



Semiannual Financial Report

at June 30, 2013



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

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CERTIFICATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 (WHICH CITES ARTICLE 154-BIS, SECTION 5, OF THE UNIFORM FINANCIAL CODE, AS AMENDED)	112
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Board of Directors, Board of Statutory Auditors and Independent Auditors

Board of Directors

Chairman	Francesco Tatò ^{(i) (3)}
Deputy Chairperson	Gabriella Chersicla ^{(i) (1) (3) (4)}
Chief Executive Officer	Yvon Guérin
Directors	Francesco Gatti Daniel Jaouen Marco Jesi ^{(i) (2)} Antonio Aristide Mastrangelo ^{(i) (1) (3) (4)} Umberto Mosetti ^{(i) (2)} Marco Reboa ^{(i) (1)} Antonio Sala ⁽³⁾ Riccardo Zingales ^{(i) (1) (2) (4)}
	⁽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 ⁽⁴⁾ Member of the Committee for Related-party Transactions

Board of Statutory Auditors

Chairman	Michele Rutigliano
Statutory Auditors	Giorgio Giulio Loli Alessandra Stabilini

Independent Auditors

PricewaterhouseCoopers S.p.A.

Parmalat S.p.A. – A company subject to guidance and coordination by B.S.A. S.A.

Financial Highlights

Income Statement Highlights

<i>(amounts in millions of euros)</i>			
PARMALAT GROUP	First half 2013	First half 2012	Change
- NET REVENUES	2,594.8	2,276.9	14.0%
- EBITDA	194.2	163.3	18.9%
- EBIT	128.0	96.2	33.1%
- NET PROFIT	106.9	83.6	27.9%
- EBIT/REVENUES (%)	4.9	4.2	0.7
- NET PROFIT/REVENUES (%)	4.1	3.6	0.5
PARMALAT S.p.A.			
- NET REVENUES	386.2	396.2	(2.5%)
- EBITDA	25.6	30.0	(14.7%)
- EBIT	6.3	5.2	21.2%
- NET PROFIT	53.3	59.7	(10.7%)
- EBIT/REVENUES (%)	1.6	1.3	0.3
- NET PROFIT/REVENUES (%)	13.1	14.5	(1.4)

Balance Sheet Highlights

<i>(amounts in millions of euros)</i>		
PARMALAT GROUP	6/30/13	12/31/12¹
- NET FINANCIAL ASSETS	877.3	809.8
- ROI (%) ²	11.9	6.2
- ROE (%) ²	7.0	2.5
- EQUITY/ASSETS	0.7	0.7
- NET FINANCIAL POSITION/EQUITY	(0.3)	(0.3)
PARMALAT S.p.A.		
- NET FINANCIAL ASSETS	571.6	704.7
- ROI (%) ²	1.8	(13.7)
- ROE (%) ²	3.7	1.6
- EQUITY/ASSETS	0.9	0.9
- NET FINANCIAL POSITION/EQUITY	(0.2)	(0.2)

¹ Further to the adoption as of January 1, 2013 (retrospectively) of the amendments to IAS 19, financial data at December 31, 2012, provided for comparative purposes, were restated as required by IAS 1. Additional information is provided in the section of this Report entitled "Principles for the Preparation of the Condensed Consolidated Semiannual Financial Statements."

² Indices computed based on annualized income statement data and average balance sheet data for the period.

Interim Report on Operations

Revenues and Profitability

NOTE: The data are stated in millions of euros/local currency. As a result, the amount of changes and percentages could reflect apparent differences caused exclusively by the rounding of figures.

In the first six months of 2013, the global economy continued to grow at the same rate as in the second half of 2012. The ongoing support provided by the central banks of the main countries is starting to have an impact on the real economy, which should provide indications of further progress on the path to recovery in the second half of the year. The rate of growth will differ greatly in the various geographic regions, with a continuation of the recession in Europe, a recovery in the United States and growth in the emerging countries, albeit at a slower pace than originally anticipated.

In the currency markets, a high level of volatility in the second quarter affected several currencies that are relevant to the Group.

Against this backdrop, the Group reported gains both in net revenues and EBITDA, thanks to the contribution of the newly acquired operations and despite an unfavorable currency translation effect.

At a constant scope of consolidation and exchange rates, net revenues show an increase of 3.6% compared with the same period last year, with EBITDA growing by 9.6% despite the negative impact of inflationary pressures on costs in Venezuela.

In the first half of 2013, raw material prices increased, particularly for raw milk; the Group took action to protect its profit margins by scaling back promotional programs and implementing list-price adjustments.

The impact of this strategy on sales volumes and net revenues was more pronounced in those countries where competitors did not follow a similar approach.

The programs to contain costs and the plan to increase efficiency launched last year helped boost margins, offsetting the impact of lower revenues.

The actions taken in the first six months of 2013 will bolster the positive trend in revenues and profitability during the second half of the year, during which, however, the entire dairy industry in virtually every country in the world will face the challenge of transferring to list prices significant increases in the cost of raw milk.

Parmalat Group

The table below shows the highlights of the Group's results:

(amounts in millions of euros)	First Half		Variance	Varian. %
	2013	2012		
Revenues	2,594.8	2,276.9	317.9	+14.0%
EBITDA	194.2	163.3	30.9	+18.9%
<i>EBITDA %</i>	<i>7.5</i>	<i>7.2</i>	<i>0.3 ppt</i>	

The table includes, for the first half of 2013, the results of the new operations acquired in the United States, Mexico and Brazil.

The Group showed that it was able to react to adverse economic conditions in some important areas where it operates, reporting steady gains in profitability thanks to the success of plans to boost its industrial and commercial performance.

Net revenues grew by 14.0% and EBITDA increased to 194.2 million euros, or 30.9 million euros more (+18.9%) than the 163.3 million euros reported the previous year, thanks to the LAG acquisition and the progress made in Australia, Venezuela and the countries in the Africa sales region.

The activities acquired in the third quarter of 2012 contributed 348.6 million euros to net revenues and 28.6 million euros to EBITDA, up compared with the same period last year.

The table that follows shows the results of the Parmalat Group with data at constant exchange rates and scope of consolidation.

Parmalat Group – Constant Exchange Rates and Scope of Consolidation (excluding USA, Mexico and Brazil)

	First Half			
<i>(amounts in millions of euros)</i>	2013	2012	Variance	Varian.%
Revenues	2,353.2	2,272.2	81.0	+3.6%
EBITDA	182.6	166.6	16.0	+9.6%
EBITDA %	7.8	7.3	0.4 ppt	
<i>Excluding hyperinflation impact</i>				

At constant scope of consolidation, sales volumes were in line with the previous year, but followed different trends in the main areas where the Group operates. Specifically, unit sales were up in Latin America and Africa, but declined in North America and Australia. Limited growth was achieved in Europe, due mainly to positive sales results in Russia.

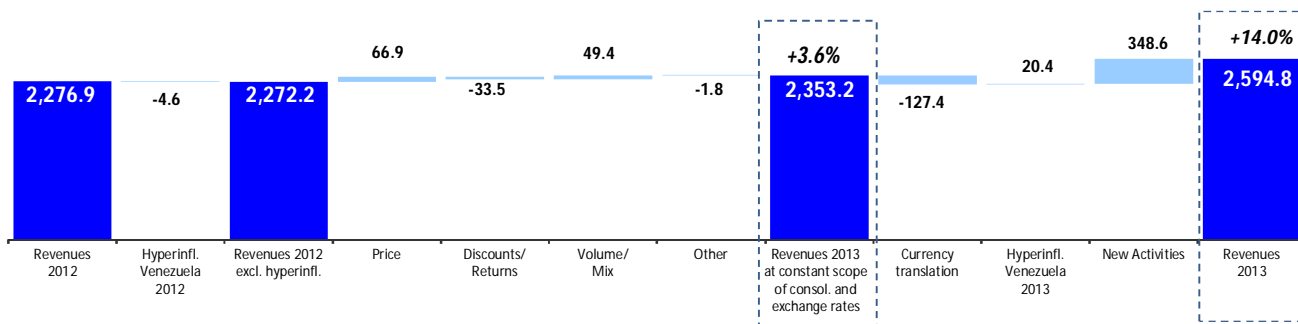
Performance levels varied depending on the different product categories: sales volumes were up for some categories with higher unit prices, such as cheese and powdered milk, but decreased for pasteurized milk. Unit sales of fruit beverages increased, due mainly to growth in Venezuela, which offset a negative performance in Italy caused primarily by unfavorable weather conditions.

Like for Like Net Revenues and EBITDA

The diagram below presents the main variables that determined the evolution of net revenues and EBITDA in the first half of 2013, compared with the same period in 2012.

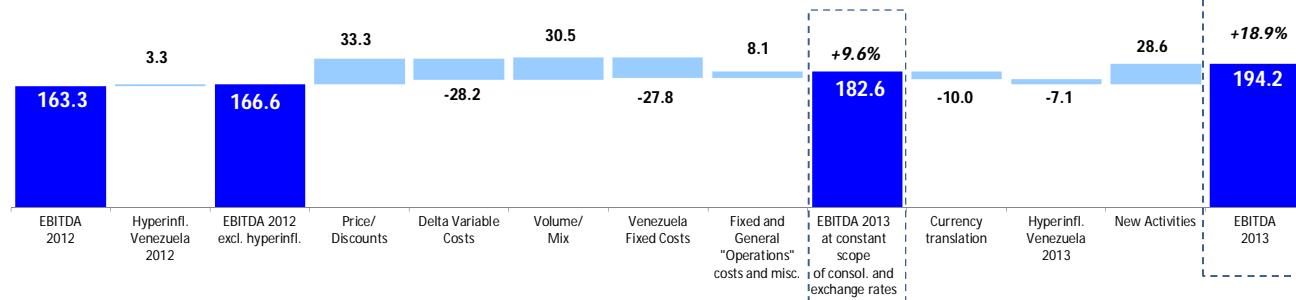
Revenues June 2013 vs 2012

(€ m)



EBITDA June 2013 vs 2012

(€ m)



New Activities includes the data of the activities acquired in the third quarter of 2012.

Data by Geographic Region

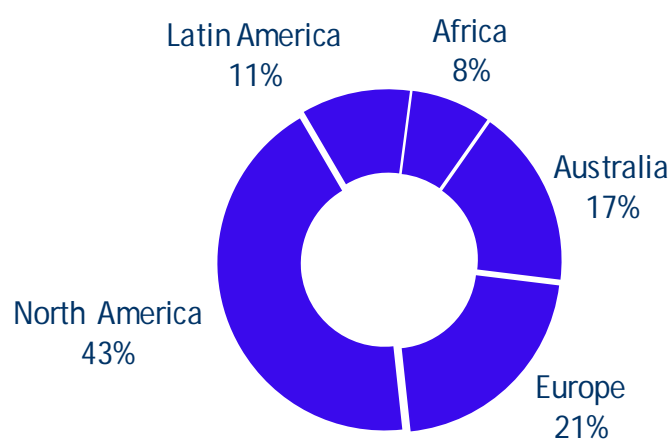
(amounts in millions of euros)			First Half 2013			First Half 2012			Delta %	
Region	Revenues	EBITDA	EBITDA %	Revenues	EBITDA	EBITDA %	Revenues	EBITDA		
Europe	555.5	47.7	8.6	565.0	52.5	9.3	-1.7%	-9.2%		
North America	1,122.4	101.1	9.0	790.5	73.2	9.3	+42.0%	+38.0%		
Latin America	271.8	10.9	4.0	253.5	11.0	4.3	+7.2%	-0.8%		
Africa	199.4	13.6	6.8	208.6	12.6	6.1	-4.4%	+7.5%		
Australia	447.1	30.9	6.9	460.1	22.3	4.9	-2.8%	+38.5%		
Other ¹	(1.4)	(10.0)	n.s.	(0.8)	(8.3)	n.s.	n.s.	n.s.		
Group	2,594.8	194.2	7.5	2,276.9	163.3	7.2	+14.0%	+18.9%		
Group (at constant scope of consolidation and exchange rates) ²	2,353.2	182.6	7.8	2,272.2	166.6	7.3	+3.6%	+9.6%		

Regions represent the consolidated countries

1. Includes other no core companies, eliminations between regions and Group's Parent Company costs

2. Excluding new activities acquired during the third quarter 2012 and hyperinflation

Revenues by Geographic Region



Data by Product Division

(amounts in millions of euros)							Delta %	
Division	First Half 2013			First Half 2012				
	Revenues	EBITDA	EBITDA %	Revenues	EBITDA	EBITDA %	Revenues	EBITDA
Milk ¹	1,348.6	73.1	5.4	1,386.2	68.2	4.9	-2.7%	+7.2%
Fruit base drinks ²	142.2	13.3	9.3	138.6	14.7	10.6	+2.6%	-9.7%
Milk derivative ³	998.8	106.4	10.6	704.0	81.0	11.5	+41.9%	+31.2%
Other ⁴	105.1	1.5	1.4	48.1	(0.6)	(1.3)	+118.8%	n.s.
Group	2,594.8	194.2	7.5	2,276.9	163.3	7.2	+14.0%	+18.9%

¹ Includes milk, cream and béchamel

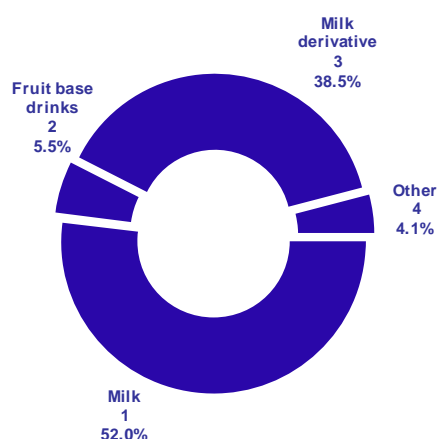
² Includes fruit base drinks and tea

³ Includes yogurt, dessert, cheese

⁴ Includes other products, whey, impact of hyperinflation in Venezuela and Group's Parent Company costs

Net Revenues by Product Division

First Half 2013



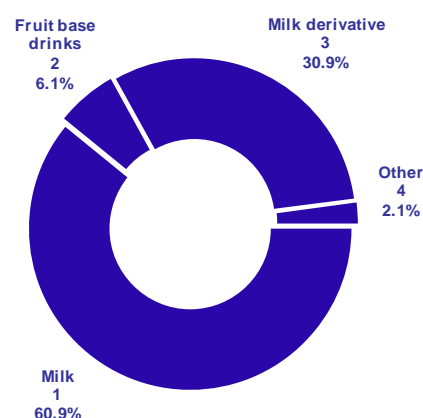
¹ Includes milk, cream and béchamel

² Includes fruit base drinks and tea

³ Includes yogurt, dessert, cheese

⁴ Includes other products, whey and impact of hyperinflation in Venezuela

First Half 2012



Europe

(amounts in millions of euros)	First Half		Variance	Varian. %
	2013	2012		
Revenues	555.5	565.0	(9.6)	-1.7%
EBITDA	47.7	52.5	(4.8)	-9.2%
<i>EBITDA %</i>	<i>8.6</i>	<i>9.3</i>	<i>-0.7 ppt</i>	

The Europe sales area includes the subsidiaries that operate in Italy, which accounts for about 85% of net revenues and about 90% of EBITDA, Russia, Portugal and Romania. Exchange rate fluctuations did not have a material impact on data in the Europe sales area.

Italy

The Italian economy shrank in the first half of the year and the outlook for rest of 2013 confirms expectations of a further decrease in GDP. In a political context characterized by continuing uncertainty, unemployment continues to increase, particularly among young people, and consumer spending to decrease.

Markets and Products

The dairy and fruit beverage markets show no measurable signs of a recovery. Despite this challenging situation and strong competitive pressure, due in part to private labels, the Business Unit was able to retain its position in all of the market segments in which it operates.

An unfavorable trend continued to characterize the UHT milk market in the first half of 2013, with significant volume and value reductions. As a result of the heightened competitive pressure exercised by private labels and a difficult general market situation, the local subsidiary lost some market share while retaining the market leadership position.

The negative performance of the pasteurized milk market (-4.7% on a volume basis) reflects in part the impact of a sales slump in the traditional channel that began in previous reporting periods. Despite generally challenging market conditions, particularly in the traditional channel, the positive results achieved with the *Zymil* and *Puro Blu* brands enabled Parmalat to maintain unchanged its volume market share, confirming its first-place competitive position.

In a substantially stable segment, such as that of UHT cream, in which private labels are becoming increasingly significant, Parmalat retained a firm hold on its position as the absolute market leader.

In the yogurt market, consumption was down sharply (-5.1%), confirming the downward trend of the first half of the year, despite the implementation of aggressive promotional programs; the Business Unit maintained unchanged its competitive position.

In the first half of 2013, demand was down significantly in the fruit beverage category, both on a volume basis (-7.4%) and a value basis (-7%), due to unfavorable weather conditions. The Business Unit, with the *Santàl* brand, suffered a slight reduction in market share due to the aggressive promotional policies of some competitors. In this environment, Parmalat was able to retain the second-place market position.

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

Products	2013 value market share	2012 value market share
UHT milk	31.0%	31.6%
Pasteurized milk ¹	22.6%	22.6%
UHT cream	23.6%	24.2%
Yogurt	4.9%	4.8%
Fruit beverages	10.8%	11.4%

Source: Nielsen – IRI Tot Italia 30/06/2013

¹Source: Nielsen Modern Channel

The implementation of aggressive innovation activities in the cream and fruit beverage segments continued in the first half of 2013. Program included, in the cream area, the launch variations of *Chef* and *Chef Leggera*, designed to increase the frequency of use of these products by Italian households, and, in the fruit beverage area, launch of *Fruitea*, a line of fruit-plus-tea beverages that offer a perfect combination of the most popular fruits and the best teas. During the period, activities for the *Santàl* brand included relaunching in bottle containers the *Refresh* line, offering the best fruits with floral and herbal extracts.

Sales volumes were in line with the previous year, with shipments of UHT milk, which account for more than 50% of the total, growing by 9%, due mainly to increased production for private labels compared with the first half of 2012.

On the other hand, unit sales of pasteurized milk decreased by 7%, due to gains by the private labels and weak consumer demand.

Fruit beverage volumes decreased by about 10% compared with the previous year, as the market contracted, due to unfavorable weather conditions, and competition by private labels became particularly intense.

Net revenues were down 3.4% compared with the previous year, due to a reduction in sales volumes in the pasteurized milk and fruit beverage categories. The increased use of promotional programs by all players in the various markets, caused by the economic crisis, depressed consumer sales prices. This development was particularly pronounced in Central and Southern Italy, sales areas that are particularly important for Parmalat products.

Implementation of the programs launched the previous year, aimed at containing and optimizing operating costs and streamlining the production system, continued in the first half of 2013.

Despite the progress made in containing overhead, EBITDA decreased, due mainly to an increase in the average cost of raw milk, compared with the same period in 2012, which could not be fully reflected in the corresponding sales prices.

Russia

In first half of 2013, economic growth was more modest than in previous periods, even though it continued to be underpinned by oil prices, which remained stable.

In the milk market, which is enjoying highly positive growth trends, the local subsidiary maintained the competitive positions it attained in the UHT milk and flavored milk segments.

In the fruit beverage market, despite a sharp drop in consumption that occurred in the first half of the year, Parmalat achieved a modest increase in market share, thanks in part to new graphics for the *Santàl "red line"* product family. In this environment, the local subsidiary confirmed its market position.

The local subsidiary reported increases both in net revenues and sales volumes in the first half of 2013 compared with the previous year, with growth in all major product categories, UHT milk and fruit beverages in particular.

The *Parmalat Dietalat* milk, which targets weight conscious women, performed particularly well, thanks to a marketing program implemented with the aid of multiple tools (print media advertisements, Facebook and point-of-sale activities). In the flavored milk segment, the relaunching of the entire product line carried out at the end of last year continues to generate excellent results.

Despite the gains in revenues and volumes, EBITDA were down compared with the previous year, due mainly to a substantial increase in the average purchase cost of raw milk compared with the first half of 2012; in addition, the devaluation of the ruble versus the U.S. dollar and versus the euro also had a negative effect on the purchase costs of raw materials and imported ingredients.

Portugal

In a country that remains in recession, restrictive fiscal policies further reduced the disposable income of households and their propensity to consume.

The consumer spending crisis penalized primarily products with a high value added. In this difficult context, the local subsidiary maintained unchanged its market position in the flavored milk category, due mainly to the results achieved with the *UCAL* brand.

In the fruit beverage segment the trend was negative both on a volume and value basis in the first half of 2013. Parmalat maintained its market share and competitive position substantially stable.

The main innovation in the first half of the year was the launch of UHT cream flavored with aromatic herbs.

The local subsidiary's net revenues and unit sales decreased due to the negative trend that characterized the main product categories, UHT milk and fruit beverages; its profitability benefited from programs to contain overheads.

Romania

The local subsidiary, which operates mainly in the fruit beverage market, strengthened its competitive position, achieving a significant increase in its value market share, thanks mainly to the launch of the *Santàl Top* product line, which involved a complete overhaul of the product mix (bottle, recipe, label and price positioning).

Net revenues increased compared with the previous year, but EBITDA were lower due to higher investments in marketing to support the launch of new products.

North America

	First Half			
(amounts in millions of euros)	2013	2012	Variance	Varian.%
Revenues	1,122.4	790.5	331.9	+42.0%
EBITDA	101.1	73.2	27.8	+38.0%
<i>EBITDA %</i>	<i>9.0</i>	<i>9.3</i>	<i>-0.3 ppt</i>	

The North America sales area includes the subsidiaries in Canada and the United States, the latter acquired in the second half of 2012.

With data stated at constant exchange rates and scope of consolidation, the results for the North America sales region show gains of 0.2% for revenues and 1.1% for EBITDA.

Canada

The Canadian economy continued to grow at a moderate pace, but the high level of consumer debt is causing an increase in the propensity to save on the part of households and a concurrent reduction of their willingness to consume.

Market and Products

In the first six months of 2013, milk consumption decreased steadily, due primarily to a contraction in the “basic” segment. In the “premium” milk segment as well the trend was negative on a volume basis due to price increases implemented in the first quarter of the year. In the milk market, Parmalat maintained its third-place ranking.

The trend was positive in the yogurt market in the first half of 2013, with the “spoonable” segment driving consumption growth for the entire category. Despite heightened competition, Parmalat maintained its position, ranking third nationwide, thanks mainly to the performance of the *Original* and *Kik* brands and programs implemented in the “Greek style yogurt” segment (launch of the liquid Greek style yogurt).

In the first half of 2013, consumption was up significantly in the cheese market, due mainly to an aggressive promotional policy pursued by the category leader and private labels in the “natural cheese” segment. In this highly competitive environment, Parmalat retained its second-place market ranking.

More significantly, the local subsidiary increased its market share and strengthened its market leader position in the high value-added “snack” cheese segment. A test launch of *Mozzarella Galbani* at the stores of one of Canada’s top retailers continued with excellent results during the first six months of 2013, confirming the product’s favorable reception by consumers and its future potential for the Canadian subsidiary. Thanks to these positive results, the launch will be extended to major retailers throughout Canada in the second half of the year.

The table below shows the market share in the main market segments:

Products	2013 value market share	2012 value market share
Milk	17.2%	19.1%
Spoonable yogurt	12.9%	15.3%
Drinkable yogurt	7.0%	6.8%
“Snack” cheese	37.8%	37.4%
“Natural” cheese	13.6%	15.2%

Source: ACNielsen, MarketTrack, National Grocery Banner+Drug+Mass Merch, Latest 4.
YTD and 52 weeks ending JUN 1st 2013

The local subsidiary operates in a highly competitive market, with a frequent use of aggressive promotional programs.

In this environment, sales volumes decreased by 5.1% compared with the previous year, due in part to the loss of a major customer in the province of Ontario in the pasteurized milk category; as a result, unit sales were down 9.5% for milk, which together with flavored milk accounts for 57% of the total sales volume, increased by 8% for cheese and decreased slightly for yogurt.

When stated in the local currency, net revenues show a modest increase compared with the previous year, due mainly to a positive sales trend in the cheese category and growth in the Food Service channel.

EBITDA were up compared with the previous year thanks to increased sales of high margin products such as cheese, a positive performance by the Ingredients Division and targeted programs aimed at containing administrative expenses.

United States of America

The United States of America are leading the recovery in the advanced countries. The housing market data and the decrease in the unemployment rate are particularly encouraging signs. During the first half of 2013, the Central Bank held interest rates at low levels, further boosting private-sector demand.

Markets and Products

In the first half of 2013, the cheese market held relatively steady but declined in the segments in which Parmalat operates; the local subsidiary maintained its market share virtually unchanged.

Despite lower consumption in the *"ricotta"* and *"gourmet spreadable"* segments, the U.S. subsidiary succeeded in strengthening its market leader position. The drop in demand was more pronounced in the *"chunk mozzarella"* segment, reflecting a gradual shift towards other product types, such as shredded and sliced mozzarella. In this context, Parmalat maintained its market leader position.

In the first six months of 2013, consumption increased in the *"snack"* and *"feta"* segments and was virtually unchanged in the *"soft ripened cheese"* market, with Parmalat confirming its strong market leader position.

Demand was up sharply in the *"fresh mozzarella"* segment, driven mainly by the growth of a key competitor and the rapid development of private labels. Due to the pressure exercised by the main competitors, the local subsidiary reported a slight decrease in market share but retained unchanged its competitive position.

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

Products	2013 value market share	2012 value market share
Total cheese ¹	13.6%	14.1%
Gourmet spreadable	35.3%	31.5%
Feta cheese	16.0%	17.2%
Fresh mozzarella	24.0%	26.1%
Soft ripened cheese	48.0%	48.3%
Chunk mozzarella	17.9%	18.8%
Ricotta	29.4%	28.3%
Snack	5.9%	6.4%

Source: SymphonyIRI Group Market Advantage, Total US Multioutlet – June 2013

⁽¹⁾ The scope of the market in question includes only the following categories: snack cheese, chunk mozzarella cheese, feta cheese, ricotta cheese, fresh mozzarella cheese, soft ripened cheese and gourmet spreadable cheese.

The tables that follow, which are presented exclusively to provide a better understanding of operating performance, show the results for the first half of 2013 of the U.S. subsidiary and a comparison with the pro forma data for the first half of 2012:

(amounts in millions of euros)	First Half		Variance	Varian.%
	2013	2012 pro-forma ^(*)		
Revenues	348.6	341.1	7.5	+2.2%
EBITDA	28.8	27.8	1.0	+3.6%
<i>EBITDA %</i>	<i>8.2</i>	<i>8.1</i>	<i>0.1 ppt</i>	

(*) Before acquisition

With data stated in the local currency, net revenues and EBITDA show gains of 3.5% and 4.9%, respectively.

The U.S. subsidiary reported a decrease in sales volume compared with pro forma first-half data for 2012, due mainly to a negative performance in the retail channel.

The migration from the *Sorrento* brand to the *Galbani* brand, which together with other planned activities will help bring about an upturn in revenues in the second half of the year, is continuing.

On the other hand, sales of gourmet products increased in the Deli segment thanks to the expansion of the product portfolio achieved with the "*Black Diamond*" Canadian brand.

The U.S. subsidiary reported higher revenues due mainly to improved results in the foodservice channel that reflect the impact of list-price increases.

EBITDA grew, even though the average purchase cost of raw milk was up in the first half of 2013 compared with the same period in 2012, thanks in part to price increases implemented in some sales channels and a reduction of industrial costs.

Latin America

	First Half			
<i>(amounts in millions of euros)</i>	2013	2012	Variance	Varian. %
Revenues	271.8	253.5	18.4	+ 7.2%
EBITDA	10.9	11.0	(0.1)	-0.8%
<i>EBITDA %</i>	<i>4.0</i>	<i>4.3</i>	<i>-0.3 ppt</i>	

The Latin America sales region includes the subsidiaries that operate in Venezuela, Colombia, Ecuador, Paraguay and Cuba and, starting in the second half of 2012, the activities acquired in Mexico and Brazil, which became operational only recently.

The data presented above reflect a negative translation effect, which reduced revenue and EBITDA by about 69.4 million euros and 2.7 million euros, respectively, due mainly to the devaluation of the Venezuelan bolivar versus the euro.

With data at constant exchange rates and scope of consolidation, the results for this sales region show gains of 34.6% for revenues and 24.4% for EBITDA.

Venezuela

The devaluation of the local currency and the political uncertainty tied to the presidential election were two factors with a significant impact on the Venezuelan economy, within the framework of which consumers and business are forced to adjust to a constantly evolving situation. The devaluation of the local currency produced an acceleration of the local inflation compared with the already high rates of previous years.

In the fruit beverage market, consumption continued to show an attractive growth trend in the UHT segment, with Parmalat increasing its market share. However, volumes were down in the Fresh segment, but Parmalat retained the second-place market rank.

Consumption of powdered milk grew at a healthy pace and Parmalat significantly increased its market share.

In this market environment, the volumes sold by the local subsidiary were up 12% compared with the previous year, with particularly strong gains recorded in the powdered milk, condensed milk and fruit beverage segments.

Net revenues stated in the local currency grew by 54.9% compared with the previous year, reflecting the impact of higher sales volumes and a favorable product mix, with increased sales of products with a higher unit price, such as powdered milk.

EBITDA for the period were also up significantly, due to a shifting trend in the sales mix that provided greater coverage for overhead.

Colombia

At the end of March, the Central Bank cut the official discount rate by half a percentage point with the aim of supporting economic growth, which was lower than anticipated in the first quarter. Due in part to this decision, solid economic growth is expected for the balance of the year.

The positive trend of previous periods continued in the UHT milk market, with consumers steadily migrating from pasteurized milk towards long shelf life products in aseptic plastic pouches (APP). The local subsidiary took advantage of this market trend to maintain its competitive position and increase its market share, even though it operates in a highly competitive environment.

Total volumes sold by the local subsidiary increased compared with the previous year, with higher sales volumes in the UHT milk category thanks to a strong performance in the segment of milk packaged in aseptic plastic pouches. Sales of pasteurized milk decreased due to the consumer migration mentioned above.

With data in the local currency, net revenues show a decrease of 3.7% compared with the previous year, due to intense competition caused by a surplus of milk in the market and the availability of large quantities of powdered milk, which put downward pressure on sales prices.

Despite a sizable decline in the average purchase price of raw milk, EBITDA decreased, due mainly to the abovementioned negative price effects; marketing investments to support the subsidiary's main brands and launch new products increased.

Other Countries in Latin America

The net revenues generated in the other countries of this region (Ecuador, Paraguay, Brazil, Mexico and Cuba) were in line with the amount reported last year, but EBITDA decreased.

In **Ecuador**, net revenues stated in the local currency were up by about 12.2%, due mainly to an increase in unit sales in the UHT milk category (APP), made possible in part by the local subsidiary's ongoing effort to strengthen its sales organization. EBITDA were in line with the previous year.

In **Paraguay**, net revenues stated in the local currency decreased by 16.6%, due mainly to a reduction in sales of pasteurized milk. EBITDA were lower compared with the previous year.

The recently launched operations in **Mexico** and **Brazil** present attractive growth opportunities for future reporting periods.

Africa

	First Half			
<i>(amounts in millions of euros)</i>	2013	2012	Variance	Varian.%
Revenues	199.4	208.6	(9.2)	-4.4%
EBITDA	13.6	12.6	1.0	+7.5%
EBITDA %	6.8	6.1	0.8 ppt	

The Africa sales region includes the subsidiaries that operate in South Africa, Zambia, Botswana, Swaziland and Mozambique.

The data presented above reflect a negative translation effect, which reduced revenue and EBITDA by 31.2 million euros and 2.0 million euros, respectively, due mainly to the loss of value of the South African rand versus the euro.

With data stated at constant exchange rates, the results for the region show increases of 10.6% for revenues and 23.1% for EBITDA.

South Africa

The South African economy continued to grow, but the rate of expansion was lower than in most emerging countries as consumption is being affected by the high level of unemployment. In the second quarter, expectation of cutbacks in stimulus programs by the U.S. Federal Reserve Bank and slower growth by the Chinese economy were factors that contributed to the weakening of the local currency.

Market and Products

In the first six months of 2013, the UHT milk market continued to enjoy attractive growth rates by virtue of a price level that remained significantly below that of pasteurized milk. In a highly competitive environment, in which private labels are steadily increasing their market share, Parmalat retained its second-place market rank.

Even though consumption of flavored milk decreased in the first half of 2013, Parmalat performed particularly well with its *Steri Stumpie* brand, reaching record sales volumes during the reporting period and significantly increasing its leadership within this segment.

The cheese market grew at a 7% rate, particularly in the "white cheese" and "processed cheese" segments. Parmalat retained its position as the market leader.

As a result of across-the-board price reductions, consumption increased in the yogurt market compared with the first six months of 2012. Parmalat confirmed its second-place market rank.

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

Products	2013 value market share	2012 value market share
UHT milk	18.0%	20.3%
Yogurt	16.2%	16.7%
Cheese	36.5%	37.6%
Flavored milk	49.6%	44.1%

Source: Aztec Top-end Retail & Wholesale – May 2013

Sales volumes increased by 5% compared with the same period last year; more specifically, volumes were up 4.6% in the cheese category and 8.3% in the UHT milk segment but decreased by 3.8% for yogurt.

With data in the local currency, net revenues show an increase of 9.8%, despite strong competitive pressure in the main sales segments, owing in part to sales price increases.

Even though the average purchase cost of raw milk was higher than in the first half of 2012, EBITDA improved thanks to the adoption of effective sales policies and the implementation of programs to increase manufacturing efficiency and contain overhead.

Zambia

In Zambia, the second largest market in the Africa sales area, sales volumes and net revenues were up strongly, rising by about 9% and about 18%, respectively, with data in the local currency; profitability improved, thanks to a policy focused on key brands and to price increases. The local subsidiary retained the leadership position in the main market segments in which it operates.

Other Countries in Africa

With data at constant exchange rates, the net revenues and EBITDA reported in the other African countries (Swaziland, Mozambique and Botswana) show an increase compared with the previous year.

Australia

The Australian currency weakened significantly in the second quarter, due in part to the same developments that affected the South African rand. The economy continues to benefit from the expansionary policy pursued by the Australian Central Bank.

Markets and Products

Consumption was up slightly in the pasteurized milk market in the first half of 2013. Despite an aggressive promotional policy pursued by the main competitor, Parmalat maintained its market leader position.

The trend was extremely positive in the flavored milk market (+10.3%), which proved to be one of the most dynamic categories in the first half of 2013. In this highly competitive context, Parmalat retained its second-place rank with a 32.4% market share. The *Oak* brand performed particularly well, thanks in part to the recent launch of a new "chocolate and fresh mint" flavor.

Yogurt consumption was substantially stable in the first six months of 2013 despite important promotional and innovation efforts by the main market players. Parmalat strengthened its second-place competitive position and narrowed the gap with the market leader, having increased its value market share. A highly positive performance by *Vaalìa* products for children, particularly those in pouch packaging, helped the local subsidiary achieve the leadership position in the "kids" subsegment.

The Dessert segment performed poorly in the first half 2013, with major reductions both on a volume and value basis. Despite these challenging market conditions, the local subsidiary reported a significant increase of its value market share.

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

Products	2013 value market share	2012 value market share
Pasteurized milk	19.8%	20.6%
Flavored milk	32.4%	33.5%
Yogurt	14.9%	14.2%
Desserts	21.6%	18.2%

Source: Aztec Australia – 16/06/2013

The table below shows the results for the first half of 2013 and provides a comparison with the previous year:

(amounts in millions of euros)	First Half		Variance	Varian. %
	2013	2012		
Revenues	447.1	460.1	(13.0)	-2.8%
EBITDA	30.9	22.3	8.6	+38.5%
EBITDA %	6.9	4.9	2.1 ppt	

The value of the Australian dollar decreased in the first half of 2013, contracting by 3.2% versus the euro compared with the exchange rate applied in the same period last year. The resulting translation effect on revenues and EBITDA was a negative change of 14.4 million euros and 1.0 million euros, respectively.

With data stated in the local currency, net revenues were in line with the amount reported the previous year (+0.3%) but EBITDA for the period rose by 43%.

The local subsidiary reported a 1.4% decrease in unit sales compared with the previous year, due to strong competitive pressure in important categories, such as that of pasteurized mil; sales volumes were up in the yogurt and dessert categories.

The local subsidiary's reported positive results in terms of profitability, thanks mainly to a decrease in the purchase cost of raw milk, a carefully implemented sales policy and the positive effect on overhead of programs launched in this area.

Review of Operating and Financial Performance

Parmalat Group

Net revenues increased to 2,594.8 million euros, up 317.9 million euros (+14.0%) compared with 2,276.9 million euros in the first half of 2012. With data at constant exchange rates and scope of consolidation, i.e., excluding the effect of consolidating Lactalis American Group Inc. (and its subsidiaries), Lactalis do Brazil and Lactalis Alimentos Mexico in the first six months of 2013, net revenues show a gain of 81 million euros (+3.6%). List-price increases and sales of more profitable products account for most of this increase.

EBITDA totaled 194.2 million euros, or 30.9 million euros more (+18.9%) than the 163.3 million euros earned in the first half of 2012. With data at constant exchange rates and scope of consolidation, i.e., excluding the effect of consolidating Lactalis American Group Inc. (and its subsidiaries), Lactalis do Brazil and Lactalis Alimentos Mexico in the first six months of 2013, the EBITDA increase amounts to 16 million euros (+9.6%). This gain reflects the combined effect of higher sales prices, an improved sales mix and the containment of overhead, offset in part by an increase in the purchase cost of raw milk, particularly in Europe, Latin America and Africa.

EBIT amounted to 128.0 million euros, for an increase of 31.8 million euros compared with 96.2 million euros in the first half of 2012. With data at constant exchange rates and scope of consolidation the increase amounts to 25.8 million euros. This gain reflects an improved performance by the industrial operations, amounting to 16 million euros at constant exchange rates and scope of consolidation, and a larger contribution by nonrecurring transactions totaling 9.7 million euros. Depreciation and amortization expense and writedowns of non-current assets amounted to 67.5 million euros (56.6 million euros in the first half of 2012).

Group interest in net profit totaled 105.4 million euros, or 22.9 million euros more than the 82.5 million euros earned in the first six months of 2012. With data on a constant scope of consolidation basis, the increase amounts to 11.4 million euros. Improved results from the industrial operations and a higher contribution from nonrecurring transactions account for most of this decrease.

Basic earnings per share improved to 0.0598 euros, up 27% compared with 0.0470 euros per share in the first half of 2012.

Operating working capital amounted to 409.1 million euros, down 15.0 million euros compared with 424.1 million euros at December 31, 2012. This decrease is chiefly the result of a reduction in collection days for trade receivables, made possible by more effective credit management activities, and the negative translation effect resulting from the appreciation of the euro versus the currencies of the main countries where the Group operates. The decrease caused by these factors was offset in part by the effect of the higher inventories held by the Canadian subsidiary, due to seasonal factors that characterize its business, involving an increase in cheese production earlier in the year, in anticipation of higher sales in the later months.

Net invested capital amounted to 2,192.6 million euros, or 15.7 million euros less than the amount reported at December 31, 2012 (2,208.3 million euros). This decrease is due mainly to a negative translation effect, offset in part by the payment of the second and last installment owed to the Ontario Teachers Pension Plan Board ("OTPPB") pursuant to the Liquidity Payment Agreement.

Net financial assets totaled 877.3 million euros, for an increase of 67.5 million euros compared with 809.8 million euros at December 31, 2012. The main reasons for this increase include the cash generated by nonrecurring activities (101.6 million euros), consisting mainly of the price adjustment received for the LAG acquisition, and the cash flow from operating activities (64.5 million euros), offset in part by payment of the second and last installment owed to the Ontario Teachers Pension Plan Board ("OTPPB") pursuant to the Liquidity Payment Agreement (about 55 million euros), a negative translation effect (25.2 million euros) and dividend distributions (23.8 million euros).

Group interest in shareholders' equity grew to 3,043.5 million euros, or 50.3 million euros more than at December 31, 2012, when it totaled 2,993.2 million euros. The Group's interest in net profit (105.4 million euros) and the price adjustment received on the LAG acquisition (99.1 million euros), which reduced to 376.9 million euros a negative equity reserve originally recognized for the amount of 476 million euros, are the main reasons for this increase. These gains were offset in part by foreign exchange difference from the translation of financial statements of companies that operate in countries outside the Eurozone (137.3 million euros) and the 2012 dividend declared by the Shareholders' Meeting on June 14, 2013 (22.9 million euros).

Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<i>(in millions of euros)</i>	First half 2013	First half 2012
REVENUES	2,619.2	2,292.0
Net revenues	2,594.8	2,276.9
Other revenues	24.4	15.1
OPERATING EXPENSES	(2,423.1)	(2,126.3)
Purchases, services and miscellaneous costs	(2,060.3)	(1,809.1)
Labor costs	(362.8)	(317.2)
Subtotal	196.1	165.7
Writedowns of receivables and other provisions	(1.9)	(2.4)
EBITDA	194.2	163.3
Depreciation, amortization and writedowns of non-current assets	(67.5)	(56.5)
Other income and expenses:		
- Litigation-related legal expenses	(2.0)	(4.4)
- Miscellaneous income and expenses	3.3	(6.2)
EBIT	128.0	96.2
Net financial income/(expense)	17.1	22.4
Interest in the results of companies valued by the equity method	0.0	0.0
Other income from (charges for) equity investments	0.0	3.0
PROFIT BEFORE TAXES	145.1	121.6
Income taxes	(38.2)	(38.0)
NET PROFIT FROM CONTINUING OPERATIONS	106.9	83.6
NET PROFIT FOR THE PERIOD	106.9	83.6
Non-controlling interest	(1.5)	(1.1)
Owners of the parent	105.4	82.5
Continuing operations:		
Basic earnings per share	0.0598	0.0470
Diluted earnings per share	0.0591	0.0465

Parmalat Group

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

<i>(in millions of euros)</i>	6/30/13	12/31/12¹
NON-CURRENT ASSETS	2,172.4	2,274.8
Intangibles	1,073.9	1,123.4
Property, plant and equipment	946.7	999.3
Non-current financial assets	77.9	76.5
Deferred-tax assets	73.9	75.6
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	2.7	3.0
NET WORKING CAPITAL	524.9	443.4
Inventories	531.2	508.5
Trade receivables	489.4	557.4
Trade payables (-)	(611.5)	(641.8)
Operating working capital	409.1	424.1
Other current assets	247.3	222.1
Other current liabilities (-)	(131.5)	(202.8)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	2,700.0	2,721.2
PROVISIONS FOR EMPLOYEE BENEFITS (-)	(150.1)	(164.7)
PROVISIONS FOR RISKS AND CHARGES (-)	(350.8)	(341.6)
PROVISION FOR LIABILITIES FOR CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	(6.5)	(6.6)
NET INVESTED CAPITAL	2,192.6	2,208.3

Covered by:

SHAREHOLDERS' EQUITY²	3,069.9	3,018.1
Share capital	1,763.1	1,761.2
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	68.3	68.4
Other reserves and retained earnings	1,106.7	1,082.3
Profit for the period	105.4	81.3
Non-controlling interest	26.4	24.9
NET FINANCIAL ASSETS	(877.3)	(809.8)
Loans payable to banks and other lenders	25.9	32.5
Loans payable to investee companies	3.3	3.3
Other financial assets (-)	(100.0)	(107.2)
Cash and cash equivalents (-)	(806.5)	(738.4)

TOTAL COVERAGE SOURCES	2,192.6	2,208.3
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¹ Further to the adoption as of January 1, 2013 (retrospectively) of the amendments to IAS 19, the comparative data at December 31, 2012 were restated as required by IAS 1. Additional information is provided in the section of this Report entitled "Principles for the Preparation of the Condensed Consolidated Semiannual Financial Statements."

² The schedule that reconciles the result and shareholders' equity at June 30, 2013 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 2013

<i>(in millions of euros)</i>	First half 2013	First half 2012
Net financial assets at beginning of period	(809.8)	(1,518.4)
Changes during the period:		
- Cash flow from operating activities for the period	(131.5)	(134.4)
- Cash flow from investing activities	(41.9) ¹	37.2
- Accrued interest payable	4.3	3.2
- Cash flow from settlements	56.7	1.7
- Dividend payments	23.8	33.6
- Exercise of warrants	(1.8)	(1.9)
- Miscellaneous items	(2.3)	5.5
- Translation effect	25.2	(4.5)
Total changes during the period	(67.5)	(59.6)
Net financial assets at end of period	(877.3)	(1,578.0)

¹ Includes the proceeds (principal and interest) collected as a price adjustment on the LAG acquisition price in the amount of 102.4 million euros.

BREAKDOWN OF NET FINANCIAL POSITION

<i>(in millions of euros)</i>	6/30/13	12/31/12
Loans payable to banks and other lenders	25.9	32.5
Loans payable to investee companies ¹	3.3	3.3
Other financial assets (-)	(100.0)	(107.2)
Cash and cash equivalents (-)	(806.5)	(738.4)
Net (financial assets) borrowings	(877.3)	(809.8)

¹ Including 1.1 million euros owed to PPL Participações 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)

<i>(in millions of euros)</i>	Cash and cash equivalents	Other financial assets	Gross indebtedness	Net financial assets
Beginning balance	(738.4)	(107.2)	35.8	(809.8)
Cash flow from operating activities for the period	(131.5)	-	-	(131.5)
Cash flow from investing activities	(40.7)	(1.2)	-	(41.9)
New borrowings	(12.5)	-	12.5	-
Loan repayments	17.1	-	(17.1)	-
Accrued interest payable	-	-	4.3	4.3
Cash flow from settlements	56.7	-	-	56.7
Dividend payments	23.8	-	-	23.8
Exercise of warrants	(1.8)	-	-	(1.8)
Miscellaneous items	-	-	(2.3)	(2.3)
Translation effect	20.8	8.4	(4.0)	25.2
Ending balance	(806.5)	(100.0)	29.2	(877.3)

Parmalat S.p.A.

Net revenues totaled 386.2 million euros, or 2.5% less than the 396.2 million euros reported in the first half of 2012. Lower sales volumes in the pasteurized milk and fruit beverage categories, caused by a shift of consumption towards private labels, are the main reason for this reduction. An expanded use of promotional programs implemented by all players in the various market in response to the economic crisis affected sales prices. This trend was particularly pronounced in Central and Southern Italy, traditional strongholds of the Company's brands.

EBITDA amounted 25.6 million euros, for a decrease of 4.4 million euros compared with 30.0 million euros in the first half of 2012.

Even though the implementation of the programs launched last year to contain overhead and streamline the production system continued, the Company reported lower EBITDA, due mainly to an increase in the average purchase cost of imported raw milk compared with the same period in 2012, which could not be fully passed on to the sales price due to the aggressiveness of competitors and conditions in the target markets during a crisis period.

EBIT grew to 6.3 million euros, for a gain of 1.1 million euros compared with 5.2 million euros at June 30, 2012. A reduction in nonrecurring charges and litigation-related legal expenses compared with the first half of 2012, which more than offset the impact of the EBITDA shortfall, accounts for this improvement.

The net profit for the period amounted to 53.3 million euros, down from 59.7 million euros in the first half of 2012. The decrease of 6.4 million euros was mainly caused by reductions in dividends received from investee companies (43.1 million euros compared with 47.9 million euros in the first six months of 2012) and in net financial income (-5.7 million euros), caused by a decrease in financial assets, offset only in part by the gain in EBIT and a reduction in the tax burden.

Net invested capital totaled 2,351.6 million euros, or 164.6 million euros more than the 2,187.0 million euros reported at December 31, 2012. A capital increase of 67.2 million euros carried out by the Parmalat Canada, Inc. subsidiary and the medium-term support provided to the Australian subsidiaries (95.0 million euros) are the main reasons for this change.

Net financial assets decreased from 704.7 million euros at December 31, 2012 to 571.6 million euros at June 30, 2013, for a reduction of 133.1 million euros. The main items that contributed to this decrease include: a capital increase contribution provided to the Parmalat Canada Inc. subsidiary (67.2 million euros), net disbursements of medium-term loans to the Australian subsidiaries (95.0 million euros) and dividend payments to shareholders (22.9 million euros), offset by the collection of dividends from investee companies (34.0 million euros), proceeds from the exercise of warrants (1.8 million euros) and the cash flow from operating activities.

Liquid assets and other financial assets are invested in short-term instruments with Italian credit institutions.

The Company's **shareholders' equity** totaled 2,923.2 million euros, up from 2,891.7 million euros at December 31, 2012. The increase of 31.5 million euros is the result of the profit for the first half of 2013, net of the portion of the 2012 net profit appropriated for dividends, and the proceeds from the exercise of warrants during the period.

Parmalat S.p.A.

RECLASSIFIED INCOME STATEMENT

<i>(in millions of euros)</i>	First half 2013	First half 2012
REVENUES	407.0	412.4
Net revenues	386.2	396.2
Other revenues	20.8	16.2
OPERATING EXPENSES	(379.9)	(380.7)
Purchases, services and miscellaneous costs	(328.8)	(327.9)
Labor costs	(51.1)	(52.8)
Subtotal	27.1	31.7
Writedowns of receivables and other provisions	(1.5)	(1.7)
EBITDA	25.6	30.0
Depreciation, amortization and writedowns of non-current assets	(14.4)	(15.1)
Other income and expenses:		
- Litigation-related legal expenses	(2.0)	(4.3)
- Miscellaneous income and expenses	(2.9)	(5.4)
EBIT	6.3	5.2
Net financial income (expense)	11.3	17.0
Other income from (charges for) equity investments	43.1	47.9
PROFIT BEFORE TAXES	60.7	70.1
Income taxes	(7.4)	(10.4)
NET PROFIT FROM CONTINUING OPERATIONS	53.3	59.7
Net profit (loss) from discontinued operations	0.0	0.0
NET PROFIT FOR THE PERIOD	53.3	59.7

Parmalat S.p.A.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

<i>(in millions of euros)</i>	6/30/13	12/31/12¹
NON-CURRENT ASSETS	2,469.2	2,303.9
Intangibles	361.4	363.2
Property, plant and equipment	145.3	143.9
Non-current financial assets	1,924.9	1,760.1
Deferred-tax assets	37.6	36.7
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	0.0	0.0
NET WORKING CAPITAL	96.4	90.7
Inventories	48.3	46.1
Trade receivables	137.9	144.4
Trade payables (-)	(198.8)	(193.0)
Operating working capital	(12.6)	(2.5)
Other current assets	152.1	138.0
Other current liabilities (-)	(43.1)	(44.8)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	2,565.6	2,394.6
PROVISIONS FOR EMPLOYEE BENEFITS (-)	(24.5)	(24.2)
PROVISIONS FOR RISKS AND CHARGES (-)	(183.4)	(177.2)
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	(6.1)	(6.2)
NET INVESTED CAPITAL	2,351.6	2,187.0
Covered by:		
SHAREHOLDERS' EQUITY	2,923.2	2,891.7
Share capital	1,763.0	1,761.2
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	68.3	68.4
Other reserves and retained earnings	1,038.6	1,014.0
Profit for the period	53.3	48.1
NET FINANCIAL ASSETS	(571.6)	(704.7)
Loans payable to banks and other lenders	0.3	0.6
Loans receivable from investee companies	(53.7)	(217.7)
Other financial assets (-)	(71.1)	(83.9)
Cash and cash equivalents (-)	(447.1)	(403.7)
TOTAL COVERAGE SOURCES	2,351.6	2,187.0

¹ Further to the adoption as of January 1, 2013 (retrospectively) of the amendments to IAS 19, the comparative data at December 31, 2012 were restated as required by IAS 1. Additional information is provided in the section of this Report entitled "Principles for the Preparation of the Condensed Consolidated Semiannual Financial Statements."

Financial Performance

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

The Group's liquid assets totaled 906.5 million euros, including 574.3 million euros held by Parmalat S.p.A. At June 30, 2013, the entire amount of this liquidity was invested in sight and short-term bank deposits. 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, bank interest income totaled 6.8 million euros, including 4.9 million euros attributable to Parmalat S.p.A. The decrease in financial income compared with the same period last year is due mainly to the reduction in liquid assets resulting from the LAG acquisition. The cash pooling system was never used in 2013.

Change in Net Financial Position

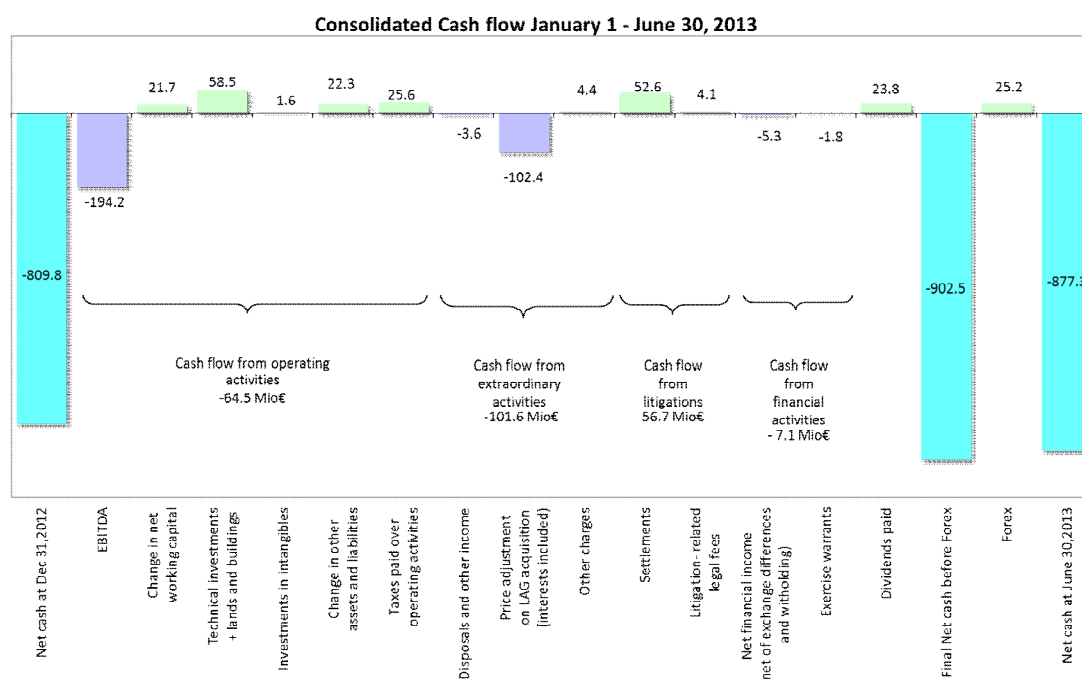
The Group's net financial assets increased from 809.8 million euros at December 31, 2012 to 877.3 million euros at June 30, 2013, reflecting a negative translation effect of 25.2 million euros and dividend payments totaling 23.8 million euros.

The cash flow from operating activities totaled 64.5 million euros. The reduction in cash flow generation compared with the same period in 2012 is due mainly to an increase in outlays for capital expenditures.

The cash flow from nonrecurring transactions, which totaled 101.6 million euros, reflects primarily the collection of the price adjustment on the LAG acquisition, described in greater detail in the "LAG Acquisition" section of this Report.

The litigation-related cash flow was a net outflow of 56.7 million euros, due mainly to a disbursement of 72.5 million Canadian dollars for the second and last installment owed to the Ontario Teachers Pension Plan Board ("OTPPB") pursuant to the Liquidity Payment Agreement.

The cash flow from financial transactions amounted to 7.1 million euros, including about 1.8 million euros from the exercise of warrants.



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, 2013."

Operational Risks

Parmalat implemented at the Group level a project to allow individual SBUs to map operational risks. Operational risks are mapped by means of a special tool that ranks them based on probability of occurrence and economic impact. Risks are classified in the following categories: competition, external context, regulatory environment, processes and procedures, sustainability, health and safety, market and brand management, organization, systems and technology, production and supply chain performance.

The activities described above are updated every six months, as required to comply with the provisions of Article 2428 of the Italian Civil Code regarding "risks and uncertainties."

An analysis of the risks mapped with the abovementioned methodology produced the following conclusions:

- a) With the continuation of the economic crisis in the main countries in which it does business, the Group finds itself operating in markets in which consumers have a reduced buying power and consumption patterns are changing with an increasing bias towards lower price product categories, which drives the growth of the private label market to the detriment of brand-name products. Parmalat's differentiated geographic footprint enables it to offset the downward trends in some countries with stability or growth in other markets.
- b) There appears to be a general trend towards creating strong concentrations in the retailing and distribution sectors, with an attendant reduction in the number of potential customers and an increase in the bargaining power of counterparties in demanding discounts and promotions. This scenario represents a risk for the Group, both for its potential effect on margins and the increased risk of default by major customers. To mitigate these event, Parmalat's strategy has always been to develop lasting and well balanced relationships with its main commercial partners and pay special attention to commercial planning processes.
- c) The Group operates in highly competitive markets that include both multinational companies and local producers. In such a diversified scenario, the risk related to competition and the inability to meet consumer tastes and trends is managed with investments in brand innovation and in spotting trends ahead of competitors.
- d) The quality of its products, the protection of the health of consumers and their full satisfaction are the Group's primary objectives. Changes in the price of raw materials and the availability of resources, due also to weather and regulatory issues at individual locations, can have an impact of product prices. To guarantee

the quality of its products at competitive costs, 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. Lastly, the growing focus on the information that must be provided to consumers through product labels requires a constant attention to the management of packaging to ensure that it complies with regulatory requirements in each of the markets in which the Group's products are distributed.

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 facilities are the subject of appropriate foreign exchange hedges; at June 30, 2013, the percentage of the outstanding debt that was not exposed to the foreign exchange risk was greater than 75%. Insofar as the Australian subsidiaries are concerned, the currently ongoing process of restructuring the corporate chain of control in Australia included the establishment of Parmalat Finance Australia Ltd., a company under Australian law with the euro as its functional currency, which has taken over virtually all of the intercompany debt owed to the Parent Company, thereby eliminating at the root the foreign exchange risk exposure of the Australia SBU.

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 Consolidated Financial Statements.

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 the reference variable interest rate.

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

Following the withdrawal of the remaining balance in the cash pooling system in July 2012, the counterparty risk related to this type of investment no longer exists.

The liquid assets of Parmalat Spa 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 2013.

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. However, its investment portfolio includes companies that operate in countries more exposed to the global crisis.

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.

LAG Acquisition

On May 10, 2013, further to a resolution by Parmalat's Board of Directors, LAG Holding sent to the seller B.S.A. S.A. a letter with a price adjustment request of USD 144 million, which is the maximum price adjustment amount provided under the agreement.

Negotiations between the buyer and the seller continued until May 30, 2013, the date when Parmalat's Board of Directors, having first received a binding opinion by the Committee for Related-party Transactions, accepted by a majority vote the seller's latest proposal. As a result, the final Purchase Price Adjustment amount was set at USD 130 million.

On June 6, 2013, Parmalat published an Information Memorandum concerning the implementation of LAG's price adjustment mechanism, which provides ample details of the steps that resulted in the determination of the final amount. This document can be consulted at the following web address:

http://www.parmalat.com/en/corporate_governance/how_we_govern/information_memorandum/.

As agreed by the parties, the Purchase Price Adjustment, including accrued interest of USD 4.4 million, was paid to Parmalat on June 13, 2013, for a total amount of 102.4 million euros, the parties having elected to use the official EUR/USD exchange rate at June 6, 2013 of 1.3118 USD for 1 EUR.

The first and second report by the Commissioner ad Acta, Angelo Manaresi, were published on Parmalat's website on June 13, 2013 and June 24, 2013, respectively.

On June 14, 2013, at the Consob's request, Parmalat published on its website an annex to its 2012 Annual Financial Report with some additional information regarding LAG.

Accounting Treatment of the Price Adjustment in the Consolidated Financial Statements and the Separate Financial Statements of Parmalat S.p.A.

The Price Adjustment, amounting to USD 130 million (equal to 99.1 million euros) had the following effects: on the consolidated financial statements of Parmalat S.p.A., a decrease of 376.9 million euros of the negative reserve included in shareholders' equity, originally recognized in the amount of 476.0 million euros, as the offset for the refund received from the seller; on the separate financial statements of the parent company LAG Holding Inc. a reduction of the current carrying amount of the equity investment originally recognized.

The abovementioned Price Adjustment had no accounting impact on the separate financial statements of Parmalat S.p.A.

The schedule below shows LAG's statement of financial position at the date of acquisition and the computation of the difference between the acquisition's final price and the net carrying amount of the acquired assets and liabilities:

(in millions of euros)	<i>Net carrying amount of the acquired assets and liabilities at July 3, 2012</i>
Non-current assets	177.4
Goodwill	35.3
Trademarks with an indefinite useful life	1.7
Other intangible assets	14.0
Property, plant and equipment	121.0
Other financial assets	1.6
Deferred tax assets	3.8
Current assets	157.2
Inventory	57.9
Trade receivables	52.3
Other current assets	4.6
Cash and cash equivalents	42.4
Total acquired assets	334.6
Non-current liabilities	11.1
Financial liabilities	0.1
Deferred tax liabilities	10.3
Provisions for risks and charges	0.7
Current liabilities	49.2
Trade payables	40.5
Other current liabilities	8.7
Total acquired liabilities	60.3
Total acquired shareholders' equity	274.3
Minority interest in shareholders' equity	-
Provisional price paid	(750.3)
Temporary effect on shareholders' equity at December 31, 2012	(476.0)
Price Adjustment	99.1
Final effect on shareholders' equity at June 30, 2013	(376.9)

Economic Effect of the Acquisition on the Consolidated Financial Statements at June 30, 2013

In order to allow a better understanding of the consolidated financial statements at June 30, 2013, the schedule that follows shows the income statement of the Group and LAG at June 30, 2013:

(in millions of euros)	<i>Parmalat Group</i> <i>First half 2013</i>	<i>LAG amount</i> <i>First half 2013</i>
Revenues	2,619.2	352.6
Net sales revenues	2,594.8	348.6
Other revenues	24.4	4.0
Cost of sales	(1,889.8)	(84.1)
Distribution costs	(432.9)	(226.5)
Administrative expenses	(169.8)	(24.6)
Miscellaneous income and expenses	1.3	0.0
EBIT	128.0	17.4
Financial income	45.1	0.1
Financial expense	(28.0)	(0.2)
Other income from (charges for) equity investments	0.0	0.0
Profit before taxes	145.1	17.3
Income taxes	(38.2)	(5.8)
Net profit	106.9	11.5
Minority interest in net (profit)	(1.5)	-
Group interest in net profit	105.4	11.5

In the first half of 2013, the acquired operations contributed 28.6 million euros to consolidated EBITDA.

Information About Parmalat's Securities

The securities of Parmalat S.p.A. have been traded on the Online Stock Market since October 6, 2005. The key data for the first half of 2013 are summarized below:

	Common Shares	Warrants
Securities outstanding at 6/28/13	1,763,045,307	37,689,255
Closing price on 6/28/13 (in euros)	2.400	1.3870
Capitalization (in euros)	4,231,308,736.80	52,274,996.69
High for the period (in euros)	2.5380 June 14, 2013	1.5180 June 17, 2013
Low for the period (in euros)	1.7320 February 18, 2013	0.7250 February 18, 2013
Average price in June (in euros)	2.4172	1.3937
Highest daily trading volume	9,426,256 February 21, 2013	354,447 January 11, 2013
Lowest daily trading volume	434,135 January 1, 2013	15,772 February 11, 2013
Average trading volume in June	3,202,948.25 ¹	60,921.85

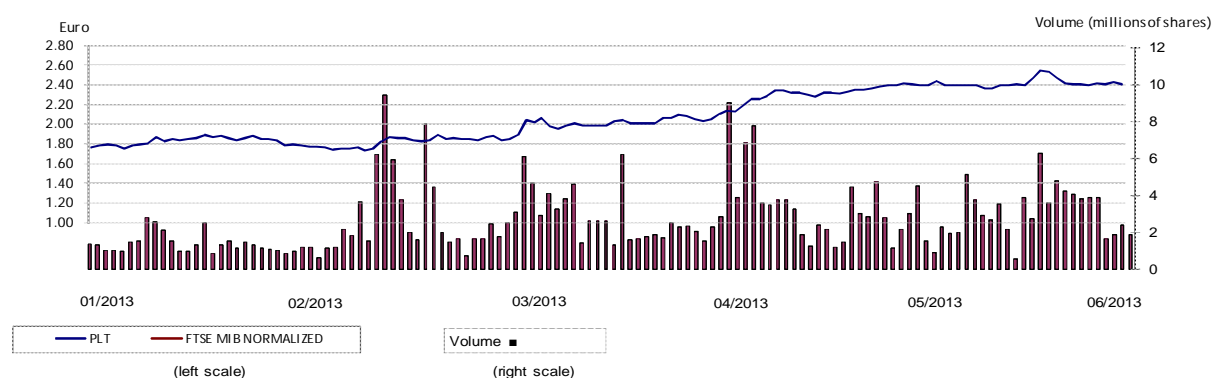
¹ 0.18% of the share capital.

Performance of the Parmalat's Stock

The chart that follows compares the performance of the Parmalat stock with that of the main Italian market index: the FTSE MIB. The chart shows that Parmalat's stock performed significantly better than the benchmark basket, increasing in price by about 35% as against a decline of about 16% for the index.

For reference purposes, please note that the stock traded at 1.3161 euros at the beginning of 2012 and, consequently, it appreciated by more than 80% over the past 18 months.

Price performance of the Parmalat stock in the first half of 2013



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 24, 2013.

Significant interests		
Shareholder	No. of shares	Percentage
Sofil S.a.s.	1,463,042,498	81.4%

For the sake of full disclosure, please note that, as a result of the share allocation process and the resulting crediting of shares to the creditors of the Parmalat Group, as of the writing of this Report, the Company's subscribed capital increased by 35,196,993 euros. Consequently, the share capital, which totaled 1,763,045,307 euros at June 28, 2013, amounted to 1,798,242,300 at July 24, 2013.

In this regard, please note that the distribution of 31,550,033 shares is the result of the satisfaction through settlements of several late claims filed for recognition by creditors of Parmalat Finanziaria S.p.A. under Extraordinary Administration in connection with this company's alleged liability pursuant to Article 2362 of the Italian Civil Code (text previously in effect).

With regard to the information provided above, please note that:

- 4,195,626 shares, equal to 0.2% of the share capital, which are still held on deposit by Parmalat Spa, are owned by commercial creditors who have been identified by name;
- 2,049,096 shares, equal to 0.1% of the share capital, pertain to 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 registered common shares, with 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 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 and making the reserves referred to in Items c) and d) above permeable.

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.

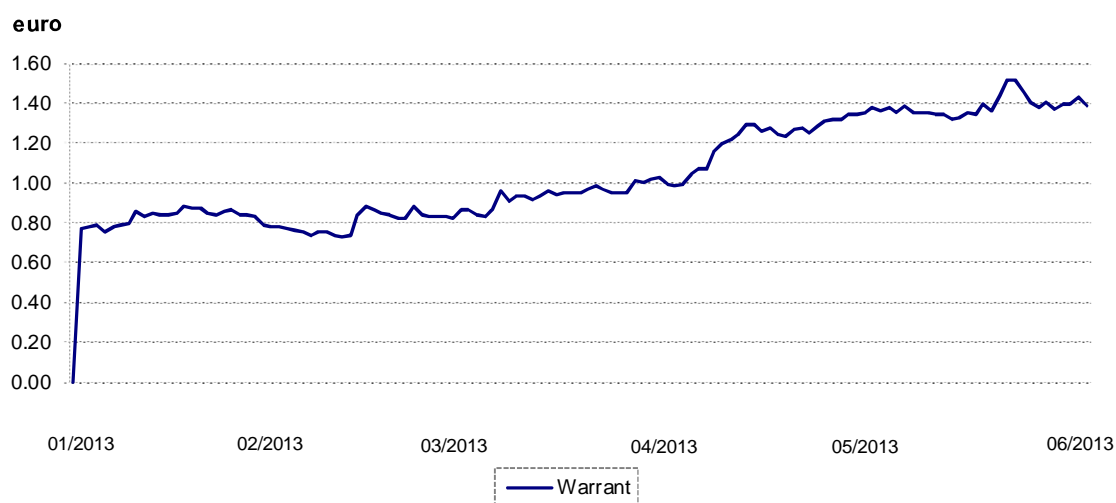
The Extraordinary Shareholders' Meeting of May 31, 2012 approved a resolution to partially amend the capital increase resolution approved by the Extraordinary Shareholders' Meeting of March 1, 2005 (as amended by the Shareholders' Meetings of September 19, 2005 and April 28, 2007), limited to the capital 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.

Consequently, as of the approval date of this Report, the maximum approved share capital amounts to 1,939,880,000 euros, broken down 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 153,804,910 euros for creditors with contested or conditional claims;
- d) up to 150,000,000 euros for late-filing creditors;
- e) up to 95,000,000 for the conversion of warrants.

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

Warrants



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

Each warrant conveys the right to subscribe shares at par for cash on a continuous basis, effective on the tenth day of the month following the month when the application to exercise 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.

Human Resources

Group Staffing

The table below provides a breakdown by geographic region of the employees of the Group at June 30, 2013 and a comparison with the data at December 31, 2012.

Total payroll by geographic region			
Geographic region	June 30, 2013	December 31, 2012	% change
Europe	3,427	3,384	+1,26%
North America	4,625	4,562	+1,37%
Latin America	3,133	3,382	-7,37%
Africa	2,671	2,518	+5,73%
Australia	1,844	1,799	+2,45%
Total	15,700	15,645	+0,36%

In the first half of 2013, the Group's staff increased by 55 employees, due mainly to the addition of temporary contracts in South Africa and production staff and short-term contracts in Australia. At the same time, the payroll shrank in South America, due to mainly to the expiration of temporary contracts that were not renewed in Colombia.

Capital Expenditures

Overview of the capital expenditures (including land and buildings) of the Parmalat Group at June 30, 2013

<i>(in millions of euros)</i>	First half 2013		First half 2012		% change
Geographic region	Amount	% of the total	Amount	% of the total	
Europe	18.8	32.1%	10.6	31.9%	77.4%
North America	23.0	39.3%	11.2	33.8%	105.4%
Latin America	3.4	5.8%	1.8	5.4%	88.9%
Africa	2.5	4.3%	4.2	12.7%	-40.5%
Australia	10.8	18.5%	5.4	16.2%	100.0%
Total for the Group	58.5	100.0%	33.2	100.0%	76.2%
Total for the Group <i>(at constant scope of consolidation and exchange rates)¹</i>	43.6		33.2		31.3%

¹ Excluding USA, Mexico and Brazil

In the first half of 2013, the Group's capital expenditures totaled 58.5 million euros, for an increase of 76.2% compared with the same period year.

Investment projects included numerous programs aimed at improving production processes, efficiency, quality, occupational safety and compliance with new regulatory requirements.

The most significant investment projects included the following:

- installation of a mozzarella production line in Nampa (USA);
- construction of a refrigerated warehouse in Montreal (Canada);
- installation of a UHT production line in Rowville (Australia);
- installation of a new sterilizer in Brampton (Canada);
- projects to increase production capacity in Landeira (Portugal).

The capital expenditures described above do not include the cost of licensing and implementing information systems, which amounted to 1.6 million euros in the first half of 2013 mainly for projects carried out by the Parent Company and the South African subsidiary.

Research and Development

The research group continued to pursue its mission of promoting innovation through the study of innovative, original, quality food products that satisfy market needs.

In the first half of 2013, despite problems related to the economic crisis, several new products were studied and launched for the Milk, Yogurt, Chef and Santàl lines.

The R&D Department continued to collaborate with the most prestigious universities and research institutions, organizing events designed to disseminate a culture of milk and conducting studies aimed at ensuring the highest quality for Parmalat's products.

Collaboration between Italy and other countries where research facilities are located continued with the aim of optimizing project timing and costs using, through the use of knowhow that existed in several of the countries where the Group operates.

Using the same cross-fertilization approach, projects were carried in collaboration with the central Lactalis R&D organization.

The objective of this coordination among the Group's research centers is to bring to the global market new products of the best quality in the shortest possible time.

Work continued on the development of the IT support system (Devex), which is aimed at organizing in an orderly fashion the complex information that exists within the worldwide R&D organization. This project is also becoming important for other areas of the Group, such as International Marketing, which can be kept more accurately up-to-date about the timing of projects for new products slated for launch in various countries.

Other Information

Tax Issues

The total tax burden of the Group was about 38.2 million euros in the first half of 2013, in line with the amount reported in the first six months of 2012.

Current taxes totaled 12.1 million euros.

The Group's effective tax rate was 26.3%.

The effective tax rate of Parmalat S.p.A. was about 12.2%. The main reason for the difference between the effective tax rate and the statutory tax rate (31.4% including the regional tax rate) is the tax effect of income excluded from the taxable base, consisting of dividends.

Starting in 2007, Parmalat S.p.A., in its capacity as the consolidating company, and virtually all of its Italian subsidiaries elected to file a national consolidated income tax return pursuant to Article 117 and following articles of the Uniform Income Tax Code. In the first half of 2013, Parmalat S.p.A., Centrale del Latte di Roma S.p.A., Carnini S.p.A., Latte Sole S.p.A. and Parmalat Distribuzione Alimenti S.r.l. exercised the option to renew the filing of a national consolidated income tax return. This option is valid for three years, from 2013 to 2015.

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 entities. The Organizational, Management and Control Models of the main Italian subsidiaries are reviewed periodically under the responsibility of the relevant Oversight Boards. The Guidelines for foreign subsidiaries approved by the Parent Company's Board of Directors and later transmitted to the Boards of Directors of the subsidiaries are implemented in accordance with the different corporate organizations and consistent with local legislation. The Guidelines set forth principles of conduct and organizational rules, inspired by the Group's Code of Conduct and the various corporate process, that are relevant for compliance with Legislative Decree No. 231, which each company is required to adopt taking into account the applicable laws at each location.

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. At a meeting held on March 9, 2012, the Board of Directors approved the expense budget for the 2012 reporting year of the Corporate Accounting Documents Officer, who is required to report to Board of Directors, every six months as a minimum, about the use of the abovementioned budget. Consistent with the powers and functions assigned to him, through the approval of the Guidelines by the Board of Directors in July 2011, the Corporate Accounting Documents Officer may exceed the approved budget, in the event of specific and demonstrable requirements, provided a specific resolution is approved by the Board of Directors.

Key Events in the First Half of 2013

Adjustment of the LAG Acquisition Price

Please see the information provided earlier in this report in the section entitled “LAG Acquisition.”

Complaint Pursuant to Article 2409 of the Italian Civil Code

In the proceedings pursuant to Article 2409, launched by the Public Prosecutor at the Court of Parma, further to a brief filed by Amber Capital LP, a panel of judges comprised of Mr. Piscopo, Chief Judge of the Court of Parma, and the judges Mr. Agostini (Reporting Judge) and Mr. Vittoria (Supporting Judge), by a decree filed on March 29, 2013, appointed Angelo Manaresi Commissioner *ad acta*, who shall work alongside PricewaterhouseCoopers and the Panel of Independent Experts appointed by the Internal Control, Risk Management and Corporate Governance Committee, in its capacity as Committee for Related-party Transactions, and the Board of Directors of Parmalat, in the activities concerning the LAG purchase price adjustment procedure, and shall verify that Parmalat's Board of Directors, which shall retain all regular and extraordinary management powers, is striving to deploy all self-protection contractual terms provided in the acquisition contract, so as to best protect the Company's interest.

The Court awarded the assignment to the Commissioner at a hearing held on April 3, 2013. The Court also authorized the Commissioner to obtain information from the parties who produced the documents included in the record of the proceedings pursuant to Article 2409 of the Italian Civil Code and specified that the *ad acta* Commissioner serves in the capacity as an auxiliary to the Court pursuant to Article 68 of the Italian Code of Civil Procedure and not as a court-appointed technical expert or inspector and that, consequently, the parties to the proceedings pursuant to Article 2409 of the Italian Civil Code do not have the right to appoint their own technical consultants with regard to the performance of the assignment entrusted to the Commissioner.

On May 15, 2013 and June 14, 2013, the Commissioner filed two reports on the activities he performed in performance of the assignment he received from the Court of Parma; both reports were published in full on the Company website: www.parmalat.net.

At a hearing held on June 19, 2013, the Court scheduled for September 25 the hearing for oral arguments.

The Directors nominated by the majority shareholder and the Statutory Auditors affected by the proceedings filed pursuant to Article 2409 of the Italian Civil Code filed a motion with the Bologna Court of Appeals asking that the Court's Decree be revised in its entirety and that its enforceability be immediately stayed with regard to the orders suspending Marco Reboa and barring the Director Antonio Sala from attending meetings of the Board of Directors and the Statutory Auditors Roberto Cravero and Alfredo Malguzzi (the latter has since resigned and was replaced) from attending meetings of the Board of Statutory Auditors until a Shareholders' Meeting is convened to vote on their replacement. By an order dated May 29, 2013, the Bologna Court of Appeals, Civil Part Three, denied the motion to revoke and stay the enforcement of the decree issued by the Court of Parma and scheduled a merit hearing for October 18, 2013.

In implementation of the decree by the Court of Parma, at a meeting held on April 11, 2013, Parmalat's Board of Directors reduced from 4 to 3 the number of members of the Committee for Related-party Transactions, reappointing to the Committee the independent Directors Gabriella Chersicla (Chairperson), Antonio Aristide Mastrangelo and Riccardo Zingales, and convened, initially for May 17, 2013, a Shareholders' Meeting to vote on resolutions concerning (i) the replacement of Director Antonio Sala and (ii) the replacement of the Statutory Auditor Roberto Cravero. The Board of Directors later cancelled the Shareholders' Meeting scheduled for May 17, 2013 and, at the same time, scheduled a new Shareholders' Meeting for June 14, 2013 to vote on resolutions concerning the abovementioned replacement and approve the financial statements at December 31, 2012.

The Shareholders' Meeting of June 14, 2013 resolved not to replace the Directors Antonio Sala and, further to the resignation of the Statutory Auditor Roberto Cravero, elected Alessandra Stabilini, a candidate nominated by the majority shareholder Sofil S.a.s., to the post of Statutory Auditor.

On June 24, 2013, having reviewed Mr. Manaresi's reports, Parmalat's Board of Directors, by a majority vote, asked Mario Cattaneo, Paolo Andrei and Marco Ziliotti, who already supported the Company in the activities related to LAG's price adjustment process, to perform a detailed technical and business analysis with the aim of rendering their reasoned opinion regarding the reasonableness and substantive consistency (or lack thereof and/or any defect that may be detected) of the overall valuation process adopted by the Board of Directors in connection with the acquisition of the LAG Group.

Action to Void in Bankruptcy Against Tetrapak International S.A.

By a decision handed down on January 8, 2013, the Court of Parma ruled that the payment of 15.1 million euros made by Parmalat Finance Corporation B.V. for Tetrapak's benefit was ineffective and voided it pursuant to Article 67 of the Bankruptcy Law, ordering Tetrapak to pay legal costs. On March 18, 2013, Tetrapak served notice that it was appealing the decision by the Court of Parma. At a hearing held on July 2, 2013, the Bologna Court of Appeals stayed the enforcement of the lower court decision and scheduled for February 3, 2015 the hearing for final arguments.

Grant Thornton

By a decision dated April 9, 2013, the United States District Court for the Northern District of Illinois granted the motion filed by Grant Thornton and retained control of the proceedings, denying Parmalat's motions. Having been unsuccessful with its motion to transfer the proceedings to the New York Federal Court for the purpose of appealing the abovementioned decision, Parmalat filed an appeal before the United States Court of Appeals for the Seventh Circuit.

Parmalat's Equity Stake in Centrale del Latte di Roma

By a decision handed down on April 18, 2013, the Court of Rome, Civil Part III, denied "all claims by the plaintiff Parmalat Spa against the respondent Roma Capitale," ruling that "Roma Capitale (formerly City of Rome) is the current and sole owner of 75% of the share capital of Centrale del Latte di Roma Spa, formerly the subject of a sales agreement dated January 26, 1998 between the City of Rome and Cirio Spa" and ordering "Parmalat Spa to immediately return to Roma Capitale the shares in question."

The Court of Rome did not include in its decision any provision concerning Parmalat's right to receive any compensation. However, the Court did rule that Parmalat "could be entitled to receive as compensation for improvements an amount equal to the expenses incurred for improvements or the resulting increase in value, whichever is lower."

Parmalat appealed this decision by the Court of Rome in order to defend its position, asking for a stay of the enforcement of the appealed decision.

Verifications and analyses are also being carried out to assess any right the Company may have to indemnifications, reimbursements and/or damage claims in connection with this matter and/or the enforcement of the Court's decision.

The Court of Cassation, by a decision adopted on November 6, 2012 and filed on April 26, 2013, denied Parmalat's motion challenging, on the grounds of lack of jurisdiction, the decision by which, in March 2012, the Council of State ordered that the CLR shares be returned to Roma Capitale, as well as 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, thus ruling that the administrative judge had jurisdiction over hearing and ruling in the matter of restitution of the CLR shares to Roma Capitale, it being understood that jurisdiction over ascertaining ownership title rests with the civil judge. Consequently, (i) the decision of March 2012 by which the Council of State ordered Parmalat to return the CLR shares to Roma Capitale has become final; and (ii) the civil proceedings for determination of the ownership title can proceed at the next level.

Devaluation of the Bolivar

On February 8, 2013, the Venezuelan authorities announced the devaluation of the Bolivar Fuerte, which went from 4.30 to 6.30 versus the U.S. dollar.

This measure went into effect as of February 9, 2013, following the publication of *Convenio Cambiario N° 14* on February 8, 2013, in issue No. 40,108 of the *Official Gazette*.

The abovementioned *Convenio* called, inter alia, for the establishment of a high-level entity that, acting jointly with the Ministry of Planning and Finances and the Chairman of the Venezuelan Central Bank, would decide the policies required to rebalance and rationalize the flows of foreign exchange into the national economy, assessing priorities in the allocation of foreign exchange.

In addition, the Venezuelan authorities announced the elimination of *SITME*, which enabled interested parties to make payments in foreign currencies and buy with local currency government securities denominated in foreign currency, at the exchange rate of 5.30 bolivars for one U.S. dollar, through Venezuelan financial institutions authorized by the Venezuelan Central Bank to execute transactions in the securities market using the *SITME*.

In March, as a replacement for *SITME*, the government established the *Sistema Complementario de Administración de Divisas (SICAD)*, which is based on highest-bidder auctions to offer dollars at exchange rates higher than the official rate. The first auction, for 200 million dollars was held in March. Subsequent to the launch of the system, the

Venezuelan government determined that the system needed certain adjustments and greater flexibility. On June 26, 2012, the authorities announced that *SICAD* would be reactivated in July.

CADIVI, the local foreign exchange authority, will continue to be the institution responsible for managing the national foreign exchange market, handling all purchases and sales of foreign exchange in Venezuela.

The fixed exchange rate, applied for all foreign exchange transactions involving imports and exports of goods and services, is established between the Venezuelan and U.S. currency; other currencies must first be converted into U.S. dollars at the international exchange rates and then converted into the Bolivar Fuerte at the fixed exchange rate.

Events Occurring After June 30, 2013

Claims for Liability by Late Filing Creditors Pursuant to Article 2362 of the Italian Civil Code (Text Previously in Effect)

In July 2013, the Company reached settlements with several creditors of Parmalat Finanziaria S.p.A. in A.S., who filed a total of 70 late claims for this company's alleged liability pursuant to Article 2362 of the Italian Civil Code (text previously in effect). In implementation of the settlement agreements, the Company issued 31,550,033 new Parmalat common shares, distributed to the abovementioned creditors.

Investigation in Connection with the LAG Acquisition

On July 2, 2013, the Chairman, the Chief Executive Officer, the Chief Operating Officer and some Directors who had been served with notices that they were the targets of an investigation were informed that deadline for the preliminary investigation regarding the crime of aggravated embezzlement had been extended.

Citibank

On July 19, 2013, the Company received notice of the pleas filed by Citibank NA before the Bologna Court of Appeals for the purpose of obtaining recognition in Italy of the decision handed down by the Superior Court of New Jersey on October 27, 2008, ordering Parmalat S.p.A. in A.S. and Parmalat Finanziaria S.p.A. in A.S. to pay Citibank NA the amount of USD 431.3 million. A hearing has been scheduled for October 29, 2013.

If the U.S. decision is recognized, based on the earlier determinations of the New York Bankruptcy Court, Citigroup will have to file an application with the Parma Bankruptcy Court asking it to verify its claim. If Citibank's claim is definitively verified by a final court decision, it would be satisfied with a distribution of Parmalat shares, in accordance with the recovery percentages determined in the Composition with Creditors. Please note that the Reserve for creditor challenges and claims of late-filing creditors provides ample coverage for the risk that Citibank's claim may be recognized.

Planned Merger by Absorption of Carnini S.p.A., Latte Sole S.p.A. and Parmalat Distribuzione Alimenti S.r.l. into Parmalat S.p.A.

On July 31, 2013, the Board of Directors of Parmalat S.p.A. approved a plan for the merger by absorption of Carnini S.p.A., Latte Sole S.p.A. and Parmalat Distribuzione Alimenti S.r.l. into Parmalat S.p.A.

In view of the fact that the merger involves wholly owned subsidiaries of Parmalat S.p.A., which are being absorbed by their parent company, consistent with the provisions of Article 2505 of the Italian Civil Code, no share exchange ratio was determined because the merger will not in any case produce a change in the value of the equity investment held by the shareholder (Parmalat S.p.A.).

In accordance with the provisions of Article 2505 of the Italian Civil Code, Articles 2501 *quinques* and 2501 *sexies* of the Italian Civil Code do not apply to this merger and, consequently, no reports by governance entities and experts are required.

The provisions of Article 2501 *ter*, Section one, No. 3), 4) and 5), of the Italian Civil Code also are not applicable.

The planned merger is not expected to produce a material change in the financial data of Parmalat S.p.A.: at December 31, 2012, the combined assets of the three absorbed companies totaled 56.0 million euros, compared with assets of 3,350 million euros for Parmalat S.p.A. (about 1.7%).

The reason for this transaction comes from the need to implement a simplification of the ownership chain of the Parmalat Group in Italy in order to achieve a greater operating efficiency, so as to coordinate more effectively the operating activity of the Italy Business Unit. The merger is expected to go into effect at 11:59 PM on December 31, 2013 and that the transactions of the companies that are being absorbed will be reflected, also for tax purposes, in the financial statements of Parmalat S.p.A. in the same period in which that merger will be implemented.

Balkis Acquisition

On July 31, 2013 Parmalat S.p.A., through its Lactalis do Brasil subsidiary, acquired the Brazilian company Balkis Indústria e Comércio de Laticínios Ltda ("Balkis"), with headquarters in São Paulo.

With this transaction, the Parmalat Group acquires a portfolio of activities in the segment of typical gourmet cheeses in the São Paulo area, including two production facilities in Santo Antônio do Aracanguá and Juruaia.

In 2012, Balkis reported net revenues of about 45 million reais (about 16 million euros).

The price was set at about 70 million reais (about 24 million euros) and may be adjusted based on accounting reviews at the date of closing; the contract includes the customary representations and warranties by the sellers.

The Committee for Related-party Transactions of Parmalat S.p.A. has already rendered a non-binding opinion in favor of Lactalis do Brasil completing the acquisition, having been designated to that effect by B.S.A. International S.A., the original contracting party.

Business Outlook

The recovery of the Global economy continues to be characterized by elements of uncertainty, regarding not only the advanced economies, Europe in particular, but also some of the emerging countries. It is likely that this uncertainty will continue to characterize the second half of the current year. In addition, the political and economic situation remains quite challenging in Venezuela, a country where the Group has an important presence.

In any event, management is focused on growing both sales volumes and revenues, despite across-the-board increases in the cost of raw materials and production items, which will be difficult to fully offset with sales price increases, given the challenging economic environment and strong market competition.

The Group is continuing to pursue its investment plan, while implementing cost containment program along the entire value chain, so as to recover resources to support growth and profitability.

Guidance for 2013

For 2013, at constant exchange rates and scope of consolidation (i.e., considering pro forma 12-month data for LAG in 2012), net revenues and EBITDA are expected to grow by about 3% and about 5% respectively, compared with 2012.

Disclaimer

This document contains forward looking statements, particularly in the section entitled "Business Outlook." Projections for the second half of 2013 are based, inter alia, on the Group's performance in the second quarter of 2013 and take into account trends in the months 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
Financial Statements at June 30, 2013

Consolidated Statement of Financial Position

Note ref.	(in millions of euros)	(*)	6/30/13	(*)	12/31/12 ^(**)	1/1/12 ^(**)
	NON-CURRENT ASSETS		2,172.4		2,274.8	2,127.6
(1)	Goodwill		463.9		478.0	445.4
(2)	Trademarks with an indefinite useful life		563.3		590.0	594.9
(3)	Other intangibles		46.7		55.4	43.7
(4)	Property, plant and equipment		946.7		999.3	899.0
	Investments in associates		50.2		50.2	60.1
	Other non-current financial assets		27.7		26.3	7.1
	Deferred-tax assets		73.9		75.6	77.4
	CURRENT ASSETS		2,174.4		2,133.6	2,671.3
(5)	Inventories		531.2		508.5	378.6
(6)	Trade receivables		489.4		557.4	525.8
	<i>amount from transactions with related parties</i>	<i>9.0</i>		<i>15.8</i>		<i>1.2</i>
	Other current assets		247.3		222.1	209.1
	<i>amount from transactions with related parties</i>	<i>0.1</i>		<i>0.0</i>		<i>0.0</i>
(7)	Cash and cash equivalents		806.5		738.4	303.3
	Current financial assets		100.0		107.2	1,254.5
	<i>amount from transactions with related parties</i>	<i>0.0</i>		<i>0.0</i>	<i>1,188.2</i>	
	Available-for-sale assets		2.7		3.0	3.0
	TOTAL ASSETS		4,349.5		4,411.4	4,801.9
	SHAREHOLDERS' EQUITY		3,069.9		3,018.1	3,607.5
(8)	Share capital		1,763.1		1,761.2	1,755.4
(9)	Reserve for creditor challenges and claims of late-filing creditors convertible into share capital		68.3		68.4	153.7
	Other reserves and retained earnings:					
(10)	- Reserve for currency translation differences		(113.9)		23.4	30.7
	- Cash-flow hedge reserve		0.0		0.0	0.6
(11)	- Miscellaneous reserves		1,220.6		1,058.9	1,471.6
(12)	Profit for the period		105.4		81.3	170.4
	Group interest in shareholders' equity		3,043.5		2,993.2	3,582.4
(13)	Minority interest in shareholders' equity		26.4		24.9	25.1
	NON-CURRENT LIABILITIES		513.8		520.2	470.6
	Long-term borrowings		6.4		7.3	8.0
	<i>amount from transactions with related parties</i>	<i>0.0</i>		<i>0.0</i>		<i>1.2</i>
	Deferred-tax liabilities		187.2		167.5	155.2
	Provisions for employee benefits		150.1		164.7	153.7
(14)	Provisions for risks and charges		163.6		174.1	147.2
	Provision for contested preferential and prededuction claims		6.5		6.6	6.5
	CURRENT LIABILITIES		765.8		873.1	723.8
	Short-term borrowings		22.8		28.5	31.4
	<i>amount from transactions with related parties</i>	<i>6.2</i>		<i>8.8</i>		<i>3.3</i>
(15)	Trade payables		611.5		641.8	540.1
	<i>amount from transactions with related parties</i>	<i>24.7</i>		<i>32.0</i>		<i>2.1</i>
(16)	Other current liabilities		123.2		195.0	146.3
	<i>amount from transactions with related parties</i>	<i>0.0</i>		<i>0.0</i>		<i>0.1</i>
	Income taxes payable		8.3		7.8	6.0
	Liabilities directly attributable to available-for-sale assets		0.0		0.0	0.0
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,349.5		4,411.4	4,801.9

(*) A breakdown of the items in Italics is provided in the section of this Report entitled "Intercompany and Related Party Transactions."

(**) Further to the adoption as of January 1, 2013 (retrospectively) of the amendments to IAS 19, the comparative data from January 1 to December 31, 2012 were restated as required by IAS 1. Additional information is provided in the section of this Report entitled "Principles for the Preparation of the Condensed Consolidated Semiannual Financial Statements."

Consolidated Income Statement

Note ref.	(in millions of euros)	(¹)	First half 2013	(¹)	First half 2012
(17)	REVENUES		2,619.2		2,292.0
	Net revenues		2,594.8		2,276.9
	<i>amount from transactions with related parties</i>	15.2		2.1	
	Other revenues		24.4		15.1
	<i>amount from transactions with related parties</i>	2.3		0.0	
(18)	Cost of sales		(1,889.8)		(1,825.7)
	<i>amount from transactions with related parties</i>	(35.4)		(6.4)	
(18)	Distribution costs		(432.9)		(202.6)
	<i>amount from transactions with related parties</i>	(5.5)		(0.0)	
(18)	Administrative expenses		(169.8)		(156.9)
	<i>amount from transactions with related parties</i>	(2.1)		(0.6)	
	Other income and expense:				
(19)	- Litigation-related legal expenses		(2.0)		(4.4)
(20)	- Miscellaneous income and expense		3.3		(6.2)
	<i>amount from transactions with related parties</i>	(0.2)		(0.9)	
	EBIT		128.0		96.2
(21)	Financial income		45.1		31.8
	<i>amount from transactions with related parties</i>	3.3		10.0	
(21)	Financial expense		(28.0)		(9.4)
	Interest in the results of companies valued by the equity method		0.0		0.0
	Other income from (expense for) equity investments		0.0		3.0
	PROFIT BEFORE TAXES		145.1		121.6
(22)	Income taxes		(38.2)		(38.0)
	PROFIT FROM CONTINUING OPERATIONS		106.9		83.6
	PROFIT FOR THE PERIOD		106.9		83.6
	Minority interest in (profit) loss		(1.5)		(1.1)
	Group interest in profit (loss)		105.4		82.5
	Continuing Operations:				
	Basic earnings per share		0.0598		0.0470
	Diluted earnings per share		0.0591		0.0465

(¹) A breakdown of the items in Italics is provided in the section of this Report entitled "Intercompany and Related Party Transactions."

Consolidated Statement of Comprehensive Income

<i>(in millions of euros)</i>	First half 2013	First half 2012^(*)
Net profit for the period (A)	106.9	83.6
Other comprehensive gains/(losses) that will not be later reclassified into profit/(loss) for the period:		
Remeasuring of defined-benefit plans net of tax effect	6.7	(1.8)
Total other comprehensive gains/(losses) that will not be later reclassified into profit/(loss) for the period net of tax effect (B1)	6.7	(1.8)
Other comprehensive gains/(losses) that will be later reclassified into profit/(loss) for the period:		
Change in fair value of derivatives (cash-flow hedge), net of tax effect	-	(3.3)
Difference on translation of financial statements in foreign currencies	(138.5)	33.7
Recognition in profit or loss of the cash-flow hedge reserve	-	2.2
Recognition in profit or loss of the reserve for translation differences upon the sale/liquidation of equity investments	-	(2.4)
Total other comprehensive gains/(losses) that will be later reclassified into profit/(loss) for the period net of tax effect (B2)	(138.5)	30.2
Total other components of the comprehensive income statement, net of tax effect (B)=(B1)+(B2)	(131.8)	28.4
Total comprehensive net profit (loss) for the period (A) + (B)	(24.9)	112.0
Total comprehensive net profit (loss) for the period attributable to:		
- Minority shareholders	(0.3)	(1.5)
- Group	(25.2)	110.5

^(*) Further to the adoption as of January 1, 2013 (retrospectively) of the amendments to IAS 19 and IAS 1, the data for the first half of 2012, provided for comparative purposes, were restated as required by the abovementioned standards. Additional information is provided in the section of this Report entitled "Principles for the Preparation of the Condensed Consolidated Semiannual Financial Statements."

Consolidated Statement of Cash Flows

Note ref. (in millions of euros)		First half 2013	First half 2012
OPERATING ACTIVITIES FOR THE PERIOD			
	Profit from operating activities	106.9	83.6
(24)	Depreciation, amortization and writedowns of non-current assets	67.5	56.6
	Additions to provisions	81.1	78.6
	Interest and other financial expense	4.7	3.2
	Non-cash (income) expense items	(26.4)	(15.6)
	(Gains) Losses on divestments	(1.7)	(0.2)
(20)	Proceeds from actions to void and actions for damages	(1.3)	(1.6)
(19)	Litigation-related legal expenses	2.0	4.4
	Cash flow from operating activities before change in working capital	232.8	209.0
<i>Change in net working capital and provisions:</i>			
	Operating working capital	(21.7)	(14.8)
	Payments of income taxes on operating results	(25.6)	(34.9)
	Other assets/Other liabilities and provisions	(54.0)	(24.9)
	Total change in net working capital and provisions	(101.3)	(74.6)
	CASH FLOW FROM OPERATING ACTIVITIES FOR THE PERIOD	131.5	134.4
	<i>amount from transactions with related parties</i>	<i>(24.1)</i>	<i>7.1</i>
INVESTING ACTIVITIES			
Investments:			
(3)	- Intangibles	(1.6)	(1.6)
(4)	- Property, plant and equipment	(58.5)	(33.2)
	- Non-current financial assets	(3.2)	(3.6)
	- Investments in Other current financial assets maturing in more than 3 months from the date of purchase	(1.2)	427.4
	- Price adjustment (including accrued interest) collected on the LAG acquisition ¹	102.4	0.0
	Divestments and sundry items	2.8	1.2
	CASH FLOW FROM INVESTING ACTIVITIES	40.7	390.2
	<i>amount from transactions with related parties</i>	<i>102.4</i>	<i>0.0</i>
	PROCEEDS FROM SETTLEMENTS	(52.6)	2.1
	LITIGATION-RELATED LEGAL EXPENSES	(4.1)	(2.1)
	INCOME TAXES PAID ON SETTLEMENTS	0.0	(1.7)
FINANCING ACTIVITIES			
	New loans and finance leases	12.5	5.1
	Repayment of principal and accrued interest of loans and finance leases	(17.1)	(7.9)
	Dividends paid	(23.8)	(33.6)
	Exercise of warrants	1.8	1.9
	CASH FLOW FROM FINANCING ACTIVITIES	(26.6)	(34.5)
	<i>amount from transactions with related parties</i>	<i>(18.9)</i>	<i>391.8</i>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM JANUARY 1 TO JUNE 30		88.9	488.4
(7)	CASH AND CASH EQUIVALENTS AT JANUARY 1	738.4	303.3
	Increase (Decrease) in cash and cash equivalents from January 1 to June 30	88.9	488.4
	Net impact of the translation of cash and cash equivalents denominated in foreign currencies	(20.8)	4.7
(7)	CASH AND CASH EQUIVALENTS AT JUNE 30	806.5	796.4

¹ Proceeds received from B.S.A. S.A. as price adjustment for the LAG acquisition. See the section of the Interim Report on Operations entitled "LAG Acquisition."

Loan interest income amounted to 5.8 million euros in the first half of 2013 (13.8 million euros in the first half of 2012)
 Loan interest expense amounted to 3.9 million euros in the first half of 2013 (1.5 million euros in the first half of 2012)

Changes in Consolidated Shareholders' Equity

(in millions of euros)

(in millions of euros)

	Share capital ¹	Reserve convertible into share capital ²	Other reserves and retained earnings						Profit (Loss) for the period	Group interest in sharehold. equity	Minority interest in sharehold. equity	Total sharehold. equity
			Statutory reserve	Res. for divid. to challenges and condit. claims	Reserve for translation differences	Cash flow hedge reserve	Reserve for remeasuring of defined-benefit plans	Sundry reserves ³				
Balance at December 31, 2011 (published data)	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
Effect from the adoption of IAS 19 Amended							(48.8)	1.0		(47.8)	-	(47.8)
Balance at January 1, 2012	1,755.4	153.7	87.8	25.9	30.7	0.6	(48.8)	1,406.7	170.4	3,582.4	25.1	3,607.5
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
Remeasuring of defined-benefit plans							(1.8)			(1.8)	-	(1.8)
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)	(1.8)	-	82.5	110.5	1.5	112.0
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 (for Parmalat S.p.A., 0.052 euros per share)				0.8					(91.2)	(90.4)	(3.4)	(93.8)
Distribution of reserves (0.048 euros per share)		(85.1)								(85.1)	-	(85.1)
Balance at June 30, 2012	1,757.5	68.4	97.2	26.7	61.6	(0.5)	(50.6)	1,476.5	82.5	3,519.3	23.2	3,542.5
Balance at December 31, 2012 (published data)	1,761.2	68.4	97.2	26.7	23.4	-	-	989.9	77.1	3,043.9	24.9	3,068.8
Effect from the adoption of IAS 19 Amended							(55.9)	1.0	4.2	(50.7)	-	(50.7)
Balance at January 1, 2013	1,761.2	68.4	97.2	26.7	23.4	-	(55.9)	990.9	81.3	2,993.2	24.9	3,018.1
Profit for the period									105.4	105.4	1.5	106.9
Difference from the translation of financial statements in foreign currencies					(137.3)					(137.3)	(1.2)	(138.5)
Remeasuring of defined-benefit plans							6.7			6.7	-	6.7
Comprehensive profit for the period	-	-	-	-	(137.3)	-	6.7	-	105.4	(25.2)	0.3	(24.9)
Share capital incr. from convertible reserve	0.1	(0.1)								-	-	-
Exercise of warrants	1.8									1.8	-	1.8
Appropriation of the 2012 result			2.4					56.0	(58.4)	-	-	-
2012 dividend (for Parmalat S.p.A. 0.013 euros per share)									(22.9)	(22.9)	(1.3)	(24.2)
Effect of the price adjustment for the acquisition of Lactalis American Group Inc. (and its subsidiaries), Lactalis do Brazil and Lactalis Alimentos Mexico ⁴								99.1		99.1	-	99.1
Other changes								(2.5)		(2.5)	2.5	-
Balance at June 30, 2013	1,763.1	68.3	99.6	26.7	(113.9)	-	(49.2)	1,143.5	105.4	3,043.5	26.4	3,069.9

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 See Note 23.

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 81.4% of its share capital.

Parmalat S.p.A. is subject to guidance and coordination by B.S.A. S.A., whose latest approved financial statements are annexed to the separate financial statements of Parmalat S.p.A. Transaction with B.S.A. S.A. and other companies subject to the same guidance and coordination activities constitute related-party transactions and are discussed in the Note entitled "Intercompany and Related-party Transactions."

Parmalat S.p.A. and its subsidiaries are organized into a food industry group that pursues a multinational strategy. The Group operates in 19 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, 2013 are denominated in euros, which is the presentation 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, 2013 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, 2013 was authorized by the Board of Directors on July 31, 2013.

Principles for the Preparation of the Condensed Consolidated Semiannual Financial Statements

The condensed consolidated semiannual financial statements at June 30, 2013 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.

These condensed consolidated semiannual financial statements were prepared in accordance with IAS 34 – *Interim Financial Reporting*. The consolidation principles and valuation criteria applied are the same as those used to prepare the consolidated financial statements at December 31, 2012, which should be read for additional information, and with new IFRS pronouncements in effect as of January 1, 2013, which are reviewed below.

The following recently published accounting principles, amendments and interpretations went into effect on January 1, 2013, as adopted by the European Commission:

Amendments to IAS 1 – Presentation of Financial Statements. As of the date of this Interim Report on Operations, the adoption of this revised version had no impact in terms of the valuation of income statement items.

Amendments to IAS 19 – Employee Benefits (applicable to accounting periods beginning on or after January 1, 2013). This revised version of the standard introduces, inter alia, the following changes: (i) obligation to recognize actuarial gains and losses in the statement of comprehensive income, eliminating the option of using the corridor method; actuarial gains and losses cannot be later recognized in profit or loss; (ii) elimination of the separate presentation requirement for the components of the cost corresponding to the liability for defined benefits, represented by the return on plan assets and interest costs, replacing them with the “net finance charge” aggregate. This aggregate is determined by applying to the liabilities, net of plan assets, the discount rate adopted at the beginning of the period for the liabilities.

In accordance with the transition rules of *IAS 19*, the new provisions were applied retrospectively, restating the opening balances of the 2012 statement of financial position and the 2012 income statement data. In the condensed consolidated semiannual financial statements at June 30, 2013, the adoption of the new provisions of *IAS 19* produced, respectively, before and after tax effect: (i) reductions in the shareholders’ equity at January 1, 2012 amounting to 65 million euros (0.1 million euros for Parmalat S.p.A.) and 48 million euros (0.1 million euros for Parmalat S.p.A.); and (ii) reductions in the shareholders’ equity at December 31, 2012 amounting to 68 million euros (1.4 million euros for Parmalat S.p.A.) and 50 million euros (1.0 million euros for Parmalat S.p.A.). The impact on the income statement at June 30, 2012 was negligible.

More in detail, the Group determined that the adoption of the amendments to *IAS 19* produced the following retrospective effects

	At January 1, 2012		
	Previously reported amounts	Effects from the adoption of amended IAS 19	Restated amounts
<i>(in millions of euros)</i>			
Effects on the consolidated statement of financial position			
Deferred-tax assets	75.6	1.8	77.4
Deferred-tax liabilities	170.3	(15.1)	155.2
Provisions for employee benefits	89.0	64.7	153.7
SHAREHOLDERS’ EQUITY	3,655.3	(47.8)	3,607.5
Group interest in shareholders’ equity	3,630.2	(47.8)	3,582.4
Minority interest in shareholders’ equity	25.1		25.1

	At December 31, 2012		
	Previously reported amounts	Effects from the adoption of amended IAS 19	Restated amounts
<i>(in millions of euros)</i>			
Effects on the consolidated statement of financial position			
Deferred-tax assets	73.5	2.1	75.6
Deferred-tax liabilities	183.2	(15.7)	167.5
Provisions for employee benefits	96.2	68.5	164.7
SHAREHOLDERS’ EQUITY	3,068.8	(50.7)	3,018.1
Group interest in shareholders’ equity	3,043.9	(50.7)	2,993.2
Minority interest in shareholders’ equity	24.9		24.9

<i>(in millions of euros)</i>	Previously reported amounts	Effects from the adoption of amended IAS 19	Restated amounts
Effects on the statement of comprehensive income			
Net profit for the period (A)	83.6	-	83.6
Other comprehensive gains/(losses) that will not be later reclassified into profit/(loss) for the period:			
Remeasuring of defined-benefit plans net of tax effect	-	(1.8)	(1.8)
Total other comprehensive gains/(losses) that will not be later reclassified into profit/(loss) for the period net of tax effect (B1)	-	(1.8)	(1.8)
Other comprehensive gains/(losses) that will be later reclassified into profit/(loss) for the period:			
Change in fair value of derivatives (cash-flow hedge), net of tax effect	(3.3)	-	(3.3)
Difference on translation of financial statements in foreign currencies	33.7	-	33.7
Recognition in profit or loss of the cash-flow hedge reserve	2.2	-	2.2
Recognition in profit or loss of the reserve for translation differences upon the sale/liquidation of equity investments	(2.4)	-	(2.4)
Total other comprehensive gains/(losses) that will be later reclassified into profit/(loss) for the period net of tax effect (B2)	30.2	-	30.2
Total other components of the comprehensive income statement, net of tax effect (B)=(B1)+(B2)	30.2	(1.8)	28.4
Total comprehensive net profit (loss) for the period (A) + (B)	113.8	(1.8)	112.0

Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standard – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (applicable to accounting periods beginning on or after January 1, 2013). The revised version of this accounting principle applies to instances and situations that did not exist at the Company on the date of this Interim Report on Operations.

Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standard – Government Loans (applicable to accounting periods beginning on or after January 1, 2013). The revised version of this accounting principle applies to instances and situations that did not exist at the Company on the date of this Interim Report on Operations.

Amendments to IAS 12 – Income Taxes – Deferred Tax: Recovery of Underlying Assets (applicable to accounting periods beginning on or after January 1, 2013). The revised version of this accounting principle applies to instances and situations that did not exist at the Company on the date of this Interim Report on Operations.

IFRS 13 – Fair Value Measurement (applicable to accounting periods beginning on or after January 1, 2013). As of the date of this Interim Report on Operations, the adoption of this new principles did not have a material impact on the Group.

Amendments to IFRS 7 – Financial Instruments: Disclosures -- Offsetting Financial Assets and Financial Liabilities (applicable to accounting periods beginning on or after January 1, 2013 and interim periods). As of the date of this Interim Report on Operations, the adoption of this revised version had no impact in terms of the valuation of financial statement items.

Minor amendments to the IFRSs – Improvements to the International Accounting Principles – 2009-2011 Cycle (applicable retrospectively to accounting periods beginning on or after January 1, 2013). As of the date of this Interim

Report on Operations, the adoption of this revised version had no impact in terms of the valuation of financial statement items.

When preparing the condensed consolidated semiannual financial statements, Directors apply accounting principles and methods that, in some cases, are based on complex and subjective valuations and estimates that are based on historical data and assumptions that, in each individual case, are deemed to be reasonable and realistic in light of the relevant circumstances. The use of these estimates and assumptions has an impact on the amounts reported in the financial statement schedules, which include a statement of financial position, an income statement and a statement of cash flows, and in additional disclosures. The amounts shown for those components of the financial statements for which the abovementioned estimates and assumptions were used could differ from the amounts actually realized, due to the uncertainty that characterizes all assumptions and the conditions upon which the estimates were based. Estimates and assumptions are revised on a regular basis and the impact of any resulting change is recognized in the period when a revision of estimates occurred, if the revision affects only the current period, and is also applied to future periods, when the revision has an impact both on the current period and on future periods. The financial statement items that require the most use of subjective judgment by Directors in developing estimates and with respect to which a change in the underlying assumptions used could have a material impact on the condensed consolidated semiannual financial statements are those concerning goodwill; writedowns of property, plant and equipment; depreciation and amortization of non-current assets; deferred taxes; the allowance for doubtful accounts; provisions for risks (specifically with regard to pending litigation); pension plans and post-employment benefits; and the reserves for creditor challenges and claims of late-filing creditors. Information about the main assumptions and the sources used to develop estimates is provided in the relevant notes to the consolidated financial statements at December 31, 2012.

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.

Segment Information

In January 2013, the Group introduced a new organizational model designed to foster growth and realize industrial and commercial synergies, defining specific geographic regions and providing these regions with appropriate organizations. The regions thus defined are: Europe, North America, Latin America, Africa and Australia. Consequently, in accordance with the requirements of IFRS 8, the segment information at June 30, 2013 and for the previous period, provided for comparison purposes, is being presented taking into account the Group's new governance structure.

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, 2013 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.

Please note that the requirements listed above are currently still being met with regard to Centrale del Latte di Roma pending a final conclusion of the judicial dispute explained in the section of this report entitled "Key Events in the First Half of 2013."

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.
These companies are included in the list of the Group's equity investments because the Group is the owner of their share capital.
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, with their subsidiaries, and those over which it no longer has the power to determine their financial and operating policies and benefit from their operation. These companies, which are not large in size, are:
 - PRM Administração e Participação do Brasil (Brazil);
 - Airetcal SA (Uruguay);
 - Swojas Energy Foods Limited (India);
 - Parmalat (Zhaodong) Dairy Corp. Ltd (China).

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

- The carrying value of the investments was written off;
- The receivables owed by these companies to other Group companies were written off;
- A provision for risks in connection with indebtedness guaranteed by Group companies was recognized;
- The receivables owed to the companies listed above by Group companies continued to be included in the indebtedness of Group companies.

Venezuela

The income statement and statement of financial position data of the Venezuelan subsidiaries, when stated in the local currency, are affected by a rate of inflation that, over the past three years, exceeded the cumulative threshold of 100%, which triggered the adoption of the adjustments required by IAS 29 – *Financial Reporting in Hyperinflationary Economies*, starting 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 398.6 (285.5 in June 2012) and the year-over-year change in the index was 39.61%.

On February 8, 2013, the Venezuelan authorities announced the devaluation of the Bolivar Fuerte, which went from 4.30 to 6.30 versus the U.S. dollar.

This measure went into effect as of February 9, 2013, following the publication of *Convenio Cambiario N° 14* on February 8, 2013, in issue No. 40,108 of the *Official Gazette*.

The abovementioned *Convenio* called, inter alia, for the establishment of a high-level entity that, acting jointly with the Ministry of Planning and Finances and the Chairman of the Venezuelan Central Bank, would decide the policies required to rebalance and rationalize the flows of foreign exchange into the national economy, assessing priorities in the allocation of foreign exchange.

In addition, the Venezuelan authorities announced the elimination of *SITME*, which enabled interested parties to make payments in foreign currencies and buy with local currency government securities denominated in foreign currency, at the exchange rate of 5.30 bolivars for one U.S. dollar, through Venezuelan financial institutions authorized by the Venezuelan Central Bank to execute transactions in the securities market using the *SITME*.

In March, as a replacement for *SITME*, the government established the *Sistema Complementario de Administración de Divisas (SICAD)*, which is based of highest-bidder auctions to offer dollars at exchange rates higher than the official rate. The first auction, for 200 million dollars was held in March. Subsequent to the launch of the system, the Venezuelan government determined that the system needed certain adjustments and greater flexibility. On June 26, 2012, the authorities announced that *SICAD* would be reactivated in July.

CADIVI, the local foreign exchange authority, will continue to be the institution responsible for managing the national foreign exchange market, handling all purchases and sales of foreign exchange in Venezuela.

The fixed exchange rate, applied for all foreign exchange transactions involving imports and exports of goods and services, is established between the Venezuelan and U.S. currency; other currencies must first be converted into U.S. dollars at the international exchange rates and then converted into the Bolivar Fuerte at the fixed exchange rate.

Parmalat used the official exchange rate of 6.30 VEF/USD to convert the income statement (from the effective date of the government measure) and balance sheet data of its subsidiary for inclusion in the Interim Report on Operations. The devaluation of the Bolivar Fuerte determined, at the effective date of the devaluation, a reduction of the subsidiary's contribution to the consolidated shareholders' equity estimated at about 40 million euros.

Intercompany and Related-party Transactions

Intercompany and related-party transactions were neither atypical nor unusual and were carried out by the Company in the normal course of business. These transactions were settled on market terms, i.e., on the terms that would have been applied between two independent parties. Currently, the Group executes transactions with the following related parties:

1. Certain 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:

<i>(in millions of euros)</i>		6/30/13					
Company	Country	Trade receivables	Financial receivables	Other receivables	Trade payables	Financial payables	Other payables
PPL Participações Ltda	Brazil					1.1	
Wishaw Trading sa	Uruguay					2.2	
Total		-	-	-	-	3.3	-

<i>(in millions of euros)</i>		12/31/12					
Company	Country	Trade receivables	Financial receivables	Other receivables	Trade payables	Financial payables	Other payables
PPL Participações Ltda	Brazil					1.1	
Wishaw Trading sa	Uruguay					2.2	
Total		-	-	-	-	3.3	-

Revenues and expenses and any writedowns of receivables recognized in the first half 2013 or 2012 were not material.

2. Some Group companies executed transactions with subsidiaries of the Lactalis Group. These transactions, which were carried out on market terms, i.e., on the terms that would have been applied between two independent parties, were related to sale and procurement of raw materials and finished goods, provision of services, invoicing for seconded personnel, use of commercial licenses and procurement and investment of financial resources. Starting in 2012, transactions between companies of the Lactalis and the Parmalat Group intensified, launching a strategy of collaboration with the aim of seizing market opportunities and achieving cost savings through operational and industrial synergies, without affecting the individuality, structure and scope of the individual companies.

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

<i>(in millions of euros)</i>		6/30/13					
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					2.9	
B.S.A. S.A.	France				0.5		
Egidio Galbani S.p.A.	Italy	1.3			4.2		
Gruppo Lactalis Iberia S.A.	Spain				0.1		
I. M. Fabrica de Brinzeturi Din Soroca s.a.	Moldavia	0.1					
Italatte S.p.A.	Italy	0.5			2.2		
L.A. Management	France				0.2		
L.G.P.O. S.n.c.	France				0.1		
L.N.U.F. Laval S.n.c.	France				0.4		
Lactalis Compras y Suministros S.L.	Spain	0.2					
Lactalis CZ S.r.o.	Czech Republic				0.3		
Lactalis Europe S.n.c.	France				0.2		
Lactalis Gestion International S.n.c.	France				0.1		
Lactalis Informatique	France				0.5		
Lactalis Ingredients S.n.c.	France	2.0			6.1		
Lactalis International S.n.c.	France	3.0			0.7		
Lactalis Investissements Etablissement Sonovi	France	0.2					
Lactalis Logistique S.n.c.	France				0.1		
Lactalis Management S.n.c.	France				0.3		
Lemnos Foods Pty Ltd	Australia	0.3					
Les Distributeurs Associes S.a.s.	France				2.4		
Les Distributeurs Associes S.n.c.	France				0.3		
Longa Vida Industrias Lacteas S.A.	Portugal			0.1			
Marcillat Corcieux S.n.c.	France				0.4		
Société des Caves S.a.s.	France				4.0		
Société Fromagère Charchigne S.n.c.	France				0.3		
Société Fromagère de Bouvron S.n.c.	France				0.1		
Société Fromagère de Domfront S.n.c.	France				0.1		
Société Fromagère de Pontivy S.n.c.	France				0.1		
Société Fromagère de Riblaire	France				0.1		
Société Fromagère de Vercel	France				0.1		
Société Laitiere de Vitre S.n.c.	France				0.3		
United Food Industries Company	Australia	1.4					
Total		9.0	-	0.1	24.2	2.9	-

*(in millions of euros)***12/31/12**

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					5.5	
B.S.A. S.A.	France	0.3					
Egidio Galbani S.p.A.	Italy				1.6		
Groupe Lactalis S.A.	France				0.1		
Gruppo Lactalis Italia S.p.A.	Italy				(0.1)		
Industrias Lacteos de Penafiel S.L.	Spain				0.1		
Italatte S.p.A.	Italy	0.7			6.3		
L.A. Management	France				0.4		
L.G.P.O. S.n.c.	France				0.1		
L.N.U.F. Laval S.n.c.	France				0.2		
Lactalis Compras y Suministros S.L.	Spain				0.8		
Lactalis CZ S.r.o.	Czech Republic				0.1		
Lactalis Europe S.n.c.	France				0.1		
Lactalis Gestion International S.n.c.	France				0.1		
Lactalis Hungaria KFT S.a.r.l.	Hungary	0.1					
Lactalis Ingredients S.n.c.	France	3.7			6.3		
Lactalis International S.n.c.	France	10.6			7.1		
Lactalis Logistique S.n.c.	France				0.1		
Lactalis Management S.n.c.	France				0.7		
Lemnos Foods Pty Ltd	Australia	0.3					
Les Distributeurs Associes S.a.s.	France				4.6		
Les Distributeurs Associes S.n.c.	France				0.2		
Marcillat Corcieux S.n.c.	France				0.2		
Molkerei Laiterie Walhorn S.A.	Belgium				0.1		
Société des Caves S.a.s.	France	0.1			1.1		
Société Fromagère Charchigne S.n.c.	France				0.1		
Société Fromagère de Bouvron S.n.c.	France				0.1		
Société Fromagère de Retiers S.n.c.	France				0.1		
Société Fromagère de Riblaire	France				0.1		
Société Laitiere de Vitre S.n.c.	France				0.2		
Total		15.8	-	-	30.8	5.5	-

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

(in millions of euros)		6/30/13					
Company	Country	Net sales revenues	Other revenues	Financial income	Cost of sales	Distribution costs	Administrative expenses
B.S.A. S.A.	France			3.3		1.0	
Egidio Galbani S.p.A.	Italy				3.2	1.2	
Gruppo Lactalis Iberia S.A.	Spain						0.1
Italatte S.p.A.	Italy	2.0			6.7		
Lactalis Compras y Suministros S.L.	Spain	0.2					
Lactalis CZ S.r.o.	Czech Republic				0.9		
Lactalis Europe	France				0.2		
Lactalis Forlasa	France				0.2		
Lactalis Gestion International S.n.c.	France				0.3		0.2
Lactalis Informatique	France						0.1
Lactalis Ingredients	France	5.9			7.7		
Lactalis Jindi	Australia	0.1					
Lactalis International S.n.c.	France	4.7	2.2		0.9		0.1
Lactalis Logistique	France				0.4		
Lactalis Management S.n.c.	France						0.7
L.A. Management S.n.c.	France						0.2
Lactalis Nutrition Sante	France				0.1		0.1
Lemnos Foods Pty Ltd	Australia	0.9					
Les Distributeurs Associes S.a.s.2I0052	France					3.0	
Les Distributeurs Associes S.N.C.2I0211	France					0.3	0.1
L.G.P.O. S.n.c.	France						0.3
L.N.U.F. Laval S.n.c.	France				0.8		
Longa Vida Industrias Lacteas S.A.	Portugal		0.1				
Marcillat Corcieux S.n.c.	France				1.8		
Molkerei Laiterie Walhorn S.A.	Belgium				0.5		
Société Beurriere D'Isigny	France				0.4		
Société des Caves S.a.s.	France				6.1		
Société Fromagère Charchigne S.n.c.	France				1.6		
Société Fromagère de Bouvron S.n.c.	France				0.8		
Société Fromagère de Domfront S.n.c.	France				0.2		
Société Fromagère de Lons Le Saunier	France				0.2		
Société Fromagère de Pontivy	France				0.1		
Société Fromagère de Retiers S.n.c.	France				0.3		
Société Fromagère de Riblaire	France				0.7		
Société Fromagère de Saint Georges	France						0.1
Société Fromagère de Vercel	France				0.2		
Société Fromagère de Xertigny	France						0.1
Société Laitiere de Vitre S.n.c.	France				0.9		
United Food Industries Company	Australia	1.4					
Yefremovsky Butter and Cheese	Russia				0.2		
Total		15.2	2.3	3.3	35.4	5.5	2.1

<i>(in millions of euros)</i>		6/30/12					
Country	Country	Net sales revenues	Other revenues	Financial income	Cost of sales	Distribution costs	Administrative expenses
B.S.A. Finances S.n.c.	France			10.0			
Egidio Galbani S.p.A.	Italy						0.2
Italatte S.p.A.	Italy	0.8			4.0		
L.A. Management S.n.c.	France						0.2
Lactalis Beurres & Cremes S.n.c.	France	1.2					
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
Lemnos Foods Pty Ltd	Australia	0.1					
Molkerei Laiterie Walhorn S.A.	Belgium				0.1		
Puleva Food S.L.	Spain				0.6		
Yefremovsky Butter and Cheese	Russia				0.9		
Total		2.1	-	10.0	6.4	-	0.6

3. With regard to transactions with members of the Board of Directors, please note that, at June 30, 2013, Parmalat S.p.A. carried a trade payable of 0.5 million euros (1.2 million euros at December 31, 2012) owed to Studio Legale Associato d'Urso Gatti e Bianchi for professional services rendered in 2012. The professional services rendered in the first half of 2013, included in Miscellaneous income and expenses, amounted to 0.2 million euros (0.9 million euros in the first half of 2012, included in Miscellaneous income and expenses).

Percentage of Total Amounts Attributable to Transactions with Related Parties

<i>(in millions of euros)</i>	Consolidated assets	Consolidated liabilities	Net financial assets	Net sales revenues	Other revenues	Cost of sales	Distribution costs	Administrative expenses	Miscell.. inc. and exp.
Total consolidated amount	4,349.5	1,279.6	877.3	2,594.8	24.4	1,889.8	432.9	169.8	1.3
Related-party amount	9.1	30.9	(6.2)	15.2	2.3	35.4	5.5	2.1	(0.2)
Percentage of the total	0.2%	2.4%	n.m.	0.6%	9.4%	1.9%	1.3%	1.2%	n.m.

Compensation Awarded to Directors and Statutory Auditors

The compensation awarded to members of the Board of Directors of Parmalat S.p.A. in the first half of 2013 amounted to 1.4 million euros (0.8 million euros in the first six months of 2012), including the amount allotted for attending meetings of Board Committees.

The compensation awarded to members of the Board of Statutory Auditors of Parmalat S.p.A. in the first half of 2013 amounted to 0.1 million euros (0.1 million euros in the first half of 2012).

Compensation Awarded to Key Management Personnel

The table below shows the compensation awarded to the Chief Operating Officer and to Group executives with strategic responsibilities (key management personnel):

<i>(in millions of euros)</i>	First half 2013	First half 2012
Short-term benefits	1.1	1.0
Post-employment benefits	-	-
Severance benefits	-	-
Total	1.1	1.0

Notes to the Statement of Financial Position – Assets

(1) Goodwill

Goodwill amounted to 463.9 million euros. The changes that occurred during the first six months of 2012 and 2013 are listed below:

(in millions of euros)	Goodwill
Balance at 1/1/12	445.4
- Currency translation differences	6.2
Balance at 6/30/12	451.6
Balance at 1/1/13	478.0
- Currency translation differences	(14.1)
Balance at 6/30/13	463.9

Goodwill of 463.9 million euros is shown net of the corresponding provision for impairment amounting to 83.4 million euros (83.3 million euros at December 31, 2012).

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)	6/30/13	12/31/12
Europe		
- Parmalat S.p.A.	184.0	184.0
- Centrale del Latte di Roma S.p.A.	34.6	34.6
- Carnini S.p.A.	1.8	1.8
- Russia	5.5	5.9
- Romania	0.1	0.1
North America		
- Canada	131.9	137.6
- USA (LAG)	34.0	33.7
Australia	72.0	80.3
Total	463.9	478.0

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 2013.

(2) Trademarks with an Indefinite Useful Life

Trademarks with an indefinite useful life were valued at 563.3 million euros. The changes that occurred during the first six months of 2012 and 2013 are listed below:

(in millions of euros)	Trademarks with an indefinite useful life
Balance at 1/1/12	594.9
- Other changes	(5.9)
- Currency translation differences	11.6
Balance at 6/30/12	600.6
Balance at 1/1/13	590.0
- Currency translation differences	(26.7)
Balance at 6/30/13	563.3

Trademarks with an indefinite useful life of 563.3 million euros are net of a provision for impairment amounting to 63.2 million euros (65.4 million euros at December 31, 2012).

A breakdown of trademarks with an indefinite useful life, carried at 563.3 million euros, is as follows:

(in millions of euros)	6/30/13	12/31/12
Europe		
- Parmalat	127.1	127.2
- Santal	29.6	29.9
- Centrale del Latte di Roma	24.7	24.7
- Chef	15.1	15.1
- Sundry trademarks	4.0	4.0
North America		
- Beatrice	86.0	89.8
- Lactantia	71.0	74.1
- Black Diamond	32.2	33.6
- Astro	23.8	24.8
- Sundry trademarks ¹	16.2	16.8
Latin America		
- Parmalat	17.6	19.1
Australia		
- Pauls	50.7	56.5
- Rev, Skinny e Farmhouse	27.0	30.1
- Parmalat	0.4	0.4
- Sundry trademarks	8.6	9.6
Africa		
- Parmalat	13.3	15.6
- Bonnita	10.8	12.6
- Sundry trademarks	5.2	6.1
Total	563.3	590.0

¹ Includes the Rondele trademark contributed by the consolidation of LAG.

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 their 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 2013.

(3) Other Intangibles

Other intangibles of 46.7 million euros include costs capitalized by Parmalat S.p.A. and its subsidiaries, which are expected to produce benefits over several years.

The table below provides a breakdown of Other intangibles and shows the changes that occurred in the first half of 2012 and 2013:

(in millions of euros)	Trademarks with a finite life	Concessions, licenses and similar rights	Miscellaneous intangibles	Work in progress	Total
Balance at 1/1/12	15.2	20.9	4.3	3.3	43.7
- Additions	-	1.0	0.2	0.4	1.6
- Amortization (-)	(1.5)	(3.9)	(0.5)	-	(5.9)
- Other changes	5.9	3.8		(3.5)	6.2
- Monetary adjustment for hyperinflation	0.3	-	0.2	-	0.5
- Currency translation differences	0.3	0.2	0.1	0.1	0.7
Balance at 6/30/12	20.2	22.0	4.3	0.3	46.8
Balance at 1/1/13	27.0	19.5	6.2	2.7	55.4
- Additions	-	0.1	0.2	1.3	1.6
- Writedowns (-)	-	(0.4)			(0.4)
- Amortization (-)	(3.5)	(3.7)	(0.9)		(8.1)
- Other changes	-	0.9	0.2	(0.2)	0.9
- Monetary adjustment for hyperinflation	0.7	-	0.4		1.1
- Currency translation differences	(2.4)	(0.6)	(0.7)	(0.1)	(3.8)
Balance at 6/30/13	21.8	15.8	5.4	3.7	46.7

Additions of 1.6 million euros refer mainly to purchases of SAP usage licenses and software implementation.

(4) Property, Plant and Equipment

Property, plant and equipment totaled 946.7 million euros. The table below provides a breakdown of this item and shows the changes that occurred in the first half of 2012 and 2013:

(in millions of euros)							
	Land	Buildings	Plant and machinery	Industrial equipment	Other assets	Construction in progress	Total
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
Balance at 1/1/13	165.5	309.7	394.0	16.3	41.4	72.4	999.3
- Additions	0.1	1.2	7.2	0.2	2.3	47.5	58.5
- Disposals (-)	-	-	(0.4)	(0.1)	(0.4)	(0.2)	(1.1)
- Writedowns (-)	-	(0.2)	-	-	-	-	(0.2)
- Depreciation (-)	-	(11.0)	(37.3)	(2.7)	(7.8)	-	(58.8)
- Other changes	-	6.8	19.4	2.5	4.2	(33.8)	(0.9)
- Monetary correction for hyperinflation	2.2	5.1	2.9	-	0.4	0.8	11.4
- Currency translation differences	(10.3)	(20.3)	(21.8)	(1.3)	(2.9)	(4.9)	(61.5)
Balance at 6/30/13	157.5	291.3	364.0	14.9	37.2	81.8	946.7

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 12.5 million euros, is as follows:

(in millions of euros)	6/30/13	12/31/12
Buildings	5.3	6.0
Plant and machinery	3.4	2.3
Other assets	3.8	4.1
Total property, plant and equipment acquired under finance leases	12.5	12.4

(5) Inventories

Inventories totaled 531.2 million euros, for an increase of 22.7 million euros compared with December 31, 2012.

<i>(in millions of euros)</i>	6/30/13	12/31/12
Raw materials, auxiliaries and supplies	173.0	185.9
Work in progress and semifinished goods	22.3	24.4
Finished goods and merchandise	338.3	299.9
Advances	1.6	4.6
Provision for inventory writedowns	(4.0)	(6.3)
Total inventories	531.2	508.5

The main factors accounting for this increase include the following:

- 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;
- higher inventories of finished products held by the Lactalis American Group subsidiary, following strategic purchases of Black Diamond cheddar cheese produced by Parmalat Canada Inc. in anticipation of sales in future reporting periods. These purchases will enable the Lactalis American Group subsidiary to be the exclusive distributor of this product in America.

These changes were offset in part by negative currency translation differences due to the appreciation of the euro versus the currencies of the main countries in which the Group operates.

(6) Trade Receivables

Trade receivables totaled 489.4 million euros, or 68.0 million euros less than at December 31, 2012.

This decrease is mainly due to a reduction in collection days that reflects a more efficient credit collection system and to negative currency translation differences due to the appreciation of the euro versus the currencies of the main countries in which the Group operates.

The amount of 480.4 million euros shown for Trade receivables owed by customers is net of an Allowance for doubtful accounts of 77.2 million euros. The table that follows shows the changes that occurred in this allowance in the first half of 2012 and 2013:

<i>(in millions of euros)</i>	
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
Balance at 1/1/13	78.9
- Additions	2.1
- Utilizations (-)	(2.8)
- Other changes	(0.1)
- Currency translation differences	(0.9)
Balance at 6/30/13	77.2

Trade receivables owed by related parties, amounting to 9.0 million euros, are reviewed in the section of these notes entitled "Intercompany and Related-party Transactions."

(7) Cash and Cash Equivalents

Cash and investments in financial assets with an original maturity of three months or less at the time of purchase amounted to 806.5 million euros, for an increase of 68.1 million euros compared with December 31, 2012:

<i>(in millions of euros)</i>	6/30/13	12/31/12
- Bank and postal accounts	796.8	732.7
- Cash and securities on hand	2.3	1.7
- Financial assets	7.4	4.0
Total cash and cash equivalents	806.5	738.4

Bank and postal accounts of 796.8 million euros represent deposits held at top banking and financial institutions with an investment grade credit rating.

Financial assets, which totaled 7.4 million euros, consist of maturing time deposits.

The increase of 68.1 million euros in Cash and cash equivalents reflects primarily the collection of USD 130 million, plus accrued interest, which is the amount agreed upon by the parties (the Parmalat Group as the buyer and the Lactalis Group as the seller) as the price adjustment owed to the Parmalat Group for the July 2012 acquisition of LAG. This increase was offset in part by the payment of dividends totaling 23.8 million euros.

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

Notes to the Statement of Financial Position – Shareholders' Equity

At June 30, 2013, the Group's shareholders' equity totaled 3,043.5 million euros.

(8) Share Capital

The share capital grew to 1,763,045,307 euros. The change compared with December 31, 2012 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 73,000 euros, and (ii) the amount generated by the exercise of warrants, which totaled 1,785,390,

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 2013:

	Number of shares
Shares outstanding at 1/1/13	1,761,186,917
Shares issued upon verification of claims of late-filing creditors and/or upon the settlement of challenges (using reserves established for this purpose)	73,000
Shares issued upon the conversion of warrants	1,785,390
Shares outstanding at 6/30/13	1,763,045,307

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.

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	303.8
Total increases reserved for creditors	1,844.9
- Shares available for the conversion of warrants	95.0
Total capital increase	1,939.9
Share capital amount at Company establishment	0.1
Maximum share capital amount	1,940.0

As shown above, the Company's share capital amounted to 1,763.1 million euros at June 30, 2013. As of the writing of these Notes, it had increased by 35.2 million euros to a total of 1,798.3 million euros.

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

At June 30, 2013, the reserve convertible into share capital amounted to 68.3 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.

(10) Reserve for Currency Translation Differences

The Reserve for currency translation differences, negative by 113.9 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

At June 30, 2013, Other reserves of 1,220.6 million euros included the following items: (i) retained earnings and miscellaneous reserves of 1,143.5 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 99.6 million euros; (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; and (iv) a negative reserve of 49.2 million euros for the remeasuring of defined benefit plans, recognized upon the adoption of the amendments to IAS 19.

(12) Profit for the Period

The Group's interest in the profit for the period amounted to 105.4 million euros.

Reconciliation of the Shareholders' Equity of Parmalat S.p.A. to the Consolidated Shareholders' Equity

<i>(in millions of euros)</i>	Shareholders' equity before result for the period	Result for the period	Shareholders' equity
Shareholders' equity of Parmalat S.p.A. at 6/30/13	2,870.0	53.3	2,923.3
<i>Elimination of the carrying value of consolidated investments in associates</i>			
- Difference between the carrying amount and the pro rata interest in the underlying shareholders' equity	536.2	-	536.2
- Effect of the acquisition of Lactalis American Group Inc. (and its subsidiaries), Lactalis do Brazil and Lactalis Alimentos Mexico ¹	(376.9)		(376.9)
- Pro rata interest in the results of investee companies	-	95.4	95.4
- Reserve for currency translation differences	(113.9)	-	(113.9)
<i>Other adjustments:</i>			
- Elimination of writedowns of receivables owed by subsidiaries	22.7	(0.2)	22.5
- Elimination of dividends	-	(43.1)	(43.1)
Group Interest in shareholders' equity at 6/30/13	2,938.1	105.4	3,043.5
Minority interest in shareholders' equity and result for the period	24.9	1.5	26.4
Consolidated shareholders' equity at 6/30/13	2,963.0	106.9	3,069.9

¹ See Note 23.

(13) Minority Interest in Shareholder's Equity

At June 30, 2013, the minority interest in shareholders' equity totaled 26.4 million euros. This amount is represented almost entirely by the interest held by minority shareholders in the following companies:

<i>(in millions of euros)</i>	6/30/13	12/31/12
Centrale del Latte di Roma S.p.A.	13.3	10.3
Parmalat Zambia Limited	4.3	4.0
Citrus International SA	2.7	3.8
Industria Lactea Venezolana CA (Indulac)	2.4	2.6
Parmalat Colombia Ltda	2.2	2.6
Sundry companies	1.5	1.6
Total	26.4	24.9

Notes to the Statement of Financial Position – Liabilities

(14) Provisions for Risks and Charges

Provisions for risks and charges totaled 163.6 million euros. The changes that occurred in the first half of 2012 and 2013 are shown below:

<i>(in millions of euros)</i>	Provision for tax-related risks and charges	Provision for other risks and charges	Total
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
Balance at 1/1/13	44.0	130.1	174.1
- Increases	1.2	5.2	6.4
- Decreases (-)	(0.2)	(2.3)	(2.5)
- Reversals (-)	(7.3)	(1.5)	(8.8)
- Monetary adjustment for hyperinflation	0.9	-	0.9
- Currency translation differences	(6.3)	(0.2)	(6.5)
Balance at 6/30/13	32.3	131.3	163.6

Provision for Tax-related Risks and Charges

This item refers mainly to tax-related risks of a subsidiary in South America, related to adjustments to the carrying amounts of some assets, and to an Italian company for tax risks regarding previous years, for which the risk of an unfavorable outcome has been assessed as probable.

During the year, this provision was updated, consistent with new assessments

Provision for Other Risks and Charges

The Provision for other risks and charges of 131.3 million euros covers the following:

<i>(in millions of euros)</i>	6/30/13	12/31/12
Provision for Centrale del Latte di Roma litigation	95.1	95.1
Risks on investee companies	8.4	4.8
Supplemental sales agent benefits	8.3	8.3
Provision for staff downsizing	7.1	9.5
Registration fee on court documents and legal expenses	5.3	4.6
Litigation	2.1	2.2
Legal disputes with employees	0.8	0.9
Miscellaneous	4.2	4.7
Total provision for other risks and charges	131.3	130.1

The recognition of a provision for risks for the “Centrale del latte di Roma litigation” was necessary due to the unfavorable outcome of the proceedings at the lower court level, given the decision handed down by the Court of

Rome and the risk associated with that decision. Parmalat appealed the decision by the Court of Rome to protect its rights, asking that the enforcement of the appealed decision be stayed. More detailed information about this dispute is provided in the section of this Report entitled "Key Events in the First Half of 2013."

An analysis of the most significant legal disputes involving Group companies is provided in the section of these Notes entitled "Legal Disputes and Contingent Liabilities at June 30, 2013."

(15) Trade Payables

Trade payables totaled 611.5 million euros, or 30.3 million euros less than at December 31, 2012:

(in millions of euros)	6/30/13	12/31/12
- Trade payables owed to suppliers	586.1	609.1
- Trade payables owed to related parties	24.7	32.0
- Advances	0.7	0.7
Total	611.5	641.8

The change compared with the end of 2012 is due mainly to negative translation differences, due to the appreciation of the euros versus the currencies of the main countries in which the Group operates.

Payables owed to related parties totaling 24.7 million euros are detailed in the section of this Report entitled "Intercompany and Related-party Transactions."

(16) Other Current Liabilities

Other current liabilities totaled 123.2 million euros, or 71.8 million euros less than at December 31, 2012:

(in millions of euros)	6/30/13	12/31/12
- Taxes payable	13.1	20.1
- Contributions to pension and social security institutions	10.8	11.6
- Amount owed to OTPPB	-	55.2
- Other payables	80.6	84.7
- Accrued expenses and deferred income	18.7	23.4
Total	123.2	195.0

The change in this account is due mainly to the payment of the second and last installment owed to the Ontario Teachers Pension Plan Board ("OTPPB") pursuant to the Liquidity Payment Agreement, following the settlement of the dispute with the OTPPB, and the payment of taxes withheld on dividends.

Guarantees and Commitments

Guarantees

(in millions of euros)	6/30/13			12/31/12		
	Sureties	Collateral	Total	Sureties	Collateral	Total
provided on behalf of Group companies	4.0	-	4.0	4.0	-	4.0
provided on behalf of the Company	210.1	21.2	231.3	189.8	23.6	213.4
Total guarantees	214.1	21.2	235.3	193.8	23.6	217.4

The sureties provided by outsiders on behalf of the Company (210.1 million euros) refer mainly to guarantees provided by banks and/or insurance companies to government finance agencies in connection with VAT refunds and prize contests.

Collateral of 21.2 million euros was provided to banks and other credit institutions to secure credit lines and consists of assets of the companies receiving the credit lines.

Commitments

(in millions of euros)	6/30/13	12/31/12
Commitments:		
- Operating leases	64.6	71.7
<i>within 1 year</i>	13.3	15.4
<i>from 1 to 5 years</i>	32.0	39.7
<i>after 5 years</i>	19.3	16.6
- Other commitments	40.2	29.7
Total commitments	104.8	101.4

Commitments under operating leases apply mainly to the Canadian subsidiary (32.1 million euros) and the subsidiaries in Australia (19.1 million euros) and Africa (13.3 million euros).

Other commitments of 40.2 million euros refer mainly to short-term contracts to purchase raw materials, packaging materials and non-current assets signed by Parmalat Canada Inc. (17.5 million euros) and by subsidiaries in Australia (14.4 million euros) and Africa (4.1 million euros). This item includes the par value of Parmalat shares (4.2 million euros) attributable to identified creditors of the companies included in the composition with creditors that are currently deposited with Fondazione Creditori Parmalat.

Contingent Assets at June 30, 2013

Within the framework of the actions for enforcement filed by Parmalat S.p.A. in A.S. and Parmalat Finanziaria S.p.A. under Extraordinary Administration against parties who, in criminal proceedings, were the subject of a provisional decision ordering them to pay compensation for damages, the abovementioned companies were awarded amounts totaling 6 million euros, formerly subject to preventive attachment, later seized by the court. The companies under Extraordinary Administration, which had joined the criminal proceedings as civil plaintiffs, will transfer the amounts formally awarded to them to Parmalat S.p.A., which substantively has title to this claim under the Composition with Creditors and, consequently, is entitled to receive them as soon as the award title, still potentially subject to being amended by the Court of Cassation, becomes final.

Legal Disputes and Contingent Liabilities at June 30, 2013

The Group 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 Report on Operations entitled "Key Events in the First Half of 2013."

Creditors Challenging the List of Liabilities and Late Filing Creditors

At June 30, 2013, disputes stemming from challenges to the composition of the lists of verified claims of the companies included in the Composition with Creditors and late filings of claims involved 27 lawsuits filed before the Court of Parma, 125 lawsuits pending before the Bologna Court of Appeals and 1 lawsuit pending before the Court of Cassation.

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). With regard to this issue see the comments provided in the section of this Report entitled "Events Occurring After June 30, 2013."

* * * *

Criminal Proceedings

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 text of the Court's decision has been filed and the defendants have also filed their appeals against the Court's decision. The record of the proceedings has been sent to the Court of Cassation for a ruling on the constitutionality of the decision.

“Tourism Operations” Criminal Proceedings

These proceedings, 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 in Parma 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. under Extraordinary Administration and Parmalat Finanziaria S.p.A. under Extraordinary Administration are parties to these proceedings as plaintiffs seeking damages. The court awarded provisional damages of 120 million euros for the benefit of companies under extraordinary administration that joined the proceedings as plaintiffs seeking damages, including 20 million euros for the benefit of companies under extraordinary administration in the food sector. The defendants appealed this decision and the trial is currently pending before the Bologna Court of Appeals, where merit hearings have not yet been scheduled. In the interim, however, the abovementioned Court of Appeals denied a motion by the defendants to suspend the temporary enforcement of the civil part of the decision.

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; the next hearing has been scheduled for September 23, 2013.

Criminal Proceedings Against JP Morgan

In the proceedings pending against employees and/or officers of JP Morgan, following a motion for indictment by the Public Prosecutor, a preliminary hearing scheduled for July 9, 2013 was rescheduled for October 15, 2013; the companies of the Parmalat Group, designated as injured parties, filed a motion to join the proceedings as plaintiffs seeking damages. The judge is expected to rule on this motion at a hearing scheduled for October 15.

Other Criminal Proceedings

The proceedings targeting employees and/or officers of Standard & Poor’s, in connection with which companies of the Parmalat Group under extraordinary administration have the status of injured parties, are currently pending in the preliminary investigation phase.

In the proceedings concerning paintings that were seized by the court, 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 is currently in progress. Parmalat S.p.A. under Extraordinary Administration joined the proceedings as a plaintiff seeking damages. The paintings are still under seizure and the next hearing has been scheduled for November 15, 2013.

The proceedings involving “Parma Calcio,” 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 scheduling the preliminary hearing, while, in the other case, the preliminary hearing currently under way has been adjourned to November 15, 2013; on that occasion, the Company will file a motion to join the proceedings as a plaintiff seeking damages.

The criminal proceedings against Carlo Alberto Steinhauslin, convicted of money laundering by a lower court, are pending before the Florence Court of Appeals. In these proceedings, in which the Florence Court of Appeals scheduled a hearing for October 29, 2013, Parmalat S.p.A. under extraordinary administration is a participant as a plaintiff seeking damages.

Civil Proceedings Filed by the Group

Actions for Damages

Parmalat Versus Grant Thornton

See the information provided in the section of the Report on Operations entitled "Key Events in the First Half of 2013."

Parmalat Versus JP Morgan

Three 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 (bond issues and derivatives) executed before its bankruptcy are currently pending.

Standard & Poor's: Appeal of the Lower Court's Decision

On September 29, 2012, notice was given of the appeal filed against a decision handed down on July 1, 2011 by which the lower court in Milan granted only in part the claims put forth by Parmalat against "The McGraw – Hill Companies" (Standard & Poor's). By this decision, the Court ordered Standard & Poor's to refund the fees it received (784,000 euro) for assigning an "investment grade" rating to the Parmalat Group from November 2000 up to just a few months before December 2003, but denied the damage claim. The Court of Appeals scheduled for October 9, 2013 the hearing for closing arguments.

Actions to Void in Bankruptcy

A few actions to void in bankruptcy are still pending. Filed mainly against banks, they seek to void transactions or 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. More detailed information about the individual actions is provided below.

Parmalat Versus JP Morgan Chase Bank N.A.: Action to Void Bank Wire Transfers

By a decision handed down on July 12, 2012, the Court of Parma, upholding the claim lodged by Parmalat S.p.A. under Extraordinary Administration and Parmalat S.p.A. against JP Morgan Chase Bank N.A., voided the checking account wire transfers executed by the defendant during the year preceding the declaration of insolvency, ordering the defendant to pay 1.9 million euros, plus interest and inflation adjustment, and legal costs. JP Morgan appealed this decision. The hearing for closing arguments is scheduled for November 4, 2014.

Parmalat Versus JP Morgan Europe Limited – Action to Void for a Financing Facility

An action to void in bankruptcy for about 20 million euros regarding a complex share purchasing and selling transaction aimed at disguising a loan to a subsidiary is pending before the Court of Parma. The court ordered technical expert's report has been filed and the court must now schedule a hearing.

Parmalat versus HSBC Bank PLC

By a decision handed down on November 14, 2012, the Court of Parma denied the action to void filed by Parmalat against HSBC Bank, ordering Parmalat to pay two-third of the legal costs. Parmalat is appealing this decision before the Bologna Court of Appeals. The hearing for closing arguments is scheduled for October 29, 2013.

Parmalat Versus The Royal Bank of Scotland N.V. (formerly ABN AMRO Bank N.V.)

An action to void in bankruptcy for about 0.3 million euros filed by Parmalat against ABN AMRO Bank is pending before the Bologna Court of Appeal. At the initial level, the Court of Parma denied Parmalat's plea. The next hearing is scheduled for December 2, 2014.

Parmalat Versus Tetrapak International S.A.

See the information provided in the section of the Report on Operations entitled "Key Events in the First Half of 2013."

Liability Actions

A 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 is currently pending.

In the liability action filed by Boschi Luigi & Figli S.p.A. (now Dalmata S.p.A.) against its former Directors and Statutory Auditors, deemed responsible for causing the abovementioned company's insolvency, which Parmalat S.p.A. under Extraordinary Administration has joined, the Court of Parma, by a decision filed on October 29, 2012, partially granted the claims of Boschi Luigi & Figli S.p.A. (now Dalmata S.p.A.), finding two defendant jointly liable and ordering them to pay a total of about one million euros, plus interest and inflation adjustment. The decision is temporarily enforceable while the deadline for appealing it is pending.

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).

Tax Disputes

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

Italy

In 2012, the Company filed appeals challenging the assessments issued by the Tax Authorities following audits of earlier tax periods; at the same time, it activated the tools available pursuant to law to resolve these disputes.

A hearing to discuss these appeals has been scheduled for November 11, 2013.

A provision for risks totaling 15.7 million euros was recognized in connection with the abovementioned tax assessments.

The provisions for risks include an additional 4.5 million euros related to tax risks of companies under extraordinary administration included in the Composition with Creditors and related to periods that precede their eligibility for extraordinary administration. These assessments are also being challenged, but a hearing has not yet been scheduled.

A total of about 20.2 million euros has been set aside in the provisions for risks.

South America

South American subsidiaries carried in their financial statements provisions for tax-related contingent risks totaling about 10 million euros.

Lastly, some other Group companies are exposed to tax risks of inconsequential amount.

Notes to the Income Statement

(17) Revenues

A breakdown of revenues is as follows:

<i>(in millions of euros)</i>	First half 2013	First half 2012
Net sales revenues	2,594.8	2,276.9
Other revenues	24.4	15.1
Total revenues	2,619.2	2,292.0

A geographic breakdown of net revenues is as follows:

<i>(in millions of euros)</i>	First half 2013	First half 2012
Europe	555.5	565.0
North America	1,122.4	790.5
Latin America	271.8	253.5
Australia	447.1	460.1
Africa	199.4	208.6
Sundry items ¹	(1.4)	(0.8)
Total net sales revenues	2,594.8	2,276.9

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

Other revenues include the following:

<i>(in millions of euros)</i>	First half 2013	First half 2012
Rebiling of advertising expenses	4.2	2.6
Prior-period items and restatements	3.8	2.0
Royalties	3.0	3.3
Commissions on sales of products	2.3	-
Gains on the sale of non-current assets	1.7	0.3
Insurance settlements	1.1	0.2
Rent	1.0	1.3
Operating grants	0.1	0.3
Expense reimbursements	0.1	0.2
Miscellaneous	7.1	4.9
Total other revenues	24.4	15.1

The consolidation of Lactalis American Group, acquired in July 2012, and the divestment of a non-strategic asset account for most of the increase in Other revenues.

(18) Costs

A breakdown of the costs incurred in the first half of 2013 is as follows:

<i>(in millions of euros)</i>	First half 2013	First half 2012
Cost of sales	1,889.8	1,825.7
Distribution costs	432.9	202.6
Administrative expenses	169.8	156.9
Total costs	2,492.5	2,185.2

A breakdown by type of the costs incurred in the first half of 2013 is as follows:

<i>(in millions of euros)</i>	First half 2013	First half 2012
Raw materials and finished goods	1,400.8	1,252.2
Labor costs	362.8	317.2
Packaging materials	207.0	192.7
Freight	146.0	108.4
Depreciation, amortization and writedowns of non-current assets	67.5	56.6
Sales commissions	66.1	63.9
Other services	57.3	45.0
Power, water and gas	51.2	46.4
Advertising and promotions	44.6	39.9
Supplies	31.1	24.2
Maintenance and repairs	28.4	27.5
Use of property not owned	26.0	22.2
Storage, handling and outside processing services	20.5	18.3
Miscellaneous charges	14.6	20.1
Postage, telephone and insurance	13.3	12.2
Consulting services	11.0	11.2
Auditing services	2.4	1.9
Writedowns of receivables and additions to provisions	1.9	2.4
Fees of Chairman and Directors	1.5	1.0
Fees of Statutory Auditors	0.2	0.3
Changes in inventories of raw materials and finished goods	(61.7)	(78.4)
Total cost of sales, distribution costs and administrative expenses	2,492.5	2,185.2

The increase in Cost of sales, distribution costs and administrative expenses is chiefly the result of the consolidation of Lactalis American, acquire in July 2012, and the indexing for hyperinflation in Venezuela. This increase was offset only in part by negative translation effect resulting from the increase in the 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 (2.0 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 abovementioned actions are now in the phase in which they are gradually coming to a conclusion.

(20) Miscellaneous Income (Expense)

Net miscellaneous income totaled 3.3 million euros. A breakdown is as follows:

(in millions of euros)	First half 2013	First half 2012
Benefit (expense) related to tax risks	6.1	(1.7)
Proceeds from actions to void and actions for damages	1.3	1.6
Restructuring costs	-	(4.6)
Sundry income (expense)	(4.1)	(1.5)
Total miscellaneous income (expense)	3.3	(6.2)

A distribution received from a company in bankruptcy (Sasea Holding SA) as partial satisfaction of a verified claim originally filed is the main component of the proceeds from actions to void and actions for damages.

The benefits related to tax risks reflects an update of the estimate of probable tax liabilities.

Sundry income and expense refers mainly to early retirement incentives for employees and lawsuits with employees.

(21) Financial Income (Expense)

Net financial income amounted to 17.1 million euros, broken down as follows:

(in millions of euros)	First half 2013	First half 2012
Monetary gain due to hyperinflation	21.1	8.6
Foreign exchange translation gains	11.2	4.6
Interest earned on accounts with banks and other financial institutions	6.8	4.1
Interest paid by B.S.A. S.A. on the LAG price adjustment	3.3	-
Interest received from the tax authorities	0.9	0.9
Income from financial receivables owed by related parties ("cash pooling")	-	10.0
Income from cash-equivalent securities	-	0.1
Other financial income	1.8	3.5
Total financial income	45.1	31.8
Foreign exchange translation losses	(21.7)	(4.2)
Interest paid on loans	(4.3)	(3.2)
Bank fees	(1.4)	(1.5)
Actuarial losses	(0.1)	(0.1)
Other financial expense	(0.5)	(0.4)
Total financial expense	(28.0)	(9.4)
Net financial income (expense)	17.1	22.4

The increase in monetary gain due to hyperinflation reflects the rise in Venezuela's national consumer price index, which increased by 25% in the first half of 2013 (7.5% in the first six months of 2012).

The decrease in financial income from the investment of the Group's net liquid assets, held mainly by Parmalat S.p.A., is attributable to the reduction in the available balance following the acquisition of Lactalis American Group.

Foreign exchange losses refer primarily to intercompany loans provided by the Parent Company to its subsidiaries, the duration of which lengthened compared with the same period last year with a concurrent reduction of the hedged percentage of the foreign exchange risk, which was still greater than 75% at June 30, 2012.

(22) Income Taxes

Income taxes totaled 38.2 million euros, broken down as follows:

(in millions of euros)	First half 2013	First half 2012
Current taxes		
- Italian companies	6.7	9.1
- Foreign companies	5.4	22.4
Deferred and prepaid taxes, net		
- Italian companies	1.9	4.0
- Foreign companies	24.2	2.5
Total	38.2	38.0

Current taxes of Italian companies totaled 6.7 million euros, including 1.9 million euros in regional taxes (IRAP) and 4.8 million euros in corporate income taxes (IRES).

Net deferred and prepaid taxes of 26.1 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:

<i>(in millions of euros)</i>	First half 2013	First half 2012
Consolidated profit before taxes	145.1	121.6
Theoretical tax rate	27.5%	27.5%
Theoretical tax liability	39.9	33.4
Tax effect from non-taxable income (permanent differences) (-)	(9.8)	(3.9)
Tax effect from non-deductible expenses (permanent differences)	5.5	3.8
Tax losses for the year that are not deemed recoverable and elimination of prepaid taxes	0.6	2.3
Recognition of prior-period tax losses (-)	(0.9)	(1.6)
Higher/(Lower) taxes as per income tax return	(0.4)	(0.1)
Elimination of temporary differences due to changes in tax rates and sundry items	1.0	1.6
Actual income tax liability	35.9	35.5
IRAP and other taxes computed on a base different from the profit before taxes	2.3	2.5
Actual tax liability shown on the income statement	38.2	38.0
Effective tax rate	26.3%	31.2%

(23) LAG Acquisition

Accounting Treatment of the Price Adjustment in the Consolidated Financial Statements and the Separate Financial Statements of Parmalat S.p.A.

As explained in the section of the Interim Report on Operations entitled "LAG Acquisition," the Price Adjustment, amounting to USD 130 million (equal to 99.1 million euros) had the following effects: on the consolidated financial statements of Parmalat S.p.A., a decrease of the negative reserve included in shareholders' equity, now amounting to 376.9 million euros, originally recognized in the amount of 476.0 million euros, as the offset for the refund received from the seller; on the separate financial statements of the parent company LAG Holding Inc. a reduction of the current carrying amount of the equity investment originally recognized.

The abovementioned Price Adjustment had no accounting impact on the separate financial statements of Parmalat S.p.A.

The schedule below shows LAG's statement of financial position at the date of acquisition and the computation of the difference between the acquisition's final price and the net carrying amount of the acquired assets and liabilities:

(in millions of euros)	<i>Net carrying amount of the acquired assets and liabilities at July 3, 2012</i>
Non-current assets	177.4
Goodwill	35.3
Trademarks with an indefinite useful life	1.7
Other intangible assets	14.0
Property, plant and equipment	121.0
Other financial assets	1.6
Deferred tax assets	3.8
Current assets	157.2
Inventory	57.9
Trade receivables	52.3
Other current assets	4.6
Cash and cash equivalents	42.4
Total acquired assets	334.6
Non-current liabilities	11.1
Financial liabilities	0.1
Deferred tax liabilities	10.3
Provisions for risks and charges	0.7
Current liabilities	49.2
Trade payables	40.5
Other current liabilities	8.7
Total acquired liabilities	60.3
Total acquired shareholders' equity	274.3
Minority interest in shareholders' equity	-
Provisional price paid	(750.3)
Temporary effect on shareholders' equity at December 31, 2012	(476.0)
Price Adjustment	99.1
Final effect on shareholders' equity at June 30, 2013	(376.9)

Economic Effect of the Acquisition on the Consolidated Financial Statements at June 30, 2013

In order to allow a better understanding of the consolidated financial statements at June 30, 2013, the schedule that follows shows the income statement of the Group and LAG at June 30, 2013:

(in millions of euros)	<i>Parmalat Group</i> <i>First half 2013</i>	<i>LAG amount</i> <i>First half 2013</i>
Revenues	2,619.2	352.6
Net revenues	2,594.8	348.6
Other revenues	24.4	4.0
Cost of sales	(1,889.8)	(84.1)
Distribution costs	(432.9)	(226.5)
Administrative expenses	(169.8)	(24.6)
Miscellaneous income and expenses	1.3	0.0
EBIT	128.0	17.4
Financial income	45.1	0.1
Financial expense	(28.0)	(0.2)
Other income from (charges for) equity investments	0.0	0.0
Profit before taxes	145.1	17.3
Income taxes	(38.2)	(5.8)
Net profit	106.9	11.5
Minority interest in net (profit)	(1.5)	-
Group interest in net profit	105.4	11.5

In the first half of 2013, the acquired operations contributed 28.6 million euros to consolidated EBITDA.

(24) 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)	6/30/13	12/31/12
A) Cash	2.3	1.7
B) Cash equivalents and readily available financial assets:		
- Bank and postal accounts	796.8	732.7
- Reverse repurchase agreements	27.1	17.5
- Accrued interest	0.1	0.2
- Time deposits	80.2	93.5
C) Negotiable securities	-	-
D) Liquid assets (A+B+C)	906.5	845.6
E) Current financial receivables	-	-
F) Current bank debt	9.3	12.1
G) Current portion of non-current indebtedness	0.4	1.4
H) Other current borrowings	13.1	15.0
<i>amount with related parties</i>	<i>6.2</i>	<i>8.8</i>
I) Current indebtedness (F+G+H)	22.8	28.5
J) Net current indebtedness (I-E-D)	(883.7)	(817.1)
K) Non-current bank debt	-	-
L) Debt securities outstanding	-	-
M) Other non-current borrowings	6.4	7.3
N) Non-current indebtedness (K+L+M)	6.4	7.3
O) Net borrowings (J+N)	(877.3)	(809.8)

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 2013	First half 2012
Wages and salaries	257.5	224.4
Social security contributions	39.4	28.9
Severance benefits	38.7	33.6
Other labor costs	27.2	30.3
Total labor costs	362.8	317.2

The increase in Labor costs is due mainly to the consolidation of Lactalis American Group, acquired in July 2012.

Labor costs of 362.8 million euros are included in cost of sales for 229.0 million euros (197.2 million euros in the first half of 2012), distribution costs for 62.5 million euros (54.4 million euros in the first half of 2012) and administrative expenses for 71.3 million euros (65.6 million euros in the first half of 2012).

Depreciation, Amortization and Writedowns

A breakdown is as follows:

<i>(in millions of euros)</i>	First half 2013	First half 2012
- Amortization of intangibles	8.1	5.9
- Depreciation of property, plant and equipment	58.8	50.7
- Writedowns of non-current assets	0.6	-
Total depreciation, amortization and writedowns of non-current assets	67.5	56.6

The increase in depreciation, amortization and writedowns of non-current assets is due mainly to the consolidation of Lactalis American Group, acquired in July 2012.

Depreciation, amortization and writedowns of 67.5 million euros are included in cost of sales for 49.6 million euros (41.6 million euros in the first half of 2012), distribution costs for 5.3 million euros (5.4 million euros in the first half of 2012) and administrative expenses for 12.6 million euros (9.6 million euros in the first half of 2012).

Earnings per share

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

<i>(in euros)</i>	First half 2013	First half 2012
Group interest in profit	105,392,031	82,546,047
broken down as follows:		
- Profit from continuing operations	105,392,031	82,546,047
- Profit (Loss) from discontinuing operations		
Weighted average number of shares outstanding determined for the purpose of computing earnings per share:		
- basic	1,762,800,820	1,757,044,651
- diluted	1,784,707,363	1,774,858,095
Basic earnings per share	0.0598	0.0470
broken down as follows:		
- Profit from continuing operations	0.0598	0.0470
- Profit (Loss) from discontinuing operations		
Diluted earnings per share	0.0591	0.0465
broken down as follows:		
- Profit from continuing operations	0.0591	0.0465
- 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 24, 2013: 35,196,993 euros

The computation of the weighted average number of shares outstanding, starting with the 1,761,186,917 shares outstanding at January 1, 2013, is based on the following changes that occurred in the first half of 2013:

- issuance of 681,848 common shares on 1/11/13
- issuance of 573,401 common shares on 2/15/13
- issuance of 205,314 common shares on 3/13/13
- issuance of 397,827 common shares on 4/12/13

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. A total of 21,906,543 exercisable warrants with a dilutive effect were outstanding at the end of the reporting period.

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, 2013 and the comparable data for 2012. 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)

	Europe	North America	Latin America	Australia	Africa	Group continuing no core and other	Holding costs/ adjustments and eliminations	Group
2013								
Net segment revenues	555.5	1,122.4	271.8	447.1	199.4	0.1	(1.5)	2,594.8
Net inter-segment revenues	(0.8)	(0.6)	0.0	0.0	(0.0)	0.0	1.5	0.0
Net revenues from outsiders	554.7	1,121.8	271.8	447.1	199.3	0.1	0.0	2,594.8
EBITDA	47.7	101.1	10.9	30.9	13.6	(0.3)	(9.7)	194.2
% of net revenues	8.6	9.0	4.0	6.9	6.8			7.5
Depreciation, amortization and writedowns of non-current assets	(22.2)	(26.0)	(5.8)	(9.4)	(4.1)	(0.0)		(67.5)
-Writedowns of goodwill and trademarks with indefinite useful life								0.0
-Litigation related expenses								(2.0)
-Miscell. income and expense								3.3
EBIT								128.0
Financial income								45.1
Financial expense								(28.0)
Interest in result of cos. valued by equity method								0.0
Other income from (expense for) equity investments								0.0
PROFIT BEFORE TAXES								145.1
Income taxes								(38.2)
NET PROFIT FROM CONTINUING OPERATIONS								106.9
PROFIT FOR THE PERIOD								106.9
Total segment assets	1,645.6	1,394.0	283.9	476.2	235.4	116.7	(6.9)	4,144.9
Total non-segment assets								204.6
Total assets								4,349.5
Total segment liabilities	479.0	299.4	85.2	120.5	67.9	9.8	(6.9)	1,054.9
Total non-segment liabilities								224.7
Total liabilities								1,279.6
Capital exp. (prop., plant & equip.)	18.6	23.0	3.4	10.8	2.6	0.1	0.0	58.5
Capital expenditures (intangibles)	1.3	0.0	0.1	0.0	0.2	0.0	0.0	1.6
Number of employees	3,427	4,625	3,133	1,844	2,671	0	0	15,700

- 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 2013 is provided in the Interim Report on Operations.

(€ m)

	Europe	North America	Latin America	Australia	Africa	Group continuing no core and other	Holding costs/ adjustments and eliminations	Group
2012								
Net segment revenues	565.0	790.5	253.5	460.1	208.6	0.2	(1.0)	2,276.9
Net inter-segment revenues	(1.0)	0.0	0.0	0.0	(0.0)	0.0	1.0	0.0
Net revenues from outsiders	564.0	790.5	253.5	460.1	208.6	0.2	0.0	2,276.9
EBITDA	52.5	73.2	11.0	22.3	12.6	(0.2)	(8.2)	163.3
% of net revenues	9.3	9.3	4.3	4.9	6.1			7.2
Depreciation, amortization and writedowns of non-current assets	(22.5)	(13.5)	(6.3)	(9.5)	(4.7)	(0.0)		(56.6)
- 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
PROFIT FOR THE PERIOD								83.6
Total segment assets	2,497.9	1,059.0	312.2	521.0	280.2	72.8	(5.1)	4,738.0
Total non-segment assets								184.5
Total assets								4,922.4
Total segment liabilities	508.7	281.5	99.3	128.2	79.2	8.6	(5.1)	1,100.4
Total non-segment liabilities								229.9
Total liabilities								1,330.4
Capital exp. (prop., plant & equip.)	10.4	11.2	1.8	5.4	4.2	0.2	0.0	33.2
Capital expenditures (intangibles)	1.0	0.4	0.1	0.0	0.2	0.0	0.0	1.6
Number of employees	3,388	2,917	3,443	1,824	2,485			14,057

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

Fair Value Measurement

IFRS 7 requires that financial instruments measured at fair value be classified based on a hierarchical ranking that reflects the reliability of the inputs used to measure fair value. This hierarchical ranking includes the following levels:

- Level 1 – prices quoted in an active market for the assets or liabilities that are being measured;
- Level 2 – inputs other than the quoted prices of Level 1, but which are observable directly (prices) or indirectly (derived from prices) in the market;
- Level 3 – inputs not based on observable market data.

The tables that follow lists by hierarchical ranking of fair value measurement the assets and liabilities that were measured at fair value at June 30, 2013 and December 31, 2012:

<i>(in millions of euros)</i>	Level 1	Level 2	Level 3	Total
6/30/13				
Investments in associates	-	-	50.0	50.0
Financial assets from derivatives	-	10.2	-	10.2
Other financial assets	0.3	-	-	0.3
Total assets	0.3	10.2	50.0	60.5
Financial liabilities for derivatives	-	-	-	-
Total liabilities	-	-	-	-

<i>(in millions of euros)</i>	Level 1	Level 2	Level 3	Total
12/31/12				
Investments in associates	-	-	50.0	50.0
Financial assets from derivatives	-	10.0	-	10.0
Other financial assets	0.3	-	-	0.3
Total assets	0.3	10.0	50.0	60.3
Financial liabilities for derivatives	-	0.5	-	0.5
Total liabilities	-	0.5	-	0.5

There were no transfers between hierarchical levels of fair value in the first half of 2013.

The fair value of investments in associates, which refers exclusively to the percentage interest held in Bonatti S.p.A., absent quoted prices, was determined based on available economic and financial information about the company, which include ongoing discussions with other shareholders regarding the possibility of recapitalization as part of the restructuring process that this company is undergoing.

The fair value of derivatives is determined based both on quotes supplied by banking counterparties and valuation models generally adopted in the financial field.

With the adoption of IFRS 13 as of January 1, 2013, the fair value of derivatives is determined taking into account the counterparty credit risk (credit valuation adjustment); this component was taken into account when testing the effectiveness of hedging relationships.

The carrying amount of financial instruments is substantially the same as their fair value.

Disclosure About Risks

For each type of risk inherent in financial instruments, a disclosure of the objectives, policies and process adopted to manage risk is provided in the section of the Report on Operations entitled "Managing Business Risks."

Exchange Rates Used to Translate Financial Statements

Source: Italian Foreign Exchange Bureau

LOCAL CURRENCY FOR 1 EURO	ISO CODE	6/30/13 (end of period rate)	12/31/12 (end of period rate)	% change (end of period rate)	6/30/13 (average rate)	6/30/12 (average rate)	% change (average rate)
DOLLAR – AUSTRALIA	AUD	1.41710	1.27120	11.48%	1.29662	1.25064	3.68%
REAL – BRAZIL	BRL	2.88990	2.70360	6.89%	2.66880	2.41510	10.50%
PULA – BOTSWANA	BWP	11.2480	10.2837	9.38%	10.7778	9.64738	11.72%
DOLLAR – CANADA	CAD	1.37140	1.31370	4.39%	1.33454	1.30409	2.33%
PESO – COLOMBIA	COP	2,522.88	2,331.23	8.22%	2,400.12	2,324.57	3.25%
PESO – MEXICO	MXN	17.0413	17.1845	-0.83%	16.5057	17.1867	-3.96%
NEW METICAL – MOZAMBIQUE	MZM	39.0569	38.9883	0.18%	39.3297	35.6568	10.30%
GUARANI – PARAGUAY	PYG	5,855.92	5,573.15	5.07%	5,444.00	5,737.05	-5.11%
NEW LEU – ROMANIA	RON	4.46030	4.44450	0.36%	4.39233	4.39040	0.04%
RUBLE – RUSSIA	RUB	42.8450	40.3295	6.24%	40.7641	39.6978	2.69%
LILANGENI – SWAZILAND	SZL	13.0704	11.1727	16.99%	12.1233	10.2949	17.76%
U.S.A. – DOLLAR ¹	USD	1.30800	1.31940	-0.86%	1.31346	1.29678	1.29%
BOLIVAR FUERTE – VENEZUELA	VEF	8.24040	5.67342	45.25%	7.56271	5.57616	35.63%
RAND – SOUTH AFRICA	ZAR	13.0704	11.1727	16.99%	12.1233	10.2949	17.76%
KWACHA – ZAMBIA	ZMK	7.15332	6.79044	5.34%	7.02353	6.77025	3.74%

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	Type	Curr.	Amount	Number of shares/cap interests held	Held by	Number of shares/cap. interests	% interest held	Group interest	
Head office	(1)								
PARMALAT S.p.A.	PC	EUR	1,763,045,307						
Collecchio									100.0000

Subsidiaries consolidated line by line

Company		Share capital			Equity investment				
Name	Type	Curr.	Amount	Number of shares/cap interests held	Held by	Number of shares/cap. interests	% interest held	Group interest	
Head office	(1)								
EUROPA									
ITALY									
CARNINI S.p.A.	C	EUR	3,300,000	600	Parmalat S.p.A.	600	100.000		
Collecchio (PR)							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	1,000	Parmalat S.p.A.	1,000	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 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	62,647,500	2,505,900	Parmalat S.p.A.	2,505,899	100.000		
Brussels					Dalmata S.p.A.	1	0.000		100.0000
FRANCE									
LACTALIS EXPORT AMERICAS	F	EUR	16,000	1000	Lactalis American Group, Inc.	1000	100.000		
Choisy Le Roi							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									
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

* With regard to this company, see the comments provided in the “Key Events in the First Half of 2013” section of the Report on Operations.

⁽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
RUSSIA								
OA0 BELGORODSKI MOLOCHNI KOMBINAT Belgorod	F	RUB	67,123,000	67,060,000	Parmalat S.p.A OOO Parmalat MK	66,958,000 102,000	99.754 0.152	99.906 99.9061
OOO PARMALAT MK Moscow	F	RUB	81,115,950	1	Parmalat S.p.A.	1	100.000 100.000	100.0000
OOO URALLAT Berezhovskiy	F	RUB	129,618,210	1	Parmalat S.p.A.	1	100.000 100.000	100.0000
NORTH AMERICA								
UNITED STATES OF AMERICA								
LAG HOLDING INC. Wilmington	F	USD	1	100	Parmalat Belgium SA	100	100.000 100.000	100.0000
LACTALIS AMERICAN GROUP INC. Wilmington	F	USD	140,585,000		Lag Holding Inc.		100.000 100.000	100.0000
LACTALIS RETAIL DAIRY INC. Midvale	F	USD	4,500	130,000	Sorrento Lactalis Inc.	130,000	100.000 100.000	100.0000
LACTALIS DELI INC. Wilmington	F	USD		100	Lactalis American Group Inc. Lactalis USA Inc.	60 40	60.000 40.000	100.0000
LACTALIS USA INC. Madison	F	USD	2,620,000	31,000	Lactalis American Group Inc.	31,000	100.000 100.000	100.0000
SORRENTO LACTALIS INC. Wilmington	F	USD	598,819		Lactalis American Group Inc.		100.000 100.000	100.0000
SCC PROPERTIES INC. New York	F	USD			Sorrento Lactalis Inc.		100.000 100.000	100.0000
MOZZARELLA FRESCA INC. Los Angeles	F	USD	2,864,753		Lactalis American Group Inc.		100.000 100.000	100.0000
CANADA								
PARMALAT CANADA INC. Toronto	F	CAD	1,072,480,000	938,019 Class A 134,460 Class B	Parmalat S.p.A. Parmalat S.p.A.	938,019 134,460	86.314 13.685	100.000 100.0000
CENTRAL AMERICA								
CUBA								
CITRUS INTERNATIONAL CORPORATION SA Pinar del Rio	F	USD	11,400,000	627	Parmalat S.p.A.	627	55.000 55.000	55.0000
MEXICO								
LACTALIS ALIMENTOS MEXICO S. DE R.L. Mexico City	F	MXN	3,000	1 1	Parmalat Belgium SA Dalmata S.p.A.	1 1	99.967 0.033	100.0000
SOUTH AMERICA								
NETHERLANDS ANTILLES								
CURCASTLE CORPORATION NV Curaçao	F	USD	6,000	6,000	Dalmata S.p.A.	6,000	100.000 100.000	100.0000
BRAZIL								
LACTALIS DO BRASIL COMERCIO IMPORTACAO E EXPORTACAO DE LATICINOS LTDA São Paulo	F	BRL	1,800,000	5625	Parmalat Belgium SA Dalmata S.p.A.	5624 1	99.982 0.018	100.000 100.0000
COLOMBIA								
PARMALAT COLOMBIA LTDA Bogotá	F	COP	20,466,360,000	18,621,581	Parmalat S.p.A.	18,621,581	90.986 90.986	90.9860

(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	Type	Curr.	Amount	Number of shares/cap interests held	Held by	Number of shares/cap. interests	% interest held	Group interest
Head office	(1)							
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 (ex Leche Cotopaxi Lecocem SA)	F	USD	1,336,532.76	21,684,522	Parmalat S.p.A.	21,684,521	64.897	
Quito					Parmalat Colombia Ltda	1	0.000	
							64.897	64.8978
LACTEOSMILK SA (già 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								
INDUSTRIA LACTEA VENEZOLANA CA (INDULAC)	F	VEF	34,720,471.6	343,108,495	Parmalat S.p.A.	343,108,495	98.820	
Caracas							98.820	98.8202
QUESOS NACIONALES CA QUENACA	F	VEF	3,000,000	3,000,000	Indu.Lac.Venezol. ca-Indulac	3,000,000	100.000	
Caracas							100.000	98.8202
AFRICA								
BOTSWANA								
PARMALAT BOTSWANA (PTY) LTD	F	BWP	10,526,118	3,001	Dalmata S.p.A.	3,001	100.000	
Gaborone							100.000	100.0000
MOZAMBIQUE								
PARMALAT PRODUTOS ALIMENTARES SARL	F	MZM	57,841,500	536,415	Dalmata S.p.A.	536,415	92.739	
Matola							92.739	92.7390
SOUTH AFRICA								
PARMALAT SOUTH AFRICA (PTY) LTD	F	ZAR	1,368,288.73	122,010,000	Dalmata 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	Dalmata S.p.A.	60	60.000	
Mbabane							60.000	60.0000
ZAMBIA								
PARMALAT ZAMBIA LIMITED	F	ZMK	27,281	19,506	Dalmata S.p.A.		71.500	
Lusaka							71.500	71.5000
ASIA/PACIFIC								
AUSTRALIA								
PARMALAT AUSTRALIA PTY LTD	F	AUD	222,727,759	22,314,388 ord.	Parmalat Belgium sa	22,314,388	10.023	
South Brisbane				200,313,371 pr.	Parmalat S.p.A.	200,313,371	89.977	
				1 sp.	Parmalat Finance Australia Pty Ltd	1	0.000	
							100.000	100.0000
PARMALAT FINANCE AUSTRALIA PTY LTD	F	AUD	120,000	120,000	Parmalat Belgium sa	120,000	100.000	
South Brisbane							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

⁽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	Type	Curr.	Amount	Number of	Held by	Number of	% interest held	Group
Head office	(1)			shares/cap		shares/cap.		interest
				interests held		interests		
QUANTUM DISTRIBUTION SERV. PTY LTD	F	AUD	8,000,000	8,000,000	Parmalat Australia Pty 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

⁽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

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 in A.S. ⁽³⁾ Rotterdam	F	EUR	244,264,623.05	40 ord. 542,765,829 pref.	Dalmata S.p.A. Dalmata S.p.A.	40 542,765,829	0.008 99.992 100.000
GERMANY							
DEUTSCHE PARMALAT GMBH in A.S. ⁽³⁾ Weissenhorn	F	EUR	4,400,000	4,400,000	Dalmata S.p.A.	4,400,000	100.000 100.000
LUXEMBOURG							
OLEX SA in A.S. ⁽³⁾ Luxembourg	F	EUR	578,125	22,894	Dairies Holding Int.l Bv in A.S.	22,894	99.001 99.001
SOUTH AMERICA							
BRAZIL							
PRM ADMIN E PART DO BRASIL LTDA ⁽²⁾ São Paulo	F	BRL	1,000,000	810,348	Parmalat S.p.A.	810,348	81.035 81.035
PPL PARTICIPACOES DO BRASIL LTDA ⁽³⁾ São Paulo	F	BRL	1,271,257,235	1,260,921,807	Parmalat S.p.A.	1,260,921,807	99.187 99.187
URUGUAY							
AIRETCAL SA ⁽²⁾ Montevideo	F	UYU	2,767,156	2,767,156	Parmalat S.p.A.	2,767,156	100.000 100.000
WISHAW TRADING SA ⁽³⁾ Montevideo	F	USD	30,000	300	Parmalat S.p.A. Parmalat Paraguay sa Indu.Lac.Venezol. ca-Indulac PPL Particip. do Brasil Ltda	50 90 90 70	16.667 30.000 30.000 23.333 100.000
ASIA							
CHINA							
PARMALAT (ZHAODONG) DAIRY CORP. LTD ⁽³⁾ Zhaodong	F	CNY	56,517,260	53,301,760	Parmalat S.p.A.	53,301,760	94.311 94.311
INDIA							
SWOJAS ENERGY FOODS LIMITED in liquidation ⁽²⁾ Shivajinagar	F	INR	309,626,500	21,624,311	Parmalat S.p.A.	21,624,311	69.840 69.840

⁽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

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	0.092 0.092	
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	
L.P.L.V. ACE Sintra	F	EUR	-		Parmalat Portugal Prod. Alim. Lda		33.333 33.333	
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 Pty Ltd	2,500,000	5.000 5.000	
SINGAPORE								
QBB SINGAPORE PTE LTD	F	SGD	1,000	338	Parmalat Australia Pty 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.

⁽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

Companies Removed from the Parmalat Group in the First Half of 2013

Company	Country	Reason
Parmalat Chile SA	Chile	Dissolved

Companies Added to the Parmalat Group in the First Half of 2013

Company	Country	Reason
Parmalat Finance Australia Pty Ltd	Australia	Newly established
L.P.L.V. ACE	Portugal	Newly established

Signed: Gabriella Chersicla
Deputy Chairperson

Signed: Yvon Guérin
Chief Executive Officer

Certification of the Condensed Consolidated Financial Statements Pursuant to Article 81-ter of Consob Regulation No. 11971 (which cites Article 154-bis, Section 5, of the Uniform Financial Code, 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 2013 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, 2013 was carried out consistent with the Internal Control – Integrated Framework model published by the Committee of Sponsoring Organizations of the Treadway Commission, which constitutes a frame of reference generally accepted at the international level;
2. and that:
 - a) the condensed semiannual financial statements are consistent with the data in the Group's books of accounts and other accounting records;
 - b) the condensed semiannual financial statements were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union, and the statutes enacted to implement Legislative Decree No. 38/2005 and are suitable for providing a truthful and fair presentation of the statement of financial position, income statement and cash flow of the issuer company and all of the companies included in the scope of consolidation.
 - c) lastly, the Interim Report on Operations provides information about material events that occurred during the first half of 2011 and their impact on the condensed semiannual financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year and information about significant transactions with related parties, as required by Article 154-ter, Section 4, of Legislative Decree No. 58 of February 24, 1998.

July 31, 2013

The Chief Executive Officer

The Corporate Accounting
Documents Officer

Parmalat Group – Report of the Independent Auditors



AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JULY 2013

To the Shareholders of
Parmalat SpA

1. We have reviewed the consolidated condensed interim financial statements of Parmalat SpA and its subsidiaries ("Parmalat Group") as of 30 June 2013, which comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes. The directors of Parmalat SpA 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. We conducted our review in accordance with the criteria for a review recommended by CONSOB, the national stock exchange commission, 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 limited 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 the audit on the annual consolidated financial statements, we do not express a professional audit opinion on the consolidated condensed interim financial statements.

The consolidated condensed interim financial statements presents, for comparative purposes, the statement of financial position as at 31 December 2012 and 1 January 2012; the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows as at 30 June 2012. As disclosed in the notes to the consolidated condensed interim financial statement, the directors, due to the amendments to IAS 19 and IAS 1, have retrospectively adjusted the prior year comparative data and the statement of financial position as at 1 January 2012, whose amounts refer to the consolidated financial statements for the year ended 31 December 2011, on which we issued our report dated respectively 20 May 2013 and 16 April 2012. The directors have also retrospectively adjusted the comparative data related to the prior year interim financial reporting on which we issued or review report on 31 July 2012. The methods used for the retrospective adjustments of the corresponding data and the information presented in the notes to the consolidated condensed interim financial statements, have been reviewed by us for the purpose of issuing our review report on the consolidated condensed interim financial statements of Parmalat Group as at 30 June 2013.

PricewaterhouseCoopers SpA

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3. Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Group Parmalat as of 30 June 2013 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 2013

PricewaterhouseCoopers SpA

Massimo Rota
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.

Parmalat S.p.A.

Company subject to guidance and coordination by B.S.A. S.A.

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Share Capital: 1,763,045,307 euros fully paid-in

Parma R.E.A. No. 228069

Parma Company Register No. 04030970968

Tax I.D. and VAT No. 04030970968

