parmalat finanziaria spa
in Extraordinary Administration

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

PRESS RELEASE

- **Results of the Parmalat Group as at 31st March 2005**

Collecchio (Parma), May 16, 2005 – Parmalat Finanziaria S.p.A. in Extraordinary Administration presents the operating and financial results of the Parmalat Group at March 31, 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 restrictions on their management as a result of local bankruptcy proceedings that have 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 March

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 *(*)*	845.9	845.9	880.5	50.6	50.6	61.8	*6.0*	*6.0*	*7.0*
Noncore Businesses *(**)*	110.3	102.9	68.9	(6.2)	(5.9)	4.0	*(5.6)*	*(5.7)*	*5.7*
Subtotal	956.3	948.9	949.4	44.4	44.7	65.8	4.6	4.7	6.9
Proceedings costs				(14.6)	(14.6)	(16.5)			
Total	956.3	948.9	949.4	29.8	30.1	49.3	3.1	3.2	5.2

(*) The Core Businesses include beverages (milk and fruit juices) and other dairy products sold under some 30 brand names (global and strong local brands) primarily in countries where there is sustained demand for healthy products, and where consumers are willing to pay a premium price for Parmalat brands and where there is access to leading-edge technologies.

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

Core Businesses

The Group's Core Businesses had revenues of €880.5 million in the first quarter of 2005, a gain of 4.1% over the €845.9 million booked in the same period last year. This revenue gain produced an improvement in EBITDA as well, which grew both in absolute terms (from €50.6 million to €61.8 million) and as a percentage of revenues (from 6.0% to 7.0%).

These data do not reflect the impact of the nonrecurring charges related to the extraordinary administration proceedings, which amounted to about €16.5 million.

Revenues for the month (difference between the cumulative figures at March 31 and February 28) totaled €311.8 million, up slightly from the €302.0 million booked in March 2004. EBITDA were also up, rising to €23.3 million (€19.6 million in March 2004).

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

Italy
At €329.8 million, cumulative revenues were slightly lower (-1.6%) compared with the first quarter of 2004 (€335.3 million).
Cumulative EBITDA for the first three months of 2005 grew to €25.5 million from €24.7 million in the same period last year. The ratio of EBITDA to revenues also improved, increasing from 7.4% to 7.7%.
The March 2005 monthly figures showed gains as well, as compared with the previous year, with revenues totaling €123.7 million and EBITDA amounting to €10.1 million (8.2% of revenues).
The drop in net revenues mainly reflects lower sales by Boschi, an affiliate that operates primarily in the copacking business and was declared eligible for extraordinary administration at the end of 2004. Total EBITDA held at about the same level as last year, as savings in manufacturing costs and overheads offset increases in promotional and advertising expenses.

Spain
Cumulative revenues at March 31, 2005 totaled €49.5 million, down 5.0% from the €52.1 million booked in the first quarter of 2004. This decrease was accompanied by a reduction in EBITDA, which declined from €3.4 million at the end of March 2004 to €3.1 million in the first quarter of this year. The ratio of EBITDA to revenues followed a similar pattern, contracting from 6.6% to 6.2%.
In March 2005, revenues and EBITDA improved compared with the first two months of the year, totaling €18.0 million and €1.4 million, respectively.
There are several factors, other than structural considerations, that explain the drop in revenues and EBITDA compared with the same period last year. These include: a general contraction in consumer demand, continued competitive pressure, and the negative impact of Easter, a period during which consumer spending is traditionally sharply lower in Spain. Because last year Easter occurred in April, a comparison of March and first-quarter data for 2004 and 2005 is not really meaningful.

South Africa
In the first quarter of 2005, revenues rose to €66.2 million, up from €55.5 million in the same period last year. The increase in net revenues translated into a gain at the EBITDA level, which improved in absolute terms (up 15.7%, from €5.1 million to €5.9 million) but declined slightly as a percentage of revenues (from 9.2% to 8.9%).
Revenues for the month of March 2005 were €24.8 million and EBITDA amounted to €2.6 million (10.5% of revenues). Both figures show an improvement compared with the data for January and February 2005.
This positive performance by the South African operations is due to the significant appreciation of the South African rand versus the euro (average exchange rate up 7.2% compared with the first three months of 2004) and to an increase in unit sales for all of the main product lines (shipments of pasteurized milk, powdered milk and fruit juices were especially strong). The main negative factor was a rise in shipping costs.

Venezuela
At €35.5 million, revenues for the first three months of 2005 were down 7.3%, compared with the same period last year, when they amounted to €38.3 million. The main reason for this decrease is a deterioration of the average bolivar/euro exchange rate, which was sharply lower (-18.1%) than in the first quarter of 2004. During the same period, EBITDA rebounded strongly, both in absolute terms (from €0.8 million to €3.3 million) and as a percentage of revenues (from 2.0% to 9.3%).
Monthly revenues booked in March 2005 by the Venezuelan operations totaled €11.3 million. EBITDA for the same period amounted to €1.3 million (11.5% of revenues). Both figures are roughly in line with those for the same month last year.
The results reported for March, along with those of recent months, point to a turnaround for the Venezuelan companies that has been made possible by the recent implementation of reorganization and refocusing programs. However, this progress is being hampered by the social policies recently adopted by the Venezuelan government.

Canada
Revenues for the first quarter of 2004 were substantially higher (+14.8%) than in the same period last year, rising from €246.2 million to €282.7 million. Quarterly EBITDA jumped 63.9% to €17.7 million (€10.8 million in the first three months of 2004), equal to 6.3% of revenues (4.4% in the same period last year).
Monthly data for March 2005 show revenues of €93.9 million and EBITDA of €5.4 million (5.8% of revenues), as profitability declined compared with February 2005.
A slight appreciation of the Canadian dollar versus the euro (+2.5% compared with the average exchange rate for the first quarter of 2004), higher unit sales (particularly for cheese, cream and pasteurized milk) and price increases implemented at the beginning of the year are the main reasons for the improved performance in the first three months of 2005. Another positive factor was a reduction in overheads.

Australia
The results reported by the Australian operations in the first quarter of 2005 showed little change from the same period a year ago. Revenues totaled €90.8 million (€90.0 million for the first three months of 2004) and EBITDA were unchanged at €5.9 million.
For the month of March, revenues were €30.3 million and EBITDA amounted to €2.1 million (6.9% of revenues), in line with the data for the previous months of the year.
The performance of the Australian operations in the first quarter of 2005 reflects the positive impact of higher sales of pasteurized milk, UHT milk and yogurt, offset in part by a decrease in shipments of pasteurized cream, tea and desserts, and a slight depreciation of the Australian dollar versus the euro (-3.3% compared with the average exchange rate for the first quarter of 2004).

Noncore Businesses

In the first quarter of 2005, the Group's Noncore Businesses reported revenues of €68.9 million, a decrease of 33% from pro forma revenues of €102.9 million in the same period last year.
However, even though net revenues were down, EBITDA improved from a negative €5.9 million to a positive €4 million, due mainly to the Group's ability to reduce costs.
Revenues for the month of March were also down compared with March 2004, totaling €12.9 million, and EBITDA were negative by €1.8 million.

Net Financial Position

Highlights

Amounts in millions of euros	Balance at 12/31/04	Balance at 2/28/05	Balance at 3/31/05
Short-term financial assets	(375,6)	(341,0)	(354,9)
broken down as follows:			
Financial assets not held as fixed assets	*(0,4)*	*(0,3)*	*(0,3)*
Liquid assets	*(375,2)*	*(340,6)*	*(354,6)*
Financial accrued income and prepaid expenses (including intra-Group)	(66,0)	(15,9)	(65,2)
Total short-term financial assets	(441,6)	(356,9)	(420,1)
Financial liabilities	11.455,3	11.238,3	11.460,5
Financial accrued expenses and deferred income	14,3	224,8	27,5
Total financial liabilities	11.469,6	11.463,1	11.488,0
Indebtedness owed to lenders outside the Group/(Financial assets) of companies consolidated line by line	11.028,0	11.106,2	11.049,3
Indebtedness owed by companies consolidated line by line to companies that are parties to local composition-with-creditors proceedings	316,6	316,6	325,8
Indebtedness/(Financial assets) of companies consolidated line by line	11.344,6	11.422,8	11.393,7
Indebtedness/(Financial assets) of companies that are not consolidated line by line	7,6	7,6	7,5
Total indebtedness/(financial assets)	11.352,2	11.430,4	11.401,2
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 March 2005, the Group's indebtedness totaled €11,049.3 million, or €21.3 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 some of its foreign companies (in South Africa and Canada in particular).

The Group's overall indebtedness at March 31, 2005 was €56.9 million less than a month earlier (€11,106.2 million), due mainly to prepaid expenses recognized by a Canadian Group company.
In addition, the data at March 31, 2005 show changes in liquid assets and indebtedness owed to lenders outside the Group, and reflect the reclassification of certain liability items from accrued expenses to financial liabilities, made in accordance with the closing entries posted at the end of 2004.

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 consolidated financial statements also show that indebtedness owed by the Group to companies in special proceedings that are not consolidated line by line amounted to €325.8 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 2/28/05	Balance at 3/31/05
Companies under extraordinary administration included in the Proposal of Composition with Creditors	9.813,0	9.826,5	9.826,4
Other companies under extraordinary administration	89,7	90,8	89,9
Other companies	1.125,3	1.188,9	1.136,7
Total indebtedness/(financial assets)	11.028,0	11.106,2	11.067,9

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 grew from €222.7 million at February 28, 2005 to €239.8 million at March 31, 2005, owing in part to €6.6 million in new deposits from subsidiaries, an amount offset by the recognition of an equal liability. The rest of the increase was made possible by the positive performance of the Group's operations.

Other Companies
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, improved slightly, decreasing from €1,188.9 million at February 28, 2005 to €1,136.7 million (including €710.5 million in long-term debt) at March 31, 2005.
The comments provided on the performance of the individual companies show in greater detail the main changes that occurred in February 2005.
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 2/28/05	Balance at 3/31/05
Short-term financial assets	**(24.4)**	**(17.4)**	**(24.0)**
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)*	*(0.3)*	*(7.0)*
Financial accrued income and prepaid expenses (including intra-Group)	**-**	**-**	**(0.2)**
Total short-term financial assets	**(24.4)**	**(17.4)**	**(24.2)**
Financial liabilities (including intra-Group)	**1,286.0**	**1,281.3**	**1,287.0**
broken down as follows:			
Intra-Group loans payable	*1,019.5*	*1,014.8*	*1,020.5*
Other financial liabilities	*266.5*	*266.5*	*266.5*
Financial accrued expenses and deferred income (including intra-Group)	**-**	**-**	**-**
Total financial liabilities	**1,286.0**	**1,281.3**	**1,287.0**
Total indebtedness/(financial assets)	**1,261.6**	**1,263.9**	**1,262.8**

The indebtedness of Parmalat Finanziaria S.p.A. in Extraordinary Administration was virtually unchanged compared with the previous month.
Liquid assets increased compared with the previous month, owing in part to €6.6 million in new deposits from subsidiaries, an amount offset by the recognition of an equal liability.

Parmalat S.p.A.

Amounts in millions of euros	Balance at 12/31/04	Balance at 2/28/05	Balance at 3/31/05
Short-term financial assets	**(152.7)**	**(156.7)**	**(143.9)**
broken down as follows:			
Intra-Group loans receivable	*(32.3)*	*(47.0)*	*(30.4)*
Financial assets not held as fixed assets	-	-	-
Liquid assets	*(120.4)*	*(109.7)*	*(113.5)*
Financial accrued income and prepaid expenses (including intra-Group)	-	-	-
Total short-term financial assets	**(152.7)**	**(156.7)**	**(143.9)**
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**	**3,610.0**	**3,622.9**

The change in indebtedness compared with the previous month reflects primarily a decrease in intra-Group loans receivable.
More specifically, a loan of €11.6 million provided in February 2005 to Parmalat Portugal SA was converted into a capital increase; Mother's Cake & Cookie Co. repaid a €4.0-million loan in connection with the divestiture of the USA Bakery Division (this decrease in intra-Group loans produced a corresponding increase in liquid assets); the balance of the allowance for doubtful accounts was adjusted by €2.0 million; and a new loan of €1.0 million was granted to Parmalat Finanziaria S.p.A. in Extraordinary Administration.

Eurolat S.p.A.

Amounts in millions of euros	Balance at 12/31/04	Balance at 2/28/05	Balance at 3/31/05
Short-term financial assets	**(13.5)**	**(7.8)**	**(10.6)**
broken down as follows:			
Intra-Group loans receivable	*(2.2)*	*(2.2)*	*(2.2)*
Financial assets not held as fixed assets	-	-	-
Liquid assets	*(11.3)*	*(5.6)*	*(8.4)*
Financial accrued income and prepaid expenses (including intra-Group)	**-**	**(0.1)**	**(0.1)**
Total short-term financial assets	**(13.5)**	**(7.8)**	**(10.6)**
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**	**180.4**	**177.6**

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 2/28/05	Balance at 3/31/05
Short-term financial assets	**(4.4)**	**(4.2)**	**(3.7)**
broken down as follows:			
Intra-Group loans receivable	-	-	-
Financial assets not held as fixed assets	-	-	-
Liquid assets	*(4.4)*	*(4.2)*	*(3.7)*
Financial accrued income and prepaid expenses (including intra-Group)	**(0.0)**	**(0.0)**	**(0.0)**
Total short-term financial assets	**(4.4)**	**(4.2)**	**(3.7)**
Financial liabilities (including intra-Group)	**18.6**	**19.1**	**18.6**
broken down as follows:			
Intra-Group loans payable	*8.6*	*8.6*	*8.6*
Other financial liabilities	*10.0*	*10.5*	*10.0*
Financial accrued expenses and deferred income (including intra-Group)	**-**	**0.0**	**0.0**
Total financial liabilities	**18.6**	**19.1**	**18.6**
Total indebtedness/(financial assets)	**14.2**	**14.9**	**14.9**

No significant changes have occurred since the previous month.

Significant Events

The Parmalat Group has launched a project for the transition to the IFRS with the goal of planning and implementing whatever actions may be necessary to tackle effectively the process of adopting these new standards.

Other significant events that occurred in March and April, 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.

March 1	The Italian Minister of Production Activities, acting in concert with the Minister of Farming and Forestry Policies, approves certain amendments to the method of implementing the Restructuring Program of the Parmalat Group.
March 1	Parmalat Finanziaria S.p.A. publishes the final recovery ratios for the unsecured claims of creditors of the 16 companies under extraordinary administration.
March 1	The Board of Directors of Parmalat S.p.A. (Assumptor) passes a resolution approving the amendments to the Proposal of Composition with Creditors that were authorized by the Minister of Production Activities, acting in concert with the Minister of Farming and Forestry Policies; approving drafts of the Prospectus, the 2005-2007 Industrial Plan of the Parmalat Group, the Memorandum on the Management Control System, the application to list the Company's shares and the request for clearance to publish the Prospectus; adopting a System of Corporate Governance, an Internal Dealing Code and a Code of Ethics for all Group companies; approving the Company's 2004 statutory financial statements; and agreeing to submit to the Stockholders' Meeting a motion to amend the Company's bylaws.
March 1	The Stockholders' Meeting of Parmalat S.p.A. (Assumptor) passes a resolution approving the Company's 2004 statutory financial statements; increasing the Company's capital stock; electing the Company's Board of Directors, Chairman and Statutory Auditors; and approving the application to list the shares and warrants of Parmalat S.p.A. (Assumptor).
March 9	The Extraordinary Commissioner files an action to void pursuant to Article 67 of the Italian Bankruptcy Law against factoring companies and banks that had not been the target of previous actions to void announced on August 6, 2004, August 9, 2004, August 19, 2004 and December 16, 2004.
March 15	The Board of Directors of Parmalat S.p.A. (Assumptor) appoints a Chief Executive Officer.
March 15	The Stockholders' Meeting retains Pricewaterhouse Coopers to audit the financial statements for 2005, 2006 and 2007, as required under Article 159 of Legislative Decree No. 58 of February 24, 1998, and agrees to amend the Company's Bylaws in accordance with the recommendations of Borsa Italiana S.p.A.
March 31	The Stockholders' Meeting of O Beco Fino (a Portuguese company that is 99.946% owned by Gelateria Parmalat Srl in Liquidation) approves the liquidation of the Company, effective immediately.
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 Spa
in Extraordinary Administration