Quarterly Report at March 31, 2007

Mission

The Parmalat Group is an Italian food-industry group with a multinational strategy that seeks to increase the well-being of consumers throughout the world. The ultimate purpose of the Group is to create value for its shareholders while adhering to ethical principles of business conduct, to perform a useful social function by fostering the professional development of its employees and associates, and to serve the communities in which it operates by contributing to their economic and social progress.

We intend to establish Parmalat as one of the top players in the global market for functional foods with high value added, which deliver improved nutrition and wellness to consumers, and attain clear leadership in selected product categories and countries with high growth potential for the Group.

Milk and dairy products and fruit beverages, foods that play an essential role in everyone's daily diet, will be key categories for the Group.

Countries of Operation

with a direct presence

Europe

Italy, Portugal, Romania, Russia and Spain

Rest of the World

Australia, Botswana, Canada,
Colombia, Cuba, Ecuador, Mozambique, Nicaragua,
South Africa, Swaziland, Venezuela, Zambia

through licensees

Brazil, Chile, China, Dominican Republic, Hungary,
Mexico, United States, Uruguay

Contents

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 Mario Magenes

Financial Overview

(in millions of euros)			
GROUP OPERATING HIGHLIGHTS		**MARCH 31, 2007**	**MARCH 31, 2006 RESTATED (*)**
- NET REVENUES		926.5	899.5
- EBITDA		76.3	73.2
- EBIT		158.2	44.8
- NET PROFIT FOR THE PERIOD		111.0	13.4
- ROI	(**)	29.6%	8.0%
- ROE	(**)	21.1%	2.8%
- INTEREST COVERAGE		27.4	4.0
- NET OPERATING MARGIN		17.0	4.9
- NET MARGIN		11.9	1.5
GROUP FINANCIAL HIGHLIGHTS		**MARCH 31, 2007**	**DECEMBER 31, 2006**
- (NET FINANCIAL ASSETS)/NET INDEBTEDNESS		(87.4)	170.0
- EQUITY/ASSETS		0.5	0.5
- DEBT/EQUITY RATIO		(0.0)	0.1
COMPANY OPERATING HIGHLIGHTS		**MARCH 31, 2007**	**MARCH 31, 2006 RESTATED (*)**
- NET REVENUES		208.5	210.3
- EBITDA		16.8	17.4
- EBIT		116.8	4.5
- NET PROFIT (LOSS) FOR THE PERIOD		87.2	(0.5)
- ROI	(**)	56.0%	2.3%
- ROE	(**)	17.5%	n.m.
- INTEREST COVERAGE		n.m.	n.m.
- NET OPERATING MARGIN		54.7	0.0
- NET MARGIN		40.8	(0.0)
COMPANY FINANCIAL HIGHLIGHTS		**MARCH 31, 2007**	**DECEMBER 31, 2006**
- NET FINANCIAL ASSETS		600.0	341.4
- EQUITY/ASSETS		0.8	0.8
- DEBT/EQUITY RATIO		(0.3)	(0.2)

(*) Starting with the annual financial statements at December 31, 2006, the Group changed the accounting classification it assigns to certain types of trade promotions it provides to retail chains. This change was implemented to provide a presentation that was consistent with best industry practices.
As a result of this reclassification, trade promotions, which previously were booked as distribution costs, are being deducted from sales revenues. The corresponding data for the first quarter of 2006 were reclassified accordingly.
(**) Indices computed after annualizing actual operating data.

Operating Performance

NOTE: The data are stated in millions of euros. As a result the figures could reflect differences that are caused exclusively by the rounding figures to the next decimal.

a) Global Data

ml €	I Quarter 06	I Quarter 07	Δ	
Revenues	899,5	926,5	27,0	+3,0%
EBITDA	73,2	76,3	3,1	
EBITDA %	8,1	8,2	0,1 ppt	

Constant Rate				
ml €	I Quarter 06	I Quarter 07	Δ	
Revenues	899,5	990,9	91,4	+10,2%
EBITDA	73,2	82,2	9,0	
EBITDA %	8,1	8,3	0,2 ppt	

Net revenues at constant rate in 2007 increased of 10.2% compared to the same period last year. In fact, they totaled 990.9 million euros against about 900 millions in the same period of 2006.
The negative exchange rate trend due to the appreciation of euro versus the local currencies of main reference countries (particularly Canadian Dollar and South African Rand) reduced the net revenues of 64.4 millions.

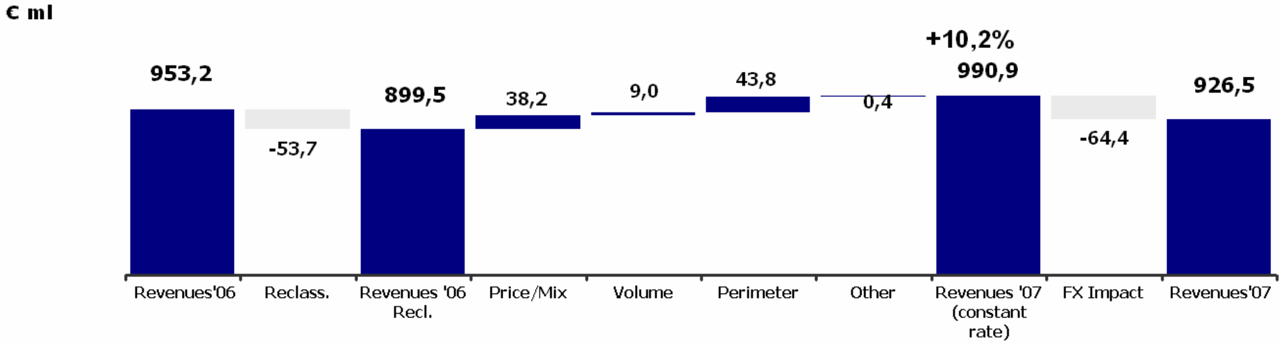
Therefore, revenues for the first three months of 2007 totaled 926.5 million euros, or 3.0% more than in the same period last year. Starting in October 2006, the Group changed the accounting classification it assigns to trade promotions, adopting a presentation that was consistent with best industry practices. As a result of this reclassification, LOD (Large Organized Distribution) promotions are being deducted from sales revenues, the same as discounts.

Similarly, EBITDA at constant rate in 2007 was 12.3% higher than in the same period last year, increasing from 73.2 million euros to 82.2 millions. The negative exchange rate trend reduced the EBITDA of 5.8 million euros.

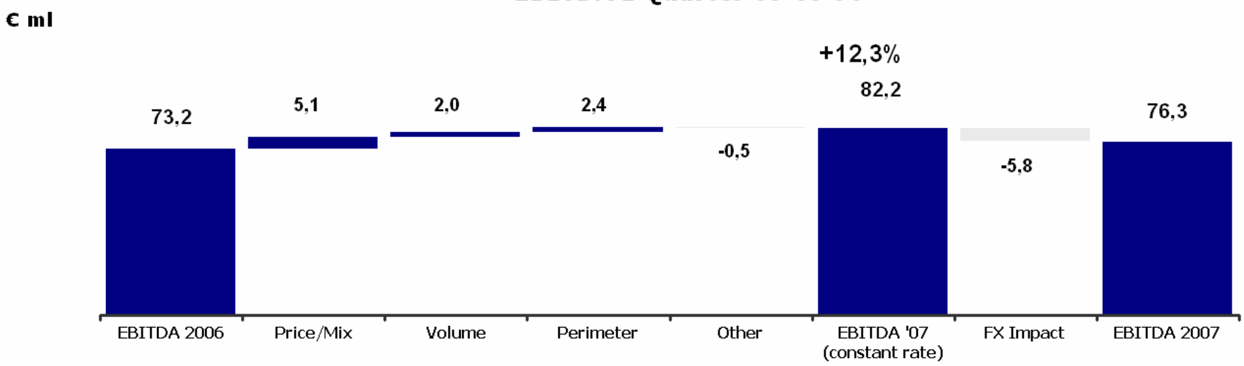
Consequently, EBITDA totaled 76.3 million euros, for a year-over-year gain of 3.1 million euros. The ratio of EBITDA to net revenues was **8.2%**, an improvement of 0.1 percentage points over 2006.

Despite a rise in the cost of raw milk in many countries, the Group's operating data show significant gains compared with the first three months of 2006. This improvement was achieved by shifting the sales mix toward products with greater value added and aggressively cutting costs.
In several countries, the Group responded to the higher cost of raw milk by increasing list prices, effective April 2007, and implementing additional cost cutting programs.

Revenues I Quarter 07 vs 06



EBITDA I Quarter 07 vs 06



b) Data by Geographic Region

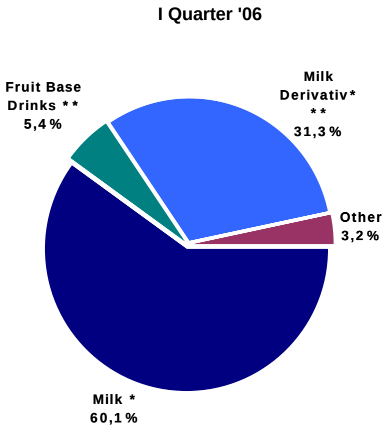
ml €	I Quarter 06			I Quarter 07		
	Revenues	EBITDA	*% EBITDA*	Revenues	EBITDA	% EBITDA
Italy	245,6	25,2	*10,3*	274,8	28,0	*10,2*
Canada	302,0	19,8	*6,6*	284,7	22,5	*7,9*
Australia	106,3	8,2	*7,7*	101,8	7,5	*7,4*
Africa	90,5	9,8	*10,9*	84,5	8,9	*10,6*
Europe excl. Italy	71,8	4,2	*5,9*	76,0	5,3	*7,0*
Center & South America	80,5	11,4	*14,2*	89,2	9,3	*10,5*
Others *	2,7	(5,6)		15,6	(5,3)	
Group	**899,5**	**73,2**	***8,1***	**926,5**	**76,3**	***8,2***

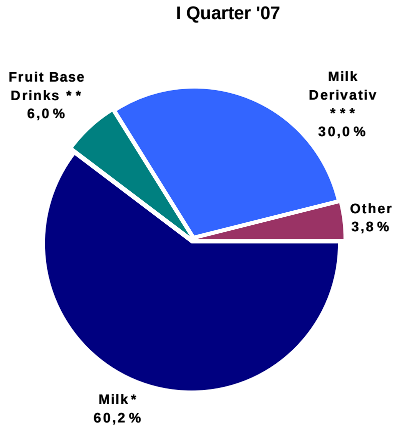
(*) Includes Holding, Elimination, Boschi and other no core Companies

c) Data by Product Division

ml €	I Quarter '06			I Quarter '07		
	Revenues	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***
"Milk comparable to 2006"	***540,3***	***43,7***	***8,1***	***534,1***	***42,9***	***8,0***
Milk *	540,3	43,7	*8,1*	557,3	43,1	*7,7*
Fruit Base Drinks **	48,5	6,2	*12,7*	55,9	11,3	*20,2*
Milk Derivative ***	281,6	24,0	*8,5*	278,0	23,6	*8,5*
Other	29,1	(0,7)	*(2,3)*	35,2	(1,7)	*(4,7)*
Group	**899,5**	**73,2**	***8,1***	**926,5**	**76,3**	***8,2***

** Include Milk, Cream and Bechamel*
*** Mainly Juices*
**** Include Yogurt, Dessert, Cheese*





** Include Milk, Cream and Bechamel*
*** Mainly Juices*
**** Include Yogurt, Dessert, Cheese*

The price of raw milk rose sharply early in 2007. Despite this, restated on a comparable basis to eliminate the impact of Newlat and Carnini, which returned under Parmalat's control only recently (end of 2006) and, consequently, had lower profitability, and net of costs incurred for a new product list anticipated to the first quarter of 2007, the return on sales of the milk division was 8% compared with 8.1% in 2006.

Parmalat SpA

ml €	I Quarter 06	I Quarter 07	Δ	
Revenues	**210,3**	**208,5**	**(1,7)**	*-0,8%*
EBITDA	**17,4**	**16,8**	**(0,6)**	
EBITDA %	*8,3*	*8,1*	*-0,2 ppt*	

Net of the proceeds generated by sales of wooden pallets and other materials that are resold at no profit and net of service revenues, Parmalat S.p.A. reported revenues for the first quarter of 2007 that were 2.7% higher than in the same period last year.

ml €	I Quarter 06	I Quarter 07	Δ	
Operating Products Revenues	**198,5**	**203,8**	**5,3**	*+2,7%*
Sales of non Operating Products* / Services	**11,8**	**4,7**	**(7,1)**	*-59,9%*
Revenues	**210,3**	**208,5**	**(1,7)**	*-0,8%*

**Pallets and others products*

EBITDA totaled 16.8 million euros, down slightly from the 17.4 million euros earned in the first three months of 2006. The ratio of EBITDA to net revenues was 8.1%.

The lower out-of-period income recognized in 2007 compared to 2006 accounts for the total of this change.

Business Units

Italy

ml €	I Quarter 06	I Quarter 07	Δ	
Revenues	**245,6**	**274,8**	**29,2**	*+11,9%*
EBITDA	**25,2**	**28,0**	**2,7**	
EBITDA %	*10,3*	*10,2*	*-0,1 ppt*	

Revenues for the first three months of 2007 totaled 274.8 million euros, or 11.9% more than in the same period last year. Over the same period, EBITDA increased by 2.7 million euros to 28.0 million euros. The ratio of EBITDA to net revenues was **10.2%**, down 0.1 percentage points compared with the first quarter of 2006.

The change in net revenues can be analyzed as follows:

ml €	I Quarter 06	I Quarter 07	Δ	
Revenues Per. '06	**239,1**	**244,2**	**5,2**	*+2,2%*
Delta perimeter		30,2	**30,2**	*ns*
Sales of non Operating Products* / Services	**6,5**	**0,4**	**(6,1)**	*-93,8%*
Revenues	**245,6**	**274,8**	**29,2**	*+11,9%*

**Pallets and other products*

Against a background of stable market demand and rising promotional pressure, the SBU succeeded in increasing unit sales, while continuing to implement a strategy focused on achieving a competitive advantage by enhancing the value of the products it offers to consumers and differentiating itself from its competitors.

A rise in unit sales, a more favorable sales mix and a more streamlined cost structure are the main reasons for the improvement in operating results. The SBU's market performance was positive in all of the segments in which it operates. In the UHT milk market, it improved its leadership position and increased significantly in market share (from 32.9% to 34.3% – Nielsen+S+LS), thanks mainly to strong sales of Parmalat's specialty milks, which performed particularly well.
In the pasteurized milk segment, the SBU was again the national leader and was able to hold virtually unchanged its share of the Modern Trade channel (24.3% – Nielsen S+I), owing in part to the positive results achieved with more innovative products (microfiltered Latte Zymil and PhysiCal milks).
In the yogurt segment, the Parmalat brand increased its volume market share (from 4.7% to 5.2% – Nielsen I+S+LS), confirming the successful implementation of the product portfolio streamlining program launched at the beginning of 2006.
The Santal brand also performed well in the fruit beverage segment, increasing its value market share by 2 percentage points (from 9.9% to 11.9% – IRI S+I+LS) thanks to an expansion of the distribution network and an increase in promotional activity.

The main achievements at the industrial level included an increase in production efficiency and completion of the startup phase for a new filling line for HDPE bottles.
In the area of logistics, costs were optimized by exploiting more effectively the synergies available in the transportation of fresh, very fresh and dairy products and optimizing routes and rates.

Canada

ml €	I Quarter 06	I Quarter 07	Δ	
Revenues	**302,0**	**284,7**	**(17,3)**	*-5,7%*
EBITDA	**19,8**	**22,5**	**2,7**	
EBITDA %	*6,6*	*7,9*	*1,4 ppt*	

Compared with the first quarter of 2006, the local currency (Canadian dollar) lost 10.6% of its value versus the euro.

Revenues for the first three months of 2007 totaled 284.7 million euros, or 5.7% less than in the same period last year. EBITDA, which increased to 22.5 million euros (2.7 million euros more than in the first quarter of 2006), were equal to **7.9%** of revenues, for an improvement of 1.4 percentage points compared with the same period a year ago.

ml CAD$	I Quarter 06	I Quarter 07	Δ	
Revenues	**419,5**	**437,2**	**17,7**	*+4,2%*
EBITDA	**27,5**	**34,6**	**7,1**	
EBITDA %	*6,6*	*7,9*	*1,4 ppt*	
Exchange rate vs Eur	*1,389*	*1,536*	*10,6%*	

Stated in the local currency, revenues for the first three months of 2007 amounted to 437.2 million Canadian dollars for a gain of 4.2% compared with the same period last year. EBITDA also improved, rising by 7.1 million Canadian dollars to 34.6 million Canadian dollars.

Unit sales were about the same as the first quarter of 2006. Specifically, unit sales of pasteurized milk, which account for 61% of the total sales volume, were virtually unchanged, thanks to a good performance by flavored milk products, while shipments of cheese were up 12.4% and unit sales of yogurt decreased by 8.2%.

Australia

ml €	I Quarter 06	I Quarter 07	Δ	
Revenues	**106,3**	**101,8**	**(4,6)**	*-4,3%*
EBITDA	**8,2**	**7,5**	**(0,7)**	
EBITDA %	*7,7*	*7,4*	*-0,4 ppt*	

Compared with 2006, the local currency (Australian dollar) lost 2.5% of its value versus the euro.

Revenues for the first three months of 2007 totaled 101.8 million euros, or 4.3% less than in the same period last year. EBITDA, which decreased to 7.5 million euros (0.7 million euros less than in the first quarter of 2006), were equal to **7.4%** of revenues, for a decrease of 0.4 percentage points compared with the same period in 2006.

ml AUS$	I Quarter 06	I Quarter 07	Δ	
Revenues	**172,9**	**169,6**	**(3,3)**	*-1,9%*
EBITDA	**13,4**	**12,5**	**(0,9)**	
EBITDA %	*7,7*	*7,4*	*-0,4 ppt*	
Exchange rate vs Eur	*1,626*	*1,667*	*2,5%*	

Stated in the local currency, revenues for the first three months of 2007 amounted to 169.6 million Australian dollars, for a decrease of 1.9% compared with the same period last year. EBITDA were also down, falling by 0.9 million Canadian dollars to 12.5 million Canadian dollars.

Unit sales decreased by 7.0% compared with the first quarter of 2006.
Shipments of pasteurized milk, which account for about 80% of total sales, were down 7.9%, due mainly to competition from low cost brands in the supermarket and food service channels. UHT milk volume decreased by 14.0% also as a result of a reduced availability of raw milk caused by a drought that affected Queensland in particular. Unit sales of yogurt were in line with the previous year, but those of desserts contracted by 11.1%.

The SBU’s operating expenses decreased as a result of its reduced level of manufacturing and distribution activity, a reduction in the price of some raw material prices and efficiency gains in manufacturing and distribution.

Africa

ml €	I Quarter 06	I Quarter 07	Δ	
Revenues	**90,5**	**84,5**	**(6,1)**	*-6,7%*
EBITDA	**9,8**	**8,9**	**(0,9)**	
EBITDA %	*10,9*	*10,6*	*-0,3 ppt*	

Compared with the first quarter of 2006, the local currency (South African rand) lost 28.2% of its value versus the euro.

Revenues for the first three months of 2007 totaled 84.5 million euros, or 6.7% less than in the same period last year. EBITDA, which decreased to 8.9 million euros (0.9 million euros less than in the first quarter of 2006), were equal to **10.6%** of revenues, for a decrease of 0.3 percentage points compared with the same period in 2006.

The table below shows the operating highlights of the main business unit (South Africa) stated in the local currency.

ml Rand	I Quarter 06	I Quarter 07	Δ	
Revenues	**607,5**	**723,2**	**115,8**	*+19,1%*
EBITDA	**67,2**	**69,0**	**1,8**	
EBITDA %	*11,1*	*9,5*	*-1,5 ppt*	
Exchange rate vs Eur	*7,402*	*9,488*	*28,2%*	

Stated in the local currency, revenues for the first three months of 2007 amounted to 723.2 million rand, for a gain of 19.1% compared with the same period last year. EBITDA were also up, rising to 69.0 million rand, or 1.8 million rand more than in the first quarter of 2006.

Unit sales were up 15.3% compared with the first three months of 2006. Specifically, shipments of UHT milk, which account for 50% of the SBU's total sales volume, were up 17.3%. In the other market segments, unit sales showed an increase of 13.9% for fruit juices, were about the same as in the same period last year and grew by 23.8% and 21.6% for cheese and yogurt, respectively. The main problem that the SBU expects to face in the second quarter will be the limited availability of raw milk, as supply has been growing at a slower pace than demand. This has occurred because the price of raw milk has increased only modestly in recent years and is now expected to rise later this year (+15% compared with 2006).

Europe excl. Italy

ml €	I Quarter 06	I Quarter 07	Δ	
Revenues	**71,8**	**76,0**	**4,1**	*+5,8%*
EBITDA	**4,2**	**5,3**	**1,1**	
EBITDA %	*5,9*	*7,0*	*1,2 ppt*	

Revenues for the first three months of 2007 totaled 76.0 million euros, or 5.8% more than in the same period last year. EBITDA, which increased to 5.3 million euros (1.1 million euros more than in the first quarter of 2006), were equal to **7.0%** of revenues, for an increase of 1.2 percentage points compared with the same period in 2006.

Portugal – A decrease in the revenues generated by Santal fruit juices was offset by increased sales of UCAL chocolate-flavored milk products, with Parmalat Chocopower posting the best gains.
In addition, consistent with a strategy focused on developing functional products, the Portuguese SBU strengthened its Ucal São Lourenço product line with the launch of four new high-quality milks with high nutritional power.
Higher sales of products with a high value added — UCAL chocolate-flavored milk and cream — account for the increase in reported EBITDA.

Russia – The Russian SBU was able to report positive results thanks to its ability to contain the impact of higher milk prices and despite the problems created by delays in the installation of some production equipment that made it necessary to sign co-filling contracts to meet the demand for UHT products.

Romania – A new agreement signed in March with Metro for the distribution of PET packaged products and advertising investments planned for the second quarter should enable the SBU to report a further improvement in its operating results later in the year.

Spain – The main reasons for the negative performance of the Spanish SBU are the steadily increasing market share claimed by private labels (particularly in the market for UHT milk, which accounts for about 50% of total sales, and the yogurt segment) and its high level of manufacturing and distribution overhead.
Unit sales of Cacaolat were lower than in the first quarter of 2006, but the revenues they generated increased. The implementation of restructuring and cost-cutting programs, coupled with a renewed marketing effort, particularly in the area of flavored milk, is beginning to produce positive results and is providing an indication that the downward trend is being reversed.

Central and South America

ml €	I Quarter 06	I Quarter 07	Δ	
Revenues	**80,5**	**89,2**	**8,8**	*+10,9%*
EBITDA	**11,4**	**9,3**	**(2,0)**	
EBITDA %	*14,2*	*10,5*	*-3,7 ppt*	

The significant appreciation of the euro versus all of the local currencies (an average of about 10%) had a negative impact on the year-on-year comparisons.

Revenues for the first three months of 2007 totaled 89.2 million euros, or 10.9% more than in the same period last year. EBITDA, which decreased to 9.3 million euros (2.0 million euros less than in the first quarter of 2006), were equal to **10.5%** of revenues, for a decrease of 3.7 percentage points compared with the same period in 2006.

Venezuela – Even though unit sales were up 12.5% compared with the first three months of 2006, the Venezuelan SBU reported lower results than in 2006 due to a recent law that allows the government to control the sales price of every type of powdered milk. The situation is expected to recover during the year.

Colombia – An increase in list prices carried out to offset the impact of the higher cost of raw materials (raw milk in particular), coupled with higher sales of products with greater value added, enabled the SBU to improve its profit margin.

Nicaragua – The results reported by the SBU for the first quarter of 2007 reflect the negative impact of an increase in the price of raw milk caused by reduced production during the summer months.
The strategy pursued by the SBU has been to focus on products with a high profit margin, while gradually reducing sales of low margin items.

Financial Performance

Performance of the Group

During the first quarter of 2007, the Group's net financial position improved by 257.4 million euros, going from net indebtedness of 170.0 million euros at December 31, 2006 to net financial assets of 87.4 million euros at March 31, 2007, without any significant contribution from foreign exchange translation differences, which were net positive by 3.1 million euros. The net financial position data include the indebtedness of the Venezuelan subsidiaries, which totaled 150.7 million euros at December 31, 2006 and 155.2 million euros at March 31, 2007.

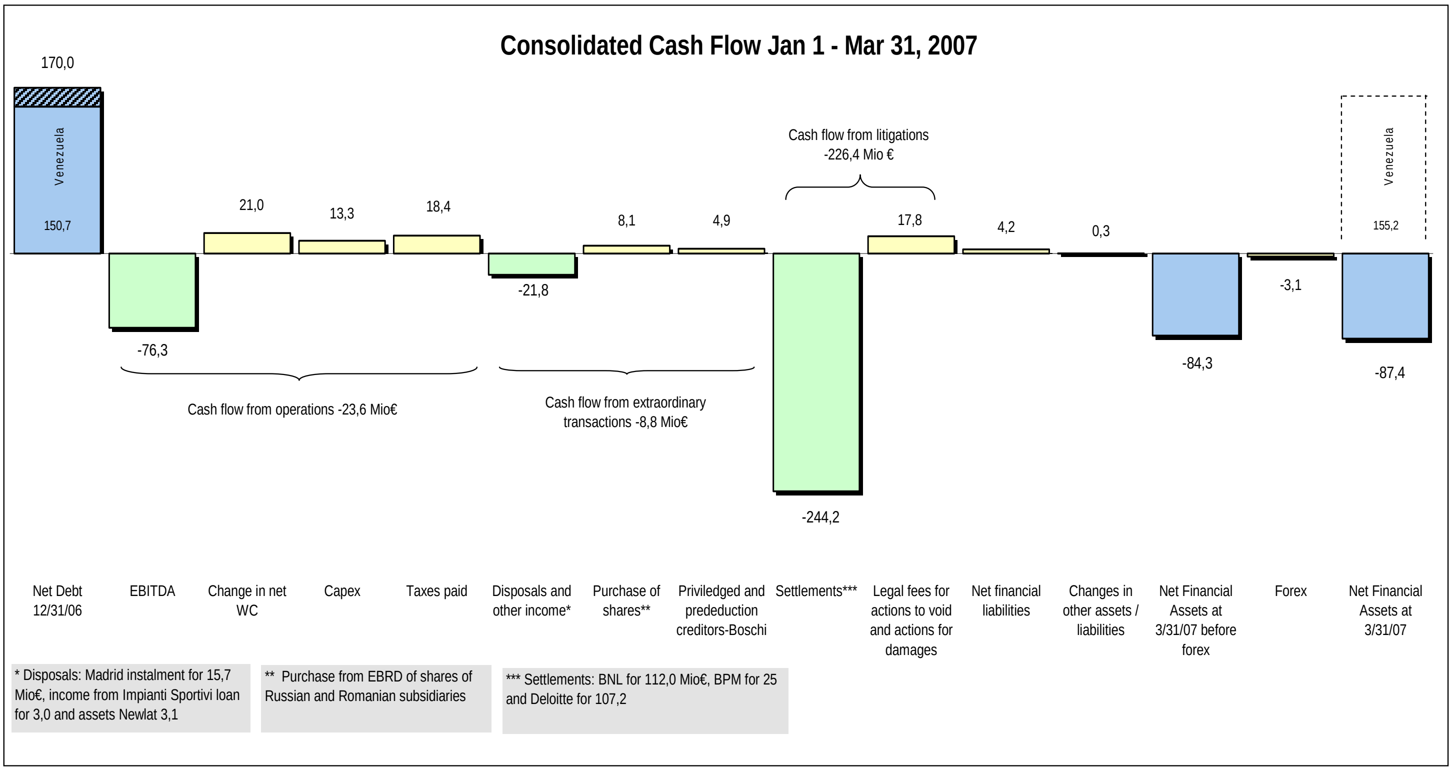
Net of increase in working capital, capital expenditures and tax payments, the cash flow from operations amounted to 23.6 million euros. The cash flow from extraordinary transactions totaled 8.8 million euros. It included proceeds of 21.8 million euros from the sale of non-strategic properties (15.7 million euros of which represent the first installment of the sales price of a building in Madrid) and outlays of 8.1 million euros incurred by Parmalat S.p.A. to buy back from the EBRD (European Bank for Reconstruction and Development) the equity investments it held in two Russian and Romanian subsidiaries. Cash flow from litigation totaled 226.4 million euros as the net result of legal costs amounting to 17.8 million euros and collection of 244.2 million euros generated by settlements reached with BNL and Ifitalia at the end of 2006 (112.0 million euros) and with the Banca Popolare di Milano Group (25.0 million euros), and Deloitte & Touche S.p.A. and Dianthus S.p.A. (107.2 million euros) in the first quarter of 2007. Lastly, in addition to the net foreign exchange translation gain of 3.1 million euros mentioned above, the Group incurred net financial expense of 4.2 million euros and changes in other assets and liabilities totaling 0.3 million euros.

Among the components of the net financial position, indebtedness owed to banks and other lenders decreased by 694.2 million euros to 672.2 million euros.

Total cash and cash equivalents and other short-term financial assets increased from 529.6 million euros to 763.0 million euros. Most of this liquidity (607.1 million euros at March 31, 2007) is held by the Group's Parent Company. A portion of this amount is invested in short-term government securities.

Debt repayments totaled 9.1 million euros in the first quarter of 2007, broken down as follows: 5.5 million euros in Canada, 1.3 million euros in South Africa and 2.3 million euros in Portugal.

All Group companies that were parties to loan agreements were in compliance with the financial covenants of the relevant agreements.



Performance of the Group's Parent Company

The financial assets held by the Group's Parent Company increased from 341.4 million euros at December 31, 2006 to 600.0 million euros at March 31, 2007.

The collection of the settlement payments mentioned above accounts for most of this improvement.

Personnel

Group Staff

The table below provides a breakdown of the Group's personnel by geographic region at March 31, 2007 and provides a comparison with the corresponding data at December 31, 2006:

Total Employees by Geographic Region*		
Region	**March 31, 2007**	**December 31, 2006**
Italy	3,294	3,197
Canada	2,932	2,961
Australia	1,438	1,452
Africa	2,198	2,225
Europe excluding Italy	2,678	2,530
Central and South America	3,650	3,730
Total	**16,190**	**16,095**

* Employees of companies consolidated line by line.

In the first quarter of 2007, the Group's payroll did not change significantly compared with December 31, 2006. Staffing levels were down slightly in most of the countries in which the Parmalat Group operates, with a few exceptions. Most notably, the payroll increased temporarily in Spain and Italy, where the start of the ice cream and tomato campaigns made it necessary to expand manufacturing activity.

Human Resource Management and Development

After a preliminary phase when the Group's Human Resources Department used a centrally organized compensation system based on international surveys carried out by a specialized consultant to decide the compensation policies of the Group's top management, it has then been decided to decentralize this process, delegating to local Group companies the task of developing compensation plans based on local surveys.

Consequently, each country SBU, working with the support of local consultants specialized in conducting compensation surveys and operating in accordance with guidelines provided by the Group's Human Resources Department, developed its own compensation program, which was reviewed and approved at the corporate level.

On the basis of these compensation programs, and, consequently, of a more accurate understanding of the organizational structure and compensation packages in the various Group countries, the Group's parent company defined a compensation policy for the current year.

Moreover, the adoption of the Management Incentive Program (a procedure established in 2005 and implemented for the first time in 2006) enabled the Group to progress from its old system, characterized by different programs, to a single incentive system used in all of the countries in which the Group operates, based on corporate, local and personal objectives.

All of these innovations are contributing to the development of a global compensation model that rewards employees based on the results they achieve.

Financial Statements at March 31, 2007

Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)	3/31/07	3/31/06 restated (*)	3/31/06
TOTAL NET REVENUES	**933.2**	**906.6**	**960.3**
Revenues from operations	926.5	899.5	953.2
Other revenues	6.7	7.1	7.1
OPERATING EXPENSES	**(854.7)**	**(831.4)**	**(885.1)**
Purchases, services and miscellaneous costs	(735.5)	(715.2)	(768.9)
Labor costs	(119.2)	(116.2)	(116.2)
Subtotal	**78.5**	**75.2**	**75.2**
Writedowns of receivables and other provisions	(2.2)	(2.0)	(2.0)
EBITDA	**76.3**	**73.2**	**73.2**
Depreciation, amortization and writedowns of non-current assets	(25.1)	(22.9)	(22.9)
Other revenues and expenses:			
- Legal fees for actions to void and actions for damages	(17.8)	(8.2)	(8.2)
- Restructuring costs	(1.3)	(2.3)	(2.3)
- Miscellaneous revenues and expenses	126.1	5.0	5.0
EBIT	**158.2**	**44.8**	**44.8**
Financial income	9.6	5.4	5.4
Financial expense[1]	(12.4)	(23.9)	(23.9)
Interest in profit (loss) of companies valued by the equity method			
Other income from (charges for) equity investments	2.5	0.4	0.4
PROFIT (LOSS) BEFORE TAXES	**157.9**	**26.7**	**26.7**
Income taxes	(46.8)	(13.7)	(13.7)
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	**111.1**	**13.0**	**13.0**
Net profit (loss) from discontinuing operations	(0.1)	0.4	0.4
NET PROFIT (LOSS) FOR THE PERIOD	**111.0**	**13.4**	**13.4**
Minority interest in net (profit) loss	(0.7)	(1.3)	(1.3)
Group interest in net profit (loss)	110.3	12.1	12.1

Continuing operations:

Basic earnings per share	**0.0672**	**0.0072**	
Diluted earnings per share	**0.0648**	**0.0070**	

(*) In 2006, the Company and the Group changed the accounting classification it assigns to certain types of trade promotions it provides to retail chains. This change was implemented to provide a presentation that was consistent with best industry practices. As a result of these reclassifications, discounts and trade promotions, which previously were booked as distribution costs, are being deducted from sales revenues. The corresponding items in the income statement for the first quarter of 2006 have been restated accordingly.

[1] This item includes financial expense incurred by the Venezuelan SBU totaling 2.8 million euros in 2007 and 3 million euros in 2006.

Parmalat Group

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(in millions of euros)	3/31/07	12/31/06
NON-CURRENT ASSETS	**2,124.0**	**2,158.5**
Intangibles	1,280.2	1,290.5
Property, plant and equipment	722.3	728.1
Non-current financial assets	79.9	99.3
Deferred-tax assets	41.6	40.6
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	**18.6**	**24.2**
NET WORKING CAPITAL	**422.4**	**545.4**
Inventories	365.0	348.3
Trade receivables	540.3	530.0
Other current assets	287.9	406.6
Trade payables (-)	(523.4)	(521.0)
Other current liabilities (-)	(247.4)	(218.5)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**2,565.0**	**2,728.1**
PROVISIONS FOR EMPLOYEE BENEFITS (-)	**(121.4)**	**(122.1)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(350.6)**	**(359.5)**
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(24.6)**	**(24.8)**
NET INVESTED CAPITAL	**2,068.4**	**2,221.7**
Covered by:		
SHAREHOLDERS' EQUITY	**2,155.8**	**2,051.7**
Share capital	1,648.3	1,641.5
Reserve for creditor challenges, contested liabilities and claims of late-filing creditors convertible exclusively into share capital	224.7	224.9
Other reserves	(50.7)	(44.5)
Retained earnings (Loss carryforward)	192.2	(0.3)
Profit (Loss) for the period	110.3	192.5
Minority interest in shareholders' equity	31.0	37.6
(NET FINANCIAL ASSETS) NET INDEBTEDNESS	**(87.4)**	**170.0**
Loans payable to banks and other lenders[2]	672.2	694.2
Loans payable to investee companies	3.4	5.4
Other financial assets (-)	(286.6)	(207.8)
Cash and cash equivalents (-)	(476.4)	(321.8)
TOTAL COVERAGE SOURCES	**2,068.4**	**2,221.7**

[2] This item includes loans owed by the Venezuelan SBU amounting to 170.0 million euros in 2007 and 172.5 million euros in 2006.

Parmalat S.p.A.

RECLASSIFIED INCOME STATEMENT

(in millions of euros)	**3/31/07**	**3/31/06 restated (*)**	**3/31/06**
TOTAL NET REVENUES	**213.7**	**215.7**	**254.4**
Revenues from operations	208.5	210.3	249.0
Other revenues	5.2	5.4	5.4
OPERATING EXPENSES	**(195.6)**	**(198.1)**	**(236.8)**
Purchases, services and miscellaneous costs	(170.0)	(171.2)	(209.9)
Labor costs	(25.7)	(26.9)	(26.9)
Subtotal	**18.0**	**17.6**	**17.6**
Writedowns of receivables and other provisions	(1.2)	(0.2)	(0.2)
EBITDA	**16.8**	**17.4**	**17.4**
Depreciation, amortization and writedowns of non-current assets	(7.6)	(4.8)	(4.8)
Other revenues and expenses			
- Rebilling of costs incurred due to the alleged ITX contamination			
- Costs incurred due to the alleged ITX contamination			
- Legal fees for actions to void and actions for damages	(17.8)	(8.2)	(8.2)
- Restructuring costs	(1.0)		
- Additions to provision for losses of companies under E.A.			
- Additions to provision for losses of investee companies	(1.0)	(2.8)	(2.8)
- Miscellaneous revenues and expenses	127.4	2.9	2.9
EBIT	**116.8**	**4.5**	**4.5**
Financial income	5.7	2.6	2.6
Financial expense (-)	(1.2)	(2.1)	(2.1)
Interest in profit (loss) of companies valued by the equity method			
PROFIT (LOSS) BEFORE TAXES	**121.3**	**5.0**	**5.0**
Income taxes	(34.0)	(5.9)	(5.9)
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	**87.3**	**(0.9)**	**(0.9)**
Net profit (loss) from discontinuing operations	(0.1)	0.4	0.4
NET PROFIT (LOSS) FOR THE PERIOD	**87.2**	**(0.5)**	**(0.5)**

(*) In 2006, the Company and the Group changed the accounting classification it assigns to certain types of trade promotions it provides to retail chains. This change was implemented to provide a presentation that was consistent with best industry practices.
As a result of these reclassifications, discounts and trade promotions, which previously were booked as distribution costs, are being deducted from sales revenues. The corresponding items in the income statement for the first quarter of 2006 have been restated accordingly.

Parmalat S.p.A.

RECLASSIFIED BALANCE SHEET

(in millions of euros)	**3/31/07**	**12/31/06**
NON-CURRENT ASSETS	**1,612.9**	**1,605.4**
Intangibles	480.5	483.6
Property, plant and equipment	138.3	138.0
Non-current financial assets	973.3	964.5
Deferred-tax assets	20.8	19.3
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	**5.2**	**7.5**
NET WORKING CAPITAL	**104.3**	**269.4**
Inventories	37.8	36.1
Trade receivables	232.2	225.7
Other current assets	179.0	298.5
Trade payables (-)	(222.5)	(204.0)
Other current liabilities (-)	(122.2)	(86.9)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**1,722.4**	**1,882.3**
PROVISIONS FOR EMPLOYEE BENEFITS (-)	**(40.9)**	**(40.6)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(213.7)**	**(209.2)**
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(22.7)**	**(22.8)**
NET INVESTED CAPITAL	**1,445.1**	**1,609.7**
Covered by:		
SHAREHOLDERS' EQUITY	**2,045.1**	**1,951.1**
Share capital	1,648.3	1,641.5
Reserve for creditor challenges, contested liabilities and claims of late-filing creditors convertible exclusively into share capital	224.7	224.9
Other reserves	(11.4)	(11.6)
Retained earnings (Loss carryforward)	96.3	(29.3)
Profit (Loss) for the period	87.2	125.6
(NET FINANCIAL ASSETS) NET INDEBTEDNESS	**(600.0)**	**(341.4)**
Loans payable to banks and other lenders	11.8	12.5
Loans receivable from (-) and payable to (+) Group companies	(4.7)	(7.1)
Other financial assets (-)	(282.5)	(206.0)
Cash and cash equivalents (-)	(324.6)	(140.8)
TOTAL COVERAGE SOURCES	**1,445.1**	**1,609.7**

Review of the Operating and Financial Results

The Group

Net revenues totaled 926.5 million euros, or 27 million euros more (+3.0%) compared with the 899.5 million euros booked in the first three months of 2006. Restated to eliminate the impact of the appreciation of the euro versus other currencies (64.4 million euros) and the change in the scope of consolidation caused by the inclusion of Boschi Luigi & Figli S.p.A., Newlat S.p.A. and Carnini S.p.A. into the Group (48.9 million euros) and the removal of Italcheese S.p.A. (5.1 million euros), net revenues amount to 947.1 million euros, for a year-over-year gain of 47.6 million euros (+5.3%). The main reasons for this improvement are higher unit sales in South Africa, made possible both by the growth of the local economy and greater market penetration, and an increase in sales of fruit juices and cheese in Venezuela and Canada, respectively.

EBITDA increased to 76.3 million euros, for a gain of 3.1 million euros (+4.2%) compared with the 73.2 million euros earned in the first quarter of 2006. Restated to eliminate the impact of the appreciation of the euro versus other currencies (5.8 million euros) and the change in the scope of consolidation caused by the inclusion of Boschi Luigi & Figli S.p.A., Newlat S.p.A. and Carnini S.p.A. into the Group (2.2 million euros) and the removal of Italcheese S.p.A. (-0.2 million euros), EBITDA amount to 79.7 million euros, or 6.5 million euros more (+8.9%) than in the same period last year. An improved sales mix with a greater percentage of products with a higher value added and a reduction of operating costs, achieved despite a global increase in the price of milk, account for this gain.

EBIT rose to 158.2 million euros, or 113.4 million euros more (+253.1%) than the 44.8 million euros earned in the first three months of 2006. Proceeds from settlements reached with Deloitte & Touche S.p.A. and Dianthus S.p.A. (101.5 million euros, net of legal costs) and Banca Popolare di Milano Group (25 million euros), offset in part by 9.6 million euros in legal fees for actions to void and actions for damages, are the main reasons for this improvement. The amount of the abovementioned legal fees (17.8 million euros in total), which increased earlier this year, is expected to decrease significantly during the second half of the year.

The net profit for the period jumped to 111 million euros, rising by 97.6 million euros (+728.3%) compared with the 13.4 million euros reported at March 31, 2006. Restated to eliminate the impact of the proceeds from actions to void and actions for damages (126.5 million euros), the higher fees paid in connection with actions to void and actions for damages (9.6 million euros) and the current taxes owed on the proceeds from the action for damages against Deloitte & Touche S.p.A. and Dianthus S.p.A. (33.5 million euros), the net profit for the first three months of 2007 is 27.6 million euros, for a gain of 14.2 million euros (+106.0%). A reduction in average borrowing costs and an increase in the invested liquid assets held by the Group's Parent Company account for this gain.

Net invested capital amounted to 2,068.4 million euros, down 153.3 million euros compared with December 31, 2006 (2,221.7 million euros). The collection, in January 2007, of a receivable for settlements of actions to void and actions for damages owed by Banca Nazionale del Lavoro (112 million euros) and, in February 2007, of an installment paid by Alqlunia 13 S.L. (15 million euros) on a receivable generated by the sale of a building in Madrid, the final maturity of which is in 2009, are the main reasons for this improvement

The net financial position improved dramatically during the first quarter of 2007, going from net indebtedness of 170 million euros to net financial assets of 87.4 million euros. The change of 257.4 million euros compared with December 31, 2006 is chiefly due to the collection of 112 million euros for a receivable for settlements of actions to void and actions for damages owed by Banca Nazionale del Lavoro and of 132.2 million euros from settlements reached with Deloitte & Touche S.p.A. and Dianthus S.p.A. (107.2 million euros) and the Banca Popolare di Milano Group (25 million euros).

The Group interest in shareholders' equity amounted to 2,124.8 million euros, up from 2,014.1 million euros at December 31, 2006. The gain of 110.7 million euros is mainly the net result of the net profit for the period (110.3 million euros), an increase in share capital (6.7 million euros), the translation of financial statements of companies with reporting currencies different from the euro (negative by 6.5 million euros) and the exercise of warrants (0.2 million euros).

Parmalat S.p.A.

Net revenues totaled 208.5 million euros, or 1.7 million euros less (-0.8%) compared with the 210.3 million euros booked in the first three months of 2006. Net of the proceeds generated by sales of wooden pallets and other materials that are resold at no profit and net of service revenues, which decreased by 7 million euros in the aggregate, revenues for the first quarter of 2007 were 2.7% higher than in the same period last year.

EBITDA totaled 16.8 million euros, down 0.6 million euros from the 17.4 million euros (-3.4%) earned in the first three months of 2006. The ratio of EBITDA to net revenues was 8.1%, virtually the same as in the previous year.

EBIT rose to 116.8 million euros, or 112.3 million euros more than the 4.5 million euros earned in the first three months of 2006. Proceeds from settlements reached with Deloitte & Touche S.p.A. and Dianthus S.p.A. (101.5 million euros, net of legal costs) and Banca Popolare di Milano Group (25 million euros), offset in part by 9.6 million euros in legal fees for actions to void and actions for damages, are the main reasons for this improvement. The amount of the abovementioned legal fees (17.8 million euros in total), which increased earlier this year, is expected to decrease significantly during the second half of the year.

The net profit for the period jumped to 87.2 million euros, an improvement of 87.7 million euros compared with the loss of 0.5 million euros reported at March 31, 2006. Restated to eliminate the impact of the proceeds from actions to void and actions for damages (126.5 million euros), the higher fees paid in connection with actions to void and actions for damages (9.6 million euros) and the current taxes owed on the proceeds from the action for damages against Deloitte & Touche S.p.A. and Dianthus S.p.A. (33.5 million euros), the net profit for the first three months of 2007 is 3.8 million euros, for a gain of 4.3 million euros compared with the same period last year. An increase in the invested liquid assets is the main reason for this gain.

Net invested capital amounted to 1,445.1 million euros, down 168.4 million euros compared with December 31, 2006 (1,609.7 million euros). The collection, in January 2007, of a receivable for settlements of actions to void and actions for damages owed by Banca Nazionale del Lavoro (112 million euros), net of a provision for current taxes owed on the settlement with Deloitte (33.5 million euros), is the main reason for this improvement.

Net financial assets improved significantly during the first quarter of 2007, rising from 341.4 million euros to 600.0 million euros. This positive change of 258.6 million euros compared with December 31, 2006 is chiefly due to the collection of 112 million euros for a receivable for settlements of actions to void and actions for damages owed by Banca Nazionale del Lavoro and of 132.2 million euros from settlements reached with Deloitte & Touche S.p.A. and Dianthus S.p.A. (107.2 million euros) and the Banca Popolare di Milano Group (25 million euros).

Shareholders' equity amounted to 2,045.1 million euros, up from 1,951.1 million euros at December 31, 2006. The gain of 94.0 million euros is mainly the result of the net profit for the period (87.2 million euros) and an increase in share capital (6.7 million euros).

Principles of Consolidation, Valuation Criteria and Scope of Consolidation

The Consolidated Quarterly Report of the Parmalat Group at March 31, 2007 was prepared in accordance with the provisions of Consob Regulation No. 11971/1998, as amended, and is consistent with the valuation and measurement criteria set forth in the International Financial Reporting Standards (IFRSs) published by the International Accounting Standard Board (IASB) and adopted by the European Commission in accordance with the Procedure set forth in Article 6 of Regulation (CE) No. 1606/2002 of the European Parliament and Council dated July 19, 2002.

The Consolidated Financial Statements at March 31, 2007 have not been audited.

No significant changes in the scope of consolidation occurred in the first quarter of 2007, as compared with the situation at December 31, 2006, with the exception of the purchases of the interest held by minority shareholders in the subsidiaries OAO Belgorodskij Molochnij Kombinat and Parmalat Romania SA. Additional information about these transactions is provided in the section of this Report entitled “Key Events in the First Quarter of 2007.”

Key Events in the First Quarter of 2007

Settlement with Deloitte & Touche S.p.A. and Dianthus S.p.A.

On January 12, 2007, the action for damages filed by Parmalat against Deloitte & Touche S.p.A and Dianthus S.p.A. and their countersuits against Parmalat in the same proceedings were settled out of court. Under the terms of the settlement, Deloitte and Dianthus will pay Parmalat S.p.A. consideration amounting to US$149 million. As part of the settlement, the parties agreed to withdraw all pending actions and claims.
On February 20, 2007, the New York Court issued an order granting a motion by which Deloitte & Touche S.p.A. and Dianthus S.p.A., and Deloitte & Touche LLP, Deloitte & Touche USA LLP, Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu Auditores Independentes asked the Court to issue an order regulating the relationships among jointly liable debtors (contribution bar).
As a result of the abovementioned order, the settlement became final and the amount payable to Parmalat S.p.A. became due. It was collected on schedule on February 23, 2007.

Parmalat Prevails in the Appeal Filed by Citigroup

On January 22, 2007, the New Jersey Court again rejected Citigroup's motion that the New Jersey courts lack international jurisdiction. This decision is consistent with earlier decisions by the same court and the Appellate Division.
Subsequently, in a decision handed down on March 12, 2007, the Superior Court of New Jersey, Appellate Division, denied the motion filed by Citigroup asking that it be allowed to appeal the decision denying the motion asking that the courts of New Jersey be found to lack jurisdiction.

Eurofood IFSC LTD – A Decision by the Regional Administrative Court of Latium Is Set Aside

On January 26, 2007, the Council of State upheld the appeal filed by Bank of America NA and Eurofood IFSC Limited.

Settlement with the Banca Popolare di Milano Group

On February 2, 2007, the disputes arising from the actions to void in bankruptcy that Parmalat filed against Banca Popolare di Milano and Cassa di Risparmio di Alessandria and the action for damages brought by the Company against Banca Akros, as well as the lawsuit filed by Banca Akros against its exclusion from Parmalat's sum of liabilities, were settled out of court with two contracts structured as follows:
A) First Contract
BPM, acting also on behalf of Cassa di Risparmio di Alessandria, agreed to pay to Parmalat a total of 25 million euros to settle the actions to void in bankruptcy filed by Parmalat. The amount of the settlement was determined based on the fact that the actions to void in bankruptcy covered 34 million euros, which were never paid. BPM and Cassa di Risparmio di Alessandria waived the right to seek the inclusion among Parmalat's sum of liabilities of claims arising from the settlement amounts and will not file any further motions seeking inclusion among the sum of liabilities of Parmalat and other companies of the Parmalat Group.
B) Second Contract
Banca Akros agreed to withdraw the lawsuit it filed against its exclusion from Parmalat's sum of liabilities, it being understood that only the portion attributable to Banca Akros is being settled.

Settlement with The Nutrition Consortium Ltd.

A dispute between Ault Foods Ltd. (now Parmalat Dairy and Bakery Inc.) and The Nutrition Consortium Ltd. (TNC) that was pending before the Superior Court of Quebec, Canada, was settled out of court on February 6, 2007. The dispute was related to damage claims put forth by TNC, which alleged that Ault Foods Ltd. had cancelled unilaterally and without justification an exclusive distribution contract that the parties executed in 1996. Under the settlement, TNC agreed to waive any and all claims against Parmalat Dairy and Bakery Inc. in connection with the abovementioned distribution contract and will receive in return from Parmalat Dairy and Bakery Inc. a payment of 6 million Canadian dollars and a contribution of 350,000 Canadian dollars to cover legal costs.

Protection Under Section 304 of the U.S. Bankruptcy Law

A hearing to discuss whether the order of protection provided under Section 304 of the U.S. Bankruptcy Law should be made permanent instead of temporary was postponed to June 21, 2007. In the meantime, the temporary order of protection will remain in force until June 25, 2007.

Indulac - BofA

In March 2007, Bank of America sent to Indulac and, for their information, to Parmalat's Directors and Statutory Auditors and the Independent Auditors PricewaterhouseCoopers, a notice asking for payment of a claim of about US$45 million in principal amount, plus accrued interest, pursuant to a credit agreement dated July 13, 2001. This position is being contested within the framework of a broader dispute (in the notes to the financial statements of Parmalat S.p.A. at December 31, 2006, see the paragraph entitled "Parmalat vs Bank of America" in the chapter entitled "Civil Proceedings Filed by the Group and Settlements" and the paragraph entitled "Criminal Proceedings Filed by the Public Prosecutors of Milan and Parma" in the chapter entitled "Criminal Proceedings").
See also the Prospectus (pages 251-253) about the position taken by Parmalat S.p.A. with respect to the Venezuelan Group companies.
The accounting and reporting treatment is explained in the notes to the financial statements of Parmalat S.p.A. and the Group.

The Boschi Luigi & Figli S.p.A. Subsidiary Is Selling Its Investments in Portuguese Companies

As part of a strategy of streamlining the Group's investment portfolio and acting within the framework of the divestitures described in the Proposal of Composition with Creditors approved by the Court of Parma on July 27, 2006, Boschi Luigi & Figli S.p.A., a subsidiary of Parmalat S.p.A., entered into an agreement to sell to Hit (Holding da Industria Trasformadora do Tomate sgps SA) its two Portuguese subsidiaries — Italagro (Industria da Trasformacao de Productos Alimentare SA) and FIT (Fomento da Industria do tomate SA) — for a base contract price of 5,316,970.00 euros.
The sale is subject, *inter alia*, to the condition precedent consisting in the release of the guarantees issued by Boschi Luigi & Figli S.p.A. in favor of Portuguese banks in connection with the refinancing of Italagro's indebtedness in 2004.
The price shall be paid in two installments: a first installment of 4,936,850.00 euros due on the date of sale and a second installment of 380,120.00 euros due within four months of the payment of the first installment. This price will be increased by an amount equivalent to that which the European Union is expected to pay to Italagro and FIT following a proceeding which is pending at present.

Parmalat Acquires Full Control of the OAO Belgorodskij Molochnij Kombinat and Parmalat Romania SA Subsidiaries

On March 29, 2007, the Company closed on agreements to buy the shares of the OAO Belgorodskij Molochnij Kombinat and Parmalat Romania SA subsidiaries that were held by the European Bank for Reconstruction and Development.
As a result of these purchases, the interest held by Parmalat in OAO Belgorodskij Molochnij Kombinat increased from 64.8% to 99.75% and its ownership of Parmalat Romania SA went from 73.4% to 93.1%.
The price paid by Parmalat for an additional 34.9% interest in the Russian subsidiary OAO Belgorodskij Molochnij Kombinat was 5,999,000.92 euros.
The price paid by Parmalat for an additional 19.7% interest in the Romanian subsidiary Parmalat Romania SA was 2,091,999.08 euros.

Criminal Proceedings Filed by the Public Prosecutors of Milan and Parma

The criminal proceedings filed by the public prosecutors of Milan and Parma against several individuals and legal entities are continuing. The proceedings are currently in the oral arguments or preliminary hearing phase. In addition to several individuals, numerous financial institutions are also defendants in these proceedings both for violations of Law 231 and for civil liability. Parmalat Finanziaria (et al.) and Parmalat S.p.A. (et al.) have joined these actions as plaintiffs for damages in the proceedings held in Milan and Parma, respectively.

Events Occurring After March 31, 2007

The Italian Constitutional Court Rules that Actions to Void in Bankruptcy Are Constitutional

The Italian Constitutional Court, by a decision dated March 21, 2007 and filed on April 5, 2007, reaffirmed that the issues of constitutionality raised within the context proceedings pending before the Court of Parma in which Banca Agricola Mantovana S.p.A. and Banca Popolare di Milano Soc. Coop. A r.l. are defendants are patently devoid of merit.

Specifically, the Constitutional Court emphasized the total lack of merit of constitutionality issues raised with regard to the portion of Article 6, Section 1, of Law No. 39/2004 ("Marzano Law") that states that actions to void in bankruptcy may be filed even when a restructuring program is being pursued.

The Constitutional Court further ruled that the issues raised with regard to Article 6, Section 1-*ter* and the combined text of Article 6, Sections 1, and Article 4-*bis*, Section 10, of the same law were also patently devoid of merit.

Allocation of Shares

The process of allocating shares to the creditors of the Parmalat Group continued in 2007. At December 31, 2006, as a result of the share allocation process and the conversion of warrants, the Company's subscribed share capital totaled 1,641,527,456 euros. At April 18, 2007, the subscribed share capital amounted to 1,649,171,671 euros.

Specifically, 40,127,016 shares, equal to 2.4% of the share capital, are still held on deposit by Parmalat S.p.A. A breakdown of these shares is as follows:

- 13,477,450 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;
- 26,649,566 shares, equal to 1.6% of the share capital, are registered in the name of Fondazione Creditori Parmalat, broken down as follows:
    - 120,000 shares represent the initial capital of Parmalat S.p.A.,
    - 26,529,566 shares, equal to 1.6% of the share capital, belong to creditors who have not yet claimed them.

Switzerland Recognizes the Court Decision Officially Approving Parmalat's Composition with Creditors

On April 24, 2007, the Chamber of Enforcement and Bankruptcies of the Court of Appeals of Lugano (Ticino Canton, Switzerland), having ascertained that all statutory requirements had been met, ruled that Decision No. 22/05, by which the Court of Parma officially approved the Parmalat Composition with Creditors, should be recognized as enforceable throughout Switzerland.

This decision grants the motions filed by Parmalat and rejects the objection that the Italian composition with creditors proceedings are inconsistent with the Swiss legal system. These objections had been filed by Bank Hapoalim, which opposed recognition.

The Regional Administrative Court of Latium Denied the Motion Filed by Ariete Fattoria Latte Sano

On April 24, 2007, the Regional Administrative Court of Latium denied the motion filed by Ariete Fattoria Latte Sano claiming that its exclusion from the negotiations phase of the competitive bidding process carried to privatize Centrale del Latte di Roma was unlawful.

Settlement between Parmalat and Banca delle Marche

On April 28, 2007, the dispute that arose as a result of the action to void in bankruptcy filed by Parmalat S.p.A. against Banca delle Marche S.p.A. was settled out of court.

Banca delle Marche S.p.A. agreed to pay to Parmalat S.p.A. 22,000,000 euros to settle the abovementioned action to void and further agreed to waive its right to seek validation of a claim in the bankruptcy proceedings for an amount equal to the settlement it paid.

With this settlement, Parmalat S.p.A. and Banca delle Marche S.p.A. settled any and all claims related to the abovementioned action to void.

Parmalat : Ordinary and Extraordinary Shareholder's Meeting of April 28, 2007

On April 28, 2007, the Shareholders' Meeting of Parmalat S.p.A., convened in ordinary session, approved the 2006 financial statements, which show a net profit of 125.6 million euros (consolidated net profit was 192.5 million euros).

The Shareholders' Meeting then resolved to declare a dividend of 0.025 euros per common share payable to each of the eligible shares.

The dividend will be payable as of June 21, 2007 (Stock Exchange coupon presentation date of June 18, 2007) through intermediaries that belong to the Monte Titoli S.p.A. centralized clearing system.

Acting pursuant to a duly justified motion submitted by the Board of Statutory Auditors, the Shareholders' Meeting, availing itself of its statutory powers, agreed to extend the audit assignment originally awarded to PriceWaterhouseCoopers until the date of the Shareholders' Meeting convened to approve the 2007 annual financial statements. The audit assignment will now run until the date of the Shareholders' Meeting convened to approve the 2013 annual financial statements.

As required by Article 5 of the Bylaws, the Extraordinary Shareholders' Meeting voted to increase the share capital earmarked for warrant conversions from 80 million euros to 95 million euros.

As a result, the Company's approved share capital increased to 2,025 million euros, including 95 million euros earmarked for the exercise of warrants.

At April 28, 2007, the subscribed and paid-in share capital amounted to 1,649,171,671 euros.

Lastly, the Extraordinary Shareholders' Meeting approved the professional qualifications required of the Officer responsible for the preparation of corporate accounting documents and required amendments to Article 20 *bis* of the Bylaws.

Pursuant to Article 2, Section Five, of the Warrant regulations, the right to exercise the warrants will be suspended up to and including June 15, 2007. It will be reinstated on June 18, 2007, which is the presentation date for Coupon No. 1.

Outlook for the Balance of 2007

Even though raw material prices have risen more than anticipated, due primarily to an insufficient supply of milk in the international markets, the Group still expects to achieve its budget and Plan targets by increasing list prices, reducing promotional discounts and implementing cost-cutting programs.

As of March, foreign exchange rates were substantially in line with forecasts. However, a further strengthening of the euro versus the currencies of some of the countries in which the Group operates could have a translation impact when financial statements in foreign currencies are translated into euros.

Thanks to the collection of some settlement amounts earlier this year, the Group’s net financial position shows a positive balance. In addition, the Group’s operating units in the various countries are expected to generate sufficient cash flow to fund planned capital investments and repay debt installments as they come due.

Head Office: 26 Via O. Grassi, Collecchio (PR), Italy
Tel.: +39-011-0521 / 8081
Share capital: 1,641,527,456 euros fully paid in
Parma R.E.A. No. 228069
Parma Company register No. 04030970968
Tax I.D. and VAT No. 04030970968

Company contact:
E-mail: affari.societari@parmalat.net

Investor Relations:
E-mail: c.girelli@parmalat.net