



**PRESS RELEASE**

**Board of Directors Approves First Interim Report on Operations of 2009**

*Improved results from industrial operations: 72.4 million euros (+13.3%)  
Group interest in net profit of about 176 million euros; Parmalat SpA net profit of 178 million euros*

**There are no reasons to change to 2009 guidance: EBITDA of 310-320 million euros, at constant exchange rates, despite challenging market conditions**

**Consolidated Financial Highlights of the Group**

	<i>Amounts in millions of euros</i>	<b>3/31/09</b>	<b>3/31/08</b>	<b>% change</b>
<b>GROUP</b>				
<ul style="list-style-type: none"> <li>NET REVENUES AT CONSTANT EXCHANGE RATES GROW TO 942.1 MILLION EUROS (+5.4%)</li> </ul>	<b>Net revenues at constant exchange rates and scope of consolidation</b>	<b>942.1</b>	<b>893.9</b>	<b>5.4%</b>
	<b>Net revenues</b>	<b>899.4</b>	<b>926.9</b>	<b>-3.0%</b>
<ul style="list-style-type: none"> <li>EBITDA AT CONSTANT EXCHANGE RATES AND SCOPE OF CONSOLIDATION INCREASES TO 74.3 MILLION EUROS (+21.1%)</li> </ul>	<b>EBITDA at constant exchange rates and scope of consolidation</b>	<b>74.3</b>	<b>61.4</b>	<b>21.1%</b>
<ul style="list-style-type: none"> <li>PROFITABILITY OF INDUSTRIAL OPERATIONS IMPROVES (+13.3%), MARGIN RISING FROM 6.9% TO 8.1%</li> </ul>	<b>EBITDA</b>	<b>72.4</b>	<b>63.9</b>	<b>13.3 %</b>
<ul style="list-style-type: none"> <li>GROUP INTEREST IN NET PROFIT OF 176.3 MILLION EUROS</li> </ul>	<b>Group interest in net profit</b>	<b>176.3</b>	<b>90.2</b>	
	<i>Amounts in millions of euros</i>	<b>3/31/09</b>	<b>12/31/08</b>	<b>% change</b>
<ul style="list-style-type: none"> <li>NET FINANCIAL ASSETS INCREASE TO 1,244.2 MILLION EUROS</li> </ul>	<b>Net financial assets</b>	<b>1,244.2</b>	<b>1,108.8</b>	
	<i>Amounts in millions of euros</i>	<b>3/31/09</b>	<b>3/31/08</b>	<b>% change</b>
<b>PARMALAT SPA</b>				
<ul style="list-style-type: none"> <li>PARENT COMPANY NET PROFIT RISES TO 177.8 MILLION EUROS</li> </ul>	<b>Net profit of Parmalat SpA</b>	<b>177.8</b>	<b>106.4</b>	

Parmalat S.p.A. announces that its Board of Directors, meeting today under the chairmanship of Raffaele Picella, approved the First Interim Report on Operations at March 31, 2009.



## The Group

The Group responded quickly and effectively to the challenges posed by a major global crisis and the aggressive competition it faced on many of the countries where it operates.

**Net revenues** totaled 942.1 million euros, excluding the impact of the appreciation of the euro versus the currencies of the main countries outside the euro zone where the Group operates (42.7 million euros).

Net revenues for the first quarter of 2009 increased 48.2 million euros (+5.4%) compared with the same period last year, when net revenues totaled 893.9 million euros, restated without the 33.0 million euros generated by Newlat, which was sold in the first half of 2008. At comparable exchange rates, net revenues increased 0.6%. This positive performance is due mainly to an increase in list prices, implemented to offset a rise in raw materials and other production costs, and a positive volume/mix effect.

**EBITDA** amounted to 74.3 million euros, excluding the impact of the appreciation of the euro versus the currencies of the main countries outside the euro zone where the Group operates (1.9 million euros).

EBITDA for the first three months of 2009 increased 12.9 million euros (+21.1%) compared with the same period last year, when EBITDA was 61.4 million euros, restated without the 2.5 million euros contributed by Newlat, which was sold in the first half of 2008. At comparable exchange rates, EBITDA increased 18.0%.

In the various markets where the Group operates, raw material prices and other key production costs followed divergent trends during the first quarter of 2009, compared with the same period last year, with significant reductions in Italy and increases in Canada, Venezuela and South Africa. The Group successfully addressed a challenging market environment characterized by aggressive competition from private labels by using a successful pricing policy, while stepping up promotional activities, which had a positive impact on basic products, and responding effectively to changing consumer buying habits. The gain in profitability was also achieved by carefully controlling overhead.

The table that follows provides a breakdown of revenues and EBITDA by geographic region:

<i>(in millions of euros)</i>	I Quarter 2009			I Quarter 2008		
	Revenues	EBITDA	EBITDA %	Revenues	EBITDA	EBITDA %
<b>Region</b>						
Italy <sup>1</sup>	252.5	30.0	11.9	302.6	24.7	8.2
Others Europe	33.6	4.9	14.6	41.2	4.8	11.5
Canada	295.9	20.0	6.8	295.4	23.7	8.0
Africa	79.9	1.2	1.6	81.4	6.6	8.1
Australia	93.1	6.8	7.3	107.5	1.9	1.8
Central and South America	144.3	15.5	10.8	100.1	12.2	12.2
Others <sup>2</sup>	(0.0)	(6.1)	n.s.	(1.2)	(10.0)	n.s.
<b>Group</b>	<b>899.4</b>	<b>72.4</b>	<b>8.1</b>	<b>926.9</b>	<b>63.9</b>	<b>6.9</b>

*Regions represent the consolidated countries*

*1. 2008 data include net revenues for 33.0 million euros and EBITDA for 2.5 million euros relating to Newlat, sold in the first half of 2008*

*2. Includes holding, other no core companies, eliminations between areas*



A review of the Group's performance in the main countries in which it operates follows:

In **Italy**, net revenues restated excluding results for Newlat, which was divested in the first half of 2008, amounted to 252.5 million euros in the first three months of 2009, down 24.6 million euros versus the same period last year. However, first quarter EBITDA was up 7.8 million euros year on year.

The markets in which Parmalat operates held steady or contracted slightly in the first quarter of 2009. Specifically, demand for UHT milk was relatively flat, while it increased slightly for pasteurized milk (but only in the Modern channel) and was down for yogurt and fruit juices compared with the same period last year.

Parmalat strengthened its leadership position in the market for UHT milk, significantly increasing its market share thanks to a carefully planned promotional policy and strong performance by Zymil, a highly digestible milk.

Parmalat's position was relatively stable in the yogurt segment and in the market for fruit beverages, where Santal retained its position as the leading brand.

The negative impact of lower volumes and an increase in promotional expense, which, while in line with more recent trends, were higher than in the first quarter of 2008, was more than offset by the continuing positive effect of the 2008 price increases, a significant reduction in the cost of raw milk and programs implemented to reduce overhead.

In **Canada**, in Canadian dollar terms, net revenues increased 8.0%, from 444.2 million dollars in the first quarter of 2008 to 479.9 million dollars in the same period this year. EBITDA was 32.5 million dollars for the period, down slightly compared with the first three months of 2008 (35.7 million dollars). Stated in euros, first quarter revenues showed little change (295.9 million euros in 2009 and 295.4 million euros in 2008). EBITDA decreased 3.7 million euros to 20.0 million euros.

While all segments of the Canadian dairy market are still showing attractive growth rates, consumers are continuing to shift their preferences toward lower priced products. In the milk market, the local subsidiary improved its market position, increasing its share of the "premium milk" segment from 32.7% to 35.7% with its microfiltered and highly digestible products. The local SBU also increased its share of the yogurt market, thanks to the launch of drinkable yogurts and the expansion of its distribution organization to Canada's French speaking region at the beginning of 2008. In the English speaking region, growing competitive pressure required an increased use of promotional programs to support sales of conventional products. In the cheese market, the local subsidiary's position was adversely affected by strong promotional pressure from competitors. On the other hand, Parmalat is the national leader in the butter segment, with a growth rate that vastly outpaced the market rate.

While the local SBU enjoyed higher sales volumes and sales prices than in the first three months of 2008, it was also faced with an increase in promotional pressure and higher variable and fixed industrial costs.

In **Australia**, in Australian dollars terms, net revenues were 183.0 million dollars, up 2.9% from 177.7 million dollars in the first quarter of 2008. EBITDA rose from 3.2 million dollars to 13.3 million dollars.



Stated in euros, revenues totaled 93.1 million euros, down from 107.5 million euros in the first three months of 2008, but EBITDA increased to 6.8 million euros, up 4.8 million euros versus the first quarter of 2008.

In the first three months of 2009, the Australian dairy market enjoyed attractive growth rates, particularly in the yogurt segment and the flavored milk segment. In the milk segment, the growth was lower due to the negative performance of higher priced products, such as functional milk. The notable improvement in EBITDA is the combined result of the carry over effect on prices, a decrease in raw milk costs compared with the first quarter of 2008 (characterized by strong pressure on the price of milk derivatives in the international market) and the effect of manufacturing rationalization programs.

The Group's operations in **Africa**, for which the euro is used to report data that consolidate sums in the currencies of multiple countries (South Africa, Zambia, Botswana, Swaziland and Mozambique), generated revenues of 79.9 million euros, roughly in line with the amount reported a year earlier (81.4 million euros). EBITDA was 1.2 million euros, down from 6.6 million euros in the first three months of 2008.

In South Africa, the region's main market, the local subsidiary increased net revenues to 907.4 million rand in the first quarter of 2009, a 10.6% increase versus 820.4 million rand reported at March 31, 2008. Stated in euros, net revenues were 70.0 million euros, about the same as in the first three months of 2008 (72.5 million euros). EBITDA was 0.1 million euros, compared with 5.3 million euros in the same period last year.

Deteriorating economic conditions in South Africa did not significantly reduce consumer demand in the markets in which the local subsidiary operates. Rather, this has led to strong price pressure, as consumers increasingly shift towards lower priced products and brands.

Against this background, the South African subsidiary reported an overall increase of 13.9% in unit sales compared with the first three months of 2008. Specifically, unit sales of UHT milk, which accounted for 50% of the total sales volume, were up 7.3%, with shipments of pasteurized milk also showing strong growth and cheese sales volumes increasing 7.8%. On the other hand, unit sales of yogurt were 6.4% lower than in the first quarter of 2008.

Local economic conditions and strong competitive pressure on sales prices resulting from the need to support consumption and reduce inventories significantly limited the SBU's ability to reflect in sales prices the variable cost increases that it began in 2008. Despite the restructuring and streamlining programs implemented to reduce fixed costs, profit margins were significantly lower than in the same period last year.

The other countries in this region - Zambia, Mozambique, Botswana and Swaziland - reported higher unit sales and revenues.

In the rest of **Europe, excluding Italy**, revenues were 33.6 million euros, a 7.6 million euro decrease versus 41.2 million euros reported at March 31, 2008. EBITDA was 4.9 million euros, about the same as in the first three months of 2008.

An analysis of the Group's performance in the individual countries shows that Russian operations increased EBITDA by more than 40% in local currency, thanks in part to lower raw milk prices; the Portuguese subsidiary held EBITDA steady by changing the product mix and realigning sales prices following a reduction in the cost of raw materials; and the profitability of the Romanian subsidiary decreased on a percentage basis compared with the first quarter of 2008, mainly due to the



devaluation of the local currency that caused an increase in the cost of raw materials, most of which are imported.

In **Central and South America**, revenues improved to 144.3 million euros, up 44.1% compared with 100.1 million euros in the first quarter of 2008. EBITDA totaled 15.5 million euros, a 3.3 million euro increase versus the same period a year earlier (12.2 million euros).

The Venezuelan subsidiary reported a significant increase in sales volumes, reflecting sharp gains in sales of fruit beverages, pasteurized milk and powdered milk. EBITDA also improved thanks to a positive performance of the fruit beverage division.

In Colombia, where entry barriers are relatively low in the pasteurized milk business, several new competitors entered the market, putting pressure on sales prices. The SBU reported lower operating results than in the first quarter of 2008 due to reduced sales volumes in its main product categories, coupled with production problems early in the year.

**Net financial assets** amounted to 1,244.2 million euros. The increase of 135.4 million euros, compared with net financial assets of 1,108.8 million euros at the end of 2008, reflects primarily: cash flow from operating activities (32.2 million euros) and litigation settlements (126.4 million euros, as the net result of 137.0 million euros in proceeds from settlements reached during the period and 10.6 million euros in costs incurred to pursue the corresponding legal actions), tax payments of 16.2 million euros, and the impact of translating into euros the net borrowings of companies outside the euro zone (12.5 million euros).

**Group interest in net profit** grew to 176.3 million euros, an increase of 86.1 million euros versus 90.2 million euros in the first quarter of 2008. Improved results from industrial operations and higher net proceeds from litigation settlements account for most of this increase.

## **PARMALAT SpA**

**Net revenues** totaled 207.0 million euros, a 20.0 million euro decrease (-8.8%) versus 227.0 million euros reported at March 31, 2008.

**EBITDA** amounted to 18.3 million euros, a 10.5 million euro increase versus 7.8 million euros in the first three months of 2008. Return on Sales was 8.8%, up from 3.4% in the first quarter of 2008.

**Net profit** for the period, which amounted to 177.8 million euros, an increase of 71.4 million euros versus 106.4 million euros earned in the first quarter of 2008, includes net financial income of 9.7 million euros (15.1 million euros in the first quarter of 2008) and income from subsidiaries of 21.6 million euros (28.2 million euros in the first three months of 20078), which consisted of dividends declared by Group companies.

**Net financial assets** improved significantly during the first three months of 2009, rising from 1,441.2 million euros to 1,592.0 million euros (+150.8 million euros), due mainly to the collection of proceeds from settlements with several credit institutions (137.0 million euros).



## **Business Outlook for the Balance of 2009**

There are no reasons to change the guidance that, assuming constant exchange rates, calls for revenue growth of 2% to 4% and an EBITDA ranging from 310 to 320 million euros, considering its results and the macroeconomic and competitive context.

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*Financial statements are annexed to this press release.*

\* \* \* \* \*

*The quarterly data at March 31, 2009 will be filed promptly today at the Company's head office at 4 Via delle Nazioni Unite, Collecchio (PR), Italy, and at the offices of Borsa Italiana S.p.A., where they will be available on request. They may also be consulted at the Company website: [www.parmalat.com](http://www.parmalat.com).*

\* \* \* \* \*

*This Quarterly Report was not audited.*

\* \* \* \* \*

*As required by Article 154 bis, Section 2, of the Uniform Financial Code (Legislative Decree No. 58/1998), the Executive Officer Responsible for Financial Reports, Luigi De Angelis, hereby declares and attests that the accounting disclosures provided in this Report correspond to the document results, books and accounting records.*

\* \* \* \* \*



## Conference Call with Investors

The data of the First Interim Report on Operations at March 31, 2009 will be presented to the financial community in a conference call that will be held today at 6:00 PM (Central European Time) – 5:00 PM (UK time). The presentation can be followed live in audioconferencing mode by calling the following telephone numbers:

- 800 40 80 88
- +39 06 33 48 68 68
- +39 06 33 48 50 42

Access code: \*0

The conference call will be followed by a Q&A period.

Additional information is also available online at the Parmalat website: "[www.parmalat.com](http://www.parmalat.com) -> *Investor Relations* page --> Focus --> Presentation First Quarter 2009 Results."

Parmalat S.p.A.

Collecchio, May 14, 2009

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



## Like-for-like Net Revenues and EBITDA

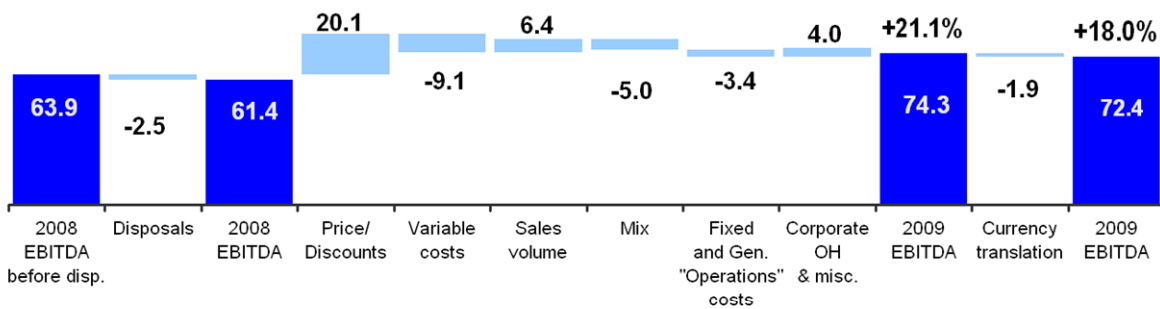
### Revenues March 2009 vs 2008

(€ ml)



### EBITDA March 2009 vs 2008

(€ ml)

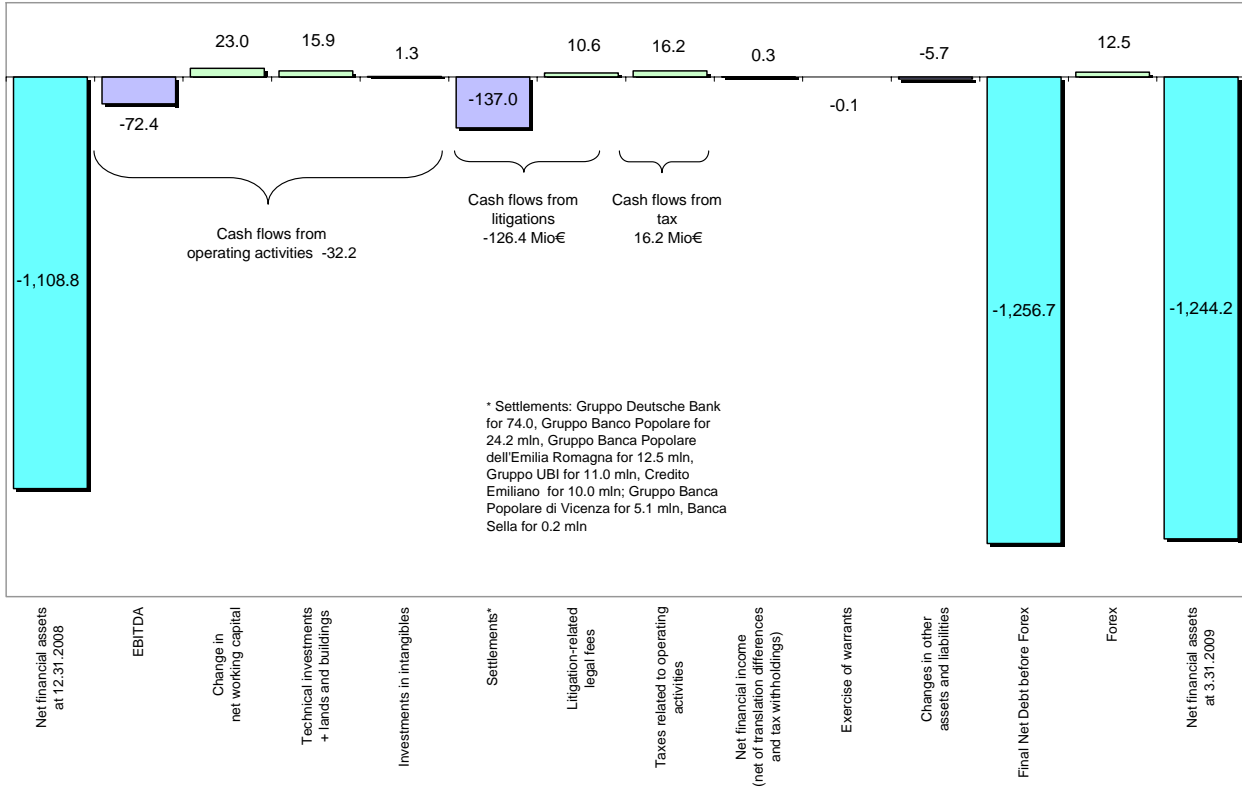


% changes represent differences compared with the same period last year at constant scope of consolidation (after Newlat's divestment).





### Consolidated Cash Flow Jan 1- Mar 31, 2009





# Parmalat Group

## RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)

	First quarter of 2009	First quarter of 2008
<b>REVENUES</b>	<b>904.6</b>	<b>932.2</b>
Net sales revenues	899.4	926.9
Other revenues	5.2	5.3
<b>OPERATING EXPENSES</b>	<b>(829.8)</b>	<b>(865.5)</b>
Purchases, services and miscellaneous costs	(721.0)	(751.0)
Labor costs	(108.8)	(114.5)
<b>Subtotal</b>	<b>74.8</b>	<b>66.7</b>
Writedowns of receivables and other provisions	(2.4)	(2.8)
<b>EBITDA</b>	<b>72.4</b>	<b>63.9</b>
Depreciation, amortization and writedowns of non-current assets	(22.6)	(23.1)
Other revenues and expenses:		
- Litigation-related legal expenses	(3.9)	(12.0)
- Miscellaneous revenues and expenses	146.5	78.0
<b>EBIT</b>	<b>192.4</b>	<b>106.8</b>
Financial income	12.6	17.2
Financial expense	(9.4)	(9.6)
Net foreign currency translation gain (loss)	(1.8)	(5.0)
Other income from (charges for) equity investments	0.1	-
<b>PROFIT BEFORE TAXES</b>	<b>193.9</b>	<b>109.4</b>
Income taxes	(16.6)	(18.6)
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>177.3</b>	<b>90.8</b>
Net profit (loss) from discontinuing operations	-	-
<b>NET PROFIT FOR THE PERIOD</b>	<b>177.3</b>	<b>90.8</b>
Minority interest in net (profit) loss	(1.0)	(0.6)
Group interest in net profit (loss)	176.3	90.2

### Continuing operations:

Basic earnings per share	0.1043	0.0545
Diluted earnings per share	0.1030	0.0529



## Parmalat Group

### RECLASSIFIED CONSOLIDATED BALANCE SHEET

<i>(in millions of euros)</i>	3/31/09	12/31/08
<b>NON-CURRENT ASSETS</b>	<b>1,713.0</b>	<b>1,698.7</b>
Intangibles	1,005.9	999.2
Property, plant and equipment	650.0	646.3
Non-current financial assets	8.6	8.4
Deferred-tax assets	48.5	44.8
<b>AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES</b>	<b>4.2</b>	<b>8.1</b>
<b>NET WORKING CAPITAL</b>	<b>422.0</b>	<b>379.7</b>
Inventories	356.8	333.6
Trade receivables	466.0	465.5
Trade payables (-)	(460.1)	(469.9)
<b>Operating working capital</b>	<b>362.7</b>	<b>329.2</b>
Other current assets	262.6	246.2
Other current liabilities (-)	(203.3)	(195.7)
<b>INVESTED CAPITAL NET OF OPERATING LIABILITIES</b>	<b>2,139.2</b>	<b>2,086.5</b>
<b>PROVISIONS FOR EMPLOYEE BENEFITS (-)</b>	<b>(89.5)</b>	<b>(87.1)</b>
<b>PROVISIONS FOR RISKS AND CHARGES (-)</b>	<b>(262.7)</b>	<b>(256.4)</b>
<b>PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS (-)</b>	<b>(9.7)</b>	<b>(9.7)</b>
<b>NET INVESTED CAPITAL</b>	<b>1,777.3</b>	<b>1,733.3</b>
<i>Covered by:</i>		
<b>SHAREHOLDERS' EQUITY</b>	<b>3,021.5</b>	<b>2,842.1</b>
Share capital	1,692.3	1,687.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	188.5	193.2
Other reserves and retained earnings	1,068.9	393.5
Interim dividend	(130.3)	(130.0)
Profit for the period	176.3	673.1
Minority interest in shareholders' equity	25.8	24.9
<b>(NET FINANCIAL ASSETS)/NET BORROWINGS</b>	<b>(1,244.2)</b>	<b>(1,108.8)</b>
Loans payable to banks and other lenders	501.5	492.6
Loans payable to investee companies	6.3	6.2
Other financial assets (-)	(1,105.7)	(706.4)
Cash and cash equivalents (-)	(646.3)	(901.2)
<b>TOTAL COVERAGE SOURCES</b>	<b>1,777.3</b>	<b>1,733.3</b>



# Parmalat S.p.A.

## RECLASSIFIED INCOME STATEMENT

(in millions of euros)

	First quarter of 2009	First quarter of 2008
<b>REVENUES</b>	<b>212.4</b>	<b>232.3</b>
Net sales revenues	207.0	227.0
Other revenues	5.4	5.3
<b>OPERATING EXPENSES</b>	<b>(191.9)</b>	<b>(223.3)</b>
Purchases, services and miscellaneous costs	(166.2)	(193.7)
Labor costs	(25.7)	(29.6)
<b>Subtotal</b>	<b>20.5</b>	<b>9.0</b>
Writedowns of receivables and other provisions	(2.2)	(1.2)
<b>EBITDA</b>	<b>18.3</b>	<b>7.8</b>
Depreciation, amortization and writedowns of non-current assets	(9.4)	(8.4)
Other revenues and expenses:		
- Litigation-related legal expenses	(3.9)	(12.0)
- Additions to provision for losses of investee companies		(0.3)
- Miscellaneous revenues and expenses	148.8	82.4
<b>EBIT</b>	<b>153.8</b>	<b>69.5</b>
Financial income	11.2	15.1
Financial expense	(0.7)	(0.3)
Net foreign currency translation gain (loss)	(0.8)	0.3
Other income from (charges for) equity investments	21.6	28.2
<b>PROFIT BEFORE TAXES</b>	<b>185.1</b>	<b>112.8</b>
Income taxes	(7.3)	(6.4)
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>177.8</b>	<b>106.4</b>
Net profit (loss) from discontinuing operations	-	-
<b>NET PROFIT FOR THE PERIOD</b>	<b>177.8</b>	<b>106.4</b>



# Parmalat S.p.A.

## RECLASSIFIED BALANCE SHEET

<i>(in millions of euros)</i>	3/31/09	12/31/08
<b>NON-CURRENT ASSETS</b>	<b>1,351.9</b>	<b>1,353.7</b>
Intangibles	397.9	401.5
Property, plant and equipment	152.7	153.8
Non-current financial assets	773.3	773.2
Deferred-tax assets	28.0	25.2
<b>AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES</b>	<b>0.0</b>	<b>4.1</b>
<b>NET WORKING CAPITAL</b>	<b>162.9</b>	<b>127.6</b>
Inventories	40.7	39.7
Trade receivables	207.6	224.0
Trade payables (-)	(193.5)	(205.2)
<b>Operating working capital</b>	<b>54.8</b>	<b>58.5</b>
Other current assets	214.0	169.3
Other current liabilities (-)	(105.9)	(100.2)
<b>INVESTED CAPITAL NET OF OPERATING LIABILITIES</b>	<b>1,514.8</b>	<b>1,485.4</b>
PROVISIONS FOR EMPLOYEE BENEFITS (-)	(27.5)	(27.7)
PROVISIONS FOR RISKS AND CHARGES (-)	(199.5)	(196.1)
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS (-)	(7.7)	(7.7)
<b>NET INVESTED CAPITAL</b>	<b>1,280.1</b>	<b>1,253.9</b>
<i>Covered by:</i>		
<b>SHAREHOLDERS' EQUITY</b>	<b>2,872.1</b>	<b>2,695.1</b>
Share capital	1,692.3	1,687.4
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	188.5	193.3
Other reserves and retained earnings	943.8	329.0
Interim dividend	(130.3)	(130.0)
Profit for the period	177.8	615.4
<b>(NET FINANCIAL ASSETS)/NET BORROWINGS</b>	<b>(1,592.0)</b>	<b>(1,441.2)</b>
Loans payable to banks and other lenders	5.8	5.9
Loans payable to investee companies	(18.3)	(17.3)
Other financial assets (-)	(1,077.1)	(679.2)
Cash and cash equivalents (-)	(502.4)	(750.6)
<b>TOTAL COVERAGE SOURCES</b>	<b>1,280.1</b>	<b>1,253.9</b>