PRESS RELEASE

Board of Directors Meeting

PARMALAT: 2005 DRAFT FINANCIAL STATEMENT APPROVED

On October 1st, 2005, following the Court order that ratified the Composition with creditors, Parmalat took over the business and liabilities of the 16 Companies involved in the Composition. The 2005 fiscal year consists of only three months, from October 1st to December 31st ("effective"). For the purpose of a clear representation, the pro forma figures with reference to the whole year 2004 and 2005 are also provided. The pro forma figures have been calculated according to international accounting standards (IAS).

- **Pro Forma Group Revenues of the Core Business for the 12 months increased by +3.9% to € 3,876.3 mn (2004: € 3,732.2 mn); growth in all the main geographical markets and in the "milk" and "fresh" divisions**
- **EBITDA before write-down of account receivables and Other Provisions equal to € 312.9 mn (2004: 268.9 mn). Increase in profitability: EBITDA Margin equal to 8.1% in 2005 (2004: 7.2%)**
- **Pro-forma Group net profit for the 12 months equal to € 45.3 mn (2004: € -173.2 mn)**
- **Decrease in consolidated Net Financial Debt: equal to € 369.3 mn (2004: € 541.9)**
- **The strengthening of the product portfolio and expansion of Parmalat brands in the Group's key geographical markets continues**

Milan, 24 March 2006 - The Board of Directors of Parmalat S.p.A. (PLT.MI: Parmalat S.p.A. shares and warrants are listed on Milan's Telematic Stock Exchange, since October 6th, 2005 and October 28th,2005 respectively), which met under the Chairmanship of Prof. Raffaele Picella, has examined and approved the Draft Consolidated Financial Statements of the Group and the Company's Draft Financial Statements for the 2005 fiscal year.

Throughout 2005, the Group continued to develop its activities in accordance with the strategic plan aimed at both growth in business volumes and at cost control, particularly concentrating its product portfolio on the "milk and derivates" and "fruit drinks" markets, focussing on products with high added value and strong innovative content, such as the "functional" ones.

Through the central coordination of the Parent Company, the Group continues in its optimization of costs and revenues synergies. The cost competitiveness and achievement of quality in all segments of the value chain continue to represent the main focus.

Main Figures for Fiscal year 2005

€ mln	**Pro Forma 12 month 2005**	**Pro Forma 12 month 2004**	**Delta %**	**Effective 2005 (3 month)**
GRUPPO PARMALAT				
Revenues from Core Business	3.876,3	3.732,2	*3,9%*	1.070,6
EBITDA before provisions and write offs	312,9	268,9	*16,4%*	85,8
Consolidated Net Profit	45,3	(173,2)	*NS*	(0,3)
Parmalat SpA				
Revenues from Core Business	1.010,6	1.033,3	*(2,2%)*	253,3
EBITDA before provisions and write offs	57,1	52,4	*9,0%*	13,2
Net Profit	(12,3)	(167,3)	*NS*	(29,3)

PARMALAT GROUP

€ mln	Pro Forma 12 month 2005	Pro Forma 12 month 2004	Delta %	Effective 2005 (3 month)
Revenues from Core Business	3.876,3	3.732,2	*3,9%*	1.070,6
EBITDA before provisions and write offs	312,9	268,9	*16,4%*	85,8
as a % of revenues	*8,1%*	*7,2%*		*8,0%*
EBIT	278,1	218,1	*27,5%*	78,8
as a % of revenues	*7,2%*	*5,8%*		*7,4%*
Net Consolidated Profit	45,3	(173,2)	*NS*	(0,3)
as a % of revenues	*1,2%*	*(4,6%)*		*0,0%*
Net Financial Debt		541,9		369,3
Shareholders Equity		1.606,0		1.877,7

Note (*): EBITDA before write-off of receivables and provisions. Excluding a) costs of € 10.8 mn written off for merchandise suspected of ITX contamination; b) restructuring costs of € 9.4 mn for the drawing up of the trade union agreements

12 MONTH PRO FORMA RESULTS

The **Revenue of the Core Business** is equal to **€ 3,876.3 mn,** with an increase of **3.9%** compared to 2004.

All the main geographical markets in which the Group operates have contributed to growth, except for Spain and Portugal (approximately 7% of Group sales) that have registered a downturn.

The main Divisions of the Group, i.e. the Milk Division (milk, creams and béchamel) and the Fresh Food Division (yoghurt, desserts, cheeses), that represent almost 90% of sales, have registered a positive performance, with respective growths of 5.5% and 9.9%.

The **EBITDA before the write-down of account receivables and other provisions** is equal to € 312.9 mn (+16.4% compared to € 268.9 mn in 2004). EBITDA Margin increased from 7.2% to 8.1%. After the write-down of account receivables and other provisions for € 34.8 mn (€50.8 mn in 2004), the adjusted EBITDA amounts to € 278.1 mn (€ 218.1 mn in 2004).

Net Profit from operating activities, after tax deduction equal to € 47.3 mn, is positive and amounts to € 55.0 mn, compared to a loss of 173.7 mn in 2004. Considering the negative impact equal to € 4.7 mn of activities in the process of being divested and € 5.0 mn of minority interests, the **Consolidated Net Profit of the Group** amounts to €45.3 mn , compared to a loss of € 173.2 mn in 2004.

Net Financial Debt decreased by € 172.6 mn during 2005, from € 541.9 mn in 2004 to € 369.3 mn in 2005 (year end). The reduction can be ascribed to the operating improvements, to the proceeds from the settlement with Morgan Stanley and from the sale of some participations.

Technical investments of the Group increased by over 50% from € 42.3 mn in 2004 to € 66.4 mn in 2005. They have mainly concerned Italy and other European markets, such as Spain, Romania and Russia, and extra-European markets such as Canada, Colombia, South Africa and Australia.

Shareholders Equity increased from € 1,606.0 mn in 2004 to € 1,877.7 mn in 2005.

12 months Performance in the Main Geographical markets

The pro-forma figures refer to the January-December 2005 fiscal year. The markets are listed in a descending order in terms of contribution to consolidated sales.

Canada (35% of Group Revenues)

- 2005 Revenues € 1,338.1 (+12.7%)
- EBITDA before write-down of account receivables and other provisions € 106.3 (+21.6%). The EBITDA margin (profitability) is equal to 7.9% (7.4% in 2004)

The year has been very positive in terms of profitability, even though with substantially stable volumes. Besides a positive exchange rate effect, the results are due to an effort to increase the presence of Parmalat in the area, particularly with regards to promoting recognition and the strength of its brands ("local jewels"). The strong increase in profitability, in particular, is due to cost optimization and to efficiency improvement.

Italy (30% of Group Revenues)

- 2005 Revenues € 1,147.7 (+2.7%)
- EBITDA before write-down of account receivables and other provisions € 93.7 (+4.2%). The EBITDA margin (profitability) is equal to 8.2% (8.1% in 2004)

The revenues increased despite the general decrease of consumption and the negative effects of the "ITX Case". The Environment Division, (UHT and fruit juices) has reached its targets, despite an increasing competitive pressure. The Fresh Division has partially suffered from the sales drop in the traditional segments in which it operates. In order to increase the presence in organized distribution and to differentiate its own product from the competitors', the process of rendering the local brands homogeneous and under the umbrella of the Parmalat Brand has been implemented and functional products in the segment of fresh milk (as Zymil Fresh) have been introduced, with good results in terms of sales and profitability. Facing the growing promotional pressure and the aggressive campaigns of the competitors, Parmalat has chosen to react by focusing on a product differentiation policy, also in order to control the growth of the investment in promotions.

Australia (11% of Group Revenues)

- 2005 Revenues € 425.1 (+10.6%)
- EBITDA before write-down of account receivables and other provisions € 39.8 (+21.3%). The EBITDA margin (profitability) is 9.4% (8.5% in 2004)

The revenue increase has resulted from the overall growth in volumes (+7%), obtained through new product development and rationalization of the brands and sales channels. The profitability increase is moreover a result of cost reduction, which include the closing down of two production sites and the exit from non-strategic businesses (sale of the Coca Cola bottling license).

Africa (8.5% of Group Revenues)

- 2005 Revenues € 328.3 (+18.1%)
- EBITDA before write-down of account receivables and other provisions € 41.0 (+55.3%). The EBITDA Margin (profitability) is 12.5% (9.5% in 2004)

An increase in volumes of some 12% was registered, tied to the strong increase in GDP and the competitiveness of the Company in the local markets, which has led to an increase in consumption.

Spain (5.4% of Group Revenues)

- 2005 Revenues € 207.7 (-6.8%)
- EBITDA before write-down of account receivables and other provisions € 12.0 (-18.4%). The EBITDA margin (profitability) is 5.8% (6.6% in 2004)

The new management, that took office during the second half of 2005, has started an analysis of the positioning of Parmalat in Spain to prepare a development plan and re-launch the activities.
Furthermore, the rationalization process of the logistic-distribution system has been started that comprises the sale of the Madrid production site.

Venezuela (3.9% of Group Revenues)

- 2005 Revenues € 152.8 (+5.6%)
- EBITDA before write-down of account receivables and other provisions € 12.5 (+71.2%). The EBITDA margin (profitability) is 8.2% (5.1% in 2004)

The consolidated position of Parmalat in the local market allowed a good performance, especially of the Juices Divisions.
The results of the period suffered from the delay of the sale of the Machiques and Barquisimeto plants, planned for the last quarter of 2005, but not yet completed.

Colombia (2.6% of Group Revenues)

- 2005 Revenues € 102.1 (+26%)
- EBITDA before write-down of account receivables and other provisions € 11.0 (+50.7%). The EBITDA margin (profitability) is 10.8% (9.0% in 2004)

The results have markedly improved, thanks to the increase in sales volumes (+8%), with a strong performance in pasteurized milk, which represents about 80% of sales. This couples with the appreciation of the Colombian Peso against the Euro. The rationalization strategy of the product portfolio, with the elimination of about 80 items, and a focus on Parmalat-branded products, with the increase in market share of Parmalat brands against the local brand Proleche. Parmalat-branded products contribute to the overall 2005 income by approximatey 56%, compared to 30% in 1999. Parmalat has enacted the strengthening of the distribution system to increase market share. Parmalat Colombia has sufficient spare capacity to meet the planned growth .

Portugal (1.7% of Group Revenues)

- 2005 Revenues € 67.8 (-22.1%)
- EBITDA before write-down of account receivables and other provisions € 8.6 (+6.2%); the EBITDA margin increased from 9.3% to 12.7% (2005)

Volumes decreased due to an adverse economic trend and weak brand awareness with reference to the Group brands, where consumers have generally opted for *private label* products. In the second half of 2005, actions have been taken for the rationalization of the product range and for the repositioning of some products.

Effective Results October 1st- December 31st 2005

The **Revenues of the Core Business** are equal to € 1,070.6 mn.

EBITDA before write-down of account receivables and other provisions amounts to € 85.8 mn, and to € 78.8 mn after the write-down of account receivables and other provisions for € 7.0 mln.

The **Net Profit** from operating activities, that includes the expenses linked to the suspect ITX contamination, legal expenses and restructuring costs, net of tax of € 4.2 mn, is equal to € 2.6 mn. Taking into consideration the € 1.4 mn loss ascribed to activities in the process of being divested and minority interests of € 1.5 mn, the consolidated result of the Group is negative and equal to € 0.3 mn.

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PARMALAT SPA

€ mln	Pro Forma 12 month 2005	Pro Forma 12 month 2004	Delta %	Effective 2005 (3 month)
Revenues from Core Business	1.010,6	1.033,3	*(2,2%)*	253,3
EBITDA before provisions and write offs	57,1	52,4	*9,0%*	13,2
in % dei ricavi	*5,7%*	*5,1%*		*5,2%*
Net Profit	(12,3)	(167,3)	*NS*	(29,3)
in % dei ricavi	*(1,2%)*	*(16,2%)*		*NS*
Net Cash		233,7		324,5
Shareholders Equity		1.575,0		1812,5

Note (*): EBITDA before write-offs of receivables and provisions. Excluding a) costs of € 10.8 mn written off for merchandise suspected of ITX contamination; b) restructuring costs of € 9.4 mn for the drawing up of the trade union agreements

12 MONTH PRO FORMA RESULTS OF THE PARENT COMPANY

The **Core Business Revenues** are equal to **€ 1,010.6 mn,** a decrease of **2.2%** compared to the €1,033.3 mln in 2004.

EBITDA before write-down of account receivables and other provisions amounts to € 57.1 mn, (+9% versus € 52.4 mn in 2004). The EBITDA margin increased from 5.1% to 5.7% of 2005 revenues.

The Net Profit is negative, equal to € -12.3 mn versus € -167.3 mn in 2004. The negative result includes € -4.7 mn of losses pertaining to assets in the process of being divested and tax costs of € 0.6 mn.

The Net Cash of the parent Company increased from € 233.7 mln in 2004 to **€ 324.5 mn** in 2005, due to the operating improvement, the proceeds from the settlement with Morgan Stanley and the sale of participations.

The **Shareholders' Equity** increased from € 1,575.0 mn in 2004 to € 1,812.5 mn.

Parent Company Effective Results October 1st- December 31st 2005

Revenues from the core business are equal to € 253.3 mn.

EBITDA before the write down of account receivables and other provisions is €13.2 mn, with an EBITDA margin of 5.2%.

Net Profit from operating activities (after fiscal gains of € 3.8 mn) is negative and equal to €-27.9 mn. Taking into consideration losses of € -1.4 mln registered by assets in the process of being divested, the net result for the period amounts to € - 29.3 mln.

Outlook for 2006

After completing the fundamental process of restructuring its finances, the Group launched a strategy designed to focus its industrial operations on the objective of increasing revenues in the markets in which the Group operates, while continuing to improve operating efficiency and cutting costs.

With reference to the current year, given the lack of extraordinary non recurring events, of changes in the group's structure or fluctuations in foreign exchange rates, the Group expects to improve EBITDA and net profit. Considering the performance registered during the first two months of the current year, such improvement could be significant.

With reference to the evolution of the net financial position, the payment of liabilities to preferred and pre-deduction creditors should be balanced by operating cash flow after capital expenditure.

Enclosed at the end of the document are the tables showing the financial figures.

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Capital increase reserved for warrant conversion

The Board of Directors acknowledged the fact that, following the allotment of shares to some 135,000 shareholders, approximately 77 million warrants were allotted, while there are still 57 million shares that need to be allocated. Estimating that each shareholder owns an average of 2,500 shares, a further 15 million warrants need to be issued compared to the formerly agreed amount of issued warrants. Hence, the Board of Directors has decided to submit to the shareholder meeting:

- a further capital increase, in accordance with art. 5 of the by-laws, reserved for warrant conversion and equal to € 15 million and bringing the maximum amount of outstanding warrants to € 95 million.
- the change of the "Parmalat S.p.A. 2005 – 2015 Ordinary Share Warrant" rule, with reference to the amount of the share capital reserved for warrant conversion, leaving other provisions, such as the exercise procedures, rights of the holders, the appointed persons, the term for exercise, the fiscal treatment, the listing and the provisions pertaining the communication methods with the warrant holders, unchanged.

Law 262/05 (Law on Savings)

Having acknowledged the provisions of Law 262/2005, the Board of Directors has decided to recommend the shareholder meeting adopt a specific statutory provision with regards to the method of appointment of the Manager in Charge of drafting the corporate accounts as per art. 154-bis of Legislative Decree 58/1998.

Internal Dealing

The Board of Directors, having acknowledged the new Consob provisions in terms of Market Abuse, has modified the Code of Conduct in terms of Internal Dealing.

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The draft financial statements outlined above, the changes to the by-laws reflecting the provisions of Law 262/2005 and the proposal of the share capital increase reserved for warrants, shall be submitted for the approval of the ordinary and extraordinary shareholders meeting, called in first call on April 27th, 2006 for the ordinary and extraordinary session; the second call on April 28th, 2006, for the sole extraordinary session; a second call for the ordinary session and a third one for the extraordinary session on April 29th, 2006.

The Company and Group's draft financial statements as of December 31st, 2005, as well as the Directors' reports for the issues on the meeting's agenda, will be available to the public in accordance with the terms and methods required by the current legislation.

Milan, 24 March 2006

Parmalat S.p.A.

Economic and Financial Figures

Parmalat S.p.A.

BALANCE SHEET

(in millions of Euro)

	31st December 2005	Pro – forma up to 31st December 2004 (Unaudited)
FIXED ASSETS	**1.704,9**	**1.581,7**
Intangible Assets	592,4	472,4
Tangible Assets	132,0	112,1
Long-term loans and investments	964,6	997,2
Prepaid Tax	15,9	0,0
ASSETS IN PROCESS OF SALE NET OF LIABILITIES	**7,4**	**17,2**
NET WORKING CAPITAL	**70,5**	**54,4**
Inventory	32,6	43,3
Account Receivables	245,7	226,5
Other Assets	181,3	184,7
Account Payables (-)	(286,2)	(305,9)
Other Liabilities (-)	(102,9)	(94,2)
INVESTED CAPITAL LESS OPERATING LIABILITIES	**1.782,8**	**1.653,3**
FUNDS RELATIVE TO PERSONNEL (-)	**(40,7)**	**(38,8)**
FUNDS FOR RISKS AND EXPENSES (-)	**(233,2)**	**(227,0)**
FUNDS FOR DEBTS IN OPPOSITION (PRIORITY AND PREDEDUCTION)	**(20,9)**	**(46,2)**
NET INVESTED CAPITAL	**1.488,0**	**1.341,3**
Financed by:		
SHAREHOLDERS EQUITY	**1.812,5**	**1.575,0**
Share capital	1.619,9	1.541,2
Reserves for liabilities in opposition exclusively convertible into share capital	191,3	238,9
Reserves for late filing claims	42,1	0,0
Other reserves	(11,5)	(5,7)
Profit (Loss) carried forward	0,0	(32,6)
Net Profit for the year	(29,3)	(166,8)
NET FINANCIAL POSITION	**(324,5)**	**(233,7)**
Financial debt towards banks and other financial institutions	17,7	15,5
Other financial assets (-)	(3,2)	0,0
Cash and cash equivalents (-)	(339,0)	(249,2)
TOTAL FUNDING	**1.488,0**	**1.341,3**

Parmalat S.p.A.

PROFIT AND LOSS ACCOUNT

(in millions of Euro)	*2005*		*2004*
	Effective	Pro-Forma (Unaudited)	Pro-Forma (Unaudited)
TOTAL NET REVENUES	**256,6**	**1.021,2**	**1.045,4**
Revenues from core business	253,3	1.010,6	1.033,3
Other revenues	3,3	10,6	12,1
OPERATING COSTS	**(243,4)**	**(964,1)**	**(993,0)**
Purchases, supply of services, and various costs	(213,7)	(849,4)	(885,4)
Labour cost	(29,7)	(114,7)	(107,6)
EBITDA BEFORE WRITE OFF AND PROVISIONS	**13,2**	**57,1**	**52,4**
Write off of account receivables and other provisions	(2,4)	(15,4)	(32,1)
EBITDA	**10,8**	**41,7**	**20,3**
Depreciation and devaluation of fixed assets	(6,9)	(25,5)	(28,0)
Other income and expenses:			
- Expenses deriving from suspicion of ITX contamination	(10,8)	(10,8)	0,0
- Legal expenses for revocatory and compensation actions	(6,9)	(6,9)	0,0
- Restructuring expenses	(9,4)	(9,4)	0,0
- Provisions for affiliates	(7,6)	(7,6)	0,0
- Provisions for companies in EA	(5,5)	(5,5)	0,0
- Other expenses and income	2,3	1,8	(82,4)
NET OPERATING RESULT	**(34,0)**	**(22,2)**	**(90,1)**
Financial income	2,6	21,1	
Financial expenses (-)	(0,3)	(5,9)	(6,3)
Revaluation (write-off) of financial activities	0	0	(66,1)
PRE-TAX RESULT	**(31,7)**	**(7,0)**	**(162,5)**
Income tax for the period	3,8	(0,6)	(4,8)
NET RESULT FROM CURRENT ACTIVITIES	**(27,9)**	**(7,6)**	**(167,3)**
Net result from deriving from assets to be sold	(1,4)	(4,7)	0,0
NET RESULT FOR THE PERIOD	**(29,3)**	**(12,3)**	**(167,3)**

Parmalat S.p.A.

Net Financial Debt Variations

(€ mln)	
Net Financial Debt (beginning of period)	**0,5**
Changes during the current year:	
- operating cash flow	(76,9)
- capital expenditures	(1.585,8)
- cash flow from financing	(254,7)
- acquisition comlpeted on October 1^{st}, 2005	1.600,8
- cash flow from assets in the process of being sold	(8,8)
- other	0,3
Total changes of the period	(325,1)
Net Financial Debt (end of the period)	**(324,6)**

Parmalat Group

CONSOLIDATED BALANCE SHEET

(in millions of Euro)

	31st December 2005	Pro – forma up to 31st December 2004 (Unaudited)
FIXED ASSETS	**2.346,6**	**2.148,6**
Intangible Assets	1.567,6	1.517,0
Tangible Assets	698,3	565,8
Long-term loans and investments	39,8	65,8
Prepaid tax	40,9	0,0
ASSETS IN PROCESS OF SALE NET OF LIABILITIES	**100,9**	**40,1**
NET WORKING CAPITAL	**337,6**	**319,1**
Inventories	335,6	299,5
Account Receivables	546,1	485,7
Other Assets	266,5	281,9
Account Payables (-)	(567,7)	(532,4)
Other Liabilities (-)	(242,9)	(215,6)
INVESTED CAPITAL LESS CURRENT LIABILITIES	**2.785,1**	**2.507,8**
FUNDS RELATIVE TO PERSONNEL (-)	**(113,0)**	**(89,4)**
FUNDS FOR RISKS AND EXPENSES (-)	**(404,2)**	**(224,3)**
FUNDS FOR DEBTS IN OPPOSITION (PRIORITY AND PREDEDUCTION)	**(20,9)**	**(46,2)**
NET INVESTED CAPITAL	**2.247,0**	**2.147,9**
Financed by:		
NET CAPITAL	**1.877,7**	**1.606,0**
Share capital	1.619,9	1.541,2
Reserve for liabilities in opposition exclusively convertible into share capital	191,3	238,9
Reserve for late filing claims	42,1	0,0
Other reserves	(4,9)	(17,5)
Profit (Loss) brought forward		(41,4)
Result for the period	(0,3)	(173,2)
Minority Interests	29,6	58,0
NET FINANCIAL POSITION	**369,3**	**541,9**
Financial debt to banks and other financial institutions	871,0	952,4
Financial debts to affiliates	3,5	20,4
Other financial assets (-)	(2,1)	(0,4)
Financial Accruals (-)	(0,4)	(65,6)
Cash and cash equivalents (-)	(502,7)	(364,9)
TOTAL SOURCES OF FINANCE	**2.247,0**	**2.147,9**

Parmalat Group

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in millions of Euro)	*2005* Real	*2005* Pro-Forma (Unaudited)	*2004* Pro-Forma (Unaudited)
TOTAL NET REVENUES	**1.083,5**	**3.901,4**	**3.758,3**
Revenues from core business	1.070,6	3.876,3	3.732,2
Other revenues	12,9	25,1	26,1
OPERATING COSTS	**(997,7)**	**(3.588,5)**	**(3.489,4)**
Purchases, supply of services, and various costs	(873,0)	(3.128,9)	(3.032,2)
Labour costs	(124,7)	(459,6)	(457,2)
EBITDA BEFORE WRITE OFF AND PROVISIONS	**85,8**	**312,9**	**268,9**
Write off of account receivables and other provisions	(7,0)	(34,8)	(50,8)
EBITDA	**78,8**	**278,1**	**218,1**
Depreciations and devaluation of fixed assets	(29,7)	(101,7)	(100,0)
Other fees and income:			
- Expenses deriving from suspicion of ITX contamination	(10,8)	(10,8)	
- Legal fees for revocatory and compensatory actions	(6,9)	(6,9)	
- Restructuring expenses	(9,4)	(9,4)	
- Provisions for companies under EA	(5,5)	(5,5)	
- Other expenses and income	7,8	30,3	(151,7)
NET OPERATING RESULT	**24,3**	**174,1**	**(33,6)**
Financial income	13,5	13,5	
Financial expenses	(30,7)	(85,1)	(128,3)
Share for companies evaluated with net equity method	(0,3)	(0,2)	(0,4)
PRE-TAX RESULT	**6,8**	**102,3**	**(162,3)**
Income tax for period	(4,2)	(47,3)	(11,4)
NET RESULT DERIVING FROM CURRENT ACTIVITIES	**2,6**	**55,0**	**(173,7)**
Net result deriving from assets to be sold	(1,4)	(4,7)	
RESULT FOR PERIOD	**1,2**	**50,3**	**(173,7)**
Third-party (Profit)/loss	(1,5)	5,0	0,5
Group profit/(loss)	(0,3)	45,3	(173,2)

Current assets:

Price Earnings per share	**0.0028**
Diluted Price Earnings share	**0.0028**

Parmalat Group
CHANGE IN NET FINANCIAL POSITION FOR 2005

(in millions of Euro)	
Opening net financial debt	**0,5**
Change in year:	
- flows from operations	(35,2)
- flows from investments	23,1
- purchase of 1st October 2005	370,1
- flows from assets to be sold	1,4
- exchange effects and other	9,4
Total changes in year	368,8
Closing net financial debt	**369,3**

COMPOSITION OF NET FINANCIAL POSITION

(in millions of Euro)	**31.12.2005**	**31.12.2004**
Net financial debt		
Financial debts to banks and other lenders	871,0	0,6
Financial debts to affiliates	3,5	
Other financial assets (-)	(2,1)	
Financial accruals and payables	(0,4)	
Current assets (-)	(502,7)	(0,1)
Total	**369,3**	**0,5**

RECONCILIATION OF NET FINANCIAL DEBT CHANGE AND FINANCIAL REPORT (Cash and cash equivalent)

(in millions of Euro)	**Liquid assets**	**Gross cash flow debts**	**Net**
Initial balance	**(0,1)**	**0,6**	**0,5**
Flows from operations activities	(35,2)		(35,2)
Flows from investments	23,1		23,1
Purchase of 1st October 2005	(523,0)	893,1	370,1
Reimbursement of financial liabilities	31,1	(31,1)	
Flows from assets to be sold	1,4		1,4
Exchange effects and other		9,4	9,4
Final balance	**(502,7)**	**872,0**	**369,3**