Interim Report on Operations

at March 31, 2008

Mission

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

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

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

Countries of Operation

Direct Presence

Europe

Italy, Portugal, Romania and Russia

Rest of the World

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

Presence Through Licensees

Brazil, Chile, China, Dominican Republic, Hungary,
Mexico, Spain, United States of America, Uruguay

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Board of Directors, Board of Statutory Auditors and Independent Auditors

Board of Directors

Chairman	Raffaele Picella
Chief Executive Officer	Enrico Bondi
Directors	Piergiorgio Alberti (i) Massimo Confortini (i) (3) Marco De Benedetti (i) (2) Andrea Guerra (i) (2) Vittorio Mincato (i) (3) Erder Mingoli (i) Marzio Saà (i) (1) Carlo Secchi (i) (1) (2) Ferdinando Superti Furga (i) (1) (3)

(i) Independent Director
(1) Member of the Internal Control and Corporate Governance Committee
(2) Member of the Nominating and Compensation Committee
(3) Member of the Litigation Committee

Board of Statutory Auditors

Chairman	Alessandro Dolcetti
Statutory Auditors	Enzio Bermani Mario Magenes

Financial Highlights

Income Statement Highlights

(in millions of euros)		
GROUP	**First quarter of 2008**	**First quarter of 2007 restated[1]**
- Net revenues	926.9	868.7
- EBITDA	63.9	75.2
- EBIT	106.8	159.1
- Net profit	90.8	111.0
- EBIT/Revenues (%)	11.5	18.2
- Net profit/Revenues (%)	9.7	12.7
- Interest expense coverage (%)	n.m.	23.5
COMPANY		
- Net revenues	227.0	208.5
- EBITDA	7.8	16.8
- EBIT	69.5	116.4
- Net profit	106.4	87.2
- EBIT/Revenues (%)	29.9	54.5
- Net profit/Revenues (%)	45.8	40.8
- Interest expense coverage (%)	n.m.	n.m.

Balance Sheet Highlights

(in millions of euros)		
GROUP	**3/31/08**	**12/31/07**
- Net financial assets (Net borrowings)	915.3	855.8
- ROI (%)[2]	23.6	38.0
- ROE (%)[2]	13.4	28.5
- Equity/Assets	0.6	0.6
- Net financial position/Equity	(0.3)	(0.3)
COMPANY		
- Net financial assets (Net borrowings)	1,327.2	1,231.3
- ROI (%)[2]	44.1	73.6
- ROE (%)[2]	16.8	25.1
- Equity/Assets	0.8	0.8
- Net financial position/Equity	(0.5)	(0.5)

[1] Following the sale of all of the assets of the Spanish operations and the business operations of Boschi Luigi e Figli S.p.A., the corresponding data for the first quarter of 2007 were restated and all income statement items attributable to the abovementioned operations were reclassified under "Profit (Loss) from discontinuing operations."

[2] These indices were computed based on annualized data for the income statement and actual year-end data for the balance sheet. The ROI was computed taking into account the impact of nonrecurring events.

Operating Performance

Note: The data are stated in millions of euros. As a result, the figures could reflect apparent differences caused exclusively by the rounding of figures.

Group

In first quarter of 2008, in a general background of challenging economic conditions, the markets in which the Group operates were characterized by events and trends that were unexpected both in terms of their nature and their size.
A decline in purchasing power, coupled with sharp increases in food prices, both in the developed and mature markets and in the emerging economies, produced a shift in consumer behavior that favored low-price products with deep promotional discounts and fostered the growth of private labels.
Further increases in the cost of raw materials and other expense items that are affected by the price of oil (packaging, shipping, distribution, etc.) eroded profit margins and made it necessary to adopt new price lists, which could be implemented only with difficulty and some delay, due to strong resistance by customers and the practice followed by many of our competitors — cooperatives in particular — who tend to absorb these costs increases without reflecting them on sales prices or do so only to a very limited extent.

The substantial gain in revenues compared with the first three months of 2007 is partly the result of price increases, but also reflects the impact of a further improvement in the sales mix made possible by programs implemented to focus the Group's efforts and investments on products with a high value added.
At the same time, marketing and sales activities were stepped up with the goal of meeting changing consumer needs. Strong indications that milk prices may be peaking as a result of an increase in production and a drop in demand caused by a decrease in consumption, seem to indicate that it may be possible to restore profit margins in the near future.
In many markets, the Group lost volumes and revenues due to the conscious decision to cease production and sales of items with negative margins that were being distributed under our own brands and, more often, under house brands of retailers.

In the first quarter of 2008, the Group's profitability, in addition to being affected significantly by nonrecurring events, felt the impact of a delay in implementing price increases, as customers resisted the new price lists, the adoption of which had to be postponed, since it would have coincided with the period during which the contracts for 2008 were being negotiated.

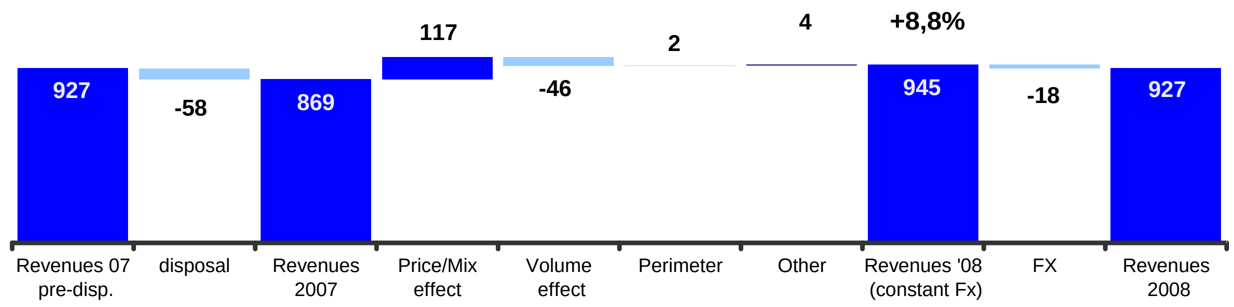
€ ml	**I Qtr 07**	**I Qtr 08**	**CHANGE**	**CHANGE %**
Revenues	**868,7**	**926,9**	**58,2**	*+6,7%*
EBITDA	**75,2**	**63,9**	**(11,3)**	
EBITDA %	*8,7*	*6,9*	*-1,8 ppt*	

Group revenues, stated on the basis of a comparable scope of consolidation, totaled 943.3 million euros in the first quarter of 2008, for a gain of 8.6% (74.6 million euros) compared with the same period last year. The impact of translating into euros amounts stated in other currencies was negative by 18.4 million euros, causing revenues to decrease to 926.9 million euros.

EBITDA totaled 69.5 million euros in the first three months of 2008. However, this amount decreases to 63.9 million euros when the impact of foreign exchange translations and of nonrecurring corporate costs is taken into account. The combined effect of lower unit sales and higher fixed production costs and marketing expenses, offset in part by the benefits of a better sales mix and more lucrative prices, accounts for the decrease in EBITDA compared with the first quarter of 2007.

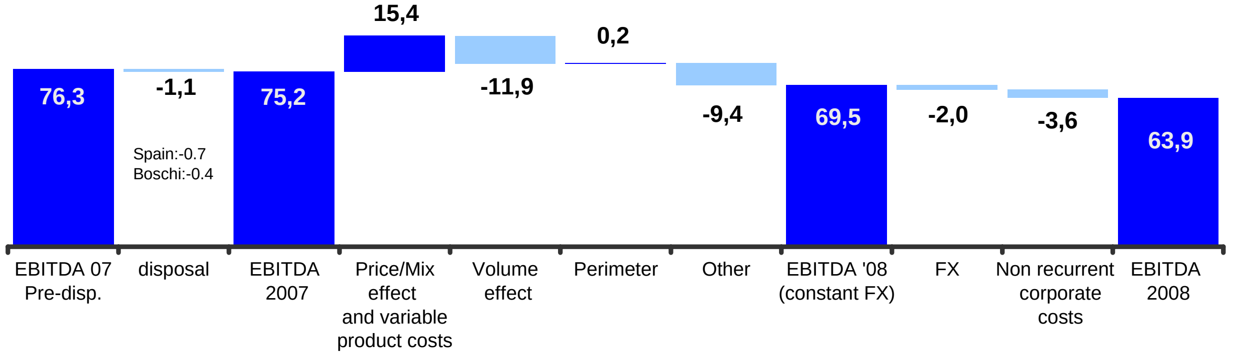
Revenues March 08 vs 07

(€ ml)



EBITDA March 08 vs 07

(€ ml)



Data by Geographic Region

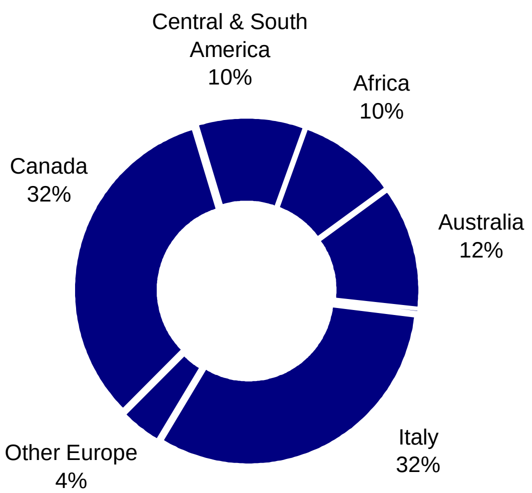
2007			MARCH 31	2008		
NET REVENUES	**EBITDA**	***EBITDA %***	*in millions of euros*	**NET REVENUES**	**EBITDA**	***EBITDA %***
274,8	28,0	*10,2*	Italy	302,6	24,7	*8,2*
35,1	4,8	*13,6*	Other countries in Europe	41,2	4,8	*11,5*
284,7	22,5	*7,9*	Canada	295,4	23,7	*8,0*
89,2	9,3	*10,5*	Central & South America	100,1	12,2	*12,2*
84,5	8,9	*10,6*	Africa	81,4	6,6	*8,1*
101,8	7,5	*7,4*	Australia	107,5	1,9	*1,8*
(1,3)	(5,8)	*n.m.*	Other[1]	(1,2)	(10,0)	*n.m.*
868,7	**75,2**	***8,7***	**Total for the Group**	**926,9**	**63,9**	***6,9***

The geographic regions represent the consolidated data for the respective countries.

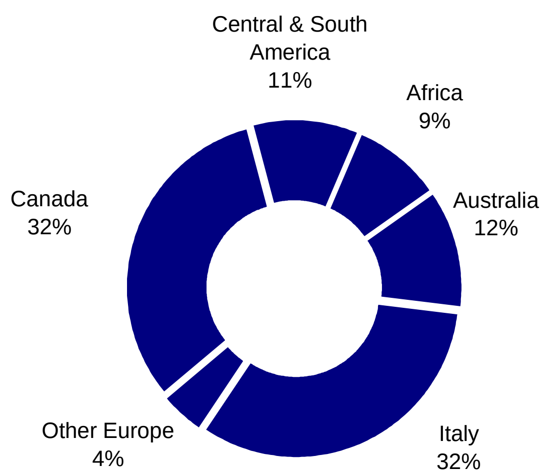
1. Other includes holding companies, sundry non-core companies and inter-region eliminations.

Revenues by Geographic Region

Revenues I Quarter 2007



Revenues I Quarter 2008



Data by Product Division

	I Qtr 07			I Qtr 08		
€ ml	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***
Milk (1)	532,5	41,8	*7,8*	561,2	35,7	*6,4*
Fruit Base Drink (2)	55,4	11,2	*20,3*	61,7	11,6	*18,8*
Milk Derivative (3)	268,7	25,1	*9,3*	286,6	25,3	*8,8*
Other (4)	12,2	(2,9)	*n.s.*	17,5	(8,7)	*n.s.*
Group	**868,7**	**75,2**	***8,7***	**926,9**	**63,9**	***6,9***

(1) Include Milk, Cream and Bechamel
(2) Fruit juices and Tea
(3) Include Yogurt, Dessert, Cheese
(4) Include Others Products and Holding

Capital Expenditures

In the first three months of 2008, capital expenditures, including land and buildings, totaled 30.8 million euros. An analysis of this item shows that the largest amounts were invested in Canada (10.1 million euros), Italy (5.8 million euros), South Africa (7.6 million euros) and Australia (3.3 million euros).

Parent Company

€ ml	**I Qtr 07**	**I Qtr 08**	**CHANGE**	**CHANGE %**
Revenues	**208,5**	**227,0**	**18,5**	*+8,9%*
EBITDA	**16,8**	**7,8**	**(9,0)**	
EBITDA %	*8,1*	*3,4*	*-4,6 ppt*	

Revenues for the first quarter of 2008 were 8.9% higher than in the same period last year, but EBITDA decreased to 7.8 million euros, down from 16.8 million euros in the same period last year (-9.0 million euros). At March 31, 2008, holding company expenses totaled 9.8 million euros, compared with 5.7 million euros in the first three months of 2007.

The main developments that characterized the first quarter of 2008 included the following:

- A substantial increase in production costs, which required an upward adjustment of list prices;
- A reduction in unit sales that was even more pronounced for basic products;
- A more favorable sales mix, with higher sales volumes of fruit juices and specialty milk;
- An increase in nonrecurring labor costs.

Business Units

Italy

€ ml	I Qtr 07	I Qtr 08	CHANGE	CHANGE %
Revenues	**274,8**	**302,6**	**27,8**	*+10,1%*
EBITDA	**28,0**	**24,7**	**(3,2)**	
EBITDA %	*10,2*	*8,2*	*-2,0 ppt*	

In the first quarter of 2008, revenues grew by 10.1%, compared with the same period a year ago, and EBITDA totaled 24.7 million euros, down from 28.0 million euros in the first three months of 2007 (-3.2 million euros).

In Italy, unit sales were comparable with those achieved during last year's beginning quarter, but the Group's performance varied widely in the different market segments, as the beneficial impact of growth in functional milks, yogurt and fruit juices was offset by a sharp drop in sales of fresh milk. The main reason for this decrease was the competitive pressure exercised by retailers, who chose to invest heavily in advertising to promote their house brands and priced them very aggressively, compared with branded products, using this daily staple to attract consumers to their stores with an image of bargain prices.

After January 1, 2008, the cost of raw milk continued to rise in Italy, growing by about 13%, but this increase was passed on to retailers and consumers with some delay, due to the fixed sales terms that were in effect until new 2008 sales contracts were executed.

Other Countries in Europe

€ ml	I Qtr 07	I Qtr 08	CHANGE	CHANGE %
Revenues	**35,1**	**41,2**	**6,2**	*+17,6%*
EBITDA	**4,8**	**4,8**	**(0,0)**	
EBITDA %	*13,6*	*11,5*	*-2,1 ppt*	

Russia

Revenues totaled 21.6 million euros in the first quarter of 2008, for a year-over-year gain of 39% with data stated using constant exchange rates. EBITDA amounted to 89.5 million rubles (11.4% of revenues).

The market for dairy products was relatively sluggish at the beginning of the year, due to an across-the-board reduction in consumer purchases, which were directly affected by an increase in list prices (+30% compared with 2007).

Unit sales for the quarter improved for virtually all product categories. Pasteurized milk was the only exception, due to list price increases, which, however, were implemented by all competitors. Sales of fruit juices were up sharply, despite difficulties at the manufacturing level that significantly curtailed product availability in March. This positive performance reflects the strength of the Group's brands and was made possible by an expansion of the distribution organization.

Portugal

Portugal's deep economic crisis, which is causing consumers to favor low-cost products to the detriment of branded products, created a challenging environment in the first quarter of 2008. Revenues increased by 6%, but unit sales were down 6.2%. Compared with the first three months of 2007, shipments decreased by 11.5% for fruit juices and 3.8% for UHT milk, which accounts for 64% of the total sales volume, including flavored milk, and fell by 25.2% for UHT cream, due to the failure to renew an important contract to produce UHT cream under a private label for a major retailer. However, EBITDA improved substantially. Overall, despite lower unit sales, reported EBITDA were up 3%, due the SBU's decision to raise sales prices to reflect increases in the cost of raw materials, energy and transportation, an action that, unfortunately, was not taken by all of our competitors.

Romania

Unit sales of fruit juices, which accounted for 95% of total sales, were up 10.1% compared with the first three months of 2007. Promotional and advertising expenses increased during the first quarter of 2008 due to the launch of "Zymil" and "Santal 5 Colori." However, distribution and energy costs were down compared with the first three months of 2007. Specifically, energy costs benefited from a new supply contract signed in March 2008.

Canada

€ ml	I Qtr 07	I Qtr 08	CHANGE	CHANGE %
Revenues	**284,7**	**295,4**	**10,7**	*+3,7%*
EBITDA	**22,5**	**23,7**	**1,2**	
EBITDA %	*7,9*	*8,0*	*0,1 ppt*	

The local currency (Canadian dollar) increased in value by 2.1% compared with the exchange rate applied in the same period last year. During the first three months of 2008, the impact of this change on revenues and EBITDA was 6.1 million euros and 0.5 million euros, respectively.

In order to provide a better understanding of the SBU's performance, the table below shows the data restated using the local currency.

Local Currency ml	I Qtr 07	I Qtr 08	CHANGE	CHANGE %
Revenues	**437,2**	**444,2**	**7,1**	*+1,6%*
EBITDA	**34,6**	**35,7**	**1,1**	
EBITDA %	*7,9*	*8,0*	*0,1 ppt*	

Overall, consumer demand was affected by difficult conditions in the local economy. Volumes held relatively steady, but consumers were increasingly price conscious and focused on promotions.
Despite this challenging environment, net revenues show a gain of 2.5% compared with 2007 when the impact of the cost of listing new products is eliminated. Higher sales during the Easter holiday period, which occurred in March this year (in April in 2007) and the launch of a series of new products, which began in the fourth quarter of 2007 and continued during the first three months of 2008, contributed to the year-over-year increase in net revenues. Stated using constant exchange rates, EBITDA were up 3.0% in absolute terms, compared with the same period last year.

New functional products launched during the first quarter of 2008 include BioBest, the Maximmunité probiotic shot and a spoonable version of the Vitalité yogurt. Rising sales of proprietary functional products have strengthened Parmalat Canada's leadership position in the Canadian dairy market.
During the first three months of 2008, Parmalat Canada expanded geographically, entering the Quebec market with its functional yogurt and achieving a position as a national player. Significant investments directed at consumers will be needed to support the SBU's vast product line and ensure continued success over the long term.

Capital investment projects that are of fundamental importance to lay the foundation for further growth in the area of functional products and increase operating efficiency were completed during the first quarter of 2008, boosting the SBU's ability to deliver positive operating results for the balance of the year

Central and South America

€ ml	I Qtr 07	I Qtr 08	CHANGE	CHANGE %
Revenues	**89,2**	**100,1**	**10,9**	*+12,2%*
EBITDA	**9,3**	**12,2**	**2,9**	
EBITDA %	*10,5*	*12,2*	*1,7 ppt*	

Venezuela

Sales were up strongly for all major product categories, despite the significantly adverse effect of the Easter holiday period (in March this year versus April in 2007), thanks to innovation and investments in promotional and advertising campaigns directed at consumers. However, sales of commoditized products decreased, owing in part to the limited availability of raw materials.

The Venezuela SBU has begun the process of importing products from other Group companies in the region, which will bring substantial benefits to Venezuela as a whole and to the Parmalat Group companies in particular. The operating result improved compared with the first quarter of 2007.

Colombia

Thanks to major investments in advertising and promotions, sales of products with a high value added (Zymil, Vaalia, Len, etc.) continued to grow, despite the increase in competition that followed the entry of major new players in the Colombian market. However, unit sales of pasteurized milk were down significantly.
Even though the cost of raw milk rose by a substantial amount, the operating result was in line with the amount reported in the first quarter of 2007. This achievement was made possible by the SBU's decision to raise list prices sufficiently to match cost increases, thereby creating the conditions for a continued positive performance in the future.

Nicaragua

The Group's operations in Nicaragua are undergoing a major restructuring, with launches of new functional products and new merchandise categories (yogurt), with the goal of increasing reported EBITDA. After identifying the causes of the problems experienced in 2007, effective procedures are also being implemented at the organizational and control level in order to prevent situations that could have a negative impact on results.

The local SBU launched a major export business, which is expected to produce important results in 2008.

Africa

€ ml	I Qtr 07	I Qtr 08	CHANGE	CHANGE %
Revenues	**84,5**	**81,4**	**(3,1)**	*-3,7%*
EBITDA	**8,9**	**6,6**	**(2,3)**	
EBITDA %	*10,6*	*8,1*	*-2,5 ppt*	

The reporting currency of the main African Business Unit (South African rand) decreased in value by 19.3% compared with the exchange rate applied in the same period last year. The negative impact of this change on revenues and EBITDA for the first three months of 2008 was 14.0 million euros and 1.0 million euros, respectively.

All of the countries within this region implemented major programs designed to increase production capacity and improve efficiency, in anticipation of continuing growth over the intermediate and long term.
The table below shows the financial highlights of the main Business Unit (South Africa) stated in the local currency:

South Africa

Local Currency ml	I Qtr 07	I Qtr 08	CHANGE	CHANGE %
Revenues	**723,2**	**820,4**	**97,2**	*+13,4%*
EBITDA	**69,0**	**60,0**	**(9,0)**	
EBITDA %	*9,5*	*7,3*	*-2,2 ppt*	

South Africa

Stated using constant exchange rates, revenues show an increase of 13.4%, even though unit sales were 11.7% lower than in the first quarter of 2007, due to the impact of the high level of inflation on the local economy. Because of the impact of higher purchasing costs, which the SBU was unable to fully reflect on a timely basis in its sales prices, the return on sales decreased to 7.3% in the first three months of 2008, down from 9.5% in the same period last year.

Despite this challenging situation, the South African operations succeeded in holding, and in some cases improving, their market position in such key product categories as yogurt and cheese.

The main reason for the decrease in the overall sales volume is the reduction in unit sales of UHT milk that occurred for the reasons described above. In addition, the higher prices charged for UHT milk drove consumers toward purchases of lower-priced pasteurized milk.

In the yogurt segment, unit sales and revenues were both up, enabling the SBU to increase its market share compared with the first quarter of 2007, but the return on sales was adversely affected by the inability to raise prices sufficiently to cover cost increases.

Other Countries in Africa

The other African countries in which the Group operates (Swaziland, Mozambique, Botswana and Zambia) contributed 14% of the sales and 19% of the EBITDA reported by the African SBU, about the same as in the first three months of 2007.

The Zambian operations, which are the Group's second largest in Africa, reported positive results in terms both of revenues and EBITDA, which increased by 12% and 30%, respectively, compared with last year's first quarter.
In Mozambique, results were below expectations, due mainly to a decrease in unit sales of UHT products caused by the reduction in manufacturing capacity that occurred while the plant was being modernized.
The Santàl brand of fruit juices has become well established and the entire product line in this area produced positive results in terms of unit sales, revenues and margins.

In Botswana, the SBU's strong position in the UHT market was adversely affected by a high volume of imports and the competition by a local competitor who began UHT production.

Operations in Swaziland were similarly affected by imports of UHT milk. A significant rise in purchasing costs produced major increases in the prices of our products, which depressed unit sales.

Australia

€ ml	I Qtr 07	I Qtr 08	CHANGE	CHANGE %
Revenues	**101,8**	**107,5**	**5,7**	*+5,6%*
EBITDA	**7,5**	**1,9**	**(5,6)**	
EBITDA %	*7,4*	*1,8*	*-5,6 ppt*	

Unit sales were down 11.5% compared with the first three months of 2007, with a reduction of 14.3% for shipments of pasteurized milk, which, if flavored milks are included, account for 76% of total unit sales. The cancellation, in January, of a contract to produce pasteurized milk for private labels is the main reason for this decrease.

The Australian operations continue to be adversely affected by the impact of the high prices paid to purchase dairy ingredients, with the steepest increase occurring for raw milk, the cost of which rose beyond all expectations, due to unanticipated step-up prices paid by the main cooperatives (who could draw on the high margins they earn on exports, which are a significant part of their business) and which Parmalat was forced to match to keep its suppliers. These developments will require list price increases in the coming months to reestablish adequate profit margins.
The SBU reacted promptly to these developments by keeping operating costs under strict control and minimizing non-essential expenses.

Significantly, the capital investments needed to support the development and launch of new products were maintained at their budgeted levels so that new profits may help rebalance the results for the year.

Financial Performance

Performance of the Group

A the end of the first quarter of 2008, the Group's net financial position showed an improvement of 59.5 million euros, with net financial assets increasing from 855.8 million euros at December 31, 2007 to 915.3 million euros at March 31, 2008, including a positive foreign exchange effect of 36.3 million euros. The net financial position balances include the net indebtedness of the Venezuelan subsidiaries, which totaled 141.6 million euros at December 31, 2007 and 130.6 million euros at March 31, 2008.

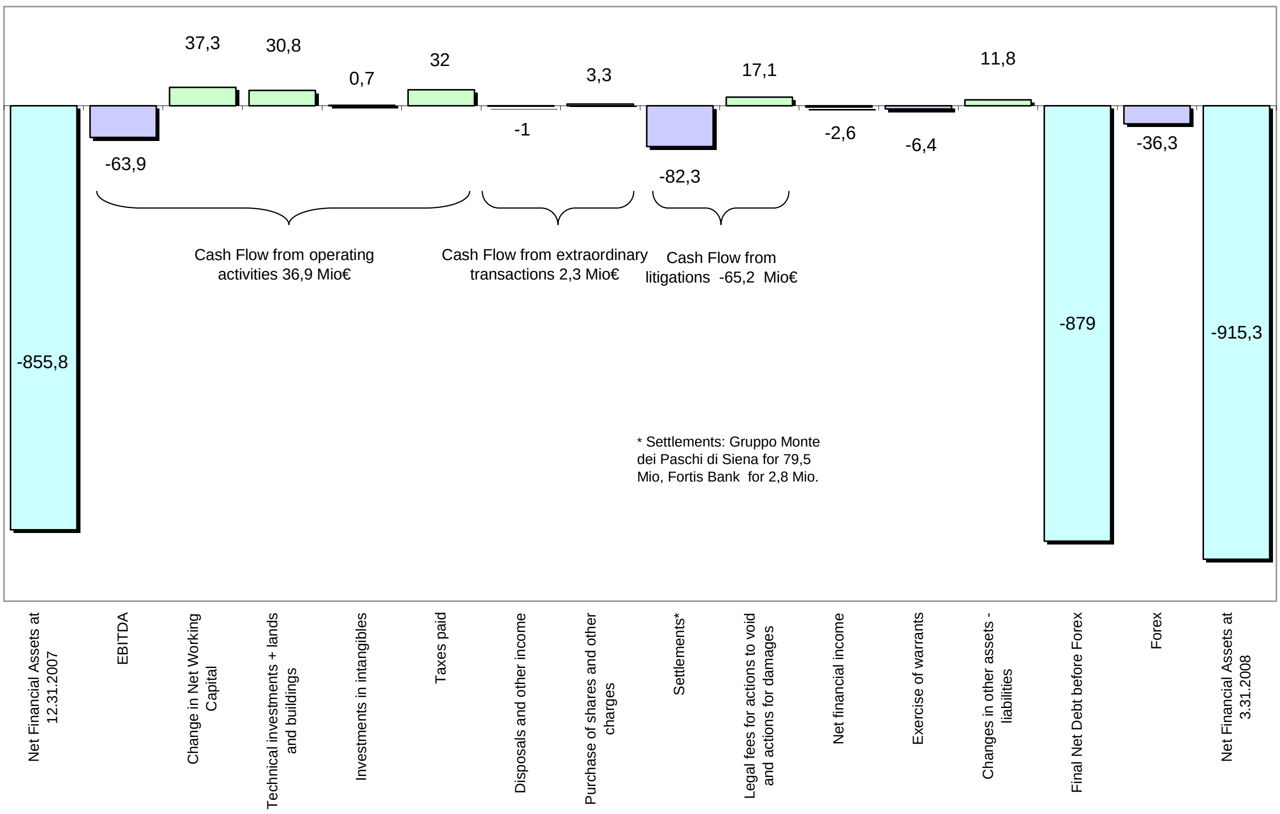
Among the items that account for the change in net financial position, indebtedness owed to banks and other lenders decreased from 582.8 million euros to 543.8 million euros. During the first three months of 2008, the Australian subsidiary renewed its medium- and long-term credit lines, which amount to 150.0 million Australian dollars.

The cash used for operating activities, net of the increase in current assets, capital expenditures and income tax payments, amounted to 36.9 million euros. Cash from litigation settlements totaled 65.2 million euros, which is the net result of legal costs amounting to 17.1 million euros and proceeds of 82.3 million euros generated by settlements reached during the first three months of 2008 with Banca Monte dei Paschi di Siena S.p.A. (79.5 million euros) and Fortis Bank (2.8 million euros).

In addition to the foreign exchange gain of 36.3 million euros mentioned above, other items included net financial income of 2.6 million euros, proceeds of 6.4 million euros from the exercise of warrants and cash utilizations totaling 14.1 million euros due to changes in other extraordinary assets and liabilities

Total liquid assets and other short-term financial assets increased from 1,444.6 million euros at December 31, 2007 to 1,464.8 million euros at March 31, 2008. The Parent Company held the bulk of the Group's liquidity (1,333.3 million euros) at March 31, 2008.

Consolidated Cash Flow Jan 1 - Mar 31, 2008



Performance of the Group's Parent Company

Net financial assets held by the Group's Parent Company increased from 1,231.3 million euros at December 31, 2007 to 1,327.2 million euros at March 31, 2008

Proceeds from the settlements mentioned above account for most of this improvement.

Human Resources

Group Staffing

The table below provides a breakdown by geographic region of the employees who were on the Group's payroll at March 31, 2008 and at December 31, 2007

Total payroll by geographic region*

Geographic region	March 31, 2008	December 31, 2007
Central and South America	3,760	3,775
Canada	2,983	2,974
Italy	2,852	2,940
Africa	2,267	2,237
Australia	1,475	1,432
Other countries in Europe	1,383	1,383
Total	**14,720**	**14,721**

* Employees of companies consolidated line by line.

During the first three months of 2008, company payrolls did not change significantly in the various countries where the Parmalat Group operates, with the exception of the Italian operations, which at March 31, 2008 had 88 fewer employees than at the end of the previous year.
This staff reduction, which affected almost exclusively Parmalat S.p.A., reflects the termination, as of December 31, 2007, of redundant employees who were eligible for the Special Layoff Benefits Fund, consistent with the Group's Restructuring Plan.
The Company's payroll did not change significantly following completion of the restructuring process in January.

Management and Development of Human Resources

The development of the Group's human capital continued in accordance with the specific procedures developed in each country.
Activities at the Group level included the establishment of a Human Resource Committee with responsibility for defining the Group's human resources policies and guidelines and monitoring their implementation. The Committee will also identify issues of common interest that can be used to develop rules of conduct shared throughout the Group that can be transmitted to all companies for implementation, but with sufficient flexibility to allow their adoption at the local level.

Review of Operating and Financial Results

Parmalat Group

Net revenues totaled 926.9 million euros, or 58.2 million euros more (+6.7%) than the 868.7 million euros reported at March 31, 2007. Restated to eliminate the impact of the appreciation of the euro versus other currencies (18.4 million euros), net revenues total 945.3 million euros, for a gain of 76.6 million euros (+8.8%). The higher list prices implemented in response to a sharp rise in the cost of raw milk and a further improvement in the product mix achieved through plans that focus efforts and investments on products with a higher value added account for this positive performance.

EBITDA totaled 63.9 million euros (75.2 million euros in the first three months of 2007). Restated to eliminate the impact of the appreciation of the euro versus other currencies (2.0 million euros), EBITDA amount to 65.9 million euros, for a decrease of 9.3 million euros (-12.4%). This decrease is chiefly the result of lower unit sales and of higher fixed production costs, marketing expenses and holding company costs (non-recurring costs), offset in part by a positive sales mix effect and more lucrative sales prices.

EBIT totaled 106.8 million euros (159.1 million euros in the first quarter of 2007). If the contribution provided by EBITDA (63.9 million euros) is excluded, reported EBIT include proceeds generated by the actions to void and actions for damages pursued by the Group (82.3 million euros, compared with 126.5 million euros in 2007), depreciation, amortization and writedowns of non-current assets (23.1 million euros, compared with 22.2 million euros in 2007) and legal costs incurred in connection with the abovementioned actions (12.0 million euros, compared with 17.8 million euros in 2007).

Group interest in net profit totaled 90.2 million euros (110.3 million euros in the first three months of 2007). If the contribution provided by EBIT (106.8 million euros) is excluded, the result for the first quarter of 2008 includes net financial income of 2.6 million euros (net financial expense of 3.2 million euros in 2007) and income taxes of 18.6 million euros (46.7 million euros in 2007), of which 2.1 million euros in current taxes on proceeds from actions for damages (33.5 million euros in 2007).

Net invested capital decreased by 27.3 million euros to 1,802.2 million euros (1,829.5 million euros at December 31, 2007). This decrease reflects primarily the negative impact of the translation into euros of the financial statements of companies that operate outside the euro zone (-100.0 million euros), offset in part by an increase in operating working capital (+37.3 million euros), and the payment of income taxes totaling 32.0 million euros.

Net financial assets amounted to 915.3 million euros. The increase of 59.5 million euros, compared with net financial assets of 855.8 million euros at December 31, 2007, reflects primarily the collection of 82.3 million euros upon the settlement of actions against Monte dei Paschi di Siena (79.5 million euros) and Fortis Bank (2.8 million euros), and the impact of the translation into euros of the financial statements of companies that operate outside the euro zone (36.3 million euros). This improvement was offset in part by the amount of cash flow used for operating activities (36.9 million euros) and the payment of legal costs incurred in connection with actions to void and actions for damages (17.1 million euros).

Group interest in shareholders' equity totaled 2,692.5 million euros, or 32.9 million euros more than the 2,659.6 million euros reported at December 31, 2007. The net profit for the period (90.2 million euros) and a capital increase of 6.4 million euros, offset in part by a charge of 63.7 million euros for the translation into euros of the financial statements of companies that operate outside the euro zone, account for this increase.

Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)	**First quarter of 2008**	**First quarter of 2007 restated[1]**	**First quarter of 2007[2]**
REVENUES	**932.2**	**875.1**	**933.2**
Net revenues	926.9	868.7	926.5
Other revenues	5.3	6.4	6.7
OPERATING EXPENSES	**(865.5)**	**(797.7)**	**(854.7)**
Purchases, services and miscellaneous costs	(751.0)	(690.5)	(735.5)
Labor costs	(114.5)	(107.2)	(119.2)
Subtotal	**66.7**	**77.4**	**78.5**
Writedowns of receivables and other provisions	(2.8)	(2.2)	(2.2)
EBITDA	**63.9**	**75.2**	**76.3**
Depreciation, amortization and writedowns of non-current assets	(23.1)	(22.2)	(25.1)
Other revenues and expenses:			
- Legal fees for actions to void and actions for damages	(12.0)	(17.8)	(17.8)
- Restructuring costs	-	(1.3)	(1.3)
- Miscellaneous revenues and expenses	78.0	125.2	126.1
EBIT	**106.8**	**159.1**	**158.2**
Financial income	18.6	8.8	9.6
Financial expense[3]	(16.0)	(12.0)	(12.4)
Other income from (charges for) equity investments	-	2.5	2.5
PROFIT BEFORE TAXES	**109.4**	**158.4**	**157.9**
Income taxes	(18.6)	(46.7)	(46.8)
NET PROFIT FROM CONTINUING OPERATIONS	**90.8**	**111.7**	**111.1**
Net profit (loss) from discontinuing operations	-	(0.7)	(0.1)
NET PROFIT FOR THE PERIOD	**90.8**	**111.0**	**111.0**
Minority interest in net (profit) loss	(0.6)	(0.7)	(0.7)
Group interest in net profit (loss)	90.2	110.3	110.3

Continuing operations:

Basic earnings per share	**0.0545**	**0.0676**	**0.0672**
Diluted earnings per share	**0.0529**	**0.0651**	**0.0648**

[1] Following the sale of all of the assets of the Spanish operations and the business operations of Boschi Luigi e Figli S.p.A., the corresponding data for the first quarter of 2007 were restated and all income statement items attributable to the abovementioned operations were reclassified under “Profit (Loss) from discontinuing operations.”

[2] Approved by the Board of Directors on May 14, 2007.

[3] Including financial expense incurred by the Venezuela operations amounting to 2.5 million euros in 2008 and 2.7 million euros in 2007 and foreign exchange impact of 6.3 million euros.

Parmalat Group

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(in millions of euros)	**3/31/08**	**12/31/07**
NON-CURRENT ASSETS	**1,880.9**	**1,968.2**
Intangibles	1,168.5	1,233.7
Property, plant and equipment	656.6	678.2
Non-current financial assets	9.2	9.7
Deferred-tax assets	46.6	46.6
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	**4.6**	**4.7**
NET WORKING CAPITAL	**360.3**	**324.9**
Inventories	382.8	387.4
Trade receivables	495.4	522.4
Other current assets	252.3	243.2
Trade payables (-)	(496.2)	(532.7)
Other current liabilities (-)	(274.0)	(295.4)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**2,245.8**	**2,297.8**
PROVISIONS FOR EMPLOYEE BENEFITS (-)	**(101.2)**	**(106.8)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(319.2)**	**(338.3)**
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(23.2)**	**(23.2)**
NET INVESTED CAPITAL	**1,802.2**	**1,829.5**
Covered by:		
SHAREHOLDERS' EQUITY	**2,717.5**	**2,685.3**
Share capital	1,667.5	1,652.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	212.8	221.5
Other reserves	(47.5)	16.2
Previous year's net profit (loss)	769.5	96.1
Profit for the period	90.2	673.4
Minority interest in shareholders' equity	25.0	25.7
(NET FINANCIAL ASSETS)/NET BORROWINGS	**(915.3)**	**(855.8)**
Loans payable to banks and other lenders[1]	543.8	582.8
Loans payable to investee companies	5.7	6.0
Other financial assets (-)	(811.0)	(591.7)
Cash and cash equivalents (-)	(653.8)	(852.9)
TOTAL COVERAGE SOURCES	**1,802.2**	**1,829.5**

[1] Includes indebtedness of the Venezuelan operations (152.1 million euros in 2008 and 161.6 million euros in 2007).

Parmalat S.p.A.

Net revenues totaled 227.0 million euros, or 18.5 million euros more (+8.9%) than the 208.5 million euros reported at March 31, 2007.

EBITDA amounted to 7.8 million euros, for a decrease of 9.0 million euros from the 16.8 million euros earned in the first three months of 2007. This negative performance is chiefly the result of sharply higher production costs, lower unit sales and an increase in labor costs, offset in part by a favorable sales mix effect and more lucrative sales prices.

EBIT totaled 69.5 million euros, for a decrease of 46.9 million euros compared with the first three months of 2007, when EBIT totaled 116.4 million euros. This negative change reflects primarily a decrease in the proceeds from lawsuit settlements (82.3 million euros in the first quarter of 2008, compared with 126.5 million euros in the same period last year), offset in part by a reduction in legal costs for actions to void and actions for damages (12.0 million euros, compared with 17.8 million euros in the first three months of 2007).

The **net profit for the period** grew to 106.4 million euros, or 19.2 million euros more than the 87.2 million euros earned in the first quarter of 2007. This improvement was made possible by increases in net financial income (15.1 million euros, compared with 4.5 million euros in the first three months 2007) and income from subsidiaries (28.2 million euros, compared with 0.4 million euros in the first quarter of 2007), which consisted of dividends declared by Group companies.

Net invested capital amounted to 1,257.6 million euros, up slightly (+17.0 million euros) from 1,240.6 million euros at December 31, 2007.

Net financial assets improved significantly during the first three months of 2008, rising from 1,231.3 million euros to 1,327.2 million euros (+95.9 million euros), due mainly to the collection of settlement payments from Monte Paschi Siena (79.5 million euros) and Fortis Bank (2.8 million euros).

The Company's **shareholders' equity** totaled 2,584.8 million euros, up from 2,471.9 million euros at December 31, 2007. The increase of 112.9 million euros is mainly the result of the profit for the period (106.4 million euros) and a share capital increase of 6.3 million euros.

Parmalat S.p.A.

RECLASSIFIED INCOME STATEMENT

(in millions of euros)	**3/31/08**	**3/31/07**
REVENUES	**232.3**	**213.7**
Net revenues	227.0	208.5
Other revenues	5.3	5.2
OPERATING EXPENSES	**(223.0)**	**(195.7)**
Purchases, services and miscellaneous costs	(193.4)	(170.0)
Labor costs	(29.6)	(25.7)
Subtotal	**9.3**	**18.0**
Writedowns of receivables and other provisions	(1,5)	(1.2)
EBITDA	**7.8**	**16.8**
Depreciation, amortization and writedowns of non-current assets	(8.4)	(7.6)
Other revenues and expenses:		
- Legal fees for actions to void and actions for damages	(12.0)	(17.8)
- Restructuring costs	0.0	(1.0)
- Additions to provision for losses of investee companies	(0.3)	(1.0)
- Miscellaneous revenues and expenses	82.4	127.0
EBIT	**69.5**	**116.4**
Financial income	15.5	5.7
Financial expense	(0.4)	(1.2)
Other income from (charges for) equity investments	28.2	0.4
PROFIT BEFORE TAXES	**112.8**	**121.3**
Income taxes	(6.4)	(34.0)
NET PROFIT FROM CONTINUING OPERATIONS	**106.4**	**87.3**
Net profit (loss) from discontinuing operations	0.0	(0.1)
NET PROFIT FOR THE PERIOD	**106.4**	**87.2**

Parmalat S.p.A.

RECLASSIFIED BALANCE SHEET		
(in millions of euros)	**3/31/08**	**3/31/07**
NON-CURRENT ASSETS	**1,457.4**	**1,454.8**
Intangibles	464.9	468.8
Property, plant and equipment	154.1	154.1
Non-current financial assets	816.2	810.7
Deferred-tax assets	22.2	21.2
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	**0.0**	**0.0**
NET WORKING CAPITAL	**79.6**	**70.3**
Inventories	46.5	41.5
Trade receivables	215.1	250.7
Other current assets	198.8	153.1
Trade payables (-)	(217.0)	(218.8)
Other current liabilities (-)	(163.8)	(156.2)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	**1,537.0**	**1,525.0**
PROVISIONS FOR EMPLOYEE BENEFITS (-)	**(31.5)**	**(31.9)**
PROVISIONS FOR RISKS AND CHARGES (-)	**(226.6)**	**(231.3)**
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	**(21.3)**	**(21.3)**
NET INVESTED CAPITAL	**1,257.6**	**1,240.6**
Covered by:		
SHAREHOLDERS' EQUITY	**2,584.8**	**2,471.9**
Share capital	1,667.5	1,652.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	212.9	221.5
Other reserves	43.3	43.3
Previous year's net profit (loss)	554.7	
Profit for the period	106.4	554.7
(NET FINANCIAL ASSETS)/NET BORROWINGS	**(1,327.2)**	**(1,231.3)**
Loans payable to banks and other lenders	9.3	9.7
Loans payable to investee companies	(3.2)	(1.2)
Other financial assets (-)	(807.5)	(588.9)
Cash and cash equivalents (-)	(525.8)	(650.9)
TOTAL COVERAGE SOURCES	**1,257.6**	**1,240.6**

Principles for the Preparation of the Interim Report on Operations at March 31, 2008

The Interim Report on Operations at March 31, 2008 was prepared in accordance with Article 82 of Consob Regulation No. 11971 of May 14, 1999, as amended.

The accounting principles applied in the Interim Report on Operations at March 31, 2008 are the same as those used to prepare the Annual Report at December 31, 2007. Consequently, the former should be read concurrently with the latter.

The adoption of recently published accounting principles and interpretations that became effective on January 1, 2008 (IFRIC 11 – *IFRS 2 – Group and Treasury Share Transactions*) had no impact on the Group or the Group's Parent Company because they concern situations and concrete cases that are not applicable. Moreover, none of the principles approved by the European Community that will go into effect after March 31, 2008 have been adopted in advance.

The presentation formats used for the income statement and balance sheet are the same as those used in the Report on Operations section of the Annual Report.

As part of the process of preparing the Interim Report on Operations, Directors are required to use accounting principles and methods that, in some instances, require the use of difficult and subjective valuations and estimates based on historical data and assumptions that, in each case, are deemed to be reasonable and realistic under the circumstances existing at that time. The use of these estimates and assumptions has an impact on the amounts reported on the financial statements, which include the balance sheet and the income statement, and affects the disclosures provided therein. The final amounts shown for the financial statement items for which the abovementioned estimates and assumptions were used may differ from the amounts shown on the financial statements due to the uncertainty that is inherent in all assumptions and the conditions upon which the estimates were based. The accounting principles that require more than others a subjective input by the Directors in the development of estimates are those concerning goodwill, depreciation and amortization, deferred taxes, the provisions for risks and the reserves for creditor challenges and claims of late-filing creditors.

A complete determination as to whether the value of non-current assets has been impaired is carried out only in connection with the preparation of the annual financial statements, when all necessary information is available, except in cases when impairment indicators that require an immediate assessment of any impairment losses are detected.

The income tax liability is recognized based on the best estimate of the weighted average tax rate for the entire year.

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 Company's sales significantly reduces this seasonal impact.

The Interim Report on Operations at March 31, 2008 has not been audited.

The publication of the Interim Report on Operations was approved by the Board of Directors on May 14, 2008.

Scope of Consolidation

The changes in the scope of consolidation that occurred during the first three months of 2008, compared with the consolidated financial statements at December 31, 2007, are reviewed below:

- On January 1, 2008, Parmalat Canada Inc. completed the amalgamation of its Parmalat Dairy & Bakery Inc. subsidiary;
- On January 14, 2008, Impianti Sportivi Parma S.r.l. was merged by absorption into Dalmata Due S.r.l.;
- On February 27, 2008 and March 31, 2008, Parmalat Colombia LTDA purchased an additional interest of 0.004% in the share capital of Procesadora de Leches S.A.;
- Airon s.r.l. in liquidation was sold on February 29, 2008;
- On February 29, 2008, Parmalat S.p.A. purchased the remaining 0.339% interest held by minority shareholders in the share capital of Newlat S.p.A.;
- Parmalat Trading South America SA in liquidation was sold on March 7, 2008;
- On March 13, 2008, Fratelli Strini Costruzioni Meccaniche s.r.l. was deleted from the Company Register;
- On March 28, 2008, Parmalat S.p.A. purchased from minority shareholders an additional interest of 1.33% in the share capital of Boschi Luigi & Figli S.p.A..

These changes did not have a material effect on the Interim Report on Operations at March 31, 2008.

Key Events of the First Quarter of 2008

Challenge to the Decision Handed Down by the Bologna Court of Appeals

By a ruling handed down on January 16, 2008, the Bologna Court of Appeals rejected the appeal filed by a group of bondholders against the lower court's decision approving Parmalat's composition with creditors. On March 21, 2008, the Company was served with a notice that the party whose motion had been denied by the Bologna Court of Appeals was now appealing before the Italian Supreme Court (*Corte di Cassazione*). It is important to keep in mind that the decision by the Court of Parma approving Parmalat's composition with creditors is provisionally enforceable and is effective vis-à-vis all creditors who may have a claim based on a title, fact or cause that predates the beginning of the extraordinary administration proceedings. A challenge to the court's decision cannot suspend the decision's enforceability.

Settlement Between Parmalat and the Monte dei Paschi di Siena Group

On February 21, 2008, Parmalat S.p.A. and Banca Monte dei Paschi di Siena S.p.A. reached an agreement settling any and all transactions and claims that arose prior to the declaration of insolvency of the Parmalat Group (December 2003). Pursuant to this settlement and upon Parmalat S.p.A. desisting from all pending actions to void in bankruptcy and actions for damages and any other actions that it may be entitled to file in the future against the Monte dei Paschi di Siena Group, the Monte dei Paschi di Siena Group agreed to pay a total amount of 79.5 million euros to Parmalat.

Settlement agreements were also reached between the Monte dei Paschi di Siena Group and the Commissioner for the Extraordinary Administration of the Parmatour Group, of Parma Associazione Calcio and of the other companies of the former Parmalat Group that are still under extraordinary administration. Pursuant to these agreements, the Extraordinary Commissioner will desist from all pending actions and any other actions that he may be entitled to file in the future and the Monte dei Paschi di Siena Group will pay 9.5 million euros to the Parmatour Group under Extraordinary Administration, 500,000 euros to Parma Associazione Calcio under Extraordinary Administration and 500,000 euros to the other companies in extraordinary administration.

Administrative Proceedings Against the Italian Ministry of Agricultural, Nutritional and Forestry Policies Regarding Financing Provided Pursuant to Legislative Decree No. 173/1998

In February 2008, Parmalat S.p.A. challenged before the Regional Administrative Court of Emilia Romagna, Parma Section, Decree File No. 351/2007 by which the Italian Ministry of Agricultural, Nutritional and Forestry Policies reduced the contribution granted earlier to Parmalat S.p.A. as part of the support system established pursuant to Article 13, Section 1, of Legislative Decree No. 173/1998, lowering the abovementioned contribution from 50.34% to 40% of the allowed expenditures (thereby cutting the contribution by 4,750,254.73 euros). In its complaint, Parmalat S.p.A. asked that the abovementioned Decree by stayed and the Decree be voided in part because it is unlawful and contradictory, lacks motivation and an adequate investigative process, and constitutes an abuse of power.

On February 5, 2008, the Regional Administrative Court heard oral arguments with regard to the motion to stay the Decree. At that hearing, Parmalat S.p.A. also asked for a merit hearing on its motion to stay the Decree and was allowed to file a motivated motion to receive the funds in question.

Events Occurring After March 31, 2008

Request to Convene and Extraordinary Shareholders' Meeting

On April 9, 2008, the Board of Directors of Parmalat S.p.A. was called to a meeting to review a request from shareholders, who allegedly represent 12.0639% of the Company's share capital, asking that an Extraordinary Shareholders' Meeting be convened pursuant to Article 2367 of the Italian Civil Code. The purpose of the abovementioned request was to put forth "a motion to increase beyond the 50% ceiling the maximum percentage of distributable earnings and amend Article 26 of the Bylaws accordingly."

The Board of Directors agreed to convene an Extraordinary Shareholders' Meeting on May 30, 2008 on the first calling and, if necessary, on June 3, 2008 on the second calling and, if still necessary, on June 4, 2008 on the third calling.

Ordinary Shareholders' Meeting of April 9, 2008

On April 9, 2008, the Ordinary Shareholders' Meeting of Parmalat S.p.A., convened at the Palazzo Soragna offices of Unione degli Industriali di Parma, approved the 2007 financial statements, which show a net profit of 554.7 million euros (the consolidated net profit was 673.4 million euros).
The Shareholders' Meeting also approved a motion to distribute to each eligible common share a dividend of 0.159 euros, for a six-fold increase compared with the dividend of 0.025 euros per share declared the previous year.
The dividend will be payable as of April 24, 2008 (stock market record of date April 21, 2008) through intermediaries who are members of the centralized clearing system operated by Monte Titoli S.p.A.
Upon the expiration of the term of office of the governance bodies elected on November 8, 2005, the Shareholders' Meeting elected a new Board of Directors and a new Board of Statutory Auditors, reappointing the Directors and Statutory Auditors who served on the previous Boards.

The following candidates were elected to the Board of Directors:
1. Raffaele Picella
2. Massimo Confortini (independent)
3. Enrico Bondi
4. Vittorio Mincato (independent)
5. Marzio Saà (independent)
6. Carlo Secchi (independent)
7. Ferdinando Superti Furga (independent)
8. Piergiorgio Alberti (independent)
9. Marco De Benedetti (independent)
10. Andrea Guerra (independent)
11. Erder Mingoli (independent)

The following candidates were elected to the Board of Statutory Auditors:
1. Alessandro Dolcetti (Chairman)
2. Enzio Bermani (Statutory Auditor)
3. Mario Magenes (Statutory Auditor)
4. Renato Colavolpe (Alternate)
5. Marco Lovati (Alternate)

In addition, the Shareholders' Meeting approved a resolution concerning the annual compensation payable to the Board of Directors, which was set at 1,300,000.00 euros for the entire Board, and awarded to Directors who are asked to serve on Board Committees a variable compensation, based on the number of Committee meetings attended, in the amount of 3,900.00 euros payable to each Director for each Committee meeting attended and 6,500.00 euros payable to each Committee Chairman for each Committee meeting attended.
For the Board of Statutory Auditors, which comprises three statutory auditors and two alternates, the Shareholders' Meeting approved an annual compensation of 45,000.00 euros for the Statutory Auditors and 65,000.00 euros for the Chairman.
The Directors and Statutory Auditors were elected for a term of three years, i.e., until the Shareholders' Meeting convened to approve the financial statements at December 31, 2010.
Comprehensive information about the personal and professional backgrounds of the Company's Directors and Statutory Auditors is available online at www.parmalat.com at the Corporate Governance, Shareholders' Meeting page.
Pursuant to Article 2, Section 5, of the Warrants Regulations, the right to exercise warrants will be reinstated on April 21, 2008 (dividend record date – Coupon No. 2).

The Citigroup Lawsuit Proceeds to Trial

On April 15, 2008, Judge Harris of the Court of New Jersey handed down a decision denying Citigroup's motion for summary judgment.
While Judge Harris narrowed Parmalat's claims and the measure of damages, he ruled that Parmalat may proceed to trial with regard to the claims against Citigroup for aiding and abetting in the breach of fiduciary duty by past Parmalat managers who are charged with larceny against Parmalat. Oral arguments began on May 5, 2008.
Judge Harris also denied Parmalat's motion for summary judgment denying Citigroup's counterclaims.

Parmalat S.p.A. Reaches an Agreement to Sell 100% of Newlat S.p.A. to TMT Finance SA

On April 21, 2008, as required by Resolutions No. 14452 of June 30, 2005 and No. 16282 of December 21, 2006 of the Italian Antitrust Authority, following the solicitation of competitive bids, Parmalat S.p.A. signed a contract selling the entire share capital of Newlat S.p.A. to TMT Finance SA. The transfer of the shares is subject to the transaction being approved and authorized by the Italian Antitrust Authority.

On the closing date, Newlat will be sold for the nominal price of 1 euro and Parmalat will transfer to the buyer, also for the nominal price of 1 euro, claims against Newlat of up to 8 million euros.
Intra-Group positions totaling about 4.5 million euros will be settled prior to closing, generating a projected positive cash flow for the Parmalat Group of the same amount.
This transaction will have no impact on the income statement of Parmalat S.p.A. However, based on the situation at March 31, 2008, it will enable Parmalat S.p.A. to deconsolidate loans payable and obligations under finance leases totaling about 36 million euros.

Parmalat Settles an Action to Void Filed Against the Banca Italease Group

On April 22, 2008, Parmalat settled a dispute with Factorit S.p.A and Banca Italease S.p.A involving an action to void in bankruptcy filed by Parmalat S.p.A. under Extraordinary Administration, with the support of Parmalat S.p.A, Assumptor of the Composition with Creditors.
As part of the settlement, Factorit S.p.A agreed to pay 2,500,000.00 euros and turn over to Parmalat uncollected receivables held by Factorit S.p.A.
Factorit S.p.A waived the right to include a claim for the abovementioned amount among the bankruptcy liabilities. The parties will offset the respective litigation costs..

Sale of Business Operations Comprised of Production Facilities in Taranto

On April 29, 2008, Parmalat S.p.A. sold to Jonicalatte S.p.A. the business operations comprised of the Taranto milk bottling center for a total price of 1,063,263.96 euros. Concurrently with the abovementioned sale, Parmalat S.p.A. acquired through subscription an 18% interest in the share capital of Jonicalatte, a Group licensee.

Settlement of the Class Action Lawsuit in the United States

Under a settlement reached on May 2, 2008 in the U.S. class action pending before the New York Federal Court, Parmalat agreed to transfer to the class plaintiffs 10.5 million of its shares in full satisfaction of any and all claims asserted against it in the class action worldwide. Parmalat further agreed to contribute up to 1 million euros toward the costs required to inform all class members of the settlement.
The settlement is subject to approval by the court.

Business Outlook for the Balance of 2008

In the early months of 2008, virtually all of the markets in which the Group operates have been experiencing strong competitive pressure, which is having an impact both on sales volumes and prices. In addition, the euro is continuing to strengthen significantly versus the currencies of the main countries where the Group operates (e.g.: Canadian dollar and South African rand).

The Group has identified and is implementing actions in order to maintain the EBITDA targets foreseen for 2008 within the low range of approximately 7%.
The actions involve both the production costs than the continuous improvement of the mix and the price sales policies aimed to recover profitability.

Declaration by the Corporate Accounting Documents Officer (Article 154 *bis,* Section 2, of the Uniform Financial Code)

As required by Article 154 *bis*, Section 2 of the Uniform Financial Code (Legislative Decree No. 58), the Corporate Accounting Documents Officer, Luigi De Angelis, hereby declares that the accounting disclosures provided in this Report are consistent with the data in the supporting documents and in the Company's other documents and accounting records.

Signed: Luigi De Angelis
Corporate Accounting Documents Officer

Parmalat S.p.A.

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Parma Company Register No. 04030970968
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parmalat