Semiannual Financial Report

at June 30, 2012

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 2012**	**First half 2011**
- NET REVENUES	2,276.9	2,146.9
- EBITDA	163.3	149.3
- EBIT	96.2	96.6
- NET PROFIT	83.6	76.4
- EBIT/REVENUES (%)	4.2	4.5
- NET PROFIT/REVENUES (%)	3.6	3.5
PARMALAT S.p.A.		
- NET REVENUES	396.2	415.6
- EBITDA	30.0	27.0
- EBIT	5.2	(2.3)
- NET PROFIT	59.7	34.6
- EBIT/REVENUES (%)	1.3	(0.5)
- NET PROFIT/REVENUES (%)	14.5	8.0

Balance Sheet Highlights

(amounts in millions of euros)		
PARMALAT GROUP	**6/30/12**	**12/31/11**
- NET FINANCIAL ASSETS	1,578.0	1,518.4
- ROI (%) [1]	9.5	9.6
- ROE (%)[1]	4.6	4.8
- EQUITY/ASSETS	0.7	0.8
- NET FINANCIAL POSITION/EQUITY	(0.4)	(0.4)
PARMALAT S.p.A.		
- NET FINANCIAL ASSETS	1,659.2	1,562.2
- ROI (%) [1]	5.5	3.9
- ROE (%)[1]	4.0	6.4
- EQUITY/ASSETS	0.9	0.9
- NET FINANCIAL POSITION/EQUITY	(0.6)	(0.5)

[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 2012 are summarized below:

	Common shares	Warrants
Securities outstanding at 6/29/12	1,757,481,627	43,179,935
Closing price on 6/29/12	1.494	0.495
Capitalization	2,625,677,550.74	21,374,067.83
High for the period (in euros)	1.827 March 12, 2012	0.785 March 19, 2012
Low for the period (in euros)	1.287 January 16, 2012	0.327 January 5, 2012
Average price in June (in euros)	1.484	0.487
Highest daily trading volume	23,964,790 April 23, 2012	1,431,733 March 12, 2012
Lowest daily trading volume	353,266 June 4, 2012	10,325 June 26, 2012
Average trading volume in June	1,435,110[1]	59,445.67

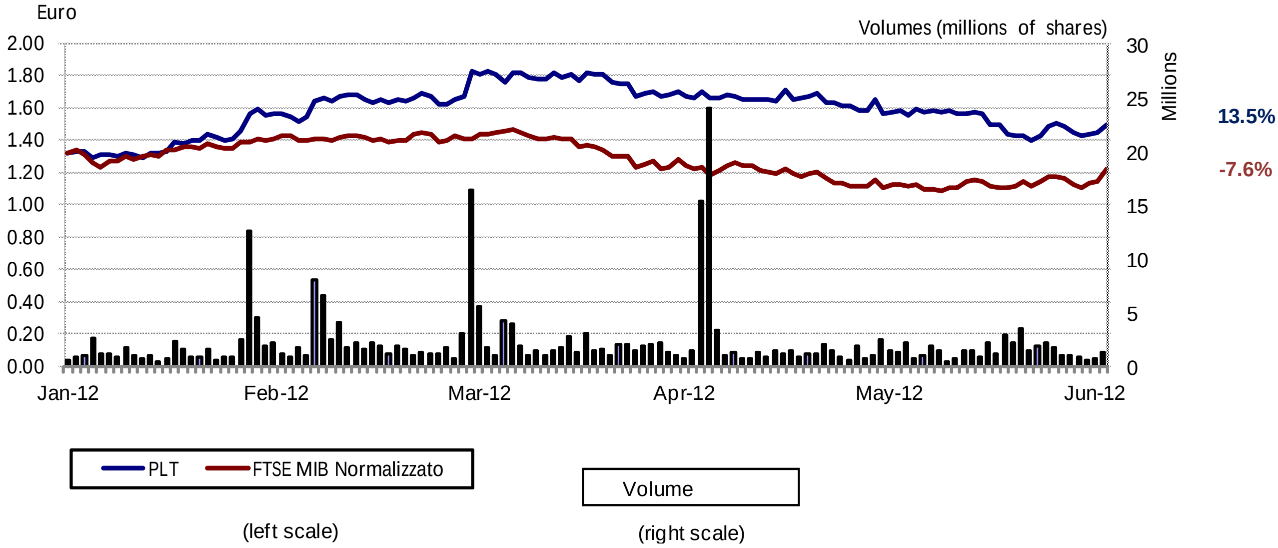
[1] 0.082 % of the share capital.

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.

The rise in the price of Parmalat shares during the early months of 2012 reflects primarily the impact of purchases by mutual funds.
The positive results reported by Parmalat in the first quarter of 2012, coupled with the developments describe above, enabled the Parmalat shares to outperform the MIB index, which continues to be affected by the challenging conditions faced by all European securities exchanges, due to the economic and financial crisis that has engulfed some E.U. countries.

Performance of the Parmalat Stock in the First Half of 2012



(source: Bloomberg)

Stock Ownership Profile

As required by Article 120 of the Uniform Financial Code, the table below lists the shareholders who held a significant interest in the Company at July 6, 2012.

Significant interests		
Shareholder	**No. of shares**	**Percentage**
Sofil S.a.s.	1,448,214,141	82.4%

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 today's date, the Company's subscribed capital share had increased by 21,263 euros. Consequently, the share capital, which totaled 1,757,481,627 euros at June 30, 2012, currently amounts to 1,757,502,890 euros.

With regard to the Company's share capital, please note that:

- 4,353,501 shares, equal to about 0.2% of the share capital, still held on deposit by Parmalat S.p.A.m belong to commercial creditors who have been identified by name;
- 2,049,096 shares, equal to 0.1% of the share capital, are held by the Company as treasury shares.

The maintenance of the Stock Register is 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.

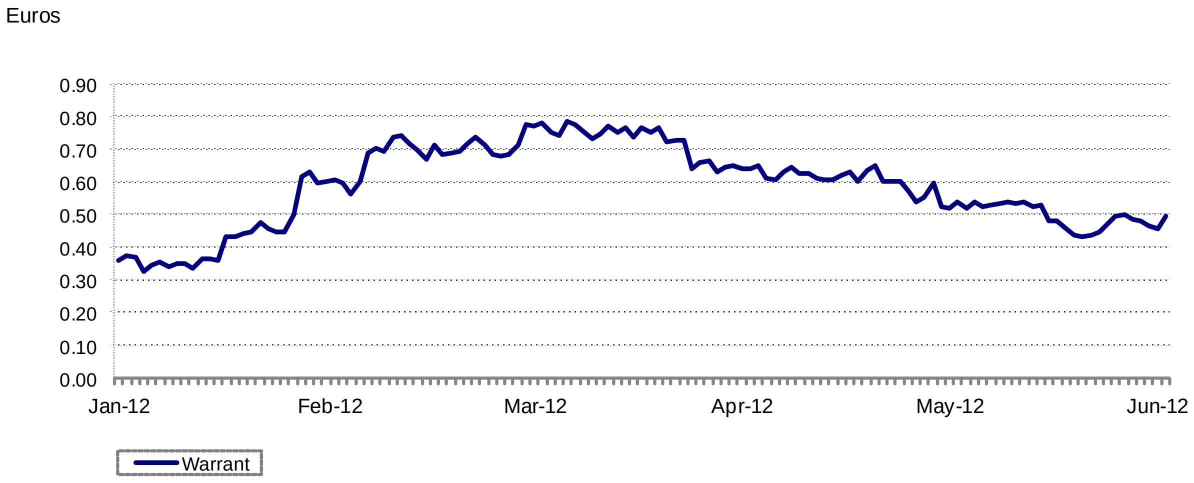
The Extraordinary Shareholders' Meeting of September 19, 2005 approved a resolution making "permeable" the tranches into which the capital increase approved at the abovementioned Extraordinary Shareholders' Meeting of March 1, 2005 is divided.

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.
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.

The Extraordinary Shareholders' Meeting of May 31, 2012 approved a resolution to partially amend the capital increase resolution approved by the Extraordinary Shareholders' Meeting of March 1, 2005 (as amended by the Shareholders' Meetings of September 19, 2005 and April 28, 2007) limited to the capital increases referred to in items c) and d) above, reducing the capital increase approved by said resolutions by 85,087,908 euros, finding that the capital approved by said resolutions was excessive by an equal amount for the reasons stated in the resolution approved by the Shareholders' Meeting.

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) (3)
Chief Executive Officer	Yvon Guérin
Directors	Gabriella Chersicla (i) (1) (3) Francesco Gatti Daniel Jaouen Marco Jesi (i) (2) Antonio Aristide Mastrangelo (i) (1) Umberto Mosetti (i) (2) Marco Reboa (i) (1) Antonio Sala (3) Riccardo Zingales (i) (1) (2)

(i) Independent Director
(1) Member of the Internal Control, Risk Management 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	Roberto Cravero Alfredo Malguzzi

Independent Auditors

PricewaterhouseCoopers S.p.A.

Interim Report on Operations

Review of Operating and Financial Performance

Parmalat Group

Net revenues increased to 2,276.9 million euros, up 130.0 million euros (+6.1%) compared with 2,146.9 million euros in the first half of 2011. Increases in sales prices implemented last year in the Group's main countries and higher sales volumes in Australia, Russia and Africa account for most of this improvement.

EBITDA totaled 163.3 million euros, or 14.0 million euros more (+9.4%) than the 149.3 million euros earned in the first six months of 2011. This gain reflects the effect of the higher sales prices implemented last year, offset in part by an increase in production costs.

EBIT amounted to 96.2 million euros, in line with the 96.6 million euros reported at June 30, 2011. The effect of industrial operations improvement (14-million-euro EBITDA increase) was offset by lower non-recurrent activities (14 million euros income in the first half of 2011).
Depreciation and amortization expense and writedowns of non-current assets totaled 56.5 million euros (59.9 million euros in the first six months of 2011).

Group interest in net profit increased to 82.5 million euros, up 6.0 million euros compared with 76.5 million euros in the first half of 2011. Industrial operations improvement, lower impact of non-recurrent income and higher financial income earned on invested liquid assets during the period accounts for most of this improvement.

Operating working capital grew to 369.5 million euros, or 5.2 million euros more than at December 31, 2011, when it amounted to 364.3 million euros. This gain is chiefly the result of the higher inventories accumulated by the Canadian, Venezuelan and South African subsidiaries, due to seasonal factors that characterize their businesses, involving an increase in inventory in the first half of the year, in anticipation of higher sales in the second part of the year. Part of this increase was offset by a reduction in trade receivables achieved primarily by Parmalat S.p.A. thanks to a more effective credit collection system.

Net invested capital amounted to 2,014.1 million euros, down 122.8 million euros compared with the amount reported at December 31, 2011 (2,136.9 million euros). This decrease reflects primarily the effect of the liability toward the controlling company Sofil S.a.s. for the dividend declared by the Shareholders' Meeting on May 31, 2012, which was paid on July 20, 2012.

Net financial assets totaled 1,578.0 million euros, for a gain of 59.6 million euros compared with 1,518.4 million euros at December 31, 2011. This increase reflects the positive impact of the cash flows from operating and financing activities (86.1 million euros and 8.6 million euros, respectively), offset in part by a partial dividend payment (33.6 million euros).

Group interest in shareholders' equity decreased to 3,568.9 million euros, or 61.3 million euros less than at December 31, 2011, when it totaled 3,630.2 million euros, due mainly to the effect of the 2011 dividend (175.5 million euros) declared by the Ordinary Shareholders' Meeting of May 31, 2012, offset in part by the Group interest in net profit amounting to 82.5 million euros and the translation of the financial statements of companies that operate outside the euro zone (33.3 million euros).

Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)	First half 2012	First half 2011
REVENUES	**2,292.0**	**2,169.6**
Net revenues	2,276.9	2,146.9
Other revenues	15.1	22.7
OPERATING EXPENSES	**(2,126.3)**	**(2,015.9)**
Purchases, services and miscellaneous costs	(1,809.1)	(1,728.9)
Labor costs	(317.2)	(287.0)
Subtotal	**165.7**	**153.7**
Writedowns of receivables and other provisions	(2.4)	(4.4)
EBITDA	**163.3**	**149.3**
Depreciation, amortization and writedowns of non-current assets	(56.5)	(59.9)
Other income and expenses:		
- Litigation-related legal expenses	(4.4)	(3.9)
- Miscellaneous income and expenses	(6.2)	11.1
EBIT	**96.2**	**96.6**
Net financial income (expense)	22.4	12.2
Interest in the results of companies valued by the equity method	0.0	0.1
Other income from (charges for) equity investments	3.0	0.0
PROFIT BEFORE TAXES	**121.6**	**108.9**
Income taxes	(38.0)	(32.5)
NET PROFIT FROM CONTINUING OPERATIONS	**83.6**	**76.4**
NET PROFIT	**83.6**	**76.4**
Minority interest in net (profit) loss	(1.1)	0.1
Group interest in net profit	82.5	76.5

Continuing operations:

Basic earnings per share	**0.0470**	**0.0440**
Diluted earnings per share	**0.0465**	**0.0431**

Parmalat Group

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(in millions of euros)	**6/30/12**	**12/31/11**
NON-CURRENT ASSETS	**2,147.4**	**2,125.8**
Intangibles	1,099.0	1,084.0
Property, plant and equipment	902.1	899.0
Non-current financial assets	70.7	67.2
Deferred-tax assets	75.6	75.6
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	**3.0**	**3.0**
NET WORKING CAPITAL	**295.4**	**421.1**
Inventories	466.5	378.6
Trade receivables	472.0	525.8
Trade payables (-)	(569.0)	(540.1)
Operating working capital	**369.5**	**364.3**
Other current assets	209.4	209.1
Other current liabilities (-)	(283.5)	(152.3)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**2,445.8**	**2,549.9**
PROVISIONS FOR EMPLOYEE BENEFITS (-)	**(92.5)**	**(89.0)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(332.7)**	**(317.5)**
PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(6.5)**	**(6.5)**
NET INVESTED CAPITAL	**2,014.1**	**2,136.9**
Covered by:		
SHAREHOLDERS' EQUITY[1]	**3,592.1**	**3,655.3**
Share capital	1,757.5	1,755.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	68.4	153.7
Other reserves and retained earnings	1,660.5	1,550.7
Profit for the period	82.5	170.4
Minority interest in shareholders' equity	23.2	25.1
NET FINANCIAL ASSETS	**(1,578.0)**	**(1,518.4)**
Loans payable to banks and other lenders	41.5	34.9
Loans payable to investee companies	4.6	4.5
Other financial assets (-)	(827.7)	(1,254.5)
Cash and cash equivalents (-)	(796.4)	(303.3)
TOTAL COVERAGE SOURCES	**2,014.1**	**2,136.9**

[1] The schedule that reconciles the result and shareholders' equity at June 30, 2012 of Parmalat S.p.A. to the consolidated result and shareholders' equity is provided in the Notes to the Condensed Consolidated Semiannual Financial Statements.

Parmalat Group

STATEMENT OF CHANGES IN NET FINANCIAL POSITION IN THE FIRST HALF OF 2012

(in millions of euros)	**First half 2012**	**First half 2011**
Net financial assets at beginning of period	**(1,518.4)**	**(1,435.2)**
Changes during the period:		
- Cash flow from operating activities for the period	(134.4)	(53.7)
- Cash flow from investing activities	37.2	54.3
- Accrued interest payable	3.2	1.4
- Cash flow from settlements	1.7	8.2
- Dividend payments	33.6	1.5
- Exercise of warrants	(1.9)	(5.0)
- Miscellaneous items	5.5	(1.4)
- Translation effect	(4.5)	8.5
Total changes during the period	(59.6)	13.8
Net financial assets at end of period	**(1,578.0)**	**(1,421.4)**

BREAKDOWN OF NET FINANCIAL POSITION

(in millions of euros)	**6/30/12**	**12/31/11**
Loans payable to banks and other lenders	41.5	34.9
Loans payable to investee companies[1]	4.6	4.5
Other financial assets (-)	(827.7)	(1,254.5)
Cash and cash equivalents (-)	(796.4)	(303.3)
Net (financial assets) borrowings	**(1,578.0)**	**(1,518.4)**

[1] Including 2.4 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**
Beginning balance	**(303.3)**	**(1,254.5)**	**39.4**	**(1,518.4)**
Cash flow from operating activities for the period	(134.4)	-	-	(134.4)
Cash flow from investing activities	37.2	-	-	37.2
New borrowings	(5.1)	-	5.1	-
Loan repayments	7.9	-	(7.9)	-
Accrued interest payable			3.2	3.2
Investments in current financial assets and sundry assets	(427.4)	427.4	-	-
Cash flow from settlements	1.7	-	-	1.7
Dividend payments	33.6	-	-	33.6
Exercise of warrants	(1.9)	-	-	(1.9)
Miscellaneous items	-	-	5.5	5.5
Translation effect	(4.7)	(0.6)	0.8	(4.5)
Ending balance	**(796.4)**	**(827.7)**	**46.1**	**(1,578.0)**

Parmalat S.p.A.

Net revenues amounted to 396.2 million euros, or 4.7% less than the 415.6 million euros reported at June 30, 2011. This decrease reflects in part the absence of the revenues generated last year by activities carried out in the first half of 2011 to support Centrale del Latte di Roma. Price increases implemented both during the first six months of 2011 and the second half of last year helped offset in part the effect of lower unit sales in the refrigerated milk and fruit beverage segments.

EBITDA totaled 30.0 million euros, or 3.0 million euros more than the 27.0 million euros reported at June 30, 2011. The effects that caused a change in the sales mix, coupled with a decrease in the price of raw milk and the containment of overhead are the main reasons for this improvement.
A reduction of 1.3 million euros in additions to the allowance for doubtful accounts, compared with the first half of 2011, was also a positive factor.

EBIT grew to 5.2 million euros, up 7.5 million euros from a negative 2.3 million euros in the first half of 2011. This result reflects the impact of the increase in EBITDA and the absence of provisions for subsidiaries (9.6 million euros in the first six months of 2011), offset in part by other net nonrecurring charges (5.4 million euros versus 0.8 million euros in the first half of 2011).

The net profit for the period amounted to 59.7 million euros, for a gain of 25.1 million euros compared with 34.6 million euros in the first six months of 2011. This increase is chiefly the result of the operating factors mentioned above, combined with higher dividends received from investee companies (47.9 million euros, up from 35.5 million euros in the first half of 2011) and an increase in net financial income (+6.6 million euros).

Net invested capital totaled 1,250.9 million euros, or 210.9 million euros less than the 1,461.8 million euros reported at December 31, 2011. The recognition among Other liabilities of the remaining liability for the 2011 dividend accounts for this change.

Net financial assets grew from 1,562.2 million euros at December 31, 2011 to 1,659.2 million euros at June 30, 2012, for a gain of 97.0 million euros. This increase is mainly the net results of the following items: on the plus side, changes in working capital (54.3 million euros), dividend received from investee companies (46.5 million euros), VAT refunds (19.8 million euros) and proceeds from settlements (4.8 million euros) ; on the minus side, a partial dividend payment by the Group’s Parent Company (30.2 million euros), the balances due and estimated payments for income taxes (8.0 million euros) and payments of registration fees on transactions executed in connection with the Composition with Creditors (2.9 million euros).

The Company's **shareholders' equity** totaled 2,910.1 million euros, or 113.9 million euros less than at December 31, 2011, when it amounted to 3,024.0 million euros. The dividend appropriation of the 2011 net profit, offset in part by the net profit for the period and the exercise of warrants during the first half of 2012 account for this change.

Parmalat S.p.A.

RECLASSIFIED INCOME STATEMENT

(in millions of euros)	**First half 2012**	**First half 2011**
REVENUES	**412.4**	**433.2**
Net revenues	396.2	415.6
Other revenues	16.2	17.6
OPERATING EXPENSES	**(380.7)**	**(403.2)**
Purchases, services and miscellaneous costs	(327.9)	(347.0)
Labor costs	(52.8)	(56.2)
Subtotal	**31.7**	**30.0**
Writedowns of receivables and other provisions	(1.7)	(3.0)
EBITDA	**30.0**	**27.0**
Depreciation, amortization and writedowns of non-current assets	(15.1)	(15.0)
Other income and expenses:		
- Litigation-related legal expenses	(4.3)	(3.9)
- Additions to provision for losses of investee companies	0.0	(9.6)
- Miscellaneous income and expenses	(5.4)	(0.8)
EBIT	**5.2**	**(2.3)**
Net financial income (expense)	17.0	10.4
Other income from (charges for) equity investments	47.9	35.5
PROFIT BEFORE TAXES	**70.1**	**43.6**
Income taxes	(10.4)	(9.0)
NET PROFIT FROM CONTINUING OPERATIONS	**59.7**	**34.6**
Net profit from discontinuing operations	0.0	0.0
NET PROFIT FOR THE PERIOD	**59.7**	**34.6**

Parmalat S.p.A.

RECLASSIFIED BALANCE SHEET

(in millions of euros)	**6/30/12**	**12/31/11**
NON-CURRENT ASSETS	**1,397.0**	**1,403.1**
Intangibles	365.8	368.7
Property, plant and equipment	142.9	147.5
Non-current financial assets	851.6	849.4
Deferred-tax assets	36.7	37.5
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	**0.0**	**0.0**
NET WORKING CAPITAL	**(43.3)**	**154.5**
Inventories	46.2	46.3
Trade receivables	144.3	188.5
Trade payables (-)	(176.1)	(164.4)
Operating working capital	**14.4**	**70.4**
Other current assets	129.6	129.2
Other current liabilities (-)	(187.3)	(45.1)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**1,353.7**	**1,557.6**
PROVISIONS FOR EMPLOYEE BENEFITS (-)	**(23.7)**	**(24.2)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(73.0)**	**(65.5)**
PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(6.1)**	**(6.1)**
NET INVESTED CAPITAL	**1,250.9**	**1,461.8**
Covered by:		
SHAREHOLDERS' EQUITY	**2,910.1**	**3,024.0**
Share capital	1,757.5	1,755.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	68.4	153.7
Other reserves and retained earnings	1,024.5	926.2
Profit for the period	59.7	188.7
NET FINANCIAL ASSETS	**(1,659.2)**	**(1,562.2)**
Loans payable to banks and other lenders	1.2	2.0
Loans payable to investee companies	(283.0)	(271.8)
Other financial assets (-)	(796.4)	(1,208.3)
Cash and cash equivalents (-)	(581.0)	(84.1)
TOTAL COVERAGE SOURCES	**1,250.9**	**1,461.8**

Revenues and Profitability

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

After showing promising hints of a recovery in the first three months of 2012, the global economy appeared to be slowing in the second quarter of the year. The area showing the greatest indications of weakness was again Europe, where two factors are constraining growth: programs implemented to contain government debt, which entail cutbacks in government spending and tax increases, and a reduced willingness on the part of banks to provide credit to businesses and households.

Oil prices followed a similar pattern, rising early in the year, only to fall back in the second quarter, in line with reduced demand expectations that reflected in part relatively slower growth in the emerging economies.

Finding a solution for the financial crisis that continues to plague Europe, its banking institutions and potentially the European single currency itself is still the key to containing further potentially negative effects on the real global economy.

Parmalat Group

(in millions of euros)	**First Half 2012**	**First Half 2011**	**Variance**	**Varian.%**
Revenues	**2,276.9**	**2,146.9**	**130.0**	*+6.1%*
EBITDA	**163.3**	**149.3**	**14.1**	*+9.4%*
EBITDA %	*7.2*	*7.0*	*0.2 ppt*	

Net revenues were up 6.1% compared with the same period in 2011 as the combined result of an increase in sales volumes, mainly in Australia, Russia and Africa, and the effect of pricing adjustments implemented in virtually all markets, starting at the end of 2011 and in the first half of this year.

Despite the persisting presence of a negative economic environment in some of the regions where the Group operates and highly competitive market conditions, the overall level of profitability was quite positive.

EBITDA totaled 163.3 million euros, or 14.1 million euros more (+9.4%) than the 149.3 million euros earned in the first half of 2011, owing in part to a favorable translation effect resulting from the appreciation of some local currencies versus the euro.

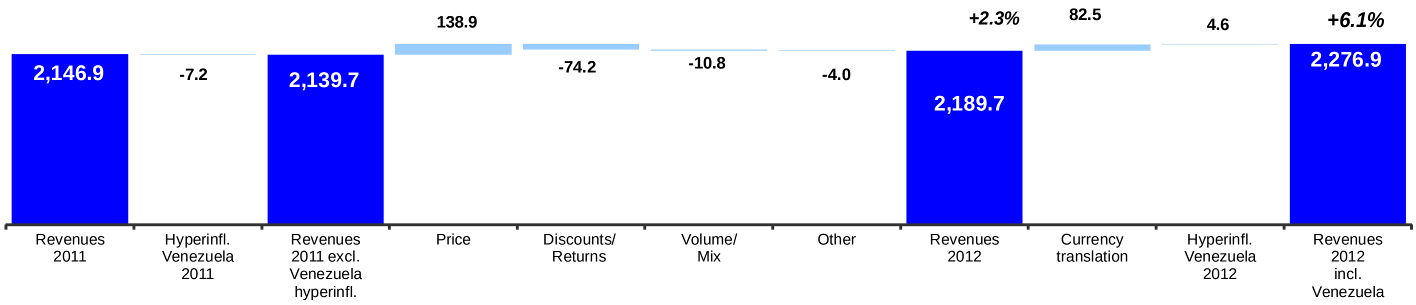
In the first half of 2012, the EBITDA of the Australia SBU were up significantly and the main European subsidiaries reported improved results, due mainly to a reduction in overhead.

The purchase cost of raw milk was higher than in the first half of 2011, excerpt for Canada and Australia, where it held relatively steady, and Russia, where it was sharply lower.

Like for Like Net Revenues and EBITDA

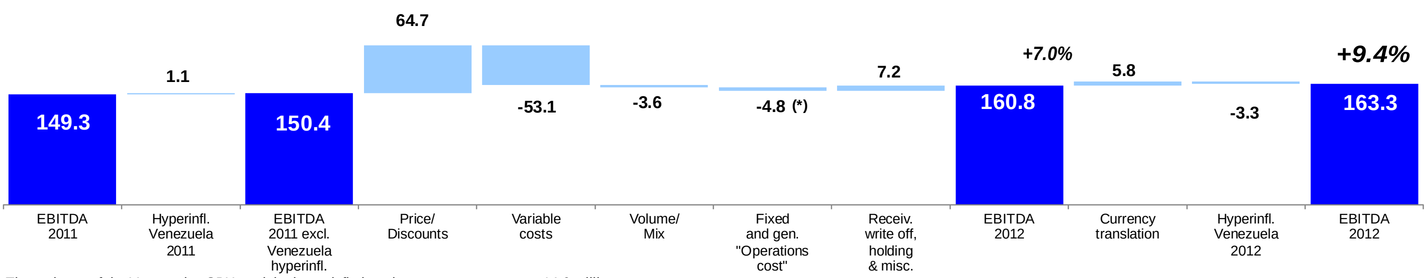
Revenues June 2012 vs 2011

(€ m)



EBITDA June 2012 vs 2011

(€ m)



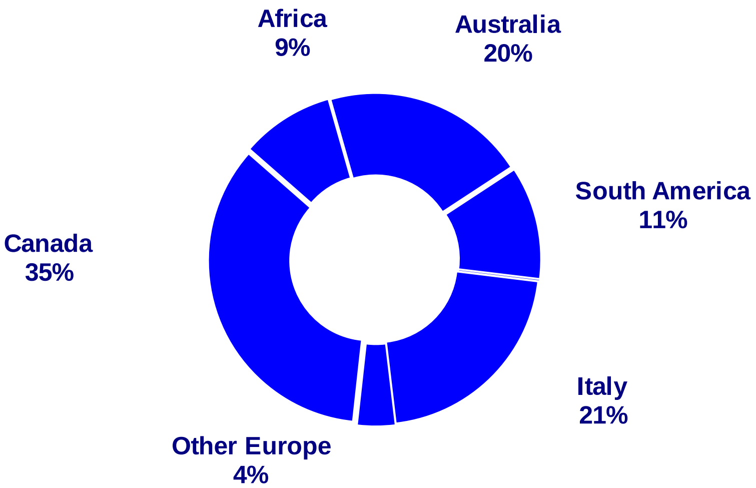
(*) The variance of the Venezuelan SBU, mainly due to inflation phenomena, amounts to -14.6 million euros.

Data by Geographic Region

(in millions of euros)	Cumulative at June 30, 2012			Cumulative at June 30, 2011		
Region	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***
Italy	**482.4**	**45.9**	***9.5***	**489.5**	**39.6**	***8.1***
Other Europe	**82.8**	**6.5**	***7.9***	**76.9**	**3.3**	***4.3***
Russia	51.3	6.0	*11.8*	46.2	2.4	*5.2*
Portugal	27.3	0.3	*1.2*	26.0	0.6	*2.4*
Romania	4.2	0.2	*3.9*	4.7	0.3	*5.9*
Canada	**790.5**	**73.2**	***9.3***	**762.8**	**69.5**	***9.1***
Africa	**208.6**	**12.6**	***6.1***	**201.6**	**19.7**	***9.8***
South Africa	175.6	10.6	*6.1*	173.2	17.2	*10.0*
Other Africa	32.9	2.0	*6.1*	28.5	2.4	*8.5*
Australia	**460.1**	**22.3**	***4.9***	**399.9**	**13.5**	***3.4***
South America	**253.5**	**11.0**	***4.3***	**216.9**	**17.0**	***7.8***
Venezuela	165.3	5.8	*3.5*	142.5	14.4	*10.1*
Colombia	74.5	5.1	*6.8*	62.0	2.4	*3.9*
Other South America	13.6	0.1	*1.0*	12.4	0.2	*1.5*
Other [1]	**(1.0)**	**(8.3)**	***n.s.***	**(0.9)**	**(13.2)**	***n.s.***
Group	**2,276.9**	**163.3**	***7.2***	**2,146.9**	**149.3**	***7.0***

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



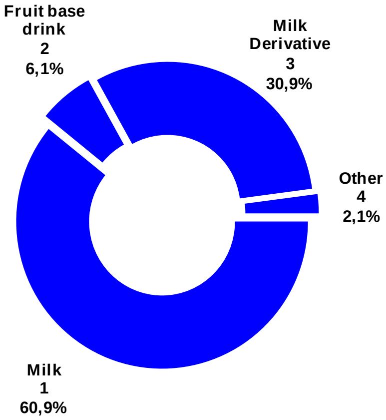
Data by Product Division

(in millions of euros)	Cumulative at June 30, 2012			Cumulative at June 30, 2011		
Division	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***
Milk [1]	1,386.2	68.2	*4.9*	1,286.7	58.2	*4.5*
Fruit base drink [2]	138.6	14.7	*10.6*	136.5	20.7	*15.2*
Milk Derivative [3]	704.0	81.0	*11.5*	671.6	74.8	*11.1*
Other [4]	48.1	(0.6)	*(1.3)*	52.1	(4.4)	*(8.5)*
Group	**2,276.9**	**163.3**	***7.2***	**2,146.9**	**149.3**	***7.0***

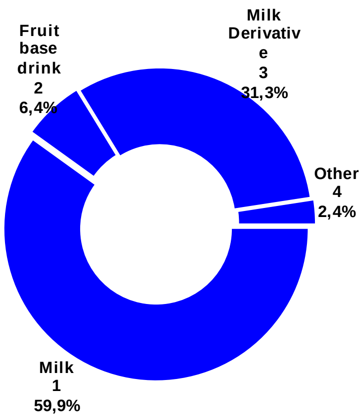
1 Include milk, cream and béchamel.
2 Include fruit base drink and tea.
3 Include yoghurt, dessert, cheese.
4 Include other products, hyperinflation in Venezuela and Group's Parent Company costs.

Net Revenues by Product Division

Cumulative at June 30, 2012



Cumulative at June 30, 2011



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 performance of the Italian economy continues to be characterized by a significant contraction of its gross domestic product. The implementation of fiscal policies designed to curb government debt and a widespread climate of uncertainty about future developments of the financial crisis in the Eurozone are additional factors curtailing the propensity to consume of Italian households.

Markets and Products

The **UHT mil market** contracted by 1.6% in the first half of 2012, but Parmalat bucked the trend, reporting a further gain in sales volumes and a consolidation of its market share thanks to the positive results achieved in the first quarter, mainly in the basic product segment.

Demand for **pasteurized milk** continued to decrease in the modern channel, where it contracted by 3.3% in the first half of 2012; considering that conditions in the traditional channel were undoubtedly more unfavorable, the overall market trend was even more negative, with the decrease in demand estimated at 5%. Parmalat, which operates in channels and areas that were among the worst performers, such as the traditional channel, posted lower results than those of the market as a whole.

The **UHT cream** market was also down, contracting by about 2.2% in the first half of 2012. However, Parmalat reported a slightly better sell-out result than the market, which enabled it to retain a firm grip on the leadership position with a 24.1% value market share.

Following an period of growth in 2011, the market for **spoonable yogurt** held relatively steady in the first six months of 2012, expanding at a rate of 0.5%. Basically, the market benefits from the positive performance of private labels, while the main brand-name market players continue to report negative performances. Parmalat's sales trend was substantially in line with that of the overall market, which enabled it to retain its position with a 5.2% volume market share.

In the market for **fruit beverages,** consumption was down sharply, falling by about 5% compared with the previous year, due to the effects of the economic crisis and unfavorable weather conditions, with demand rebounding only in the second quarter.
Santàl's sales contracted even more, decreasing by 7%, due to the impact of particularly aggressive promotional policies by competitors.

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	31.7%
Pasteurized milk[1]	22.6%
UHT cream	24.1%
Yogurt	4.8%
Fruit beverages	11.5%

Source: Nielsen – IRI Tot. Italy

[1]Source: Nielsen Modern Channel

(in millions of euros)	**First Half 2012**	**First Half 2011**	**Variance**	**Varian.%**
Revenues	**482.4**	**489.5**	**(7.2)**	*-1.5%*
EBITDA	**45.9**	**39.6**	**6.3**	*+16.0%*
EBITDA %	*9.5*	*8.1*	*1.4 ppt*	

Overall, sales volumes were down 2.4% compared with the previous year; unit sales of pasteurized milk, which account for 33% of the total sales volume, decreased by 5.0%, while those of UHT milk, which represent 46% of the total sales volume, grew by 3.5%.

EBITDA were up compared with the first half of 2011, due both to the absence of the negative effects of last year's fire at the plant of Centrale del Latte di Roma and a more favorable price-cost balance.

Other Countries in Europe

(in millions of euros)	First Half 2012	First Half 2011	Variance	Varian.%
Revenues	**82.8**	**76.9**	**5.9**	*+7.7%*
EBITDA	**6.5**	**3.3**	**3.3**	*+99.2%*
EBITDA %	*7.9*	*4.3*	*3.6 ppt*	

The Other Countries in Europe sales region includes the subsidiaries in Russia, Portugal and Romania (active only in the fruit beverage and tea markets).

Russia

The growth of the Russian economy continues to be conditioned by the trend of the price of oil in the international market. The recent decline of the price of crude led to a downward revision of growth expectations for Russia's GDP, which , however, will remain positive, driven by a robust domestic demand.

The relentless and incisive sales policy that the local subsidiary has been pursuing for several periods, coupled with a broader and better customer portfolio and focused promotional activities, enabled it to significantly improve its market shares, particularly in the UHT milk and extended-shelf-life cooking cream categories.

Unit sales were up slightly compared with the previous year and the subsidiary's profitability improved substantially, thanks to the sales price adjustments implemented in the last quarter of 2011 and a favorable trend in raw milk prices, which decreased significantly compared with the previous year.

Portugal

In Portugal, the scenario continues to be challenging, due mainly to the restrictive measures adopted by the government, including higher taxes and drastic cuts in government spending. These programs had a negative impact on consumption, which decreased dramatically in the first half of 2012.

The Portuguese milk market is highly concentrated, with a very strong leader and a steadily expanding presence by private labels, which adopted a policy aimed at holding down sales prices.
The consumer spending crisis penalized primarily products with a high value added, hitting the flavored milk market particularly hard.

In the first half of 2012, unit sales of Parmalat branded UHT milk were up strongly, due to the decision to follow the market trend and reduce prices, a policy justified in part by a decrease in the purchase price of raw milk in the last two months of the reporting period.

In the fruit beverage market, private labels, steady growth by private labels caused a shift in consumption towards low-price products, penalizing margins of brand-name products.

Even though revenues were up, thanks mainly to higher sales of UHT milk, the SBU's profitability decreased, due in part to nonrecurring charges incurred during the period.

Canada

The Canadian economy continued to grow at a moderate pace, in line with the trend in the other advanced economies. The high level of consumer debt is causing an increase in the propensity to save on the part of households and a concomitant reduction of their willingness to consume.

Market and Products

After a stable first quarter, the dairy market resumed its expansion in terms of overall consumption. Within this general trend, the total milk market continued to decline, except for the Premium milk segment, which grew both on a volume and a value basis.

The Canadian subsidiary maintained its position, consolidating its share of the total milk market. More specifically, Parmalat grew its share of the Premium segment and consolidated its leadership position, continuing to perform better than the market overall and its key competitors.

The trend was up in the yogurt market, with gains both in spoonable and drinkable segments. Despite strong competition, Parmalat retained its third-place ranking at the national level, thanks mainly to the performance of the Original and Zero brands.

The cheese market grew compared with the previous year. The Natural segment, which is the biggest in terms of size, held steady on a volume basis but contracted on a value basis due to the high incidence of promotional programs. Parmalat gained market share both on a volume and value basis, retaining the leadership of the Snack segment.

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	19.2%
Spoonable yogurt	15.4%
Drinkable yogurt	6.8%
Snack cheese	37.4%
Natural cheese	15.5%

Source: ACNielsen, MarketTrack, National Grocery Banner+Drug+Mass Merch, Latest 12. YTD and 52 weeks ending June 2nd, 2012

(in millions of euros)	First Half 2012	First Half 2011	Variance	Varian.%
Revenues	**790.5**	**762.8**	**27.7**	*+3.6%*
EBITDA	**73.2**	**69.5**	**3.8**	*+5.4%*
EBITDA %	*9.3*	*9.1*	*0.2 ppt*	

Local currency figures

(local currency millions)	First Half 2012	First Half 2011	Variance	Varian.%
Revenues	**1,030.9**	**1,045.2**	**(14.3)**	*-1.4%*
EBITDA	**95.5**	**95.2**	**0.3**	*+0.3%*
EBITDA %	*9.3*	*9.1*	*0.2 ppt*	

The Canadian dollar increased in value by 4.8% compared with the exchange rate applied in the same period last year, with an impact on revenues and EBITDA of 38.2 million euros and 3.5 million euros, respectively.

Sales volumes were substantially in line with the same period last year. The same was also true for pasteurized milk, which, together with flavored milk, accounts for 59% of the total sales volume.

EBITDA were up slightly in the first six months of 2012, despite highly competitive market conditions in all of the segments in which the local subsidiary operates.

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; the average price paid for raw milk was little changed compared with the first half of 2011.

Despite a reduction in revenues, the Canadian subsidiary was able to preserve its profitability level, thanks in part to a reduction in overhead.

Africa

(in millions of euros) [1]	First Half 2012	First Half 2011	Variance	Varian.%
Revenues	**208.6**	**201.6**	**6.9**	*+3.4%*
EBITDA	**12.6**	**19.7**	**(7.0)**	*-35.7%*
EBITDA %	*6.1*	*9.8*	*-3.7 ppt*	

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

South Africa

The South African economy continued to grow at a modest pace, with a rate of expansion that was lower than in most emerging countries. The high level of unemployment is having an impact on the consumers' ability to spend.

Market and Products

The growth trend continued in the UHT market, where Parmalat, thanks to investments in new packaging technologies, was able to strengthen its competitive position and increase its value market share, narrowing the gap with the market leader.

The cheese market enjoyed solid growth on a value basis, particularly in the "everyday cheese" and "processed cheese" segments, which are those in which the local subsidiary is most active. As a result, Parmalat was able to retain its rank as the market leader.

In the yogurt market, the positive trends that characterized previous reporting periods continued during the first half of 2012, thanks in part to rather aggressive promotional policies by the major players. In this highly competitive environment, the local subsidiary retained its second-place market position.

In the flavored milk market, which benefited from a particularly strong growth rate, Parmalat strengthened its market leader 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	18.2%
Cheese	37.2%
Yogurt	16.8%
Flavored milk	42.5%

Source: Aztec Top-End Retail Market May 2012

Total sales volumes increased by 3.0%, in line with the gain in revenues.

EBITDA were down, due mainly to the effects of sharply higher raw milk purchasing costs, up about 26% year-over-year, and an increase in marketing expenses incurred to support key brands.

Other Countries in Africa

The net revenues booked in the other African countries (Swaziland, Mozambique, Botswana and Zambia) increased by 13.3% compared with the first half of 2011, thanks to a positive performance in Swaziland and Zambia; the profitability level was in line with that of the previous year.

In Zambia, where the region's main subsidiary operates, volumes were up 16.3%, with strong gains in sales (up about 20%) and profitability, achieved mainly by focusing on the main brands sold by the SBU, which retained a leadership position in all of the segments in which it operates.

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, in the retail sector, major supermarket chains implemented aggressive pricing strategies, which caused consumers to favor lower-priced products and private labels, particularly with regard to market staples.

Market and Products

In the first half of 2012, the dairy market enjoyed a positive trend in consumption, particularly with regard to pasteurized milk and yogurt.

The pasteurized milk market expanded in volume terms and held relatively steady on a value basis, due to the significant weight of private labels and the price differential between private labels and brand-name products. In this environment, Parmalat retained its volume and value market share, confirming its leadership position among brand-name producers.

For the first time in many months, the flavored milk market contracted on a volume basis, due largely to lower sales by the market leader. Parmalat continued to growth both on a volume and value basis, thanks to its geographic expansion and advertising investments.

The yogurt market continued to expand at a rapid pace, with Parmalat's total market share holding steady, thanks to advertising investments on the Vaalia brand.

The dessert market held steady on a value basis. In this environment, Parmalat was the only producer to report growing sales, thereby improving its market rank to second place.

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

Product	Value market share
Pasteurized milk	20.3%
Flavored milk	29.0%
Yogurt	14.3%
Desserts	14.2%

Source: Aztec information Systems – June17th 2012

(in millions of euros)	First Half 2012	First Half 2011	Variance	Varian.%
Revenues	**460.1**	**399.9**	**60.2**	*+15.0%*
EBITDA	**22.3**	**13.5**	**8.9**	*+65.8%*
EBITDA %	*4.9*	*3.4*	*1.5 ppt*	

Local currency figures

(local currency millions)	First Half 2012	First Half 2011	Variance	Varian.%
Revenues	**577.9**	**543.1**	**34.8**	*+6.4%*
EBITDA	**28.1**	**18.3**	**9.8**	*+53.4%*
EBITDA %	*4.9*	*3.4*	*1.5 ppt*	

The value of the Australian dollar increased in 2012, rising by 7.5% versus the euro compared with the exchange rate applied in the same period last year. The translation effect of this change on revenues and EBITDA was 34.5 million euros and 1.7 million euros, respectively.

The local SBU reported higher unit sales in the first half of 2012. Sales of pasteurized milk, which, including flavored milk, account for 86% of the total sales volume, were up 9.2%, owing in part to increased production for private labels. Unit sales of yogurt also increased, rising by 6.1%.

The local subsidiary reported sharply higher EBITDA, reflecting the effect of a positive performance by products with a higher value added, such as flavored milk and yogurt.

In the first half of 2011, the profitability of the local subsidiary was penalized by the impact of the floods in the Queensland region of Australia.

South America

(in millions of euros)	First Half 2012	First Half 2011	Variance	Varian.%
Revenues	**253.5**	**216.9**	**36.5**	*+16.8%*
EBITDA	**11.0**	**17.0**	**(6.0)**	*-35.2%*
EBITDA %	*4.3*	*7.8*	*-3.5 ppt*	

The South America sales region includes the subsidiaries that operate in Venezuela, Colombia, Ecuador, Paraguay and Cuba.

Venezuela

Even though the Venezuelan economy benefited in the first quarter from crude oil prices that remained steadily high, persistent hyperinflation dynamics continued to have a strong negative effect on consumption. With the aim of containing general price-level increases, the local government enacted a law, which went into effect in the closing months of 2011, by which it introduced price control mechanisms, primarily in the food sector. An exceptionally rigid currency control system completes a framework in which the willingness of businesses to invest and consumers to spend is curtailed.

Market and Products

The dairy and fruit beverage markets, which are those in which the local subsidiary does most of its business, were affected by a reduction in the propensity to consume caused mainly by Venezuela's high rate of inflation.

Total unit sales were down by 15.3%, with the biggest reduction occurring in the fruit beverage category.

The decrease in unit sales, particularly in the case of higher margin products, made it impossible to offset the impact of inflationary pressure on general and administrative expenses, with a negative effect on EBITDA.

Colombia

The Colombian economy continued to enjoy strong growth, particularly with regard to the components of internal demand.

Market and Products

As mentioned in reports on early periods, the dairy market is witnessing a steady and gradual shift in milk consumption patterns, with consumers migrating from pasteurized milk to extended-shelf-life milk packaged in aseptic plastic pouches. This process accelerated in the first half of 2012 due to higher sales by private labels in the modern channel. The local subsidiary took advantage of this positive trend, focusing more aggressively on this segment and thus increasing its sales.

The local subsidiary confirmed its competitive position in all of the categories in which it operates.

Total unit sales, 80% of which consists of liquid milk, decreased by 1.4% compared with the previous year, due mainly to a reduction in the volume of UHT milk sold in cardboard containers.

The sales policies pursued by the local subsidiary produced an in increase in profitability, supported in part by higher marketing investments.

The result reported in 2011 was adversely affected by nonrecurring costs (Equity Tax).

Other Countries in South America

In Ecuador, net revenues increased by about 3%, with sales volumes holding at about the same level as last year.

In Paraguay, net revenues were up about 5% year-over-year, due to higher sales volumes.

Human Resources

Group Staffing

The table below provides a breakdown by geographic region of the employees of Group companies at June 30, 2012 and a comparison with the data at December 31, 2011.

Total payroll by geographic region		
Geographic region	**6/30/12**	**12/31/11**
Italy	2,002	2,042
Other countries in Europe	1,386	1,465
Canada	2,917	2,904
Africa	2,485	2,452
Australia	1,824	1,757
South America	3,443	3,312
Total	**14,057**	**13,932**

The number of employees on the Group's payroll was up slightly in the first half of 2012. There was a significant staff increases in the South American region, caused mainly to the hiring of employees with temporary contracts by the Colombian BU and an increase in the production personnel of the Australian BU. On the other hand, the staff decreased in Europe, due for the most part to the expiration of temporary employment contracts that were not renewed and the reorganization of the Portuguese and Romanian BUs.

Capital Expenditures

Overview of the capital expenditures of the Parmalat Group at June 30, 2012

(in millions of euros)	First half 2012		First half 2011	
Geographic region	Amount	% of the total	Amount	% of the total
Italy	6.9	22.3 %	9.5	20.3 %
Other countries in Europe	1.4	4.7 %	4.7	10.1 %
Canada	11.2	36.5 %	15.0	32.1 %
Africa	4.2	13.6 %	3.6	7.7 %
Australia	5.4	17.5 %	11.3	24.1 %
South America	1.7	5.4 %	2.6	5.6 %
Total capital expenditures	**30.8**	**100.0 %**	**46.8**	**100.0 %**
Land and buildings	2.4		3.6	
Total for the Group	**33.2**		**50.4**	

In the first half of 2012, the Group's capital expenditures totaled 30.8 million euros, or 34.2% less than in the same period last year.

Capital expenditures include a number of projects aimed at continuously improving production processes, efficiency, quality and occupational safety, and complying with new regulations.

The main capital investment projects included the following:

- Construction of a refrigerate warehouse in Montreal and cheese production facilities in Marieville and Victoriaville (Canada);
- Replacement of commercial vehicles in Italy;
- Increase of milk and cheese storage capacity in Bonnievale (South Africa);
- New packaging for the distribution chain in Bendigo (Australia).

Investments in land and buildings in Italy and Colombia consist mainly of renovations, expansion of production facilities and extraordinary maintenance.

Capital expenditures do not include the cost of licensing and implementing information systems (1.6 million euros in the first half of 2012), incurred mainly in Italy, Canada and South Africa.

Research and Development

In the first half of 2012, the Research and Development Department continued to work on the development of new products for the milk, yogurt, Chef (condiments) and Santàl fruit juice product lines. Development projects focused on new products for children, a new organic milk and the expansion of the Zymil and Chef product lines.
Work on the Santàl line included renovating fruit-pulp products and broadening the line of beverages with fruit and milk, so as to better meet consumer needs.
Concomitantly with the development of new products, work continued on research and development of innovative process technologies that can be used to implement the unique quality of Parmalat's products.
The Group's R&D laboratories continue to collaborate with the most prestigious university institutes. These exchanges of knowhow and collaborations focused on studies aimed at ensuring that Parmalat's finished products and the raw materials it uses meet the highest quality standards.

Financial Performance

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

The Group's liquid assets totaled 1,624.1 million euros, including 1,377.4 million euros held by Parmalat S.p.A. At June 30, 2012, a portion of this liquidity amounting to 796.4 million euros, was invested in the cash pooling system, with short-term bank deposits accounting for the balance. The remaining liquid assets 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 14.2 million euros, including 12.1 million euros attributable to Parmalat S.p.A. The increase in financial income compared with the same period last year is due mainly to the interest rate effect.

Cash Pooling

During the second quarter, the yields offered in the Italian banking system became competitive compared with those available under the cash pooling system. Consequently, in order to secure a better return on its liquid assets during that period, Parmalat Spa withdrew from the cash pooling system a total amount of 400.0 million euros, which was invested in equally flexible instruments (high yield current accounts and deposit accounts) with highly rated Italian banking institutions.

Lastly, as explained in the section of this Report entitled "Events Occurring After June 30, 2012," following the closing of the acquisition of Lactalis American Group, financed in full with the liquidity held by Parmalat Spa, and the subsequent withdrawal of the remaining liquid assets amounting to about 86.0 million euros, the balance in the cash pooling investment account is now zero.

An update to the information about the cash pooling system presented in the 2011 Annual Report is provided below.

On October 6, 2011, Parmalat S.p.A. agreed to join the cash pooling system of the Lactalis Group. The purpose of this transaction was to optimize the use of financial resources—particularly in the case of short-term cash flows—at the Group level and enable Parmalat S.p.A. to retain maximum financial flexibility and a short-term investment profile, while earning a variable interest rate equal to the one-month Euribor plus a spread consistent with the credit rating of the Lactalis Group. During the first half of 2012, the spread was 1.25% (from the effective date until December 31, 2011 the spread was 1.70%)

The investment in the cash pooling system is for an indefinite term, with both parties having the right to cancel the contract on three days notice.

Moreover. the contract requires B.S.A. S.A. to provide Parmalat Spa with an information flow that shall include:

(a) a certification, provided at least once every six months, attesting that cash or cash equivalent assets and/or unused credit lines for an amount that, in the aggregate, is at least equal to the amount invested by Parmalat Spa in the cash pooling system was available every day during the six-month reporting period;

(b) a certification, provided at least once every six months, attesting that during the 12 months preceding the closing date of the six-month reporting period the Lactalis Group was in compliance with all of the financial covenants set forth in the agreements for its current financing facilities;

(c) the obligation to promptly disclose the occurrence of events that trigger the Contract's automatic cancellation;

(d) the obligation to provide a prompt disclosure if, for any reason, cash or cash equivalent assets and/or unused credit lines for an amount that, in the aggregate, is at least equal to the amount invested by Parmalat Spa in the cash pooling system could not be made available.

With regard to the recommendation contained in the Advisor's Fairness Opinion that the management of Parmalat Spa obtain timely and adequate information about the trend of the operating performance of the Lactalis Group and, more specifically, about its ability to meet its financial needs, Parmalat Spa received the abovementioned information flow and, drawing on its knowledge of the target market, reserved the right to request additional detailed information, should it find it useful and/or necessary, it being understood that it may avail itself at any time of the right to cancel the Contract.

The abovementioned information, for the period ended June 30, 2012, was promptly provided to Parmalat Spa by B.S.A. S.A.

Change in Net Financial Position

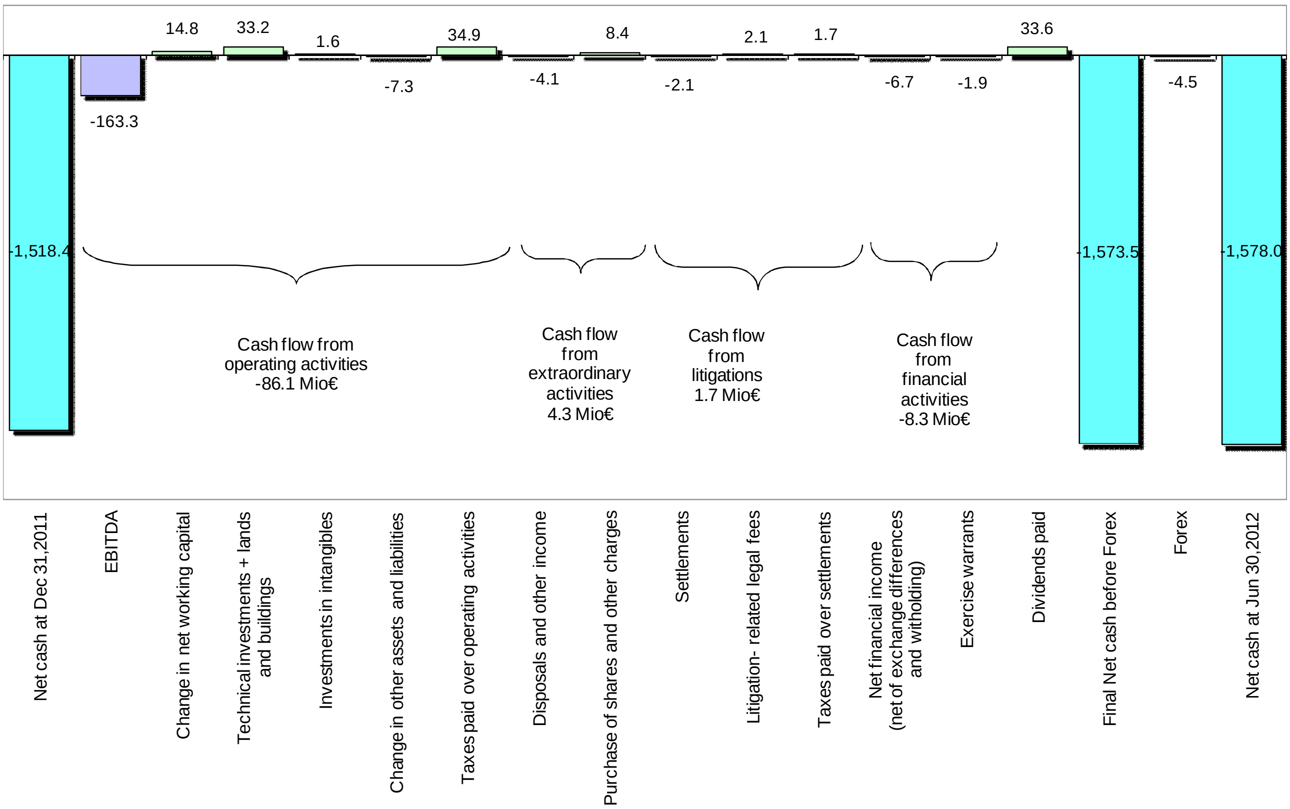
The Group's net financial assets increased from 1,518.4 million euros at December 31, 2011 to 1,578.0 million euros at June 30, 2012, reflecting a positive translation effect of 4.5 million euros and dividend payments totaling 33.6 million euros.

The cash flow from operating activities totaled 86.1 million euros. The Group pays special attention to the management of its working capital and the resulting ability to generate cash from operating activities. With this in mind, the comparison with the performance in the first half of 2011, when a cash flow of 3.7 million euros was used in operating activities, is particularly significant.

Cash flow from nonrecurring transactions and litigation did not represent a material amount, with the cash used totaling 6.0 million euros.

The cash flow from financial transactions amounted to 8.6 million euros, including about 1.9 million euros from the exercise of warrants.

Consolidated Cash flow June, 30 2012



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, foreign exchange rates, commodity prices and country risk;
- Credit risk, which is the risk that a counterparty may become insolvent;
- Liquidity risk, which is the risk of not being 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, 2012.

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 Subs 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 and procedures, sustainability, health and safety, market, organization, systems and technology, production and supply chain performance.
The results of these activities are updated every six months.

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.

Financial Risks

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

Foreign Exchange Risk and Country Risk

The Group has a limited exposure to foreign exchange risk due to the nature of the business activities normally pursued by its member companies, in accordance with which purchases and sales are denominated primarily in the local currency.
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.

Lastly, Group companies that operate in countries with an economy that is highly regulated are exposed to an economic risk. In these countries, higher internal costs may not be fully transferable to sales prices.

Information about Venezuela is provided in a separate section of the Notes to the Semiannual Report.

Interest Rate Risk

The exposure to the interest risk in connection with financial liabilities is negligible at the Group level because the remaining debt amounts owed by Group companies are quite small.
Financial assets are invested in short-term securities and, consequently, there is no significant exposure to the risk of changes in their market value caused by fluctuations in interest rates.
Obviously, the level of financial income is dependent on the trend of variable interest rates

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

As explained in a separate section of this Report, a significant portion of the Group's liquid assets was invested in the cash pooling system and, consequently, is exposed to the counterparty risk, which, however, is mitigated by a series of provisions contained in the contract that governs the system's operating procedures.
Specific safeguards include the right to cancel the contract within three business days, the information flow provided by B.S.A. S.A. to Parmalat Spa, as explained in a separate section of this Report, and the option available to Parmalat Spa to request repayment of the liquid assets invested in the cash pooling system on same-day notice for amounts up to and including 20 million euros and on a notice of three business days for larger amounts. The Company reviews periodically all of the factors, including those that are market related, that have an effect on this type of investment of its liquidity.

Following the withdrawal of the remaining balance in the cash pooling system in July, this counterparty risk no longer exists.

Liquid assets held by Parmalat Spa that were not invested in the cash pooling system are held in Italy and invested in sight and short-term bank deposits at highly rated banks.

The remaining liquidity held by other Group companies is deposited with banks with an investment grade credit rating, in the countries where this is possible.

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.

The Group's exposure to the commercial credit risk is limited because, in each country, receivables are owed by a small number of large supermarket chains, which traditionally have been reliable and liquid, and a highly diversified portfolio of smaller customers.

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 and economic 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 2012.
The abundant liquid assets available to 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, predicting the effects and timing of a recovery in the countries where the Group operates is a complex endeavor.
Consequently, in light of the preceding remarks, a continuation of the crisis, local situation of geopolitical uncertainty or environmental events could have an effect on the Group's performance.

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The share capital of Parmalat S.p.A. includes 2,049,096 treasury shares acquired free of charge and belonging to creditors who failed to claim them. Pursuant to Article 9.4 of the Composition with Creditors, these share are now the property of Parmalat S.p.A.

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Intercompany transactions or transactions 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 Issues

The tax liability incurred by the Parmalat Group in the first half of 2012 totaled 38.0 million euros, up compared with the first six months of 2011.

The Group's effective tax rate for the first half of 2012 was 31.2%.

The effective tax rate of Parmalat S.p.A., the Group's Parent Company, was about 14.8%.

The difference between the effective tax rate and the statutory tax rate (31.4% including the IRAP tax rate) is due mainly to the tax effect of income excluded from the taxable base, such as dividends.

At the Group level, current taxes totaled 31.5 million euros in the first half of 2012, up slightly compared with the first six months of 2011. The total includes 13.4 million euros for Parmalat Canada Inc., 6.3 million euros for Parmalat SpA (4.5 million euros for IRES and 1.8 million euros for IRAP), 4.5 million euros for Parmalat Australia Ltd and 1.8 million euros for Parmalat South Africa Pty Ltd.

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 and to broaden the Model to cover alleged crimes that may be added by the legislator in future years.

On July 28, 2011, the Company appointed a Corporate Accounting Documents Officer, as required by Article 154 *bis* of Legislative Decree No. 58/98 (Uniform Financial Code). This appointment was made by means of a resolution approved by the Board of Directors on July 28, 2011, with the prior favorable opinion of the Board of Statutory Auditors and the Internal Control and Corporate Governance Committee, designating the Group's Chief Financial Officer as the Corporate Accounting Documents Officer. Also in this area, the Company is implementing a project that specifically addresses the need to define, when applicable, the special operating procedures required pursuant to Article 154-*bis,* Section 5, of the Uniform Financial Code. These procedures are being reviewed by means of a special conformity test implemented at major Group companies in Italy and abroad.

Key Events in the First Half of 2012

Liquidity Payment Agreement

On June 29,2004, Parmalat Canada Inc. (successor to Parmalat Dairy & Bakery Inc.) ("Parmalat Canada") entered into a loan agreement with the Ontario Teachers' Pension Plan Board ("OTPPB") for a facility in the amount of 530 million Canadian dollars, maturing in June 2007 and accruing interest at an annual rate of 13%, and a liquidity payment agreement ("LPA") expiring on June 29, 2011. On July 7, 2006, the Board of Directors of Parmalat Canada agreed to proceed with the early repayment of the loan, which required the payment of a penalty of 8.4 million Canadian dollars. However, the parties failed to proceed with an early termination of the LPA, which included, inter alia, Parmalat Canada's obligation to pay to OTPPB a Liquidity Payment in an amount equal to 10% of Parmalat Canada's Net Value, as defined in the LPA, if a Liquidity Event, also as defined in the LPA, were to occur prior to the expiration date of the LPA (June 29, 2011). A Liquidity Event could occur, inter alia, if an Indirect Change of Control, as defined in LPA, were to take place while the LPA was in effect.

On July 21, 2011, OTPPB filed for arbitration pursuant to the terms of the LPA, claiming that it was owed a Liquidity Payment, due to the resolutions adopted by the Shareholders' Meeting of Parmalat S.p.A. (Parmalat) on June 28, 2011. Parmalat Canada's position was that no Liquidity Event occurred on that occasion.

On March 26, 2012, the Sole Arbitrator in the arbitration proceedings activated on July 21, 2011 by OTPPB to ascertain whether Parmalat Canada owed a Liquidity Payment handed down an award favorable to OTPPB, having found that an Indirect Change of Control did occur on June 28, 2011, with the election of the Board of Directors by the Shareholders' Meeting of Parmalat.

The Arbitrator did not issue a ruling with regard to the amount of the payment owed to OTPPB, since this issue was not the subject of the arbitration proceedings. The arbitration award is final and cannot be appealed.

On April 25, 2012, Parmalat Canada filed a Notice of Application with the Ontario Supreme Court of Justice seeking to void the award handed down by the arbitrator on March 26, 2012. The motion to void the award is grounded on the belief that an error of law occurred in applying the contract interpretation principles, which resulted in an incorrect understanding of the LPA.

The filing of this motion had the effect of suspending the enforcement of the arbitration award.

On May 22, 2912, OTPPB, in turn, filed a motion requesting the enforcement of the arbitration award while a decision on the motion to void filed by Parmalat Canada is pending; the effectiveness of this latest motion was suspended due to an agreement reached by OTPPB and Parmalat Canada to regulate the procedural steps that both parties agreed to follow while a decision on the motion to void filed by Parmalat Canada is pending, the admissibility of which will be discussed at a hearing scheduled by the judge for October 18, 2012.

On June 18, 2012, in implementation of the abovementioned agreement, the board of Directors of Parmalat Canada approved and delivered to OTPPB a Determination Notice setting forth the company's Enterprise Value at June 28, 2011 and the amount of the Liquidity Payment.

OTPPB can contest the value thus determined by Parmalat Canada; if, after negotiations, the parties were to find that they are unable to reach an agreement regarding the amount of the LPA, its amount shall be determined, on a final and non-appealable basis, by a Canadian investment banks selected jointly by both parties or appointed by a judge from the Commercial List of the state of Ontario.

If the motion to void filed by Parmalat Canada should be denied, Parmalat Canada shall proceed with the payment of the Liquidity Payment within 30 days.

The Semiannual Financial Report at June 30, 2012, consistent with the data in the 2011 consolidated financial statements, reflects the recognition of a provision for risks, the after tax effect of which totaled 53.9 million euros.

Investment Held by Parmalat in Centrale del Latte di Roma

In March 2010, after a series of contrasting decisions by administrative judges, the Council of State voided the procedure launched and finalized in 1998 by the City of Rome to privatize Centrale del Latte di Roma. Parmalat appealed this decision before the Court of Cassation, which, convened in Joint Sections mode, ruled, by a decision handed down on January 27, 2012, that the appeal was inadmissible.

This decision by the Joint Sections of the Court of Cassation does not undermine the position argued by Parmalat, namely that the ownership of a majority of the shares of Centrale cannot automatically "revert" to

the City of Rome simply because the documents of the bidding process and the subsequent transactions for the sale of the shares to the Parmalat Group by the Cirio Group, finalized in July 1999, were declared null and void. This is because Parmalat, the current owner of the shares, acquired title to the share by virtue of events totally unrelated to the initial sale. These civil law issues will be decided by the Lower Court of Rome upon the conclusion of the lawsuit filed by Parmalat in January 2011. In this lawsuit, the plaintiff is also asking, subordinately, that the Court recognize Parmalat's right to receive from the City of Rome compensation equal to the increase in value created, ordering the City of Rome to pay to Parmalat all reimbursements and indemnities owed for improvements made. At the hearing held on April 17, 2012, the judge adjourned the proceedings for closing arguments to October 1, 2012.
On March 20, 2012, the Council of State issued a ruling with regard to the motion for compliance filed by Ariete Fattoria Latte Sano and the City of Rome, finding that it has jurisdiction over the claim for restitution of the Centrale del Latte di Roma shares filed by the City of Rome and ordering Parmalat to return the Centrale del Latte di Roma shares to the City of Rome.
On March 27, 2012, Parmalat, pending a decision in the lawsuit it filed before the Rome Lower Court, filed a motion with the Court of Cassation challenging the decision by the Council of State on the grounds of lack of jurisdiction; Ariete Fattoria Latte Sano and the City of Rome filed a contrary motion.
On April 2, 2012, the Company filed a complaint challenging the decision by which the Rome Lower Court denied a motion filed on March 23, 2012 asking for the judicial impoundment of the Centrale del Latte shares while the lawsuit is in progress. This complain was rejected with an order handed down on June 28, 2012.
On May 8, 2012, a hearing for oral arguments was held before the Court of Cassation in connection with the motions for determination of jurisdiction, one filed by Parmalat, in connection with the proceedings for compliance pending before the Council of State, and another one filed by Ariete Fattoria Latte Sano in the proceedings pending before the Civil Court of Rome to determine the ownership of the shares of Centrale del Latte di Roma.
The Court of Cassation decided to postpone oral arguments about these two motions and address them concurrently with the jurisdictional challenge motion filed by Parmalat on March 27, 2012 against the decision handed down by the Council of State on March 20, 2012. A hearing has not yet been scheduled.
On May 21, 2012, the City of Rome served Parmalat with an injunction ordering Parmalat S.p.A. to return to the City of Rome the shares of Centrale del Latte di Roma by and not later than ten days from the date of service of the injunction.
On May 27, 2012, Parmalat filed a motion with the Court of Parma opposing the enforcement of the injunction and/or all other enforcement actions and asking that the implementation effectiveness be suspended, claiming that the court decision did not constitute an ”enforceable title” actionable in civil proceedings.
The Court of Parma, by a decision dated May 30, 2012, suspended the enforceable effectiveness of the title, ordering the parties to appear at a hearing scheduled for June 13, 2012. The City of Rome joined the proceedings filing an authorized brief, which was followed by a request for a deadline to review and respond, and the judge adjourned the hearing to September 7, 2012.

Parmalat vs. Citigroup

On December 22, 2011, the New Jersey Appellate Division upheld the decision denying the claim filed by Parmalat on July 29, 2004 for damages owed by Citigroup for joint liability and violation of its fiduciary duties in connection with the improper disbursements that occurred at Parmalat before December 2003. In addition, the Court of Appeals confirmed the award of damages to Citibank in the amount of 364 million U.S. dollars, plus interest, for its claims against Parmalat. Consistent with the decision handed down by the New York Bankruptcy Court, Citigroup will have to submit its claim to the Parma Bankruptcy Court, asking it to enforce the decision of the U.S. court. Should the Parma Bankruptcy Court proceed accordingly, Citibank would receive Parmalat shares valued at about 7% of the amount it was awarded.
On January 10, 2012, Parmalat filed a motion asking that it be allowed to challenge the decision of the Court of Appeals before the Supreme Court of New Jersey. The motion was denied on June 11, 2012.

Parmalat vs. Grant Thornton

On April 6, 2012, the Federal Court of Appeals for the Second Circuit handed down a final decision, denying the appeal filed by Grant Thornton and ruling that the lawsuit should be resumed before the Illinois State Court. The records of the proceedings have not yet been transferred to the court of competent jurisdiction.

Criminal Proceedings for Fraudulent Bankruptcy

On April 23, 2012, in the proceedings in which former Directors, Statutory Auditors and employees of the old Parmalat Group companies are charged with the crime of fraudulent bankruptcy, the Bologna Court of Appeals handed down a decision ending the second level of the judicial process. The Court of Appeals amended in part the first-level decision handed down by the Court of Parma in December 2010, slightly reducing the sentence of most defendants and dismissing the charges against two defendants. With regard to civil law issues, the Court of Appeals upheld the decision to grant a provisionally enforceable award of 2,000,000,000 euros benefiting the companies of the Parmalat Group under extraordinary administration, which joined the proceedings as a plaintiffs seeking damages, payable by all of the convicted defendants, except for three defendants for whom the provisionally enforceable award was limited to 6,000,000 euros. The deadline by which the court is required to file a memorandum explaining the grounds for its decision expires on July 22, 2012. A 90-day extension of the abovementioned deadline was announces on July 23, 2012.

Events Occurring After June 30, 2012

Acquisition of Lactalis American Group

On July 3, 2012, Parmalat, through its subsidiaries Parmalat Belgium SA and LAG Holding Inc. (a newly established company), closed the acquisition of Lactalis American Group Inc. (LAG), Lactalis do Brazil - Comercio, Importaçao e Exportaçao de Laticinios Ltda and Lactalis Alimentos Mexico Sociedad de Responsabilitad Limitada from the Lactalis Group, for a payment of USD 904 million and the execution of all of the commercial agreements connected with the acquisition.
LAG is a holding company that controls a group of companies engaged in the production and distribution of cheese and dairy products with about 1,675 employees, active mainly in the United States, with sales to distributiors, club stores, supermarket chains and producers. 2011 net revenues of acquired companies amounted to USD 979.3 millions.
The purpose of this transaction is to achieve two strategic objectives: broaden the presence of the Parmalat Group to geographic regions where it is not active, such as the United States, Brazil and Mexico, and increase the weight of items with a high value added within its product portfolio.
The consideration paid will be increased, in accordance with stipulated contract terms, by an amount equal to the net financial position of the acquired companies at June 30, 2012 and, if applicable, adjusted, upward or downward, based on the EBITDA reported by the abovementioned companies at the end of 2012.
More specifically:

- If the Enterprise Value of the LAG Group (meaning by that the 2012 EBITDA of the companies subject of the acquisition multiplied by 9.5) is less than USD 904 million, the seller shall pay the difference to the buyer, it being understood that the amount thus owed may not be greater than USD 144 million;
- If, on the other hand, the Enterprise Value is more than USD 904 million, the buyer shall pay the difference to the seller, it being understood that the amount thus owed may not be greater than USD 56 million.

To secure the payment of any downward adjustment to the price, an irrevocable payment order for up to USD 144 million was assigned to Société Générale, as paying agent, for the benefit of the buyer, drawn against a revolving credit line available to the Lactalis Group.

Liquidity Payment Agreement

On July 3, 2012, acting in accordance with the agreement reached by the parties to regulate the procedural steps that both parties agreed to follow while a decision on the motion to void the arbitration award filed by Parmalat Canada is pending, OTPPB sent to Parmalat Canada and Objection Notice to the Determination Notice submitted by Parmalat Canada on June 18, 2012, contesting the content of the Determination Notice and asking the counterparty to supply additional supporting documents for the determination of the Enterprise Value of Parmalat Canada and the amount of the Liquidity Payment stated in the Determination Notice. Parmalat, after making the appropriate assessments, must provided the requested documents by July 31, 2012; OTPPB will have 20 business days to confirm or amend the Objection Notice it already filed.

Cash Pooling

Subsequent to the closing of the acquisition of LAG, financed in full with the liquidity held by Parmalat, the Company withdrew the remaining liquid assets invested in the cash pooling system, amounting to about 86.0 million euros. Consequently, the cash pooling investment account currently has a zero balance.

Business Outlook

Guidance for 2012

For 2012, at constant exchange rates, the growth estimate of 3% announced earlier both for net revenues and EBITDA is confirmed.

Disclaimer
This document contains forward looking statements, particularly in the section entitled "Business Outlook." Projections for the second half of 2012 are based, inter alia, on the Group's performance in the second quarter of 2012 and take into account market trends in the month of July. The Group's performance is affected by exogenous variables that could have unforeseen consequences in terms of its results: these variables, which reflect the peculiarities of the different countries where the Group operates, are related to weather conditions and to economic, socio-political and regulatory factors.

Parmalat Group

Parmalat Group

Financial Statements at June 30, 2012

Consolidated Statement of Financial Position

Note ref.	*(in millions of euros)*		6/30/12		12/31/11
	NON-CURRENT ASSETS		**2,147.4**		**2,125.8**
(1)	Goodwill		451.6		445.4
(2)	Trademarks with an indefinite useful life		600.6		594.9
	Other intangibles		46.8		43.7
(3)	Property, plant and equipment		902.1		899.0
	Investments in associates		60.1		60.1
	Other non-current financial assets		10.6		7.1
	Deferred-tax assets		75.6		75.6
	CURRENT ASSETS		**2,772.0**		**2,671.3**
(4)	Inventories		466.5		378.6
(5)	Trade receivables		472.0		525.8
	amount from transactions with related parties	*0.3*		*1.2*	
	Other current assets		209.4		209.1
(6)	Cash and cash equivalents		796.4		303.3
(7)	Current financial assets		827.7		1,254.5
	amount from transactions with related parties[1]	*796.4*		*1,188.2*	
	Available-for-sale assets		**3.0**		**3.0**
	TOTAL ASSETS		**4,922.4**		**4,800.1**
	SHAREHOLDERS' EQUITY		**3,592.1**		**3,655.3**
(8)	Share capital		1,757.5		1,755.4
(9)	Reserve for creditor challenges and claims of late-filing creditors convertible into share capital		68.4		153.7
	Other reserves and retained earnings:				
(10)	*- Reserve for currency translation differences*		*61.6*		*30.7*
	- Cash-flow hedge reserve		*(0.5)*		*0.6*
(11)	*- Miscellaneous reserves*		*1,599.4*		*1,519.4*
(12)	Profit for the period		82.5		170.4
	Group interest in shareholders' equity		**3,568.9**		**3,630.2**
(13)	**Minority interest in shareholders' equity**		**23.2**		**25.1**
	NON-CURRENT LIABILITIES		**438.9**		**421.0**
	Long-term borrowings		7.2		8.0
	amount from transactions with related parties	*1.3*		*1.2*	
	Deferred-tax liabilities		179.3		170.3
	Provisions for employee benefits		92.5		89.0
(14)	Provisions for risks and charges		153.4		147.2
	Provision for contested preferential and prededuction claims		6.5		6.5
	CURRENT LIABILITIES		**891.4**		**723.8**
	Short-term borrowings		38.9		31.4
	amount from transactions with related parties	*3.3*		*3.3*	
(15)	Trade payables		569.0		540.1
	amount from transactions with related parties	*4.1*		*2.1*	
(16)	Other current liabilities		279.0		146.3
	amount from transactions with related parties[2]	*144.8*		*0.1*	
	Income taxes payable		4.5		6.0
	Liabilities directly attributable to available-for-sale assets		**0.0**		**0.0**
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**4,922.4**		**4,800.1**

[1] Receivable owed by B.S.A. Finances S.n.c. due to the inclusion of Parmalat S.p.A. in the cash pooling system of the Lactalis Group.

[2] The 2012 balance represents the amount owed to Sofil S.a.s. for dividends declared by the Shareholders' Meeting of May 31, 2012, which were paid on July 20, 2012.

Consolidated Income Statement

Note ref.	*(in millions of euros)*		**First half 2012**	**First half 2011**
(17)	**REVENUES**		**2,292.0**	**2,169.6**
	Net revenues		2,276.9	2,146.9
	amount from transactions with related parties	*2.1*		
	Other revenues		15.1	22.7
(18)	Cost of sales		(1,825.7)	(1,712.4)
	amount from transactions with related parties	*(6.4)*		
(18)	Distribution costs		(202.6)	(211.0)
(18)	Administrative expenses		(156.9)	(156.8)
	amount from transactions with related parties	*(0.6)*		
	Other income and expense:			
(19)	- Litigation-related legal expenses		(4.4)	(3.9)
(20)	- Miscellaneous income and expense		(6.2)	11.1
	amount from transactions with related parties	*(0.9)*		
	EBIT		**96.2**	**96.6**
(21)	Financial income		31.8	25.2
	amount from transactions with related parties	*10.0*		
(21)	Financial expense		(9.4)	(13.0)
	Interest in the results of companies valued by the equity method		0.0	0.1
	Other income from (expense for) equity investments		3.0	0.0
	PROFIT BEFORE TAXES		**121.6**	**108.9**
(22)	Income taxes		(38.0)	(32.5)
	PROFIT FROM CONTINUING OPERATIONS		**83.6**	**76.4**
	PROFIT FOR THE PERIOD		**83.6**	**76.4**
	Minority interest in (profit) loss		(1.1)	0.1
	Group interest in profit (loss)		82.5	76.5

Continuing Operations:

Basic earnings per share	**0.0470**	**0.0440**
Diluted earnings per share	**0.0465**	**0.0431**

Consolidated Statement of Comprehensive Income

(in millions of euros)	**First half 2012**	**First half 2011**
Net profit for the period (A)	**83.6**	**76.4**
Other components of the comprehensive income statement		
Change in fair value of derivatives (cash-flow hedge), net of tax effect	(3.3)	0.2
Change in fair value of available-for-sale securities, net of tax effect	-	11.8
Difference on translation of financial statements in foreign currencies	33.7	(59.8)
Recognition in profit or loss of the cash-flow hedge reserve	2.2	(1.2)
Recognition in profit or loss of the reserve for translation differences upon the sale/liquidation of equity investments	(2.4)	-
Total other components of the comprehensive income statement, net of tax effect (B)	**30.2**	**(49.0)**
Total comprehensive net profit (loss) for the period (A) + (B)	**113.8**	**27.4**
Total comprehensive net profit (loss) for the period attributable to:		
- Minority shareholders	(1.5)	0.7
- Group	112.3	28.1

Consolidated Statement of Cash Flows

Note ref.	(in millions of euros)		First half 2012	First half 2011
	OPERATING ACTIVITIES FOR THE PERIOD			
	Profit from operating activities		83.6	76.4
(23)	Depreciation, amortization and writedowns of non-current assets		56.6	59.9
	Additions to provisions		78.6	60.7
	Interest and other financial expense		3.2	1.0
	Non-cash (income) expense items		(15.6)	(22.5)
	(Gains) Losses on divestments		(0.2)	(1.0)
(20)	Proceeds from actions to void and actions for damages		(1.6)	(5.4)
(19)	Litigation-related legal expenses		4.4	3.9
	Cash flow from operating activities before change in working capital		**209.0**	**173.0**
	Change in net working capital and provisions:			
	Operating working capital		(14.8)	(56.8)
	Payments of income taxes on operating results		(34.9)	(45.4)
	Other assets/Other liabilities and provisions		(24.9)	(17.1)
	Total change in net working capital and provisions		**(74.6)**	**(119.3)**
	CASH FLOW FROM OPERATING ACTIVITIES FOR THE PERIOD		**134.4**	**53.7**
	amount from transactions with related parties	*7.1*		
	INVESTING ACTIVITIES			
	Investments:			
	- *Intangibles*		(1.6)	(5.1)
(3)	- *Property, plant and equipment*		(33.2)	(50.4)
	- *Non-current financial assets*		(3.6)	(0.1)
	- *Investments in associates and minority interests*		(0.0)	(1.2)
	Divestments and sundry items		1.2	2.5
	CASH FLOW FROM INVESTING ACTIVITIES		**(37.2)**	**(54.3)**
	PROCEEDS FROM SETTLEMENTS		**2.1**	**6.2**
	LITIGATION-RELATED LEGAL EXPENSES		**(2.1)**	**(8.0)**
	INCOME TAXES PAID ON SETTLEMENTS		**(1.7)**	**(6.4)**
	FINANCING ACTIVITIES			
	New loans and finance leases		5.1	17.0
	Repayment of principal and accrued interest of loans and finance leases		(7.9)	(11.0)
	Investments in Other current financial assets		427.4	233.3
	Dividends paid		(33.6)	(1.5)
	Exercise of warrants		1.9	5.0
	CASH FLOW FROM FINANCING ACTIVITIES		**392.9**	**242.8**
	amount from transactions with related parties	*391.8*		
	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM JANUARY 1 TO JUNE 30		**488.4**	**234.0**
(6)	**CASH AND CASH EQUIVALENTS AT JANUARY 1**		**303.3**	**318.0**
	Increase (Decrease) in cash and cash equivalents from January 1 to June 30		**488.4**	**234.0**
	Net impact of the translation of cash and cash equivalents denominated in foreign currencies		**4.7**	**(8.8)**
(6)	**CASH AND CASH EQUIVALENTS AT JUNE 30**		**796.4**	**543.2**

Loan interest income amounted to 12.3 million euros.

Changes in Consolidated Shareholders' Equity

(in millions of euros)			Other reserves and retained earnings								
	Share capital[1]	Reserve convertible into share capital[2]	Statutory reserve	Res. for divid. to challenges and condit. claims	Reserve for translation differences	Cash flow hedge reserve	Sundry reserves[3]	Profit (Loss) for the period	Group interest in sharehold. equity	Minority interest in sharehold. equity	Total sharehold. equity
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 securities							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 June 30, 2011	**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**
Balance at January 1, 2012	**1,755.4**	**153.7**	**87.8**	**25.9**	**30.7**	**0.6**	**1,405.7**	**170.4**	**3,630.2**	**25.1**	**3,655.3**
Profit for the period								82.5	82.5	1.1	83.6
Difference from the translation of financial statements in foreign currencies					33.3				33.3	0.4	33.7
Change in fair value of derivatives						(3.3)			(3.3)	-	(3.3)
Recognition in profit or loss of the cash-flow hedge reserve						2.2			2.2	-	2.2
Recognition in profit or loss of the reserve for translation differences upon the liquidation of equity investments					(2.4)				(2.4)	-	(2.4)
Comprehensive profit for the period	**-**	**-**	**-**	**-**	**30.9**	**(1.1)**	**-**	**82.5**	**112.3**	**1.5**	**113.8**
Share capital incr. from convertible reserve	0.2	(0.2)							-	-	-
Exercise of warrants	1.9								1.9	-	1.9
Appropriation of the 2011 result			9.4				69.8	(79.2)	-	-	-
2011 dividend[4]		(85.1)		0.8				(91.2)	(175.5)	(3.4)	(178.9)
Balance at June 30, 2012	**1,757.5**	**68.4**	**97.2**	**26.7**	**61.6**	**(0.5)**	**1,475.5**	**82.5**	**3,568.9**	**23.2**	**3,592.1**

[1] The share capital includes 2,049,096 treasury shares acquired free of charge and belonging to creditors who failed to claim them. Pursuant to Article 9.4 of the Composition with Creditors, these share are now the property of Parmalat S.p.A.

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

[3] 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.

[4] Deriving from the distribution of the profit for the year and a partial distribution of the surplus in the reserve for creditor challenges and claims of late-filing creditors convertible into share capital.

Notes to the Condensed Consolidated Semiannual Financial Statements

Foreword

Parmalat S.p.A., a company with registered office in Italy, located at 4 via delle Nazioni Unite, in Collecchio (province of Parma), and shares are traded on the Online Stock Exchange operated by Borsa Italiana, is controlled by Sofil S.a.s., a French company of the Lactalis Group that owns 82.4% of its share capital.
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, 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, 2012 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, 2012 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 by a resolution of the Shareholders' Meeting of April 28, 2007. 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, 2012 was authorized by the Board of Directors on July 31, 2012.

Principles for the Preparation of the Condensed Consolidated Semiannual Financial Statements

The condensed consolidated semiannual financial statements at June 30, 2012 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, 2011. Consequently, the former should be read in conjunction with the latter.

The following recently published accounting principles, amendments and interpretations went into effect on January 1, 2012, as adopted by the European Commission:

Amendments to IFRS 7 – Financial Instruments: Disclosures – Transfers of Financial Assets (applicable to accounting periods beginning on or after July 1, 2011). The adoption of this amended version did not have a material impact on the consolidated financial statements.

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 complex and subjective valuations and estimates drawn from historical experience 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 line items for which the abovementioned estimates and assumptions were used may differ from the amounts actually reported 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 (particularly with regard to pending litigation), 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, 2012 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 in this category include PPL Participações Limitada in bankruptcy and companies that have become eligible for extraordinary administration proceedings include: 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.
  Currently, 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 subsidiary, 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 in 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 285.5 (235.3 in June 2011) and the year-over-year change in the index was 21.33%.

The convertibility of the local currency (bolivar) is strictly regulated. The main channel to access U.S. dollars is the local foreign exchange entity (*CADIVI – Comisión de Administración de Divisas*), which, since January 1, 2011, allows only a single exchange rate of 4.30 bolivar for one U.S. dollar (VEF/US$). In practice, actual access to U.S. dollars by local residents is controlled by the *CADIVI*.
In addition, the Venezuelan Central Bank (*Banco Central de Venezuela*) has sole jurisdiction over regulating transactions involving securities of any issuer denominated in foreign currencies. Transactions in these securities through the "SITME" (*Sistema de Transacciones con Títulos en Moneda Extranjera*) mechanism provide residents with a source of foreign currency in addition the amount available through *CADIVI*. Merely for reference purpose, please note that, in 2012, the SITME implied exchange rate was about 5.3 VEF/US$.

Lastly, there is the possibility of bidding at public auctions for the allocation of securities ("*bonos*") denominated in U.S. dollars. The frequency of these auctions, the amounts offered and the auction allocation methods are unpredictable.

Parmalat used the official exchange rate of 4.30 VEF/US$ to convert the income statement and balance sheet data of its subsidiary for inclusion in the consolidated financial statements of the Group at December 31, 2012.

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 the following related parties:

1. Some 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 these Notes.

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

(in millions of euros)		6/30/12					
Company	**Country**	**Trade receiv-ables**	**Financial receiv-ables**	**Other receiv-ables**	**Trade payables**	**Financial payables**	**Other payables**
PPL Participações Ltda in bankruptcy	Brazil					2.4	
Wishaw Trading sa	Uruguay					2.2	
Total		**-**	**-**	**-**	**-**	**4.6**	

(in millions of euros)		12/31/11					
Company	**Country**	**Trade receiv-ables**	**Financial receiv-ables**	**Other receiv-ables**	**Trade payables**	**Financial payables**	**Other payables**
PPL Participações Ltda	Brazil					2.3	0.1
Wishaw Trading sa	Uruguay					2.2	
Total		**-**	**-**	**-**	**-**	**4.5**	**0.1**

Revenues and expenses and any writedowns of receivables recognized in the first half of 2012 and 2011 were not material.

2. Some subsidiaries of the Lactais Group with which some Group companies executed transactions in 2011 and 2012. These transactions, settled on market terms, included:

   - the inclusion of Parmalat S.p.A. in the cash pooling system of the Lactalis Group;
   - sales and procurement of raw materials and finished products and costs for the provision of services.

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

(in millions of euros)		6/30/12					
Company	**Country**	**Trade receiv-ables**	**Financial receiv-ables**	**Other receiv-ables**	**Trade payables**	**Financial payables**	**Other payables**
B.S.A. Finances S.n.c.	France		796.4				
Sofil S.a.s.	France						144.8
Italatte S.p.A.	Italy	0.2			1.9		
Lemnos Foods Pty Ltd	Australia	0.1					
Lactalis Compras y Suministros S.L.	Spain				0.4		
Lactalis Management S.n.c.	France				0.2		
L.A. Management S.n.c.	France				0.2		
Egidio Galbani S.p.A.	Italy				0.2		
Yefremovsky Butter and Cheese	Russia				0.2		
L.G.P.O. S.n.c.	France				0.1		
Total		**0.3**	**796.4**	**-**	**3.2**	**-**	**144.8**

[1] Liability for dividends declared by the Shareholders' Meeting of May 31, 2012, which were paid on July 20, 2012.

(in millions of euros)		12/31/11					
Company	**Country**	**Trade receiv-ables**	**Financial receiv-ables**	**Other receiv-ables**	**Trade payables**	**Financial payables**	**Other payables**
B.S.A. Finances S.n.c.	France		1,188.2				
Lactalis Beurres & Cremes S.n.c.	France	0.7					
Lemnos Foods Pty Ltd	Australia	0.5					
Italatte S.p.A.	Italy				0.7		
Puleva Food S.L.	Spain				0.5		
Egidio Galbani S.p.A.	Italy				0.3		
Lactalis International S.n.c.	France				0.1		
Yefremovsky Butter and Cheese	Russia				0.1		
Total		**1.2**	**1,188.2**	**-**	**1.7**	**-**	**-**

The table below provides a breakdown of revenues and expenses by type and shows the writedowns of receivables recognized the first half of 2012.

(in millions of euros)		6/30/12					
Company	**Country**	**Net sales revenues and other revenues**	**Other income and expense**	**Financial income**	**Cost of materials and services used**	**Financial expense**	**Write-downs of receivables**
B.S.A. Finances S.n.c.	France			10.0			
Lactalis Beurres & Cremes S.n.c.	France	1.2					
Italatte S.p.A.	Italy	0.8			4.0		
Lemnos Foods Pty Ltd	Australia	0.1					
Yefremovsky Butter and Cheese	Russia				0.8		
Puleva Food S.L.	Spain				0.6		
Lactalis Compras y Suministros S.L.	Spain				0.5		
Lactalis International S.n.c.	France				0.3		
Lactalis Management S.n.c.	France				0.2		
L.A. Management S.n.c.	France				0.2		
Egidio Galbani S.p.A.	Italy				0.2		
Molkerei Laiterie Walhorn S.A.	Belgium				0.1		
L.G.P.O. S.n.c.	France				0.1		
Total		**2.1**		**10.0**	**7.0**		

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

With regard to transactions with members of the Board of Directors of Parmalat S.p.A., it is worth mentioning that Parmalat S.p.A. recognized under "Other income and expense" the amount of 0.9 million euros for professional services provided, in the first half of 2012, by the law firm Studio Legale Associato D'Urso Gatti e Bianchi.

Percentage of Total Amounts Attributable to Transactions with Related Parties

(in millions of euros)	**Consolidated assets**	**Consolidated liabilities**	**Net financial assets**	**Net revenues and other income**	**Purchasing costs and services**	**Other income and expense**	**Financial income**
Total consolidated amount	4,922.4	1,330.3	1,578.0	2,292.0	1,809.1	(6.2)	31.8
Amount with related parties	796.7	153.6	791.8	2.1	7.0	(0.9)	10.0
Percentage of the total	*16.2%*	*11.5%*	*50.2%*	*0.1%*	*0.4%*	*14.5%*	*31.6%*

Notes to the Statement of Financial Position – Assets

(1) Goodwill

Goodwill amounted to 451.6 million euros. The changes that occurred during the first six months of 2011 and 2012 are listed below:

(in millions of euros)	**Goodwill**
Balance at 1/1/11	**461.7**
- Writedowns (-)	(8.0)
- Currency translation differences	(8.1)
Balance at 6/30/11	**445.6**
Balance at 1/1/12	**445.4**
- Currency translation differences	6.2
Balance at 6/30/12	**451.6**

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)	**6/30/12**	**12/31/11**
Italy		
- Parmalat S.p.A.	184.0	184.0
- Centrale del Latte di Roma S.p.A.	34.6	34.6
- Sundry companies	4.0	4.0
Other countries in Europe		
- Russia	5.7	5.7
- Romania	0.1	0.1
Canada	140.5	136.8
Australia	82.7	80.2
Total	**451.6**	**445.4**

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 that would have caused Directors to test it for impairment were detected in the first half of 2012.

(2) Trademarks with an Indefinite Useful Life

Trademarks with an indefinite useful life were valued at 600.6 million euros. The changes that occurred during the first six months of 2011 and 2012 are listed below:

(in millions of euros)	**Trademarks with an indefinite useful life**
Balance at 1/1/11	**613.0**
- Currency translation differences	(17.3)
Balance at 6/30/11	**595.7**
Balance at 1/1/12	**594.9**
- Other changes	(5.9)
- Currency translation differences	11.6
Balance at 6/30/12	**600.6**

During the first half of 2012, the Group revised the useful life of the Elena brand. This brand, valued at 5.9 million euros, was reclassified into “Trademarks with a finite useful life” and amortized over its remaining estimated useful life (4 years).

A breakdown of trademarks with an indefinite useful life, carried at 600.6 million euros, is as follows:

(in millions of euros)	**6/30/12**	**12/31/11**
Italy		
- Parmalat	*121.9*	*121.9*
- Santàl	*27.1*	*27.1*
- Centrale del Latte di Roma	*24.7*	*24.7*
- Chef	*15.1*	*15.1*
- Sundry trademarks	*-*	*5.9*
Other countries in Europe		
- Parmalat	*5.3*	*5.3*
- Santàl	*4.1*	*4.0*
- Sundry trademarks	*4.0*	*4.0*
Canada		
- Beatrice	*91.7*	*89.3*
- Lactantia	*75.6*	*73.6*
- Black Diamond	*34.3*	*33.4*
- Astro	*25.4*	*24.7*
- Sundry trademarks	*15.5*	*15.1*
South America		
- Parmalat	*19.5*	*17.7*
Australia		
- Pauls	*58.2*	*56.5*
- Rev, Skinny e Farmhouse	*31.0*	*30.0*
- Parmalat	*0.4*	*0.4*
- Sundry trademarks	*9.9*	*9.6*
Africa		
- Parmalat	*16.8*	*16.6*
- Bonnita	*13.6*	*13.5*
- Sundry trademarks	*6.5*	*6.5*
Total	**600.6**	**594.9**

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 trademarks that would have caused Directors to test them for impairment were detected in the first half of 2012.

(3) Property, Plant and Equipment

Property, plant and equipment totaled 902.1 million euros. The table below provides a breakdown of this item and shows the changes that occurred in the first half of 2011 and 2012:

(in millions of euros)	Land	Buildings	Plant and machinery	Industrial equip-ment	Other assets	Construc-tion in progress	Total
Balance at 1/1/11	**153.5**	**250.4**	**325.6**	**14.1**	**38.2**	**82.5**	**864.3**
- 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
- Monetary correction for hyperinflation	0.9	2.4	1.4	-	0.1	0.6	5.4
- 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**
Balance at 1/1/12	**154.8**	**260.2**	**338.0**	**16.9**	**40.2**	**88.9**	**899.0**
- Additions	0.2	2.2	5.2	0.3	2.4	22.9	33.2
- Disposals (-)	-	-	(0.6)	(0.1)	(0.3)	-	(1.0)
- Depreciation (-)	-	(9.6)	(31.2)	(2.7)	(7.2)	-	(50.7)
- Other changes	-	16.1	30.4	2.9	5.0	(54.7)	(0.3)
- Monetary correction for hyperinflation	0.7	1.8	1.1	-	0.1	0.2	3.9
- Currency translation differences	2.6	4.5	7.9	0.3	0.9	1.8	18.0
Balance at 6/30/12	**158.3**	**275.2**	**350.8**	**17.6**	**41.1**	**59.1**	**902.1**

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 12.9 million euros, is as follows:

(in millions of euros)	**6/30/12**	**12/31/11**
Buildings	6.0	0.9
Plant and machinery	2.3	2.5
Other assets	4.6	5.1
Total property, plant and equipment acquired under finance leases	**12.9**	**8.5**

(4) Inventories

Inventories totaled 466.5 million euros, for an increase of 87.9 million euros compared with December 31, 2011.

(in millions of euros)	**6/30/12**	**12/31/11**
Raw materials, auxiliaries and supplies	140.5	122.8
Work in progress and semifinished goods	27.1	22.4
Finished goods and merchandise	301.9	237.2
Advances	1.7	1.6
Provision for inventory writedowns	(4.7)	(5.4)
Total	**466.5**	**378.6**

The main factors accounting for this increase include the following:

- 45.2 million euros in higher inventories of finished products held by the Canadian subsidiary, due to seasonal factors that characterize its business, involving an increase in cheese production in the first six months of the year, in anticipation of higher sales in the second half of the year;
- 18.3 million euros in increased imports of powdered milk and fruit concentrates by the Venezuela subsidiary, purchased to support an increase in production anticipated for the second half of 2012;
- 9.4 million euros in differences on the translation of financial statements of companies that operate in areas using a currency different from the euro.

(5) Trade Receivables

Trade receivables totaled 472.0 million euros, or 53.8 million euros less than at December 31, 2011.

This decrease, attributable mainly to Parmalat S.p.A., is due to a reduction in the days to collection that reflects both a more efficient credit collection system and a decrease in sales.

The amount of 472.0 million euros shown for Trade receivables owed by customers is net of an Allowance for doubtful accounts of 96.4 million euros. The table that follows shows the changes that occurred in this allowance in the first half of 2011 and 2012:

(in millions of euros)	
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**
Balance at 1/1/12	**149.9**
- Additions	2.1
- Utilizations (-)	(56.4)
- Other changes	0.6
- Currency translation differences	0.2
Balance at 6/30/12	**96.4**

The reduction in the Allowance for doubtful accounts is due mainly to the derecognition of receivables, previously written down, owed by former franchisees under extraordinary administration, following the completion of the procedure and the deletion of these companies from the Company Register in the first half of 2012.

(6) 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 796.4 million euros, for an increase of 493.1 million euros compared with December 31, 2011:

(in millions of euros)	6/30/12	12/31/11
- Bank and postal accounts	778.4	282.2
- Cash and securities on hand	1.4	1.4
- Financial assets	16.6	19.7
Total cash and cash equivalents	**796.4**	**303.3**

Bank and postal accounts of 778.4 million euros represent deposits held at top banking and financial institutions with a high credit rating.

Financial assets, which totaled 16.6 million euros, consist of maturing time deposits.

The increase of 493.1 million euros in Cash and cash equivalents reflects primarily the investment of current financial assets in highly liquid short-term interest-bearing assets that provide a higher return.

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

(7) Current Financial Assets

Current financial assets totaled 827.7 million euros, or 426.8 million euros less than at December 31, 2011:

(in millions of euros)	6/30/12	12/31/11
- Financial receivables owed by related parties ("cash pooling")	796.4	1,188.2
- Time bank deposits	10.5	32.5
- Italian Treasury securities (Treasury Bills)	-	12.5
- Other financial assets with an original maturity of more than three months but less than one year	20.8	21.1
- Accrued interest	-	0.2
Total current financial assets	**827.7**	**1,254.5**

In order to secure a better return on its liquid assets during that period, Parmalat Spa withdrew from the cash pooling system a total amount of 400.0 million euros, which was invested in equally flexible instruments (high yield current accounts and deposit accounts) with highly rated Italian banking institutions.

Lastly, as explained in the section of the Interim Report on Operations entitled "Events Occurring After June 30, 2012," following the closing of the acquisition of Lactalis American Group, financed in full with the liquidity held by Parmalat S.p.A., and the Company's withdrawal of the remaining liquid assets, amounting to about 86.0 million euros, from the cash pooling system, the cash pooling investment account currently has a zero balance.

Notes to the Statement of Financial Position – Shareholders' Equity

At June 30, 2012, the Group's shareholders' equity totaled 3,568.9 million euros.

(8) Share Capital

The share capital grew to 1,757,481,627 euros. The change compared with December 31, 2011 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 187,305 euros, and (ii) the amount generated by the exercise of warrants, which totaled 1,892,500 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 2012:

	Number of shares
Shares outstanding at 1/1/12	**1,755,401,822**
Shares issued for claims of late-filing creditors and/or upon the settlement of challenges (using reserves established for this purpose)	187,305
Shares issued upon the conversion of warrants	1,892,500
Shares outstanding at 6/30/12	**1,757,481,627**

Maximum Share Capital Amount

Pursuant to the resolutions approved by the Shareholders' Meetings of March 1, 2005, September 19, 2005, April 28, 2007 and May 31, 2012, the Company's share capital may be increased up to 1,940 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 and/or late-filing creditors	303.9
Total increases reserved for creditors	**1,845.0**
- Shares available for the conversion of warrants	95.0
Total capital increase	**1,940.0**

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

At June 30, 2012, the reserve convertible into share capital amounted to 68.4 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.

The Extraordinary Shareholders' Meeting of May 31, 2012, approved a resolution making available a portion of the reserve that was no longer restricted and earmarked for implementing share capital increases and use the surplus: (i) to distribute 0.048 euros on each of the 1,755,432,531 common shares outstanding at March 19, 2012 (net of 2,049,096 treasury shares attributable to creditors who failed to claim them, which, pursuant to Article 9.4 of the Composition with Creditors, became the property of Parmalat S.p.A.) for a total of 84.3 million euros; (ii) pursuant to the provisions of the Composition with Creditors, allocate 0.8 million euros to the reserve to challenging creditors an creditors with conditional claims who are ultimately found to be entitled to receive Company shares.

(10) Reserve for Currency Translation Differences

The Reserve for currency translation differences, positive by 61.6 million euros, reflects differences generated by the translation into euros of the financial statements of companies that operate in countries outside the Eurozone.

(11) Other Reserves

The Ordinary Shareholders' Meeting of May 31, 2012 approved motions: (i) to add to the statutory reserve 5% of the net profit earned in 2011, equal to 9.4 million euros; (ii) to appropriate: (a) 50% of the remaining net profit as a dividend in the rounded up amount of 0.052 euros on each of the 1,755,432,531 common shares outstanding on March 19, 2012 (net of 2,049,096 treasury shares attributable to creditors who failed to claim them, which, pursuant to Article 9.4 of the Composition with Creditors, became the property of Parmalat S.p.A.) for a total of 91.2 million euros; (b) the balance of 88.0 million euros to retained earnings.

At June 30, 2012, Other reserves of 1,599.4 million euros included the following items: (i) retained earnings and miscellaneous reserves of 1,475.5 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 up to 97.2 million euros; and (iii) a dividend reserve of 26.7 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 later may be entitled to receive Company shares.

(12) Profit for the Period

The Group's interest in the profit for the period amounted to 82.5 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 6/30/12	**2,850.4**	**59.7**	**2,910.1**
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	574.4	-	574.4
- Pro rata interest in the results of investee companies	-	67.9	67.9
- Reserve for currency translation differences	61.6	-	61.6
Other adjustments:			
- Elimination of writedowns of receivables owed by subsidiaries		1.2	1.2
- Elimination of dividends		(46.3)	(46.3)
Group Interest in shareholders' equity at 6/30/12	**3,486.4**	**82.5**	**3,568.9**
Minority interest in shareholders' equity and result for the period	22.1	1.1	23.2
Consolidated shareholders' equity at 6/30/12	**3,508.5**	**83.6**	**3,592.1**

(13) Minority Interest in Shareholder's Equity

At June 30, 2012, the Minority interest in shareholders' equity totaled 23.2 million euros. This amount is represented almost entirely by the interest held by minority shareholders in the following companies:

(in millions of euros)	**6/30/12**	**12/31/11**
Centrale del Latte di Roma S.p.A.	9.6	12.3
Citrus International SA	4.0	3.9
Industria Lactea Venezolana CA (Indulac)	2.6	2.5
Parmalat Colombia ltda	2.6	2.2
Sundry companies	4.4	4.2
Total	**23.2**	**25.1**

Notes to the Statement of Financial Position – Liabilities

(14) Provisions for Risks and Charges

Provisions for risks and charges totaled 153.4 million euros. The changes that occurred in the first half of 2011 and 2012 are shown below:

(in millions of euros)	**Provision for tax-related risks and charges**	**Provision for other risks and charges**	**Total**
Balance at 1/1/11	**31.7**	**48.0**	**79.7**
- 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)
- Monetary adjustment for hyperinflation	0.1	-	0.1
- Currency translation differences	(1.7)	(0.4)	(2.1)
Balance at 6/30/11	**28.7**	**40.1**	**68.8**
Balance at 1/1/12	**33.8**	**113.4**	**147.2**
- Increases	3.7	6.6	10.3
- Decreases (-)	(0.2)	(3.1)	(3.3)
- Reversals (-)	(1.9)	(1.2)	(3.1)
- Other changes	-	(0.4)	(0.4)
- Monetary adjustment for hyperinflation	(0.1)	-	(0.1)
- Currency translation differences	0.6	2.2	2.8
Balance at 6/30/12	**35.9**	**117.5**	**153.4**

Provision for Tax-related Risks and Charges

This item refers primarily to tax risks concerning the Indulac subsidiary, for issues related to valuation adjustments of some assets, and Parmalat S.p.A. for tax risks related to previous years.
The increase in the first half of 2012 is due mainly to additions made to the provision to cover tax risks for prior tax periods the occurrence of which is deemed probable.

Provision for Other Risks and Charges

The Provision for other risks and charges of 117.5 million euros covers the following:

(in millions of euros)	**6/30/12**	**12/31/11**
Litigation	80.2	78.0
Staff downsizing programs	9.0	12.2
Supplemental sales agent benefits	8.4	8.0
Risks on investee companies	5.8	4.8
Legal disputes with employees	2.8	3.5
Registration fees on court decisions	1.9	1.9
Miscellaneous	9.4	5.0
Total provision for other risks and charges	**117.5**	**113.4**

The change that occurred during the first half of 2012 refers mainly to reorganization plans launched by the Group during the period.

An analysis of the most significant legal disputes involving Group companies is provided in the chapter of these Notes entitled “Legal Disputes and Contingent Liabilities at June 30, 2012.”

(15) Trade Payables

Trade payables totaled 569.0 million euros, or 28.9 million euros more than at December 31, 2011:

(in millions of euros)	**6/30/12**	**12/31/11**
- Trade payables owed to suppliers	564.0	537.1
- Trade payables owed to related parties	4.1	2.1
- Advances	0.9	0.9
Total	**569.0**	**540.1**

The change compared with the end of 2011 is due mainly to increased imports of powdered milk and fruit concentrates by the Venezuela subsidiary, purchased to support an increase in production anticipated for the second half of 2012, and to differences on the translation of financial statements of companies that operate in areas using a currency different from the euro.

(16) Other Current Liabilities

Other current liabilities totaled 279.0 million euros, or 132.7 million euros more than at December 31, 2011:

(in millions of euros)	**6/30/12**	**12/31/11**
- Taxes payable	13.7	24.7
- Contributions to pension and social security institutions	11.0	9.2
- Other payables	229.5	74.1
- Accrued expenses and deferred income	24.8	38.3
Total	**279.0**	**146.3**

The change in this account is due mainly to the amount owed to the controlling company Sofil S.a.s. (144.8 million euros) for dividends declared by the Shareholders’ Meeting of May 31, 2012, which were paid on July 20, 2012.

Guarantees and Commitments

Guarantees

(in millions of euros)	6/30/12			12/31/11		
	Sureties	**Collateral**	**Total**	**Sureties**	**Collateral**	**Total**
provided on behalf of Group companies	-	-	-	-	-	-
provided on behalf of the Company	215.6	24.3	239.9	213.1	23.6	236.7
Total guarantees	**215.6**	**24.3**	**239.9**	**213.1**	**23.6**	**236.7**

The sureties provided by outsiders on behalf of the Company (215.6 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 24.3 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)	6/30/12	12/31/11
Commitments:		
- Operating leases	73.1	75.5
within 1 year	*15.1*	*15.2*
from 1 to 5 years	*39.4*	*40.8*
after 5 years	*18.6*	*19.5*
- Other commitments	29.3	39.9
Total commitments	**102.4**	**115.4**

Commitments under operating leases apply mainly to subsidiaries in Canada (28.9 million euros), Australia (25.6 million euros) and Africa (18.5 million euros).

Other commitments of 29.3 million euros refer mainly to short-term contracts to purchase raw materials, packaging materials and non-current assets signed by Parmalat Canada Inc. (20.5 million euros) and by subsidiaries in Africa (3.2 million euros) and Australia (1.2 million euros). This item includes the value of Parmalat shares (4.4 million euros) attributable to creditors of the companies included in the composition with creditors that are currently deposited with Fondazione Creditori Parmalat.

Legal Disputes and Contingent Liabilities at June 30, 2012

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.

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.

Investment Held by Parmalat in Centrale del Latte di Roma

See the information provided in the section of the Interim Report on Operations entitled "Key Events in the First Half of 2012."

Creditors Challenging the List of Liabilities and Late Filing Creditors

At June 30, 2012, disputes stemming from challenges to the composition of the lists of liabilities of the companies included in the Composition with Creditors and late filings of claims involved 37 lawsuits filed before the Court of Parma and 140 lawsuits pending before the Bologna Court of Appeals. About 100 lawsuits, pending before the lower courts and at the appellate level, involve the alleged liability of Parmalat Finanziaria S.p.A. under Extraordinary Administration as the sole shareholder of Parmalat S.p.A. under Extraordinary Administration pursuant to Article 2362 of the Italian Civil Code (previous wording).

* * *

Criminal Proceedings

Criminal Proceedings for Fraudulent Bankruptcy

See the information provided in the section of the Interim Report on Operations entitled "Key Events in the First Half of 2012."

"Tourism Operations" Criminal Proceedings

This trial, in which the defendants are former Directors, Statutory Auditors and employees of companies in the "tourism operations," and officers of some banks (insofar as these bank officers are concerned, Parmalat withdrew from the proceedings as a plaintiff seeking damages, whenever settlements were reached with the respective banks), ended with the lower court handing down a decision on December 20, 2011. The memorandum detailing the grounds for the court's decision was filed on March 5, 2012. The companies belonging to the tourism operations, together with Parmalat S.p.A. and Parmalat Finanziaria S.p.A. are parties to these proceedings as plaintiffs seeking damages. Upon the defendants being convicted, the court awarded provisional damages of 120 million euros, including 20 million euros for the benefit of companies under extraordinary administration that are part of the food operations. The defendants appealed this decision and the start of the corresponding trial before the Bologna Court of Appeals will probably be scheduled for some date between the end of the current year and the beginning of next year.

Criminal Proceedings Against Citigroup

Oral arguments in the trial of officers and employees of Citigroup charged with fraudulent bankruptcy began in April 2011. Parmalat S.p.A. under Extraordinary Administration joined these proceedings as a plaintiff seeking damages, suing the bank as the civilly liable party for the actions of its employees. The trial is in the phase of preliminary oral arguments, which is expected to last until December of this year.

Other Criminal Proceedings

Other criminal proceedings include those 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. In the proceedings against the employees and/or officers of JP Morgan, the Public Prosecutor filed a motion for indictment. A date for the preliminary hearing has not yet been set.

In the “paintings” proceedings, Calisto Tanzi is the only remaining defendant, all other defendants having agreed to plea bargains. The Public Prosecutor filed a motion for indictment and the preliminary hearing was scheduled for October 4, 2012. Parmalat S.p.A. under Extraordinary Administration joined the proceedings as an injured party. The paintings have been seized by the court.

The proceedings involving “Parmacalcio,” in which Parmalat S.p.A. under Extraordinary Administration is an injured party, involves two separate cases. In one case, the parties are waiting for the notice of completion of the preliminary investigation phase and, in the other case, the preliminary investigation phase having been completed, the court has not yet issued decrees of dismissal and indictments.

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. A date for the first hearing has not yet been set.

Civil Proceedings Filed by the Group

Actions for Damages

Parmalat versus Grant Thornton

See the information provided in the section of the Interim Report on Operations entitled “Key Events in the First Half of 2012.”

Parmalat versus Standard & Poor’s

The lower court of Milan granted only in part the claims lodged against Standard & Poor's, ordering Standard & Poor's to refund the fees it collected for awarding to Parmalat an “investment grade” rating from November 2000 until shortly before its failure, in the amount of 784,000 euros, but denying the claims for damages. The deadline for appealing this decision is still pending.

Parmalat vs JP Morgan

The lawsuits filed against JP Morgan seeking to establish the bank’s responsibility for causing and aggravating the failure of the Parmalat Group with financial transactions executed before its bankruptcy are currently pending before the lower court.

Actions to Void in Bankruptcy

Six actions to void in bankruptcy are still pending. Filed mainly against banks, they seek to void anomalous payments made by companies under extraordinary administration included in the Parmalat Composition with Creditors during the “suspect period” preceding the insolvency of the Parmalat Group.

Liability Actions

Two liability actions filed against former Directors and Statutory Auditors of Parmalat Finanziaria S.p.A. and Parmalat S.p.A. and other third parties deemed responsible for causing and aggravating the failure of the Parmalat Group are currently pending.
Another liability action filed by Boschi Luigi & Figli S.p.A. against its former Directors and Statutory Auditors, deemed responsible for causing the abovementioned company’s insolvency, is also pending. Parmalat S.p.A. under Extraordinary Administration is a party to these proceedings.

Actions for Enforcement

Numerous actions for enforcement are pending against individual convicted in the criminal trial for fraudulent bankruptcy with the aim of obtaining remediation of the huge financial damages caused by unlawful conduct. As mentioned earlier, upon the defendants' criminal conviction, the companies of the Parmalat Group under Extraordinary Administration were awarded an enforceable provisional compensation of 2,000.000.000 euros (reduced by the appellate court to 6.000.000 euros, limited to three defendants).

* * *

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."

* * *

Tax related information concerning Parmalat S.p.A. and its main Italian and foreign subsidiaries is provided below.

Italy

At June 30, 2012, the provision for tax risks of Parmalat S.p.A. amounted to 12.2 million euros, or 3 million euros more than at the end of 2011.
Additions made to cover tax risks for prior tax periods the occurrence of which is deemed probable account for most of the increase in the provision.

South America

Indulac, a Venezuela subsidiary, carries a provision for tax risks of 22.6 million euros, up slightly compared with 2011, to cover potential tax risks.

Lastly, some Group companies are exposed to other tax risks involving negligible amounts.

Notes to the Income Statement

(17) Revenues

A breakdown of revenues is as follows:

(in millions of euros)	**First half 2012**	**First half 2011**
Net sales revenues	2,276.9	2,146.9
Other revenues	15.1	22.7
Total revenues	**2,292.0**	**2,169.6**

A geographic breakdown of net revenues is as follows:

(in millions of euros)	**First half 2012**	**First half 2011**
Italy	482.4	489.5
Other countries in Europe	82.8	76.9
Canada	790.5	762.8
South America	253.5	216.9
Australia	460.1	399.9
Africa	208.6	201.6
Sundry items [1]	(1.0)	(0.7)
Total net sales revenues	**2,276.9**	**2,146.9**

[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 2012**	**First half 2011**
Royalties	3.3	2.2
Rebilling of advertising expenses	2.6	3.8
Prior-period items and restatements	2.0	3.7
Rent	1.3	1.0
Gains on the sale of non-current assets	0.3	1.3
Operating grants	0.3	0.5
Insurance settlements	0.2	5.1
Expense reimbursements	0.2	0.2
Miscellaneous	4.9	4.9
Total other revenues	**15.1**	**22.7**

The decrease in Other revenues is due mainly to the lower insurance settlements collected in the first half of 2012.
The insurance settlements received in 2011 refer mainly to the fire that occurred in 2010 at the plant of Centrale del Latte di Roma.

(18) Costs

A breakdown of the costs incurred in the first half of 2012 is as follows:

(in millions of euros)	**First half 2012**	**First half 2011**
Cost of sales	1,825.7	1,712.4
Distribution costs	202.6	211.0
Administrative expenses	156.9	156.8
Total costs	**2,185.2**	**2,080.2**

A breakdown by type of the costs incurred in the first half of 2012 is as follows:

(in millions of euros)	**First half 2012**	**First half 2011**
Raw materials and finished goods	1,252.2	1,146.0
Labor costs	317.2	287.0
Packaging materials	192.7	177.8
Freight	108.4	100.6
Sales commissions	63.9	61.3
Depreciation, amortization and writedowns of non-current assets	56.6	59.9
Energy, water and gas	46.4	41.7
Other services	45.0	43.9
Advertising and promotions	39.9	45.4
Maintenance and repairs	27.5	31.1
Supplies	24.2	22.1
Use of property not owned	22.2	20.0
Miscellaneous charges	20.1	14.3
Storage, handling and outside processing services	18.3	21.9
Postage, telephone and insurance	12.2	11.2
Consulting services	11.2	13.6
Writedowns of receivables and additions to provisions	2.4	4.4
Auditing services	1.9	1.9
Fees of Chairman and Directors	1.0	1.1
Fees of Statutory Auditors	0.3	0.2
Changes in inventories of raw materials and finished goods	(78.4)	(25.2)
Total cost of sales, distribution costs and administrative expenses	**2,185.2**	**2,080.2**

The increase in Cost of sales, distribution costs and administrative expenses is chiefly the result of the following factors:

- an increase in the purchase price of raw milk and packaging materials in several countries where the Group operates;
- higher variable production costs incurred in Australia due to an increase in sales volumes;
- the loss of value of the euro versus the currencies of the main countries where the Group operates.

(19) Litigation-related Expenses

The balance in this account reflects the fees paid to law firms (4.4 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.
The above mentioned actions are now in the phase in which they are being gradually concluded.

(20) Miscellaneous Income (Expense)

Net miscellaneous expense totaled 6.2 million euros. A breakdown is as follows:

(in millions of euros)	First half 2012	First half 2011
Proceeds from actions to void and actions for damages	1.6	5.4
Restructuring costs	(4.6)	(0.1)
Benefit (expense) related to tax risks	(1.7)	1.3
Sundry income (expense)	(1.5)	4.5
Total miscellaneous income (expense)	**(6.2)**	**11.1**

Proceeds from actions to void and actions for damages include the amounts stipulated with some former Directors of Parmalat Finanziaria in A.S. to settle pending disputes or the amounts awarded to the Company for damages upon the conviction of criminal defendants.

Restructuring costs refer to reorganization programs launched by the Group in the first half of 2012.

The expense related to tax risks reflects an updated estimate of probable tax liabilities.

(21) Financial Income (Expense)

Net financial income amounted to 22.4 million euros, broken down as follows:

(in millions of euros)	First half 2012	First half 2011
Income from financial receivables owed by related parties ("cash pooling")	10.0	-
Monetary gain due to hyperinflation	8.6	9.2
Foreign exchange translation gains	4.6	5.1
Interest earned on accounts with banks and other financial institutions	4.1	5.4
Interest received from the tax authorities	0.9	1.4
Income from cash-equivalent securities	0.1	3.9
Other financial income	3.5	0.2
Total financial income	**31.8**	**25.2**
Foreign exchange translation losses	(4.2)	(8.9)
Interest paid on loans	(3.2)	(1.4)
Bank fees	(1.5)	(1.0)
Actuarial losses	(0.1)	(0.2)
Other financial expense	(0.4)	(1.5)
Total financial expense	**(9.4)**	**(13.0)**
Net financial income (expense)	**22.4**	**12.2**

The increase in net financial income is due mainly to the higher returns earned on invested liquid assets.

(22) Income Taxes

Income taxes totaled 38.0 million euros, broken down as follows:

(in millions of euros)	First half 2012	First half 2011
Current taxes		
- Italian companies	9.1	5.5
- Foreign companies	22.4	20.6
Deferred and prepaid taxes, net		
- Italian companies	4.0	3.4
- Foreign companies	2.5	3.0
Total	**38.0**	**32.5**

Current taxes of Italian companies totaled 9.1 million euros, including 2.5 million euros in regional taxes (IRAP) and 6.6 million euros in corporate income taxes (IRES).

Net deferred and prepaid taxes of 6.5 million euros were computed on the temporary differences between the values assigned to assets and liabilities for reporting purposes and for tax purposes.

The table below provides a reconciliation of the theoretical tax liability, determined by applying the IRES rate in effect in Italy, to the amount recognized in the income statement:

(in millions of euros)	**Total**
Consolidated profit before taxes	**121.6**
Theoretical tax rate	27.5%
Theoretical tax liability	33.4
Tax effect from non-taxable income (permanent differences) (-)	(3.9)
Tax effect from non-deductible expenses (permanent differences)	3.8
Tax losses for the year that are not deemed recoverable and elimination of prepaid taxes	2.3
Recognition of prior-period tax losses (-)	(1.6)
Higher/(Lower) taxes as per income tax return	(0.1)
Elimination of temporary differences due to changes in tax rates and sundry items	1.6
Actual income tax liability	**35.5**
IRAP and other taxes computed on a base different from the profit before taxes	2.5
Actual tax liability shown on the income statement at June 30, 2012	**38.0**
Effective tax rate	**31.2%**

(23) Other Information

Significant Non-recurring Transactions and Atypical and/or Unusual Transactions

The Group did not execute significant non-recurring transactions or transactions that were atypical or unusual in accordance with Consob Communication No. DEM/6064293 of July 28, 2006.

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, 2012 is provided below:

(in millions of euros)	**6/30/12**	**12/31/11**
A) Cash	1.4	1.4
B) Cash equivalents and readily available financial assets:		
- Bank and postal accounts	778.4	282.2
- Reverse repurchase agreements	15.5	19.5
- Italian Treasury securities	-	12.5
- Accrued interest	-	0.2
- Time deposits	32.4	53.8
C) Negotiable securities	-	-
D) Liquid assets (A+B+C)	**827.7**	**369.6**
E) Current financial receivables *("cash pooling")*	796.4	1,188.2
F) Current bank debt	12.4	11.0
G) Current portion of non-current indebtedness	0.6	5.8
H) Other current borrowings	25.9	14.6
I) Current indebtedness (F+G+H)	**38.9**	**31.4**
J) Net current indebtedness (I-E-D)	**(1,585.2)**	**(1,526.4)**
K) Non-current bank debt	-	-
L) Debt securities outstanding	-	-
M) Other non-current borrowings	7.2	8.0
N) Non-current indebtedness (K+L+M)	**7.2**	**8.0**
O) Net borrowings (J+N)	**(1,578.0)**	**(1,518.4)**

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 2012	First half 2011
Wages and salaries	224.4	204.9
Social security contributions	28.9	26.6
Severance benefits	33.6	27.6
Other labor costs	30.3	27.9
Total labor costs	**317.2**	**287.0**

The increase in Labor costs is due mainly to the loss of value 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 2012	First half 2011
- Amortization of intangibles	5.9	4.4
- Depreciation of property, plant and equipment	50.7	47.5
- Writedowns of non-current assets	-	8.0
- Reversals of writedowns	-	-
Total depreciation, amortization and writedowns of non-current assets	**56.6**	**59.9**

Earnings per share

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

(in euro)	**First half 2012**	**First half 2011**
Group interest in profit	*82,546,047*	*76,506,829*
broken down as follows:		
- Profit from continuing operations	*82,546,047*	*76,509,829*
- Profit (Loss) from discontinuing operations		
Weighted average number of shares outstanding determined for the purpose of computing earnings per share:		
- basic	1,757,044,651	1,737,127,224
- diluted	1,774,858,095	1,776,551,724
Basic earnings per share	*0.0470*	0.0440
broken down as follows:		
- Profit from continuing operations	*0.0470*	*0.0440*
- Profit (Loss) from discontinuing operations		-
Diluted earnings per share	*0.0465*	0.0431
broken down as follows:		
- Profit from continuing operations	*0.0465*	*0.0431*
- Profit (Loss) from discontinuing operations	-	-

Subsequent to the end of the reporting period, the number of share outstanding varied due to the following share capital increase:

- July 6, 2012: 21,263 euros

The computation of the weighted average number of shares outstanding, starting with the 1,755,401,822 shares outstanding at January 1, 2012, is based on the following changes that occurred in the first half of 2012:

- issuance of 32,340 common shares on 1/20/12
- issuance of 93,563 common shares on 2/17/12
- issuance of 1,953,902 common shares on 3/19/12

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, 2012 and the comparable data for 2011. 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	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			
2012																	
Net segment revenues	482.4	51.3	27.3	4.2	82.8	790.5	165.3	74.5	13.6	253.5	460.1	175.6	32.9	208.6	0.2	(1.2)	2,276.9
Net inter-segment revenues	(1.2)	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	0.1	0.0	0.0	(6.9)	6.9	(0.0)	0.0	1.2	
Net revenues from outsiders	481.2	51.3	27.3	4.2	82.8	790.5	165.3	74.4	13.7	253.5	460.1	168.7	39.9	208.6	0.2		2,276.9
EBITDA	45.9	6.0	0.3	0.2	6.5	73.2	5.8	5.1	0.1	11.0	22.3	10.6	2.0	12.6	(0.2)	(8.1)	163.3
% of net revenues	*9.5*	*11.8*	*1.2*	*3.9*	*7.9*	*9.3*	*3.5*	*6.8*	*1.0*	*4.3*	*4.9*	*6.1*	*6.1*	*6.1*			*7.2*
Depreciation, amortization and writedowns of non-current assets	(19.6)	(2.0)	(0.6)	(0.3)	(2.9)	(13.5)	(3.3)	(2.7)	(0.3)	(6.3)	(9.5)	(4.0)	(0.7)	(4.7)	(0.0)		(56.5)
- Writedowns of goodwill and trademarks with indefinite useful life																	0.0
- Litigation related expenses																	(4.4)
- Miscell. income and expense																	(6.2)
EBIT																	**96.2**
Financial income																	31.8
Financial expense																	(9.4)
Interest in result of cos. valued by equity method																	0.0
Other income from (expense for) equity investments																	3.0
PROFIT BEFORE TAXES																	**121.6**
Income taxes																	(38.0)
NET PROFIT FROM CONTINUING OPERATIONS																	**83.6**
Net profit (loss) from discontinuing operations																	0.0
PROFIT FOR THE PERIOD																	**83.6**
Total segment assets	2,379.5	76.5	30.9	11.1	118.5	1,059.0	202.4	92.1	17.7	312.2	521.0	246.1	34.0	280.2	72.8	(5.1)	4,738.0
Total non-segment assets																	184.4
Total assets																	**4,922.4**
Total segment liabilities	482.3	10.7	12.8	2.6	26.0	281.5	72.3	18.2	8.7	99.3	128.2	65.5	13.7	79.2	8.6	(5.1)	1,100.4
Total non-segment liabilities																	229.9
Total liabilities																	**1,330.3**
Capital exp. (prop., plant & equip.)	9.0	1.3	0.1	0.1	1.4	11.2	0.4	1.4	0.1	1.8	5.4	3.5	0.7	4.2	0.2		33.2
Capital expenditures (intangibles)	1.0	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.1	0.0	0.2	0.0	0.2	0.0		1.6
Number of employees	2,002	1,052	236	98	1,386	2,917	1,929	1,229	285	3,443	1,824	1,814	671	2,485			14,057

- 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 Interim Report on Operations.

(€ m)

	ITALY	OTHER COUNTRIES IN EUROPE				CANADA	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			
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.

Exchange Rates Used to Translate Financial Statements

Source: Italian Foreign Exchange Bureau

LOCAL CURRENCY FOR 1 EURO	ISO CODE	6/30/12 (end of period rate)	12/31/11 (end of period rate)	% change (end of period rate)	6/30/12 (average rate)	6/30/11 (average rate)	% change (average rate)
DOLLAR – AUSTRALIA	AUD	1.23390	1.27230	-3.02%	1.25604	1.35799	-7.51%
PULA – BOTSWANA	BWP	9.72319	9.71579	0.08%	9.64738	9.24570	4.34%
DOLLAR – CANADA	CAD	1.28710	1.32150	-2.60%	1.30409	1.37026	-4.83%
PESO – COLOMBIA	COP	2,275.45	2,510.57	-9.37%	2,324.57	2,577.55	-9.81%
NEW METICAL – MOZAMBIQUE	MZM	35.1513	35.0970	0.15%	35.6568	43.2954	-17.64%
GUARANI – PARAGUAY	PYG	5,742.30	5,794.08	-0.89%	5,737.05	5,967.25	-3.86%
NEW LEU – ROMANIA	RON	4.45130	4.32330	2.96%	4.39040	4.17976	5.04%
RUBLE – RUSSIA	RUB	41.3700	41.7650	-0.95%	39.6978	40.1448	-1.11%
LILANGENI – SWAZILAND	SZL	10.3669	10.4830	-1.11%	10.2949	9.68513	6.30%
U.S.A. – DOLLAR[1]	USD	1.25900	1.29390	-2.70%	1.29678	1.40311	-7.58%
BOLIVAR FUERTE – VENEZUELA	VEF	5.41370	5.56377	-2.70%	5.57616	6.03338	-7.58%
RAND – SOUTH AFRICA	ZAR	10.3669	10.4830	-1.11%	10.2949	9.68513	6.30%
KWACHA ZAMBIA	ZMK	6,605.32	6,616.98	-0.18%	6,770.25	6,678.78	1.37%

[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	1,757,481,627					
Collecchio								100.0000

Subsidiaries 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								
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
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	
Sintra					Latte Sole S.p.A.	1	0.030	
					Parmalat Distribuz. Alim. S.r.l.	1	0.013	
							100.000	100.0000
ROMANIA								
LA SANTAMARA SRL in liquidation(2)	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
RUSSIA								
OAO BELGORODSKIJ MOLOCNIJ KOMBINAT	F	RUB	67,123,000	66,958,000	Parmalat S.p.A.	66,958,000	99.754	
							99.754	
Belgorod								99,7542
OOO PARMALAT MK	F	RUB	81,115,950	1	Parmalat S.p.A.	1	100.000	
Moscow							100.000	100.0000

(1) C = Corporation; PC = Publicly traded corporation; LLP = Limited liability partnership; F = Foreign company
(2) company in liquidation and subsidiaries
(3) 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
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								
UNITED STATES OF AMERICA								
LAG HOLDING INC.	F	USD	1	100	Parmalat Belgium SA	100	100.000	
Wilmington							100.000	100.0000
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
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
SOUTH AMERICA								
NETHERLANDS ANTILLES								
CURCASTLE CORPORATION NV	F	USD	6,000	6,000	Dalmata 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 (formerly 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 (formerly 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
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

(1) C = Corporation; PC = Publicly traded corporation; LLP = Limited liability partnership; F = Foreign company
(2) company in liquidation and subsidiaries
(3) 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
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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(3) company under extraordinary administration or noncore company

Companies that are majority owned but are not subsidiaries

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
EUROPE							
NETHERLANDS							
DAIRIES HOLDING INTERNATIONAL BV	F	EUR	244,264,623.05	40 ord.	Dalmata S.p.A.	40	0.008
in A.S. [3]				542,765,829 pref.	Dalmata S.p.A.	542,765,829	99.992
Rotterdam							100,000
GERMANY							
DEUTSCHE PARMALAT GMBH in A.S. [3]	F	EUR	4,400,000	4,400,000	Dalmata S.p.A.	4,400,000	100.000
Weissenhorn							100.000
LUXEMBOURG							
OLEX SA in A.S. [3]	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
PPL PARTICIPACOES DO BRASIL LTDA[3]	F	BRL	1,271,257,235	1,260,921,807	Parmalat S.p.A.	1,260,921,807	99.187
São Paulo							99.187
CHILE							
PARMALAT CHILE SA[3]	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[3]	F	USD	30,000	300	Parmalat S.p.A.	50	16.667
Montevideo					Parmalat Paraguay sa	90	30.000
					Indu.Lac.Venezol. ca-Indulac	90	30.000
					PPL Particip. do Brasil Ltda	70	23.333
							100.000
ASIA							
CHINA							
PARMALAT (ZHAODONG) DAIRY CORP. LTD[3]	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		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**
EUROPE								
ITALY								
ALBALAT SRL Albano Laziale (Rome)	LLP	EUR	20,000	100	Sata S.r.l.		100	0.500 0.500
BONATTI S.P.A.* Parma	C	EUR	28,813,404	1,837,082	Parmalat S.p.A.		1,837,082	32.899 32.899
CE.PI.M S.P.A. Parma	C	EUR	6,642,928	464,193	Parmalat S.p.A.		464,193	0.840 0.840
COOPERFACTOR S.P.A. Bologna	C	EUR	11,000,000	10,329	Parmalat S.p.A.		10,329	0.094 0.094
HORUS SRL[3]	LLP	EUR	n.d.	n.d.	Sata S.r.l.		n.d.	1.000 1.000
NUOVA HOLDING S.P.A. in A.S. [3] Parma	C	EUR	25,410,000	100	Sata S.r.l.		100	0.0003 0.0003
SO.GE.AP S.P.A. Parma	C	EUR	19,454,528	526	Parmalat S.p.A.		526	0.135 0.135
TECNOALIMENTI SCPA Milan	C	EUR	780,000	33,800	Parmalat S.p.A.		33,800	4.330 4.330
PORTUGAL								
EMBOPAR Lisbon	F	EUR	241,500	70	Parmalat Portugal		70	1.449 1.449
CNE – Centro Nacional de Embalagem Lisbon	F	EUR	488,871.88	897	Parmalat Portugal		1	0.111 0.111
AFRICA								
SOUTH AFRICA								
AQUAHARVEST LTD Durbanville	F	ZAR	51,420,173	150,000	Parmalat South Africa (Pty) Ltd		150,000	0.292 0.292
ASIA								
THAILAND								
PATTANA MILK CO LTD Bangkok	F	THB	50,000,000	2,500,000	Parmalat Australia Ltd		2,500,000	5.000 5.000
SINGAPORE								
QBB SINGAPORE PTE LTD	F	SGD	1,000	338	Parmalat Australia Ltd		338	33.800 33.800

* Even though Parmalat S.p.A. controls more than 20% of the voting rights, it does not exercise a significant influence on this company because it is not represented on its Board of Directors and is not involved in the decision-making process.

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Companies Removed from the Parmalat Group in the First Half of 2012

Company	Country	Reason
Parmalat Nicaragua SA in liquidation	Nicaragua	Dissolved

Companies Added to the Parmalat Group in the First Half of 2012

Company	Country	Reason
LAG Holding Inc.	United States of America	Newly established

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 Pierluigi Bonavita, 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 2012 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, 2012 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 2012 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 31, 2012

The Chief Executive Officer

The Corporate Accounting
Documents Officer

pwc

AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

To the Shareholders of
Parmalat SpA

1 We have reviewed the consolidated condensed interim financial statements of Parmalat SpA and subsidiaries (Parmalat Group) as at 30 June 2012, 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 16 April 2012 and dated 28 July 2011, respectively.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. 3.754.400,00 Euro i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n. 43 dell'Albo Consob - Altri Uffici: **Bari** 70124 Via Don Luigi Guanella 17 Tel. 0805640211 – **Bologna** Zola Predosa 40069 Via Tevere 18 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 – **Catania** 95129 Corso Italia 302 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 – **Genova** 16121 Piazza Dante 7 Tel. 01029041 – **Napoli** 80121 Piazza dei Martiri 58 Tel. 08136181 – **Padova** 35138 Via Vicenza 4 Tel. 049873481 – **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 – **Parma** 43100 Viale Tanara 20/A Tel. 0521242848 – **Roma** 00154 Largo Fochetti 29 Tel. 06570251 – **Torino** 10122 Corso Palestro 10 Tel. 011556771 – **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 – **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 – **Verona** 37135 Via Francia 21/C Tel.0458263001

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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 2012 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, 31 July 2012

PricewaterhouseCoopers SpA

Massimo Rota
(Partner)

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

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Parmalat S.p.A.

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www.parmalat.com
Share Capital: 1,757,481,627 euros fully paid-in
Parma R.E.A. No. 228069
Parma Company Register No. 04030970968
Tax I.D. and VAT No. 04030970968

parmalat