



Financial Community

Presentation

August 29, 2008

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# Main achievements IH 2008

## /// Reappointment of the Board of Directors and CEO

## /// Operations

- /// Launch of new products; improvement in product mix

- /// Research and Development

## /// Financial

- /// Improvement in net financial position

- /// Cash flow from operations

## /// Portfolio management

- /// Disposal of Newlat

## /// Legal

- /// Settlements: Credit Suisse, UBS, Banca Italease, Monte Paschi di Siena, UniCredit Group

- /// Settlement with "Class"

- /// Beginning of trial with Citigroup



# IH 2008 key consolidated figures

**REVENUES**  
**€ 1,902.4 m**  
*(growth + 5.1 % vs 2007)*

+ 9.1%  
constant fx

**REPORTED NET  
FINANCIAL POSITION**  
**€ (901.0) m**

UniCredit Group Settlement (August 2008) € (229.7) m

**Pro-forma Net Financial Position: €(1,130.7) m**

**EBITDA <sup>(1)</sup>**  
**€ 141.1 m**  
**Margin 7.4 %**  
*(-13.6 % vs 2007)*

-10.4%  
constant fx

**CASH FLOW  
FROM OPERATIONS**  
**€ 14.9 m**

Including € 124 m  
milk cost increase

(1) The operating margin does not include restructuring costs and legal fees for revocatory and damages actions

# Share capital

(€ m)	Extr. Gen. Meeting September 19, 2005	Extr. Gen. Meeting April 29, 2007	Update as of July 11, 2008
	<u>Approved</u>	<u>Approved</u>	<u>Issued</u>
<b>Share Capital</b>	<b>1,930.0</b>	<b>1,930.0</b>	<b>1,651.4</b>
<b>Warrant</b>	<b>80.0</b>	<b>95.0</b>	<b>16.2</b>
<b>Total</b>	<b>2,010.0</b>	<b>2,025.0</b>	<b>1,667.6 <sup>(1)</sup></b>

(1) **Of which approx. 15.5 million shares at par value (1 Euro) registered in the name of the Foundation, of which:**

- 15.4 million shares or 0.9% of share capital which pertain to currently undisclosed creditors
- 120,000 shares representing the initial share capital of Parmalat S.p.A.



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## Parmalat – Other cost increase

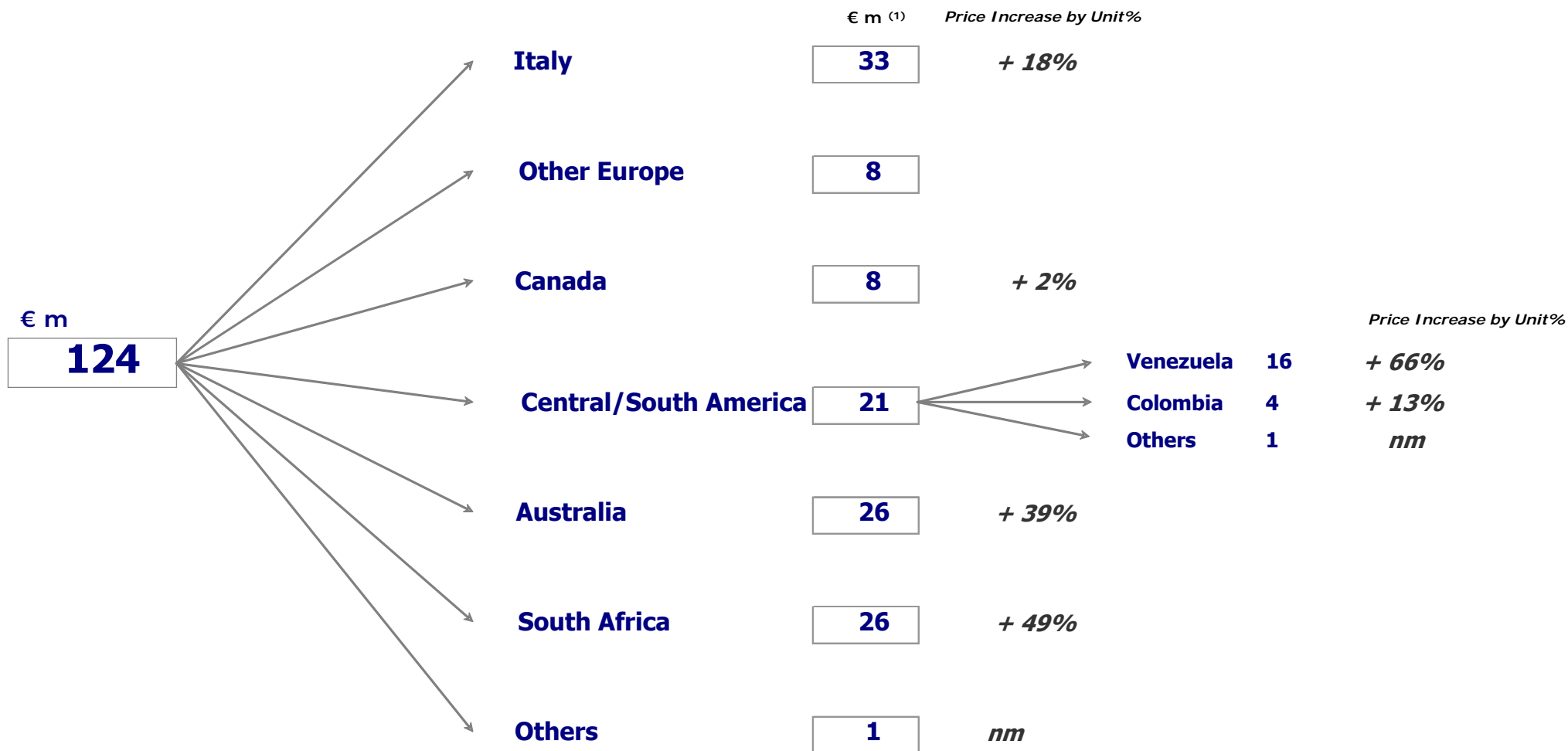
Factor	Parmalat Group	IH 2008 - € m	Δ vs 07 € m	Δ vs 07 %
<b>Exogenous</b>	<b>Raw Material (Milk and Other Ingredients)</b>	<b>1,035.6</b>	+ 98.4	10.5%
	<b>Packaging</b>	<b>146.7</b>	- 4.9	-3.2%
	<b>Energy</b>	<b>30.1</b>	+ 2.0	6.9%
	<b>Warehouse</b>	<b>39.4</b>	+ 2.6	7.1%
	<b>Distribution &amp; Transport</b>	<b>198.3</b>	+ 8.9	4.7%
	<b>Total</b>	<b>1,450.1</b>	<b>+ 106.9</b>	<b>8.0%</b>
<b>Endogenous</b>	<b>Direct Labour</b>	<b>47.2</b>	+ 2.8	6.2%
	<b>Fixed Cost (Industrial+General)</b>	<b>222.3</b>	+ 5.2	2.4%
	<b>Marketing and Sales Costs</b>	<b>50.2</b>	- 0.1	-0.3%
	<b>Total</b>	<b>319.7</b>	<b>+ 7.8</b>	<b>2.5%</b>

Management information. Variances include exchange rate and perimeter effect





# Parmalat – Raw milk price increase



(1) Figures represent the raw milk cost increase due to price effect



# Key targets

€ m	FY 2006 Restated	FY 2007	New Guidance
<b>Net Revenues</b> <i>Growth %</i>	3,633.6	3,863.7 6.3%	3%
<b>EBITDA Pre-Receive. Write-off</b> <i>YoY Growth %</i> <i>Margin %</i>	351.6 9.7%	379.4 7.9% 9.8%	- 5 %
<b>EBITDA</b> <i>YoY Growth %</i> <i>Margin %</i>	347.7 9.6%	366.6 5.4% 9.5%	~ 350
<b>Capex</b> <i>% on Revenues</i>	82.7 2.2%	114.1 3.0%	~120

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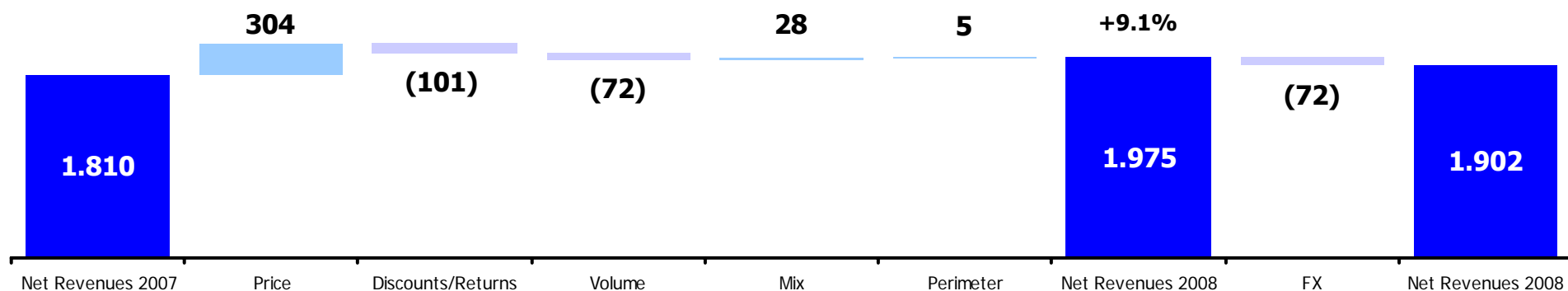
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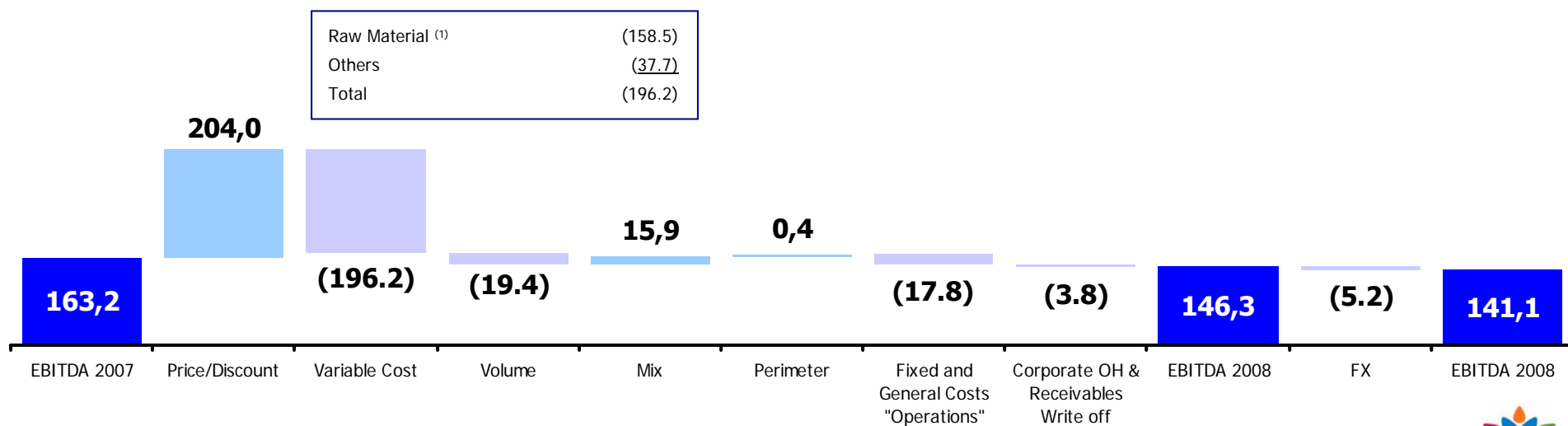
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# Revenues and EBITDA analysis

## Revenues IH 2008 vs IH 2007 (€ m)



## EBITDA IH 2008 vs IH 2007 (€ m)



<sup>(1)</sup> The data include purchases changes of raw milk for about € 124 m and of fruit and other ingredients for the remaining amount



## Parmalat Group: revenues and volume breakdown by division

€ m	IH 2007		IH 2008		Delta	
	Volume (liter/kg.)	Revenues €	Volume (liter/kg.)	Revenues €	Volume (liter/kg.)	Revenues
<b>Milk</b>	1,355.6	1,079.8	1,275.9	1,132.5	-5.9%	4.9%
<b>Milk Derivates</b>	221.1	574.9	222.1	599.8	0.4%	4.3%
<b>Fruit Based Drinks</b>	172.5	127.2	172.7	135.4	0.1%	6.4%
<b>Other <sup>(1)</sup></b>	56.7	28.4	58.7	34.8	3.5%	22.2%
<b>Group</b>	<b>1,805.9</b>	<b>1,810.3</b>	<b>1,729.5</b>	<b>1,902.4</b>	<b>-4.2%</b>	<b>5.1%</b>

(1) Includes eliminations and other minor companies

## Parmalat Group: revenues and volume breakdown by geography

€ m	IH 2007		IH 2008		Delta	
	Volume (liter/kg.)	Revenues €	Volume (liter/kg.)	Revenues €	Volume (liter/kg.)	Revenues
North America	458.9	625.1	462.9	637.3	0.9%	2.0%
Central/South America	226.9	179.4	206.7	202.1	-8.9%	12.7%
Europe (excl. Italy)	95.5	72.4	94.4	81.8	-1.1%	13.0%
Italy	582.7	558.9	561.3	599.9	-3.7%	7.3%
Africa	184.3	168.2	172.3	160.0	-6.5%	-4.9%
Australia	259.2	209.2	233.9	223.1	-9.7%	6.6%
Other <sup>(1)</sup>	-1.5	-2.9	-2.0	-1.9	nm	nm
<b>Group</b>	<b>1,805.9</b>	<b>1,810.3</b>	<b>1,729.5</b>	<b>1,902.4</b>	<b>-4.2%</b>	<b>5.1%</b>

(1) Includes eliminations and other minor companies



## Parmalat Group: EBITDA breakdown by division

€ m	IH 2007		IH 2008		Delta	
	EBITDA	% on Revenues	EBITDA	% on Revenues	EBITDA	% on Revenues ppt
Milk	82.5	7.6%	74.5	6.6%	-9.7%	-1.1
Milk Derivates	58.0	10.1%	53.3	8.9%	-8.2%	-1.2
Fruit Based Drinks	25.7	20.2%	25.8	19.0%	0.5%	-1.1
Other <sup>(1)</sup>	-2.9	-10.3%	-12.4	-35.8%	323.9%	-25.5
<b>Group</b>	<b>163.2</b>	<b>9.0%</b>	<b>141.1</b>	<b>7.4%</b>	<b>-13.6%</b>	<b>-1.6</b>

(1) Includes Holding, other product and writedown of account receivables and other provisions



## Parmalat Group: EBITDA breakdown by geography

€ m	IH 2007		IH 2008		Delta	
	EBITDA	% on Revenues	EBITDA	% on Revenues	EBITDA	% on Revenues ppt
North America	57.7	9.2%	57.3	9.0%	-0.8%	-0.2
Central/South America	15.5	8.7%	20.8	10.3%	34.0%	1.6
Europe (excl. Italy)	11.1	15.3%	10.9	13.4%	-0.9%	-1.9
Italy	55.9	10.0%	55.9	9.3%	0.1%	-0.7
Africa	17.9	10.7%	8.5	5.3%	-52.5%	-5.3
Australia	14.7	7.0%	3.7	1.6%	-75.1%	-5.4
Other <sup>(1)</sup>	-9.5	nm	-16.0	nm	nm	nm
<b>Group</b>	<b>163.2</b>	<b>9.0%</b>	<b>141.1</b>	<b>7.4%</b>	<b>-13.6%</b>	<b>-1.6</b>

(1) Includes Holding, eliminations and other minor companies





## Capex and advertising, promo consumer & other costs

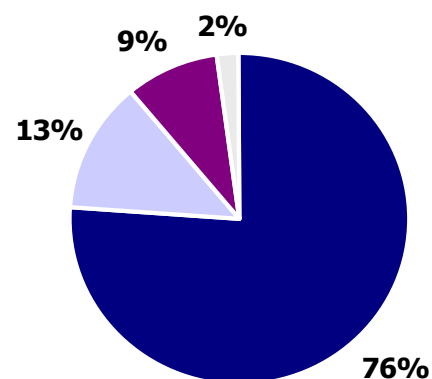
CAPEX <sup>(1)</sup>				Advert., Promo Consumer & Other Costs			
€ m	IH 2007	IH 2008	Δ%	€ m	IH 2007	IH 2008	Δ%
Europe	17.5	17.0	-2.8%	Europe	24.6	23.1	-5.9%
North America	7.5	16.2	+116.7%	North America	9.1	11.2	+22.7%
Central/South America	3.6	6.4	+80.9%	Central/South America	5.8	6.1	+5.6%
Africa and Australia	12.1	13.4	+10.2%	Africa and Australia	10.8	10.3	-5.2%
Other	0.7	0.0	nm	Other	0.0	-0.5	nm
<b>Group</b>	<b>41.3</b>	<b>53.0</b>	<b>+28.3%</b>	<b>Group</b>	<b>50.3</b>	<b>50.2</b>	<b>-0.3%</b>

(1) Capex excluding land and buildings



# Country analysis – Parmalat Italy

## IH 2008 Revenues

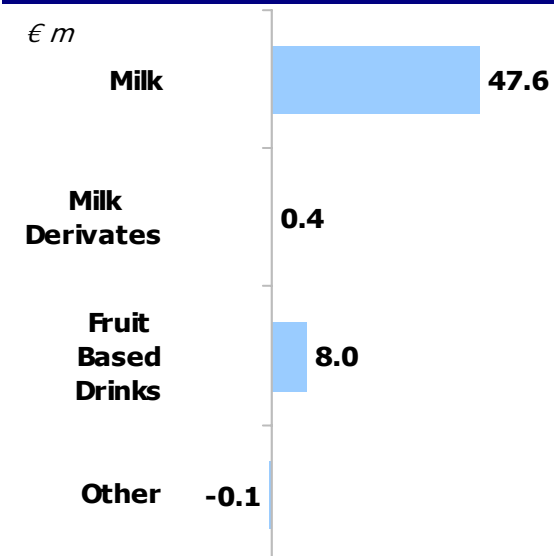


- Milk
- Milk Derivates
- Fruit Based Drinks
- Other

Growth in value added products

Cost efficiency

## IH 2008 EBITDA



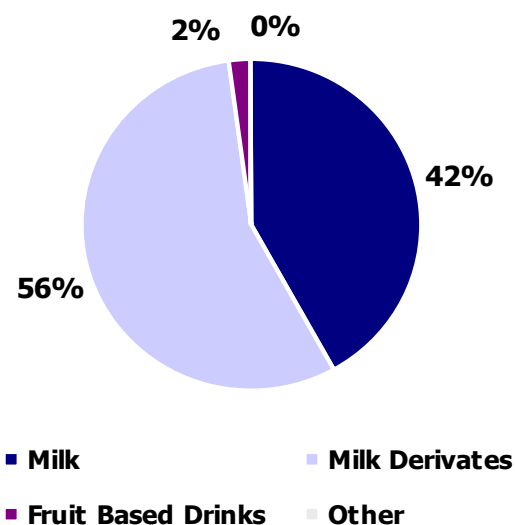
Italia	IH 2007			IH 2008		
	Revenues	EBITDA	EBITDA %	Revenues	EBITDA	EBITDA %
€ m						
<b>Milk</b>	424.0	44.9	10.6%	454.1	47.6	10.5%
<b>Milk Derivates</b>	72.8	0.1	0.1%	79.1	0.4	0.5%
<b>Fruit Based Drinks</b>	52.0	10.1	19.4%	52.7	8.0	15.2%
<b>Other</b>	10.1	0.8	8.1%	14.0	-0.1	-0.8%
<b>Total (1)</b>	<b>558.9</b>	<b>55.9</b>	<b>10.0%</b>	<b>599.9</b>	<b>55.9</b>	<b>9.3%</b>

(1) Includes Newlat



# Country analysis – Parmalat Canada

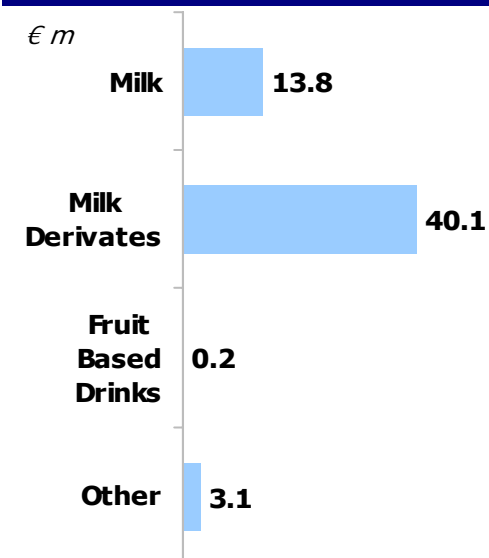
## IH 2008 Revenues



Cost efficiency

Launch of yogurt in Québec

## IH 2008 EBITDA

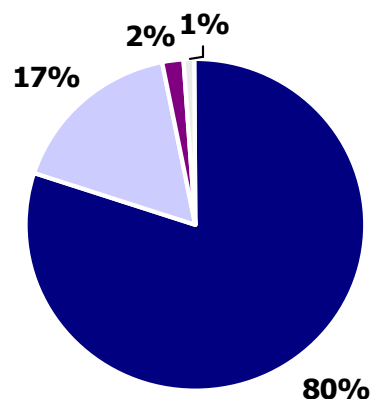


Canada	IH 2007			IH 2008		
	Revenues	EBITDA	EBITDA %	Revenues	EBITDA	EBITDA %
€ m						
Milk	261.2	13.2	5.0%	268.3	13.8	5.2%
Milk Derivates	345.7	41.0	11.9%	352.3	40.1	11.4%
Fruit Based Drinks	3.0	0.0	-0.8%	3.0	0.2	6.6%
Other	15.2	3.6	23.8%	13.7	3.1	22.7%
<b>Total</b>	<b>625.1</b>	<b>57.7</b>	<b>9.2%</b>	<b>637.3</b>	<b>57.3</b>	<b>9.0%</b>



# Country analysis – Parmalat Australia

## IH 2008 Revenues

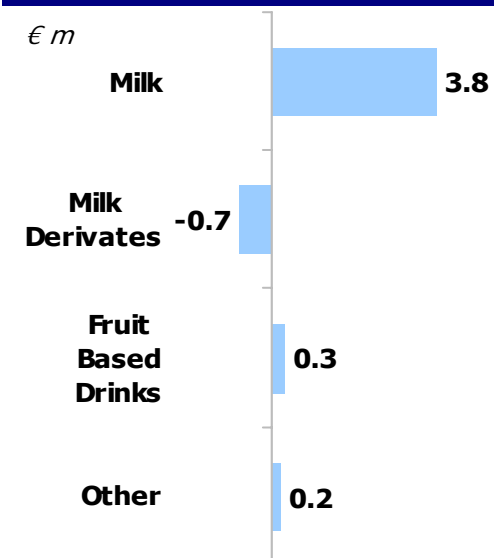


- Milk
- Milk Derivates
- Fruit Based Drinks
- Other

High raw milk price

Strong competition from private label

## IH 2008 EBITDA

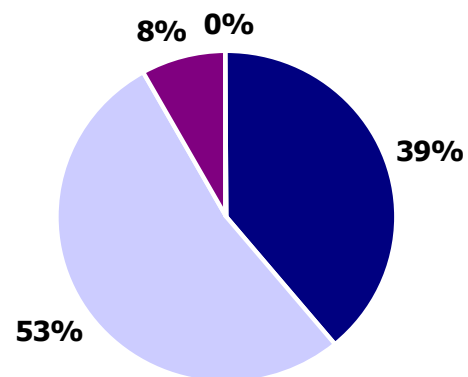


Australia	IH 2007			IH 2008		
	Revenues	EBITDA	EBITDA %	Revenues	EBITDA	EBITDA %
<i>€ m</i>						
<b>Milk</b>	170.4	13.8	8.1%	177.7	3.8	2.1%
<b>Milk Derivates</b>	35.3	0.2	0.7%	38.9	-0.7	-1.9%
<b>Fruit Based Drinks</b>	2.4	0.1	4.8%	2.5	0.3	13.6%
<b>Other</b>	1.1	0.5	45.6%	4.0	0.2	nm
<b>Total</b>	<b>209.2</b>	<b>14.7</b>	<b>7.0%</b>	<b>223.1</b>	<b>3.7</b>	<b>1.6%</b>



# Country analysis – Parmalat Africa

## IH 2008 Revenues



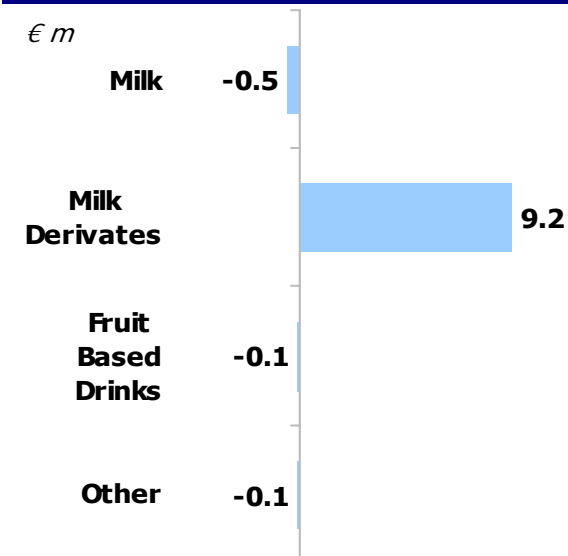
- Milk
- Milk Derivates
- Fruit Based Drinks
- Other

**Strong Inflation**

**Volume loss**

**Negative exchange rate impact**

## IH 2008 EBITDA



Africa	IH 2007			IH 2008		
	Revenues	EBITDA	EBITDA %	Revenues	EBITDA	EBITDA %
<i>€ m</i>						
<b>Milk</b>	69.2	4.6	6.7%	62.6	-0.5	-0.9%
<b>Milk Derivates</b>	85.3	13.2	15.5%	85.0	9.2	10.8%
<b>Fruit Based Drinks</b>	13.6	0.0	0.2%	12.1	-0.1	-0.7%
<b>Other</b>	0.1	0.1	nm	0.4	-0.1	-14.2%
<b>Total</b>	<b>168.2</b>	<b>17.9</b>	<b>10.7%</b>	<b>160.0</b>	<b>8.5</b>	<b>5.3%</b>



## Key IH 2008 earnings figures (IFRS/IAS GAAP)

€ m	IH 2007	IH 2008
<b>Revenues</b>	<b>1,810.3</b>	<b>1,902.4</b>
<i>Growth</i>	2.8%	5.1%
<b>EBITDA</b>	<b>163.2</b>	<b>141.1</b>
<i>Margin</i>	9.0%	7.4%
Other gains/(losses)	165.7	420.9
Depreciation and amortization	(45.3)	(119.0)
<b>Net operating result (EBIT)</b>	<b>283.6</b>	<b>443.0</b>
<i>Margin</i>	15.6%	23.3%
Net financial income/(charges) and other	7.9	11.3
Taxes	(74.7)	(27.4)
Result of activities to be sold	27.5	-
<b>Result of the period</b>	<b>244.3</b>	<b>426.9</b>
<i>Margin</i>	13.5%	22.4%
Minority interest (profit)/loss	(0.8)	(1.9)
<b>Result for the period (of the Group)</b>	<b>243.5</b>	<b>425.0</b>

### IH 2008 Other gains/(losses) mainly include:

- Proceeds from revocatory and damage actions: € 437.9 m
- Legal fees: € 27.1 m

### FY 2007 Taxes include:

- Current taxes:
  - Italy € 23.9 m
  - Other countries € 23.5 m
- Deferred taxes:
  - Italy € (20.4) m
  - Other countries € 0.4 m

## Key IH 2008 balance sheet items (IFRS/IAS GAAP)

€ m	31 Dec. 2007	30 June 2008
<b>Fixed assets</b>	<b>1,968.2</b>	<b>1,799.3</b>
Intangible assets	1,233.7	1,097.4
Tangible assets	678.2	643.1
Financial assets and prepaid taxes	56.3	58.8
<b>Net working capital</b>	<b>324.9</b>	<b>494.0</b>
Operating working capital	377.1	397.0
Other assets/liabilities	-52.2	97.0
<b>Discontinuing operations</b>	<b>4.7</b>	<b>5.1</b>
Employee severance indemnity liabilities	-106.8	-99.6
Provisions	-361.5	-295.6
<b>Net invested capital</b>	<b>1,829.5</b>	<b>1,903.2</b>

€ m	31 Dec. 2007	30 June 2008
<b>Shareholders equity</b>	<b>2,685.3</b>	<b>2,804.2</b>
Share capital	1,652.4	1,667.5
Contested liabilit. and late creditors excl. convert. into share capital	221.5	212.8
Other reserves and net result	785.7	899.0
Minority interest	25.7	24.9
<b>Net financial debt</b>	<b>(855.8)</b>	<b>(901.0)</b>
Financial debt	588.8	514.8
Cash & other financial assets	(1,444.6)	(1,415.8)
<b>Total sources of funds</b>	<b>1,829.5</b>	<b>1,903.2</b>

### 30 June 2008 Operating working capital includes:

- Inventories: € 396.9 m
- Trade receivables: € 492.3 m
- Trade payables: € (492.2) m

### Other assets/liabilities include:

- Other current assets: € 275.9 m
- Other current liabilities: € (178.9) m

### 30 June 2008 Provisions include:

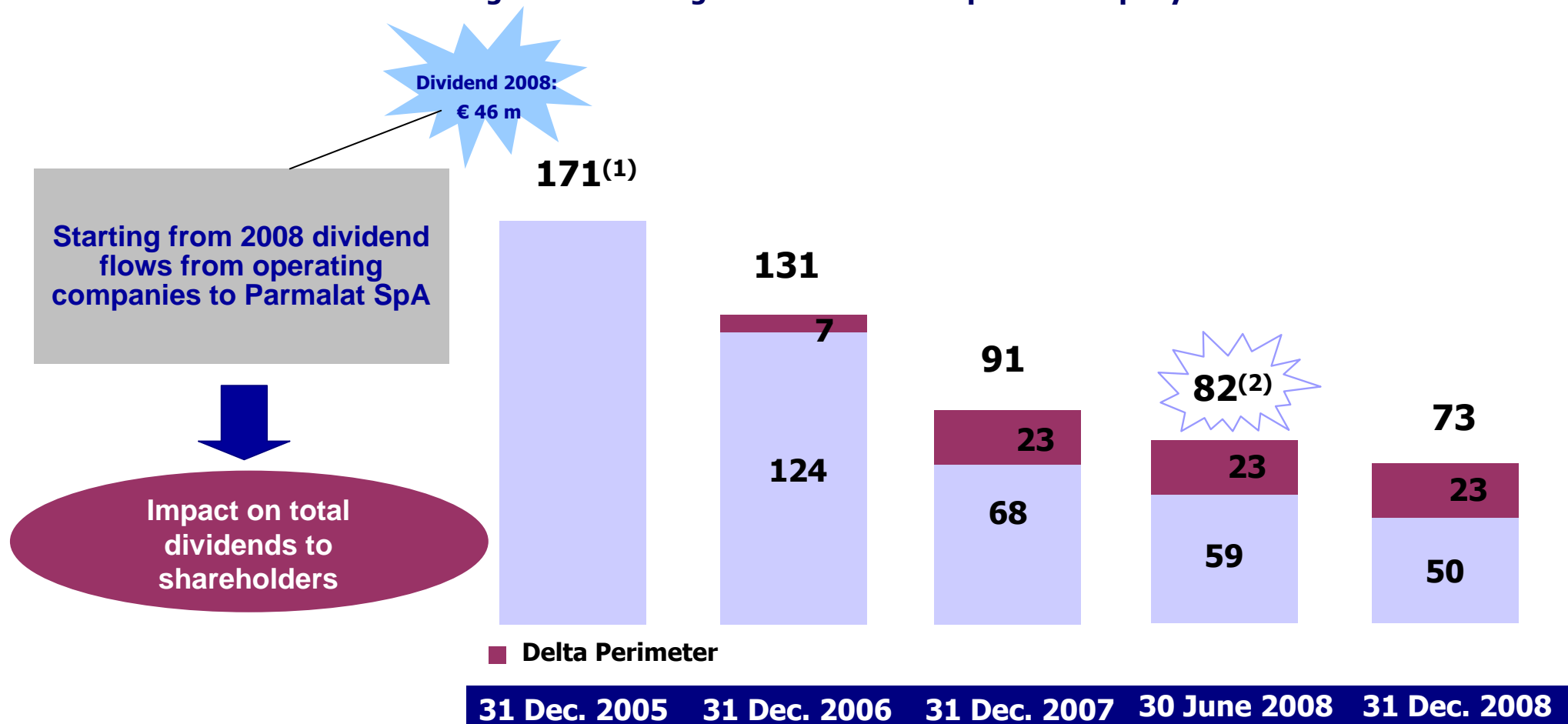
- Deferred tax liabilities: € 162.5 m
- Provision for tax risk: € 121.6 m
- Provision for contingent liabilities/Others: € 11.5 m

### 30 June 2008 Other reserves and net result include:

- IH 2008 result: € 425.0 m
- Prior year results: € 214.9 m
- Other reserves: € 259.1 m

# Control Chain

Control chain restructuring in order to align consolidated and parent company net result



(1) Of which 70 operative

(2) Of which 37 operative

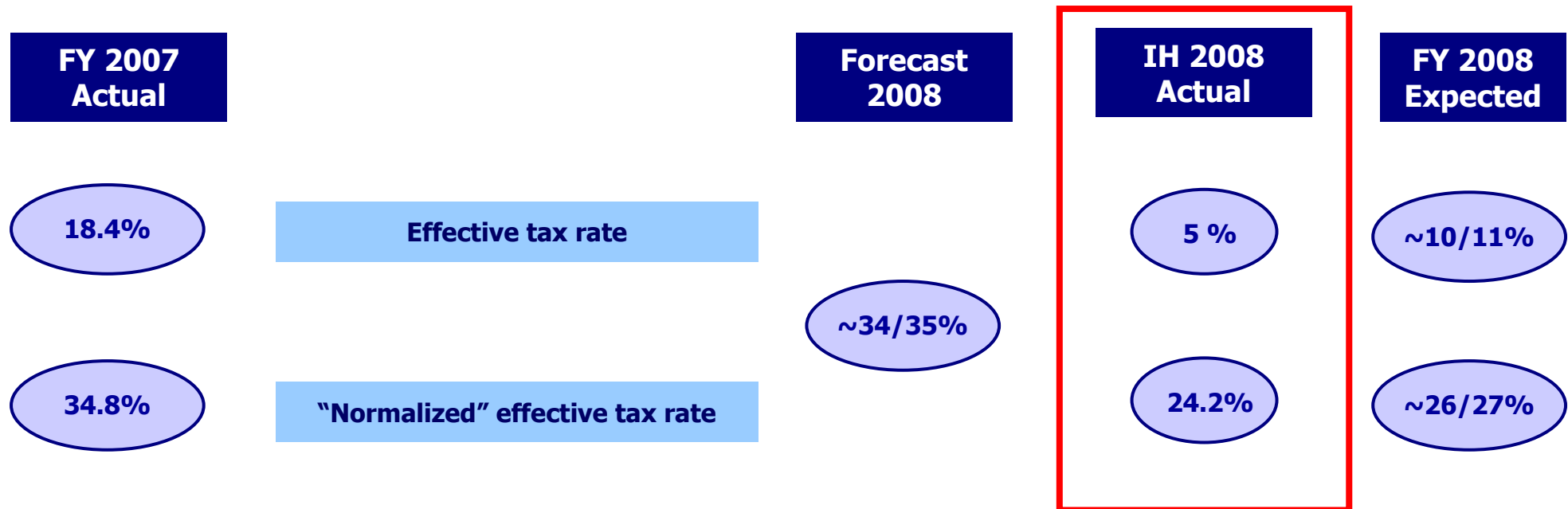




# Effective and normalized tax rate

## Dividend taxation

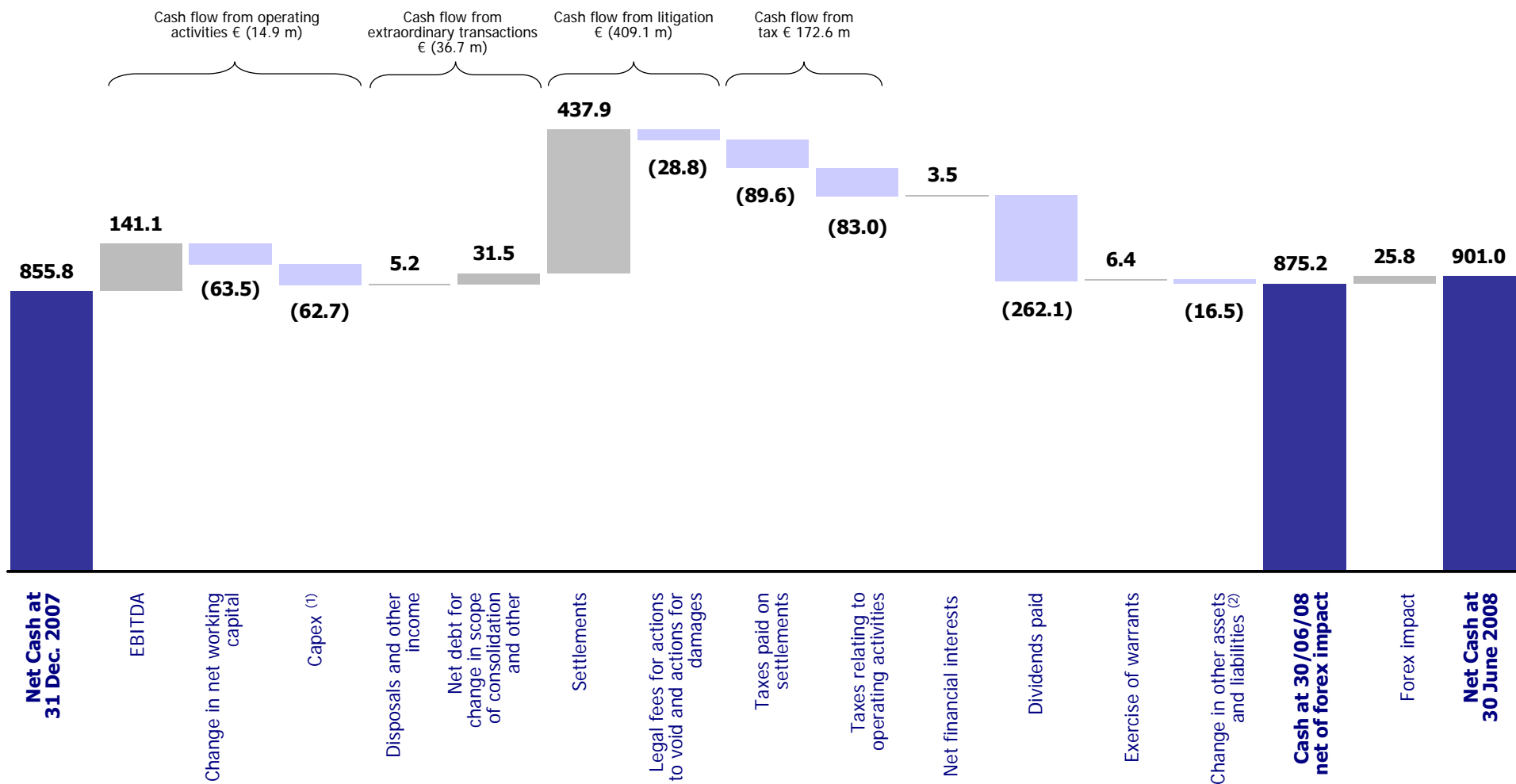
### Parmalat Group: effective tax rate evolution



### DIVIDEND TAXATION

- Any income from settlements is an item of P&L, so a part of net result of Parmalat SpA
- Any dividend, as a part of net result, will be taxed at the shareholders' level depending on their status and country

# IH 2008 consolidated cash flow statement



(1) Includes tangible and intangible capex

(2) Includes increased VAT receivables net of cash in of € 8.1 m and Newlat closing for € 8.0 m



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## **MDL – Multidistrict Litigation**

**The Court was to hear two preliminary motions before addressing further issues**

**Motions were:**

- 1. Impact of Stoneridge on class case via-a-vis financial institutions (Parmalat not involved)**

**/// In response to this motion, on August 7, 2008 the SDNY dismissed the class action claims against Bank of America, Citigroup and Pavia-Ansaldo**

- 2. Grant Thornton vicarious liability (Parmalat)**

**/// This motion is fully briefed but has not yet been decided**

**All other motions and proceedings stayed until outcome of these two motions**

**Trial likely to be delayed until second quarter of 2009**



## MDL – Multidistrict Litigation

**On August 20, 2008, the SDNY certified the class with respect to domestic purchasers of (old) Parmalat shares, excluding foreign purchasers of shares and all purchasers of debt, without prejudice of pending settlement**



**On April 15, 2008, the Superior Court of Bergen County, N.J., denied Citi's motion for summary judgment and permitted Parmalat to proceed to trial. The judge also denied Parmalat's motion for summary judgment dismissing Citi's counterclaims**

∥ Trial started on May 5<sup>th</sup>, 2008, and is continuing

**On July 25<sup>th</sup>, 2008, the judge denied Citi's motion for a directed verdict**

**On July 31<sup>st</sup>, 2008, trial was adjourned for summer recess**

∥ Trial will resume on September 8<sup>th</sup>, 2008



## Italian revocatory and damages actions

	<b>Revocatory <sup>(1)</sup></b>	<b>Damages Actions</b>
<b>Discovery expected to be closed by</b>	<b>2009</b>	<b>2010</b>
<b>Estimates for decision</b>	<b>2010</b>	<b>2011</b>

**Note:**

(1) Few actions still pending for nominal less than one billion euros

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IH 2008: main achievements and key figures

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Parmalat: operations

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IH 2008 Group financials

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# Calendar of events

## Board Meetings:

Date

Subject

**August 28, 2008**

Approval of the 2008 Interim Report

**November 14, 2007**

Approval of the Report for the Third Quarter 2008

Investor Relations contact:

Cristina Girelli

Tel +39 0521 80 85 50

Email: [c.girelli@parmalat.net](mailto:c.girelli@parmalat.net)



# Q&A



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**Appendix**

Parmalat SpA: IH 2008 Revenues/EBITDA

1.

Parmalat SpA: IH 2008 NFP

2.



# Parmalat SpA: IH 2008 and IH 2007 figures

€ m

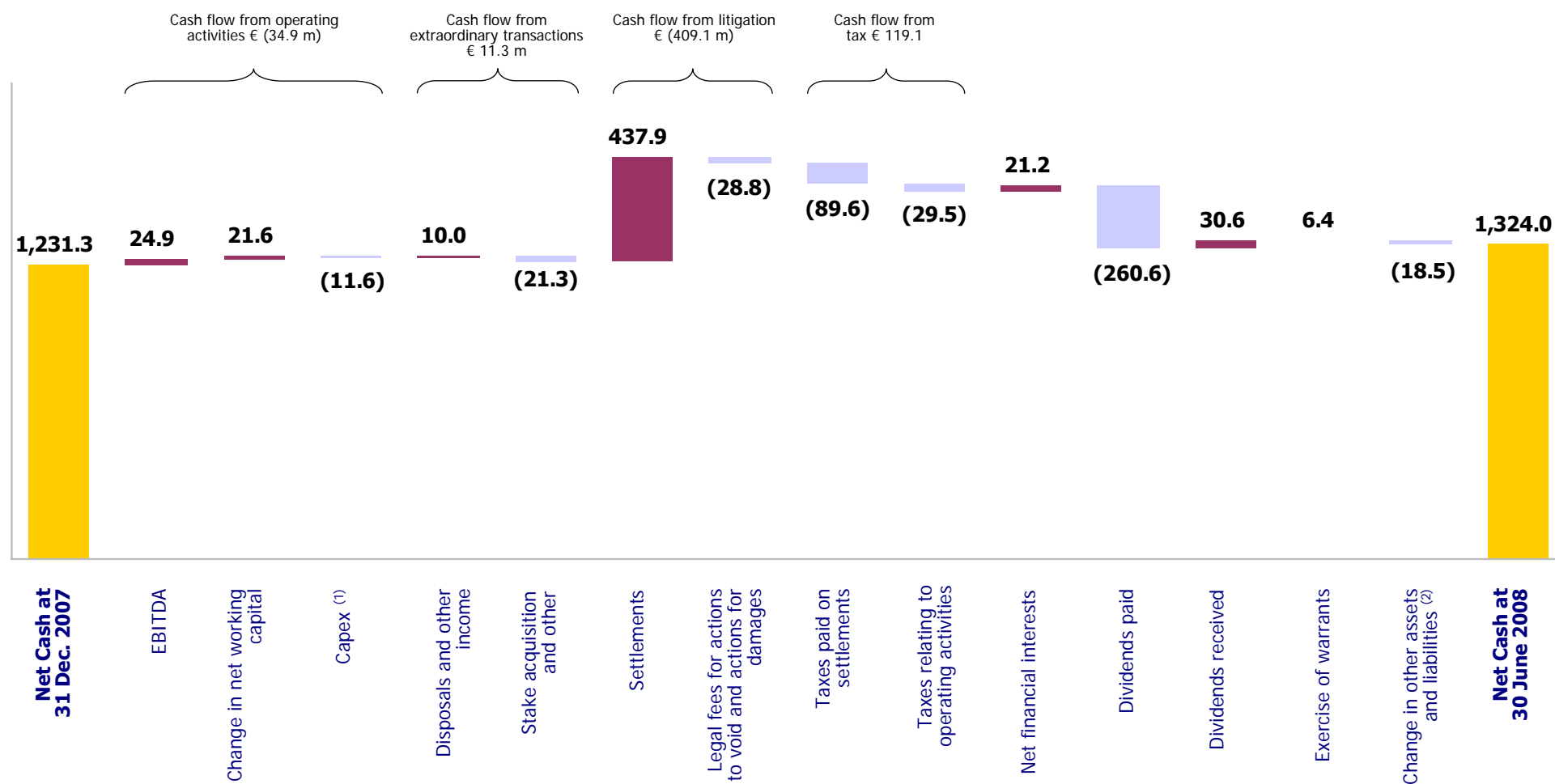
PARMALAT SPA				
	I H 2007	%	I H 2008	%
<b>REVENUES</b>	€ 426.9 m	100.0	€ 458.3 m	100.0
<b>EBITDA</b>	€ 34.9 m	8.2	€ 24.9 m	5.4
<b>NET OPERATING RESULT</b>	€ 190.4 m	44.6	€ 375.8 m	82.0
<b>NET RESULT</b>	€ 198.2 m	46.4	€ 447.1 m	97.6

OPERATIONS				
	IH 2007	%	IH 2008	%
<b>Revenues</b>	€ 426.0 m	100.0	€ 457.9 m	100.0
<b>EBITDA</b>	€ 44.7 m	10.5	€ 41.2 m	9.0

CORPORATE		
	IH 2007	IH 2008
<b>Revenues</b>	€ 0.9 m	€ 0.4 m
<b>EBITDA</b>	€ (9.8) m	€ (16.3) m



# IH 2008 Parmalat SpA cash flow statement



(1) Including tangible and intangible capex

(2) Includes increased VAT receivables net of cash in of € 11.3 m and Newlat closing for € 8.0 m