



PRESS RELEASE

**THE BOARD OF DIRECTORS APPROVES THE 2008 SEMIANNUAL FINANCIAL REPORT
AND SHALL RECONVENE WITHIN 5TH SEPTEMBER NEXT IN ORDER TO FORMALIZE THE DECISION TO
DISTRIBUTE A PARTIAL STATUTORY 2008 DIVIDEND FOR € 128 MILLION (PER SHARE DIVIDEND OF € 0.077)**

**Consolidated Financial Highlights
(in millions of euros)**

GROUP	First half 2007		First half 2008		% change
	Net revenues	1,810.3	1,902.4		+5.1%
	<i>Like for like</i>	1,810.3	1,974.5		+9.1%
• NET REVENUES GROW TO 1,902.4 MILLION EUROS (+5.1%) ➤ Like for Like: 1,974.5 million euros (+9.1%)	EBITDA	163.2	141.1		-13.6%
• EBITDA TOTAL 141.1 MILLION EUROS (-13.6%) ➤ Like for Like: 146.3 million euros (-10.4%)	<i>Like for like</i>	163.2	146.3		-10.4%
		12/31/07	6/30/08		
• NET FINANCIAL ASSETS INCREASE TO 901.0 MILLION EUROS	Net financial assets	855.8	901.0		
		6/30/07	6/30/08		% change
• PARENT COMPANY'S NET PROFIT AT 447.1 million euros	Net profit First half	198.2	447.1		n.m.
• CONSOLIDATED NET PROFIT AT 426.9 million euros	Consolidated net profit First half	244.3	426.9		n.m.
• FURTHER PROGRESS IN IMPROVING THE PRODUCT MIX (FUNCTIONAL PRODUCTS)					

Parmalat S.p.A. announces that its Board of Directors, meeting today under the chairmanship of Raffaele Picella, reviewed and approved the Semiannual Financial Report at June 30, 2008.



Parmalat Group

Consolidated net revenues grew to 1,902.4 million euros in the first half of 2008, or 92.1 million euros more (+5.1%) than the 1,810.3 million euros reported at June 30, 2007. Restated to eliminate the impact of the appreciation of the euro versus other currencies (72.2 million euros), net revenues show a gain of 9.1%. The higher list prices implemented in response to a sharp rise in the cost of raw milk and a further improvement in the product mix, achieved through plans that focused efforts and investments on products with a higher value added, account for these positive results. The Group performed particularly well in its fruit juice business and maintained its share of the functional milk market.

EBITDA for the first six months of 2008 totaled 141.1 million euros, or 22.1 million euros less (-13.6%) than the 163.2 million euros earned in the first six months of 2007. Restated to eliminate the impact of the appreciation of the euro versus the Group's main currencies (5.2 million euros), EBITDA amount to 146,3 million euros, a decrease of 16,9 million euros (-10.4%). The decline in EBITDA compared with 2007 is chiefly the result of the following factors:

- an increase in the cost of raw milk;
- the negative impact of lower unit sales caused by weaker consumer demand and strong competitive pressure from private labels;
- an increase in manufacturing overhead and marketing costs attributable almost exclusively to strong inflationary pressure in South Africa and Central and South America.

The breakdown of revenues and EBITDA by geographic region is as follows:

Geographic Regions						
2007				2008		
Net revenues	EBITDA	EBITDA %	(in millions of euros)	Net revenues	EBITDA	EBITDA %
558.9	55.9	10.0	Italy	599.9	55.9	9.3
72.4	11.1	15.3	Other countries in Europe	81.8	10.9	13.4
625.1	57.7	9.2	North America	637.3	57.3	9.0
179.4	15.5	8.7	Central and South America	202.1	20.8	10.3
168.2	17.9	10.7	Africa	160.0	8.5	5.3
209.2	14.7	7.0	Oceania	223.1	3.7	1.6
(2.9)	(9.5)		Other *	(1.9)	(16.0)	
1,810.3	163.2	9.0	Total for the Group	1,902.4	141.1	7.4

The regions represent the consolidated data for the corresponding countries.

** Other includes Holding Companies, Sundry non-core companies and out-of region eliminations*

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

In **Italy**, revenues were up 7.3%, growing from 558.9 million euros in the first half of 2007 to 599.9 million euros in the same period this year. Restated without Newlat, a Group company sold in May 2008, revenues show a gain of 7.6%, rising from 517.5 million euros in 2007 to 556.6 million euros in 2008.

EBITDA for the first six months of 2008 amounted to 55.9 million euros, the same as earned at June 30, 2007 (4.2 million euros attributable to Newlat, compared with 1.8 million euros in the first half of 2007).



The return on sales was 9.3%, down from 10.0% in the first six months of 2007. The main developments that characterized the first half of 2008 included the following:

- Sharply higher prices for milk, oil and petroleum products and other energy sources;
- A new competitive context as a result of price increases and major inroads made by private labels and discounters;
- Lower food consumption by households, with a significant shift towards cheaper segments and away from branded products.

The impact of the higher cost of raw milk could be offset only in part by raising list prices and through programs to optimize manufacturing and distribution costs and launch new products.

In **Canada**, consolidated revenues totaled 637.3 million euros, up from 625.1 million euros in the first half of 2007 (+2%). Restated without the impact of currency translations, revenues show a gain of 25.9 million euros (+4.1%).

EBITDA (57.7 million euros in the first six months of 2007) amounted to 57.3 million euros after a negative currency translation impact of 1.2 million euros compared with the same period last year. Restated without the currency translation impact, EBITDA shows a gain of about 1.4%. The return on sales decreased from 9.2% to 9.0%.

Even though unit sales and revenues were higher than in the first six months of 2007, EBITDA increased only slightly due to higher listing, promotional and marketing expenses incurred to support the launch of several new products and the SBU's entry in the Québec market and to cost increases for energy and other production components (raw materials).

In **Australia**, consolidated revenues grew to 223.1 million euros in the first half of 2008, or 6.6% more than in the same period a year ago (209.2 million euros). The exchange rate for the Australian dollar did not change appreciably compared with the first six months of 2007.

Overall, unit sales were down year-on-year, particularly for pasteurized milk and desserts, due to competition from private labels and the effect of increases in list prices. The return on sales was under considerable pressure, chiefly as a result of a substantial increase in the cost of raw milk. However, operating expenses and overheads decreased during the period. The Australian SBU is focusing its production on items with a high value added, such as flavored milk, functional products and products that address intolerances, with the goal of improving its sales mix.

In **Africa**, net revenues for the first half of 2008 amounted to 160.0 million euros, compared with 168.2 million euros in the first six months of 2007. This decrease reflects primarily a reduction in unit sales (mainly UHT milk) and the weakness of the South African rand, which lost about 23.2% of its value against the euro compared with the exchange rate in the same period last year. Restated without this negative translation effect, revenues are up approximately 15%.

EBITDA (17.9 million euros in the first half of 2007) totaled 8.5 million euros. The currency translation effect reduced EBITDA for the entire SBU by 1.4 million euros.

Business conditions in this region were affected by changes in the global economy, which caused growth to slow and forced consumers to cut drastically spending in the second quarter of 2008. This environment affected the performance of the Group's operations in Africa, which reported lower unit sales than in the first half of 2007. When stated in South African rand, revenues show an increase of 16.7% reflecting the impact of strong inflationary pressure. The SBU implemented actions to protect its market share, reduce costs and increase supply-chain efficiency in all countries.

The other **European Group companies** generated revenues of 81.8 million euros, or 13% more than the 72.4 million euros booked in the first six months of 2007. EBITDA, which at 10.9 million euros were



about the same as in 2007 (11.1 million euros), were equal to 13.4% of net revenues, down from 15.3% in the first half of 2007.

An analysis of the Group's performance in the individual countries shows a positive trend in Russia, where unit sales were up compared with the first six months of 2007. The Portuguese and Romania SBUs reported results in line with those of the previous year.

In **Central and South America**, revenues grew to 202.1 million euros, for a gain of 12.7% compared with the 179.4 million euros reported at June 30, 2007.

EBITDA for the first six months of 2008 increased to 20.8 million euros, up from 15.5 million euros in the same period a year ago.

A positive performance by the Venezuelan operations in the area of fruit juices, a segment characterized by rising profit margins, and the launch of new products with a high value added are the main reasons for this improvement. In Colombia, unit sales of UHT milk and powdered milk increased compared with the first half of 2007.

The **consolidated net profit** totaled 426.9 million euros, or 182.6 million euros more than the 244.3 million euros earned in the first six months of 2007. Proceeds from lawsuit settlements affect in remarkable way the consolidated net profit.

The Group's **net financial position** showed an improvement of 45.2 million euros, with net financial assets increasing from 855.8 million euros at December 31, 2007 to 901.0 million euros at June 30, 2008. The main reasons for this positive change are:

- The cash flow from operating activities, which totaled about 14.9 million euros, net of changes in operating working capital and investments;
- The flows from non-recurring activities, which amounted to 36.7 million euros reflecting mainly the deconsolidation of 35.1 million euros in net borrowings of Newlat S.p.A., which was sold in May 2008;
- The flows from litigations, which reflected proceeds of 437.9 million euros from settlement agreements executed during the first half of 2008 and expenses of 28.8 million euros incurred to pursue legal actions;
- Tax related flows, which totaled about 172.6 million euros, including 83.0 million euros for operating activities and 89.6 million euros for litigation settlements;
- Dividend payments of 262.1 million euros;
- A change in net indebtedness for the period, with liquidity increasing by more than 45 million euros, owing in part to a positive currency translation effect (appreciation of the euro versus the currencies of consolidated companies) of 25.8 million euros.

PARMALAT S.p.A.

In the first half of 2008, **net revenues** totaled 458.3 million euros, or 31.4 million euros more (+7.4%) than the 426.9 million euros reported at June 30, 2007.

EBITDA amounted to 24.9 million euros, a decrease of 10.0 million euros from the 34.9 million euros earned in the first six months of 2007. This negative performance is chiefly the result of sharply higher production costs, lower unit sales and an increase in non-recurring costs, offset in part by a favorable sales mix effect and more lucrative sales prices.



The **net profit for the period** grew to 447.1 million euros, or 248.9 million euros more than the 198.2 million euros earned in the first half of 2007. This improvement was made possible primarily by the settlements as already described for the Group, which, net of applicable taxes, contributed about 426 million euros (about 223 million euros in the first six months of 2007). Virtually all of the additional benefits generated by increases in net financial income earned on financial assets (30.3 million euros) and dividend income from equity investments (45.8 million euros) were offset by writedowns of goodwill and equity investments.

Net financial assets grew from 1,231.3 million euros at December 31, 2007 to 1,324.0 million euros at June 30, 2008 (+92.7 million euros). The improvement is the result of a positive cash flow from operations and reflects the contribution of the non-recurring transactions discussed in the comments already described.

BUSINESS OUTLOOK

The deepening of the economic and financial crisis has affected the economic trend of Parmalat Australia and Parmalat South Africa more than originally anticipated this past May.

To this situation a major decline of the Italian market must be added. Damages suffered by the above mentioned markets have been only partially compensated by the positive trend of other subsidiaries and by the operational actions already implemented and in course of implementation.

Given the environment outlined above and in absence of extraordinary events, the new "*guidance*" for the Group presents an increase in revenues of 3% compared with 2007, while EBITDA of the Group, for this period, is expected to be approximately 350 million euro, or about 5% less than in 2007.

* * * * *

Partial Statutory dividend

The Board of Directors which today approved the 2008 consolidated semiannual financial report, intends to proceed with the distribution of a partial statutory dividend for an amount of approximately 128 million euro equal to approximately 0,077 per share. The dividend will be payable as of September 25, 2008, with Stock Exchange Coupon presentation date of September 22, 2008. This partial statutory dividend is a part of the entire 2008 financial year dividend.

The Board of Directors will meet again within September 5, 2008 for the compliance with the provisions of art. 2433 bis of the Italian Civil Code.

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Organization, Management and Control Model Required by Legislative Decree No. 231/01, as amended

The Board of Directors reviewed and approved the Organization, Management and Control Model Required by Legislative Decree No. 231/01, updated to take into account recent amendments to the statutes governing occupational health and safety. The new Model is available on line at the Parmalat website: *www.parmalat.net* → *Corporate Governance* → *How we govern Parmalat* → *Corporate Governance Policies*.

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Presentation to Investors

The data for the first half of 2008 will be presented to the financial community at 3:00 PM (CET) – 2:00 PM (GMT) on Friday, August 29, 2008, at the Hotel Principe di Savoia, 17 Piazza della Repubblica, in Milan. The presentation will be followed by a Q&A period. The live presentation may be followed in one of the following modes:

- *webcasting: [http:// parmalat.netick.it/2008-002/live/evento/evento-eng.asp](http://parmalat.netick.it/2008-002/live/evento/evento-eng.asp)-(English)
Password: results.*
- *webcasting: [http:// parmalat.netick.it/2008-002/live/evento/evento-ita.asp](http://parmalat.netick.it/2008-002/live/evento/evento-ita.asp)-(Italian)
Password: results.*
- *audioconferencing by calling the telephone number: +39 02 80 58 811 – Password: Parmalat*

Additional information about the abovementioned presentation is also available on the Parmalat website: “*www.parmalat.com*” → “*Investor Relations*”.

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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 Semiannual Financial Report at June 30, 2008 and the Report of the Independent Auditors will be made available to the public within the deadlines and in the manner required pursuant to current laws. These documents will also be available on the Company website: www.parmalat.com → *Investor Relations* → *Financial Reports*.*



Financial statement schedules are annexed to this press release.

Parmalat S.p.A.

Collecchio, August 28, 2008

Corporate contact:

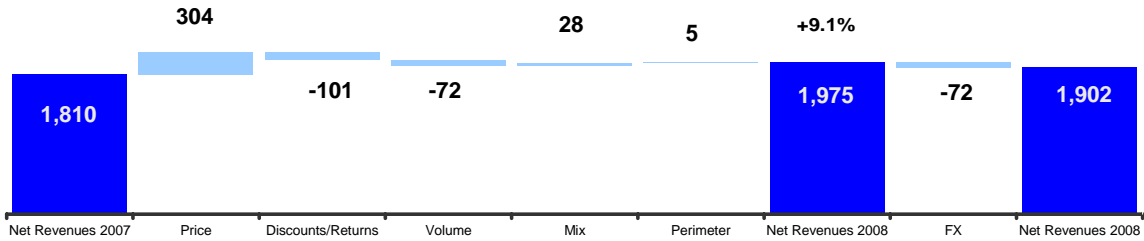
e-mail: affari.societari@parmalat.net



Like for Like Net Revenues and EBITDA

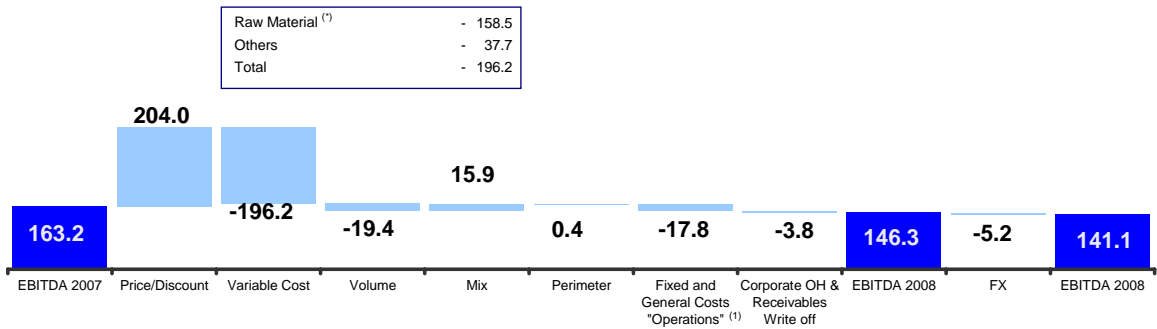
Net Revenues June 08 vs 07

(€ ml)



EBITDA June 08 vs 07

(€ ml)



(*) The data include purchases changes of raw milk for about 124 € ml and of fruit and other ingredients for the remaining amount

(1) The increase in fixed costs and marketing expenses is attributable almost entirely to inflationary pressure in South Africa and Central and South America



Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)

	First half 2008	First half 2007
REVENUES	1,916.0	1,823.9
Net revenues	1,902.4	1,810.3
Other revenues	13.6	13.6
OPERATING EXPENSES	(1,769.3)	(1,654.0)
Purchases, services and miscellaneous costs	(1,538.6)	(1,435.1)
Labor costs	(230.7)	(218.9)
Subtotal	146.7	169.9
Writedowns of receivables and other provisions	(5.6)	(6.7)
EBITDA	141.1	163.2
Depreciation, amortization and writedowns of non-current assets	(119.0)	(45.3)
Other income and expenses:		
- Legal fees for actions to void and actions for damages	(27.1)	(31.9)
- Miscellaneous income and expenses	448.0	197.6
EBIT	443.0	283.6
Financial income	39.8	31.3
Financial expense	(27.7)	(26.0)
Interest in the result of companies valued by the equity method		
Other income from (charges for) equity investments	(0.8)	2.6
PROFIT BEFORE TAXES	454.3	291.5
Income taxes	(27.4)	(74.7)
NET PROFIT FROM CONTINUING OPERATIONS	426.9	216.8
Net profit (loss) from discontinuing operations	-	27.5
NET PROFIT FOR THE PERIOD	426.9	244.3
Minority interest in net (profit) loss	(1.9)	(0.8)
Group interest in net profit (loss)	425.0	243.5
Continuing operations:		
Basic earnings per share	0.2558	0.1480
Diluted earnings per share	0.2491	0.1427



Parmalat Group

RECLASSIFIED CONSOLIDATED BALANCE SHEET

<i>(in millions of euros)</i>	6/30/08	12/31/07
NON-CURRENT ASSETS	1,799.3	1,968.2
Intangibles	1,097.4	1,233.7
Property, plant and equipment	643.1	678.2
Non-current financial assets	9.3	9.7
Deferred-tax assets	49.5	46.6
HELD-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	5.1	4.7
NET WORKING CAPITAL	494.0	324.9
Inventories	396.9	387.4
Trade receivables	492.3	522.4
Other current assets	275.9	243.2
Trade payables (-)	(492.2)	(532.7)
Other current liabilities (-)	(178.9)	(295.4)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	2,298.4	2,297.8
PROVISIONS FOR EMPLOYEE BENEFITS (-)	(99.6)	(106.8)
PROVISIONS FOR RISKS AND CHARGES (-)	(284.1)	(338.3)
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	(11.5)	(23.2)
NET INVESTED CAPITAL	1,903.2	1,829.5
<i>Covered by:</i>		
SHAREHOLDERS' EQUITY (a)	2,804.2	2,685.3
Share capital	1,667.5	1,652.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	212.8	221.5
Other reserves	259.1	16.2
Previous year's net profit (loss)	214.9	96.1
Profit for the period	425.0	673.4
Minority interest in shareholders' equity	24.9	25.7
NET (FINANCIAL ASSETS) BORROWINGS	(901.0)	(855.8)
Loans payable to banks and other lenders	509.0	582.8
Loans payable to investee companies	5.8	6.0
Other financial assets (-)	(753.5)	(591.7)
Cash and cash equivalents (-)	(662.3)	(852.9)
TOTAL COVERAGE SOURCES	1,903.2	1,829.5

(a) The schedule that reconciles the result and shareholders' equity at June 30, 2008 of Parmalat S.p.A. and the consolidated result and shareholders' equity is explained in the Notes to the Condensed Consolidated Semiannual Financial Statements.



Parmalat Group

STATEMENT OF CHANGES IN NET FINANCIAL POSITION IN THE FIRST HALF OF 2008

<i>(in millions of euros)</i>	First half 2008	First half 2007
Net (financial assets) borrowings at beginning of period	(855.8)	170.0
Changes during the period:		
- Cash flow from operating activities	(7.6)	(75.7)
- Cash flow from investing activities	63.3	58.5
- Accrued interest	21.5	19.1
- Cash flow from settlements	(319.5)	(237.4)
- Cash flow from divestitures and sundry items	(5.2)	(22.8)
- Dividend payments	262.1	43.4
- Exercise of warrants	(6.4)	(7.0)
- Miscellaneous items	7.5	(9.0)
- Impact of changes in the scope of consolidation	(35.1)	(12.2)
- Currency translation impact	(25.8)	14.2
Total changes during the period	(45.2)	(228.9)
Net (financial assets) borrowings at end of period	(901.0)	(58.9)

BREAKDOWN OF NET FINANCIAL POSITION

<i>(in millions of euros)</i>	6/30/08	12/31/07
Loans payable to banks and other lenders	509.0	582.8
Loans payable to investee companies	5.8	6.0
Other financial assets (-)	(753.5)	(591.7)
Cash and cash equivalents (-)	(662.3)	(852.9)
Net (financial assets) borrowings	(901.0)	(855.8)

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 (financial assets) borrowings
Beginning balance	(852.9)	(591.7)	588.8	(855.8)
Cash flow from operating activities	(7.6)	-	-	(7.6)
Cash flow from investing activities	63.3	-	-	63.3
New borrowings	(85.5)	-	85.5	-
Loan repayments	114.5	-	(114.5)	-
Accrued interest	-	-	21.5	21.5
Investments in current financial assets and sundry assets	162.1	(162.1)	-	-
Cash flow from settlements	(319.5)	-	-	(319.5)
Cash flow from divestitures and sundry items	(5.2)	-	-	(5.2)
Dividend payments	262.1	-	-	262.1
Exercise of warrants	(6.4)	-	-	(6.4)
Miscellaneous items	-	-	7.5	7.5
Impact of changes in the scope of consolidation	4.3	-	(39.4)	(35.1)
Currency translation impact	8.5	0.3	(34.6)	(25.8)
Ending balance	(662.3)	(753.5)	514.8	(901.0)



Parmalat S.p.A.

RECLASSIFIED INCOME STATEMENT

<i>(in millions of euros)</i>	First half 2008	First half 2007
REVENUES	470.3	438.5
Net revenues	458.3	426.9
Other revenues	12.0	11.6
OPERATING EXPENSES	(443.2)	(400.1)
Purchases, services and miscellaneous costs	(386.0)	(349.2)
Labor costs	(57.2)	(50.9)
Subtotal	27.1	38.4
Writedowns of receivables and other provisions	(2.2)	(3.5)
EBITDA	24.9	34.9
Depreciation, amortization and writedowns of non-current assets	(65.2)	(15.5)
Other income and expenses:		
- Legal fees for actions to void and actions for damages	(27.1)	(31.9)
- Additions to provision for losses of investee companies	(13.3)	(20.9)
- Miscellaneous income and expenses	456.5	223.8
EBIT	375.8	190.4
Financial income	31.9	16.6
Financial expense	(1.6)	(1.8)
Other income from (charges for) equity investments	45.8	9.0
PROFIT BEFORE TAXES	451.9	214.2
Income taxes	(4.8)	(48.1)
NET PROFIT FROM CONTINUING OPERATIONS	447.1	166.1
Net profit (loss) from discontinuing operations	0.0	32.1
NET PROFIT FOR THE PERIOD	447.1	198.2



Parmalat S.p.A.

RECLASSIFIED BALANCE SHEET

<i>(in millions of euros)</i>	6/30/08	12/31/07
NON-CURRENT ASSETS	1,400.5	1,454.8
Intangibles	413.4	468.8
Property, plant and equipment	153.2	154.1
Non-current financial assets	809.6	810.7
Deferred-tax assets	24.3	21.2
HELD-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	0.0	0.0
NET WORKING CAPITAL	181.3	70.3
Inventories	47.8	41.5
Trade receivables	222.9	250.7
Other current assets	213.3	153.1
Trade payables (-)	(224.1)	(218.8)
Other current liabilities (-)	(78.6)	(156.2)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	1,581.8	1,525.0
PROVISIONS FOR EMPLOYEE BENEFITS (-)	(31.4)	(31.9)
PROVISIONS FOR RISKS AND CHARGES (-)	(204.6)	(231.3)
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	(9.5)	(21.3)
NET INVESTED CAPITAL	1,336.3	1,240.6
<i>Covered by:</i>		
SHAREHOLDERS' EQUITY	2,660.3	2,471.9
Share capital	1,667.5	1,652.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	212.9	221.5
Previous years' net profits (losses) and other reserves	332.8	43.3
Profit for the period	447.1	554.7
NET (FINANCIAL ASSETS) BORROWINGS	(1,324.0)	(1,231.3)
Loans payable to banks and other lenders	7.5	9.7
Loans payable to investee companies	(16.3)	(1.2)
Other financial assets (-)	(717.8)	(588.9)
Cash and cash equivalents (-)	(597.4)	(650.9)
TOTAL COVERAGE SOURCES	1,336.3	1,240.6