PRESS RELEASE

The Board of Directors Approves the 2011 First Interim Report on Operations

- **Net revenues increase (+8.9%) both in volume and in value terms**
- **Positive performances in Canada, South Africa and Venezuela are continuing**
- **EBITDA would amount to 75 million euros (down 4.8% compared with the first quarter of 2010) restated without the impact of damage events (the floods in Queensland - Australia - and the damages caused by a fire at the production facility of Centrale del Latte di Roma)**
- **EBIT increases (+5.6%) up to 58.7 million euros**
- **Group interest in net profit totals 50 million euros (+ 3.1%),**
- **2011 guidance: the guidance of about 4.4 billion euros in revenues and EBITDA of 385 million euros is confirmed**

Consolidated Financial Highlights of the Group and Parmalat Spa

	Amounts in millions of euros	1ST quarter 2011	1ST quarter 2010	Change
PARMALAT GROUP				
• NET REVENUES UP TO 1,033.2 MILLION EUROS (+ 8.9%)	**Net revenues**	**1,033.2**	**949.1**	**+8.9%**
• POSITIVE PERFORMANCE IN CANADA, SOUTH AFRICA AND VENEZUELA	**EBITDA**	**70.2**	**78.7**	**-10.8%**
• EBIT IMPROVE TO 58.7 MILLION EUROS	**EBIT**	**58.7**	**55.6**	**+ 5.6%**
• GROUP INTEREST IN NET PROFIT GROWS TO 50.0 MILLION EUROS	**Group interest in net profit**	**50.0**	**48.5**	**+3.1%**
	Amounts in millions of euros	**3/31/11**	**12/31/10**	**Change**
• NET FINANCIAL ASSETS TOTAL 1,390.3 MILLION EUROS	**Net financial assets**	**1,390.3**	**1,435.2**	**-44.9**
	Amounts in millions of euros	**1ST quarter 2011**	**1ST quarter 2010**	**Change**
PARMALAT SPA				
• THE PARENT COMPANY'S NET PROFIT AMOUNTS TO 42,6 MILLION EUROS	**Net profit**	**42.6**	**47.3**	**-4.7**

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, 2011.

Parmalat Group

Net revenues were up 8.9% compared with the first quarter of 2010, due to an increase in sales volumes, mainly in Australia and Venezuela, and the decrease in the value of the euro versus the currencies of the main countries where the Group operates.

EBITDA totaled 70.2 million euros, or 8.5 million euros less (-10.8%) than the 78.7 million euros earned the previous year. This decrease is due in part to operating factors, such as the increase in the price of raw milk, particularly in Italy and Australia. The Group reacted to this increase by implementing an adjustment to its list prices, not yet fully reflected in the trade, which will produce benefits in the coming months. The reduction in EBITDA was also due to external factors, i.e., the floods in Queensland (Australia) and the damages caused by a fire at the production facility of Centrale del Latte di Roma this past August. The combined negative impact of both events is estimated at about 5 million euros (net of partial insurance settlements). With regard to the fire, the Company is currently negotiating with the insurance company to recover the damage it suffered. In any case, Centrale del Latte di Roma resumed normal production in the second quarter of 2011 and its operating performance is expected to be in line with projections for the current year.
Restated without the impact of these two damage events, EBITDA would amount to 74.9 million euros, down 4.8% compared with the first quarter of 2010.

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

(in millions of euros)	**Cumulative at March 31, 2011**			**Cumulative at March 31, 2010**		
Region	**Revenues**	**EBITDA**	***EBITDA %***	**Revenues**	**EBITDA**	***EBITDA %***
Italy	239.6	19.7	*8.2*	237.3	26.7	*11.3*
Other Europe	39.0	1.6	*4.0*	36.0	2.7	*7.5*
Canada	355.4	31.5	*8.8*	337.1	25.5	*7.6*
Africa	102.5	11.5	*11.2*	95.0	9.4	*9.9*
Australia	189.8	3.2	*1.7*	161.7	16.2	*10.0*
Central and South America	107.3	9.2	*8.6*	82.3	3.6	*4.3*
Other [1]	(0.4)	(6.5)	*n.s.*	(0.3)	(5.5)	*n.s.*
Group	**1,033.2**	**70.2**	***6.8***	**949.1**	**78.7**	***8.3***

Regions represent the consolidated countries
1. Include Group's parent Company's costs, other no core companies and eliminations between regions

A review of the results in the Group's main countries is provided below:

In **Italy,** the economic recovery remained weak, with a resurgence of inflation that reflects pressure on the price of food products and energy.

Parmalat retained its leadership position in the market for milk with extended shelf life.
Like all other producers of branded products, Parmalat suffered a slight reduction in pasteurized milk market share, consistent with the renewed growth enjoyed by private labels.
Sales of Zymil, the leader of the lactose-free milk segment, continued to increase steadily both in the UHT market and the microfiltered, pasteurized market.

Parmalat held its share of the yogurt and fruit beverage markets relatively steady compared with the previous year.

Overall, sales volumes were up 2.3% compared with the previous year. Sales of UHT milk, which account for 45% of total unit sales, increased by 2.0%, compared with the first quarter of 2010, while those of pasteurized milk, which represent 34% of the total sales volume, were down 2.0%. Shipments of fruit beverages were 7.8% higher than in the first quarter of 2010.

Net revenues grew to 239.6 million euros (237.3 million euros in the first quarter of 2010). Despite this positive sales performance, EBITDA were down 7.0 million euros, due mainly to higher raw milk costs (which were matched with list price increases not yet fully reflected in the trade) and the damages caused by the fire at the production facility of Centrale del Latte di Roma this past August (net of partial insurance settlements). With regard to this issue, the Company is currently negotiating with the insurance company to recover the damage it suffered. Centrale del Latte di Roma resumed normal production in the second quarter of 2011 and its operating performance is expected to be in line with projections for the current year.

In the **other countries in Europe,** net revenues rose to 39.0 million euros, up from 36.0 million euros in the same period last year (+8.2%). EBITDA decreased to 1.6 million euros (2.7 million euros in the same period last year).

In **Russia,** overall unit sales were in line with the previous year. However, shipments of UHT milk, which together with flavored milk account for 37% of total unit sales, were up 1.3.% compared with 2010. In terms of profitability, the results for the first quarter of 2011 benefited from a sales policy focused on restoring margins despite the increase in raw milk costs.

In **Portugal,** the macroeconomic scenario continues to be extremely challenging, due to the high level of public debt, which caused the local government to adopt restrictive measures, including higher taxes and lower government spending. Such a situation ends up draining resources away from households and reduces their spending ability. The results of the local subsidiary were also penalized by the country’s economic context.

In **Romania,** unit sales of fruit beverages were up 10.6% compared with the first quarter or 2010, due to an upturn in consumption during the first quarter of the year. However, this positive trend is still not strong enough to support list price increases sufficient to offset the rise in production costs.

In **Canada,** the economy continued to grow at a moderate pace, in line with the trend in the other advanced economies. On the other hand, conditions in the food market remained extremely competitive for producers who are faced with the need to satisfy the demand for lower prices by consumers and, at the same time, must invest in advertising to maintain their market position and support the value of their brands.

In this environment, with data stated in Canadian dollars, net revenues totaled 479.1 million in the first quarter of 2011, down from 485.7 million in the first three months of 2010. However, EBITDA increased to 42.4 million (+15.4%) thanks to a lower cost of raw milk and the effect of a different scheduling of advertising investments compared with the same period a year ago.

With data stated in euros, net revenues show an increase of 5.4%, rising from 337.1 million to 355.4 million. The same is true for EBITDA, which total 31.5 million (25.5 million in the first three months of 2010).

The Canadian dollar increased in value by 6.5% compared with the exchange rate applied in the same period last year, with an impact on revenues and EBITDA of 22.9 million euros and 2.0 million euros, respectively.

Parmalat improved its position in the pasteurized milk market thanks mainly to a positive performance by its microfiltered milk and lactose-free milk. In the yogurt market, Parmalat scored a significant gain in market share, both on a volume and value basis, thanks to an increased use of promotional tools compared with the same period last year. The situation was similar in the cheese market, where Parmalat retained the leadership of the snack cheese segment and strong positions in all the other segments.

In **Australia,** the local economy continues to benefit from the indirect stimulus provided by economic expansion in China, which is a major importer of commodities that are abundant in Australia. However, there was a growing focus on prices in the retail sector, with consumers favoring lower-priced products and private labels, particularly with regard to market staples.

In this scenario, with data stated in Australian dollars, net revenues show an increase of 4.3%, rising from 247.6 million to 258.3 million. EBITDA, also stated in Australian dollars, decreased from 24.8 million to 4.4 million.
With data stated in euros, consolidated net revenues total 189.8 million, up from 161.7 the previous year, and EBITDA amount to 3.2 million, down from 16.2 million in the first three months of 2010.

The value of the Australian dollar increased by 11.2% compared with the exchange rate applied in the same period last year. The positive impact of this change on revenues and EBITDA was 21.2 million euros and 0.4 million euros, respectively.

The local SBU reported higher unit sales in the first quarter of 2011. Sales of pasteurized milk, which, excluding flavored milk, account for 74% of the total sales volume, were up 18.2%, owing in part to new production for private labels. Unit sales of flavored milk and yogurt increased by 1% and 4.4%, respectively.

The decrease in EBITDA, which was in line with the projections for the period, was caused by pressure on sales prices, the impact of the Queensland floods, the delayed effect of last year’s increase in milk prices (mainly in the Victoria region) and a substantial increase in advertising investments compared with the same period last year.

In **Africa,** the aggregate net revenues (in euros) of South Africa, Mozambique, Zambia, Botswana and Swaziland totaled 102.5 million euros, up from 95.0 million euros in the same period last year. EBITDA grew to 11.5 million euros (9.4 million euros in the same period in 2010).

In **South Africa,** the region’s main country, the economy improved slightly, but consumer spending was adversely affected by the high level of unemployment. In this context, with data stated in rand, revenues totaled 845.9 million, down slightly compared with the 856.8 million booked in the first three months of 2010. EBITDA, also in rand, increased to 99.3 million, compared with 91.4 million in the first three months of 2010 (+8.7%).
The local currency (South African rand) increased in value by 7.8% compared with the exchange rate applied in the same period last year. The impact of this change on revenues and EBITDA was 6.9 million euros and 0.8 million euros, respectively.

In the first three months of 2011, total sales volumes were little changed compared with the same period last year. More specifically, the local subsidiary reported unit sales substantially in line with the previous year in the UHT milk market, retained its leadership position in the cheese and flavored milk markets, and enjoyed a positive trend in the yogurt market thanks to carefully targeted activities to reposition its products.

EBITDA benefited from lower prices for raw milk and from the sales policy adopted by the local subsidiary.

The combined revenues of the other countries in the region (Zambia, Mozambique, Botswana and Swaziland), computed before intra-Group transactions within the Africa region, totaled 17.1 million euros, for a gain of 1.5 million euros compared with the 15.6 million euros booked the previous year. EBITDA were also up compared with 2010, rising to 0.8 million euros.
The other African countries where the Group operates reported unit sales that, in the aggregate, were higher than in the previous year

In **Central and South America,** net revenues grew to 107.3 million euros, or 30.3% more than the 82.3 million euros booked in the first three months of 2010. EBITDA were also up, rising to 9.2 million euros (3.6 million euros in 2010).

The data of the Venezuela subsidiary must be viewed against the backdrop of a local economy that, on the one hand, benefited from the rise of international oil prices in recent months and, on the other hand, is experiencing a high rate of inflation, with a strong negative effect on consumer spending.
Overall, the sales volumes of the local subsidiary increased by 16.0% compared with 2010 and its EBITDA benefited from the higher coverage of fixed costs provided by the increase in sales volumes and the impact of an effective handling of sales price and production cost dynamics.

The Colombian subsidiary increase its market share both in the lactose-free segment and in the yogurt category.

EBIT amounted to 58.7 million euros, for a gain of 5.6% compared with the 55.6 million euros reported at March 31, 2010.
Depreciation, amortization and writedowns of non-current assets totaled 25.1 million euros (26.0 million euros in the first three months of 2010). Other income and expenses include the amount related to the recognition in the income statements of the provision for risks, following the termination of the litigation filed by South African Antitrust Authority.
At 50.0 million euros, **Group interest in net profit** was little changed compared with the 48.5 million euros earned in the first three months of 2010.

The Group's **net financial assets** totaled 1,390.3 million euros, or 44.9 million euros less than the 1,435.2 million euros held at the end of 2010. This decrease is mainly the net result of the following factors: cash used in operating activities for 48.2 million euros; cash generated by financing activities for 9.3 million euros; and the impact of the translation into euros of the net borrowings of companies that operate outside the euro zone for 6.4 million euros.

PARMALAT S.p.A.

Net revenues increased to 206.4 million euros, or 4.6% more than the 197.4 million euros reported at March 31, 2010. The production support provided to Centrale del Latte di Roma during the quarter accounts for this positive performance, which was achieved despite a policy of sales discounts and promotions.

EBITDA totaled 14.8 million euros, for a decrease of 3.0 million euros compared with the 17.8 million euros earned in the first quarter of 2010. The effect of higher raw milk prices, offset only in part by a gain in unit sales, accounts for the EBITDA reduction.

EBIT grew to 7.5 million euros, compared with 5.7 million euros at March 31, 2010 (+1.8 million euros). Several factors had an impact on reported EBIT, including: proceeds from settlements and damage claims totaling 2.2 million euros, down from 2.6 million euros in the first quarter of 2010 (-0.4 million euros); an addition of 1.0 million euros to the provisions for losses of investee companies; a reduction in litigation expenses, which fell from 2.6 million euros to 1.5 million euros; and a decrease of 2.1 million euros in depreciation and amortization for the period.

The net profit for the period totaled 42.6 million euros (47.3 million euros in the first quarter of 2010). The decrease of 4.7 million euros was caused, in addition to the factors described above, by a reduction in dividends received from subsidiaries (35.5 million euros compared with 41.9 million euros in the first quarter of 2010, mainly due to a different timing in the distribution), offset in part by a gain in net financial income (+0.6 million euros).

Net financial assets grew from 1,345.0 million euros at December 31, 2010 to 1,354.6 million euros at March 31, 2011. The increase of 9.6 million euros is due mainly to the collection of dividends from subsidiaries (7.6 million euros) and proceeds from settlements (2.2 million euros).

* * * * *

Business Outlook for the Balance of 2011

The reference scenario continues to reflect the impact of a deep geopolitical crisis in Africa, which, among other consequences, created major volatility of commodity prices.

In addition, the adverse natural events that occurred in Australia earlier this year caused consumption and sales prices to contract and produced a temporary shift in consumption habits.

Positive trends in Canada, South Africa and Venezuela should help mitigate the risk outlined above.

Guidance

This context was already taken into account when initially providing the guidance, which is therefore confirmed with revenues of about 4.4 billion euros and EBITDA of 385 million euros.

* * * * *

Disclaimer

This Report contains forward looking statements, particularly in the section entitled "Business Outlook." Projections for 2011 extrapolate the performance in the fourth quarter of 2010 and take into account the trends in the early months of 2011. The Group's performance is affected by changing conditions in the global economy, uncertainties in the Mediterranean Basin and the consequences of natural events that occurred in the Asia Pacific region.
The potential effects of the developments described above are currently difficult to quantify.

* * * * *

Significant Events Occurring After March 31, 2011

Tender Offer for Parmalat by Groupe Lactalis

On April 26, 2011, the French group Lactalis announced that it would launch a voluntary tender offer for all Parmalat shares, at a price of 2.6 euros per share. On April 29, 2011, Lactalis announced that it filed a Prospectus with the Consob.

* * * * *

Report of the Board of Directors on the Items on the Agenda

Lastly, with reference to the abovementioned events and to the new Shareholders' Meeting dates of June 25, 27 and 28, 2011, the Board of Directors supplemented the Board's Report on the items on the Agenda of the Shareholders' Meeting, pursuant to Article 125-*ter* of the Uniform Financial Code.
Supporting documents concerning the items on the Agenda of the Shareholders' Meeting will be available at the Company's registered office (4 Via delle Nazioni Unite, Collecchio, Parma), on its website (www.parmalat.com, Corporate Governance page) and at the offices of Borsa Italiana S.p.A. Shareholders may view these documents and request copies of them.

* * * * *

Conference Call with Investors

The data of the 2011 First Interim Report on Operations will be presented to the financial community in a conference call scheduled for May 12 at 6:00 PM (CET) – 5:00 PM (GMT).
The conference call may 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*

* * * * *

Financial statement schedules are annexed to this press release.

* * * * *

As required by Article 154 bis*, Section 2, of the Uniform Financial Code (Legislative Decree No. 58/1998), Luigi De Angelis, in his capacity as Corporate Accounting Documents Officer of Parmalat S.p.A., declares that the accounting information provided in this press release is consistent with the information in the supporting documents and in the Company's books of accounts and other accounting records.*

* * * * *

The Interim Report on Operations at March 31, 2011 and, the Reports of the Board of Directors on the items on the Agenda of the Shareholders' Meeting (updated to reflected the new Shareholders' Meeting dates of June 25, 27 and 28, 2011) are available to the public at the Company's registered office and through the NIS system of Borsa Italiana. These documents will also be available on the Company website: *www.parmalat.com*.

* * * * *

Parmalat S.p.A.

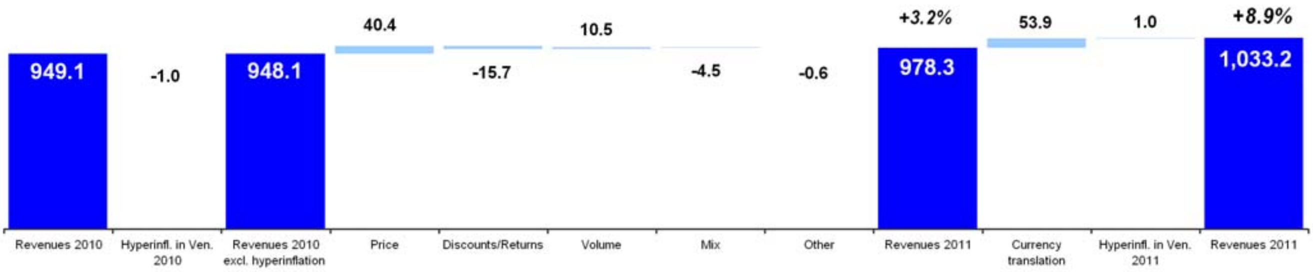
Milan, May 12, 2011

Company contact by e-mail to:affari.societari@parmalat.net

Like for Like Net Revenues and EBITDA

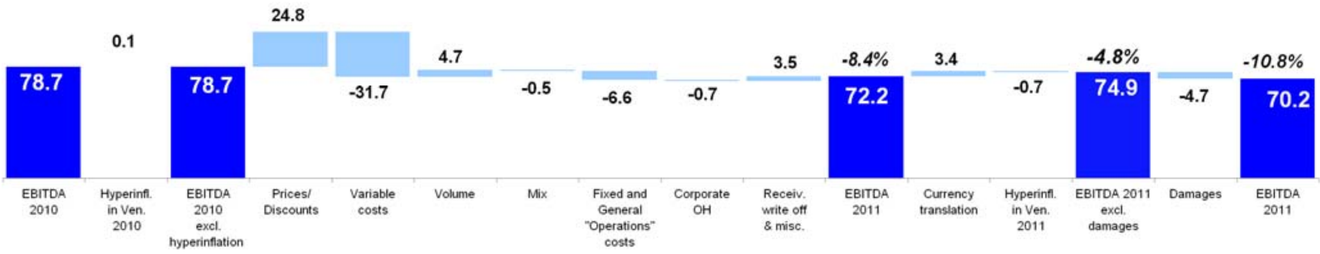
Net Revenues March 2011 vs March 2010

(€ m)

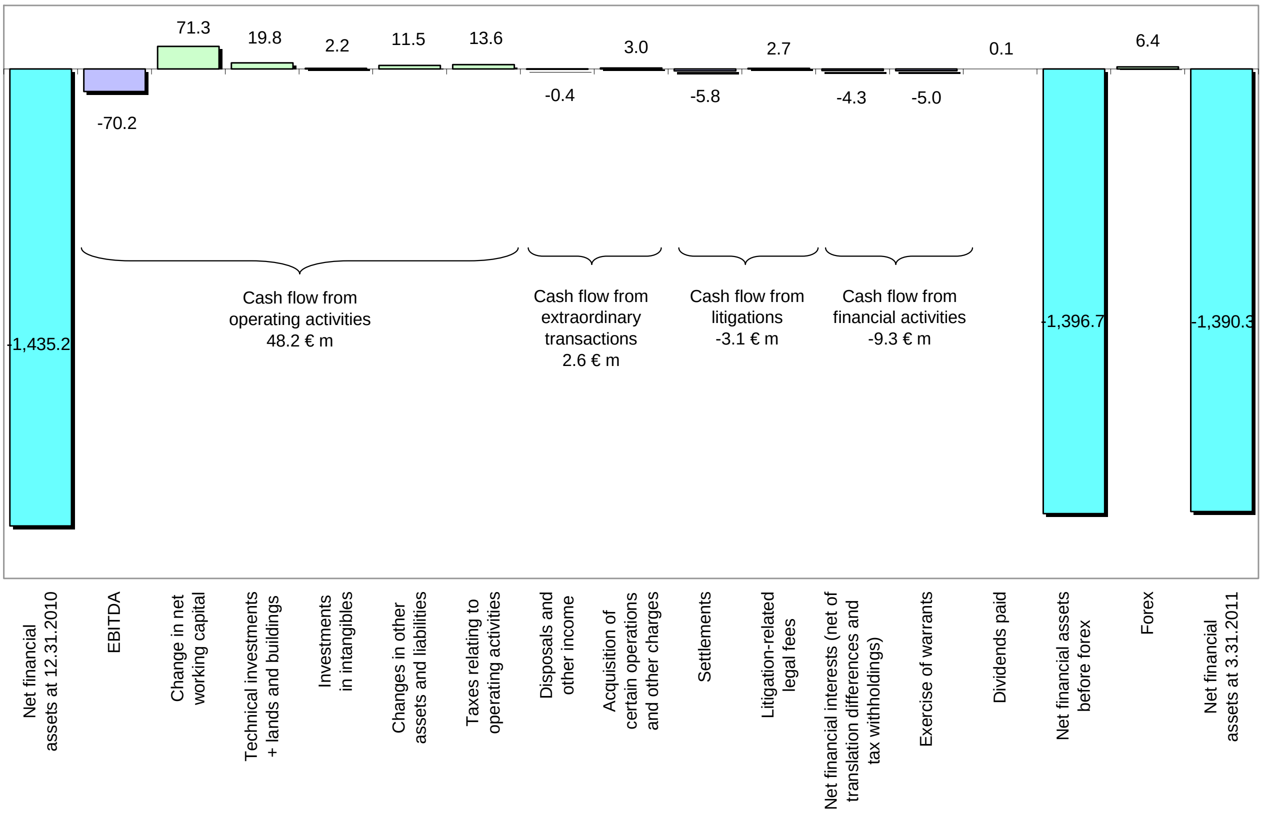


EBITDA March 2011 vs March 2010

(€ ml)



Consolidated Cash Flow January 1 - March 31, 2011



Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT		
(in millions of euros)	1st quarter 2011	1st quarter 2010
REVENUES	**1,045.7**	**955.8**
Net sales revenues	1,033.2	949.1
Other revenues	12.5	6.7
OPERATING EXPENSES	(973.2)	(871.3)
Purchases, services and miscellaneous costs	(833.3)	(752.1)
Labor costs	(139.9)	(119.2)
Subtotal	72.5	84.5
Writedowns of receivables and other provisions	(2.3)	(5.8)
EBITDA	70.2	78.7
Depreciation, amortization and writedowns of non-current assets	(25.1)	(26.0)
Other income and expenses:		
- Litigation-related legal expenses	(1.5)	(2.6)
- Miscellaneous income and expenses	15.1	5.5
EBIT	58.7	55.6
Net financial income/(expense)	3.6	8.7
Other income from/(charges for) equity investments	0.0	(0.2)
PROFIT BEFORE TAXES	62.3	64.1
Income taxes	(12.2)	(15.0)
NET PROFIT FROM CONTINUING OPERATIONS	50.1	49.1
NET PROFIT FOR THE PERIOD	50.1	49.1
Minority interest in net (profit)	(0.1)	(0.6)
Group interest in net profit	50.0	48.5

Continuing operations:

Basic earnings per share	**0.0288**	**0.0281**
Diluted earnings per share	**0.0282**	**0.0275**

Parmalat Group

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euros)	3/31/11	12/31/10
NON-CURRENT ASSETS	2,020.4	2,073.6
Intangibles	1,091.5	1,116.4
Property, plant and equipment	838.8	864.3
Non-current financial assets	10.6	10.9
Deferred-tax assets	79.5	82.0
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	0.5	0.5
NET WORKING CAPITAL	472.2	393.2
Inventories	395.4	390.5
Trade receivables	487.6	484.0
Trade payables (-)	(497.6)	(545.9)
Operating working capital	385.4	328.6
Other current assets	247.1	222.3
Other current liabilities (-)	(160.3)	(157.7)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	2,493.1	2,467.3
PROVISIONS FOR EMPLOYEE BENEFITS (-)	(91.6)	(97.2)
PROVISIONS FOR RISKS AND CHARGES (-)	(257.3)	(268.7)
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	(4.7)	(4.8)
NET INVESTED CAPITAL	2,139.5	2,096.6
Covered by:		
SHAREHOLDERS' EQUITY	3,529.8	3,531.8
Share capital	1,737.9	1,732.9
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	153.7	153.7
Other reserves and retained earnings	1,564.1	1,336.7
Profit for the period	50.0	282.0
Minority interest in shareholders' equity	24.1	26.5
NET FINANCIAL ASSETS	(1,390.3)	(1,435.2)
Loans payable to banks and other lenders	31.4	33.6
Loans payable to investee companies	4.3	4.5
Other financial assets (-)	(1,118.1)	(1,155.3)
Cash and cash equivalents (-)	(307.9)	(318.0)
TOTAL COVERAGE SOURCES	2,139.5	2,096.6

Parmalat S.p.A.

RECLASSIFIED INCOME STATEMENT

(in millions of euros)	1st quarter 2011	1st quarter 2010
REVENUES	214.4	204.4
Net revenues	206.4	197.4
Other revenues	8.0	7.0
OPERATING EXPENSES	(198.1)	(182.6)
Purchases, services and miscellaneous costs	(170.4)	(156.8)
Labor costs	(27.7)	(25.8)
Subtotal	16.3	21.8
Writedowns of receivables and other provisions	(1.5)	(4.0)
EBITDA	14.8	17.8
Depreciation, amortization and writedowns of non-current assets	(7.3)	(10.5)
Other income and expenses:		
- Litigation-related legal expenses	(1.5)	(2.6)
- (Additions to)/Reversals of provision for losses of investee companies	(1.0)	-
- Miscellaneous income and expenses	2.5	1.0
EBIT	7.5	5.7
Net financial income/(expense)	4.7	4.1
Other income from/(charges for) equity investments	35.5	41.9
PROFIT BEFORE TAXES	47.7	51.7
Income taxes	(5.1)	(4.4)
NET PROFIT FROM CONTINUING OPERATIONS	42.6	47.3
NET PROFIT FOR THE PERIOD	42.6	47.3

Parmalat S.p.A.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(in millions of euros)	3/31/11	12/31/10
NON-CURRENT ASSETS	1,461.9	1,466.7
Intangibles	377.7	378.5
Property, plant and equipment	151.9	155.9
Non-current financial assets	893.8	892.8
Deferred-tax assets	38.5	39.5
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	0.0	0.0
NET WORKING CAPITAL	185.0	144.5
Inventories	45.3	42.6
Trade receivables	184.5	188.9
Trade payables (-)	(177.7)	(184.5)
Operating working capital	52.1	47.0
Other current assets	183.3	143.2
Other current liabilities (-)	(50.4)	(45.7)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	1,646.9	1,611.2
PROVISIONS FOR EMPLOYEE BENEFITS (-)	(25.0)	(25.3)
PROVISIONS FOR RISKS AND CHARGES (-)	(64.5)	(66.5)
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	(4.4)	(4.4)
NET INVESTED CAPITAL	1,553.0	1,515.0
Covered by:		
SHAREHOLDERS' EQUITY	2,907.6	2,860.0
Share capital	1,737.9	1,732.9
Reserve for creditor challenges and claims of late-filing creditors convertible into share capital	153.7	153.7
Other reserves and retained earnings	973.4	845.1
Interim dividend	0.0	0.0
Profit for the period	42.6	128.3
NET FINANCIAL ASSETS	(1,354.6)	(1,345.0)
Loans payable to banks and other lenders	3.8	4.4
Loans payable/(receivable) from investee companies	(78.8)	(80.5)
Other financial assets (-)	(1,101.9)	(1,134.4)
Cash and cash equivalents (-)	(177.7)	(134.5)
TOTAL COVERAGE SOURCES	1,553.0	1,515.0