



Quarterly Report at
September 30, 2007



Mission

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

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

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



Countries of Operation

Direct Presence

Europe

Italy, Portugal, Romania, Russia

Rest of the World

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

Presence Through Licensees

Brazil, Chile, China, Mexico, Dominican Republic,
U.S.A., Hungary, Uruguay

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Board of Directors, Board of Statutory Auditors and Independent Auditors

Board of Directors

Chairman Raffaele Picella

Chief Executive Officer Enrico Bondi

Directors Piergiorgio Alberti (i)
 Massimo Confortini (i) (3)
 Marco De Benedetti (i) (2)
 Andrea Guerra (i) (2)
 Vittorio Mincato (i) (3)
 Erder Mingoli (i)
 Marzio Saà (i) (1)
 Carlo Secchi (i) (1) (2)
 Ferdinando Superti Furga (i) (1) (3)

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

Board of Statutory Auditors

Chairman Alessandro Dolcetti

Statutory Auditors Enzo Bermani
 Mario Magenes

Financial Highlights

Income Statement Highlights

(in millions of euros)

GROUP	Cumulative at 9/30/07	Cumulative at 9/30/06 RESTATED PRO FORMA ¹	THIRD QUARTER 2007	THIRD QUARTER 2006
- NET SALES REVENUES	2,797.4	2,654.1	987.1	892.3
- EBITDA	254.1	246.7	90.9	89.2
- EBIT	339.6	215.8	56.0	128.8
- PROFIT FOR THE PERIOD	276.9	101.4	32.6	84.4
- EBIT/NET SALES REVENUES (%)	12.1	8.1	5.6	14.3
- PROFIT FOR THE PERIOD/NET SALES REVENUES (%)	9.8	3.8	3.3	9.4
- INTEREST COVERAGE (%)	n.m.	4.9	n.m.	4.8
COMPANY				
- NET SALES REVENUES	646.1	637.2	219.2	209.5
- EBITDA	52.5	50.7	17.6	18.7
- EBIT	186.6	72.2	(3.9)	79.3
- PROFIT FOR THE PERIOD	199.4	67.7	1.2	65.7
- EBIT/NET SALES REVENUES (%)	28.1	10.9	(1.7)	36.3
- PROFIT FOR THE PERIOD/NET SALES REVENUES (%)	30.1	10.2	0.5	30.1
- INTEREST COVERAGE (%)	n.m.	n.m.	n.m.	n.m.

Balance Sheet Highlights

(in millions of euros)

GROUP	9/30/07	12/31/06	6/30/07
- NET FINANCIAL ASSETS	327.6	(170.0)	58.9
- ROI (%) (*)	21.6	13.6	25.6
- ROE (%) (*)	16.9	9.9	22.6
- EQUITY/ASSETS	0.6	0.5	0.6
- DEBT/EQUITY RATIO	(0.1)	0.1	(0.0)
- OPERATING CASH FLOW PER SHARE	0.04	0.05	0.03
COMPANY			
- NET FINANCIAL ASSETS	785.7	341.4	570.2
- ROI (%) (*)	29.5	14.5	39.9
- ROE (%) (*)	13.1	6.7	19.5
- EQUITY/ASSETS	0.8	0.8	0.8
- DEBT/EQUITY RATIO	(0.4)	(0.2)	(0.3)
- OPERATING CASH FLOW PER SHARE	0.006	(0.0)	0.06

(*) Indices computed using annualized income statement data and averages of the balance sheet data at beginning and end of period.

¹ Starting with the annual financial statements at December 31, 2006, the Group changed the accounting classification it assigns to certain types of trade promotions it provides to retail chains. This change was implemented to provide a presentation that was consistent with best industry practices. As a result of this reclassification, trade promotions, which previously were booked as distribution costs, are being deducted from sales revenues. The corresponding data for the first nine months of 2006 were reclassified accordingly. Moreover, due to the sale of the Spanish operations and of the business operations of Boschi Luigi & Figli S.p.A., the data for the first nine months of 2006 have been restated. In the income statement, all of the data applicable to the divested operations were reclassified under "Net profit (loss) from discontinuing operations."

Operating Performance

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

a) Group

Revenues for the first nine months of 2007 totaled 2,797.4 million euros, for a gain of 5.4% compared with September 30, 2006.

EBITDA, which grew to 254.1 million euros, or 7.4 million euros more than the previous year, were equal to 9.1% of revenues

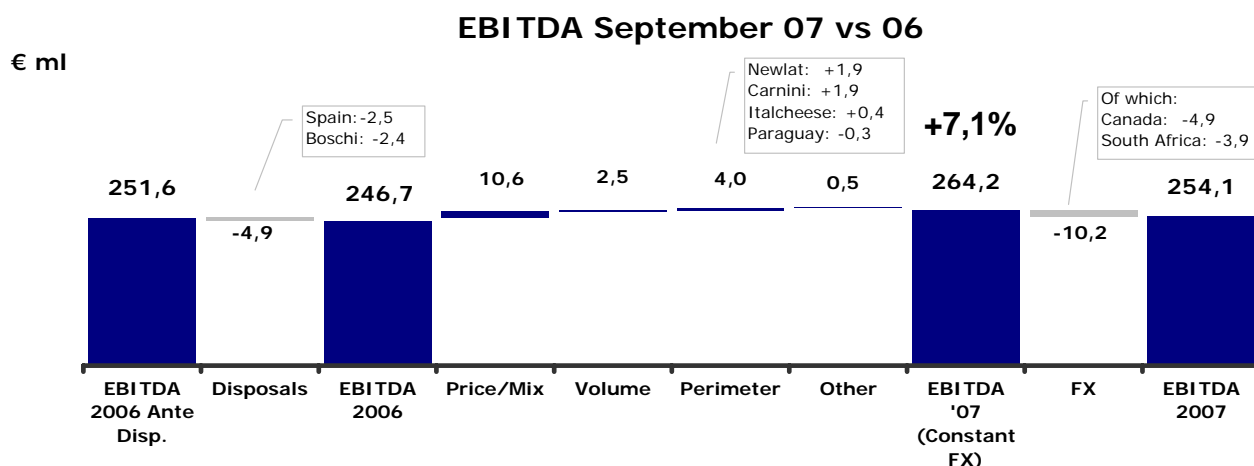
The Group's performance in the first nine months of 2007 was affected by a decrease in the profitability of the Venezuelan operations and a worldwide rise in the price of raw milk. The latter development is the result of a reduction in supply caused by unfavorable weather conditions and, in some areas, by a growing trend toward the transformation of raw milk into powdered milk.

Changes in foreign currency exchange rates used for translation purposes (compared with the average exchange rates for the same period in 2006) reduced revenues by 103.2 million euros (3.9% of revenues) and EBITDA by 10.2 million euros (4.1% of EBITDA). The appreciation of the euro versus the Canadian and South African currencies accounts for most of the change.

€ ml	Sep '06	Sep '07	variance	
Revenues	2.654,1	2.797,4	143,2	+5,4%
Ebitda	246,7	254,1	7,4	
<i>Ebitda %</i>	<i>9,3</i>	<i>9,1</i>	<i>-0,2 ppt</i>	

III Quarter

€ ml	p.y.	c.y.		
Revenues	892,3	987,1	94,8	+10,6%
Ebitda	89,2	90,9	1,6	
<i>Ebitda %</i>	<i>10,0</i>	<i>9,2</i>	<i>-0,8 ppt</i>	



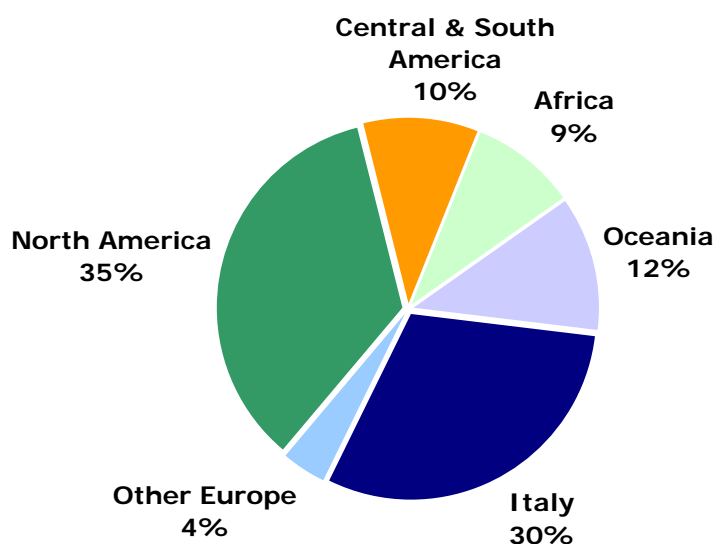
b) Data by Geographic Region

Areas						
2006			September 30th	2007		
Revenues	Ebitda	% Ebitda	€ ml	Revenues	Ebitda	% Ebitda
735,1	74,0	10,1	Italy	845,1	81,3	9,6
96,1	14,4	15,0	Other Europe	110,5	15,8	14,3
998,4	86,7	8,7	North America	981,8	91,6	9,3
243,9	32,1	13,2	Central & South America	283,0	26,8	9,5
255,5	28,5	11,1	Africa	254,7	27,9	11,0
317,4	26,2	8,3	Oceania	323,9	24,8	7,7
7,9	(15,1)		Other *	(1,6)	(14,1)	
2.654,1	246,7	9,3	Group	2.797,4	254,1	9,1

Areas represent the consolidated countries

(*) Includes Holding, Other no core Companies, extra Area eliminations

Revenues by Area



c) Data by Product Division

€ ml	September '06			September '07		
	Revenues	EBITDA	EBITDA %	Revenues	EBITDA	EBITDA %
Milk ⁽¹⁾	1.551,7	127,8	8,2	1.654,7	128,5	7,8
Fruit Based Drinks ⁽²⁾	168,0	24,5	14,6	198,6	39,0	19,7
Milk Derivates ⁽³⁾	880,9	94,2	10,7	892,9	92,5	10,4
Other ⁽⁴⁾	53,6	0,2	0,4	51,1	(5,9)	(11,5)
Group	2.654,1	246,7	9,3	2.797,4	254,1	9,1

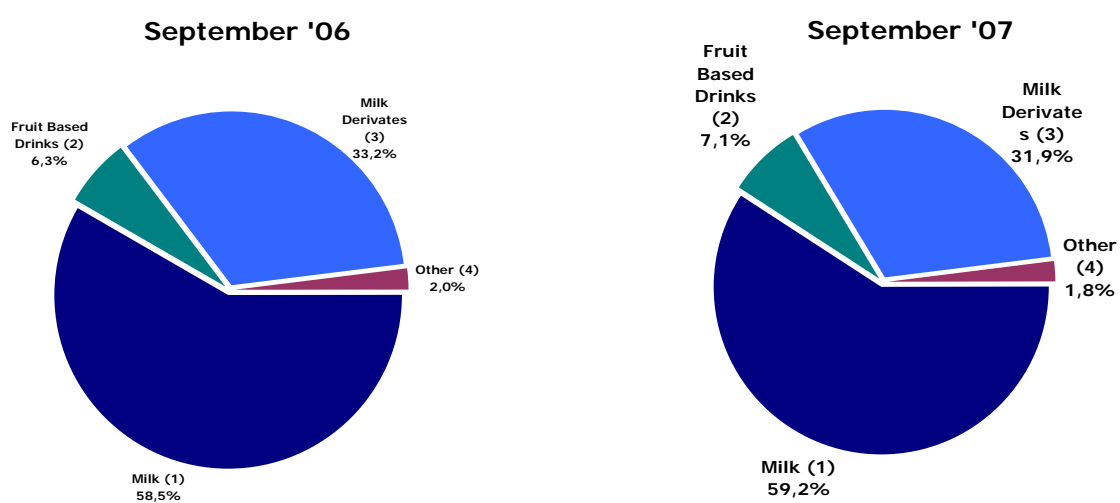
(1) Includes Milk, Cream and Bechamel

(2) Fruit juice and Tea

(3) Includes Yogurt, Dessert, Cheese

(4) Includes Others Products and Holding

Net Revenues by Product Division



(1) Includes Milk, Cream and Bechamel

(2) Fruit juice and Tea

(3) Includes Yogurt, Dessert, Cheese

(4) Includes Others Products and Holding

d) Capital Expenditures

In the first nine months of 2007, capital expenditures totaled 67.8 million euros.

An analysis of this item shows that the largest amounts were invested in Italy (24.2 million euros), Canada (11.9 million euros), Australia (13.9 million euros) and South Africa (5.2 million euros).

Parent Company

€ ml	Sep '06	Sep '07	variance	
Revenues	637,2	646,1	8,9	+1,4%
Ebitda	50,8	52,5	1,7	
<i>Ebitda %</i>	<i>8,0</i>	<i>8,1</i>	<i>0,1 ppt</i>	

Revenues for the first nine months of 2007 were 1.4% higher than in the same period last year. EBITDA, which are net of a current-asset writedown of 4.5 million euros (due both to the closing of licensees and the restatement of certain positions), totaled 52.5 million euros, up from 50.8 million euros in the first nine months of 2006 (+1.7 million euros).

At September 30, 2007, holding company expenses were 13.5 million euros, compared with 14.5 million euros in the same period last year.

III Quarter

€ ml	p.y.	c.y.		
Revenues	209,5	219,2	9,7	+4,6%
Ebitda	18,8	17,6	(1,2)	
<i>Ebitda %</i>	<i>9,0</i>	<i>8,0</i>	<i>-1,0 ppt</i>	

In the third quarter of 2007, revenues grew by 4.6% compared with the same period a year ago. EBITDA, which were penalized by the higher prices paid for raw milk, decreased by 1.2 million euros.

The main developments that characterized the first nine months of 2007 included the following:

- Increase in unit sales and market shares (particularly in the UHT and fruit juice segments);
- Improved sales mix thanks to higher unit sales of juices and specialty milk;
- Sharp increase in the cost of raw milk, which required an upward adjustment of sales that will only be fully implemented in the fourth quarter;
- Launch of functional juices (Santalà 5 colors) and expansion of the functional milk line.

Business Units

Italy

€ ml	Sep '06	Sep '07	variance
Revenues	735,1	845,1	110,1 +15,0%
Ebitda	74,0	81,3	7,3
<i>Ebitda %</i>	<i>10,1</i>	<i>9,6</i>	<i>-0,4 ppt</i>

III Quarter

€ ml	p.y.	c.y.	
Revenues	235,9	286,2	50,3 +21,3%
Ebitda	25,9	25,5	(0,4)
<i>Ebitda %</i>	<i>11,0</i>	<i>8,9</i>	<i>-2,1 ppt</i>

The data for 2007 reflect the positive impact from the consolidation of NewLat and Carnini, which contributed about 134.4 million euros to net revenues, including intra-Group transactions, and about 3.8 million euros to EBITDA. For the sake of a clearer comparison, data restated on a comparable consolidation basis are provided below.

Italy perimeter 2006

€ ml	Sep '06	Sep '07	variance
Revenues	735,1	753,8	18,8 +2,6%
Ebitda	74,0	77,5	3,5
<i>Ebitda %</i>	<i>10,1</i>	<i>10,3</i>	<i>0,2 ppt</i>

III Quarter

€ ml	p.y.	c.y.	
Revenues	235,9	254,3	18,4 +7,8%
Ebitda	25,9	24,9	(0,9)
<i>Ebitda %</i>	<i>11,0</i>	<i>9,8</i>	<i>-1,2 ppt</i>

The improvement in the cumulative results at September 30, 2007 was made possible primarily by an increase in unit sales, by a better sales mix and by cost reductions. These positive factors helped offset the negative impact of the higher prices paid for raw milk (which had a particularly negative effect on the results for the third quarter) and a writedown of receivables of 4.5 million euros (0.5 million euros in the same period of the previous year). As mentioned above, the list price increases scheduled to go into effect in the fourth quarter should mitigate the adverse effect of a rise in the cost of raw milk.

Market and Products

In Italy, private labels have been growing even in markets — the fresh milk segment, for example — that until recently were served exclusively by brand producers.

The milk market is substantially mature, with extremely low or even negative growth rates, while demand for fruit juices and yogurt are still growing, with average sales prices on the increase.

In the UHT milk segment, sales of specialty milk have been growing faster than total sales, while in the fresh milk segment sales of functional products were up sharply compared with the previous year.

A significant development in the market for fruit-based beverages was the launch this past June of the new Santal 5 colors line, which is helping to boost sales in the second half of the year.

Raw Materials and Packaging

During the first nine months of 2007, the Italian market for milk and all dairy products was adversely affected by rising world demand for powdered milk and suspension of CEE subsidies, drought conditions in the main milk-producing countries (New Zealand and Australia), the introduction of export duties in Argentina and the suspension of exports from India. As a result, in order to meet rising demand, the emerging countries turned to the European market to meet their needs, which, once the inventories of powdered milk had been used up, caused out-of-control price increases in the supply of raw milk, most of which was processed into powdered milk to increase profits.

Italy, which imports about 40% of the milk it uses, was strongly affected by the turbulence in the international markets, which is not expected to abate over the short term.

Manufacturing Organization

The Italian SBU operates 15 manufacturing facilities. Nine of these facilities are owned by Parmalat S.p.A. and are used mainly for the production of milk, fruit juices and yogurt. One facility owned by Centrale del Latte di Roma specializes in the production of pasteurized milk, UHT milk and yogurt, and two facilities are owned by Latte Sole Spa, which uses them primarily to produce UHT milk, pasteurized milk, cheese and cream. Three other facilities are operated by Newlat (two plants) and Carnini.

Other Countries in Europe

€ ml	Sep '06	Sep '07	variance	
Revenues	96,1	110,5	14,5	+15,1%
Ebitda	14,4	15,8	1,4	
<i>Ebitda %</i>	<i>15,0</i>	<i>14,3</i>	<i>-0,7 ppt</i>	

III Quarter

€ ml	p.y.	c.y.		
Revenues	33,8	38,1	4,3	+12,8%
Ebitda	5,3	4,7	(0,6)	
<i>Ebitda %</i>	<i>15,7</i>	<i>12,4</i>	<i>-3,4 ppt</i>	

Russia

Total unit sales were up 25.3% compared with the same period last year. Specifically, shipments of UHT milk, which account for 34% of sales, increased by 25.2% compared with 2006, with sales of pasteurized milk and fruit juices rising by 6.8% and 36.1%, respectively, over the same period a year ago.

The positive trend that started in 2006 is continuing, producing gains in most product categories and a more effective coverage of the sales territory. This improvement was made possible by modernizing and expanding the SBU's manufacturing and distribution organization and by developing new contacts with supermarket chains.

In Russia, milk is a scarce resource and its price, which is heavily conditioned by availability on the local market and by conditions in the international markets, has been rising sharply. The price of fruit concentrates was also up, due to a reduction in supply caused by drought conditions in the producing countries and growing demand in the international markets.

Portugal

Overall, unit sales decreased by 1.4% compared with the previous year. Specifically, shipments of fruit juices were down 17.3%, while those of UHT milk, which accounts for 58% of total unit sales, increased by 7.1%. At the same time, unit sales of UHT cream were 7.9% less than in the same period in 2006.

The Portuguese market is experiencing a period of decreasing demand that is affecting the sales of all operators. At the same time, higher raw material prices were recovered only in part by rising list prices.

In January, consistent with a strategy focused on developing functional products, Parmalat Portugal added four new types of high-quality milk with a high nutritional value to its Ucal São Lourenço line.

Romania

Unit sales of fruit juices, which accounted for 92% of total sales, were up 40.4% compared with the first nine months of 2006.

In August, the SBU began distributing Zymil and Latte Sviluppo (particularly suitable for 4- to 12-year-old children), which it imports from Italy, with the goal of positioning itself as a leadership and an innovator in the market for functional products.

Following the entry of Romania in the European Union and the elimination of customs duties, many raw materials became less expensive than in the first nine months of 2006, except for orange concentrate, which increased in price in the international markets as well.

Canada

In the first nine months of the year, the appreciation of the Euro against the Canadian dollar determined a negative impact on revenues and EBITDA of 52.4 million euros and 4.9 million euros, respectively.

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

<i>Local currency ml</i>	Sep '06	Sep '07	variance	
Revenues	1.406,9	1.457,5	50,6	+3,6%
Ebitda	122,1	136,0	13,9	
<i>Ebitda %</i>	<i>8,7</i>	<i>9,3</i>	<i>0,7 ppt</i>	

III Quarter

<i>Local currency ml</i>	p.y.	c.y.		
Revenues	500,5	514,7	14,3	+2,8%
Ebitda	46,3	49,0	2,6	
<i>Ebitda %</i>	<i>9,3</i>	<i>9,5</i>	<i>0,3 ppt</i>	

Overall, unit sales were about the same as in the first nine months of 2006, but shipments of pasteurized milk, which account for 57% of the SBU's total sales volume, were down 2.2%.

Compared with the first nine months of 2006, unit sales were up 10.0% for cheese but decreased by 3.4% for yogurt. Increased competitive pressure and a shift of demand toward supermarket house brands account for the decrease in yogurt sales.

The SBU has been focusing its marketing effort on yogurt and types of milk with a higher value added (Premium).

Market and Products

The conditions in the markets for the products of interest to the Group are reviewed below:

- The dairy industry is regulated, with restrictions and tariffs on imported dairy products;
- Raw milk prices are regulated and no alternative sources of supply are available;
- A limited number of suppliers for numerous types of packaging materials and ingredients.

With regard to distribution channels, the market is dominated by four major distributors (LCL, Metro, Sobey's and Safeway), which are often vertically integrated with producers.

Consumer spending has been shifting toward innovative products that improve health and wellness. The yogurt segment has benefited most from this trend, but competition among the major players has increased and the presence of private labels has been growing.

The main reasons for the improved performance of the Canadian SBU in the first nine months of 2007 compared with the same period last year include a more favorable sales mix, the success of aggressive marketing campaigns and of new packaging solutions, and the price increases implemented to absorb a rise in raw material costs. In addition, programs introduced to optimize recipes, packaging and processes helped reduce costs.

The SBU's main product categories include the following:

- Milk. Parmalat is one of the three top players in the milk market, with strong growth in the premium milk segment thanks to a positive performance by its functional milks (Omega-3, Calcium and Lactaid), an intensive television advertising and promotional campaign and the launch of a new product called Vitalité.
- Yogurt. The Canadian SBU is the market leader in English-speaking Canada with the Astro brand. The positive results achieved in 2007 reflect the impact of aggressive marketing programs implemented to support the launch of Astro BioBest Omega-3 and the relaunch of Astro Fat Free Zero and were made possible by strong sales of the SBU's other functional yogurt products.
- Cheese. In a market characterized by the entry of new producers and an increase in competitive pressure, the SBU retained the leadership of the snack cheese segment and ranks second in the natural cheese segment.

Manufacturing Organization

The Canadian SBU has 19 production facilities, 5 distribution centers and is a partner in several copacking facilities. Yogurt is manufactured at plants in Rakely, Niagara on the Lake and Lethbridge; milk is produced at facilities in Montreal, St. Hyacinthe, Brampton, Sudbury, Winnipeg, Calgary and Thunderbay; and cheese, butter, powdered milk and other milk-based powdered ingredients are manufactured at factories in Belleville, Grunthal, Laverlochere, Marieville, Mitchell, St. Claude, Thornloe, Victoriaville and Winchester.

Central and South America

€ ml	Sep '06	Sep '07	variance	
Revenues	243,9	283,0	39,1	+16,0%
Ebitda	32,1	26,8	(5,3)	
<i>Ebitda %</i>	<i>13,2</i>	<i>9,5</i>	<i>-3,7 ppt</i>	

III Quarter

€ ml	p.y.	c.y.		
Revenues	82,8	103,6	20,8	+25,1%
Ebitda	9,4	11,2	1,8	
<i>Ebitda %</i>	<i>11,4</i>	<i>10,8</i>	<i>-0,5 ppt</i>	

Venezuela

Overall, unit sales increased by 2.9% compared with the first nine months of 2006.

The SBU's profitability decreased compared with the first half of 2006 due to an increase in the cost of raw milk, the controls imposed on the sales prices of powdered and liquid milk and the high incidence of fixed industrial costs attributable to two factories (Barquisimeto and Machiques) that should have been sold early in 2007. Presently, fruit juices are the engine that is driving the SBU's progress.

Colombia

Total unit sales decreased by 6.4% compared with 2006. The SBU's performance was adversely affected by a scarcity of raw milk caused by the drought. As a result of this situation, the Colombian SBU and the other main market players were forced to raise prices more than the rate of inflation.

Nicaragua

The overall sales volume was down 15.7% compared with the previous year. Parmalat Centroamerica, which has a leadership position in the pasteurized milk, pasteurized cream and fruit juice market segments, was adversely affected by the entry of new players in the market, which produced an increase in demand for raw milk that, combined with unfavorable weather conditions, reduced supply and caused the price of raw milk to rise.

Africa

The African Business Unit includes South Africa, which counts for more than 80% of the results, Mozambique, Botswana, Zambia and Swaziland.

€ ml	Sep '06	Sep '07	variance	
Revenues	255,5	254,7	(0,9)	-0,3%
Ebitda	28,5	27,9	(0,6)	
<i>Ebitda %</i>	<i>11,1</i>	<i>11,0</i>	<i>-0,2 ppt</i>	

III Quarter

€ ml	p.y.	c.y.		
Revenues	79,6	86,5	6,8	+8,6%
Ebitda	9,1	10,0	0,9	
<i>Ebitda %</i>	<i>11,4</i>	<i>11,5</i>	<i>0,1 ppt</i>	

The reporting currency of the African Business Unit (South African rand) decreased in value by 16.9% compared with the exchange rate applied in the same period last year. The negative impact of this change on revenues and EBITDA for the first nine months of 2007 was 38.7 million euros and 3.9 million euros, respectively.

The table below shows the financial highlights of the African Business Unit stated in South African rand:

Rand ml	Sep '06	Sep '07	variance	
Revenues	2.099,5	2.447,1	347,6	+16,6%
Ebitda	234,0	268,1	34,1	
<i>Ebitda %</i>	<i>11,1</i>	<i>11,0</i>	<i>-0,2 ppt</i>	

III Quarter

Rand ml	p.y.	c.y.		
Revenues	733,4	844,1	110,7	+15,1%
Ebitda	83,6	97,2	13,7	
<i>Ebitda %</i>	<i>11,4</i>	<i>11,5</i>	<i>0,1 ppt</i>	

Consolidated unit sales by the Africa SBU increased by 3.3% compared with the same period in 2006. Specifically, shipments of UHT, which account for 52% of the total sales volume, grew by 4.9%. Compared with the first nine months of 2006, unit sales were up by 10.8% for fruit juices (13% of total sales), decreased by 29.9% for pasteurized milk (6% of total sales), improved by 5.3% for cheese (8% of total sales) and grew by 17.9% for yogurt (9% of total sales).

The African market is growing strongly in all product segments. Growth is occurring not just in South Africa, which still accounts for 80% of the results reported by the African SBU, but also in the smaller countries where the SBU operates (Mozambique, Botswana, Zambia and Swaziland), where Parmalat is the market leader with steadily growing market shares.

The price of raw milk has increased sharply, as has been the case in most of the countries of the world where Parmalat operates.

South Africa

Total unit sales increased by 3.2% compared with the first nine months of 2006. Specifically, shipments of UHT, which account for 55% of total sales, grew by 8.8% over the same period last year. The positive results reported by this SBU continue to benefit from strong sales in the cheese segment, with shipments rising 6.0% year over year.

Compared with the first nine months of 2006, unit sales increased by 5.4 for fruit juices and 19.1% for yogurt.

Market and Products

In 2007, in response to the rise in the cost of raw milk, the African SBU increased the list prices of its products, which had remained virtually unchanged for three years. New products launched in the first half of 2007 included Parmalat Full Cream and Low Fat Milk, which are especially designed for the HoReCa market. The fruit juice operations also produced results that were below expectations due to a sharp increase in the cost of some ingredients.

Despite the problems outlined above, Parmalat SA continues to grow faster than the market as a whole.

Raw Materials and Packaging

The price of raw milk has increased sharply, as has been the case in most of the countries of the world where Parmalat operates. Compared with 2006, the SBU increased prices for UHT milk, yogurt and desserts and raised them even more for cheese, butter and powdered milk.

In the coming years, in addition to the existing difficulties in securing supplies of raw milk, milk production in the African market is expected to decrease further by about 4%. The resulting shortfall will be difficult to make up with imports due to the scarcity of raw materials in the international markets and to an unfavorable exchange rate.

Parmalat SA reached an agreement with South Africa's largest dairy farmers' cooperative for the supply of raw milk at a preset price for all of 2007.

Manufacturing Organization

The African SBU has 10 production facilities, seven of which are located in South Africa.

Australia

€ ml	Sep '06	Sep '07	variance	
Revenues	317,4	323,9	6,5	+2,0%
Ebitda	26,2	24,8	(1,4)	
<i>Ebitda %</i>	<i>8,3</i>	<i>7,7</i>	<i>-0,6 ppt</i>	

III Quarter

€ ml	p.y.	c.y.		
Revenues	108,2	114,6	6,5	+6,0%
Ebitda	11,2	10,2	(1,1)	
<i>Ebitda %</i>	<i>10,4</i>	<i>8,9</i>	<i>-1,5 ppt</i>	

Unit sales were down 6.5% compared with the first nine months of 2006, which a decrease of 8.6% for shipments of pasteurized milk, which account for 78% of total unit sales.

The main reasons for this reduction in business volume include strong competition from discount brands and the aggressive entry of major Australian distributors in the UHT milk market with private labels, which caused a significant reduction in sales prices.

Shipments of yogurt were up 1.6% compared with the previous year, driven primarily by strong demand for Vaalia-branded products (+10.2%).

The local currency (Australian dollar) increased in value by 1.6% compared with the exchange rate applied in the first nine months of 2006. The positive impact of this change on revenues and EBITDA was 5.2 million euros and 0.4 million euros, respectively.

Market and Products

Parmalat Australia continued to target the domestic market to distribute its pasteurized milk, milk-based beverages, yogurt and desserts, while exporting products with a long shelf life (UHT milk primarily) to markets in the Pacific regions of Asia.

The Australian SBU is focusing its production on items with a high value added, such as flavored milk, functional products and products that address intolerances.

The price paid for raw milk made it necessary to increase list prices, which, in turn, had a dampening effect on demand for finished products. The frequency and size of the list price increases implemented in recent months are unprecedented.

Raw Materials and Packaging

The performance of the Australian SBU was affected by the sharp rise that occurred in the price of raw milk as a result of the shortage caused by a major drought, particularly in Queensland (the region that supplies the raw material for UHT milk), and of the limited supplies available in the international markets, which produced fierce competition to obtain the available milk.

On the other hand, effective purchasing programs helped the SBU reduce the cost of bottle-grade HDPE, sugar and corrugated cardboard.

Manufacturing Organization

Parmalat Australia operates the following six production facilities, which are located mainly in Eastern Australia:

- Brisbane: production of pasteurized milk, UHT milk, custards, desserts and yogurt;
- Darwin: production of pasteurized milk and fruit juices;
- Bendigo: production of pasteurized milk, fruit juices and fermented products;
- Rowille: production of pasteurized milk;
- Nambour: production of pasteurized milk;
- Rockhampton: production of pasteurized milk and fruit juices.

Financial Performance

Performance of the Group

At the end of third quarter of 2007, the Group's net financial position showed an improvement of 497.6 million euros, with the balance changing from indebtedness of 170 million euros at December 31, 2006 to net financial assets totaling 327.6 million euros at September 30, 2007, net of a negative foreign exchange effect of 8.6 million euros. The net financial position balances include the net indebtedness of the Venezuelan subsidiaries, which totaled 150.7 million euros at December 31, 2006 and 144.8 million euros at September 30, 2007.

Among the items that account for the change in net financial position, indebtedness owed to banks and other lenders decreased from 694.2 million euros at December 31, 2006 to 605.6 million euros at September 30, 2007, due mainly to the ability of the Group's operations to generate sufficient cash flow to pay down indebtedness.

The Group's liquid assets increased from 529.6 million euros at December 31, 2006 to 939.5 million euros at September 30, 2007. The Parent Company holds the bulk of the Group's liquidity (786.0 million euros).

With regard to indebtedness, on August 31, 2007, the Portuguese subsidiary signed an amendment to its syndicated loan facility, as a result of which the number of lender banks decreased from five to two and the spread over the reference rate was reduced from 1.5% to 0.875%.

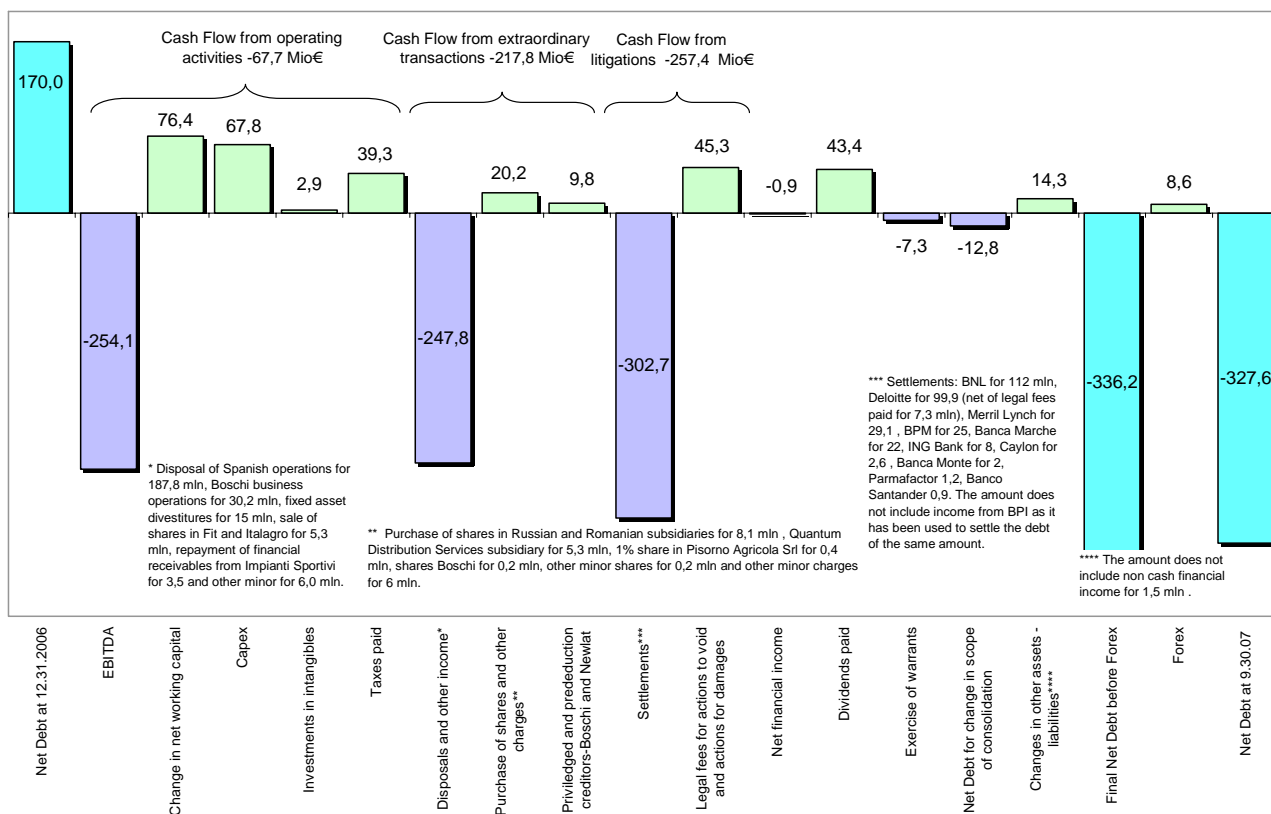
The cash flow from operations, net of changes in net operating working capital and after capital expenditures and income tax payments, amounted to 67.7 million euros.

Net cash flow from non-recurring transactions totaled 217.8 million euros. This amount reflects the collection of proceeds of 247.8 million euros generated by the disposal of non-strategic non-current assets, including 187.8 million euros from the sale of the Spanish operations, 30.2 million euros from the sale of the business operations of Boschi Luigi & Figli S.p.A. and 5.3 million euros from the sale of two Portuguese subsidiaries (FIT and Italagro).

Cash from litigation settlements totaled 257.4 million euros, which is the net result of legal costs amounting to 45.3 million euros and proceeds of 302.7 million euros generated by settlements reached during the first nine months of 2007.

Other items included net financial income of 0.9 million euros, dividend payments totaling 43.4 million euros, proceeds of 7.3 million euros from the exercise of warrants, a net negative change of 14.3 million euros in other assets and liabilities and a positive effect of 12.8 million euros from changes in the scope of consolidation.

Consolidated Cash Flow Jan 1 - Sep 30, 2007



Performance of the Group's Parent Company

Net financial assets held by the Group's Parent Company increased from 341.4 million euros at December 31, 2006 to 785.7 million euros at September 30, 2007.

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

Human Resources

The table below provides a breakdown by geographic region of the employees of Group companies that were consolidated line by line at September 30, 2007 and a comparison with the data at June 30, 2007 and at December 31, 2006.

Total payroll by geographic region*			
Geographic region	September 30, 2007	June 30, 2007	December 31, 2006
Italy	2,991	3,032	3,074
Other countries in Europe	1,371	1,377	1,321
Canada	2,991	3,008	2,961
Central and South America	3,624	3,699	3,730
Africa	2,200	2,180	2,225
Australia	1,448	1,475	1,452
Subtotal	14,625	14,771	14,763
Discontinuing operations	-	277	1,332
Total	14,625	15,048	16,095

* Employees of companies consolidated line by line.

In the third quarter of 2007, the Parmalat Group continued to implement processes designed to streamline its organization in accordance with the Group Restructuring Program.

These processes, coupled with the effect of the termination of seasonal contracts at the end of the summer, caused the Group's payroll to decrease significantly in the third quarter, compared with June 30, 2007.

Another significant factor that contributed to this reduction was the sale of the business operations of Boschi Luigi & Figli (277 employees) in July.

In the other countries where the Parmalat Group operates, payrolls were relatively unchanged, with the exception of Southern Africa, where an expansion of the manufacturing organization in Zambia required an increase in staffing levels.

In Central and South America, the decrease in personnel reflects primarily a continuation in Venezuela of the process of restructuring and selling of the two production facilities in Machiques and Barquisimeto.

Review of Operating and Financial Results

Parmalat Group

Net sales revenues totaled 2,797.4 million euros, or 143.3 million euros more (+5.4%) than the 2,654.1 million euros reported at September 30, 2006. Restated to eliminate the impact of the appreciation of the euro versus other currencies (103.2 million euros) and of the changes in the scope of consolidation caused by the inclusion in the Group of Newlat S.p.A., Carnini S.p.A., Quantum Distribution Services PTY Ltd, Parmalat Paraguay SA and sundry items (101.2 million euros) and the disposal of Italcheese S.p.A. (9.9 million euros), net revenues total 2,809.3 million euros, for a gain of 155.2 million euros (+5.8%). Higher unit sales for all product categories in South Africa (+3.2%), made possible by a strong local economy and better market penetration, coupled with an increase in shipments of fruit juices in Italy and Venezuela and a rise in unit sales of cheese in Canada (+10.0%), account for this improvement.

EBITDA grew to 254.1 million euros, compared with 246.7 million euros in the first nine months of 2006, for a gain of 7.4 million euros (+3.0%). Restated to eliminate the impact of the appreciation of the euro versus other currencies (10.2 million euros) and of the changes in the scope of consolidation caused by the inclusion in the Group of Newlat S.p.A., Carnini S.p.A. and other smaller companies (3.7 million euros) and the disposal of Italcheese S.p.A. (-0.4 million euros), EBITDA totaled 260.2 million euros, for a gain of 13.5 million euros (+5.5%). This improvement is mainly the result of a more favorable product mix, with a greater preponderance of products with a high value added, and of a reduction in operating costs. This reduction was achieved despite a worldwide rise in the price paid for raw milk, which could be recovered only in part by increasing list prices.

EBIT rose to 339.6 million euros, for a gain of 123.8 million euros compared with the 215.8 million euros earned in the first nine months of 2006. Excluding the positive impact of the improved EBITDA (254.1 million euros), the gain reported at September 30, 2007 is the net result of the proceeds generated by the actions to void and actions for damages pursued by the Group (246 million euros, compared with 69.0 million euros in 2006), less legal costs incurred in connection with these actions (43.6 million euros, compared with 33.2 million euros in 2006), charges arising from contingent liabilities related to the liquidation and disposal of some equity investments (19 million euros) and restructuring charges (5.3 million euros, compared with 1.8 million euros in 2007).

Group interest in net profit totaled 276.3 million euros, or 179 million euros more than the 97.3 million euros booked in the first nine months of 2006. Aside from the positive effect of the gain in EBIT (+123.8 million euros), the main reasons for the higher profit reported at September 30, 2007 include: a reduction of 52.8 million euros in net financial expense, made possible by a lower average cost of borrowed funds, a decrease in indebtedness and an increase in invested liquid assets held by the Group's Parent Company; an improved performance by the discontinuing operations (57.3 million euros), offset in part by the higher current income taxes (47.3 million euros) computed on the proceeds generated by actions for damages against Deloitte & Touche S.p.A. and Dianthus S.p.A, Merrill Lynch and Graubuendner Kantonbank.

At 1,980.2 million euros, **net invested capital** was lower by 241.5 million euros compared with December 31, 2006, when it amounted to 2,221.7 million euros. The sale of the Spanish companies (165.8 million euros) and a reduction in receivables from settlements of actions to void and actions for damages (71.7 million euros) account for this decrease.

Net borrowings improved significantly during the first nine months of 2007, with the financial position switching from indebtedness of 170 million euros to net financial assets totaling 327.6 million euros, for a net positive change of 497.6 million euros compared with December 31, 2006. This gain reflects primarily the collection of a "Receivable for settlements of actions to void and actions for damages" owed by Banca Nazionale del Lavoro (112 million euros); the collection of 190.7 million euros upon the settlement of actions filed against Deloitte & Touche S.p.A. and Dianthus S.p.A. (99.9 million euros, net of related legal costs of 7.3 million euros), Merrill Lynch (29.1 million euros), the Banca Popolare di Milano Group (25 million euros), Banca delle Marche S.p.A. (22 million euros), ING Bank (8 million euros), Calyon (2.6 million euros), Banca Monte Parma S.p.A. (2 million euros), Parmafactor S.p.A. (1.2 million euros) and Banco Santander Central Hispano (0.9 million euros); the sale of non-strategic assets consisting of the Spanish operations and the business operations of Boschi Luigi & Figli S.p.A. (247.8 million euros); a change in the scope of consolidation caused primarily by the sale of the Spanish companies (12.8 million euros); and the exercise of warrants (7.3 million euros). These positive factors were offset in part by the distribution of dividends totaling

43.4 million euros (41.2 million euros attributable to the Group's Parent Company) and by the payment of 45.3 million euros in legal costs incurred to pursue actions for damages and actions to void.

Group interest in shareholders' equity totaled 2,279.8 million euros, up from 2,014.1 million euros at December 31, 2006. The increase of 265.7 million euros is the net result of the net profit for the period (276.3 million euros), a capital increase of 7.3 million euros and the translation of the financial statements of companies with reporting currencies different from the euro (23.4 million euros), less a dividend distribution of 41.2 million euros.

Parmalat Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)

	9/30/07	9/30/06 restated (*)	9/30/06
TOTAL NET REVENUES	2,816.4	2,676.5	3,002.6
Net sales revenues	2,797.4	2,654.1	2,979.5
Other revenues	19.0	22.4	23.1
OPERATING EXPENSES	(2,553.1)	(2,424.5)	(2,745.3)
Purchases, services and miscellaneous costs	(2,220.1)	(2,109.4)	(2,391.5)
Labor costs	(333.0)	(315.1)	(353.8)
Subtotal	263.4	252.0	257.3
Writedowns of receivables and other provisions	(9.3)	(5.3)	(5.7)
EBITDA	254.1	246.7	251.6
Depreciation, amortization and writedowns of non-current assets	(69.6)	(62.8)	(73.7)
Other revenues and expenses:			
- Legal fees for actions to void and actions for damages	(43.6)	(33.2)	(33.2)
- Restructuring costs	(5.3)	(1.9)	(10.9)
- Miscellaneous revenues and expenses	204.0	67.0	66.5
EBIT	339.6	215.8	200.3
Financial income	45.8	18.1	20.6
Financial expense ²	(43.4)	(68.5)	(75.9)
Interest in profit (loss) of companies valued by the equity method	(0.3)		
Other income from (charges for) equity investments	3.2	3.0	3.0
PROFIT BEFORE TAXES	344.9	168.4	148.0
Income taxes	(106.0)	(47.7)	(47.1)
NET PROFIT FROM CONTINUING OPERATIONS	238.9	120.7	100.9
Net profit (loss) from discontinuing operations	38.0	(19.3)	0.5
NET PROFIT FOR THE PERIOD	276.9	101.4	101.4
Minority interest in net (profit) loss	(0.6)	(4.1)	(4.1)
Group interest in net profit (loss)	276.3	97.3	97.3
Continuing operations:			
Basic earnings per share	0.1446	0.0714	
Diluted earnings per share	0.1397	0.0692	

(*) Starting with the annual financial statements at December 31, 2006, the Group changed the accounting classification it assigns to certain types of trade promotions it provides to retail chains. This change was implemented to provide a presentation that was consistent with best industry practices. As a result of this reclassification, trade promotions, which previously were booked as distribution costs, are being deducted from sales revenues. The corresponding data for the first nine months of 2006 were reclassified accordingly. Moreover, due to the sale of the Spanish operations and of the business operations of Boschi Luigi & Figli S.p.A., the data for the first nine months of 2006 have been restated. In the income statement, all of the data applicable to the divested operations were reclassified under "Net profit (loss) from discontinuing operations."

² Including financial expense incurred by the Venezuela operations amounting to 8.2 million euros in 2007 and 9.0 million euros in 2006.

Parmalat Group

RECLASSIFIED CONSOLIDATED BALANCE SHEET

<i>(in millions of euros)</i>	9/30/07	12/31/06
NON-CURRENT ASSETS	1,994.3	2,158.5
Intangibles	1,271.6	1,290.5
Property, plant and equipment	667.4	728.1
Non-current financial assets	10.1	99.3
Deferred-tax assets	45.2	40.6
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	3.9	24.2
NET WORKING CAPITAL	474.0	545.4
Inventories	393.6	348.3
Trade receivables	535.0	530.0
Other current assets	301.8	406.6
Trade payables (-)	(504.1)	(521.0)
Other current liabilities (-)	(252.3)	(218.5)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	2,472.2	2,728.1
PROVISIONS FOR EMPLOYEE BENEFITS (-)	(118.0)	(122.1)
PROVISIONS FOR RISKS AND CHARGES (-)	(349.6)	(359.5)
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	(24.4)	(24.8)
NET INVESTED CAPITAL	1,980.2	2,221.7
Covered by:		
SHAREHOLDERS' EQUITY	2,307.8	2,051.7
Share capital	1,652.0	1,641.5
Reserve for creditor challenges, contested liabilities and claims of late-filing creditors convertible exclusively into share capital	221.8	224.9
Other reserves	33.6	(44.5)
Retained earnings (Loss carryforward)	96.1	(0.3)
Profit for the period	276.3	192.5
Minority interest in shareholders' equity	28.0	37.6
(NET FINANCIAL ASSETS)/NET BORROWINGS	(327.6)	170.0
Loans payable to banks and other lenders ³	605.6	694.2
Loans payable to investee companies	6.3	5.4
Other financial assets (-)	(727.7)	(207.8)
Cash and cash equivalents (-)	(211.8)	(321.8)
TOTAL COVERAGE SOURCES	1,980.2	2,221.7

³ Includes indebtedness of the Venezuelan operations (165.0 million euros in 2007 and 172.5 million euros in 2006).

Parmalat S.p.A.

Net sales revenues totaled 646.1 million euros, or 1.4% more than the 637.2 million euros reported at September 30, 2006.

EBITDA grew to 52.5 million euros, up 1.8 million euros from the 50.7 million euros earned in the first nine months of 2006. This improvement was achieved despite an increase of 4.0 million euros in additions to the allowance for doubtful accounts.

EBIT rose to 186.6 million euros, for a gain of 114.4 million euros compared with the first nine months of 2006, when EBIT totaled 72.2 million euros. This improvement reflects primarily an increase in the proceeds from lawsuit settlements (246.0 million euros, compared with 77.9 million euros in the first nine months of 2006), net of 10.4 million euros in additional legal costs for actions to void and actions for damages, 14.0 million euros in writedowns of equity investments and other minor charges for 6.0 million euros.

The **income tax** liability recognized for the period amounted to 54.5 million euros (a tax rate of 24.8% on the profit before taxes excluding the profit from discontinuing operations). It was computed on the overall amount, which includes the settlements of actions for damages received from Deloitte and Merrill Lynch and part of the settlement from Graubuendner Kantonalbank (which are fully taxable) and other settlements of actions to void totaling 102.1 million euros (which are not taxable).

The **profit from discontinuing operations** (34.1 million euros) is related primarily to the sale of the Spanish operations, which generated a gain of about 32.7 million euros (net of applicable taxes) and reflects the gain earned on the sale of the Pomi, Pomito and Pais brands, carried out within the context of the divestiture of the business operations of the Boschi subsidiary (about 2.3 million euros).

The **net profit for the period** grew to 199.4 million euros, or 131.7 million euros more than the 67.7 million euros earned in the first nine months of 2006.

Net financial assets improved significantly during the first nine months of 2007, rising from 341.4 million euros to 785.6 million euros, for a net positive change of 444.2 million euros compared with December 31, 2006. This gain reflects primarily the collection of receivables for settlements of actions to void and actions for damages carried in the financial statements at December 31, 2006 (112.0 million euros), of additional settlements reached in 2007 (190.7 million euros) and of the proceeds from the sale of the Spanish companies (188.0 million euros). These positive factors were offset in part by the distribution of dividends totaling 41.2 million euros attributable to the Group's Parent Company and by disbursements for the purchases from minority shareholders of equity interests in various subsidiaries (OAO Belgorodskij Molochnij Kombinat, Parmalat Romania SA and Boschi Luigi & Figli S.p.A.) for a total of 8.3 million euros.

The Company's **shareholders' equity** totaled 2,116.5 million euros, up from 1,951.1 million euros at December 31, 2006. The increase of 165.4 million euros is the net result of the net profit for the period (199.4 million euros) and the exercise of warrants (7.4 million euros), less a dividend distribution of 41.2 million euros.

Parmalat S.p.A.

RECLASSIFIED INCOME STATEMENT

(in millions of euros)

	9/30/07	9/30/06 restated (*)	9/30/06
TOTAL NET REVENUES	663.2	661.2	780.7
Net sales revenues	646.1	637.2	756.7
Other revenues	17.1	24.0	24.0
OPERATING EXPENSES	(605.5)	(610.0)	(729.5)
Purchases, services and miscellaneous costs	(530.1)	(531.6)	(651.1)
Labor costs	(75.4)	(78.4)	(78.4)
Subtotal	57.7	51.2	51.2
Writedowns of receivables and other provisions ¹	(5.2)	(0.5)	(0.5)
EBITDA	52.5	50.7	50.7
Depreciation, amortization and writedowns of non-current assets	(23.8)	(14.3)	(14.3)
Other revenues and expenses			
- Legal fees for actions to void and actions for damages	(43.6)	(33.2)	(33.2)
- Restructuring costs	(1.0)		
- Miscellaneous revenues and expenses	(7.9)	(7.3)	(7.3)
- Legal fees for actions to void and actions for damages	210.4	76.4	76.4
EBIT	186.6	72.2	72.2
Financial income	26.6	9.1	9.1
Financial expense (-)	(2.5)	(3.7)	(3.7)
Income from (charges for) equity investments	9.1	7.6	7.6
PROFIT BEFORE TAXES	219.8	85.3	85.3
Income taxes	(54.5)	(17.8)	(17.8)
NET PROFIT FROM CONTINUING OPERATIONS	165.3	67.5	67.5
Net profit from discontinuing operations	34.1	0.3	0.3
NET PROFIT FOR THE PERIOD	199.4	67.7	67.7

(*) Starting with the annual financial statements at December 31, 2006, the Group changed the accounting classification it assigns to certain types of trade promotions it provides to retail chains. This change was implemented to provide a presentation that was consistent with best industry practices.

As a result of this reclassification, trade promotions, which previously were booked as distribution costs, are being deducted from sales revenues. The corresponding data for the first nine months of 2006 were reclassified accordingly.

¹ of which 1,9 million euros for shutting off of operational franchisees

Parmalat S.p.A.

RECLASSIFIED BALANCE SHEET

<i>(in millions of euros)</i>	9/30/07	12/31/06
NON-CURRENT ASSETS	1,468.4	1,605.4
Intangibles	472.8	483.6
Property, plant and equipment	141.7	138.0
Non-current financial assets	828.1	964.5
Deferred-tax assets	25.8	19.3
AVAILABLE-FOR-SALE ASSETS, NET OF CORRESPONDING LIABILITIES	0.0	7.5
NET WORKING CAPITAL	173.8	269.4
Inventories	43.2	36.1
Trade receivables	233.6	225.7
Other current assets	217.8	298.5
Trade payables (-)	(202.6)	(204.0)
Other current liabilities (-)	(118.2)	(86.9)
INVESTED CAPITAL NET OF OPERATING LIABILITIES	1,642.2	1,882.3
PROVISIONS FOR EMPLOYEE BENEFITS (-)	(37.1)	(40.6)
PROVISIONS FOR RISKS AND CHARGES (-)	(251.9)	(209.2)
PROVISION FOR LIABILITIES ON CONTESTED PREFERENTIAL AND PREDEDUCTION CLAIMS	(22.4)	(22.8)
NET INVESTED CAPITAL	1,330.8	1,609.7
<i>Covered by:</i>		
SHAREHOLDERS' EQUITY	2,116.5	1,951.1
Share capital	1,652.0	1,641.5
Reserve for creditor challenges, contested liabilities and claims of late-filing creditors convertible exclusively into share capital	221.8	224.9
Other reserves	43.3	(11.6)
Retained earnings (Loss carryforward)		(29.3)
Profit for the period	199.4	125.6
(NET FINANCIAL ASSETS)/NET BORROWINGS	(785.7)	(341.4)
Loans payable to banks and other lenders	11.5	12.5
Loans receivable (-) payable (+) to Group companies	(11.2)	(7.1)
Other financial assets (-)	(725.4)	(206.0)
Cash and cash equivalents (-)	(60.6)	(140.8)
TOTAL COVERAGE SOURCES	1,330.8	1,609.7

Principles of Consolidation, Valuation Criteria and Scope of Consolidation

The Consolidated Quarterly Report of the Parmalat Group at September 30, 2007 was prepared in accordance with the provisions of Consob Regulation No. 11971 of May 14, 1999, as amended, and is consistent with the valuation and measurement criteria set forth in the International Financial Reporting Standards (IFRSs) published by the International Accounting Standard Board (IASB) and adopted by the European Commission in accordance with the Procedure set forth in Article 6 of Regulation (CE) No. 1606/2002 of the European Parliament and Council dated July 19, 2002.

The Consolidated Financial Statements at September 30, 2007 have not been audited.

No significant changes in the scope of consolidation occurred in the third quarter of 2007, as compared with the situation at June 30, 2007.

Key Events of the Third Quarter of 2007

Sale of the Business Operations of Boschi Luigi & Figli S.p.A.

On May 21, 2007, Boschi Luigi & Figli S.p.A., a Parmalat subsidiary, signed a contract selling its business operations. Boschi produces, processes and packages tomato-based products, fruit juices and tea-based beverages.

In 2006, Boschi had revenues of about 104 million euros.

Boschi's business operations were purchased by a newly established company owned by CIO (Consorzio Interregionale Ortofrutticolo) and Consorzio Casalasco.

The stipulated price was 30,180,000.00 euros. At the signing of the agreement, Boschi collected a binding deposit of 1,509,000.00 euros.

The only condition required for the contract's effectiveness and subsequent implementation is the approval of the Italian antitrust authorities.

In July, after receiving the abovementioned approval, Boschi collected the balance of the stipulated price. The collection of the purchase price made it possible to proceed with the full implementation of the Boschi composition with creditors.

Sale of the Pomì, Pomito and Pais Brands

On May 21, 2007, as part of the disposal of the business operations of Boschi Luigi & Figli S.p.A., Parmalat signed a contract selling the Pomì, Pomito and Pais brands to a newly established company owned by CIO (Consorzio Interregionale Ortofrutticolo) and Consorzio Casalasco. The stipulated price was 2,320,000.00 euros. At the signing of the agreement, Parmalat collected a deposit of 116,000.00 euros.

The sale of the brands was carried out concurrently with the sale of the business operations of Boschi Luigi & Figli S.p.A. and both transactions are inseparably linked. Upon the transfer of the brands' ownership, Parmalat collected the balance of the purchase price.

Decision by the Court of Appeals on the Contribution Motion filed by Grant Thornton Against Parmalat in Amministrazione Straordinaria

On July 23, 2007, the U.S. Court of Appeals for the Second Circuit upheld the decision of the District Court that authorized Grant Thornton International and Grant Thornton LLP ("Grant Thornton") to seek damages from Parmalat S.p.A. in A.S. in connection with the actions filed against Grant Thornton by plaintiffs in the Parmalat Securities Litigation. The court specified that the Italian courts will have jurisdiction over the enforcement of any decision.

Parmalat S.p.A. (Assumptor) has indicated that the obligations in question are not among those it has agreed to assume under the terms of the Composition with Creditors.

Settlement Agreement between Parmalat and Graubuendner Kantonbank (“GKB”)

The action for restitution and damage compensation filed by Parmalat S.p.A. against Graubuendner Kantonbank (Switzerland) was settled out of court in consideration of the payment of 20,750,000 euros by GKB.

This settlement agreement applies to challenges raised by Parmalat with regard to payments made before December 2003 by the Parmalat Group within the context of financial transactions executed by Parmalat, now in extraordinary administration, and various parties in Italy and abroad through the conduit of a former GKB employee and to damage claims arising from GKB's alleged involvement in financial transactions to which Bank of America was also a party.

Parmalat has agreed to desist from the action it filed before the Court of Parma and from any other action against GKB but reserves the right to continue pursuing legal and any other actions against any other party who is not covered by the abovementioned settlement agreement.

Settlement Agreement between Parmalat and Calyon (formerly Credit Agricole Indosuez, S.A.)

The action to void in bankruptcy filed by Parmalat S.p.A. against Calyon (formerly Credit Agricole Indosuez, S.A.) was settled out of court in consideration of a payment of about 2.63 million euros by Calyon, which also waived the right to include a claim for the abovementioned amount among the bankruptcy liabilities. Court costs were offset.

Events Occurring After September 30, 2007

Lawsuit in the United States Against Citibank

On October 2, 2007, the Bergen County Court, in New Jersey, again rejected a motion filed by Citibank asking the dismissal of the action filed by Parmalat S.p.A. against Citibank and ordered oral arguments to begin on May 5, 2008.

Settlement Agreement between Parmalat and Banca IFIS S.p.A.

In October 2007, Parmalat S.p.A. reached a settlement with Banca IFIS S.p.A. settling all of the claims that arose from transactions executed prior to Parmalat S.p.A. becoming eligible for extraordinary administration. Pursuant to this settlement and upon Parmalat waiving its action to void in bankruptcy and all other claims, including claims not yet acted upon, Banca IFIS will pay 2 million euros and waive the right to include a claim for the abovementioned amount among the bankruptcy liabilities.

Outlook for 2007

The results for the first nine months of 2007 were in line with expectations, despite a less than positive performance by the Venezuelan operations and an increase in the prices paid for raw milk.

As for EBITDA, targets call for an annual increase ranging between 7% and 10%, compared with 2006.

Declaration of the manager in control of drawing up of social accounting documents (art. 154 bis, paragraph 2, Legislative Decree 58/1998)

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

Signed by
The Manager in Control
Luigi De Angelis



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Share Capital €1,651,997,435 fully paid-in
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