SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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AMERICAN ITALIAN PASTA CO

CIK:**849667**| IRS No.: **841032638** | State of Incorp.:**DE** | Fiscal Year End: **0930**
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SIC: **2090** Miscellaneous food preparations & kindred products

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

|X| Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 27, 2008

Or

| | Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number 001-13403

AMERICAN ITALIAN PASTA COMPANY
(Exact name of registrant as specified in its charter)

Delaware	**84-1032638**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

4100 N. Mulberry Drive, Suite 200 Kansas City, Missouri	**64116**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code:
(816) 584-5000

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes |X| No | |

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer | | Accelerated filer |X|

Non-accelerated filer | | Smaller reporting company | |
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes | | No |X|

As of August 1, 2008, the Registrant had 19,357,415 shares of common stock, par value $0.001 per share, outstanding.

AMERICAN ITALIAN PASTA COMPANY
Form 10-Q
Fiscal Quarter and Nine Months Ended June 27, 2008

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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

AMERICAN ITALIAN PASTA COMPANY
CONSOLIDATED BALANCE SHEETS
Unaudited
(in thousands, except share amounts)

	June 27, 2008	September 28, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,398	$ 16,635
Short-term investments	3,406	-
Trade and other receivables, net	52,637	38,279
Inventories	72,367	44,443
Prepaid expenses and other current assets	7,322	7,629
Deferred income taxes	1,952	2,381
Total current assets	144,082	109,367
Property, plant and equipment, net	311,525	316,109
Brands and trademarks	83,876	83,282
Other assets	18,587	19,205

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Total assets	$ 558,070	$ 527,963
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 30,861	$ 19,195
Accrued expenses	31,582	31,523
Current portion of deferred revenues	99	99
Income taxes payable	-	1,082
Current maturities of long-term debt	2,174	1,963
Total current liabilities	64,716	53,862
Long-term debt, less current maturities	239,900	240,000
Income taxes payable	1,858	-
Deferred income taxes	35,078	35,286
Litigation settlement	23,000	26,500
Deferred revenue, less current portion	322	397
Total liabilities	364,874	356,045
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.001 par value:		
Authorized shares - 10,000,000	-	-
Issued and outstanding shares - none		
Class A common stock, $.001 par value:		
Authorized shares - 75,000,000	22	21
Issued and outstanding shares - 21,550,433 and 19,387,259, respectively, at June 27, 2008; 20,832,627 and 18,674,628, respectively, at September 28, 2007		
Class B common stock, par value $.001		
Authorized shares - 25,000,000	-	-
Issued and outstanding - none		
Additional paid-in capital	252,193	247,492
Treasury stock, 2,163,174 shares at June 27, 2008 and 2,157,999 shares at September 28, 2007, at cost	(52,059)	(52,029)
Accumulated other comprehensive income	20,810	15,352
Accumulated deficit	(27,770)	(38,918)
Total stockholders' equity	193,196	171,918
Total liabilities and stockholders' equity	$558,070	$527,963

See accompanying notes to the unaudited consolidated financial statements.

AMERICAN ITALIAN PASTA COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
Unaudited
(in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	June 27, 2008	June 29, 2007	June 27, 2008	June 29, 2007
Revenues	$ 155,844	$ 97,158	$ 407,135	$ 288,056
Cost of goods sold	130,847	77,441	325,563	222,357
Gross profit	24,997	19,717	81,572	65,699
Selling and marketing expense	7,112	4,778	19,250	15,337
General and administrative expense	10,331	8,086	29,833	24,918
(Gains) losses related to long-lived assets	109	(23)	344	(68)
Operating profit	7,445	6,876	32,145	25,512
Interest expense, net	6,662	7,057	20,706	22,215
Other (income) expense, net	(190)	(57)	224	(195)
Income (loss) before income taxes	973	(124)	11,215	3,492
Income tax provision (benefit)	(5)	108	(601)	(3)
Net income (loss)	978	$ (232)	$ 11,816	$ 3,495
Net income (loss) per common share (basic)	$ 0.05	$ (0.01)	$ 0.62	$ 0.19
Weighted-average common shares outstanding (basic)	19,387	18,437	18,988	18,671
Net income (loss) per common share (diluted)	$ 0.05	$ (0.01)	$ 0.62	$ 0.18
Weighted-average common shares outstanding (diluted)	19,644	18,437	19,172	18,958

See accompanying notes to the unaudited consolidated financial statements.

AMERICAN ITALIAN PASTA COMPANY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Unaudited
(in thousands)

	Nine Months Ended June 27, 2008
Class A Common Shares	
Balance, beginning	20,833
Issuance of shares of common stock	717
Balance, ending	21,550
Class A Common Shares - par value	
Balance, beginning	$ 21
Issuance of shares of common stock	1
Balance, ending	$ 22
Additional Paid-in Capital	
Balance, beginning	$247,492
Issuance of shares of common stock	3,679
Tax impact of expired stock options	(1,003)
Stock based compensation	2,025
Balance, ending	252,193
Treasury Stock, at cost	
Balance, beginning	$(52,029)
Purchases of treasury stock	(30)
Balance, ending	$(52,059)
Accumulated Other Comprehensive Income	
Foreign currency translation adjustment:	
Balance, beginning	$ 15,352
Change during the period	5,458

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Balance, ending	$ 20,810

Accumulated Deficit	
Balance, beginning	$(38,918)
Additional tax related liabilities upon adoption of FIN 48	(668)
Net income	11,816
Balance, ending	$(27,770)
Total Stockholders' Equity	$ 193,196

See accompanying notes to the unaudited consolidated financial statements

AMERICAN ITALIAN PASTA COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Unaudited
(in thousands)

	Three Months Ended		Nine Months Ended	
	June 27, 2008	June 29, 2007	June 27, 2008	June 29, 2007
Net income (loss)	$ 978	$ (232)	$ 11,816	$ 3,495
Other comprehensive income:				
Foreign currency translation adjustments	(7)	2,822	5,458	2,300
Comprehensive income	$ 971	$ 2,590	$ 17,274	$ 5,795

See accompanying notes to the unaudited consolidated financial statements.

AMERICAN ITALIAN PASTA COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited
(in thousands)

	Nine Months Ended	
	June 27, 2008	June 29, 2007
OPERATING ACTIVITIES:		
Net income	$ 11,816	$ 3,495
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	18,040	17,459
Amortization of deferred financing fees	1,512	941
(Gains) losses related to long-lived assets	344	(68)
Unrealized loss on short-term investment	171	-
Provision for doubtful accounts	293	243
Provision for inventory obsolescence	956	709
Stock-based compensation expense	2,100	1,449
Deferred income tax benefit	(781)	(546)
Changes in operating assets and liabilities:		
Trade and other receivables	(13,621)	(1,098)
Inventories	(28,185)	(3,552)
Prepaid expenses and other current assets	447	713
Accounts payable and accrued expenses	10,384	2,055
Income taxes	(140)	241
Other	(1,368)	(208)
Net cash provided by operating activities	1,968	21,833
INVESTING ACTIVITIES:		
Redemption of short-term investments	3,802	-
Additions to property, plant and equipment	(8,467)	(6,816)
Short-term investments under orderly liquidation	(7,379)	-
Proceeds from disposal of property, plant and equipment	43	111
Net cash used in investing activities	(12,001)	(6,705)
FINANCING ACTIVITIES:		
Proceeds from issuance of debt	11,147	-
Principal payments on debt	(11,247)	(18,000)
Purchase of treasury stock	(30)	(140)
Deferred financing costs	(539)	(308)
Net cash used in financing activities	(669)	(18,448)
Effect of exchange rate changes on cash	465	153
Net decrease in cash and cash equivalents	(10,237)	(3,167)
Cash and cash equivalents, beginning of period	16,635	22,805
Cash and cash equivalents, end of period	$ 6,398	$ 19,638
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 19,431	$ 21,382
Cash paid for income taxes	$ 198	$ 192
Cash received from income taxes	$ 55	$ -
Stock issued in relation to settlement liability	$ 3,500	$ -

See accompanying notes to the unaudited consolidated financial statements.

AMERICAN ITALIAN PASTA COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended June 27, 2008 are not necessarily indicative of the results that may be expected for the fiscal year ended September 26, 2008. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 2007.

American Italian Pasta Company (the "Company" or "AIPC") uses a 52/53 week financial reporting cycle with a fiscal year that ends on the last Friday of

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September or the first Friday of October. The Company's first three fiscal quarters end on the Friday last preceding December 31, March 31, and June 30 or the first Friday of the following month. For purposes of this Form 10-Q, all fiscal quarters presented included 13 weeks of activity.

2. SHORT-TERM INVESTMENTS

As of September 28, 2007, the Company had $9.2 million invested in the Columbia Strategic Cash Portfolio Fund (Columbia Fund), administered by a subsidiary of Bank of America, which is an enhanced money fund that allowed immediate withdrawal of funds. On December 10, 2007, when the investment balance was $7.4 million, Columbia determined that the underlying securities had liquidity issues and notified the Company that the fund would begin an orderly liquidation and dissolution of assets to its investors. The balance in the Columbia Fund at June 27, 2008 was $3.4 million. The underlying assets are valued at fair value and as of June 27, 2008 the Company has recorded valuation losses on this investment of $0.2 million. Through June 27, 2008, the Company has recovered approximately $3.8 million of the pre-liquidation investment balance. The remaining investment of $3.6 million is to be recovered as the liquidation progresses. The Company believes that the entire balance will be recovered. During the nine-month period ended June 27, 2008, the Company has received $0.3 million of interest income from the Columbia Fund.

3. INVENTORIES

Inventories are carried at standard costs adjusted for capitalized variances, which approximate the lower of cost, determined on a first-in, first-out (FIFO) basis, or market. The Company periodically reviews its inventory for slow-moving, damaged or discontinued items and provides reserves to reduce such items identified to their recoverable amount.

Inventories consist of the following (in thousands):

	June 27, 2008	September 28, 2007
Finished goods	$ 51,906	$ 30,713
Raw materials, additives, packaging materials and work-in-process	21,686	14,373
Reserves for slow-moving, damaged and discontinued inventory	(1,225)	(643)
	$ 72,367	$ 44,443

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following (in thousands):

	June 27, 2008	September 28, 2007
Land and improvements	$ 12,176	$ 11,867
Buildings	114,219	112,434
Plant and mill equipment	358,163	348,617
Furniture, fixtures and equipment	32,131	30,848
	516,689	503,766
Accumulated depreciation	(217,952)	(199,369)
	298,737	304,397
Spare parts, net of reserve	8,264	8,154
Construction in progress	4,524	3,558
	$311,525	$316,109

5. SHORT TERM DEBT

As of June 27, 2008, the Company had short-term debt comprised of two revolving credit facilities at its Italian subsidiary totaling $2.2 million. These credit facilities bear interest at an average rate of 5.6% and mature in September 2008. These revolving credit facilities are secured by Italian accounts receivables and other assets. The Company's U.S. credit facility (see note 6) limits the outstanding debt owed by its Italian subsidiary to $5.0 million in the aggregate. The Company is in compliance with this limitation as of June 27, 2008.

6. LONG-TERM DEBT

As of June 27, 2008, the balance of the term loan was $239.9 million and its revolving credit facility had no outstanding balance (the U.S. credit facility). The U.S. credit facility, as amended, is comprised of term loan and a $30 million revolving U.S. credit facility. The Company had outstanding letters of credit under its revolving credit facility totaling approximately $3.0 million and $2.3 million as of June 27, 2008 and September 28, 2007, respectively. Accordingly, under the U.S. credit facility the Company had additional borrowing capacity of $27.0 million and $27.7 million as of June 27, 2007 and September 28, 2007, respectively. The U.S. credit facility is secured by substantially all of our assets and provides for interest at either LIBOR rate plus 600 basis points or at an alternate base rate calculated as prime rate plus 500 basis points. The interest rate in effect at June 27, 2008 was 9.6% on the U.S. facility. Under the amended U.S. credit facility, we were required to deliver our fiscal year 2005, 2006 and 2007 audited financial statements to our lenders by June 30, 2008 at which time the interest rate would decrease to 550 points over LIBOR. During June 2008, the Company delivered the financial statements to its lenders in accordance with the amended facility and, effective July 3, 2008, the interest rate was decreased to 550 points over LIBOR.

The U.S. facility has a five-year term expiring in March 2011 and does not require any scheduled principal payments. Principal pre-payments are required if certain events occur in the future, including the sale of certain assets, issuance of equity and the generation of "excess cash flow" (as defined in the credit agreement).

Our U.S. credit facility contains restrictive covenants which include, among other things, financial covenants requiring minimum and cumulative earnings levels and limitations on the payment of dividends, stock purchases and our ability to enter into certain contractual arrangements. The Company was in compliance with these financial covenants as of June 27, 2008 and September 28, 2007.

7. CONTINUED DUMPING AND SUBSIDY OFFSET ACT OF 2000

On October 28, 2000, the U.S. government enacted the "Continued Dumping and Subsidy Offset Act of 2000" (the "Act"), commonly known as the Byrd Amendment, which provided that assessed anti-dumping and subsidy duties liquidated by the Department of Commerce on Italian and Turkish imported pasta after October 1, 2000 would be distributed to affected domestic producers. The legislation creating the dumping and subsidy offset payment provides for annual payments from the U.S. government. The Company records the Byrd Amendment payment as revenue in the quarter in which the amount, and the right to receive the payment, can be reasonably determined.

During the nine-month periods ended June 27, 2008 and June 29, 2007, the Company received and recognized as revenue $4,640,000 and $2,959,000, all of which was recorded in the first quarter of fiscal years 2008 and 2007, respectively. Effective October 1, 2007, the Act was repealed, resulting in the discontinuation of future distributions

to affected domestic producers for duties assessed after such date. It is not possible to reasonably estimate amounts, if any, to be received in the future on duties assessed prior to October 1, 2007.

8. INCOME TAXES

In June 2006, the Financial Accounting Standard Board ("FASB") issued FASB Interpretation No 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes* - an interpretation of FASB Statement No. 109, *Accounting for Income Taxes*. FIN 48

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clarifies the accounting for uncertainty in income taxes in an enterprise's financial statements in accordance with SFAS No. 109 Accounting for Income Taxes. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosures, and transition.

The Company adopted FIN 48 effective September 29, 2007. As a result of the adoption, the Company recognized additional tax related liabilities of approximately $0.7 million resulting in a reduction to beginning retained earnings. In addition, the Company reclassified approximately $1.2 million of income tax liabilities from a current liability classification to a current receivable and a non-current liability classification, as payment of the liability is not anticipated within one year of the balance sheet date. The Company also recorded approximately $0.2 million of deferred tax assets relating to the tax benefits associated with interest expense and federal benefits associated with state tax expenses. As of September 29, 2007, the gross amount of unrecognized tax benefits, including penalty and interest was approximately $2.3 million. If recognized, approximately $2.1 million would affect the Company's effective tax rate. As of June 27, 2008, the gross amount of unrecognized tax benefits, including penalty and interest was approximately $2.4 million. If recognized, approximately $2.2 million would affect the Company's effective tax rate.

The Company files income tax returns in the U.S. federal jurisdiction, the United Kingdom, the Netherlands, Italy and various state jurisdictions. The Company has also made an evaluation of the potential impact of assessments by state jurisdictions in which it has not filed tax returns. The Internal Revenue Service has examined and proposed adjustments to the tax returns for the fiscal years ended 2002 through 2004. This examination was concluded in the third quarter of this fiscal year with no material change from the amounts anticipated.

As of the September 29, 2007 adoption date of FIN 48, the federal tax returns for fiscal years ended 2004 through 2007 remain open, although the IRS completed an examination for the fiscal year ended 2004 during 2008. In addition, state and foreign tax returns for the fiscal years ended 2003 through 2007 are open to audit under the statute of limitations. As of the end of each quarter of the current fiscal year, it is not anticipated that any of the net unrecognized tax benefits will be recognized in the next twelve months.

As permitted by FIN 48, the Company has classified interest and penalties as a component of income tax expense. Estimated interest and penalties classified as a component of income tax expense totaled approximately $0.1 million for the quarter ended June 27, 2008. Accrued interest and penalties were $0.7 million and $0.6 million as of June 27, 2008 and September 29, 2007, respectively.

The Company recorded an income tax benefit of $0.6 million for the nine months ended June 27, 2008. The benefit is attributable primarily to a reduction in valuation allowance during the current year against deducible temporary differences related to stock options as well as a tax benefit from foreign operations.

The Company also reduced the deferred tax assets recorded for equity based compensation programs by approximately $1.0 million relating to stock options that expired unexercised. This was recorded as a debit to additional paid in capital and is not a component of the Company's total income tax expense or its effective tax rate.

9. EQUITY INCENTIVE PLANS

Effective October 1, 2005, the Company adopted Statement of Financial Accounting Standard No. 123 (revised 2004), "Share Based Payment" (SFAS No. 123R) using the modified prospective method. Under SFAS No. 123R, the Company is required to recognize, as expense, the estimated fair value of all share based payments to employees.

Under SFAS No. 123R, the Company recognized compensation expense related to stock option awards and stock appreciation rights of $1,218,000 and $692,000 during the nine month period ending June 27, 2008 and the comparable period in fiscal 2007, respectively.

A summary of the Company's stock option activity, and related information, is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding at September 28, 2007	940,164	$ 30.19	4.3
Cancelled/Expired	(159,903)	$ 26.77	
Outstanding at June 27, 2008	780,261	$ 30.89	4.0
Vested or expected to vest at June 27, 2008	772,419	$ 30.91	4.0
Exercisable at June 27, 2008	718,996	$ 31.06	3.8

A summary of the Company's stock appreciation rights activity, and related information, is as follows:

	Shares	Weighted Exercise Price	Aggregate Value	Weighted Average Remaining Contractual Term (in years)
Outstanding at September 28, 2007	1,230,783	$7.00	$ 1,894,000	5.8
Granted	954,868	$7.43		
Outstanding at June 27, 2008	2,185,651	$7.19	$ 9,416,672	5.7
Vested or expected to vest at June 27, 2008	1,943,526	$7.19	$ 7,430,050	5.6
Exercisable at June 27, 2008	294,047	$6.94	$ 1,339,780	5.0

Number of Average Intrinsic Term

As of June 27, 2008, the Company had $3,561,000 of future unrecognized compensation costs related to stock options and stock appreciation rights. These costs are expected to be recognized over a weighted average period of 2.7 years.

10. RESTRICTED STOCK

During the nine months ended June 27, 2008, the Company issued 154,263 shares of restricted stock to employees of the Company with a weighted-average grant date values of $7.73 under the Company's 2000 Equity Incentive Plan, as amended (the "2000 Plan"). The Company has recorded expense on the restricted stock as it vests equal to the fair value at the end of each reporting period, in accordance with SFAS No. 123R. The Company maintains certain restricted stock compensation plans for which employees are allowed to elect to have taxes withheld at amounts greater than minimum required amounts triggering variable accounting treatment in fiscal 2007 and prior. The awards contained either a cliff or straight line vesting provision and, therefore, expense is recognized over the vesting period. The compensation expense is calculated under an accelerated vesting method in accordance with FASB Interpretation 28, "Accounting for Stock Appreciation Rights and Other Variable Stock Option or Award Plans". The compensation cost recognized was $807,000 and $647,000 during the nine months ended June 27, 2008

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and June 29, 2007, respectively. At June 27, 2008, unrecognized cost related to restricted stock awards total approximately $2,012,000. These costs will be recognized over a weighted average period of 2.4 years.

The Company's restricted stock activity is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at September 28, 2007	226,326	$ 7.77
Granted	154,263	7.73
Vested	(34,562)	7.30
Forfeited	(266)	36.56
Balance at June 27, 2008	345,761	$ 7.77

11. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share is computed by dividing net income available to common shareholders, increased by the weighted average number of outstanding common shares and incremental shares that may be issued in future periods related to outstanding stock options and stock appreciation rights, if dilutive. When calculating incremental shares related to outstanding share options, we apply the treasury stock method. The treasury stock method assumes that proceeds, consisting of the amount the employee must pay on exercise, compensation cost attributed to future services and not yet recognized, and excess tax benefits that would be credited to additional paid-in capital on exercise of the share options, are used to repurchase outstanding shares at the average market price for the period. The treasury stock method is applied only to share grants for which the effect is dilutive.

The computations of basic and diluted earnings per share are as follows (in thousands, except share and per share data):

	Three Months Ended					
	June 27, 2008			June 29, 2007		
	Net Income	Weighted Average Shares Outstanding	Per Share Amount	Net Loss	Weighted Average Shares Outstanding	Per Share Amount
Basic earnings per share	$978	19,387	$0.05	$ (232)	18,437	$ (0.01)
Effect of dilutive securities:						
Stock options and stock appreciation rights		257			-	
Diluted earnings per share	$ 978	19,644	$0.05	$ (232)	18,437	$ (0.01)

	Nine Months Ended					
	June 27, 2008			June 29, 2007		
	Net Income	Weighted Average Shares Outstanding	Per Share Amount	Net Income	Weighted Average Shares Outstanding	Per Share Amount
Basic earnings per share	$11,816	18,988	$0.62	$ 3,495	18,671	$ 0.19
Effect of dilutive securities:						
Stock options and stock appreciation rights		184			287	
Diluted earnings per share	$11,816	19,172	$0.62	$ 3,495	18,958	$ 0.18

Anti-dilutive securities consisting of options to purchase the Company's Class A common stock accounting for 2,257,380 and shares for the nine-month periods ended June 27, 2008, and 1,484,308 shares for the nine-month period ended June 29, 2007, were excluded from the calculation of diluted weighted average common shares as the effect.

12. LAWSUITS AND CONTINGENCIES

Governmental Investigations and Other Matters:

Beginning in the late summer of 2005, the Company received document requests and formal subpoenas from the Enforcement Division of the SEC relating to its accounting practices, financial reporting, proxy solicitation and other matters in connection with a formal, non-public investigation by the SEC staff of the Company and certain persons and entities employed by or associated with the Company. The United States Attorney's Office for the Western District of Missouri ("DOJ") has also been investigating these matters and has been coordinating with the SEC staff. The Company has had, and is continuing to have, discussions with the SEC staff, and separately with the DOJ, regarding the conclusion of their investigation activities and of their respective views of appropriate bases on which to reach mutually acceptable settlements. Such settlements could result in a Deferred Prosecution Agreement, which could include the assignment of a corporate monitor, continued cooperation with any ongoing investigations and/or a monetary fine. Due to the status of ongoing discussions with the DOJ and SEC staff, the Company cannot estimate a range of possible loss that could result from a monetary fine, if any. There can be no assurance that any settlement would not have a material adverse effect on our business, financial condition, results of operations or cash flows. The Company is cooperating with these investigations.

On October 28, 2005, the Company received notice from the Employee Benefit Security Administration of the U.S. Department of Labor ("EBSA") that the EBSA was commencing an investigation regarding its 401(k) plan. The EBSA visited the Company's offices on January 18, 2006 to review requested information and interview its Director of Human Resources regarding the 401(k) plan. The Company is cooperating with the EBSA and has provided the EBSA with all requested information.

During the Company's ongoing analysis of financial matters, it reviewed transactions reported to the U.S. Department of Commerce (the "DOC") for the period July 1, 2002 through June 30, 2003 in the antidumping proceeding on pasta imported from Italy. Based on the data reported by the Company and its Italian subsidiary, Pasta Lensi, S.r.l., the DOC revoked the Anti-Dumping Order ("AD Order") with respect to Pasta Lensi. During its investigation, information came to the Company's attention that certain data reported to the DOC was incorrect and as a result, Pasta Lensi may not have been eligible for revocation of the AD Order. The Company disclosed the issue to the DOC. Simultaneously, the Company provided this information to the DOJ, which requested further information on this matter. As a result of the Company's disclosure to the DOC, it published notice on February 22, 2008 in the Federal Register of its preliminary determination to reinstate Pasta Lensi in the existing antidumping duty order at a cash deposit rate of 45.6%. The preliminary determination applies, on a prospective basis, to all imports of subject products from and after February 22, 2008. A cash deposit rate of 45.6% would have a significant adverse impact to our working capital position. The Company has appealed this determination. The Company has substantially mitigated the impact of this order by changing its ingredient to organic semolina in March 2008, thereby manufacturing products for import into the U.S. that are exempt from the antidumping duty order. Based on the Company's review, the Company does not believe this order will have a material effect on its financial condition.

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Each of these matters is ongoing and involves various risks and uncertainties that could have a material adverse effect on our business, results of operations and financial condition.

Litigation Claims and Disputes:

Beginning in August, 2005, seven lawsuits containing similar allegations of misrepresentations and omissions concerning the Company's financial statements and asserting both derivative and direct claims were filed in the United States District Court for the Western District of Missouri against the Company, certain of its current and former directors and officers, and its former independent registered public accounting firm, Ernst & Young,

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LLP. These lawsuits were consolidated into a single lawsuit asserting both derivative and direct claims. On June 16, 2006, the Court dismissed the derivative claims because the plaintiffs failed to make a required demand on the Company's Board of Directors. By stipulation of settlement filed with the Court on October 29, 2007, the Company agreed to settle all claims alleged in the lawsuit, including those alleging violations of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. On February 12, 2008, the Court granted final approval of the settlement. The settlement of the federal securities class action lawsuit was for $25 million, comprised of $11 million in cash, to be provided by the Company's insurers, and $14 million in the Company's common shares. Under the terms of the settlement, on March 27, 2008, class counsel received 527,903 common shares in satisfaction of the Court approved fee award. The class will receive approximately 930,000 common shares, subject to adjustment upward or downward, based upon the Company's stock price as provided in the stipulation of settlement. The settlement was recorded in the fourth quarter of fiscal year 2005.

In November 2005, a shareholder derivative action was filed in the Circuit Court of Jackson County, Missouri. The plaintiff alleges that certain of the Company's former officers and directors are liable to the Company for breaches of fiduciary duties and aiding and abetting such breaches, corporate waste, gross mismanagement, unjust enrichment, abuse of control based upon the Company's accounting practices and financial reporting, insider selling and misappropriation of information, and that its former independent registered public accounting firm, Ernst & Young LLP, is liable for professional negligence and accounting malpractice, aiding and abetting breaches of fiduciary duties and breach of contract. The Company is named as a nominal defendant in this matter. The plaintiff seeks equitable relief and unspecified compensatory and punitive damages. On March 13, 2008, the Company reached an agreement in principle, subject to court approval, to settle this action. The proposed settlement requires the adoption of certain governance reforms by the Company and payment of $1.5 million in attorney's fees and costs to counsel for the plaintiff, which payment will be made under our insurance policies. The settlement was recorded in the first quarter of fiscal year 2006.

In September 2006, another action was filed in the United States District Court for the Western District of Missouri. The plaintiff asserts derivative claims against certain of the Company's former and current officers and directors for breaches of their fiduciary duties relating to the Company's accounting practices and financial reporting. Plaintiff also asserts claims on behalf of a putative class against the Company's current directors for failing to schedule or hold an annual meeting for 2006. The Company is named as a nominal defendant. The plaintiff seeks unspecified monetary damages on the Company's behalf and an order requiring that an annual meeting be scheduled and held. On February 12, 2007, the Court stayed all further proceedings in the suit until forty-five days after the Company's issuance of restated financial results, and required the Company to provide monthly reports regarding the status of its restatement process. On March 13, 2008, the Company reached an agreement in principle, subject to court approval, to settle this action on a consolidated basis with the November 2005 shareholders derivative action described above.

On March 7, 2007, a lawsuit was filed in the Delaware Chancery Court against the Company alleging that no annual meeting of shareholders had been held since February 7, 2005, and requesting that the Company be compelled to convene an annual meeting. Proceedings in that matter are currently stayed by agreement of the parties. On March 13, 2008, the Company reached an agreement in principle, subject to court approval, to settle this action as part of the resolution of the other two derivative actions.

Each of these actions is ongoing, and the Company continues to defend them vigorously. Although the Company cannot predict the outcome of any of these actions, an adverse result in one or more of them could have a material adverse effect on its business, results of operations and financial condition.

From time to time and in the ordinary course of its business, the Company is named as a defendant in legal proceedings related to various issues, including worker's compensation claims, tort claims and contractual disputes. While the resolution of such matters may have an impact on the Company's financial results for the period in which they are resolved, the Company believes that the ultimate disposition of these matters will not, individually or in the aggregate, have a material adverse effect upon its business or consolidated financial statements.

Indemnification and Pending Litigation Obligations:

The Company has incurred and will continue to incur significant expense on behalf of the Company and on behalf of the several individuals to whom the Company has indemnification obligations related to certain claims and

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investigations involving the Company and these individuals. In addition, the Company continues to incur significant expense related to the completion of its historical audits and SEC reporting requirements. The expenses the Company has incurred through the June 27, 2008, in connection with all of these matters, including those associated with its restatement and pending legal matters, net of insurance proceeds, were $41.8 million, which includes $9.8 million incurred during the nine-month period ending June 27, 2008.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion set forth below, as well as other portions of this quarterly report on Form 10-Q ("Quarterly Report"), contains statements concerning potential future events. Such forward-looking statements are based upon assumptions by our management, as of the date of this Quarterly Report, including assumptions about risks and uncertainties faced by AIPC. Readers can identify these forward-looking statements by their use of such verbs as expects, anticipates, believes or similar verbs or conjugations of such verbs. If any of our assumptions prove incorrect or should unanticipated circumstances arise, our actual results could materially differ from those anticipated by such forward-looking statements. The differences could be caused by a number of factors or combination of factors including, but not limited to, those factors identified in our Annual Report on Form 10-K for our fiscal year ended September 28, 2007. That report has been filed with the Securities and Exchange Commission (the "SEC" or the "Commission") in Washington, D.C. and can be obtained by contacting the SEC's public reference operations or through the SEC's web site on the World Wide Web at http://www.sec.gov. Readers are strongly encouraged to consider those factors when evaluating any such forward-looking statements. We will not update any forward-looking statements in this Quarterly Report to reflect future events or developments.

The following table sets forth certain data from our Consolidated Statements of Operations, expressed as a percentage of revenues, for each of the periods presented.

	Three Months Ended	Nine Months Ended

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	June 27, 2008	June 29, 2007	June 27, 2008	June 29, 2007
Revenues:				
Retail	70.5%	75.0%	74.4%	76.4%
Institutional	29.5	25.0	25.6	23.6
Total revenues	100.0	100.0	100.0	100.0
Cost of goods sold	84.0	79.7	80.0	77.2
Gross profit	16.0	20.3	20.0	22.8
Selling and marketing expense	4.6	4.9	4.7	5.3
General and administrative expense	6.6	8.3	7.3	8.7
(Gains) losses related to long-lived assets	-	-	0.1	-
Operating profit	4.8	7.1	7.9	8.8
Interest expense, net	4.3	7.3	5.1	7.7
Other (income) expense	(0.1)	(0.1)	-	(0.1)
Income (loss) before income taxes	0.6	(0.1)	2.8	1.2
Income tax provision (benefit)	-	0.1	(0.1)	-
Net income (loss)	0.6%	(0.2)%	2.9%	1.2%

Overview

We are a Delaware Corporation and we were incorporated and commenced operations in 1988. We believe we are the largest producer and marketer of dry pasta in North America, by volume, based on data available from A.C. Nielsen, published competitor financial information, industry sources such as the National Pasta Association, suppliers, trade magazines and our own market research. We believe our vertically-integrated facilities and highly efficient production facilities focused primarily on specific market segments and our highly skilled workforce make us an efficient company and enable us to produce high-quality pasta at competitive costs. We believe that our

product strategy of offering branded, private label, imported and specialty products, our scalable production facilities and our key customer relationships create competitive advantages.

We generate revenues in two customer markets: retail and institutional. Retail market revenues include the sales of our pasta products to customers who resell the pasta in retail channels (including sales to grocery retailers, club stores, mass merchant, drug and discount stores) and encompasses sales of our branded, private label and imported products. These revenues represented 70.5% and 75.0% and 74.4% and 76.4% of our total revenue for the three month and nine month periods ended June 27, 2008 and June 29, 2007, respectively. The Institutional market includes both food service distributors that supply restaurants, hotels, schools and hospitals, as well as food processors that use pasta as a food ingredient. Food service customers include businesses and organizations that sell products to restaurants, healthcare facilities, schools, hotels and industrial caterers and multi-unit restaurant chains that procure directly. The institutional market represented 29.5% and 25.0% and 25.6% and 23.6% of our total revenue for the three month and nine month periods ended June 27, 2008 and June 29, 2007, respectively.

Average sales prices for our non-branded products vary depending on customer-specific packaging and raw material requirements, product manufacturing complexity and other service requirements. Average prices for our branded products are also based on competitive market factors. Average retail and institutional prices will also vary due to changes in the relative share of customer revenues and item specific sales volumes (i.e., product sales mix). Generally, average retail sales prices are higher than institutional sales prices. Selling prices of our branded products are higher than selling prices in our other business units, including private label. Revenues are reported net of cash discounts, product returns, and promotional and slotting allowances.

We have several arrangements with institutional customers that provide for the "pass-through" of direct material cost and certain other cost changes as pricing adjustments. The pass-throughs are generally limited to actual changes in cost and, as a result, impact margins in periods of changing costs and prices. The pass-throughs are generally effective 30 to 90 days following such cost changes and thereby reduce the long-term exposure of our operating results to the volatility of raw material costs. These pass-through arrangements also require us to pass on the benefits of any price decreases in raw material costs.

Our cost of goods sold consists primarily of raw materials, packaging, manufacturing costs (including depreciation) and distribution (including transportation) costs. A significant portion of our cost of goods sold is durum wheat. We purchase durum wheat on the open market and, consequently, those purchases are subject to fluctuations in cost. Since mid-2006, durum prices have increased substantially and we anticipate these costs to remain at or above these historically high levels throughout fiscal 2008. We manage some of our durum wheat cost risk through cost "pass-through" arrangements in long-term contracts, as discussed above, and advance purchase contracts for durum wheat which are generally a few months. For our non pass-through customers, we seek price increases to cover our costs.

We seek to achieve low-cost production through vertical integration and investment in the most current pasta-making assets and technologies. The manufacturing- and distribution-related capital assets that have been or will be acquired to support this strategy are depreciated over their respective economic lives. Depreciation expense is a component of inventory cost and cost of goods sold.

Critical Accounting Policies

This discussion and analysis encompass our results of operations and financial condition as reflected in our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. On an ongoing basis, our management evaluates its estimates and judgments, including those related to the impairment of long-lived and intangible assets, the method of accounting for share-based compensation, and the estimates used to record allowances for doubtful accounts, reserves for slow-moving, damaged and discontinued inventory, reserves for obsolete spare parts, promotional allowances, income tax accruals and derivatives. Our management bases its estimates and judgments on relevant factors, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. See the critical accounting policies section in our Annual Report on Form 10-K for the fiscal year ended September 28, 2007 for a complete

listing of our significant accounting policies. In addition to those critical accounting policies, we adopted the following new critical accounting policy.

Income Taxes: Effective September 29, 2007, we adopted the Financial Accounting Standard Board (FASB) Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes* - an interpretation of FASB Statement No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under FIN 48, tax positions are initially recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions are initially and subsequently measured as the largest amount of tax benefit that is greater than 50% likely of being

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realized upon ultimate settlement with the tax authority assuming full knowledge of the position and all relevant facts. Application of FIN 48 requires numerous estimates based on available information. We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments and which may not accurately anticipate actual outcomes. The cumulative effect of applying the provisions of FIN 48 was reported as an adjustment to the opening balance of retained earnings. The cumulative effect adjustment does not include items that would not be recognized in earnings, such as the effect on tax positions related to business combinations. For additional information related to our adoption of FIN 48, see note 8 of these consolidated financial statements.

QUARTER ENDED JUNE 27, 2008 COMPARED TO QUARTER ENDED JUNE 29, 2007

Revenues: Revenues increased $58.7 million, or 60.5%, to $155.8 million for the three months ended June 27, 2008, from $97.1 million for three months ended June 29, 2007. Revenues increased $4.2 million, or 4.3%, due to volume increases, and increased $54.5 million, or 56.1%, due to higher average selling prices.

Revenues for the Retail market increased $36.9 million, or 50.7%, to $109.8 million for the three months ended June 27, 2008, from $72.9 million for the three months ended June 29, 2007. Revenues increased $2.6 million, or 3.5%, due to volume increases, and increased $34.4 million or 47.2% due to higher average selling prices.

Revenues for the Institutional market increased $21.8 million or 89.7% to $46.0 million the three months ended June 27, 2008, from $24.3 million for the three months ended June 29, 2007. Revenues increased $1.4 million, or 5.9% due to volume increases and increased $20.3 million, or 83.7% due to higher average selling prices and changes in sales mix.

Cost of goods sold: Cost of goods sold increased $53.4 million or 69.0% to $130.8 million for the three months ended June 27, 2008 from $77.4 million for the three months ended June 29, 2007. As a percentage of revenues, cost of goods sold increased to 84.0% for the three-month period ended June 27, 2008, from 79.7% for the three-month period ended June 29, 2007. The increase was primarily due to significantly higher durum prices and higher commodity and transportation costs.

Gross profit: Gross profit increased $5.3 million, or 26.9%, to $25.0 million for the three month period ended June 27, 2008, from $19.7 million for three month period ended June 29, 2007. Gross profit as a percentage of revenues decreased to 16.0% for the three month period ended June 27, 2008 from 20.3% for the three month period ended June 29, 2007. The decrease in gross profit as a percent of revenue is directly related to increases in durum, commodities and transportation costs that were not offset by higher selling prices.

Selling and marketing expense: Selling and marketing expense increased $2.3 million, or 47.9%, to $7.1 million for the three-month period ended June 27, 2008, from $4.8 million for three-month period ended June 29, 2007. The change is primarily due to an increase in consulting expenses of $0.9 million, brokerage commission costs of $0.8 million, and stock based compensation charges of $0.3 million. The consulting expenses relate primarily to an analysis of the pasta category and our market placement, the increased broker costs are due to higher commissions due to increased selling prices, and the increase in stock-based compensation is due principally to fluctuations in the value of the Company's stock. Those increases were offset by a decrease in consumer spending due to timing. Selling and marketing expense, as a percentage of revenue, decreased to 4.6% for the three-month period ended June 27, 2008, from 4.9% for the comparable prior year period. This decrease in expense as a percent of revenue reflects the impact of higher product selling prices during the three month period ended June 27, 2008 versus the comparable period of the prior fiscal year.

General and administrative expense: General and administrative expense increased $2.2 million, or 27.2%, to $10.3 million for the three month period ended June 27, 2008, from $8.1 million for the comparable period last year. General and administrative expenses as a percentage of revenues decreased to 6.6% for the three-month period ended June 27, 2008, from 8.3% for the three-month period ended June 29, 2007. The change in general and administrative expense was due primarily to an increase of non-investigation related professional fees and consulting services of $1.7 million and an increase in compensation and benefits of $0.5 million, and an increase in stock-based compensation costs of $0.6 million due to variable accounting on restricted stock. The increase in professional and consulting services includes an initiative to review the Company's supply chain and operations. The increase in stock-based compensation is due principally to fluctuations in the value of the Company's stock. During the three-month periods ending June 27, 2008 and June 29, 2007, the Company was continuing to undergo the investigation process and restatement of its historical financial statements. As a result of this process, the Company incurred certain professional fees including legal, forensic accounting, independent registered public accounting firm fees, public relations and Alvarez & Marsal fees. During the three month period ended June 27, 2008, $2.4 million of professional fees related to the restatement and pending legal matters were recorded compared to $3.3 million during the comparable period of fiscal 2007, a decrease of $0.9 million. The increase in compensation expense and decrease in investigation related costs is due, in part, to the addition of the Company's new CEO in January 2008 and the conclusion of the agreement with Alverez and Marsal.

Operating profit: Operating profit for the three-month period ended June 27, 2008, was $7.4 million, an increase of $0.5 million as compared to $6.9 million reported for the three-month period ended June 29, 2007. Operating profit decreased as a percentage of revenues to 4.8% for three-month period ended June 27, 2008, from 7.1% for the three-month period ended June 29, 2007, as a result of the factors discussed above.

Interest expense, net: Interest expense for the three-month period ended June 27, 2008, was $6.7 million, decreasing 5.6% from the $7.1 million reported for the three-month period ended June 29, 2007. The decrease is attributable to lower average borrowings outstanding and by lower interest rates. The average interest rate in effect during three-month period ended June 27, 2008 and the three-month period ended June 29, 2007 was 10.2% and 11.4%, respectively.

Income tax expense/benefit: Income tax benefit was less than $0.1 million for the three month period ending June 27, 2008, and the income tax expense for the three month period ending June 29, 2007 was $0.1 million, and reflects effective income tax rates of (0.0)% and 0.1%, respectively. The effective rate is substantially below statutory rates primarily due to a reduction in valuation allowance during the current year against deducible temporary differences related to stock options as well as a tax benefit from foreign operations.

Net income: Net income for the three-month period ended June 27, 2008, was $1.0 million, an increase of $1.2 million from the $0.2 million loss for the three-month period ended June 29, 2007, as a result of the factors discussed above. Net income as a percentage of net revenues was 0.6% versus (0.2)% in the prior year.

Diluted income per common share was $0.05 for the three-month period ended June 27, 2008, compared to a loss of $(0.01) for the three-month period ended June 29, 2007.

NINE MONTHS ENDED JUNE 27, 2008 COMPARED TO NINE MONTHS ENDED JUNE 29, 2007

Revenues: Revenues increased $119.0 million, or 41.3%, to $407.1 million for the nine-months ended June 27, 2008, from $288.1 million for nine-months ended June 29, 2007. Revenues increased $3.6 million, or 1.3%, due to volume increases, and increased $113.7 million, or 39.5%, due to higher average selling prices. Revenues increased by $1.7 million due to an increase in payments received from the U.S. government under the Continued Dumping and Subsidy Offset Act of 2000.

Revenues for the Retail market increased $82.9, or 37.7%, to $302.8 million for the nine-months ended June 27, 2008, from $219.9 million for the nine-months ended June 29, 2007. Revenues increased $3.8 million, or 1.8%, due to volume increases and $77.4 million or 29.1% due to higher average selling prices. Revenues increased by $1.7 million due to an increase in payments received from the U.S. government under the Continued Dumping and Subsidy Offset Act of 2000.

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Revenues for the Institutional market increased $36.2 million or 53.2% to $104.3 million the nine-months ended June 27, 2008, from $68.1 million for the nine-months ended June 29, 2007. There was a negligible increase due to volume, with increases in higher average selling prices and changes in sales mix accounting for the change.

Cost of goods sold: Cost of goods sold increased $103.2 million or 46.4% to $325.6 million for the nine months ended June 27, 2008 from $222.4 million for the nine months ended June 29, 2007. As a percentage of revenues, cost of goods sold increased to 80.0% for the nine-month period ended June 27, 2008, from 77.2% for the nine-month period ended June 29, 2007. The increase was primarily due to significantly higher durum prices and higher commodity and transportation costs.

Gross profit: Gross profit increased $15.9 million, or 24.2%, to $81.6 million for the nine month period ended June 27, 2008, from $65.7 million for nine month period ended June 29, 2007. Gross profit as a percentage of revenues decreased to 20.0% for the nine month period ended June 27, 2008 from 22.8% for the nine month period ended June 29, 2007. The decrease in gross profit as a percent of revenue is directly related to increases in durum, commodities and transportation costs that were not offset by higher selling prices.

Selling and marketing expense: Selling and marketing expense increased $3.9 million, or 25.5%, to $19.2 million for the nine-month period ended June 27, 2008, from $15.3 million for nine-month period ended June 29, 2007. The change is primarily due to an increase in consulting expenses of $.9, brokerage commission costs of $1.8 million, compensation and benefits of $0.3 million, and an increase of travel of $0.2 million. Selling and marketing expense, as a percentage of revenue, decreased to 4.7% for the nine month period ended June 27, 2008, from 5.3% for the comparable prior year period. This decrease in expense as a percent of revenue reflects the impact of higher product selling prices during the first nine months of the current fiscal year versus the comparable period of the prior fiscal year.

General and administrative expense: General and administrative expense increased $4.9 million, or 19.7%, to $29.8 million for the nine month period ended June 27, 2008, from $24.9 million for the comparable period last year. General and administrative expenses as a percentage of revenues decreased to 7.3% for the nine-month period ended June 27, 2008, from 8.7% for the nine-month period ended June 29, 2007. The change was due primarily to an increase of non-investigation related professional fees and consulting services of $2.8 million, an increase in compensation and benefits of $0.7 million, and compensation costs under SFAS 123R of $0.5 million. During the nine-month periods ending June 27, 2008 and June 29, 2007, the Company was continuing to undergo the investigation process and restatement of its historical financial statements. As a result of this process, the Company incurred certain professional fees including legal, forensic accounting, independent registered public accounting firm fees, public relations and Alvarez & Marsal fees. During the nine month period ended June 27, 2008, $9.6 million of professional fees related to the restatement and pending legal matters were recorded compared to $9.8 million during the comparable period of fiscal 2007, a decrease of $0.2 million.

Operating profit: Operating profit for the nine-month period ended June 27, 2008, was $32.1 million, an increase of $6.6 million as compared to $25.5 million reported for the nine-month period ended June 29, 2007 as a result of the factors discussed above. Operating profit as a percentage of revenues was 7.9% for the nine-month period ended June 27, 2008 and 8.8% for the nine-month period ended June 29, 2007.

Interest expense, net: Interest expense for the nine-month period ended June 27, 2008, was $20.7 million, decreasing 6.8% from the $22.2 million reported for the nine-month period ended June 29, 2007. The decrease is attributable to lower average borrowings outstanding and by lower interest rates. The average interest rate in effect during nine-month period ended June 27, 2008 and the nine-month period ended June 29, 2007 was 10.7% and 11.4%, respectively.

Income tax benefit: Income tax benefit for each of the nine-month period ended June 27, 2008 and June 29, 2007 was $0.6 million and less than $0.1 million, respectively, and reflects effective income tax rates of (5.4)% and (0.1)%, respectively. The effective rate is substantially below statutory rates primarily due to a reduction in valuation allowance during the current year against deducible temporary differences related to stock options as well as a tax benefit from foreign operations.

Net income: Net income for the nine-month period ended June 27, 2008, was $11.8 million, an increase of $8.3 million from the $3.5 million for the nine-month period ended June 29, 2007, as a result of the factors discussed above. Net income as a percentage of net revenues was 2.9% versus 1.2% in the prior year.

Diluted income per common share was $0.62 for the nine-month period ended June 27, 2008, compared to $0.18 for the nine-month period ended June 29, 2007.

Liquidity and Capital Resources

Our primary sources of liquidity are cash provided by operations and borrowings under our credit facility. Cash and cash equivalents totaled $6.4 million and net working capital totaled $80.4 million at June 27, 2008.

As of September 28, 2007, we had $9.2 million invested in the Columbia Strategic Cash Portfolio Fund (Columbia Fund), administered by a subsidiary of Bank of America, which is an enhanced money fund that allowed immediate withdrawal of funds. On December 10, 2007, when the investment balance was $7.4 million, Columbia determined that the underlying securities had liquidity issues and notified us that the fund would begin an orderly liquidation and dissolution of assets to its investors. The balance in the Columbia Fund at June 27, 2008 was $3.4 million. The underlying assets are valued at fair value and as of June 27, 2008 we have recorded valuation losses on this investment of $0.2 million. Through June 27, 2008, we have recovered approximately $3.8 million of the pre-liquidation investment balance. The remaining investment of $3.6 million is to be recovered as the liquidation progresses. We believe that the entire balance will be recovered. During the nine-month period ended June 27, 2008, we have received $0.3 million of interest income from the Columbia Fund.

As of June 27, 2008, we had a $239.9 million term loan facility that matures in March 2011. In addition, we had a $30 million revolving credit facility. During the nine month period ending June 27, 2008, we borrowed and repaid $10 million under the revolving credit facility to take advantage of favorable grain and commodity purchases and delivery opportunities. There was no balance outstanding on the revolving facility as of June 27, 2008. However, we had outstanding letters of credit totaling approximately $3.0 million. Both facilities are secured by substantially all of our assets.

Our credit facility contains restrictive covenants which include, among other things, financial covenants requiring minimum and cumulative earnings levels and limitations on the payment of dividends, stock purchases and our ability to enter into certain contractual arrangements. We do not currently expect these limitations to have a material effect on business or results of operations. We were in compliance with the restrictive covenants at June 27, 2008.

At this time, the current and projected borrowings under our credit facility do not exceed the facility's available commitment. Absent any significant increases in our historical levels of professional fees and indemnification obligations expenditures, we believe that net cash expected to be provided by operating activities and the cash available through our existing credit facility will be sufficient to meet our expected capital and liquidity needs for the foreseeable future.

During the nine months ended June 27, 2008, our net cash provided by operating activities totaled $1.9 million compared $21.8 million for the nine months ended June 29, 2007, a decrease of $19.9 million. This decrease is due principally to an increase in our investment in inventory of $24.7 million due to higher raw material costs and increased production. The increase in these inventories is offset by higher accounts payable and accrued expenses of $8.2 million. The increase in sales prices and volume resulted in an increase in accounts receivable of $12.5 million.

Cash used in investing activities principally relates to investments in production and distribution, milling and management information system assets. Capital expenditures were $8.5 million and $6.8 million for the nine months

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ended June 27, 2008 and June 29, 2007, respectively.

During the nine months ended June 27, 2008, our net cash used by financing activities amounted to $0.7 million, which included the payment of $.5 million of financing costs to our bank related to the December 27, 2007 amendment and a $0.1 million mandatory principal payment under the provisions of our U.S. credit facility. In addition, during the nine month period ended June 27, 2008 the Company drew $10.0 million on its line of credit to finance inventory purchases and advance payments, which was repaid during the period. Our Italian subsidiary

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drew $1.1 million under revolving credit facilities during the nine month period ended June 27, 2008, which was repaid during the period.

During the nine months ended June 29, 2007, our net cash used in financing activities amounted to $18.4 million, which is primarily a result of a $8.0 million voluntary principal payment on our term loan from excess cash reserves and a one-time $10.0 million voluntary pre-payment of the term loan without incurring a pre-payment penalty, as permitted under the March 2007 amendment of our U.S. credit facility.

We currently use cash generated from operations to fund capital expenditures, repayment of debt and working capital requirements.

Impact of Recent Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles ("GAAP"), and expands disclosures about fair value measurements. SFAS No. 157 does not require any new fair value measurements in financial statements, but standardizes its definitions and guidance in GAAP. Thus, for some entities, the application of this statement may change current practice. SFAS No. 157 will be effective beginning January 1, 2008. Management believes the adoption of this pronouncement will not have a material impact on its consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities". SFAS No. 159 permits entities to choose to measure many financial instruments, and certain other items, at fair value. SFAS No. 159 applies to reporting periods beginning after November 15, 2007. Management believes the adoption of this pronouncement will not have a material impact on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141R, "Business Combinations". This statement establishes a framework to disclose and account for business combinations. The adoption of the requirements of SFAS No. 141R applies prospectively to business combinations for which the acquisition date is on or after fiscal years beginning after December 15, 2008 and may not be early adopted. Management believes the adoption of this pronouncement will not have a material impact on its consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities - An Amendment of SFAS No. 133". SFAS No. 161 requires enhanced disclosures about an entity's derivative and hedging activities, including how an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", and how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. The provisions of SFAS No. 161 are effective for financial statements issued for fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. We do not expect the adoption of SFAS No. 161 to have a material impact on its consolidated financial statements.

In December 2007, the SEC issued the Staff Accounting Bulletin ("SAB") No. 110, which amends SAB No. 107 by extending the usage of a "simplified" method, as discussed in SAB No. 107, in developing an estimate of expected term of "plain vanilla" share options in accordance with SFAS No. 123 (revised 2004), Share-Based Payment. This simplified method continues to be permitted, under certain circumstances, for companies that do not have access to adequate historical data about employee exercise behavior to estimate expense on stock options. Management believes that it has sufficient historical exercise data and has historically recorded expenses based on expectations of future behavior. Accordingly, Management does not believe SAB 110 will have an impact on its financial statements.

In May 2008, the Financial Accounting Standards Board ("FASB") issued FASB Statement No. 162, "The Hierarchy of Generally Accepted Accounting Principles." This statement identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles ("GAAP") in the United States. This statement will be effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board ("PCAOB") amendments to AU Section 411, "The Meaning of Present Fairly in

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Conformity with Generally Accepted Accounting Principles." We do not expect the adoption of this statement to have a material impact on its financial statements.

In April 2008, the FASB issued FASB Staff Position ("FSP") FAS 142-3, "Determination of the Useful Life of Intangible Assets." This FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, "Goodwill and Other Intangible Assets." The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under Statement 142 and the period of expected cash flows used to measure the fair value of the asset under FASB Statement No. 141R, and other U.S. generally accepted accounting principles. This FSP is effective for our interim and annual financial statements beginning in fiscal 2010. The Company is in the process of evaluating the impact, if any, that the adoption of FSP No. FAS 142-3 will have on its financial statements

Effect of Inflation

We continued to experience inflationary cost increases in certain operating costs, including raw materials, utilities, freight, insurance and benefit costs during the three month period ended June 27, 2008.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For quantitative and qualitative disclosures about market risk, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of our Annual Report on Form 10-K for the year ended September 28, 2007. Our exposures to market risk have not changed materially since September 28, 2007.

ITEM 4. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to provide reasonable assurance that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

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Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of June 27, 2008. Based on that evaluation and due to the existence of material weaknesses in our internal control over financial reporting, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were not effective as of June 27, 2008.

Management believes that all of the material weaknesses, except for internal audit, described under the caption "Item 9A -- Controls and Procedures" in the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 2007 existed as of June 27, 2008, and we are continuing to address deficiencies in the Company's internal controls. Certain of these remediation actions are described under the caption "Item 9A -- Controls and Procedures" in the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 2007. Efforts to remediate and test our internal control over financial reporting are continuing and are expected to continue throughout fiscal 2008 and beyond.

(b) Changes in Internal Control Over Financial Reporting

During the third quarter of fiscal 2008, the Company has become current in its filing requirements of the SEC through the submission of its Annual Report on Form 10-K for fiscal years 2005, 2006 and 2007.

With this filing, the Company's quarterly reporting requirements are also met. The Company has formed an effective Disclosure Committee for the review of its Form 10-K and Form 10-Q's.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Pending Litigation; Indemnification Obligations

Since August, 2005, a number of substantially similar class action lawsuits have been filed and consolidated into a single action in the United States District Court for the Western District of Missouri styled *In re American Italian Pasta Company Securities Litigation* (Case No. 05-CV-0725-W-ODS). The consolidated amended complaint names us as a defendant and certain of our former and current officers and directors, and our former independent registered public accounting firm, Ernst & Young LLP. It generally alleges that the defendants made public statements concerning our financial results that were false and misleading. The plaintiffs seek unspecified monetary damages for alleged violations of Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 promulgated thereunder, and alleged violations of Section 20(a) of the Securities Exchange Act of 1934. The consolidated amended complaint also asserted purported shareholder derivative claims against various of our current and former officers and directors for breaches of their fiduciary duties and unjust enrichment, against certain of our former officers for violation of the Sarbanes-Oxley Act, and against Ernst & Young LLP for professional negligence, accounting malpractice, and aiding and abetting breaches of fiduciary duty. These allegations generally related to our accounting practices and financial reporting, as well as claimed improper insider trading and the claimed improper award of bonuses to certain of our officers and directors. The court subsequently dismissed the derivative claims. The case has been certified as a class action on behalf of all purchasers of our common stock on or after January 23, 2002, and who held shares on August 9, 2005.

By a stipulation of settlement with us and our named former and current officers and directors ("settling defendants"), executed on October 26, 2007 and filed with the Court on October 29, 2007, lead counsel for plaintiffs and settling defendants agreed to settle the consolidated action. On February 12, 2008, the Court gave final approval to the settlement. The settlement of the federal securities class action lawsuit was for $25 million, comprised of $11 million in cash, to be provided by our insurers, and $14 million in our common shares. Under the terms of the settlement, on March 27, 2008, class counsel received 527,903 common shares in satisfaction of the Court approved fee award. The class will receive approximately 930,000 common shares, subject to adjustment upward or downward, based upon the Company's stock price as provided in the stipulation of settlement. The settlement was recorded in the fourth quarter of fiscal year 2005.

In November 2005, a shareholder derivative action styled *Haag v. Webster, et al.* (Case No. 05-CV-33137) was filed in the Circuit Court of Jackson County, Missouri. The petition names as defendants certain of our former officers and directors and our former independent registered public accounting firm, Ernst & Young LLP. We are named as a nominal defendant. The petition alleges that the defendants are liable to us for breaches of fiduciary duties and aiding and abetting such breaches, corporate waste, gross mismanagement, unjust enrichment, and abuse of control based upon our accounting practices and financial reporting; that certain former and current officers and directors are liable for breaches of fiduciary duties for insider selling and misappropriation of information; and that Ernst & Young is liable for professional negligence and accounting malpractice, aiding and abetting breaches of fiduciary duty, and breach of contract. The petition seeks equitable relief and unspecified compensatory and punitive damages. The proposed settlement requires the adoption of certain governance reforms by the Company and payment of $1.5 million in attorney's fees and costs to counsel for the plaintiff, which payment will be made under our insurance policies. The settlement was recorded in the first quarter of fiscal year 2006.

On September 6, 2006, an action styled *Chaiet v. Allen, et al.* (Case No. 06-744-CV-W-DW) was filed in the United States District Court for the Western District of Missouri. The complaint asserts claims against certain of our former and current officers and directors for breaches of their fiduciary duties relating to our accounting practices and financial reporting. Plaintiff also asserts claims on behalf of a putative class against our current directors for failing to schedule or hold an annual meeting for 2006. We are named as a nominal defendant. The complaint seeks unspecified monetary damages on our behalf and an order requiring that an annual meeting be scheduled and held. The defendants have moved to dismiss this lawsuit as well. On February 12, 2007, the court stayed all future

proceedings in the matter until forty-five days after we issue restated financial results, and required us to provide monthly reports regarding the status of its restatement process. On March 13, 2008, we reached an agreement, in principle, subject to court approval, to settle this action on a consolidated basis with the *Haag* action.

On March 7, 2007, a suit styled *Zaleon v. American Italian Pasta Company* (C.A. No. 2775-N) was filed in the Delaware Chancery Court against us alleging that no annual meeting of shareholders had been held since February 7, 2005, and requesting that we be compelled to convene an annual meeting. Proceedings in that matter are currently stayed by agreement of the parties. The agreement, in principle, to settle the other two derivative actions will resolve this action.

SEC and DOJ Investigations

Since July 2005, we have been in communication with the staff of the Enforcement Division of the SEC about the matters under investigation by our Audit Committee. In late July 2005, the SEC staff issued a voluntary request to us for a wide range of documents relating to, among other things, our accounting practices, financial reporting and other public disclosures, 2004 restructuring program, internal control weaknesses identified in our prior SEC filings, and compensation and benefits information for certain persons employed by or associated with us during the time period under investigation by the Audit Committee.

On January 31, 2006, as part of a formal, non-public investigation, the SEC staff issued a subpoena to us, expressly incorporating its earlier document requests and requesting additional documents and information concerning, among other things, actual or potential errors in our financial statements, budgeting

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process, communications with investors, and compensation for and securities transactions by certain persons employed by or associated with us during the time period under investigation by the Audit Committee. Since that time, the SEC staff has issued additional subpoenas to us, seeking additional documents, testimony, and information relating to the same or similar subject matters. Representatives of the DOJ have been coordinating with the SEC staff in this investigation.

We are cooperating with these investigations and have provided information to the SEC staff and the DOJ in response to the subpoenas and requests. We have had, and are continuing to have, discussions with the SEC staff, and separately with the DOJ, regarding the conclusion of their investigation activities and of their respective views of appropriate bases on which to reach mutually acceptable settlements. Such settlements could result in a Deferred Prosecution Agreement, which could include the assignment of a corporate monitor, continued cooperation with any ongoing investigations and/or a monetary fine. Due to the status of ongoing discussions with the DOJ and SEC staff, the Company cannot estimate a range of possible loss that could result from a monetary fine, if any. There can be no assurance that any settlement would not have a material adverse effect on our business, financial condition, results of operations or cash flows. We have been cooperating with these investigations.

Department of Commerce Matter

In 1996, an investigation by the International Trade Administration of the DOC revealed that Italian and Turkish producers were engaging in unfair trade practices by selling pasta at less than fair value in the U.S. markets and benefiting from subsidies from their respective governments. The International Trade Commission ("ITC") subsequently determined that the unfair trade practices caused or would cause material injury to U.S. manufacturers. As a result, the ITC imposed anti-dumping duties (the "AD Order") and countervailing duties (the "CV Order") on certain imported pasta from Italy and Turkey (collectively, the "AD/CV Orders"). In 2001, the AD/CV Orders were extended five years through 2006. In September 2007, the ITC extended the AD/CV Orders for another five years through 2011. Under the AD/CV Orders, U.S. importers of certain pasta from Italian and Turkish producers are assessed anti-dumping and countervailing duties at rates determined by the DOC for the relevant foreign producer. Each foreign producer may undergo an annual administrative review which may result in an increase or decrease of the producer's rate.

During its ongoing analysis of financial matters, we reviewed transactions reported to the DOC for the period July 1, 2002 through June 30, 2003 in the antidumping proceeding on pasta imported from Italy. Based on the data reported by us and our Italian subsidiary, Pasta Lensi, S.r.l., the DOC revoked the AD Order with respect to Pasta Lensi. During our investigation, information came to our attention that certain data reported to the DOC was incorrect and as a result, Pasta Lensi may not have been eligible for revocation of the AD Order. We disclosed the issue to the DOC and simultaneously, we provided this information to the DOJ, which requested further information on this

matter. As a result of our disclosure to the DOC, it published notice on February 22, 2008 in the Federal Register of its preliminary determination to reinstate Pasta Lensi in the existing antidumping duty order at a cash deposit rate of 45.6%. The preliminary determination applies, on a prospective basis, to all imports of subject products from and after February 22, 2008. A cash deposit rate of 45.6% would have a significant adverse impact to our working capital position. We have appealed this determination. We have substantially mitigated the impact of this order by changing our ingredient to organic semolina in March 2008, thereby manufacturing products for import into the U.S. that are exempt from the antidumping duty order. Based on our review, we do not believe this order will have a material adverse effect on our financial condition.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in Part I, Item 1A, of the company's Annual Report on Form 10-K for the fiscal year ended September 28, 2007.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides the information with respect to purchases made by the Company of shares of its common stock during the third fiscal quarter of 2008:

Period	Total Number of Shares Purchased(1)	Average Price Paid per Share Plan	Total Number of Shares Purchased as Part of Publicly Announced
March 29 - April 25	-	$ -	-
April 26 - May 23	-	-	-
May 24 - June 27	195	9.21	-
Total	195	$ 9.21	-

(1) Shares received as payment for taxes related to vesting of restricted stock.

On October 4, 2002 the Company's Board of Directors authorized up to $20 million to implement a common stock repurchase plan. There were no purchases under the plan during the second fiscal quarter of 2008. There is $7,881,000 available under the Common Stock repurchase plan.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable

ITEM 5. OTHER INFORMATION

Not applicable

ITEM 6. EXHIBITS

31.1 Certification of CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32. Certification of the CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

American Italian Pasta Company

Date: August 6, 2008

/s/ John P. Kelly

John P. Kelly
President and Chief Executive Officer

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Date: August 6, 2008

/s/ Paul R. Geist

Paul R. Geist
Executive Vice President and
Chief Financial Officer

AMERICAN ITALIAN PASTA COMPANY
EXHIBIT INDEX

Exhibit Number	Description of Exhibit
31.2	Certification of CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.	Certification of the CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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Exhibit 31.1

CERTIFICATIONS

I, John P. Kelly, certify that:

1. I have reviewed this report on Form 10-Q of American Italian Pasta Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(b)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and present in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during

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the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2008

/s/ John P. Kelly

John P. Kelly
President and Chief Executive Officer

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Exhibit 31.2

CERTIFICATIONS

I, Paul R. Geist, certify that:

1. I have reviewed this report on Form 10-Q of American Italian Pasta Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(b)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and present in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that

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has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2008

/s/ Paul R. Geist

Paul R. Geist
Executive Vice President and
Chief Financial Officer

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Exhibit 32

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of American Italian Pasta Company (the "Company") for the quarterly period ended June 27, 2008 (the "Report"), the undersigned, in the capacities and dates indicated below, hereby certify pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that, to our knowledge: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2008

/s/ John P. Kelly
John P. Kelly
President and Chief Executive Officer

Date: August 6, 2008

/s/ Paul R. Geist
Paul R. Geist
Executive Vice President and
Chief Financial Officer

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