04

ANNUAL REPORT

Ebro PULEVA
GRUPO

ebro puleva annual report 2004

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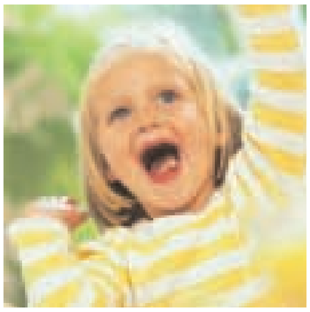
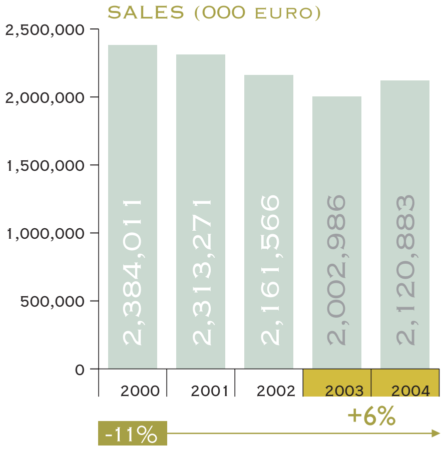
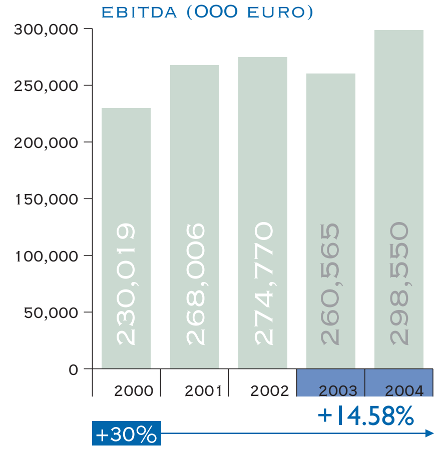


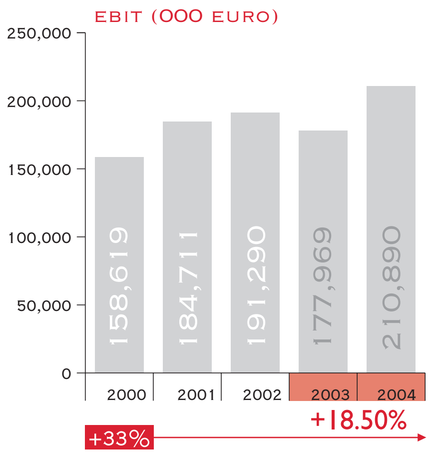

FINANCIAL HIGHLIGHTS

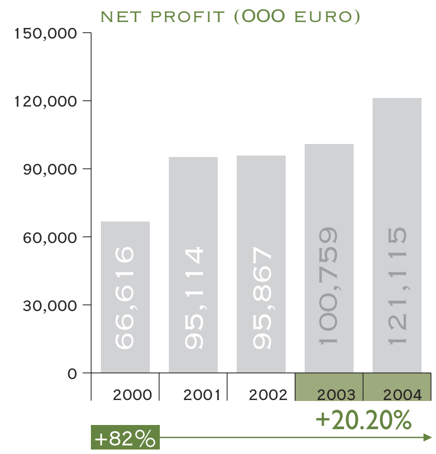
* Leading rice group worldwide
* Leading food group in Spain, by turnover, profits and market capitalisation
* Leading Spanish sugar group
* Leader in sales of dairy products in Spain

* Leadership in juice and biscuit sectors in Central America
* Leadership position in the markets on which we operate
* Present in 20 countries throughout Europe, America and North Africa

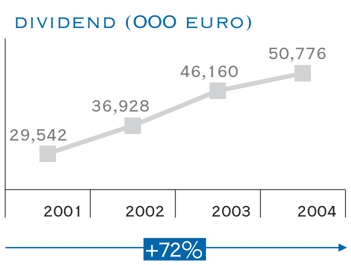


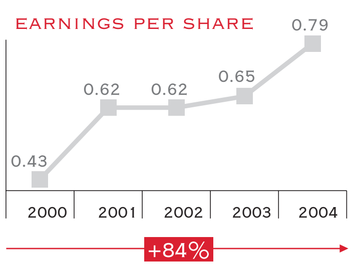


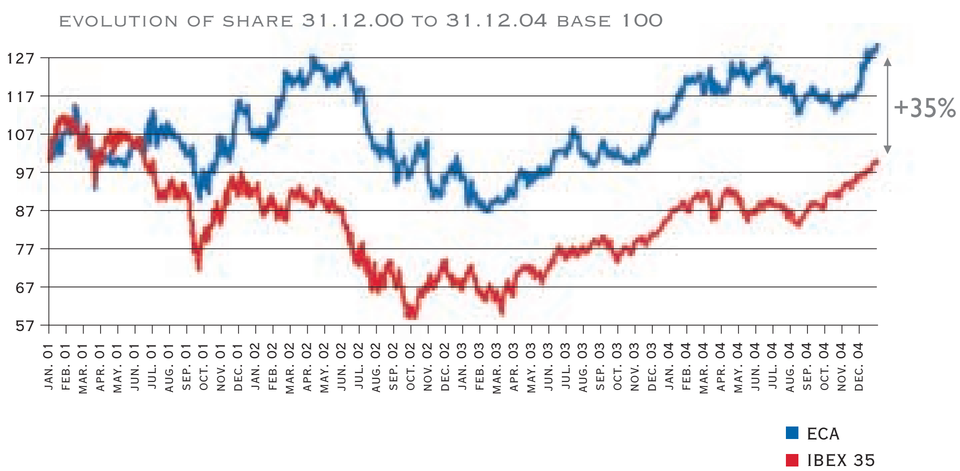




EBRO PULEVA GROWS IN STRATEGIC BUSINESSES, THOSE WITH PROSPECTS FOR GROWTH AND IMPROVING MARGINS, AND DISINVESTS IN NON-STRATEGIC BUSINESSES.
QUANTITATIVELY, AS A RESULT, THE GROUP'S SALES DURING THE STRATEGIC PERIOD 2000-2004 DROPPED BY 11% TO 2,120.9 MILLION EURO, WHILE THE YIELD, MEASURED IN TERMS OF EBITDA, HAS INCREASED BY 30% TO 298.6 MILLION EURO. THE NET EFFECT IS A 46% GROWTH IN OPERATING MARGIN, TO 14.1%.







EBRO PULEVA WORLDWIDE

* United States

LEADER IN THE RICE SECTOR

NUMBER 1 IN RICE SALES IN 19 OF THE 20 MAJOR STATES

SOLE SUPPLIER OF RICE TO WAL-MART, THE LARGEST DISTRIBUTION CHAIN IN THE USA

* Central America

LEADER IN THE PRODUCTION, MARKETING & DISTRIBUTION OF BISCUITS, CRACKERS AND JUICES

ANNUAL PRODUCTION OF 36 MILLION LITRES OF JUICE, EQUALLING THE LEADING PRODUCER IN SPAIN

BISCUIT PRODUCTION EQUIVALENT TO 63% OF THE LEADING SPANISH BRAND

* South America

LEADER OF SUGAR SECTOR IN CHILE

SHAREHOLDING ALLIANCE WITH ED&F MAN, THE LARGEST SUGAR MARKETER IN THE WORLD

LEADERSHIP IN OTHER SECTORS OF THE FOOD BUSINESS: FROZEN VEGETABLES, CONCENTRATED JUICES AND TOMATO PRODUCTS

EBRO PULEVA WORLDWIDE

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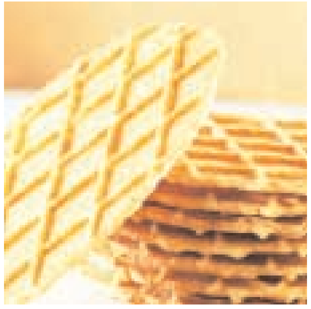
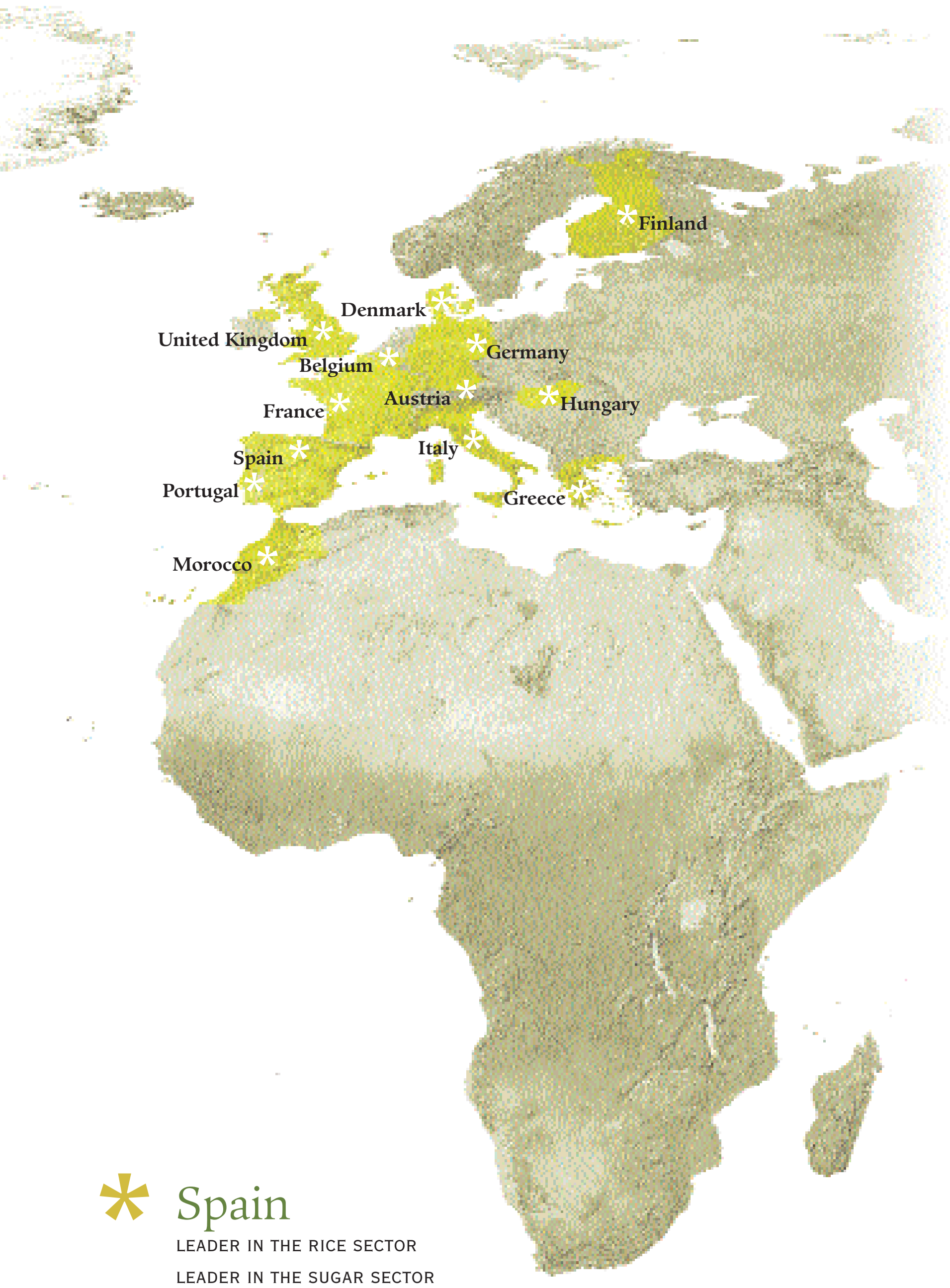


Europe

SIXTH COMPANY IN THE FOOD SECTOR BY SALES (MID-CAPS)

LEADING RICE PRODUCER

LEADER IN BRANDS IN SPAIN, PORTUGAL, BELGIUM, GERMANY, HUNGARY AND FINLAND, AMONG OTHER COUNTRIES



Spain

LEADER IN THE RICE SECTOR

LEADER IN THE SUGAR SECTOR

LEADER IN THE MARKETING OF DAIRY PRODUCTS AND

BRAND LEADER IN DIFFERENTIATED PRODUCTS WITH HIGH VALUE ADDED

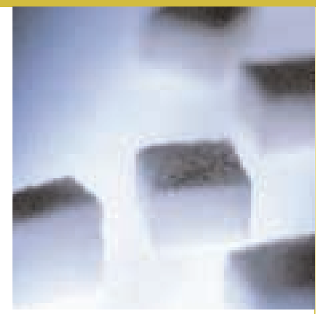
North Africa

LEADER IN THE RICE SECTOR

LARGEST PRODUCTION CENTRE IN MOROCCO, INSTALLED IN LARACHE

STRATEGIC POINT FOR DEVELOPMENT ON THE MAGHREBI AND SUB-SAHARAN MARKETS

PROFILE EBRO PULEVA

COMPANIES	DESCRIPTION	PRINCIPAL BRANDS
SUGAR 	All sugar-related businesses -production and marketing of sugar, alcohol, animal feed and by-products- are performed through **Azucarera Ebro,** a company created in 1998 out of the merger of Ebro Agrícolas and the centenarian Sociedad General Azucarera de España. It is the principal sugar producer in Spain and accounts for almost one-third of the total business of Ebro Puleva.	Azucarera Sucran
RICE 	This is the most international business of **Ebro Puleva.** Its origins date back to 1950. In 1986 it embarked on its international expansion, which has been boosted over the past five years with an extensive penetration of Europe and Morocco, culminating in 2004 with the foothold taken in the United States and Central America through the purchase of **Riviana Foods.** Ebro Puleva is currently the leading rice group worldwide; this business accounts for just over one-third of the Group's total business.	Brillante, Cigala, Nomen, La Fallera, Rocío, **in Spain.** Oryza, Reis Fit, Reis Fix, Bosto, Riceland, Risella, Riziana, Gourmet House, Peacock, Phoenix, Mahatma, Success, Carolina, Water Maid, River, S&W, **in Europe, Morocco and United States.**
DIARY 	The Group operates its dairy business through **Puleva Food,** based on the marketing of differentiated dairy products with a high value added, bolstered by a powerful research and innovation line. **Lactimilk** handles brands of dairy products geared towards values such as convenience or tradition, widely established in certain areas of the country: Galicia, Catalonia and the north of Spain. This business, as a whole, represents approximately one-quarter of the Group's total business.	Puleva Ram Leyma El Castillo Nadó
BIOTECHNOLOGY 	**Puleva Biotech** is engaged in the research, development, production and marketing of new products based on natural ingredients with positive health effects, able to enhance the quality of life by reducing disease.	

Ebro Puleva, S.A. IN FIGURES

CONSOLIDATED

THOUSAND EURO	FULL CONSOLIDATION						
	2001	**2002**	**2002/2001**	**2003**	**2003/2002**	**2004**	**2004/2003**
Net Turnover	2,313,271	2,161,566	-6.6%	2,002,986	-7.3%	2,121,733	5.9%
EBITDA	274,200	274,770	0.2%	260,565	-5.2%	298,580	14.6%
EBIT	184,711	191,290	3.6%	177,969	-7.0%	210,707	18.4%
Ordinary profit	145,884	146,986	0.8%	148,514	1.0%	176,369	18.8%
Net profit	95,115	95,867	0.8%	100,759	5.1%	120,859	19.9%
Average working capital	n.a.	653,165		517,822	-20.7%	463,962	-10.4%
Capital employed	1,783,053	1,623,963	-8.9%	1,438,665	-11.4%	1,424,834	-1.0%
ROCE (2)	10.4%	11.8%		12.4%		14.8%	
Capex	85,893	83,526	-2.8%	79,602	-4.7%	102,524	28.8%
Average workforce	7,439	7,058	-5.1%	5,938	-15.9%	6,686	12.6%
Stock market highlights (3)	**2001**	**2002**	**2002/2001**	**2003**	**2003/2002**	**2004**	**2004/2003**
Number of shares	153,865,392	153,865,392	-	153,865,392	-	153,865,392	-
Market capitalisation at year-end	1,341,706	1,193,195	-11.1%	1,383,250	15.9%	1,615,587	16.8%
EPS	0.62	0.62	0.8%	0.65	5.1%	0.79	19.9%
Dividend per share	0.24	0.24	-	0.30	0.25	0.33	10.0%
Theoretical book value per share	5.22	5.48	5.1%	5.92	8.0%	6.37	7.6%
	31.12.01	**31.12.02**	**2002/2001**	**31.12.03**	**2003/2002**	**31.12.04**	**2004/2003**
Capital and reserves	802,909	843,894	5.1%	911,635	8.0%	980,613	7.6%
Net debt	719,018	527,664	-26.6%	349,151	-33.8%	467,669	33.9%
Leverage (4)	89.6%	62.5%		38.3%		47.7%	
Total asseets	2,540,871	2,188,532		2,052,734		2,181,817	

(1) *Calculated with IANSA consolidated by the equity method.*

(2) *ROCE = (Operating profit CAG last 12 months / (Net investment - Financial fixed assets - Goodwill).*

(3) *Adjusted for scrip issues. The real numbers of shares were: 2001 = 123,092,314; 2002 = 123,092,314; 2003 = 153,865,392; 2004 = 153,865,392.*

(4) *Ratio of Net Financial Debt to Capital and reserves (axcl. minority interests).*

BUSINESSES

	SUGAR BUSINESS						
Thousand Euro	**2001**	**2002**	**2002/2001**	**2003**	**2003/2002**	**2004**	**2004/2003**
Net turnover	751,889	703,562	-6.4%	736,636	4.7%	726,091	-1.4%
EBITDA	144,205	157,447	9.2%	158,584	0.7%	158,229	-0.2%
EBIT	108,689	122,413	12.6%	124,161	1.4%	124,909	0.6%
Ordinary profit	100,606	119,752	19.0%	122,286	2.1%	124,830	2.1%
Average working capital	216,424	117,652	-45.6%	171,179	45.5%	148,792	-13.1%
Capital employed	666,207	546,048	-18.0%	593,349	8.7%	551,316	-7.1%
ROCE	16.3%	22.4%		20.9%		22.7%	
Capex	34,438	44,702	29.8%	36,134	-19.2%	38,586	6.8%

	DAIRY BUSINESS						
Thousand Euro	**2001**	**2002**	**2002/2001**	**2003**	**2003/2002**	**2004**	**2004/2003**
Net turnover	538,355	522,277	-3.0%	488,025	-6.6%	497,083	1.9%
EBITDA	42,671	49,188	15.3%	49,680	1.0%	48,037	-3,3%
EBIT	21,258	32,856	54.6%	33,711	2.6%	30,203	-10.4%
Ordinary profit	18,562	24,033	29.5%	25,226	5.0%	22,395	-11.2%
Average working capital	92,885	93,854	1.0%	81,725	-12.9%	64,924	-20.6%
Capital employed	212,955	223,239	4.8%	220,132	-1.4%	215,382	-2.2%
ROCE	10.0%	14.7%		15.3%		14.0%	
Capex	19,645	24,103	22.7%	19,628	-18.6%	36,948	88.2%

CHILE RECORDED BY EQUITY METHOD (1)						
2001	2002	2002/2001	2003	2003/2002	2004	2004/2003
1,756,181	1,720,533	-2.0%	1,684,182	-2.1%	1,842,485	9.4%
230,105	243,520	5.8%	239,197	-1.8%	267,010	11.6%
161,242	178,956	11.0%	173,398	-3.1%	193,825	11.8%
137,179	147,897	7.8%	145,540	-1.6%	166,757	14.6%
95,115	95,867	0.8%	100,759	5.1%	120,859	19.9%
n.a	464,024		433,628	-6.6%	378,720	-12.7%
1,237,427	1,173,399	-5.2%	1,175,049	0.1%	1,201,791	2.3%
13.0%	15.3%		14.8%		16,1%	
67,380	78,433	16.4%	75,759	-3.4%	102,524	35.3%
4,710	4,544	-3.5%	4,256	-6.3%	5,261	23.6%
31.12.01	31.12.02	2002/2001	31.12.03	2003/2002	31.12.04	2004/2003
802,909	843.894	5.1%	911,635	8.0%	980,613	7.6%
436,698	386,752	-11.4%	248,521	-35.7%	467,669	88.2%
54.4%	45,8%		27.3%		47.7%	
1,996,511	1,828,237		1,779,953		2,181,817	

RICE BUSINESS						
2001	2002	2002/2001	2003	2003/2002	2004	2004/2003
402,786	443,854	10.2%	429,266	-3.3%	604,807	40.9%
33,192	37,276	12.3%	36,196	-2.9%	65,478	80.9%
25,140	28,348	12.8%	24,475	-13.7%	47,928	95.8%
19,446	22,870	17.6%	20,774	-9.2%	42,751	105.8%
118,984	125,409	5.4%	86,610	-30.9%	141,076	62.9%
189,901	195,886	3.2%	170,418	-13.0%	279,644	64.1%
13.2%	14.5%		14,4%		17.1%	
8,274	6,813	-17.7%	15,863	132.8%	23,039	45.2%

CHILE						
2001	2002	2002/2001	2003	2003/2002	2004	2004/2003
557,090	441,037	-20.8%	318,804	-27.7%	279,248	-12.4%
43,520	31,262	-28.2%	21,623	-30.8%	31,601	46.1%
22,881	12,338	-46.1%	4,735	-61.6%	16,997	259.0%
5,673	(10,209)	-280.0%	(3,732)	63.4%	2,469	166.2%
255,329	193,165	-24.3%	84,196	-56.4%	74,010	-12.1%
545,626	446,509	-18.2%	263,617	-41.0%	224,667	-14.8%
4.2%	2.8%		1.8%		7.6%	
18,513	5,093	-72.5%	3,843	-24.5%	0	-100.0%

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

It is a great pleasure and honour for me to share with you all, once again, the most significant information on the development of the Ebro Puleva Group.

Five-year strategy

We have concluded a number of strategic operations in recent years, creating a new business profile. This transformation process, begun five years ago, has increased Ebro Puleva's leadership, making it stronger and more international.

We are the leading rice group worldwide, the leading Spanish sugar group and leader in Spain in the marketing of dairy products in general, with brand leaders in high value-added products, in particular.

Ebro Puleva is now present in twenty countries, including the USA, Central America, much of Europe and Morocco. In other words, in just over four years we have developed from being essentially a sugar group focusing on the domestic market into a multinational food group, strategically diversified and geared to the strength of our own brands.

Purchase of Riviana

The most representative operation within this transformation of Ebro Puleva was the purchase of Riviana Foods in the United States in 2004, which converted our Group into world leader in the rice sector.

Ebro Puleva now controls the rice brands with the highest sales in the United States and is leader in the juice and biscuit sectors in Central America. By way of example, Ebro Puleva sells 36 million litres of juice in Central America, a quantity similar to the total sales of the leading Spanish producer. And we produce in Central America 63% of the equivalent quantity of biscuits produced by the Spanish brand leader.

The incorporation of Riviana also gives our Group a powerful distribution network in the principal States of the US market and Central America, through which we will be able to introduce new products and innovations on one of the largest, most sophisticated and interesting markets in the consumer world.

The purchase of Riviana Foods was a strategic operation which has given Ebro Puleva a new profile, but it was not the only operation effected in 2004.

Ebro Puleva also took over the British firm Vogan, strengthening our presence and rice production capacity in the UK. We also took a foothold on the Finnish market by purchasing the brand Risella. These two operations open up new, interesting business opportunities in Europe, a continent in which we already have an extensive presence.

In short, 2004 was a very representative year within our acquisitions policy, which we began in 2000 with the incorporation of Puleva, continued in 2001 buying up the 40% of Herba that was not controlled by the Group and continued over the following years purchasing several companies in Europe and the United States.

IN FOUR YEARS, EBRO PULEVA HAS TRANSFORMED INTO A MULTINATIONAL FOOD GROUP, STRATEGICALLY DIVERSIFIED AND GEARED TO THE STRENGTH OF OUR OWN BRANDS

Offer for Panzani

This policy of expansion and growth through purchases has continued in 2005, with a takeover bid for Panzani, one of the major food companies in France, leader in the pasta, rice and sauces sectors.

Other significant events also took place during 2004. In Chile, Ebro Puleva has sold part of its stake in Inversiones Greenfields, the Group subsidiary that controls Iansa, to ED&F Man, the largest sugar marketer in the world. The incorporation of a shareholder with the profile, experience and expertise of this world leader will offer numerous possibilities for developing the business.

Other international corporate operations include the merger of two companies in the United Kingdom (Joseph Heap & Sons and Stevens & Brotherton), forming a new company called S&B Herba, which will facilitate management and the operations of our Group in the UK.

Satisfactory development

2004 was also a very intense year for Ebro Puleva and its subsidiaries in Spain. In the sugar business, headed by Azucarera Ebro, our performance was highly satisfactory: EBITDA of 158.2 million euro.

Ebro Puleva's decision to boost the rice business is paying off. Sales have grown by 40.9% and the EBITDA for the business rose to 65.4 million euro, a growth of 80.9% during 2004. These results are partly due to the contribution (four months) of the Riviana accounts, with sales during this time of 118.8 million euro and an EBITDA of 15 million euro, in spite of the unfavourable evolution of the dollar.

During the first few months of the year, the dairy business suffered from the uncertainty arising from an irregular evolution of the price of the raw material. The situation improved greatly in the second half of the year and the dairy division managed to close the year with almost a 2% increase in sales.

Business in Chile, which was excluded from consolidation as from 30 November 2004, progressed satisfactorily throughout the past year, with slight cuts in turnover owing to the sale of businesses, but with a considerable increase in the contribution of operating revenue, illustrated by the 46% growth in EBITDA.

In the R+D+I area, Puleva Biotech continued working during 2004 as the Group's research and development arm, promoting projects with Azucarera Ebro, Puleva Food and Herba, among other companies.

Very positive results

As a result of all the foregoing, Ebro Puleva posted highly satisfactory results last year, with strong growth in profits and sales. It chalked up a net profit of 120 million euro (despite the provision of 40 million euro set aside by the Board, according to prudence criteria, to cover possible liabilities deriving from the judgement passed in legal proceedings, which, having been appealed, is not yet final), 20% more than in 2003, and the net turnover rose by 5.9% to 2,121 million euro.

EBRO PULEVA POSTED HIGHLY SATISFACTORY RESULTS IN 2004,

WITH STRONG GROWTH IN PROFITS AND SALES

There was considerable growth in operating aggregates. The EBITDA, or gross operating profit, rose by 14.6% to 298.6 million euro; and the EBIT, or net operating profit, was up 18.4% to 210.7 million euro. The ordinary profit grew by 18.8% year on year, to 176.3 million euro.

Ebro Puleva ended the year with a very sound, streamlined balance sheet. We have managed to increase the Group's equity capital and reserves to over 980 million euro, against a net debt of 467.6 million euro, including the investment made to purchase Riviana Foods (309 million euro), with a leverage ratio of 48%, which gives us a large borrowing capacity to continue with the Group's growth plans.

With these figures we not only close what I would term a very positive year, but also increase considerably the value of the Ebro Puleva Group.

Market appreciation

Proof of this is found in the market value of the Ebro Puleva shares, which has risen 34% in four years, outperforming the Ibex-35 over the same period by 35%.

At the end of 2004, Ebro Puleva had a market capitalisation of over 1,600 million euro, the highest level ever reached by our Group to date.

Apart from this increase in market value, we have upheld an active shareholder return policy. The Board decided to increase the dividend distributable to shareholders by 25% in 2004, distributing more than 46 million euro at the rate of 0.30 euro per share. The overall dividend distributed over the past four years is very significant: 163.3 million euro.

Dividend yield

Ebro Puleva currently has a pay-out (percentage of the profit distributed among shareholders) of over 42%, which means that within the European food sector we are one of the groups that sets aside most funds for remuneration of its shareholders.

* the purchase of Riviana Foods in the United States put Ebro Puleva at the head of the rice sector worldwide

OVER THE PAST FOUR YEARS WE HAVE DISTRIBUTED SOME 163.3 MILLION EURO AMONG OUR SHAREHOLDERS IN DIVIDENDS

On an internal level, we have considerably bolstered our top management. During 2004 the Board resolved to appoint Antonio Hernández Callejas Chief Executive Officer, combining this position with that of Vice-Chairman of the Group, while Jaime Carbó Fernández was appointed General Manager of Ebro Puleva.

Appointments were also made in the Group's subsidiaries: Félix Hernández Callejas was appointed General Manager of Herba and Gregorio Jiménez López Chairman of Puleva Biotech.

These appointments were crucial for boosting, leading and managing the Group's development and growth in 2004 and preceding years, within an increasingly more global, complex and competitive business context, all under the framework of a corporate governance policy that has incorporated all applicable demands and requirements regarding transparency and good governance.

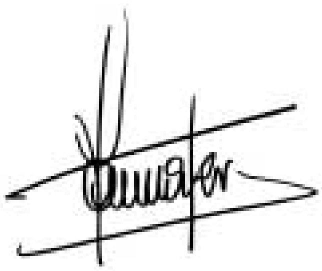
2004, as reflected in this statement, was a very intense year and highly satisfactory in all respects, from which Ebro Puleva has emerged as a stronger, more international group and with a very sound leadership.

We aim to continue working so that in forthcoming years we can grow, expand our scope of action and contribute more value for our shareholders. The purchase of Panzani, in early 2005, is a good example of this.

We combine this leadership vocation with the commitments to corporate responsibility deriving precisely from that vocation. In Ebro Puleva we are aware that our growth and benefit must be compatible with conservation of our surroundings and the development of society. We are, therefore, committed to sustainable development and strive to ensure that our relations with employees, customers and suppliers are based on mutual trust and respect for everyone's rights.

Ebro Puleva will pursue its expansion strategy, analysing new opportunities for organic and inorganic growth, with a view to confirming our group as one of the leading groups in the food sector in Europe and worldwide.

We hope to continue our progress with your support and confidence.



José Manuel Fernández Norniella
Chairman

Ebro Puleva

GRUPO

EBRO PULEVA TODAY

* Overview of the year
* International expansion
* Business areas
* R+D+I
* Commitment to sustainable development: Corporate Governance
* Commitment to sustainable development: Social and natural environment

OVERVIEW OF THE YEAR

*Ebro Puleva has posted excellent results, increased its international presence and made its businesses sound and efficient

2004, CONSOLIDATION OF A SUCCESSFUL STRATEGY

By year-end 2004, Ebro Puleva has posted excellent economic results, considerably expanded its international presence and made its businesses sound and efficient. These results are the fruit of the strategic plan implemented over the past five years, putting the Group in an optimum position to increase its leadership.

Over the past year, the Ebro Puleva results have improved constantly, with increasing sales, despite divestments in non-strategic businesses in recent years, and growth in profits, achieved by focusing on strategic businesses and improving efficiency.

This trend, which has been constant throughout the period 2000-2004, has enabled a growth over these five years of 30% in the net operating profit (EBITDA) and 82% in net profit. The ratio of EBITDA to sales rose by 46%, with a compound annual growth of 10%.

*TRANSFORMATION OF EBRO PULEVA

One of the keys to the success of Ebro Puleva's strategy can be found in the progressive transformation of the Group since 2000, in which there have been important landmarks: the incorporation of Puleva and all its know-how regarding brands and products with a high added value; incorporation of the 40% of Herba not controlled by Ebro Puleva, from which management benefitted from the outstanding work of the managers of the rice business; recovery of the Puleva brand for baby milk and cereals; and the incorporation of new businesses, particularly through acquisitions made on international markets.

since 2000, Ebro Puleva has consolidated its leadership in Spain and become one of the leading groups in Europe in this sector

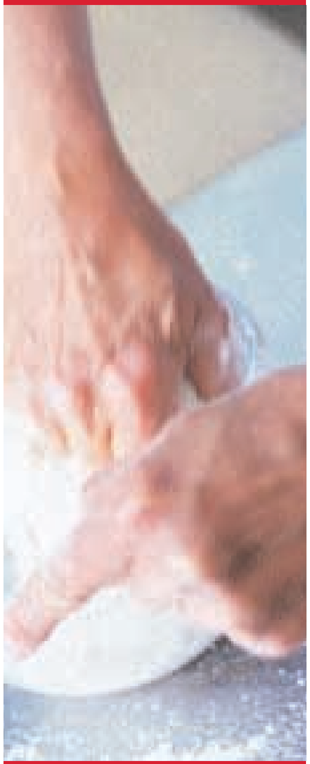
During the second half of 2003 and throughout 2004, Ebro Puleva has bought up eight companies outside Spain, the most important of which was the US company Riviana Foods, which strengthens the Group's leadership, gives it a foothold on the decisive US market and opens the doors to Central America. In 2004 it also purchased Risella in Finland and Vogan in the UK.

This international growth, which will continue in future years, has been complemented by the positive development of the business in Spain.

EFFICIENT MANAGEMENT

The other essential factor, apart from growth, favouring Ebro Puleva's current position is the efficient management of the different businesses of the Group. There has been a balanced growth in yield across the board, with an increase in high value-added products, such as those marketed under the brand names Puleva or Brillante, and a growing balance in the business portfolio. These factors have been accompanied by a progressive write-down of assets and a permanent optimisation of operating structures.

Other management decisions, such as divestment in non-strategic businesses and obtaining returns on idle property assets, have also strengthened the Group. The divestments made since 2000 include companies such as Proterra, Jesús Navarro, Vasco de Gama and Iansafrut, among others. As regards real estate, Ebro Puleva has disposed of assets not tied to the Group's activities in different parts of Spain, obtaining returns of 180 million euro over the past five years.



FIVE YEARS OF IMPROVEMENT

WHEN EBRO PULEVA WAS CREATED IN 2000, A STRATEGIC PLAN WAS DESIGNED ESSENTIALLY TO CONSOLIDATE THE GROUP'S LEADERSHIP IN SPAIN AND MAKE IT ONE OF THE LEADING GROUPS IN THE SECTOR IN EUROPE.

SOME OF THE KEY POINTS OF THIS STRATEGY WERE:

* INCREASE OF YIELD
* DEVELOPMENT OF LEADERSHIP VOCATION
* GROWTH IN VALUE-ADDED PRODUCTS
* BALANCED BUSINESS PORTFOLIO
* WRITE-DOWN OF ASSETS
* OPTIMISATION OF OPERATING STRUCTURES

TO OPTIMISE RESOURCES AND INCREASE THE GROUP'S EFFICIENCY, EBRO PULEVA EFFECTED A NUMBER OF TRANSFORMATIONS: ON THE ONE HAND TO BOOST DEVELOPMENT OF THE STRATEGIC BUSINESSES, SUPPLEMENTING THEM WITH PURCHASES, AND ON THE OTHER HAND, TO DISINVEST IN BUSINESSES CONSIDERED NON-STRATEGIC.

THE MOST IMPORTANT ACTIONS IN CORPORATE DEVELOPMENT WERE:

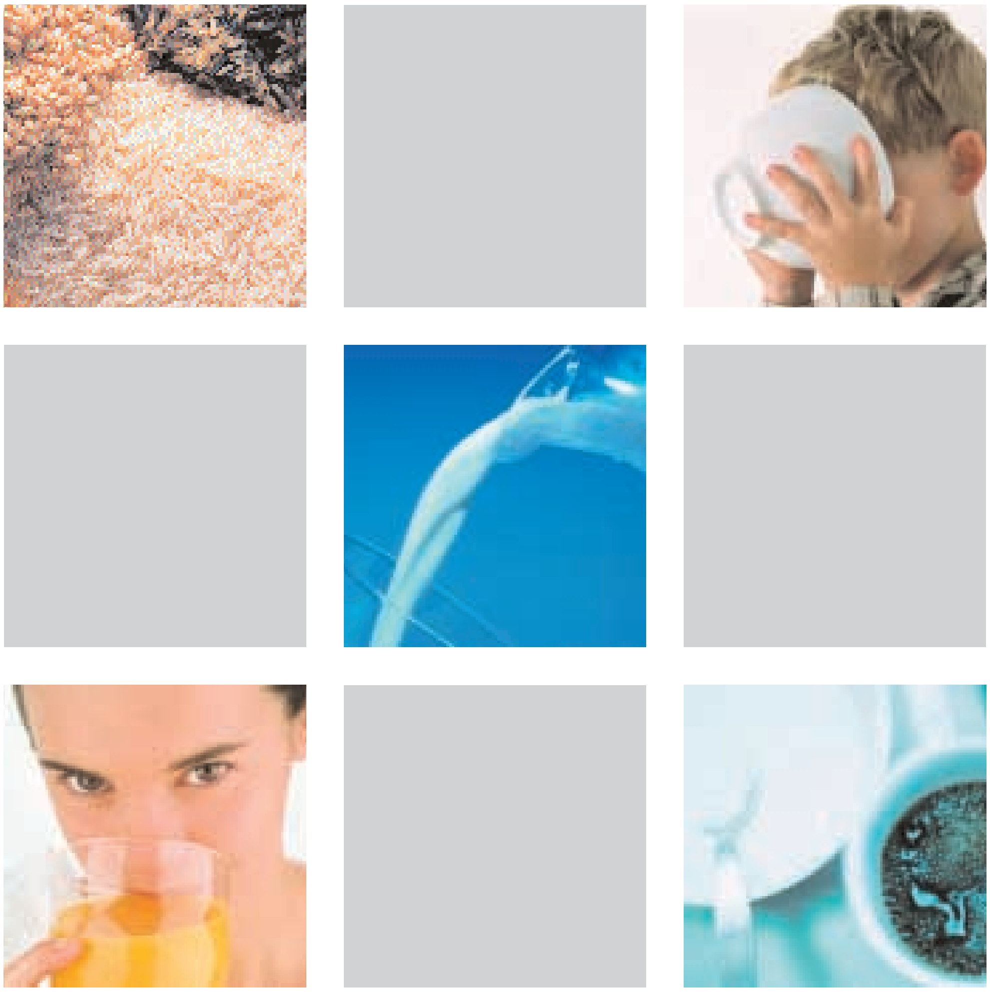
* INCORPORATION OF PULEVA
* INCORPORATION OF 40% OF HERBA
* ACQUISITION OF PULEVA BABY FOOD FROM ABBOTT LABORATORIES
* ACQUISITION OF REIS FIT, IN GERMANY AND AUSTRIA
* ACQUISITION OF REIS FIX, IN DENMARK
* MERGER WITH STEVENS & BROTHERTON, IN UNITED KINGDOM
* ACQUISITION OF RICELAND, IN HUNGARY
* ACQUISITION OF DANRICE AND DANPASTA, IN DENMARK
* ACQUISITION OF VOGAN, IN UNITED KINGDOM
* ACQUISITION OF RISELLA, IN FINLAND
* ACQUISITION OF RIVIANA FOODS, IN UNITED STATES AND CENTRAL AMERICA

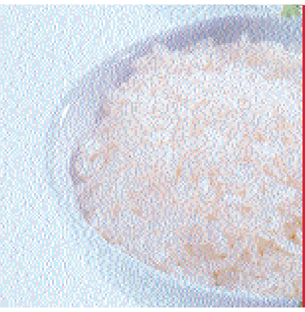
DISINVESTMENTS INCLUDED THE FOLLOWING:

* JESÚS NAVARRO
* VASCO DE GAMA
* PULEVA NETWORKS
* PARAGUAY
* ANDOLEUM
* PROTERRA
* IANSAFRUT
* TAUSTE GANADERA
* 49% OF INVERSIONES GREENFIELDS
* PROGANDO

SALE OF NON-OPERATING REAL ESTATE IN:

* VALLADOLID
* PUEBLO NUEVO
* MALAGA
* BALMES
* LEON
* SALOBREÑA
* VILLAFRANCA





INTERNATIONAL EXPANSION

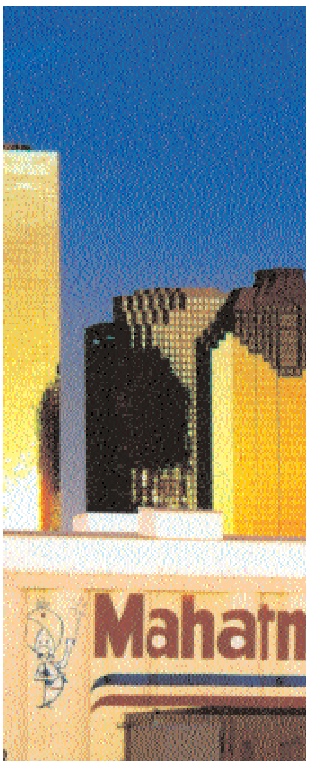
THROUGH THE PURCHASE OF RIVIANA, EBRO PULEVA HAS BECOME THE LEADING RICE GROUP WORLDWIDE

Last September, Ebro Puleva purchased Riviana Foods Inc., the leading rice company in the United States, which also has a strong presence and food distribution network in Central America. The Group has thus made a huge advance in its internationalisation strategy, taking a foothold on the powerful markets of North and Central America and, in short, increasing its leadership, diversification and brand portfolio.

Riviana, which accounts for 17% of the US rice market, is also a major producer and distributor of biscuits and juices in Central America and in recent years, through different joint ventures with Ebro Puleva, it has also operated on the UK, Belgian and German markets. The reciprocal knowledge arising out of this collaboration favoured the integration of the US company, minimising the risks inherent in processes of this nature.

* PROMINENT PRESENCE

Riviana is leader in rice marketing in 19 of the 20 markets with the largest consumption in the United States. It is also the US company with the largest portfolio of rice brands in that company, including: Mahatma, the brand with the highest sales in the United States in the past ten years; Success, leader in the instantaneous rice-in-a-bag segment; Carolina, classic brand in the north-east of the country; or Gourmet House, brand leader in wild rice.



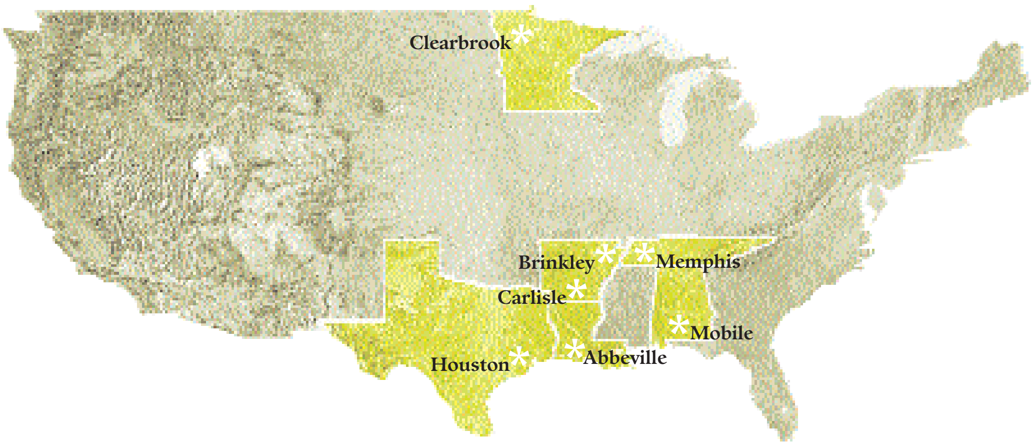
*Riviana has a 17% market share, a powerful distribution network and is leader in 19 of the 20 States with the largest rice consumption in the United States

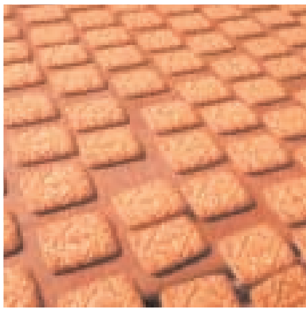
Riviana also has a powerful distribution network on the US market. It is the only rice intersupplier of Wal-Mart, the largest distribution chain in the United States, with more than 1,500 Supercenter Stores.

Riviana is present in seven Central American countries. It is one of the leading producers, marketers and distributors of biscuits, crackers, fruit juices and vegetables in a market of 36 million people. It is present on this market through Riviana Pozuelo and Alimentos Kern.

The biscuit production of Riviana Pozuelo in Central America is equivalent to 63% of the leading Spanish brand and it is leader in the cookies segment in Costa Rica. Alimentos Kern produces some 36 million litres of juice a year, equal to the leading Spanish producer, and it is leader in this sector in Guatemala. The Kern brand has been registered by Nestlé throughout the world, except in Central America, where it has been duly protected by Riviana.

RIVANA PROCESSING PLANTS IN USA





RIVIANA GIVES EBRO PULEVA A FOOTHOLD ON THE LARGEST AND MOST SOPHISTICATED FOOD MARKET IN THE WORLD

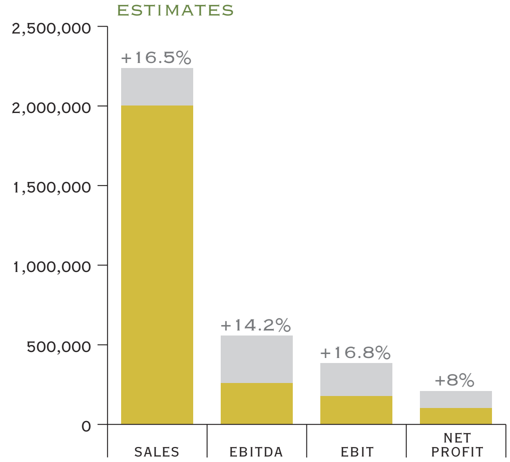
* INDISPUTABLE ADVANTAGES

With the incorporation of Riviana in the Group, Ebro Puleva has consolidated its position as the leading rice marketer worldwide, with unrivalled leadership in Europe and the United States.

This incorporation has considerably increased the financial fundamentals of the Group, in terms of both turnover, which has grown by 16%, and gross and net operating profit, up 14% and 17%, respectively, year on year. In the last four months of 2004, Riviana contributed sales of 118.8 million euro and EBITDA of 15 million euro to the Group, despite the unfavourable evolution of the dollar.

Following this acquisition, rice has gained weight in the Group overall, accounting for 34% of sales, while sugar represents 42% and dairy products 22%. The international business has also increased its importance in the Group accounts, accounting for 44% of the total consolidated turnover.

EBRO PULEVA WITH RIVIANA ESTIMATES




*Riviana produces 36 million litres of juice in Central America, similar to the output of the leading Spanish producer

Other positive aspects deriving from the incorporation of Riviana include access to a new, powerful market for the traditional products of Ebro Puleva and significant synergies, leading to considerable savings, increased yield of the commercial networks and greater efficiency of investments. It also balances the brand business portfolio against industrial sales. In fact, following this transaction, 65% of the Herba sales are branded goods and the remaining 35% industrial.

The purchase of Riviana gives Ebro Puleva a foothold on the largest and most sophisticated food market in the world.

EBRO PULEVA – RIVIANA SYNERGIES

* SAVING ON ADMINISTRATIVE EXPENSES
* INVESTMENTS IN PLANTS AND PROCESSES
* LAUNCHING OF MICROWAVE PRODUCTS ON THE US MARKET
* JOINT WORK ON RAW MATERIALS
* USE OF RIVIANA COMMERCIAL NETWORK IN USA

INTERNATIONAL EXPANSION

EBRO PULEVA CONSOLIDATES ITS INTERNATIONALISATION STRATEGY IN 2005 WITH THE PURCHASE OF PANZANI

Ebro Puleva pursues its international expansion strategy with the triple goal of improving even further the balance between its domestic and international trade, increasing the weight of brand sales against industrial sales and balancing the revenues from the different lines of business.

In this context, in 2004 the Group began negotiating the purchase of Panzani, leader on the French pasta, rice, semolina and sauce markets, which process will be concluded during 2005. This transaction strengthens Ebro Puleva's presence in Europe, opening the doors to new sectors and reinforcing its leadership.

* Ebro Puleva's strategy contemplates further improving the balance between domestic and international trade, increasing the weight of branded products and balancing the revenues from the different lines of business

* CONTRIBUTES VALUE FROM THE FIRST YEAR

Through the incorporation of Panzani, which, apart from France, is also present in Belgium, the Czech Republic and Camaroon, Ebro Puleva has access to segments in which it was not present and completes its portfolio with leading products, increasing the weight of brand trade in the company's overall business.

The Panzani product range strongly complements the Ebro Puleva lines, so industrial, logistic and commercial synergies will be very high. The Panzani distribution and sales networks, well established and highly effective, will serve as a channel for the Group to place other products on the French market.

From a financial point of view, the impact of this transaction is highly positive, bringing a huge increase in Group sales and profits without jeopardising the dividend policy and creating value for the shareholder from the outset.

*in 2004 the Group began negotiating the purchase of Panzani, leader on the French pasta, rice, semolina and sauce markets; this process will be concluded during 2005

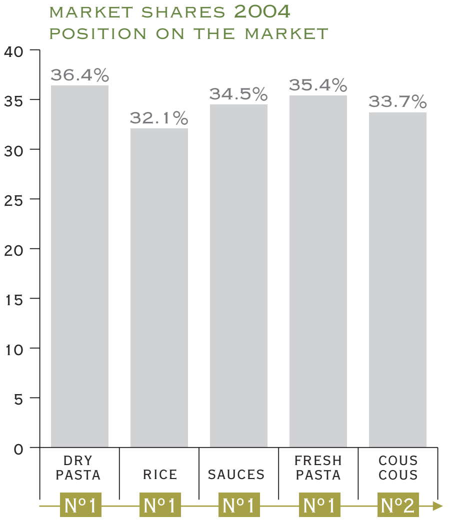
THE PANZANI PRODUCT RANGE STRONGLY COMPLEMENTS THE EBRO PULEVA LINES, SO INDUSTRIAL, LOGISTIC AND COMMERCIAL SYNERGIES WILL BE VERY HIGH

* REINFORCED LEADERSHIP

Panzani supplements Herba's position on the European rice market, reinforcing Ebro Puleva's worldwide leadership in this sector and pushing it up the ranking of European food mid-caps, from the tenth to the sixth position by sales forecasts at year-end 2005.

Panzani is leader on the French pasta, rice, semolina and sauce markets. It is leader on the dry pasta market with sales of over 110,000 tonnes a year, four times more than the leading Spanish producer. In the rice sector, it has two brand leaders: Lustucru, focusing on conventional rices, and Taureau Ailé, geared towards exotic rices.

It is also leader on the French market of pasta and rice sauces, and on the fresh pasta market. Panzani has been gaining market share in pasta sauces since 1977, with higher growth rates than the rest of the sector. The fresh sauce line, combined with the fresh pasta line, is a high value-added proposal for consumers. In the semolina sector, Panzani is second, operating under the brands Regia and Ferrero.



BEGINNING OF A NEW PHASE

The acquisition of companies has been one of the key factors in Ebro Puleva's expansion and development strategy. The Group has undergone a vast transformation in just over four years, becoming one of the benchmark business groups in the international food sector, with leadership positions in Europe and America.

The purchase of Riviana Foods in the United States and Panzani in France are good examples of this internationalisation strategy. Following these major operations, Ebro Puleva now enters a new phase, in which it will, as in the past, maintain its leadership vocation.

following the acquisition of Riviana Foods in the United States and the bid for Panzani in France, Ebro Puleva now enters a new phase

BUSINESS AREAS

AN INCREASINGLY MORE BALANCED DIVERSIFICATION

Over the past five years, the Ebro Puleva Group has advanced towards its goal of achieving an increasingly more balanced diversification of its business areas, from the standpoint of both the source of its operating revenues, where the contributions of sugar and rice to sales are evening out, and markets, 44% of its turnover now being obtained on the international market. The business portfolio between industrial sales and end consumers has also balanced out, through acquisitions of companies obtaining value added from their well-known brands.

On a domestic level, Ebro Puleva operates in three core business areas: sugar, rice and dairy. These three divisions are now encompassed within the parent company Ebro Puleva, S.A.

SUGAR

RICE

DAIRY

SUGAR

The Ebro Puleva Group holds out as unrivalled leader of the sugar business in Spain, with a strong position in Europe.

This division operates under the company Azucarera Ebro, its principal trading areas being sugar, alcohol, animal feed and the by-products from sugar production. During 2004, EBITDA/sales ratio was 21.9%, one of the highest yields recorded by European sugar producers.

The performance of this business during the year was highly satisfactory. One of the keys to success in 2004 was to channel the resources to achieve increased efficiency, with a view to preparing the ground for and getting ahead of the possible adverse effects of the new Common Market Organisation (CMO) currently being designed in the European Union.

The division has also worked on improvements in the areas of production, environment, quality, occupational hazard prevention and food safety. In 2004 the Ministry of Agriculture awarded Azucarera Ebro the prize for the Best Spanish Food Company 2003, in Environment.

The principal achievements in 2004 include:

In the Agriculture Area, the technological quality of the beet in the south was extraordinarily good and significant progress was made in the Integrated Beet Production Plan, in both Andalusia and Castile-Leon.

* Azucarera Ebro is constantly improving its efficiency to get ahead of any possible adverse effects deriving from the new CMO sugar

*the Ministry of Agriculture awarded Azucarera Ebro the prize for the Best Food Company in Environment

In the Industrial Area, the project for building the Benavente Packing and Specialties Centre has been given the go-ahead and major improvements have been promoted in the production facilities, including the installation in Toro of an automatic beet sample analysis chain, the only one in Spain, in line with the undertakings to growers' associations. In addition, all the alcohol production has been concentrated at the La Rinconada factory and the logistics have been improved, especially at the Toro and Guadalete plants.

As regards the Commercial Area, a variety of ecological sugar was put on the market in 2004 and new product presentations and formats have been developed. One of the highlights in this area was the 17% increase in brown sugar sales last year.

In the Quality and Environment Area, the quality certificate was obtained for the Payment by Richness laboratories at the Guadalcacín and Toro sugar factories, and no Food Safety incidents were reported during 2004.


* Azucarera Ebro currently has an extraordinarily competitive position in the sector within the European Union

READY TO FACE THE REFORM OF THE CMO SUGAR

THE FORTHCOMING SUGAR CAMPAIGN 2005/2006 WILL CONTINUE TO BE REGULATED BY THE CURRENT BASIC EC REGULATION 1260/01, ALTHOUGH SIGNIFICANT CHANGES IN THE REGULATIONS ARE ENVISAGED FOR THE FOLLOWING CAMPAIGNS. THE NEW REGULATIONS, CURRENTLY BEING PREPARED, WILL BE PUBLISHED AT THE END OF 2005 IF THE TIMETABLE SET BY THE COMMISSION IS MET. BY THEN, THE GROUP WILL HAVE THE NECESSARY ELEMENTS TO ASSESS ITS IMPACT ON AZUCARERA EBRO.

IT SHOULD BE STRESSED, HOWEVER, THAT THE COMMISSION HAS AT ALL TIMES MAINTAINED THE NEED TO DEFINE A FRAMEWORK TO GUARANTEE THE LONG-TERM CONTINUITY OF A MAJOR BEET/SUGAR BUSINESS IN THE EUROPEAN UNION.

WE BELIEVE THE COMPANY WILL BE ABLE TO ABSORB THE IMPACT, IN TERMS OF BOTH VALUE AND TIME, SINCE:

* OUR C SUGAR (IN EXCESS OF QUOTA, FOR EXPORT OUTSIDE THE EU) PRODUCTION QUOTA IS VERY SMALL, IN BOTH ABSOLUTE TERMS (LESS THAN 8% OF THE ANNUAL AVERAGE) AND RELATIVE TERMS (IN COMPARISON WITH THAT OF OTHER PRODUCERS)
* THE DIFFERENCE BETWEEN DOMESTIC PRODUCTION AND CONSUMPTION IS NEGATIVE, WHICH IS NOT THE CASE IN OTHER PRODUCING COUNTRIES
* OUR YIELD, MEASURED AS A PERCENTAGE OF SALES OR RETURN ON CAPITAL EMPLOYED IS ONE OF THE HIGHEST IN EUROPE
* CONSIDERING ALSO THAT THE REFORM WILL NOT ENTER INTO FORCE UNTIL 30 JUNE 2006 AND WILL REASONABLY HAVE A TRANSITIONAL PERIOD

AZUCARERA EBRO IS CURRENTLY IN AN EXCELLENT COMPETITIVE POSITION WITHIN THE EU, THANKS TO THE EFFORTS MADE TO IMPROVE EFFICIENCY AND CUT PRODUCTION COSTS, IN BOTH THE AGRICULTURAL AND INDUSTRIAL AREAS. WE BELIEVE, THEREFORE, THAT THE NEW REGULATORY FRAMEWORK WILL OFFER AZUCARERA A STABLE ECONOMIC ENVIRONMENT IN WHICH TO CONTINUE DEVELOPING ITS BUSINESS.

RICE

The Ebro Puleva Group is world leader in the rice sector. The rice division accounts for 34% of the Group sales, with a 40.8% growth during 2004.

The rice division is headed mainly by Herba, European leader with a market share of over 30%, and Riviana, purchased in September 2004 and leading US rice company, with a market share of 17% and a significant presence in the biscuit and juice sector in Central America.

Another two major operations concluded during 2004 were the acquisition of Risella, leader on the Finnish market, and Vogan in the UK, boosting considerably Ebro Puleva's position in that country.

Herba channels its business towards two different areas: the end consumer and the industrial client. In the first case, it has absolute brand leaders on most markets, especially Spain, Portugal, Belgium, Germany, Morocco, Hungary and Finland. It is also the

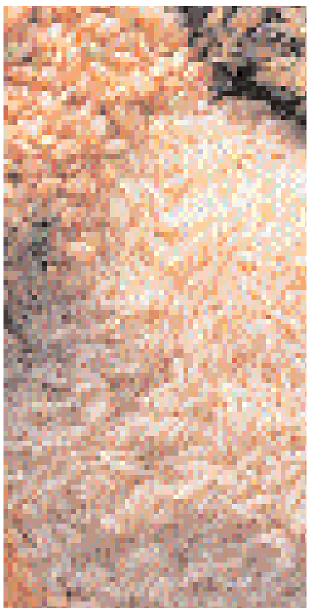

*the Ebro Puleva Group is consolidated as world leader in the rice sector

leading industrial supplier on the European rice market, particularly in the segments of ingredients, ethnic, baby food, breakfast cereals and animal feed.

The strategic positioning of the Group's industrial facilities within Europe combined with a policy of offering excellent service and quality have made Herba an unrivalled leader in Europe.

The principal actions taken by the rice division in 2004 focused on boosting the R+D+I of new products with a higher value added and promoting products, particularly pre-cooked rices, on both the Spanish and European markets (investment in advertising grew by 40% year on year). The commercial networks were also reorganised on the Spanish market to make better use of the available resources and expertise, while improving customer service.

Last year the sales of "Vasitos A Comer con Brillante" [Rice in a Cup with Brillante] took off on the domestic market, accounting for 11% of the turnover of Herba Nutrición by the end of 2004. Sales of rice specialties produced by Nomen Alimentación also rose spectacularly, to 18% of the rice turnover.



THE NEW CMO RICE AND THE EU EXPANSION, BUSINESS OPPORTUNITIES

THE REFORM OF THE REGULATORY FRAMEWORK OF THE RICE SECTOR WAS COMPLETED IN 2004 WITH THE APPROVAL OF A NEW CMO. ONE OF THE PRINCIPAL CONSEQUENCES OF THIS REFORM WAS THE LOWERING OF THE RICE INTERVENTION PRICE BY ALMOST HALF, COMPENSATING GROWERS WITH AN INCREASE IN DIRECT PRODUCTION AIDS. THIS SHOULD MAKE THE SECTOR MORE DYNAMIC, BOOSTING RICE CONSUMPTION IN GENERAL AND FACILITATING COMMERCIAL INTERCHANGES BETWEEN DIFFERENT AREAS.

MOREOVER, THE RECENT EXPANSION OF THE EUROPEAN AREA OPENS UP NEW MARKETS FOR THE GROUP'S PRODUCTS. IT ALREADY HAS A SIGNIFICANT PRESENCE ON SOME OF THEM (EG. HUNGARY). THESE COUNTRIES WILL REPRESENT MAJOR BUSINESS OPPORTUNITIES IN THE NEAR FUTURE, FOR WHICH THE HERBA GROUP IS VERY WELL POSITIONED, WITH A CONSIDERABLE COMPETITIVE EDGE OVER ITS RIVALS.

DAIRY: PULEVA FOOD

The first results were recorded in 2004 of the new organisation of this division, split at the end of 2003 into two separate business units: Puleva Food, which markets the Puleva brand and baby foods; and Lactimilk, which markets the brands Ram, Leyma, El Castillo and Nadó. The dairy division overall closed the year with a 2% growth in sales.

Puleva Food has maintained its strategy based on healthy, pleasurable foods, supplying products for babies and children and for adults at different times of life.

Its strategy is still based on three pillars. The first is the consumer, to discover and meet the needs of consumers, adapting products in composition and presentation to new consumer trends. The second pillar is the Puleva brand name, benchmark in different categories of products on the market, which increases its brand awareness from year to year, gaining consumer confidence. And the third pillar is the innovation policy, an essential factor in the company's development.

This differentiation strategy continues to triumph on the market, with the recognition of retailers and consumers. In 2004 Carrefour rewarded Puleva for this work, electing it the most innovating of its suppliers.

Puleva held on to its leadership (40%) in high calcium milks during 2004, in spite of the mushrooming of private label brands in this important segment of the market. Puleva Omega 3 continues to grow, maintaining its clear leadership (70%) in this category.

Puleva has also cornered a 30% market share in milkshakes, making it leader on the domestic market with a huge edge over its rivals.

This strong growth has made it necessary to install a second PET line, just one year after installing the first, which gave Puleva a technological edge over the rest of the market.

In the Baby Food division, 2004 was a year of re-entry on the market, recovering the levels of confidence of prescribers and consumers. In this initial phase, the company also redesigned, adapted and modernised its products, achieving with Puleva Peques a 20% share of the growth-promoting children's milk segment.

Finally, Puleva Max has consolidated its position on the market, cornering a 40% share in just one year. And a new line has been launched under the sub-brand Gran Sabor, which has posted satisfactory results in just a few months, through products geared towards satisfying a sector of the population who consider pleasure to be the most important factor in their diet.

*Puleva Food bases its strategy on three pillars: consumers, the Puleva brand and innovation

DAIRY: LACTIMILK

the Lactimilk brands (Ram, Leyma and El Castillo) have an awareness of over 90% among consumers

Lactimilk has focused its strategy on recovering, mainly through its three leading brands (Ram, Leyma and El Castillo), a significant position in classic milks, which still account for around 80% of the dairy sector.

The principal asset of this division is the value of its brands, with an awareness of over 90%, in the case of Ram nationwide, and in those of El Castillo and Leyma, in Catalonia and Galicia, respectively.

Lactimilk aims to achieve its objectives essentially by meeting consumers' needs in terms of convenience.

In 2004, Lactimilk launched an innovative pack of 4 cartons with a handle for Ram milk, which it plans to extend in 2005 to its other brands. It has also focused its efforts on the following efforts: Ram Energy and Growth (Ram Energía y Crecimiento), Ram Thick Chocolate Drink (Ram Chocolate a la Taza) (sales of which grew by more than 47% in 2004), pasteurised Leyma (with a market share of over 70%, completing the range with a modern screw-top carton) and El Castillo 1.5 litre plastic bottle (in both direct consumption and catering, El Castillo is one of the leading brands in this container format).

RESEARCH EFFORTS ARE FOCUSED ON INNOVATIVE AND HIGH VALUE-ADDED PRODUCTS

* Ebro Puleva maintains its undertaking to offer consumers innovative high-quality products which at the same time improve their health and well-being

Owing to the tough competition in the food sector, the products put on the market require constant innovation. The Ebro Puleva Group maintains its undertaking to offer consumers innovative high-quality products which at the same time improve their health and well-being. The Group's research, development and innovation (R+D+I) area and the products it develops are a worldwide benchmark in the food sector and a strategic aspect of the Group management.

The R+D+I actions are geared to:

* Contribute to the development of Ebro Puleva by researching and developing new products and processes.
* Be an international benchmark in the research and development of products applied to the food sector.
* Maintain a continuous flow of products under development.

The Ebro Puleva R+D+I area has a clear competitive edge in Puleva Biotech, a company engaged exclusively in developing projects that can be used in all the divisions of the Group, created on the basis of the R+D Department of Puleva Food, set up in 1974.

COLLABORATION BETWEEN BUSINESS AREAS

Puleva Biotech continued working with other Group business areas in 2004 on different R+D+I projects, in both the development of new products and analytical research.

With the rice division, Puleva Biotech has set up an analytical platform to define the properties of different rice varieties and rice flours; begun the development of new rice by-products with slow absorption and a controlled glycemic index; designed new pre-cooked dishes applying the know-how on food aids; and its work in the analytical area included the definition of the nutritional properties of a wide range of ready-to-serve dishes.

* Puleva Biotech gives us a huge competitive edge

In the sugar division, within the R+D+I area and with support from Puleva Biotech, a biocatalytic process has been developed for the industrial production of functional oligosaccharides; in vitro and in vivo studies have been conducted to check that the functionality of the oligosaccharides produced is greater than that of the oligosaccharides already on the market; and a new line of value-added products has been developed with a high commercial potential.

The sugar division also has its own R+D+I centre, which aims to secure continuous improvement and industrial and agricultural optimisation, working in collaboration with different national and international authorities, institutions and universities.

* LEADER IN DAIRY PRODUCT INNOVATION

In the dairy division, Ebro Puleva is leader in the development and innovation of products offering consumers high value added and adapted to their needs.

Puleva Biotech has collaborated in R+D+I with both the Group companies in this division: Puleva Food and Lactimilk.

Together with Puleva Food, it has developed a range of baby foods, Puleva Calcio (high-calcium) products and new foods for the sub-brand Max. The Omega 3 compound has been incorporated into the yoghurt line and the new presentations of products have been completed with high protection barrier bottles and new varieties of milkshakes in PET bottles.

Finally, the studies analysing the nutritional properties of Puleva products on bone health (Puleva Calcio), cardiovascular health (Puleva Omega 3) and the immune system.

The R+D+I area has developed new high value-added dairy products for Lactimilk to complete the RAM range; these products are expected to be put on the market in 2005. It has also developed milk drinks with nutritional properties; begun work on a project to produce a new generation of flavoured milk drinks for children; and carried out its Annual Food Safety and Quality Guarantee Programme covering all the Ram, Leyma, El Castillo and Nadó products.

* the Ebro Puleva R+D+I area and the products it develops are a worldwide benchmark in the food sector

* Ebro Puleva gears all its actions towards goals of leadership and business excellence, supporting its growth and management on ethical principles and values based on integrity

IN THE LINE WITH THE BEST PRACTICES IN CORPORATE GOVERNANCE

Ebro Puleva is still among the first companies in the fulfilment of corporate governance commitments, in keeping with the legal stipulations and requirements for transparency and rigour demanded in recent years by society and the regulatory authorities.

On 31 March 2005, the Board of Directors of Ebro Puleva approved its third consecutive annual Corporate Governance Report, in pursuance of section 116 of the Stock Market Act, amended by Act 26/2003 of 17 July, better known as the Transparency Act, developed in the Order ECO/3722/2003 of 26 December 2003 and the National Securities Market Commission Circular 1/2004 of 17 March 2004. The report is annexed to this Annual Report and is published in full on the company's web site (http://www.ebropuleva.com), where the corporate and financial documents that the company has remitted to the competent regulatory authorities can also be consulted.

* CAPITAL AND SHAREHOLDERS

The capital of Ebro Puleva is represented by 153,865,392 shares with a par value of 0.60 euro each. At 31 December 2004, 18.91% of the capital was directly or indirectly held by members of the Board, the free float was of the order of 60% and market capitalisation was 1,600 million euro.

Shareholders with a direct or indirect interest of more than 5% of the capital, according to notifications received by the CNMV up to 31 December 2004, are:

* Instituto Hispánico del Arroz, S.A. (11.503%)
* Grupo Torras, S.A. (7.82%).
* Caja España de Inversiones (5.037%)
* Caja Salamanca y Soria (5.001%)
* Caja de Ahorros de Asturias (5.000%)

At year-end 2004, the company held 65,231 own shares, representing 0.04% of the capital.

* BOARD OF DIRECTORS

The Board of Directors of Ebro Puleva consists of fourteen directors, four of whom are executive, eight domanial non-executive or equivalent and three independent non-executive. The Secretary and Vice-Secretary of the Board are not directors. Directors are appointed for five year terms, after which they are eligible for re-election.

The Board is supported by four Committees: Executive Committee, Audit and Compliance Committee, Nomination and Remuneration Committee, and Strategy and Investment Committee.

CODE OF CONDUCT FOR EBRO PULEVA EMPLOYEES

INTRODUCTION

THE EBRO PULEVA GROUP WANTS TO GEAR ALL ITS ACTIONS TOWARDS GOALS OF LEADERSHIP AND BUSINESS EXCELLENCE, SUPPORTING ITS GROWTH AND MANAGEMENT ON ETHICAL PRINCIPLES AND VALUES BASED ON INTEGRITY:

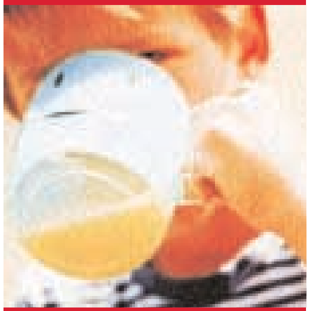
A) BOTH IN INTERNAL RELATIONSHIPS, FAVOURING A RESPECTFUL WORKING CLIMATE, COMMITTED TO PERSONS.

B) AND IN ITS EXTERNAL COMMITMENTS TO CUSTOMERS, CONSUMERS, SUPPLIERS, ENVIRONMENT, SHAREHOLDERS, RIVALS AND SOCIETY IN GENERAL.

THE EBRO PULEVA CODE OF CONDUCT COMBINES THE ETHICAL VALUES OF ITS EMPLOYEES AND THOSE OF THE COMPANY TO ACHIEVE A CONSISTENT LINE OF BEHAVIOUR THROUGHOUT ALL THOSE WHO WORK OR HAVE ANY RELATIONS WITH US.

THE EBRO PULEVA CODE OF CONDUCT HAS BEEN CREATED TO INSPIRE STABLE RULES OF CONDUCT TO GUIDE THE MANAGEMENT COMMITTEE OF EACH COMPANY IN THE GROUP IN LAYING DOWN SPECIFIC RULES OF CONDUCT FOR THEIR PARTICULAR AREA.

MOST OF THE GROUP COMPANIES HAVE ALREADY PASSED THEIR OWN RULES OF CONDUCT, SUCH AS THE INTERNAL CONTROL DECALOGUE APPROVED FOR THE SUGAR BUSINESS IN JULY 2000.



GENERAL COMPANY RULES

THE POLICY OF THE EBRO PULEVA GROUP GOES BEYOND MERE OBSERVANCE AND COMPLIANCE WITH ALL THE LAWS AND REGULATIONS APPLICABLE TO EACH BUSINESS AND REQUIRES:

* NOT MAKING DECISIONS WITHOUT CONSIDERING THEIR ETHICAL VALUE.
* HAVING THE COURAGE TO REJECT UNETHICAL ALTERNATIVES, JUST AS OTHERS ARE REJECTED ON THE GROUNDS OF BEING ECONOMICALLY UNVIABLE.
* TAKING INTO ACCOUNT THE SIDE EFFECTS OF EACH ACTION.
* WHEN MAKING DECISIONS, CONSIDERING THE GROUPS INVOLVED AND RESPECTING THEIR RIGHTS.
* HARMONISING THE ETHICAL REQUIREMENTS WITH OTHER ACHIEVEMENTS.
* SEEKING AT ALL TIMES THE MAXIMUM CREDIBILITY POSSIBLE.
* ABSTAINING FROM UNDUE USE OF THE EBRO PULEVA GROUP'S MARKET POSITION. THERE IS NO PROBLEM IN MENTIONING THE ADVANTAGES DERIVING FROM OUR POSITION, ACHIEVED THROUGH THE LEGITIMATE SUCCESS OF OUR BUSINESSES, BUT WITHOUT IMPOSING THEM ON OTHER PERSONS OR ORGANISATIONS.
* INVOLVING EXECUTIVES AND EMPLOYEES IN ACTIONS TO IMPROVE THE FUTURE YIELD OF THE COMPANY.
* CONTINUOUS TRAINING OF EXECUTIVES AND EMPLOYEES AS THE BASIS FOR ACHIEVING LEADERSHIP AND ADAPTING EXPEDITIOUSLY TO CHANGES IN THE ENVIRONMENT.

RELATIONS WITH CONSUMERS AND CLIENTS

THE FIRST ETHICAL DUTY OF THE EBRO PULEVA GROUP TO ITS CONSUMERS AND CLIENTS IS TO ENSURE A CLOSE, PERMANENT QUALITY CONTROL OF ITS PRODUCTS AND SERVICES SO THAT, THROUGH FOOD, IT NOT ONLY NOURISHES CONSUMERS BUT ALSO IMPROVES THEIR HEALTH AND WELL-BEING.

THE SECOND IS TO SEEK MAXIMUM TRANSPARENCY IN INFORMATION AND CREDIBILITY, UPHOLDING A HIGH DEGREE OF TRUST BETWEEN THE EBRO PULEVA GROUP AND THE CONSUMER AND CLIENT, BY PAYING SPECIAL ATTENTION TO PERSONAL RELATIONS AND RESPECTING RIVALS.

INFORMATION CONCERNING CLIENTS IS ALWAYS CONFIDENTIAL.

RELATIONS WITH SUPPLIERS

FAIR TREATMENT OF ALL SUPPLIERS IS A BASIC PRINCIPLE.

WHEN CHOOSING SUPPLIERS, ALL THE RELEVANT FACTORS SHOULD BE GIVEN UNBIASED CONSIDERATION, REGARDLESS OF THE QUANTITY OF THE PURCHASE OR SERVICE.

INFLUENCES SEEKING FAVOURABLE TREATMENT MUST BE AVOIDED. NO GROUP EMPLOYEE MAY RECEIVE GIFTS FROM SUPPLIERS OR MANUFACTURERS OF PRODUCTS CONSUMED WITHIN THE COMPANY, IN THE FORM OF MONEY, SERVICES OR ITEMS, PROMOTIONAL OR OTHERWISE, WITH A HIGH VALUE OR REASONABLY EXCEEDING THE HABITUAL COMPLIMENTS. IN THE SAME WAY, THE COMPANY WILL AVOID GIVING GIFTS THAT COULD MAKE OUR SUPPLIERS UNCOMFORTABLE OR BE MISINTERPRETED BY THIRD PARTIES.

THE PRICES AND OTHER INFORMATION GIVEN BY SUPPLIERS IS CONFIDENTIAL AND MUST NOT BE USED OUTSIDE THE EBRO PULEVA GROUP, UNLESS AUTHORISED IN WRITING.

IT IS ESSENTIAL FOR SUPPLIERS COMPETING FOR CONTRACTS WITH THE EBRO PULEVA GROUP TO TRUST THE INTEGRITY OF OUR SELECTION PROCESS.

NO EMPLOYEE OR COLLABORATOR OF THE EBRO PULEVA GROUP MAY ATTEMPT TO UNDULY INFLUENCE THE GOVERNMENT AUTHORITIES OR CIVIL SERVANTS, OR CONSIDER OBTAINING ANY FAVOURS FROM ANY POLITICAL PARTY.

RELATIONS WITH GROWERS AND CATTLE FARMERS

THE EBRO PULEVA GROUP IS OBLIGED TO GUARANTEE AND GIVE EQUAL TREATMENT TO ALL GROWERS AND CATTLE FARMERS, REGARDLESS OF THEIR PRODUCTION OR SIZE, TO BE TRANSPARENT IN RELATIONS WITH GROWERS, CATTLE FARMERS AND THEIR ASSOCIATIONS, AVOIDING ANY PRACTICES THAT MAY FAVOUR SOME TO THE DETRIMENT OF OTHERS.

THE EBRO PULEVA GROUP MUST SUPPLY ALL THE INFORMATION IT HAS ON APPLICABLE TECHNIQUES, SO THAT THE GROWERS AND CATTLE FARMERS CAN OPTIMISE THEIR YIELD. IT WILL ALSO SUPPORT ALL R+D ACTIONS CREATED BY MUTUAL AGREEMENT WITH THE CORRESPONDING ASSOCIATIONS.

THE EBRO PULEVA GROUP WILL COLLABORATE WITH GROWERS, CATTLE FARMERS AND THEIR ORGANISATIONS TO DEFEND THEIR RIGHTS AGAINST THE GOVERNMENT AND THIRD PARTIES.

RELATIONSHIP WITH THE ENVIRONMENT

THE EBRO PULEVA GROUP HAS A SERIOUS COMMITMENT TO RESPECT AND PRESERVE THE ENVIRONMENT. IT HAS ADOPTED AN AMBITIOUS ENVIRONMENTAL POLICY, WHICH IT PROMISES TO FULFIL, AND TO UPDATE AS NEW CHALLENGES ARISE IN THE FUTURE.

THE GROUP CONSIDERS IT ITS DUTY TO TRAIN ALL ITS EMPLOYEES IN THE TECHNIQUES TO BE USED FOR QUALITY CONTROL PROCESSES AND ENVIRONMENTAL POLICY.

RELATIONS WITH THE MEDIA

NO EBRO PULEVA EMPLOYEES MAY SUPPLY ANY INFORMATION ON THE COMPANY TO THE MEDIA WITHOUT THE PRIOR KNOWLEDGE OF AND AUTHORISATION FROM THE COMMUNICATION MANAGEMENT OF EBRO PULEVA S.A., WHICH WILL BE RESPONSIBLE FOR MEDIA RELATIONS.

UNLESS EXPRESSLY AUTHORISED, NO EBRO PULEVA EMPLOYEES MAY USE OR DISCLOSE INFORMATION TO THIRD PARTIES ON THE COMPANY, EXECUTIVES OR COLLEAGUES FOR THEIR OWN BENEFIT OR IF THIS MIGHT DAMAGE THE REPUTATION OF THE COMPANY OR ITS MEMBERS.

RELATIONS WITH SHAREHOLDERS

THESE ARE BASED ON THE FOLLOWING PRINCIPLES:

* MAXIMISING PROFIT AND ADEQUATE REMUNERATION OF SHAREHOLDERS. THIS IS UNQUESTIONABLY ONE OF THE PRIORITY OBJECTIVES OF THE EBRO PULEVA GROUP, AND TO ACHIEVE IT, THE ORGANISATION WILL APPLY ALL THE NECESSARY RESOURCES AND MEANS TO SECURE A STEADY, SUSTAINABLE GROWTH OF THE BUSINESS.
* PROMPT, FAIR INFORMATION. THE EBRO PULEVA GROUP WILL INFORM PROMPTLY ON ALL SIGNIFICANT EVENTS RELATING TO ITS BUSINESS THROUGH THE OFFICIAL BODIES, AND IMMEDIATELY AFTERWARDS TO THE DIFFERENT EXTERNAL AGENTS, MEDIA AND ANALYSTS WHO CAN AND SHOULD SPREAD THE NEWS.
* PROTECTION AND RESPECT OF THE RIGHTS OF MINORITY SHAREHOLDERS. NO SHARES IN THE EBRO PULEVA GROUP WILL BE BOUGHT OR SOLD INTERNALLY FOR SPECULATION AND SPECIAL CARE WILL BE TAKEN IN THE DECISION-MAKING PROCESS REGARDING THE ACQUISITION OR DISPOSAL OF SHARES, TO ENSURE THAT THERE IS NO UNFAIR OR ABUSIVE USE OF INFORMATION.

CONCLUSION

THROUGH THIS CODE OF CONDUCT, THE GROUP ENDEAVOURS TO INVOLVE SHAREHOLDERS, EXECUTIVES AND EMPLOYEES IN ACTIONS TO IMPROVE THE FUTURE YIELD OF THE COMPANY.

EBRO PULEVA, RESPONSIBLE ATTITUDE TO ITS SOCIAL AND NATURAL ENVIRONMENT

Ebro Puleva sets aside part of its profits to contribute towards improving the quality of life and well-being of the population. The Group also strives to maintain the highest standards of quality and demand in its business activities, so that its effects on the natural environment are concordant with principles of sustainable development.

The Group's actions in respect of Quality and the Environment are described in detail in the corresponding Report included hereinbelow.

The social activities are coordinated and channelled through the Puleva Foundation, which has three priority areas: Scientific Activity, Social and Cultural Action and Instituto Omega 3.

Apart from the regular activities of the Foundation, during 2004 Ebro Puleva collaborated in the Xacobeo 2004 celebrations, through the publication and promotion of the image of the Holy Year in the advertising campaigns of the Group's brands; and with the sponsorship of different cultural activities, such as the exhibitions: To the End of the Earth, at the Vigo Maritime Museum; the Zarzuela Luisa Fernanda, performed by the Classic Zarzuela Company in the Galicia Auditorium, Santiago de Compostela; and the dance exhibition by Víctor Ullate, with performances in Lugo and Orense.

XACOBEO 2004
Galicia

*Ebro Puleva sets aside part of its profits to contribute towards improving the quality of life and well-being of the population

* SCIENTIFIC ACTIVITY

The scientific activity comprises all the projects promoted by the Foundation aiming to contribute to the development of scientific research, preferably in the fields of health, nutrition, food and agriculture and biotechnology; prepare support programmes for young researchers to complete their training in national centres and facilitate their integration into the labour market; establish collaboration agreements and conventions with universities, other foundations and national and international institutions; and run conferences, seminars and training courses.

Some of the most important projects promoted in connection with scientific activity in 2004 included the awarding of the Research Prize, with a prize money of 30,000 euro, created to finance research projects in the field of nutrition; the granting of three pre-doctorate scholarships, offering 12,000 euro a year, for one year extendable to a maximum of 4 years, to encourage young graduates to do their doctoral theses in the field of nutrition; and three scientific workshops, entitled: Genomics: A Strategic Approach, in Granada; Nutrition for the Elderly, in Madrid; and Dietary Treatment of Hereditary Metabolic Disease, in Seville.

SOCIAL AND CULTURAL ACTIONS

Ebro Puleva focuses its social and cultural actions on the geographical areas in which the Group operates and, consequently, where it has a strong social commitment.

Within its social action, Ebro Puleva promotes development projects and social welfare for the most needy, consisting of the donation of products and financial donations.

Several important collaborations were made in 2004, including the donation of 30,000 euro to build a home for the disabled in San José de La Rinconada, in Seville, which aims to meet the needs for care and attention of disabled people in the La Vega district in Seville; and the support given for victims of the 11 March terrorist attacks in Madrid, with a donation of 30,000 euro to the Victims of Terrorism Foundation.

Other projects were also supported, such as those of the Toro Disabled Association (Zamora); the Messengers of the Peace Association; the Food Banks of Madrid, Valladolid and Seville; the Félix Hernández Barrera School in Isla Mayor, Seville; the Juan XXIII Foundation in Madrid; the New Future Association for the “Bazaars” of Madrid, Granada, Valencia and Oviedo; and the Home for the Elderly in Dos Hermanas, Seville, among others.

On a cultural level, Ebro Puleva collaborates with different national and international cultural projects and institutions, including its sponsorship of the International Music and Dance Festival in Granada, the International Contemporary Art Biennial of Seville (BIACS) Foundation, the Esteban Vicente Contemporary Act Museum in Segovia and the Royal Association of Friends of the Reina Sofía National Art Museum in Madrid.

THE SOCIAL ACTIVITY IS COORDINATED AND CHANNELLED THROUGH THE PULEVA FOUNDATION, WHICH HAS THREE AREAS OF ACTIVITY: SCIENTIFIC, SOCIAL & CULTURAL AND INSTITUTO OMEGA 3

* INSTITUTO OMEGA 3

Instituto Omega 3 is a scientific undertaking promoted by the Puleva Foundation, mainly to publicise the progress made in the research of Omega 3 fatty acids and monounsaturated fatty acids such as oleic acid.

The Scientific Committee of the Institute consists of professors, scientists and experts of recognised standing, specialists in food and different areas of health expertise, whose daily work is directly related to nutritional research and education and to the prevention of certain diseases and disorders and improvement of health.

Instituto Omega 3 works not only on the publication of research progress, but also focuses on nutritional education.

The principal campaigns run in 2004 have contributed to nutritional education of both specialists in different areas of health and the population at large, including activities such as: publication, distribution and coverage of the book *Nutrición y Salud Ósea* [Nutrition and Bone Health], written in collaboration with the Hispanic Osteoporosis and Bone Metabolic Disease Foundation (FHOEMO) and the Spanish Bone Research and Mineral Metabolism Society; publication of the book *Leche, Lácteos y Salud* [Milk, Dairy Products and Health]; the nationwide opinion poll "How our children eat: as seen by Spanish mothers"; a reprint of the *Guía de Alimentos Funcionales* [Functional Foods Guide]; and the 4th Journalist Training Seminar on nutrition, among others.

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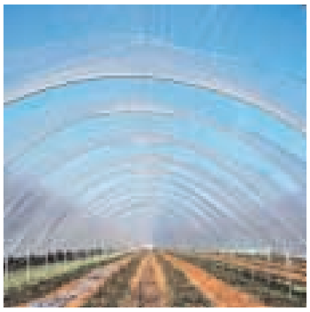


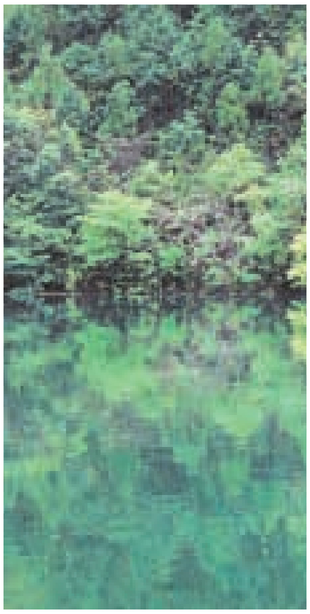
ENVIRONMENT AND QUALITY MANAGEMENT REPORT

Ebro Puleva has continued throughout 2004 to develop forward-looking policies in Environment, Food Safety and Quality, Industrial Safety and Occupational Hazards that respect the environment and social aspects, with a view to achieving sustainable development within a context of prevention and ongoing improvement.

* ENVIRONMENTAL POLICY

This policy is based on the integrated action of all those working in the company and consists of the following fundamental aspects:

* The definition, development and implementation of an Environmental Management System that meets the requisites of the standard UNE-EN-ISO 14001.
* Compliance with the legislation prevailing from time to time and all applicable requisites stipulated by the different authorities.
* Modernisation of the material resources that enable the company to prevent and minimise consumption, emissions and any damaging effects to the environment.
* Education and training of all company employees to make them aware of the environmental aspects relating to their work and our organisation.
* Establishment of environmental objectives that will enable ongoing improvement in this aspect, providing the necessary financial and operational resources.
* Monitoring of the objectives and implementation of any preventive and corrective measures required at any time by prevailing circumstances.
* Promote the adoption of similar principles to those outlined above among the company's suppliers, collaborating with them to put any such principles into practice.
* Report adequately and regularly to the company's directors, shareholders, employees, authorities and the public.
* Guarantee the achievement of the objectives set, compliance with legal requirements and the principles indicated above, making regular internal and external audits of the company's Environmental Management System.



QUALITY POLICY

This policy is based on permanent, rather than one-off, integrated action by members of the organisation, consisting of:

* Definition, development and implementation of a Food Safety and Quality System that meets the requirements of the standard UNE-EN-ISO 9001:2000, certified by a body accredited by ENAC (Spanish Accreditation Entity).

* The commitment of the Ebro Puleva management to compliance with the requisites of the Food Safety and Quality System and ongoing improvement of its efficiency.

* The Food Safety and Quality System will, as a basic strategy, enable the company to compete in quality and productivity with the European and domestic companies in the sector, from the point of view of meeting customers' needs with technical efficiency, economy of production and manufacture and total respect for the laws and regulations applicable to its business activities.

* The Food Safety and Quality System will boost the culture of team work, making the employees feel motivated and involved in this forward-looking project, encouraging everyone to participate, fostering self-control and pride in work well done.

* Education, training and awareness of all company employees in the aspects of Food Safety and Quality Management relating to their work and our organisation.

* Establishment and review of quality objectives to allow constant improvement in this aspect, providing the necessary financial and operating resources.

* Monitoring of the objectives and implementation of any preventive and corrective measures required at any time by prevailing circumstances.

* Promote the adoption of similar principles to those outlined above among the company's suppliers, collaborating with them to put any such principles into practice.

* Take all necessary measures in respect of clients, obtaining approval of the factories supplying to them, concerted quality programmes, etc. to ensure their total satisfaction.

* Report adequately and regularly to the interested parties on Food Safety and Quality.

* Guarantee the achievement of the objectives set and the principles indicated above, making regular internal and external audits of the company's Food Safety and Quality System.

After the close of 2004, a very positive balance can be made of the aforesaid activities, since in the area of Quality and the Environment the company has considerably and voluntarily gone beyond the compulsory requirements. Within the Quality System, we highlight the considerable improvement in customer satisfaction, due to raising of the product specification levels, approval of factories, improved customer service, etc.

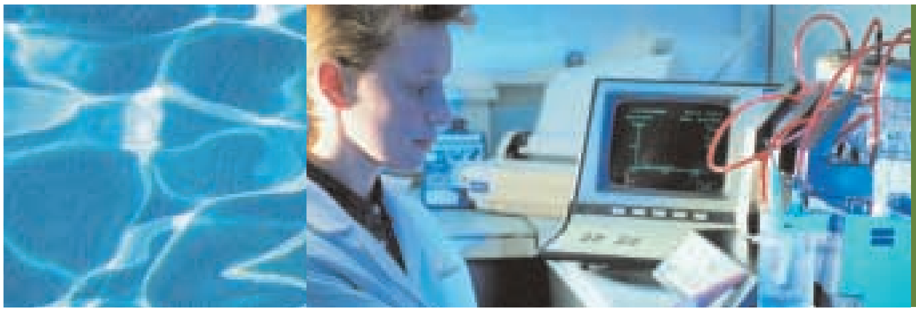
AZUCARERA EBRO, S.L.

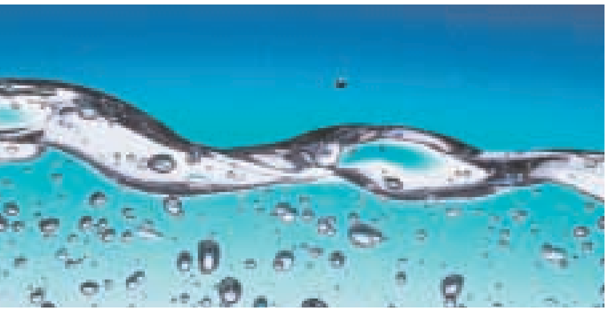
The company has obtained 13 certificates for its Quality System, which meets the requisites of standard EN-UNE 9001:2004, after passing the audits of the certification body with flying colours. During 2004 this certificate was obtained for the payment by richness laboratories in Guadalcacín and Toro and expected to be obtained in 2005 for the Peñafiel and Miranda laboratories.
The Valladolid Laboratory has been certified by ENAC under standard UNE-EN ISO/IEC 17025:2000 "Chemical and Biological Analysis of Sugar".

Workplaces with Quality Certification

AZUCARERA EBRO, S.L.	REGISTRATION NO.
Benavente	ER-0285/2/94
Guadalete	ER-0192/2/95
Monzón (Sugar Factory & Distillery)	ER-0389/2/95
La Bañeza	ER-0683/2/96
Miranda	ER-0008/2/96
Guadalcacín	ER-0379/2/96
Jédula	ER-0235/2/95
Toro	ER-0684/2/96
Salamanca	ER-0007/2/96
La Rinconada (Sugar Factory & Distillery)	ER-0698/2/98
Peñafiel (Liquid Sugar)	ER-1878/2/00
Guadalcacín (Pay per Richness Lab.)	ER-1149/2004
Toro (Pay per Richness Lab.)	ER-1955/2004

R+D+I projects have also been certified under standard UNE 166001:2002 EX "R+D+I Management. Requisites for a R+D+I project".





AZUCARERA EBRO, S.L. CERTIFICATE	STANDARD
Turbidity in sugar	068/0007/04
NIR technology in beet	216-0171/04
Beet preservation	220-0227/04
Pulp bales	068/0128/04

In the area of Environment, the company has 9 certificates under standard ISO 14001:

Workplaces with Environment Certification

AZUCARERA EBRO, S.L.	REGISTRATION NO.
Benavente	CGM-97/044
Guadalete	CGM-98/046
Monzón (Sugar Factory & Distillery)	CGM-00/277
La Bañeza	CGM-01/381
Miranda	CGM-99/183
Guadalcacín	CGM-99/114
Toro	CGM-00/278
La Rinconada (Sugar Factory & Distillery)	CGM-99/135
Peñafiel (Liquid Sugar)	CGM-99/182

Azucarera Ebro's Cogeneration Plant in La Rinconada is expected to be certified in 2005.

DAIRY DIVISION

So far 6 certificates have been awarded for the Quality System in the Dairy Division companies PULEVA FOOD and LACTIMILK under the requisites of the standard EN-UNE 9001:2000.

Workplaces with Quality Certification

PULEVA FOOD, S.L.	REGISTRATION NO.
Granada	ER 02.0761-0
Lugo	ER-0079/1999
Leon	ER-0957/2003
LACTIMILK, S.L.	**REGISTRATION NO.**
Jerez	ESPMDD004903
Arteixo	ER-1841/2004
Mollerussa	ER-0055/2003

The environmental certificate was awarded (under standard UNE EN ISO 14001:1996) in 2004 to two of the PULEVA FOOD, S.L. workplaces: the dairy factory in Granada and the GRELVA cogeneration plant.

Workplaces with Environment Certification

PULEVA FOOD, S.L.	REGISTRATION NO.
Granada (Dairy Factory)	ESPMDD005923
Granada (GRELVA Cogeneration)	ESPMDD005924

Puleva Food expects to obtain a new quality certificate in 2005 under standard UNE EN ISO 9001:2000 for its dairy factory in Sevilla and two new environment certificates under standard UNE EN ISO 14001:2004 for its dairy factories in Leon and Lugo.

RICE DIVISION

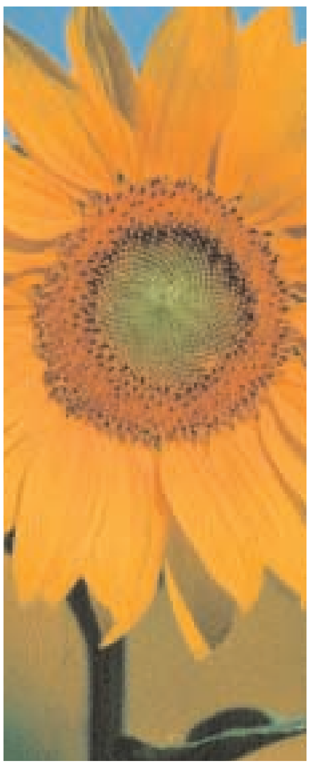
Workplaces with Quality Certification

HERBA RECEMILLS, S.L.	REGISTRATION NO.
San Juan de Aznalfarache	ER-1316/2000
Coria del Río	ER-1316/2000
Silla	ER-0640/2000

* OTHER SIGNIFICANT ISSUES

There were no incidents during the year in respect of Food Safety, while the APPCC (Analysis of Hazards and Critical Control Points) system is under continuous development, meeting the requisites established in Spanish and EU law and requests from our clients.

The Analytical Area of Puleva Biotech is in the process of installing a structured Quality Management system that meets the requisites of the standard UNE-EN ISO/IEC 17025:2000 "General requirements regarding the powers of testing and gauging laboratories".



* INVESTMENTS AND ACTIONS IN ENVIRONMENTAL ASPECTS

AZUCARERA EBRO, S.L.

The company continues working to improve environmental aspects in a context of transparency and communication with interested parties and collaboration with the authorities. In 2004 major investments continued in environment at all facto-

ries, to the tune of 11.8 million euro. This significant economic effort has been rewarded with energy savings, reduction of effluent and emissions, etc. and the company has obtained excellent results in the external audits made by AENOR (standard ISO 14001), customer audits, government inspections, etc. No disciplinary proceedings were opened during the year against Azucarera Ebro, which was awarded the prize for the Best Food Company in the Environmental aspect in 2003 by the Ministry of Agriculture.

Some of the most significant actions taken by the company in this respect during 2004 are:

Guadalete Sugar Factory:
* New gas washer
* New pulp drying line. Removal of old dryers
* New Quentin pond

Guadalcacín Sugar Factory:
* Building of new pond for Quentin waters

La Rinconada Sugar Factory and Distillery:
* Plant residues pressing, drying and pelleting plant
* Total closing-off of ponds with metal fencing

Azucarera de Toro:
* Elimination of electrical equipment with PCB content
* Installation of two pulp presses

La Bañeza Sugar Factory:
* New gas washer
* Reform and adaptation of settling ponds

PULEVA FOOD, S.L.

True to the Group's Environmental Policy, Puleva Food has invested large sums in the prevention of pollution. Most of these investments have, therefore, been designed to minimise the environmental risk, applying less polluting industrial techniques and technologies more respectful of the environment and more efficient in the consumption of natural resources. In this context, the principal investments made in 2004 were:

Seville Factory:

* Replacement of fuel-oil boilers with natural gas boilers

Lugo Factory:

* Replacement of fuel-oil boilers with natural gas boilers
* Removal of equipment with PCB content
* Adaptation of the treatment of industrial effluent

Leon Factory:

* Enlargement of the treatment plant equalizing pond
* Gas-oil deposit for boilers and elimination fuel-oil

Granada Factory:

* Hazardous waste storage
* Solid urban waste treatment
* Removal of equipment with PCB content
* Accidental discharge prevention systems
* New industrial effluent treatment system

Cogeneration plant (Granada):

* Accidental discharge prevention systems

LACTIMILK, S.A.

Also true to the Group's Environmental Policy, Lactimilk has invested large sums in the prevention of pollution and in this context, the principal investments made during 2004 were:

Arteixo Factory:

* Elimination of risk components in roofing materials
* Optimisation of sludge collection and storage (wastewater treatment plant)
* Optimisation of water consumption in industrial processes

Mollerussa Factory:

* Optimisation of plant wastewater purification process (wastewater treatment plant)
* Renewal of environmental authorisation

Jerez Factory:

* Final optimisation of effluent neutralisation process.

HERBA RICEMILLS, S.L.U.

The following environmental actions have been undertaken at the different production centres of Herba Ricemills over the past two years, 2003 and 2004:

San Juan de Aznalfarache Factory:

* Reform and extension of the filtering, packing and control installations for the ash emissions from two steam boilers using broken rice as fuel.

* Installation of equipment for aspiration, channelling and retention using bag filters of dust in the air produced during the handling and loading of rice husk and other by-products.

* Noise pollution control through the placing of absorption screens and barriers to block noise in certain areas of the factory.

* During 2004, the Environment Department of the Andalusia Regional Government carried out an exhaustive inspection on our production plant at San Juan de Aznalfarache, to assess the degree of compliance with prevailing environmental laws and regulations, and in particular to report on the situation of our plant in respect of the requirements stipulated in the Integrated Pollution Prevention and Control (IPPC) Act 16/2002 of 1 July. The outcome of this assessment was entirely satisfactory, since after a thorough, extensive Inspection Report, a minimal Remedial Measures Plan has been imposed.

Silla Factory:

* Waste management installations for cardboard, polyethylene and polypropylene waste produced by the packaging plant. This installation consists of equipment for the suction, pneumatic transport and selective packing of this waste.

* Conditioning of the area outside the plant, tarmacking the roads and access, loading, unloading and parking areas and landscape gardening. This action covered an area of around 7,000 m2.

PULEVA BIOTECH, S.A.

Puleva Biotech is in the process of installing an Integrated Environmental Management System, aiming mainly at standardising the processes carried out by the organisation and complying with the requirements established in applicable standards, covering both normal working conditions and emergency conditions.

Puleva Biotech manages the waste generated in the R+D and industrial activities, giving priority to recovery, recycling and reuse.

* INVESTMENTS AND ACTIONS IN QUALITY ASPECTS

Numerous investments have been made by Azucarera Ebro to improve customer satisfaction, setting itself tougher requirements than those stipulated in the applicable laws and standards and obtaining approval by those customers of work places and commercial products. Special care has been taken to ensure compliance with existing and announced requisites in food safety.

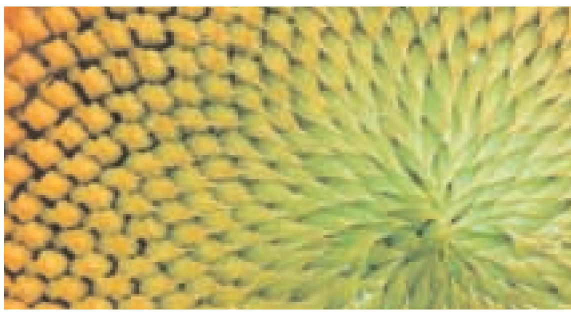
Significant investments were made in warehouses, the new silo at Toro and in new products, such as pre-cooked rice dishes, box presentation of bagged sugar, new high-quality sugar, etc.

Investments were also made at the Puleva Food workplaces in Seville and Lugo, to install new infusion treatment plants and their corresponding TBA-21 packaging lines. A new business line of Baby Food (Puleva Max, Peques, baby cereals, etc.) has been created and the array of dairy products has been extended with the new line "Gran Sabor" [Extra Flavour].

Lactimilk has invested in the grouping and palleting of the one-litre carton, with the installation of new twin-pack 2x2 grouping units together with the corresponding palleting robot, the installation of ESL (Extended Shelf Life) packaging machines for fresh products in half-litre and litre screw-top cartons for the consumer channel and two-litre cartons for the industrial and/or catering channel. Finally, a new mixed (direct + indirect) sterilisation unit was installed for use in high-viscosity products, together with its connection to a new aseptic tank.

* ENVIRONMENTAL RISKS

The current economic risk in respect of environmental issues is technically non-existent. We nevertheless have third-party liability insurance for €10.2 million. It is considered unnecessary to make extraordinary provisions for possible contingencies in the future because, as mentioned above, considerable preventive work has been done, with significant investments in environmental aspects.



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FINANCIAL AND STOCK MARKET REPORT

ANALYSIS OF FINANCIAL INFORMATION

* CONSOLIDATED AND AGGREGATED INFORMATION

Just as in previous years, we aim to include in this Annual Report all the information necessary to show the progress of our business, in great detail and with a breakdown of major items, to enable shareholders and potential investors in our company to study the developments of the year. To facilitate this analysis, we provide the consolidated information on two levels:

* **Full consolidation:** Reflecting all the businesses. We include a copy of the Auditors' Report in the second part of this Annual Report.

* **Chile Consolidated by the equity method:** Since our real holding in IANSA was 23%, our true financial position is better reflected with the investment in Chile recorded by the equity method.

Our assurance that the analysis of information and comparison between years is clearer with Chile consolidated by the equity method is confirmed this year, since in November 2004 we sold 49% of our stake in Greenfields, through which our Group holds its interest in Empresas IANSA. As a result of this change in shareholding interest, the investment in Chile has been deconsolidated, although the consolidated profit and loss account 2004 still includes eleven months of activities of the Chilean group in both income and expenses.

The following table shows the evolution of the financial fundamentals on the two levels of consolidation.

THOUSAND EURO	CONSOLIDATED FIGURES						
	2001	2002	2002/2001	2003	2003/2002	2004	2004/2003
Net Turnover	2,313,271	2,161,566	-6.6%	2,002,986	-7.3%	2,121,733	5.9%
Net Sales	n.a	2,115,229		1,956,551	-7.5%	2,070,546	5.8%
% Turnover	n.a.	97.9%		97.7%		97.6%	
Industrial Margin	n.a	439,961		400,545	-9.0%	451,145	12.6%
% Turnover	n.a.	20.4%		20.0%		21.3%	
Commercial Margin	n.a	381,745		341,435	-10.6%	371,543	8.8%
% Turnover	n.a.	17.7%		17.0%		17.5%	
EBITDA	274,200	274,770	0.2%	260,565	-5.2%	298,580	14.6%
% Turnover	11.9%	12.7%		13.0%		14.1%	
EBIT	184,711	191,290	3.6%	177,969	-7.0%	210,707	18.4%
% Turnover	8.0%	8.8%		8.9%		9.9%	
Net Financial Expenses	34,555	33,314	3.6%	19,804	40.6%	17,638	10.9%
% Turnover	1.5%	1.5%		1.0%		0.8%	
Ordinary Profit/Loss	145,884	146,986	0.8%	148,514	1.0%	176,369	18.8%
% Turnover	6.3%	6.8%		7.4%		8.3%	
Extraordinary Profit/Loss	(37,164)	(33,053)	11.1%	(37,294)	-12.8%	(31,023)	16.8%
% Turnover	-1.6%	-1.5%		-1.9%		-1.5%	
Profit Before Tax	108,718	113,933	4.8%	111,218	-2.4%	145,346	30.7%
% Turnover	4.7%	5.3%		5.6%		6.9%	
Net Profit	95,115	95,867	0.8%	100,759	5.1%	120,859	19.9%
% Turnover	4.1%	4.4%		5.0%		5.7%	
Average working capital	n.a.	653,165		517,822	-20.7%	463,962	-10.4%
Capital employed	1,783,053	1,623,963	-8.9%	1,438,665	-11.4%	1,424,834	-1.0%
ROCE **(2)**	10.4%	11.8%		12.4%		14.8%	
Capex	85,893	83,526	-2.8%	79,602	-4.7%	102,524	28.8%
Average workforce	7,439	7,058	-5.1%	5,938	-15.9%	6,686	12.6%
	31.12.01	31.12.02	2002/2001	31.12.03	2003/2002	31.12.04	2004/2003
Capital and reserves	802,909	843,894	5.1%	911,635	8.0%	980,613	7.6%
Net debt	719,018	527,664	-26.6%	349,151	-33.8%	467,669	33.9%
Leverage **(3)**	89.6%	62.5%	-30.2%	38.3%	-38.7%	47.7%	24.5%
Total assets	2,540,871	2,188,532		2,052,734		2,181,817	

(1) Calculated with IANSA recorded by the equity method

(2) ROCE = (Operating Income CAG last 12 months/(Net Investment-Financial Fixed Assets-Goodwill))·i

(3) Ratio of Net Financial Debt to Capital and Reserves (excl.Minority Interests)

CHILE RECORDED BY EQUITY METHOD (1)						
2001	2002	2002/2001	2003	2003/2002	2004	2004/2003
1,756,181	1,720,533	-2.0%	1,684,182	-2.1%	1,842,485	9.4%
n.a	1,676,258		1,640,262	-2.1%	1,793,653	9.4%
n.a.	97.4%		97.4%		97.3%	
n.a	345,322		335,815	-2.8%	386,219	15.0%
n.a.	20.1%		19.9%		21.0%	
n.a	307,882		292,409	-5.0%	316,345	8.2%
n.a.	17.9%		17.4%		17.2%	
230,105	243,520	5.8%	239,197	-1.8%	267,010	11.6%
13.1%	14.2%		14.2%		14.5%	
161,242	178,956	11.0%	173,398	-3.1%	193,825	11.8%
9.2%	10.4%		10.3%		10.5%	
23,499	19,549	16.8%	13,916	28.8%	7,845	43.6%
1.3%	1.1%		0.8%		0.4%	
137,179	147,897	7.8%	145,540	-1.6%	166,757	14.6%
7.8%	8.6%		8.6%		9.1%	
(35,281)	(32,460)	8.0%	(27,771)	14.4%	(11,081)	60.1%
-2.0%	-1.9%		-1.6%		-0.6%	
101,898	115,437	13.3%	117,767	2.0%	155,676	32.2%
5.8%	6.7%		7.0%		8.4%	
95,115	95,867	0.8%	100,759	5.1%	120,859	19.9%
5.4%	5.6%		6.0%		6.6%	
n.a	464,024		433,628	-6.6%	378,720	-12.7%
1,237,427	1,173,399	-5.2%	1,175,049	0.1%	1,201,791	2.3%
13.0%	15.3%		14.8%		16.1%	
67,380	78,433	16.4%	75,759	-3.4%	102,524	35.3%
4,710	4,544	-3.5%	4,256	-6.3%	5,261	23.6%
31.12.01	31.12.02	2002/2001	31.12.03	2003/2002	31.12.04	2004/2003
802,909	843,894	5.1%	911,635	8.0%	980,613	7.6%
436,698	386,752	-11.4%	248,521	-35.7%	467,669	88.2%
54.4%	45.8%	-15.7%	27.3%	-40.5%	47.7%	74.9%
1,996,511	1,828,237		1,779,953		2,181,817	

The turnover with Chile consolidated by the equity method has risen sharply, not only quantitatively (+9.4%) as a result of the expansion of the last two years, but especially qualitatively. Sales off the domestic market and sales of branded goods have surged, and the product portfolio is more balanced.

This trend will become even more marked next year, since the inclusions in the consolidated group during the year were mostly made in the second half of the year.

	CHILE CONSOLIDATED BY EQUITY METHOD				
Business (Thousand Euro)	**2002**	**2003**	**2003/2002**	**2004**	**2004/2003**
Sugar	678,661	704,493	3.8%	693,657	-1.5%
% Total	39.4%	41.8%		37.6%	
Rice	443,854	429,266	-3.3%	573,440	33.6%
% Total	25.8%	25.5%		31.1%	
Dairy	514,784	480,630	-6.6%	490,255	2.0%
% Total	29.9%	28.5%		26.6%	
Others	83,234	69,793	-16.1%	85,133	22.0%
% Total	4.8%	4.1%		4.6%	
Total turnover	**1,720,533**	**1,684,182**	**-2.1%**	**1,842,485**	**9.4%**

Geographical Markets					
Domestic Market	1,357,194	1,323,008	-2.5%	1,314,975	-0.6%
% Total	78.9%	78.6%		71.4%	
Rest European Community	288,670	318,547	10.3%	349,155	9.6%
% Total	16.8%	18.9%		19.0%	
Rest of World	74,669	42,627	-42.9%	178,355	318.4%
% Total	4.3%	2.5%		9.7%	
Total	**1,720,533**	**1,684,182**	**-2.1%**	**1,842,485**	**9.4%**

With full consolidation we suffer the effect of including eleven months of Chile instead of twelve months in the previous year.

Comparable sales are obtained by homogenising the companies included in the consolidation, not including the contributions of companies that are no longer in the Group or those of recently incorporated companies.

NET AMOUNT	FULL CONSOLIDATION				
Turnover (Thousand Euro)	**2002**	**2003**	**2003/2002**	**2004**	**2004/2003**
Consolidated	**2,161,566**	**2,002,986**	**-7.3%**	**2,121,733**	**5.9%**
Divestments:	**89,513**	**14,825**			
Proterra	59,081				
Jesús Navarro	30,432	14,825			
Contribution new businesses:		**5,714**		**205,350**	
Stevens&Brotherton				38,773	
Vogan				17,586	
Danrice		3,873		15,745	
Herto				6,959	
Riceland		1,841		6,034	
Risella				1,478	
Riviana				118,785	
Comparable Sales	**2,072,053**	**1,982,447**	**-4.3%**	**1,916,373**	**-3.3%**

NET AMOUNT	CHILE CONSOLIDATED BY EQUITY METHOD				
Turnover (Thousand Euro)	**2002**	**2003**	**2003/2002**	**2004**	**2004/2003**
Consolidated	1,720,533	1,684,182	-2.1%	1,842,485	9.4%
Divestments:	**30,432**	**14,825**			
Jesús Navarro	30,432	14,825			
Contribution new businesses:		**5,714**		**205,360**	
Stevens&Brotherton				38,773	
Vogan				17,586	
Danrice		3,873		15,745	
Herto				6,959	
Riceland		1,841		6,034	
Risella				1,478	
Riviana				118,785	
Comparable Sales	**1,690,101**	**1,663,643**	**-1.6%**	**1,637,125**	**-1.6%**

The slight drop in comparable sales with Chile consolidated by the equity method is considered highly satisfactory in a year in which there has been no surplus sugar to export, with rock-bottom prices on the rice market and in which we have continued striving to eliminate low value-added sales to improve yield in both the rice and dairy trades.

Our EBITDA/Sales ratio continued to improve and is now 14.5%. We have managed to substantially reduce overheads by concentrating on products with a higher value added, abandoning low-margin sales, restructuring and making operating improvements, thus achieving a considerable enhancement of the EBITDA.

	FULL CONSOLIDATION			
Thousand Euro	**2001**	**2002**	**2003**	**2004**
Net turnover	2,313,271	2,161,566	2,002,986	2,121,733
EBITDA	274,200	274,770	260,565	298,580
% Turnover	*11.9%*	*12.7%*	*13.0%*	*14.1%*

	CHILE CONSOLIDATED BY EQUITY METHOD			
Thousand Euro	**2001**	**2002**	**2003**	**2004**
Net turnover	1,756,181	1,720,533	1,684,182	1,842,485
EBITDA	230,105	243,520	239,197	267,010
% Turnover	*13.1%*	*14.2%*	*14.2%*	*14.5%*

The ordinary profit also reflects the above-mentioned improvements. In addition, we have maintained a low debt level, enabling a considerable cut in financial expense. The focusing on cash generation and shedding of property investments have maintained the average debt for the year at levels only slightly higher than those of the previous year, despite the hefty investment made to purchase Riviana.

The positive evolution of ordinary profit can be seen not only in absolute value, but also in terms of yield as a percentage of sales.

Thousand Euro	FULL CONSOLIDATION 2001	2002	2003	2004
Net turnover	2,313,271	2,161,566	2,002,986	2,121,733
Ordinary profit	145,884	146,986	148,514	176,369
% Turnover	*6.3%*	*6.8%*	*7.4%*	*8.3%*

Thousand Euro	CHILE CONSOLIDATED BY EQUITY METHOD 2001	2002	2003	2004
Net turnover	1,756,181	1,720,533	1,684,182	1,842,485
Ordinary profit	137,179	147,897	145,540	166,757
% Turnover	*7.8%*	*8.6%*	*8.6%*	*9.1%*

The extraordinary items also improved during 2004 in comparison with preceding years.

The restructuring of IANSA, disinvesting in low-yield businesses, means that the extraordinary results are lower with full consolidation than with Chile consolidated by the equity method.

The extraordinary income includes the significant capital tains obtained on the disposals of property investments.

The principal extraordinary expenses are the provision for litigations, mostly deriving from an unfavourable judgement passed in a long-standing legal dispute over surplus sugar exports; and the fixed asset disposals and restructuring made under Azucarera Ebro's modernisation plan.

Thousand Euro	FULL CONSOLIDATION 2001	2002	2003	2004
Gain on property disposals	16,483	20,439	20,087	63,136
Other extraordinary income	33,915	34,794	15,780	13,087
Extraordinary income	**50,398**	**55,233**	**35,867**	**76,223**
Provision for Alcohol Inspections		47,500		
Provision for other disputed issues	6,010	5,081		46,079
Regularisation improper goodwill in Herba	58,609			
Shutdown of factories			21,903	
Other extraordinary expenses	22,943	35,705	51,258	61,167
Extraordinary expenses	**87,562**	**88,286**	**73,161**	**107,246**
Net Extraordinary Income	**(37,164)**	**(33,053)**	**(37,294)**	**(31,023)**

Thousand Euro	CHILE CONSOLIDATED BY EQUITY METHOD 2001	2002	2003	2004
Gain on property disposals	3,440	20,439	20,087	63,136
Other extraordinary income	43,734	30,356	14,721	12,040
Extraordinary income	**47,174**	**50,795**	**34,808**	**75,176**
Provision for Alcohol Inspections		47,500		
Provision for other disputed issues	6,010	5,081		46,079
Regularisation improper goodwill in Herba	58,609			
Shutdown of factories			21,903	
Other extraordinary expenses	17,836	30,674	40,676	40,178
Extraordinary expenses	**82,455**	**83,255**	**62,579**	**86,257**
Net Extraordinary Income	**(35,281)**	**(32,460)**	**(27,771)**	**(11,081)**

As a result of all the foregoing and after applying corporation tax, we closed the year with an increase of over 20 million euro in **net profit**, a spectacular growth of 20% year on year.

As a percentage of sales, the increase is also very significant, over six and a half per cent with Chile consolidated by the equity method, revealing a very promising trend which is, in turn, a great challenge for the future.

Thousand Euro	FULL CONSOLIDATION 2001	2002	2003	2004
Net turnover	2,313,271	2,161,566	2,002,986	2,121,733
Net profit	95,115	95,867	100,759	120,859
% Turnover	*4.1%*	*4.4%*	*5.0%*	*5.7%*

Thousand Euro	CHILE CONSOLIDATED BY EQUITY METHOD 2001	2002	2003	2004
Net turnover	1,756,181	1,720,533	1,684,182	1,842,485
Net profit	95,115	95,867	100,759	120,859
% Turnover	*5.4%*	*5.6%*	*6.0%*	*6.6%*

In the evolution of net profit, the following table shows the effect of the divestments in non-strategic activities and the contributions of the new businesses incorporated.

	CHILE CONSOLIDATED BY EQUITY METHOD				
Net profit (Thousand Euro)	**2002**	**2003**	**2003/2002**	**2004**	**2004/2003**
Consolidated	**95,867**	**100,759**	**5.1%**	**120,859**	**19.9%**
Divestments:	**203**				
Jesús Navarro	203				
Contribution new businesses:		**621**		**11,844**	
Stevens&Brotherton				658	
Vogan				1,189	
Danrice		455		1,665	
Herto				161	
Riceland		166		707	
Risella				(137)	
Riviana				7,601	
Comparable Net profit	**95,664**	**100,138**	**4.7%**	**109,015**	**8.9%**

Our debt increased as a result of the investment in Riviana, in a sum of 309 million euro ($375 million). If this effect is eliminated, the generation of funds totalled 90 million euro, even though we maintained our undertaking to increase shareholders' returns and increase investments, especially those relating to innovation. All this was in turn assisted by the shedding of property investments, which generated almost 76 million euro in cash, compared to 58 million and 70 million in preceding years.

By excluding Chile from the consolidation perimeters, the corresponding initial debt of 100,630 thousand euro disappears from the full consolidation accounts.

	FULL CONSOLIDATION			CHILE CONSOLIDATED BY EQUITY METHOD		
Thousand Euro	**2002**	**2003**	**2004**	**2002**	**2003**	**2004**
Opening debt	**719,018**	**527,664**	**349,151**	**436,698**	**386,752**	**248,521**
+/- Receipts/payments for operations	214,612	349,879	250,749	209,245	270,369	250,749
+/- Proceeds on sale of real estate	71,629	58,555	75,926	70,384	57,862	75,926
- Payment investment tang. f.assets	(83,526)	(79,602)	(102,524)	(78,433)	(75,759)	(102,524)
+/- Rebate/payment corporation tax	(41,126)	(42,564)	(30,589)	(39,243)	(37,645)	(30,589)
+/- Receipts/payments of dividends	(29,291)	(39,695)	(46,075)	(29,288)	(34,376)	(46,075)
+/- Others	59,056	(68,060)	(366,635)	(82,719)	(42,220)	(366,635)
+/- Deconsolidation Chile			100,630			
Variation in debt	**(191,354)**	**(178,513)**	**118,518**	**(49,946)**	**(138,231)**	**219,148**
Closing debt	**527,664**	**349,151**	**467,669**	**386,752**	**248,521**	**467,669**

The balance sheet ratios show that even after the heavy investments made during the year, our financial strength has barely changed and the leverage and hedging ratios are close to the 2002 levels. It should be borne in mind that Riviana contributed an EBITDA of 15 million euro to our group in 2004, in just four months of activity.

We give the year-by-year analysis only with Chile consolidated by the equity method to avoid including the eleven months of Chile in the EBITDA.

	CHILE CONSOLIDATED BY EQUITY METHOD						
Net Debt (Thousand Euro)	**2001**	**2002**	**2002/2001**	**2003**	**2003/2002**	**2004**	**2004/2003**
Capital and reserves	802,909	843,894	5.1%	911,635	8.0%	980,613	7.6%
Net Debt	436,698	386,752	-11.4%	248,521	-35.7%	467,669	88.2%
Leverage **(3)**	54.4%	45.8%	-15.7%	27.3%	-40.5%	47.7%	74.9%
EBITDA	230,105	243,520	5.8%	239,197	-1.8%	267,010	11.6%
Hedging	1.90	1.59		1.04		1.75	

(3) Ratio of net financial debt to capital and reserves (excl. minority interests).

After eliminating the acquisitions effect, adjustments continue in the **average workforce** under the restructuring and reorganisation plans. The following table shows its comparable evolution, once again without considering the eleven months that Chile was included in the consolidated group.

	CHILE CONSOLIDATED BY EQUITY METHOD				
Average workforce	**2002**	**2003**	**2003/2002**	**2004**	**2004/2003**
Consolidated	4,544	4,256	-6.3%	5,261	23.6%
Divestments:	**156**				
Jesús Navarro	156				
Contribution new businesses:		**9**		**1,050**	
Stevens&Brotherton				36	
Vogan				29	
Danrice		9		27	
Herto					
Riceland				5	
Risella					
Riviana				953	
Comparable net workforce	**4,388**	**4,247**	**-3.2%**	**4,211**	**-0.8%**

INFORMATION ON THE CORE BUSINESSES

Sugar Area

2004 was a very positive year in terms of yield.

All the available sugar has been sold. Sales on the domestic market were similar to those of the previous year, although the poor weather conditions of the preceding year meant that there was no surplus sugar to export in 2004.

This reduction in overseas sales is not proportional to a drop in profits, since C sugar has a considerably lower price.

TONNES	SUGAR SALES 2001	2002	2002/2001	2003	2003/2002	2004	2004/2003
Industrial Sugar	568,891	556,710	-2.1%	601,484	8.0%	616,411	2.5%
% Sales	62.3%	70.2%		66.1%		74.0%	
Distribution Sugar	203,516	186,337	-8.4%	191,580	2.8%	173,445	-9.5%
% Sales	22.3%	23.5%		21.0%		20.8%	
Export Sugar	140,494	49,554	-64.7%	117,485	137.1%	42,605	-63.7%
% Sales	15.4%	6.3%		12.9%		5.1%	
Total Sales	**912,901**	**792,601**		**910,549**		**832,461**	

The production results were very satisfactory. The sugar quota was amply surpassed by production in the 2004/2005 campaign, giving the company a carry-over of around 120,000 tonnes for the 2005/2006 campaign and a further 10,000 tonnes of surplus sugar for export.

In a year of falling prices on the international markets, the percentages over sales of EBITDA and EBIT improved thanks to the operating improvements made in recent years, which still produce significant cost savings. Consequently, the ordinary profit obtained is more than 2.5 million euro up on the previous year.

Moreover, with the efforts made to streamline the use of resources, both current and fixed, our ROCE was 22.7%, an all-time high.

Thousand Euro	SUGAR BUSINESS 2001	2002	2002/2001	2003	2003/2002	2004	2004/2003
Net turnover	751,889	703,562	-6.4%	736,636	4.7%	726,091	-1.4%
EBITDA	144,205	157,447	9.2%	158,584	0.7%	158,229	-0.2%
% Turnover	19.2%	22.4%		21.5%		21.8%	
EBIT	108,689	122,413	12.6%	124,161	1.4%	124,909	0.6%
% Turnover	14.5%	17.4%		16.9%		17.2%	
Ordinary profit	100,606	119,752	19.0%	122,286	2.1%	124,830	2.1%
% Turnover	13.4%	17.0%		16.6%		17.2%	
Average working capital	216,424	117,652	-45.6%	171,179	45.5%	148,792	-13.1%
Capital employed	666,207	546,048	-18.0%	593,349	8.7%	551,316	-7.1%
ROCE	16.3%	22.4%		20.9%		22.7%	
Capex	34,438	44,702	29.8%	36,134	-19.2%	38,586	6.8%

Rice Area

In addition to access to other international markets, the purchase of Riviana consolidates Ebro Puleva as the largest rice marketing group worldwide, with leadership positions in Europe and the United States.

Ebro Puleva is making progress towards its goal of achieving a more even balance between the revenues obtained on the Spanish domestic and international markets and increasing the weight of brand sales in respect of industrial sales. The weight of the different businesses is also balancing out, as rice gains weight within the Group as a whole.

Riviana incorporates four months' activity to the consolidated accounts, representing 118,785 thousand euro in turnover, of which 56,145 thousand euro correspond to branded rice sales. Without the Riviana contribution, the sales of branded goods also grew, by 26%, as a result of the European expansion in recent years and the policy of increasing sales of products with a higher added value.

Thousand Euro	2001	2002	2002/2001	2003	2003/2002	2004	2004/2003
	RICE SALES						
Branded Rice	136,921	158,569	15.8%	161,133	1.6%	258,387	60.4%
% Sales	*35.9%*	*37.6%*		*39.5%*		*44.6%*	
Industrial Rice/Others	244,656	262,855	7.4%	246,725	-6.1%	320,818	30.0%
% Sales	*64.1%*	*62.4%*		*60.5%*		*55.4%*	
Total Sales	**381,577**	**421,424**		**407,858**		**579,205**	

The evolution of the principal parameters of the business was spectacular, not only in absolute value, but also as a percentage of sales.

The contribution of Riviana to the EBITDA and Ordinary Profit over these four months was 15 million and 12 million euro, respectively. Therefore, the growth of the rice area without this contribution is 39.5% in EBITDA and 48.0% in Ordinary Profit.

The reform of the regulatory framework of the rice sector was concluded in 2004 with the approval of the new CMO, the principal consequence of which was the lowering of the intervention price. This reduction of the cost of raw materials, together with the operating and organisational improvements made, the expanded array of international brands and the investments made to promote the products with the highest value added have enabled the following evolution:

Thousand Euro	2001	2002	2002/2001	2003	2003/2002	2004	2004/2003
	RICE BUSINESS						
Net turnover	402,786	443,854	10.2%	429,266	-3.3%	604,807	40.9%
EBITDA	33,192	37,276	12.3%	36,196	-2.9%	65,478	80.9%
% Turnover	**8.2%**	**8.4%**		**8.4%**		**10.8%**	
EBIT	25,140	28,348	12.8%	24,475	-13.7%	47,928	95.8%
% Turnover	**6.2%**	**6.4%**		**5.7%**		**7.9%**	
Ordinary profit	19,446	22,870	17.6%	20,774	-9.2%	42,751	105.8%
% Turnover	**4.8%**	**5.2%**		**4.8%**		**7.1%**	
Average working capital	118,984	125,409	5.4%	86,610	-30.9%	141,076	62.9%
Capital employed	189,901	195,886	3.2%	170,418	-13.0%	279,644	64.1%
ROCE	13.2%	14.5%		14.4%		17.1%	
Capex	8,274	6,813	-17.7%	15,863	132.8%	23,039	45.2%

Although some acquisitions were made in the previous year, their contribution was only really significant in 2004. This contribution is broken down by companies in the following table. Of the companies purchased in 2004, we indicate the number of months that they have belonged to and, therefore, been consolidated within the Ebro Puleva Group.

		CONTRIBUTION OF LATEST ACQUISITIONS IN 2004			
		Turnover Thousand Euro	EBITDA Thousand Euro	Ordinary Profit Thousand Euro	Average Workforce
Stevens&Brotherton	(nine months)	38,773	1,356	940	36
Vogan	(eight months)	17,586	1,960	1,699	29
Danrice		15,745	3,507	2,379	27
Herto	(four months)	6,959	548	252	
Riceland		6,034	853	841	5
Risella	(six months)	1,478	275	(137)	
Riviana	(four months)	118,785	14,999	12,009	953
Total		**205,360**	**23,498**	**17,983**	**1,050**

Dairy Area

We have continued to pull out of low value-added product lines, while boosting and promoting enriched and nutritional products during 2004.

Apart from the new products put on the market to increase consumer satisfaction in both the composition and presentation of products, growth has also continued in products already familiar on the market, such as the nutritional products calcium and omega (+4% and +21%, respectively).

	DAIRY SALES						
Thousand Litres	**2001**	**2002**	**2002/2001**	**2003**	**2003/2002**	**2004**	**2004/2003**
Puleva Brand	388,128	413,496	6.5%	421,432	1.9%	443,202	5.2%
% Sales	49.2%	53.6%		60.7%		66.1%	
Lactimilk Brand	226,847	213,482	-5.9%	174,383	-18.3%	160,581	-7.9%
% Sales	28.8%	27.7%		25.1%		24.0%	
Others	173,633	143,741	-17.2%	98,441	-31.5%	66,232	-32.7%
% Sales	22.0%	18.6%		14.2%		9.9%	
Total Units Sold	**788,608**	**771,079**		**694,256**		**670,015**	

With the very high milk raw material prices, we have pursued our policy of maximising yield, as a result of which the EBITDA to sales ratio was maintained very close to 10% in a year of especially difficult market conditions.

The ROCE obtained is almost unprecedented. The efforts made to optimise working capital were accompanied by an increase in investments, which almost doubled. The results of this dedication to industrial renovation and innovation to seek consumer satisfaction will be reflected in the short term.

	DAIRY BUSINESS						
Thousand Euro	**2001**	**2002**	**2002/2001**	**2003**	**2003/2002**	**2004**	**2004/2003**
Net turnover	538,355	522,277	-3.0%	488,025	-6.6%	497,083	1.9%
EBITDA	42,671	49,188	15.3%	49,680	1.0%	48,037	-3.3%
% Turnover	7.9%	9.4%		10.2%		9.7%	
EBIT	21,258	32,856	54.6%	33,711	2.6%	30,203	-10.4%
% Turnover	3.9%	6.3%		6.9%		6.1%	
Ordinary profit	18,562	24,033	29.5%	25,226	5.0%	22,395	-11.2%
% Turnover	3.4%	4.6%		5.2%		4.5%	
Average working capital	92,885	93,854	1.0%	81,725	-12.9%	64,924	-20.6%
Capital employed	212,955	223,239	4.8%	220,132	-1.4%	215,382	-2.2%
ROCE	10.0%	14.7%		15.3%		14.0%	
Capex	19,645	24,103	22.7%	19,628	-18.6%	36,948	88.2%

STOCK MARKET NFORMATION

SIGNIFICANT ASPECTS

The efforts made in communication and transparency in recent years have fostered a greater and better comprehension of the Ebro Puleva Group. These efforts helped to increase the interest in and monitoring of the company by the different brokers, such that the excellent results obtained by the Group have been accompanied by an improvement in objective prices by the different brokers and broker-dealers.

We have made 4 presentations in 2004 corresponding to the quarterly publication of results. These presentations were attended by senior executives of the company, an aspect highly appreciated by investors.

The management of Ebro Puleva, S.A., through its Investor Relations department, made more than 152 presentations to institutional investors in Spain and overseas.

We estimate that more than 30% of our capital is currently held by international institutional investors.

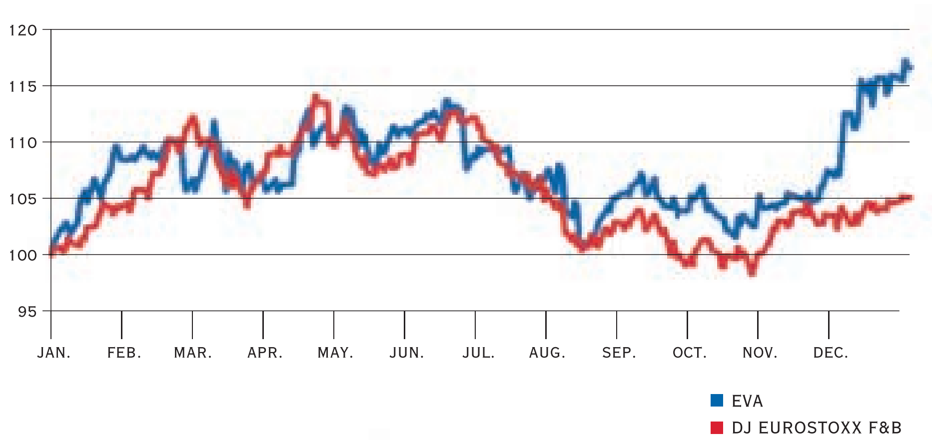
According to the information delivered to the CNMV, more than 61% of the shares are free float.

Ebro Puleva, S.A. is a member of the Spanish Investor Relations Association, aiming to guarantee the best practices in communication with its shareholders and the financial community in general.

* THE EBRO PULEVA SHARE (EVA) ON THE STOCK EXCHANGE

The average daily trading of EVA during 2004 was 5.5 million euro (4.7 million euro not counting the placement of the Südzucker block), representing a significant leap in comparison with the 1.6 million euro of 2003.

MARKET PRICE BASE 100 OF EVA AND EUROPEAN FOOD SECTOR 2004



The EVA share turnover in 2004 was 0.96 times the total number of shares of the company (0.8 times not counting the placement of the Südzucker block).

The value of the Ebro Puleva share rose by 16.91% during 2004, outperforming the *DJ Eurostoxx Food and Beverage Index*, which represents the rest of the European food sector, by almost 12 percentage points.

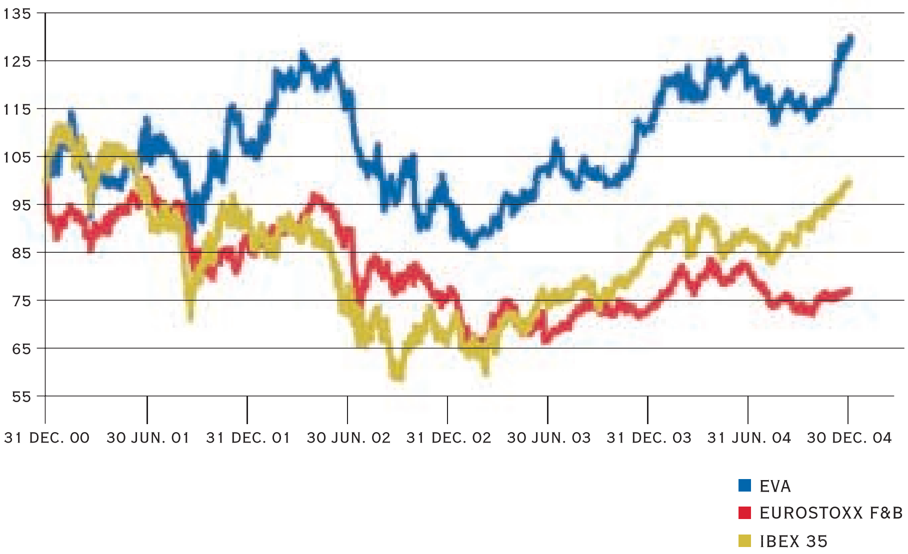
Thousand Euro	**2001**	**2002**	**2003**	**2004**
Capitalisation at 31 Dec. (€ 000)	1,341.70	1,193.99	1,383.25	1,615.59
Price per share at 31 Dec. (€)	8.72	7.76	8.99	10.50
Net Profit (€ 000)	95,115	95,867	100,759	120,859
Earnings per share(€)	0.62	0.62	0.65	0.79
Dividend (€ 000)	29,542	36,926	46,157	50,776
Dividend per share (€)	0.24	0.24	0.30	0.33
Pay Out	31.1%	38.5%	45.8%	42.0%
PER	7.1	8.0	7.2	7.5

FIVE YEARS' MANAGEMENT

The free float of Ebro Puleva, S.A. has risen from 30% in 2000 to 61.5% in 2004.

Over this period, the Ebro Puleva share has increased in value by 34%, outperforming Ibex 35 by 35% and the *European Food Sector* Index by 55%.

MARKET PRICE BASE 100 OF EVA, IBEX 35 AND EUROPEAN FOOD SECTOR



DIVIDENDS 2004

During 2004, dividends of 0.30 euro per share were distributed among the shareholders of Ebro Puleva, S.A., in quarterly payments of an interim dividend of 0.075 euro gross/share.

For 2005 and against the profits of the previous year, at the forthcoming AGM the Board will propose raising the dividend to 0.33 euro/share, in four quarterly payments of 0.0825 euro/share.

This would give an overall distribution of 51 million euro, representing a pay-out of 42%.

The payments would be made on the following dates: 1 April, 4 July, 3 October and 27 December 2005.

PLACING OF THE SÜDZUCKER BLOCK OF SHARES

On 27 February 2004, Südzucker A.G. sold its holding in Ebro Puleva, S.A. through a Private Offering.

21.8 million shares were placed through a demand prospecting process directed exclusively at institutional investors. The shares offered represented 14.187% of the Ebro Puleva capital and the entire interest held by Südzucker, A.G.

Deutsche Bank acted as placement manager.

TREASURY STOCK

The positive evolution of the Ebro Puleva share is endorsed by the progressive reduction of own shares held by the company, with just 65,231 shares held at 31 December 2004, representing 0.04% of the capital.

BROKER-DEALERS MONITORING THE PERFORMANCE OF EBRO PULEVA

Ahorro Corporación, Banesto Bolsa, Banco Espiritu Santo, Bestinver, BBVA, BI Capital, BNP Paribas, BPI, Caja Madrid, Cheuvreux, Deutsche Bank, Dresdner Kleinwort Wasserstein, Fidentiis, Fortis Bank (Beta), Ibersecurities, Invercaixa, Kepler, Safei, SCH, Societe Generale, UBS and Venture Capital.

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EBRO PULEVA, S.A.
ANNUAL ACCOUNTS REPORT

INDIVIDUAL ANNUAL ACCOUNTS
CONSOLIDATED ANNUAL ACCOUNTS

04

EBRO PULEVA, S.A.

ANNUAL ACCOUNTS AND MANAGEMENT REPORT
for the year ended December 31, 2004

ERNST & YOUNG

Torre Picasso
Plaza Pablo Ruiz Picasso, 1
28020 Madrid

Teléfono: 915 727 200
Fax: 915 727 270
www.ey.com/es

AUDIT REPORT ON THE ANNUAL ACCOUNTS
(Free translation from the original in Spanish)

To the shareholders of
EBRO PULEVA, S.A.

We have audited the annual accounts of Ebro Puleva, S.A. which consist of the balance sheet at December 31, 2004, the profit and loss account and the notes thereto for the year then ended, the preparation of which is the responsibility of the Directors of the Company. Our responsibility is to express an opinion of the aforementioned annual accounts as a whole, based on our audit work carried out in accordance with auditing standards generally accepted in Spain, which require the examination, by means of selective tests, of the evidence supporting the annual accounts and the assessment of their presentation, the accounting principles applied and estimates made. Our work did not include the audit of the annual accounts for 2004 of Riviana Food, INC and its Group companies, which is 100% owned by the Company and whose net book value and allowance to the securities portfolio provision recorded in the accompanying annual accounts amounted to 298,034 thousand euros and 11,263 thousand euros, respectively. The aforementioned annual accounts of Riviana Food, INC and its Group companies have been audited by KPMG LLP, and our audit opinion in this report on the annual accounts, with regard to said Group's equity investment in Riviana Food INC, is based only on KPMG LLP's report.

In compliance with Spanish mercantile law, for comparative purposes the Company's Directors have included for each of the captions presented in the balance sheet, the profit and loss account and the statement of source and applications of funds, in addition to the figures of 2004, those of 2003 (see Note 2 of the notes to the financial statements). Our opinion refers only to the annual accounts for 2004. On March 24, 2004, we issued our audit report on the 2003 annual accounts of Ebro Puleva, S.A., in which we expressed an unqualified opinion.

In our opinion, based on our audit and the audit report of the other auditor, KPMG LLP, the accompanying annual accounts for 2004 give a true and fair view, in all material respects, of the shareholders' equity and financial position of Ebro Puleva, S.A. at December 31, 2004 and the results of its operations and the sources and applications of its funds for the year then ended, and contain the information necessary for their proper interpretation and understanding, in conformity with accounting principles generally accepted in Spain applied on a basis consistent with those of the preceding year.

The accompanying Management Report for 2004 contains the explanations which the Directors consider appropriate regarding the situation of the Ebro Puleva, S.A., the development of its business and other matters and does not form an integral part of the annual accounts. We have verified that the accounting information contained in the aforementioned Management Report agrees with that of the annual accounts for 2004. Our work as auditors is limited to the verification of the Directors' report with the scope mentioned in this paragraph, and does not include a review of information other than that obtained from the Company's accounting records.

ERNST & YOUNG, S.L.

(Signed in the original in Spanish)

José Miguel Andrés Torrecilllas

Madrid, April 1, 2005

Ebro Puleva, S.A.

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

ASSETS	2004	2003
Fixed assets	**1,230,977**	**935,238**
Formation expenses (N-5)	**0**	**174**
Intangible fixed assets (N-6)	**8,338**	**9,338**
Concessions, patents, licenses and trademarks	12,207	12,222
Computer software	94	94
Amortization	(3,963)	(2,978)
Tangible fixed assets (N-7)	**35,674**	**37,749**
Land and buildings	41,647	43,534
Plant and machinery	1,007	2,606
Furniture and fittings, tools and equipment	418	2,766
Other tangible fixed assets	199	610
Depreciation	(7,597)	(11,767)
Financial fixed assets (N-8)	**1,186,553**	**882,934**
Equity investments in group companies	1,108,921	825,722
Loans to group companies (N-11)	37,971	70,637
Equity investments in associated companies	8,001	1
Long-term securities portfolio	11,140	0
Other loans	1,940	2,092
Long-term deposits and guarantees	6,342	12
Provisions	(20,624)	(57,546)
Long-term deferred tax assets (N-16.7)	32,862	42,016
Own shares (N-11)	**412**	**5,043**
Deferred expenses (N-9)	**1,244**	**400**
Current assets	**50,798**	**50,133**
Debtors	**28,693**	**38,991**
Trade receivables for sales and services	12,669	1,227
Amounts due from group companies (N-10)	14,408	10,950
Other accounts receivable	0	17,645
Personnel	18	53
Tax receivables	1,618	9,136
Provisions	(20)	(20)
Short-term investments	**21,149**	**11,044**
Shares in group companies (N-8)	0	1,812
Shares in associated companies	0	8,000
Other loans	1,233	1,232
Short-term (N-8)	19,916	0
Cash at bank and in hand	**236**	**1**
Prepayments & accrued income	**720**	**97**
Total	**1,283,019**	**985,771**

EQUITY AND LIABILITIES	2004	2003
Shareholders' equity (N-11)	**805,778**	**752,878**
Share capital	92,319	92,319
Share premium	34,333	34,333
Revaluation reserves	3,169	3,169
Reserves	**578,883**	**561,985**
Legal reserve	18,464	18,464
Reserve for own shares	412	5,043
Other reserves	560,007	538,478
Profit for the financial year	97,074	61,072
Deferred income (N-12)	**12,970**	**1,027**
Other deferred income	12,970	1,027
Provisions for liabilities and charges	**3,539**	**3,566**
Provisions for pension & similar obligations (N-13)	326	390
Other provisions (N-14)	3,213	3,176
Long-term liabilities	**377,646**	**179,440**
Amounts due to credit institutions (N-15)	342,395	125,000
Amounts due to group companies (N-10)	30,608	53,933
Other accounts payable	30	31
Deferred taxes (N-16.7)	4,613	476
Current liabilities	**83,086**	**48,860**
Debts to credit institutions (N-15)	**69,334**	**32,750**
Loans and other accounts payable	68,587	32,233
Accrued interest payable	747	517
Short-term debts GP & Ass. Cos. (N-10)	**6,568**	**6,796**
Amounts due to group companies	6,568	6,796
Trade accounts payable	**2,669**	**1,940**
Other non-trade payables	**4,515**	**7,148**
Accrued taxes payable	2,726	1,962
Other accounts payable	541	4,024
Accrued wages and salaries	1,248	1,162
Accruals and deferred income	**0**	**226**
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			Services Rendered	238	6262
other Consumables	8	114,723	Sales returns and volume discounts	0	(142)
Other external charges	61	3,695			
Staff costs	**6,822**	**6,632**			
Wages, salaries, etc.	5,739	5,876			
Social security & other welfare costs	1,083	756			
Provision for depreciation			**Other operating income**	**10,589**	**1,611**
and amortization	**1,564**	**3,601**	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**			
External services	7,828	34,763			
Taxes	586	575			
			Operating losses	**(6,246)**	**(11,455)**
Financial expenses & other similar charges	**8,253**	**8,063**	**Income from equity interests**	**64,099**	**76,369**
Group companies	819	1,382	Group companies (N-8)	64,099	76,369
Others	7,434	6,681			
			Income from other securities and		
			long term receivables	**6**	**2**
Changes in provisions for short-term			**Other interest and similar income**	**716**	**514**
investments	**2**	**648**	Group companies	189	246
			Other interest	527	268
Exchange losses	**359**	**913**	**Exchange gains**	**4,169**	**436**
Net financial income	**60,376**	**67,697**			
Profit on ordinary activities	**54,130**	**56,242**			
Losses from disposal of fixed assets	2	376	Profit from disposal of fixed assets	62,210	5,703
Changes in provisions for intangible fixed			Profit on transactions with own shares	1,265	435
Assets and securities portfolio	14,173	28,240			
			Capital grants transferred to profit		
			and loss	0	157
Other extraordinary expenses	7,880	2,202	Extraordinary income	1,510	1,164
Extraordinary income (N-18)	**42,930**		**Extraordinary losses**		**23,359**
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-tem 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
Biocarburantes 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 Long-term	Accounts Receivable Group	Accounts payable to Group companies Long-term	Accounts payable to Group companies 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):

Shareholder' equity	Balance 12/31/03	Appropriation of results 2003	Results for 2004	Reserve For own shares	Balance 12/31/04
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 J.Jeap 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-tem 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 applications	**635,209**	**309,153**	**Total sources**	**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**

DIRECTORS' REPORT

ON THE 2004 FINANCIAL YEAR

1. BUSINESS REVIEW

Ebro Puleva is the parent company of the Ebro Puleva Group, the leading Spanish food group. It operates in the sugar, milk, rice, biotechnology and other less significant markets through its subsidiaries, mainly in Spain, but with a growing international presence.

In 2004, Ebro Puleva set in motion a strategic diversification and internationalization plan culminating in the 100% takeover of Riviana Foods Inc. on September 5.

Riviana is the leading rice production and marketing company in the United States. It has interests in Central America where it is the largest producer and marketer of cookies, crackers, and fruit juices.

Ebro Puleva is moving towards its goal of achieving a better revenue balance between its domestic Spanish and international markets, while increasing the relative importance of branded sales over industrial sales. The balance between the various business lines is also improving: the rice business now contributes more to the Group as a whole, and the sugar business less.

Other significant developments in the year were:

* Continued operational improvements in our sugar business are producing highly satisfactory manufacturing results, with production well over the assigned quota. Production and structural costs were both reduced, dehydrated alcohol production was concentrated at the Rinconada distillery, and the last animal feed production plants still in operation were closed down.

* We continued to grow our rice business in Europe. We completed our expansion into the United Kingdom by buying Vogan and setting up S&B Herba Foods (a merger between Joseph Heap and Stevens & Brotherton) which is well positioned in the industrial and branded segments. The Finnish brand, Risella, was acquired, which represents a major step forward in our plans to penetrate the Nordic markets.

* In the Spanish market, commercial networks in the rice business were reorganized. As part of this reorganization, Herba Nutrición absorbed its subsidiary, Nomen Alimentación, towards the end of the year.

* The Group has redesigned its financing structure with the 375 million dollar long term financing of the Riviana acquisition.

* Some non-core assets were sold off, the most important of which were the former Santa Elvira sugar factory in León and the old San Francisco and Fábrica de Ron Bermúdez distilleries in Salobreña (Granada).

* Assets have been divested in Chile, with the sale of 49% of its subsidiary Inversiones Greenfields through which the Group previously held an actual shareholding of 23% in Empresas Iansa.

2. FORESEEABLE DEVELOPMENT OF THE COMPANY

2005 will be a year of consolidation of all the processes carried out in 2004. We will continue to work towards improving the balance between domestic and international market revenues, and the balance between branded and industrial sales. In this respect we have already taken another step forward with our bid for Panzani, as we reported in our "Post-balance sheet events".

We will begin to reap the benefits of our restructuring of the sugar and rice businesses, and our concentration on higher added value products, especially in the milk business.

The upcoming 2005/06 sugar campaign will continue to be regulated by the current European Commission Regulation 1260/2001 which means that the price paid to the farmer for sugar beet will remain unchanged. The following campaigns will presumably be run under the new regulation currently being drawn up.

The content of the new regulation will be known by late 2005 if the EC keeps to its planned schedule. Only then will we be able to judge what impact it will have on Azucarera. However, it should be noted that the European Commission has always had an abiding commitment to the goal of establishing a framework which would ensure the long term continuance of a major sugar beet/sugar industry in the European Union.

Azucarera currently enjoys an excellent competitive position in the EU sector, thanks to the company's efforts to improve efficiency and cut production costs in both agronomic and industrial processes. As a result we believe that the new regulatory framework will provide Azucarera with a stable economic environment in which to continue developing its business.

In 2004 a reform of the regulatory framework governing the rice sector was completed with the passing of a new CMO. One of the main consequences of this reform has been the lowering of the support price for rice to almost half the previous level. This should inject dynamism into the sector, boost the consumption of rice in general, and facilitate trade between different areas.

The Board of Directors, which prepares the Group's annual accounts and this management report, intends to continue ensuring major increases in shareholder return. This rose from 0.30 euros per share in the previous year to 0.33 euros per share in 2004.

3. RESEARCH AND DEVELOPMENT

Our R&D projects as the parent company is conducted through the activities of our subsidiaries.

In Azucarera, the goals of the RD&I Centre continued to be ongoing improvement and the optimization of sugar industry processes. Its collaboration in various projects with a number of national and international bodies, institutions and universities, establishes it as a benchmark center for research into sugar and sugar by-products.

In 2004 work continued on projects in progress aimed at improving industrial processes for preservation, sugar beet washing, diffusion, purification, evaporation, and crystallization.

Puleva's innovation policy has been the key to the company's development. Its differentiation strategy is still setting standards in the market and is appreciated by the retail trade and consumers alike. In 2004, Puleva was given an award in recognition of its work as an innovative company.

Herba has been very active in R&D for new higher added value products ever since ready to eat rice in cartons took off. The most interesting research in this area is into new rice based food products along with new formulas and improvements of the pre-cooked rice line, demonstrating Herba's firm commitment to the development of new business lines.

Meanwhile Puleva Biotech, very much a research and development company itself, has started to market omega 3 and will shortly be moving into the marketing of probiotics. It has developed a new range of infant food products for Puleva Food, bringing baby food formulas up to date and creating a whole new range of infant milks. For Lactimilk, Puleva Biotech has developed new high added value dairy products which are expected to be on the market in 2005 to complete RAM's product range. The company is also identifying new uses and potential new high valued added markets for rice and its by-products. Meanwhile work is still in progress on the development of a biocatalytic process for the industrial production of functional oligosaccharides for Azucarera Ebro.

Ebro Puleva S.A. continues to coordinate the Group's projects so that all the Group's companies can benefit from the communication and sharing of best practices and experiences in matters of RD&I.

4. OWN SHARES

In 2004, the Company made purchases and sales of own shares as authorized by the General Meeting held on April 15, 2004, having duly notified the CNMV (Spanish National Securities Commission) in accordance with current reporting standards. In 2004, 2,408,678 shares were purchased and 3,198,253 shares were sold. At year-end the Company had 65,231 own shares amounting to 0.04% of its share capital, having created the required reserve for own shares. In accordance with the Redrafted Text of the Spanish Corporation Law, an unavailable reserve has been set up equivalent to the amount of own shares in portfolio. This reserve will become available when the circumstances requiring it to be set up no longer prevail. At year-end 2004, these own shares are not earmarked for any specific purpose.

5. POST-BALANCE SHEET EVENTS

Significant events subsequent to year-end were as follows:

* On February 14, 2005, the Spanish tax authorities notified all the companies in the tax group headed by Ebro Puleva, S.A. that a tax inspection had been initiated for the years 1999-2003 for corporate tax, and the years 2001-2003 for other taxes.

* 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.

04

EBRO PULEVA, S.A.

CONSOLIDATED ANNUAL ACCOUNTS
for the year ended December 31, 2004

ERNST & YOUNG

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Plaza Pablo Ruiz Picasso, 1
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AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS
(Free translation from the original in Spanish)

To the shareholders of
EBRO PULEVA, S.A.

We have audited the consolidated annual accounts of Ebro Puleva, S.A. and the companies which make up the Ebro Puleva Group (hereinafter, the Group, see Note 2 of the accompanying consolidated financial statements) which consist of the consolidated balance sheet at December 31, 2004, the consolidated profit and loss account and the consolidated notes thereto for the year then ended, the preparation of which is the responsibility of the Directors of the parent company. Our responsibility is to express an opinion of the aforementioned annual accounts as a whole, based on our audit work carried out in accordance with auditing standards generally accepted in Spain, which require the examination, by means of selective tests, of the evidence supporting the consolidated annual accounts and the assessment of their presentation, the accounting principles applied and estimates made. Our work did not include the audit of the consolidated annual accounts for 2004 of Riviana Food, INC and its Group companies, which is 100% owned by Ebro Puleva, S.A. and whose assets and consolidated net results amount to 381,225 thousand euros and 7,601 thousand euros, respectively. The aforementioned consolidated annual accounts of Riviana Food and its Group companies have been audited by KPMG LLP, and our audit opinion in this report on the consolidated annual accounts, with regard to said Group's contribution to the consolidated annual accounts, is based only on KPMG LLP's report.

In compliance with Spanish mercantile law, for comparative purposes the Directors of the parent company have included for each of the captions presented in the consolidated balance sheet and the consolidated profit and loss account, in addition to the figures of 2004, those of 2003 (see Note 3 of the accompanying consolidated financial statements). Our opinion refers only to the consolidated annual accounts for 2004. On March 24, 2004, we issued our audit report on the 2003 consolidated annual accounts of Ebro Puleva, S.A. and subsidiaries, in which we expressed an unqualified opinion.

In our opinion, based on our audit and the audit report of the other auditor, KPMG LLP, the accompanying consolidated annual accounts for 2004 give a true and fair view, in all material respects, of the consolidated shareholders' equity and consolidated financial position of Ebro Puleva, S.A. and subsidiaries at December 31, 2004 and the consolidated results of its operations for the year then ended, and contain the information necessary for their proper interpretation and understanding, in conformity with accounting principles generally accepted in Spain applied on a basis consistent with those of the preceding year.

The accompanying consolidated Management Report for 2004 contains the explanations which the Directors of the parent company consider appropriate regarding the situation of Ebro Puleva, S.A. and subsidiaries, the development of its business and other matters and does not form an integral part of the consolidated annual accounts. We have verified that the accounting information contained in the aforementioned consolidated Management Report agrees with that of the consolidated annual accounts for 2004. Our work as auditors is limited to the verification of the Management Report with the scope mentioned in this paragraph, and does not include a review of information other than that obtained from the accounting records of the parent company and its subsidiaries.

ERNST & YOUNG

(Signed in the original in Spanish)

____

José Miguel Andrés Torrecilllas

Madrid, 1 de abril de 2005

Ebro Puleva, S.A. CONSOLIDATED GROUP

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

ASSETS	12/31/04	12/31/03
Fixed assets	**1,066,793**	**1,038,831**
Formation expenses (Note 5)	**721**	**2,255**
Intangible fixed assets (Note 6)	**88,609**	**71,669**
Tangible fixed assets (Note 7)	**830,527**	**838,275**
Land and buildings	384,793	410,002
Plant and machinery	1,124,057	1,224,742
Furniture and fittings, tools and equipment	37,798	49,792
Payments on account & tangible fixed assets under construction	26,650	18,015
Other tangible fixed assets	28,938	30,708
Provisions	(3,514)	(2,913)
Depreciation	(768,195)	(892,071)
Investments (Note 8)	**146,524**	**121,589**
Equity investments in non-consolid. Group Companies	234	8,221
Loans to non-consolid. group companies	11,140	0
Equity investments in companies recorded by equity method	12,722	3,929
Other loans	14,760	21,401
Long-term deposits and guarantees	6,635	306
Other fixed-interest securities	341	390
Provisions	(3,938)	(3,345)
Long-term deferred tax asset (Note 22)	104,630	90,687
Shares in the parent company (Note 12)	**412**	**5,043**
Goodwill on consolidation (Note 14)	**196,019**	**80,190**
Fully-consolidated companies	196,019	80,190
Companies consolidated by the equity method	0	0
Deferred expenses (Note 9)	**6,649**	**5,919**
Current assets	**912,356**	**927,794**
Inventories (Note 10)	406,032	380,583
Debtors	**357,772**	**397,991**
Trade receivables for sales and services	305,092	301,519
Due from non-consolid. group companies	0	0
Due from cos. recorded by equity method	665	867
Other accounts receivable	27,933	84,734
Tax receivables	35,060	41,494
Provisions	(10,978)	(30,623)
Short-term investments	**101,816**	**114,986**
Short-term investment securities (Note11)	88,009	81,732
Short-term investments in Group companies (Note11)	3,959	2,091
Associated companies	0	2,500
Other loans (Note 11)	10,284	31,639
Short-term deposits and guarantees	53	57
Provisions	(489)	(3,033)
Cash at bank and in hand	**31,211**	**16,549**
Prepayments and accrued income	**15,525**	**17,685**
Total	**2,181,817**	**2,052,734**

LIABILITIES	12/31/04	12/31/03
Shareholders' equity (Note 12)	**980,613**	**911,635**
Share capital	92,319	92,319
Share premium	34,333	34,333
Other reserves of the parent company	**589,804**	**600,577**
Distributable reserves	567,759	573,901
Non-distributable reserves	22,045	26,676
Reserves in fully-consolidated companies	155,682	109,474
Translation differences consolidated companies	(12,384)	(25,827)
Profit and loss attributable to the parent company	120,859	100,759
Minority interests (Note 13)	**19,348**	**165,741**
Negative diff. on consolidation (Note 15)	**920**	**3,055**
Deferred income (Note 16)	**21,224**	**18,334**
Capital grants	20,575	16,935
Other income	649	1,399
Provisions	**153,244**	**134,365**
Provisions for pensions & sim. obligations (Note 17)	19,948	20,543
Other provisions (Note 18)	133,296	113,822
Long-term liabilities	**474,251**	**214,811**
Amounts due to credit instit. (Note 19)	**376,193**	**145,348**
Amounts due to group companies	**0**	**0**
Group companies	0	0
Associated companies	0	0
Other accounts payable (Note 20)	**35,703**	**44,034**
Deferred taxes (Note 22)	**62,355**	**25,429**
Current liabilities	**532,217**	**604,793**
Debts to credit institutions (Note 19)	184,735	272,961
Payable to group companies	**4**	**111**
Amounts due to non-consolidated group cos.	0	0
Amounts due to cos. consolid. by equity method	4	111
Trade accounts payable	**241,910**	**233,421**
Other non-trade payables	**98,196**	**88,023**
Accrued taxes payable	41,322	37,556
Accrued wages and salaries	19,505	12,697
Other accounts payable (Note 20)	37,369	37,770
Provisions for operating liabilities	**10**	**7,147**
Accruals and deferred income	**7,362**	**3,130**
Total	**2,181,817**	**2,052,734**

Notes 1 - 26 are an integral part of these balance sheets.

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

DEBIT	2004	2003	CREDIT	2004	2003
Expenses			**Income**		
Supplies (Note 24)	**1,324,741**	**1,196,118**	**Net turnover (Note 24)**	**2,121,733**	**2,002,986**
Consumption of goods	146,091	102,728	Sales	2,334,027	2,171,517
Consumption of Raw materials and other	1,156,109	1,059,328	Services Rendered	3,737	12,712
			Sales returns and volume discounts	(216,031)	(181,243)
Other external charges	22,541	34,062			
Staff costs (Note 24)	**214,474**	**184,658**	**Increase in stocks of finished goods and work in progress**	**(1,695)**	**(115,012)**
Wages, salaries, etc.	171,299	151,435			
Social security & other welfare costs	43,175	33,223	**Own work capitalized**	**7,652**	**8,217**
Provision depreciation & amortisation	**80,473**	**75,232**	**Other operating income**	**9,240**	**11,238**
			Other sundry and current operating income	8,791	9,348
			Grants	404	521
Change in operating provisions	**7,400**	**7,364**	Overprovision for liabilities and charges	45	1,369
Other operating expenses	**299,135**	**266,088**			
External services	284,935	253,675			
Taxes	14,200	12,413			
Operating profit	**210,707**	**177,969**			
Financial expenses & other sim. charges	22,168	26,342	Income from equity interests	3	5
Losses on short-term finan.investments	118	0	Other interest & similar revenues	7,743	6,696
Change provision financial investments	373	741	Gain on short-term finan.investments	121	96
Exchange losses	15,417	28,532	Exchange gains	12,574	29,014
			Net financial loss	**17,635**	**19,804**
Amortisation of goodwill (Note 14)	17,111	10,380	Shares in profits cos. equity method	1,645	694
Losses of associated cos.	1,327	14	Negative diff. on consolid.reversion (Note 15)	90	49
Profit on ordinary activities	**176,369**	**148,514**			
Losses from disposal of tangible fixed assets and securities portfolio	12,025	4,409	Profit from disposal of fixed assets and securities portfolio	63,136	24,395
Losses on sale of fully consolidated companies securities portfolio	5,120	213	Gains on sale of shares in fully-consolidated companies	0	0
Losses on transaction with parent co. shares	4	14	Profit on transaction with parent co. shares	1,265	435
Change in provisions tangible & intang. Fixed assets and securities portfolio	356	(582)	Capital grants transferred to income for the year (note 16)	4,150	3,760
Other extraordinary expenses & losses	89,741	69,109	Other extraordinary income & gains	7,672	7,277
			Net extraordinary loss (Note 24)	**31,023**	**37,296**
Profit before tax	**145,346**	**111,218**			
Corporation tax (Note 22)	28,999	15,321			
Consolidated profit for the year	**116,347**	**95,897**			
Profit attrib. to minority interests (Note 13)	(4,512)	(4,862)			
Profit for the year	**120,859**	**100,759**			

Notes 1 - 26 are an integral part of these profit and loss accounts.

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

1. ACTIVITY

Ebro Puleva, S.A. (the parent 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 May 25 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 calle Villanueva no. 4, 28001 Madrid.

The parent Company is engaged in the manufacture, marketing, export and import of sugar, dairy, rice and products for human and animal consumption, by-products and waste, as well as agriculture and exploitation, leasing and conveyance of properties.

Subsidiaries and associated companies	Share %	Registered	(A) Capital and Reserves
Azucarera Ebro S.L. (Grupo)	100.00%	c/ Ruíz de Alarcón, 5 - 28014 Madrid	493,248
Balmes 103 Gestión de Patrim., 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%	Camino Juan Fdez. s/n Tacoronte (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
Puleva Biotech, S.A.	74.98%	Camino de Purchil, 66 . Granada	33,698
Jiloca Industrial, S.A.	60.00%	Antigua Azuc. s/n - Sta. Eulalia - Teruel	1,769
Biocarburantes de C. y León, S.A. (*)	50.00%	Avda. de la Buharra, 2 - 41018 Sevilla	16,000
Beira Terrace Ltda.	100.00%	Avda. Boavista 4100, Oporto (Portugal)	515
Riviana Foods Inc (Grupo)	100.00%	Houston (Texas-USA)	127,828
Lince Insurance Ltd. (*)	100.00%	Dublin (Ireland)	3,500
Rice activity (Group)	(C)		

None of the above companies is listed on the stock exchange, except for Puleva Biotech, S.A., whose shares are quoted on the shares with a nominal value of 0.24 euros each. The shares are listed as of December 17, 2001 and the average listing for of this share is recorded as "Short-term investments" (see Note 11.b).

(A) When "(Group)" follows the name of a subsidiary, the data relating to capital, reserves and results correspond to consolidated
(B) S.C.I. Bidassoa has not been consolidated since it is dormant (insignificant in terms of the consolidated group).
Puleva, S.A. However, to simplify the consolidation process and to further standardize data for purposes of comparison, the are shown in the following chart. (*) Companies consolidated using the equity method.

The Company may perform all or part of its activities indirectly through the holding of stocks and shares in companies engaged in identical or similar activities.

The group currently operates on the domestic and international markets. The composition of its sales is described in Note 24.

2. SUBSIDIARIES AND ASSOCIATED COMPANIES

The shares held by Ebro Puleva, S.A. in subsidiary companies of the group are shown below: (thousand euros)

(A) Results for the year	Dividends paid in 2004	Activity	Last closed annual	Consoli-dation date
43,611	(46,773)	Sugar manufacturing	12/31/04	12/31/04
11	0	Real estate	12/31/04	12/31/04
9	0	Crop farming	12/31/04	12/31/04
0	0	Real estate	12/31/04	**(B)**
531	0	Banana growing, vegetable canning	12/31/04	12/31/04
13,194	(6,525)	Manufacture, packaging and sale of nutritional products	12/31/04	12/31/04
(571)	0	Manufacture of dairy products	12/31/04	12/31/04
1,355	0	Development and marketing of new products	12/31/04	12/31/04
315	(11)	Production of organic fertilizers	12/31/04	12/31/04
0	0	Production of Biothane	12/31/04	12/31/04
(220)	0	Real estate	12/31/04	12/31/04
10,526	0	Production and sale of rice	12/31/04	12/31/04
(1,325)	0	Insurance activity	12/31/04	12/31/04
17,261	(10,790)	Rice business	12/31/04	12/31/04
84,697	**(64,099)**			

Madrid, Barcelona, Bilbao and Valencia stock exchanges. All of the aforementioned company's shares are listed, i.e. 59,430,508 the last quarter of 2004 and at December 31, 2004 was 2,61 euros and 2,63 euros, respectively, per share. In addition, 3,29%

information of said company and its own subsidiaries and associated companies.
(C) *Arrocerías Herba, S.A. was dissolved on December 27, 2001 and all assets and liabilities were transferred to Ebro structure of the rice subgroup headed by Arrocerías Herba, S.A. has been maintained. The companies forming this subgroup*

Ebro Puleva, S.A. owns a 100% direct share of Azucarera Ebro, S.L., which in turn holds the following stakes in its subsidiaries (thousand euros):

Subsidiaries and associated companies of Azucarera Ebro, S.L.	Share %	Registered Address	Capital and reserves	Results for the year	Activity	Last closed annual	Consoli-dation date
Agroteo, S.A.	72.98%	c/ Escultor Coomonte, 2 49600 Benavente	667	38	Services to growers	12/31/04	12/31/04
Azucarera Energías, S.L.	60.00%	c/ Ruiz de Alarcón, 5 28014 Madrid	1,329	590	Cogeneration	12/31/04	12/31/04
Unión Azucarera, A.I.E.	98.93%	c/ Ruiz de Alarcón, 5 28014 Madrid	3	0	Economic interest grouping	12/31/04	12/31/04
Compañía de Melazas, S.A. (Associated)	50.00%	c/ Raimundo Fdez. Villav., 28 28003 Madrid	133	(5)	Marketing molasses	30,09,04	12/31/04
Ses Ibérica, S.A. (Associated)	49.99%	c/ Villanueva, 4 - 28001 Madrid	115	(10)	In liquidation	12/31/04	12/31/04

None of these companies are listed.

Ebro Puleva owns a direct 100% share of Puleva Food, S.L., which has the following (unlisted) subsidiaries (thousand euros):

Subsidiaries and associated companies of Puleva Food	Share %	Registered Address	Capital and reserves	Results for the year	Activity	Last closed annual	Consoli-dation date
Puleva Networks, S.A.	100.00%	Camino de Purchil, 66. Granada	5	0	Design and rending of computers	12/31/04	12/31/04
Puleva Salud, S.A.	88.25%	Camino de Purchil, 66. Granada	105	2	Internet services	12/31/04	12/31/04
Grelva, S.L.	100.00%	Camino de Purchil, 66. Granada	6,991	753	Cogeneration	12/31/04	12/31/04
Yofres, S.A.	100.00%	Camino de Purchil, 66. Granada	3,309	(384)	Sale of fermented dairy	12/31/04	12/31/04
Miguel Sancho Puleva, S.A.	100.00%	Camino de Purchil, 66. Granada	0	0	Dormant	12/31/04	12/31/04
Edda, S.A.	100.00%	Camino de Purchil, 66. Granada	0	0	Dormant	12/31/04	12/31/04
Uniasa, S.A.	100.00%	Camino de Purchil, 66. Granada	3	2	Dormant	12/31/04	12/31/04
Formalac, S.L.	100.00%	Camino de Purchil, 66. Granada	3	2	Dormant	12/31/04	12/31/04
Nutrilac, S.L.	100.00%	Camino de Purchil, 66. Granada	229	1	Dormant	12/31/04	12/31/04
Fundación Puleva	100.00%	Camino de Purchil, 66. Granada	414	3	Foundry	12/31/04	12/31/04
JJ. Software de Medicina, S.A. (Associated)	37.00%	Pozuelo de Alarcón. Madrid	1,709	(557)	Sale of software	12/31/04	12/31/04

Ebro Puleva owns a direct 100% share of Lactimilk, S.A., which has the following (unlisted) subsidiaries (thousand euros):

Subsidiaries and associated companies of Lactimilk, S.A.	Share %	Registered Address	Capital and reserves	Results for the year	Activity	Last closed annual	Consoli-dation date
Castillo Castelló, S.A.	80.00%	c/ Ferrer i Busquet, 125. Lleida	249	2	Marketing of dairy products	12/31/04	12/31/04
Eurodairy, S.L.	100.00%	c/ Longitudinal, 5. Barcelona	374	6	Marketing of dairy products	12/31/04	12/31/04
Innovalact El Castillo, S.A.	100.00%	Mollerusa (Lleida), c/ Ferrer i Busquets, 125.	10	0	Marketing of dairy products	12/31/04	12/31/04
El Castillo Madibic, S.L.	50.00%	Constitución, 3 . Barcelona	3,386	1,512	Marketing and raising of livestock	12/31/04	12/31/04

Ebro Puleva, S.A. directly owns 99.94% of Compañia Agricola de Tenerife, S.A. (CATESA), whose unlisted subsidiaries are shown below (thousand euros):

Subsidiaries and associated companies of CATESA	Share %	Registered Address	(A) Capital and reserves	(A) Results for the year	Activity	Last closed annual	Consoli-dation date
SAT Tejinaste (Associated)	32.84%	Sta. Cruz de Tenerife	4	0	Marketing food products productos agrícolas	12/31/04	(A)
Interjardin, S.L. (Associated)	40.00%	La Laguna - Tenerife	60	0	Parks and gardens	12/31/04	(A)

(A) Companies not consolidated because idle or unimportant (insignificant for the consolidated group).

As indicated above, Arrocerías Herba, S.A. was wound up on December 27, 2001, transferring all its assets and liabilities to Ebro Puleva, S.A. However, to simplify the consolidation process and standardize data for purpose of comparison, the structure of the rice sub-group formerly headed by Arrrocerías Herba, S.A., the composition of which is indicated below (unlisted companies), has been maintained:

Subsidiaries devoted to the rice business	% Stake	Registered	(A) Capital and reserves	(A) Results for the year	Activity	Last closed annual	Consoli-dation Date
Herba Foods S.L.	100.00%	Madrid (Spain)	55,905	4,459	Investment	12/31/04	12/31/04
Herba Ricemills S.L	100.00%	Madrid (Spain)	69,278	99	Production and sale of rice	12/31/04	12/31/04
Herba Nutrición S.L	100.00%	Madrid (Spain)	626	2,871	Production and sale of rice	12/31/04	12/31/04
Fallera Nutrición, S. L. **(B)**	100.00%	Valencia (Spain)	722	1,640	Production and sale of rice	12/31/04	12/31/04
S&B Herba Foods Ltda. (Grupo) **(*)**	100.00%	London (UK)	5,572	2,402	Production and sale of rice	12/31/04	12/31/04
Rizerie Franco Americaine et Col., S .A.	100.00%	Paris (France)	1,138	37	Production and sale of rice	12/31/04	12/31/04
Herba Germany, GmbH **(A)**	100.00%	Hamburg (Germany)	21,150	(60)	Cession of brand names	12/31/04	12/31/04
Riceland Magyarorszag	100.00%	Budapest (Hungry)	1,051	708	Production and sale of rice	12/31/04	12/31/04
Danrice A.S.	100.00%	Orbaek (Denmark)	4,196	1,640	Production and sale of rice	12/31/04	12/31/04
Boost Distribution C. V. (Grupo) **(A) (*)**	100.00%	Merksem (Belgium)	10,075	3,739	Production and sale of rice	12/31/04	12/31/04
Mundi Riso S.R.L. **(A)**	100.00%	Vercelli (Italy)	10,208	(560)	Production and sale of rice	12/31/04	12/31/04
Herba Hellas, S.A. **(A)**	75.00%	Tesalonica (Greece)	304	130	Production and sale of rice	12/31/04	12/31/04
Mundi Riz, S.A. **(A)**	100.00%	Larache (Morocco)	4,295	1,226	Production and sale of rice	12/31/04	12/31/04
Arrozeíras Mundiarroz, S.A. **(A)**	100.00%	Lisboa (Portugal)	7,329	4,073	Production and sale of rice	12/31/04	12/31/04
Josep Heap Properties, Ltda. **(A)**	100.00%	Liverpool (UK)	(1)	59	Investment	12/31/04	12/31/04
Risella OY	100.00%	Helsinki (Finlandia)	4,050	(131)	Sale of rice	12/31/04	12/31/04
Nuratri, S.L. **(C)**	100.00%	Camino de Purchil.66 . Granada	3	0	Dormant	12/31/04	12/31/04
Nutramas, S.L. **(C)**	100.00%	Camino de Purchil.66 . Granada	3	0	Dormant	12/31/04	12/31/04
Nutrial, S.L. **(C)**	100.00%	Camino de Purchil.66 . Granada	3	0	Dormant	12/31/04	12/31/04
Pronatur, S.L. **(C)**	100.00%	Camino de Purchil.66 . Granada	3	0	Dormant	12/31/04	12/31/04
Vitasan, S.L. **(C)**	100.00%	Camino de Purchil.66 . Granada	3	0	Dormant	12/31/04	12/31/04
Herto, N.V. **(A) (*)**	66.66%	Idegem (Belgium)	4,604	161	Production and sale of rice	12/31/04	12/31/04

(A) Companies owned by Ebro Puleva, S.A. indirectly through Herba Foods, S.L. (B) Companies owned by Ebro Puleva, S.A. indirectly through Herba Nutrición, S.L. (C) Companies owned by Ebro Puleva, S.A. indirectly through Herba Ricemills, S.L. (*) The directly-held percentages of these companies are: 51% of SB Herba y Boost and 33% of Herto. The remaining percentage is held through Riviana Foods Inc (see detail below).

Ebro Puleva owns a direct 100% share of Riviana Foods Inc., which has the following (unlisted) subsidiaries:

Subsidiaries of Riviana Foods Inc.	% Stake	Registered	Last closed annual	Date consolidation	Activity
Riviana International Inc.	100.00%	Houston (USA)	12/31/04	12/31/04	Investment management
Riviana Puerto Rico	100.00%	Puerto Rico	12/31/04	12/31/04	Sale of rice
Alimentos Kern de Guatemala, S. A.	100.00%	Guatemala	12/31/04	12/31/04	Production and sale of food
Pozuelo S. A.	92.79%	Costa Rica	12/31/04	12/31/04	Production and sale of food
Riviana de Centro America, S.A.	92.79%	El Salvador	12/31/04	12/31/04	Sale of food
Distribuidora Tropical, S. A.	88.16%	Nicaragua	12/31/04	12/31/04	Sale of food
Riviana de Panama S. A.	92.79%	Panama	12/31/04	12/31/04	Sale of food
Rivland, Inc	50.00%	USA	12/31/04	12/31/04	Cogeneration energy
South LaFourche, Inc	50.00%	USA	12/31/04	12/31/04	Cogeneration energy
Jonesboro Gasifier, Inc	100.00%	USA	12/31/04	12/31/04	Cogeneration energy
Jonesboro Power Island, Inc	49.00%	USA	12/31/04	12/31/04	Cogeneration energy
Stuttgart Power Island, Inc	51.00%	USA	12/31/04	12/31/04	Cogeneration energy
N&C Boost N. V. (Belgium)	100.00%	Belgium	12/31/04	12/31/04	Investment management
Boost Nutrition C. V. (Belgium) (*)	49.00%	Belgium	12/31/04	12/31/04	Production and sale of rice
Herto n. v. (Belgium) (*)	33.00%	Belgium	12/31/04	12/31/04	Production and sale of rice
S&B Herba Foods Ltd (Grupo) (*)	49.00%	London (UK)	12/31/04	12/31/04	Production and sale of rice
Mahatma Foods Ltd Australia	100.00%	Australia	12/31/04	12/31/04	Dormant
Lastarmco Inc. (Louisiana)	100.00%	Lousiana (USA)	12/31/04	12/31/04	Dormant
River Brand Rice Mills Inc. (Texas)	100.00%	Texas (USA)	12/31/04	12/31/04	Dormant
Arkansas State Rice Milling Co (Delaware)	100.00%	Delaware (USA)	12/31/04	12/31/04	Dormant
Louisiana State Rice Milling Co (Delaware)	100.00%	Delaware (USA)	12/31/04	12/31/04	Dormant

(*) In addition to the percentage of these companies directly held by Riviana Foods Inc., those held indirectly by Ebro Puleva, S.A. through its ownership of 51% of SB Herba y Boost and 33% of Herto must also be taken into account (see preceding detail).

3. BASIS OF PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

3,1 GENERAL PRINCIPLES

a) The consolidated annual accounts are based on the accounting records of the parent company, the subsidiaries and associated companies making up the Group in which Ebro Puleva, S.A. owns a direct or indirect share, as indicated in Note 2, and are set out in accordance with the generally accepted accounting principles in Spain applied on a consistent basis with those of the preceding year, as established in current legislation, to give a true and fair view of the net worth, financial position and results of the Group.

b) The consolidated annual accounts are presented in thousand of euros.

c) As in the previous year, certain companies have been excluded from consolidation in view of their small size and significance, namely the subsidiaries of CATESA listed in Note 2, SCI Bidassoa (wholly-owned by Ebro Puleva, S.A.) and some subsidiaries of Azucarera Ebro, S.L., also listed in Note 2.

d) The consolidated accounts for the year ended December 31, 2004 (hereinafter the 2004 annual accounts), which have been prepared by the directors of the parent company, are pending approval by the General Shareholders' Meeting. However, it is expected that they will be approved without modification.

3,2 CORPORATE TRANSACTIONS PERFORMED DURING THE YEAR 2003 AND 2004 AND THEIR EFFECT ON THE BASIS FOR COMPARISON

2003 internal transactions (see 2003 annual accounts)

a) Takeover merger of Productos La Fallera, S.A.:

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.

Since the merger is considered a full "simplified merger" (Ebro Puleva, S.A. owned 100% of the share capital of Productos La Fallera, S.A.), it was not necessary to establish an exchange ratio or to increase the capital of Ebro Puleva, S.A. Consequently, Ebro Puleva, S.A. acquired by all the rights and obligations of Productos La Fallera, S.A. by universal succession. The merger was considered effective for accounting purposes as of January 1, 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, and did not include the revaluation of assets.

Given that Productos La Fallera, S.A. was already consolidated using the full consolidation method in the previous year, this corporate transaction does not affect the comparison of the consolidated annual accounts of both years.

b) Segregation of the rice activity

As part of the process of streamlining and fostering efficient, easily measurable operation of its businesses, the Group segregated, as a complement to the transaction described above, the rice activity, using the same procedure applied to the other activities and / or business 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.).

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, and did not include the revaluation of assets.

Given that Herba Ricemills, S.L. was already consolidated using the full consolidation method in the previous year, this corporate transaction does not affect the comparison of the consolidated annual accounts of both years.

c) Non-monetary contribution of foreign investments of the rice activity

As part of the process of restructuring of the rice activity, on July 23, 2003, Ebro Puleva S.A.'s Board of Directors also approved the nonmonetary contribution of the shares of some of the foreign companies of the rice activity to the wholly-owned subsidiary Herba Foods, S.L.

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, and did not include the revaluation of assets.

Given that Herba Foods, S.L. was already consolidated using the full consolidation method in the previous year, this corporate transaction does not affect the comparison of the consolidated annual accounts of both years.

d) Dissolution of Azucarera Ebro Agrícolas Gestión de Patrimonio, S.L. (GDP), transferring all 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, and did not include the revaluation of assets.

Given that Azucarera Ebro Agrícolas Gestión de Patrimonio, S.L. was already consolidated using the full consolidation method in the previous year, this corporate transaction does not affect the comparison of the consolidated annual accounts of both years.

Internal transactions in 2004

e) Dissolution of Nomen Alimentación, S.L. (sole partner company) with transfer of assets and liabilities to Herba Nutrición, S.L.

On November 1, 2004, the sole partner of Nomen Alimentación, S.L. (sole partner company), Herba Nutrición, S.L. (sole partner company), agreed to dissolve Nomen Alimentación, S.L. (sole partner company), transferring all of its assets and liabilities to its sole partner.

The transfer of assets and liabilities was approved by the Board of Directors of Herba Nutrición, S.L. (sole partner company), a company 100% owned by Ebro Puleva, S.A., in their meeting held on November 2, 2004.

This transaction is subject to the tax regime established in Chapter VIII, Title VII of Legislative Royal Decree 4/2004, dated March 5, which approves the revised text of the Spanish Corporation Tax Law. The process did not include the revaluation of assets. The dissolution of the abovementioned company was inscribed in the Mercantile Register on December 31, 2004, date on which the dissolution is considered effective for accounting and tax purposes.

Given that Nomen Alimentación, S.L. (sole partner company) was already consolidated using the full consolidation method in the previous year, this corporate transaction does not affect the comparison of the consolidated annual accounts of both years.

f) Sale of shares or participation units between Group companies

* Effective January 1, 2004, Puleva Food, S.L. sold its 100% share in Lactimilk, S.A. (100% of share capital) to Ebro Puleva S.A.

  Consequently, Lactimilk, S.A. is now wholly owned by Ebro Puleva, S.A.

* Also effective January 1, 2004, Puleva Food, S.L. sold its 80% share of Castillo Castelló, S.A. as well as the 100% share that this company owned in Eurodairy, S.L. to Lactimilk S.A.

As a result of this transaction, the 80%-owned Castillo Castelló, S.A. and the 100%-owned Eurodairy, S.L. are now subsidiaries of Lactimilk, S.A.

Given that these subsidiaries were already consolidated using the full consolidation method in the previous year, this corporate transaction does not affect the comparison of the consolidated annual accounts of both years.

3,3 External corporate transactions carried out in 2004 which affect the basis of comparison – Changes in the consolidation scope:

In addition to the changes described in Note 3.2, changes have been made to the consolidation scope, the most significant of which were the following:

COMPANIES ADDED TO THE CONSOLIDATION SCOPE:			
Company affected	**Subgroup**	**%**	**Comments**
Riviana Foods Inc. (USA) (Grupo)	Rice - USA	100.0 **(a)**	Acquired by Ebro Puleva
S&B Herba Foods Ltda. (UK)	Rice	100.0 **(a)**	Acquired by Ebro Puleva
Boost Distribution C. V. (Belgium)	Rice	49.0 **(a)**	Acquired by Ebro Puleva
Herto, N.V. (Belgium)	Rice	33.3 **(a)**	Acquired by Ebro Puleva
Vogan & Company Ltda. (UK)	Rice	100.0	Acquired by S&B Herba Foods
Risella OY (Finland)	Rice	100.0	Newly-formed company
Puleva Biotech, S.A.	Parent company	4.98	New acquisitions and trading portfolio transfers
Innovalact El Castillo, S.A.	Láctimilk	100.0	Newly-formed company
Biocarburantes de Castilla y León, S.A.	Parent company	50.0	First-time consolidation using the equity method
Lince Insurance Ltd. (Ireland)	Parent company	100.0	Newly-formed company

COMPANIES REMOVED FROM CONSOLIDATION SCOPE:			
Company affected	**Subgroup**	**%**	**Comments**
Josep Heap & Sons	Rice	49.0 **(a)**	Sale of share through its acquisition by S&B Herba Foods
Inversiones Greenfields Ltd. (Group)	Parent company	49.0	Sale of share

(a) *At the end of March 2004, 100% of the Group's shares in Josep Heap & Sons were exchanged for 51% of S&B Herba Foods Ltda (through the acquisition, as a wholly-owned subsidiary, of the latter by the former) and therefore the Ebro Puleva group indirectly owns 51% of Josep Heap & Sons. In addition, effective September 1, 2004, the parent company acquired Riviana Foods Inc. (USA), which owned the remaining 49% of S&B Herba Foods Ltda. Consequently, at year end 2004, the Puleva Group also directly and indirectly owned 100% of this company. Riviana Foods Inc. also owns the remaining 49% of Boost Distribution C. V. (Belgium) and 33% of Herto, N.V. (Belgium). As a result of the acquisition of Riviana Foods Inc., the Ebro Puleva Group has increased its share in Boost Distribution C. V. (Belgium) to 100% and its share in Herto, N.V. (Belgium) to 66%.*

Summary on companies added to the consolidation

With regard to the comparison of financial years, the above detail reveals that in 2004 the Ebro Puleva Group added 100% of the Riviana Group (as of September 1), 100% of S&B Herba Foods (as of April 1), 100% of Vogan & Company (as of May 1) and 33% of Herto, N.V. (as of September 1) to its consolidation. The increase in ownership of Boost Distribution C. V. (Belgium) from 51% to 100% does not affect comparison, since this company was consolidated using the equity method.

All of the companies added to the consolidation were consolidated using the full consolidation method, except for Biocarburantes de Castilla y León, S.A., which was consolidated using the equity method, since the Ebro Puleva Group does not control the management of this company. Herto, N.V. (Belgium) was consolidated using the equity method up to September 1, 2004, date on which it was consolidated using the full consolidation method, since it the Group's percentage of ownership in this company increased from 33% to 66% as a result of acquiring the Riviana Group (explained above).

Summary on companies removed from the consolidation

The most significant company removed from the consolidation scope in 2004 was Inversiones Greenfields Ltd. (Group), which owns 51% of Chilena 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. In addition, 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. Consequently, for purposes of comparison, it should be borne in mind that the 2003 profit and loss account covers a 12 month financial period, whereas the 2004 profit and loss account reflects only eleven months. In addition, the assets and liabilities of the IANSA group are included in the December 31, 2003 balance sheet but not in that of 2004.

The following detail shows the effects of the most significant companies added to the consolidation scope as well as the removal of Inversiones Greenfields Ltd.:

		Formation date				Greenfields Group	
Thousands of Euros	**Total**	**1/09/2004 Riviana Group**	**1/4/2004 SB**	**1/5/2004 Vogan**	**1/9/2004 Herto**	**30/11/2004 Balances removed**	**1/1/2004 Balances added**
Intangible assets	21,559	41,223	0	0	23	-19,687	-20,369
Tangible assets	2,813	119,681	1,746	3,086	15,829	-137,529	-157,362
Investments	8,468	28,585	0	0	0	-20,117	-13,968
Goodwill	1,678	6,170	0	0	0	-4,492	-7,615
Deferred expenses	95	0	0	0	1,269	-1,174	-791
Stocks	18,651	50,759	2,496	1,753	2,014	-38,371	-49,562
Other current assets	-85,522	46,522	11,471	3,258	2,985	-149,758	-112,713
Total assets	**-32,258**	**292,940**	**15,713**	**8,097**	**22,120**	**-371,128**	**-362,380**
Minority interests	-139,355	6,419	0	0	0	-145,774	-142,891
Negative consolidation difference	-2,754		0	0	0	-2,754	-2,701
Provision for liabilities and charges	-30,027	2,953	0	0	0	-32,980	-31,918
Short-term amounts owed to credit institutions	5,527	33	0	0	7,000	-1,506	-10,099
Long-term loans and other liabilities	-29,299		0	0	14	-29,313	-28,400
Deferred tax liabilities	33,389	38,019	0	364	1,699	-6,693	-6,850
Short-term amounts owed to credit institutions	-54,518	18,532	0	1,169	5,594	-79,813	-86,239
Trade creditors	6,387	26,859	4,358	64	2,119	-27,013	-33,276
Other current liabilities	-30,513	13,765	2,852	2,813	928	-50,871	-24,207
Total liabilities	**-241,163**	**106,580**	**7,210**	**4,410**	**17,354**	**-376,717**	**-366,581**
Investments	321,057	309,297	4,221	7,539	—	—	—
Goodwill	126,135	122,937	-654	3,852	—	—	—
Sales figures (*)	182,792	118,786	38,773	18,282	6,951	—	—
Contributed net result (*)	11,545	10,526	336	630	53	—	—

(*) As of the date it was incorporated in the Group.

With regard to other companies added to or removed from the consolidation scope, the overall effect of these changes on equity, financial position and Group results in the current year with respect to the previous year was not significant.

4. CONSOLIDATION PRINCIPLES AND ACCOUNTING POLICIES

A) CONSOLIDATION PRINCIPLES

The consolidated annual accounts have been prepared using the full consolidation method for subsidiaries and the equity method for associated companies.

The basic principles used in the consolidation are as follows:

1. The consolidated annual accounts have been prepared in accordance with the rules established in Royal Decree 1815/1991 of December 20, pursuant to which the positive differences between the cost of the shares in the capital of the companies included in the consolidation (both those included by the full consolidation method and those valued according to the equity method) and the balance sheet values acquired, adjusted at the date of initial consolidation, are attributed as follows:

    * If the difference is allocable to specific fixed assets of these companies, by raising the value of the assets (or lowering the value of liabilities), whose market values are higher (lower) than the net book values.

    * The remaining difference is recorded as "Consolidated goodwill" and is amortized on a straight-line basis over the period during which the investments is expected to generate income for the Group. This period is estimated primarily on the basis of the acquired businesses and the market in which the acquired companies operate, and varies between 10 and 20 years.

The negative differences on consolidation shown on the consolidated balance sheet may be credited to consolidated income when all or part of the shares in the capital of the group companies causing them are sold.

2. The balances, transactions and profits existing between fully consolidated companies have been eliminated in the consolidation process.

3. The value of minority interests in both the net equity and the profit for the year of the consolidated subsidiaries is recorded under the item "Minority interests" on the liabilities side of the accompanying consolidated balance sheet.

4. The financial statements of foreign companies have been translated to euro in the consolidation process by applying the exchange rates at year end to the items of the respective balance sheets and the average exchange rate to the profit and loss accounts.

5. The Directors of the parent company consider the current 74.98% direct control of Ebro Puleva, S.A. over Puleva Biotech, S.A. to be own shares. Based on this criterion, the full consolidation method has been applied to Puleva Biotech, S.A. The percentage own shares acquired by Puleva Biotech, S.A., which at December 31, 2004 was 3.29%, was considered a short-term equity investment in Group companies, and is therefore shown in assets on the consolidated balance sheet and valued accordingly (see Note 11.b).

B) FORMATION EXPENSES

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

C) 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, and 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**: 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, which in some cases exceeds than five 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.

* **Goodwill on merger**: The goodwill on merger has been calculated in accordance with the draft Accounting Rules for Mergers and Demergers issued by the Spanish Accounting and Audit Institute, following the criteria deriving from the Rules for Preparation of Consolidated Annual Accounts approved in Royal Decree 1815/1992 of December 20. The goodwill on merger is written off systematically over a period of 10 years, since this is the time during which the goodwill is estimated to contribute to the obtaining of income.

* **Assets acquired under leasing arrangements** are recorded as intangible fixed assets at the cash value of the asset. The total debt represented by lease installments plus the purchase option are recorded in liabilities. The difference between both amounts, which corresponds to the related financial expenses, is recorded as deferred expenses, and is taken to the profit and loss account based on financial criteria. These amounts are amortized over the useful life of the leased asset, similar to what is done for like tangible assets.

D) TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at purchase price or cost of production, adjusted in some companies of the group according to the applicable legal revaluations, less the corresponding accumulated depreciation. In addition, certain assets have been revalued based on independent appraisals, due to the assignment of positive consolidation differences in paragraph a) above.

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 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 actually suffered through operation, use and occupation, as indicated below:

DEPRECIATION RATES	
Buildings	1.0 - 3.0%
Machinery, plant, tools, equipment	2.0 - 20%
Fixtures and fittings	8 - 25%
Other fixed Assets	5.5 - 25%

When assets are determined to be obsolete, the corresponding obsolescence provision is recorded.

E) INVESTMENTS

Equity investments in non-consolidated Group companies

Investments in non-consolidated group companies are carried at the lower of acquisition cost or market value. The market value is determined on the basis of the theoretical book value of the share, according to the latest available financial statements, adjusted by the amount of any unrealized capital gains existing at the time of the acquisition and subsisting at year end. The capital gains that can be absorbed through the annual increase in theoretical book values of the group companies over a period ranging from 10 to 20 years from the acquisition date, require no restatement. Provisions have been made for any possible capital losses, lowering the balance of the financial fixed assets.

Long-term securities portfolio

Amounts invested are valued at the net amounts paid, plus financial interest accrued at year end.

Other loans

Other loans are recorded in assets at the total value to be collected. Unearned interest at year end is recorded in “Deferred income” as “Other income.”

Short-tem securities portfolio and short-term equity investments in Group companies.

Amounts invested in fixed-income securities are valued at the net amount given, plus financial interest accrued at year end. Also included in this heading are investments in short-term marketable securities, which are carried at acquisition cost, adjusted by the corresponding write-down provision for any decline in value. Listed securities are valued at the lower of acquisition cost, average listing for the last quarter or the listing on the last day of the year.

F) NON-TRADE RECEIVABLES AND PAYABLES

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 diference 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."

G) 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 part 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 those indicated above, appropriate provisions for depreciation are recorded.

H) 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 "Reserves for own shares." (see note 12.2)

I) 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 to income upon accrual.

J) PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Under the current collective labor agreement and voluntary agreements, Azucarera Ebro, S.L., Ebro Puleva, S.A., Puleva Food, S.L. and CATESA are obliged to pay various annual supplements and other service and retirement bonuses to permanent employees who have taken official or early retirement.

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. Part of this provision has been externalized in accordance with current legislation (see Note 17). As of 2002, the relevant companies will make annual contributions to the externalized pension plan to readjust contributions to the possible commitments accrued at year end. In any case, these readjustments are not significant in respect of consolidated profit.

Under the applicable collective labor agreement and based on voluntary agreements reached with its employees, the Riviana Group is obligated to pay various types of annual supplements and seniority bonuses. Where applicable, it is also required to pay retirement bonuses to its permanent employees who retire early or who retire at the legal retirement age. The recorded provision represents the current value, based on actuarial studies conducted primarily by independent actuaries, of the future payment commitments with both retired and active employees, less the current value of the investments in which the current funds are placed. These funds are independently managed by a Management Committee made up of employees, members of management and third parties.

In addition, in accordance with their respective collective labor agreements, some Riviana Foods Inc. subsidiaries pay their employees periodic bonuses based on the years of service. This provision is calculated based on the current value of the commitments.

Some Group companies also pay certain retirement bonuses to their employees on a voluntary basis for undetermined amounts. These bonuses, which are not material, are recorded as an expense in the period paid.

The other companies in the group have no similar commitments, or the amount thereof is not significant.

K) DEFERRED CHARGES

This heading relates to financial charges pending accrual for the aforementioned capital lease contracts, credit arrangement expenses, which are charged to results during the maturity periods of the corresponding debts in accordance with financial criteria, and the unrecorded provision allowance for the next 4.75 years of Azucarera Ebro, S.L.'s provision for pensions arising from the change in mortality tables in 1999/2000 in accordance with prevailing legislation.

L) OTHER PROVISIONS

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

M) 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 twelve months as short-term debts and those falling due after more than twelve months as long-term debts.

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

N) CORPORATION TAX

The corporation tax charge recorded in the profit and loss account is calculated on the basis of the 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.

O) 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 uniform payment periods.

The currency futures contracted 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 recorded transaction. 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 Group uses interest rate swaps contracted on unorganized markets to hedge loans. The transactions existing at December 31, 2004 are intended to eliminate or reduce significantly interest rate risk in connection with these loans, 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 19).

P) 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 Group only records realized profits at year end, while foreseeable risks and losses, even potential losses, are recorded as soon as they are known.

Q) ENVIRONMENTAL INFORMATION

This heading relates to amounts accrued for environmental activities carried out or that will be carried out to manage environmental effects resulting from the Group's operations, as well as environmental commitments.

Tangible assets recorded by the Group to be used in the long term to minimize environmental impact of its activities or protect and improve the environment, including the reduction or elimination of future contamination are recorded as investments. These assets are recorded as required for tangible fixed assets.

R) VOLUNTARY REDUNDANCY PLAN

Azucarera Ebro, S.L., and its employees have agreed to the terms of a Voluntary Redundancy Plan approved by the Ministry of Labor and Welfare. Employees having the required years of service may avail themselves of this plan, which is valid until December 31, 2006. Only those employees who meet the established requirements and request voluntary redundancy and receive management's approval may benefit from the plan. Since the plan is voluntary for both the Company and employee, the Company provides for those indemnities of which it has knowledge and which it intends to approve at year end.

5. START-UP EXPENSES

The movements of this heading during the year are indicated below:

THOUSANDS OF EUROS					
	Balance at 12/31/03	Increase	Period amortization	Transfers	Balance at 12/31/04
Incorporation costs	728	4	(354)		378
Start-up expenses	1,104	8	(928)		184
Capital increase expenses	423	0	(264)		159
Total	**2,255**	**12**	**(1,546)**	**0**	**721**

6. INTANGIBLE FIXED ASSETS

The breakdown of intangible fixed assets and their accumulated amortization at December 31, 2004, with the movements recorded during the year, is shown below:

GROSS VALUES (THOUSANDS OF EUROS)	Balance at 12/31/03	Exchange differences	Added to consolidation	Removed from consolidation	Increase	Reductions	Transfers	Balance at 12/31/04
Research and development	6,446	0	0	0	1,733	(3,261)	4,784	9,702
Industrial property & gov. Concessions	46,288	(4,320)	41,544	(4,486)	4,186	(5,459)	33	77,786
Others (goodwill on merger)	7,752	101	0	(4,097)	0	(362)	(22)	3,372
EDP applications & easement rights	26,844	(35)	1,554	(4,119)	1,645	(5,855)	229	20,263
Assets held under capital leases	13,462	335	0	(13,721)	0	(49)	(27)	0
Work-in-progress	7,362	0	0	0	2,676	(126)	(5,068)	4,844
Total	**108,154**	**(3,919)**	**43,098**	**(26,423)**	**10,240**	**(15,112)**	**(71)**	**115,967**

ACCUMULATED AMORTIZATION (THOUSANDS OF EUROS)	Balance at 12/31/03	Exchange differences	Added to consolidation	Removed from consolidation	Increase	Reductions	Transfers	Balance at 12/31/04
Research and development	4,158	0	0	0	2,077	(2,969)	(1)	3,265
Industrial property & gov. Concessions	11,238	(62)	786	(964)	3,659	(5,270)	(141)	9,246
Others (goodwill on merger)	3,122	35	0	(1,810)	418	0	0	1,765
EDP applications & easement rights	17,006	1	1,066	(3,204)	3,373	(5,223)	63	13,082
Assets held under capital leases	650	16	0	(758)	84	0	8	0
Total	**36,174**	**(10)**	**1,852**	**(6,736)**	**9,611**	**(13,462)**	**(71)**	**27,358**
I + D Provision	311	0	0	0	0	(311)	0	0
Total net intangible Fixed assets	**71,669**	**(3,909)**	**41,246**	**(19,687)**	**629**	**(1,339)**	**0**	**88,609**

The most significant increase in this heading, in addition to those relating to companies added to the Riviana Group consolidation scope, correspond to "Trademarks," due to the acquisition of the Risella trademark in Finland for 4,000 thousand euros. At December 31, 2004, "Trademarks" included primarily those acquired in 2003 (Reis Fit and Puleva Infantil) and those contributed by the Riviana Group in 2004 (principally the seven most important trademarks it markets).

Other relevant increases in "Intangible assets" in Puleva Food and Puleva Biotech were in "Research and Development" under "Work in progress" and relate to research into nutritional improvements and the development of new products. In several other companies or subgroups, increases can be seen in "Software," where efforts have been made to reinforce technological resources.

Reductions relate primarily to intangibles assets which were taken off the books since they were almost fully amortized and no longer in use.

At December 31, 2004 fully amortized assets amounted to 9,152 thousand euros.

7. TANGIBLE FIXED ASSETS

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

GROSS VALUES (THOUSANDS OF EUROS)								
	Balance at 12/31/03	**Exchange differences**	**Added to consolidation**	**Removed from consolidation**	**Other Increase**	**Other Reductions**	**Transfers**	**Balance at 12/31/04**
Land	81,829	(66)	11,600	(4,825)	3,502	(6,107)	(216)	85,717
Buildings	328,173	(2,388)	45,544	(67,843)	8,189	(19,105)	6,506	299,076
Technical installations and machinery	1,224,742	(10,508)	155,384	(209,227)	52,389	(125,571)	36,848	1,124,057
Fixtures & fittings, tools & equipment	49,792	382	538	(8,766)	2,538	(6,881)	195	37,798
Other fixed assets	30,708	(15)	1,178	(5,396)	5,505	(8,246)	5,204	28,938
Construction in progress	18,015	(397)	5,066	(843)	55,097	(1,245)	(49,043)	26,650
Total	**1,733,259**	**(12,992)**	**219,310**	**(296,900)**	**127,220**	**(167,155)**	**(506)**	**1,602,236**

ACCUMULATED AMORTIZATION (THOUSANDS OF EUROS)								
	Balance at 12/31/03	**Exchange differences**	**Added to consolidation**	**Removed from consolidation**	**Increase**	**Reductions**	**Transfers**	**Balance at 12/31/04**
Buildings	110,597	(557)	11,730	(23,651)	8,373	(9,349)	(356)	96,787
Technical installations and machinery	732,371	(2,839)	66,425	(126,622)	53,730	(87,328)	(277)	635,460
Fixtures & fittings, tools & equipment	28,320	191	306	(8,783)	3,925	(5,424)	431	18,966
Other fixed assets	20,783	13	507	(256)	3,288	(7,049)	(304)	16,982
Total	**892,071**	**(3,192)**	**78,968**	**(159,312)**	**69,316**	**(109,150)**	**(506)**	**768,195**
Provisions	2,913	190	—	(59)	614	(144)	—	3,514
Total net tangible fixed assets	**838,275**	**(9,990)**	**140,342**	**(137,529)**	**57,290**	**(57,861)**	**—**	**830,527**

The Group has a policy of taking out all the insurance policies considered necessary to cover any risks that may affect its tangible fixed assets.

At December 31, 2004, the Group had tangible fixed assets outside Spain with the following values:

THOUSANDS OF EUROS	
	Total
Cost	
Land and buildings	79,825
Plant and machinery	184,949
Fixtures & fittings, tools & equipment	3,054
Other tangible fixed assets	9,753
Subtotal	**277,581**
Accumulated amortization	(125,491)
Net total	**152,090**

The fully-depreciated tangible fixed assets at December 31, 2004 are indicated below:

THOUSANDS OF EUROS	
	Total
Buildings	5,802
Plant and machinery	241,612
Fixtures & fittings, tools & equipment	7,641
Other tangible fixed assets	6,971
	262,026

“Work in progress” and “Other increases” include amounts relating to projects aimed at manufacturing new products, as well as improving the overall quality of industrial processes and environmental conditions.

To a lesser degree, “Reductions” relate to the retirement of real estate property sold in 2004. The majority of reductions correspond principally to the renewal of the sugar grinding factory and dairy facilities following the shutdown of the former installations, and to the disposal of 39 million euros in tangible assets relating to the liquidation of a subsidiary of the Greenfields Group prior to said Group’s sale.

Grants have been received from public bodies in 2004 and in previous years in connection with investments made in various Group companies. The amounts of these grants are detailed in Note 16.

Irrespective of the above, there are no tangible assets of significant value that are no used in operations.

8. FINANCIAL FIXED ASSETS

The detail of this heading and movements during the period are shown below:

THOUSANDS OF EUROS								
Concept	**Balance at 12/31/03**	**Exchange differences**	**Added to consolidation**	**Removed from consolidation**	**Other Increases**	**Other Reductions**	**Transfers**	**Balance at 12/31/04**
Equity investments in non-. consolid Group companies	8,221	0	0	0	0	0	(7,987)	234
Equity investments in cos. recorded by equity method	3,929	(240)	2,691	(2,810)	5,033	(3,881)	8,000	12,722
Loans to non-consolid. associated cos.	0	0	0	0	11,140	0	0	11,140
Other fixed-income securities	390	0	0	0	0	(49)	0	341
Other loans	21,401	(90)	854	(13,955)	13,785	(7,235)	0	14,760
Long-term deposits and guarantees	306	(5)	59	(10)	6,335	(50)	0	6,635
Provisions	(3,345)	0	0	0	(3,000)	2,420	(13)	(3,938)
Deferred tax asset (Note 22)	90,687	(846)	8,064	(3,342)	35,980	(25,913)	0	104,630
Total financial fixed assets	**121,589**	**(1,181)**	**11,668**	**(20,117)**	**69,273**	**(34,708)**	**0**	**146,524**

The 16,917 euro difference between the total of the balances added to the consolidation in the above detail and the figure shown in the detail in Note 3.3 is due to the consolidation adjustment made to eliminate equity investments indirectly held by the parent company through Riviana Foods Inc. in European subsidies in which they share control.

The transfer of 8,000 thousand euros to "Equity investments in companies consolidated using the equity method" corresponds to the reclassification of the investment in Biocarburantes de Castilla y León, S.A. which was not consolidated in 2003, but which has been consolidated in 2004, 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.

The balance of "Other receivables" at December 31, 2004" is composed primarily of 11,386 thousand euros of the Puleva Food Group (finance loans made to livestock farmers) and long-term loans amounting to 1,940 thousand euros for the sale of land belonging to the parent company (guaranteed by a mortgage on the land sold). Of the total balance of this heading, 12,067 thousand euros are denominated in euros and the remaining balance in US dollars. These loans mature as of 2006, 5,877 thousand euros in 2006, 3,688 thousand in 2007, 2,194 thousand in 2008 and 520 thousand in 2009. The remaining 2,481 thousand euros mature as of 2010.

"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 detail of shares in companies recorded by the equity method is the following:

THOUSANDS OF EUROS	
	Total
Biocarburantes de Castilla y León, S.A.	8,000
Lince Insurance, Ltd.	2,173
Riviana Foods Inc associated companies	2,369
Compañía de Melazas, S.A.	98
Ses Ibérica, S.A. (in process of liquidation)	55
CATESA associated companies	27
Total	**12,722**

9. DEFERRED CHARGES

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

THOUSANDS OF EUROS	Balance at 12/31/03	Added to consolidation	Removed from consolidation	Increases	Transfer to Income	Balance at 12/31/04
Debt arrangement expenses	937	0	(900)	2,079	(635)	1,481
Accrual due to change in mortality tables used for calculating provision for pensions & sim. Obligations (Note 17)	4,337	0	—	0	(754)	3,583
Other deferred expenses	645	1,269	(274)	486	(541)	1,585
Total	**5,919**	**1,269**	**(1,174)**	**2,565**	**(1,930)**	**6,649**

10. INVENTORIES

The detail of this heading at December 31, 2004 is the following:

THOUSANDS OF EUROS		
Item	**Amount**	
Commercial		48
Raw materials	63,102	
Consumables and spare parts	18,318	
Containers	5,426	
		86,846
Work in progress		14,840
Finished goods		279,730
By-products and waste		19,394
Advance payments to suppliers		7,193
Total gross inventories		**408,051**
Provision for inventories		(2,019)
Total net inventories		**406,032**

Of the balance of "Advanced payments made to suppliers" in the balance sheet, 6,356 thousand euros correspond to payments made to rice growers. At year end 2004, firm purchase commitments for paddy rice amounted to 13.697 thousand euros. In addition, at year end 2004, the Riviana Group had commitments to sell products amounting to 14 million euros.

11. SHORT-TERM INVESTMENTS

11. a) Short-term investments: The balance of this heading at December 31, 2004 amounts to 88,009 thousand euros. It is composed principally of fixed-income securities (10,005 thousand euros in Ebro Puleva, S.A., 60,001 thousand euros in Azucarera Ebro, S.L. and smaller amounts in other companies) and to the value assigned to 51% of the share in Inversiones Greenfields, Ltda., as described in Note 3.3.

During the year, group companies have invested their surplus liquidity in repos during the year to increase profitability. No movement is shown for these transactions, since they correspond to reinvestment of securities upon their maturity in similar types of short-term securities, rather than actual purchases and sales. Consequently, the net movement for the year is a better reflect of the real movements for the "Short-term securities portfolio." All investments are in euros, except for an insignificant amount, which are in US dollars. The average return on these investments during the year was approximately 2% per annum.

11. b) Short-term investments in Group companies: This heading corresponds to the portion of the investment portfolio acquired as own shares by Puleva Biotech, S.A. In 2004 net purchases of sales represented a net increase of 1,497,952 shares, which means that at year end 2004, 1,957,781 shares were owned as short-term financial investments. At December 31, 2004, these short-term equity investments represented 3.29% of Puleva Biotech, S.A.'s share capital. At year end 2003, this portfolio contained a total of 3,434,036 shares, 2,974,207 of which were owned by Ebro Puleva, S.A. These shares were transferred to "Long-term investments in Group companies" and were therefore included in the 2004 consolidation.

11. c) Other accounts receivable: The balance of this heading at December 31, 2004 amounted to 10,284 thousand euros and consists primarily of short-term loans to livestock farmers amounting to 7,054 thousand euros.

12. SHAREHOLDERS' EQUITY

12.1 The amount and movements in the capital and reserves accounts of the consolidated group are shown below (thousands of euros):

	Balance at 12/31/03	Appropriation Results	Results for the year	Exchange difference	Dividend paid	Transfers and consolidation scope	Reserve for own share	Balance at 12/31/04
Subscribed capital	92,319	—	—	—	—	—	—	92,319
Share premium	34,333	—	—	—	—	—	—	34,333
Nondistributable reserves of the parent company	**26,676**	**0**	**0**	**0**	**0**	**0**	**(4,631)**	**22,045**
Revaluation reserve	3,169	—	—	—	—	—	—	3,169
Reserve for own shares	5,043	—	—	—	—	—	(4,631)	412
Legal reserve	18,464	—	—	—	—	—	—	18,464
Distributable reserves of the parent company	573,901	58,639	—	—	(46,161)	(25,237)	6,617	567,759
Reserves for companies consolidated under the full consolidation method	109,474	42,120	—	—	—	4,088	—	155,682
Exchange differences	(25,827)	—	—	(7,706)	—	21,149	—	(12,384)
Profit and loss	100,759	(100,759)	120,859	—	—	—	—	120,859
Total	**911,635**	**0**	**120,859**	**(7,706)**	**(46,161)**	**0**	**1,986**	**980,613**

12.2 At 31 December 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.

According to data published by the National Securities Market Commission, the total direct and indirect equity investment in Ebro Puleva, S.A. of companies owning more than 5% of Ebro Puleva S.A.'s share capital at December 31, 2004 are: Instituto Hispánico del Arroz, S.A. (11.50%)—6.50% directly and 5% 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. Except in the event of dissolution, this reserve may not be distributed, but 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.

With regard to restrictions on the reserves of subsidiaries, there are legal reserves of Spanish subsidiaries amounting to 22.3 million euros, to which the regulation described in the above paragraph for the parent company is applicable. The portion of these reserves resulting from the consolidation process is included in the reserves of consolidated companies.

As a result of revaluations of assets recorded by Sociedad General Azucarera de España, S.A. and by Puleva, S.A. by virtue of Royal Decree Law 7/96, dated June 7, Revaluation Reserves were recorded amounting to 22,606 thousand euros (19,434 thousand euros of which are included in "Reserves in fully-consolidated companies"). This balance may be applied, tax free, to eliminate book losses, from previous years or the current period, or to offset any that may arise in the future and for capital increases. As from April 1, 2007 it may be transferred to freely distributable reserves, provided that the capital gain has been realized. The capital gain will be deemed realized in the part corresponding to the amortization made or when the restated assets have been transferred or written off the accounting records. If the balance of this account were to be used otherwise than as established in Royal Decree-Law 7/1996, it would become taxable.

During 2004, Ebro Puleva, S.A. has purchased and sold own shares within the limits of the authorisation granted at the general meeting of April 15, 2004, and the National Securities Market Commission (CNMV) was duly notified as required by current legislation. During the period the Company has purchased 2,408,678 shares and sold 3,198,253 shares. At year end 2004, the Company has 65,231 own shares, representing 0.04% of share capital, for which it has recorded the compulsory reserve for own shares. Pursuant to the current Spanish Corporation Law, an nondistributable reserve has been recorded for an amount equivalent to the value of own shares. This reserve will become distributable when the circumstances that required that it be recorded have disappeared. At year end 2004, the Company has not decided on a specific use for own shares.

12.3. The breakdown of reserves in consolidated companies at December 31, 2004 is as follows:

	Thousands of Euros
Azucarera Ebro subgroup companies	85,661
Rice activity subgroup companies	35,100
Puleva Food subgroup companies	30,614
Balmes 103, S.L.	1,368
Puleva Biotech, S.A.	1,024
Finebro, S.A.	836
Catesa	1,892
Beira Terrace, Ltda.	(1,444)
Jiloca Industrial, S.A.	631
Total	**155,682**

Except for an inmaterial case, all associated companies are indirectly controlled by Ebro Puleva, S.A. through other subsidiaries. Consequently, given that the related amounts are not significant, in the consolidation process the reserves of companies consolidated by the equity method have been included in reserves of fully-consolidated companies.

12.4. The breakdown by companies of the translation differences at December 31, 2004 is as follows:

	Thousands of Euros
Companies in the rice activity subgroup	(2,139)
RIVIANA Group	(10,245)
Total	**(12,384)**

12.5. Consolidated shareholders' equity includes 38,531 thousand euros corresponding to Herba Foods S.L. The distribution of these profits is subject to payment of the corresponding corporation tax. The tax is deemed to accrued as of the date on which it is resolved to make a dividend payment, which is not envisaged in the short or medium term.

13. MINORITY INTERESTS

This heading relates to the equity and results of the following companies at December 31, 2004 and the corresponding movements for the year:

THOUSANDS OF EUROS	Equity	Profit/loss	Total
Companies in rice activity subgroup	596	1,101	1,697
Companies in Puleva Food, S.L. and Lactimilk	1,743	756	2,499
Group companies Riviana Foods Inc	5,268	131	5,399
Puleva Biotech, S.A.	7,409	441	7,850
Jiloca Industrial, S.A.	708	126	834
Companies in Azucarera Ebro subgroup	823	246	1,069
Total	**16,547**	**2,801**	**19,348**

Company	Total 12/31/03	Changes in consolidation scope	Exchange differences	Dividend payment and others	Profit and loss of subsidiaries	Total 12/31/04
Rice activity companies subgroup	8,863	(8,267)	—	—	1,101	1,697
Puleva Food, S.L y lactimilk. subgroup companies	2,961	—	—	(1,218)	756	2,499
Sociedades del Subgrupo de Riviana Foods	0	6,419	(662)	(489)	131	5,399
Puleva Biotech, S.A.	9,489	(2,080)	—	—	441	7,850
Inversiones Greenfield subgroup companies	142,894	(145,774)	10,193	—	(7,313)	0
Jiloca Industrial, S.A.	714	—	—	(6)	126	834
Azucarera Ebro subgroup companies	820	—	—	3	246	1,069
Total	**165,741**	**(149,702)**	**9,531**	**(1,710)**	**(4,512)**	**19,348**

(THOUSANDS OF EUROS)

14. GOODWILL ON CONSOLIDATION

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

Companies	Balance at 12/31/03	Changes in consolidation scope	Exchange differences	Increases	Decreases	Amortization	Balance at 12/31/04
Greenfields Group	8,657	(4,492)	849		(839)	(4,175)	0
Rice activity companies	17,781	3,852			(513)	(1,091)	20,029
Puleva Food Group (F.C. Fusión)	53,752					(7,620)	46,132
Puleva Biotech	0			5,619		(1,926)	3,693
Riviana Group	0	129,107	(643)			(2,299)	126,165
Total	**80,190**	**128,467**	**206**	**5,619**	**(1,352)**	**(17,111)**	**196,019**

(THOUSANDS OF EUROS)

The increases in the year correspond to the increase in the consolidated share in Puleva Biotech, S.A.

The abovementioned goodwill on consolidation and/or on merger is amortized on a straight-line basis over 10 years (20 years in some cases), since this is the estimated period during which said goodwill is expected to contribute to the generation of income. It is expected that this goodwill will generate profits over the aforementioned years that will at least approximate its value, including a return on investment at market rates. In addition, a substantial amount of the annual amortization of goodwill arising from the merger will be tax deductible.

15. NEGATIVE DIFFERENCES ON CONSOLIDATION

The movements during the year and the detail at December 31, 2004 of negative differences on consolidation are as follows (thousands of euros):

Companies	Balance at 12/31/03	Changes in consolidation Scope	Exchange difference	Amortization	Balance at 12/31/04
Inversiones Greenfield group	2,701	(2,754)	53		0
Rice activity companies	254	654	2	(90)	820
Azucarera Ebro Group	100				100
Total	**3,055**	**(2,100)**	**55**	**(90)**	**920**

16. DEFERRED INCOME

This heading includes principally capital grants. The detail by company of the balance at December 31, 2004 was the following

THOUSANDS OF EUROS	
	Importe
Azucarera Ebro Group	2,491
Companies in the rice activity subgroup	3,105
Puleva Food Group	13,213
Puleva Biotech, S.A.	934
Compañía Agrícola de Tenerife, S.A.	832
Balance at December 31, 2004	**20,575**

The movement during the period was as follows:

THOUSANDS OF EUROS	
	Importe
Balance at December 31, 2003	16,935
Cancellation of grants	(61)
Grants received	7,851
Transfer to income	(4,150)
Balance at December 31, 2004	**20,575**

This balance at December 31, 2004 corresponds to official capital grants awarded to various group companies for certain investment projects in tangible fixed assets. To date these companies have met all the requirements for receiving those grants.

17. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

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

	Amount
Balance at December 31, 2003	20,543
Exchange differences	(370)
Changes in consolidation scope	720
Applications and payments	(2,641)
Transfers to Other Provisions	0
Provision of the year to profit and loss account	1,696
Balance at December 31, 2004	**19,948**

The breakdown by companies is as follows (thousands of euros):

	Amount
Azucarera Ebro, S.L.	12,742
Companies in the rice activity subgroup	3,316
Riviana Group	3,530
Ebro Puleva, S.A.	326
Compañía Agrícola de Tenerife, S.A.	34
Total	**19,948**

17,1 EBRO PULEVA, S.A. AND AZUCARERA EBRO, S.L.

As explained in Note 4.j), some employees of Ebro Puleva, S.A. and Azucarera Ebro, S.L. are eligible for various pension supplements previously established in internal pension funds of each company until 2002.

In accordance with prevailing legislation, these companies met their obligation to externalize their pension commitments prior to November 16, 2002, including those in the event of the death of an employee while in active service.

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. were instrumented in 2002, and was arranged a 10-year finance loan with the insurance company (see Note 20) 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 finance loan.

Upon externalizing insurance policies, each year the relevant adjustments are made to the possible commitments that arise between the previous year and December 31 of the current year including any additional payments accrued due to salaries that differ from those used to calculate the technical bases described in the 2001 annual accounts for active employees, and the corresponding premiums paid.

As a result of the externalization of pension funds, provisions recorded as internal funds have been eliminated from liabilities. The amounts pending maturity on the financing plan with the insurance company are included on the balance sheet under "Other accounts payable," and the amount pending amortization of the change in mortality tables in 1999/2000, explained below, is included in "Deferred expenses."

The amount of 3,583 thousand euros transferred to "Deferred expenses" on the accompanying balance sheet (see Note 9), corresponds to the effect of the change in mortality tables required by law in 1999 for calculating the actuarial liability for the externalized pension fund. This amount is charged to the profit and loss accounts, as required by the Spanish Institute of Accounting and Auditing of Account, on a straight-line basis over 10 years as of the date the liability was recalculated. At December 31, 2004, there are 4,75 years left to complete this process.

The 13,068 thousand euros balance of the account at December 31, 2004 of Azucarera Ebro, S.L. plus Ebro Puleva, S.A. corresponds exclusively to the provision for commitments with personnel for which externalization is not mandatory (seniority bonuses amounting to 8,744 thousand euros) and compensation payable to certain active employees who forfeit their right to life-long life insurance policies (4,324 thousand euros). These provisions have been recorded based on calculations made by independent experts.

17,2 RIVIANA GROUP

This heading includes the provision for the indemnity payable to employees based on the years of service of the Riviana Group's Central American subsidiaries amounting to 4,641 thousand euros, calculated in accordance with actuarial studies, plus a net debit balance of 1,111 thousand euros corresponding to the defined contribution pension plan, primarily of US companies, as per the following detail (in thousand of euros):

Provision for pensions and other commitments	
Beginning balance	37,504
Allocations recorded in the year	1,507
Actuarial changes	254
Payments made in the year	(468)
Exchange differences	(4,074)
Balance at December 31 2004	**34,723**

Provision for pensions-investments	
Value at beginning of the period	(39,381)
Return on investments during the year	(1,160)
Payments made in the year	468
Exchange differences	4,239
Balance at December 31, 2004	**(35,834)**
Net balance at December 31, 2004	**(1,111)**

In addition, the Riviana Group has a defined contribution pension plan for all its US employees. The Company contributes a lump sum equal to the percentage of employee contributions. The total amount of the expense for this plan in the current year amounted to 198 thousand euros.

17.3 PULEVA FOOD GROUP

The collective labor agreement applicable to the work places in Granada, Jérez de la Frontera and Sevilla, belonging to the former Puleva, S.A., contemplates commitments corresponding to early retirement payments to employees who have been in the company for more than 10 years and request early retirement (up to a maximum of seven employees a year). In accordance with prevailing legislation, these companies externalized these commitments prior to November 16, 2002. As a result of externalizing these commitments, the former internal funds have been eliminated from liabilities.

17.4 RICE ACTIVITY GROUP COMPANIES

The collective labor agreement applicable to one of the foreign companies of this group includes personnel pension commitments. The corresponding provisions have been recorded based on calculations made by independent experts.

18. OTHER PROVISIONS

The following movements have been produced in this heading during the period:

	Thousands of Euros
Balance at December 31, 2003	113,822
Changes in consolidation scope	(30,747)
Transfers to investment provisions	(2,990)
Aplicattions	(22,563)
Allocations to results	68,602
Provisions allowances	7,172
Balance at December 31, 2004	**133,296**

The breakdown by companies is as follows:

	Thousands of Euros
Azucarera Ebro, S.L.	125,683
Ebro Puleva, S.A.	3,213
Puleva Food group	2,288
Compañía Agrícola de Tenerife, S.A.	1,678
Companies in the rice activity subgroup	434
Total	**133,296**

18,1 AZUCARERA EBRO, S.L.

The most significant amount in this heading was that contributed by Azucarera Ebro, S.L., in which the following movements took place in 2004 (thousands of euros):

	Azucarera Ebro, S.L.
Balance at December 31, 2003	81,003
Amounts applied	(11,845)
Allocations to results	49,353
Deferred tax asset from prior years	7,172
Balance at December 31, 2004	**125,683**

The final balance of this subsidiary includes principally the provisions for litigations arising from ongoing judicial proceedings and other claims filed against the company, as well as provisions for payments relating to the Modernization and Optimization of Industrial Competitiveness Plan which this company is currently implementing. This plan is primarily aimed at reducing costs and increasing the productivity of its factories to meet the production cost parameters of the most competitive UE countries in the sugar market.

The amounts applied in the year correspond mainly to dismissal indemnities recorded against the provision made at year end 2003 for the abovementioned Modernization and Optimization of Industrial Competitiveness Plan, which will continue to be carried out in 2005.

The allocations made in the year correspond, firstly, to increases in the provision for the Modernization and Optimization of Industrial Competitiveness Plan referred to above. In addition, as a result of the sentence rendered by the National Court of Justice referred to above, 40,588 thousand euros were recorded to cover the regulatory fines and storage tax. The remaining allocations correspond to the current value of interest relating to other litigation as well as other provision allowances for liabilities arising in the year.

On February 2, 2005, the National Court of Justice ruled against the Company in judicial proceedings relating to alleged fictitious transactions among factories during the 1996-1999 sugar campaigns, to correct the differences resulting from sugar stock counts. In addition to convicting the thirteen accused by the Department of Public Prosecutions and the Treasury Counsel, the Court determined that the Company is civilly liable for a total of 27 million euros plus the corresponding interest for failure to pay the regulatory fee for alleged C sugar, as well as the fee for offsetting storage expenses.

Although the Company considers that this decision is not in keeping with the law and has filed an appeal with the Supreme Court, the accounts closed at December 31, 2004 include a provision for the full amount that the Company would have to pay in the event the aforementioned sentence were confirmed.

18,2 REMAINING COMPANIES

In addition, of the remaining balance at December 31, 2004 of this account, the majority is intended principally to cover commitments assumed by the companies to settle liabilities of dormant subsidiaries that were either not consolidated or sold, as well as minor lawsuits and contingencies.

18,3 SUMMARY OF LITIGATIONS AND CLAIMS

Of this balance of 133,296 thousand euros, 119,194 thousand euros correspond to provisions recorded by Azucarera Ebro, S.L. (explained in point 18.1 above), Ebro Puleva, S.A. and CATESA, for litigations arising from ongoing judicial proceedings and other claims. The directors of the parent company do not expect that the final outcome of these proceedings will result in significant additional liabilities. The detail of the abovementioned litigations is the following (thousands of euros):

	Thousands of Euros
Tax assessments signed in disconformity	111,973
Administrative contingent liabilities	4,504
Other contingent liabilities	5,856
Balance at December 31, 2004	**122,333**

19. AMOUNTS DUE TO CREDIT INSTITUTIONS

The detail of the amounts due to credit institutions and their related maturities is the following (thousands of euros):

Loans	Total	2006	2007	2008	2009	Future years
Bank loans of Ebro Puleva, S.A.	342,395	71,570	67,706	67,706	67,707	67,706
Bank loans of Puleva Food, Group	15,026	3,522	8,787	2,631	86	0
Bank loans of Lactimilk Group	11,493	11,493	0	0	0	0
Bank loans of rice activity Group	7,256	3,006	2,375	1,875	0	0
Bank loans of Grupo Riviana	23	23	0	0	0	0
Total Long-Term Loans Consolidated Group	**376,193**	**89,614**	**78,868**	**72,212**	**67,793**	**67,706**
Bank loans of Ebro Puleva, S.A.	69,334					
Bank loans of rice activity group	53,917					
Bank loans of Azucarera Ebro, S.L. (group)	45,497					
Bank loans of Riviana Group	9,972					
Bank loans of Puleva Food, group	3,051					
Bank loans of lactimilk Group	2,916					
Bank loans of Jiloca, S.A.	48					
Total Short-Term Loans Consolidated Group	**184,735**					

The detail of the amounts due to credit institutions by currency is the following:

Currency	Thousands of Euros
Euro	258,491
US dollar	280,883
English pound	12,262
Colones y Quetzales (Costa Rica and Guatemala)	4,437
Moroccan Durham	4,855
Total	**560,928**

Short-term amounts owed to credit institutions include 1,108 thousand euros in accrued interest pending maturity and 1,023 thousand euros in discounted bills pending maturity.

"Long-term loans" recorded on the balance sheet of Ebro Puleva, S.A. reflects the syndicated loan agreement signed in November 2004. This agreement includes a) 138 million euros, the principal of which will be repaid in four half-yearly 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 based on the 2004 year-end exchange rate) to finance the acquisition of the Riviana group. The principal on the aforementioned amount will be repaid in eight half-yearly 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, Ebro Puleva, S.A., Azucarera Ebro Group, Rice activity companies Group and Riviana Group have credit facilities at banks with a limit of 647 million euros, 141 million euros of which have been drawn down. These credit facilities are covered by personal guarantees.

In addition, there are discount lines, foreign trade financing, issued guarantees and other bank guarantees for the following amounts (thousands of euros):

Type of financing	Credit drawn	Credit available	Total limit
Discounted bills	1,023	30,267	31,290
Bank guarantees	187,127	80,175	267,302
Foreign trade financing	0	4,953	4,953
Factoring	19,652	2,545	22,197
Total-Consolidated Group	**207,802**	**117,940**	**325,742**

The average annual interest rate on long-term loans was 2.68% for loans to the Rice Group and 2.55% for loans to the Puleva Food Group and Lactimilk Group.

The average annual interest rate on short-term loans was three-month Euribor plus 0.3 for Ebro Puleva, S.A., an average of 3.92% for the Rice Group, Euribor plus 0.10% for Azucarera Ebro, S.L., 2.55% for the Puleva Food Group, and 10% for Central American subsidiaries of the Riviana Group.

The terms of Ebro Puleva, S.A.'s syndicated loan agreement as well as those of the loan agreements of the Rivian Group stipulate solvency requirements which have been fully met at December 31, 2004.

20. OTHER LONG AND SHORT-TERM NON-TRADE PAYABLES

The most significant balances of this heading are shown below (thousands of euros):

	Long-Term	Short-Term
Azucarera Ebro, S.L.	24,864	23,042
Puleva Foods	6,384	5,333
Other companies	4,455	8,994
Total	**35,703**	**37,369**

Of the debts of Azucarera Ebro, S.L., 23,422 thousand euros (long-term) and 6,792 thousand euros (short-term) correspond to the amount pending payment on the loan granted by Banco Vitalicio to finance the externalization of the company's former internal pension fund (see Note 17.1). The loan bears interest at an annual rate of 6.7% and was granted over a 10-year period to be repaid in equal annual installments, the last of which falls due on 17 July 2010. The remaining short-term debts correspond primarily to long-term liabilities relating to fixed assets, provisions for volume discounts and short-term guarantees received.

The balances of Puleva Food, S.L correspond to debts with fixed assets suppliers.

21. GUARANTEES FURNISHED

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

	Thousands of Euros
To courts and gov. institutions in respect of tax claims and deferrals	119,967
To F.E.G.A., customs & third parties as surety for normal trading operations	64,367
To banks as surety for normal trading operations	81,907
Other guarantees	14,230
Total	**280,471**

The most significant guarantee given to banks to cover the transactions of associated companies corresponds to the guarantee given by Ebro Puleva, S.A. to 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, 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, 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.

With regard to the guarantees given by Puleva Food, S.L., at December 31, 2004 the mortgage placed by the Regional Government of Andalusia on certain assets valued at 6,010 thousand euros to guarantee a fully-repaid loan has not yet been cancelled.

Puleva Biotech, S.A. has provided bank guarantees for a total of 933 thousand euros, 900 thousand euros of which secure repayment of the loans subsidized by the Directorate General of Technological Policy within the Program to Foster Technological Research (PROFIT).

Certain Spanish companies of the rice group have forward foreign exchange contracts (exchange insurance) to cover the risk of exchange rate fluctuations in customer receivables. However, at the year end there were no such contracts for significant amounts.

22. TAX SITUATION

22.1. The following companies of the consolidated group file a consolidated tax return:

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

22.2. The details of the accrued taxes of the Consolidated Group for the period ended December 31, 2004 are (thousands of euros):

Accounting results before taxes			**145,346**
	Increases	**Decreases**	
Permanent differences of Group companies	46,138	43,517	2,621
Permanent differences from consolidation adjustments	25,761	17,203	8,558
Loss carryforwards of companies not in tax group			0
Application of loss carryforwards of subsidiaries		2,098	(2,098)
Adjusted accounting results			**154,427**
Temporary differences of Group companies	102,099	90,959	11,140
Timing differences from consolidation adjustments	2,367	1,777	590
Application of loss carryforwards of subsidiaries		595	(595)
Tax result (taxable income) of Economic Group			**165,562**

	Accrued
Average corporation tax rate (several countries) 33.44%	51,648
Deductions applied	(21,969)
Tax payable	**29,679**
Permanent establishment tax	22
Exchange differences	(190)
Cancellation of deferred tax assets	(1,345)
2003 tax payment	833
Total corporation tax	**28,999**

Loss carryforwards correspond principally to Puleva Food, S.L. as a permanent difference and to Compañía Agrícola de Tenerife, S.A. as a temporary difference.

The temporary differences of companies relate principally to transactions of Azucarera Ebro S.L. and correspond to the recording or application for tax purposes of provisions released or recorded in the year, and other minor differences. Those relating to Ebro Puleva, S.A. correspond to allowances to and/or releases of provisions for fixed assets and investments that are nondeductible/deductible in the year. Those corresponding to the Greenfields Group relate to provisions for fixed assets which are not deductible in the year in terms of their aggregate income and expenses up to November 30.

Permanent differences correspond principally to the monetary adjustment of fixed assets sold in the year, to tax depreciation already calculated for accounting purposes in previous years and the application, for tax purposes, of investment losses. 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.

Deductions from tax payable correspond principally to investments in environmental activities, the development of new products and reinvestment of profits in the sale of fixed assets and deductions for export activities (investment in foreign companies). The amount that must be reinvested to be eligible for deductions for reinvestment is 65 million euros (25 million and 33.6 million euros, respectively, in 2003 and 2002, amounts which were already reinvested by the tax group in 2003 and 2002). In addition, the Company has met all other requirements necessary to take these deductions.

22.3. Movements in deferred tax assets/liabilities (thousands of euros):

	Deferred Tax	
	Asset	Liability
Balance at December 31, 2003	90,687	25,429
Exchange differences	(846)	(4,084)
Changes in consolidation scope	4,722	33,389
Adjustments for the year	4,093	(1,345)
Generated during the year	31,887	11,169
Applied during the year	(25,913)	(2,203)
Balance at December 31, 2004	**104,630**	**62,355**

22.4. Deferred tax assets and liabilities by company (thousands of euros):

	Deferred Tax	
	Asset	Liability
Ebro Puleva, S.A.	28,920	9,025
Companies in the rice activity group	1,159	5,974
Azucarera Ebro, S.L. (group)	58,886	11,125
Riviana Group	6,982	34,009
Puleva Food, (group)	7,009	1,946
Lactimilk Group	515	0
Compañía Agrícola de Tenerife, S.A.	208	0
Puleva Biotech, S.A.	951	276
Balance at December 31, 2004	**104,630**	**62,355**

22.5. At December 31, 2004 Group companies had no significant tax carryforwards pending application.

22.6. Ebro Puleva, S.A. is open to inspection for the following years and taxes (it should be taken into account that the years subject to review by the tax authorities are those of Arrocerías Herba, S.A. and the company formed as a result of the various mergers carried out by Ebro Puleva, S.A. in prior years):

	From the year	
Tax	HERBA	EPSA
Corporation tax	99/2000	99/2000
Value added tax	2000	2000
Personal income tax	2000	2000
Others	2000	2000
Special tax	2000	2000

In February 2004 the inspection that was being carried out of all taxes to which Puleva, S.A. is liable for the years 1998 to 2000 was completed. As a result of this inspection, tax contingencies were raised amounting to 1,832 thousand euros, which were signed in conformity and the related provision 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 has assumed the tax obligations of the dissolved Puleva, S.A.

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. The remaining Group companies are open to inspection of all taxes as per the prevailing regulations of each country.

23. TRANSACTIONS WITH NON-CONSOLIDATED AND ASSOCIATED GROUP COMPANIES

The transactions with non-consolidated group and associated companies carried out during the year are not significant, except for those described in Notes 8 and 21 relating to loans and guarantees granted by Ebro Puleva, S.A. to Biocarburantes de Castilla y León, S.A.

24. INCOME AND EXPENSES

A) The distribution of net turnover among the various group activities is as follows (income and expenses of the Greenfields Group correspond to an eleven-month period):

	Thousands of Euros
Sugar	823,682
Rice	573,440
Dairy	490,255
Frozen, tinned & jarred foods	22,331
Agricultural products	35,743
Fruit and vegetables	30,744
Others	145,538
Total	**2,121,733**

The distribution of net turnover by geographical markets is as follows:

	Thousands of Euros
Spain	1,314,975
Rest of EU	349,155
USA	88,535
Central America	30,250
Other OCDE	13,717
Chile	278,144
Mercosur	1,213
Rest of the world	45,744
Total	**2,121,733**

The volume of transactions carried out in currencies other than the euro was the following:

	Thousands of Euros
Amount Purchases	273,832
Sales	444,265
Services rendered	416
Services rendered	47,580

B) The detail of purchases of commodities, raw materials and other materials and movement in stocks is the following:

	Thousands of Euros
Purchases of commodities	146,091
Purchases of raw materials and others	1,156,109
Other external expenses	44,599
Change in inventories	(22,058)
Total	**1,324,741**

C) Other extraordinary items

The details of other extraordinary items of the period are the following:

Income	Thousands of Euros	
Profit from disposal of fixed assets-buildings		62,206
Profit from disposal of fixed assets-Other assets		930
Profit from transactions carried out with own shares		1,265
Capital grants transferred to income of the year		4,150
Other extraordinary income		7,672
Overprovisions	1,867	
Insurance indemnities	528	
Reduction as per Puleva S.A.'s payments moratorium creditors' agreement	1,452	
Refund of storage tax	1,181	
Sundry Greenfields	1,047	
Other (Dairy food business)	380	
Other concepts (Rice business)	982	
Others	235	
Total extraordinary income		**76,223**
Expenses		
Losses on fixed assets		12,025
Change provisions tangible & intang. fixed assets & securities portfolio		356
Losses on disposal of shares in fully-consolidated companies		5,120
Losses on transactions with own shares		4
Other extraordinary expenses		89,741
Provision for litigations and claims	46,079	
Modernization Plan	10,491	
Shutdown of factory in Brazil and other (Greenfield Group)	20,533	
Extraordinary indemnities	7,088	
Tax assessments paid	2,337	
Other (Rice business)	502	
Other (Dairy food business)	1,931	
Other concepts (Rice business)	732	
Other	48	
Total extraordinary expenses		**107,246**
Net extraordinary loss		**(31,023)**

D) The distribution of personnel costs among Group companies in 2004 is the following (thousands of euros):

	Amount
Wages and salaries	164,086
Social security contributions	30,626
Indemnities	1,211
Other welfare charges	18,551
Total personnel costs	**214,474**

The average number of employees of Group companies during the year was the following (following changes made to the consolidation scope during the year):

	Permanent	Temporary	Total
Executives	223	0	223
Middle management	728	51	779
Administrative staff	989	45	1,034
Clerks	47	46	93
Sales people	520	12	532
Other	2,610	1,415	4,025
Total	**5,117**	**1,569**	**6,686**

E) Results contributed to consolidated profit.

The results shown in the first detail of Note 2 relate to the amount declared by each of the subgroups or subsidiaries. These results are shown together with the dividends that each of the subgroups or subsidiaries has recognized in its profit and loss account and they are recorded as profits of the respective parent companies. The difference between these results and those shown as the consolidated profit for the year in the accompany consolidated profit and loss account corresponds to the profit of the parent company, including dividends received on account of profit for the year of each of the subsidiaries, net of 3,187 thousand euros corresponding to other consolidation adjustments, whose distribution among the various companies or consolidated subgroups would not significantly modify that shown in the detail in Note 2.

25. OTHER INFORMATION

25.1. The detail of total remuneration received by the directors of Ebro Puleva, S.A. in all the companies of the Group during 2004 totaled 4,283 thousand euros, as per the following detail (thounsandsof 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	2,663	3,562
Life and retirement insurance	301	296
Total executive directors	2,964	3,858
Total directors' emoluments	**4,283**	**5,170**

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 amount 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 26 January, 2005, the directors resolved to propose the reduction of that share to 1,55% of the profit for the year, effective as of 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, amounting to 301 thousand euros annually, in accordance with the Company's 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 Calleja 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 3.62% 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 Hacienda Durius Alto Duero, S.A. and 40% of Jamones Burgaleses, S.A

* 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. and Jamones Burgaleses, S.A.; and Corporación Caixa Galicia, S.A., as a board member, 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 such investments and positions are not bound by the premise of duty of loyalty, but rather are part of the administrative structures of Group companies. 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 15, 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.

25.2. ENVIRONMENTAL INFORMATION

In keeping with its environmental policy, the Group has been carrying out various activities and projects aimed at managing environmental resources in order to comply with prevailing legislation. It continues to implement advanced environmental, food hygiene and safety control policies which respect both the environment and social issues. These projects are designed to provide sustained development based on the concepts of prevention and ongoing innovation.

Business activities relating to the sugar, rice and dairy product industries 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.

However, the Group has made a concerted effort 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.

In 2004 the Azucarera Ebro Group invested 11.2 million euros in environmental assets (as a complement to the 37 million euros invested in 2003 and 2002). The investments of this type capitalized at December 31, 2004 amounted to 104 million euros. In 2004 the Group continued to invest heavily in environmental protection at all of its factories (all of which had full or partial positive effects). This substantial investment has led to energy savings, a reduction in effluents and emissions, etc., and excellent results from external audits and government inspections. Among the most significant actions taken were: The building of a new effluents basin; remodeling of the Rinconada basin; acquisition of new gas washers in Rinconada, Guadalete and La Bañeza, new pulp dryers in Guadalete, etc. In 2004 the Ministry of Agriculture granted Azucarera Ebro the "2003 Best Spanish Food Company" in the environmental category.

The volume of investments and expenses of the remaining group companies is considerably lower. Expenses for external environmental management services totaled 4,331 thousand euros, and the tax deductions applied amounted to approximately 1,600 thousand euros.

Lastly, several Group companies have contracted a civil liability insurance policy against damage caused to third parties by sudden accidental contamination and they consider that the policy adequately covers any risk in this regard.

25.3. AUDIT FEE

"External services" in the profit and loss account correspond to the fee paid to the auditors of the consolidated annual accounts. The total fee paid in 2004 for the audit of the annual accounts of Ebro Puleva Group companies 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.

26. POST-BALANCE SHEET EVENTS

* As explained in Note 22.6, 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.

* Legal proceedings concerning allegedly fictitious movements between factories belonging to the former companies Ebro Agrícolas Compañía de Alimentación, S.A., Sociedad General Azucarera de España, S.A and the company resulting from the merger of those two companies during the sugar campaigns of 1996/97, 1997/98 and 1998/99 have been underway for the last four years. These proceedings have been reported to the market in successive significant events. On February 4, 2005, Section 4 of the Criminal Court of the Spanish National Court of Justice found against Azucarera Ebro, S.L. and ordered it to pay a total of around 27 million euros plus interest for civil liability arising from non-payment of regulatory tax and for compensation for storage expenses.

* In the accompanying annual accounts the above mentioned liability and all interest until December 31, 2004, is fully covered by a provision. This means that no further provision is required to cover Azucarera Ebro, S.L.'s civil liability in this litigation, with the logical exception of interest accruing in the future until the aforementioned amount is paid, in the event that the judgment

eventually becomes final. The company has prepared and filed an appeal against the judgment with the Supreme Court on the grounds that it considers the judgment unlawful.

* In a meeting held on February 23, 2005, the parent company's Board of Directors approved the proposed closure of the dairy plant at Jerez (Grupo Lactimilk) in order to start formal closure proceedings with workers' representatives in the near future. Dairy production facilities are currently being reorganized with a view to achieving greater logistical efficiency by increasing production in the plants closest to their supply sources.

* 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

  On March 4, 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.

* In accordance with mercantile legislation, in particular, EC Regulation No. 1606/2002 of the European Parliament and of the Council of June 19, 2002 on the application of international accounting standards, and with the Eleventh Provision of Law 62/2003, dated December 30, on tax, administrative and corporate measures, Ebro Puleva, S.A. must prepare consolidated annual accounts as of January 1, 2005, in conformity with the International Financial Reporting Standards (IFRS) adopted by the European Union.

  Consequently, the 2005 consolidated annual accounts will be the first to be prepared by Ebro Puleva, S.A. under IFRS.

  IFRS require that, except in the cases established in IFRS 1, the comparative data for 2004 included in the Group's 2005 consolidated annual accounts must be prepared in conformity with IFRS. This will represent changes in the valuation, classification, and presentation of certain 2004 balance sheet and profit and loss account headings presented in accordance with generally accepted accounting principles and criteria in Spain. In addition, IFRS require that the Company include certain reconciliations in the 2005 consolidated annual accounts to reflect the accounting impact of the conversion on consolidated capital and reserves at the beginning and end of 2004 as well as on consolidated results for that year.

The Ebro Puleva Group is developing an IFRS conversion process and is analyzing the related accounting effects as well as the effects on other related processes, e.g. information systems. The final accounting effects, which will depend, among other factors, on the available options chosen by the directors and on the new standards or final interpretations adopted by the European Union, will be described in detail in the 2005 annual accounts.

consolidated directors' report on the 2004 financial year

1. BUSINESS REVIEW

Through its component companies, the Ebro Puleva Group operates in the sugar, dairy products, rice, biotech and other lesser markets, mainly in Spain, but with a growing international presence.

In the last four years a number of events has established Ebro Puleva as the number one Spanish food group. Firstly Puleva was absorbed and then Arrocerías Herba S.A. was incorporated into the Group. As new businesses were acquired, non-strategic ones were divested, and a corporate organization was built up.

In 2004, Ebro Puleva set in motion a strategic diversification and internationalization plan culminating in the 100% take over of Riviana Foods Inc. on September 5.

Riviana is the leading rice production and marketing company in the United States. It has interests in Central America where it is the largest producer and marketer of cookies, crackers, and fruit juices.

Ebro Puleva is moving towards its goal of achieving a better revenue balance between its domestic Spanish and international markets, while increasing the relative importance of branded sales over industrial sales. The balance between the various business lines is also improving: the rice business now contributes more to the Group as a whole, and the sugar business less.

The acquisition of Riviana makes Ebro Puleva the largest rice marketing group in the world and the leader in both Europe and the United States.

Ebro Puleva now has a marketing network in the United States and is market leader in 19 of the 20 most important states. This will pave the way for the Ebro Puleva Group to introduce other products into the US market.

Ebro Puleva also has an important gateway to the Central American market where Riviana is established as the leading marketer and distributor cookies, crackers, fruit juices, and vegetables.

All this has brought about a significant growth in the contribution that international business makes to Ebro Puleva Group's accounts. In fact, since the acquisition of Riviana, Group sales abroad amount to around 44% of total consolidated turnover.

Other significant developments in the year were:

* Continued operational improvements in our sugar business are producing highly satisfactory manufacturing results, with production well over the assigned quota. Production and structural costs were both reduced, dehydrated alcohol production was concentrated at the Rinconada distillery, and the last animal feed production plants still in operation were closed down.

* In dairy products we continued to develop high added value products, especially in the infant nutrition segment, while consolidating previous launches of new products. Work was also maintained on consumer satisfaction oriented developments: new packaging, presentations, and compositions.

* We continued to grow our rice business in Europe. We completed our expansion into the United Kingdom by buying Vogan and setting up S&B Herba Foods (a merger between Joseph Heap and Stevens & Brotherton) which is well positioned in the industrial and branded segments. The Finnish brand, Risella, was acquired, which represents a major step forward in our plans to penetrate the Nordic markets.

* In the Spanish market, commercial networks in the rice business were reorganized. As part of this reorganization, Herba Nutrición absorbed its subsidiary, Nomen Alimentación, towards the end of the year.

* Puleva Biotech began marketing omega-3 closing a number of deals with European and American dairy product companies. These agreements involve the launch of dairy products containing omega-3. The company also set up an industrial plant to produce probiotics which are due to be launched on the market in 2005. Puleva Biotech continues to be the RD&I driver for all Group companies.

* The Group has redesigned its financial structure with the 375 million dollar long-term Riviana acquisition.

* Some non-core assets were sold off, the most important of which were the former Santa Elvira sugar factory in León and the old San Francisco and Fábrica de Ron Bermúdez distilleries in Salobreña (Granada).

* Ebro Puleva divestged in Chile, with the sale of 49% of its subsidiary Inversiones Greenfields through which the Group previously held an actual shareholding of 23% in Empresas Iansa. This change of shareholding has caused the Group's investment in Chile to be deconsolidated, although the consolidated income statement for 2004 still includes revenues and expenses for the first eleven months of Greenfields' activity.

As mentioned earlier, the Ebro Puleva Group is organized by lines of business:

* Sugar business: centered on Azucarera Ebro S.L.U. which is engaged in sugar and sugar by-product based activities.

* Dairy business: comprising mainly liquid milk, fermented dairy products, milk drinks, and infant nutrition. Carried out by the Puleva Food and Lactimilk groups.

* Rice business: comprising industrial and branded rice products and other complementary products in Spain and in a further ten countries — mostly European — through the Herba Group. In September 2004 this business line was reinforced by the acquisition of the Riviana Group, the market leader in the United States with interests in Central America.

* Biotech: Puleva Biotech is specialized in research and development in the nutraceutical world, both for Group companies and third parties.

* Ebro Puleva S.A.: responsible for managing the various subsidiaries engaged in the above business lines. It designs general strategy, looks for inter-company synergies, is responsible for communication with institutions and shareholders, and controls all the Group's real estate assets, including the management of non-core real estate asset divestment..

All lines of business performed more than satisfactorily in 2004. Consolidated earnings were better than expected in spite of the fact that companies were mostly competing in difficult and highly competitive markets.

FINANCIAL HIGHLIGHTS FOR THE YEAR

TOTAL CONSOLIDATED							
Thousands of Euros	**2001**	**2002**	**2002/2001**	**2003**	**2003/2002**	**2004**	**2004/2003**
Net turnover	2,313,271	2,161,566	-6.6%	2,002,986	-7.3%	2,121,733	5.9%
Net sales	n.a.	2,115,229		1,956,551	-7.5%	2,070,546	5.8%
as a % of turnover	n.a.	97.9%		97.7%		97.6%	
Industrial margin	n.a.	439,961		400,545	-9.0%	451,145	12.6%
as a % of turnover	n.a.	20.4%		20.0%		21.3%	
Sales margin	n.a.	381,745		341,435	-10.6%	371,543	8.8%
as a % of turnover	n.a.	17.7%		17.0%		17.5%	
EBITDA	274,200	274,770	0.2%	260,565	-5.2%	298,580	14.6%
as a % of turnover	11.9%	12.7%		13.0%		14.1%	
EBIT	184,711	191,290	3.6%	177,969	-7.0%	210,707	18.4%
as a % of turnover	8.0%	8.8%		8.9%		9.9%	
Net financial expenses	34,555	33,314	3.6%	19,804	40.6%	17,638	10.9%
as a % of turnover	1.5%	1.5%		1.0%		0.8%	
Ordinary results	145,884	146,986	0.8%	148,514	1.0%	176,369	18.8%
as a % of turnover	6.3%	6.8%		7.4%		8.3%	
Extraordinary results	(37,164)	(33,053)	11.1%	(37,294)	-12.8%	(31,023)	16.8%
as a % of turnover	-1.6%	-1.5%		-1.9%		-1.5%	
Profit before taxes	108,718	113,933	4.8%	111,218	-2.4%	145,346	30.7%
as a % of turnover	4.7%	5.3%		5.6%		6.9%	
Net results	95,115	95,867	0.8%	100,759	5.1%	120,859	19.9%
as a % of turnover	4.1%	4.4%		5.0%		5.7%	
Average working capital	n.a.	653,165		517,822	-20.7%	463,962	-10.4%
Used capital	1,783,053	1,623,963	-8.9%	1,438,665	-11.4%	1,424,834	-1.0%
ROCE **(5)**	10.4%	11.8%		12.4%		14.8%	
Capex	85,893	83,526	-2.8%	79,602	-4.7%	102,524	28.8%
Average number of employees	7,439	7,058	-5.1%	5,938	-15.9%	6,686	12.6%
	31.12.01	**31.12.01**	**2002/2001**	**31.12.03**	**2003/2002**	**31.12.04**	**2004/2003**
Equity	802,909	843,894	5.1%	911,635	8.0%	980,613	7.6%
Net debt	719,018	527,664	-26.6%	349,151	-33.8%	467,669	33.9%
Capital leverage **(4)**	89.6%	62.5%	-30.2%	38.3%	-38.7%	47.7%	24.5%
Total assets	2,540,871	2,188,532		2,052,734		2,181,817	

(4) Quotient of the cost of net financial debt divided by equity (excluding minority interests). (5) ROCE = (Operating profit / (loss), Total Average Rate. Rate for 12 months / (Net investment – Investments – Goodwill)).

DATA WITHOUT CHILEAN COMPANIES (1)							
Thousands of Euros	**2001**	**2002**	**2002/2001**	**2003**	**2003/2002**	**2004**	**2004/2003**
Net turnover	1,756,181	1,720,533	-2.0%	1,684,182	-2.1%	1,842,485	9.4%
Net sales	n.a.	1,676,258		1,640,262	-2.1%	1,793,653	9.4%
as a % of turnover	n.a.	97.4%		97.4%		97.3%	
Industrial margin	n.a.	345,322		335,815	-0.3%	386,219	15.0%
as a % of turnover	n.a.	20.1%		19.9%		21.0%	
Sales margin	n.a.	307,882		292,409	0.7%	316,345	8.2%
as a % of turnover	n.a.	17.9%		17.4%		17.2%	
EBITDA	230,105	243,520	5.8%	239,197	-1.8%	267,010	11.6%
as a % of turnover	13.1%	14.2%		14.2%		14.5%	
EBIT	161,242	178,956	11.0%	173,398	-3.1%	193,825	11.8%
as a % of turnover	9.2%	10.4%		10.3%		10.5%	
Net financial expenses	23,499	19,549	16.8%	13,916	28.8%	7,845	43.6%
as a % of turnover	1.3%	1.1%		0.8%		0.4%	
Ordinary results	137,179	147,897	7.8%	145,540	-1.6%	166,757	14.6%
as a % of turnover	7.8%	8.6%		8.6%		9.1%	
Extraordinary results	(35,281)	(32,460)	8.0%	(27,771)	14.4%	(11,081)	60.1%
as a % of turnover	-2.0%	-1.9%		-1.6%		-0.6%	
Profit before taxes	101,898	115,437	13.3%	117,767	2.0%	155,676	32.2%
as a % of turnover	5.8%	6.7%		7.0%		8.4%	
Net results	95,115	95,867	0.8%	100,759	5.1%	120,859	19.9%
as a % of turnover	5.4%	5.6%		6.0%		6.6%	
Average working capital	n.a.	464,024		433,628	-6.6%	378,720	-12.7%
Employed capital	1,237,427	1,173,399	-5.2%	1,175,049	0.1%	1,201,791	2.3%
ROCE **(5)**	13.0%	15.3%		14.8%		16.1%	
Capex	67,380	78,433	16.4%	75,759	-3.4%	102,524	35.3%
Average	4,710	4,544	-3.5%	4,256	-6.3%	5,261	23.6%
	31.12.01	**31.12.02**	**2002/2001**	**31.12.03**	**2003/2002**	**31.12.04**	**2004/2003**
Equity	802,909	843,894	5.1%	911,635	8.0%	980,613	7.6%
Net debt	436,698	386,752	-11.4%	248,521	-35.7%	467,669	88.2%
Capital leverage **(4)**	54.4%	45.8%	-15.7%	27.3%	- 40.5%	47.7%	74.9%
Total assets	1,996,511	1,828,237		1,779,953		2,181,817	

(1) Data calculated with IANSA consolidated as per the equity method. (4) Quotient of the cost of net financial debt divided by equity (excluding minority interests).
(5) ROCE = (Operating profit / (loss), Average Amortization Rate for 12 months / (Net investment – Investments – Goodwill)).

Highlights of the Group's results (with Chile consolidated by the equity method) are an 11.6% EBITDA growth and a 14.6% increase in ordinary income. This has been achieved thanks to the continued effort made to develop and promote products with higher added value, the restructuring and reorganization of businesses, savings made in marketing and structural expenses, and international expansion.

Extraordinary income is also substantially higher than in recent years, which, combined with the abovementioned results, has resulted in a net income of 120,859 thousand euros, 20% up on the previous year.

The detail of these results by business line was the following:

SUGAR BUSINESS							
	2001	2002	2002/2001	2003	2003/2002	2004	2004/2003
Net turnover	751,889	703,562	-6.4%	736,636	4.7%	726,091	-1.4%
EBITDA	144,205	157,447	9.2%	158,584	0.7%	158,229	-0.2%
as a % of turnover	19.2%	22.4%		21.5%		21.8%	
EBIT	108,689	122,413	12.6%	124,161	1.4%	124,909	0.6%
as a % of turnover	14.5%	17.4%		16.9%		17.2%	
Ordinary results	100,606	119,752	19.0%	122,286	2.1%	124,830	2.1%
as a % of turnover	13.4%	17.0%		16.6%		17.2%	
Average working capital	216,424	117,652	-45.6%	171,179	45.5%	148,792	-13.1%
Employed capital	666,207	546,048	-18.0%	593,349	8.7%	551,316	-7.1%
ROCE	16.3%	22.4%		20.9%		22.7%	
Capex	34,438	44,702	29.8%	36,134	-19.2%	38,586	6.8%

In spite of adverse weather conditions during the previous campaign and despite having no over-quota sugar to export, we managed to increase ordinary income. This was due to operational improvements which provided excellent production results and some major savings in structural costs and financial expenses.

RICE PRODUCTION							
Thousands of Euros	2001	2002	2002/2001	2003	2003/2002	2004	2004/2003
Net turnover	402,786	443,854	10.2%	429,266	-3.3%	604,807	40.9%
EBITDA	33,192	37,276	12.3%	36,196	-2.9%	65,478	80.9%
as a % of turnover	8.2%	8.4%		8.4%		10.8%	
EBIT	25,140	28,348	12.8%	24,475	-13.7%	47,928	95.8%
as a % of turnover	6.2%	6.4%		5.7%		7.9%	
Ordinary results	19,446	22,870	17.6%	20,774	-9.2%	42,751	105.8%
as a % of turnover	4.8%	5.2%		4.8%		7.1%	
Average working capital	118,984	125,409	5.4%	86,610	-30.9%	141,076	62.9%
Employed capital	189,901	195,886	3.2%	170,418	-13.0%	279,644	64.1%
ROCE	13.2%	14.5%		14.4%		17.1%	
Capex	8,274	6,813	-17.7%	15,863	132.8%	23,039	45.2%

Our reorganization, our commitment to increasing the number of branded products with higher added value, and our international expansion caused ordinary income to double. The rice business's contribution to the Group's bottom line increased significantly, while Ebro Puleva has become the largest rice marketing group in the world, and market leaders in Europe and the United States.

DAIRY FOODS							
Thousands of Euros	**2001**	**2002**	**2002/2001**	**2003**	**2003/2002**	**2004**	**2004/2003**
Net turnover	538,355	522,277	-3.0%	488,025	-6.6%	497,083	1.9%
EBITDA	42,671	49,188	15.3%	49,680	1.0%	48,037	-3.3%
as a % of turnover	7.9%	9.4%		10.2%		9.7%	
EBIT	21,258	32,856	54.6%	33,711	2.6%	30,203	-10.4%
as a % of turnover	3.9%	6.3%		6.9%		6.1%	
Ordinary results	18,562	24,033	29.5%	25,226	5.0%	22,395	-11.2%
as a % of turnover	3.4%	4.6%		5.2%		4.5%	
Average working capital	92,885	93,854	1.0%	81,725	-12.9%	64,924	-20.6%
Employed capital	212,955	223,239	4.8%	220,132	-1.4%	215,382	-2.2%
ROCE	10.0%	14.7%		15.3%		14.0%	
Capex	19,645	24,103	22.7%	19,628	-18.6%	36,948	88.2%

As raw milk prices remained very high, we continued with our policy of focusing sales on branded and nutritional products, which has enabled us to keep our EBITDA to sales ratio at very close to 10% in a year of especially difficult market conditions. Investment was practically doubled, and we believe that our commitment to innovation will pay off in the short term.

2. FORESEEABLE DEVELOPMENT OF THE COMPANY

2005 will be a year of consolidation of recent expansion and diversification. We will continue to work towards improving the balance between domestic and international market revenues, and branded and industrial sales.

* **Sugar business:** The upcoming 2005/06 sugar campaign will continue to be regulated by the current European Commission Regulation 1260/2001 which means that the price paid to the farmer for sugar beet will remain unchanged. The following campaigns will presumably be run under the new regulation currently being drawn up.

  The content of the new regulation will be known by late 2005 if the EC keeps to its planned schedule. Only then will we be able to judge what impact it will have on Azucarera. However, it should be noted that the European Commission has always had an abiding commitment to the goal of establishing a framework which would ensure the long term continuance of a major sugar beet/sugar industry in the European Union.

  Azucarera currently enjoys an excellent competitive position in the EU sector, thanks to the company's efforts to improve efficiency and cut production costs in both agronomic and industrial processes. As a result we believe that the new regulatory framework will provide Azucarera with a stable economic environment in which to continue developing its business.

* **Rice business:** In 2004 a reform of the regulatory framework governing the rice sector was completed with the passing of a new CMO. One of the main consequences of this reform has been the lowering of the support price for rice to almost half the previous level. This should inject dynamism into the sector, boost the consumption of rice in general, and facilitate trade between different areas.

In such an environment, Herba's leadership in the European market will enable the company to obtain a competitive advantage while continuing its policy of developing branded sales.

Simultaneously, the presence of the newcomer to the Group, Riviana, will prompt synergies and technological exchange, and will also help to launch new products on the US market.

* **Dairy products business:** Investment in innovation intended to enhance consumer satisfaction based on the values of health and enjoyment will enable sales of high added value products to continue to grow.

  Lactimilk will continue to apply the same management model which has allowed it to defend and consolidate its market position in a highly competitive environment.

* **Ebro Puleva S.A.:** The company will continue to implement its disinvestment strategy to generate cash flow and profitability, and obtain the highest value and profit from the Group's major real estate assets..

  It will also continue to coordinate and integrate the Group's various businesses, respecting their corporate independence while promoting synergic actions and studying new investment opportunities.

  The Board of Directors, which prepares the Group's annual accounts and this management report, intends to continue ensuring major increases in shareholder return. This rose from 0.30 euros per share in the previous year to 0.33 euros per share in 2004.

3. RESEARCH AND DEVELOPMENT

In Azucarera, the goals of the RD&I Centre continued to be improvement and the optimization of sugar industry processes. Its collaboration in various projects with a number of national and international bodies, institutions and universities, establishes it as a benchmark center for research into sugar and sugar by-products. In 2004 work continued on projects in progress aimed at improving industrial processes for preservation, sugar beet washing, diffusion, purification, evaporation, and crystallization.

Puleva's innovation policy has been the key to the company's development. Its differentiation strategy is still setting standards in the market and is appreciated by the retail trade insustry and consumers alike. In 2004, Puleva was given an award in recognition of its work as an innovative company.

Herba has been very active in R&D for new higher added value products once ready-to-eat rice in cartons took off. The most interesting research in this area is in new rice based food products along with new formulas and improvements of the pre-cooked rice line, demonstrating Herba's firm commitment to the development of new business lines.

Meanwhile Puleva Biotech, whose main purpose and objective is R&D, has started to market omega 3 and will shortly be moving into the marketing of probiotics. It has developed a new range of infant food products for Puleva Food, bringing baby food formulas up to date and creating a whole new range of infant milks. For Lactimilk, Puleva Biotech has developed new high added value dairy products which are expected to be on the market in 2005 to complete RAM's product range. The company is also identifying new uses and potential new high valued added markets for rice and its by-products. Meanwhile work is still in progress on the development of a biocatalytic process for the industrial production of functional oligosaccharides for Azucarera Ebro.

4. OWN SHARES

In 2004, the Company made purchases and sales of own shares as authorized by the General Meeting held on April 15, 2004, having duly notified the CNMV (Spanish National Securities Commission) in accordance with current reporting standards. In 2004, 2,408,678 shares were purchased and 3,198,253 shares were sold. At year-end the Company had 65,231 own shares amounting to 0.04% of its share capital, and created the required reserve for own shares. In accordance with the Redrafted Text of the Spanish Corporation Law, an unavailable reserve has been set up equivalent to the amount of own shares in portfolio. This reserve will become available when the circumstances requiring it to be set up no longer persist. At year-end 2004, these own shares are not earmarked for any specific purpose.

5. POST-BALANCE SHEET EVENTS

Significant events subsequent to year-end were as follows:

* On February 14, 2005, the Spanish tax authorities notified all the companies in the tax group headed by Ebro Puleva, S.A. that a tax inspection had been initiated for the years 1999-2003 for corporate tax, and the years 2001-2003 for other taxes.

* Legal proceedings concerning allegedly fictitious movements between factories belonging to the former companies Ebro Agrícolas Compañía de Alimentación, S.A., Sociedad General Azucarera de España, S.A and the company resulting from the merger of those two companies during the sugar campaigns of 1996/97, 1997/98 and 1998/99 have been underway for the last four years. These proceedings have been reported to the market in successive significant events statement. On February 4, 2005, Section 4 of the Criminal Court of the Spanish National Court of Justice found against Azucarera Ebro, S.L. and ordered it to pay a total of around 27 million euros plus interest for civil liability arising from non-payment of regulatory tax and for compensation for storage expenses.

In the accompanying annual accounts the abovementioned liability and all interest until December 31, 2004, is fully covered by a provision. This means that no further provision is required to cover Azucarera Ebro, S.L.'s civil liability in this litigation, with the logical exception of interest accruing in the future until the aforementioned amount is paid, in the event that the judgment eventually becomes final. The company has prepared and filed an appeal against the judgment before the Supreme Court on the grounds that it considers the judgment unlawful.

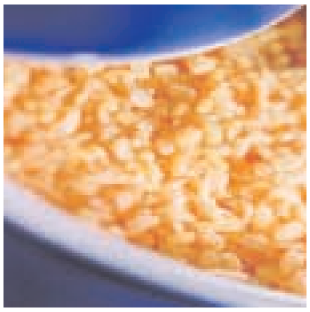
* In a meeting held on February 23, 2005, the parent company's Board of Directors approved the proposed closure of the dairy plant at Jerez (Grupo Lactimilk) in order to start formal closure proceedings with workers' representatives in the near future. Dairy production facilities are currently being reorganized with a view to achieving greater logistical efficiency by increasing production in the plants closest to their supply sources.

* 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 employee representatives 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 approval 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 these outcomes are perfectly aligned with the company's strategy of profitable growth, diversification and internationalization.



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