



**PRESS RELEASE**

**THE BOARD OF DIRECTORS APPROVES THE SEMIANNUAL REPORT AT JUNE 30, 2007**

**Consolidated Financial Highlights**  
(in million euros)

- NET REVENUES RISE TO 1,810.3 MILLION EUROS (+2.8%)
- CONSOLIDATED EBITDA INCREASES TO 163.2 MILLION EUROS (+3.6%)
- NET PROFIT GROWS TO 244.3 MILLION EUROS COMPARED TO THE 17 MILLION EUROS OF THE FIRST HALF 2006
- NET FINANCIAL POSITION IS POSITIVE BY 58.9 MILLION EUROS
- THE GROUP STREAMLINES ITS INVESTMENT PORTFOLIO, SELLING PARMALAT ESPAÑA AND ITS TOMATO OPERATIONS
- FURTHER PROGRESS IN IMPROVING THE PRODUCT MIX (FUNCTIONAL MILK VARIETIES) AND IMPLEMENTING COST CONTAINMENT PROGRAMS

	First half 2006 (restated) <sup>1</sup>	First half 2007	% change
Net revenues	1,761.8	1,810.3	+2.8%
EBITDA	157.5	163.2	+3.6%
EBITDA restated without the impact of foreign exchange translations and changes in perimeter of consolidation			+7.3%
Net profit	17.0	244.3	
	12/31/06	06/30/07	
(Net financial assets)/Net borrowings	170.0	(58.9)	

<sup>1</sup> The differences compared with the financial statements approved by the Board of Directors on September 13, 2006 refer to the sale of the Spanish operations, to a reclassification of trade promotions (previously included in the costs) adjusting down to net revenues.

Parmalat S.p.A. announces that its Board of Directors, meeting today under the chairmanship of Raffaele Picella, approved the Semiannual Report at June 30, 2007, which not only confirms that the improvement in operating performance is continuing, but also shows a significant increase in the Group's liquidity.



## Parmalat Group

In the first half of 2007, **net revenues** increased to 1,810.3 million euros, a gain of 48.5 million euros (+2.8%) compared with the 1,761.8 million euros reported at June 30, 2006. Restated to eliminate the impact of the appreciation of the euro versus the main currencies used by the Group (95.2 million euros) and of the changes in the perimeter of consolidation mainly due to the inclusion in the Group of Newlat S.p.A. and Carnini S.p.A. (87,5 million euros including the intercompany sales) and the disposal of Italtchese S.p.A. (approximately 10 million euros), net revenues increased 5.3%. Higher unit sales for all product categories in South Africa, coupled with an increase in shipments of fruit juices in Italy and Venezuela and higher cheese sales in Canada, account for this improvement.

**EBITDA** grew to 163.2 million euros, compared with 157.5 million euros in the first six months of 2006, for a gain of 5.7 million euros (+3.6%). Restated to eliminate the impact of the appreciation of the euro versus the main currencies used by the Group (9.1 million euros) and of the changes in the perimeter of consolidation mainly due to the inclusion in the Group of Newlat S.p.A. and Carnini S.p.A. (3.3 million euros), EBITDA totaled 169.0 million euros, for a year-on-year gain of 11.5 million euros (+7.3%). This improvement is mainly the result of a more favorable product mix, with a greater preponderance of products with a high value added, and of a reduction in operating costs. This reduction was achieved despite a worldwide rise in the price paid for raw milk, which could be recovered only in part by increasing list prices.

The **net profit for the period** totaled 244.3 million euros, or 227.3 million euros more than the 17.0 million euros earned in the first six months of 2006. This increase is attributable primarily to the settlements reached during the period, to a reduction in average borrowing costs and to an increase in the income generated by the liquidity assets invested by the Group's Parent Company.

It is important to highlight that Parmalat Group operates almost exclusively in local markets where it produces and sells. The export activity is extremely limited and not significant. Consequently, the exchange rates fluctuations do not affect the Group's currency balance, but simply generate currency translation differences.

The Group's **net financial position** improved significantly during the first half of 2007, with the balance moving from indebtedness of 170 million euros to net financial assets totaling 58.9 million euros, for a net gain of 228.9 million euros compared with December 31, 2006.

The following developments account for most of this improvement:

- The cash flow from operations, net of changes in operating working capital and after capital expenditures and income tax payments, amounted to 39.1 million euros;
- Cash from litigation settlements totaled 237.4 million euros, which is the net result of legal costs amounting to 40.9 million euros (related both to 2006 and 2007 years) and proceeds of 278.3 million euros generated by settlements reached during the first half of 2007;
- Cash flow from non-recurring transactions totaled 7.1 million euros. This amount is mainly the net result of proceeds generated by the disposal of non-strategic non-current assets (22.8 million euros), less outlays of 11.2 million euros for acquisitions of equity investments (including 8.1 million euros paid by Parmalat S.p.A. to buy back the interests held by minority shareholders in two subsidiaries in Russia and Romania);
- The cash flow from financial transactions reflects net financial income of 5.3 million euros, dividend payments totaling 43.4 million euros and proceeds of 7.0 million euros generated by the exercise of warrants. Sundry items totaled 23.6 million euros net.

Lastly, events occurring after June 30, 2007 that had a material impact on the Group's net financial position included the collection of 187.8 million euros generated by the sale of the Spanish operations



on July 4, 2007 and the collection of 28.7 million euros generated by the sale of the business operations of Boschi Luigi & Figli S.p.A. on July 2, 2007.

A breakdown of revenues and EBITDA by geographic region is provided below:

Areas						
2006			I Half Year	2007		
Revenues	EBITDA	EBITDA %	€ ml	Revenues	EBITDA	EBITDA %
<b>499,1</b>	<b>48,1</b>	<b>9,6</b>	<b>Italy</b>	<b>558,9</b>	<b>55,9</b>	<b>10,0</b>
<b>62,3</b>	<b>9,0</b>	<b>14,5</b>	<b>Other Europe</b>	<b>72,4</b>	<b>11,1</b>	<b>15,3</b>
26,3	3,8	14,6	Russia	33,9	5,4	16,0
30,7	4,1	13,3	Portugal	31,5	3,7	11,6
5,2	1,1	21,7	Romania	7,0	2,0	28,1
<b>647,6</b>	<b>54,1</b>	<b>8,4</b>	<b>Canada</b>	<b>625,1</b>	<b>57,7</b>	<b>9,2</b>
<b>161,1</b>	<b>22,7</b>	<b>14,1</b>	<b>Center &amp; South America</b>	<b>179,4</b>	<b>15,5</b>	<b>8,7</b>
89,0	14,5	16,3	Venezuela	103,2	6,4	6,2
54,9	5,5	10,0	Colombia	58,8	7,2	12,2
13,2	2,0	14,9	Nicaragua	12,3	1,0	8,3
1,0	(0,3)	n.s.	Ecuador	2,9	0,2	n.s.
3,6	1,0	28,4	Cuba	2,1	0,7	34,4
<b>175,9</b>	<b>19,4</b>	<b>11,0</b>	<b>Africa</b>	<b>168,2</b>	<b>17,9</b>	<b>10,7</b>
<b>209,2</b>	<b>15,0</b>	<b>7,2</b>	<b>Australia</b>	<b>209,2</b>	<b>14,7</b>	<b>7,0</b>
<b>6,7</b>	<b>(10,9)</b>	<b>n.s.</b>	<b>Other *</b>	<b>(2,9)</b>	<b>(9,5)</b>	<b>n.s.</b>
<b>1.761,8</b>	<b>157,5</b>	<b>8,9</b>	<b>Group</b>	<b>1.810,3</b>	<b>163,2</b>	<b>9,0</b>

Areas represent the consolidated countries

(\*) Include Holding, Other non core Companies, extra Area eliminations

An overview of the performance of the Group's operations in the principal countries is provided below:

In **Italy**, net revenues increased to 558.9 million euros, compared to the 499.1 million euros booked in the first six months of 2006. The data for the first half of 2007 benefited from the consolidation of Newlat and Carnini, which contributed about 87,5 million euros to revenues and about 3.3 million euros to EBITDA.

EBITDA grew to 55.9 million euros, showing an increase compared with the 48.1 million euros earned in the first six months of 2006.

The return on sales was 10.0%, up from 9.6% in the first half of 2006 (+0.4 percentage points).

A more favorable product mix that benefited primarily from the contribution of fruit juices and other products with a high value added plus a lower cost structure account for this positive performance.

On the procurement side, tensions in the raw milk market caused a rise in purchasing costs that could be recovered only in part by raising list prices.

In **Canada**, consolidated net revenues totaled 625.1 million euros, compared with 647.6 million euros in the first half of 2006 (-3.5%).

Restated to eliminate the currency translation impact, net revenues show an increase of 4.0%. However, by the end of June, the exchange rate appeared to have bottomed out and should improve in the second half of 2007.

EBITDA totaled 57.7 million euros (54.1 million euros in the first six months of 2006). Unfavorable changes in the exchange rate compared with the first half of 2006 reduced EBITDA by 4.5 million euros. The return on sales improved from 8.4% in the first half of 2006 to 9.2% in the same period this year.



Overall, the Canadian operations reported an increase in unit sales thanks mainly to higher shipments of cheese (+10.5%).

The main reasons for the improved performance of the Canadian SBU in the first six months of 2007 compared with the same period last year include a more favorable sales mix, the success of aggressive marketing campaigns and of new packaging solutions, and the price increases implemented to absorb a rise in raw material costs.

In **Australia**, net revenues totaled 209.2 million euros, about the same as in the first half of 2006. The local currency appreciated by 0.6% compared with the exchange rate applied in the first six months of 2006.

Unit sales were down year-on-year due mainly to strong competition from low-price brands, which was due in part to the entry by several private labels into the UHT and pasteurized milk markets, and a significant increase in the price of raw milk caused mainly by a supply shortage.

The Australian SBU has been working to optimize its sales mix by developing new products with a high value added.

In **Africa**, net revenues amounted to 168.2 million euros in the first half of 2007, compared with 175.9 million euros in the same period last year. Among the local currencies, the South African Rand lost 22.7% of its value compared with the first six months of 2006. The resulting negative impact on revenues for the entire African SBU was 34.4 million euros. EBITDA was down slightly, falling from 19.4 million euros in the first six months of 2006 to 17.9 million euros in the same period this year. The negative impact of currency translations on EBITDA was 3.3 million euros.

Unit sales were higher than in the first half of 2006, particularly for UHT milk, fruit juices, cheese and yogurt.

In Africa, the markets have been growing not just in South Africa but also in the smaller markets (Mozambique, Botswana, Zambia and Swaziland), where Parmalat is the market leader.

In **Europe, excluding Italy**, net revenues increased to 72.4 million euros, or 16.3% an increase over the 62.3 million euros reported at June 30, 2006. EBITDA improved to 11.1 million euros (9.0 million euros in the first half of 2006). At 15.3%, the return on sales was higher than in the first six months of 2006 (14.5%). The Group's performance in the European countries outside Italy was characterized by a positive trend in Russia and Romania. The Russian operations increased unit sales of UHT milk, pasteurized milk and fruit juices, owing in part to an expansion of their geographic footprint. This improvement was made possible primarily by the modernization and expansion of the SBU's manufacturing and distribution organization and by the development of new contacts with supermarket chains. The Romanian SBU also reported higher unit sales of fruit juices and tea and, starting in the second half of 2007 it will add several types of high value added products to its portfolio. In Portugal, sales of flavored milk continued on an upward trend, but the resulting benefits were offset in part by a reduction in revenues from fruit juices.

In **Central and South America**, net revenues grew to 179.4 million euros, up from 161.1 million euros (+11.4%) in the first half of 2006. EBITDA (22.7 million euros in the first six months of 2006) amounted to 15.5 million euros in the first half of 2007. There are several reasons for this negative performance. The profitability of the Venezuelan SBU was adversely affected by an increase in the cost of raw milk, government controls on the price of powdered and liquid milk and higher fixed manufacturing costs, offset in part by a good performance in the fruit juice area. In Colombia, raw milk prices also increased, due to a scarcity of available supplies, while unit sales decreased, especially in the pasteurized milk and UHT milk segments. These negative factors were offset in part by raising list prices and by the launch of a new type of pasteurized milk. In Nicaragua, where unit sales were down, the local SBU plans to focus its production on items with a higher value added.



## **PARMALAT S.p.A.**

In the first half of 2007, **net revenues** totaled 426.9 million euros, little changed from the 427.7 million euros reported at June 30, 2006.

**EBITDA** grew to 34.9 million euros, up 2.9 million euros (+9.1%) from the 32.0 million euros reported in the first six months of 2006. This increase reflects primarily the positive effect of a better sales mix, with a higher presence of products with greater value added, and a reduction in operating costs. These positive factors more than offset the impact of a rise in the cost of raw milk, which could be recovered only in part by increasing list prices.

**Net financial assets** increased significantly during the first half of 2007, rising from 341.4 million euros at December 31, 2006 to 570.2 million euros at June 30, 2007, for a net gain of 228.8 million euros. This gain reflects the positive impact of the cash flow generated by the Company's regular operations and the non-recurring transactions mentioned when discussing the Group's performance, offset in part by dividend payments (41.2 million euros) and the amount invested to buy back the interests held by minority shareholders in two subsidiaries in Russia and Romania (8.3 million euros).

\* \* \* \* \*

## **Outlook for the Balance of 2007**

The outlook results for the first half of 2007 were in line with expectations, despite a less than positive performance by the Venezuelan operations, confirming that the growth and consolidation trend enjoyed by the Parmalat Group is continuing in terms both of revenues and profitability of EBITDA.

Targets for growth are in line with expectations, despite the continuous increase in the price of raw milk (both powdered and liquid), in part offset by an adjustment in pricing policy excluding the delta perimeter of Boschi and Spain of approximately 15 million euros, and the Venezuela effect of approximately 7 million euros.

\* \* \* \* \*

## **Guidelines for Foreign Subsidiaries Required Pursuant to Legislative Decree No. 231/2001**

The Board of Directors approved the guidelines for foreign subsidiaries required pursuant to Legislative Decree No. 231/2001

\* \* \* \* \*



## **Presentation to Investors**

The results for the first half of 2007 will be presented to the financial community at 10.00 AM (CET) – 9.00 AM (GMT) on September 14, 2007 at the Hotel Principe di Savoia, 17 Piazza della Repubblica, in Milan. The live presentation can be followed in one of the following modes:

- webcasting: [http:// parmalat.netick.it](http://parmalat.netick.it) - Password: Results.
- audioconferencing by calling the number: +39 02 802 0911 – Event: Parmalat

A recording of the same presentation will be available from September 14, 2007 to September 21, 2007 using the link provided above.

Additional information about the abovementioned presentation is available on the Parmalat website: "[www.parmalat.com](http://www.parmalat.com)" → "Investor Relations".

\* \* \* \* \*

*Financial statement schedules have been annexed to this press release.*

\* \* \* \* \*

*The data for the first half of 2007 and the corresponding report of the Independent Auditors will be made publicly available respecting the deadlines and in the manner required by the applicable statutes. The data will also be accessible on line at [www.parmalat.com](http://www.parmalat.com) → Investor Relations → financial reports.*

\* \* \* \* \*

As required by Article 154 *bis*, Section 2, of the Uniform Financial Code (Legislative Decree No. 58/1998), the Corporate Accounting Documents Officer declares that, to the best of his knowledge, the accounting information provided in this press release is consistent with the information in the supporting documents and in the Company's other documents and accounting records.

\* \* \* \* \*

Parmalat S.p.A.

Collecchio, September 13, 2007

Corporate contact:

e-mail: [affari.societari@parmalat.net](mailto:affari.societari@parmalat.net)



## Parmalat Group

### RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in million euros)

	First half 2007	First half 2006 restated (**)	First half 2006 (*)
<b>TOTAL NET REVENUES</b>	<b>1,823.9</b>	<b>1,776.1</b>	<b>1,982.0</b>
Revenues from operations	1,810.3	1,761.8	1,967.2
Other revenues	13.6	14.3	14.8
<b>OPERATING EXPENSES</b>	<b>(1,654.0)</b>	<b>(1,615.8)</b>	<b>(1,819.2)</b>
Purchases, services and miscellaneous costs	(1,435.1)	(1,401.7)	(1,581.9)
Labor costs	(218.9)	(214.1)	(237.3)
<b>Subtotal</b>	<b>169.9</b>	<b>160.3</b>	<b>162.8</b>
Writedowns of receivables and other provisions	(6.7)	(2.8)	(3.0)
<b>EBITDA</b>	<b>163.2</b>	<b>157.5</b>	<b>159.8</b>
Depreciation, amortization and writedowns of non-current assets	(45.3)	(44.0)	(49.0)
Other revenues and expenses:			
- Legal fees for actions to void and actions for damages	(31.9)	(25.3)	(25.3)
- Restructuring costs	(4.9)	-	(7.2)
- Miscellaneous revenues and expenses	202.5	(1.2)	(1.5)
<b>EBIT</b>	<b>283.6</b>	<b>87.0</b>	<b>76.8</b>
Financial income	31.3	15.3	16.7
Financial expense (-)	(26.0)	(47.3)	(54.3)
Interest in profit (loss) of companies valued by the equity method		1.3	1.3
Other income from (charges for) equity investments	2.6		
<b>PROFIT (LOSS) BEFORE TAXES</b>	<b>291.5</b>	<b>56.3</b>	<b>40.5</b>
Income taxes	(74.7)	(25.1)	(24.1)
<b>NET PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>216.8</b>	<b>31.2</b>	<b>16.4</b>
Net profit (loss) from discontinuing operations	27.5	(14.2)	0.6
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>244.3</b>	<b>17.0</b>	<b>17.0</b>
Minority interest in net (profit) loss	(0.8)	(2.9)	(2.9)
Group interest in net profit (loss)	243.5	14.1	14.1
<b>Continuing operations:</b>			
<b>Basic earnings per share</b>	<b>0.1480</b>	<b>0.0087</b>	<b>0.0087</b>
<b>Diluted earnings per share</b>	<b>0.1427</b>	<b>0.0084</b>	<b>0.0084</b>

(\*) Approved by the Board of Directors on September 13, 2006.

(\*\*) The differences compared with the financial statements approved at the Board of Directors on September 13, 2006 are discussed in the section of the Notes to the Financial Statements entitled "Restatements Applied to the Income Statement at June 30, 2006."



## Parmalat Group

### RECLASSIFIED CONSOLIDATED BALANCE SHEET

<i>(in millions of euros)</i>	<b>6/30/07</b>	<b>12/31/06</b>
<b>NON-CURRENT ASSETS</b>	<b>1,994.4</b>	<b>2,158.5</b>
Intangibles	1,279.6	1,290.5
Property, plant and equipment	625.5	728.1
Non-current financial assets	49.9	99.3
Deferred-tax assets	39.4	40.6
<b>AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES</b>	<b>24.1</b>	<b>24.2</b>
<b>NET WORKING CAPITAL</b>	<b>666.0</b>	<b>545.4</b>
Inventories	382.8	348.3
Trade receivables	511.0	530.0
Other current assets	500.9	406.6
Trade payables (-)	(499.9)	(521.0)
Other current liabilities (-)	(226.2)	(218.5)
<b>INVESTED CAPITAL NET OF OPERATING LIABILITIES</b>	<b>2,687.1</b>	<b>2,728.1</b>
<b>PROVISIONS FOR EMPLOYEE BENEFITS (-)</b>	<b>(120.1)</b>	<b>(122.1)</b>
<b>PROVISIONS FOR RISKS AND CHARGES (-)</b>	<b>(323.1)</b>	<b>(359.5)</b>
<b>PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS</b>	<b>(24.4)</b>	<b>(24.8)</b>
<b>NET INVESTED CAPITAL</b>	<b>2,219.5</b>	<b>2,221.7</b>
<b>Covered by:</b>		
<b>SHAREHOLDERS' EQUITY</b>	<b>2,278.4</b>	<b>2,051.7</b>
Share capital	1,649.4	1,641.5
Reserve for creditor challenges, contested liabilities and claims of late-filing creditors convertible exclusively into share capital	224.0	224.9
Other reserves	36.0	(44.5)
Retained earnings (Loss carryforward)	96.1	(0.3)
Profit (Loss) for the period	243.5	192.5
Minority interest in shareholders' equity	29.3	37.6
<b>NET BORROWINGS</b>	<b>(58.9)</b>	<b>170.0</b>
Loans payable to banks and other lenders	637.3	694.2
Loans payable to investee companies	5.3	5.4
Other financial assets (-)	(475.2)	(207.8)
Cash and cash equivalents (-)	(226.3)	(321.8)
<b>TOTAL COVERAGE SOURCES</b>	<b>2,219.5</b>	<b>2,221.7</b>

(a) The schedule that reconciles the result and shareholders' equity at June 30, 2007 of Parmalat S.p.A. and the consolidated result and shareholders' equity is explained in the Notes to the Consolidated Financial Statements.





## Parmalat Group

### STATEMENT OF CHANGES IN NET FINANCIAL POSITION IN THE FIRST HALF OF 2007

<i>(in millions of euros)</i>	First half 2007	2006 Full year
<b>Net borrowings at beginning of period</b>	<b>170.0</b>	<b>369.3</b>
Changes during the period:		
- Cash flow from operating activities	(56.5)	(51.2)
- Cash flow from investing activities	58.5	102.7
- Cash flow from settlements	(237.4)	(44.5)
- Cash flow from divestitures and sundry items	(22.8)	(185.3)
- Dividend payments	43.4	
- Exercise of warrants	(7.0)	
- Miscellaneous items	(9.1)	
- Impact of changes in the scope of consolidation	(12.2)	36.3
- Currency translation impact	14.2	(57.3)
Total changes during the period	(228.9)	(199.3)
<b>Net (borrowings) financial assets</b>	<b>(58.9)</b>	<b>170.0</b>

### BREAKDOWN OF NET FINANCIAL POSITION

<i>(in millions of euros)</i>	6/30/07	12/31/06
<b>Net borrowings</b>		
Loans payable to banks and other lenders	637.3	694.2
Loans payable to investee companies	5.3	5.4
Other financial assets (-)	(475.2)	(207.8)
Cash and cash equivalents (-)	(226.3)	(321.8)
<b>Total</b>	<b>(58.9)</b>	<b>170.0</b>

### RECONCILIATION OF CHANGE IN NET INDEBTEDNESS AND CASH FLOW STATEMENT (Cash and Cash Equivalents)

<i>(in millions of euros)</i>	Cash and cash equivalents	Gross indebtedness	Net indebtedness
<b>Balance at beginning of period</b>	<b>(321.8)</b>	<b>491.8</b>	<b>170.0</b>
Cash flow from operating activities	(56.5)		(56.5)
Cash flow from investing activities	58.5		58.5
New borrowings	(35.6)	35.6	0.0
Loan repayments	90.0	(90.0)	0.0
Investments in current financial assets and sundry assets	265.6	(265.6)	0.0
Cash flow from settlements	(237.4)		(237.4)
Cash flow from divestitures and sundry items	(22.8)		(22.8)
Dividend payments	43.4		43.4
Exercise of warrants	(7.0)		(7.0)
Miscellaneous items		(9.1)	(9.1)
Impact of changes in the scope of consolidation	0.7	(12.9)	(12.2)
Currency translation impact	(3.4)	17.6	14.2
<b>Balance at end of period</b>	<b>(226.3)</b>	<b>167.4</b>	<b>(58.9)</b>



## Parmalat S.p.A.

### RECLASSIFIED INCOME STATEMENT

(in millions of euros)

	First half 2007	First half 2006 restated (**)	First half 2006 (*)
<b>TOTAL NET REVENUES</b>	<b>438.5</b>	<b>442.7</b>	<b>519.5</b>
Sales Revenues	426.9	427.7	504.5
Other revenues	11.6	15.0	15.0
<b>OPERATING EXPENSES</b>	<b>(400.1)</b>	<b>(410.2)</b>	<b>(487.0)</b>
Purchases, services and miscellaneous costs	(349.2)	(355.9)	(432.7)
Labor costs	(50.9)	(54.3)	(54.3)
<b>Subtotal</b>	<b>38.4</b>	<b>32.5</b>	<b>32.5</b>
Writedowns of receivables and other provisions	(3.5)	(0.5)	(0.5)
<b>EBITDA</b>	<b>34.9</b>	<b>32.0</b>	<b>32.0</b>
Depreciation, amortization and writedowns of non-current assets	(15.5)	(9.4)	(9.4)
Other revenues and expenses			
- Legal fees for actions to void and actions for damages	(31.9)	(25.3)	(25.3)
- Restructuring costs	(1.0)	0.0	0.0
- Additions to provision for losses of investee companies	(6.9)	(5.3)	(5.3)
- Miscellaneous revenues and expenses	210.8	0.9	0.9
<b>EBIT</b>	<b>190.5</b>	<b>(7.1)</b>	<b>(7.1)</b>
Financial income	16.6	5.7	5.7
Financial expense (-)	(1.8)	(3.0)	(3.0)
Income from (charges for) equity investments	9.0	7.6	7.6
<b>PROFIT (LOSS) BEFORE TAXES AND THE RESULT FROM DISCONTINUING OPERATIONS</b>	<b>214.2</b>	<b>3.2</b>	<b>3.2</b>
Income taxes	(48.1)	(1.8)	(1.8)
<b>NET PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>166.1</b>	<b>1.4</b>	<b>1.4</b>
Net profit (loss) from discontinuing operations	32.1	0.6	0.6
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>198.2</b>	<b>2.0</b>	<b>2.0</b>

(\*) Approved by the Board of Directors on September 13, 2006.

(\*\*) The reclassifications compared with the financial statements approved by the Board of Directors on September 13, 2006 are discussed in the section entitled "Restatements Applied to the Income Statement at June 30, 2006."



## Parmalat S.p.A.

### RECLASSIFIED BALANCE SHEET

<i>(in millions of euros)</i>	<b>6/30/07</b>	<b>12/31/06</b>
NON-CURRENT ASSETS	<b>1,461.7</b>	<b>1,605.4</b>
Intangibles	476.6	483.6
Property, plant and equipment	139.1	138.0
Non-current financial assets	826.3	964.5
Deferred-tax assets	19.7	19.3
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	<b>0.0</b>	<b>7.5</b>
NET WORKING CAPITAL	<b>373.8</b>	<b>269.4</b>
Inventories	42.4	36.1
Trade receivables	226.3	225.7
Other current assets	422.6	298.5
Trade payables (-)	(204.1)	(204.0)
Other current liabilities (-)	(113.4)	(86.9)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	<b>1,835.5</b>	<b>1,882.3</b>
PROVISIONS FOR EMPLOYEE BENEFITS (-)	<b>(37.8)</b>	<b>(40.6)</b>
PROVISIONS FOR RISKS AND CHARGES (-)	<b>(230.5)</b>	<b>(209.2)</b>
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	<b>(22.4)</b>	<b>(22.8)</b>
<b>NET INVESTED CAPITAL</b>	<b>1,544.8</b>	<b>1,609.7</b>
<b>Covered by:</b>		
SHAREHOLDERS' EQUITY	<b>2,115.0</b>	<b>1,951.1</b>
Share capital	1,649.4	1,641.5
Reserve for creditor challenges, contested liabilities and claims of late-filing creditors convertible exclusively into share capital	224.0	224.9
Other reserves	43.4	(11.6)
Retained earnings (Loss carryforward)	0.0	(29.3)
Profit (Loss) for the period	198.2	125.6
NET BORROWINGS	<b>( 570.2)</b>	<b>( 341.4)</b>
Loans payable to banks and other lenders	11.7	12.5
Loans payable to Group companies	2.3	2.3
Other financial assets (-)	(478.5)	(215.4)
Cash and cash equivalents (-)	(105.7)	(140.8)
<b>TOTAL COVERAGE SOURCES</b>	<b>1,544.8</b>	<b>1,609.7</b>



## Parmalat S.p.A.

### STATEMENT OF CHANGES IN NET FINANCIAL POSITION IN THE FIRST HALF OF 2007

<i>(in millions of euros)</i>	First half 2007	2006 Full year
<b>Net borrowings at beginning of period</b>	<b>(341.4)</b>	<b>(324.5)</b>
Changes during the period:		
- Cash flow from operating activities	(51.9)	31.6
- Cash flow from investing activities	27.2	57.8
- Cash flow from settlements	(237.4)	(44.5)
- Cash flow from divestitures and sundry items	(3.3)	(60.1)
- Dividend payments	41.2	0.0
- Exercise of warrants	(7.0)	(1.8)
- Miscellaneous items	2.4	0.1
Total changes during the period	(228.8)	(16.9)
<b>Net borrowings at end of period</b>	<b>(570.2)</b>	<b>(341.4)</b>

### BREAKDOWN OF NET FINANCIAL POSITION

<i>(in millions of euros)</i>	6/30/07	12/31/06
<b>Net borrowings</b>		
Loans payable to banks and other lenders	11.7	12.5
Loans payable to investee companies	2.3	2.3
Other financial assets (-)	(478.5)	(215.4)
Cash and cash equivalents (-)	(105.7)	(140.8)
<b>Total</b>	<b>(570.2)</b>	<b>(341.4)</b>

### RECONCILIATION OF CHANGE IN NET INDEBTEDNESS AND CASH FLOW STATEMENT (Cash and Cash Equivalents)

<i>(in millions of euros)</i>	Cash and cash equivalents	Gross indebtedness	Net indebtedness
<b>Balance at beginning of period</b>	<b>(140.8)</b>	<b>(200.6)</b>	<b>(341.4)</b>
Cash flow from operating activities	(51.9)		(51.9)
Cash flow from investing activities	27.2		27.2
New borrowings	(0.9)	(0.9)	0.0
Loan repayments	2.9	(2.9)	0.0
Investments in current financial assets and sundry assets	264.3	(264.3)	0.0
Cash flow from settlements	(237.4)		(237.4)
Cash flow from divestitures and sundry items	(3.3)		(2.9)
Dividend payments	41.2		41.2
Exercise of warrants	(7.0)		(7.0)
Miscellaneous items		2.4	2.4
<b>Balance at end of period</b>	<b>(105.7)</b>	<b>(464.5)</b>	<b>(570.2)</b>