PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES
THE QUARTERLY REPORT AS AT SEPTEMBER 30, 2006

Consolidated Financial Highlights

- *NET REVENUES RISE TO 2,979.5 million euros (+6.0%)*
- *EBITDA INCREASES (+32.0%)*
- *NET DEBT DECREASES*
- *CONTINUED SUCCESSFUL IMPLEMENTATION OF PROGRAMMES TO IMPROVE PRODUCT MIX, OPTIMISE PROCUREMENT PROCESSES AND REGAIN EFFICIENCY*

	Cumul. at 9/30/06	*Cumul. at 9/30/05*	*% change*
Net revenues	**2,979.5**	**2,810.9**	**6.0%**
EBITDA	**251.6**	**190.5**	**32.0%**

	9/30/06	*12/31//05*
Net debt	**(207.9)**	**(369.3)**

Parmalat S.p.A. announces that its Board of Directors, meeting today under the chairmanship of Raffaele Picella, approved the Quarterly Report as at 30 September 2006, which shows further improvements in the Group's operating performance.

Parmalat Group
(The data for the third quarter of 2005 are pro forma data that refer to the operations under Extraordinary Administration)

In the first nine months of 2006, **consolidated net revenues** increased to 2,979.5 million euros, 6.0% more than the 2,810.9 million euros reported as at 30 September 2005.

EBITDA was up 32.0%, rising to 251.6 million euros (190.5 million euros in the first nine months of 2005), equal to 8.4% of revenues (6.8% in 2005). These improvements reflect a favourable change in the sales mix, the implementation of measures to increase manufacturing and distribution efficiency and a positive change in foreign exchange rates. A decrease in writedowns of current assets and other provisions also contributed to the EBITDA improvement.

A breakdown of revenues and EBITDA by geographic region is provided below:

(in millions of euros)	Sept. 2005 YTD			Sept. 2006 YTD		
	Net Revenues	EBITDA	*% of Net Revenues*	Net Revenues	EBITDA	*% of Net Revenues*
Italy	866.2	47.8	*5.5*	861.4	74.0	*8.6*
Canada	938.2	75.7	*8.1*	999.5	86.7	*8.7*
Australia	292.2	26.2	*8.9*	330.2	26.2	*7.9*
Africa	227.6	21.7	*9.6*	259.0	28.5	*11.0*
Europe excl. Italy	260.4	19.1	*7.3*	259.4	16.8	*6.5*
Central and South America	207.1	13.4	*6.5*	248.0	32.1	*12.9*
Others *	19.1	(13.3)	*n.m.*	22.0	(12.6)	*n.m.*
Group	**2,810.9**	**190.5**	***6.8***	**2,979.5**	**251.6**	***8.4***

** Other: Boschi, Italcheese, holding companies and eliminations.*

An overview of the performance of the Group's operations in the various countries is provided below:

In **Italy,** consolidated revenues declined slightly (-0.6%), decreasing to 861.4 million euros (866.2 million euros in the first nine months of 2005)..

The year-on-year comparison is affected by a reduction in revenues from the sale of materials that are resold at no profit (-22.7 million euros). Net of sales of these non operating products, cumulative nine-month revenues show an increase of 2.2%, rising from 817.7 million euros in 2005 to 835.6 million euros in 2006.

EBITDA increased to 74.0 million euros, or 26.2 million euros more than the 47.8 million euros generated in the first nine months of 2005. As at 30 September 2006, the cumulative return on sales was 8.6%, up from 5.5% for the same period last year.

Positive results in all of the main business segments (particularly in the area of functional milks), exceptionally strong sales of fruit-based beverages during the summer months and efficiency gains account for this improvement. In addition, the Italian operations benefited to a significant degree from a Group-wide reduction in writedowns of current assets.

In **Canada,** consolidated revenues for the first nine months of 2005 totaled 999.5 million euros, or 6.5% more than the 938.2 million euros reported as at 30 September 2005. EBITDA increased to 86.7 million euros, up 11.0 million euros compared with the first nine months of 2005. The ratio of EBITDA to net revenues improved from 8.1% in 2005 to 8.7% in 2006. This positive performance, which was achieved despite a decrease in the number of days available for deliveries and billing (one week less) in 2006 compared with 2005, was made possible by an improvement in the product mix, a streamlining of the operating processes and a favorable movement in foreign exchange rates.

In **Australia,** consolidated revenues as at 30 September 2006 increased to 330.2 million euros, for a gain of 13% compared with the 292.2 million euros booked in the first nine months of 2005. EBITDA, at 26.2 million euros was substantially the same as in the first nine months of 2005, equal to 7.9% of revenues. The performance of the Australian operations reflects the positive impact of higher unit sales, which more than offset the absence of the contribution of certain joint ventures divested in July.

In **Africa,** consolidated revenues continued to grow, rising from 227.6 million euros in the first nine months of 2005 to 259.0 million euros for the same period this year (+13.8%). EBITDA and return on sales also improved, increasing from 21.7 million euros to 28.5 million euros and from 9.6% to 11.0%, respectively. While the favorable trend of the local economy contributed to boosting the results of the local Business Unit, its positive performance was mainly the result of higher sales of cheese, UHT milk and yogurt, which were made possible by the success of major promotional and advertising campaigns.

In **Europe excluding Italy,** consolidated revenues for the first nine months of 2006 amounted to 259.4 million euros, little changed from the same period a year ago (260.4 million euros). EBITDA totaled 16.8 million euros, decreasing by 2.4 million euros compared with the first nine months of 2005. As a result, the ratio of EBITDA to net revenues declined to 6.5%, or 0.9 percentage points less than in 2005. Notably in the European countries other than Italy, the Group experienced strong growth in Russia but continued to face difficulties in Spain, where it is implementing a relaunching plan.

In **Central and South America,** consolidated revenues for the first nine months of 2006 grew to 248.0 million euros, up from 207.1 million euros for the same period in 2005 (a gain of 19.8%). EBITDA totaled 32.1 million euros, or 18.7 million euros more than in the nine months ended 30 September 2005. The ratio of EBITDA to net revenues was 12.9%, an improvement of 6.5 percentage points over 2005. The Group's operations throughout the region reported sharp gains in unit sales and operating results, driven by healthy consumer demand, a change in product mix and efficiency gains in their manufacturing and distribution organizations.

As at 30 September 2006, Group **net debt** amounted to 207.9 million euros, a significant reduction from the 369.3 million euros and 311.5 million euros as at 31 December 2005 and 30 June 2006, respectively. This improvement was achieved despite the inclusion of Boschi Luigi e Figli in the scope of consolidation, previously in Extraordinary Administration. Cash flow generation reflected in part the impact of non recurring factors, such as:

- The sale of a property by a Spanish subsidiary Parmalat Espana (already Clesa) for 144 million euros. The resulting financial benefit as at 30 September 2006 was 60.7 million euros;
- equity investments held indirectly in Norco Pauls Milk and other Australian companies were sold for approximately 40.7 million euros;
- the settlement with Banca Popolare Italiana Group which generated 44,5 million euros on the signing of the agreement.

PARMALAT S.p.A.
Net revenues for the first nine months of 2006 totaled 756.7 million euros, little changed from the 761.3 million euros booked in the same period last year (-0.6%). A reduction in revenues from the sale of wooden pallets and other materials that are resold at no profit (-22.7 million euros) contributed to this decrease. Net of sales of these non operating products, cumulative nine-month revenues show an increase of 2.5%, rising from 712.8 million euros in 2005 to 730.9 million euros in 2006.

EBITDA increased to 50.7 million euros, or 30.3 million euros more than the 20.4 million euros reported as at 30 September 2005. The ratio of EBITDA to net revenues was 6.7%, a gain of 4.0 percentage points over 2005 (2.7%). This improvement in the Company's performance reflects a shift in the sales mix towards products with a high value added and the positive impact of cost cutting programs.

The Company's **net financial assets,** which totaled 291.6 million euros as at 30 June 2006 and 324.5 million euros as at 31 December 2005, had risen to 350.6 million euros at 30 September 2006, due mainly to the settlement with the Banca Popolare Italiana Group.

OUTLOOK FOR THE BALANCE OF 2006

In the months ahead, the industrial actions undertaken in the various countries and seasonal factors that characterize the second half of the year justify expectations of a significant increase in EBITDA.

These considerations and non-recurring gains generated by transactions such as the settlement with the Banca Popolare Italiana Group and the sale of certain equity investments, while offset in part by the pursuit of ongoing legal actions, should result in higher profits both for Parmalat S.p.A. and the Group.

Absent any significant changes in interest rates or the Group's scope of consolidation, the same variables should also produce a significant reduction in Group net debt.

As of 4:00 PM today, the quarterly data as at 30 September 2006 will be on file at the Company's Head Office at 26 Via Oreste Grassi, Collecchio (PR), and at the offices of Borsa Italiana S.p.A., where they will be available on request. They may also be consulted at the Company website: www.parmalat.com

The Quarterly Report is unaudited.

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The Board of Directors also took action with regard to the following issues:

- It approved the adoption of a **Management, Organization and Control Model for the Prevention of Crimes Required by Legislative Decree No. 231/01** for Parmalat S.p.A. In the case of Parmalat, the adoption of this Model represents a further step further toward achieving the level of transparency and reliability required to give shareholders and the financial markets in general the best guarantees of sound and efficient management. The Model will be part of the Company's system of corporate governance rules, which already includes a Code of Ethics, a Code of Conduct and an Internal Dealing Code. In 2007, the Model adopted by the Group's Parent Company, adjusted for the specific requirements, organisational needs and size of each company, will be implemented by all Group subsidiaries.

- Following the **annual verification**, required by Article 12 of the Bylaws, the following persons were found to meet the **requirements to qualify as Independent Directors**:
    - Vittorio Mincato,
    - Marco De Benedetti,
    - Andrea Guerra,
    - Carlo Secchi,
    - Massimo Confortini,
    - Marzio Saà,
    - Erder Mingoli,
    - Ferdinando Superti Furga,
    - Piergiorgio Alberti.

Parmalat S.p.A.

Collecchio, 10 November 2006

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