quarter of 2008.

In **Canada**, net revenues increased to 1,400.6 million euros, up from 1,381.3 million euros in 2006 (+1.4%). If the data are restated using constant exchange rates, net revenues show a year-over-year increase of 4.5%. The average euro/Canadian dollar exchange rate for the full year was 3.1% lower than in 2006. The negative impact of this change on revenues and EBITDA was 43.4 million euros and 4.2 million euros, respectively.

EBITDA rose to 137.0 million euros, or 13.9 million euros more than the 123.1 million euros booked in 2006, with the return on sales increasing from 8.9% to 9.8%.

A change in the sales mix, marketing programs, new packaging and strong sales of cheese, yogurt and products with a high valued added, coupled with the adjustments made to sales prices to reflect the impact of higher raw material costs, are the main reasons for the overall improvement in the results reported in 2007.

In **Australia**, net revenues grew to 446.7 million euros, up from 417.9 million euros in 2006 (+6.9%).

At 37.7 million euros, EBITDA was lower than the 39.5 million euros earned in 2006. The return on sales decreased by about 1 percentage point, falling from 9.5% in 2006 to 8.4% in 2007.

The local currency (Australian dollar) increased in value by 1.9% compared with the exchange rate applied in 2006. The positive impact of this change on revenues and EBITDA was 8.6 million euros and 0.7 million euros, respectively.

The performance of the Group's Australian operations was adversely affected by a sharp rise in the cost of raw milk that reflected a supply shortage, caused by a major drought, and the upward pressure exercised on prices by an inadequate availability of other dairy products at the global level. These increases in raw material costs, which affected business results in every region, were concentrated mainly in the third and fourth quarter of the year, which made it much harder to fully offset their impact. The higher sales prices that resulted from this changing environment had a dampening effect on unit sales, affecting particularly demand for branded products, which are sold at higher prices than private-label items. To minimize the effect of these external factors, Parmalat is implementing programs, increasing efficiency, optimizing recipes and improving the sales mix by developing products that incorporate a higher value added.

In **Africa**, net revenues continued to increase, rising from 343.8 million euros in 2006 to 354.1 million euros in 2007 (+3.0%). EBITDA also increased, improving from 39.9 million euros to 40.4 million euros (+0.6%), but the return on sales decreased from 11.6% in 2006 to 11.4% (-0.2 percentage points) in



2007. The local currency (South African rand) decreased in value by 13.2% compared with the exchange rate applied in 2006. The negative impact of this change on revenues and EBITDA was 42.0 million euros and 4.5 million euros, respectively.

The overall improvement in reported results was made possible by strong performances in all product categories, with the best sales gains achieved in the cheese, UHT milk, yoghurt and fruit juice segments. Growth is occurring not just in South Africa, which still accounts for 80% of the results reported by the African operations, but also in the smaller countries (Mozambique, Botswana, Zambia and Swaziland), where Parmalat is the market leader.

In **Central** and **South America** the Group showed improved performances mainly in Colombia and Venezuela. In **Colombia**, return on sales increased from 10.1% to 12,3% notwithstanding the high increase in raw milk prices. **Venezuela**, notwithstanding the difficulties encountered in the first half of 2007, has recovered in the last part of the year thanks to the contribution of high value added products and fruit juices beverages.

The **Group's interest in net profit** amounted to 673.4 million euros, or 480.9 million euros more than the 192.5 million euros earned in 2006. In addition to the positive performance of the industrial operations and the contribution provided by lawsuit settlements, this improvement is also the result of lower net financial expenses made possible by a decrease in the average cost of borrowings, a reduction in indebtedness and an increase in the liquidity invested by the Group's Parent Company.

The Group's **net financial position** improved sharply in 2007, moving from net borrowings of 170 million euros to net financial assets of 855.8 million euros, for an overall positive change of 1,025.8 million euros compared with December 31, 2006.

The main reasons for this positive change include:

- cash flow from operations, which, net of changes in operating working capital, amounted to 152.3 million euros;
- cash flow from lawsuits of 699.5 million euros, which is the net result of proceeds from settlements reached in 2007 totaling 754.5 million euros, less 55 million euros in legal costs attributable both to 2006 and 2007;
- cash flow from extraordinary transactions totaling 230 million euros, which is the net result of proceeds from the disposal of non-strategic assets (249.2 million euros), less outlays to purchase holdings in associates (16.3 million euros) and the payment of claims in composition with creditors proceedings (11.6 million euros);
- cash flow from financial transactions, which includes 3.5 million euros in net financial income, dividend payments totaling 43.7 million euros and proceeds of 7.5 million euros generated by the exercise of warrants, with sundry items accounting for the difference.

PARMALAT S.p.A.

Net sales revenues totaled 869.4 million euros, a gain of 3.3% compared with the 841.9 million euros reported in 2006.

EBITDA grew to 78.4 million euros, or 8.9 million euros more (+12.8%) than the 69.5 million euros earned in 2006. An improved sales mix, with a greater preponderance of products with a higher value added, and effective cost controls are the main reasons for this improvement, which was achieved despite a worldwide increase in the cost of raw milk, recouped also through list price increases.



Net profit amounted to 554.7 million euros. The increase of 429.1 million euros, compared with the 125.6 million euros earned in 2006, is the result of a positive performance by the industrial operations, lawsuit settlements and extraordinary operations.

Net financial assets were up sharply in 2007, rising from 341.4 million euros to 1,231.3 million euros, a net change of 889.9 million euros. The improvement reflects both the contribution of cash flow from operations and the effect of proceeds from extraordinary transactions described in the comments to the Groups' results.

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Business Outlook and 2008 forecast data

In the early months of 2008, the more mature markets in which the Group operates have been experiencing significant competitive pressure, which is having an impact both on sales volumes and prices.

Group Companies are responding well thanks to the launch of new products helped by marketing initiatives and also by a rationalization process both in industrial and operational costs.

At the same time, starting in the current year, the process of simplifying the Group's structure will enable the Group's Parent Company to receive an additional flow of profits generated by the industrial subsidiaries of more than 40 million euros.

These developments, along with the proceeds generated by settlements of pending actions, should enable the Company to reserve adequate resources for its shareholders, while pursuing a growth strategy focused on strengthening its presence in the more mature markets and expanding in the emerging markets.

The Board of Directors, moreover, has reviewed the 2008 forecast data which, in line the above, show a projected growth rate of between 3% and 5% (net sales revenues). EBITDA is expected to grow at a rate of between 7% to 10%.

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Dividends

At today's meeting, the Board of Directors approved a motion, which will be submitted to the Shareholders' Meeting, recommending the distribution of dividends of the 50% of the net residual profit, which rounded up to 0,159 euro for each of the 1,661,207,690 common shares issued on February 29, 2008, amounts to 264,132,023 euros. In addition, 21,668,493 euros will be added to the reserve for creditors with contested and conditional claims, as required by the terms of the Composition with Creditors Proposal. Should the Shareholders' Meeting approve this motion, the dividend will be payable as of April 24, 2008, with Stock Exchange Coupon presentation date of April 21, 2008.

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Notice of Shareholders' Meeting

The Ordinary Meeting scheduled for April 8 and 9, 2008 and on the first or second call, respectively, has been convened to discuss and vote on resolutions concerning the following items: approval of the Financial Statements and Report on Operations at December 31, 2007 and of the related motions to distribute a dividend and elect the Company's corporate governance bodies.

The provisions of Article 11 and Article 21 of the Bylaws concerning, respectively, the election of the Board of Directors and of the Board of Statutory Auditors are summarized below.

Only shareholders who, alone or together with other shareholders, hold a number of shares equal in the aggregate to at least 1% of the Company's shares that convey the right to vote at Ordinary Shareholders' Meetings are entitled to file slates of candidates. Each shareholder may file or contribute to the filing of only one slate.

Slates must be published at the Shareholders' expense in at least two Italian daily newspapers, chosen from the *Corriere della Sera*, *La Repubblica* or *Il Sole 24 Ore*, as well as in the *Financial Times* at least 10 days before (Thursday, March 27, 2008) the date of the Shareholders' Meeting.

In order to provide adequate disclosure of the proposed nominations, shareholders must file their slates at the Company's Registered Office, located at 26 Via Oreste Grassi, in Collecchio, no later than 4:00 PM on Friday, March 21, 2008.

Together with each list, the shareholders must file, within the deadline stated above, affidavits by which each candidate accepts to stand for election and attests, on his/her responsibility, that there is nothing that would bar the candidate's election or make the candidate unsuitable to hold office and that he/she has met the requirements for election to the respective office.

Each candidate must file together with his/her affidavit a *curriculum vitae* listing his/her personal professional data and, if applicable, showing whether he/she qualifies as an independent Director.

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Corporate Governance

The Board of Directors approved the 2007 Report on Corporate Governance. The current edition of this Report, which reviews events and developments concerning corporate governance that occurred in 2007, was prepared in accordance with the guidelines of the Code of Conduct published by Borsa Italiana S.p.A. and is consistent with best international practice. The 2007 Report on Corporate Governance is available on the Company website: www.parmalat.net → Corporate Governance page.

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Presentation to Investors

The data for the year ended December 31, 2007 and the 2008 forecast data will be presented to the financial community at 10.00 AM (Italian time) – 9.00 AM (GMT) on March 7, 2008 at the Hotel



Principe di Savoia, 17 Piazza della Repubblica, in Milan. The live presentation may be followed in one of the following modes:

- webcasting: [http:// parmalat.netick.it](http://parmalat.netick.it) – *PASSWORD: RESULTS*
- audioconferencing by calling the telephone number: +39 02 8020911
PASSWORD: PARMALAT

A recording of the same presentation will be available from 5:00 PM (Italian time) on March 7, 2008 until March 15, 2008 using the link provided above.

Additional information about the abovementioned presentation is available on the Parmalat website: www.parmalat.net → Investor Relations page.

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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), Luigi De Angelis, in his capacity as Corporate Accounting Documents Officer of Parmalat S.p.A., declares that the accounting information provided in this press release is consistent with the information in the supporting documents and in the Company's other documents and accounting records.

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The draft of the 2007 financial statements, the Report on Operations for the same year, together with the reports of the Board of Directors on the items on the Agenda of the Shareholders' Meeting, the Report of the Statutory Auditors and the Report of the Independent Auditors will be made available to the public at the Company's registered office and through the NIS system of Borsa Italiana within the deadlines and in the manner required pursuant to current laws. These documents will also be available on the Company website: www.parmalat.net.

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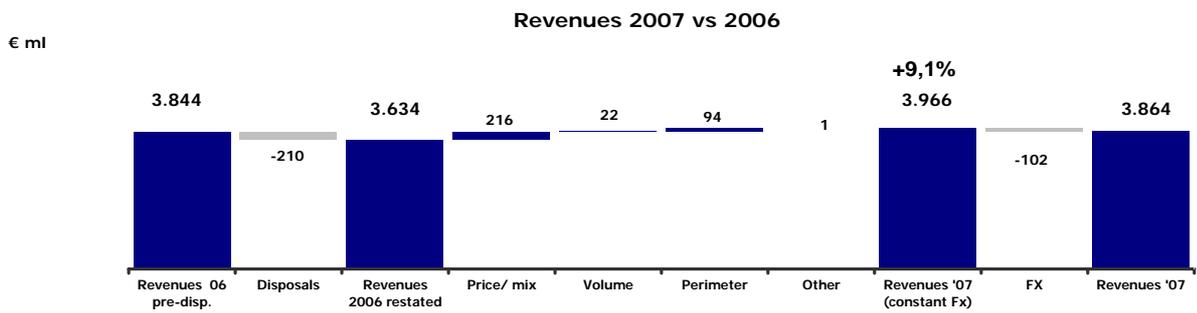
Parmalat S.p.A.

Milan, March 6, 2008

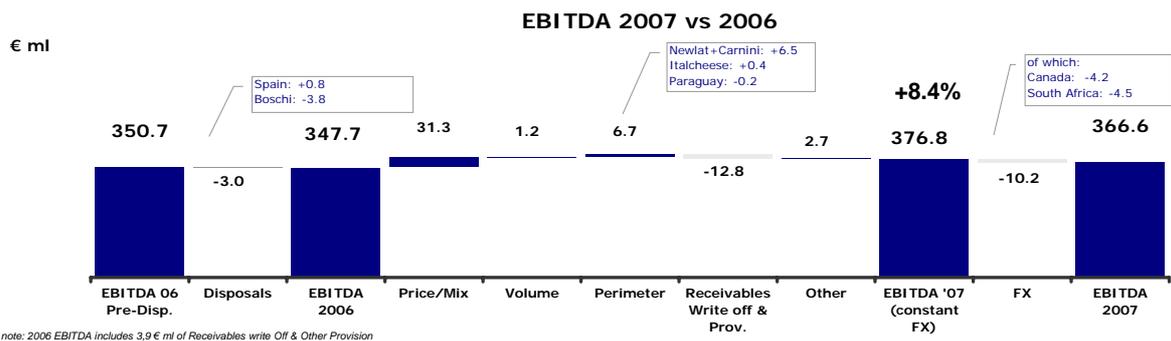
Corporate contact:
e-mail: affari.societari@parmalat.net



Like for Like REVENUES



Like for Like EBITDA





Reclassified Financial Statements

Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)

	2007	2006 restated (**)	2006 (*)
REVENUES	3,894.8	3,669.5	3,881.4
Net sales revenues	3,863.7	3,633.6	3,844.0
Other revenues	31.1	35.9	37.4
OPERATING EXPENSES	(3,515.4)	(3,317.9)	(3,525.7)
Purchases, services and miscellaneous costs	(3,070.9)	(2,890.1)	(3,047.8)
Labor costs	(444.5)	(427.8)	(477.9)
Subtotal	379.4	351.6	355.7
Writedowns of receivables and other provisions	(12.8)	(3.9)	(5.0)
EBITDA	366.6	347.7	350.7
Depreciation, amortization and writedowns of non-current assets	(117.5)	(116.7)	(150.5)
Other revenues and expenses:			
- Legal fees for actions to void and actions for damages	(56.2)	(55.0)	(55.0)
- Restructuring costs	(7.0)	(3.3)	(12.3)
- Miscellaneous revenues and expenses	582.0	168.4	166.6
EBIT	767.9	341.1	299.5
Financial income	65.5	27.4	30.6
Financial expense (-)	(56.4)	(93.4)	(100.9)
Interest in profit (loss) of companies valued by the equity method	(0.4)		
Other income from (expenses for) equity investments	3.3	0.5	0.5
PROFIT BEFORE TAXES	779.9	275.6	229.7
Income taxes	(145.6)	(53.1)	(34.2)
NET PROFIT FROM CONTINUING OPERATIONS	634.3	222.5	195.5
Net profit (loss) from discontinuing operations	40.1	(27.1)	(0.1)
NET PROFIT	674.4	195.4	195.4
Minority interest in net (profit) loss	(1.0)	(2.9)	(2.9)
Group interest in net profit (loss)	673.4	192.5	192.5
Continuing operations:			
Basic earnings per share	0.4084	0.1178	0.1178
Diluted earnings per share	0.3948	0.1140	0.1140

(*) Approved at the Shareholders' Meeting of April 28, 2007.

(**) The differences compared with the financial statements approved by the Shareholders' Meeting of April 28, 2007 are explained in the section of this Report entitled "Reclassification Applied to the 2006 Consolidated Income Statement."



Parmalat Group

RECLASSIFIED CONSOLIDATED BALANCE SHEET

<i>(in millions of euros)</i>	12/31/07	12/31/06
NON-CURRENT ASSETS	1,968.2	2,158.5
Intangibles	1,233.7	1,290.5
Property, plant and equipment	678.2	728.1
Non-current financial assets	9.7	99.3
Deferred-tax assets	46.6	40.6
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	4.7	24.2
NET WORKING CAPITAL	324.9	545.4
Inventories	387.4	348.3
Trade receivables	522.4	530.0
Other current assets	243.2	406.6
Trade payables (-)	(532.7)	(521.0)
Other current liabilities (-)	(295.4)	(218.5)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	2,297.8	2,728.1
PROVISIONS FOR EMPLOYEE BENEFITS (-)	(106.8)	(122.1)
PROVISIONS FOR RISKS AND CHARGES (-)	(338.3)	(359.5)
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	(23.2)	(24.8)
NET INVESTED CAPITAL	1,829.5	2,221.7
<i>Covered by:</i>		
SHAREHOLDERS' EQUITY (a)	2,684.3	2,051.7
Share capital	1,652.4	1,641.5
Reserve for creditor challenges, contested liabilities and claims of late-filing creditors convertible exclusively into share capital	221.5	224.9
Other reserves	16.2	(44.5)
Retained earnings (Loss carryforward)	96.1	(0.3)
Profit for the year	673.4	192.5
Minority interest in shareholders' equity	25.7	37.6
(NET FINANCIAL ASSETS) NET BORROWINGS	(855.8)	170.0
Loans payable to banks and other lenders	582.8	694.2
Loans payable to investee companies	6.0	5.4
Other financial assets (-)	(591.7)	(207.8)
Cash and cash equivalents (-)	(852.9)	(321.8)
TOTAL COVERAGE SOURCES	1,829.5	2,221.7

(a) The schedule that reconciles the result and shareholders' equity at December 31, 2007 of Parmalat S.p.A. and the consolidated result and shareholders' equity is explained in the Notes to the Consolidated Financial Statements.



Parmalat Group

STATEMENT OF CHANGES IN NET FINANCIAL POSITION IN 2007

<i>(in millions of euros)</i>	2007	2006
Net borrowings at the beginning of the year	170.0	369.3
Changes during the period:		
- Cash flow from operating activities	(264.8)	(172.9)
- Cash flow from investing activities	141.7	102.7
- Accrued interest	41.1	65.4
- Cash flow from settlements	(699.5)	10.5
- Cash flow from divestitures and sundry items	(249.2)	(188.2)
- Dividend payments	43.7	2.9
- Exercise of warrants	(7.5)	(1.7)
- Miscellaneous items	(11.6)	3.0
- Impact of changes in the scope of consolidation	(14.2)	36.3
- Currency translation impact	(5.5)	(57.3)
Total changes during the period	(1,025.8)	(199.3)
Net borrowings at the end of the year	(855.8)	170.0

BREAKDOWN OF NET FINANCIAL POSITION

<i>(in millions of euros)</i>	12/31/07	12/31/06
Net borrowings		
Loans payable to banks and other lenders	582.8	694.2
Loans payable to investee companies	6.0	5.4
Other financial assets (-)	(591.7)	(207.8)
Cash and cash equivalents (-)	(852.9)	(321.8)
Total	(855.8)	170.0

RECONCILIATION OF CHANGE IN NET INDEBTEDNESS AND CASH FLOW STATEMENT (Cash and Cash Equivalents)

<i>(in millions of euros)</i>	Cash and cash equivalents	Other financial assets	Gross indebtedness	Net indebtedness
Balance at the beginning of the year	(321.8)	(207.8)	699.6	170.0
Cash flow from operating activities	(264.8)	-	-	(264.8)
Cash flow from investing activities	141.7	-	-	141.7
New borrowings	(22.3)	-	22.3	-
Loan repayments	148.3	-	(148.3)	-
Accrued interest	-	-	41.1	41.1
Investments in current financial assets and sundry assets	382.1	(382.1)	-	-
Cash flow from settlements	(699.5)	-	-	(699.5)
Cash flow from divestitures and sundry items	(249.2)	-	-	(249.2)
Outlays for purchases of equity investments	43.7	-	-	43.7
Dividend payments	(7.5)	-	-	(7.5)
Miscellaneous items	(0.3)	(1.9)	(9.4)	(11.6)
Impact of changes in the scope of consolidation	(3.4)	0.1	(10.9)	(14.2)
Currency translation impact	0.1	-	(5.6)	(5.5)
Balance at the end of the year	(852.9)	(591.7)	588.8	(855.8)



Parmalat S.p.A.

RECLASSIFIED INCOME STATEMENT

<i>(in millions of euros)</i>	2007	2006
REVENUES	894.7	872.7
Net sales revenues	869.4	841.9
Other revenues	25.3	30.8
OPERATING EXPENSES	(811.0)	(801.5)
Purchases, services and miscellaneous costs	(711.8)	(697.6)
Labor costs	(99.2)	(103.9)
Subtotal	83.7	71.2
Writedowns of receivables and other provisions	(5.3)	(1.7)
EBITDA	78.4	68.5
Depreciation, amortization and writedowns of non-current assets	(32.5)	(29.9)
Other revenues and expenses:		
- Legal fees for actions to void and actions for damages	(56.3)	(55.0)
- Restructuring costs	(38.8)	(42.4)
- Miscellaneous revenues and expenses	617.4	180.1
EBIT	568.2	122.3
Financial income	40.9	13.0
Financial expense (-)	(2.9)	(7.7)
Other income from (expenses for) equity investments	9.1	7.5
PROFIT BEFORE TAXES	615.3	135.1
Income taxes	(94.4)	(9.6)
NET PROFIT FROM CONTINUING OPERATIONS	520.9	125.5
Net profit (loss) from discontinuing operations	33.8	0.1
NET PROFIT	554.7	125.6



Parmalat S.p.A.

RECLASSIFIED BALANCE SHEET

(in millions of euros)

	12/31/07	12/31/06
NON-CURRENT ASSETS	1,454.8	1,605.4
Intangibles	468.8	483.6
Property, plant and equipment	154.1	138.0
Non-current financial assets	810.7	964.5
Deferred-tax assets	21.2	19.3
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	0.0	7.5
NET WORKING CAPITAL	70.3	269.4
Inventories	41.5	36.1
Trade receivables	250.7	225.7
Other current assets	153.1	298.5
Trade payables (-)	(218.8)	(204.0)
Other current liabilities (-)	(156.2)	(86.9)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	1,525.0	1,882.3
PROVISIONS FOR EMPLOYEE BENEFITS (-)	(31.9)	(40.6)
PROVISIONS FOR RISKS AND CHARGES (-)	(231.3)	(209.2)
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	(21.3)	(22.8)
NET INVESTED CAPITAL	1,240.6	1,609.7
<i>Covered by:</i>		
SHAREHOLDERS' EQUITY	2,471.9	1,951.1
Share capital	1652.4	1,641.5
Reserve for creditor challenges, contested liabilities and claims of late-filing creditors convertible exclusively into share capital	221.5	224.9
Other reserves	43.3	(11.6)
Retained earnings (Loss carryforward)		(29.3)
Profit for the year	554.7	125.6
(NET FINANCIAL ASSETS) NET BORROWINGS	(1,231.3)	(341.4)
Loans payable to banks and other lenders	9.7	12.5
Loans payable to investee companies	(1.2)	(7.1)
Other financial assets (-)	(588.9)	(206.0)
Cash and cash equivalents (-)	(650.9)	(140.8)
TOTAL COVERAGE SOURCES	1,240.6	1,609.7



Parmalat S.p.A.

STATEMENT OF CHANGES IN NET FINANCIAL POSITION IN 2007

<i>(in millions of euros)</i>	2007	2006
Net borrowings at the beginning of the year	(341.4)	(324.5)
Changes during the period:		
- Cash flow from operating activities	(124.4)	(22.0)
- Cash flow from investing activities	78.8	2.3
- Cash flow from settlements, net of costs incurred to pursue lawsuits	(699.5)	10.5
- Cash flow from divestitures and sundry items	(184.4)	
- Dividends paid to shareholders	41.2	0.0
- Exercise of warrants	(7.5)	(1.7)
- Miscellaneous items	5.9	(6.0)
Total changes during the period	(888.9)	(16.9)
Net borrowings at the end of the year	(1,231.3)	(341.4)

BREAKDOWN OF NET FINANCIAL POSITION

<i>(in millions of euros)</i>	12/31/07	12/31/06
Net borrowings		
Loans payable to banks and other lenders	9.7	12.5
Loans payable to investee companies	(1.2)	2.3
Other financial assets (-)	(588.9)	(214.4)
Cash and cash equivalents (-)	(650.9)	(140.8)
Total	(1,231.3)	(341.4)

RECONCILIATION OF CHANGE IN NET INDEBTEDNESS AND CASH FLOW STATEMENT (Cash and Cash Equivalents)

<i>(in millions of euros)</i>	Cash and cash equivalents	Gross indebtedness	Net indebtedness
Balance at the beginning of the year	(140.8)	(200.6)	(341.4)
Cash flow from operating activities	(124.4)		(124.4)
Cash flow from investing activities	78.8		78.8
New borrowings	(2.6)	2.6	0.0
Loan repayments	4.5	(4.5)	0.0
Investments in current financial assets and sundry assets	382.9	(382.9)	0.0
Cash flow from settlements	(698.5)		(698.5)
Cash flow from divestitures and sundry items	(184.4)		(184.4)
Outlays for purchases of equity investments	41.2		41.2
Dividend payments	(7.5)		(7.5)
Miscellaneous items		4.9	4.9
Balance at the end of the year	(650.8)	(580.5)	(1,231.3)