

Ebro Puleva, S.A.

Balance sheets at December 31 2006 and December 31, 2005 (Notes 1, 2, 3 and 4)

ASSETS (thousands of euros)	12-31-06	12-31-05
Fixed assets	1,931,367	1,712,072
Intangible assets (Note 5)	3,438	4,370
Patents and trademarks	12,210	12,210
Software	94	94
Amortization and provisions	(8,866)	(7,934)
Tangible assets (Note 6)	18,562	21,914
Land and buildings	19,656	23,920
Technical installations and machinery	1,077	960
Other installations, tools and furniture	711	533
Other tangible assets	288	243
Depreciation and provisions	(3,230)	(3,742)
Investments (Note 7)	1,909,366	1,685,787
Equity investments in Group companies	1,761,374	1,549,760
Receivables from group companies (Note 9)	118,074	97,218
Equity investments in associated companies	18,301	16,901
Receivables from associated companies	2,804	2,621
Other accounts receivable	1	1,121
Long-term guarantees and deposits	73	73
Provisions	(3,634)	(7,317)
Long-term deferred tax assets (Note 15.6)	12,373	25,410
Own shares (Note 10)	1	1
Deferred expenses (Note 8)	2,415	3,102
Current assets	49,549	55,914
Debtors	44,588	34,962
Trade receivables	30,141	8,629
Accounts receivable, group companies (Note 9)	11,731	26,056
Personnel	12	16
Public administrations	2,719	276
Provisions	(15)	(15)
Short-term financial investments (Note 7)	1,969	16,426
Receivables from Group companies (Note 9)	0	15,000
Other loans	1,969	1,142
Short-term guarantees and deposits	0	284
Cash in hand and at banks	2,992	4,364
Prepayments and accrued income	0	162
Total	1,983,331	1,771,088

Notes 1 to 20 in the accompanying notes to the financial statements are an integral part of the balance sheet at December 31, 2006.

Ebro Puleva, S.A.

Balance sheets at December 31 2006 and December 31, 2005 (Notes 1, 2, 3 and 4)

LIABILITIES (thousands of euros)	12-31-06	12-31-05
Capital and reserves (note 10)	947,763	896,746
Subscribed capital	92,319	92,319
Share premium	34,333	34,333
Revaluation reserves	3,169	3,169
Reserves	714,616	625,497
Legal reserve	18,464	18,464
Reserve for own shares	1	1
Other reserves	696,151	607,032
Profit for the year	103,326	141,428
Deferred income (Note 11)	0	174
Other deferred income	0	174
Provisions for liabilities and charges	2,546	5,887
Provisions for pension and other commitments with personnel (Note 12)	281	335
Other provisions (Note 13)	2,265	5,552
Long-term liabilities	892,976	751,087
Amounts owed to credit institutions (Note 14)	691,360	656,976
Amounts owed to Group companies (Note 9)	190,351	91,318
Other accounts payable	29	31
Deferred tax liabilities (Note 15.6)	11,236	2,762
Current liabilities	140,046	117,194
Amounts owed to credit institutions (Note 14)	75,408	71,436
Loans and other liabilities	71,058	68,529
Accrued interest on liabilities with credit institutions	4,350	2,907
Short-term amounts owed to group and associated companies (Note 9)	28,730	33,956
Accounts payable to Group companies	28,730	33,506
Accounts payable to associated companies	0	450
Trade creditors	3,647	2,845
Other non-trade accounts payable	32,261	8,957
Public administrations	29,107	6,834
Other accounts payable	295	295
Wages and salaries payable	2,859	1,828
Accruals and deferred income	0	0
Total	1,983,331	1,771,088

Notes 1 to 20 in the accompanying notes to the financial statements are an integral part of the balance sheet at December 31, 2006.

Ebro Puleva, S.A.

Profit and Loss Accounts for the Financial years ended December 31, 2006
and December 31, 2005 (Notes 1, 2, 3 and 4)

DEBIT (thousands of euros)	2006	2005
Expenses		
Personnel costs	8,528	8,125
Wages, salaries, et al.	7,478	6,473
Social security costs	1,050	1,652
Depreciation expense	1,218	1,263
Other operating expenses	7,783	8,670
External services	7,038	7,801
Taxes	745	869
Financial and other similar charges	47,263	26,876
From liabilities with Group companies	5,830	2,873
From other liabilities	41,433	24,003
Changes in provisions for short-term investments	0	1
Exchange losses	1,631	36,020
Net financial income	34,441	57,353
Profit on ordinary activities	24,103	51,422
Losses From Sales Of Fixed Assets	16	215
Change In Provisions For Intangible Assets And Equity investments	(3,617)	(7,308)
Other Extraordinary Expenses	2,059	7,655
Extraordinary profit (Note 17)	122,173	76,738
Profit before taxes	146,276	128,160
Corporate Income Tax (Note 15)	(42,950)	13,268
Profit for the year	103,326	141,428

Notes 1 to 20 of the accompanying financial statements are an integral part of the profit and loss account for 2006.

Ebro Puleva, S.A.

Profit and Loss Accounts for the Financial years ended December 31, 2006
and December 31, 2005 (Notes 1, 2, 3 and 4)

CREDIT (thousands of euros)	2006	2005
Income		
Net turnover	0	19
Income from services rendered	0	19
Other operating income	7,191	12,108
Ancillary income	6,951	11,998
Capital grants	33	110
Write-down of provisions for liabilities and charges	207	0
Operating loss	(10,338)	(5,931)
Income from equity investments	32,029	115,702
Group companies (Note 7)	32,029	115,702
Income from other marketable securities and long-term receivables	252	10
Other interest and similar income	3,381	3,146
From Group and associated companies	3,021	2,741
Other interest	360	405
Exchange gains	47,673	1,392
Profit From Sale Of Tangible Assets And Securities Portfolio	113,541	72,485
Profit From Sales Of Own Shares	15	1,315
Other Extraordinary Income	7,075	3,500

Notes 1 to 20 of the accompanying financial statements are an integral part of the profit and loss account for 2006.

Notes to the Annual Accounts for the year ended December 31, 2006

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.

The registered office of the company is at Madrid (28046), Castellana, 20.

The Company is engaged in the following activities both in Spanish and foreign markets:

- a) The production, preparation, sale, research, import and export of all types of food and dietary product for both human or animal consumption, in addition to energy food, including their byproducts and waste and, particularly from sugar, agricultural products, dairy products, rice, pasta and any type of nutritional product, including enteral diets for clinical feeding, formulas, products as well as special composites for the pharmaceutical, healthcare or veterinary and biofuel industries.
- b) The production, marketing and sale of all types of refreshment, food and alcoholic beverages.
- c) The exploitation of any type of byproducts, services or uses related to the above activities, including refrigeration units, ice, industrial gas, vapor, cold air and energy.
- d) The acquisition, lease, creation, installation, promotion, development and management of industrial, farming and livestock facilities in the food, nutrition and beverage sectors (including alcohol).
- e) The execution of projects, construction of installations or the provision of any other technical assistance to other companies of such sectors; the creation, promotion, protection and exploitation of patents, trademarks and other items pertaining to industrial property.
- f) Any activities relating to personnel training, computer programming or management, investment and optimization of resources, advertising and corporate image, transport, distribution and sale deemed complementary to the above.

The activities comprising the parent company's corporate purpose may be carried out through the subscription or acquisition of shares or participation units of companies having an identical or similar corporate purpose.

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 2006, were drawn up and submitted separately by the directors of Ebro Puleva S.A. on February 28, 2007. This should be taken into account when assessing the purely circumstantial negative working capital in Ebro Puleva, S.A.'s individual annual accounts at year end. As the Group's parent company, Ebro Puleva S.A. has the necessary financing through its dividends policy, among other options.

The principal consolidated balance sheet and profit and loss account headings in the 2006 consolidated annual accounts, which have been prepared in keeping with the Eleventh Final Provision of Law 62-2003, dated December 30, applying the International Financial Reporting Standards approved by the European Commission, are the following:

2006 (Thousands of euros)		
Total Assets		3,363,715
Equity:		1,212,442
Parent company	1,187,962	
Minority interests	24,480	
Revenues		2,448,794
Profit (Loss) for the year		187,949
Parent company	180,363	
Minority interests	7,586	

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, 2006 (hereinafter the 2006 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 2006 and 2005 and their effect on the basis for comparison:

No corporate transactions were carried out in 2006 and 2005 that would affect the basis for comparison.

However, the following is a description of the corporate transactions carried out in previous years which relate to data which by law must be included in the annual accounts of subsequent years.

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

(see 2003 annual accounts)

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

(see 2003 annual accounts)

3. Profit distribution

The Board of Directors will submit the following distribution of 2006 profit to the General Meeting of Shareholders for approval (in thousands of euros):

Available for distribution	
Profit after tax	103,326
Distribution	
Freely distributable reserves	47,934
Dividend (0,36 euro per share)	55,392

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 assets:

Intangible 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.

When factors indicating possible obsolescence of intangible assets are detected, the corresponding write-down provisions are recorded.

c) Tangible assets:

Tangible 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) Short-term financial investments:

- **Equity investments in group companies:**

Equity investments in Group companies are recorded at the lower of cost or market value. Market value is determined based on the book value of the investment obtained from the companies' latest available financial statements, adjusted by any capital gains which prevail at year end.

When such capital gains can be offset by the annual increase in the book values of the subsidiaries within 10 to 20 years from the acquisition of the equity investment, no write-down provision is necessary. Capital losses are recognized by recording the necessary provision as a reduction of "Investments."

- **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 investments 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 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.

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 10).

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 12).

This provision has been externalized in accordance with current legislation (see Note 12). 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 pays certain voluntary bonuses to its employees upon retirement for an unspecified, 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, in accordance with 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:

Ebro Puleva, S.A. files a consolidated tax return with some of its Group companies.

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, 2006 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 14).

ñ) 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.

o) 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. Intangible assets

The detail of the movements in this heading during the year and the related accumulated amortization at December 31, 2006 was the following (in thousands of euros):

GROSS AMOUNTS					
	12-31-05	Increases	Decreases	Transfers	12-31-06
Industrial property, patents and trademark	12,210				12,210
Software	94				94
Intangible assets under construction	0				0
Total	12,304	0	0	0	12,304

ACCUMULATED AMORTIZATION					
	12-31-05	Increases	Decreases	Transfers	12-31-06
Industrial property, patents and trademark	4,840	932			5,772
Software	94				94
Total	4,934	932	0	0	5,866

PROVISIONS					
	12-31-05	Increases	Decreases	Transfers	12-31-06
Provision for intangible assets	3,000				3,000
Total Intangible Assets (NET)	4,370	(932)	0	0	3,438

At December 31, 2006 the Company had fully amortized patents and trademarks amounting to 3,054 thousand euros. The provision is recorded in respect of the potential impairment of one of the brand names.

6. Tangible assets

The detail of the movements in this heading during the year and the related accumulated amortization at December 31, 2006 was the following (in thousands of euros):

GROSS AMOUNTS					
	12-31-05	Increases	Decreases	Transfers	12-31-06
Land and buildings	23,920		(4,264)		19,656
Technical installations and machinery	960	117			1,077
Other installations, tools and furniture	533	238			771
Other tangible	243	45			288
Tangible assets under construction	0	244	(244)		0
Total	25,656	644	(4,508)	0	21,792

ACCUMULATED DEPRECIATION					
	12-31-05	Increases	Decreases	Transfers	12-31-06
Land and buildings	2,958	127	(634)		2,451
Plant and machinery	179	79			258
Other installations, tools and furniture	281	27			308
Other tangible assets	160	53			213
Total	3,578	286	(634)	0	3,230

PROVISIONS					
	12-31-05	Increases	Decreases	Transfers	12-31-06
Provisions for fixed assets	164		(164)		0
Total net tangible assets	21,914	358	(3,710)	0	18,562

The decreases correspond to sales of buildings to third parties. In this regard, one of the sale contracts, which was signed at the end of 2006 and which has generated a capital gain of 28 million euros before taxes, was contingent upon the signing of an urban agreement with the Town Hall of Alagón (Zaragoza). This agreement was approved at the Town Hall meeting on November 30, 2006. This agreement was signed in January 2007.

In addition, under the terms of the sale contract for the land in Alagón, once the urban agreement is approved and signed, it must be ratified by the competent body of the Autonomous Community of Aragón. The Company's directors consider that the agreement will be approved in the short term. In January 2007, the Company provided bank guarantees amounting to 6 million euros to ensure the potential refund of collections received from the buyers of the land.

In addition, it is the Company's policy to adequately insure its tangible assets against inherent risks.

The detail of fully depreciated assets at December 31, 2006 was the following:

	Total
Buildings	83
Technical installations and machinery	180
Other installations, tools and furniture	185
Other tangible assets	182

The Company did not have any firm commitments to purchase tangible assets for significant amounts at year end.

7. Investments and short-term investments

The detail of the movements in this balance sheet heading during the year was the following:

Concept	Balance 12-31-05	Increases	Decreases	Transfers	Balance 12-31-06
Shares in group companies	1,549,760	286,989	(75,375)		1,761,374
Loans to group companies	97,218	20,856			118,074
Shares in associated companies	16,901	1,400			18,301
Loans granted to associated companies	2,621	183			2,804
Other receivables	1,121		(1,120)		1
Long-term deposits and guarantees	73				73
Long-term deferred tax asset (*)	25,410		(13,037)		12,373
	1,693,104	309,428	(89,532)	0	1,913,000
Provisions	(7,317)	(1,787)	5,470	0	(3,634)
Total financial fixed assets	1,685,787	307,641	(84,062)	0	1,909,366

(*) See Note 15.6

a) Shares in Group companies:

Increases and decreases in the year relate principally to:

1. An increase of 286,989 thousand euros from the investment in the acquisition of 100% of New World Pasta Company Group (USA).
2. A decrease of 68,542 thousand euros relating to the sale of part of the investment in the Riviana Group corresponding to its Central American businesses. The share sold by Ebro Puleva, S.A. is equivalent to 25% of the share capital of Riviana Inc (USA). However, the Ebro Puleva Group continues to hold 100% of Riviana, Inc. since the aforementioned 25% share of Riviana was sold by Ebro Puleva, S.A. to two Central American companies which, in turn, have sold their business to a third party outside the Group, but which continue to be wholly owned subsidiaries of Riviana Foods, Inc.
3. A decrease of 5,373 thousand euros from the sale on the stock market in the first five months of 2006 of 7,749,246 Puleva Biotech, S.A. shares, representing 13.43% of this company's share capital
4. A decrease of 1,242 thousand euros relating to the sale of 100% of the shares of the French subsidiary Rizeire Franco Americana, S.A. This share was sold to Panzani SAS (another French subsidiary wholly owned by Ebro Puleva, S.A.).
5. A decrease of 218 thousand euros relating to the liquidation of the wholly owned French subsidiary SCI Bidassoa.

b) Equity investments and receivables from associated companies:

The only equity investment shown as an associated company is Biocarburantes de Castilla y León, S.A. The 1,400 thousand euro increase in this equity investment in associated companies corresponds to the additional investment in said company due to a capital increase which did not alter the share percentage (50%). In addition, at year 2006, only a participative loan granted by the two shareholders to Biocarburantes de Castilla y León, S.A. remains outstanding. No maturity date has been established for these loans, which bear interest at Euribor plus 2 points.

c) Long-term loans to Group companies:

At December 31, 2006 the most significant items in this heading (see Note 9) correspond to: the loan granted to Panzani SAS in 2005 and extended in 2006, which does not have an established maturity date and bears interest at three-month Euribor plus an annual spread of 0.4%, and to the loan granted in 2001 to Beira Terrace Ltda., a wholly owned Portuguese subsidiary, to purchase buildings in Portugal. This loan does not have an established maturity date and bears interest at three-month Euribor plus an annual spread of 0.2%

d) Provisions:

The decreases in provisions correspond principally to the release to the profit and loss account of the provisions recorded in Puleva Biotech, S.A. and Lactimilk, S.L. The increases correspond to provision allowances for the equity investments in Biocarburantes de Castilla y León, S.A., Lince Insurance, Ltd. and Beira Terrace, S.L.

e) Short-term securities portfolio:

The only significant movement in the accounts in this heading in 2006 corresponds to the cancellation of the entire balance of the 15,000 euro short-term loan with a Group company.

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 share	Registered address	(a) Capital and reserves	(a) 2006 results
Azucarera Ebro S.L. (Group)	100,00%	Madrid (Spain)	464,858	12,812
Dosbio 2010, S.L.(formerly Balmes 103)	100,00%	Madrid (Spain)	12,362	(154)
Fincas e Inversiones Ebro, S.A.	100,00%	Madrid (Spain)	11,953	166
Arotz Foods, S.A. (formerly CATESA)	99,94%	Madrid (Spain)	24,864	15,395
Puleva Food, S.L. (Group)	100,00%	Granada (Spain)	237,394	24,135
Lactimilk, S.A. (Group)	100,00%	Granada (España)	9,001	3,306
Herba Foods S.L.	100,00%	Madrid (Spain)	86,117	(4,179)
Herba Ricemills S.L.	100,00%	Madrid (Spain)	68,700	4,001
Herba Nutrición S.L.	100,00%	Madrid (Spain)	(1,568)	9,121
Puleva Biotech, S.A.	63,80%	Granada (Spain)	31,110	3,256
Jiloca Industrial, S.A.	60,00%	Teruel (Spain)	2,412	332
Biocarburantes de Castilla y León, S.A.	50,00%	Salamanca (Spain)	37,988	(3,121)
Beira Terrace Soc.de Construções	100,00%	Oporto (Portugal)	61	(290)
Riceland, Ltda. (*)	20,00%	Budapest (Hungry)	1,248	(25)
Riviana Foods Inc (Group) (**)	75,00%	Houston (Texas-USA)	313,700	70,319
Panzani, SAS (Group) (Panzani)	100,00%	Lyon (France)	460,704	24,230
New World Pasta Comp. (Group)(NWP)	100,00%	Harrisburg (USA)	271,788	13,964
Lince Insurance Ltd.	100,00%	Dublin (Ireland)	2,952	(631)

Subsidiaries and associated companies	Dividend paid in 2006	Activity	Last closed annual accounts	Value of Investment	Provision (b)
Azucarera Ebro S.L. (Group)	(12,000)	Production and sale of rice	12-31-06	411,594	-
Dosbio 2010, S.L.(formerly Balmes 103)	-	Agriculture	12-31-06	10,983	-
Fincas e Inversiones Ebro, S.A.	-	Real estate	12-31-06	4,926	-
Arotz Foods, S.A. (formerly CATESA)	-	Canned vegetables	12-31-06	22,849	-
Puleva Food, S.L. (Group)	(14,192)	Dairy products	12-31-06	180,612	-
Lactimilk, S.A. (Group)	-	Dairy products	12-31-06	10,292	-
Herba Foods S.L.	-	Investment management:	12-31-06	50,676	-
Herba Ricemills S.L.	-	Production and sale of rice	12-31-06	69,078	-
Herba Nutrición S.L.	(5,837)	Production and sale of rice	12-31-06	526	-
Puleva Biotech, S.A.	-	Development and sale of new products	12-31-06	25,526	-
Jiloca Industrial, S.A.	-	Production of organic fertilizer	12-31-06	274	-
Biocarburantes de Castilla y León, S.A.	-	Production of bioethanol	12-31-06	18,301	(866)
Beira Terrace Soc.de Construções	-	Real estate	12-31-06	1,360	(1,589)
Riceland, Ltda. (*)	-	Production and sale of rice	12-31-06	598	-
Riviana Foods Inc (Group) (**)	-	Production and sale of rice	12-31-06	240,753	-
Panzani, SAS (Group) (Panzani)	-	Production and sale of pasta and sauces	12-31-06	440,838	-
New World Pasta Comp. (Group)(NWP)	-	Production and sale of pasta and sauces	12-31-06	286,989	-
Lince Insurance Ltd.	-	Insurance	12-31-06	3,500	(1,179)
Total	(32,029)			1,779,675	(3,634)

(a) When "(Group)" follows the name of a subsidiary, the data relating to capital, reserves and results correspond to the consolidated information of said company and its own subsidiaries and associated companies, prior to paying the interim dividend in 2006. To standardize the information presented on the various companies or Groups with regard to capital, reserves and results was obtained by applying International Financial Reporting Standards (IFRS) endorsed by the European Union.

(b) Independently of the explanation concerning capital, reserves and results of subsidiaries and associated companies provided in (a) above, potential provisions have been calculated based on shareholders' equity adapted to Spanish GAAP.

(*) Ebro Puleva, S.A. wholly owns this Group, 20% directly and 80% indirectly through Herba Foods, S.L.

(**) Ebro Puleva, S.A. wholly owns this company, 75% directly and 25% indirectly through the wholly owned subsidiary Riviana.

Puleva Biotech is listed on the stock exchange as from December 17, 2001. The average listing for the last quarter of 2005 and at December 31, 2006 was 2,55 euros and 2,33 euros, respectively, per share.

8. Deferred charges

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

	Balance 12-31-2005	Increases	Decreases	Amortization for the year	Balance 12-31-2006
Credit arrangement expenses	3,102			(687)	2,415

9. Accounts with group and associated companies

The main transactions of the Company with group and associated companies during the period were (in thousands of euros):

	Group companies	Associated companies
External services	632	–
Personnel costs	309	–
Financial charges	5,830	–
Total purchases and expenses	6,771	0
Other operating income	6,837	–
Interest income	2,763	258
Income or dividends received	32,029	–
Total sales and income	41,629	258

The balances of Ebro Puleva, S.A. with Group companies at December 31, 2006 were the following (in thousands of euros):

Balances with group companies	Long-term loans to Group companies	Accounts receivable from Group companies	Accounts receivable from Group companies	
			Long-term	Short-term
Panzani SAS	106,404	117		(1)
Beira Terrace, Ltda.	9,555			
Azucarera Ebro, S.L.		6,800	(127,500)	(377)
Herba Foods, S.L.		29		(12)
Dosbio 2010, S.L.		4	(12,260)	(83)
Herba Ricemills, S.L.		844		(840)
Herba Nutrición, S.L.		620		
Mundi Riz		19		
Fincas e inversiones Ebro, S.A.	2,115	93		
Compañía Agrícola de Tenerife, S.A.		206	(33,186)	(1,216)
Puleva Biotech, S.A.			(7,405)	
Puleva Foods, S.L. (Group)		2,487	(10,000)	(1,723)
Lactimilk, S.L. (Group)		26		(156)
Grupo Riviana (Central America)		353		(24,321)
NWP		133		(1)
	118,074	11,731	(190,351)	(28,730)

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 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.

10. Shareholders' equity

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

	Balance at 12-31-05	Appropriation of 2005 results	2006 results	Own shares reserve	Balance at 12-31-06
Capital	92,319				92,319
Share premium	34,333				34,333
Revaluation reserves	3,169				3,169
Other reserves	625,497	89,119	0	0	714,616
Legal reserve	18,464				18,464
Reserves for own shares	1				1
Other reserves	607,032	89,119			696,151
Profit or (loss) for the year	141,428	(141,428)	103,326		103,326
	896,746	(52,309)	103,326	0	947,763

- At December 31, 2006 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 shareholdings of more than 5% of share capital at December 31, 2006 are: Instituto Hispánico del Arroz, S.A., 12.399% (7.399% held directly and 5% held indirectly through Hispafoods Invest, S.L.), Alimentos y Aceites, S.A., 8.446%, Caja de Ahorros de Salamanca y Soria, 6.01%, Grupo Caja España, 5.037%, Corporación Económica DAMM, S.A. 5.011%, and Casa Grande de Cartagena, S.L., 5.00%.
- With regard to the share premium, the Revised 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 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, 2006, this reserve has reached 100% of 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 2006, the Company purchased and sold shares as authorized by the shareholders in their general meeting held on April 5, 2006. These transactions were communicated to the National Securities Market Commission as required by prevailing regulations. The Company purchased 80,000 shares in 2006 and sold 80,000. At year end 2005, the Company holds 231 of its own shares (0.0002% of its share capital) for which it has recorded the corresponding reserve. In accordance with the Revised Spanish Corporation Law, the Company has recorded a no distributable 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 2006, the Company has not yet decided on the final use of these shares.

11. Deferred income

The variations in this heading during the period were as follows (thousands of euros):

	Balance at 12-31-05	Increases	Decreases	Amortization charged in the year	Balance at 12-31-06
Other deferred income	174			(174)	0

12. 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, effective as of December 31, 2006, are:

- a) Mortality and survival PERM/F 2000. P 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, 2006 for seniority bonuses amounts to 281 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 3.98%.

13. Other provisions

The movements in this heading during the period were the following:

	For other provisions for liabilities and charges
Balance at December 31, 2006	5,552
Allowances	2,206
Overprovision taken to income	(5,493)
Balance at December 31, 2006	2,265

The balance at December 31, 2006 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.

14. Amounts due to credit institutions

The breakdown of items included in long and short-term debts to credit institutions is indicated below (in thousands of euros):

	Long-term	Short-term
Drawn-down bank loans in euros	213,000	71,00
Drawn-down bank loans in US dollars	478,360	–
Short-term credit facilities in euros	–	58
Accrued interest pending maturity	–	4,350
Total	691,360	75,408

Long-term credit facilities have been used to finance investments in Riviana Inc (2004), Panzani SAS (2005) and the New Word Pasta Company (2006). These long-term facilities are guaranteed by the subsidiaries Azucarera Ebro, S.L., Puleva Foods, S.L., Herba Food, S.L. and Herba Ricemills, S.L. and Panzani SAS and correspond to:

- A syndicated loan agreement signed in November 2004, renewed in May 2005, and again in 2006 amounting to 287.9 million euros. At present, the balance on this loan was 284 million euros, the principal of which will be repaid in 8 quarterly installments of 35.5 million euros beginning May 2007. The annual interest rate was one-, three-, six-, or twelve-month EURIBOR plus a market spread.
- A syndicated loan agreement signed on May 2005 amounting to 440 million US dollars, the principal of which will be repaid in 6 quarterly installments of 73.33 million dollars as of October 2011. The annual interest rate was one-, three-, six-, or twelve-month LIBOR plus a market spread.
- A 190 million US dollar bilateral loan arranged in November 2006, the principal of which will be repaid in 4 quarterly installments of 47.5 million dollars as of October 2015. The annual interest rate was one-, three-, six-, or twelve-month LIBOR plus a market spread.

At year end 2006, there is still an IRS on the loan in euros equivalent to 75 million euros with a “collar” ranging from 3% to 4.9% and a “knock-in” at 2.5%.

In addition, at December 31, 2006, the Company had credit facilities at banks amounting to 29 million euros secured by personnel guarantees. The amount drawn down on these facilities at year end was 58 thousand euros. The average annual interest rate on these debts, excluding the long-term syndicated loans, is three-month EURIBOR plus an average market spread of 0.3%.

There are also other bank guarantees granted to the Company amounting to 4,000 thousand euros. The amount drawn down on these guarantees at December 31, 2006 amounted to 3,959 thousand euros. In addition, a bank guarantee amounting to 5,160 thousand US dollars (3,918 thousand euros) was arranged to cover guarantees given to the purchaser of the business of the Guatemalan subsidiary. This type of guarantee covers potential contingencies that could materialize with respect to the business sold when the cause of such contingencies arises prior to the sale or within the first three years as of the date of the sale (up to August 10, 2009).

The amortization schedule for the Company's long-term credit facilities was the following (expressed in thousands of euros):

2007 installment	71,000 thousand euros
2008 installment	71,000 thousand euros
2009 installment	71,000 thousand euros
2010 installment	71,000 thousand euros
2011 installment	73,333 thousand US dollars (55,682 thousand euros at 12-31-06)
2012 to 2016 installments	556,667 thousand US dollars (422,678 thousand euros at 12-31-06)

15. Tax situation

15.1. 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)
- Dosbio 2010, S.L.(formerly Balmes 103 Gestión de Patrimonio, S.L.)
- Arotz Foods, S.A.(formerly 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
- Fallera Nutrición, S. L.

15.2. 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, 2006 is as follows (in thousands of euros):

Pre-tax book results				146,276
		Increases	Decreases	
Permanent differences		1,058	70,359	(69,301)
Permanent differences generated by consolidation adjustments		0	36,109	(36,109)
Adjusted book results				40,866
Temporary differences arising in 2006		0	0	0
Temporary differences arising in other exercises		6,566	5,968	598
Taxable income				41,464
Total taxable income of Ebro Puleva, S.A.				41,464
	Tax accrued	Tax refundable	Deferred tax liabilities	Deferred tax assets
Corporation income tax rate (35%)	14,303	(14,512)	2,298	(2,089)
Tax payable	14,303	(14,512)	2,298	(2,089)
Deductions	(15,622)	15,622		
2006 Corporate income tax	(1,319)	1,110	2,298	(2,089)
Permanent establishment tax	0			
Adjustment to 2005 corporation income tax	391			
Adjustment of tax rate	1,850			
Adjustment of deferred tax liability	10,838			
Tax assessments	31,190			
Total corporate income tax	42,950			

The reconciliation of corporation income tax payable with the tax payable by Ebro Puleva, S.A.'s tax group is the following:

	Thousands of euros
Tax payable by Ebro Puleva, S.A.	1,110
Payments made on account during the fiscal year	19,592
Withholdings	135
Tax payable by the remaining companies of the tax group	(18,723)
Amount receivable (payable) by the tax group	2,114

15.3. The details of the temporary differences of Ebro Puleva, S.A. are as follows (in thousands of euros):

Increases	Amount
Application of tax criteria to disposal of fixed assets	6,566
Other increases	-
Total	6,566

Decreases	Amount
Tax amortization of goodwill	(2,007)
Application of other provisions	(885)
Release of unapplied provisions	(2,912)
Other decreases	(164)
Total	(5,968)

15.4. The details of the permanent differences of Ebro Puleva, S.A. are as follows (in thousands of euros):

Increases	AMOUNT
Penalties and fines	784
Donations	236
Other non-deductible expenses	38
Total	1,058
Decreases	
Adjustments for dividends of subsidiaries of the tax group	(32,029)
Release of provisions for investments in subsidiaries	(7,820)
Profit on disposal of equity investments in foreign subsidiaries exempt from tax	(47,864)
Tax amortization of goodwill	(18,755)
Total	(106,468)

15.5. Deductions from tax payable in Ebro Puleva, S.A. relate primarily to reinvestments of capital gains from the sale of fixed assets. The amount committed for reinvestment to apply the tax deduction for reinvestment of capital gains generated in 2006 amounted to 76.3 million euros. This amount has already been invested by the tax group in 2006 (87 million, 65 million, 25 million and 33.6 million euros, respectively, in 2005, 2004, 2003, and 2002 amounts already invested in precedent years). The remaining requirements for taking these deductions have already been met.

15.6. The movement in deferred tax assets and liabilities was the following (in thousands of euros):

Deferred tax assets	Amount
Balance at December 31, 2005	25,410
Adjustments due to changes in tax rates	(1,916)
Adjustments due to tax assessments	(9,032)
Application of other provisions	(309)
Release of unapplied provisions	(1,078)
Tax amortization of goodwill	(702)
Balance at December 31, 2006	12,373

Deferred tax liabilities	Amount
Balance at December 31, 2005	2,762
Adjustments due to changes in tax rates	(66)
Adjustment of deferred tax liabilities due to tax amortization of goodwill	10,838
Application of tax criteria to disposal of fixed assets	(2,298)
Balance at December 31, 2006	11,236

15.7. On February 11, 2005 the Company was notified of the commencement of an inspection of Arrocerías Herba, S.A. for 1999, 2000 and 2001 income tax and of 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 (between 25 and 30 companies depending on the years) that an inspection would begin for income tax from 1999-2003 (five periods) and for remaining taxes from 2001-2003. In January 2006, the tax authorities informed the Company that the inspection would continue for an additional twelve months.

In November 2006 the preliminary tax assessments were signed and ratified as definitive in December. The following is a summary of the signed assessments:

Thousands of euros	Signed assessments		Total
	In agreement	In disagreement	
Tax owed	20,980	2,769	23,749
Interest	3,508	842	4,350
Penalties (a)	786	1,384	2,170
	25,274	4,995	30,269
Effect on future years (b)	2,849		
	28,123		

(a) Quantified estimate

(b) Some concepts paid as a result of assessments signed in agreement affect previous years that have not yet been inspected or will affect future years. Therefore, this amount reflects the net effect of this circumstance.

Only one assessment was signed in disagreement. This assessment corresponds to 1999 income tax and a single matter identified in Azucarera Ebro, S.L.'s business. The Group's legal services affirm that the grounds of the appeal filed are sufficient to ensure that the tax courts will rule in the Group's favor and therefore no provision has been recorded for this contingent liability.

The payment of assessments signed in agreement will be made in the first part of February 2007. These payments were recognized in 2006 as per the following detail:

Thousands of euros	In Ebro Puleva, S.A.	In other companies	Total
Corporation tax expense	31,190	(7,459)	23,731
Extraordinary expenses	2,001	71	2,072
Financial expenses	3,496	12	3,508
Extraordinary income	(1,188)	0	(1,188)
Total 2006 results	35,499	(7,376)	28,123
Deferred tax asset	(9,032)	7,201	(1,831)
Provision for liabilities	(2,206)		(2,206)
Receivable from the Treasury	361	0	361
Receivable from third parties	827	0	827
Payable to the Treasury	(25,449)	175	(25,274)

In addition, the Company is open to inspection of all taxes from 2004, 2005 and 2006.

16. Guarantees furnished

At December 31, 2006 the following bank guarantees had been furnished:

	Amount
Bank guarantees	
Deposited with courts and public bodies in connection with administrative appeals and deferment of tax	2,907
Given to third parties in guarantee of normal transactions	1,052
Given to third parties to guarantee compliance with contractual clauses	3,918
Guarantees given by Ebro Puleva S.A.	
Guarantees given to banks as collateral for loans granted to Group companies	4,250
Other guarantees given to banks on behalf of associated companies and third parties	79,000

To ensure compliance with contractual clauses with third parties, a bank guarantee amounting to 5,160 thousand US dollars (3,918 thousand miles de euros) was arranged to cover guarantees given to the purchaser of the business of the Guatemalan subsidiary. This type of guarantee covers potential contingencies that could materialize with respect to the business sold when the cause of such contingencies arises prior to the sale or within first three years as of the date of the sale (up to August 10, 2009).

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 and renewed in 2006. This loan was intended to finance said company's biofuel factory project. The loan totals 158 million euros, 50% of which is 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, 2006, Biocarburantes de Castilla y León, S.A. had drawn down 125 million euros of the total loan, and therefore the proportional amount effectively guaranteed by Ebro Puleva, S.A. totaled 62.5 million euros.

In addition, at December 31, 2006, Ebro Puleva, S.A. submitted guarantees to secure the debts of certain Group companies with credit institutions amounting to 4.3 thousand euros.

The Company does not expect that any liability will arise from the abovementioned guarantees.

17. Income and expenses

a) Foreign currency transactions:

Except for the loans denominated in US dollars described in Note 14, and the guarantee described in Note 16, the Company normally carries out its transactions in euros.

b) Extraordinary items:

The details of extraordinary items of the period are given below (in thousands of euros):

	Amount
Extraordinary expenses	
Changes in provisions for investments (Note 7)	(3,453)
Changes in provisions for tangible assets (Note 6)	(164)
Tax assessments-refundable tax payments and deductible portion (Note 15)	1,217
Tax assessments-Penalties (Note 15)	784
Other extraordinary expenses	74
	(1,542)
Extraordinary income	
Profit on sale of tangible and intangible assets (Note 6)	48,906
Profit from sales of own shares	15
Profit on disposal of part of the equity investment in the Riviana Group	47,864
Profit on disposal of part of the equity investment in P. Biotech, S.A.	16,771
Release to income of unapplied provisions	5,493
Tax assessments-refundable tax payments (Note 15)	1,188
Liquidation of SCI Bidassoa	354
Other extraordinary income	40
	120,631
Total extraordinary results - Net income	122,173

c) The average number of employees is the following:

Permanent employees	41
Temporary-regular temporary employees	0
Total	41

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

Management	8
Middle management	20
Administrative staff	13
Total	41

18. Other information

18.1. Board of Directors' remuneration:

The overall remuneration earned by the Directors of Ebro Puleva, S.A in 2006 for the period totaled 5,230 thousand euros, as follows:

	2005	2006
Expenses	282	242
Share under bylaws	1,374	2,055
External Board Members	1,656	2,297
Wages, salaries and professional fees	1,650	2,102
Dismissal indemnities	4,461	831
Life and retirement insurance	83	0
Total executive directors	6,194	2,933
Total board of directors' remuneration	7,850	5,230

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 February 28, 2007 the directors resolved to propose the reduction of that share to 1.25% of the profit for the year, with effect as from the 2006 financial year.

In 2006, the Chairman, Mr. Antonio Hernández Callejas, notified the Board of Directors that he would irrevocably forgo his entitlement to the safeguard clause originally included in his contract, which consisted of a net termination benefit, equal to two years' gross annual remuneration

The General Director, Mr. Jaime Carbó Fernández, and the General Secretary Mr. Miguel Angel Pérez Álvarez have likewise forgone their entitlement to the safeguard clauses originally established in their respective contracts, which consisted of a net termination benefit, equal to two years' gross annual remuneration. The Board of Directors resolved to replace this termination benefit with the indemnity contemplated in cases of dismissal or change in control equal or similar to what he would have normally received under prevailing employment legislation in Spain.

In addition, no member of the Board of Directors holding an executive position in 2006 is entitled to life or retirement insurance supplements.

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

18.2. Article 127 third, paragraph 4, TRLSA:

In accordance with article 127 third, paragraph 4, of the Revised Text of the Spanish Corporation Law, this note of the Notes to the Consolidated Annual Accounts includes the information that the directors, in compliance with their duty of loyalty, have communicated to the Company with respect to the shares and positions they hold in companies whose activity is identical, similar or complementary to that of Ebro Puleva, S.A., irrespective of whether said companies belong to the Ebro Puleva Puleva Group:

- Mr. Elías Hernández Barrera:
 - Mr. Hernández is Chairman of the Board of Directors of the Instituto Hispánico del Arroz, S.A.
 - He is likewise Chairmen of the Board of Directors of Hispafoods Invest, S.L.
 - He owns an indirect 1.580% share of Casarone Agroindustrial, S.A. (a Uruguayan company), in which he holds no position.
- Mr. Antonio Hernández Callejas:
 - He owns a direct 16.666% share of the Instituto Hispánico del Arroz, S.A., in which he holds no position.
 - He likewise owns an indirect 16.666% share of Hispafoods Invest, S.L. in which he holds no position.
 - He owns an indirect 3.620% share of Casarone Agroindustrial, S.A. in which he holds no position.

- Ms. Blanca Hernández Rodríguez:
 - Ms. Hernández owns a direct 16.666% share of the Instituto Hispánico del Arroz, S.A., in which she holds no position.
 - She likewise owns an indirect 16.666% share of Hispafoods Invest, S.L., in which she holds no position.
 - She owns an indirect 3.020% share of Casarone Agroindustrial, S.A., in which he holds no position.

- Caja de Ahorros de Salamanca y Soria:
 - This entity holds a 33.333% share of Barrancarnes Industrial.
 - It also holds a 40% share of Jamones Burgaleses, S.A. and is a member of the Board of Directors.
 - It holds a 41.290% share of Leonesa Astur de Piensos, S.A. and is a member of the Board of Directors.

- Caja España de Inversiones y Monte de Piedad:
 - This entity holds a 100% share of Campo de Inversiones, S.A., of which it is a member of the Board of Directors.

- Mr. Domingo Ortega Martínez:
 - He owns an indirect 60.69% share of Quesos Forlasa, S.A. He is a representative of Forlasa Alimentación, S.L., which is the Chief Executive of the former.
 - He serves as Sole Director of Monzotami, S.L.

- With respect to Corporación Caixa Galicia, S.A., Board member of Ebro Puleva, S.A. until October 16, 2006:
 - This entity holds a 5% share of Bodegas Terras Gauda, S.A. and is also a member of the Board of Directors.
 - It also holds a 16.9% share of Pescanova, S.A. and is a member of the Board of Directors.

The following chart depicts the positions held the directors in other Ebro Puleva Group companies in which none of them hold a direct share:

Name of Board member	Ebro Puleva Group company	Position
Mr. Jaime Carbó Fernández	Panzani, S.A.S.	Board Member
Mr. Jaime Carbó Fernández	Dosbio 2010, S.L.U.	Board Member
Mr. Jaime Carbó Fernández	Riviana Foods, Inc.	Board Member
Mr. Jaime Carbó Fernández	Ebro America, inc.	Board Member
Mr. Jaime Carbó Fernández	El Castillo Debic Food Service, S.L.	Board Member
Mr. Jaime Carbó Fernández	New World Pasta Company	Board Member
Mr. Fernando Castelló Clemente	Castillo Castelló, S.A.	Chairman
Mr. Fernando Castelló Clemente	El Castillo Debic Food Service, S.L.	Chairman
Mr. Fernando Castelló Clemente	Lactimilk, S.A.	Chairman
Mr. Antonio Hernández Callejas	Panzani, S.A.S.	Board Member
Mr. Antonio Hernández Callejas	New World Pasta Company	Board Member
Mr. Antonio Hernández Callejas	Riviana Foods, Inc.	Board Member
Mr. Antonio Hernández Callejas	Dosbio 2010, S.L.U.	Chairman
Mr. Antonio Hernández Callejas	Puleva Biotech, S.A.	Board Member
Mr. Antonio Hernández Callejas	Ebro America, Inc.	Chairman
Mr. Antonio Hernández Callejas	Azucarera Ebro, S.L.	Chairman
Mr. Juan Domingo Ortega Martínez	Dosbio 2010, S.L.U.	Board Member
Mr. Eugenio Ruiz - Gálvez Priego	Azucarera Ebro, S.L.	Chief Executive Officer
Mr. Eugenio Ruiz - Gálvez Priego	Compañía de Melazas, S.A.	Vice Chairman
Mr. Eugenio Ruiz - Gálvez Priego	Unión Azucarera, A.I.T.	Joint Director
Mr. Eugenio Ruiz - Gálvez Priego	Puleva Biotech, S.A.	Board Member
Mr. Eugenio Ruiz - Gálvez Priego	Maltacarrión, S.A.	Board Member

Irrespective of the above, no director has informed the Company that he holds any shareholdings or positions in companies with activities identical, similar or complementary to those of Ebro Puleva, S.A. and its Group companies.

In 2005 and 2006 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.

18.3. Remuneration earned by executive management:

Ebro Puleva, S.A.'s executive management is made up of 8 members, whose total remuneration in the aggregate in 2006 amounted to 1,401 thousand euros. Of this amount, 1,196 thousand euros corresponded to wages and salaries, and 205 thousand euros to dismissal indemnities.

The contracts of certain directors include safeguard clauses in the event of dismissal decided by the company or for changes in control which provide for termination benefits ranging from one two three years' annual remuneration.

In addition, in 2006 the Selection and Compensation Committee approved an incentive program for its management team which would enable members to receive a cash amount based on the achievement of the objectives set forth in the Group's Strategic Plan for the period from 2007 to 2009.

The incentive would consist of an amount based on the average annual remuneration received for the period from 2007 to 2009 of each beneficiary, to which a percentage would be applied depending on the degree to which objectives were achieved. Payment of the incentive, which would be made in 2010 (once the previous year's annual accounts have been approved by the shareholders), is contingent upon the beneficiaries remaining with the Group until December 3, 2009, as well as meeting EBITDA, EVA and other qualitative objectives established in the Group's Strategic Plan.

This program is not contingent upon the value of Ebro Puleva shares nor does it entitle the beneficiaries to receive shares or any other such benefits.

Lastly, the parent company has taken out a policy to provide civil liability insurance to the directors and executives of Ebro Puleva, S.A. and all of its subsidiaries. The annual cost of the policy is 141,000 euros and provides coverage up of 45 million euros to April 17, 2007. It is currently in the process of being renewed.

18.4. 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.

18.5. Audit fee:

"External services" in the profit and loss account correspond to the fee paid to Ernst & Young, S.L. for the audit of the individual annual accounts amounting to 42 thousand euros. With regard to the audit of the consolidated annual accounts, the total fee paid in 2006 for the audits of the companies comprising the Ebro Puleva Group amounted to 2,011 thousand euros.

Of this amount, the audits performed by the main auditor (Ernst & Young and its international network) amounted to 1,920 thousand euros.

In addition, the Ebro Puleva Group engaged Ernst & Young Group companies for other non-audit services amounting to 295 thousand euros.

19. Post-balance sheet events

No significant events have occurred from year end until the date these annual accounts were prepared.

20. Statement of source and application of funds for the year ended december 31, 2006 (thousands of euros)

Applications	2006	2005	Sources	2006	2005
Deferred expenses	0	2,523	Sources (applied to) obtained from operations	(32,102)	105,302
Additions to fixed assets:					
Tangible assets	400	941			
Intangible assets	0	3			
Investments	309,428	527,359			
Provisions for liabilities and charges					
Personnel commitments	17	0			
Acquisition of own shares	1,495	15,436	Disposal of own shares	1,510	17,433
Cancellation or transfer to short-term of:			Long-term debts		
Long-term amounts owed to financial institutions	71,000	74,000	From financial institutions	145,282	352,563
Other long-term liabilities	0	0	Other long-term liabilities	99,031	60,711
Other deferred income	0	12,796	Disposal-write-off of tangible assets	192,955	86,680
			Early redemption of investments	1,120	33,980
Payment of dividends					
Prior year dividend	52,309	50,731			
Application of deferred tax assets or liabilities	2,364	1,872	Source of deferred tax assets or liabilities	0	0
Increase-(Decrease) in working capital	(29,217)	(28,992)			
Total applications	407,796	656,669	Total sources	407,796	656,669

Changes in working capital	2006		2005	
	Increases	Decreases	Increases	Decreases
Receivable	9,626		6,269	
Investments		14,475		4,723
Cash and banks		1,372	4,128	
Accruals and deferred income		162		558
Short-term receivables		22,852		34,108
Total	9,626	38,843	10,397	39,389
Changes variation in working capital (decrease)	29,217		28,992	
	38,843	38,843	39,389	39,389

SOURCES (APPLIED TO) FROM OPERATIONS		
	2006	2005
Profit (loss) for the year	103,326	141,428
Plus:		
Depreciation and amortization	1,218	1,263
Changes in provisions for fixed assets	(3,617)	(10,308)
Allowance to the provision for liabilities and charges	2,206	2,348
Deferred financial expense	687	665
Unrealized exchange differences	(39,899)	36,018
Loss on disposal of fixed assets	16	215
Deferred tax assets	13,037	9,324
Less:		
Other deferred income	(174)	0
Profit from sale of own shares	(15)	(1,315)
Profit from sales of fixed assets	(114,195)	(72,485)
Overprovision for liabilities and charges	(5,530)	0
Deferred tax liabilities	10,838	(1,851)
	(32,102)	105,302