

Ebro Puleva, S.A.

Balance sheets at December 31,
(Thousands of euros) (Notes 1, 2, 3 and 4)

ASSETS			EQUITY AND LIABILITIES		
	2004	2003		2004	2003
Fixed assets	1,230,977	935,238	Shareholders' equity (N-11)	805,778	752,878
Formation expenses (N-5)	0	174	Share capital	92,319	92,319
Intangible fixed assets (N-6)	8,338	9,338	Share premium	34,333	34,333
Concessions, patents, licenses and trademarks	12,207	12,222	Revaluation reserves	3,169	3,169
Computer software	94	94	Reserves	578,883	561,985
Amortization	(3,963)	(2,978)	Legal reserve	18,464	18,464
			Reserve for own shares	412	5,043
Tangible fixed assets (N-7)	35,674	37,749	Other reserves	560,007	538,478
Land and buildings	41,647	43,534	Profit for the financial year	97,074	61,072
Plant and machinery	1,007	2,606			
Furniture and fittings, tools and equipment	418	2,766	Deferred		
Other tangible fixed assets	199	610	income (N-12)	12,970	1,027
Depreciation	(7,597)	(11,767)	Other deferred income	12,970	1,027
Financial fixed assets (N-8)	1,186,553	882,934			
Equity investments in group companies	1,108,921	825,722	Provisions for liabilities and charges	3,539	3,566
Loans to group companies (N-11)	37,971	70,637	Provisions for pension & similar obligations (N-13)	326	390
Equity investments in associated companies	8,001	1	Other provisions (N-14)	3,213	3,176
Long-term securities portfolio	11,140	0			
Other loans	1,940	2,092	Long-term liabilities	377,646	179,440
Long-term deposits and guarantees	6,342	12	Amounts due to credit institutions (N-15)	342,395	125,000
Provisions	(20,624)	(57,546)	Amounts due to group companies (N-10)	30,608	53,933
Long-term deferred tax assets (N-16.7)	32,862	42,016	Other accounts payable	30	31
Own shares (N-11)	412	5,043	Deferred taxes (N-16.7)	4,613	476
Deferred expenses (N-9)	1,244	400			
Current assets	50,798	50,133	Current liabilities	83,086	48,860
Debtors	28,693	38,991	Debts to credit institutions (N-15)	69,334	32,750
Trade receivables for sales and services	12,669	1,227	Loans and other accounts payable	68,587	32,233
Amounts due from group companies (N-10)	14,408	10,950	Accrued interest payable	747	517
Other accounts receivable	0	17,645	Short-term debts GP & Ass. Cos. (N-10)	6,568	6,796
Personnel	18	53	Amounts due to group companies	6,568	6,796
Tax receivables	1,618	9,136			
Provisions	(20)	(20)	Trade accounts payable	2,669	1,940
Short-term investments	21,149	11,044	Other non-trade payables	4,515	7,148
Shares in group companies (N-8)	0	1,812	Accrued taxes payable	2,726	1,962
Shares in associated companies	0	8,000	Other accounts payable	541	4,024
Other loans	1,233	1,232	Accrued wages and salaries	1,248	1,162
Short-term (N-8)	19,916	0			
Cash at bank and in hand	236	1	Accruals and deferred income	0	226
Prepayments & accrued income	720	97	Total	1,283,019	985,771
Total	1,283,019	985,771			

Notes 1- 21 are an integral part of these balance sheets.

Ebro Puleva, S.A.

Profit and loss accounts for the financial years ended
December 31, 2004 and December 31, 2003
(thousands of euros) (Notes 1, 2, 3 and 4)

DEBIT			CREDIT		
	2004	2003		2004	2003
Expenses			Income		
Supplies	722	134,780	Net turnover	687	167,277
Consumption of goods	653	16,362	Sales	449	161,157
Consumption of raw materials and other Consumables	8	114,723	Services Rendered	238	6262
Other external charges	61	3,695	Sales returns and volume discounts	0	(142)
Staff costs	6,822	6,632			
Wages, salaries, etc.	5,739	5,876			
Social security & other welfare costs	1,083	756			
Provision for depreciation and amortization	1,564	3,601	Other operating income	10,589	1,611
			Other sundry and current operating income	10,589	1,061
			Grants	0	0
Change in operating provisions	0	(8)	Overprovision for liabilities and charges	0	550
Variation of trade provisions and losses from unrecovered receivables	0	(9)			
Variation in inventory provisions	0	1			
Other operating expenses	8,414	35,338	Operating losses	(6,246)	(11,455)
External services	7,828	34,763	Income from equity interests	64,099	76,369
Taxes	586	575	Group companies (N-8)	64,099	76,369
Financial expenses & other similar charges	8,253	8,063	Income from other securities and long term receivables	6	2
Group companies	819	1,382			
Others	7,434	6,681	Other interest and similar income	716	514
			Group companies	189	246
			Other interest	527	268
Changes in provisions for short-term investments	2	648			
			Exchange gains	4,169	436
Exchange losses	359	913			
Net financial income	60,376	67,697	Profit from disposal of fixed assets	62,210	5,703
Profit on ordinary activities	54,130	56,242	Profit on transactions with own shares	1,265	435
Losses from disposal of fixed assets	2	376	Capital grants transferred to profit and loss	0	157
Changes in provisions for intangible fixed Assets and securities portfolio	14,173	28,240	Extraordinary income	1,510	1,164
Other extraordinary expenses	7,880	2,202	Extraordinary losses		23,359
Extraordinary income (N-18)	42,930				
Profit before tax	97,060	32,883			
Corporation tax (N-16)	14	28,189			
Profit for the year	97,074	61,072			

Notes 1- 21 are an integral part of these profit and loss accounts.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2004

1. ACTIVITY

Ebro Puleva, S.A. (the Company) is the outcome of the merger by takeover by Azucarera Ebro Agrícolas S.A. of Puleva S.A. Following said takeover merger, the board of directors resolved, to change the name of the company from Azucarera Ebro Agrícolas, S.A. to Ebro Puleva, S.A. with effect from January 1, 2001.

Azucarera Ebro Agrícolas, S.A. was incorporated in Barcelona on May 11, 1998, registered on 25 May and commenced its activities with retroactive effect to April 1, 1998. It was established by the merger of Ebro Agrícolas, Compañía de Alimentación, S.A. and Sociedad General Azucarera de España, S.A.

The registered office of the company is at Villanueva no. 4, 28001 Madrid.

The Company is engaged in the manufacture, marketing, export and import of sugar, dairy products, rice and its by-products, and products for human and animal consumption, by-products and waste, as well as agriculture and exploitation, leasing and conveyance of properties. The Company may perform all or part of its activities indirectly through the holding of stocks and shares in companies with identical or similar activities.

Ebro Puleva, S.A. is the parent company of a consolidated group formed by the Company and its subsidiaries and associated companies. Consolidated annual accounts for year 2004, were drawn up by the directors of Ebro Puleva S.A. on March 31, 2005. The effect of the consolidation, made on the basis of the accounting records of the group companies, in comparison with the accompanying individual annual accounts of the Company, is an increase in assets and shareholders' equity of 899 and 175 million euros, respectively, and an increase of 24 million euros in the profit for the year.

2. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

2.A) GENERAL PRINCIPLES

The accompanying annual accounts are based on the accounting records of the Company and are set out in accordance with the National Chart of Accounts in order to give a true and fair view of the net worth, financial position and results of the Company.

The annual accounts of the year ended December 31, 2004 (hereinafter the 2004 annual accounts), which have been drawn up by the Company's directors, will be submitted to the approval of the shareholders at the Annual General Shareholders Meeting and are expected to be approved without amendment.

2.B) CORPORATE TRANSACTIONS PERFORMED DURING THE YEAR 2003 AND 2004 AND THEIR EFFECT ON THE BASIS FOR COMPARISON

2003 transactions (see 2003 annual accounts)

In 2003 several corporate transactions were carried out. Of these transactions, those described below affect the comparison of the 2003/2004 balance sheet and profit and loss account figures:

2.b.1) Takeover merger of Productos La Fallera, S.A.:

In their meetings held on February 27, 2003, the Boards of Directors of Ebro Puleva, S.A. and Productos La Fallera, S.A. (a wholly-owned subsidiary of de Ebro Puleva, S.A.) approved the merger agreement whereby the latter was absorbed by the former. In accordance with article 239.1 of the Spanish Corporation Law, the merger balance sheets were considered to be those closed by both companies on December 31, 2002. In their extraordinary general meetings held on June 25, 2003, the shareholders of Ebro Puleva, S.A. and Productos La Fallera, S.A. approved the abovementioned merger. Consequently, Ebro Puleva, S.A. acquired all the rights and obligations of Productos La Fallera, S.A. by universal succession.

The transaction was carried out under the fiscal neutrality regime in accordance with the provisions of Chapter VIII, Title VIII of Corporation Tax Law 43/1995. No assets were revalued and there was no tax effect. Productos La Fallera, S.A. was integrated in the Tax Group controlled by Ebro Puleva, S.A. in 2002. The amortizable assets transferred at a cost and accumulated depreciation amounting to 9,367 thousand and 7,669 thousand euros, respectively, were acquired by Productos La Fallera, S.A. in various years prior to 1999. At the date of the merger, Productos La Fallera, S.A. did not take any tax benefits for which obligatory requisites had not been met.

This merger was executed on January 1, 2003 and therefore the accompanying 2003 profit and loss account included income and expenses from Productos La Fallera, S.A.'s activity for said year up to July 31, 2003 as explained in point 2.b.2 below.

2.b.2) Sale of current assets and liabilities to Fallera Nutrición, S.L. :

In addition, in late July 2003 it was agreed to sell current assets and liabilities of the rice activity of Ebro Puleva to its indirectly wholly-owned subsidiary Fallera Nutrición, S.L. (a wholly-owned subsidiary of Herba Nutrición, S.L.).

The sale of current assets and liabilities was part of the Group's restructuring process in an effort to organize the commercial activities of its various brand names under the individual companies created for this purposes. This measure is intended to optimize management control with the subsequent savings in costs.

These current assets and liabilities were sold on August 1, 2003. As of that date, sales and the related income and expenses generated by the brands of La Fallera have been included in the accounting records of Fallera Nutrición, S.L. Consequently, the accompanying profit and loss account for 2003 includes income and expenses from this activity for the period from January 1 to July 31, 2003, whereas the 2004 profit and loss account does not include figures relating to this activity.

2.b.3) Segregation of the rice activity:

As part of the process of streamlining and fostering efficient, easily measurable operation of its businesses, in 2003 the rice activity was segregated from the Group as a complement to the transaction described above, using the same structure applied to the other activities of the Ebro Puleva Group.

Consequently, on July 23, 2003, Ebro Puleva S.A.'s Board of Directors approved the contribution of its rice activity to Herba Ricemills, S.L., thus creating an autonomous economic unit effective September 1, 2003 (a company 100% owned by Ebro Puleva, S.A.).

In view of the above, Ebro Puleva S.A.'s 2003 profit and loss account included its rice activity for the first 8 months of the year, whereas in 2004 it does not include this activity.

2.b.4) Dissolution of Azucarera Ebro Agrícolas Gestión de Patrimonio, S.L. (GDP) and transfer of all of its assets and liabilities to Ebro Puleva, S.A.:

For purposes of overall streamlining and management optimization, on July 23, 2003 the Board of Directors of Ebro Puleva, S.A. agreed to dissolve Azucarera Ebro Agrícolas Gestión de Patrimonio, S.L. (a wholly-owned subsidiary) and transfer all of its assets and liabilities to its sole shareholder Ebro Puleva, S.A. The dissolution was effective for accounting purposes as of July 23, 2003.

The transaction was carried out under the fiscal neutrality regime in accordance with the provisions of Chapter VIII, Title VIII of Corporation Tax Law 43/1995. No assets were revalued and there was no tax effect. The difference between the investment held by Ebro Puleva, S.A. and the assets and liabilities it absorbed has been recorded as "Other reserves" amounting to 7,465 thousand euros. Azucarera Ebro Agrícolas Gestión de Patrimonio, S.L. was included in the tax group headed by Ebro Puleva, S.A. since its formation and therefore it has always filed a consolidated tax return with Ebro Puleva, S.A. The amortizable assets transferred at a cost and accumulated depreciation amounting to 23,305 thousand and 6,732 thousand euros, respectively, were acquired by Azucarera Ebro Agrícolas Gestión de Patrimonio, S.L. in various years, the majority prior to 1990. At the date of the dissolution, Azucarera

Ebro Agrícolas Gestión de Patrimonio, S.L. did not take any tax benefits for which obligatory requisites had not been met.

Consequently, the 2003 profit and loss account of Ebro Puleva S.A. includes the activity of the dissolved GDP for the last five months of the year, whereas 2004 includes 12 months of this activity.

Corporate transaction in 2004

No corporate transactions were carried out in 2004 that would affect the comparison of 2003 figures with those of 2004.

In conclusion, the bases for comparison are affected by the abovementioned transactions carried out in 2003, in terms of the profit and loss account: inclusion of income and expenses for the first seven months of 2003 from the activity of the dissolved Productos La Fallera, S.A. and not in 2004; the inclusion of all income and expenses of the rice activity for eight months in 2003, and not in 2004; and finally, the inclusion of the activity of the dissolved GDP in the last five months of 2003 and 12 months of 2004.

3. PROFIT DISTRIBUTION

The Board of Directors will submit the following distribution of the profit of 2004 to the General Meeting of Shareholders for approval:

THOUSANDS OF EUROS	
Available for distribution	
Profit after tax	97,074
Distribution	
– Freely distributable reserves	46,298
– Dividend (0.33 euro per share)	50,776

4. SIGNIFICANT ACCOUNTING POLICIES

A) FORMATION EXPENSES

The formation expenses are carried at cost and amortized systematically over a period of five years.

B) INTANGIBLE FIXED ASSETS

Intangible fixed assets are stated at purchase price or cost of production and are generally depreciated over a period of five years from completion of the project or initial use of the software, with the exceptions mentioned below.

In particular, the following criteria are applied:

- * **Research and development expenses:** Expenses incurred in research and development activities from which the Company reasonably expects returns and technical success, are recorded, itemized by projects, at their purchase price or cost of production. These are then depreciated following the straight-line method over a period of four or five years. However, very small amounts, are written off within one year.
- * **Industrial property (patents and trademarks):** Capitalized research and development expenses are stated as industrial property when the corresponding patents, etc. are obtained. New trademarks purchased by group companies from third parties are also included, at acquisition cost. These expenses are amortized according to their estimated useful life, normally between five and ten years.
- * **Computer software:** This heading includes the amounts paid for access to ownership or the right to use computer programs, as well as the costs incurred by the Company in the development of software, only when these are expected to be used over several years. The maintenance costs of these EDP applications are recorded directly as expenses in the year in which they are incurred. These expenses are amortized according to their estimated useful life, normally between three and four years.

C) TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at purchase price or cost of production.

The costs of any extensions, modernizations or improvements that enable an increase in productivity, capacity or efficiency or lengthen the useful life of the assets are capitalized as additional cost of the corresponding assets.

Maintenance and upkeep expenses are charged off to the profit and loss account in the year in which they are incurred.

Depreciation is calculated by the straight-line method according to the estimated useful life of the respective assets, considering the depreciation that actually resulted from operation, use and occupation, as indicated below:

DEPRECIATION RATE	
Buildings	1.0 – 3.0%
Machinery, plant, tools, equipment	2.0 – 8.0%
Fixtures and fittings	10.0 – 25.0%
Vehicles	5.5 – 16.0%

Upon signs of obsolescence of fixed assets, the appropriate provisions are made for depreciation.

D) INVESTMENTS

* Equity investments in group companies

Investments in group companies are carried at the lower of acquisition cost or market value. The market value is established on the basis of the equity method value of the shareholding interest according to the latest available financial statements of the group companies, adjusted by the amount of any unrealized capital gains existing at the time of acquisition and subsisting at year-end. The difference between the acquisition cost and the market value requires no write-off if it can be absorbed by the annual increase in the equity method values of the companies over a period of 10 to 20 years from the acquisition date. Provisions have been made for any capital losses and these are deducted from the balance of financial fixed assets.

* Long-term and short - term portfolio securities

These are fixed-income securities stated at the net amounts paid plus accrued interest at year-end.

* Other loans

These are carried at the total value to be collected. Unearned interest at year-end is recorded under the item "Deferred income-other deferred income".

* Short-term in Group and associated companies

This heading includes investments made in short-term marketable securities, which are recorded at acquisition cost and adjusted by the corresponding writedown provision if their value decreases. Marketable securities that are listed on official stock exchanges are valued at the lower of: acquisition cost, average listing in the last quarter, and listing on the last day of the year. Theoretical book value is also used for valuing short-term investments in Group companies.

E) NON-TRADE RECEIVABLES AND PAYABLES AND LOANS TO GROUP COMPANIES

Short and long-term non-trade receivables are carried at the amount actually paid. Interest income is recorded in the profit and loss account as it accrues, applying a financial criteria.

Such value adjustments as are considered necessary are made to allow for bad debts.

Short and long-term non-trade accounts payable are stated at disbursement value. The excess over the amount received is amortized annually according to a financial criteria.

Bank credit lines are stated at the amount actually disposed of.

The amount corresponding to bills discounted is stated, up to maturity, under both Debtors and Short-term debts to credit institutions.

F) INVENTORIES

Inventories are stated at purchase price or cost of production, using the average weighted value method.

The purchase cost includes the amount invoiced plus all additional expenses incurred until the assets reach the warehouse.

The cost of production is calculated as the sum of the purchase costs of raw materials and other consumables, the manufacturing costs directly attributable to the product and the corresponding portion of the costs indirectly attributable to the products in question, insofar as they correspond to the production period.

When the market or replacement value of the inventories is lower than the result of the above calculation described above, the appropriate provisions for depreciation are recorded.

G) OWN SHARES

Own shares are valued at acquisition cost and adjusted by the potential writedown provision, which is calculated as follows:

- * The difference between the acquisition price and the market price (the lower of the listing on the last day of the year or the average listing during the last quarter) is recorded against the profit and loss account.
- * The difference that may arise between the value calculated as stated above and the theoretical book value as per the consolidated balance is charged to "Reserve for own shares" (see Note 11).

H) GRANTS

Grants received by the Company are recorded according to the following principles:

1. Outright capital grants: Stated at the amount awarded and written off to the profit and loss account using the straight-line method over 10 years, which is approximately equivalent to the average period of depreciation of the assets financed with the grants.
2. Operating grants: Credited on the profit and loss account upon accrual.

I) PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Under the current collective labor agreement and voluntary agreements, the Company is obliged to pay various annual supplements and other service and retirement bonuses to permanent employees who have taken official or early retirement. At present, the Company only has these agreements with part of its active employees.

The provision equals the current value, calculated on the basis of actuarial studies made by independent experts, of the Company's future possible commitments to its retired and current employees in respect of these pension supplements (see Note 13).

This provision has been externalized in accordance with current legislation (see Note 13). Following this externalization, the Company will make annual contributions to the outsourced Pension Scheme for all the employees affected. The estimated annual contribution is not significant.

The Company also makes certain voluntary awards to its employees upon retirement in an unspecified, and insignificant sum. These are recorded as an expense at the date of payment.

J) DEFERRED CHARGES

This heading includes mainly debt arrangement expenses, which are charged to the profit and loss account during the maturity period of the corresponding debts, following a financial criteria.

K) OTHER PROVISIONS FOR LIABILITIES AND CHARGES

Provisions are recorded in the sums considered necessary at year-end to meet likely or certain liabilities deriving from on-going legal disputes or obligations outstanding in an unspecified amount.

L) LONG AND SHORT-TERM DEBTS

In the accompanying accounts debts are classified according to when they fall due in respect of the balance-sheet date, considering debts that fall due within 12 months as short-term debts and those falling due after more than 12 months as long-term debts.

Interest on debts is recorded in the profit and loss account according to the accruals principle.

M) CORPORATION TAX

The corporation tax charge recorded in the profit and loss account is calculated on the basis of the financial profit before tax, increased or decreased, as appropriate, by the permanent differences with the taxable income, which is the tax base for said tax, less allowances and deductions, excluding withholding tax and advanced payments.

The differences between the net corporation tax payable and the expense entered for this tax are recorded as deferred corporation tax asset or liability, as appropriate.

N) FOREIGN CURRENCIES AND CURRENCY FUTURES CONTRACTS

Balances in foreign currencies are translated to euro at the exchange rates prevailing at the corresponding transaction dates. Accounts receivable and payable are restated at year-end at the exchange rate in force on the balance sheet date, recording exchange losses thus produced on the profit and loss account and deferring exchange gains, if any, to the date of collection or payment. The readjustment is made for similar groups of currencies and homogenous payment periods.

The currency futures contracts made by the Company to hedge the foreign exchange risk of its foreign currency cash flows are recorded in memorandum accounts until their respective expiration dates, when they are applied to credits and debits and any profit or loss on the operation is recorded. At year-end, the exchange rates arranged in the futures contracts are compared with those prevailing at that date and a provision for foreign exchange risks is made if a loss is revealed, charging the amount to the profit and loss account.

Lastly, the Company uses interest rate swaps contracted on unorganized markets to hedge its long-term liabilities with credit institutions positions. The transactions existing at December 31, 2004 are intended to eliminate or reduce significantly interest rate risk in connection with these positions, and therefore any profit or loss is recorded in the profit and loss account in proportion to the income or expenses generated by the hedged assets (see Note 15).

O) INCOME AND EXPENSES

Income and expenses are recorded following the accruals principle, that is, when the real flow of goods and services that they represent is made, regardless of when the resulting monetary or financial flow is produced.

However, following the principle of prudence, the Company only records realized profits at year-end, while foreseeable risks and losses, even potential losses, are recorded as soon as they are known.

P) ENVIRONMENTAL ISSUES

Environmental expenses are those incurred in connection with environmental activities carried out or which should be carried out to manage the environmental effects of the Company's operations, as well as those relating to environmental commitments.

Assets incorporated in equity in the long term for the primary purpose of minimizing the environmental impact of the companies' activities, protecting or improving the environment, including the reduction or elimination of future contamination caused by the Company's operations are recorded as investments. For accounting purposes, these assets are recorded using the same criteria applied to tangible assets.

5. FORMATION EXPENSES

The movements of this heading during the year are the following:

THOUSAND OF EUROS			
Description	Balance at 12/31/2003	Amortization	Balance at 12/31/2004
Formation expenses	174	(174)	0

6. INTANGIBLE FIXED ASSETS

The detail of this heading and the related accumulated amortization at December 31, 2004, as well as the movements recorded during the year, is the following:

GROSS AMOUNTS (THOUSAND EUROS)					
	Balance at 12/31/03	Increases	Decreases	Transfers	Balance at 12/31/04
Industrial property, patents and trademark	12,222			(15)	12,207
Software	94				94
Intangible assets under construction	0				0
Total	12,316	0	0	(15)	12,301

ACCUMULATED AMORTIZATION (THOUSAND EUROS)					
	Balance at 12/31/03	Increases	Decreases	Transfers	Balance at 12/31/04
Industrial property, patents and trademark	2,941	976	(5)	(15)	3,897
Software	37	29			66
Total	2,978	1,005	(5)	(15)	3,963
Total intangible assets (net)	9,338	(1,005)	5	0	8,338

At December 31, 2004 the Company had fully amortised patents and trademarks amounting to 2,748 thousand euros.

7. TANGIBLE FIXED ASSETS

The composition of tangible fixed assets and their accumulated depreciation at December 31, 2004, as well as the movements recorded during the year, is shown below :

GROSS AMOUNTS (THOUSAND EUROS)					
	Balance at 12/31/03	Increases	Decreases	Transfers	Balance at 12/31/04
Land and buildings	43,534	912	(3,125)	326	41,647
Technical installations and machinery	2,606		(1,599)		1,007
Other installations, tools and furniture	2,766	46	(2,394)		418
Other tangible	610	6	(91)	(326)	199
Tangible assets under construction	0				0
Total	49,516	964	(7,209)	0	43,271

ACCUMULATED AMORTIZATION (THOUSAND EUROS)					
	Balance at 12/31/03	Increases	Decreases	Transfers	Balance at 12/31/04
Land and buildings	6,134	310	(355)		6,089
Technical installations and machinery	2,536	19	(1,595)		960
Other installations, tools and furniture	2,640	7	(2,370)		277
Other tangible	149	49	(91)		107
Total	11,459	385	(4,411)	0	7,433

PROVISIONS (THOUSAND EUROS)					
Provisions for fixed assets	308		(144)		164
Total tangible assets	37,749	579	(2,654)	0	35,674

The decreases correspond to sales of buildings to third parties. On the other hand, it is the Company's policy to adequately insure its tangible assets against inherent risks.

The amounts of tangible fixed assets fully depreciated at December 31, 2004 are as follows:

	THOUSAND EUROS
Buildings	172
Technical installations and machinery	869
Other installations, tools and furniture	185

The principal buildings are used primarily for renting offices space as per the following detail:

	Square meters	Use	State
Villanueva, 4- Madrid:	4,397	own use	occupied
Villanueva, 8- Madrid:	1,670	own and residential use	occupied
Montalbán, 11-Madrid:	3,760	rented office space and residential use	occupied
Ruiz de Alarcón- Madrid:	3,800	rented office space	occupied
	13,627		

The Company has no significant firm commitments at year-end for the purchase of new tangible fixed assets.

8. INVESTMENTS

The detail of this heading and the movements during the period are shown below (thousands of euros):

	Balance 12/31/03	Increases	Decreases	Transfers	Balance 12/31/04
Shares in group companies	825,722	326,288	(25,731)	(17,358)	1,108,921
Loans to group companies	70,637		(15,614)	(17,052)	37,971
Shares in associated companies	1			8,000	8,001
Loans granted to associated companies	0	11,140			11,140
Other receivables	2,092		(152)		1,940
Long-term deposits and guarantees	12	6,330			6,342
Long-term deferred tax asset (*)	42,016	7,365	(16,519)		32,862
	940,480	351,123	(58,016)	(26,410)	1,207,177
Provisions	(57,546)	(21,158)	31,741	26,339	(20,624)
Total financial fixed assets	882,934	329,965	(26,275)	(71)	1,186,553

(*) See Note 16.7

A) SHARES IN GROUP COMPANIES

The additions in the “Increases” column correspond primarily to:

1. 309,297 thousand euros corresponding to the acquisition of 100% of Riviana Foods Inc (USA).
2. 10,291 thousand euros relating to the acquisition of 100% of Lactimilk, S.L. (acquired from another wholly-owned subsidiary of Puleva Food, S.L.) and to the 10 million euro capital increase carried out by Lactimilk, S.L. in 2004.

3. 3,500 thousand euros to the formation of Lince Insurance, Ltd. in May 2004 (a company located in Ireland devoted to transacting insurance for the tangible assets of the Ebro Puleva Group's principal Spanish companies).
4. 3,200 thousand euros corresponding to the additional investment made in Puleva Biotech S.A. via the market purchase of shares.

The disposals in the "Decreases" column correspond primarily to:

5. 25,731 thousand euros corresponding to the sale of 49% of the share in Inversiones Greenfields, Ltda. (see e.2 below).

"Transfers" for the year correspond primarily to:

6. A decrease of 26,782 thousand euros for the transfer to the "short-term securities portfolio" of the remaining 51% share in Inversiones Greenfields, Ltda. (see e.2 below).
7. An increase of 9,424 thousand euros corresponding to short-term equity investments held by the Company in Puleva Biotech, S.A. (9,424 thousand euros in cost and a 7,582 thousand euro provision). At year end 2003, these short-term equity investments in Group companies corresponded to the 5.0% of the securities portfolio which exceeded the 67.96% established as own shares of Puleva Biotech, S.A. In early 2004, the Company decided to discontinue this practice and transfer the shares to "Investments," which increased the 5.0% investment in this subsidiary.

B) EQUITY INVESTMENTS AND RECEIVABLES FROM ASSOCIATED COMPANIES

The transfer of 8,000 thousand euros in shares in associated companies corresponds to the reclassification to short-term (of shares in associated companies under "Short-term investments") of the investment in Biocarburantes de Castilla y León, S.A., since in June 2004, the decision was made to maintain the commitment with a third party to invest in this fuel production project. In this regard, loan agreements were signed for participative loans granted by the two shareholders to Biocarburantes de Castilla y León, S.A. The portion of the loan granted by Ebro Puleva, S.A. amounted to 11,120 thousand euros. No maturity date has been established for these loans, which bear interest at Euribor plus 2 points.

C) LOANS TO GROUP COMPANIES

At December 31, 2004 the most significant items in this heading correspond to: a loan granted in 2001 to Beira Terrace Ltda. (a wholly-owned Portuguese subsidiary) for the purchase of buildings in Portugal which has no established maturity date and bears interest at three-month Euribor plus an annual 0.2%; and interest-free loans granted to Herba Foods, S.L. (a wholly-owned subsidiary) in 2001 and 2003 to finance foreign investments. No maturity dates were established for these last loans. The transfer corresponds to the balance of the loan granted to Inversiones Greenfields, Ltda., which was reclassified to the "Short-term securities portfolio" (see e.2 below).

D) PROVISIONS

The increase in provisions is due primarily to allowances recorded in 2004 relating to the remaining Chile investment and in other subsidiaries. The decreases in provisions correspond principally to the application of the provision for the sale of the 49% share of Inversiones Greenfields, Ltda. and in the release to the profit and loss account of a portion of the provision for the increase in the equity investment in Puleva Biotech, S.A.

Transfers correspond a) to the increase relating to the Puleva Biotech, S.A. provision, which was reclassified from “Short-term equity investments in Group companies” (see Note a.7 above) and b) to the decrease relating to the reclassification of the balance of the provision recorded in Inversiones Greenfields, Ltda. (see e.2 below) to “Short-term securities portfolio.”

E) SHORT-TERM SECURITIES PORTFOLIO

This heading includes the following concepts:

1. Due to temporary surplus cash, the Company had invested 10 million euros in government bonds that matured on January 17, 2005 and bore interest at 2.1%.
2. The rest of the heading corresponds to an investment and an account receivable from Inversiones Greenfields, Ltda., net of recorded provisions. The Inversiones Greenfields Ltd. Group owns 51% of the Chilean company Campos Chilenos, S.A., which in turn owns 45.13% of IANSA. At the end of November 2004, Ebro Puleva, S.A. sold its 49% share in Inversiones Greenfields Ltd., bringing its current share to 51%. Prior to the sale of the aforementioned 49%, Ebro Puleva, S.A. indirectly owned 23% of its share in IANSA; however, this company had been consolidated using the full consolidation method since Ebro Puleva, S.A. had majority control. Nevertheless, the sale of its 49% share in Inversiones Greenfields Ltd. means that Ebro Puleva, S.A. no longer controls the majority of IANSA Group companies and therefore, practically the only asset of Inversiones Greenfields (the equity investment in IANSA through the share in Campos Chilenos) cannot be consolidated by the full consolidation at year end 2004. Likewise, it no longer meets the criteria for being considered an equity investment in group or associated companies. Consequently, the remaining 51% share held in Inversiones Greenfields Ltd. at December 31, 2004 was recorded in assets on the consolidated balance sheet under “Short-term securities portfolio” at market value.

E) LONG-TERM DEPOSITS AND GUARANTEES

“Long-term deposits and guarantees” includes the premiums paid during the year for insurance policies relating to contractual commitments with respect to plans for dismissals, changes in management control or agreements not to compete.

The details of the shares held by Ebro Puleva, S.A. in group and associated companies are set out in the following table (thousands of euros):

Subsidiaries and associated companies	% of ownersh	Registered	(a) Capital & reserves
Azucarera Ebro S.L. (Grupo)	100.00%	c/ Ruíz de Alarcón, 5 - 28014 Madrid	493,248
Balmes 103 Gestión de Patrimonio, S.L.	100.00%	c/ Villanueva, 4 - 28001 Madrid	12,351
Fincas e Inversiones Ebro, S.A.	100.00%	c/ Villanueva, 4 - 28001 Madrid	11,916
S.C.I. Bidassoa	100.00%	ST. Jean de la Luz - France	0
Compañía Agrícola de Tenerife, S.A.	99.94%	c/ La Marina, 7 - 38002 S. C. de Tenerife	23,878
Puleva Food, S.L. (Grupo)	100.00%	Camino de Purchil, 66 - Granada	242,299
Lactimilk, S.A. (Grupo)	100.00%	Poligono Arteixo - La Coruña	10,290
Herba Foods S.L. (Grupo)	100.00%	c/ Villanueva, 4 - 28001 Madrid	55,905
Herba Ricemills S.L.	100.00%	c/ Villanueva, 4 - 28001 Madrid	69,278
Herba Nutrición S.L.	100.00%	c/ Villanueva, 4 - 28001 Madrid	626
Puleva Biotech, S.A.	74.98%	Camino de Purchil, 66 - Granada	33,698
Jiloca Industrial, S.A.	60.00%	Antigua Azuc. s/n - 44360 Sta. Eulalia - Teruel	1,769
Biocarburentes de Castilla y León, S.A.	50.00%	Avda. de la Buharra, 2 - 41018 Sevilla	16,000
Beira Terrace Soc.de Construçes	100.00%	Oporto (Portugal)	515
S&B Herba Foods Ltd. (Grupo) (*)	51.00%	London (UK)	5,572
Rizerie Franco Americaine et Col., S .A.	100.00%	Paris (France)	1,138
Riceland, Ltda.	100.00%	Budapest (Hungry)	1,051
Dan Rice A/S	100.00%	Orbaek (Denmark)	4,196
Riviana Foods Inc (Grupo)	100.00%	Houston (Texas-USA)	127,828
Lince Insurance Ltd.	100.00%	Dublin (Ireland)	3,500
Total			

(a) When “(Group)” follows the name of a subsidiary, the data relating to capital, reserves and results correspond to consolidated information of said company and its own subsidiaries and associated companies, prior to paying the interim dividend in 2004.

(*) Ebro Puleva, S.A. wholly owns this Group, 51% directly and 49% indirectly through Riviana Foods Inc.

Puleva Biotech is listed on the stock exchange as from December 17, 2001. The average listing for the last quarter of 2004 and at December 31, 2004 was 2.61 euros and 2.63 euros, respectively, per share.

(a) Year results	(a) Extraordin results	2004 Dividends	Activity	Last closed annual accounts	Investment
43,611	(58,432)	(46,773)	Production and sale of sugar	12/31/04	411,594
11	0		Crop farming	12/31/04	10,983
9	(188)		Real estate	12/31/04	4,926
0	0		Real estate	12/31/04	218
531	(6)		Banana growing and vegetable canning	12/31/04	22,849
13,194	(5,084)	(6,525)	Production and sale of dairy products	12/31/04	180,612
(571)	(158)		Production and sale of dairy products	12/31/04	10,291
4,459	(7,742)		Investment management	12/31/04	25,713
99	(537)		Production and sale of rice	12/31/04	69,078
2,871	(147)	(10,433)	Production and sale of rice	12/31/04	526
1,355	(132)		Development and marketing of new products	12/31/04	30,900
315	(13)	(11)	Production of organic fertilizers	12/31/04	274
0	0		Production of Bioethane	12/31/04	8,000
(220)	0		Real estate	12/31/04	1,360
2,402	0	(357)	Sale of rice	12/31/04	4,221
37	(2)		Production and sale of rice	12/31/04	1,241
708	0		Production and sale of rice	12/31/04	2,885
1,640	0		Production and sale of rice	12/31/04	18,454
10,526	0		Production and sale of rice	12/31/04	309,297
(1,325)	0		Insurance	12/31/04	3,500
		(64,099)			1,116,922

9. DEFERRED CHARGES

The movements during the period are shown below (thousands of euros):

	Balance 12/31/2003	Increases	Amortization for the year	Balance 12/31/2004
Credit arrangement expenses	400	1,244	(400)	1,244

10. ACCOUNTS WITH GROUP AND ASSOCIATED COMPANIES

The main transactions of the Company with group and associated companies during the period were. However, no significant transactions have been carried out with associated companies:

	Group companies
External services	2,169
Financial expenses	819
Total purchases and expenses	2,988
Sales	504
Income from services rendered	10,295
Financial income	189
Income from dividends	64,099
Total sales and income	75,087

The balances of Ebro Puleva, S.A. with Group companies at December 31, 2004 were the following (in thousands of euros)

Balances Group companies	Loans to Group Companies	Accounts Receivable Group	Accounts payable to Group companies	
	Long-term		Long-term	Short -term
Azucarera Ebro, S.L.	—	12,065	—	(4,475)
Herba Foods, S.L.	26,831	103	—	—
Balmes 103 Gestión de Patrim., S.L.	—	—	(12,360)	—
Herba Ricemills, S.L.	—	271	—	(647)
Herba Nutrición, S.L.	—	133	—	(7)
Nomen Alimentación, S.L.	—	—	—	(6)
Fincas e inversiones Ebro, S.A.	2,115	5	—	—
Compañía Agrícola de Tenerife, S.A.	—	29	(1,858)	(264)
Puleva Biotech, S.A.	—	3	(7,076)	—
Puleva Foods, S.L.	—	1,748	(9,314)	(556)
Lactimilk, S.L.	—	51	—	(613)
Beira Terrace, Ltda.	9,025	—	—	—
	37,971	14,408	(30,608)	(6,568)

Long-term loans to Group companies do not have an established maturity date.

The Company has signed a commercial current account agreement with most of the Spanish dependent societies, by virtue of which, the Company must cover all their financing requirements and, on the contrary, give interest on their surplus cash balances, all at arm's length interest rates.

11. SHAREHOLDERS' EQUITY

The movements in the accounts in this heading are shown in the following table (thousands of euros):

	Balance 12/31/03	Appropriation of results 2003	Results for 2004	Reserve For own shares	Balance 12/31/04
Shareholder' equity					
Capital	92,319				92,319
Share premium	34,333				34,333
Revaluation reserves	3,169				3,169
Reserves:	561,985	14,911	0	1,987	578,883
Legal reserve	18,464				18,464
Reserve for own shares	5,043			(4,631)	412
Other reserves	538,478	14,911		6,618	560,007
Profit and Loss for the year	61,072	(61,072)	97,074		97,074
	752,878	(46,161)	97,074	1,987	805,778

- * At December 31, 2004 share capital consisted of 153,865,392 bearer shares with a nominal value of 0.60 euros each, fully subscribed and paid and listed on Spanish stock exchanges.
- * Based on National Securities Commission data, the total shares held directly and indirectly by companies with stakes of more than 5% of share capital at December 31, 2004 are: Instituto Hispánico del Arroz, S.A., 11.50% (6.50% held directly and 5% held indirectly through Hispafoods Invest, S.L.), Grupo Torras, S.A., 7.82%, Grupo Caja España 5.53%, Caja de Ahorros de Salamanca y Soria 5.00%, and Caja de Ahorros de Asturias 5.00%.
- * With regard to the share premium, the Revised Text of the Spanish Corporation Law expressly states that Company may use this account to increase share capital, and does not stipulate any specific restriction with regard to how it is to be used.
- * Companies that obtain profits during the year are obliged to transfer 10% of the net profit for the year to the legal reserve, until said reserve is equivalent to 20% of the capital. The legal reserve may not be distributed, save in the event of winding-up, but it may be used to offset losses, provided that there are no other reserves available for this purpose, and to increase the capital in the amount by which it exceeds 10% of the increased capital. At December 31, 2004 the legal reserve reaches 20% of the capital.

* Due to past revaluations carried out by Sociedad General Azucarera de España, S.A. and Puleva S.A. under the provisions of Royal Decree-Law 7/96, dated June 7, revaluation reserves were recorded amounting to 21,767 thousand euros. Of this amount, 3,169 thousand euros remain in the Company's balance sheet following the segregation of the sugar activity in 2001 and the dissolution of GDP in 2003. This balance may be used, tax free, to offset accumulated losses from previous years, as well as losses incurred in the current or future years. It may also be used to increase capital. As of April 1, 2007, it can be taken to freely distributable reserves, provided that the monetary capital gain has been realized. The capital gain will be considered realized for the amount of depreciation recorded or when the revalued assets have either been sold or eliminated from the accounting records. The balance of this account would be deemed liable to tax in the event it is used for purposes other than those prescribed by Royal Decree-Law 7/1996.

* In 2004, the Company purchased and sold shares as authorized by the shareholders in their general meeting held on April 15, 2004. These transactions were communicated to the National Securities Market Commission as required by prevailing regulations. This year the Company added 2,408,678 shares and sold 3,198,253 shares. At year end 2004, the Company holds 65,231 of its own shares (0.04% of its share capital) for which it has recorded the corresponding reserve. In accordance with the Revised Text of the Spanish Corporation Law, the Company has recorded a nondistributable reserve equivalent to the amount of own shares it holds. This reserve will be freely distributable once the Company no longer holds its own shares. At year end 2004, the Company has not yet decided on the final use of these shares.

12. DEFERRED INCOME

Within this heading, the variations during the period were as follows (thousands of euros):

	Balance 12/31/03	Increases	Decreases	Amortization for the year	Balance 12/31/04
Unrealized exchange differences	0	12,605			12,605
Other deferred income	0	365			365
Deferred income from Payments Moratorium	1,027			(1,027)	0
	1,027	12,970	0	(1,027)	12,970

Unrealized exchange differences correspond to the restatement of the loan in US dollars obtained to finance the acquisition of the equity investment in Riviana Foods Inc. at the year end exchange rate.

13. PROVISIONS FOR PENSIONS AND SIMILAR

As explained in Note 4.i), the employees of Ebro Puleva, S.A. are eligible for various annual supplements and other service and retirement bonuses previously established in the Company's internal pension funds. Due to the segregation of the sugar activity in 2001, the Company only has these possible commitments with part of its current active employees.

In 2002 the Company completed the process of externalizing its pension commitments in accordance with the 25th additional provision of Law 14/2000.

The basic assumptions used in the latest actuarial study, with effect as of December 31, 2004, are:

- a) Mortality and survival PERM 2000 tables.
- b) Pay rises. A cumulative annual pay rise of 3% has been assumed.
- c) Retail Price Index (RPI). A retail price index of 2.5% p.a. has been assumed.
- d) Increase in Social Security contribution bases. Equal to RPI.
- e) Increase of maximum Social Security pension. A cumulative annual increase of 2.5% in the maximum Social Security pension has been assumed.

On July 17, 2001, Azucarera Ebro S.L., a wholly-owned subsidiary of Ebro Puleva, S.A., signed a master agreement with an insurance company regulating the technical, economic and legal terms and conditions to be applied to the policies in which the pension commitments acquired in respect of employees from Azucarera Ebro Agrícolas, S.A. are to be instrumented in 2002. By virtue of this master agreement, the company has arranged a 10-year financing plan with the insurance company, under which the first payment was made on July 17, 2001, at an interest rate of 6.7%, equal to that guaranteed for the first 40 years for the mathematical provisions made on the basis of the premiums of said financing plan.

Consequently, the possible commitments of Ebro Puleva, S.A. were included in the above master agreement and therefore these provisions were already released in 2001. From 2002, the Company is obligated to make annual supplementary contributions for eligible employees to the externalized pension plan for an estimated amount that is not material.

In addition, the provision recorded in the balance sheet at December 31, 2004 for seniority bonuses amounts to 326 thousand euros and represents the current value, as per independent actuarial studies, of the Company's future possible commitments with its employees in this regard. The actuarial assumptions are essentially the same as those described above for pension commitments, applying an annual interest rate of 4.5%.

14. OTHER PROVISIONS

The movements in this heading during the period were the following (thousands of euros):

	For other provisions for liabilities and expenses
Balance at December 31, 2003	3,176
Additions	59
Applications	(22)
Overprovision taken to income	0
Balance at December 31, 2004	3,213

The balance at December 31, 2004 corresponds to provisions for litigations deriving from ongoing legal disputes and other claims. The company directors do not expect any material additional liabilities to derive from the final resolution of these claims.

15. AMOUNTS DUE TO CREDIT INSTITUTIONS

The breakdown of items included in long and short-term debts to credit institutions are indicated below:

THOUSANDS OF EUROS		
	Long-term	Short-term
Amounts drawn down on bank loans (euros)	67,070	68,587
Amounts drawn down on bank loans (\$ USA)	275,325	
Interest pending maturity		747
Total	342,395	69,334

Into the long-term loans is included the amount corresponding to a syndicated loan agreement signed on November, 2004. This agreement includes a) 138 million euros, the principal of which will be repaid in four quarterly installments, the first falling due within six months from the date the loan agreement was signed, and b) 375 million US dollars (275 million euros) to finance the acquisition of the Riviana group, using the 2004 year-end exchange rate. The principal on the aforementioned amount will be repaid in eight quarterly installments, the first of which falls due in May 2007. The annual interest applicable to the loan is linked to six-month EURIBOR plus a market differential, while the annual interest rate applicable to the loan in US dollars is linked to six-month LIBOR plus a market differential. At year end 2004, there is still an IRS on the loan in euros with a "collar" ranging from 3% and 4.9% and a "knock-in" at 2.5%. These loans are guaranteed by the subsidiaries Azucarera Ebro, S.L., Puleva Foods, S.L., Herba Food S.L. and Herba Ricemills, S.L.

With regard to the rest of these debts, at December 31, 2004, the Company has credit facilities at banks with a limit of 31 million euros. These facilities are secured by personal guarantees. The total amount drawn down was 0 thousand euros.

Except for the syndicated loan referred to above, the average annual interest rate applied to these debts was three-month EURIBOR plus an average market differential of 0.3%.

In addition, there are discount lines, foreign trade financing, issued guarantees and other bank guarantees totaling 2,000 thousand euros. The Company has used 1,093 thousand euros of this amount at December 31, 2004.

The long-term bank loans fall due in the following years and amounts (thousands of euros):

Maturity 2006	71,570
Maturity 2007	67,706
Maturity 2008	67,706
Maturity 2009	67,706
Maturity 2010	67,707
Total	342,395

16. TAX SITUATION

16.1. The following companies make up the consolidated tax group:

- * Ebro Puleva, S.A. (parent company of the tax group)
- * Fincas e Inversiones Ebro, S.A.
- * Azucarera Ebro, S.L. (group)
- * Balmes 103 Gestión de Patrimonio, S.L.
- * Compañía Agrícola de Tenerife, S.A. (CATESA)
- * Puleva Food, S.L. (group)
- * Lactimilk S.A. (group)
- * Herba Foods, S.L.
- * Herba Ricemills, S.L (group)
- * Herba Nutrición, S.L
- * Nomen Alimentación, S.L.
- * Fallera Nutrición, S. L.

16.2. The reconciliation of the difference between the book profit for the year and the individual tax base of Ebro Puleva, S.A. for corporation tax at December 31, 2004 is as follows:

BOOK PROFIT BEFORE TAX (THOUSANDS OF EUROS)			97,060
	Increase	Decrease	
Permanent differences	829	5,008	(4,179)
Permanent differences from tax consolidation adjustments		63,731	(63,731)
Adjusted book profit			29,150
Temporary differences arising in the year	21,044	11,819	9,225
Temporary differences arising in previous years		43,457	(43,457)
Taxable income (tax base) of the Company			(5,082)
Total tax base of Ebro Puleva, S.A.			(5,082)

	Tax accrued	Tax payable	Deferred tax liability	Deferred Tax asset
Corporation tax liability (35%)	10,203	1,779		
Net tax payable	10,203	1,779	(4,137)	(7,845)
Deductions from taxable income	(11,367)	11,367		
Corporation tax 2004	(1,164)	13,146	(4,137)	(7,845)
Permanent establishment tax	22			
Deferred tax asset from prior years	1,309			
Adjustment of 2003 tax	(181)			
Total corporation tax	(14)			

16.3. The details of the temporary differences of Ebro Puleva, S.A. are as follows:

THOUSAND OF EUROS	
Increases	
Provision allowance for fixed assets and writedown of investments	19,613
Other increases	1,431
Total	21,044
Decreases	
Income from Puleva payments moratorium debt reduction	(1,027)
Goodwill tax amortization expense	(4,638)
Application for tax purposes of financial fixed assets provisions	(37,562)
Application of collection tax criteria on fixed assets disposals	(11,819)
Other decreases	(230)
Total	(55,276)

16.4. The details of the permanent differences of Ebro Puleva, S.A. are as follows:

Increases		Thousand of Euros
Other nondeductible expenses		829
Total		829
Decreases		
Adjustments for dividends of subsidiaries of the tax group		(63,731)
Adjustments for dividends of foreign subsidiaries		(357)
Tax amortization of goodwill		(4,651)
Application of market value to the exchange of JJeap shares		7,732
Negative adjustment for exempt income from foreign securities (Article 20 bis)		(7,732)
Total		(68,739)

16.5. The profits and losses for 2004 of the companies in the consolidated tax group and the reconciliation with the consolidated tax base of that group is as follows:

		Thousand of Euros
Ebro Puleva, S.A.		97,060
Azucarera Ebro, S.L.		64,030
Puleva Food, S.L. (Tax Group)		16,867
Lactimilk, S.L. (Tax Group)		(1,912)
Herba Foods, S.L.		3,148
Herba Ricemills, S.L.		1,245
Herba Nutrición, S.L.		6,134
Nomen Alimentación, S.L.		2,170
Fallera Nutrición, S. L.		2,524
Compañía Agrícola de Tenerife, S.A.		617
Fincas e Inversiones Ebro, S.A.		14
Balmes 103 Gestión de Patrimonio, S.L.		0
		191,897

AGGREGATE BOOK PROFIT OF TAX GROUP BEFORE TAX			191,897
	Increase	Decrease	
Permanent differences Ebro Puleva, S.A.	829	68,739	(67,910)
Permanent differences other companies	9,523	15,333	(5,810)
Permanent differences relating to other tax consolidation adjustments	384	4,142	(3,758)
Offset negative tax bases of subsidiaries		2,098	(2,098)
Adjusted book profit			112,321
Temporary differences Ebro Puleva S.A.	21,044	55,276	(34,232)
Temporary differences other companies	77,171	28,876	48,295
Loss carryforwards of subsidiaries		595	(595)
Total tax base of the tax group			125,789

	Tax accrued	Tax payable	Deferred Tax asset / liability
Corporation tax liability (35%)	39,312	(44,026)	4,714
Deductions from tax payable	(16,982)	16,982	0
Corporation tax 2004	22,330	(27,044)	4,714
Permanent establishment tax	22		
Cancellation of deferred tax assets	1,309		
Adjustment of 2003 taxes	935		
Total corporation tax	24,596		

The loss carryforwards of subsidiaries correspond essentially to permanent differences in Puleva Food, S.L, to permanent differences in Compañía Agrícola de Tenerife, S.A.

The temporary differences of companies relate principally to transactions of Azucarera Ebro S.L. and Puleva Food, S.L., due to the recording or application for tax purposes of provisions released or recorded in the year, and other minor differences.

Permanent differences of subsidiaries correspond principally to adjustments for dividends received from foreign companies and writedown provisions for the underlying book value of investments in foreign companies. Lastly, permanent differences from consolidation adjustments relate primarily to the elimination of dividends and provisions between companies of subgroups that belong to the same tax group.

In Ebro Puleva, S.A, deductions from tax payable correspond principally to and in tthe best of the companies of the tax group corresponde to reinvestment of profits in the sale of fixed assets investments in environmental activities, the development of new products, and deductions for exports (equity investments in foreign companies). The amount committed for reinvestment to apply the tax deduction for reinvestment of capital gains generated in 2004 amounted to 65 million euros. This amount has already been reinvested by the tax group in 2003 and 2002. The remaining requirements for taking these deductions have already been met.

16.6. The accounts of the merged company Arrocerías Herba, S.A. and the company created out of the mergers, Ebro Puleva, S.A., are subject to inspection by the tax authorities for the following years and taxes:

Tax	from HERBA	from EPSA
Corporation tax	99/2000	99/2000
Value added tax	2000	2000
Personal income tax	2000	2000
Others	2000	2000
Excise duty	2000	2000

On February 11, 2005 the Company was notified of the commencement of an inspection of Arrocerías Herba, S.A. for 1999, 2000 and 2001 corporation tax and for 2001 for all other taxes. On February 14, 2005, the tax authorities notified all the Group companies of the Ebro Puleva, S.A. tax group that an inspection would begin for corporation tax for fiscal years 1999-2003 and for remaining taxes for fiscal years 2001-2003.

In addition, in late February 2004 the tax inspection carried out on all taxes of Puleva, S.A. from 1998 to 2000 was completed. As a result of this inspection, tax contingencies were raised amounting to 1,832 thousand euros for which the related provision was applied. This provision was recorded in the annual accounts of Puleva Food, S.L., a wholly-owned subsidiary of Ebro Puleva, S.A., since this company assumed the tax obligations of the dissolved Puleva, S.A.

16.7. The following variations have occurred during the year in advance and deferred tax of Ebro Puleva, S.A.:

DEFERRED TAX ASSET		THOUSAND OF EUROS
Balance at December 31, 2003		42,016
Writeoffs		(1,309)
Provision allowance for fixed assets and equity investments		6,864
Other provisions		501
Application of other provisions		(80)
Application of provisions for fixed assets and equity investments		(13,147)
Income from Puleva payments moratorium debt reduction		(360)
Goodwill tax amortization expense		(1,623)
Balance at December 31, 2004		32,862

DEFERRED TAX		THOUSAND OF EUROS
Balance at December 31, 2003		476
Application of tax collection criteria to disposal of fixed assets		4,137
Balance at December 31, 2004		4,613

17. GUARANTEES FURNISHED

At December 31, 2004 the following bank guarantees had been furnished:

THOUSAND OF EUROS		Amount
Guarantees received from banks		
To courts and gov. institutions in respect of tax claims and deferrals		827
To third parties as surety for normal trading operations		266
Guarantees given by Ebro Puleva S.A.		
Guarantees given to banks as collateral for loans granted to Group companies		43,455
Other guarantees given to banks on behalf of third parties and associated companies		80,815

The most significant guarantee given to banks to cover the transactions of associated companies corresponds to the guarantee given by Ebro Puleva, S.A. on behalf of its associated company Biocarburantes de Castilla y León, S.A. for the syndicated loan signed by the latter with several financial institutions in November 2004. This loan was intended to finance said company's biofuel factory project. The loan totals 158 million euros, guaranteed by the shareholders of Biocarburantes de Castilla y León, S.A. Consequently, the maximum amount guaranteed by Ebro Puleva, S.A. is 79 million euros. However, until December 31, 2004, Biocarburantes de Castilla y León, S.A. had drawn down 45 million euros of the total loan, and therefore the proportional amount effectively guaranteed by Ebro Puleva, S.A. totaled 22.5 million euros.

In addition, at December 31, 2004, Ebro Puleva, S.A. submitted guarantees to secure the debts of certain Group companies with credit institutions amounting to 43,455 thousand euros.

18. INCOME AND EXPENSES

- a) Net turnover corresponds to the execution of the purchase-sale of the rice activity, which took place in 2003.
- b) Transactions in foreign currencies

The Company carries out the majority of its transactions in euros, except for the US dollar loan described in Note 15.

- c) Extraordinary items

The details of extraordinary items of the period are given below:

THOUSAND OF EUROS	
Extraordinary expenses	
Changes in provisions for investments	14,317
Changes in provisions for other investments	3,000
Changes in provisions for tangible fixed assets	(144)
Losses from sales of tangible fixed assets	2
Extraordinary indemnities	4,088
Other extraordinary expenses	792
Total	22,055

THOUSAND OF EUROS	
Extraordinary income	
Profit from transactions with tangible fixed assets	62,210
Profit from transactions with own shares	1,265
Income from debt relief – Puleva Payments Moratorium	1,027
Other extraordinary income	483
	64,985
Net extraordinary income	(42,930)

d) The average number of employees is the following:

Permanent employees	39
Temporary/regular temporary employees	1
Total	40

The Company's staff comprised the following categories of employees:

Management	16
Middle management	14
Administrative staff	9
Others	1
Total	40

19. OTHER INFORMATION

19.1 The overall remuneration of the Directors of Ebro Puleva, S.A. for this period totaled 3,550 thousand euros, as follows (thousand of euros):

	2004	2003
Expenses	185	145
Share under bylaws	1,134	1,167
Total external board members	1,319	1,312
Wages, salaries and professional fees	2,073	2,871
Life and retirement insurance	158	155
Total executive directors	2,231	3,026
Total directors' emoluments	3,550	4,338

In addition, 2,657 thousand euros in indemnities were paid for expiration of contracts in 2004 that were not paid in 2003.

The current bylaws of the Company establish a share of 2,5% in the net profit for the year, provided that the legal reserve has been covered and the necessary sum has been set aside to pay the shareholders a dividend of 4% of the paid-up capital. At the Board of Directors meeting held on January 26, 2005 the directors resolved to propose the reduction of that share to 1.55% of the profit for the year, with effect as from the 2004 financial year.

The members of the Board of Directors perform executive functions for which they do not receive any travel and subsistence allowance under the terms of their respective contracts.

The amounts to which they would have been entitled, according to the bylaws, are not shared out among the other Directors, but are withheld in the company.

Several members of the board who have executive duties within the Company are beneficiaries of a supplementary life and retirement insurance policy in an annual sum of 158 thousand euros, in pursuance of the bylaws.

The Company has not granted any loans or advances to Board members or furnished any guarantees or sureties on their behalf.

In addition, the directors of Ebro Puleva, S.A. have significant shares in companies with activities that are the same, similar or complementary to those carried out by the Ebro Puleva Group, as per the following detail:

- * Mr. Antonio Hernández Callejas owns a direct 11.11% share of Instituto Hispánico del Arroz, S.A. and a 33.33% indirect share together with other close family members. He also indirectly owns a 3.26% share in Casarone, a Uruguayan company, and 10.65% indirectly with immediate family members. Both companies are devoted to the rice business.
- * Close family members of Mr. Elías Hernández Barrera directly own 33.33% of the Instituto Hispánico del Arroz, S.A. This Board member also indirectly owns a 1.58% share of Casarone, and 10.65% indirectly with close family members. Both companies are devoted to the rice business.
- * Caja de Ahorros de Salamanca y Soria owns the following shares: 49% of Haciendas Durius, S.A. and 40% of Jamones Burgaleses, S.A.
- * Lastly, Corporación Caixa Galicia, S.A. owns 5,002% of Bodegas Terras Gauda, S.A. and 10% of Pescanova S.A.

The directors which hold positions or perform functions in these companies are: Mr. Antonio Hernández Callejas, as the Attorney in-fact of the Instituto Hispánico del Arroz, S.A.; Caja de Ahorros de Salamanca y Soria, as a Board Member of Hacienda Durius Alto Duero, S.A., Jamones Burgaleses, S.A.; and Corporación Caixa Galicia, S.A. Bodegas Terras Gauda, S.A. and Pescanova, S.A.

The above information does not include the shares or positions held by the Company's directors in other companies of the Ebro Puleva Group, since they are not bound to duty of loyalty, but rather are part of the administrative structure of the group itself. In any case, the information on positions held in other Group companies is included in the Annual Report on Corporate Governance of Ebro Puleva, S.A. as required by Circular 1/2004, dated March 17, of the National Securities Exchange Commission and in Ministerial Order 3050/2004, dated September, of the Ministry of Economics and Finance.

In 2004 the directors of Ebro Puleva, S.A. have not carried out any transactions with Ebro Puleva Group companies other than those pertaining to said companies' normal course of business, nor has it conducted any transactions which were not at arm's length.

19.2 ENVIRONMENTAL INFORMATION

The business activities carried out by Ebro Puleva Group companies require important investments to manage and monitor the related environmental risks. Such investments also lead to increased production capacity of installations and machinery, which are capitalized and depreciated on a straight-line basis over their estimated useful lives. As a holding company, Ebro Puleva, S.A. is not responsible for monitoring such risks, and therefore these investments and expenses are made and incurred by each Group company.

A concerted effort has been made in recent years, especially with regard to proper control of sewage waste, gas and dust emissions, as well as solid and organic waste. In fact, we are not aware of any significant contingencies with regard to compliance of current environmental protection regulations.

19.3 AUDIT FEE

“External services” in the profit and loss account includes the fee for the audit of the individual annual accounts paid to Ernst & Young, S.L., which amounted to 40 thousand euros. In addition, with regard to the audit of the consolidated annual accounts, the total fee accrued in 2004 for the annual audits of the companies of the Ebro Puleva Group amounted to 1,267 thousand euros. Of this amount, the audits performed by the main auditor (Ernst & Young and its international network) amounted to 895 thousand euros.

In addition, the Ebro Puleva Group engaged Ernst & Young companies to provide non-audit related services amounting to 860 thousand euros, 165 thousand euros of which relate to the special limited review of the consolidated financial statements for the first semester of 2004 and 462 thousand euros correspond to Due Diligence work performed for the acquisition of companies.

20. POST-BALANCE SHEET EVENTS

- * As explained in Note 16.6, on February 14, 2005, the tax authorities notified all the Group companies of the Ebro Puleva, S.A. tax group that an inspection would begin for corporation tax for fiscal years 1999-2003 and for remaining taxes for fiscal years 2001-2003.
- * In a meeting held on February 23, 2005, Ebro Puleva S.A.’s Board of Directors agreed to make an irrevocable offer to buy 100% of Panzani for 337 million euros. In accordance with French legislation, this offer is subject to consultation with the legal representatives of the workforce and to the approval of the French and German competition authorities. The irrevocable offer is for all Panzani’s shares and partial acceptance is not an option. The offer will expire three months after the sellers (three investment funds and the company’s own management team) are notified. Panzani is a major French company occupying a leading position in several sectors of the French food market through its

various brands. At January 31, 2005, its debt stood at 302 million euros, so the total cost of the transaction to Ebro Puleva would be around 639 million euros.

In March 2005, the representatives of the workforce formally declared that they do not oppose the transaction. On March 24, Bundeskartellamt gave their go ahead for the transaction.

If this acquisition takes place, it will give Ebro Puleva a major brand presence in the French food market. This will increase the contribution of branded businesses to the Group as a whole and reduce the relative importance of the sugar business, while increasing the importance of our international businesses. All of which outcomes are perfectly aligned with the company's strategy of profitable growth, diversification and internationalization.

21. STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED DECEMBER 31, 2004

Applications	2004	2003	Sources	2004	2003
Deferred expenses	1,244	0	Sources from operations	66,056	90,527
Deferred expenses from corporate transactions (*)	0	(38)			
Acquisition of fixed assets:			Shareholders' contributions:		
Tangible	964	8,464	Merger reserves due to C.T. (*)	0	2,822
Intangible	0	9,246	Other reserves due to C.T. (*)	0	7,465
Financial	343,758	33,356			
Corporate transactions(*)	0	120,951			
Transfers from short-term investments	9,842	37,146			
Deferred income:			Deferred income:		
Capital grants received for corporate Transactions	0	1,561	Capital grants received due to C.T. (*)	0	20
			Other deferred income	12,970	0
Provisions for liabilities and charges:			Provisions for liabilities and charges:		
Application of other provisions	22	432	Other provisions due to C.T. (*)	0	23
Acquisition of own shares	23,211	15,412	Sales of own shares	31,001	32,111
Cancellation or transfer at short-term of:			Increase in Long-term accounts payable:		
Loans and other liabilities with financial entities	212,970	40,300	Long-term payables of credit institutions	430,365	0
Other long-term liabilities	23,326	3,335	Other long-term accounts	0	700
Amounts owed to credit institutions			Other long-term accounts payable for C.T. (*)	0	31
due to Corporate transactions	0	2,753	Transfers of long-term payables to short-term	0	52,075
Payment of dividends			Sale/disposal of fixed assets	65,001	13,026
Prior year dividend	46,068	36,245	Early cancellation of loans	15,766	1,396
			Transfer to short-term investments	9,913	8000
			Disposal of tangible assets due to C.T. (*)	0	40,147
			Disposal of intangible assets due to C.T. (*)	0	226
			Disposal of investments due to C.T. (*)	0	61,498
Application of deferred tax assets	7,365	12,993	Source of deferred tax liabilities	4,137	0
			Source of deferred tax liabilities due to C.T.	0	(705)
			Source/reversion due to deferred tax liabilities	0	(209)
Increase (Decrease) in working capital	(33,561)	(13,003)	Total sources	635,209	309,153
Total applications	635,209	309,153			

(*) C.T. stands for Corporate Transactions. See Note 2 for a description of these corporate operations during 2003 and 2004, which affect the contents of the Statement of Source and Application of Funds.

CHANGE IN WORKING CAPITAL

	2004		2003	
	Increase	Decrease	Increase	Decrease
Inventories				60,570
Accounts receivable		10,298		36,075
Financial investments	10,105		2,295	
Cash	235			1,067
Accrual accounts	623			278
Short-term payables		34,226	82,692	
Total	10,963	44,524	84,987	97,990
Change in working capital	33,561		13,003	0
	44,524	44,524	97,990	97,990

FUNDS OBTAINED FROM OPERATIONS

	2004	2003
Profit for the year	97,074	61,072
Plus:		
Depreciation and amortization	1,564	3,601
Change in provisions for fixed assets	15,004	28,240
Other provisions for liabilities & charges	59	963
Deferred financial expenses	400	127
Losses from tangible assets	2	376
Deferred tax assets	16,519	4,062
Less:		
Application of capital grants	0	(157)
Other deferred income	(1,027)	(1,027)
Gain/loss on trading in own shares	(1,265)	(435)
Gain/loss on sale of fixed assets	(62,210)	(5,703)
Overprovision for liabilities and charges	(64)	(568)
Deferred taxes	0	(24)
	66,056	90,527