Semiannual Financial Report

at June 30, 2009

Company listed on the Italian Stock Exchange since October 6th, 2005

Contents

Financial Highlights

Income Statement Highlights

(amounts in millions of euros)		
PARMALAT GROUP	**First half 2009**	**First half 2008**
- NET REVENUES	1,848.0	1,902.4
- EBITDA	161.6	141.1
- EBIT	288.5	443.0
- NET PROFIT	249.2	426.9
- EBIT/REVENUES (%)	15.5	23.1
- NET PROFIT/REVENUES (%)	13.4	22.3
PARMALAT S.p.A.		
- NET REVENUES	416.6	458.3
- EBITDA	41.5	24.9
- EBIT	194.4	375.8
- NET PROFIT	228.6	447.1
- EBIT/REVENUES (%)	45.3	79.9
- NET PROFIT/REVENUES (%)	53.3	95.1

Balance Sheet Highlights

(amounts in millions of euros)		
PARMALAT GROUP	**6/30/09**	**12/31/08**
- NET FINANCIAL ASSETS	1,130.0	1,108.8
- ROI (%) [1]	32.3	41.6
- ROE (%)[1]	17.1	24.5
- EQUITY/ASSETS	0.7	0.7
- NET FINANCIAL POSITION/EQUITY	(0.4)	(0.4)
- OPERATING CASH FLOW FOR THE PERIOD PER SHARE	0.05	0.15
PARMALAT S.p.A.		
- NET FINANCIAL ASSETS	1,480.3	1,441.2
- ROI (%) [1]	61.2	86.8
- ROE (%)[1]	16.8	23.8
- EQUITY/ASSETS	0.9	0.8
- NET FINANCIAL POSITION/EQUITY	(0.5)	(0.5)
- OPERATING CASH FLOW FOR THE PERIOD PER SHARE	0.02	0.05

[1] Indices computed based on annualized income statement data and average balance sheet data for the period.

Information About Parmalat's Securities

The securities of Parmalat S.p.A. have been trading on the Milan Online Stock Market since October 6, 2005. The key data for the first half of 2009 are summarized below:

	Common Shares	**Warrants**
Securities outstanding at 6/30/09	1,702,879,840	70,945,281
Closing price on 6/30/09	1.712	0.778
Capitalization	2,915,330,286.08	55,195,428.62
High for the year (in euros)	1.836 May 27, 2009	0.835 June 3 and 11, 2009
Low for the year (in euros)	1.15 January 2, 2009	0.461 March 10, 2009
Average price in June (in euros)	1.736	0.797
Highest daily trading volume	78,656,784 April 21, 2009	465,056 May 27, 2009
Lowest daily trading volume	3,998,516 June 29, 2009	12,205 January 15, 2009
Average trading volume in June	9,277,860[1]	71,455

[1] 0.54% of the share capital.

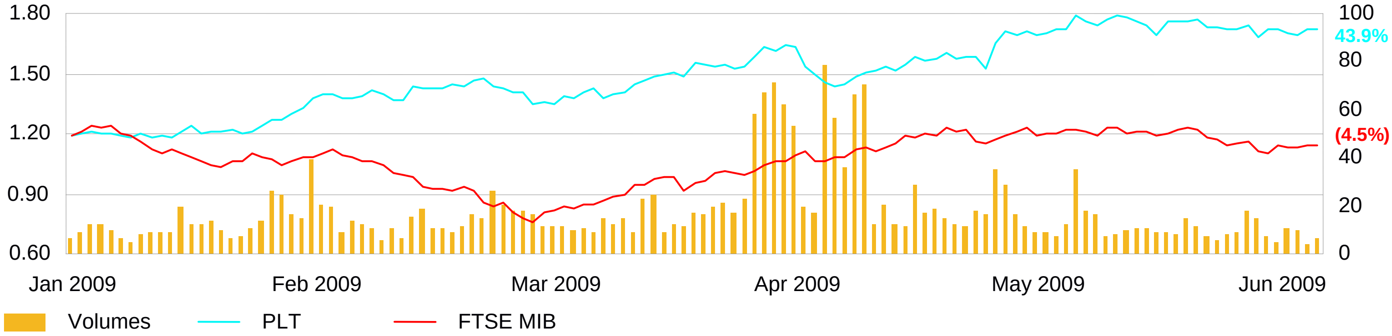
Performance of Parmalat's Shares

The chart that follows compares the performance of the Parmalat shares with that of the main Italian market index: FTSE MIB.

In the first half of 2009, following a period of wide price fluctuations in 2008, which should be viewed within the context of the global financial crisis that shook all financial markets, the Parmalat shares outperformed the FTSE MIB market index (which is still below its December 31, 2008 level), as shown in the chart on the next page.
This positive performance is partly explained by the fact that Parmalat, as a food company, belongs to an industry that is countercyclical with respect to macroeconomic and consumption crises, but also reflects the impact of the operating and financial results achieved by the Company in the first half of the year.

The Parmalat shares have been part of the DJ STOXX 600 Index since March 2006 and were added to the MSCI World Index on June 1, 2007.

Performance of the Parmalat Shares in the First Half of 2009



Shareholder Base

As required by Article 120 of the Uniform Financial Code, the table below lists the shareholders who held a significant interest in the Company at July 2, 2009:

Equity interests computed on deposited share capital at July 23, 2009				
Shareholder	**No. of shares**	**Pledged shares**		**Percentage**
		No. of shares	**Percentage**	
Mackenzie Cundill Investments Mng. Ltd	126,207,316			7.410%
Goldman Sachs Asset Management LP	83,898,785			4.926%
Total for the Intesa S. Paolo Group	40,274,358			2.365%
shares held by Intesa Sanpaolo S.p.A.	*36,930,518*	*411,658*	*0.00025*	*2.169%*
shares held by other banks of the Sanpaolo Imi Group	*3,343,840*			*0.196%*
Total significant interests	**250,380,459**			**14.701%**

For the sake of full disclosure, please note that, as a result of the share allocation process and the resulting allotment of shares to the creditors of the Parmalat Group, as of the writing of this Report, the Company's subscribed capital share increased by 222,437 euros. Consequently, the share capital, which totaled 1,702,879,840 euros at June 18, 2009, currently amounts to 1,703,102,277 euros.

More specifically, 25,028,650 shares, equal to 1.5% of the share capital, are still held on deposit by Parmalat S.p.A. A breakdown of these shares is as follows:

- 13,133,181 shares, equal to 0.8% of the share capital, are owned by commercial creditors who have been identified by name and are held by Parmalat S.p.A. as intermediary through the Monte Titoli centralized securities clearing system;
- 11,895,469 shares, equal to 0.7% of the share capital, are registered in the name of Fondazione Creditori Parmalat, broken down as follows:
  - 120,000 shares represent the initial share capital of Parmalat S.p.A.;
  - 11,775,469 shares, equal to 0.7% of the share capital, belong to creditors who have not yet claimed them.

The maintenance of the Stock Register has been outsourced to Servizio Titoli S.p.A.

Characteristics of the Securities

Shares

The shares are common, registered shares, regular ranking for dividends as of January 1 of the year in which the capital increase through which they were issued was carried out.

The Extraordinary Shareholders' Meeting of March 1, 2005 approved a capital increase of up to 2,009,967,908 euros, reserved as follows:

a) up to 1,502,374,237 euros for unsecured creditors with verified claims;
b) up to 38,700,853 euros for Fondazione Creditori Parmalat;
c) up to 238,892,818 euros for creditors with contested or conditional claims;
d) up to 150,000,000 euros for late-filing creditors;
e) up to 80,000,000 euros for the conversion of warrants.

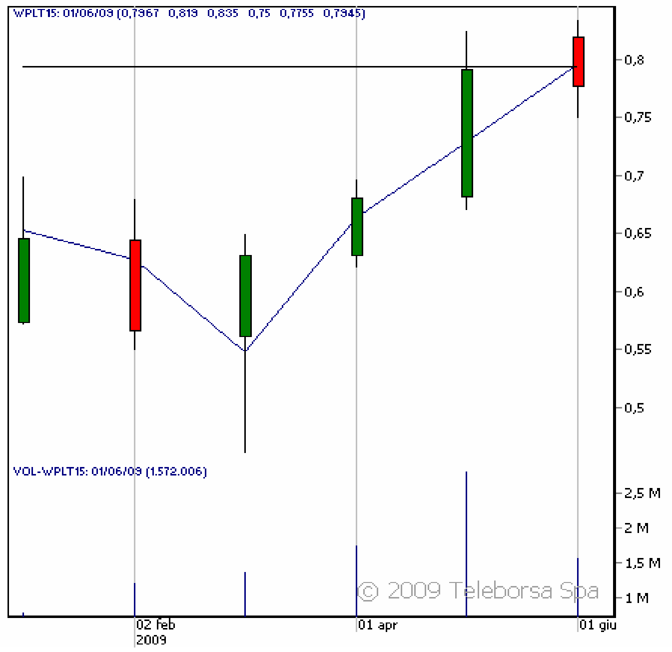
The Extraordinary Shareholders' Meeting of September 19, 2005 approved a resolution making "permeable" the tranches into which the capital increase approved at the above mentioned Extraordinary Shareholders' Meeting of March 1, 2005 is divided.

On April 28, 2007, the Shareholders' Meeting, convened in Extraordinary Session and acting pursuant to Article 5 of the Company Bylaws, approved a resolution increasing from 80 million euros to 95 million euros the share capital reserved for the conversion of warrants.
Consequently, the Company's share capital totals 2,025 million euros, an amount that includes 95 million euros reserved for the exercise of warrants.

If one of the tranches into which the above mentioned capital increase is divided (except for the first tranche – for an amount up to 1,502 million euros – and the last tranche of 80,000,000 euros – now 95,000,000 euros – reserved for warrant conversion purposes) should contain more shares than are needed to actually convert into share capital the claims for which it has been reserved, the surplus can be used to draw the resources needed to convert the claims of a different category of creditors, whose conversion needs are greater than those that can be accommodated with the capital increase tranche reserved for them pursuant to the resolution approved by the Extraordinary Shareholders' Meeting of March 1, 2005.

Acting in accordance with the above mentioned resolutions of the Shareholders' Meeting, the Board of Directors carried out the requisite capital increases, as needed.

Warrants



The warrants, which have a par value of 1 euro each, are issued in dematerialized form and have been negotiable on the Online Stock Market since the date of listing (October 28, 2005).

Each warrant conveys the right to subscribe shares at par for cash on a continuous basis, effective on the tenth day of the month following the month when the application to exercise the warrants is filed in a given calendar year, from 2005 to 2015.

The terms and conditions for the exercise of the warrants are set forth in the respective regulations, which were approved by the Company's Board of Directors on March 1, 2005 and are available at the Parmalat website (www.parmalat.com).

The additional shares issued through the exercise of the warrants will be issued with regular ranking, i.e., with a valid coupon as of the effective exercise date of the warrants.

Global Depositary Receipts

Pursuant to the Composition with Creditors and with express exemption from any related liability, the Fondazione Creditori Parmalat and the Issuer have been authorized, each within the scope of its jurisdiction, to award to unsecured creditors who can be classified as "Qualified Institutional Buyers" or "Accredited Investors" (in accordance with the meaning that these terms have pursuant to the "General Rules and Regulations Under the U.S. Securities Act of 1933") the Issuer's shares and warrants that they are entitled to receive in the form of Global Depositary Receipts, and to take all steps necessary to establish the required Global Depositary Receipts programs.

The credit institution that issues these financial instruments is the Bank of New York, which should be contacted for all related documents and transactions.

Board of Directors, Board of Statutory Auditors and Independent Auditors

Board of Directors

Chairman	Raffaele Picella
Chief Executive Officer	Enrico Bondi
Directors	Piergiorgio Alberti (i) Massimo Confortini (i) (3) Marco De Benedetti (i) (2) Andrea Guerra (i) (2) Vittorio Mincato (i) (3) Erder Mingoli (i) Marzio Saà (i) (1) Carlo Secchi (i) (1) (2) Ferdinando Superti Furga (i) (1) (3)

(i) Independent Director
(1) Member of the Internal Control and Corporate Governance Committee
(2) Member of the Nominating and Compensation Committee
(3) Member of the Litigation Committee

Board of Statutory Auditors

Chairman	Alessandro Dolcetti
Statutory Auditors	Enzio Bermani Renato Colavolpe

Independent Auditors

PricewaterhouseCoopers S.p.A.

Interim Report on Operations

Review of Operating and Financial Performance

Parmalat Group

Net revenues, restated at constant exchange rates, totaled 1,895.7 million euros, or 48.2 million euros more (+2.6%) than the 1,847.5 million euros reported at June 30, 2008, computed on a comparable scope of consolidation basis (excluding 54.9 million euros attributable to Newlat, which was sold in the first half of 2008. The list price increases implemented in 2008 to offset a sharp rise in the components of production account for most of the increase in net revenues.

EBITDA, restated at constant exchange rates, grew to 165.4 million euros, for a gain of 28.5 million euros (+20.8%) compared with the 136.9 million euros earned in the first half of 2008, computed on a comparable scope of consolidation basis, specifically with regard to 4.2 million euros attributable to Newlat, which was sold in the first half of 2008.
During the first six months of 2009, the Group continued to face strong competitive pressure from private labels. Nevertheless, it improved its profitability, owing in part to the savings realized on purchases of raw milk in many of the countries where Parmalat operates. Innovation and modernization programs focused on the more profitable market segments, such as children's cheese, flavored milks and desserts. The fruit beverages division strengthened its competitive position in all major markets.

EBIT amounted to 288.5 million euros, down from 443.0 million euros in the first half of 2008. In addition to EBITDA (161.6 million euros), the main items that had an impact on EBIT included proceeds from settlements of actions to void and actions for damages of 181.7 million euros (437.9 million euros in the first six months of 2008) and litigation-related legal expenses of 6.1 million euros (27.1 million euros in the first half of 2008).
Depreciation, amortization and writedowns of non-current assets totaled 46.7 million euros. In the first six months of 2008, this item amounted to 119.0 million euros, including a charge of 72.7 million euros required by the impairment test.

Group interest in net profit totaled 247.8 million euros, for a decrease of 177.2 million euros compared with the 425.0 million euros earned in the first half of 2008. A reduction in the contribution provided to the bottom line by actions to void and actions for damages (178.7 million euros in the first six months of 2009, compared with 426.8 million euros in the same period last year, net of the tax effect), is the main reason for this decrease.

Operating working capital increased to 407.8 million euros, or 78.6 million euros more than at December 31, 2008, when it amounted to 329.2 million euros. This increase is the net result of the following factors: a rise in the inventories of finished goods held by the Canadian subsidiary, due to the seasonal nature of its business, which is characterized by increased milk production during the first six months of the year and higher sales during the second half, and decreases in the trade payables owed by Parmalat S.p.A. that reflects the lower price for raw milk and in litigation-related legal expenses.

Net invested capital amounted to 1,851.1 million euros, for an increase of 117.8 million euros compared with 1,733.3 million euros at December 31, 2008. The change in operating working capital and the effect of translating the financial statements of companies that operate outside the euro zone account for this increase.

Net financial assets totaled 1,130.0 million euros, or 21.2 million euros more than the 1,108.8 million euros held at December 31, 2008. The increase reflects primarily: the cash flow from operating activities (72.3 million euros), the inflow from litigation settlements (162.8 million euros, as the net result of 181.4 million euros in proceeds from settlements reached in the first half of 2009 and 18.6 million euros in costs incurred to pursue the corresponding legal actions), the outflow for income taxes (38.8 million euros), the payment of dividends (163.8 million euros, including 162.2 million euros attributable to the Group's Parent Company) and the impact of the translation into euros of the net borrowings of companies that operate outside the euro zone (11.5 million euros).

Group interest in shareholders' equity grew to 2,955.7 million euros. The increase of 138.5 million euros compared with the amount at December 31, 2008 (2,817.2 million euros) is due mainly to the net profit for the period (247.8 million euros) and the positive impact of the translation into euros of the financial statements of companies that operate outside the euro zone (56.8 million euros), offset in part by the 2008 final dividend (162.5 million euros) declared by the Ordinary Shareholders' Meeting on April 9, 2009.

Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)	First half 2009	First half 2008
REVENUES	**1,860.9**	**1,916.0**
Net sales revenues	1,848.0	1,902.4
Other revenues	12.9	13.6
OPERATING EXPENSES	**(1,691.0)**	**(1,769.3)**
Purchases, services and miscellaneous costs	(1,466.2)	(1,538.6)
Labor costs	(224.8)	(230.7)
Subtotal	**169.9**	**146.7**
Writedowns of receivables and other provisions	(8.3)	(5.6)
EBITDA	**161.6**	**141.1**
Depreciation, amortization and writedowns of non-current assets [1]	(46.7)	(119.0)
Other income and expenses:		
- Litigation-related legal expenses	(6.1)	(27.1)
- Miscellaneous income and expenses	179.7	448.0
EBIT	**288.5**	**443.0**
Financial income	18.7	33.3
Financial expense	(16.3)	(23.1)
Net foreign currency translation gain (loss)	1.4	1.9
Other income from (charges for) equity investments	3.2	(0.8)
PROFIT BEFORE TAXES	**295.5**	**454.3**
Income taxes	(46.3)	(27.4)
NET PROFIT FROM CONTINUING OPERATIONS	**249.2**	**426.9**
Net profit (loss) from discontinuing operations	-	-
NET PROFIT FOR THE YEAR	**249.2**	**426.9**
Minority interest in net (profit) loss	(1.4)	(1.9)
Group interest in net profit	247.8	425.0
Continuing operations:		
Basic earnings per share	**0.1463**	**0.2558**
Diluted earnings per share	**0.1441**	**0.2491**

[1] There were no writedowns of non-current assets in the first half of 2009, as against writedowns totaling 72.7 million euros in the first six months of 2008.

Parmalat Group

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(in millions of euros)	**6/30/09**	**12/31/08**
NON-CURRENT ASSETS	**1,765.8**	**1,698.7**
Intangibles	1,029.7	999.2
Property, plant and equipment	675.9	646.3
Non-current financial assets	9.5	8.4
Deferred-tax assets	50.7	44.8
HELD FOR SALE ASSETS, NET OF CORRESPONDING LIABILITIES	**0.5**	**8.1**
NET WORKING CAPITAL	**453.8**	**379.7**
Inventories	379.8	333.6
Trade receivables	462.7	465.5
Trade payables (-)	(434.7)	(469.9)
Operating working capital	**407.8**	**329.2**
Other current assets	192.6	246.2
Other current liabilities (-)	(146.6)	(195.7)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**2,220.1**	**2,086.5**
PROVISIONS FOR EMPLOYEE BENEFITS (-)	**(94.6)**	**(87.1)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(266.6)**	**(256.4)**
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(7.8)**	**(9.7)**
NET INVESTED CAPITAL	**1,851.1**	**1,733.3**
Covered by:		
SHAREHOLDERS' EQUITY[1]	**2,981.1**	**2,842.1**
Share capital	1,702.9	1,687.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	178.0	193.2
Other reserves and retained earnings	827.0	393.5
Interim dividends	-	(130.0)
Profit for the year	247.8	673.1
Minority interest in shareholders' equity	25.4	24.9
NET FINANCIAL ASSETS	**(1,130.0)**	**(1,108.8)**
Loans payable to banks and other lenders	485.6	492.6
Loans payable to investee companies	6.1	6.2
Other financial assets (-)	(1,158.8)	(706.4)
Cash and cash equivalents (-)	(462.9)	(901.2)
TOTAL COVERAGE SOURCES	**1,851.1**	**1,733.3**

[1] The schedule that reconciles the result and shareholders' equity at June 30, 2009 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 2009

(in millions of euros)	**First half 2009**	**First half 2008**
Net (financial assets) borrowings at beginning of period	**(1,108.8)**	**(855.8)**
Changes during the period:		
- Cash flow from operating activities for the period	(80.0)	(7.6)
- Cash flow from investing activities	34.5	58.1
- Accrued interest	16.9	21.5
- Cash flow from settlements	(162.8)	(319.5)
- Dividend payments	163.8	262.1
- Exercise of warrants	(0.3)	(6.4)
- Miscellaneous items	(4.8)	7.5
- Impact of changes in the scope of consolidation	-	(35.1)
- Translation effect	11.5	(25.8)
Total changes during the period	(21.2)	(45.2)
Net financial assets at end of period	**(1,130.0)**	**(901.0)**

BREAKDOWN OF NET FINANCIAL POSITION

(in millions of euros)	**6/30/09**	**12/31/08**
Loans payable to banks and other lenders	485.6	492.6
Loans payable to investee companies[1]	6.1	6.2
Other financial assets (-)	(1,158.8)	(706.4)
Cash and cash equivalents (-)	(462.9)	(901.2)
Net (financial assets) borrowings	**(1,130.0)**	**(1,108.8)**

[1] Including 3.8 million euros owed to PPL Participações Ltda and 2.3 million euros owed to Wishaw Trading sa.

RECONCILIATION OF CHANGE IN NET FINANCIAL ASSETS TO CASH FLOW STATEMENT (Cash and Cash Equivalents)

(in millions of euros)	**Cash and cash equivalents**	**Other financial assets**	**Gross indebtedness**	**Net (financial assets) borrowings**
Beginning balance	**(901.2)**	**(706.4)**	**498.8**	**(1,108.8)**
Cash flow from operating activities for the period	(80.0)	-	-	(80.0)
Cash flow from investing activities	34.5	-	-	34.5
New borrowings	(3.5)	-	3.5	-
Loan repayments	38.9	-	(38.9)	-
Accrued interest	-	-	16.9	16.9
Investments in current financial assets and sundry assets	452.2	(452.2)		-
Cash flow from settlements	(162.8)	-	-	(162.8)
Dividend payments	163.8	-	-	163.8
Exercise of warrants	(0.3)	-	-	(0.3)
Miscellaneous items	-	-	(4.8)	(4.8)
Translation effect	(4.5)	(0.2)	16.2	11.5
Ending balance	**(462.9)**	**(1,158.8)**	**491.7**	**(1,130.0)**

[1] See Note (16) to the Consolidated Financial Statements.

Parmalat S.p.A.

Net revenues totaled 416.6 million euros, for a decrease of 9.1% compared with the 458.3 million euros booked in the first half of 2008 (-7.3% excluding the impact of the cheese operations sold in 2008).

EBITDA grew to 41.5 million euros, or 16.6 million euros more (+66.7%) than the 24.9 million euros earned in the first six months of 2008. This improvement reflects an 18.7-million-euro gain in the return on sales, due mainly to lower raw material prices, offset in part by higher additions to the allowances for doubtful accounts, which increased by 2.3 million euros.

EBIT amounted to 194.6 million euros, for a decrease of 181.2 million euros compared with the first half of 2008 (375.8 million euros). The main reason for this shortfall is a reduction in proceeds from settlements with credit institutions: 181.7 million euros in the first six months of 2009 compared with 437.9 million euros in the same period last year.

The net profit for the period totaled 228.6 million euros, or 218.5 million euros less than the 447.1 million euros earned in the first six months of 2008. This negative change is chiefly the result of the decrease in proceeds from settlements mentioned above, which contributed about 178.7 million euros to the bottom line (net of the applicable tax effect) compared with about 426.8 million euros in the first half of 2008. Reductions in net financial income (-12.8 million euros) and in dividend income from investee companies (33.9 million euros, compared with 45.8 million euros in the first six months of 2008) account for the balance of the decrease.

Net invested capital amounted to 1,280.2 million euros, up from 1,253.9 million euros at December 31, 2008. The increase of 26.3 million euros is due mainly to a rise in the net balance of other receivables and payables (+26.5 million euros) caused primarily by the 2009 estimated tax payment (about 12.7 million euros). The increase in operating working capital (+9.8 million euros) was offset by a reduction in non-current assets (-11.8 million euros). The changes in the provisions for risks and provisions for employee benefits involved only limited amounts.

Net financial assets improved, rising from 1,441.2 million euros at December 31, 2008 to 1,480.3 million euros at June 30, 2009, for a gain of 39.1 million euros.
This increase reflects the combined impact of proceeds from settlements (about 181.4 million euros), the payment of dividends (about 162.2 million euros) and the cash flow from operations for the difference.

The Company's **shareholders' equity** totaled 2,760.5 million euros, up from 2,695.1 million euros at December 31, 2008. The increase of 65.4 million euros is essentially the net result of the profit for the period, less the payment of the 2008 final dividend.

Parmalat S.p.A.

RECLASSIFIED INCOME STATEMENT

(in millions of euros)	First half 2009	First half 2008
REVENUES	**429.1**	**470.3**
Net revenues	416.6	458.3
Other revenues	12.5	12.0
OPERATING EXPENSES	**(383.6)**	**(443.7)**
Purchases, services and miscellaneous costs	(330.8)	(386.5)
Labor costs	(52.8)	(57.2)
Subtotal	**45.5**	**26.6**
Writedowns of receivables and other provisions	(4.0)	(1.7)
EBITDA	**41.5**	**24.9**
Depreciation, amortization and writedowns of non-current assets	(19.5)	(65.2)
Other income and expenses:		
- Litigation-related legal expenses	(6.1)	(27.1)
- Additions to provision for losses of investee companies	(6.3)	(13.3)
- Miscellaneous income and expenses	185.0	456.5
EBIT	**194.6**	**375.8**
Financial income	18.5	29.9
Financial expense	(1.2)	(0.6)
Net foreign currency translation gain (loss)	0.1	1.1
Other income from (charges for) equity investments	33.9	45.8
PROFIT BEFORE TAXES	**245.9**	**451.9**
Income taxes	(17.3)	(4.8)
NET PROFIT FROM CONTINUING OPERATIONS	**228.6**	**447.1**
Net profit from discontinuing operations	0.0	0.0
NET PROFIT FOR THE PERIOD	**228.6**	**447.1**

Parmalat S.p.A.

RECLASSIFIED BALANCE SHEET

(in millions of euros)	**6/30/09**	**12/31/08**
NON-CURRENT ASSETS	**1,346.0**	**1,353.7**
Intangibles	394.1	401.5
Property, plant and equipment	150.5	153.8
Non-current financial assets	772.4	773.2
Deferred-tax assets	29.0	25.2
HELD FOR SALE ASSETS, NET OF CORRESPONDING LIABILITIES	**0.0**	**4.1**
NET WORKING CAPITAL	**163.3**	**127.6**
Inventories	39.4	39.7
Trade receivables	194.9	224.0
Trade payables (-)	(166.0)	(205.2)
Operating working capital	**68.3**	**58.5**
Other current assets	145.4	169.3
Other current liabilities (-)	(49.9)	(100.2)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**1,509.3**	**1,485.4**
PROVISIONS FOR EMPLOYEE BENEFITS (-)	**(27.8)**	**(27.7)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(196.0)**	**(196.1)**
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(5.8)**	**(7.7)**
NET INVESTED CAPITAL	**1,280.2**	**1,253.9**
Covered by:		
SHAREHOLDERS' EQUITY	**2,760.5**	**2,695.1**
Share capital	1,702.9	1,687.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	178.0	193.3
Other reserves and retained earnings	651.0	329.0
Interim dividends		(130.0)
Profit for the period	228.6	615.4
NET FINANCIAL ASSETS	**(1,480.3)**	**(1,441.2)**
Loans payable to banks and other lenders	4.3	5.9
Loans payable to investee companies	(18.0)	(17.3)
Other financial assets (-)	(1,139.2)	(679.2)
Cash and cash equivalents (-)	(327.4)	(750.6)
TOTAL COVERAGE SOURCES	**1,280.2**	**1,253.9**

Revenues and Profitability

Note: The data are stated in millions of euros. As a result, the figures could reflect apparent differences caused exclusively by the rounding of figures.

Parmalat Group

(in millions of euros)	**First Half 2009**	**First Half 2008**	**Variance**	**Varian.%**
Revenues	**1,848.0**	**1,902.4**	**(54.4)**	*-2.9%*
EBITDA	**161.6**	**141.1**	**20.5**	*+14.5%*
EBITDA %	*8.7*	*7.4*	*1.3 ppt*	

The data restated at constant exchange rates and scope of consolidation are as follows:

(in millions of euros)	**First Half 2009**	**First Half 2008**	**Variance**	**Varian.%**
Revenues	**1,895.7**	**1,847.5**	**48.2**	*+2.6%*
EBITDA	**165.4**	**136.9**	**28.5**	*+20.8%*
EBITDA %	*8.7*	*7.4*	*1.3 ppt*	

Net revenues, restated at constant exchange rates, totaled 1,895.7 million euros.
This revenue amount is 48.2 million euros higher (+2.6%) than the 1,847.5 million euros reported at June 30, 2008, computed on a comparable scope of consolidation basis, specifically with regard to 54.9 million euros attributable to Newlat, which was sold in the first half of 2008.
The list price increases implemented in 2008 to offset a sharp rise in the components of production account for most of the increase in net revenues.

EBITDA, restated at constant exchange rates, grew to 165.4 million euros.

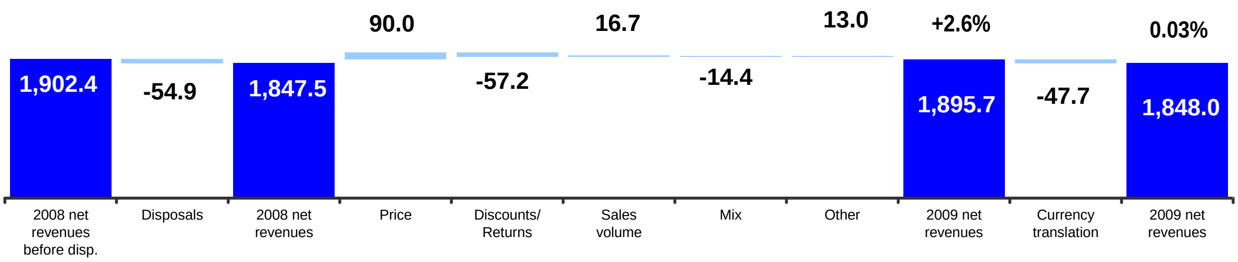
This EBITDA amount is 28.5 million euros higher (+20.8%) than the 136.9 million euros earned in the first half of 2008, computed on a comparable scope of consolidation basis (excluding 4.2 million euros attributable to Newlat, which was sold in the first half of 2008).

During the first six months of 2009, the Group continued to face strong competitive pressure from private labels. Nevertheless, it improved its profitability, owing in part to the savings realized on purchases of raw milk in many of the countries where Parmalat operates. Innovation and modernization programs focused on the more profitable market segments, such as children’s cheese, flavored milks and desserts. The fruit beverages division strengthened its competitive position in all major markets.

Like for Like Net Revenues and EBITDA

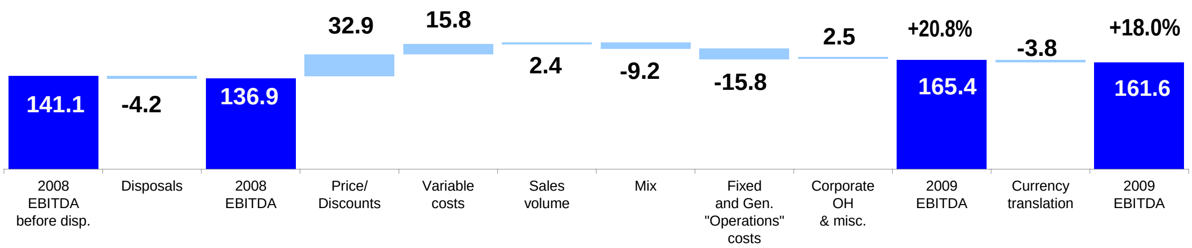
Net Sales First Half 2009 vs First Half 2008

(€ m)



EBITDA First Half 2009 vs First Half 2008

(€ m)



Data by Geographic Region

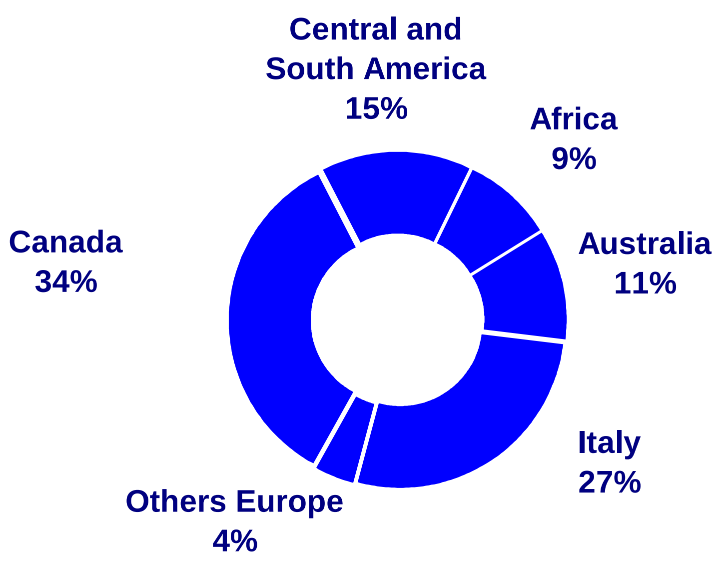
(in millions of euros)	First Half 2009			First Half 2008		
Region	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***
Italy [1]	505.6	61.7	*12.2*	599.9	55.9	*9.3*
Others Europe	67.9	10.6	*15.6*	81.8	10.9	*13.4*
Russia	33.4	6.4	*19.1*	42.7	6.2	*14.4*
Portugal	29.5	3.8	*12.9*	32.3	3.7	*11.6*
Romania	5.0	0.4	*8.7*	6.8	1.1	*15.5*
Canada	638.6	51.1	*8.0*	637.3	57.3	*9.0*
Africa	165.5	6.2	*3.7*	160.0	8.5	*5.3*
South Africa	144.7	4.1	*2.8*	140.3	5.9	*4.2*
Others Africa	20.8	2.1	*9.9*	19.8	2.6	*13.2*
Australia	200.2	17.6	*8.8*	223.1	3.7	*1.6*
Central and South America	270.6	26.3	*9.7*	202.1	20.8	*10.3*
Venezuela	202.8	22.2	*11.0*	118.6	13.1	*11.0*
Colombia	47.0	3.4	*7.1*	62.7	6.7	*10.8*
Others Central and South America	20.8	0.7	*3.4*	20.8	1.0	*4.7*
Others [2]	(0.4)	(11.9)	*n.s.*	(1.9)	(16.0)	*n.s.*
Group	**1,848.0**	**161.6**	***8.7***	**1,902.4**	**141.1**	***7.4***

Regions represent the consolidated countries

1. 2008 data include net revenues for 54.9 million euros and EBITDA for 4.2 million euros relating to Newlat, sold in the first half of 2008

2. Includes holding, other minor companies, eliminations between regions

Net Revenues by Geographic Region

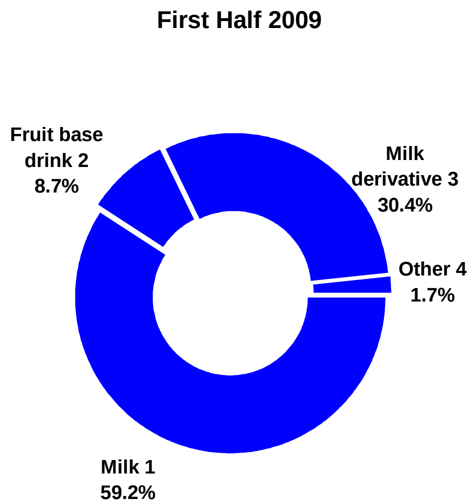


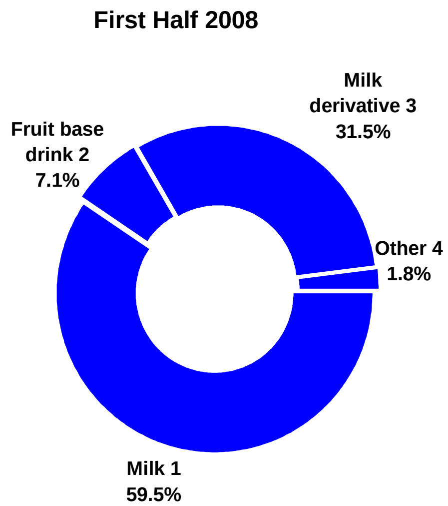
Data by Product Division

(in millions of euros)	First Half 2009			First Half 2008		
Division	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***
Milk [1]	1,093.3	87.2	*8.0*	1,132.5	74.5	*6.6*
Fruit base drink [2]	161.0	31.4	*19.5*	135.4	25.8	*19.0*
Milk derivative [3]	561.7	52.6	*9.4*	599.8	53.3	*8.9*
Other [4]	32.0	(9.6)	*(30.0)*	34.8	(12.4)	*(35.8)*
Group	**1,848.0**	**161.6**	***8.7***	**1,902.4**	**141.1**	***7.4***

1 Include Milk, Cream and Bechamel
2 Include Fruit base drink and Tea
3 Include Yoghurt, Dessert, Cheese
4 Include Other Products and Holding

Net Revenues by Product Division





1 Include Milk, Cream and Bechamel
2 Include Fruit base drink and Tea
3 Include Yoghurt, Dessert, Cheese
4 Include Other Products and Holding

Italy

(in millions of euros)	First Half 2009	First Half 2008	Variance	Varian.%
Revenues	**505.6**	**599.9**	**(94.2)**	*-15.7%*
EBITDA	**61.7**	**55.9**	**5.8**	*+10.3%*
EBITDA %	*12.2*	*9.3*	*2.9 ppt*	

Two major divestments occurred in 2008: Newlat (May 2008) and some brands in the cheese category (Ala, Polenghi and Optimus). Consequently, in order to provide a more meaningful year-over-year comparison, the table below shows the data of the Italian SBU restated without the contribution of Newlat and the divested cheese brands.

Italy (excluding Newlat and divested cheese brands)

(in millions of euros)	First Half 2009	First Half 2008	Variance	Varian.%
Revenues	**505.6**	**547.5**	**(41.9)**	*-7.6%*
EBITDA	**61.7**	**53.3**	**8.4**	*+15.8%*
EBITDA %	*12.2*	*9.7*	*2.5 ppt*	

The decrease in net sales revenues, compared with 2008, is mainly the result of the following factors:

- The pass-through effect on sales prices of a reduction in the cost of raw milk;
- A decrease in unit sales, particularly in the fresh milk market segment, due to strong growth by private labels in the modern distribution channel. Despite this challenging environment, Parmalat was able to contain the reduction in the sales volume of fresh milk, thanks to a strong performance by Blu Premium, with unit sales of this brand doubling compared with 2008.

Markets and Products

The economic recession continued in 2009, with GDP expected to contract sharply compared with 2008. However, more stable financial markets and lower inflation helped boost consumer confidence.

In the UHT milk market, the trend was negative (-1.0% on a volume basis) in the first half of 2009, due mainly to lower demand for basic UHT Milk (-1.6% on a volume basis), despite an increased use of promotional programs and the presence of low-priced imports.

After years of growth, sales of functional milk were also down (-7.8% on a volume basis), reflecting primarily an increased concern for price on the part of consumers.
The highly digestible milk segment, a market targeted by two major competitors with advertising and promotional investments, continued to expand (+9.5% on a volume basis).

Parmalat strengthened its leadership position in the UHT milk market, raising its value market share by one percentage point to 35.1%, owing in part to the continuation provided by Zymil Milk, which increased its value market share from 8.4% to 9.0%.

In the first six months of 2009, demand for pasteurized milk was up modestly only in the modern distribution segment (+0.8%). Thanks to huge price differentials compared with major brands, private labels more than doubled their market share, accounting for about 18% of sales in the modern channel. Sales by local and national industrial brands were down sharply.
Higher sales of Blu Premium milk, which grew to account for 4.4% of its segment, enabled Parmalat to minimize its loss of market share.

In the fruit juice market, the negative trend that prevailed earlier in the year, due mainly to unfavorable weather conditions, bottomed out only in May. Parmalat enjoyed significantly faster growth than the market as a whole in the first half of 2009, strengthening its leadership position, boosting its market share to 15.3%.

The yogurt market showed relatively little change (+0.7%), despite an increase in promotional activity. Demand was down in the basic segment, which accounts for 83% of the total market, but continued to increase for functional products (+16%). Parmalat reported lower unit sales, due to scaled back promotional activity.

The table below shows the market share held by Parmalat in the main market segments in which it operates (modern channel):

Products	Value market share
UHT milk	35.1%
Pasteurized milk[1]	24.6%
Yogurt	33.3%
Fruit beverage	6.4%

Source: AC Nielsen-IRI (Total Italy – No Discount); January-June 2009
[1]Source: AC Nielsen-IRI Modern Channel; January-June 2009

Raw Materials and Packaging

In the international markets, prices of dairy products continued to trend downwards during the first half of 2009. A supply overhang, against the backdrop of a slowing global economy, produced across-the-board reductions in the prices of powdered milk, cheese and butter, which impacted the prices charged by dairy farmer. Because of a lack of sufficient domestically produced milk to meet Italian demand, local prices decreased less than in other European countries.
With regard to packaging materials, purchasing costs were down, reflecting the impact of lower crude oil prices.

Capital Expenditures

During the first half of 2009, the Italian SBU invested 8.5 million euros. Consistent with stated strategic development objectives, the main projects focused on the environmental and occupational health and safety areas and on manufacturing efficiency and quality.
The main capital expenditures included the following projects:

- Improvement of plant services and energy savings (water, steam, etc.) at facilities in Collecchio, Catania, Rome and Zevio;
- System to monitor performance and production-line efficiency (Collecchio and Albano);
- New layout of some packaging lines (Collecchio).

Other Countries in Europe

Russia

(in millions of euros)	First Half 2009	First Half 2008	Variance	Varian.%
Revenues	**33.4**	**42.7**	**(9.3)**	*-21.8%*
EBITDA	**6.4**	**6.2**	**0.2**	*+3.8%*
EBITDA %	*19.1*	*14.4*	*4.7 ppt*	

Local currency figures

(in local currency m)	First Half 2009	First Half 2008	Variance	Varian.%
Revenues	**1,471.4**	**1,563.1**	**(91.7)**	*-5.9%*
EBITDA	**281.5**	**225.2**	**56.2**	*+25.0%*
EBITDA %	*19.1*	*14.4*	*4.7 ppt*	

The Russian ruble lost 20.4% of its value compared with the exchange rate applied in the same period last year. The negative impact of this change on revenues and EBITDA was 6.8 million euros and 1.3 million euros, respectively.
Overall, unit sales decreased by 15.5% compared with the first six months of 2008. More specifically, shipments of UHT milk, which together with flavored milk account for 32% of total unit sales, were down 19.9% compared with 2008, while sales of fruit beverages shrank by 11.3% year over year. The sales shortfall, while indicative of a contraction in consumer demand, also reflects a reduction in shipments to regional distributors affected by a major liquidity crisis.

Despite the impact of the financial crisis on the real economy, which contributed to reducing the population's propensity to consume, the SBU maintained a high level of profitability, increasing the return on sales by more than four percentage points, compared with the first six months of 2008, thanks to lower raw milk prices and transportation costs.

Markets and Products

The UHT milk market and the fruit beverage market are highly concentrated, owing in part to the policy of acquisitions pursued in recent years both by local operators and international groups. In Russia, Parmalat produces, distributes and markets throughout the country unrefrigerated products (milk, cream and fruit beverages) and other imported products. All fresh dairy products (milk, cream, fresh cheese, yogurt and fermented milk) are marketed only in areas within a radius of 250-300 km from the production facilities, thereby reaching about 4% of the Russian population (Belgorod and Sverdlovsk regions). Dairy products are marketed under the Parmalat and Biely Gorod brands, while the Santàl and 4 Seasons brands are used for fruit beverages.

The table below shows the value market share of the SBU in the main market segments in which it operates:

Products	Value market share
UHT cream	4.8%
UHT milk	2.3%
Flavored UHT milk	3.9%
Fruit beverages	1.8%

Source: AC. Nielsen, Business Analytica; January-May 2009

Raw Materials and Packaging

In Russia, milk is a scarce resource and its price is strongly affected by supply levels both domestically and in the international market. During the first half of 2009, milk prices fell sharply due both to a decrease in consumption and the end of speculative trading. The lower prices for fruit juice concentrates that prevailed earlier in the year could not compensate the impact of the devaluation of the ruble versus the main reference currencies (U.S. dollar and euro). These changes in foreign exchange parities affected packaging costs as well, with a negative impact on the SBU's cost structure.

Capital Expenditures

Capital expenditures totaled 2.7 million euros in the first half of 2009. They were used to improve performance in manufacturing (increasing the capacity and efficiency of production facilities), address "Quality, Environmental, Health and Safety" issues and, most importantly, strengthen the distribution organization.

Portugal

(in millions of euros)	First Half 2009	First Half 2008	Variance	Varian.%
Revenues	**29.5**	**32.3**	**(2.9)**	*-8.8%*
EBITDA	**3.8**	**3.7**	**0.0**	*+1.3%*
EBITDA %	*12.9*	*11.6*	*1.3 ppt*	

In the first half of 2009, net revenues totaled 29.5 million euros, or 8.8% less than in the same period last year, due mainly to the lower sales prices charged following a decrease in raw material costs. However, unit sales were up 1.1% and EBITDA held relatively stable, thanks to a more favorable product mix (flavored milk, cream and béchamel) and a careful management of pricing and raw material purchasing policies.

Markets and Products

The local market was affected by conditions in the global economy and the business environment continued to be challenging, due to the limited purchasing power of consumers. The Portuguese SBU markets most of its products through two global brands (Parmalat and Santàl) and a local brand (Ucal). The Portuguese milk market is dominated by a strong brand leader, but private labels have achieved a significant and growing presence, with a resulting erosion of profit margins. In this market environment, Parmalat is focusing on products with a high value added, such as flavored milk, cream and béchamel.

Unit sales of Ucal branded products, which account for about one-fourth of Parmalat Portugal's revenues and almost 50% of its total EBITDA, were down about 3.8% in the first half of 2009, due mainly to lower demand for flavored milk in the HoReCa (Hotel, Restaurant and Catering) channel.

In the fruit beverage segment, which accounts for about 15% of the SBU's net revenues, the market environment was adversely affected by the steady growth of private labels.

Products	Value market share
Flavored milk[1]	25.0%
Fruit beverages[2]	3.3%

Source: [1] AC Nielsen revalued, [2] AC Nielsen Homescan; weeks 02-13/09

Raw Materials and Packaging

In the first half of 2009, raw milk prices were down significantly, compared with the same period last year. Packaging costs were up for glass containers, but decreased for other materials.

Capital Expenditures

In the first six months of 2009, capital expenditures of 0.3 million euros were used to replace equipment needed to maintain production capacity, address "Quality, Environmental, Health and Safety" issues and upgrade information systems.

Romania

(in millions of euros)	**First Half 2009**	**First Half 2008**	**Variance**	**Varian.%**
Revenues	**5.0**	**6.8**	**(1.8)**	*-26.0%*
EBITDA	**0.4**	**1.1**	**(0.6)**	*-58.3%*
EBITDA %	*8.7*	*15.5*	*-6.8 ppt*	

Local currency figures

(in local currency m)	**First Half 2009**	**First Half 2008**	**Variance**	**Varian.%**
Revenues	**21.2**	**24.9**	**(3.7)**	*-14.7%*
EBITDA	**1.9**	**3.9**	**(2.0)**	*-51.9%*
EBITDA %	*8.7*	*15.5*	*-6.8 ppt*	

The local currency (new leu) decreased in value by 15.3% compared with the exchange rate applied in the first half of 2008, with a negative impact on revenues and EBITDA of 0.8 million euros and 0.1 million euros, respectively. Shipments of fruit beverages, which account for virtually all of the SBU's sales, were down 15.8% compared with 2008. The profitability of the Romanian SBU, stated on a percentage basis, decreased compared with the previous year, due both to an increase in the cost of raw materials and packaging materials, caused by the devaluation of the local currency, and to the higher promotional costs incurred to address the impact of the economic crisis and respond to the aggressiveness of competitors.

Markets and Products

Following Romania's entry into the European Union, competitive pressure increased even more due to the entry of new players. The market standing of Parmalat Romania is strengthened by its access to the Santàl global brand, which it uses to market fruit beverages. The Santàl brand is used for nectars, fruit juices and still drinks, positioning all of these products in the premium-price market segment. A comparison with the data at December 31, 2008 shows strong growth in the 100% juice segment, a slight increase in the nectar segment and slight decrease in the still drink segment.

The table below shows the market share held by Parmalat Romania in the various segments in which it operates:

Products	Value market share
100% fruit juices	22.9%
Nectars	12.7%
Still Drinks	1.6%
Total fruit beverages	6.7%

Source: AC Nielsen Value Market share FM-AM 09 Retail+Horeca

Raw Materials and Packaging

Raw material costs were severely affected by the devaluation of the local currency versus the euro. The impact of higher packaging costs was contained to some extent by renegotiating contracts, changing suppliers and changing the sales mix (less products sold in glass containers and greater use of two-liter cardboard containers).

Capital Expenditures

In the first half of 2009, the SBU's relatively modest capital expenditures were used mainly in the industrial area.

Canada

(in millions of euros)	First Half 2009	First Half 2008	Variance	Varian.%
Revenues	**638.6**	**637.3**	**1.3**	*+0.2%*
EBITDA	**51.1**	**57.3**	**(6.2)**	*-10.8%*
EBITDA %	*8.0*	*9.0*	*-1.0 ppt*	

Local currency figures

(in local currency m)	First Half 2009	First Half 2008	Variance	Varian.%
Revenues	**1,025.0**	**981.7**	**43.3**	*+4.4%*
EBITDA	**82.0**	**88.2**	**(6.2)**	*-7.0%*
EBITDA %	*8.0*	*9.0*	*-1.0 ppt*	

The Canadian dollar decreased in value by 4.2% compared with the exchange rate applied in the first half of 2008, with a negative impact on revenues and EBITDA of 26.8 million euros and 2.1 million euros, respectively.

The negative conditions of the local economy had a direct impact on consumer confidence and buying patterns, with shoppers shifting their preference toward lower priced products.

Unit sales and sales prices were higher than in the first six months of 2008, but promotional pressure increased and variable and fixed industrial costs were also up.

Unit sales grew by 5.5% compared with the previous year. More specifically, shipments of pasteurized milk, which accounted for 59% of total sales, increased by 7.1%. At the same time, sales volumes were down 3.4% year over year for cheese, but were up 4.2% for yogurt.

Markets and Products

In the dairy market, which is where the local subsidiary operates, consumption of milk and cheese was relatively stable, but demand for yogurt continued to increase.

In the milk market, where it is the second largest player with a nationwide value market share of 19.8%, Parmalat succeeded in strengthening its position, thanks to gains in the premium segment by its microfiltered and lactose free milks.

In the spoonable yogurt market, Parmalat Canada retained its No. 2 ranking in the English speaking areas of Canada, with a value market share of 20.8% and, thanks to the launch of probiotic products in Quebec, raised its national market share to 16%, narrowing the gap from the second-largest player in the market. The strong growth of the market for drinkable yogurt (+34%) was driven by the launch of new probiotic products, including "*Smoothies*" and "*Maximmunite,*" which exceeded a combined value market share of 10%.

In the cheese market, where commercial brands account for more than one-third of the total turnover, Parmalat suffered a slight reduction in market share due to increased competitive pressure and an aggressive use of promotional programs by its main competitor. However, it consolidated its absolute leadership position in the snack cheese segment, increasing its market share thanks to Funcheez, a snack cheese for children launched at the beginning of 2009.

In the butter market, Parmalat Canada confirmed its position as the national leader (25.5%), growing faster than the market as a whole.

The table below shows the Canadian subsidiary's market share in the main market segments in which it operates:

Products	Value market share
Milk	19.8%
Spoonable yogurt[1]	20.8%
Drinkable yogurt[1]	15.4%
Snack cheese	44.2%
Butter	25.5%
Natural cheese	14.1%

Source: AC Nielsen (Cumulative at June 6, 2009)

[1] *English Canada*

Raw Materials and Packaging

In the Canadian market for raw milk, the purchase price is regulated, which limited the impact of the wide price swings that occurred in the international market in recent years. However, because of this system, the purchase price of raw milk has been quite high when compared to world market levels and, differently from other markets, increased slightly during the first six months of 2009.

Capital Expenditures

Capital expenditures totaled 10.6 million euros in the first half of 2009.

The main investment projects included the installation of filling lines at facilities in Brampton and Montreal; the replacement of a building and equipment destroyed recently by a fire at the Victoriaville factory; and the purchase of equipment to process milk whey for the Marieville plant. In the area of information systems, additional investments were made in the development of a planning and resource management platform (SAP) for the entire organization.

Africa

(in millions of euros)1	**First Half 2009**	**First Half 2008**	**Variance**	**Varian.%**
Revenues	**165.5**	**160.0**	**5.4**	*+3.4%*
EBITDA	**6.2**	**8.5**	**(2.3)**	*-27.5%*
EBITDA %	*3.7*	*5.3*	*-1.6 ppt*	

[1] The data in the table above are in euros because they consolidate amounts stated in the currencies of South Africa, Zambia, Mozambique, Botswana and Swaziland.

The reporting currency of the main African Business Unit (South African rand) decreased in value by 4.3% compared with the exchange rate applied in the first half of 2008. The negative impact of this change on revenues and EBITDA was 6.3 million euros and 0.2 million euros, respectively.

Overall, unit sales by the African SBU were up 9.0%, with shipments of UHT milk, which accounted for 50% of total sales, increasing by 6.9% compared with the first six months of 2008.
Sales of fruit beverages and cheese grew by 18.2% and 8.6%, respectively, compared with the same period last year, but yogurt shipments were down 7.2%.

South Africa

(in millions of euros)	**First Half 2009**	**First Half 2008**	**Variance**	**Varian.%**
Revenues	**144.7**	**140.3**	**4.4**	*+3.1%*
EBITDA	**4.1**	**5.9**	**(1.8)**	*-30.2%*
EBITDA %	*2.8*	*4.2*	*-1.4 ppt*	

Local currency figures

(in local currency m)	**First Half 2009**	**First Half 2008**	**Variance**	**Varian.%**
Revenues	**1,772.6**	**1,647.2**	**125.4**	*+7.6%*
EBITDA	**50.5**	**69.3**	**(18.8)**	*-27.2%*
EBITDA %	*2.8*	*4.2*	*-1.4 ppt*	

The severe economic crisis that began in the second quarter of 2008 continued to affect the performance of the local subsidiary, as consumers cut spending drastically. The unemployment rate was up significantly, but inflation appeared to moderate, compared with 2008. In the SBU's target markets, these developments produced a shift in the buying patterns of consumers, who tended to favor lower priced products in cost-saving package sizes, with a resulting increase in competitive pressure.

Higher production costs, which could be covered only in part with list-price increases, and nonrecurring charges account for the decrease in EBITDA. The local subsidiary is continuing to implement programs to improve manufacturing efficiency and cut costs.

Total unit sales were 7.7% higher than in the first half of 2008. More specifically, shipments of UHT milk, which accounted for 51% of total sales, were up 1.8%.
Parmalat also increased shipments of cheese by 8%, thanks to positive results in the Cheddar, Gouda and spreadable cheese segments.
Compared with the first six months of 2008, unit sales were up 20.0% for fruit beverages, but this segment's revenues impact is still marginal, while sales volumes decreased by 9.6% in the yogurt category.

Markets and Products

Sales volumes were up for UHT milk, but the same was not true for shipments of pasteurized milk, which were adversely affected by significant price increases. The local subsidiary's market share decreased slightly, as its main competitor was able to bring to market a larger volume of product during a period of limited supply. The SBU expects to regain its lost market share in the second half of the year, once product inventories are brought back to normal levels.

The cheese market was adversely affected by South Africa's difficult economic conditions, which caused a drastic reduction in consumption and increased consumers' propensity to buy bulk products with a lower unit price. In this environment, Parmalat South Africa strengthened its leadership position, boosting its value market share to 38.4%, thanks mainly to dominant positions in the spreadable cheese and packaged cheese slice segments.

Demand continued to increase for spoonable yogurt (sales volumes up 7.1% compared with the first half of 2008), albeit at a slower rate than in the past, but was down for drinkable yogurt.
After an extended period of growth, the local subsidiary's market share decreased, due to the strong response mounted by its main competitor with an aggressive promotional strategy.

In the market for dairy beverages, flavored milk products performed particularly well.

The table below shows the market shares held by Parmalat's South African operations:

Products	Value market share
UHT milk [1]	21.7%
Yogurt[1]	19.4%
Cheese [1]	38.4%
Fruit beverages [2]	4.4%

[1] *Source: Synovate; January-June 2009*

[2] *Source: BMI – 2009 estimate developed in the third quarter of 2008*

Raw Materials and Packaging
During the first six months of 2009, the supply of raw milk was slightly lower than in the same period last year. Nevertheless, the average cost decreased by about 10% compared with the first half of 2008.

Capital Expenditures
Capital expenditures totaled 1.8 million euros in the first six months of 2009. The main investment projects included the following:

- Port Elizabeth: completion of the new finished goods warehouse and installation of new technologies to scan and record inventories;
- Bonnievale and Ladismith: installation of an additional milk filtering system earmarked for cheese production;
- Bonnievale: upgrade of the waste disposal system.

Other Countries in Africa

The other African countries in which the Group operates (Swaziland, Mozambique, Botswana and Zambia) reported revenues and unit sales in line with the previous year.

In **Zambia,** where the local economy is highly dependent on copper exports, business was down across the board. Lower copper prices and reduction in global demand for the metal, coupled with a devaluation of the local currency versus the U.S. dollar had a negative impact on the country's situation.
Despite this environment, the local subsidiary increased both unit sales and revenues compared with the first half of 2008, but EBITDA were down due to higher costs of imported production components.

The Group's operations in **Mozambique** reported better results than in 2008. The local subsidiary consolidated its position in the fruit beverage segment, increased sales of UHT milk and boosted local yogurt production. The feasibility of expanding into the country's northern regions, with the establishment of new distribution centers, is currently being assessed.

In **Botswana,** the profitability of the Group's operations was penalized by the conditions of the local economy, which was severely affected by a decrease in diamond exports, and by the entry of new competitors, who slashed prices to gain market share. In 2009, due to an increase in import duties, the local subsidiary began to manufacture products that it imported and distributed in the past (UHT milk primarily).

The positive results achieved in **Swaziland** reflect the strong and growing leadership position achieved by the Group's operations in the local market and an increase in the local production of powdered milk as a replacement for imports.

Australia

(in millions of euros)	First Half 2009	First Half 2008	Variance	Varian.%
Revenues	**200.2**	**223.1**	**(22.9)**	*-10.3%*
EBITDA	**17.6**	**3.7**	**14.0**	*+381.6%*
EBITDA %	*8.8*	*1.6*	*7.2 ppt*	

Local currency figures

(in local currency m)	First Half 2009	First Half 2008	Variance	Varian.%
Revenues	**376.2**	**369.2**	**7.1**	*+1.9%*
EBITDA	**33.1**	**6.1**	**27.1**	*+447.0%*
EBITDA %	*8.8*	*1.6*	*7.2 ppt*	

The value of the Australian dollar decreased by 13.6% compared with the exchange rate applied in the first half of 2008. The negative impact of this change on revenues and EBITDA was 27.2 million euros and 2.4 million euros, respectively.

Having successfully responded to the challenges posed by the anomalous situation that developed last year with regard to raw milk prices, the Australian subsidiary reported net sales revenues substantially in line with those booked in the first six months of 2008, even though the “white milk” segment continued to be affected by aggressive competition from private labels, which operate in this market with significantly lower prices than the industrial brands. In the flavored milk segment, unit sales held steady and net sales revenues increased.

Against this background, the local SBU reported unit sales that were 3.5% lower than in the first six months of 2008, with shipments of pasteurized milk, which accounted for 74% of total sales, down 5.6%. Sales volumes were also down for yogurt (-3.5%) and desserts (-27.8%), owing in part to the impact of a more streamlined product catalog.

In addition to the pricing policy adopted by the local SBU, the increase in profitability, compared with the first half of 2008, reflects the positive impact of a more streamlined product catalog, a more effective use of human resources and savings in fixed industrial costs. Moreover, the results for the first six months of 2008 were penalized by “step-up” increases in raw milk prices applied by Australia’s major cooperatives during the July 2007-June 2008 period.

Markets and Products

In the market for pasteurized milk, the modern channel grew at a 3.7% rate in the first half of 2009. The huge difference in average sales price between private labels and branded products (about 60%) caused all major brands to lose market share. Despite this situation, Parmalat Australia maintained its market position, with a value market share of 19.0%. Unit sales of Zymil brand milk were up strongly, thanks to advertising support, and further gains are expected in the second half of the year with the launch of a two-liter bottle.

The flavored milk market also performed well. In the modern channel, Parmalat rode this positive market trend, increasing its value and volume market share in the regions where it operates, owing in part to the relaunching of its *“Rush”* product line.

Sales volumes were up 8.6% in the yogurt market, but Parmalat Australia bucked this trend due to its decision to streamline its product portfolio in order to increase manufacturing efficiency.

The dessert market continued to contract, due mainly to the lack of innovative products, which are the key to growth in this segment. Parmalat Australia's market share decreased slightly due to the effect of programs implemented to trim the product catalog and increase profitability.

The table that follows shows the market share of the Australian SBU in the main segments in which it operates:

Products	Value market share
Pasteurized "white" milk	19.0%
Flavored milk	22.9%
Yogurt	12.8%
Desserts	15.2%

Source: Aztec Grocery Data; cumulative at 6/21/09

Raw Materials and Packaging
Differently from what occurred in 2008, favorable weather conditions and a reduction in consumption created a surplus of raw milk in several regions.

Capital Expenditures
Capital expenditures totaled 3.2 million euros in the first half of 2009.

The largest investments focused on the SBU's industrial facilities (to increase manufacturing capacity, revamp assets and strengthen the distribution network) and information systems.

The main projects included in the capital spending program are listed below:
- South Brisbane: new ingredient mixing system, installation of plastic bottle blowing machines and quality improvements to the warehousing facilities;
- Rowville: completion of the restructuring of the finished product shipping area;
- Bendigo: commissioning of two yogurt and dessert custard packaging lines and installation of a new packaging line for infant yogurt;
- Darwin: commissioning of plastic bottle blowing machines;
- Victoria: new distribution center.

Central and South America

Venezuela

(in millions of euros)	First Half 2009	First Half 2008	Variance	Varian.%
Revenues	**202.8**	**118.6**	**84.1**	*+70.9%*
EBITDA	**22.2**	**13.1**	**9.2**	*+70.0%*
EBITDA %	*11.0*	*11.0*	*-0.1 ppt*	

Local currency figures

(in local currency m)	First Half 2009	First Half 2008	Variance	Varian.%
Revenues	**580.1**	**390.0**	**190.1**	*+48.7%*
EBITDA	**63.6**	**43.0**	**20.6**	*+47.9%*
EBITDA %	*11.0*	*11.0*	*-0.1 ppt*	

The local currency (bolivar) increased in value by 13.0% compared with the exchange rate applied in the first six months of 2008. The positive impact of this change on revenues and EBITDA was 26.3 million euros and 2.9 million euros, respectively.

Overall, unit sales were 17.2% higher than last year. Specifically, shipments were up 21.0% for fruit beverages, which accounted for 50% of the SBU's total sales volume, and 12.4% for pasteurized milk, while yogurt shipments were in line with those of the first half of 2008.

The main reasons for the significant increase in the EBITDA amount, compared with the previous year, are a strong performance in the fruit beverage and dairy products segments and a resumption of powdered milk distribution activities, which significantly boosted the SBU's coverage of its overhead. This result was achieved even though the cost of raw materials, ingredients and packaging materials and fixed costs were up sharply, due mainly to inflationary pressure, and despite restrictions placed by the government on the ability of businesses to access foreign currencies at the official exchange rates.

Markets and Products

The market where the Venezuelan subsidiary operates continues to show signs of growth potential, although tempered somewhat by inflationary pressure and significant uncertainty. The distribution system is still based mainly on traditional retailers, who account for most of the SBU's sales.

In 2009, despite this challenging environment, the Venezuelan subsidiary continued to strengthen its competitive position in all of the main categories in which it operates, in all cases as one of the market leaders, increasing its market share in the fruit beverage, milk beverage, powdered milk and yogurt segments.

The table below shows the SBU's market share in the main segments in which it operates:

Products	Value market share
Fruit beverages	24.2%
Milk beverages	36.3%
Powdered milk	20.0%
Yogurt	27.3%

Source: AC Nielsen; January-June 2009

Raw Materials and Packaging

Owing in part to restrictions on access to foreign currency, inflationary pressure affected the prices of all packaging products and imported raw materials.

Capital Expenditures

Capital expenditures totaled 3.5 million euros in the first half of 2009.

The largest investments were carried out in the industrial area, with the aim of increasing capacity and efficiency, revamping assets and strengthening general services.

The main projects in the production area carried out during the first six months of 2009 included the following:

- Miranda: increase of UHT production capacity, with the implementation of two new packaging lines (1 liter and 250 ml);
- Quenaca: expansion of refrigerated storage capacity in the shipping and creamery areas;
- Upata: increase of raw milk collection capacity.

Colombia

(in millions of euros)	First Half 2009	First Half 2008	Variance	Varian.%
Revenues	**47.0**	**62.7**	**(15.7)**	*-25.0%*
EBITDA	**3.4**	**6.7**	**(3.4)**	*-50.2%*
EBITDA %	*7.1*	*10.8*	*-3.6 ppt*	

Local currency figures

(in local currency m)	First Half 2009	First Half 2008	Variance	Varian.%
Revenues	**145,201.0**	**176,077.9**	**(30,876.9)**	*-17.5%*
EBITDA	**10,367.3**	**18,936.3**	**(8,569.0)**	*-45.3%*
EBITDA %	*7.1*	*10.8*	*-3.6 ppt*	

The local currency (peso) decreased in value by 9.9% compared with the exchange rate applied in the first half of 2008. The negative impact of this change on revenues and EBITDA was 4.7 million euros and 0.3 million euros, respectively.

The Colombian market was characterized by a decrease in consumer spending, caused in part by the economic crisis that started in the United States, with a negative impact on remittances by emigrants.

The contraction in unit sales and profit margins that occurred in the pasteurized milk category, due mainly to a drastic decrease in consumption, penalized the SBU's results.

The need to recall some products from the market due to a brief malfunction of a production line in February put additional pressures on the performance of the Venezuelan operations. However, the situation was brought back under control later during the first half of the year.

Total unit sales were down 14.9% compared with the previous year, with shipments of pasteurized milk (which accounted for 77% of the total sales volume) decreasing by 13.3%. Unit sales of UHT milk decreased by 23.5% compared with 2008.

Markets and Products
The Colombian market for pasteurized milk is characterized by a large number of small competitors, who are not always adequately supervised by the government. Moreover, demand for pasteurized milk has been decreasing due to the growing popularity of APP (Aseptic Plastic Pouch) UHT milk. The Colombian subsidiary has also started to adopt this type of packaging.

The powdered milk market contracted by 6% in value terms, due mainly to an increase in the tax on infant formula. However, Parmalat succeeded in protecting its market share in this area.

The yogurt market held relatively steady, despite aggressive promotional and advertising campaigns. Parmalat has only a marginal presence in this market, concentrated mainly in the functional product segment.

The table below shows the SBU's market share in the main segments in which it operates:

Principal products	Value market share
Pasteurized milk[1]	6.0%
UHT milk – Bag format	8.0%
UHT milk – Carton format	11.9%
Powdered milk	11.0%
Yogurt	2.4%

Source: AC Nielsen; December 2008-May 2009
[1]Source: Fedegan; December 2008-May 2009

Raw Materials and Packaging

The supply of raw milk increased during the first half of 2009 as the combined result of several factors, ranging from lower internal consumption caused by the economic crisis to higher production of raw milk in response to a more attractive price paid by the government to producers and the stoppage of powdered milk exports to Venezuela. In this environment, with low consumption and an abundant supply of raw milk, sales prices decreased.

Despite this decrease, the Government decided to raise the minimum price that should be paid to producers for raw milk. As a result, the companies that operate in the dairy business experienced a considerable reduction in profit margins during the first half of 2009.

Capital Expenditures

Capital expenditures totaled 1.7 million euros in the first six months of 2009.
During the first half of the year, the local SBU completed several investment projects designed to increase manufacturing efficiency and improve quality, environmental, health and safety systems.
The main projects included the following:

- completion of the expansion of the Chia factory to concentrate productions carried out in Bogotà;
- completion of the renovation to transform the Bogotà factory into office space;
- adoption of technological upgrades applied to the production processes.

Other Countries in Central and South America

The Group's SBU in **Nicaragua** reported a 20% decrease in unit sales compared with the previous year. The local subsidiary responded to the drop in sales volume, which affected pasteurized milk primarily, by implementing an effective program to cut operating costs and revising sales prices. Nicaragua is the largest country in Central America, but also the one with the smallest population and a very high poverty rate. In this challenging market environment, Parmalat Nicaragua has a leadership position in the main dairy markets and in the fruit beverage market.

Despite an increase in unit sales compared with the first half of 2008, the Group's SBU in **Paraguay** reported lower net sales revenues and EBITDA. The main reasons for this situation include a decrease in list prices caused by an increased supply of raw milk, a reduction in exports and the devaluation of the local currency versus the U.S. dollar (-20%), which caused the price of imported production components (packaging and other raw materials) to increase.

APP (Aseptic Plastic Pouch) UHT milk accounts for about 80% of the sales booked by the Group's SBU in **Ecuador.** The local subsidiary reported higher unit sales and positive results compared with the previous year, thanks to its ability to restore its profitability after absorbing the impact of a resolution enacted by the government in May 2008 that increased the price of raw milk by 29%.

The Group's SBU in **Cuba** engages in the production of grapefruit juice and orange juice concentrate, fresh juices and orange and grapefruit essential oils. Its target markets are Italy (white grapefruit and orange concentrate), Europe in general (pink grapefruit concentrate) and Mexico (essential oils). The adverse weather conditions experienced in 2008 severely curtailed production capacity during the first six months of 2009.

Human Resources

Group Staffing

The table below provides a breakdown by geographic region of the Group's staff at June 30, 2009 and a comparison with the data at December 31, 2008.

Total payroll by geographic region		
Geographic region	**6/30/09**	**12/31/08**
Italy	2,254	2,343
Other countries in Europe	1,392	1,404
Canada	3,002	2,971
Africa	2,355	2,238
Australia	1,460	1,462
Central and South America	3,714	3,750
Total	**14,177**	**14,168**

The Group's overall payroll stayed at a relatively constant level in the first half of 2009. However, while the staff of the Italian SBU decreased significantly, mainly as a result of the sale of the Lodi operations, in other regions, such as in Canada and even more so in Africa, the number of employees increased, due primarily to the hiring of temporary staff to meet seasonal production needs.

Management and Development of Human Resources

The most significant change in the Group's organization was the establishment of a new Business Development function, which is part of the Chief Executive Officer's staff.
During the second quarter of 2009, the Chief Executive Officers of Parmalat South Africa and Parmalat Australia resigned. They were replaced with a manager from within the Group and a manager recruited outside the Group.
In addition, the Professional Families required by the new governance model were established.

Capital Expenditures

The amounts shown below represent the total investments of the Parmalat Group in each region at June 30, 2009 (excluding land and buildings)

(in millions of euros)	First half 2009		First half 2008	
Region	**Amount**	**% of the total**	**Amount**	**% of the total**
Italy	8.5	25.4%	13.5	25.5%
Other countries in Europe	3.0	9.0%	3.6	6.8%
Canada	10.6	31.7%	16.2	30.6%
Africa	2.6	7.8%	6.5	12.3%
Australia	3.2	9.6%	6.8	12.8%
Central and South America	5.5	16.5%	6.4	12.1%
Total for the Group	**33.4**	**100.0%**	**53.0**	**100.0%**

The Group invested 33.4 million euros in the first half of 2009, for a decrease of 36.9% compared with the same period last year.

The main investment projects are discussed in the sections of this Report that review the performance of the individual SBUs.

Research and Development

In the first half of 2009, the Group's research and development activities focused on developing new products for the Italian market and for other countries where the Group operates. These activities, which in some instances were carried out in collaboration with universities and research institutions, were supported by investments totaling several million euros.

The main projects are oriented towards basic product diversification and packaging development.

Financial Performance

Structure of the Financial Position of the Group and Its Main Companies

The Group's net financial position continued to improve in the first half of 2009, with net financial assets increasing from 1,108.8 million euros to 1,130.0 million euros. The Group's Parent Company continued to hold most of the liquidity, with some of the subsidiaries still holding some debt positions.

Consistent with the strategy pursued the previous year, the liquidity held by the Parent Company provides the Group with the financial flexibility needed to meet its operating and expansion needs.
The conditions under which the Group is being provided financing are consistent with market terms, in terms both of interest paid and interest earned.

The Group's liquid assets totaled 1,621.7 million euros, including 1,466.6 million euros held by Parmalat S.p.A. This liquidity has been invested in short-term bank deposits and euro-zone treasury securities. The liquid assets not held by Parmalat S.p.A. are held by individual Group companies, which invest them in the same instruments as the Parent Company. At the consolidated level, income from securities and bank interest totaled 16.7 million euros, including 14.5 million euros attributable to Parmalat S.p.A.

Indebtedness owed to banks and other lenders decreased from 498.8 million euros at December 31, 2008 to 491.7 million euros at June 30, 2009, after a negative translation effect of 16.2 million euros.

During the first six months of 2009, none of the subsidiaries appeared to be under financial stress and the Group's financial strength increased.

Change in Net Financial Position

At June 30, 2009, the Group's net financial position showed an improvement of 21.2 million euros, with net financial assets increasing to 1,130.0 million euros, up from 1,108.8 million euros at December 31, 2008, after a negative translation effect of 11.5 million euros. The net financial position balance includes the net indebtedness of the Venezuelan subsidiaries, which totaled 149.8 million euros at December 31, 2008 and 146.5 million euros at June 30, 2009.

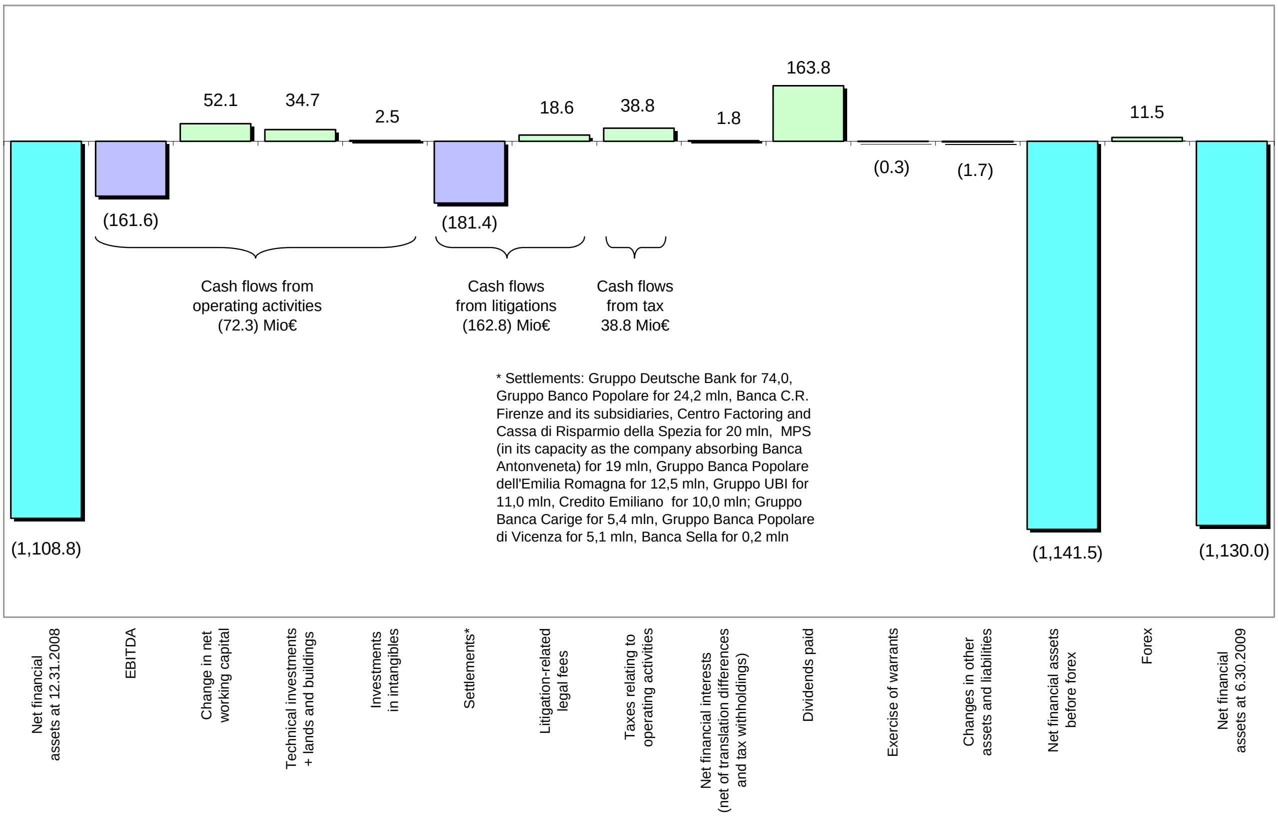
The cash flow from operating activities amounted to 72.3 million euros.

Cash flows from litigation settlements totaled 162.8 million euros, which is the net result of legal costs amounting to 18.6 million euros and proceeds of 181.4 million euros generated by settlements reached with the Deutsche Bank Group (74.0 million euros), the UBI Group (11.0 million euros), the Banca Popolare dell'Emilia Romagna Group (12.5 million euros), the Banca Popolare di Vicenza Group (5.1 million euros), Banca Sella (0.2 million euros), Credito Emiliano Spa (10.0 million euros), the Banco Popolare Group (24.2 million euros), MPS Spa (as the company that absorbed Banca Antonveneta Spa) (19.0 million euros), the Banca CARIGE Group (5.4 million euros), Banca C.R. Firenze (Intesa Sanpaolo Group) (10.4 million euros), Centro Factoring Spa (5.2 million euros) and Cassa di Risparmio della Spezia Spa (4.4 million euros).

The cash flow required for income tax payments totaled 38.8 million euros.

In addition to the negative translation effect of 11.5 million euros mentioned above, other items included net financial expense of 1.8 million euros, dividend payments totaling 163.8 million euros and proceeds of 0.3 million euros from the exercise of warrants.

Consolidated Cash Flow Jan 1 - Jun 30, 2009



Enterprise Risk Management

In the first half of 2009, Parmalat began the process of mapping and assessing the main operational risks, with the aim of determining all of the factors that could affect the activities of each of the Group's Strategic Business Units (SBUs).

The implementation of the operational risk mapping and assessment phase included:

- mapping the operational risk factors applicable to the Parmalat Group SBUs;
- self assessment of operational risks by each Group SBU;
- classification of the mapped risk by priority level.

These activities constitute the first phase of a wider process to manage operational risks that includes identifying the programs that the Group's individual SBUs have implemented or are in the process of implementing to manage and control operational risks.

In the normal course of its business operations, the Group is exposed to the operational risks that arise from the possible occurrence of accidents, malfunctions and breakdowns causing harm to people, product quality or the environment, which could have an impact on the income statement and the balance sheet.

The Group is also exposed to the following financial risks:

- Risk from exposure to changes in interest rates and foreign exchange rates, country risk and risk related to commodity prices;
- Credit risk, which is the risk that a counterparty may become insolvent;
- Liquidity risk, which is the risk that it may not be able to perform obligations associated with financial liabilities;

Lastly, the Company and the Group are parties to a series of civil and administrative lawsuits and Parmalat filed a series of actions for damages, liability actions (both in civil and criminal venues) and actions to void in bankruptcy. An analysis of the main proceedings to which the Group is a party and of the related contingent liabilities is provided in the section of the Notes to the Consolidated Financial Statements entitled "Legal Disputes and Contingent Liabilities at June 30, 2009."

Operational Risks

The results of the above mentioned process show that the Parmalat Group has medium/low exposure to operational risks, owing in part to the systems of internal control it has adopted and the mitigation strategies it has implemented.

Most significant risk factors are related to the external environment, which, given the current conditions of the global economy, specifically include a recession and a reduction in consumer demand and purchasing power.

Among the diverse entities of which the Group is comprised, some countries can be more exposed to the impact of such an economic environment due to local factors that can include devaluation of the local currency; potential problems arising from restrictions on imports of raw materials, packaging materials, replacement parts for production equipment and promotional items; and government actions in setting raw material prices or consumer prices.

Moreover, several Group SBUs operate in highly competitive environments characterized by the following distinctive macro-trends:

- Market concentration;
- Loss of market share to private label products;

- Need to diversify sales channels;
- Need to develop innovative products and invest in advertising.

The Group is addressing these risks by implementing programs that include:

- Diversifying its operations to include markets affected to different degrees by the crisis;
- Broadening its product line;
- Diversifying its sales channels;
- Strengthening its relationships with major customers;
- Reinforcing its brand image (product innovation, advertising campaigns).

Within the category that encompasses operational risks related to the Group's processes and activities, the areas where there is the greatest risk include the efficient management of the supply market and procurement flows, particularly in view of the perishability, quality and seasonality characteristics of the raw materials.

As is the case for all processes in the food industry, the Group's manufacturing processes are exposed to the risk of contamination both for products and packaging materials. This risk could result in the Group having to carry out a costly product recall.

The Product Recall procedures adopted by the Group, which are based on its Consumer Safety and Health Protection guidelines, require that all activities be carried out in compliance with the applicable statutory requirements and in accordance with principles, standards and solutions that are consistent with best industry practices.

Overall, the operational risk that exists with regard to the Systems and Technologies category (applications and systems currently in use, information management methods, etc.) can be quantified as medium/low, with different situations in the various Group SBUs. However, some units are implementing or have activated programs to upgrade and/or replace existing systems, with the aim of establishing consistent information management methods and applicable security standards.

A review of the operational risk category related to the management of human resources has shown that most SBUs present relatively low risk profiles.

Financial Risks

The Group's financial risk management policy is coordinated through guidelines defined by the Parent Company, which the main operating companies have incorporated into separate Cash Management Policies that address the specific issues that exist in different markets. The guidelines establish benchmarks within which each company is required to operate and require compliance with some parameters. Specifically, the use of derivatives is allowed only to manage the exposure of cash flows, balance sheet items and income statement components to fluctuations in interest rates and foreign exchange rates. Speculative transactions are not allowed.

Foreign Exchange Risk and Country Risk

Because of the nature of its business, according to which purchases and sales are denominated for the most part in local currencies, the Group has a limited exposure to foreign exchange risk. This limited exposure to transactional foreign exchange risk is hedged with simple hedging instruments, such as forward contracts.

From a more purely financial standpoint, the Group's policy requires that any bank credit lines and investments of liquid assets be denominated in the local currency, except for special needs, which require the approval of the Parent Company. The risk of foreign exchange fluctuations with an impact on the income statement, which is related to the translation into the local currency (and then into euros) of indebtedness denominated in U.S. dollars, affects primarily the Venezuelan companies. In any case, it would be impossible to hedge this risk at this point, since the indebtedness of the Venezuelan companies has still not been restructured. Parmalat believes that the maximum "sustainable debt" of the Venezuelan companies is US$30 million (see page 252 of the Prospectus).

Lastly, the companies that operate in countries with economies that are highly dependent on the oil industry are exposed to an economic risk. Specifically, the pressure that could develop on the currencies of such countries could translate into higher costs caused internally by the devaluation of the local currencies and companies may not be able to fully reflect such increases in the prices of the products they sell.

Interest Rate Risk

The Parmalat Group manages the interest rate risk with simple financial hedging instruments. To cover their exposure to variable-rate indebtedness, the Australian and Canadian subsidiaries hedge their positions with interest rate swaps, which they executed when they refinanced their indebtedness, as required by the agreements executed with the lender banks. The Canadian subsidiary also uses a hedge called a cross-currency interest rate swap, which provides a currency hedge for the portion of the debt denominated in U.S. dollars.

Price Risk

The Group is not exposed to the risk related to changes in share prices because its investment policy forbids investments in such instruments.

Credit Risk

The Group is not exposed to significant credit risk with regard to its cash and cash equivalents, since all of its liquidity is deposited with banks that are rated "investment grade," in the countries where this is possible, or invested in short-term treasury securities.

All of the liquidity of Parmalat S.p.A. is permanently held in Italy. At June 30, 2009, about 50% of the total amount was invested in euro-zone treasury securities. The balance is held in time deposits or readily available accounts with banks virtually all of which are rated "superior investment grade." The only counterparty that does not have such a rating is a bank that operates locally.

Commercial credit risk is monitored at the country level with the goal of achieving an acceptable quality level for the customer portfolio. Given the limited availability of independent ratings for their customer bases, each company implements internal procedures to minimize the risk related to trade receivable exposure.
In any case, because the Group's customer portfolio is diversified over different countries and within each country, the Group's exposure to commercial credit risk is limited.

Liquidity Risk

The Group's liquidity risk is managed mainly at the individual company level, with each company operating in accordance with guidelines defined by the Parent Company, which the main operating companies have incorporated into separate Cash Management Policies that address the specific issues that exist in different markets.

The Group's Parent Company is kept constantly informed about changes in outlook concerning the financial position of its subsidiaries, so that it may help them identify timely solutions to avoid financial stress. During the first six months of 2009, none of the subsidiaries appeared to be under financial stress.

Given the credit crunch that currently characterizes the international markets, the abundant liquid assets held by the Group’s Parent Company and the cash flow generated by the Group’s operations help significantly to mitigate the Group’s exposure to the liquidity risk.

***

Neither the Parent Company nor its subsidiaries own any Parmalat S.p.A. shares

***

Transactions among Group companies or with related parties were neither atypical nor unusual and were conducted in the normal course of business. These transactions were carried out on market terms, i.e., on the same terms as those that would be applied by unrelated parties. Details about individual positions are provided in the Notes to the Financial Statements.

Tax Considerations

The Group's effective tax rate for the first half of 2009 was about 14%. In the case of the Italian Group companies, the tax rate was determined taking into account the regional tax (IRAP) component.

If taxable income is restated to exclude the proceeds from settlements of lawsuits, the Group's effective tax rate increases to about 29%.

In the case of Parmalat S.p.A., the Group's Parent Company, effective tax rate was about 7%. When the data are restated to eliminate the impact of proceeds from actions to void, the tax rate increases to 23%.

The election to file a national consolidated income tax return by some Italian Group companies did not produce significant benefits in terms of lower current taxes in the first six months of 2009.

In the first half of 2009, current income taxes totaled about 43 million euros, including 17.5 million euros owed by the Italian companies, 10.5 million euros owed by the Canadian companies and 9 million euros owed by the Venezuelan operating companies.

At the Group level, the expense for income taxes and other taxes for the first six months of 2009 totaled about 41 million euros.
The Italian Group companies paid about 13.1 million euros, including 12.8 million euros paid by Parmalat S.p.A.
In Canada, Group companies paid about 11 million euros in taxes.
The Venezuelan companies paid about 9 million euros in taxes.
In Australia, tax payments totaled 4.2 million euros in the first half of 2009, including 2.5 million euros in income taxes and 1.5 million euros in local taxes.

Corporate Governance

Parmalat's corporate organization follows the so-called "conventional model," which is based on corporate governance bodies that include the Shareholders' Meeting, the Board of Directors (supported by Board Committees) and the Board of Statutory Auditors.

The corporate governance model also includes the allocation of specific powers and the delegation of jurisdictional authority; the enactment of internal control procedures, of a Code of Conduct and of an Internal Dealing Code; and the adoption of an Organizational, Management and Control Model pursuant to Legislative Decree No. 231/01, which is binding on all members of the organization: Directors, Statutory Auditors and employees.

Insofar as compliance with Legislative Decree No. 231/01 is concerned, after adopting its own Organizational, Management and Control Model in November 2006, Parmalat S.p.A. promoted the adoption of individual organizational models by its Italian subsidiaries and developed conduct guidelines for the Group's main foreign subsidiaries. With regard to the organizational models of Parmalat S.p.A. and its Italian subsidiaries, specific audit plans have been developed and are being implemented to verify the effective and adequate implementation of protocols that are an integral part of the above mentioned models.

In addition, on July 25, 2007, the Company appointed a Corporate Accounting Documents Officer, as required by Law No. 262/05, as amended. Also in this area, the Company is implementing a project that specifically addresses the need to define, when applicable, the special operating procedures required pursuant to Article 154-*bis,* Section 5, of the Uniform Financial Code. These procedures are being reviewed in accordance with a special conformity test implemented at major Group companies in Italy and abroad.

Key Events in the First Half of 2009

Litigation Settlements

During the first half of 2009, Parmalat reached the following out-of-court settlements with credit institutions:

- On February 6, 2009, settlement with the Deutsche Bank Group amounting to 74 million euros plus the provision by Deutsche Bank of investment banking services valued at 2.5 million euros;
- On February 6, 2009, settlement with the UBI Group (Banca Popolare di Bergamo S.p.A., C.B.I. Factor S.p.A. and Banco di Brescia S.p.A.) for a total amount of 11 million euros;
- On February 6, 2009, settlement with the Banca Popolare di Vicenza Group (Banca Popolare di Vicenza Soc. Coop. a r. l. and Cassa di Risparmio di Prato S.p.A.) for a total amount of 5.1 million euros;
- On February 6, 2009, settlement with a group of banks and companies controlled by Banca Popolare dell'Emilia Romagna (BPER Group) for a total amount of 12.5 million euros;
- On February 11, 2009, settlement with Credito Emiliano S.p.A. for a total amount of 10 million euros.
- On February 18, 2009, settlement with the Banco Popolare Group for a total amount of 24.2 million euros;
- On March 30, 2009, settlement with MPS S.p.A., in its capacity as the company that absorbed Banca Antonveneta S.p.A., for a total amount of 19 million euros.
- On April 17, 2009, settlement with the Banca Carige Group (Banca Carige S.p.A. and Cassa di Risparmio di Savona S.p.A.) for a total amount of 5.4 million euros;
- On May 20, 2009, settlement with Cassa di Risparmio Firenze and its Centro Factoring S.p.A. and Cassa di Risparmio della Spezia S.p.A. subsidiaries (Intesa Sanpaolo Group) for a total amount of 20 million euros.

All settlement agreements included a waiver of the right to demand the inclusion of the settlement amount among the liabilities of the companies in composition with creditors proceedings.

Approval of the Settlement of the Class Action Lawsuit

On March 2, 2009, the New York Federal Court approved a settlement reached by Parmalat and the plaintiffs in the class action lawsuits, certifying the Class as inclusive of any members worldwide with any type of claim against Parmalat S.p.A. (and Parmalat S.p.A. under Extraordinary Administration). Pursuant to this settlement, Parmalat allocated 10.5 million of its shares in full satisfaction of any and all claims asserted against it in the class action.

Administrative Proceedings Against the Ministry of Agricultural, Nutrition and Forestry Policies in Connection with Financing Provided Pursuant to Legislative Decree No. 173/1998

In February 2008, Parmalat S.p.A. filed an appeal before the Regional Administrative Court of Emilia Romagna, Parma Section, challenging Decree No. 351/2007 by which the Ministry of Agricultural, Nutrition and Forestry Policies reduced a contribution previously awarded to Parmalat S.p.A. within the framework of the subsidies provided in implementation of Article 13, Section 1, of Legislative Decree No. 173/1998, lowering it from 50.34% to 40% of the eligible expenditure (with a resulting negative impact on the contribution amounting to 4,750,254.73 euros). Parmalat S.p.A. asked the Court to suspend the implementation of the Decree and void it in part, finding that it is unlawful, contradictory, unjustified, improperly researched and constitutes an abuse of power.

On May 26, 2009, the Regional Administrative Court of Emilia Romagna, Parma Section, granted in part the appeal filed by Parmalat S.p.A., upholding its right to receive financing at the more favorable rate for the portion of the project completed when the Ministerial Decree subject of the appeal was issued.

Acquisition of Assets in the Fresh Milk Sector from National Foods

On June 26, 2009, the Australian Competition and Consumer Commission – ACCC approved the Group's acquisition from National Foods of some fresh milk production and processing assets located in New South Wales (NSW) and South Australia (SA). Under an agreement executed on May 20, 2009, Parmalat Food Products Pty Ltd, a wholly owned subsidiary of Parmalat S.p.A., purchased a portfolio of assets in the fresh milk sector located in the above mentioned regions, including the Lidcombe and Clarence Gardens production facilities, trademark distribution licenses and distribution networks in the NSW, SA and Australian Capital Territory areas. This sale and the attendant trademark licensing contracts are being carried out to comply with the divestment commitments undertaken by National Foods at ACCC's behest in connection with its acquisition of Dairy Farmers a year ago. The acquired production operations generated revenues of about 200 million Australian dollars in the 12 months ended June 30, 2008 and included non-current assets valued at more than 60 million Australian dollars on the above mentioned date. The acquisition required a cash payment of about 70 million Australian dollars, with adjustments and assumption of liabilities, as is customary in transactions of this type.

Events Occurring After June 30, 2009

Litigation Settlements

After June 30, 2009, Parmalat reached the following out-of-court settlements with credit institutions:

- On July 6, 2009, settlement with Banca Popolare dell'Etruria e del Lazio Soc. Coop. for a total amount of 4.2 million euros;
- On July 6, 2009, settlement with Banca di Credito Cooperativo di Bene Vagienna for a total amount of 0.5 million euros;
- On July 28, 2009, settlement with Bank of America for a total amount of 98.5 million dollars. This settlement is subject to obtaining a "Contribution Bar" Order from the United States District Court for the Southern District of New York.

Acquisition of Assets in the Fresh Milk Sector from National Foods

Pursuant to an agreement executed on May 20, 2009, later approved by the Australian Antitrust Authority, the transfer of fresh milk production and processing assets owned by National Foods in New South Wales (NSW) and South Australia (SA) was completed on July 27, 2009.

Business Outlook

There are no reasons to change the guidance that, assuming constant exchange rates, calls for revenue growth of 2% to 4% and an EBITDA ranging from 310 to 320 million euros, considering its results and the macroeconomic and competitive context.

Parmalat Group

Parmalat Group

Financial Statements at June 30, 2009

Consolidated Statement of Financial Position

Note ref.	*(in millions of euros)*		**6/30/09**		**12/31/08**
	NON-CURRENT ASSETS		**1,765.8**		**1,698.7**
(1)	Goodwill		437.6		425.1
(2)	Trademarks with an indefinite useful life		540.3		518.2
	Other intangibles		51.8		55.9
(3)	Property, plant and equipment		675.9		646.3
	Investments in other companies		3.8		3.9
	Other non-current financial assets		5.7		4.5
	Deferred-tax assets		50.7		44.8
	CURRENT ASSETS		**2,656.8**		**2,652.9**
(4)	Inventories		379.8		333.6
(5)	Trade receivables		462.7		465.5
(6)	Other current assets		192.6		246.2
(7)	Cash and cash equivalents		462.9		901.2
(8)	Current financial assets		1,158.8		706.4
(9)	**Held for sale assets**		**0.9**		**18.2**
	TOTAL ASSETS		**4,423.5**		**4,369.8**
	SHAREHOLDERS' EQUITY		**2,981.1**		**2,842.1**
(10)	Share capital		1,702.9		1,687.4
(11)	Reserve for creditor challenges and claims of late-filing creditors convertible exclusively into share capital		178.0		193.2
	Other reserves and retained earnings:				
(12)	- *Reserve for currency translation differences*		(94.5)		(148.1)
	- *Shares subscribed upon exercise of warrants*		0.0		0.0
	- *Cash-flow hedge reserve*		(2.0)		(2.2)
(13)	- *Miscellaneous reserves*		923.5		543.8
	Interim dividends		0.0		(130.0)
(14)	Profit for the period		247.8		673.1
	Group interest in shareholders' equity		**2,955.7**		**2,817.2**
(15)	**Minority interest in shareholders' equity**		**25.4**		**24.9**
	NON-CURRENT LIABILITIES		**635.5**		**615.1**
(16)	Long-term borrowings		266.5		261.9
	amount from transactions with related parties	*1.1*		*1.2*	
(17)	Deferred-tax liabilities		161.6		150.3
	Provisions for employee benefits		94.6		87.1
(18)	Provisions for risks and charges		105.0		106.1
	Provision for contested preferential and prededuction claims		7.8		9.7
	CURRENT LIABILITIES		**806.5**		**902.5**
(16)	Short-term borrowings		225.2		236.9
	amount from transactions with related parties	*5.0*		*5.0*	
(19)	Trade payables		434.7		469.9
(20)	Other current liabilities		130.3		125.1
	amount from transactions with related parties			*0.3*	
(21)	Income taxes payable		16.3		70.6
(9)	**Liabilities directly attributable to held for sale assets**		**0.4**		**10.1**
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**4,423.5**		**4,369.8**

Consolidated Income Statement

Note ref.	*(in millions of euros)*	First half of 2009	First half of 2008
(22)	**REVENUES**	**1,860.9**	**1,916.0**
	Net revenues	1,848.0	1,902.4
	Other revenues	12.9	13.6
(23)	Cost of sales	(1,430.6)	(1,564.8)
(23)	Distribution costs	(204.8)	(212.4)
	amount from transactions with related parties		*0.1*
(23)	Administrative expenses	(110.6)	(116.7)
	Other income and expense:		
(24)	- Litigation-related legal expenses	(6.1)	(27.1)
(25)	- Miscellaneous income and expense	179.7	448.0
	EBIT	**288.5**	**443.0**
(26)	Financial income	25.5	39.8
	amount from transactions with related parties	*0.2*	
(26)	Financial expense	(21.7)	(27.7)
	Other income from (Expense for) equity investments	3.2	(0.8)
	PROFIT BEFORE TAXES	**295.5**	**454.3**
(27)	Income taxes	(46.3)	(27.4)
	PROFIT FROM CONTINUING OPERATIONS	**249.2**	**426.9**
	Profit (Loss) from discontinuing operations	-	-
	PROFIT FOR THE PERIOD	**249.2**	**426.9**
	Minority interest in (profit) loss	(1.4)	(1.9)
	Group interest in profit (loss)	247.8	425.0

Continuing Operations:

Basic earnings per share	**0.1463**	**0.2558**
Diluted earnings per share	**0.1441**	**0.2491**

Consolidated Statement of Comprehensive Income

(in millions of euros)	**First half of 2009**	**First half of 2008**
Net profit for the period (A)	**249.2**	**426.9**
Other components of the comprehensive income statement		
Change in fair value of derivatives, net of tax effect	0.2	0.1
Difference on translation of financial statements in foreign currencies	56.6	(47.1)
Recognition in earnings of the reserve for currency translations upon the sale of equity investments	(3.2)	-
Total other components of the comprehensive income statement, net of tax effect (B)	**53.6**	**(47.0)**
Total comprehensive net profit (loss) for the period (A) + (B)	**302.8**	**379.9**
Total comprehensive net profit (loss) for the period attributable to:		
- Minority shareholders	(1.2)	(1.5)
- Group shareholders	301.6	378.4

Consolidated Cash Flow Statement

(in millions of euros)	First half of 2009	First half of 2008
OPERATING ACTIVITIES FOR THE PERIOD		
Profit from operating activities	249.2	426.9
Depreciation, amortization and writedowns of non-current assets	46.7	119.0
Additions to provisions	78.1	70.6
Interest and other financial expense	12.8	22.5
Non-cash (income) expense items	(14.2)	(33.4)
(Gains) Losses on divestments	(0.4)	(0.8)
Dividends received	(1.4)	-
Proceeds from actions to void and actions for damages	(181.7)	(437.9)
Litigation-related legal expenses	6.1	27.1
Cash flow from operating activities before change in working capital	**195.2**	**194.0**
Changes in net working capital and provisions:		
Operating working capital	(52.1)	(63.5)
Payments of income taxes on operating results	(38.8)	(83.0)
Other assets/Other liabilities and provisions	(24.3)	(39.9)
Total change in net working capital and provisions	**(115.2)**	**(186.4)**
CASH FLOWS FROM OPERATING ACTIVITIES FOR THE PERIOD	**80.0**	**7.6**
INVESTING ACTIVITIES		
Investments:		
- *Intangibles*	(2.5)	(2.1)
- *Property, plant and equipment*	(34.7)	(60.6)
- *Non-current financial assets*	(0.3)	(0.1)
- *Investments in other companies*	-	(0.2)
Purchase of minority interest	-	(0.3)
Divestments and sundry items	3.0	5.2
CASH FLOWS FROM INVESTING ACTIVITIES	**(34.5)**	**(58.1)**
PROCEEDS FROM SETTLEMENTS	**181.4**	**437.9**
LITIGATION-RELATED LEGAL EXPENSES	**(18.6)**	**(28.8)**
INCOME TAXES PAID ON SETTLEMENTS	**-**	**(89.6)**
FINANCING ACTIVITIES		
New loans and finance leases	3.5	85.5
Repayment of principal and accrued interest of loans and finance leases	(38.9)	(114.5)
Investments in other current assets that mature later than three months after the date of purchase	(452.2)	(162.1)
Dividends paid	(163.8)	(262.1)
Exercise of warrants	0.3	6.4
CASH FLOWS FROM FINANCING ACTIVITIES	**(651.1)**	**(446.8)**
Impact of changes in the scope of consolidation	**-**	**(4.3)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM JANUARY 1 TO JUNE 30	**(442.8)**	**(182.1)**
CASH AND CASH EQUIVALENTS AT JANUARY 1	**901.2**	**852.9**
Increase (decrease) in cash and cash equivalents from January 1 to June 30	**(442.8)**	**(182.1)**
Net impact of the translation of cash and cash equivalents denominated in foreign currencies	**4.5**	**(8.5)**
CASH AND CASH EQUIVALENTS AT JUNE 30	**462.9**	**662.3**

“Net interest income” amounted to 4.7 million euros.

Changes in Consolidated Shareholders' Equity

(in millions of euros)			Other reserves and retained earnings										
	Share capital	**Reserve convertible into share capital[1]**	**Statutory reserve**	**Res. for dividends to challenges and condit. claims**	**Reserve for translation differences**	**Shares subscribed through exercise of warrants**	**Cash-flow hedge reserve**	**Sundry reserves[2]**	**Interim dividends**	**Profit (Loss) for the year**	**Group interest in sharehold. equity**	**Minority interest in sharehold. equity**	**Total sharehold. equity**
Balance at 1/1/08	**1,652.4**	**221.5**	**4.2**	**3.9**	**(27.2)**	**-**	**0.2**	**131.2**		**673.4**	**2,659.6**	**25.7**	**2,685.3**
Profit for the period										425.0	425.0	1.9	426.9
Difference from the translation of financial statements in foreign currencies					(46.7)						(46.7)	(0.4)	(47.1)
Change in fair value of derivatives							0.1				0.1	-	0.1
Comprehensive profit for the period	**-**	**-**	**-**	**-**	**(46.7)**	**-**	**0.1**	**-**	**-**	**425.0**	**378.4**	**1.5**	**379.9**
Share capital incr. from convertible reserves	8.7	(8.7)									-	-	-
Exercise of warrants	6.4										6.4	-	6.4
Appropriation of the 2007 result			27.7	21.7				358.9		(408.3)	-	-	-
2007 Dividend										(265.1)	(265.1)	(2.1)	(267.2)
Purchase of minority interest											-	(0.2)	(0.2)
Balance at 6/30/08	**1,667.5**	**212.8**	**31.9**	**25.6**	**(73.9)**	**-**	**0.3**	**490.1**	**-**	**425.0**	**2,779.3**	**24.9**	**2,804.2**
Balance at 1/1/09	**1,687.4**	**193.2**	**31.9**	**21.7**	**(148.1)**	**-**	**(2.2)**	**490.2**	**(130.0)**	**673.1**	**2,817.2**	**24.9**	**2,842.1**
Profit for the period										247.8	247.8	1.4	249.2
Difference from the translation of financial statements in foreign currencies					56.8						56.8	(0.2)	56.6
Change in fair value of derivatives							0.2				0.2	-	0.2
Recognition in earnings of the translation reserve upon the sale of equity investments					(3.2)						(3.2)	-	(3.2)
Comprehensive profit for the period	**-**	**-**	**-**	**-**	**53.6**	**-**	**0.2**	**-**	**-**	**247.8**	**301.6**	**1.2**	**302.8**
Share capital incr. from convertible reserves	15.2	(15.2)									-	-	-
Exercise of warrants	0.3										0.3	-	0.3
Appropriation of the 2008 result			30.8	4.8				344.7		(380.3)	-	-	-
2008 Dividend									130.3	(292.8)	(162.5)	(1.3)	(163.8)
Dividends to shareholders challenging awards				(0.6)					(0.3)		(0.9)	-	(0.9)
Purchase of minority interest											-	0.6	0.6
Balance at 6/30/09	**1,702.9**	**178.0**	**62.7**	**25.9**	**(94.5)**	**-**	**(2.0)**	**834.9**	**-**	**247.8**	**2,955.7**	**25.4**	**2,981.1**

[1] For creditors challenging exclusions and late-filing creditors.

[2] Limited to 65,723,000 euros (35,141,000 euros as per Shareholders' Meeting resolution of April 29, 2007 and 30,582,000 euros as per Shareholders' Meeting resolution of April 9, 2008), this reserve can be used to satisfy claims of late filing creditors and contested claims, when such claims are verified.

Notes to the Condensed Consolidated Semiannual Financial Statements

Foreword

The registered office of Parmalat S.p.A. is located in Italy, at 4 via delle Nazioni Unite, in Collecchio (province of Parma). Its shares are traded on the Online Stock Market operated by Borsa Italiana. Parmalat S.p.A. and its subsidiaries are organized into a food industry group that pursues a multinational strategy. The Group operates in 17 countries worldwide divided into five geographic regions: Europe, North America, Central and South America, South Africa and Australia. The Group has an extensive and well structured product portfolio organized into three segments: *Milk* (UHT, pasteurized, condensed, powdered and flavored milk; cream and béchamel), *Fresh Dairy* (yogurt, fermented milk, desserts, cheese and butter) and *Fruit Beverage* (fruit juices, nectars and tea).

The condensed consolidated semiannual financial statements at June 30, 2009 are denominated in euros, which is the reporting currency of Parmalat S.p.A., the Group's Parent Company. They consist of a statement of financial position, an income statement, a statement of comprehensive income, a cash flow statement, a statement of changes in shareholders' equity and the accompanying notes. All of the amounts listed in these notes are in millions of euros, except as noted.

The presentation formats used for the statement of financial position, income statement, cash flow statement and statement of changes in shareholders' equity are the same as those used for the annual financial statements.

The condensed consolidated semiannual financial statements at June 30, 2009 were the subject of a limited audit by PricewaterhouseCoopers S.p.A. in accordance with the assignment it received pursuant to a resolution approved by the Shareholders' Meeting on March 15, 2005, extended to include the 2008-2013 period. A limited audit entails a significantly smaller scope of auditing work than a full audit performed in accordance with statutory auditing principles.

The publication of these condensed consolidated semiannual financial statements at June 30, 2009 was authorized by the Board of Directors on July 30, 2009.

Principles for the Preparation of the Condensed Consolidated Semiannual Financial Statements

The condensed consolidated semiannual financial statements at June 30, 2009 of the Parmalat Group was prepared in accordance with the provisions of Article 154-*ter "Financial Reporting"* of the Uniform Financial Code introduced with Legislative Decree No. 195 of November 6, 2007, by which the Italian legislature implemented Directive 2004/109/CE (so-called Transparency Directive) on regular financial reporting.

The condensed consolidated semiannual financial statements were prepared in accordance with IAS 34 – *Interim Financial Reporting*. The accounting principles applied are the same as those used to prepare the consolidated Annual Report at December 31, 2008. Consequently, the former should be read concurrently with the latter.

The following recently published accounting principles and interpretations went into effect on January 1, 2009, as adopted by the European Commission:

IFRS 8 – Operating Segments. Under this principle, which replaces IAS 14, companies are required to base the segment information that they disclose on the same data that management uses to make operating decisions. Consequently, operating segments must be identified based on a company's internal reporting system, which is regularly reviewed by management to allocate resources to the various segments and assess performance. The adoption of this principle has no impact on the valuation of the items listed in the financial statements, requiring only an increase in the number of segments listed.

Revisions to IAS 1 – Presentation of Financial Statements. This new version of the principle requires companies to disclose in a statement of changes in shareholders' equity all of the changes generated by

transactions with shareholders. All transactions generated with third parties (comprehensive income) must be disclosed either in a single statement of comprehensive income or in two statements (income statement and statement of comprehensive income).
The Group chose the option of disclosing transactions with third parties in two statements that analyze operating performance during the period, entitled income statement and statement of comprehensive income, respectively. The Group revised the presentation of the statement of changes in shareholders' equity accordingly. The adoption of this principle had no impact on the valuation of the items listed in the financial statements.

Revisions to IAS 23 – Borrowing Costs. The new version of this principle requires the capitalization of the borrowing costs incurred to purchase, build or produce qualifying assets that normally become ready for use or for sale only after a significant period of time, thereby eliminating the option of recognizing these costs in earnings on an accrual basis. The adoption of this principle had no impact on the Group.

IFRIC 13 – Customer Loyalty Programs. This interpretation deals with the accounting treatment of the liability for rights to receive prizes awarded to customers in connection with customer loyalty programs. The salient points of this interpretation are the following:

- Points awarded to customers are deemed to be an element that can be identified separately from the sale of the product or service for which they are awarded and, therefore, represent a right that customers have implicitly paid for;
- The portion of the consideration allocated to the points must be determined based on the points' fair value (i.e., the value at which the points could be sold separately) and recognized as a revenue deferred until the company has fulfilled its obligation.

The impact resulting from the adoption of this interpretation was not material.

The following principles and interpretations that became applicable on January 1, 2009, as adopted by the European Commission, concern situations and issues that do not exist within the Group:

- *Revisions to IFRS 2 – Share-based Payments*
- Minor revisions to IFRS *("IFRS improvements")*
- *IFRIC 15 – Agreements for the Construction of Real Estate*
- *IFRIC 16 – Hedges of a Net Investment in a Foreign Operation.*

The Group opted for the early adoption, effective January 1, 2009, of the revised versions of *IFRS 3 – Business Combinations* and *IAS 27 – Consolidated and Separate Financial Statements.* The revised version of IFRS 3 requires that incidental costs incurred in connection with a business combination and changes in contingent consideration be recognized in earnings and provides the option of recognizing the full amount of the goodwill generated by the combination, including the goodwill attributable to minority shareholders (full goodwill method). The new rules also change the method currently used to recognize combinations implemented in stages requiring the recognition in earnings of the difference between the fair value on the date of acquisition of the net assets previously held and the corresponding carrying amount.
The revised version of IAS 27 calls for the recognition in equity of the effects of the acquisition (divestment) of an equity interest executed after having obtained control, if it does not result in the loss of control. If the sale of an equity interest results in the loss of control, the carrying amount of the remaining equity interest held must be restated to its fair value, the amount of the restatement included in the gain (loss) resulting from the sale.

With the exception of the revised versions of IFRS 3 and IAS 27, the Group did not opt for early adoption of the new accounting principles adopted by the European Union scheduled to go into effect after June 30, 2009.

As part of the process of preparing the condensed consolidated semiannual financial statements, Directors are required to use accounting principles and methods that, in some instances, require the use of difficult and subjective valuations and estimates based on historical data and assumptions that, in each case, are deemed to be reasonable and realistic under the circumstances existing at that time. The use of these estimates and assumptions has an impact on the amounts reported in the financial statements, which include the statement of financial position, the income statement and the cash flow statement, and affects the disclosures provided therein. The final amounts shown for the financial statement items for which the above mentioned estimates and assumptions were used may differ from the amounts shown on the financial statements due to the uncertainty that is inherent in all assumptions and the conditions upon which the estimates were based. Estimates and assumptions are reviewed periodically and any resulting change is recognized in the accounting records for the period in which the estimate was revised, if the change affects only the current period, or also for subsequent periods, if the change affects the current period and future periods. The financial statement items that require more than others a subjective input by the Directors in the development of estimates and with regard to which a change in the conditions underlying the assumptions could have a material impact on the Interim Report on Operations are: goodwill, writedowns of non-current assets, depreciation and amortization, deferred taxes, the allowance for doubtful accounts, the provisions for risks, pension plans and other post-employment benefit plans, and the reserves for creditor challenges and claims of late-filing creditors.

A complete determination as to whether the value of non-current assets has been impaired is carried out only in connection with the preparation of the annual financial statements, when all necessary information is available, except in cases when impairment indicators that require an immediate assessment of any impairment losses are detected.

The income tax liability is recognized based on the best estimate of the average tax rate for the entire year.

Seasonality of the Group’s Businesses

Sales of some Group products are more seasonal than those of the rest of the product line, due to different buying habits and consumption patterns. However, the geographic diversification of the Group’s sales significantly reduces the impact of seasonal factors.

Business Combinations

On May, 20, 2009, the Group entered into a binding agreement to acquire from National Foods some fresh milk production and processing assets located in New South Wales (NSW) and South Australia (SA). Pursuant to this agreement, Parmalat Food Products Pty Ltd, a wholly owned subsidiary of Parmalat S.p.A., purchased a portfolio of assets in the fresh milk sector located in the above mentioned regions, including the Lidcombe and Clarence Gardens production facilities, trademark distribution licenses and distribution networks in the NSW, SA and Australian Capital Territory areas.
The acquisition was approved by the Australian Antitrust Authority on June 26, 2009 and the transfer of the above mentioned assets was completed on July 27, 2009.
The acquisition required a cash payment of about 70 million Australian dollars, with adjustments, and the assumption of certain obligations.
Incidental acquisition costs of 2.4 million Australian dollars were recognized in the consolidated income statement under “Other income and expense.”
Because of the time physically needed to measure the acquired assets and liabilities, a provisional allocation of the price paid for the acquired assets and liabilities could not be completed by the publication date of these condensed consolidated semiannual financial statements. The estimated value of the net assets on the date of acquisition was 65 million Australian dollars.

Scope of Consolidation

The equity investments of the Parmalat Group are listed in the schedules provided in the Annex. The guidelines followed in consolidating these equity investments are reviewed below. The scope of consolidation at June 30, 2009 includes the financial statements of the Group's Parent Company and those of the Italian and foreign companies in which the Parent Company holds, either directly or indirectly, an interest equal to more than 50% of the voting shares. Control also exists when the Group's Parent Company holds 50% or less of the votes that may be exercised at a Shareholders' Meeting if:

- It controls more than 50% of the voting rights by virtue of an agreement with other investors;
- It has the power to determine the financial and operating policies of the investee company pursuant to a clause in the Bylaws of the investee company or a contract;
- It has the power to appoint or remove a majority of the members of the Board of Directors or equivalent corporate governance body and said Board or body controls the investee company;
- It has the power to exercise a majority of the votes at meetings of the Board of Directors or equivalent corporate governance body.

Because the Group's Parent Company no longer has the power to determine their financial and operating policies nor benefits from their operations, the following companies are no longer consolidated line by line:

- The following companies in which the Parent Company holds, either directly or indirectly, an interest equal to more than 50% of the voting shares but are now parties to separate bankruptcy proceedings under local laws and their subsidiaries:
    - Companies that have become eligible for extraordinary administration proceedings include: Parmalat Mölkerei GmbH in A.S. (Germany), Deutsche Parmalat GmbH in A.S. (Germany), Dairies Holding International BV in A.S. (Netherlands) and Olex sa in A.S. (Luxembourg). The extraordinary administration proceedings applicable to these companies are nearing completion, pursuant to law.

  These companies have been included in the list of the Group's equity investments because the Group owns their capital stock. However, at present, there is no expectation of a full or partial recovery of the investments in these companies upon completion of the individual bankruptcy proceedings. There is also no expectation that Parmalat S.p.A. will incur any liability in connection with these investments and there is no commitment or desire on the Company's part to cover the negative equity of these companies.

- Companies earmarked for liquidation in the best available manner. The only company in this category is Wishaw Trading Sa (Uruguay). It is unlikely that the Group will incur any liability in connection with this investment and there is no commitment or desire on the Group's part to cover the negative equity of this company. At January 1, 2004, Wishaw Trading SA had liabilities that amounted to 338.3 million euros. Unsecured claims amounting to 47.4 million euros have been verified and claims totaling 253.6 million euros have been excluded, but creditors have challenged these exclusions. Parmalat S.p.A. believes that it is probable that some of these challenges will be upheld. Net of the claim reduction, these claims could total 17.6 million euros and the Company has added this amount to its "Reserve for creditor challenges and claims of late-filing creditors convertible exclusively into share capital." Based on information provided by counsel, Parmalat S.p.A. has learned that, in accordance with current Uruguayan law, the shareholders of a local limited liability company may be held personally responsible under certain conditions. More specifically, the principle of limited liability can be overridden when a company has been used (i) fraudulently to circumvent a law, (ii) to violate public order, (iii) fraudulently to injure the rights of shareholders or third parties. While it is possible that the conduct of the previous management could result in an extension of liability to other companies of the Parmalat Group, Parmalat S.p.A. — in view of the provisions of Article 4-*bis*, Section 10 of the Marzano Law, which reaffirms the general principle set forth in Article 135 of the Bankruptcy Law that an approved composition with creditors is binding on all creditors with claims that predate the start of the composition with creditors proceedings and is also binding on all creditors who did not file for claim verification — believes that even if the existence and amount of any claims against it that are related to Wishaw Trading SA should ever be verified, the creditors would be unsecured creditors with claims the title and/or cause of which predates the start of the extraordinary administration proceedings for the companies that are parties to the Proposal of Composition with Creditors and, consequently, would only be entitled to receive shares and warrants of Parmalat S.p.A. based on an amount decreased by the claim reduction, in accordance with Section 7.8 of the Proposal of Composition with Creditors.

- Companies in which the Parent Company holds, either directly or indirectly, an interest equal to more than 50% of the voting shares that are in voluntary liquidation and their subsidiaries. These companies, which are not large in size and operate in several countries, are:
    - Parmalat International SA (Switzerland);
    - PRM Administraçao e Participaçao do Brasil (Brazil);
    - Swojas Energy Foods Limited (India).

- Companies in which the Parent Company holds, either directly or indirectly, an interest equal to more than 50% of the voting shares but no longer has the power to determine their financial and operating policies and benefit from their operations and their subsidiaries. These companies, which are not large in size and operate in several countries, are:
    - Airetcal SA (Uruguay);
    - Lacteos Americanos Lactam SA (Costa Rica);
    - Parmalat Chile SA (Chile);
    - Parmalat (Zhaodong) Dairy Corp. Ltd (China);
    - Dalmata Due S.r.l. (Italy).

The following entries were made in connection with the companies that are no longer consolidated line by line:

- The carrying value of the investments was written off, except for 0.3 million euros (0.1 million euros for Parmalat International SA and 0.2 million euros for Dalmata Due S.r.l.);
- The receivables owed by these companies to other Group companies were written off;
- A provision for risks in connection with indebtedness guaranteed by Group companies was recognized;
- The receivables owed to the companies listed above by Group companies continued to be included in the indebtedness of Group companies.

Transactions Between Group Companies and with Related Parties

Transactions between Group companies and with related parties were neither atypical nor unusual and were carried by the Company in the normal course of business. Currently, the Group executes transactions with the following related parties:

- Companies in which the Group has a majority equity stake but over which it no longer has control and, consequently, have been excluded from the scope of consolidation as explained in the Scope of Consolidation section of this Report.

A breakdown of receivables and payables by type is provided below:

(in millions of euros)		6/30/09					
Company	**Country**	**Trade receiv-ables[1]**	**Financial receiv-ables[1]**	**Other receiv-ables[1]**	**Trade payables**	**Financial payables**	**Other payables**
PPL Participações Ltda	Brazil					3.8	
Wishaw Trading sa	Uruguay					2.3	
Total		**-**	**-**	**-**	**-**	**6.1**	**-**

[1] After allowance for doubtful accounts.

(in millions of euros)		12/31/08					
Company	**Country**	**Trade receiv-ables[1]**	**Financial receiv-ables[1]**	**Other receiv-ables[1]**	**Trade payables**	**Financial payables**	**Other payables**
PPL Participações Ltda	Brazil					3.9	0.3
Wishaw Trading sa	Uruguay					2.3	
Total		**-**	**-**	**-**	**-**	**6.2**	**0.3**

[1] After allowance for doubtful accounts.

The table below provides a breakdown of revenues and expenses by type and shows the writedowns of receivables booked during the period:

(in millions of euros)		First half 2009				
Company	**Country**	**Net sales revenues and other revenues**	**Profit (Loss) from discontinuing operations**	**Financial income**	**Cost of materials and services used**	**Writedowns of receivables**
Parmalat International sa				0.2		
Total		**-**	**-**	**0.2**	**-**	**-**

(in millions of euros)		First half 2008				
Company	**Country**	**Net sales revenues and other revenues**	**Profit (Loss) from discontinuing operations**	**Financial income**	**Cost of materials and services used**	**Writedowns of receivables**
Lacteos Americanos Lactam sa						0.1
Total		**-**	**-**	**-**	**-**	**0.1**

- Companies that are currently included in the investment portfolios of Parmalat Finanziaria S.p.A. in A.S. and Parmalat S.p.A. in A.S.

A breakdown of receivables and payables by type is provided below:

(in millions of euros)				6/30/09			
Company	**Country**	**Trade receiv-ables[1]**	**Financial receiv-ables[1]**	**Other receiv-ables[1]**	**Trade payables**	**Financial payables**	**Other payables**
Eliair S.r.l. in A.S.	Italy		4.6	0.3			
Parma A.C. S.p.A. in A.S.	Italy		60.4	0.2			
Parmalat Capital Finance Ltd	Cayman		3,432.0[2]			1.8	
Bonlat Financing Corporation	Cayman		788.0[2]			1.7	
Parmalat S.p.A. in A.S.	Italy			3.0			
Total		**-**	**4,285.0**	**3.5**	**-**	**3.5**	**-**

[1] After allowance for doubtful accounts. [2] Amounts written off.

(in millions of euros)				12/31/08			
Company	**Country**	**Trade receiv-ables[1]**	**Financial receiv-ables[1]**	**Other receiv-ables[1]**	**Trade payables**	**Financial payables**	**Other payables**
Eliair S.r.l. in A.S.	Italy		4.6	0.3			
Parma A.C. S.p.A. in A.S.	Italy		60.4	0.2			
Parmalat Capital Finance Ltd	Cayman		3,432.0[2]			1.8	
Bonlat Financing Corporation	Cayman		788.0[2]			1.8	
Parmalat S.p.A. in A.S.	Italy			3.0			
Total		**-**	**4,285.0**	**3.5**	**-**	**3.6**	**-**

[1] After allowance for doubtful accounts. [2] Amounts written off.

While not required to do so pursuant to law, the Group discloses that, considering who will be the shareholders of Parmalat S.p.A. following the approval of the Composition with Creditors, the Group engages in commercial and financial transactions with numerous former creditors of its member companies. The transactions executed with these counterparties are neither atypical nor unusual and are carried out by the Company in the normal course of business.

These transactions are executed on market terms, i.e., on terms that would have been agreed to by independent parties, and were carried out in the interest of the Group headed by Parmalat S.p.A.
Lastly, the Group has filed a series of legal actions against former creditors of companies under extraordinary administration. These lawsuits are discussed in detail in the section of the Report on Operations entitled Legal Disputes and Contingent Liabilities at June 30, 2009.

Percentage of Total Amounts Attributable to Transactions with Related Parties

(in millions of euros)	**Consolidated assets**	**Consolidated liabilities**	**Net financial assets**	**Financial income**
Total consolidated amount	4,423.5	1,442.4	1,130.0	25.5
Amount with related parties	-	6.1	(6.1)	0.2
Percentage of the total	*n.m.*	*0.4*	*n.m.*	*0.8*

Notes to the Statement of Financial Position – Assets

(1) Goodwill

Goodwill amounted to 437.6 million euros. The changes that occurred during the first six months of 2008 and 2009 are listed below:

(in millions of euros)	Goodwill
Balance at 1/1/08	**539.9**
- Writedowns (-)	(61.4)
- Currency translation differences	(13.7)
Balance at 6/30/08	**464.8**
Balance at 1/1/09	**425.1**
- Currency translation differences	12.5
Balance at 6/30/09	**437.6**

Goodwill was allocated to the cash generating units which, consistent with the structure of the Group's organization and the manner in which control is exercised over the operating units, are the same as the Group's geographic regions, while complying with the limitation on the scope of data aggregation, which may not exceed a business segment, as identified in accordance with IFRS 8. The allocation did not change as a result of the adoption of IFRS 8.

Goodwill was allocated to the following cash generating units:

(in millions of euros)	6/30/09	12/31/08
Parmalat S.p.A.	184.0	184.0
Parmalat Canada Inc.	111.1	106.4
Parmalat Australia Ltd	57.1	48.9
Centrale del Latte di Roma S.p.A.	41.7	41.7
Parmalat Portugal Produtos Alimentares Ltda	34.2	34.2
Other smaller companies	9.5	9.9
Total	**437.6**	**425.1**

Pursuant to IAS 36, goodwill is not amortized. However, it is tested for impairment at least once a year or more frequently in response to specific events or circumstances that could indicate that its value has been impaired.

No impairment indicators affecting the value of goodwill were detected in the first half of 2009.

(2) Trademarks with an Indefinite Useful Life

Trademarks with an indefinite useful life were valued at 540.3 million euros. The changes that occurred during the first six months of 2008 and 2009 are listed below:

(in millions of euros)	Trademarks with an indefinite useful life
Balance at 1/1/08	**612.1**
- Writedowns (-)	(11.2)
- Currency translation differences	(30.5)
Balance at 6/30/08	**570.4**
Balance at 1/1/09	**518.2**
- Other changes	(2.1)
- Currency translation differences	24.2
Balance at 6/30/09	**540.3**

During the first half of 2009, the Group revised the useful life of the *Kyr* trademark. As a result of a change in strategy, this trademark (2.1 million euros) no longer meets the requirements for indefinite useful life classification. Consequently, it was reclassified in the "Trademarks with a finite useful life" and is being amortized over its remaining estimated useful life (4 years).

Trademarks with an indefinite useful life were valued at 540.3 million euros. A breakdown is as follows:

(in millions of euros)	6/30/09	12/31/08
Parmalat	160.8	157.9
Beatrice (Canada)	72.5	69.4
Lactantia (Canada)	59.8	57.3
Pauls (Australia)	41.4	35.4
Santàl	40.1	40.4
Black Diamond (Canada)	27.1	26.0
Centrale del Latte di Roma (Italy)	26.1	26.1
Astro (Canada)	20.0	19.2
Chef (Italy)	16.2	16.2
Bonnita (South Africa)	13.0	10.8
Sundry trademarks	63.3	59.5
Total	**540.3**	**518.2**

Pursuant to IAS 36, trademarks with an indefinite useful life are not amortized. However, they are tested for impairment at least once a year or more frequently in response to specific events or circumstances that could indicate that its value has been impaired.

No impairment indicators affecting the value of the trademarks with an indefinite useful life were detected in the first half of 2009.

(3) Property, Plant and Equipment

Property, plant and equipment totaled 675.9 million euros. The table below provides a breakdown of this item and shows the changes that occurred in the first half of 2008 and 2009:

(in millions of euros)	Land	Buildings	Plant and machinery	Industrial equip-ment	Other assets	Construc-tion in progress	Total
Balance at 1/1/08	**117.9**	**218.8**	**233.1**	**10.7**	**36.6**	**61.1**	**678.2**
- Companies removed from the scope of consolidation (-)	(11.7)	(7.7)	(10.2)	(0.3)	(0.5)		(30.4)
- Additions	0.9	6.7	15.4	0.6	5.1	31.9	60.6
- Disposals (-)	(0.7)	(1.3)	(1.2)	(0.1)	(0.7)		(4.0)
- Depreciation (-)		(6.2)	(21.9)	(1.5)	(6.1)		(35.7)
- Other changes	1.5	10.3	23.9	0.9	2.7	(40.0)	(0.7)
- Currency translation differences	(1.5)	(5.6)	(12.2)		(2.2)	(3.4)	(24.9)
Balance at 6/30/08	**106.4**	**215.0**	**226.9**	**10.3**	**34.9**	**49.6**	**643.1**
Balance at 1/1/09	**100.7**	**206.5**	**242.0**	**9.9**	**33.5**	**53.7**	**646.3**
- Additions		1.4	8.0	0.2	3.1	22.0	34.7
- Disposals (-)	(0.3)	(0.1)	(0.1)		(0.3)		(0.8)
- Depreciation (-)		(5.9)	(21.8)	(1.6)	(6.8)		(36.1)
- Other changes	11.3	(4.4)	23.3	0.7	1.9	(32.8)	-
- Reclassifications from held for sale assets	3.4	0.4					3.8
- Currency translation differences	3.7	7.3	11.4	0.5	2.5	2.6	28.0
Balance at 6/30/09	**118.8**	**205.2**	**262.8**	**9.7**	**33.9**	**45.5**	**675.9**

Information about the Group's investments in property, plant and equipment is provided in the Report on Operations.

Reclassifications from held for sale assets of 3.8 million euros refers to a building adjacent to a factory in South Brisbane (Australia) used as a warehouse that, following a corporate restructuring program, became redundant. In 2007, the Australian subsidiary began the process of disposing of this asset, actively seeking a buyer and completing the process. However, because the conditions required to complete the disposal process failed to materialize in the intervening period, this asset was reclassified to "Property, plant and equipment."

A breakdown of property, plant and equipment acquired under finance leases, totaling 11.0 million euros, is as follows:

(in millions of euros)	6/30/09	12/31/08
Plant and machinery	5.5	5.4
Other assets	5.5	6.4
Total property, plant and equipment acquired under finance leases	**11.0**	**11.8**

(4) Inventories

Inventories totaled 379.8 million euros, or 46.2 million euros more than at December 31, 2008.

(in millions of euros)	**6/30/09**	**12/31/08**
Raw materials, auxiliaries and supplies	119.5	104.1
Semifinished goods	16.1	14.8
Finished goods and merchandise	248.8	220.3
Advances	3.5	3.4
Provision for inventory writedowns	(8.1)	(9.0)
Total inventories	**379.8**	**333.6**

The main items that account for the year-over-year change include:

- 19.6 million euros for a rise in the inventory of cheese and other finished products held by the Canadian subsidiary, due to the seasonal nature of its business, which is characterized by increased production of cheese and other finished products during the first six months of the year and higher sales during the second half. This increase also reflects sales of butter and powdered milk made to the Canadian Dairy Commission (CDC) under a forward repurchase agreement. In Canada, the CDC (the government entity that oversees the allocation and management of milk quotas to the dairy industry), in order to mitigate the impact of seasonality factors, agrees to temporarily absorb the temporary surpluses of manufacturers. The resulting increase is offset by a trade payable of equal amount reflecting the above mentioned repurchase commitment.
- 16.6 million euros for higher imports of powdered milk and fruit concentrates carried out by the Venezuelan subsidiary in June to support planned higher production in later months.
- 11.9 million euros for the loss of value of the euro versus the main currencies of the countries in which the Group operates.

(5) Trade Receivables

Trade receivables totaled 462.7 million euros, or 2.8 million euros less than the 465.5 million euros outstanding at December 31, 2008.

The amount of 462.7 million euros shown for Trade receivables owed by customers is net of an Allowance for doubtful accounts of 173.3 million euros. The table that follows shows the changes that occurred in this allowance in the first half of 2008 and 2009:

(in millions of euros)	
Balance at 1/1/08	**162.8**
- Companies removed from the scope of consolidation (-)	(3.7)
- Additions	3.5
- Utilizations (-)	(3.4)
- Other changes	4.2
- Currency translation differences	(0.8)
Balance at 6/30/08	**162.6**
Balance at 1/1/09	**165.8**
- Additions	8.7
- Utilizations (-)	(2.0)
- Other changes	0.1
- Currency translation differences	0.7
Balance at 6/30/09	**173.3**

(6) Other Current Assets

Other current assets totaled 192.6 million euros, or 53.6 million euros less than at December 31, 2008:

(in millions of euros)	**6/30/09**	**12/31/08**
Amount receivable from the tax authorities for VAT	69.9	63.7
Estimated tax payments	34.4	73.0
Dividend tax credits	38.2	38.2
Other amounts receivable from the tax authorities	6.4	22.1
Sundry receivables	24.7	31.2
Receivables for litigation-related settlements	1.8	2.2
Accrued income and prepaid expenses	17.2	15.8
Total other current assets	**192.6**	**246.2**

The decrease in this account reflects the utilization of income tax credits and amounts withheld on income from invested liquidity to cover income tax liabilities amounting to 82.5 million euros, as against estimated tax payments of 24.1 million euros.

(7) Cash and Cash Equivalents

Cash and investments in financial assets with an original maturity of three months or less at the time of purchase amounted to 462.9 million euros, for a decrease of 438.3 million euros compared with December 31, 2008:

(in millions of euros)	**6/30/09**	**12/31/08**
- Bank and postal accounts	390.4	587.4
- Cash and securities on hand	1.5	1.3
- Italian treasury bills	63.8	310.6
- Financial assets	7.2	1.9
Total cash and cash equivalents	**462.9**	**901.2**

Bank and postal accounts of 390.4 million euros represent deposits held at top banking and financial institutions with a high credit rating.

Financial assets, which totaled 7.2 million euros, consist of term deposits.

The decrease of 438.3 million euros in Cash and cash equivalents is mainly the result of the investment of the cash generated by the Group's operations and the proceeds from litigation settlements in short-term, interest-bearing assets that are highly liquid, offset in part by the payment of 163.8 million euros in dividends.

There are no restrictions on the utilization of cash and cash equivalents by the Group.

(8) Current Financial Assets

Current financial assets totaled 1,158.8 million euros, or 452.4 million euros more than at December 31, 2008:

(in millions of euros)	**6/30/09**	**12/31/08**
- Italian treasury bills	480.3	331.3
- Italian treasury credit certificates	50.0	-
- *Bund*	75.2	-
- Italian treasury bonds	-	114.0
- Bank time deposits	543.1	245.0
- Accrued interest	3.9	4.4
- Derivatives	1.0	3.9
- Financial assets with an original maturity of more than three months but less than 12 months	5.3	7.8
Total current financial assets	**1,158.8**	**706.4**

The increase of 452.4 million euros reflects primarily the investment in income-producing assets of income from operating activities and of the proceeds collected as a result of litigation settlements.

(9) Held for sale Assets and Liabilities Directly Attributable to Held for sale Assets

Held for sale assets and Liabilities directly attributable to held for sale assets, which totaled 0.9 million euros and 0.4 million euros, respectively, refer to the Barquisimeto factory in Venezuela, the sale of which to a government-owned company had been the subject of a letter of intent signed in 2007. During the first half of 2009, while the sale had not yet closed, the buyer continued to indicate that it intended to purchase the facility. For this reason, the management of the Venezuelan subsidiary did not interrupt the sale negotiations, even though it received offers from other buyers. A liability of 0.4 million euros for indemnities payable to the employees prior to the sale was recognized at December 31, 2008.

At December 31, 2008, Held for sale assets and Liabilities directly attributable to held for sale assets also included the following items:

- Business operations located in Lodi that engage in the production and distribution of cheese and other dairy products. The business operations consisted of real property and real property rights, personal property, liquid assets, trademarks, liabilities toward employees and a provision for restructuring charges and risks, The sales contract was executed on December 23, 2008, effective as of January 1, 2009.
- A building adjoining the South Brisbane plant, which originally was used as a warehouse but was no longer used after the restructuring of the local operations. In 2007, the Australian subsidiary began the process of divesting this asset and is actively engaged in seeking a buyer and completing the sale. However, because the conditions required to complete the disposal process failed to materialize in the intervening period, this asset was reclassified to Property, plant and equipment.

Notes to the Statement of Financial Position – Shareholders' Equity

At June 30, 2009, the Group's shareholders' equity totaled 2,955.7 million euros.

(10) Share Capital

The share capital amounted to 1,702,879,840 euros. The change that occurred compared with December 31, 2008 is the result of the following items: (i) the amount of the claims of late-filing creditors and/or of creditors who challenged successfully the exclusion of their claims (charged against reserves established for this purpose), which totaled 15,214,791 euros; and (ii) the amount generated by the exercise of warrants, which totaled 267,792 euros.

The table below shows a breakdown of the change in the number of shares outstanding (par value 1 euro each) that occurred in the first six months of 2009:

	Number of shares
Shares outstanding at 1/1/09	**1,687,397,257**
Shares issued for claims of late-filing creditors and/or upon the settlement of challenges (using reserves established for this purpose)	15,214,791
Shares issued upon the conversion of warrants	267,792
Shares outstanding at 6/30/09	**1,702,879,840**

Maximum Share Capital Amount

In accordance with the resolutions approved on March 1, 2005, September 19, 2005 and April 28, 2007, the Company's share capital may reach a maximum of 2,025 million euros as a result of the following increases:

- Increase reserved for creditors with unsecured claims included in the lists of verified claims	1,541.1
- Increase reserved for unsecured creditors with conditional claims and/or who are challenging their exclusion from the lists of verified claims	238.9
- Increase reserved for late-filing creditors	150.0
Total increases reserved for creditors	**1,930.0**
- Shares available for the conversion of warrants	95.0
Total capital increase	**2,025.0**

As mentioned above, the Company's share capital amounted to 1,702.9 million euros at June 30, 2009. As of the writing of these Notes, it had increased by 0.2 million euros to a total of 1,703.1 million euros. The Group's Parent Company, having carried out a detailed analysis of the challenges filed by creditors excluded from the sum of liabilities and of the claims of late-filing creditors, believes that the equity reserves it has established in connection with these claims are adequate. Any additional claims of late-filing creditors that may arise in the future and are verified by a final court decision can be satisfied using the retained earnings set aside in 2008.

(11) Reserve for Creditor Challenges and Claims of Late-filing Creditors Convertible into Share Capital

At June 30, 2009, this reserve convertible into share capital amounted to 178.0 million euros. Utilizations for the period totaled 15.2 million euros, causing the share capital to increase by the same amount.

The utilization of this reserve will cause the share capital of Parmalat S.p.A. to increase by an amount equal to the additional verified claims. The remainder of the reserve, equal to the amount of the rejected claims, will become a freely available reserve. As explained before, Parmalat S.p.A. has already approved a capital increase in an amount equal to the balance in this reserve.

With regard to the Citigroup litigation and, more specifically, the decision handed down by the Court of New Jersey this past October, should this decision become final after review at the appellate level, it will have to be submitted to the Court of Parma, this being the condition on the basis of which Citibank was allowed to file its counterclaim in the United States. It is important to keep in mind that, in its action in the United States, Citibank is seeking to recover the difference between the amount it has collected by virtue of its unsecured claim being verified within the framework of the composition with creditors and 100% of the amount of its claim. Such demand will never be admissible under Italian law, pursuant to which the provisions that make an approved composition with creditors binding on all creditors with claims that predate the debt expunging effect of the composition with creditors are deemed to have the strength of imperative law.

(12) Reserve for Currency Translation Differences

The Reserve for currency translation differences, negative by 94.5 million euros, is used to record differences generated by the translation into euros of the financial statements of companies that operate in countries using a currency other than the euro.

(13) Other Reserves

The Ordinary Shareholders' Meeting of April 9, 2009 approved motions: (i) to add to the statutory reserve 5% of the balance of the net profit earned in 2008, equal to 30.8 million euros; (ii) to appropriate: (a) 50% of the remaining net profit as a dividend in the rounded up amount of 0.173 euros per share, which, after deducting the interim dividends of 0.077 euros distributed this past September, leaves a final dividend of 0.096 euros on each of the 1,692,267,004 common shares outstanding at March 17, 2009, for a total balance payable of 162.5 million euros and a total dividend payout (interim plus balance) of 292.7 million euros; (b) to a reserve for claims of creditors who challenged the exclusion of their claims from the sum of liabilities and creditors with conditional claims (as required under the terms of the Composition with Creditors) who may be entitled to receive Company shares, for a total of 4.8 million euros; (c) the balance of 287.1 euros to retained earnings.

At June 30, 2009, Other reserves of 923.5 million euros included the following items: (i) retained earnings of 559.5 million euros; (ii) a statutory reserve of 62.7 million euros; (iii) a reserve of 25.9 million euros for claims of creditors who challenged the exclusion of their claims from the sum of liabilities and creditors with conditional claims (as required under the terms of the Composition with Creditors) who may be entitled to receive Company shares; and, for the balance, (iv) a reserve of 0.1 million euros for the measurement at fair value of held for sale securities; and, for the balance, (v) a reserve of 275.3 million euros that may also be used to satisfy any additional claims of late-filing creditors or creditors with contested claims that are verified by a final court decision for a maximum amount of 65.7 million euros.

(14) Profit for the Period

The Group's interest in the profit for the period amounted to 247.8 million euros.

Reconciliation of the Shareholders' Equity of Parmalat S.p.A. to Group Interest in Shareholders' Equity

(in millions of euros)	**Shareholders' equity before result for the period**	**Result for the period**	**Shareholders' equity**
Shareholders' equity of Parmalat S.p.A. at 6/30/09	**2,532.0**	**228.6**	**2,760.6**
Elimination of the carrying value of consolidated investments in subsidiaries			
- Difference between the carrying amount and the pro rata interest in the underlying shareholders' equity	253.4	-	253.4
- Pro rata interest in the results of investee companies	-	40.3	40.3
- Reserve for currency translation differences	(94.5)	-	(94.5)
Other adjustments:			
- Elimination of writedowns of subsidiaries	-	6.3	6.3
- Elimination of losses by subsidiaries	5.0	-	5.0
- Elimination of writedowns of receivables owed by subsidiaries	12.0	5.2	17.2
- Elimination of dividends	-	(32.6)	(32.6)
Group Interest in Shareholders' Equity at 6/30/09	**2,707.9**	**247.8**	**2,955.7**
Minority interest in shareholders' equity and result for the period	24.0	1.4	25.4
Consolidated shareholders' equity at 6/30/09	**2,731.9**	**249.2**	**2,981.1**

(15) Minority Interest in Shareholder's Equity

At June 30, 2009, the Minority interest in shareholders' equity totaled 25.4 million euros. This amount is represented almost entirely by the interest held by minority shareholders in the following companies:

(in millions of euros)	**6/30/09**	**12/31/08**
Centrale del Latte di Roma S.p.A.	13.1	12.9
Citrus International SA	4.5	4.6
Parmalat Colombia ltda	2.0	2.0
Parmalat Centroamerica SA	2.0	1.9
Sundry companies	3.8	3.5
Total	**25.4**	**24.9**

Notes to the Statement of Financial Position – Liabilities

(16) Long-term borrowings

Long-term borrowings totaled 266.5 million euros. The table below shows the changes that occurred in the first six month of 2008 and 2009:

(in millions of euros)	Due to banks	Due to other lenders	Obligations under finance leases	Due to asso-ciates	Liabilities represented by credit instruments	Liabilities from deriva-tives	Total
Balance at 1/1/08	**276.9**	**33.9**	**25.4**	**1.1**			**337.3**
- Companies removed from the scope of consolidation (-)	(1.4)	-	(18.2)	-			(19.6)
- New borrowings	77.7	-	0.6	-			78.3
- Repayments (principal and interest) (-)	(76.4)	-	(2.7)	-			(79.1)
- Accrued interest	3.7	1.4	0.6	-			5.7
- Discounting to present value	0.2	-	-	-			0.2
- Foreign exchange differences on borrowings in foreign currencies	0.2	0.8	-	(0.2)			0.8
- Reclassifications from non-current to current (-)	(19.5)	-	(1.2)	-			(20.7)
- Currency translation differences	(15.8)	(3.2)	-	0.1			(18.9)
Balance at 6/30/08	**245.6**	**32.9**	**4.5**	**1.0**	**-**	**-**	**284.0**
Balance at 1/1/09	**198.7**	**47.7**	**5.9**	**1.2**	**0.6**	**7.8**	**261.9**
- New borrowings	-	-	1.4	-	-	-	1.4
- Repayments (principal and interest) (-)	(9.5)	(1.5)	(1.0)	-	-	-	(12.0)
- Accrued interest	2.5	3.9	0.4	-	-	-	6.8
- Discounting to present value	0.1	-	-	-	-	-	0.1
- Mark to market	-	-	-	-	-	(1.5)	(1.5)
- Foreign exchange differences on borrowings in foreign currencies	-	(2.8)	0.1	-	-	-	(2.7)
- Reclassifications from non-current to current (-)	(4.0)	-	(1.0)	-	-	-	(5.0)
- Currency translation differences	15.1	2.1	-	(0.1)	-	0.4	17.5
Balance at 6/30/09	**202.9**	**49.4**	**5.8**	**1.1**	**0.6**	**6.7**	**266.5**

New borrowings of 1.4 million euros refers mainly to the signing of new leases for plant and machinery.

Repayments of 12.0 million euros include the following:

- Decreased utilization of a three-year syndicated credit line of 150 million Australian dollars negotiated in February 2008 and payment of accrued interest totaling 14.0 million Australian dollars;
- Payment of the non-current portion of indebtedness owed to major Italian banks by an Italian subsidiary in the amount of 1.8 million euros;
- Closing out of motor vehicle leases and payment of accrued interest of 1.0 million euros by Parmalat S.p.A.

Short-term borrowings totaled 225.2 million euros. The following changes occurred in the first six months of 2008 and 2009:

(in millions of euros)	Due to banks	Due to other lenders	Obligations under finance leases	Due to asso-ciates	Liabilities represented by credit instruments	Liabilities from deriva-tives	Total
Balance at 1/1/08	**229.7**	**6.0**	**5.8**	**4.9**	**0.5**	**4.6**	**251.5**
- Companies removed from the scope of consolidation (-)	(11.2)	-	(0.5)	-	-	-	(11.7)
- New borrowings	4.3	-	2.9	-	-	-	7.2
- Repayments (principal and interest) (-)	(32.2)	-	(3.2)	-	-	-	(35.4)
- Accrued interest	12.4	-	0.4	-	-	-	12.8
- Mark to market	-	-	-	-	-	1.4	1.4
- Translation differences on borrowings in foreign currencies	0.1	(0.1)	0.1	(0.1)	-	-	-
- Reclassifications from non-current to current (-)	19.5	-	1.2	-	-	-	20.7
- Currency translation differences	(14.8)	(0.3)	(0.1)	-	-	(0.5)	(15.7)
Balance at 6/30/08	**207.8**	**5.6**	**6.6**	**4.8**	**0.5**	**5.5**	**230.8**
Balance at 1/1/09	**219.2**	**6.3**	**3.2**	**5.0**	**-**	**3.2**	**236.9**
- New borrowings	1.9		0.2				2.1
- Repayments (principal and interest) (-)	(24.5)		(2.4)				(26.9)
- Accrued interest	9.5		0.6				10.1
- Mark to market						(0.7)	(0.7)
- Translation differences on borrowings in foreign currencies	0.1		0.1	(0.1)			0.1
- Reclassifications from non-current to current (-)	4.0		1.0				5.0
- Currency translation differences	(1.8)	(0.1)	(0.1)	0.1		0.5	(1.4)
Balance at 6/30/09	**208.4**	**6.2**	**2.6**	**5.0**	**-**	**3.0**	**225.2**

New borrowings of 2.1 million euros reflect the factoring of trade receivables by the Portuguese subsidiary.

Repayments of 26.9 million euros include the following:

- Payment of the current portion of a syndicated facility due in July 2011 and accrued interest in the amount of 22.5 million Canadian dollars;
- Payment of the current portion (25.5 million rand) of a loan provided by Standard Bank due in October 2009 and the current portion (8.0 million rand) of a loan provided by the same bank in February 2008 and due in 2013;
- Payment of the current portion (2.7 million euros) of a syndicated loan maturing in August 2010 owed by the Portuguese subsidiary.

The amount due to banks includes US$170 million in principal owed by the Group's Venezuelan companies. These liabilities, which were incurred prior to the financial crisis of the Parmalat Finanziaria Group, are being contested in the United States before the courts with jurisdiction over such issues.

The table below provides a breakdown by interest rate intervals of the Group's gross indebtedness, taking into account the impact of any derivative hedges:

(in millions of euros)	Due to banks	Due to other lenders	Obligations under finance leases	Due to subsidiaries, joint ventures and affiliate companies	Liabilities represented by credit instruments	Liabilities from derivatives	Total
Up to 5%	159.0	16.4	2.1	6.1	0.6	9.7	193.9
From 5% to 6%	-	39.1	3.4	-	-	-	42.5
From 6% to 7%	-	-	1.9	-	-	-	1.9
From 7% to 8%	58.3	0.1	-	-	-	-	58.4
From 8% to 9%	183.6	-	0.4	-	-	-	184.0
Over 9%	10.4	-	0.6	-	-	-	11.0
Total current and non-current financial liabilities	**411.3**	**55.6**	**8.4**	**6.1**	**0.6**	**9.7**	**491.7**

(the interest rate includes the credit spread charged over the base rate)

A breakdown by maturity of the Group's gross indebtedness is as follows:

	6/30/09				12/31/08			
(in millions of euros)	Due within one year	Due between one and five years	Due after five years	Total	Due within one year	Due between one and five years	Due after five years	Total
Due to banks	208.4	202.9	-	411.3	219.2	198.7	-	417.9
Due to other lenders	6.2	39.2	10.2	55.6	6.3	47.3	0.4	54.0
Obligations under finance leases	2.6	4.5	1.3	8.4	3.2	5.2	0.7	9.1
Due to subsidiaries, joint ventures and affiliate companies	5.0	-	1.1	6.1	5.0	-	1.2	6.2
Liabilities represented by credit instruments	-	0.6	-	0.6	-	0.6	-	0.6
Liabilities from derivatives	3.0	6.7	-	9.7	3.2	7.8	-	11.0
Total current and non-current financial liabilities	**225.2**	**253.9**	**12.6**	**491.7**	**236.9**	**259.6**	**2.3**	**498.8**

In the first half of 2009, the average cost of borrowed funds was about 7.19%, down from 7.41% for the full year in 2008.

Some of the financing facilities provided to Group companies have been collateralized with corporate assets. The largest collateralized loans were owed by Parmalat Canada Inc (about 141.7 million euros) and Parmalat Australia (61.4 million euros).

(17) Deferred-tax Liabilities

Deferred-tax liabilities of 161.6 million euros are shown net of offsettable deferred-tax assets.

The Deferred-tax liabilities account reflects the amounts set aside for deferred taxes on temporary differences between reported and taxable asset and liability amounts involving mainly the following items:

(in millions of euros)	**6/30/09**	**12/31/08**
- Trademarks and other intangibles	118.9	111.8
- Land	8.9	7.6
- Buildings	6.3	7.6
- Plant and machinery	9.2	7.0
- Present value of subordinated debt	13.9	13.4
- Other items	4.4	2.9
Total	**161.6**	**150.3**

(18) Provisions for Risks and Charges

Provisions for risks and charges totaled 105.0 million euros. The changes that occurred in the first half of 2008 and 2009 are shown below:

(in millions of euros)	**Provision for tax-related risks and charges**	**Provision for other risks and charges**	**Total**
Balance at 1/1/08	**75.6**	**73.6**	**149.2**
- Companies removed from the scope of consolidation (-)	-	(11.2)	(11.2)
- Increases	18.5	2.6	21.1
- Decreases (-)	(1.6)	(9.4)	(11.0)
- Reversals (-)	(11.9)	(5.8)	(17.7)
- Other changes	-	(4.9)	(4.9)
- Reclassifications to liabilities directly attributable to held for sale assets (-)	-	(0.3)	(0.3)
- Currency translation differences	(3.0)	(0.6)	(3.6)
Balance at 6/30/08	**77.6**	**44.0**	**121.6**
Balance at 1/1/09	**65.7**	**40.4**	**106.1**
- Increases	7.0	1.2	8.2
- Decreases (-)	(0.9)	(2.8)	(3.7)
- Reversals (-)	(1.0)	(4.0)	(5.0)
- Other changes	(0.7)	0.8	0.1
- Currency translation differences	(0.7)	-	(0.7)
Balance at 6/30/09	**69.4**	**35.6**	**105.0**

Provision for Tax-related Risks and Charges

The Provision for tax-related risks and charges refers mainly to tax risks affecting the Venezuelan companies (39.1 million euros), Parmalat S.p.A. (22.9 million euros), and companies in Colombia (3.0 million euros) and Canada (2.4 million euros).

The changes that occurred in the first half of 2009 are essentially a reflection of a revision of the estimates of the probable tax liabilities of the Venezuelan companies.

An analysis of the most significant tax disputes involving Group companies is provided in the chapter of this Report entitled “Legal Disputes and Contingent Liabilities at June 30, 2009.”

Provision for Other Risks and Charges

The Provision for other risks and charges of 35.6 million euros covers the following:

(in millions of euros)	**6/30/09**	**12/31/08**
Staff downsizing programs	9.6	9.3
Supplemental sales agent benefits	7.1	8.1
Risks on investee companies	4.8	7.0
Legal disputes with employees	4.8	5.3
Litigation	2.2	2.6
Risks on divestments of business operations	1.0	1.1
Disputes with former Group companies	0.2	0.2
Miscellaneous	5.9	6.8
Total provision for other risks and charges	**35.6**	**40.4**

The decrease of 4.8 million euros in the Provision for other risks and charges reflects the payment of an administrative fine of 2.2 million euros that the Italian Antitrust Authority levied on Parmalat S.p.A., on May 21, 2008, for the failure to divest its interest in Newlat S.p.A. by the required deadline of October 30, 2007. This decision by the Italian Antitrust Authority was challenged before the Regional Administrative Court of Latium, unfortunately without success. This dispute is currently in the last phase of the appeal process before the Council of State.

An analysis of the most significant legal disputes involving Group companies is provided in the chapter of this Report entitled “Legal Disputes and Contingent Liabilities at June 30, 2009.”

(19) Trade Payables

Trade payables totaled 434.7 million euros, or 35.2 million euros less than at December 31, 2008.

(in millions of euros)	**6/30/09**	**12/31/08**
- Trade payables to suppliers	433.9	468.9
- Advances	0.8	1.0
Total trade payables	**434.7**	**469.9**

The change that occurred in the first half of 2009 is the net result of the following items:

- a decrease of 36.4 million euros attributable to a reduction in the price of raw milk and in litigation related legal expenses paid by Parmalat S.p.A. during the first half of 2009;
- a decrease of 7.7 million euros attributable to a reduction in the quantities of raw milk purchased and the prices paid by the South African subsidiary;

offset in part by

- an increase of 13.6 million euros attributable to the loss in value of the euro versus the main currencies of the countries where the Group operates.

(20) Other Current Liabilities

A breakdown of Other current liabilities, which totaled 130.3 million euros (5.2 million euros more than at December 31, 2008), is provided below:

(in millions of euros)	6/30/09	12/31/08
- Taxes payable	16.1	22.5
- Contributions to pension and social security institutions	8.0	6.2
- Other payables	66.0	59.3
- Accrued expenses and deferred income	40.2	37.1
Total current liabilities	**130.3**	**125.1**

(21) Income Taxes Payable

Income taxes payable totaled 16.3 million euros, or 54.3 million euros less than at December 31, 2008. This decrease is the net result of the following items:

- Utilization of income tax credits and taxes withheld on income from invested liquid assets to offset the income tax liability amounting to 82.5 million euros;
- Addition of 42.9 million euros to recognize the liability for the period, including taxes owed on the proceeds from settlements of actions for damages collected in the first half of 2009 (2.8 million euros);
- Payment of the balance due for 2008 (14.7 million euros), including the amounts owed by the Venezuelan subsidiaries (9.0 million euros), the Australian subsidiaries (2.3 million euros) and the Russian subsidiaries (1.1 million euros). Sundry items account for the difference.

Guarantees and Commitments

Guarantees

(in millions of euros)	6/30/09			12/31/08		
	Sureties	**Collateral**	**Total**	**Sureties**	**Collateral**	**Total**
provided on behalf of Group companies	-	-	-	-	0.4	0.4
provided on behalf of the Company	417.0	220.5	637.5	398.1	226.8	624.9
Total guarantees	**417.0**	**220.5**	**637.5**	**398.1**	**227.2**	**625.3**

The guarantees provided by third parties on behalf of the Company (417.0 million euros) refer mainly to guarantees provided by banks and/or insurance companies to government agencies in connection with VAT refunds and with prize contests.

Collateral of 220.5 million euros was provided to banks and other credit institutions to secure financing facilities and consists of assets of the companies receiving the financing facilities.
The largest collateralized loans are owed by Parmalat Canada Inc (about 141.7 million euros) and Parmalat Australia (61.4 million euros).

At December 31, 2008, collateral provided on behalf of Group companies (0.4 million euros) referred to OOO Belgorodskij Molochnij Kombinat, which provided collateral securing a loan received by OOO Parmalat MK that was repaid in March 2009.

Commitments

(in millions of euros)	6/30/09	12/31/08
Commitments:		
- Operating leases	67.6	64.6
within 1 year	*12.4*	*10.7*
from 1 to 5 years	*29.8*	*28.1*
after 5 years	*25.4*	*25.8*
- Other commitments	37.0	36.3
Total commitments	**104.6**	**100.9**

Commitments under operating leases apply mainly to the Group companies in Canada (34.0 million euros), Australia (14.3 million euros) and South Africa (15.8 million euros).

Other commitments of 37.0 million euros refer mainly to short-term contracts to purchase raw materials, packaging materials and non-current assets signed by Parmalat Canada Inc. (34.3 million euros), Parmalat Australia (1.5 million euros) and Group companies in Africa (1.1 million euros).

In 2004, Parmalat Dairy and Bakery (PDBI) signed a loan agreement, the terms of which included an obligation to pay the lenders an amount equal to 10% of PDBI's equity value, should there be a change of control for PDBI or its Parent Company, Parmalat S.p.A. Effective January 1, 2008, PDBI and Parmalat Canada Inc. carried out an amalgamation transaction. The amalgamated company is called Parmalat Canada Inc. However, the amalgamation is irrelevant for change of control purposes.
The Group believes that there is only a remote possibility that the events referred to in the loan agreement may occur. Accordingly, it recognized only a nominal amount in its memorandum accounts to reflect the impact of this clause.

Legal Disputes and Contingent Liabilities at June 30, 2009

The Company and the Group are defendants in civil and administrative proceedings that, based on the information currently available and in view of the provisions that have already been set aside, are not expected to have a material negative impact on the financial statements.
The Company is also a plaintiff in a number of actions for damages, liability actions (both civil and criminal) and actions to void in bankruptcy that could have a positive financial impact of significant magnitude on its income statement and balance sheet.

Challenge to the Composition with Creditors

By a decision dated January 16, 2008, the Bologna Court of Appeals rejected the appeal filed against the decision approving the proposal of composition with creditors. The party whose appeal motion was denied has petitioned the Italian Court of Cassation, which has not yet scheduled a hearing. The decision by the Court of Parma approving Parmalat's composition with creditors is provisionally enforceable and is effective vis-à-vis all creditors who may have a claim based on a title, fact or cause that predates the beginning of the extraordinary administration proceedings.

* * *

Information about the main proceedings involving the Parmalat Group, updated as of June 30, 2009, is provided below.

Criminal Proceedings

Criminal Court of Milan

The proceedings in which numerous individuals, including officers of Bank of America, Deloitte, Grant Thornton and other independent auditors were charged with the crime of stock manipulation, ended in December 2008. Bank of America was a party to these proceedings in the dual capacity as plaintiff seeking damages and civil defendant. The trial ended with a guilty verdict for Calisto Tanzi. All other defendants, including the employees of Bank of America, were found not guilty (partly on merit and partly because the statute of limitations ran out on the charges). Parmalat had joined the proceedings as a plaintiff seeking damages, but its claims were denied due to the above mentioned not-guilty verdicts. On May 4, 2009, the Court published the details of its decision and Parmalat Finanziaria has formally challenged the verdict finding of not guilty rendered with regard to the Bank of America officers Luca Sala, Antonio Luzi and Luis Moncada. The appeal will be abandoned by Parmalat following the settlement with Bank of America when the conditions provided for in the agreement will have been favorably resolved. The proceedings regarding Grant Thornton, and Grant Thornton as civil defendant, which were separated from the main proceedings, are still pending. A sentencing hearing has been tentatively scheduled for September 23, 2009.
In another segment of the stock manipulation proceedings, which is pending before a different section of the Criminal Court of Milan, oral arguments began in 2008. Parmalat did not join these proceedings as a plaintiff seeking damages.

Criminal Court of Parma

Three trials for fraudulent bankruptcy are pending before the Criminal Court of Parma.
In the first one, the defendants are officers and employees of the former Banca di Roma. In these proceedings, Parmalat has withdrawn the claims it put forth when it joined the proceedings as a plaintiff seeking damages, having reached an out-of-court settlement.
In the second one, the defendants are Directors, Statutory Auditors and former employees of Parmalat. Parmalat had joined the proceedings as a plaintiff seeking damages.
In the third one, the defendants are Directors, Statutory Auditors and former employees of the tourism operations of Parmalat, and some bank officers. These banks have been summoned as civilly liable defendants, but are no longer being sued by Parmalat, which has withdrawn the claims it put forth when it joined the proceedings as a plaintiff seeking damages, having reached out-of-court settlements, but is continuing to pursue them against the individuals charged in these proceedings.

Some officers and employees of Deutsche Bank and Morgan Stanley/Nextra have also been indicted. Oral arguments are expected to begin in September. However, the companies of the Parmalat Group under extraordinary administration have withdrawn the claims they put forth when they joined the proceedings as plaintiffs seeking damages, having reached out-of-court settlements with the banks involved.

In addition, a preliminary hearing is currently under way before the Preliminary Hearings Judge in which officers and employees of Citigroup/Citibank are being charged with fraudulent bankruptcy. Parmalat joined the proceedings as a plaintiff seeking damages, summoning as civilly liable defendants the Milan, London and New York branches of Citibank, which have joined the proceedings. The hearing is still in progress.

Lastly, proceedings targeting officers and employees of Standard & Poor's, Bank of America and JP Morgan are currently in the discovery phase.

Civil Lawsuits in the United States of America

Parmalat filed the following lawsuits in the United States against certain banks and independent auditors.

Parmalat vs Bank of America et al. – Parmalat vs Grant Thornton Int'l et al.

In the lawsuit filed against Bank of America, the Federal Court, after resolving some preliminary issues, scheduled a summary judgment hearing for July 23, 2009. On the same date, waiting for further consultation, it has been agreed to postpone the court appearance. (see update in para "Criminal Court of Milan" above).

Parmalat vs Citigroup, Inc. et al.

In the lawsuit filed against Citigroup that is currently pending in the United States, Parmalat filed an appeal brief and oral arguments will probably take place in the fall of 2009.

Class Action

On March 2, 2009, the New York Federal Court approved a settlement reached by Parmalat and the plaintiffs in the class action lawsuits, certifying the Class as inclusive of any members worldwide with any type of claim against Parmalat S.p.A. (and Parmalat S.p.A. Under Extraordinary Administration). Pursuant to this settlement, Parmalat allocated 10.5 million of its shares in full satisfaction of any and all claims asserted against it in the class action.

Civil Proceedings Filed Against the Group

Insurance Companies vs. Parmalat Finanziaria S.p.A. in A.S.

By decisions filed on September 25, 2007, the Court of Milan denied motions filed by some insurance companies asking that insurance policies taken out by the previous management of the Parmalat Group that provided protection from the risks inherent in the exercise of the offices of Director, Statutory Auditor and General Manager be declared null and void. An appeal filed by the insurance companies is currently pending before the Milan Court of Appeals.

Eurofood IFSC Limited

The Court of Cassation, by an order handed down on February 25, 2009, ruled that the appeal against a decision by the Council of State, which, upholding a decision by the European Court of Justice, found that the Italian courts lacked jurisdiction to initiate additional insolvency proceedings, was inadmissible.

Giovanni Bonici vs Industria Lactea Venezolana

In February 2005, Giovanni Bonici, the former President of Industria Lactea Venezolana C.A., served a summons on the above mentioned company challenging his dismissal, of which he was informed in 2004. The plaintiff is asking that his dismissal be declared invalid and that Industria Lactea Venezolana C.A. be ordered to pay damages for various reasons totaling about US$20 million (equal to about 14.7 million euros).

Wishaw Trading SA

Four civil actions are currently pending before a court in New York against Wishaw Trading SA, an offshore company based in Montevideo, Uruguay. All actions are related to the defendant's failure to repay its promissory notes which were guaranteed by Parmalat S.p.A. With regard to the company's tax status, the Uruguayan tax authorities were granted a preventive attachment of the assets of Wishaw Trading S.A. and

of the personal assets of its Directors for unpaid taxes owed by the company for 2002 and 2003 and penalties. In addition, there is a tax risk that Wishaw Trading S.A. may lose its status as an offshore holding company and, consequently, cease to enjoy an advantageous tax status available to companies of this type. Alternatively, there is a concrete risk that the tax authorities could challenge the criteria used to determine the taxable assets of Wishaw Trading S.A. for the years from 1999 to 2003. The resulting risk is estimated at about 20 million euros.
Lastly, as explained in the "Scope of Consolidation" section of this Report, Wishaw Trading S.A. is no longer under the Group's control and, consequently, is not included in the Group's consolidation.

Liability Actions

Acting within the statutory deadlines, Parmalat S.p.A. reinstated its civil liability lawsuits against those defendants in the criminal proceedings that agreed to a plea bargaining arrangement. At a hearing held on June 4, 2008, the Court confirmed a decision dismissing the civil liability lawsuits filed by Parmalat Finanziaria S.p.A. in A.S. and Parmalat S.p.A. but, insofar as the Assumptor is concerned, ordered the resumption of the lawsuits against the parties included in the reinstatement decision. In the reinstated proceedings, the Court, after framing the issues requiring the input of an expert appraiser, ordered the production of a technical report and adjourned the proceedings to October 7, 2009.
In the other liability action, after the parties exchanged defense briefs, oral arguments followed on June 4, 2008. Subsequently, the Court, after framing the issues requiring the input of an expert appraiser, ordered the production of a technical report. The next hearing has been scheduled for January 29, 2010.

Actions for Damages

The initiatives taken to identify the possible liability of other parties, in addition to the individuals and companies sued in the actions described on earlier occasions, included the filing of additional civil actions with Italian courts. These actions are described in the table provided on the following page. The purpose of these actions is to determine the existence of liability (based on contractual obligations or, when applicable, other obligations) of the defendants who are presumed to have contributed to or aggravated the financial collapse of the plaintiff companies. The purpose of the actions listed in the above mentioned table is to have the courts order the defendants to pay for the damages they caused to the plaintiff companies. The yardstick used to quantify those damages is the magnitude of impairment loss suffered by the plaintiff companies, as well as the part that the plaintiffs played in causing and/or aggravating the impairment loss.

The following additional clarifications also appear to be in order:

As a rule, the defendants have been deemed to be jointly liable, in different manners and with different conditions in the various instances.

It is also important to note that, while the purpose of actions for damages is to effectively restore a plaintiff's assets through the payment of monetary compensation, the payments received as a result of actions for damages reduce the amount of the overall damage suffered by the companies under extraordinary administration based on the principles of joint liability.

Lastly, it is important to keep in mind that by virtue of the court approval of the composition with creditors, the actions for damages filed by the companies under extraordinary administration that were included in the composition with creditors and the right to pursue additional actions have been transferred to Parmalat S.p.A.

Actions for Damages Filed by the Company That Are Currently Pending

Plaintiffs	Defendants	Court where filed	Principal claim (in millions of euros)
Parmalat S.p.A. in A.S.; Parmalat Finanziaria S.p.A. in A.S.; Parmalat Finance Corporation BV in A.S.; Parmalat Capital Netherlands BV in A.S.; Parmalat Netherland BV in A.S.; Parmalat Soparfi SA in A.S.	JP Morgan Chase Bank NA.	Parma	The amount determined in the course of the proceedings, but not less than 2,199. [1]
Parmalat S.p.A. in A.S.; Parmalat Finanziaria S.p.A. in A.S.; Parmalat Finance Corporation BV in A.S.; Parmalat Soparfi SA in A.S.; Parmalat Netherlands BV in A.S.; Parmalat Capital Netherlands BV in A.S.;	JPMorgan Europe Limited; JPMorgan Securities Ltd;	Parma	4,400 plus financial expenses for the bond issues in question (to be quantified in the course of the proceedings) or any other amount awarded by the court.
Parmalat S.p.A. in A.S.	The McGraw-Hill Companies (Standard & Poor's Market Services S.r.l.); The McGraw-Hill Companies (Standard & Poor's Rating Services) SA	Milan	4,074 plus an amount corresponding to the liability for contributing to the financial collapse, which will be determined in the course of the proceeding.
Parmalat S.p.A. in A.S.	J.P. Morgan Chase Bank NA	Parma	2,006.3 or any other amount determined in the course of the proceedings (this amount has been reduced as a result of out-of-court settlements with some defendants).

[1] Subordinated claim: 1,210.9 million euros.

Actions to Void in Bankruptcy

A total of 14 actions to void in bankruptcy are still pending in the discovery phase.

Boschi Luigi & Figli S.p.A. Liability Action

In 2004, Parmalat S.p.A. in A.S., who at that time owned an interest of 89.44% in Boschi Luigi & Figli S.p.A., sued asking the court to find that the former Directors and Statutory Auditors of Boschi Luigi & Figli S.p.A. were liable for the company's collapse.

Due the death of one of the defendants, the lawsuit was interrupted in 2006, but later resumed. At a hearing held on September 17, 2008, the Court dismissed the lawsuit against another defendant, the parties involved having reached a settlement.

Following the filing of a technical report requested by the court, the lawsuit is continuing against the other defendants. The next hearing has been scheduled for January 15, 2010.

Other Actions

Plaintiffs	Defendants	Court where filed	Principal claim
Parmalat S.p.A	Parmalat Capital Finance Limited	Parma	An order of protective attachment of the Parmalat shares for up to 22,000,000 euros to secure a receivable of US$25,905,425.00 formerly owed to Parmalat Soparfi SA by Parmalat Capital Finance Limited (an order of attachment was issued with the defendant being absent on 3/30/06 and confirmed with an order dated 7/5/06; a merit action has been filed and a summons has been served).

Administrative Proceedings Filed Against the Group

Centrale del Latte di Roma S.p.A.

On November 13, 2008, the Council of State upheld Parmalat's complaint, setting aside a decision by which the Regional Administrative Court of Latium ruled that the sale of Centrale del Latte di Roma S.p.A. to Cirio and its subsequent resale to Eurolat/Parmalat was null and void.
Ariete Fattoria Latte Sano filed a new complaint with the Council of State, challenging its decision of November 13, 2008 (even though it had submitted arguments in its defense at a hearing before the same panel without objection). Ariete Fattoria Latte Sano also filed a complaint with the Court of Cassation. Oral arguments have been completed and a ruling by the Court is now expected.

Decisions and Investigative Proceedings by the Italian Antitrust Authorities

On May 21, 2008, the Italian Antitrust Authority ordered Parmalat S.p.A. to pay an administrative fine of 2,226,000 euros.
Parmalat, having complied fully with the Italian Antitrust Authority's Resolution No. 16282 on April 18, 2008 (date when the contract to sell the shares of Newlat S.p.A. to TMT Finance SA was executed) and believing that the reasons that prevented it from complying with the October 30, 2007 deadline originally set by Italian Antitrust Authority were beyond its control, challenged the Italian Antitrust Authority's decision of May 21, 2008 before the Regional Administrative Court of Latium, asking that it be set aside.
On February 4, 2009, the Regional Administrative Court of Latium handed down a decision denying Parmalat's challenge and upholding the Italian Antitrust Authority's decision. On July 7, 2009, Parmalat filed a complaint challenging this decision before the Council of State.

Disputes Involving Challenges to the Composition of the Lists of Liabilities

Challenges and Oppositions

At June 30, 2009, disputes stemming from challenges to the composition of the lists of liabilities of the companies included in the Composition with Creditors and late filings of claims involved 130 lawsuits filed before the Court of Parma and 115 lawsuits pending before the Bologna Court of Appeals. A significant portion of these disputes (over 100 lawsuits pending before the lower courts or at the appellate level) involves issues related to Article 2362 of the Italian Civil Code for the period during which Parmalat Finanziaria S.p.A. was the sole shareholder of Parmalat S.p.A.
As of June 30, 2009, a total of 582 lawsuits had been adjudicated (the deadline for filing an appeal has not yet expired for 80 of these lawsuits).

* * *

Information about the tax status of Parmalat S.p.A., the Group's Parent Company, and of the main Italian and foreign subsidiaries of the Parmalat Group is provided below.

Parmalat S.p.A. and Other Italian Companies

At June 30, 2009, the provisions for tax-related risks totaled 23.7 million euros, virtually the same as at December 31, 2008 (23.8 million euros).

Canada

At June 30, 2009, the provision for tax-related risks of Parmalat Canada Inc. amounted to about 2.4 million euros (about 3.7 million euros at December 31, 2008).

Central and South America

Provisions totaling about 44.4 million euros have been recognized in the financial statements of companies facing risks related to tax issues.

* * *

Information about the management of the various risks faced by the group is provided in the section of the Interim Report on Operations entitled "Enterprise Risk Management."

Notes to the Income Statement

(22) Revenues

A breakdown of revenues is as follows:

(in millions of euros)	**First half 2009**	**First half 2008**
Net sales revenues	1,848.0	1,902.4
Other revenues	12.9	13.6
Total revenues	**1,860.9**	**1,916.0**

A geographic breakdown of net sales revenues is as follows:

(in millions of euros)	**First half 2009**	**First half 2008**
Italy	505.6	599.9
Other countries in Europe	67.9	81.8
Canada	638.6	637.3
Central and South America	270.6	202.1
Australia	200.2	223.1
Africa	165.5	160.0
Other regions[1]	(0.4)	(1.9)
Total sales revenues	**1,848.0**	**1,902.4**

[1] Includes Parent Company costs, other minor companies and inter-area eliminations.

Other revenues include the following:

(in millions of euros)	**First half 2009**	**First half 2008**
Rebilling of advertising expenses	3.0	3.0
Out-of-period income and restatements	2.3	2.4
Royalties	1.1	1.0
Rent	1.0	0.7
Gains on the sale of non-current assets	0.5	1.1
Operating grants	0.5	0.4
Insurance settlements	0.1	0.3
Expense reimbursements	0.1	0.1
Miscellaneous	4.3	4.6
Total other revenues	**12.9**	**13.6**

(23) Costs

A breakdown of the costs incurred in the first half of 2009 is as follows:

(in millions of euros)	**First half 2009**	**First half 2008**
Cost of sales	1,430.6	1,564.8
Distribution costs	204.8	212.4
Administrative expenses	110.6	116.7
Total costs	**1,746.0**	**1,893.9**

A breakdown by type of the costs incurred in the first six months of 2009 is as follows:

(in millions of euros)	**First half 2009**	**First half 2008**
Raw materials and finished goods	996.0	1,056.0
Labor costs	224.9	230.7
Packaging materials	149.4	157.9
Freight	83.5	85.9
Sales commissions	47.8	55.2
Depreciation, amortization and writedowns of non-current assets	46.7	119.0
Advertising and sales promotions	37.7	39.3
Energy, water and gas	37.6	40.4
Other services	35.7	35.1
Maintenance and repairs	23.0	23.3
Supplies	21.7	23.9
Storage, handling and outside processing services	19.6	19.6
Use of property not owned	15.7	16.2
Consulting services	11.0	8.5
Miscellaneous charges	9.7	10.5
Postage, telephone and insurance	9.0	10.4
Writedowns of receivables and additions to provisions	8.3	5.7
Auditing services	1.8	1.9
Fees to Chairman and Directors	1.0	0.9
Fees to Statutory Auditors	0.4	0.3
Changes in inventories of raw materials and finished goods	(34.5)	(46.8)
Total cost of sales, distribution costs and administrative expenses	**1,746.0**	**1,893.9**

(24) Litigation-related Expenses

The balance in this account reflects the fees paid to law firms (6.1 million euros) retained as counsel in connection with the actions for damages and actions to void filed by the companies under extraordinary administration prior to the implementation of the Composition with Creditors, which the Company is currently pursuing.

(25) Miscellaneous Income (Expense)

Net miscellaneous income totaled 179.7 million euros. A breakdown is as follows:

(in millions of euros)	First half 2009	First half 2008
Proceeds from actions to void and actions for damages	181.7	437.9
Expense related to tax risks	(6.0)	(6.6)
Restructuring costs	-	(0.3)
Sundry income (expense)	4.0	17.0
Net miscellaneous income (expense)	**179.7**	**448.0**

Proceeds from settlements and actions to void include the amounts paid by the Deutsche Bank Group (74 million euros), the Banco Popolare Group (24.2 million euros), Banca C.R. Firenze and its Centro Factoring S.p.A. and Cassa di Risparmio della Spezia S.p.A. subsidiaries (20 million euros), Banca Monte dei Paschi di Siena S.p.A. as the company absorbing Banca Antonveneta S.p.A. (19 million euros), the Banca Popolare dell'Emilia Romagna Group (12.5 million euros), the UBI Group (11 million euros), Credito Emiliano S.p.A. (10 million euros), the Banca Carige Group (5.4 million euros), the Banca Popolare di Vicenza Group (5.1 million euros) and other institutions for the balance. These settlements included 10 million euros in compensatory damages (40.5 million euros in the first half of 2008).

Expenses related to tax risks reflect mainly a revision of the estimated liability for probable tax liabilities of the Venezuelan subsidiaries.

(26) Financial Income and Expense

Net financial income amounted to 3.8 million euros, broken down as follows:

(in millions of euros)	First half 2009	First half 2008
Interest earned on accounts with banks and other financial institutions	11.2	31.0
Foreign exchange translation gains	6.8	6.5
Income from cash-equivalent securities	5.5	0.9
Interest received from the tax authorities	1.2	1.0
Other financial income	0.8	0.4
Total financial income	**25.5**	**39.8**
Interest paid on loans	(14.8)	(21.5)
Foreign exchange translation losses	(5.4)	(4.6)
Bank fees	(0.9)	(0.9)
Actuarial losses	(0.1)	(0.2)
Other financial expense	(0.5)	(0.5)
Total financial expense	**(21.7)**	**(27.7)**
Net financial income (expense)	**3.8**	**12.1**

(27) Income Taxes

Income taxes totaled 46.3 million euros, broken down as follows:

(in millions of euros)	First half 2009	First half 2008
Current taxes		
- Italian companies	17.5	23.9
- Foreign companies	25.4	23.5
Deferred and prepaid taxes, net		
- Italian companies	3.2	(20.4)
- Foreign companies	0.2	0.4
Total	**46.3**	**27.4**

Current taxes of Italian companies totaled 17.5 million euros, including 3.3 million euros in regional taxes (IRAP) and 14.2 million euros in corporate income taxes (IRES).

Net deferred and prepaid taxes of 3.4 million euros were computed on the temporary differences between the values assigned to assets and liabilities for reporting purposes and tax purposes. In the first half of 2008, net deferred and prepaid taxes amounted to 20.0 million euros and included 19.3 million euros from a reversal of deferred-tax liabilities recognized as a result the reduction of the carrying value of goodwill and trademark with an indefinite useful life required by the impairment test.

Other Information

Significant Non-recurring Transactions

The Group did not execute significant non-recurring transactions or transactions that were atypical or unusual.

Net Financial Position

In accordance with the requirements of the Consob Communication of July 28, 2006 and consistent with the CESR's Recommendation of February 10, 2005 *"Recommendations for a Uniform Implementation of the European Commission's Prospectus Regulation,"* a schedule showing the net financial position of the Parmalat Group at June 30, 2009 is provided below:

(in millions of euros)	**6/30/09**	**12/31/08**
A) Cash	1.5	1.3
B) Cash equivalents and readily available financial assets:		
- Bank and postal accounts	390.4	587.4
- Treasury securities	671.8	755.9
- Reverse repurchase agreements	-	4.4
- Time deposits	551.7	246.9
C) Negotiable securities	6.3	11.7
D) Liquid assets (A+B+C)	**1,621.7**	**1,607.6**
E) Current loans receivable	-	-
F) Current bank debt	204.4	188.4
G) Current portion of non-current indebtedness	5.0	30.3
H) Other current borrowings	15.8	18.2
I) Current indebtedness (F+G+H)	**225.2**	**236.9**
J) Net current indebtedness (I-E-D)	**(1,396.5)**	**(1,370.7)**
K) Non-current bank debt	202.9	198.7
L) Debt securities outstanding	-	-
M) Other non-current borrowings	63.6	63.2
N) Non-current indebtedness (K+L+M)	**266.5**	**261.9**
O) Net borrowings (J+N)	**(1,130.0)**	**(1,108.8)**

The section of the Interim Report on Operations entitled "Financial Performance" explains the main developments that occurred in this area and the Groups' risk management policy.

Breakdown of Labor Costs by Type

A breakdown is provided below:

	First half 2009	First half 2008
Wages and salaries	157.6	163.5
Social security contributions	28.8	30.8
Severance benefits	22.0	20.4
Other labor costs	16.5	16.0
Total labor costs	**224.9**	**230.7**

Depreciation, Amortization and Writedowns

A breakdown is as follows:

(in millions of euros)	First half 2009	First half 2008
- Amortization of intangibles	10.6	10.6
- Depreciation of property, plant and equipment	36.1	35.7
- Writedowns of non-current assets	-	72.7
Total depreciation, amortization and writedowns of non-current assets	**46.7**	**119.0**

No impairment indicators affecting the value of goodwill or trademarks with an indefinite useful life were detected during the first half of 2009. Writedowns totaling 72.7 million euros had been recognized in the same period last year.

Earnings per share

The table below provides a computation of earnings per share in accordance with IAS 33:

(in euros)	**First half 2009**	**First half 2008**
Group interest in profit	*247,804,339*	*424,999,238*
broken down as follows:		
- Profit from continuing operations	*247,804,339*	*424,999,238*
- Profit (Loss) from discontinuing operations	-	-
Weighted average number of shares outstanding determined for the purpose of computing earnings per share:		
- basic	1,693,585,542	1,661,568,948
- diluted	1,719,412,975	1,705,999,390
Basic profit per share	*0.1463*	*0.2558*
broken down as follows:		
- Profit from continuing operations	*0.1463*	*0.2558*
- Profit (Loss) from discontinuing operations	-	-
Diluted profit per share	*0.1441*	*0.2491*
broken down as follows:		
- Profit from continuing operations	*0.1441*	*0.2491*
- Profit (Loss) from discontinuing operations	-	-

The number of common shares outstanding changed subsequent to the date of these financial statements due to the following share capital increase:

- July 23, 2009: 222,437 euros.

The computation of the weighted average number of shares outstanding (starting with 1,687,397,257 shares outstanding at January 1, 2009) took into account the following changes that occurred in the first half of 2009:

- Issuance of 13,323 common shares on 1/19/09
- Issuance of 4,059,833 common shares on 2/20/09
- Issuance of 796,591 common shares on 3/17/09
- Issuance of 10,530,749 common shares on 5/13/09
- Issuance of 82,087 common shares on 6/18/09

The computation of diluted earnings per share also takes into account the maximum number of issuable warrants (95 million), as set forth in a motion submitted to the Shareholders' Meeting of April 28, 2007.

Segment Information

The schedules that follows, which were prepared in accordance with the disclosure requirements of IAS 8, provide segment information about the Group's operations at June 30, 2009 and the comparable data for 2008. The breakdown by geographic region is consistent with the Group's governance structure and is reflected on the income statement and balance sheet data provided below. The balance sheet data are end-of-period data.

(€ m)

	ITALY	REST OF EUROPE				CANADA	CENTRO E SUD AMERICA				AUSTRALIA	AFRICA			CONTINUING NON-CORE OTHER GROUP OPERATIONS	HOLDING CO.S, ADJUSTM. AND ELIMINAT.	GROUP
		Russia	Portugal	Romania	Total		Venezuela	Colombia	Other sundry	Total		South Africa	Other sundry	Total			
2009																	
Total net revenues	505.6	33.4	29.5	5.0	67.9	638.6	202.8	47.0	20.8	270.6	200.2	144.7	20.8	165.5	0.3	(0.7)	1,848.0
Inter-segment net revenues	(0.7)							(0.1)	0.1			(5.5)	5.5			0.7	
Net revenues	505.0	33.4	29.5	5.0	67.9	638.6	202.8	47.0	20.9	270.6	200.2	139.2	26.2	165.5	0.3		1,848.0
EBITDA	61.7	6.4	3.8	0.4	10.6	51.1	22.2	3.4	0.7	26.3	17.6	4.1	2.1	6.2	(0.2)	(11.8)	161.6
as a % on net revenues	12.2	19.1	12.9	8.7	15.6	8.0	11.0	7.1	3.4	9.7	8.8	2.8	9.9	3.7			8.7
Depreciation, amortization and writedowns of non-current assets	(24.2)	(1.1)	(0.4)	(0.4)	(1.9)	(8.4)	(2.0)	(1.6)	(0.6)	(4.2)	(4.5)	(3.0)	(0.5)	(3.5)			(46.7)
- Writedowns of goodwill and trademarks with an indefinite useful life																	
- Litigation-related expense																	(6.1)
- Other income and expense																	179.7
EBIT																	**288.5**
Financial income																	25.5
Financial expense																	(21.7)
Other income from (Expense for) equity investments																	3.2
PROFIT BEFORE TAXES																	**295.5**
Income taxes																	(46.3)
PROFIT FOR CONTINUING OPERATIONS																	**249.2**
Profit (Loss) from discontinuing operations																	
PROFIT FOR THE PERIOD																	**249.2**
Total segment assets	2,579.1	55.9	87.1	13.3	156.4	764.4	155.3	69.1	23.8	248.2	298.9	197.9	25.9	223.8	68.6	(10.4)	4,329.0
Total non-segment assets																	94.5
Total assets																	**4,423.5**
Total segment liabilities	322.3	11.1	15.8	4.1	31.0	176.7	91.5	13.4	10.1	114.9	75.6	44.4	7.9	52.2	10.4	(10.4)	772.8
Total non-segment liabilities																	669.6
Total liabilities																	**1,442.4**
Capital expenditures (property, plant and equipment)[1]	9.5	2.7	0.3	0.2	3.1	10.6	3.5	1.9	0.4	5.8	3.2	1.8	0.8	2.6			34.7
Capital expenditures (intangibles)	2.5																2.5
Number of employees	2,254	984	265	143	1,392	3,002	1,872	1,066	776	3,714	1,460	1,768	587	2,355			14,177

- Capital expenditures for property, plant and equipment include land and buildings.

Additional information about the performance of the different segments in the first half of 2009 is provided in the Interim Report on Operations.

(€ m)

	ITALY	REST OF EUROPE				CANADA	CENTRO E SUD AMERICA				AUSTRALIA	AFRICA			CONTINUING NON-CORE OTHER GROUP OPERATIONS	HOLDING CO.S, ADJUSTM. AND ELIMINAT.	GROUP
		Russia	Portugal	Romania	Total		Venezuela	Colombia	Other sundry	Total		South Africa	Other sundry	Total			
2008																	
Total net revenues	599.9	42.7	32.3	6.8	81.8	637.3	118.6	62.7	20.8	202.1	223.1	140.2	19.8	160.0		(1.9)	1,902.4
Inter-segment net revenues	(0.8)							(0.1)	(1.0)	(1.1)		(6.9)	6.9			1.9	
Net revenues	599.1	42.7	32.3	6.8	81.8	637.3	118.6	62.6	19.8	201.0	223.1	133.3	26.7	160.0			1,902.4
EBITDA	55.9	6.1	3.7	1.1	10.9	57.3	13.1	6.7	1.0	20.8	3.7	5.9	2.6	8.5	0.3	(16.3)	141.1
as a % on net revenues	9.3	14.4	11.6	15.5	13.4	9.0	11.0	10.8	4.7	10.3	1.6	4.2	13.2	5.3			7.4
Depreciation, amortization and writedowns of non-current assets	(23.5)	(1.2)	(0.4)	(0.4)	(2.0)	(8.4)	(2.0)	(1.7)	(0.8)	(4.5)	(4.8)	(2.7)	(0.4)	(3.1)	(0.0)		(46.3)
- Writedowns of goodwill and trademarks with an indefinite useful life	(63.2)										(7.4)	(2.1)		(2.1)			(72.7)
- Litigation-related expense																	(27.1)
- Other income and expense																	448.0
EBIT																	**443.0**
Financial income																	39.8
Financial expense																	(27.7)
Other income from (Expense for) equity investments																	(0.8)
PROFIT BEFORE TAXES																	**454.3**
Income taxes																	(27.4)
PROFIT FOR CONTINUING OPERATIONS																	**426.9**
Profit (Loss) from discontinuing operations																	
PROFIT FOR THE PERIOD																	**426.9**
Total segment assets	2,531.2	57.7	86.3	15.6	159.6	745.5	105.8	75.3	25.0	206.1	317.6	201.8	24.7	226.5	89.2	(12.2)	4,263.5
Total non-segment assets																	122.4
Total assets																	**4,385.9**
Total segment liabilities	417.5	5.1	16.7	4.8	26.6	174.1	77.0	14.4	5.5	96.9	96.1	38.6	8.6	47.2	22.5	(12.2)	868.7
Total non-segment liabilities																	713.0
Total liabilities																	**1,581.7**
Capital expenditures (property, plant and equipment)[1]	15.2	2.6	0.7	0.3	3.6	16.3	3.0	3.3	0.5	6.8	6.8	10.8	1.1	11.9			60.6
Capital expenditures (intangibles)	1.7								0.1	0.1		0.3		0.3			2.1
Number of employees	2,381	927	297	148	1,372	3,040	1,779	1,033	887	3,699	1,423	1,871	469	2,340			14,255

- Capital expenditures for property, plant and equipment include land and buildings.

Exchange Rates Used to Translate Financial Statements

Source: Italian Foreign Exchange Bureau

LOCAL CURRENCY FOR 1 EURO	**ISO CODE**	**6/30/09 (end of period rate)**	**12/31/08 (end of period rate)**	**% change (end of period rate)**	**6/30/09 (average rate)**	**6/30/08 (average rate)**	**% change (average rate)**
DOLLAR – AUSTRALIA	AUD	1.73590	2.02740	-14.38%	1.87914	1.65452	13.58%
PULA – BOTSWANA	BWP	9.56967	10.5147	-8.99%	10.04715	9.86143	1.88%
DOLLAR – CANADA	CAD	1.62750	1.69980	-4.25%	1.60506	1.54030	4.20%
PESO – COLOMBIA	COP	3,037.17000	3,124.48000	-2.79%	3,088.69833	2,809.24667	9.95%
PESO – MEXICO	MXN	18.55370	19.23330	-3.53%	18.43338	16.24550	13.47%
NEW METICAL – MOZAMBIQUE	MZM	37.62470	34.91080	7.77%	34.93157	36.88488	-5.30%
CORDOBA ORO – NICARAGUA	NIO	28.74040	27.62260	4.05%	26.76975	29.29943	-8.63%
GUARANI – PARAGUAY	PYG	7,095.27000	6,861.08000	3.41%	6,718.49000	6,861.38000	0.56%
NEW LEU – ROMANIA	RON	4.20720	4.02250	4.59%	4.23199	3.67092	15.28%
RUBLE – RUSSIA	RUB	43.88100	41.28300	6.29%	44.10297	36.61958	20.44%
LILANGENI – SWAZILAND	SZL	10.88530	13.06670	-16.69%	12.25178	11.74340	4.33%
U.S. DOLLAR*	USD	1.41340	1.39170	1.56%	1.33218	1.53089	-12.98%
BOLIVAR FUERTE – VENEZUELA	VEF	3.03499	2.98840	1.56%	2.86058	3.28727	-12.98%
RAND – SOUTH AFRICA	ZAR	10.88530	13.06670	-16.69%	12.5178	11.74340	4.33%
KWACHA ZAMBIA	ZMK	7,401.68000	6,725.06000	10.06%	7,081.85000	5,457.79500	29.76%

* The reporting currency of the companies located in Ecuador and Cuba is the U.S. dollar.

Investments in subsidiaries, joint ventures and affiliate companies of the Parmalat Group

Company: Name / Head office	Type [1]	Curr	Share capital: Amount	Equity investment: Tot. number of voting shares/ capi.interests held	Held by	Number of shares/cap. interests	% (based on No. of shares/ cap. int.)	Group interest	Consolid. or valu-ation method[2]
GROUP'S PARENT COMPANY									
PARMALAT S.P.A.	PC	EUR	1,702,879,840						
Collecchio								100.0000	L
EUROPE									
ITALY									
ALBALAT SRL	LLP	EUR	20,000	100	Sata S.r.l.	100	0.500		
Albano Laziale (Rome)							0.500		C
BONATTI S.P.A.	C	EUR	28,813,404	572,674	Parmalat S.p.A.	572,674	10.256		
Parma							10.256		C
BOSCHI LUIGI & FIGLI S.P.A.	C	EUR	10,140,000	10,140,000	Parmalat S.p.A.	10,140,000	100.000		
Collecchio							100.000	100.0000	L
CARNINI S.P.A.	C	EUR	3,300,000	600	Parmalat S.p.A.	600	100.000		
Villa Guardia (CO)							100.000	100.0000	L
CE.PI.M S.P.A.	C	EUR	6,642,928	464,193	Parmalat S.p.A.	464,193	0.840		
Parma							0.840		C
CENTRALE DEL LATTE DI ROMA S.P.A.	C	EUR	37,736,000	5,661,400	Parmalat S.p.A.	5,661,400	75.013		
Rome							75.013	75.0130	L
COMPAGNIA FINANZIARIA ALIMENTI SRL in liquidation(3)	LLP	EUR	10,000	10,000	Dalmata S.r.l.	10,000	100.000		
Collecchio							100.000	100.0000	L
COMPAGNIA FINANZIARIA REGGIANA SRL	LLP	EUR	600,000	10,329	Parmalat S.p.A.	10,329	1.722		
Reggio Emilia							1.722		C
DALMATA SRL	LLP	EUR	120,000	1	Parmalat S.p.A.	1	100.000		
Collecchio							100.000	100.0000	L
DALMATA DUE SRL	LLP	EUR	10,000	1	Dalmata S.r.l.	1	100.000		
Collecchio							100.000		C
FIORDILATTE SRL in liquidation(3)	LLP	EUR	10,000	4,000	Dalmata S.r.l.	4,000	40.000		
Collecchio							40.000		EM
HORUS SRL(4)	LLP	EUR	n.a.	n.a.	Sata S.r.l.	n.a.	1.000		
							1.000		C
JONICALATTE S.P.A.	C	EUR	1,350,000	250,000	Parmalat S.p.A.	250,000	18.520		
Taranto							18.520		C
LATTE SOLE S.P.A.	C	EUR	13,230,073	13,230,073	Parmalat S.p.A.	13,230,073	100.000		
Collecchio							100.000	100.0000	L
NUOVA HOLDING S.P.A. in A.S. (4)	C	EUR	25,410,000	100	Sata S.r.l.	100	0.0003		
Parma							0.0003		C
PARMALAT DISTRIBUZIONE ALIMENTI SRL	LLP	EUR	1,000,000	1	Parmalat S.p.A.	1	100.000		
Collecchio							100.000	100.0000	L
PISORNO AGRICOLA SRL	LLP	EUR	516,400	511,236	Sata S.r.l.	511,236	99.000		
Collecchio				5,164	Parmalat S.p.A.	5,164	1.000		
							100.000	100.0000	L
SATA SRL	LLP	EUR	500,000	500,000	Parmalat S.p.A.	500,000	100.000		
Collecchio							100.000	100.0000	L

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Company		Share capital			Equity investment				
Name Head office	Type[1]	Curr	Amount	Tot. number of voting shares/ capi.interests held	Held by	Number of shares/cap. interests	% (based on No. of shares/ cap. int.)	Group interest	Consolid. or valu-ation method[2]
SO.GE.AP S.P.A.	C	EUR	3,631,561.64	1,975	Parmalat S.p.A.	1,975	0.725		
Parma							0.725		C
TECNOALIMENTI SCPA	C	EUR	780,000		Parmalat S.p.A.		4.330		
Milan							4.330		C
AUSTRIA									
PARMALAT AUSTRIA GMBH in liquidation [(3)]	F	EUR	36,336.42	1	Parmalat S.p.A.	1	100.000		
Vienna							100.000	100.0000	L
BELGIUM									
PARMALAT BELGIUM SA	F	EUR	1,000,000	40,000	Parmalat S.p.A.	40,000	100.000		
Brussels							100.000	100.0000	L
NETHERLANDS									
DAIRIES HOLDING INTERNATIONAL BV	F	EUR	244,264,623.05	40 ord.	Dalmata S.r.l.	40	0.008		
in A.S. [(5)]				542,765,829 pref.	Dalmata S.r.l.	542,765,829	99.992		
Rotterdam							100.000		C
GERMANY									
DEUTSCHE PARMALAT GMBH in A.S. [(5)]	F	EUR	4,400,000	4,400,000	Dalmata S.r.l.	4,400,000	100.000		
Weissenhorn							100.000		C
PARMALAT MOLKEREI GMBH in A.S. [(5)]	F	EUR	600,000	540,000	Deutsche Parmalat Gmbh in	540,000	90.000		
Gransee					AS		90.000		C
LUXEMBOURG									
OLEX SA in A.S. [(5)]	F	EUR	578,125	22,894	Dairies Holding Int.l Bv in A.S.	22,894	99.001		
Luxembourg							99.001		C
PORTUGAL									
PARMALAT PORTUGAL PROD. ALIMENT.	F	EUR	11,651,450.04	11,651,450	Parmalat S.p.A.	11,646,450	99.957		
LDA					Latte Sole S.p.A.	3,500	0.030		
Sintra					Parmalat Distribuz. Alim. S.r.l.	1,500	0.013		
							100.000	100.0000	L
EMBOPAR	F	EUR	241,500	4,830	Parmalat Portugal	70	1.449		
Lisbon							1.449		C
CNE – Centro Nacional de Embalagem	F	EUR	488,871.88	897	Parmalat Portugal	1	0.111		
Lisbon							0.111		C
ROMANIA									
LA SANTAMARA SRL	F	RON	6,667.50	635	Parmalat S.p.A.	535	84.252		
Baia Mare					Parmalat Romania sa	100	15.748		
							100.000	99.9999	L
PARMALAT ROMANIA SA	F	RON	26,089,760	2,608,957	Parmalat S.p.A.	2,608,957	99.993		
Comuna Tunari							99.993	99.9993	L
RUSSIA									
OAO BELGORODSKIJ MOLOCNIJ KOMBINAT	F	RUB	67,123,000	66,958,000	Parmalat S.p.A.	66,958,000	99.754		
Belgorod							99.754	99.7542	L
OOO DEKALAT	F	RUB	100,000	1	Parmalat S.p.A.	1	100.000		
Saint Petersburg							100.000	100.0000	L
OOO PARMALAT MK	F	RUB	81,015,950	1	Parmalat S.p.A.	1	100.000		
Moscow							100.000	100.0000	L
OOO PARMALAT SNG	F	RUB	152,750	2	Parmalat S.p.A.	2	100.000		
Moscow							100.000	100.0000	L

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Company		Share capital			Equity investment				
Name Head office	Type[1]	Curr	Amount	Tot. number of voting shares/ capi.interests held	Held by	Number of shares/cap. interests	% (based on No. of shares/ cap. int.)	Group interest	Consolid. or valu-ation method[2]
OOO URALLAT	F	RUB	129,618,210	1	Parmalat S.p.A.	1	100.000		
Berezovsky							100.000	100.0000	L
OOO FORUM	F	RUB	10,000	10,000	OOO Parmalat MK	10,000	100.000		
Severovo							100.000	100.0000	L
SWITZERLAND									
PARMALAT INTERNATIONAL SA(3)	F	CHF	150,000	150	Parmalat S.p.A.	150	100.000		
Lugano							100.000		C
NORTH AMERICA									
CANADA									
LACTANTIA LIMITED	F	CAD	5	89,259	Parmalat Canada Inc.	89,259	100.000		
Victoriaville							100.000	100.0000	L
PARMALAT CANADA INC.	F	CAD	982,479,550	848,019 Class A	Parmalat S.p.A.	848,019	86.314		
Toronto				134,460 Class B	Parmalat S.p.A.	134,460	13.685		
							100.000	100.0000	L
MEXICO									
PARMALAT DE MEXICO S.A. de C.V. (3)	F	MXN	390,261,812	390,261,812	Parmalat S.p.A.	390,261,812	100.000		
Jalisco							100.000	100.0000	L
CENTRAL AMERICA									
BRITISH VIRGIN ISLANDS									
ECUADORIAN FOODS COMPANY INC	F	USD	50,000	50,000	Parmalat S.p.A.	50,000	100.000		
Tortola							100.000	100.0000	L
COSTA RICA									
LACTEOS AMERICANOS LACTAM SA(5)	F	CRC	12,000	12	Parmalat Centroamerica sa	12	100.000		
San Ramon							100.000		C
CUBA									
CITRUS INTERNATIONAL CORPORATION SA	F	USD	11,400,000	627	Parmalat S.p.A.	627	55.000		
Havana							55.000	55.0000	L
NICARAGUA									
PARMALAT NICARAGUA SA	F	NIO	2,000,000	2,000	Curcastle Corporation nv	1,943	97.150		
Managua					Parmalat S.p.A.	57	2.850		
							100.000	100.0000	L
PARMALAT CENTROAMERICA SA	F	NIO	4,000,000	2,040	Parmalat Nicaragua sa	2,040	51.000		
Managua							51.000	51.0000	L
SOUTH AMERICA									
NETHERLANDS ANTILLES									
CURCASTLE CORPORATION NV	F	USD	6,000	6,000	Parmalat Austria gmbh in	6,000	100.000		
Willemstad					liquidation		100.000	100.0000	L
BRAZIL									
PRM ADMIN E PART DO BRASIL LTDA(3)	F	BRL	1,000,000	810,348	Parmalat S.p.A.	810,348	81.035		
São Paulo							81.035		C
CHILE									
PARMALAT CHILE SA(5)	F	CLP	13,267,315,372	2,096,083	Parmalat S.p.A.	2,096,083	99.999		
Santiago							99.999		C
COLOMBIA									
PARMALAT COLOMBIA LTDA	F	COP	20,466,360,000	20,466,360	Parmalat S.p.A.	18,621,581	90.986		
Santafè de Bogotá							90.986	90.986	L

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5 company under extraordinary administration or noncore company

Company Name Head office	Type[1]	Curr	Share capital Amount	Tot. number of voting shares/ capi.interests held	Equity investment Held by	Number of shares/cap. interests	% (based on No. of shares/ cap. int.)	Group interest	Consolid. or valuation method[2]
PROCESADORA DE LECHES SA (Proleche sa)	F	COP	173,062,136	138,094,680	Parmalat S.p.A.	131,212,931	94.773		
Medellin					Dalmata S.r.l.	4,101,258	2.962		
					Parmalat Colombia Ltda	2,780,491	2.008		
							99.744	99.5623	L
ECUADOR									
PARMALAT DEL ECUADOR SA (formerly Leche Cotopaxi Lecocem SA)	F	USD	6,167,720	100,067,937	Parmalat S.p.A.	100,067,937	64.897		
Latacunga							64.897	64.8978	L
LACTEOSMILK SA (formerly Parmalat del Ecuador sa)	F	USD	345,344	8,633,599	Parmalat S.p.A.	8,633,598	100.000		
					Parmalat Colombia Ltda	1	0.000		
Quito							100.000	100.0000	L
PRODUCTOS LACTEOS CUENCA SA PROLACEM	F	USD	35,920	266,035	Ecuadorian Foods Co. Inc	266,035	97.185		
Cuenca							97.185	97.1852	L
PARAGUAY									
PARMALAT PARAGUAY SA	F	PYG	9,730,000,000	9,632	Parmalat S.p.A.	9,632	98.993		
Asuncion							98.993	98.993	L
URUGUAY									
AIRETCAL SA[(5)]	F	UYU	9,198,000	9,198,000	Parmalat S.p.A.	9,198,000	100.000		
Montevideo							100.000		C
WISHAW TRADING SA[(5)]	F	USD	30,000	230	Parmalat S.p.A.	50	16.667		
Montevideo					Parmalat Paraguay sa	90	30.000		
					Parmalat de Venezuela ca	90	30.000		
							76.667		C
VENEZUELA									
DISTRIBUIDORA MIXTA DE ALIMENTOS CA (DISMALCA)[(3)]	F	VEF	3,300	3,300	Indu.Lac.Venezol. ca-Indulac	3,300	100.000		
Caracas							100.000	98.8202	L
INDUSTRIA LACTEA VENEZOLANA CA (INDULAC)	F	VEF	34,720,471.6	343,108,495	Parmalat de Venezuela ca	343,108,495	98.820		
Caracas							98.820	98.8202	L
PARMALAT DE VENEZUELA CA	F	VEF	2,324,134	2,324,134	Parmalat S.p.A.	2,324,134	100.000		
Caracas							100.000	100.0000	L
QUESOS NACIONALES CA QUENACA	F	VEF	3,000,000	3,000,000	Indu.Lac.Venezol. ca-Indulac	3,000,000	100.000		
Caracas							100.000	98.8202	L
AFRICA									
BOTSWANA									
PARMALAT BOTSWANA (PTY) LTD	F	BWP	3,000	2,900	Parmalat Africa Ltd	2,900	96.667		
Gaborone							96.667	96.6670	L
MAURITIUS									
PARMALAT AFRICA LIMITED	F	USD	55,982,304	55,982,304	Parmalat Austria gmbh	53,560,373	95.674		
Port Louis					Parmalat S.p.A.	2,421,931	4.326		
							100.000	100.0000	L
MOZAMBIQUE									
PARMALAT PRODUTOS ALIMENTARES SARL	F	MZM	57,841,500	536,415	Parmalat Africa Ltd	536,415	92.739		
Matola							92.739	92.7390	L

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Company		Share capital			Equity investment				
Name Head office	Type [1]	Curr	Amount	Tot. number of voting shares/ capi.interests held	Held by	Number of shares/cap. interests	% (based on No. of shares/ cap. int.)	Group interest	Consolid. or valu-ation method[2]
SOUTH AFRICA									
ANDIAMO AFRIKA (PTY) LTD	F	ZAR	100	51	Parmalat South Africa (Pty) Ltd	51	51.000		
Stellenbosch							51.000	51.0000	L
PARMALAT SOUTH AFRICA (PTY) LTD	F	ZAR	1,368,288.73	122,000,000 com.	Parmalat Africa Ltd	122,000,000	89.163		
Stellenbosch				10,000 pref.	Parmalat Africa Ltd	10,000	0.007		
				14,818,873	Parmalat S.p.A.	14,818,873	10.830		
							100.000	100.0000	L
NEW FARMERS DEVELOPMENT CO LTD	F	ZAR	51,420,173	150,000	Parmalat South Africa (Pty) Ltd	150,000	0.292		
Durbanville							0.292		C
SWAZILAND									
PARMALAT SWAZILAND (PTY) LTD	F	SZL	100	60	Parmalat Africa Ltd	60	60.000		
Mbabane							60.000	60.0000	L
ZAMBIA									
PARMALAT ZAMBIA LIMITED	F	ZMK	27,281,000	19,505,915	Parmalat Africa Ltd	19,505,915	71.500		
Lusaka							71.500	71.5000	L
ASIA									
CHINA									
PARMALAT (ZHAODONG) DAIRY CORP. LTD[(5)]	F	CNY	56,517,260	53,301,760	Parmalat S.p.A.	53,301,760	94.311		
							94.311		
Zhaodong									C
INDIA									
SWOJAS ENERGY FOODS LIMITED in liquidation[(3)]	F	INR	309,626,500	21,624,311	Parmalat S.p.A.	21,624,311	69.840		
							69.840		
Shivajinagar									C
THAILAND									
PATTANA MILK CO LTD	F	THB	50,000,000	2,500,000	Parmalat Australia Ltd	2,500,000	5.000		
Bangkok							5.000		C
SINGAPORE									
QBB SINGAPORE PTE LTD	F	SGD	1,000	338	Parmalat Australia Ltd	338	33.800		
							33.800		C
OCEANIA									
AUSTRALIA									
MONTAGUE MOULDERS PTY LTD	F	AUD	200	200	Parmalat Australia Ltd	200	100.000		
South Brisbane							100.000	100.0000	L
PARMALAT AUSTRALIA LTD	F	AUD	222,627,759	22,314,388 ord.	Parmalat Belgium sa	22,314,388	100.000		
South Brisbane				200,313,371 pr.	Parmalat S.p.A.	200,313,371	0.000		
							100.000	100.0000	L
PARMALAT FOOD PRODUCTS PTY LTD	F	AUD	1,000	1,000	Parmalat Investments Pty Ltd	1,000	100.000		
South Brisbane							100.000	100.0000	L
PARMALAT INVESTMENTS PTY LTD	F	AUD	1,000	1,000	Parmalat S.p.A.	1,000	100.000		
South Brisbane							100.000	100.0000	L
PORT CURTIS MOULDERS PTY LTD	F	AUD	200	200	Parmalat Australia Ltd	200	100.000		
South Brisbane							100.000	100.0000	L
QUANTUM DISTRIBUTION SERV. PTY LTD	F	AUD	8,000,000	8,000,000	Parmalat Australia Ltd	8,000,000	100.000		
South Brisbane							100.000	100.0000	L

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Companies Added to the Parmalat Group in the First Half of 2009

Company	Country	Reason	Consolidation method
Parmalat Investments Pty Ltd	Australia	Newly established	Line by line
Parmalat Food Products Pty Ltd	Australia	Newly established	Line by line

Companies Removed from the Parmalat Group in the First Half of 2009

Company	Country	Reason	Consolidation method
Parmalat Food Industries South Africa Pty Ltd	South Africa	Dissolved	Line by line
OOO Optolat (ex OOO Parmalat East)	Russia	Sold	Line by line

Certification of the Condensed Consolidated Semiannual Financial Statements Pursuant to Article 154-*bis,* Section 5, of Legislative Decree No. 58/98, as Amended

We, the undersigned, Enrico Bondi, in my capacity as Chief Executive Officer, and Pier Luigi De Angelis, in my capacity as Corporate Accounting Documents Officer, of Parmalat S.p.A., taking into account the provisions of Article 154-*bis*, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998, as amended,

CERTIFY

1. that the administrative and accounting procedures for the preparation of the condensed semiannual financial statements for the first half of 2009 are adequate in light of the characteristics of the business enterprise and were effectively applied. The process of assessing the adequacy of the administrative and accounting procedures for the preparation of the condensed semiannual financial statements at June 30, 2009 was carried out consistent with the Internal Control – Integrated Framework model published by the Committee of Sponsoring Organizations of the Treadway Commission, which constitutes a frame of reference generally accepted at the international level;

2. and that:

   a) the condensed semiannual financial statements are consistent with the data in the Group's documents and accounting records;

   b) the condensed semiannual financial statements were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and the statutes enacted to implement Legislative Decree No. 38/2005 and are suitable for providing a truthful and fair presentation of the balance sheet, income statement and financial position of the issuer company and all of the companies included in the scope of consolidation.

   c) lastly, the Interim Report on Operations provides information about material events that occurred during the first half of 2009 and their impact on the condensed semiannual financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year and information about significant transactions with related parties, as required by Article 154-*ter,* Section 4, of Legislative Decree No. 58 of February 24, 1998.

July 30, 2009

The Chief Executive Officer

The Corporate Accounting Documents Officer

Parmalat Group – Report of the Independent Auditors

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers SpA

AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

To the Shareholders of
Parmalat SpA

1 We have reviewed the consolidated condensed interim financial statements of Parmalat SpA and subsidiaries (Parmalat Group) comprising the statement of financial position, the income statement and the statement of comprehensive income, statements of changes in shareholders' equity and cash flows and related selected explanatory notes. Parmalat SpA's Directors are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard (IAS 34), applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.

2 Our work was conducted in accordance with the criteria for a review recommended by the National Commission for Companies and the Stock Exchange (CONSOB) with Resolution no. 10867 of 31 July 1997. The review consisted principally of inquiries of company personnel about the information reported in the consolidated condensed interim financial statements and about the consistency of the accounting principles utilised therein as well as the application of analytical review procedures on the data contained in the above mentioned consolidated financial statements. The review excluded certain auditing procedures such as compliance testing and verification and validation tests of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike an audit on the annual consolidated financial statements, we do not express a professional audit opinion on the consolidated condensed interim financial statements.

Regarding the amounts of the consolidated financial statements of the prior year and the consolidated condensed interim financial statements of the prior year presented for comparative purposes, reclassified to take into account the amendments introduced by IAS 1 (2007) to the financial statements presentation, reference should be made to our reports dated 12 March 2009 and dated 28 August 2008, respectively.

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. 3.754.400,00 Euro i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n. 43 dell'Albo Consob – Altri Uffici: **Bari** 70124 Via Don Luigi Guanella 17 Tel. 0805640211 – **Bologna** 40122 Via delle Lame 111 Tel. 051526611 – **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 – **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 – **Genova** 16121 Piazza Dante 7 Tel. 01029041 – **Napoli** 80121 Piazza dei Martiri 30 Tel. 08136181 – **Padova** 35138 Via Vicenza 4 Tel. 049873481 – **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 – **Parma** 43100 Viale Tanara 20/A Tel. 0521242848 – **Roma** 00154 Largo Fochetti 29 Tel. 06570251 – **Torino** 10129 Corso Montevecchio 37 Tel. 011556771 – **Trento** 38100 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 – **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 – **Verona** 37122 Corso Porta Nuova 125 Tel.0458002561

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3 Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Parmalat Group as at 30 June 2009 have not been prepared, in all material respects, in accordance with the international accounting standard (IAS 34), applicable to interim financial reporting, as adopted by the European Union.

Milan, 30 July 2009

PricewaterhouseCoopers SpA

Elena Cogliati
(Partner)

This report has been translated into the English language solely for the convenience of international readers.

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Parma R.E.A. No. 228069
Parma Company Register No. 04030970968
Tax I.D. and VAT No. 04030970968

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