parmalat finanziaria spa

in Extraordinary Administration

Subscribed and paid-in capital stock: 815,669,721 euros

PRESS RELEASE

Collecchio (PR), June 8, 2005 – Parmalat Finanziaria S.p.A. in Extraordinary Administration announces the operating and financial results of the Parmalat Group at April 30, 2005.

Scope of Consolidation

The scope of consolidation has been defined using principles that are consistent with those adopted in preparing the statement of income and balance sheet at December 31, 2004. Companies that are subject to certain restrictions on their management as a result of local bankruptcy proceedings that have effectively placed them outside the control of Parmalat Finanziaria S.p.A. in Extraordinary Administration, and companies in voluntary liquidation are no longer consolidated on a line-by-line basis.

The current scope of consolidation no longer includes companies in which the Group held equity investments that were sold after January 1, 2005. The corresponding 2004 data have been restated accordingly on a pro forma basis. The operations divested in 2005 include the companies that comprised the USA Bakery Division (Mother's Cake & Cookies, Archway Cookies and three production units in Canada), which were sold in January 2005, and Parmalat Uruguay, which was sold in February 2005.
Margherita Yogurt, which was placed in liquidation in February 2005, has also been removed from the scope of consolidation.

Operating Performance

Financial Highlights

Cumulative Through April

Amounts in millions of euros	Revenues			EBITDA			EBITDA as a % of revenues		
	Previous year	Previous year pro forma	Current year	Previous year	Previous year pro forma	Current year	Previous year	Previous year pro forma	Current year
Core Businesses *(*)*	**1,171.5**	**1,171.5**	**1,215.4**	**74.5**	**74.5**	**89.7**	*6.4*	*6.4*	*7.4*
Noncore Businesses *(**)*	**102.8**	**93.1**	**85.4**	**(0.3)**	**0.1**	**3.4**	*(0.3)*	*0.1*	*4.0*
Subtotal	**1,274.3**	**1,264.6**	**1,300.8**	**74.2**	**74.6**	**93.1**	**5.8**	**5.9**	**7.2**
Proceedings costs				**(19.4)**	**(19.4)**	**(21.0)**			
Total	**1,274.3**	**1,264.6**	**1,300.8**	**54.8**	**55.2**	**72.1**	**4.3**	**4.4**	**5.5**

(*) The Core Businesses include the following product categories: beverages (milk and fruit juices) and functional dairy products, which are sold under approximately 30 brands (global and strong local brands) primarily in high-potential countries in which there is sustained demand for wellness products, consumers are willing to pay a premium price for Parmalat brands and there is access to leading-edge technologies.

(**) The Noncore Businesses are those that are located in countries or engaged in activities that are not strategically significant and have been earmarked for divestiture.

Core Businesses

In the four months ended April 30, 2005, the Group's Core Businesses had revenues of €1,215.4 million, a gain of 3.7% over the €1,171.5 million reported at the end of April 2004. EBITDA also improved, growing both in absolute terms (from €74.5 million to €89.7 million) and as a percentage of revenues (from 6.4% to 7.4%).

These data do not reflect the impact of the nonrecurring charges related to the extraordinary administration proceedings, which amounted to about €21.0 million.

Monthly revenues (difference between the cumulative figures at April 30 and March 31) totaled €334.9 million, up from €325.6 million in April 2004, and EBITDA rose to €27.9 million (€23.9 million in April 2004).

An analysis of the Group's results in the main geographic regions in which it operates is provided below.

Italy
At €445.5 million, cumulative revenues were slightly lower (-2.4%) compared with the first four months of 2004 (€456.5 million). EBITDA totaled €30.7 million, equal to 6.9% of revenues.
If the data for the affiliate Boschi S.p.A. in Extraordinary Administration are excluded, overall revenues show virtually no year-over-year change, while EBITDA improved slightly.
The Group has launched a program that will restore forward momentum to its Italian operations by focusing on the fresh-milk segment of the market, implementing a more aggressive and competitive marketing strategy, and introducing the Jeunesse line of functional products. In the main business segments in which the Group operates, market shares have been improving steadily, rebounding to the levels attained prior to the start of the Extraordinary Administration proceedings.

Spain
While the overall revenues for the first four months of 2005 were down slightly compared with the same period last year, the trend showed a significant improvement in the month of April. Cumulative revenues for the period fell from €71.2 million in 2004 to €68.1 million in 2005, but EBITDA held relatively steady both in absolute terms (€4.7 million, compared with €4.8 million in 2004) and as a percentage of revenues (6.9%, compared with 6.7% in 2004).
In April 2005, monthly revenues and EBITDA improved compared with the first three months of the year, totaling €18.6 million and €1.6 million, respectively.
The problems that have been hampering the performance of the Spanish operations are well known: a general contraction in consumer demand, strong competition (particularly in the yogurt and dessert market segments) and a steady rise in the cost of packaging plastics (increases ranging between 20.0% and 34.0% compared with 2004). Nevertheless, the monthly data show evidence of a turnaround, thanks to a change in the sales mix. In the coming months, the repositioning of the bioliquids and Activ Soja product lines should provide an additional boost to sales.

South Africa
Cumulative revenues through April 30, 2005 totaled €89.6 million, up from €74.9 million in the first four months of 2004. EBITDA also increased, rising from €6.9 million (9.2% of revenues) to €8.6 million (9.6% of revenues).
Monthly data for April 2005 show revenues of €23.4 million. EBITDA amounted to €2.7 million (11.5% of revenues), as profitability improved compared with March 2005.
The performance of the South African operations reflects a positive contribution by all divisions, with the best gains reported in the UHT milk, yogurt, cheese and fruit juice segments. A more favorable average exchange rate than in the first four months of 2004 (the rand appreciated by 5.2% compared with the euro) was also a factor.

Venezuela
Even though the bolivar continued to lose value versus the euro during the first four months of 2005 (a decline of 18.9% compared with the average exchange rate for the same period last year) the Venezuelan operations posted highly positive results. At €47.1 million, revenues were lower than the €49.8 million booked in the four months ended April 30, 2004, but EBITDA jumped to €4.5 million (9.5% of revenues), up from €1.0 million (2.1% of revenues).

Savings in raw material costs and an increase in the efficiency of the manufacturing organization and the logistics/distribution system, coupled with a reduction in overhead, are the main reasons for this improvement.
In April 2005, monthly revenues totaled €11.6 million, about the same as in March 2005, and EBITDA amounted to €1.2 million (10.4% of revenues).

Canada
Revenues for the first four months of 2005 were higher (+12.8%) than in the same period last year, rising from €360.0 million to €406.1 million. At the same time, EBITDA grew to €27.3 million (€19.3 million in the four months ended April 30, 2004), equal to 6.7% of revenues (5.4% in the same period last year).
Monthly data for April 2005 show revenues of €123.4 million and EBITDA of €9.6 million (5.8% of revenues), as profitability improved compared with March 2005.
Higher unit sales for several product categories and a reduction in distribution expenses and overhead are the main reasons for the improved performance in April and the first four months of 2005, compared with the corresponding periods a year ago.

Australia
In the first four months of 2005, the Australian operations achieved modest improvements in revenues (€125.2 million compared with €123.0 million in the same period last year) and in EBITDA, which increased both in absolute terms (up from €9.4 million and €9.8 million) and as a percentage of revenues (from 7.6% to 7.8%).
Revenues for the month of April totaled €34.4 million. EBITDA, which amounted to €3.9 million, were higher than in the earlier months of 2005.
The performance of the Australian operations in the first four months of 2005 reflects the positive impact of the higher revenues and margins generated by sales of pasteurized milk, UHT milk and yogurt, offset in part by a slight depreciation of the Australian dollar versus the euro (-3.4% compared with the average exchange rate for the first four months of 2004).

<u>Noncore Businesses</u>

In the first four months of 2005, the Group’s Noncore Businesses reported revenues of €85.4 million, a decrease of 7.7% from pro forma revenues of €92.5 million in the same period last year.
However, even though net revenues were down, chiefly as a result of the divestiture of the Mexican operations in 2004, EBITDA improved from €0.1 million to €3.4 million, due mainly to the successful implementation of cost cutting programs by the Group’s other operations.
Revenues for the month of April were down slightly compared with April 2004, totaling €16.5 million, and EBITDA were negative by €0.6 million.

Net Financial Position

Highlights

Amounts in millions of euros	Balance at 12/31/04	Balance at 3/31/05	Balance at 4/30/05
Short-term financial assets	(375.6)	(358.7)	(354.5)
broken down as follows:			
Financial assets not held as fixed assets	*(0.4)*	*(0.3)*	*(0.3)*
Liquid assets	*(375.2)*	*(358.3)*	*(354.3)*
Financial accrued income and prepaid expenses (including intra-Group)	(66.0)	(65.2)	(67.5)
Total short-term financial assets	(441.6)	(423.8)	(422.1)
Financial liabilities	11,455.3	11,460.5	11,471.7
Financial accrued expenses and deferred income	14.3	12.7	7.9
Total financial liabilities	11,469.6	11,473.2	11,479.7
Indebtedness owed to lenders outside the Group/(Financial assets) of companies consolidated line by line	11,028.0	11,049.3	11,057.6
Indebtedness owed by companies consolidated line by line to companies that are parties to local composition-with-creditors proceedings	316.6	325.8	325.2
Indebtedness/(Financial assets) of companies consolidated line by line	11,344.6	11,375.1	11,382.8
Indebtedness/(Financial assets) of companies that are not consolidated line by line	7.6	7.5	7.5
Total indebtedness/(financial assets)	11,352.2	11,382.6	11,390.3
Guarantees provided to secure the indebtedness of companies that are parties to local composition-with-creditors proceedings	1,701.3	1,701.3	1,701.3

At the end of April 2005, the indebtedness of companies consolidated line by line totaled €11,057.6 million, or €29.6 million more than at December 31, 2004. This increase reflects primarily a reduction in liquid assets, which occurred because Parmalat S.p.A. in Extraordinary Administration underwrote a capital increase carried out by a Portuguese affiliate, repaid certain debt installments upon maturity, and recognized the weakening of the euro versus the reporting currencies of its companies in South Africa and Canada and the U.S. dollar.

In April 2005, the indebtedness of companies consolidated line by line increased by €8.3 million compared with the previous month (€11,049.3 million), reflecting minor changes in certain debt positions and the impact of fluctuations in foreign exchange rates.

Also in April, the Group collected proceeds of €2.3 million from the sale of the business operations of Streglio S.p.A. in Extraordinary Administration.

The combined indebtedness owed to lenders outside the Group by subsidiaries that are parties to local composition-with-creditors proceedings and, consequently, have been deconsolidated is not reflected in the net financial position shown above. Some of these borrowings are secured by guarantees provided by Parmalat S.p.A. in Extraordinary Administration and Parmalat Finanziaria S.p.A. in Extraordinary Administration in the amount of €1,701.3 million. The indebtedness owed by the Group to companies in special proceedings that are not consolidated line by line amounted to €325.2 million. The change, compared with the balance owed at December 31, 2004 (€316.6 million) reflects mainly changes in foreign exchange translations.

As of today, no amount has been drawn from the €105.8-million line of credit that a pool of banks provided to Parmalat S.p.A. in Extraordinary Administration on March 4, 2004 and later renewed until September 2, 2005.

A breakdown of the net indebtedness owed to lenders outside the Group by companies consolidated line by line is as follows:

Amounts in millions of euros	Balance at 12/31/04	Balance at 3/31/05	Balance at 4/30/05
Companies under extraordinary administration included in the Proposal of Composition with Creditors	9,813.0	9,822.7	9,828.4
Other companies under extraordinary administration	89.7	89.9	88.8
Other companies	1,125.3	1,136.7	1,140.4
Total indebtedness / (financial assets)	11,028.0	11,049.3	11,057.6

Companies Under Extraordinary Administration
The net indebtedness incurred by companies under extraordinary administration toward lenders outside the Group prior to their becoming eligible for extraordinary administration is all short-term, since all of these companies are in default of the covenants of the respective loan agreements.
Liquid assets held by the companies included in the Proposal of Composition with Creditors were down slightly, falling from €239.8 million at March 31, 2005 to €234.1 million at April 30, 2005. The main reason for this decrease is a change in the liquid assets held by Parmalat S.p.A. in in Extraordinary Administration, which is explained in the section of this press release that discusses the performance of Parmalat S.p.A. in Extraordinary Administration.
The liquid assets mentioned above include €6.6 million in deposits from subsidiaries, offset by the recognition of an equal liability.

Other Companies
At April 30, 2005, the net indebtedness owed to lenders outside the Group by the remaining operating and financial companies, which are consolidated line by line but are not included in the extraordinary administration proceedings, totaled €1,140.4 million (including €698.4 million in long-term debt), about the same as at March 31, 2005, when it amounted to €1,136.7 million.
Some Group companies are currently renegotiating their indebtedness in order to restructure it.

Principal Companies Under Extraordinary Administration

The tables that follow show the financial highlights of the principal Italian companies under extraordinary administration.

Parmalat Finanziaria S.p.A.

Amounts in millions of euros	Balance at 12/31/04	Balance at 3/31/05	Balance at 4/30/05
Short-term financial assets	**(24.4)**	**(24.0)**	**(23.8)**
broken down as follows:			
Intra-Group loans receivable	*(17.1)*	*(17.1)*	*(17.1)*
Financial assets not held as fixed assets	-	-	-
Liquid assets	*(7.4)*	*(7.0)*	*(6.7)*
Financial accrued income and prepaid expenses (including intra-Group)	**-**	**(0.2)**	**(0.2)**
Total short-term financial assets	**(24.4)**	**(24.2)**	**(24.0)**
Financial liabilities (including intra-Group)	**1,286.0**	**1,289.0**	**1,289.0**
broken down as follows:			
Intra-Group loans payable	*1,019.5*	*1,022.5*	*1,022.5*
Other financial liabilities	*266.5*	*266.5*	*266.5*
Financial accrued expenses and deferred income (including intra-Group)	**-**	**-**	**0.1**
Total financial liabilities	**1,286.0**	**1,289.0**	**1,289.1**
Total indebtedness/(financial assets)	**1,261.6**	**1,264.8**	**1,265.1**

No significant changes have occurred since the previous month.

Parmalat S.p.A.

Amounts in millions of euros	Balance at 12/31/04	Balance at 3/31/05	Balance at 4/30/05
Short-term financial assets	**(152.7)**	**(143.9)**	**(139.7)**
broken down as follows:			
Intra-Group loans receivable	*(32.3)*	*(30.4)*	*(32.4)*
Financial assets not held as fixed assets	-	-	-
Liquid assets	*(120.4)*	*(113.5)*	*(107.3)*
Financial accrued income and prepaid expenses (including intra-Group)	**-**	**-**	**(0.1)**
Total short-term financial assets	**(152.7)**	**(143.9)**	**(139.8)**
Financial liabilities (including intra-Group)	**3,766.7**	**3,766.7**	**3,766.7**
broken down as follows:			
Intra-Group loans payable	*997.2*	*997.2*	*997.2*
Other financial liabilities	*2,769.6*	*2,769.6*	*2,769.6*
Financial accrued expenses and deferred income (including intra-Group)	**-**	**-**	**-**
Total financial liabilities	**3,766.7**	**3,766.7**	**3,766.7**
Total indebtedness / (financial assets)	**3,614.0**	**3,622.9**	**3,627.0**

The change in indebtedness is mainly the result of a reduction in short-term financial assets.
More specifically, intra-Group loans receivable increased by €2.0 million due mainly to the granting of a €1.7-million loan to Latte Sole S.p.A. and other smaller loans totaling €0.3 million. Liquid assets decreased by €6.2 million reflecting the disbursement of the abovementioned loans and other changes caused by normal fluctuations in working capital.

Eurolat S.p.A.

Amounts in millions of euros	Balance at 12/31/04	Balance at 3/31/05	Balance at 4/30/05
Short-term financial assets	**(13.5)**	**(14.2)**	**(14.2)**
broken down as follows:			
Intra-Group loans receivable	*(2.2)*	*(2.2)*	*(1.9)*
Financial assets not held as fixed assets	-	-	-
Liquid assets	*(11.3)*	*(12.0)*	*(12.3)*
Financial accrued income and prepaid expenses (including intra-Group)	**-**	**(0.1)**	**(0.0)**
Total short-term financial assets	**(13.5)**	**(14.3)**	**(14.2)**
Financial liabilities (including intra-Group)	**188.2**	**188.2**	**188.2**
broken down as follows:			
Intra-Group loans payable	*43.8*	*43.8*	*43.8*
Other financial liabilities	*144.4*	*144.4*	*144.4*
Financial accrued expenses and deferred income (including intra-Group)	**-**	**-**	**-**
Total financial liabilities	**188.2**	**188.2**	**188.2**
Total indebtedness / (financial assets)	**174.7**	**173.9**	**174.0**

No significant changes have occurred since the previous month.

Lactis S.p.A.

Amounts in millions of euros	Balance at 12/31/04	Balance at 3/31/05	Balance at 4/30/05
Short-term financial assets	**(4.4)**	**(3.7)**	**(2.7)**
broken down as follows:			
Intra-Group loans receivable	-	-	-
Financial assets not held as fixed assets	-	-	-
Liquid assets	*(4.4)*	*(3.7)*	*(2.7)*
Financial accrued income and prepaid expenses (including intra-Group)	**(0.0)**	**(0.0)**	**(0.0)**
Total short-term financial assets	**(4.4)**	**(3.7)**	**(2.7)**
Financial liabilities (including intra-Group)	**18.6**	**18.6**	**18.6**
broken down as follows:			
Intra-Group loans payable	*8.6*	*8.6*	*8.6*
Other financial liabilities	*10.0*	*10.0*	*10.0*
Financial accrued expenses and deferred income (including intra-Group)	**-**	**0.0**	**0.0**
Total financial liabilities	**18.6**	**18.6**	**18.6**
Total indebtedness/(financial assets)	**14.2**	**14.9**	**15.9**

No significant changes have occurred since the previous month.

Significant Events

Significant events that occurred in April and May, through the date of this press release, are summarized below. These events have been the subject of previous press releases, the full text of which is available at the website www.parmalat.net.

April 1 Streglio S.p.A. in Extraordinary Administration, acting with the prior approval of the Italian Ministry of Production Activities, sells to Gruppo Borsci Industria Liquori certain business operations consisting of the production and marketing of cocoa, chocolate, confectionery, and other candies and pastries and chocolate-based products, and transferred to the buyer the ownership of the Streglio brand. The agreement calls for the buyer to maintain employment at the level provided for in the Business Continuity Plan appended to the buyer's offer for a period of at least two years.

April 29 The financial statements at December 31, 2004 of Parmalat Finanziaria Spa in Extraordinary Administration and the 2004 Annual Report the Parmalat Group are published. The Annual Report includes the Report on Operations and a Report of the Independent Auditors Pricewaterhouse Coopers Spa.

Parmalat Finanziaria S.p.A.
in Extraordinary Administration