Semiannual Financial Report

at June 30, 2011

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 2011	First half 2010
- NET REVENUES	2,146.9	2,026.2
- EBITDA	149.3	174.5
- EBIT	96.6	176.7
- NET PROFIT	76.4	148.6
- EBIT/REVENUES (%)	4.5	8.6
- NET PROFIT/REVENUES (%)	3.5	7.3
PARMALAT S.p.A.		
- NET REVENUES	415.6	397.0
- EBITDA	27.0	36.9
- EBIT	(2.3)	44.7
- NET PROFIT	34.6	77.7
- EBIT/REVENUES (%)	(0.5)	10.7
- NET PROFIT/REVENUES (%)	8.0	18.6

Balance Sheet Highlights

(amounts in millions of euros)

PARMALAT GROUP	6/30/11	12/31/10
- NET FINANCIAL ASSETS	1,421.4	1,435.2
- ROI (%) [1]	9.3	16.9
- ROE (%)[1]	4.3	8.4
- EQUITY/ASSETS	0.8	0.8
- NET FINANCIAL POSITION/EQUITY	(0.4)	(0.4)
- OPERATING CASH FLOW FOR THE PERIOD PER SHARE	0.03	0.19
PARMALAT S.p.A.		
- NET FINANCIAL ASSETS	1,405.5	1,345.0
- ROI (%) [1]	(0.6)	14.6
- ROE (%)[1]	2.4	4.5
- EQUITY/ASSETS	0.9	0.9
- NET FINANCIAL POSITION/EQUITY	(0.5)	(0.5)
- OPERATING CASH FLOW FOR THE PERIOD PER SHARE	0.05	0.01

[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 2011 are summarized below:

	Common Shares	Warrants
Securities outstanding at 6/30/11	1,737,925,715	62,475,428
Closing price on 6/30/11	2.593	1.339
Capitalization	4,506,441,378.995	83,654,598.092
High for the period (in euros)	2.73 March 17, 2011	1.575 March 21, 2011
Low for the period (in euros)	2.015 January 7, 2011	1.02 January 7 and 11, 2011
Average price in June (in euros)	2.588	1.357
Highest daily trading volume	170,931,936 March 17, 2011	1,543,381 April 26, 2011
Lowest daily trading volume	4,782,052 January 6, 2011	21,244 April 13, 2011
Average trading volume in June	13,623,334[1]	454,484

[1] 0.78% of the share capital.

Performance of the Parmalat Stock

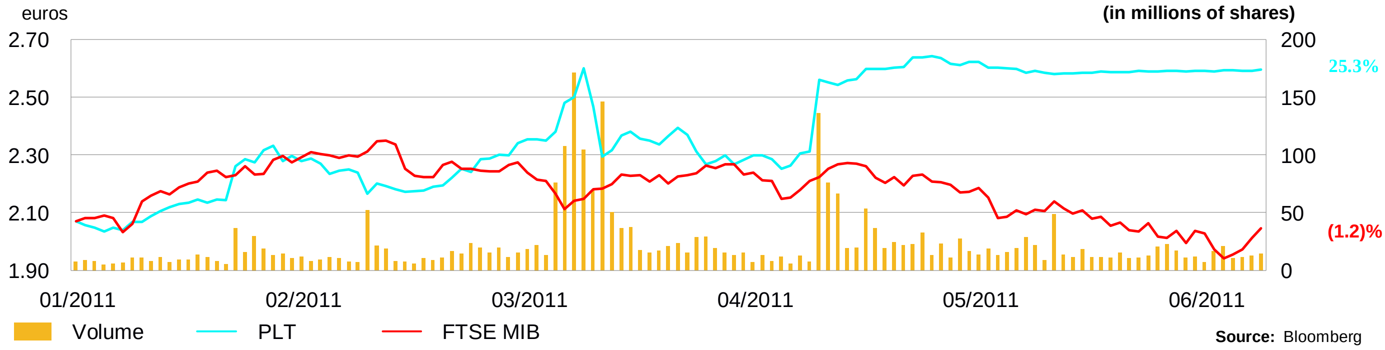
The chart that follows compares the performance of the Parmalat stock with that of the main Italian market index: FTSE MIB.

As shown in the chart below, the FTSE MIB, which is the market's reference index, declined by about 1.2% compared with December 31, 2010.

The performance of the Parmalat stock reflects the impact of an all inclusive, voluntary tender offer launched by Sofil S.a.s., directly and on behalf of BSA s.a., and Groupe Lactalis s.a., announced on April 26, 2011 and filed with the Consob on April 29, 2011. Subsequent to the abovementioned date, the Parmalat stock traded at prices close to 2.60 euros (which is the price per share of the tender offer).

The Parmalat stock has been part of the DJ STOXX 600 Index since March 2006 and was included in the MSCI World Index on June 1, 2007.

Performance of the Parmalat Stock in the First Half of 2011



Source: Bloomberg

Stock Ownership Profile

On July 14, 2011, in accordance with applicable law, the offeror Sofil S.a.s. announced the final results of the tender offer, specifying that it held the 83.33% of the subscribed and paid-in share capital of Parmalat S.p.A..

For further details, refer to the Parmalat web site www.parmalat.com, section Investor Relations -> Parmalat share and warrants -> Shareholders.

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 March 16, 2011, the Company's subscribed capital share had increased by 2,539,389 euros. Consequently, the share capital, which totaled 1,735,386,326 euros at February 18, 2011, currently amounts to 1,737,925,715 euros.

More specifically, 7,158,556 shares, equal to about 0.4% of the share capital, are still held on deposit by Parmalat S.p.A. A breakdown of these shares is as follows:

- 4,989,460 shares, equal to 0.3% 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;
- 2,169,096 shares, equal to 0.1% of the share capital, are registered in the name of Fondazione Creditori Parmalat, broken down as follows:
    - 120,000 shares representing the initial share capital of Parmalat S.p.A.;
    - 2,049,096 shares, equal to 0.1% 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 abovementioned 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 abovementioned 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 abovementioned resolutions of the Shareholders' Meeting, the Board of Directors carries 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	Francesco Tatò (i)
Chief Executive Officer	Yvon Guérin
Directors	Antonio Sala (2) (3) Marco Reboa (i) (1) Francesco Gatti Daniel Jaouen (2) Marco Jesi (i) Riccardo Zingales (i) (1) (3) Ferdinando Grimaldi Quartieri (i) Gaetano Mele (i) (2) (3) Nigel William Cooper (i) (1)

(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	Mario Stella Richter
Statutory Auditors	Alfredo Malguzzi Roberto Cravero

Independent Auditors

PricewaterhouseCoopers S.p.A.

Interim Report on Operations

Review of Operating and Financial Performance

Parmalat Group

Net revenues increased by 6.0% compared with the first six months of 2010, due mainly to higher sales prices in Canada and Venezuela and a decline in the value of the euro versus the main currencies of the countries where the Group operates.

EBITDA totaled 149.3 million euros, or 25.2 million euros less (-14.5%) than the 174.5 million euros reported at June 30, 2010. This decrease is chiefly the result of higher raw milk prices in the Group's main countries and of external factors, i.e., the floods in the Queensland region of Australia and a fire at the production facilities of Centrale del Latte di Roma in August 2010. When the data are restated without the impact of the abovementioned damages, the EBITDA amount is 155.7 million euros, 10.8% less than in the first six months of 2010.

EBIT amounted to 96.6 million euros, down 80.1 million euros, compared with 176.7 million euros in the first six months of 2010. Lower proceeds from litigation settlements reached during the first half of 2011 account for most this decrease.
Depreciation, amortization and writedowns of non-current assets totaled 59.9 million euros (58.3 million euros in the first six months of 2010). Writedowns include 8 million euros recognized as a result of impairment tests.

Group interest in net profit decreased to 76.5 million euros, or 70.9 million euros less than the 147.4 million euros earned in the first six months of 2010, due mainly to a reduction in the contribution provided to the bottom line by litigation settlements, which generated total proceeds of 4.3 million euros after taxes (39.7 million euros in the first half of 2010).

Operating working capital grew to 368.7 million euros, or 40.1 million euros more than at December 31, 2010, when it amounted to 328.6 million euros. This increase is due mainly to a reduction in trade receivables and reflects payments for investments in property, plant and equipment carried out by the Canadian subsidiary at the end of 2010.

Net invested capital amounted to 2,077.5 million euros, for a decrease of 19.1 million euros compared with 2,096.6 million euros at December 31, 2010. The translation of financial statements of companies that operate outside the euro zone accounts for most of this decrease.

Net financial assets totaled 1,421.4 million euros, or 13.8 million euros less than the 1,435.2 million euros reported at December 31, 2010. This decrease reflects the combined impact of the following factors: the cash flow used for operating and nonrecurring activities (7.8 million euros); the cash flow used for litigation-related legal expenses (8.2 million euros), the cash flow from financial transactions (12.2 million euros); and the impact of the translation of the net indebtedness of companies that operate outside the euros zone (8.5 million euros).

Group interest in shareholders' equity decreased to 3,475.1 million euros, or 30.2 million euros less than at December 31, 2010 (3,505.3 million euros), due mainly to the effect of the 2010 dividend (62.6 million euros) declared by the Ordinary Shareholders' Meeting of June 28, 2011 and the translation of the financial statements of companies that operate outside the euro zone (59.2 million euro), offset in part by the Group interest in net profit amounting to 76.5 million euros.

Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)	First half 2011	First half 2010
REVENUES	**2,169.6**	**2,048.9**
Net revenues	2,146.9	2,026.2
Other revenues	22.7	22.7
OPERATING EXPENSES	**(2,015.9)**	**(1,864.9)**
Purchases, services and miscellaneous costs	(1,728.9)	(1,608.3)
Labor costs	(287.0)	(256.6)
Subtotal	**153.7**	**184.0**
Writedowns of receivables and other provisions	(4.4)	(9.5)
EBITDA	**149.3**	**174.5**
Depreciation, amortization and writedowns of non-current assets	(59.9)	(58.3)
Other income and expenses:		
- Litigation-related legal expenses	(3.9)	(5.1)
- Miscellaneous income and expenses	11.1	65.6
EBIT	**96.6**	**176.7**
Net financial income (expense)	12.2	0.5
Interest in the results of companies valued by the equity method	0.1	(0.7)
Other income from (charges for) equity investments	0.0	0.3
PROFIT BEFORE TAXES	**108.9**	**176.8**
Income taxes	(32.5)	(28.2)
NET PROFIT FROM CONTINUING OPERATIONS	**76.4**	**148.6**
NET PROFIT	**76.4**	**148.6**
Minority interest in net (profit) loss	0.1	(1.2)
Group interest in net profit	76.5	147.4
Continuing operations:		
Basic earnings per share	**0.0440**	**0.0854**
Diluted earnings per share	**0.0431**	**0.0836**

Parmalat Group

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(in millions of euros)	**6/30/11**	**12/31/11**
NON-CURRENT ASSETS	**2,029.4**	**2,073.6**
Intangibles	1,082.8	1,116.4
Property, plant and equipment	846.3	864.3
Non-current financial assets	22.8	10.9
Deferred-tax assets	77.5	82.0
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	**0.0**	**0.5**
NET WORKING CAPITAL	**394.9**	**393.2**
Inventories	393.6	390.5
Trade receivables	470.0	484.0
Trade payables (-)	(494.9)	(545.9)
Operating working capital	**368.7**	**328.6**
Other current assets	228.8	222.3
Other current liabilities (-)	(202.6)	(157.7)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**2,424.3**	**2,467.3**
PROVISIONS FOR EMPLOYEE BENEFITS (-)	**(88.6)**	**(97.2)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(253.5)**	**(268.7)**
PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(4.7)**	**(4.8)**
NET INVESTED CAPITAL	**2,077.5**	**2,096.6**
Covered by:		
SHAREHOLDERS' EQUITY[1]	**3,498.9**	**3,531.8**
Share capital	1,737.9	1,732.9
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	153.7	153.7
Other reserves and retained earnings	1,507.0	1,336.7
Interim dividend	0.0	0.0
Profit for the year	76.5	282.0
Minority interest in shareholders' equity	23.8	26.5
NET FINANCIAL ASSETS	**(1,421.4)**	**(1,435.2)**
Loans payable to banks and other lenders	39.1	33.6
Loans payable to investee companies	4.3	4.5
Other financial assets (-)	(921.6)	(1,155.3)
Cash and cash equivalents (-)	(543.2)	(318.0)
TOTAL COVERAGE SOURCES	**2,077.5**	**2,096.6**

[1] The schedule that reconciles the result and shareholders' equity at June 30, 2011 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 2011

(in millions of euros)	**First half 2011**	**First half 2010**
Net (financial assets) borrowings at beginning of period	**(1,435.2)**	**(1,384.6)**
Changes during the period:		
- Cash flow from operating activities for the period	(53.7)	(143.7)
- Cash flow from investing activities	54.3	53.8
- Accrued interest	1.4	24.4
- Cash flow from settlements	8.2	8.9
- Dividend payments	1.5	108.9
- Exercise of warrants	(5.0)	(1.3)
- Miscellaneous items	(1.4)	(0.3)
- Translation effect	8.5	36.3
Total changes during the period	13.8	87.0
Net (financial assets) borrowings at end of period	**(1,421.4)**	**(1,297.6)**

BREAKDOWN OF NET FINANCIAL POSITION

(in millions of euros)	**6/30/11**	**12/31/10**
Loans payable to banks and other lenders	39.1	33.6
Loans payable to investee companies[1]	4.3	4.5
Other financial assets (-)	(921.6)	(1,155.3)
Cash and cash equivalents (-)	(543.2)	(318.0)
Net (financial assets) borrowings	**(1,421.4)**	**(1,435.2)**

[1] Including 2.1 million euros owed to PPL Partecipações Ltda in Bankruptcy and 2.2 million euros owed to Wishaw Trading sa.

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

(in millions of euros)	**Cash and cash equivalents**	**Other financial assets**	**Gross indebtedness**	**Net (financial assets) borrowings**
Beginning balance	**(318.0)**	**(1,155.3)**	**38.1**	**(1,435.2)**
Cash flow from operating activities for the period	(53.7)	-	-	(53.7)
Cash flow from investing activities	54.3	-	-	54.3
New borrowings	(17.0)	-	17.0	-
Loan repayments	11.0	-	(11.0)	-
Accrued interest	-	-	1.4	1.4
Investments in current financial assets and sundry assets	(233.3)	233.3	-	-
Cash flow from settlements	8.2	-	-	8.2
Dividend payments	1.5	-	-	1.5
Exercise of warrants	(5.0)	-	-	(5.0)
Miscellaneous items	-	-	(1.4)	(1.4)
Translation effect	8.8	0.4	(0.7)	8.5
Ending balance	**(543.2)**	**(921.6)**	**43.4**	**(1,421.4)**

Parmalat S.p.A.

Net revenues totaled 415.6 million euros, or 4.7% more than the 397.0 million euros booked in the first six months of 2010. Both the repositioning of its price lists following an increase in the price of raw milk (whose effects are expected in the second half of the year) and the production activities carried out in support of the Centrale del Latte di Roma subsidiary during the first quarter of the year are largely responsible for the increase in unit sale.

EBITDA amounted to 27.0 million euros, for a decrease of 9.9 million euros compared with the 36.9 million euros earned in the first six months of 2010. This negative change is due mainly to a significant increase in the price of raw milk that could be reflected only in part in list prices during the first half of 2011.
In addition, despite this environment, the Company continued to rely heavily on sales promotions, in response to consumer attitudes that favor low-price products (discount channel and private labels) or product promotions.
On the other hand, the allowance for doubtful accounts was reduced by 3.1 million euros compared with the first half of 2010.

EBIT were negative by 2.3 million euros, as against positive EBIT of 44.7 million euros in the first half of 2010, for a negative change of 47.0 million euros. A decrease in the proceeds generated from settlements with banks and other creditors (3.2 million euros in the first six months of 2011 compared with 44.8 million euros in the same period last year) is largely responsible for the shortfall.

The net profit for the period totaled 34.6 million euros, or 43.1 million euros less than the 77.7 million euros earned in the first six months of 2010. This decrease is chiefly due, in addition to the reduction in proceeds from settlements mentioned above (net of the applicable tax effect), to lower dividends from investee companies (35.5 million euros, down from 42.4 million euros in the first half of 2010), offset in part by higher net financial income (+2.9 million euros).

Net invested capital amounted to 1,443.3 million euros, or 71.7 million euros less than at December 31, 2010 (1,515.0 million euros). This decrease is due in part to the accrual of the 2010 dividend, payable as of July 21, 2011 (62.6 million euros).

Net financial assets grew from 1,345.0 million euros at December 31, 2010 to 1,405.5 million euros at June 30, 2011, for a gain of 60.5 million euros. This increase is mainly the net results of the following items: on the plus side, changes in working capital (18.7 million euros), dividend received (32.5 million euros), VAT refunds (23.9 million euros) and proceeds from settlements (4.0 million euros); on the minus side, the balances due and estimated payments for income taxes (12.6 million euros) and payments of registration fees (7.0 million euros) in connection with transactions executed in connection with the Composition with Creditors.

The Company's **shareholders' equity** totaled 2,848.8 million euros, or 11.2 million euros less than at December 31, 2010, when it amounted to 2,860.0 million euros. The dividend appropriation of the 2010 net income, offset in part by the net profit for the period, a positive change in the fair value of an available-for-sale equity investment and the exercise of warrants during the first half of 2011 account for this change.

Parmalat S.p.A.

RECLASSIFIED INCOME STATEMENT

(in millions of euros)	First half 2011	First half 2010
REVENUES	**433.2**	**417.9**
Net revenues	415.6	397.0
Other revenues	17.6	20.9
OPERATING EXPENSES	**(403.2)**	**(374.9)**
Purchases, services and miscellaneous costs	(347.0)	(319.4)
Labor costs	(56.2)	(55.5)
Subtotal	**30.0**	**43.0**
Writedowns of receivables and other provisions	(3.0)	(6.1)
EBITDA	**27.0**	**36.9**
Depreciation, amortization and writedowns of non-current assets	(15.0)	(21.2)
Other income and expenses:		
- Litigation-related legal expenses	(3.9)	(5.1)
- Additions to provision for losses of investee companies	(9.6)	(10.2)
- Miscellaneous income and expenses	(0.8)	44.3
EBIT	**(2.3)**	**44.7**
Net financial income (expense)	10.4	7.5
Other income from (charges for) equity investments	35.5	42.4
PROFIT BEFORE TAXES	**43.6**	**94.6**
Income taxes	(9.0)	(16.9)
NET PROFIT FROM CONTINUING OPERATIONS	**34.6**	**77.7**
Net profit from discontinuing operations	0.0	0.0
NET PROFIT FOR THE PERIOD	**34.6**	**77.7**

Parmalat S.p.A.

RECLASSIFIED BALANCE SHEET

(in millions of euros)	**6/30/11**	**12/31/10**
NON-CURRENT ASSETS	**1,468.6**	**1,466.7**
Intangibles	377.9	378.5
Property, plant and equipment	151.4	155.9
Non-current financial assets	901.0	892.8
Deferred-tax assets	38.3	39.5
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	**0.0**	**0.0**
NET WORKING CAPITAL	**66.6**	**144.5**
Inventories	50.1	42.6
Trade receivables	157.6	188.9
Trade payables (-)	(179.4)	(184.5)
Operating working capital	**28.3**	**47.0**
Other current assets	152.0	143.2
Other current liabilities (-)	(113.7)	(45.7)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**1,535.2**	**1,611.2**
PROVISIONS FOR EMPLOYEE BENEFITS (-)	**(25.1)**	**(25.3)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(62.4)**	**(66.5)**
PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(4.4)**	**(4.4)**
NET INVESTED CAPITAL	**1,443.3**	**1,515.0**
Covered by:		
SHAREHOLDERS' EQUITY	**2,848.8**	**2,860.0**
Share capital	1,737.9	1,732.9
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	153.7	153.7
Other reserves and retained earnings	922.6	845.1
Profit for the period	34.6	128.3
NET FINANCIAL ASSETS	**(1,405.5)**	**(1,345.0)**
Loans payable to banks and other lenders	3.2	4.4
Loans payable to investee companies	(100.4)	(80.5)
Other financial assets (-)	(913.5)	(1,134.4)
Cash and cash equivalents (-)	(394.8)	(134.5)
TOTAL COVERAGE SOURCES	**1,443.3**	**1,515.0**

Revenues and Profitability

NOTE: The data are stated in millions of euros or local currencies. As a result, the figures shown for change amounts and percentages could show apparent discrepancies caused exclusively by the rounding of figures.

In the first half of 2011, the global macroeconomic context was characterized by further expansion at the global GDP level, driven by the performance of emerging countries. This growth scenario, while it provides support for consumer spending, it also exerts pressure on the demand for oil and agricultural commodities.

The resulting unsettled conditions, which affected both the demand side and the supply side, produced upward spikes in crude oil and commodity prices, followed by a phase of high price volatility. With different modalities in the various countries where the Group operates, these conditions, on the one hand, exerted pressure on variable costs and, on the other hand, triggered inflationary expectations that adversely affected the buying power of households and, consequently, their propensity to consume.

Parmalat Group

(in millions of euros)	**Cumulative at June 30, 2011**	**Cumulative at June 30, 2010**	**Variance**	**Varian.%**
Revenues	**2,146.9**	**2,026.2**	**120.7**	*+6.0%*
EBITDA	**149.3**	**174.5**	**(25.2)**	*-14.5%*
EBITDA %	*7.0*	*8.6*	*-1.7 ppt*	

The revenue gain achieved in the first half of 2011 (+6% compared with the same period last year) is chiefly the result of the following factors:

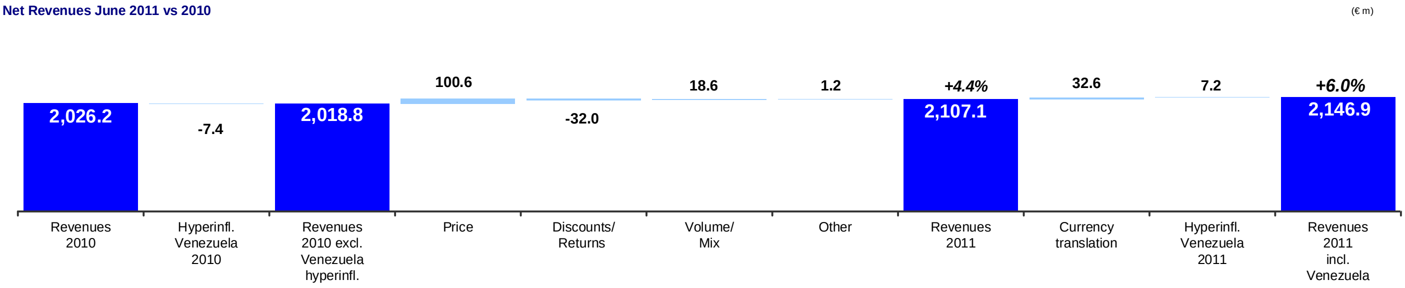
- an increase in unit sales, particularly in Australia and Venezuela;
- higher sales prices, mainly in Canada and Venezuela;
- translation effect, due primarily to a decrease in the value of the euro versus the main currencies of the countries where the Group operates.

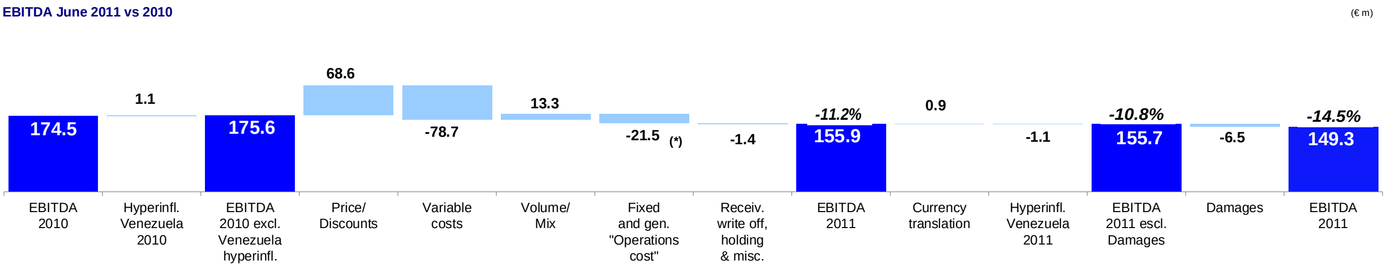
EBITDA totaled 149.3 million euros, or 25.2 million euros less (-14.5%) than the 174.5 million euros reported at June 30, 2010.

This decrease is due to operating factors, chief among them an increase in the price of raw milk in the Group's main countries, with the exception of South Africa. The Company responded to this development with an adjustment to its price lists, the full effect of which will be felt in the coming months. The reduction in EBITDA also reflects external factors, i.e., the floods in the Queensland region of Australia and the damage caused by a fire at the production facilities of Centrale del Latte di Roma in August 2010, which had a combined negative impact of 6.5 million euros (net of partial insurance settlements). In any case, Centrale del Latte di Roma resumed regular production activity in the second half of 2011 and is expected to report operating results in line with projections for the current year.

When the data are restated without the impact of the abovementioned images, the EBITDA amount is 155.7 million euros, 10.8% less than in the first six months of 2010.

Like for Like Net Revenues and EBITDA





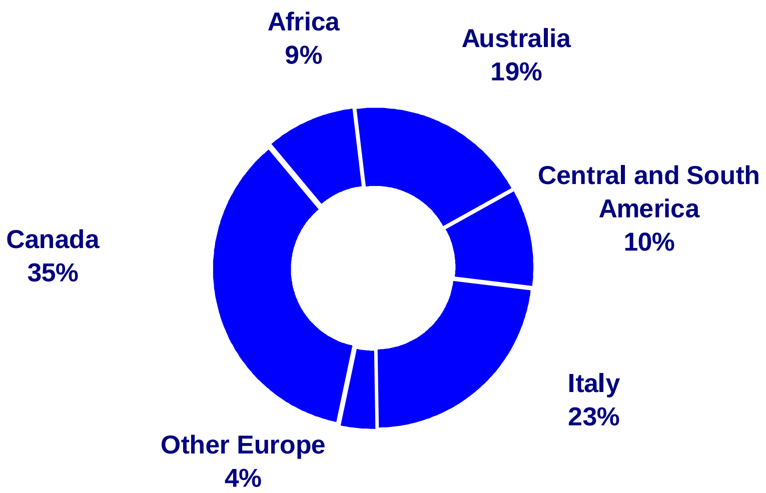
(*) The variance of the Venezuelan SBU, mainly due to inflation phenomena, amounts to -10.5 million euros.

Data by Geographic Region

(in millions of euros)	Cumulative at June 30, 2011			Cumulative at June 30, 2010		
Region	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***
Italy	**489.5**	**39.6**	***8.1***	**478.1**	**49.8**	***10.4***
Other Europe	**76.9**	**3.3**	***4.3***	**72.6**	**6.6**	***9.1***
Russia	46.2	2.4	*5.2*	40.3	2.8	*6.9*
Portugal	26.0	0.6	*2.4*	27.7	3.0	*10.9*
Romania	4.7	0.3	*5.9*	4.6	0.8	*16.7*
Canada	**762.8**	**69.5**	***9.1***	**749.1**	**64.8**	***8.6***
Africa	**201.6**	**19.7**	***9.8***	**192.0**	**17.2**	***9.0***
South Africa	173.2	17.2	*10.0*	164.8	15.6	*9.5*
Other Africa	28.5	2.4	*8.5*	27.1	1.6	*5.8*
Australia	**399.9**	**13.5**	***3.4***	**341.8**	**32.7**	***9.6***
Central and South America	**216.9**	**17.0**	***7.8***	**193.2**	**11.4**	***5.9***
Venezuela	142.5	14.4	*10.1*	121.7	8.0	*6.5*
Colombia	62.0	2.4	*3.9*	60.1	3.6	*6.0*
Other Central and South America	12.4	0.2	*1.5*	11.4	(0.1)	*(1.2)*
Other [1]	**(0.9)**	**(13.2)**	***n.s.***	**(0.6)**	**(8.1)**	***n.s.***
Group	**2,146.9**	**149.3**	***7.0***	**2,026.2**	**174.5**	***8.6***

Regions represent the consolidated countries.
1. Including Group's parent Company's costs, other no core companies and eliminations between regions.

Net Revenues by Geographic Region



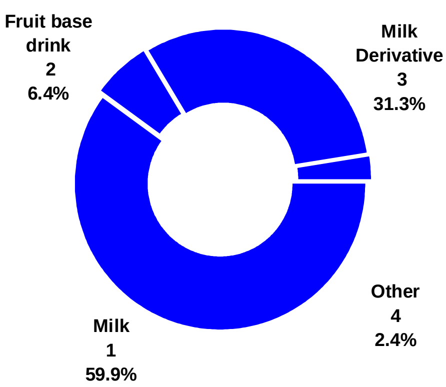
Data by Product Division

(in millions of euros)	Cumulative at June 30, 2011			Cumulative at June 30, 2010		
Division	**Net Revenues**	**EBITDA**	***EBITDA %***	**Net Revenues**	**EBITDA**	***EBITDA %***
Milk [1]	1,286.7	58.2	*4.5*	1,216.0	92.6	*7.6*
Fruit base drink [2]	136.5	20.7	*15.2*	123.3	17.9	*14.5*
Milk Derivative [3]	671.6	74.8	*11.1*	634.5	69.6	*11.0*
Other [4]	52.1	(4.4)	*(8.5)*	52.5	(5.6)	*(10.7)*
Group	**2,146.9**	**149.3**	***7.0***	**2,026.2**	**174.5**	***8.6***

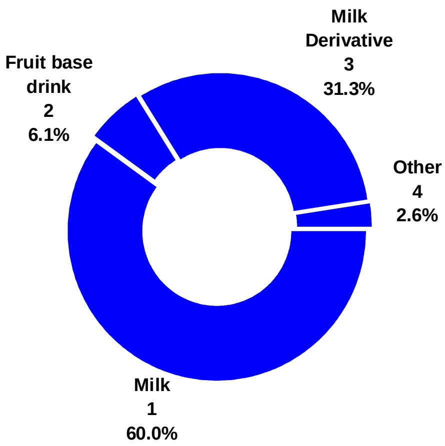
1 Include milk, cream and béchamel.
2 Include fruit base drink and tea.
3 Include yoghurt, dessert, cheese.
4 Include other products, hyperinflation in Venezuela and Group's Parent Company costs.

Net Revenues by Product Division

Cumulative at June 30, 2011



Cumulative at June 30, 2010



1 Include milk, cream and béchamel.
2 Include fruit base drink and tea.
3 Include yoghurt, dessert, cheese.
4 Include other products and hyperinflation in Venezuela.

Italy

The economic recovery remains weak, with an upturn in inflation that reflects pressure on the price of food products and energy. Expectations of tax increases to reduce government debt is an additional factor that constrains the propensity to consume on the part of households.

Market and Products

The market for milk with extended shelf life grew modestly in volume terms, but expanded more vigorously in value terms, due to across-the-board price increases tied to higher raw milk costs. In this environment, Parmalat retained its leadership position, with a 34.1% market share, thanks to a strong performance by Zymil and the relaunching of new functional products with the *Latte del benessere* (Milk for wellness) line.

Consumption of pasteurized milk continued to increase in the modern distribution channel, while contracting in the traditional channel. Parmalat suffered a slight reduction of its market share, while private labels began to show modest fresh growth. Parmalat retained the leadership position both in the modern channel and the traditional channel, despite a slight drop in consumption that affected some of its lesser brands.

The market for UHT cream grew by 1.3% on a volume basis. Parmalat's Chef brand was particularly successful, achieving a value market share of 30.3%.

The yogurt market grew at a healthy pace on a volume basis and more slowly on a value basis, with Parmalat maintaining its market share.

In the market for fruit beverages, consumption is continuing to increase, making up the losses suffered last year due to unfavorable weather conditions. Parmalat's Santàl brand maintained its market share, confirming its brand leader position.

The table below shows the market share held by the Italian SBU in the main market segments in which it operates:

Product	Value market share
UHT milk	34.1%
Pasteurized milk[1]	25.0%
Yogurt	5.5%
Fruit beverages	14.3%

Source: Nielsen – IRI Total Italy no Discount
[1] *Source: Nielsen Modern Channel*

(in millions of euros)	**Cumulative at June 30, 2011**	**Cumulative at June 30, 2010**	**Variance**	**Varian.%**
Revenues	**489.5**	**478.1**	**11.4**	*+2.4%*
EBITDA	**39.6**	**49.8**	**(10.2)**	*-20.6%*
EBITDA %	*8.1*	*10.4*	*-2.3 ppt*	

Overall, sales volumes were substantially in line with the previous year. Sales of pasteurized milk, which account for 34% of total unit sales, were down 3.2%, while those of UHT milk, which account for 43% of total unit sales, were up 2.7%.

EBITDA decreased by 10.2 million euros, due mainly to the following factors:

- higher raw milk costs that were matched with list price increases not yet fully reflected in the trade;

- the damage caused by the fire at the production facility of Centrale del Latte di Roma in August 2010 (net of partial insurance settlements). Centrale del Latte di Roma resumed normal production in the second quarter of 2011.

Raw Materials and Packaging

In the first half of 2011, the price paid for raw milk increased both in Italy and in the European market in general.

Packaging costs were also up compared with the first half of 2010, as rising oil prices translated into higher prices for plastic-based materials.

Industrial Investments

In the first half of 2011, the SBU invested a total of 9.5 million euros, focusing on the following projects:

- a new packaging line;
- activities to recondition assets damaged by the fire of August 2010 in Rome;
- improving production quality and the safety of food production processes;
- reducing energy consumption and the environmental impact;

Other Countries in Europe

Russia

The growth of the Russian economy was driven mainly by higher prices in the international markets for oil and the other commodities that it exports. An unwanted effect of this situation is a rising rate of inflation, with negative repercussions on domestic consumption

Market and Products

Consumer demand for food products slowed due to a rising rate of inflation in the first half of 2011, with the markets for UHT milk and fruit beverages contracting by 1% and about 5%, respectively
These markets are highly concentrated, particularly after the consolidation carried out in recent years by the main international players.

Thanks to the more aggressive sales policy that it began to implement last year, the SBU was able to steadily improve its market shares, particularly in the UHT milk and UHT cream segments.

The table below shows the market share held by the Russian SBU in the main market segments in which it operates:

Product	Value market share
UHT milk	4.1%
UHT cream	5.3%
Flavored UHT milk	5.2%
Fruit beverages	4.1%

Source: SBU's estimated based on Nielsen data, Tetra Pak management data

(in millions of euros)	Cumulative at June 30, 2011	Cumulative at June 30, 2010	Variance	Varian.%
Revenues	**46.2**	**40.3**	**6.0**	*+14.9%*
EBITDA	**2.4**	**2.8**	**(0.4)**	*-14.0%*
EBITDA %	*5.2*	*6.9*	*-1.7 ppt*	

Local currency figures

(local currency millions)	Cumulative at June 30, 2011	Cumulative at June 30, 2010	Variance	Varian.%
Revenues	**1,856.2**	**1,606.9**	**249.2**	*+15.5%*
EBITDA	**95.8**	**110.7**	**(15.0)**	*-13.5%*
EBITDA %	*5.2*	*6.9*	*-1.7 ppt*	

The local currency (Russian ruble) decreased in value by 0.6% compared with the exchange rate applied in the same period last year. The impact of this change on revenues and EBITDA was not material.

Overall, unit sales were in line with those of the previous year. More specifically, shipments of UHT milk, which together with flavored milk account for 37% of total unit sales, were up 4.9% compared with 2010. The main reason for this sales increase is the implementation of a more aggressive sales policy, which enabled the local subsidiary to regain the ground it lost in 2010.

Insofar as profitability is concerned, the SBU's performance in the first half of 2011 was adversely affected by the extended period of drought that occurred in 2010, which caused harvest failures in the agricultural sector and, consequently, higher raw milk prices. Procurement costs of fruit concentrates were also up sharply, consistent with the trend in the international markets.

Capital Expenditures

Capital expenditures totaled 4.5 million euros in the first half of 2011. They were used mainly for the final development of the Moscow logistics center, which, following its completion by the end of this year, will enable the local SBU to expand its range of action in the distribution of fresh products.

Portugal

In Portugal, the macroeconomic scenario continues to be extremely challenging, due mainly to the high level of its national debt, which caused the local government to adopt restrictive measures, including higher taxes and lower government spending. Such a situation ends up draining resources away from households and reduces their spending ability. Parmalat continues to be affected by this challenging market situation.

Market and Products

The Portuguese milk market is highly concentrated, with an uncontested strong market leader and a steadily growing presence by private labels, with has caused prices and margins to contract significantly.

The consumer spending crisis penalized primarily products with a high value added, such as flavored milk and, among dairy products, cream and béchamel.

In the fruit beverage segment, the market scenario is particularly challenging, due to steady growth by private labels. The table below shows the SBU's market share in the main product categories:

Product	Value market share
Flavored milk1	26.8%
UHT milk[2]	0.3%
Fruit beverages[2]	2.3%

Source: [1] AC Nielsen Homescan revalues, [2] AC Nielsen Homescan 12 at Sept. 2011

(in millions of euros)	**Cumulative at June 30, 2011**	**Cumulative at June 30, 2010**	**Variance**	**Varian.%**
Revenues	**26.0**	**27.7**	**(1.7)**	*-6.2%*
EBITDA	**0.6**	**3.0**	**(2.4)**	*-79.6%*
EBITDA %	*2.4*	*10.9*	*-8.6 ppt*	

In the first half of 2011, net revenues totaled 26.0 million euros, or 6.2% less than in the same period last year, due both to a reduction in net sales prices and a contraction in unit sales, which decreased by 5.5% compared with the previous year.

The profitability of the local subsidiary was adversely affected by the macroeconomic scenario, which made it impossible to fully recover the higher costs of raw materials and other production costs.

Romania

Parmalat Romania sells exclusively fruit beverages distributed under the Santàl brand. With this brand, the Group is present in the nectar, juice and still drink segments, in each of which it is positioned in the Premium Price group.

The local subsidiary reported net revenues of 4.7 million euros, in line with the previous year.

Canada

The Canadian economy continued to grow at a moderate pace, in line with the trend in the other advanced economies.

Market and Products

The dairy market is characterized by relatively stable consumption in all of its main segments, with strong price competition.

The pasteurized milk market contracted slightly on a volume basis, with Parmalat's market share decreasing slightly in the "basic milk" segment but increasing in the Premium segment thanks mainly to a positive performance by its microfiltered milk and lactose-free milk.

The yogurt market was stable on a volume basis but grew on a value basis. More specifically, the "spoonable" segment contracted slightly, while the "drinkable" segment continued to enjoy substantial growth rates. Parmalat, ranked second in English Canada and third in French Canada, significantly expanded its market share, both on a volume and a value basis, thanks to a more aggressive use of sales promotions during the first half of 2011.

The cheese market was table in the natural cheese segment and grew in the "shred" and snack segments. Parmalat confirmed its leadership position in the snack cheese segment and a strong presence in all other segments.

The butter market has been growing steadily and Parmalat is the national leader in this market, with a 19.6% value market share.

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

Product	Value market share
Milk	19.7%
Spoonable yogurt	15.1%
Drinkable yogurt	8.5%
Snack cheese	36.8%
Butter	19.6%
Natural cheese	14.5%

Source: ACNielsen, MarketTrack, National Grocery Banner+Drug+Mass Merch, Latest 12 and 52 weeks ending June 4th, 2011

(in millions of euros)	**Cumulative at June 30, 2011**	**Cumulative at June 30, 2010**	**Variance**	**Varian.%**
Revenues	**762.8**	**749.1**	**13.7**	*+1.8%*
EBITDA	**69.5**	**64.8**	**4.7**	*+7.2%*
EBITDA %	*9.1*	*8.6*	*0.5 ppt*	

Local currency figures

(local currency millions)	**Cumulative at June 30, 2011**	**Cumulative at June 30, 2010**	**Variance**	**Varian.%**
Revenues	**1,045.2**	**1,029.1**	**16.1**	*+1.6%*
EBITDA	**95.2**	**89.0**	**6.2**	*+6.9%*
EBITDA %	*9.1*	*8.6*	*0.5 ppt*	

The Canadian dollar increased in value by 0.3% compared with the exchange rate applied in the same period last year, with an impact on revenues and EBITDA of 1.9 million euros and 0.2 million euros, respectively.

In the first half of 2011, sales volumes were down by 4.6% overall. More specifically, unit sales were up modestly for cheese and grew by 6.9% for yogurt, thanks to increased investments in promotions and advertising. Unit sales of pasteurized, which together with flavored milk accounts for 59% of the total sales volume, were down 3.8%.

EBITDA increased by 6.9% in the first six months of 2011, thanks to a more effective sales policy and a skillful management of the product portfolio.

Raw Materials

In the Canadian market for raw milk, the purchase price is regulated, with the aim of limiting the impact of price swings in the international market. Nevertheless, the price paid for raw milk was higher than in 2010.

Capital Expenditures

Capital expenditures totaled 15 million euros in the first half of 2011.
The main investments focused on strengthening both the SBU's warehouse network and its manufacturing organization, in addition to projects carried out to comply with regulatory requirements and revamp the distribution network.

Africa

(in millions of euros)1	Cumulative at June 30, 2011	Cumulative at June 30, 2010	Variance	Varian.%
Revenues	**201.6**	**192.0**	**9.7**	*+5.0%*
EBITDA	**19.7**	**17.2**	**2.4**	*+14.2%*
EBITDA %	*9.8*	*9.0*	*0.8 ppt*	

[1] Consolidated data for South Africa, Mozambique, Zambia, Botswana and Swaziland.

South Africa

The South African economy has been growing at a modest pace. However, consistent with the global trend, the rate of expansion slowed in the second quarter. Moreover, the high level of unemployment continues to affect consumption.

Market and Products

The UHT milk market enjoyed significant growth, thanks to stable prices that reflected unfavorable conditions in the local economy. In this environment, the local subsidiary reported a healthy gain in unit sales, which helped it maintain its market share.

During the first six months of 2011, the cheese market was relatively stable on a volume basis but grew on a value basis, reflecting a positive performance by higher priced packaged brand-name products. Parmalat South Africa retained its leadership position, with a 34.7% market share.

In the yogurt market, the positive trend continued, driven by the recent launch of lower-priced products. The local subsidiary increased its market share thanks to carefully targeted activities to reposition its products.

In the dairy beverage segment, the best performance occurred in the market for flavored milk, where the local subsidiary retained the leadership position.

The table below shows the market share held by the South African SBU in the main market segments in which it operates:

Product	Value market share
UHT milk	15.9%
Cheese	34.7%
Yogurt	18.4%
Flavored milk	42.4%

Source: Synovate: Defined Retail Market

(in millions of euros)	**Cumulative at June 30, 2011**	**Cumulative at June 30, 2010**	**Variance**	**Varian.%**
Revenues	**173.2**	**164.8**	**8.3**	*+5.0%*
EBITDA	**17.2**	**15.6**	**1.6**	*+10.2%*
EBITDA %	*10.0*	*9.5*	*0.5 ppt*	

Local currency figures

(local currency millions)	**Cumulative at June 30, 2011**	**Cumulative at June 30, 2010**	**Variance**	**Varian.%**
Revenues	**1,677.2**	**1,649.1**	**28.1**	*+1.7%*
EBITDA	**167.0**	**156.5**	**10.4**	*+6.7%*
EBITDA %	*10.0*	*9.5*	*0.5 ppt*	

The local currency (South African rand) increased in value by 3.2% compared with the exchange rate applied in the same period last year. The impact of this change on revenues and EBITDA was 5.5 million euros and 0.5 million euros, respectively.

Total sales volumes increased by 3.6% the first six months of 2011. More specifically, unit sales of UHT milk, which account for 50% of the subsidiary's total sales volume, were up 6.6% compared with the same period last year.

In the cheese segment, which represents 12% of the SBU's total sales volume, unit sales were substantially stable, but yogurt shipments rose by 40%.

EBITDA benefited from lower prices for raw milk and from the effects of a portfolio management strategy focused on products with higher profit margins.

Raw Materials and Packaging

In the first half of 2011, the purchase price of raw milk was lower than in the same period in 2010, showing that the downward trend, which was particularly pronounced in last year's closing quarter, is continuing.
Overall, packaging costs were lower than in the first half of 2010, due mainly to the appreciation of the local currency versus the euro.

Capital Expenditures

Capital expenditures, which totaled 2.6 million euros in the first six months of 2011, were used mainly to increase milk and cheese storage capacity, update and upgrade production lines, recondition equipment and implement projects required to comply with new regulations.

Other Countries in Africa

The net revenues of the other African countries (Swaziland, Mozambique, Botswana and Zambia), computed with intra-Group transactions within the Africa region, totaled 35.2 million euros, up 1.7 million euros compared with the previous year (33.5 million euros). EBITDA, computed net of consolidation adjustments, grew to 2.0 million euros, or 0.4 million euros more than in 2010.

Sales volumes were relatively steady overall, compared with the previous year, as the effect of lower sales in Mozambique and Botswana was offset by gains in other countries.

In **Zambia,** where Parmalat enjoys absolute leadership positions, with revenues of 17.4 million euros, the local operations reported increases both in unit sales (+5%) and net revenues (+20%). Steady condition in the local market are providing an opportunity to consolidate the positions achieved.

In **Botswana,** net revenues totaled 8.4 million euros, substantially in line with the previous year, even though sales volumes decreased.

In **Swaziland,** both unit sales and revenues, which totaled 5.4 million euros, were up sharply compared with the previous year, thanks mainly to an effective management of the marketing and distribution policy.

In **Mozambique,** the local subsidiary reported net revenues of 4.0 million euros. A significant reduction in unit sales accounts for the revenue decrease compared with 2010. The Group's activities in Mozambique are affected by fluctuations in foreign exchange rates, as products are imported from South Africa.

Australia

The Australian economy is continuing to grow, driven in part by economic expansion in China, which is a major importer of commodities that are abundant in Australia. However, there was a growing focus on prices in the retail sector, with consumers favoring lower-priced products and private labels, particularly with regard to market staples.

In the first quarter of 2011, the SBU's profitability was adversely affected by the massive floods that occurred in Queensland, which is the region where Parmalat has its most important market positions, causing consumer preferences to temporarily shift towards basic products with an extended shelf life.

Market and Products

The flavored milk market, which is highly developed in Australia, grew at a sustained pace, with Parmalat improving its market share both on a volume and a value basis.

The white milk market posted an impressive gain in volume terms (+5.7%), but contracted by 2.6% in value terms. The main reason for this situation is the steady growth of private labels (62.2% volume market share), which are priced at a level considerably lower than that of brand-name products. The price differential became even wider starting in February, when one of the main distributors further reduced prices. In this environment, Parmalat lost market share, as did all producers, and finds it difficult to reflect the higher cost of raw milk in its sales prices.

Consumption was up in the yogurt market and Parmalat, while having to face the entry of a new competitor, succeeded in increasing its market share thanks to a successful performance in the functional product segment.

The dessert market has been growing again on a value basis and Parmalat regained market share (+0.4 points) compared with the previous year.

Product	Value market share
Pasteurized "white" milk	20.9%
Flavored milk	29.8%
Yogurt	13.8%
Desserts	16.6%

Source: Aztec information Systems - Grocery Scan sales

(in millions of euros)	**Cumulative at June 30, 2011**	**Cumulative at June 30, 2010**	**Variance**	**Varian.%**
Revenues	**399.9**	**341.8**	**58.2**	*+17.0%*
EBITDA	**13.5**	**32.7**	**(19.3)**	*-58.8%*
EBITDA %	*3.4*	*9.6*	*-6.2 ppt*	

Local currency figures

(local currency millions)	**Cumulative at June 30, 2011**	**Cumulative at June 30, 2010**	**Variance**	**Varian.%**
Revenues	**543.1**	**507.8**	**35.3**	*+6.9%*
EBITDA	**18.3**	**48.6**	**(30.3)**	*-62.4%*
EBITDA %	*3.4*	*9.6*	*-6.2 ppt*	

The value of the Australian dollar increased by 8.6% compared with the exchange rate applied in the same period last year. The positive impact of this change on revenues and EBITDA was 34.4 million euros and 1.2 million euros, respectively.

The local SBU reported higher unit sales in the first quarter of 2011. Sales of pasteurized milk, which, excluding flavored milk, account for 75% of the total sales volume, were up 21.2%, owing in part to new production for private labels. Unit sales of flavored milk and yogurt increased by 1.6% and 12.4%, respectively, compared with the previous year.

The decrease in EBITDA reflects the impact of pressure on sales prices caused by the strength of private labels, the impact of the Queensland floods, the higher price of raw milk and an increase in advertising investments carried out to support the more profitable product categories, i.e., yogurt and flavored milk.

Raw Materials and Packaging

The average purchase price of raw milk was up compared with the previous year, due mainly to the delayed effect of the 2010 increase in milk prices (primarily in the Victoria region).

Capital Expenditures

Capital expenditures totaled 11.3 million euros in the first half of 2011. They were used to increase the capacity and efficiency of production facilities, recondition assets and carry out investment projects in the marketing and distribution area to support future growth.

Central and South America

Venezuela

Even though the Venezuelan economy benefited from oil prices that were higher than last year, the high rate of inflation continues to have a strong negative effect on consumption.

Market and Products

In the first half of 2011, sales volumes contracted sharply in the markets for powdered milk (-19.1%), fruit beverages (-10.8%), yogurt (-8.0%) and milk beverages (-6.9%), compared with the previous year.
The distribution system is still based mainly on traditional retailers, who account for most of the SBU's sales.

During the first six months of 2011, the local SBU was able to substantially maintain its value market share in the fruit beverage and milk beverage categories and slightly increase its value market share in the powdered milk and yogurt categories, compared with the same period last year.

The table below shows the SBU's value market share in the main product categories:

Product	Value market share
Fruit beverages	19.8%
Milk beverages	32.2%
Powdered milk	18.5%
Yoghurt	25.5%

Source: ACNielsen; January 2011 – May 2011

In the table below, the data for 2010 and 2011 are stated in accordance with IAS 29.

(in millions of euros)	**Cumulative at June 30, 2011**	**Cumulative at June 30, 2010**	**Variance**	**Varian.%**
Revenues	**142.5**	**121.7**	**20.8**	*+17.1%*
EBITDA	**14.4**	**8.0**	**6.4**	*+80.4%*
EBITDA %	*10.1*	*6.5*	*3.5 ppt*	

Local currency figures

(local currency millions)	**Cumulative at June 30, 2011**	**Cumulative at June 30, 2010**	**Variance**	**Varian.%**
Revenues	**859.8**	**695.4**	**164.4**	*+23.6%*
EBITDA	**86.7**	**45.5**	**41.2**	*+90.5%*
EBITDA %	*10.1*	*6.5*	*3.5 ppt*	

Overall, unit sales increased by 6.9% compared with 2010. Specifically, shipments were up 5.5% for fruit beverages, which accounted for 46% of the SBU's total sales volume, and grew by 19.4% and 2.9%, respectively, for pasteurized milk and yogurt, compared with the first half of 2010.

The resolution of some critical situations that characterized 2010, such as shortages of electric power and the renewal of labor contracts at the main production facilities, helped the SBU improve its profitability.

The improvement in EBITDA is chiefly the result of the higher coverage of fixed costs provided by the increase in sales volumes, particularly for products with a high value added, and the impact of an effective management of sales price dynamics.

Raw Materials and Packaging

During the first half of 2011, the purchase price of raw milk increased compared with the same period last year, due to the unification of the exchange rates implemented in December 2010 and to currency restrictions.

The developments mentioned above had an inflationary impact on all imported packaging materials and raw materials

Capital Expenditures

Capital expenditures, which totaled 1.3 million euros in the first half of 2011, were used primarily to increase manufacturing capacity and efficiency and recondition some assets.

Colombia

The Colombian economy continued to grow during the first half of 2011. However, gradual increases in interest rates implemented by the Central Bank and a stubborn double-digit unemployment rate are factors that have a negative effect on consumption.

Market and Products

In the dairy market, the internal dynamics reported at the end of 2010 continued in the first half 2011. Trends in the market segments in which the local subsidiary operates, signal a nationwide shift in consumption patterns in the milk category, with consumers migrating from fresh pasteurized milk to products with an extended shelf life packaged in aseptic plastic pouches.

The yogurt market also grew, both on a volume and a value basis. The local subsidiary confirmed its competitive position in the main market categories

The table below shows the SBU's value market share in the main market segments:

Product	Value market share
Pasteurized milk [1]	6.0%
UHT milk	8.0%
Powdered milk	3.0%

Source: ACNielsen

(in millions of euros)	Cumulative at June 30, 2011	Cumulative at June 30, 2010	Variance	Varian.%
Revenues	**62.0**	**60.1**	**2.0**	*+3.3%*
EBITDA	**2.4**	**3.6**	**(1.2)**	*-32.9%*
EBITDA %	*3.9*	*6.0*	*-2.1 ppt*	

Local currency figures

(local currency millions)	Cumulative at June 30, 2011	Cumulative at June 30, 2010	Variance	Varian.%
Revenues	**159,921**	**155,468**	**4,453**	*+2.9%*
EBITDA	**6,238**	**9,334**	**(3,097)**	*-33.2%*
EBITDA %	*3.9*	*6.0*	*-2.1 ppt*	

The local currency (peso) increased in value by 0.4% compared with the exchange rate applied in the same period last year. This change had an impact of 0.3 million euros on revenues and a negligible effect on EBITDA

Total unit sales decreased by 4.2% compared with the previous year, with shipments of liquid milk, which accounted for more than 80% of the total sales volume, decreasing by 6%.
This decrease is due to a major contraction in the available supply of raw milk caused by an exceptional rainy season that was particularly violent in the central portion of the country.

The profitability of the local subsidiary was penalized primarily by external factors, such as a higher asset tax and an increase in the price of raw milk caused by the factors mentioned above.

Capital Expenditures

Capital expenditures, which totaled 1.2 million euros in the first six months of 2011, were used to recondition some assets and for projects to comply with regulatory requirements.

Other Countries in Central and South America

Net revenues in the other countries of Central and South America increased and EBITDA held relatively steady, compared with the first half of 2010.

The Group's SBU in **Paraguay** reported net revenues of 5.3 million euros, up compared with 2010, and EBITDA of 0.1 million euros.

The Group's SBU in **Ecuador** markets primarily UHT milk packaged in aseptic plastic pouches (APP) and Tetra Brick containers. Net revenues grew to 7.1 million euros and EBITDA totaled 0.2 million euros. The improvement over the results reported last year was made possible in part by the removal of government price controls.

The Group's SBU in **Cuba,** which engages in the production of grapefruit and orange juice concentrates, fresh juices and orange and grapefruit essential oils, was again unable to carry out its regular production activity due to a scarcity of the necessary raw materials.

Human Resources

Group Staffing

The table below provides a breakdown by geographic region of the employees of Group companies at June 30, 2011 and a comparison with the data at December 31, 2010.

Total payroll by geographic region		
Geographic region	**6/30/11**	**12/31/10**
Italy	2,117	2,130
Europe excluding Italy	1,457	1,402
Canada	2,946	2,884
Africa	2,399	2,405
Australia	1,761	1,771
Central and South America	3,285	3,338
Total	**13,965**	**13,930**

The number of employees on the Group's payroll remained virtually constant during the first half of 2011. There were staff increases in the European region, primarily in Russia, and at the Canadian SBU, caused mainly to the hiring of employees with temporary contracts. On the other hand, the staff decreased in South America, with the largest reduction occurring in Venezuela and Colombia, due for the most part to the expiration of contracts that were not renewed.

Capital Expenditures

Overview of the capital expenditures of the Parmalat Group at June 30, 2011

(in millions of euros)	First half 2011		First half 2010	
Region	**Amount**	**% of the total**	**Amount**	**% of the total**
Italy	9.5	20.3%	21.0	44.0%
Europe excluding Italy	4.7	10.0%	3.3	7.0%
Canada	15.0	32.1	9.2	19.2%
Africa	3.6	7.7	2.3	4.8%
Australia	11.3	24.1	8.5	17.7%
Central and South America	2.6	5.8	3.5	7.3%
Total capital expenditures	**46.8**	**100.0%**	**47.8**	**100.0%**
Land and buildings	3.6		3.6	
Total for the Group	**50.4**		**51.4**	

In the first half of 2011, the Group's capital expenditures totaled 46.8 million euros, or 2.1% less than in the same period last year.

Investments in land and buildings refer mainly to the completion of construction work carried out at the Zevio plant to build a new packaging department, new premises annexed to production facilities, expansions of existing buildings, extraordinary maintenance to comply with new regulatory requirements and various renovation projects.

Capital expenditures do not include the cost of licensing and implementing information systems (5.1 million euros in the first half of 2011), incurred mainly in Italy, Canada and Venezuela.

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 2011, the Research and Development Department continued to focus on the development of new products for the fruit juice, milk and yogurt product line. Special attention was paid to optimizing yogurt recipes in an ongoing effort to keep up with new flavor and the changing needs of modern consumers. At the same time, the Department worked on renewing packaging designs and studying new types of packaging and new technologies for the production of functional milk. A special effort is being devoted to improving raw milk with programs implemented directly at the farms where animals are raised. Lastly, the Group's R&D laboratories played a important role within the framework of the "Parmalat and Universities for Quality" project, which was originally launched to certify the quality UHT milk, but has already been extended to fresh milk and will soon include yogurt.

Financial Performance

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

The cash management policy pursued both by Parmalat S.p.A. individually and the Group as a whole is guided by a conservative approach.

Most of the liquid assets are held by the Group's Parent Company, while some subsidiaries still hold some residual indebtedness. In 2010, a portion of the Parent Company's liquidity was used to repay bank debt owed by the two main subsidiaries in Canada and Australia.

The Group's liquid assets totaled 1,464.8 million euros, including 1,308.3 million euros held by Parmalat S.p.A. This liquidity was invested in short-term bank deposits and Italian, French and German treasury securities. More than half of these investments mature within three months and the rest matures between three and five months. 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 Group level, income from securities and bank interest totaled 9.3 million euros, including 7.3 million euros attributable to Parmalat S.p.A..

The debt exposure to banks and other lenders was roughly in line with the amount owed at the end of 2010 (38.1 million euros at December 31, 2010 and 43.4 million euros at June 30, 2011).

Change in Net Financial Position

The Group's net financial assets decreased from 1,435.2 million euros at December 31, 2010 to 1,421.4 million euros at June 30, 2011 and reflect a negative translation effect of 8.5 million euros.

The cash flow used in operating activities totaled 3.7 million euros, due mainly to the impact of seasonal factors on working capital and the payment in 2011 of investments in property, plant and equipment made by the Canadian subsidiary at the end of 2010.

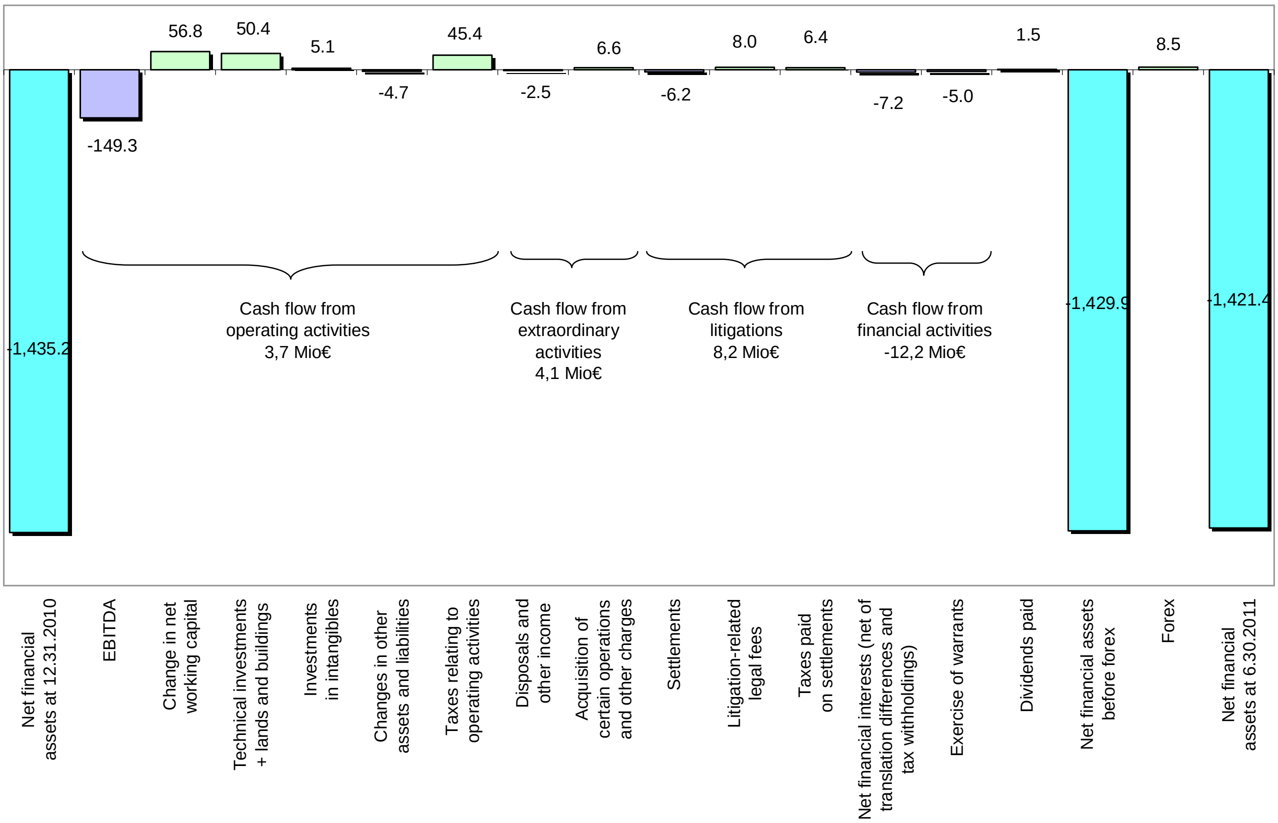
Cash flow from nonrecurring transactions amounted to 4.1 million euros.

Litigation settlement activities generated a negative cash flow that reduced the net financial position by 8.2 million euros, as outlays of 8.0 million euros for legal costs and taxes of 6.4 million euros on settlement proceeds could not be fully offset with proceeds from settlements, which totaled 6.2 million euros.

The cash flow from financial transactions totaled 12.2 million euros.

Lastly, in addition to the negative translation effect of 8.5 million euros mentioned above, dividends totaling 1.5 million euros were paid during the period.

Consolidated Cash Flow January 1- June 30, 2011



Managing Business Risks

In the normal course of its business operations, the Group is exposed to the operating risks that arise from the possible occurrence of accidents, malfunctions and breakdowns causing damages to persons, 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;

and risks of a general nature.

Lastly, the Company and the Group are defendants in a series of civil and administrative lawsuits and the Company has 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 Financial Statements of the Parmalat Group entitled "Legal Disputes and Contingent Liabilities at June 30, 2011.

Operational Risks

The quality of its products, the protection of the health of its customers and their full satisfaction are the Group's primary objectives. To guarantee the quality of its products, in each of the countries where it operates, the Group adopted procedures and controls that are applied throughout the production process, from the procurement of raw materials to the distribution of finished products.

Parmalat implemented at the Group level a project to allow individual SBUs to map operational risks. Operational risks are mapped by means of a special tool that ranks them based on probability of occurrence and potential economic impact. Risks are assessed in the following categories: competition, external context, regulatory environment, processes, procedures, sustainability, health and safety, trademarks, products, organization, systems and technology, and human resources.
The results of these activities are updated every six months.

However, despite the existing procedures and controls, the Group's manufacturing processes are exposed to the risk of contamination both for products and packaging materials, as is the case for all processes in the food industry. 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.

Consistent with a policy of monitoring, reducing and transferring the operating risks that are inherent in its industrial and commercial activities, the Group has established an insurance system based on master policies that are negotiated and executed at the headquarters level and on primary risk local policies. The latter provide immediate coverage, which is supplemented with master policies when the magnitude of the damage exceeds the local coverage.

Preventive procedures and controls at the manufacturing level and insurance coverage is constantly updated and are reviewed by independent auditors.

Financial Risks

The Group's financial risk management policy is coordinated through guidelines defined by the Parent Company and adjusted by each company in local policies adopted to address specific issues that exist in the 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

The Group has a limited exposure to foreign exchange risk because purchases and sales made by operations in the different target markets are denominated almost exclusively in local currencies.
Any 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 of the company involved, except for special needs, which require the approval of the Group's Parent Company. Intercompany financing is provided by Parmalat S.p.A. in euros and the borrower company is responsible for establishing the necessary foreign exchange hedges.

Commodity Risk

The volatility of commodity prices can have an effect, in ways and with intensities that vary in the different countries where the Group operates, on the price of raw milk, other ingredients and petroleum-based products such as energy, transportation and packaging materials.

Interest Rate Risk

The virtual absence of significant financial debt owed to outside lenders minimizes the Group's exposure to the interest rate risk.

Price Risk

The Group is not exposed to the risk related to changes in stock market 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 it is invested in short-term Treasury securities.

All of the liquidity of Parmalat S.p.A. is permanently held in Italy. At June 30, 2011, it was invested primarily on a fixed-term basis: almost 70% of the total amount was invested in Treasury securities (about 45% in Italian Treasury securities and the rest in German and French Treasury securities) and the remaining 30% was held in time deposits with banks rated "superior investment grade."
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 incorporated in special Cash Management Policies that take into account the specificities of individual 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 prevent the occurrence of financing problems. No situations causing financial stress occurred in the first half of 2011.

The abundant liquid assets held by the Group's Parent Company and the cash flow from operations that is being generated at the Group level provide ample coverage over the liquidity risk at all times.

Risks of a General Nature

The Group operates in the food industry, which, by its very nature, is less exposed than other activities to the negative effects of changes in economic conditions. Nevertheless, at this juncture, forecasting the effects and the timing of a recovery in the countries where the Group operates is a complex endeavor.
Consequently, in light of the preceding remarks, a slow-paced the economic recovery could have an effect on the Group's performance.

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

***

Transactions among Group companies or between Group companies and 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 2011 was about 29.8%. In the case of the Italian Group companies, the tax rate was determined taking into account the regional tax (IRAP) component.

The effective tax rate of Parmalat S.p.A., the Group's Parent Company, was about 18.1%.
The differential between the effective tax rate and the statutory tax rate is due to the tax treatment of dividends, as 95% of their amount is excluded from taxable income.

In the first half of 2011, Sata Srl renewed the option to be included in the National Consolidated Income Tax Return and Parmalat Africa S.p.A. elected to be included in the consolidated return.

Current income taxes for the first six months of 2011 totaled 26.1 million euros, including 11.8 million euros owed by Parmalat Canada Inc., 4 million euros owed by Parmalat South Africa Pty Ltd, 2 million euros owed by Parmalat Australia Ltd and 5.5 million euros owed by Italian Group companies.

At the Group level, the income tax expense totaled 51.8 million euros in the first half of 2011.
Italian Group companies paid 13.3 million euros; Parmalat Canada Inc. paid 17.6 million euros in come taxes; the Australian companies paid about 14.5 million euros; and Parmalat South Africa Pty Ltd paid taxes totaling 4.6 million euros.

As for the Colombian companies, starting in 2011, the local government introduced a new asset tax with a rate of 6%. The corresponding tax bill, computed on the assets held at January 1, 2011, amounts to about 3 million euros and is payable in eight semiannual installments.

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 abovementioned 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 (abbreviated as TUF in Italian). 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 2011

The Second Circuit Court of Appeals Reinstates the Proceedings Concerning Whether the Illinois State Court Has Jurisdiction to Hear the Lawsuit Filed Against Grant Thornton

On January 18, 2011, the Second Circuit Court of Appeals ruled that the New York Federal District Court erred in applying the U.S. bankruptcy law when it ruled that the proceedings should continue under the federal jurisdiction, rejecting Parmalat's argument that the Federal Court should abstain from hearing the merits of these proceedings, which properly belong before the Illinois State Court, where Parmalat originally filed its complaint. The Court of Appeals thus sent the proceedings back to the New York Federal District Court, asking it to reconsider, based on the correct principles of law, the motion filed by Parmalat asking the court to abstain from hearing this case.

By this decision, the Court of Appeals reopens the possibility that, after a review by the District Court, the proceedings could be sent back for a full merit review to the Illinois State Court, which, as Parmalat argued from the start, has jurisdiction over these proceedings.

Proposal of Settlement with PPL Partecipações Limitada in Bankruptcy

The settlement agreement between Parmalat S.p.A. and PPL Partecipações Limitada in Bankruptcy, formerly Parmalat Partecipações do Brasil Limitada, which was subject to several conditions, including acceptance by the creditors of PPL in bankruptcy, could not be implemented due to the objections of several creditors.

The Banks Indicted for Stock Manipulation in the Parmalat Bankruptcy Found Not Guilty

On April 18, 2011, the judges of the Second Criminal Section of the Court of Milan handed down a decision ruling that the four banks indicted for stock manipulation in the Parmalat bankruptcy—Morgan Stanley, Bank of America, Citibank and Deutsche Bank—were not guilty. A not-guilty verdict was also issued for five bank managers, for whom the prosecution had requested sentences ranging between one year and one year and four months.

Tender Offer for Parmalat by Groupe Lactalis

On April 26, 2011, Sofil S.a.s., ("Sofil"), acting also on behalf of B.S.A. S.A. ("BSA") and Groupe Lactalis, launched a voluntary, all inclusive tender offer, pursuant to Article 102 and Article 106, Section 4, of Legislative Decree No. 58 of February 24, 1998 (the "TUF"), for all of the common shares of Parmalat S.p.A., less the Parmalat shares already held by BSA and Groupe Lactalis. For further details, refer to the Report of the Board of Directors to the Shareholders' Meeting held on June 28, 2011, pages 2, 3 and 4.

Liquidity Payment Agreement

As already reported in the Notes to the Consolidated Financial Statements at December 31, 2010, in the section entitled "Guarantees and Commitments," in 2004, Parmalat Canada Inc. (successor to Parmalat Dairy & Bakery Inc) ("Parmalat Canada") executed a loan agreement that included a Liquidity Payment Agreement (LPA) with the Ontario Teachers' Pension Plan Board ("OTPPB"). The LPA includes, inter alia, a provision pursuant to which Parmalat Canada is required to pay to the OTPPB an amount equal to 10% of Parmalat Canada's net value as defined herein, should a liquidity event, as defined in the LPA, occur while the LPA is in effect. A liquidity event could occur, inter alia, if an "indirect change of control," as defined in the LPA, were to take place while the LPA is in effect.

The legal counsel of Parmalat is confident that no “Liquidity Event” occurred as a result of the Tender Offer launched by the Lactalis Group (“Lactalis Offer”) because no “Indirect Change of Control,” as defined in the LPA, occurred before the expiration of the LPA, i.e., June 29, 2011.

The OTPPB sent several letters to Parmalat Canada, the first one dated June 29, 2011, claiming that a “Liquidity Event” had occurred based on the LPA contractual stipulations and demanding payment of the “Liquidity Payment,” as defined in the LPA. Parmalat Canada’s position, as communicated to the OTPPB in a letter dated June 30, 2011, is that no “Liquidity Event” occurred and that, therefore, no “Liquidity Payment” is owed to the OTPPB. On July 21, 2011 the OTPPB has notified Parmalat Canada with Notice of Arbitration in accordante with LPA procedure.

Centrale del Latte di Roma

After numerous court decisions (which the Company reported in the past) the lawsuit filed by Ariete Fattoria Latte Sano (AFLS) landed at the Regional Administrative Court of Latium by means of a complaint seeking enforcement. The Regional Administrative Court of Latium, by a decision handed down on June 1, 2011, granted in part AFLS’s requests, limited to (1) ordering the City of Rome (“CoR”) to pay for the damages suffered by AFLS, quantified at 8 million euros; and (2) ordering the Administration to recognize that the contractual instruments it executed are null and void, without prejudice to CoR’s most ample discretion with regard to its future determinations about the possibility of implementing a new sales procedure. The Regional Administrative Court ruled that the motion for a protective seizure of the shares of Centrale del Latte (“CdL’) now held by Parmalat and the motion that the abovementioned shares be returned to CoR were inadmissible for lack of jurisdiction; and denied the claim for damages lodged against Parmalat for failure to implement the decision handed down by the Council of State in 2010 as devoid of merit and inadmissible. The decision by the Regional Administrative Court confirmed that the Administrative Judge lacks jurisdiction (even in proceeding filed to obtain enforcement) to decide about the ownership of the CdL shares. CoR can therefore pursue this matter before a civil law court, which is something that Parmalat has already done by filing an action for determination with the Civil Court of Rome so that the Court take a decision on the shares property.

Ordinary and Extraordinary Shareholders’ Meeting of Parmalat S.p.A. of June 28, 2011

The Shareholders’ Meeting of Parmalat S.p.A., convened on June 28, 2011 at the offices of Unione degli Industriali di Parma – Palazzo Soragna, approved the financial statements for the year ended December 31, 2010, which ended with a profit of 128.3 million euros (at the consolidated level the profit amounted to 282.0 million euros).

The Shareholders’ Meeting approved a motion declaring a dividend of 0.036 euros on each eligible common share. The dividend will be payable on July 21, 2011, with coupon record date July 18, 2011.

As the term of office of the Company’s governance bodies had come to an end, the Shareholders’ Meeting elected a new Board of Directors and a new Board of Statutory Auditors.

The following nine Directors drawn from the slate filed by B.S.A S.A. and Groupe Lactalis S.A. (hereinafter “Groupe Lactalis”) on March 18, 2011 were elected to the Board of Directors:

1. Antonio Sala
2. Marco Reboa (independent)
3. Francesco Gatti
4. Francesco Tatò (independent)
5. Daniel Jaouen
6. Marco Jesi (independent)

7. Olivier Savary
8. Riccardo Zingales (independent)
9. Ferdinando Grimaldi Quartieri (independent)

with the remaining two Directors being drawn from the minority slate filed by Assogestioni on March 18, 2011, as required by Article 11 of the Company Bylaws:

10. Gaetano Mele (independent)
11. Nigel William Cooper (independent)

Francesco Tatò was elected Chairman of the Board of Directors.

The following candidates were elected to the Board of Statutory Auditors

1. Alfredo Malguzzi (Statutory Auditor)
2. Roberto Cravero (Statutory Auditor)

as Statutory Auditors drawn from the slate filed by Groupe Lactalis on March 18, 2001, and

3. Mario Stella Richter (Chairman)

who, as a candidate drawn from the slate filed by Assogestioni, which received the second highest number of votes, will serve as Chairman of the Board of Statutory Auditors, pursuant to Article 21 of the Company Bylaws.

The following candidates, drawn from the slates filed by B.S.A S.A. and Groupe Lactalis S.A. and by Assogestioni on March 18 2011, were elected to the office of Alternate Auditor:

4. Andrea Lionzo (Alternate)
5. Michele Rutigliano (Alternate)

The Shareholders' Meeting also approved a resolution concerning the compensation awarded to the Board of Directors, the total amount of which was set at 1,300,000 euros, before tax withholdings, a year for the entire Board and awarded to the Directors serving on Board committees an additional variable compensation, based on the actual attendance at meetings of Board committees, in the amount of 3,900 euros per meeting attended for Committee members and of 6,500 euros per meeting attended for Committee Chairmen.

For the Board of Statutory Auditors, comprised of three Statutory Auditors and two Alternates, the Shareholders' Meeting approved an annual compensation in the amount of 45,000 euros for the Statutory Auditors and 65,000 euros for the Chairman.
The term of office of the Board of Directors will run for one fiscal year, i.e., up to the time when a Shareholders' Meeting is convened to approve the financial statements at December 31, 2011; the term of office of the Board of Statutory Auditors will run for three fiscal years; i.e., up to the time when a Shareholders' Meeting is convened to approve the financial statements at December 31, 2013.
Exhaustive information about the personal and professional backgrounds of the members of the Company's governance bodies is available on the website www.parmalat.com, Corporate Governance page, Shareholders' Meeting.

The Extraordinary Shareholders' Meeting did not approve the distribution of bonus shares.

With regard to amendments to the Bylaws, the Extraordinary Shareholders' Meeting agreed:

- to amend Article 8 of the Bylaws to enable the Board of Directors to decide, should it deem it appropriate, to convene the Ordinary and the Extraordinary Shareholders' Meeting on a single calling;
- to amend Article 9 of the Bylaws to enable Parmalat to avail itself of the option to expressly designate one or more Shareholder Representatives, pursuant to Article 135-*undicies* of Legislative

Decree No. 58 of February 24, 1998 (TUF), as implemented by Legislative Decree No. 27 of January 27, 2010;

- to amend the title of the section concerning independent auditing of the financial statements, replacing the wording “independent auditing of the financial statements” with the wording “statutory independent auditing of the financial statements,” in accordance with Legislative Decree No. 39 of January 27, 2010;
- lastly, to approve the new updated version of the Company Bylaws.

Events Occurring After June 30, 2011

Standard & Poor's Ordered to Refund to Parmalat the Rating Fees It Received

By a decision filed on July 1, 2011, the Court of Milan allowed in part the claims put forth by Parmalat against "The MCGraw - Hill Companies" (Standard & Poor's), ordering that the defendant refund the fees it received for the "investment grade" rating it constantly awarded to the Group from November 2000 until 2003, shortly before the Group's collapse, amounting to 784,000 euros, and pay the plaintiff's legal costs. However, the Court denied the claim for damages and the counterclaims lodged by "The MCGraw - Hill Companies" (Standard & Poor's).

Notice of the Results of the Tender Offer – Payment Date

On July 14, 2011, Sofil S.a.s. (the "Offeror"), pursuant to Article 41, Section 6, of Consob Regulation No.11971/1999, as amended, and in accordance with Section F.3 of the Tender Offer Prospectus published on May 13, 2011 (the "Offer Document"), announced that the voluntary, all inclusive tender offer (the "Offer") for the common shares of Parmalat S.p.A. (the "Issuer"), which it launched on April 26, 2011, pursuant to Article 102 and Article 106, Section 4, of the TUF, directly and on behalf of B.S.A. S.A. ("BSA") and Groupe Lactalis S.A. ("Groupe Lactalis"), for the purpose of acquiring 1,234,460,667 common shares of Parmalat S.p.A., par value 1.00 euro each, equal to 71.031% of the Issuer's share capital and corresponding to all of the common shares of Parmalat S.p.A. outstanding on the date of the Offer Document, after deducting the 503,465,048 common shares of Parmalat S.p.A. (equal to 28.969% of the share capital) already owned by BSA and Groupe Lactalis, and up to 63,725,992 common shares of Parmalat S.p.A. that may be issued and awarded during the Offer's tender period, drawn from the capital increase tranche approved by the Issuer's Extraordinary Shareholders' Meeting of March 1, 2005, reserved for Challenging Creditors, Conditional Creditors and Late-Filing Creditors, as defined in Article 5. Letters b.1 and b.2, of the current Bylaws of Parmalat S.p.A. (the "Shares Reserved for Creditors"), ended on July 8, 2011.

As of the ending date of the Offer, a total of 944,749,093 common shares of Parmalat S.p.A., equal to 54.361% of the Issuer's subscribed and paid-in capital (no Shares Reserved for Creditors having been issued during the Offer's tender period) and to 76.531% common shares of Parmalat S.p.A. subject of the Offer, valued at 2,456,347,641.80 euros, had been tendered.

Therefore, based on the Offer's final data and counting the 503,465,048 common shares of Parmalat S.p.A., equal to 28.969% of the Issuer's share capital, already owned by BSA and Groupe Lactalis (broken down as follows: 486,050,048 common shares of Parmalat S.p.A., equal to 27.967% of the share capital, owned by BSA and 17,415,000 common shares of Parmalat S.p.A., equal to 1.002% of the share capital, owned by Groupe Lactalis), on the Offer price payment date (July 15, 2011), the Offeror, together with BSA and Groupe Lactalis, owns a total of 1,448,214,141 common shares of Parmalat S.p.A., equal to 83.330% of the subscribed and paid-in share capital of Parmalat S.p.A.

As announced to the market on July 12, 2011, the Offer became fully effective, in accordance with the provisions of Section A.1 of the Offer Document.

The Offer price, amounting to 2.60 euros for each common shares of Parmalat S.p.A. tendered in response to the Offer, has been paid in cash on July 15, 2011, which is the date when title to all of the common shares tendered in response to the Offer passed to the Offeror.

The Offer was not aimed at delisting the common shares of Parmalat S.p.A. from the Online Stock Market organized and operated by Borsa Italiana S.p.A.

Since, following the conclusion of the Offer, the Offeror, together with BSA and Groupe Lactalis, own an interest of less than 90.5% in the Issuer's subscribed and paid-in share capital (percentage increased by the Consob, with Resolution No. 17781 of May 13, 2011, issued further to a recommendation by Borsa Italiana S.p.A., above the level set by Article 108, Section 2, of the TUF for the purpose of triggering an obligation to buy the common shares issued by Parmalat S.p.A.), the statutory requirements for the implementation of the provisions setting forth the obligation to buy, pursuant to Article 108, Section 2, of the TUF, or the exercise of the right to buy, pursuant to Article 111 of the TUF (and the corresponding obligation to buy, pursuant to Article 108, Section 1, of the TUF), are not being met.

Therefore, the common shares of Parmalat S.p.A. will continue to be listed on the Online Stock Market organized and operated by Borsa Italiana S.p.A.

Yvon Guérin Appointed Chief Operating Officer of Parmalat S.p.A.

On July 12, 2011, the Board of Directors, acting pursuant to Article 2386 of the Italian Civil Code, appointed Yvon Guérin to the post of Chief Executive Officer, replacing Olivier Savary, who resigned.

Yvon Guérin, General Manager of Lait Crèmerie & Nutrition, a Division of LACTALIS that handles the production and distribution of packaged milk produced by the LACTALIS Group, one of the largest in Europe with revenues of 3.3 billion euros, was named Chief Executive Officer of Parmalat S.p.A. The Nominating and Compensation Committee, to which, on July 1, 2011, the Board of Directors of Parmalat S.p.A. appointed Daniel Jaouen, who serves as chairman, the Director Antonio Sala and the Independent Director Gaetano Mele, recommended that the Board of Directors appoint Yvon Guérin to the post of Chief Executive Officer in view of his vast experience in managing activities engaged in the production and distribution of packaged milk and his ability to integrate the organizations that are different but also complementary.

The Board of Directors received favorably this recommendation and appointed Yvon Guérin to the post of Chief Executive Officer of Parmalat S.p.A..

Business Outlook

The global economy is continuing to grow, even though some developments that occurred in the first half of the year slowed the pace of its expansion.
Prospectively, the restrictive fiscal policies adopted in several developed countries, while necessary to ensure the sustainability of government debt, could also hinder economic growth, with a direct effect on consumer spending.
In the emerging countries, where growth is expected to continue at a sustained pace, the main risk factor appears to be tied to an across-the-board increase in price levels.
This macroeconomic scenario is thus characterized by significant imbalances at the global level that drive the volatility of such financial variables as exchange rates, market interest rates and commodity prices, which, in turn, can have an impact on the real economies.

More specifically:

- In Australia, the economy is growing at two different speeds, with rapid expansion in the mining sector countered by a cautious approach on the part of consumers, which has the effect of increasing competitive pressure in the retail sector;

- In Italy, low growth rates, a weak job market and the resurgence of inflation are factors with a negative effect on the disposable income of households and, consequently, on their propensity to consume.

Guidance 2011

The estimate of revenues in excess of 4,400 million euros, at constant exchange rates, is confirmed.
With regard to EBITDA, also at constant exchange rates, projections call for results in the second half of 2011 to exceed those reported last year, making up some of difference from the first six months of the year.
More specifically, some subsidiaries, such as those in Canada and South Africa, are well positioned in their respective markets and are likely to confirm expectations. Also the Venezuelan subsidiary benefits from good market positions and, absent significant new developments, has a good chance of achieving the expected results.
The Australian subsidiary, while continuing to pursue its original growth-oriented strategy, will face significant challenges in the second half of the year as it seeks to meet expectations.

The possibility of exceeding the EBITDA of 365 million euro mark will be predicated on the ability of the subsidiaries in some countries to improve their pricing policies, even though they operate in a highly competitive environment.

Disclaimer
This report contains forward looking statements, particularly in the section entitled "Business Outlook." Projections for 2011 extrapolate the performance in the second quarter of 2011 and take into account the trends in July 2011. The Group's performance is affected by changing conditions in the global economy, with an high degree of instability.
The potential effects of the developments described above are currently difficult to quantify.

Parmalat Group

Financial Statements at June 30, 2011

Consolidated Statement of Financial Position

Note ref.	*(in millions of euros)*		6/30/11		12/31/10
	NON-CURRENT ASSETS		**2,029.4**		**2,073.6**
(1)	Goodwill		445.6		461.7
(2)	Trademarks with an indefinite useful life		595.7		613.0
	Other intangibles		41.5		41.7
(3)	Property, plant and equipment		846.3		864.3
	Investments in associates		15.2		3.3
	Other non-current financial assets		7.6		7.6
	Deferred-tax assets		77.5		82.0
	CURRENT ASSETS		**2,557.2**		**2,570.1**
	Inventories		393.6		390.5
(4)	Trade receivables		470.0		484.0
	Other current assets		228.8		222.3
(5)	Cash and cash equivalents		543.2		318.0
(6)	Current financial assets		921.6		1,155.3
	Available-for-sale assets		**0.0**		**0.5**
	TOTAL ASSETS		**4,586.6**		**4,644.2**
	SHAREHOLDERS' EQUITY		**3,498.9**		**3,531.8**
(7)	Share capital		1,737.9		1,732.9
(8)	Reserve for creditor challenges and claims of late-filing creditors convertible into share capital		153.7		153.7
	Other reserves and retained earnings:				
(9)	*- Reserve for currency translation differences*		*(7.6)*		*51.6*
	- Cash-flow hedge reserve		*(1.2)*		*(0.2)*
(10)	*- Miscellaneous reserves*		*1,515.8*		*1,285.3*
	Interim dividend		0.0		0.0
(11)	Profit for the period		76.5		282.0
	Group interest in shareholders' equity		**3,475.1**		**3,505.3**
(12)	**Minority interest in shareholders' equity**		**23.8**		**26.5**
	NON-CURRENT LIABILITIES		**354.7**		**384.4**
	Long-term borrowings		7.9		13.7
	amount from transactions with related parties	*1.1*		*1.2*	
	Deferred-tax liabilities		184.7		189.0
	Provisions for employee benefits		88.6		97.2
(13)	Provisions for risks and charges		68.8		79.7
	Provision for contested preferential and prededuction claims		4.7		4.8
	CURRENT LIABILITIES		**733.0**		**728.0**
	Short-term borrowings		35.5		24.4
	amount from transactions with related parties	*3.2*		*3.3*	
(14)	Trade payables		494.9		545.9
(15)	Other current liabilities		200.2		142.2
	amount from transactions with related parties	*0.1*		*0.0*	
	Income taxes payable		2.4		15.5
	Liabilities directly attributable to available-for-sale assets		**0.0**		**0.0**
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**4,586.6**		**4,644.2**

Consolidated Income Statement

Note ref.	*(in millions of euros)*	**First half 2011**	**First half 2010**
(16)	**REVENUES**	**2,169.6**	**2,048.9**
	Net revenues	2,146.9	2,026.2
	Other revenues	22.7	22.7
(17)	Cost of sales	(1,712.4)	(1,588.1)
(17)	Distribution costs	(211.0)	(216.1)
(17)	Administrative expenses	(156.8)	(128.5)
	Other income and expense:		
(18)	- Litigation-related legal expenses	(3.9)	(5.1)
(19)	- Miscellaneous income and expense	11.1	65.6
	EBIT	**96.6**	**176.7**
(20)	Financial income	25.2	38.2
(20)	Financial expense	(13.0)	(37.7)
	Interest in the results of companies valued by the equity method	0.1	(0.7)
	Other income from (expense for) equity investments	0.0	0.3
	PROFIT BEFORE TAXES	**108.9**	**176.8**
(21)	Income taxes	(32.5)	(28.2)
	PROFIT FROM CONTINUING OPERATIONS	**76.4**	**148.6**
	NET PROFIT FOR THE PERIOD	**76.4**	**148.6**
	Minority interest in (profit) loss	0.1	(1.2)
	Group interest in profit (loss)	76.5	147.4

Continuing Operations:

Basic earnings per share	**0.0440**	**0.0854**
Diluted earnings per share	**0.0431**	**0.0836**

Consolidated Statement of Comprehensive Income

(in millions of euros)	**First half 2011**	**First half 2010**
Net profit for the period (A)	**76.4**	**148.6**
Other components of the comprehensive income statement		
Change in fair value of derivatives (cash-flow hedge), net of tax effect	0.2	0.3
Change in fair value of available-for-sale assets, net of tax effect	11.8	-
Difference on translation of financial statements in foreign currencies	(59.8)	84.9
Recognition in profit or loss of the cash-flow hedge reserve	(1.2)	-
Recognition in profit or loss of the reserve for the measurement at fair value of available-for-sale securities upon the sale of securities	-	(0.8)
Recognition in profit or loss of the reserve for currency translations upon the sale of equity investments	-	0.3
Total other components of the comprehensive income statement, net of tax effect (B)	**(49.0)**	**84.7**
Total comprehensive net profit (loss) for the period (A) + (B)	**27.4**	**233.3**
Total comprehensive net profit (loss) for the period attributable to:		
- Minority shareholders	0.7	(2.0)
- Group	28.1	231.3

Consolidated Statement of Cash Flows

(in millions of euros)	**First half 2011**	**First half 2010**
OPERATING ACTIVITIES FOR THE PERIOD		
Profit from operating activities	76.4	148.6
Depreciation, amortization and writedowns of non-current assets	59.9	58.3
Additions to provisions	60.7	52.5
Interest and other financial expense	1.0	23.8
Non-cash (income) expense items	(22.5)	(78.2)
(Gains) Losses on divestments	(1.0)	(0.7)
Dividends received	0.0	(0.7)
Proceeds from actions to void and actions for damages	(5.4)	(3.6)
Litigation-related legal expenses	3.9	5.1
Cash flow from operating activities before change in working capital	**173.0**	**205.1**
Change in net working capital and provisions:		
Operating working capital	(56.8)	(10.8)
Payments of income taxes on operating results	(45.4)	(41.0)
Other assets/Other liabilities and provisions	(17.1)	(9.6)
Total change in net working capital and provisions	**(119.3)**	**(61.4)**
CASH FLOW FROM OPERATING ACTIVITIES FOR THE PERIOD	**53.7**	**143.7**
INVESTING ACTIVITIES		
Investments:		
- *Intangibles*	(5.1)	(4.2)
- *Property, plant and equipment*	(50.4)	(51.4)
- *Non-current financial assets*	(0.1)	(1.8)
- *Investments in associates and minority interests*	(1.2)	(0.7)
Divestments and sundry items	2.5	3.6
Dividends received	0.0	0.7
CASH FLOW FROM INVESTING ACTIVITIES	**(54.3)**	**(53.8)**
PROCEEDS FROM SETTLEMENTS	**6.2**	**6.4**
LITIGATION-RELATED LEGAL EXPENSES	**(8.0)**	**(9.3)**
INCOME TAXES PAID ON SETTLEMENTS	**(6.4)**	**(60.2)**
FINANCING ACTIVITIES		
New loans and finance leases	17.0	4.3
Repayment of principal and accrued interest of loans and finance leases	(11.0)	(33.3)
Investments in Other current financial assets that mature later than three months after the date of purchase	233.3	(17.1)
Dividends paid	(1.5)	(108.9)
Exercise of warrants	5.0	1.3
CASH FLOW FROM FINANCING ACTIVITIES	**242.8**	**(153.7)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM JANUARY 1 TO JUNE 30	**234.0**	**(126.9)**
CASH AND CASH EQUIVALENTS AT JANUARY 1	**318.0**	**428.2**
Increase (Decrease) in cash and cash equivalents from January 1 to June 30	**234.0**	**(126.9)**
Net impact of the translation of cash and cash equivalents denominated in foreign currencies	**(8.8)**	**1.5**
CASH AND CASH EQUIVALENTS AT JUNE 30	**543.2**	**302.8**

Loan interest income amounted to 8.4 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 divid. to challenges and condit. claims	Reserve for translation differences	Shares subscribed through exercise of warrants	Cash-flow hedge reserve	Sundry reserves[2]	Interim dividend	Profit (Loss) for the period	Group interest in sharehold. equity	Minority interest in sharehold. equity	Total sharehold. equity
Balance at 1/1/10	**1,712.6**	**168.8**	**62.7**	**25.9**	**(42.7)**	**-**	**(1.3)**	**857.1**	**(69.8)**	**519.0**	**3,232.3**	**24.5**	**3,256.8**
Profit for the period										147.4	147.4	1.2	148.6
Difference from the translation of financial statements in foreign currencies					84.1						84.1	0.8	84.9
Change in fair value of derivatives							0.3				0.3	-	0.3
Recognition in profit or loss of the reserve for the measurement at fair value of available-for-sale securities upon the sale of securities								(0.8)			(0.8)	-	(0.8)
Recognition in profit or loss of the translation reserve upon the sale of equity investments					0.3						0.3	-	0.3
Comprehensive profit for the period	**-**	**-**	**-**	**-**	**84.4**	**-**	**0.3**	**(0.8)**	**-**	**147.4**	**231.3**	**2.0**	**233.3**
Share capital incr. from convertible reserve	14.5	(14.5)									-	-	-
Exercise of warrants	1.3										1.3	-	1.3
Appropriation of the 2009 result			18.7					321.6		(340.3)	-	-	-
2009 dividend									69.8	(178.7)	(108.9)	(1.5)	(110.4)
Balance at 6/30/10	**1,728.4**	**154.3**	**81.4**	**25.9**	**41.7**	**-**	**(1.0)**	**1,177.9**	**-**	**147.4**	**3,356.0**	**25.0**	**3,381.0**
Balance at 1/1/11	**1,732.9**	**153.7**	**81.4**	**25.9**	**51.6**	**-**	**(0.2)**	**1,178.0**	**-**	**282.0**	**3,505.3**	**26.5**	**3,531.8**
Profit for the period										76.5	76.5	(0.1)	76.4
Difference from the translation of financial statements in foreign currencies					(59.2)						(59.2)	(0.6)	(59.8)
Change in fair value of derivatives							0.2				0.2	-	0.2
Change in fair value of available-for-sale assets								11.8			11.8	-	11.8
Recognition in profit or loss of the cash-flow hedge reserve							(1.2)				(1.2)	-	(1.2)
Comprehensive profit for the period	**-**	**-**	**-**	**-**	**(59.2)**	**-**	**(1.0)**	**11.8**	**-**	**76.5**	**28.1**	**(0.7)**	**27.4**
Exercise of warrants	5.0										5.0	-	5.0
Appropriation of the 2010 result			6.4					213.0		(219.4)	-	-	-
2010 dividend										(62.6)	(62.6)	(1.4)	(64.0)
Acquisition of minority interests								(0.7)			(0.7)	(0.6)	(1.3)
Balance at 6/30/11	**1,737.9**	**153.7**	**87.8**	**25.9**	**(7.6)**	**-**	**(1.2)**	**1,402.1**	**-**	**76.5**	**3,475.1**	**23.8**	**3,498.9**

[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 Exchange 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 16 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, 2011 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 and 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, 2011 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, 2011 was authorized by the Board of Directors on July 28, 2011.

Principles for the Preparation of the Condensed Consolidated Semiannual Financial Statements

The condensed consolidated semiannual financial statements at June 30, 2011 of the Parmalat Group were 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 financial statements at December 31, 2010. Consequently, the former should be read in conjunction with the latter.

The following recently published accounting principles and interpretations went into effect on January 1, 2011, as adopted by the European Commission:

Amendments to IAS 32 – Classification of Rights Issues

Amendments to IAS 24 – Related Party Disclosures

Amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirement

Amendments to IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments

Minor amendments to the IFRSs ("IFRS Improvements" – 2010 Release)

However, these principles, amendments and interpretations concern situations and issues that did not exist or did not involve material amounts within the Group as of the date of this Semiannual Financial Report.

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 abovementioned 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. 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 tax rate projected 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.

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, 2011 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:

- 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). These companies are currently

parties to extraordinary administration proceedings, pursuant to law. These companies have been included in the list of the Group's equity investments because the Group owns their capital stock.
In 2010, Parmalat Mölkerei GmbH in A.S. and Deutsche Parmalat GmbH in A.S. paid 7.0 million euros to Group companies as the final distribution for verified claims included among the liabilities in the bankruptcy proceedings. The dissolution of these two companies should be completed by the end of 2011.
As for other companies in composition with creditor proceedings in accordance with local laws, there is no expectation of a full or partial recovery of the investments in these companies upon conclusion 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 these investments and there is no commitment or desire on the Group's part to cover the negative equity of these companies. 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:
    - PRM Administraçao e Participaçao do Brasil (Brazil);
    - Airetcal SA (Uruguay);
    - 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:
    - Parmalat Chile SA (Chile);
    - Parmalat (Zhaodong) Dairy Corp. Ltd (China).

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;
- 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.

Venezuela

The income statement and statement of financial position data of the Venezuelan subsidiaries, when stated in the local currency, are affected by a rate of inflation that, over the past three years, exceeded the cumulative threshold of 100%, which triggered the adoption of the adjustments required by IAS 29 – *Financial Reporting in Hyperinflationary Economies,* starting from 2009. According to this principle, the financial statements of an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current on the date of the financial statements. All statement of financial position amounts that are not stated in terms of the measuring unit current on the date of the financial statements must be restated by applying a general price index. All income statement components must be stated in terms of the measuring unit current on the date of the financial statements, applying the change in the general price index that occurred since the date when revenues and expenses were originally recognized in the financial statements. The restatement of the financial statement amounts was carried out using Venezuela's consumer price index (INPC). On the reference date of this Interim Report on Operations, the index was 235.3 (190.4 in June 2010) and the year-over-year change in the index was 23.58%.

Transactions Between Group Companies and with Related Parties

Transactions between Group companies and with related parties were neither atypical nor unusual and were carried out by the Company in the normal course of business. Currently, the Group executes transactions with companies in which it 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)		6/30/11					
Company	**Country**	**Trade receiv-ables**	**Financial receiv-ables**	**Other receiv-ables**	**Trade payables**	**Financial payables**	**Other payables**
PPL Participações Ltda in Bankruptcy	Brazil					2.1	0.1
Wishaw Trading sa	Uruguay					2.2	
Total		**-**	**-**	**-**	**-**	**4.3**	**0.1**

(in millions of euros)		12/31/10					
Company	**Country**	**Trade receiv-ables**	**Financial receiv-ables**	**Other receiv-ables**	**Trade payables**	**Financial payables**	**Other payables**
PPL Participações Ltda in Bankruptcy	Brazil					2.2	
Wishaw Trading sa	Uruguay					2.3	
Total		**-**	**-**	**-**	**-**	**4.5**	**-**

Revenues and expenses and any writedowns of receivables recognized in the first half of 2011 and 2010 were not material.

In the first half of 2011, some Group companies had commercial transactions with certain subsidiaries of the Lactalis Group. These transactions, carried out on market terms, mainly related to the supply of finished products. The total cost of these transactions, incurred in the first half of 2011, amounted to 0.4 million euros.

The Group also has debit and credit balances outstanding with companies under Extraordinary Administration that predate the Composition with Creditors or represent distributions payable.
Even though these positions do not constitute balances with related parties, they are nevertheless disclosed for the sake of information clarity.

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

(in millions of euros)		6/30/11					
Company	**Country**	**Trade receiv-ables**	**Financial receiv-ables**	**Other receiv-ables**	**Trade payables**	**Financial payables**	**Other payables**
Bonlat Financing Corporation[1]	Cayman					1.7	
Parmalat S.p.A. in A.S.	Italy			0.7			
Streglio S.p.A. in A.S.	Italy			0.2			
Sundry items (less than €1 million)					0.1		
Total		**-**	**-**	**0.9**	**0.1**	**1.7**	**-**

[1] *Held by a company under Extraordinary Administration.*

(in millions of euros)				**12/31/10**			
Company	**Country**	**Trade receiv-ables**	**Financial receiv-ables**	**Other receiv-ables**	**Trade payables**	**Financial payables**	**Other payables**
Bonlat Financing Corporation[1]	Cayman					1.9	
Parmalat S.p.A. in A.S.	Italy			0.7			
Licensees in A.S.	Italy			0.7			
Streglio S.p.A. in A.S.	Italy			0.3			
Sundry items (less than €1 million)					0.1		
Total		**-**	**-**	**1.7**	**0.1**	**1.9**	**-**

[1] *Held by a company under Extraordinary Administration.*

The table below provides a breakdown of revenues and expenses by type and shows the writedowns of receivables recognized the first half of 2011.

(in millions of euros)				**First half 2011**		
Company	**Country**	**Net sales revenues and other revenues**	**Other income and expense**	**Financial income**	**Cost of materials and services used**	**Write-downs of receivables**
Licensees in A.S.	Italy		0.3			
Streglio S.p.A. in A.S.	Italy		(0.1)			
Eliair Srl in A.S.	Italy		0.3			
Total		**-**	**0.5**	**-**	**-**	**-**

A breakdown of revenues and expenses by type and any writedowns of receivables recognized in the first half of 2010 would not provide information material enough to require disclosure.

Other income and expense refers to the amounts paid by companies under Extraordinary Administration as final distribution for verified claims included among the liabilities in the bankruptcy proceedings.

Percentage of Total Amounts Attributable to Transactions with Related Parties

(in millions of euros)	**Consolidated assets**	**Consolidated liabilities**	**Net financial assets**
Total consolidated amount	4,586.6	1,087.7	1,421.4
Amount with related parties	-	4.3	(4.3)
Percentage of the total	*n.m.*	*0.4%*	*n.m.*

Notes to the Statement of Financial Position – Assets

(1) Goodwill

Goodwill amounted to 445.6 million euros. The changes that occurred during the first six months of 2010 and 2011 are listed below:

(in millions of euros)	Goodwill
Balance at 1/1/10	**452.8**
- Currency translation differences	28.6
Balance at 6/30/10	**481.4**
Balance at 1/1/11	**461.7**
- Writedowns (-)	(8.0)
- Currency translation differences	(8.1)
Balance at 6/30/11	**445.6**

Goodwill was allocated to the cash generating units based on the Group's geographic regions.

Goodwill was allocated to the following cash generating units:

(in millions of euros)	6/30/11	12/31/10
Italy		
- *Parmalat S.p.A.*	184.0	184.0
- *Centrale del Latte di Roma S.p.A.*	41.7	41.7
- *Carnini S.p.A.*	4.0	4.0
Other countries in Europe		
- *Portugal*	4.6	12.6
- *Russia*	5.9	5.8
- *Romania*	0.1	0.1
Canada	129.6	135.8
Australia	75.7	77.7
Total	**445.6**	**461.7**

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 2011, except for the Portugal cash generating unit, for which a writedown of 8.0 million euros was required. Basically, this writedown was necessary to recognize the effects of the difficult environment in the Portuguese market and the limited buying power of consumers, who are increasingly turning to lower priced product and, consequently, supporting the growth of private labels.

The impact of these factors was magnified by an increase both in interest rates and country risk, which required the use of a higher discount rate when computing the value in use of the assets.

Taking all of these factors into account, an estimate was developed of the impact that these changed conditions could have on the expected operating cash flows in the latest three-year plan prepared by the subsidiary and on the corresponding explicit projections.

(2) Trademarks with an Indefinite Useful Life

Trademarks with an indefinite useful life were valued at 595.7 million euros. The changes that occurred during the first six months of 2010 and 2011 are listed below:

(in millions of euros)	**Trademarks with an indefinite useful life**
Balance at 1/1/10	**561.3**
- Currency translation differences	53.9
Balance at 6/30/10	**615.2**
Balance at 1/1/11	**613.0**
- Currency translation differences	(17.3)
Balance at 6/30/11	**595.7**

A breakdown of trademarks with an indefinite useful life, carried at 595.7 million euros, is as follows:

(in millions of euros)	**6/30/11**	**12/31/10**
Italy		
- Parmalat	*121.9*	*121.9*
- Santàl	*32.6*	*32.6*
- Centrale del Latte di Roma	*26.1*	*26.1*
- Chef	*16.2*	*16.2*
- Sundry trademarks	*7.3*	*7.3*
Other countries in Europe		
- Parmalat	*5.3*	*5.3*
- Santàl	*7.1*	*7.0*
- Sundry trademarks	*8.3*	*8.3*
Canada		
- Beatrice	*84.6*	*88.6*
- Lactantia	*69.8*	*73.1*
- Black Diamond	*31.6*	*33.1*
- Astro	*23.4*	*24.5*
- Sundry trademarks	*14.3*	*15.0*
Central and South America		
- Parmalat	*17.3*	*17.3*
Australia		
- Pauls	*53.3*	*54.7*
- Rev, Skinny e Farmhouse	*28.4*	*29.1*
- Parmalat	*0.3*	*0.4*
- Sundry trademarks	*9.0*	*9.3*
Africa		
- Parmalat	*17.7*	*19.7*
- Bonnita	*14.3*	*15.9*
- Sundry trademarks	*6.9*	*7.6*
Total	**595.7**	**613.0**

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 2011.

(3) Property, Plant and Equipment

Property, plant and equipment totaled 846.3 million euros. The table below provides a breakdown of this item and shows the changes that occurred in the first half of 2010 and 2011:

(in millions of euros)	Land	Buildings	Plant and machinery	Industrial equip-ment	Other assets	Construc-tion in progress	Total
Balance at 1/1/10	**143.2**	**241.9**	**289.8**	**10.6**	**34.8**	**53.7**	**774.0**
- Monetary correction for hyperinflation	1.0	2.9	1.6	-	-	-	5.5
- Additions	0.1	3.5	13.3	0.2	3.7	30.6	51.4
- Disposals (-)	(0.1)	-	(0.3)	-	(0.2)	(0.1)	(0.7)
- Writedowns (-)	(0.8)	(3.0)	-	-	-	-	(3.8)
- Reversals of writedowns	-	-	0.1	-	-	-	0.1
- Depreciation (-)	-	(7.3)	(26.8)	(2.0)	(7.1)	-	(43.2)
- Other changes	-	4.9	18.8	1.5	3.6	(29.6)	(0.8)
- Currency translation differences	2.9	4.1	25.0	1.0	3.0	1.4	37.4
Balance at 6/30/10	**146.3**	**247.0**	**321.5**	**11.3**	**37.8**	**56.0**	**819.9**
Balance at 1/1/11	**153.5**	**250.4**	**325.6**	**14.1**	**38.2**	**82.5**	**864.3**
- Monetary correction for hyperinflation	0.9	2.4	1.4	-	0.1	0.6	5.4
- Additions	0.2	3.4	9.5	0.4	2.2	34.7	50.4
- Disposals (-)	-	(0.1)	(0.5)	-	(0.4)	-	(1.0)
- Depreciation (-)	-	(8.2)	(30.0)	(2.6)	(6.7)	-	(47.5)
- Other changes	-	2.5	18.8	4.3	4.9	(30.2)	0.3
- Currency translation differences	(2.7)	(6.8)	(11.4)	(0.2)	(1.6)	(2.9)	(25.6)
Balance at 6/30/11	**151.9**	**243.6**	**313.4**	**16.0**	**36.7**	**84.7**	**846.3**

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

A breakdown of property, plant and equipment acquired under finance leases, totaling 7.9 million euros, is as follows:

(in millions of euros)	**6/30/11**	**12/31/10**
Buildings	1.0	1.1
Plant and machinery	1.8	2.2
Other assets	5.1	5.9
Total property, plant and equipment acquired under finance leases	**7.9**	**9.2**

(4) Trade Receivables

Trade receivables totaled 470.0 million euros, or 14.0 million euros less than at December 31, 2010.

The appreciation of the euro versus the currencies of the most important countries where the Group operates accounts for this decrease.

The amount of 470.0 million euros shown for Trade receivables owed by customers is net of an Allowance for doubtful accounts of 162.1 million euros. The table that follows shows the changes that occurred in this allowance in the first half of 2010 and 2011:

(in millions of euros)	
Balance at 1/1/10	**176.0**
- Additions	8.9
- Utilizations (-)	(16.9)
- Currency translation differences	(0.3)
Balance at 6/30/10	**167.7**
Balance at 1/1/11	**160.2**
- Additions	3.9
- Utilizations (-)	(1.9)
- Other changes	0.3
- Currency translation differences	(0.4)
Balance at 6/30/11	**162.1**

(5) 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 543.2 million euros, for an increase of 225.2 million euros compared with December 31, 2010:

(in millions of euros)	**6/30/11**	**12/31/10**
- Bank and postal accounts	534.4	315.3
- Cash and securities on hand	1.1	1.5
- Financial assets	7.7	1.2
Total cash and cash equivalents	**543.2**	**318.0**

Bank and postal accounts of 534.4 million euros represent deposits held at top banking and financial institutions with a high credit rating.

Financial assets, which totaled 7.7 million euros, consist of maturing time deposits.

The increase of 225.2 million euros in Cash and cash equivalents reflects primarily the investment of current financial assets in highly liquid short-term interest-bearing assets.

There are no circumstances under which the Group's cash and cash equivalent assets would not be freely accessible.

(6) Current Financial Assets

Current financial assets totaled 921.6 million euros, or 233.7 million euros less than at December 31, 2010:

(in millions of euros)	**6/30/11**	**12/31/10**
- Foreign Treasury securities (Germany)	354.7	236.3
- Italian Treasury securities (Treasury Bills)	273.8	341.6
- Time bank deposits	217.7	431.3
- Italian Treasury securities (Treasury Notes)	45.5	-
- Foreign Treasury securities (France)	20.3	132.4
- Other financial assets with an original maturity of more than three months but less than one year	1.6	8.4
- Accrued interest	8.0	5.3
Total current financial assets	**921.6**	**1,155.3**

The decrease of 233.7 million euros is due mainly to the investment of current financial assets in highly liquid, short-term interest-bearing assets.

Notes to the Statement of Financial Position – Shareholders' Equity

At June 30, 2011, the Group's shareholders' equity totaled 3,475.1 million euros.

(7) Share Capital

The share capital amounted to 1,737,925,715 euros. The change compared with December 31, 2010 is the result of the following items: (i) the amount of the claims of late-filing creditors and/or of creditors who successfully challenged the exclusion of their claims (charged against reserves established for this purpose), which totaled 686 euros, and (ii) the amount generated by the exercise of warrants, which totaled 5,009,458 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 2011:

	Number of shares
Shares outstanding at 1/1/11	**1,732,915,571**
Shares issued for claims of late-filing creditors and/or upon the settlement of challenges (using reserves established for this purpose)	686
Shares issued upon the conversion of warrants	5,009,458
Shares outstanding at 6/30/11	**1,737,925,715**

Maximum Share Capital Amount

Pursuant to the resolutions approved by the Shareholders' Meetings of March 1, 2005, September 19, 2005 and April 28, 2007, the Company's share capital may be increased up to 2,025 million euros as follows:

- 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**

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

At June 30, 2011, the reserve convertible into share capital amounted to 153.7 million euros.

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.

As already reported in the Notes to the Consolidated Financial Statements at December 31, 2010, following the settlements of numerous disputes, the Company developed an updated estimate of the risks to which Parmalat S.p.A. could be exposed with regards to amounts payable in "composition with creditors money" (i.e., Parmalat shares). Based on this estimate, the surplus in the Reserve for creditor challenges and claims of late-filing creditors convertible into share capital is about 90 million euros.

(9) Reserve for Currency Translation Differences

The Reserve for currency translation differences, negative by 7.6 million euros, reflects differences generated by the translation into euros of the financial statements of companies that operate in countries outside the euro zone.

(10) Other Reserves

The Ordinary Shareholders' Meeting of June 28, 2011 approved motions: (i) to add to the statutory reserve 5% of the net profit earned in 2010, equal to 6.4 million euros; (ii) to appropriate: (a) 50% of the remaining net profit as a dividend in the rounded up amount of 0.036 euros on each of the 1,737,925,715 common shares outstanding at March 16, 2011, for a total payout of 62.6 million euros; (b) the balance of 59.3 million euros to retained earnings.

At June 30, 2011, Other reserves of 1,515.8 million euros included the following items: (i) retained earnings and miscellaneous reserves of 1,402.1 million euros, which can be used to satisfy claims of late-filing creditors and creditors with contested claims, if and when their claims are verified, for an amount of up to 65.7 million euros; (ii) a statutory reserve of 87.8 million euros; and (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.

(11) Profit for the Period

The Group's interest in the profit for the period amounted to 76.5 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 6/30/11	**2,814.3**	**34.6**	**2,848.9**
Elimination of the carrying value of consolidated investments in associates			
- Difference between the carrying amount and the pro rata interest in the underlying shareholders’ equity	572.1	-	572.1
- Pro rata interest in the results of investee companies	-	67.9	67.9
- Reserve for currency translation differences	(7.6)	-	(7.6)
Other adjustments:			
- Elimination of writedowns and coverage of losses by subsidiaries	-	9.7	9.7
- Elimination of writedowns of receivables owed by subsidiaries	19.8	(0.2)	19.6
- Elimination of dividends	-	(35.5)	(35.5)
Group Interest in shareholders’ equity at 6/30/11	**3,398.6**	**76.5**	**3,475.1**
Minority interest in shareholders’ equity and result for the period	23.9	(0.1)	23.8
Consolidated shareholders’ equity at 6/30/11	**3,422.5**	**76.4**	**3,498.9**

(12) Minority Interest in Shareholder’s Equity

At June 30, 2011, the Minority interest in shareholders’ equity totaled 23.8 million euros. This amount is represented almost entirely by the interest held by minority shareholders in the following companies:

(in millions of euros)	**6/30/11**	**12/31/10**
Centrale del Latte di Roma S.p.A.	12.4	13.9
Citrus International SA	3.7	3.9
Parmalat Colombia Ltda	2.2	2.5
Industria Lactea Venezolana CA (Indulac)	2.2	2.1
Sundry companies	3.3	4.1
Total	**23.8**	**26.5**

Notes to the Statement of Financial Position – Liabilities

(13) Provisions for Risks and Charges

Provisions for risks and charges totaled 68.8 million euros. The changes that occurred in the first half of 2010 and 2011 are shown below:

(in millions of euros)	**Provision for tax-related risks and charges**	**Provision for other risks and charges**	**Total**
Balance at 1/1/10	**59.9**	**41.5**	**101.4**
- Monetary adjustment for hyperinflation	0.2	-	0.2
- Increases	0.3	2.1	2.4
- Decreases (-)	(0.1)	(1.2)	(1.3)
- Reversals (-)	(6.3)	(0.4)	(6.7)
- Currency translation differences	(18.1)	(1.5)	(19.6)
Balance at 6/30/10	**35.9**	**40.5**	**76.4**
Balance at 1/1/11	**31.7**	**48.0**	**79.7**
- Monetary adjustment for hyperinflation	0.1	-	0.1
- Increases	-	1.9	1.9
- Decreases (-)	(0.1)	(7.3)	(7.4)
- Reversals (-)	(1.3)	(1.7)	(3.0)
- Other changes	-	(0.4)	(0.4)
- Currency translation differences	(1.7)	(0.4)	(2.1)
Balance at 6/30/11	**28.7**	**40.1**	**68.8**

Provision for Tax-related Risks and Charges

The Group is not exposed to significant tax-related risks, except for a position involving a subsidiary in the Central and South America region concerning issues related to valuation adjustments of some assets. Adequate provisions for risks are recognized for all positions that entail a risk that is deemed to be probable.

Provision for Other Risks and Charges

The Provision for other risks and charges of 40.1 million euros covers the following:

(in millions of euros)	**6/30/11**	**12/31/10**
Staff downsizing programs	11.1	14.3
Supplemental sales agent benefits	8.0	7.5
Risks on investee companies	4.8	4.9
Registration tax on court decisions	4.4	9.7
Legal disputes with employees	3.3	3.8
Litigation	2.8	2.0
Miscellaneous	5.7	5.8
Total provision for other risks and charges	**40.1**	**48.0**

The change that occurred during the first half of 2011 refers mainly to the amount used to settle payment notices for the registration tax on court decisions charged to the Group's Parent Company, in its capacity as

Assumptor in the Composition with Creditors proceedings, upon the completion of the proceedings before the lower courts for the lawsuits filed in connection with the Extraordinary Administration proceedings.

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, 2011.”

(14) Trade Payables

Trade payables totaled 494.9 million euros, or 51.0 million euros less than at December 31, 2010.

(in millions of euros)	6/30/11	12/31/10
- Trade payables owed to suppliers	494.0	544.9
- Trade payables owed to related parties	0.1	0.1
- Advances	0.8	0.9
Total	**494.9**	**545.9**

In addition to liabilities for typical commercial transactions, Trade payables include amounts owed for the construction of production facilities. The decrease in Trade payables owed to suppliers reflects the payment of amount owed for investments in property, plant and equipment made by the Canadian subsidiary at the end of 2010 and the effect of the appreciation of the euro versus the currencies of the main countries where the Group operates

(15) Other Current Liabilities

Other current liabilities totaled 200.2 million euros, or 58.0 million euros more than at December 31, 2010.

(in millions of euros)	6/30/11	12/31/10
- Taxes payable	18.0	13.4
- Contributions to pension and social security institutions	9.1	7.9
- Other payables	133.7	71.1
- Amounts owed to related parties	0.1	-
- Accrued expenses and deferred income	39.3	49.8
Total	**200.2**	**142.2**

The change in this account is due mainly to the amount owed to shareholders for the dividend declared by the Shareholders’ Meeting of June 28, 2011 (62.6 million euros), which was paid on July 18, 2011.

Guarantees and Commitments

Guarantees

(in millions of euros)	6/30/11			12/31/10		
	Sureties	**Collateral**	**Total**	**Sureties**	**Collateral**	**Total**
provided on behalf of Group companies	-	1.5	1.5	-	1.5	1.5
provided on behalf of the Company	308.1	33.8	341.9	416.2	13.6	429.8
Total guarantees	**308.1**	**35.3**	**343.4**	**416.2**	**15.1**	**431.3**

The sureties provided by outsiders on behalf of the Company (308.1 million euros) refer mainly to guarantees provided by banks and/or insurance companies to government finance agencies in connection with VAT refunds and prize contests.

Collateral of 35.3 million euros was provided to banks and other credit institutions to secure financing and consists of assets of the companies receiving the facilities or their subsidiaries.

Commitments

(in millions of euros)	**6/30/11**	**12/31/10**
Commitments:		
- Operating leases	69.8	78.2
within 1 year	*14.3*	*15.4*
from 1 to 5 years	*35.8*	*38.9*
after 5 years	*19.7*	*23.9*
- Other commitments	43,2	39.2
Total commitments	**113.0**	**117.4**

Commitments under operating leases apply mainly to subsidiaries in Canada (31.0 million euros), Africa (19.4 million euros) and Australia (19.3 million euros).

Other commitments of 43.2 million euros refer mainly to short-term contracts to purchase raw materials, packaging materials and non-current assets signed by Parmalat Canada Inc. (27.1 million euros) and the African subsidiaries (12.6 million euros).

As already reported in the Notes to the Consolidated Financial Statements at December 31, 2010, in the section entitled “Guarantees and Commitments,” in 2004, Parmalat Canada Inc. (successor to Parmalat Dairy & Bakery Inc) (“Parmalat Canada”) executed a loan agreement that included a Liquidity Payment Agreement (LPA) with the Ontario Teachers’ Pension Plan Board (“OTPPB”). The LPA includes, inter alia, a provision pursuant to which Parmalat Canada is required to pay to the OTPPB an amount equal to 10% of Parmalat Canada’s net value as defined herein, should a liquidity event, as defined in the LPA, occur while the LPA is in effect. A liquidity event could occur, inter alia, if an “indirect change of control,” as defined in the LPA, were to take place while the LPA is in effect.

The legal counsel of Parmalat is confident that no "Liquidity Event" occurred as a result of the Tender Offer launched by the Lactalis Group ("Lactalis Offer") because no "Indirect Change of Control," as defined in the LPA, occurred before the expiration of the LPA, i.e., June 29, 2011.

The OTPPB sent several letters to Parmalat Canada, the first one dated June 29, 2011, claiming that a "Liquidity Event" had occurred based on the LPA contractual stipulations and demanding payment of the "Liquidity Payment," as defined in the LPA. Parmalat Canada's position, as communicated to the OTPPB in a letter dated June 30, 2011, is that no "Liquidity Event" occurred and that, therefore, no "Liquidity Payment" is owed to the OTPPB. On July 21, 2011 the OTPPB has notified Parmalat Canada with Notice of Arbitration in accordante with LPA procedure.

Legal Disputes and Contingent Liabilities at June 30, 2011

The Company is a defendant in civil and administrative proceedings that, based on the information currently available and in view of the existing provisions, are not expected to have a material negative impact on the financial statements.

The Company is also a plaintiff in some actions for damages, liability actions and actions to void in bankruptcy filed by Parmalat S.p.A.

Challenge to the Composition with Creditors

An appeal filed against the decision handed down by the Bologna Court of Appeals on January 16, 2008, which was favorable to Parmalat, is currently pending before the Court of Cassation.

* * *

Information about the main proceedings involving the Parmalat Group, updated as of June 30, 2011, is provided below.

Criminal Proceedings

Criminal Court of Milan

A plea bargaining arrangement was approved for the Grant Thornton auditors, whose position had been separated from the main proceedings.

Criminal Court of Parma

One trial, in which former Directors, Statutory Auditors and employees of Parmalat Group companies are charged with the crime of fraudulent bankruptcy ended on December 9, 2010 with the conviction of all defendants (except for two positions) and, with regard to civil law issues, with the granting of a provisionally enforceable award of 2,000,000,000 (two billion) euros benefiting the companies of the Parmalat Group under Extraordinary Administration that are included in the composition with creditors and joined these proceedings as a plaintiffs seeking damages.

In a second trial, the defendants are also former Directors, Statutory Auditors and former employees of companies in the so-called “tourism” operations and officers of some banks. Insofar as these bank officers are concerned, Parmalat has already withdrawn from the proceedings as a plaintiff seeking damages, whenever settlements were reached. This trial is currently in the preparatory phase for oral arguments and a decision is expected by the end of the year.

In other proceedings, the defendants are officers and employees of the former Banca di Roma. In these proceedings, the companies of the Parmalat Group under Extraordinary administration, having reached an out-of-court settlement, withdrew the claims they put forth when they joined the proceedings as plaintiffs seeking damages.

In other recently launched proceedings, officers and employees of Citigroup/Citibank are being charged with fraudulent bankruptcy. Parmalat joined the proceedings as a plaintiff seeking damages, summoning the bank as a civilly liable defendant for the actions of its Milan, London and New York branches. The trial is still in the preliminary phase.

The remaining trials of officers and/or employees of other banks have also begun. The companies of the Parmalat Group, having reached out-of-court settlements, withdrew the claims they put forth when they joined the proceedings as plaintiffs seeking damages.

Lastly, proceedings targeting employees and/or officers of Standard & Poor’s and JP Morgan, in connection with which companies of the Parmalat Group under extraordinary administration have the status of injured parties, are still in the preliminary investigative phase.

The proceedings in the matter concerning several works of art seized from Calisto Tanzi and members of his family between December 2009 and February 2010 are still in the preliminary investigative phase. The notice of completion of the preliminary investigation required by Article 415 of the Code of Criminal Procedure was notified to the parties targeted by the investigation (charged some with bankruptcy and others with receiving stolen property). No documents have yet been notified to Parmalat under Extraordinary Administration. However, it expects to be identified as an injured party and, in such capacity, it requested and was provided with the record of these proceedings.

Court of Cassation

In the appeal filed unanimously with the Court of Cassation by the defendants Giampaolo Zini, Luciano Del Soldato and Maurizio Bianchi against the decision of the Court of Appeals, the Court of Cassation handed down a final decision upholding the decision by the appellate court. This decision grants Parmalat an award of 1 billion euros as compensation for financial damages.

Florence Court of Appeals

Criminal proceedings against Carlo Alberto Steinhauslin are pending before the Florence Court of Appeals. In proceedings before the lower court, which Parmalat S.p.A. under extraordinary administration joined as a plaintiff seeking damages, Mr. Steinhauslin was found guilty of money laundering. Appellate hearings have not yet been set.

Civil Lawsuits in the United States of America

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

Lawsuit Against Grant Thornton

See the information provided in the section of the Report on Operations entitled "Events Occurring After June 30, 2011."

Parmalat vs Citigroup, Inc. et al.

In the appellate proceedings filed against Citigroup, the parties are waiting for a decision by the New Jersey Court of Appeals.

Civil Proceedings Filed Against the Group

Insurance Companies vs. Parmalat Finanziaria S.p.A. under E.A.

The Milan Court of Appeals ruled in favor of the insurance companies, voiding the insurance contract between Parmalat Finanziaria S.p.A. (insured) and AIG (now Chartis), XL (insurers), and ordered Parmalat Finanziaria S.p.A. under Extraordinary Administration to pay court costs.

Giovanni Bonici vs Industria Lactea Venezolana

The Court of Caracas granted in part the motions filed by Giovanni Bonici who, in February 2005, in his capacity as President of Industria Lactea Venezolana C.A., served a summons on the abovementioned company challenging his dismissal, of which he was informed in 2004. The plaintiff asked 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).

It is worth mentioning that in the criminal proceedings in which Directors, Statutory Auditors and former employees of the old Parmalat Group companies were charged with fraudulent bankruptcy, Giovanni Bonici was found guilty by the Court of Parma with a verdict handed down on December 9, 2010.

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. under E.A. and Parmalat S.p.A. under E.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 Appointed Technical Consultant filed his technical report. At a hearing held on January 19, 2011, the judge set deadlines by which the parties and the Technical Consultant must submit, respectively, briefs and counterarguments concerning the technical report, scheduling a hearing for October 5, 2011.
In the other liability action against a former Statutory Auditor of Parmalat Finanziaria S.p.A. under E.A., the Court Appointed Technical Consultant filed his technical report. At a hearing held on January 19, 2011, the judge set deadlines by which the parties and the Technical Consultant must submit, respectively, briefs and counterarguments concerning the technical report, scheduling a hearing for October 5, 2011.

Actions to Void in Bankruptcy

Some 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. under E.A., 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. Following the filing of a technical report requested by the court, the lawsuit is continuing against the other defendants. At a hearing held on January 12, 2011, the Court, upon being informed that a judge recused himself due to incompatibility, turned the case over to the Chief Judge asking him to appoint a new Reporting Judge.

Administrative Proceedings Filed Against the Group

Centrale del Latte di Roma S.p.A.

See the information provided in the section of the Report on Operation entitled "Key Events in the First Half of 2011."

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, which ruled in favor of Parmalat ordering that the administrative fine originally levied on Parmalat be refunded.

Disputes Involving Challenges to the Composition of the Lists of Liabilities

Challenges and Oppositions

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 include about 200 lawsuits, most of which concern the liability of Parmalat Finanziaria S.p.A. in its capacity as the sole shareholder of Parmalat S.p.A.

* * *

Information about the management of all of the risk areas to which the Company is exposed is provided in the section of the Interim Report on Operations entitled "Managing Business Risks."

Notes to the Income Statement

(16) Revenues

A breakdown of revenues is as follows:

(in millions of euros)	First half 2011	First half 2010
Net sales revenues	2,146.9	2,026.2
Other revenues	22.7	22.7
Total revenues	**2,169.6**	**2,048.9**

A geographic breakdown of net revenues is as follows:

(in millions of euros)	First half 2011	First half 2010
Italy	489.5	478.1
Other countries in Europe	76.9	72.6
Canada	762.8	749.1
Central and South America	216.9	193.2
Australia	399.9	341.8
Africa	201.6	192.0
Sundry items [1]	(0.7)	(0.6)
Total net sales revenues	**2,146.9**	**2,026.2**

[1] Includes revenues of the Group's Parent Company, other minor companies and inter-area eliminations.

Other revenues include the following:

(in millions of euros)	First half 2011	First half 2010
Insurance settlements	5.1	0.2
Rebilling of advertising expenses	3.8	2.6
Prior-period items and restatements	3.7	2.9
Royalties	2.2	5.4
Gains on the sale of non-current assets	1.3	1.0
Rent	1.0	1.0
Operating grants	0.5	0.3
Expense reimbursements	0.2	0.2
Damage compensation	0.0	3.0
Miscellaneous	4.9	6.1
Total other revenues	**22.7**	**22.7**

(17) Costs

A breakdown of the costs incurred in the first half of 2011 is as follows:

(in millions of euros)	First half 2011	First half 2010
Cost of sales	1,712.4	1,588.1
Distribution costs	211.0	216.1
Administrative expenses	156.8	128.5
Total costs	**2,080.2**	**1,932.7**

A breakdown by type of the costs incurred in the first half of 2011 is as follows:

(in millions of euros)	First half 2011	First half 2010
Raw materials and finished goods	1,146.0	1,109.5
Labor costs	287.0	256.6
Packaging materials	177.8	156.5
Freight	100.6	86.6
Sales commissions	61.3	55.0
Depreciation, amortization and writedowns of non-current assets	59.9	58.3
Advertising and promotions	45.4	46.9
Other services	43.9	39.4
Energy, water and gas	41.7	39.5
Maintenance and repairs	31.1	25.9
Supplies	22.1	20.4
Storage, handling and outside processing services	21.9	21.0
Use of property not owned	20.0	19.0
Miscellaneous charges	14.3	9.8
Consulting services	13.6	13.6
Postage, telephone and insurance	11.2	10.0
Writedowns of receivables and additions to provisions	4.4	9.5
Auditing services	1.9	1.9
Fees to Chairman and Directors	1.1	1.0
Fees to Statutory Auditors	0.2	0.3
Changes in inventories of raw materials and finished goods	(25.2)	(48.0)
Total cost of sales, distribution costs and administrative expenses	**2,080.2**	**1,932.7**

(18) Litigation-related Expenses

The balance in this account reflects the fees paid to law firms (3.9 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.

(19) Miscellaneous Income (Expense)

Net miscellaneous income totaled 11.1 million euros. A breakdown is as follows:

(in millions of euros)	**First half 2011**	**First half 2010**
Intra-Group consolidation of debt formerly owed by Parmalat Capital Finance Ltd in liquidation	-	52.4
Proceeds from actions to void and actions for damages	5.4	3.6
Benefit (expense) related to tax risks	1.3	6.0
Sundry income (expense)	4.4	3.6
Total miscellaneous income (expense)	**11.1**	**65.6**

Proceeds from actions to void and actions for damages include the amounts collected from Chiesi Anita (3.2 million euros), Banca delle Marche S.p.A. (0.9 million euros) and sundry items (0.7 million euros). This account also includes the amount paid to Parmalat S.p.A. (0.6 million euros) by Eliair Srl in Extraordinary Administration and the licensees in Extraordinary Administration as the final distribution for verified claims.

The benefit related to tax risks results from a restatement of the probable estimated tax liabilities of the Venezuelan subsidiary.

The positive balance in Sundry income (expense) reflects primarily the successful conclusion of adversarial actions filed by the Antitrust Authority against a subsidiary of the Group, partially offset by the costs incurred concerning the tender offer.

(20) Financial Income (Expense)

Net financial income amounted to 12.2 million euros, broken down as follows:

(in millions of euros)	First half 2011	First half 2010
Monetary gain due to hyperinflation	9.2	7.4
Interest earned on accounts with banks and other financial institutions	5.4	4.3
Foreign exchange translation gains	5.1	22.1
Income from cash-equivalent securities	3.9	2.1
Interest received from the tax authorities	1.4	0.9
Income from available-for-sale securities	-	1.1
Other financial income	0.2	0.3
Total financial income	**25.2**	**38.2**
Foreign exchange translation losses	(8.9)	(13.5)
Interest paid on loans	(1.4)	(22.6)
Bank fees	(1.0)	(1.1)
Actuarial losses	(0.2)	-
Other financial expense	(1.5)	(0.5)
Total financial expense	**(13.0)**	**(37.7)**
Net financial income (expense)	**12.2**	**0.5**

The decrease in Interest paid on loans is due primarily to the early repayment, in 2010, of the financial debt of the Canadian and Australian subsidiaries.

(21) Income Taxes

Income taxes totaled 32.5 million euros, broken down as follows:

(in millions of euros)	First half 2011	First half 2010
Current taxes		
- Italian companies	5.5	18.8
- Foreign companies	20.6	24.9
Deferred and prepaid taxes, net		
- Italian companies	3.4	(2.0)
- Foreign companies	3.0	(13.5)
Total	**32.5**	**28.2**

Current taxes of Italian companies totaled 5.5 million euros, including 2.0 million euros in regional taxes (IRAP) and 3.5 million euros in corporate income taxes (IRES). The decrease of 13.3 million euros is chiefly the result of a reduction in the settlements reached in the first half of 2011.

Net deferred and prepaid taxes of 6.4 million euros were computed on the temporary differences between the values assigned to assets and liabilities for reporting purposes and for tax purposes.
The main reason for the increase in the Net deferred and prepaid taxes is the early repayment of 90% of the subordinated notes, which resulted in the elimination of temporary differences amounting to 14.4 million euros in 2010.

Reconciliation of the Theoretical Tax Liability to the Amount Recognized in the Income Statement

(in millions of euros)	Italy	Canada	Australia	Africa	Other	Total
Consolidated profit before taxes	**48.7**	**50.9**	**6.7**	**25.4**	**(22.8)**	**108.9**
Theoretical tax rate	27.5%	27.40%	30.0%	28.5%	-	28.5%[1]
Theoretical tax liability	13.4	14.0	2.0	7.2	3.8	40.4
Tax effect from non-taxable income (permanent differences) (-)	(12.9)	-	(1.4)	(2.7)	(2.0)	(19.0)
Tax effect from non-deductible expenses (permanent differences)	3.5	0.7	-	0.6	6.4	11.2
Tax losses for the year that are not deemed to be recoverable	0.3	-	-	-	-	0.3
Recognition of prior-period tax losses (-)	-	(0.2)	-	-	-	(0.2)
Higher/(Lower) taxes as per income tax return	2.3	(1.2)	-	-	(0.1)	1.0
Elimination of temporary differences due to changes in tax rates	-	(3.5)	-	-	-	(3.5)
Actual income tax liability	**6.6**	**9.8**	**0.6**	**5.1**	**8.1**	**30.2**
IRAP and other taxes computed on a base different from the profit before taxes	2.2	-	-	-	0.1	2.3
Actual tax liability shown on the income statement at June 30, 2011	**8.8**	**9.8**	**0.6**	**5.1**	**8.2**	**32.5**
Effective tax rate	**18.1%**	**19.3%**	**9.3%**	**20.2%**	**-**	**29.8%**

[1] In the computation of the theoretical tax rate, 32.8 million euros in eliminations and consolidation adjustments was added to the tax base of 108.9 million euros.

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, 2011 is provided below:

(in millions of euros)	**6/30/11**	**12/31/10**
A) Cash	1.1	1.5
B) Cash equivalents and readily available financial assets:		
- Bank and postal accounts	534.4	315.3
- Foreign Treasury securities (Germany)	354.7	236.3
- Italian Treasury securities	319.3	341.6
- Foreign Treasury securities (France)	20.3	132.4
- Accrued interest	8.0	5.3
- Time deposits	225.4	432.5
C) Negotiable securities	1.6	8.4
D) Liquid assets (A+B+C)	**1,464.8**	**1,473.3**
E) Current loans receivable	-	-
F) Current bank debt	20.9	9.0
G) Current portion of non-current indebtedness	2.0	6.2
H) Other current borrowings	12.6	9.2
I) Current indebtedness (F+G+H)	**35.5**	**24.4**
J) Net current indebtedness (I-E-D)	**(1,429.3)**	**(1,448.9)**
K) Non-current bank debt	0.0	2.1
L) Debt securities outstanding	-	-
M) Other non-current borrowings	7.9	11.6
N) Non-current indebtedness (K+L+M)	**7.9**	**13.7**
O) Net borrowings (J+N)	**(1,421.4)**	**(1,435.2)**

The "Financial Performance" section of the Interim Report on Operations explains the main developments that occurred in this area.

Breakdown of Labor Costs by Type

A breakdown is as follows:

	First half 2011	First half 2010
Wages and salaries	204.9	184.0
Social security contributions	33.0	32.1
Severance benefits	27.6	21.9
Other labor costs	21.5	18.6
Total labor costs	**287.0**	**256.6**

The increase in Labor costs is due mainly to the appreciation of the euro versus the currencies of the main countries where the Group operates.

Depreciation, Amortization and Writedowns

A breakdown is as follows:

(in millions of euros)	First half 2011	First half 2010
- Amortization of intangibles	4.4	11.4
- Depreciation of property, plant and equipment	47.5	43.2
- Writedowns of non-current assets	8.0	3.8
- Reversals of writedowns	-	(0.1)
Total depreciation, amortization and writedowns of non-current assets	**59.9**	**58.3**

The amount shown for Writedowns of non-current assets (8.0 million euros) reflects the impairment of the goodwill allocated to the Portugal cash generating unit determined by the impairment test. More detailed information is provided in the note to Goodwill.

Earnings per share

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

(*in euros*)	**First half 2011**	**First half 2010**
Group interest in profit	*76,506,829*	*147,380,395*
broken down as follows:		
- *Profit from continuing operations*	*76,509,829*	*147,380,395*
- *Profit (Loss) from discontinuing operations*		
Weighted average number of shares outstanding determined for the purpose of computing earnings per share:		
- basic	1,737,127,224	1,726,006,398
- diluted	1,776,551,724	1,763,128,662
Basic earnings per share	0.0440	0.0854
broken down as follows:		
- *Profit from continuing operations*	*0.0440*	*0.0854*
- *Profit (Loss) from discontinuing operations*	-	-
Diluted earnings per share	0.0431	0.0836
broken down as follows:		
- *Profit from continuing operations*	*0.0431*	*0.0836*
- *Profit (Loss) from discontinuing operations*	-	-

The computation of the weighted average number of shares outstanding, starting with the 1,732,915,571 shares outstanding at January 1, 2011, is based on the following changes that occurred in the first half of 2011:

- issuance of 669,071 common shares on January 19, 2011
- issuance of 1,801,684 common shares on February 18, 2011
- issuance of 2,539,389 common shares on March 16, 2011

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

Segment Information

The table below, which was prepared in accordance with the disclosure requirements of IFRS 8, provides segment information about the Group's operations at June 30, 2011 and the comparable data for 2010. The breakdown by geographic region is consistent with the Group's governance structure and is reflected on the income statement and statement of financial position data provided below. The statement of financial position data are end-of-period data.

(€ m)

	ITALY	OTHER COUNTRIES IN EUROPE				CANADA	CENTRAL AND SOUTH AMERICA				AUSTRALIA	AFRICA			GROUP CONTINUING NON-CORE & OTHER	HOLDING COS/ADJ. & ELIM.	GROUP
		Russia	Portugal	Romania	Total		Venezuela	Colombia	Other countries	Total		South Africa	Other countries	Total			
2011																	
Net segment revenues	489,5	46,2	26,0	4,7	76,9	762,8	142,5	62,0	12,4	216,9	399,9	173,2	28,5	201,6	0,0	(0,9)	2.146,9
Net inter-segment revenues	(0,9)	0,0	0,0	0,0	0,0	(0,0)	0,0	(0,0)	0,0	0,0	0,0	(6,7)	6,7	0,0	0,0	0,9	
Net revenues from outsiders	488,7	46,2	26,0	4,7	76,9	762,7	142,5	62,0	12,4	216,9	399,9	166,5	35,2	201,6	0,0		2.146,9
EBITDA	39,6	2,4	0,6	0,3	3,3	69,5	14,4	2,4	0,2	17,0	13,5	17,2	2,4	19,7	(0,6)	(12,6)	149,3
% of net revenues	*8,1*	*5,2*	*2,4*	*5,9*	*4,3*	*9,1*	*10,1*	*3,9*	*1,5*	*7,8*	*3,4*	*10,0*	*8,5*	*9,8*			*7,0*
Depreciation, amortization and writedowns of non-current assets	(19,9)	(1,3)	(0,5)	(0,3)	(2,1)	(11,5)	(2,6)	(2,8)	(0,4)	(5,7)	(8,1)	(3,9)	(0,6)	(4,5)	(0,0)		(51,9)
- Writedowns of goodwill and trademarks with indefinite useful life			(8,0)		(8,0)												(8,0)
- Litigation related expenses																	(3,9)
- Miscell. income and expense																	11,1
EBIT																	**96,6**
Financial income																	24,5
Financial expense																	(12,3)
Interest in result of cos. valued by equity method	0,1																0,1
Other income from (expense for) equity investments																	0,0
PROFIT BEFORE TAXES																	**108,9**
Income taxes																	(32,5)
NET PROFIT FROM CONTINUING OPERATIONS																	**76,4**
Net profit (loss) from discontinuing operations																	0,0
PROFIT FOR THE PERIOD																	**76,4**
Total segment assets	2.366,2	70,3	48,6	11,4	130,3	893,5	136,6	82,7	15,5	234,8	474,6	237,8	30,0	267,8	76,6	(5,6)	4.438,2
Total non-segment assets																	148,4
Total assets																	**4.586,6**
Total segment liabilities	403,3	10,4	12,2	2,2	24,8	166,9	49,0	15,8	7,0	71,8	127,4	45,5	13,7	59,2	9,4	(5,6)	857,2
Total non-segment liabilities																	230,5
Total liabilities																	**1.087,7**
Capital exp. (prop., plant & equip.)	12,3	4,5	0,1	0,1	4,7	15,2	1,3	1,4	0,1	2,8	11,3	2,8	1,0	3,8	0,2		50,4
Capital expenditures (intangibles)	2,5	0,0	0,0	0,0	0,0	1,5	0,9	0,1	0,0	0,9	0,0	0,1	0,0	0,1	0,0		5,1
Number of employees	2.117	1.074	256	127	1.457	2.946	1.915	1.081	289	3.285	1.761	1.798	601	2.399			13.965

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

More detailed information about the performance of the different segments in the first half of 2011 is provided in the Report on Operations.

(€ m)

	ITALY	OTHER COUNTRIES IN EUROPE				CANADA	CENTRAL AND SOUTH AMERICA				AUSTRALIA	AFRICA			GROUP CONTINUING NON-CORE & OTHER	HOLDING COS/ADJ. & ELIM.	GROUP
		Russia	Portugal	Romania	Total		Venezuela	Colombia	Other coun-tries	Total		South Africa	Other coun-tries	Total			
2010																	
Net segment revenues	478,1	40,3	27,7	4,6	72,6	749,1	121,7	60,1	11,4	193,2	341,8	164,8	27,1	192,0	0,2	(0,7)	2.026,2
Net inter-segment revenues	(0,7)	0,0	0,0	0,0	0,0	0,0	0,0	(0,0)	0,0	0,0	0,0	(6,4)	6,4	0,0	0,0	0,7	
Net revenues from outsiders	477,4	40,3	27,7	4,6	72,6	749,1	121,7	60,0	11,4	193,2	341,8	158,5	33,5	192,0	0,2		2.026,2
EBITDA	49,8	2,8	3,0	0,8	6,6	64,8	8,0	3,6	(0,1)	11,4	32,7	15,6	1,6	17,2	(0,1)	(8,0)	174,5
% of net revenues	10,4	6,9	10,9	16,7	9,1	8,6	6,5	6,0	(1,2)	5,9	9,6	9,5	5,8	9,0			8,6
Depreciation, amortization and writedowns of non-current assets	(29,6)	(1,3)	(0,5)	(0,3)	(2,1)	(10,1)	(2,8)	(2,2)	(0,3)	(5,3)	(6,7)	(3,9)	(0,6)	(4,5)	(0,0)		(58,3)
- Writedowns of goodwill and trademarks with indefinite useful life																	
- Litigation related expenses																	(5,1)
- Miscell. income and expense																	65,6
EBIT																	**176,7**
Financial income																	38,2
Financial expense																	(37,7)
Interest in result of cos. valued by equity method	(0,7)																(0,7)
Other income from (expense for) equity investments																	0,3
PROFIT BEFORE TAXES																	**176,8**
Income taxes																	(28,2)
NET PROFIT FROM CONTINUING OPERATIONS																	**148,6**
Net profit (loss) from discontinuing operations																	0,0
PROFIT FOR THE PERIOD																	**148,6**
Total segment assets	2.430,7	68,0	82,5	11,6	162,2	925,3	136,6	91,7	19,0	247,2	432,6	240,1	30,9	271,0	65,2	(5,8)	4.528,3
Total non-segment assets																	115,3
Total assets																	**4.643,6**
Total segment liabilities	336,1	9,6	11,6	2,7	23,9	199,9	63,1	17,0	9,4	89,6	110,9	52,4	13,2	65,6	10,9	(5,8)	831,1
Total non-segment liabilities																	431,5
Total liabilities																	**1.262,6**
Capital exp. (prop., plant & equip.)	23,6	2,7	0,6	0,0	3,3	9,2	2,6	1,4	0,3	4,4	8,5	1,4	1,0	2,4	0,1		51,4
Capital expenditures (intangibles)	3,4	0,0	0,0	0,0	0,0	0,3	0,3	0,0	0,0	0,3	0,0	0,1	0,0	0,1	0,0		4,2
Number of employees	2.158	1.020	262	129	1.411	2.929	1.978	1.116	274	3.368	1.709	1.778	579	2.357			13.932

- 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	6/30/11 (end of period rate)	12/31/10 (end of period rate)	% change (end of period rate)	6/30/11 (average rate)	6/30/10 (average rate)	% change (average rate)
DOLLAR – AUSTRALIA	AUD	1.34850	1.31360	2.66%	1.35799	1.48592	-8.61%
PULA – BOTSWANA	BWP	9.45115	8.61475	9.71%	9.24570	9.13411	1.22%
DOLLAR – CANADA	CAD	1.39510	1.33220	4.72%	1.37026	1.37372	-0.25%
PESO – COLOMBIA	COP	2,571.82	2,571.38	0.02%	2,577.55	2,588.53	-0.42%
PESO – MEXICO	MXN	16.9765	16.5475	2.59%	16.6839	16.8287	-0.86%
NEW METICAL – MOZAMBIQUE	MZM	41.4657	43.9476	-5.65%	43.2954	40.1536	7.82%
CORDOBA ORO – NICARAGUA	NIO	32.4013	29.2394	10.81%	31.0840	28.0144	10.96%
GUARANI – PARAGUAY	PYG	5,742.18	6,090.40	-5.72%	5,967.25	6,246.97	-4.48%
NEW LEU – ROMANIA	RON	4.24350	4.26200	-0.43%	4.17976	4.14922	0.74%
RUBLE – RUSSIA	RUB	40.4000	40.8200	-1.03%	40.1448	39.9227	0.56%
LILANGENI – SWAZILAND	SZL	9.85690	8.86250	11.22%	9.68513	10.0036	-3.18%
U.S. DOLLAR[1]	USD	1.44530	1.33620	8.16%	1.40311	1.32843	5.62%
BOLIVAR FUERTE – VENEZUELA	VEF	6.21479	5.74566	8.16%	6.03338	5.71225	5.62%
RAND – SOUTH AFRICA	ZAR	9.85690	8.86250	11.22%	9.68513	10.0036	-3.18%
KWACHA ZAMBIA	ZMK	7,029.27	6,400.26	9.83%	6,678.78	6,319.35	5.69%

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

Investments in Associates of the Parmalat Group

Controlling Company

Company			Share capital	Equity investment				
Name Head office	Type (1)	Curr.	Amount	Number of shares/cap interests held	Held by	Number of shares/cap. interests	% interest held	Group interest
PARMALAT S.P.A.	PC	EUR	1,737,925,715					
Collecchio								100.0000

Companies consolidated line by line

Company			Share capital	Equity investment				
Name Head office	Type (1)	Curr.	Amount	Number of shares/cap interests held	Held by	Number of shares/cap. interests	% interest held	Group interest
EUROPE								
ITALY								
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
CARNINI S.P.A.	C	EUR	3,300,000	600	Parmalat S.p.A.	600	100.000	
Villa Guardia (CO)							100.000	100.0000
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
COMPAGNIA FINANZIARIA ALIMENTI SRL in liquidation(2)	LLP	EUR	10,000	10,000	Dalmata S.p.A.	10,000	100.000	
Collecchio							100.000	100.0000
DALMATA S.P.A.	C	EUR	120,000	120,000	Parmalat S.p.A.	120,000	100.000	
Collecchio							100.000	100.0000
DALMATA DUE SRL	LLP	EUR	10,000	1	Dalmata S.p.A.	1	100.000	
Collecchio							100.000	100.0000
LATTE SOLE S.P.A.	C	EUR	3,042,145	3,042,145	Parmalat S.p.A.	3,042,145	100.000	
Collecchio							100.000	100.0000
PARMALAT AFRICA S.P.A.	C	EUR	38,860,408	38,860,408	Parmalat S.p.A.	38,860,408	100.000	
Collecchio							100.000	100.0000
PARMALAT DISTRIBUZIONE ALIMENTI SRL	LLP	EUR	1,000,000	1	Parmalat S.p.A.	1	100.000	
Collecchio							100.000	100.0000
SATA SRL	LLP	EUR	500,000	500,000	Parmalat S.p.A.	500,000	100.000	
Collecchio							100.000	100.0000
BELGIUM								
PARMALAT BELGIUM SA	F	EUR	1,000,000	40,000	Parmalat S.p.A.	40,000	100.000	
Brussels							100.000	100.0000
PORTUGAL								
PARMALAT PORTUGAL PROD. ALIMENT. LDA	F	EUR	11,651,450.04	3	Parmalat S.p.A.	1	99.957	
					Latte Sole S.p.A.	1	0.030	
Sintra					Parmalat Distribuz. Alim. S.r.l.	1	0.013	
							100.000	100.0000
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
PARMALAT ROMANIA SA	F	RON	26,089,760	2,608,957	Parmalat S.p.A.	2,608,957	99.999	
Comuna Tunari							99.999	99.9993

(1) C = Corporation; PC = Publicly traded corporation; LLP = Limited liability partnership; F = Foreign company
(2) company in liquidation and subsidiaries
(3) company party to local composition-with-creditors proceedings and subsidiaries
(4) company under extraordinary administration or noncore company

Company			Share capital		Equity investment			
Name Head office	Type (1)	Curr.	Amount	Number of shares/cap interests held	Held by	Number of shares/cap. interests	% interest held	Group interest
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
OOO PARMALAT MK	F	RUB	81,115,950	1	Parmalat S.p.A.	1	100.000	
Moscow							100.000	100.0000
OOO URALLAT	F	RUB	129,618,210	1	Parmalat S.p.A.	1	100.000	
Berezovsky							100.000	100.0000
OOO FORUM	F	RUB	10,000	1	OOO Parmalat MK	1	100.000	
Severovo							100.000	100.0000
NORTH AMERICA								
CANADA								
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
MEXICO								
PARMALAT DE MEXICO S.A. de C.V. (2)	F	MXN	390,261,812	390,261,812	Parmalat S.p.A.	390,261,812	100.000	
Jalisco							100.000	100.0000
CENTRAL AMERICA								
CUBA								
CITRUS INTERNATIONAL CORPORATION SA	F	USD	11,400,000	627	Parmalat S.p.A.	627	55.000	
Pinar del Rio							55.000	55.0000
NICARAGUA								
PARMALAT NICARAGUA SA in liquidation(2)	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
SOUTH AMERICA								
NETHERLANDS ANTILLES								
CURCASTLE CORPORATION NV	F	USD	6,000	6,000	Dalmata Due S.r.l.	6,000	100.000	
Curaçao							100.000	100.0000
COLOMBIA								
PARMALAT COLOMBIA LTDA	F	COP	20,466,360,000	18,621,581	Parmalat S.p.A.	18,621,581	90.986	
Bogotá							90.986	90.9860
PROCESADORA DE LECHES SA (Proleche sa)	F	COP	173,062,136	138,102,792	Parmalat S.p.A.	131,212,931	94.773	
Bogotá					Dalmata S.p.A.	4,101,258	2.962	
					Parmalat Colombia Ltda	2,788,603	2.014	
							99.749	99.5676
ECUADOR								
PARMALAT DEL ECUADOR SA (form. Leche Cotopaxi Lecocem SA)	F	USD	6,167,720	100,067,937	Parmalat S.p.A.	100,067,937	64.897	
Quito							64.897	64.8978
LACTEOSMILK SA (form. Parmalat del Ecuador sa)	F	USD	345,344	8,633,599	Parmalat S.p.A.	8,633,598	100.000	
Quito					Parmalat Colombia Ltda	1	0.000	
							100.000	100.0000
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

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Company			Share capital		Equity investment			
Name Head office	Type (1)	Curr.	Amount	Number of shares/cap interests held	Held by	Number of shares/cap. interests	% interest held	Group interest
VENEZUELA								
DISTRIBUIDORA MIXTA DE ALIMENTOS CA (DISMALCA)(2)	F	VEF	3,300	3,300	Indu.Lac.Venezol. ca-Indulac	3,300	100.000	
Caracas							100.000	98.8202
INDUSTRIA LACTEA VENEZOLANA CA (INDULAC)	F	VEF	34,720,471.6	343,108,495	Parmalat S.p.A.	343,108,495	98.820	
Caracas							98.820	98.8202
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
AFRICA								
BOTSWANA								
PARMALAT BOTSWANA (PTY) LTD	F	BWP	10,526,118	3,001	Parmalat Africa S.p.A.	3,001	100.000	
Gaborone							100.000	100.0000
MOZAMBIQUE								
PARMALAT PRODUTOS ALIMENTARES SARL	F	MZM	57,841,500	536,415	Parmalat Africa S.p.A.	536,415	92.739	
							92.739	
Matola								92.7390
SOUTH AFRICA								
ANDIAMO AFRIKA (PTY) LTD(2)	F	ZAR	100	51	Parmalat South Africa (Pty) Ltd	51	51.000	
Stellenbosch							51.000	51.0000
PARMALAT SOUTH AFRICA (PTY) LTD	F	ZAR	1,368,288.73	122,010,000	Parmalat Africa S.p.A.	122,010,000	89.170	
Stellenbosch				14,818,873	Parmalat S.p.A.	14,818,873	10.830	
							100.000	100.0000
SWAZILAND								
PARMALAT SWAZILAND (PTY) LTD	F	SZL	100	60	Parmalat Africa S.p.A.	60	60.000	
Mbabane							60.000	60.0000
ZAMBIA								
PARMALAT ZAMBIA LIMITED	F	ZMK	27,281,000	19,505,915	Parmalat Africa S.p.A.	19,505,915	71.500	
Lusaka							71.500	71.5000
ASIA/PACIFIC								
AUSTRALIA								
PARMALAT AUSTRALIA LTD	F	AUD	222,627,759	22,314,388 ord.	Parmalat Belgium sa	22,314,388	10.03	
South Brisbane				200,313,371 pr.	Parmalat S.p.A.	200,313,371	89.97	
							100.000	100.0000
PARMALAT FOOD PRODUCTS PTY LTD	F	AUD	27,000,000	27,000,000	Parmalat Investments Pty Ltd	27,000,000	100.000	
South Brisbane							100.000	100.0000
PARMALAT INVESTMENTS PTY LTD	F	AUD	27,000,000	27,000,000	Parmalat S.p.A.	27,000,000	100.000	
South Brisbane							100.000	100.0000
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
PIPPAK PTY LTD	F	AUD	2,143,070	230	Parmalat Food Products Pty Ltd	230	100.000	
South Brisbane							100.000	100.0000
WOODVALE MOULDERS PTY LTD	F	AUD	184,100	92,500	Parmalat Food Products Pty Ltd	92,500	100.000	
South Brisbane							100.000	100.0000

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Companies that are majority owned but are not subsidiaries

Company Name Head office	Type [1]	Curr.	Amount	Number of shares/cap interests held	Held by	Number of shares/cap. interests	% interest held
EUROPE							
NETHERLANDS							
DAIRIES HOLDING INTERNATIONAL BV	F	EUR	244,264,623.05	40 ord.	Dalmata S.p.A.	40	0.008
in A.S. [4]				542,765,829 pref.	Dalmata S.p.A.	542,765,829	99.992
Rotterdam							100,000
GERMANY							
DEUTSCHE PARMALAT GMBH in A.S. [4]	F	EUR	4,400,000	4,400,000	Dalmata S.p.A.	4,400,000	100.000
Weissenhorn							100.000
PARMALAT MOLKEREI GMBH in A.S. [4]	F	EUR	600,000	540,000	Deutsche Parmalat Gmbh in AS	540,000	90.000
Gransee				60,000	Dalmata S.p.A.	60,000	10.000
							100,000
LUXEMBOURG							
OLEX SA in A.S. [4]	F	EUR	578,125	22,894	Dairies Holding Int.l Bv in A.S.	22,894	99.001
Luxembourg							99.001
SOUTH AMERICA							
BRAZIL							
PRM ADMIN E PART DO BRASIL LTDA[2]	F	BRL	1,000,000	810,348	Parmalat S.p.A.	810,348	81.035
São Paulo							81.035
CHILE							
PARMALAT CHILE SA[4]	F	CLP	13,267,315,372	2,096,083	Parmalat S.p.A.	2,096,083	99.999
Santiago							99.999
URUGUAY							
AIRETCAL SA[2]	F	UYU	2,767,156	2,767,156	Parmalat S.p.A.	2,767,156	100.000
Montevideo							100.000
WISHAW TRADING SA[4]	F	USD	30,000	230	Parmalat S.p.A.	50	16.667
Montevideo					Parmalat Paraguay sa	90	30.000
					Indu.Lac.Venezol. ca-Indulac	90	30.000
							76.667
ASIA							
CHINA							
PARMALAT (ZHAODONG) DAIRY CORP. LTD[4]	F	CNY	56,517,260	53,301,760	Parmalat S.p.A.	53,301,760	94.311
Zhaodong							94.311
INDIA							
SWOJAS ENERGY FOODS LIMITED in liquidation[2]	F	INR	309,626,500	21,624,311	Parmalat S.p.A.	21,624,311	69.840
Shivajinagar							69.840

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Other companies

Company Name Head office	Share capital Type [1]	Curr.	Amount	Equity investment Number of shares/cap interests held	Held by	Number of shares/cap. interests	% interest held
EUROPE							
ITALY							
ALBALAT SRL	LLP	EUR	20,000	100	Sata S.r.l.	100	0.500
Albano Laziale (Rome)							0.500
BONATTI S.P.A.	C	EUR	28,813,404	572,674	Parmalat S.p.A.	572,674	10.256
Parma							10.256
CE.PI.M S.P.A.	C	EUR	6,642,928	464,193	Parmalat S.p.A.	464,193	0.840
Parma							0.840
COOPERFACTOR S.P.A.	C	EUR	11,000,000	10,329	Parmalat S.p.A.	10,329	0.094
Bologna							0.094
HORUS SRL[4]	SRL	EUR	n.a.	n.a.	Sata S.r.l.	n.a.	1.000
							1.000
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
SO.GE.AP S.P.A.	C	EUR	19,454,528	526	Parmalat S.p.A.	526	0.135
Parma							0.135
TECNOALIMENTI SCPA	C	EUR	780,000	33,800	Parmalat S.p.A.	33,800	4.330
Milan							4.330
PORTUGAL							
EMBOPAR	F	EUR	241,500	4,830	Parmalat Portugal	70	1.449
Lisbon							1.449
CNE – Centro Nacional de Embalagem	F	EUR	488,871.88	897	Parmalat Portugal	1	0.111
Lisbon							0.111
AFRICA							
SOUTH AFRICA							
AQUAHARVEST LTD	F	ZAR	51,420,173	150,000	Parmalat South Africa (Pty) Ltd	150,000	0.292
Durbanville							0.292
ASIA							
THAILAND							
PATTANA MILK CO LTD	F	THB	50,000,000	2,500,000	Parmalat Australia Ltd	2,500,000	5.000
Bangkok							5.000
SINGAPORE							
QBB SINGAPORE PTE LTD	F	SGD	1,000	338	Parmalat Australia Ltd	338	33.800
							33.800

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Companies Removed from the Parmalat Group in the First Half of 2011

Company	Country	Reason
Fiordilatte S.r.l. in liquidation	Italy	Dissolved

Signed: Francesco Tatò
Chairman

Signed: Yvon Guérin
Chief Executive Officer

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

We, the undersigned, Yvon Guérin, 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 2011 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, 2011 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 books of accounts and other 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 statement of financial position, income statement and cash flow 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 2011 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 28, 2011

The Chief Executive Officer

The Corporate Accounting Documents Officer

AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

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 cash flows and changes in shareholders' equity 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, reference should be made to our reports dated 2 March 2011 and dated 29 July 2010, respectively.

PricewaterhouseCoopers SpA

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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 2011 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, 28 July 2011

PricewaterhouseCoopers SpA

Elena Cogliati
(Partner)

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

Parmalat S.p.A.

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