

EBRO FOODS, S.A.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

for the period ended
31 December 2012

**EBRO FOODS CONSOLIDATED GROUP
CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2012 AND 2011**

<u>THOUSAND EURO</u>	<u>Notes</u>	<u>31/12/2012</u> Unaudited	<u>31/12/2011</u> Audited
<u>NON-CURRENT ASSETS</u>			
Intangible assets	9	373,993	380,124
Property, plant & equipment	10	496,045	507,760
Investment property	11	32,637	31,922
Financial assets	12	59,543	51,927
Investments in associates	13	3,209	2,740
Deferred tax assets		53,024	55,582
Goodwill	14	823,207	828,873
		<u>1,841,658</u>	<u>1,858,928</u>
<u>CURRENT ASSETS</u>			
Inventories		347,307	362,560
Trade and other receivables		325,348	340,428
Current income tax		7,958	10,644
Tax receivables		23,895	30,496
Financial assets	12	5,798	4,207
Derivatives and other financial instruments		134	1,570
Other current assets		5,974	3,905
Liquid assets		173,740	97,870
		<u>890,154</u>	<u>851,680</u>
Non-current assets held for sale	7	0	0
<u>TOTAL ASSETS</u>		<u>2,731,812</u>	<u>2,710,608</u>
<u>EQUITY</u>			
<u>Equity attributable to shareholders of the parent</u>			
Share capital		92,319	92,319
Share premium		4	4
Capital reserves		21,633	21,633
Revenue reserves (retained earnings)		1,588,508	1,542,892
Interim dividends		0	(23,080)
Exchange differences		(10,255)	(167)
Treasury shares	17	0	(46,303)
		<u>1,692,209</u>	<u>1,587,298</u>
<u>Non-controlling interests</u>		<u>1,028</u>	<u>1,162</u>
<u>NON-CURRENT LIABILITIES</u>			
Deferred income		2,723	4,716
Provisions for pensions and similar obligations	18	44,760	40,948
Other provisions	19	21,926	49,067
Financial liabilities	21	182,860	279,980
Other non-financial payables		26	38
Deferred tax liabilities		229,999	201,918
		<u>482,294</u>	<u>576,667</u>
<u>CURRENT LIABILITIES</u>			
Financial liabilities	21	235,567	209,171
Derivatives and other financial instruments		318	444
Trade and other payables		291,367	304,847
Current income tax		8,643	7,306
Tax payables		14,408	14,470
Other current liabilities		5,978	9,243
		<u>556,281</u>	<u>545,481</u>
Non-current liabilities held for sale	7	0	0
<u>TOTAL LIABILITIES</u>		<u>2,731,812</u>	<u>2,710,608</u>

Notes 1 - 24 are an integral part of the condensed consolidated balance sheet as at 31 December 2012.

EBRO FOODS CONSOLIDATED GROUP
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012 AND 2011
THOUSAND EURO

	<u>Notes</u>	<u>31/12/2012</u>	<u>31/12/2011</u>
		Unaudited	Audited
Revenue (net turnover)	6	2,041,266	1,804,111
Changes in inventories of finished goods and work in progress		(6,226)	23,375
Work performed by the company and capitalised		647	1,100
Other operating income	8	73,593	35,011
Raw materials & consumables used and other external expenses		(1,121,487)	(985,611)
Employee benefits expense		(248,193)	(234,971)
Depreciation and amortisation expense		(57,281)	(49,084)
Other operating expenses	8	(403,110)	(374,857)
OPERATING PROFIT		279,209	219,074
Finance income		12,910	26,382
Finance costs		(45,723)	(24,342)
Impairment of goodwill		(178)	(176)
Share of profit of associates	13	1,683	1,455
CONSOLIDATED PROFIT BEFORE TAX		247,901	222,393
Income tax expense	20	(89,450)	(70,750)
CONSOLIDATED PROFIT FOR THE PERIOD (continuing operations)		158,451	151,643
Net profit/loss from discontinued operations	7	0	0
CONSOLIDATED PROFIT FOR THE PERIOD		158,451	151,643
Attributable to:			
Owners of the parent		158,592	151,542
Non-controlling interests		(141)	101
		158,451	151,643
	<u>Notes</u>	<u>31/12/2012</u>	<u>31/12/2011</u>
<u>Earnings per share (euro):</u>	16	Unaudited	Audited
- From continuing operations			
Basic		1.046	0.994
Diluted		1.046	0.994
- From total profit			
Basic		1.046	0.994
Diluted		1.046	0.994

Notes 1 - 24 are an integral part of the condensed consolidated income statement for the year ended 31 December 2012.

EBRO FOODS CONSOLIDATED GROUP
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011
(THOUSAND EURO)

	31/12/2012	31/12/2011
	Unaudited	Audited
Gains (losses) on measurement of available-for-sale financial assets	-14,959	-61,352
Gains (losses) on measurement of available-for-sale financial assets reverted to profit/loss for the year	25,816	0
Exchange differences	-10,087	22,872
Exchange differences reverted to profit/loss for the year	0	0
Actuarial gains (losses)	-5,467	-8,924
Tax effect of items recognised against or transferred from equity	-1,341	21,502
Net gain (loss) recognised in equity	-6,038	-25,902
Net profit (loss) for the year	158,451	151,643
Total recognised income and expense in the year	152,413	125,741
Attributable to:		
Owners of the parent	152,553	125,639
Non-controlling interests	-140	102
	152,413	125,741

Notes 1 - 24 are an integral part of the condensed consolidated statement of comprehensive income for the year ended 31 December 2012.

EBRO FOODS CONSOLIDATED GROUP
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011
THOUSAND EURO

	Net Equity	Non-controlling interests	Equity attributed to the shareholders of the parent									
			Total	Share capital	Share premium	Capital reserves		Revenue reserves		Interim dividend	Exchange differences	Treasury shares
						Revaluation reserve	Legal reserve	Retained earnings	P/L			
Balance at 31 December 2010	1,607,446	14,703	1,592,743	92,319	4	3,169	18,464	1,113,028	388,797	0	-23,038	0
- Distribution of profit from previous year	0	0	0	0	0	0	0	388,797	-388,797	0	0	0
- Dividends	-62,455	0	-62,455	0	0	0	0	-62,455	0	0	0	0
- Interim dividend	-23,080	0	-23,080	0	0	0	0	0	0	-23,080	0	0
- Capital increase/reduction expenses	-13	0	-13	0	0	0	0	-13	0	0	0	0
- Trading in own equity instruments (net)	-46,303	0	-46,303	0	0	0	0	0	0	0	0	-46,303
- Gains(lossses) on disposals of treasury shares	767	0	767	0	0	0	0	767	0	0	0	0
- Changes in scope of consolidation	-13,643	-13,643	0	0	0	0	0	0	0	0	0	0
Total distribution of profit and transactions with shareholders	-144,727	-13,643	-131,084	0	0	0	0	327,096	-388,797	-23,080	0	-46,303
- Net profit/loss for the period	151,643	101	151,542	0	0	0	0	0	151,542	0	0	0
- Movement of exchange differences	22,872	1	22,871	0	0	0	0	0	0	0	22,871	0
- Fair value of financial instruments:												
1. Unrealised gains and losses	-61,352	0	-61,352	0	0	0	0	-61,352	0	0	0	0
- Variation in actuarial gains and losses	-8,924	0	-8,924	0	0	0	0	-8,924	0	0	0	0
- Tax effect of P/L on capital & reserves	21,502	0	21,502	0	0	0	0	21,502	0	0	0	0
Total profit or loss in the period	125,741	102	125,639	0	0	0	0	-48,774	151,542	0	22,871	0
Balance at 31 December 2011	1,588,460	1,162	1,587,298	92,319	4	3,169	18,464	1,391,350	151,542	-23,080	-167	-46,303
- Distribution of profit from previous year	0	0	0	0	0	0	0	151,542	-151,542	0	0	0
- Dividends	-74,840	-20	-74,820	0	0	0	0	-118,816	0	23,080	0	20,916
- Trading in own equity instruments (net)	25,387	0	25,387	0	0	0	0	0	0	0	0	25,387
- Gains(lossses) on disposals of treasury shares	1,817	0	1,817	0	0	0	0	1,817	0	0	0	0
- Changes in scope of consolidation	0	26	-26	0	0	0	0	-26	0	0	0	0
Total distribution of profit and transactions with shareholders	-47,636	6	-47,642	0	0	0	0	34,517	-151,542	23,080	0	46,303
- Net profit/loss for the period (P/L)	158,451	-141	158,592	0	0	0	0	0	158,592	0	0	0
- Movement of exchange differences	-10,087	1	-10,088	0	0	0	0	0	0	0	-10,088	0
- Fair value of financial instruments:												
1. Unrealised gains and losses	10,857	0	10,857	0	0	0	0	10,857	0	0	0	0
- Variation in actuarial gains and losses	-5,467	0	-5,467	0	0	0	0	-5,467	0	0	0	0
- Tax effect of P/L on capital & reserves	-1,341	0	-1,341	0	0	0	0	-1,341	0	0	0	0
Total profit or loss in the period	152,413	-140	152,553	0	0	0	0	4,049	158,592	0	-10,088	0
Balance at 31 December 2012	1,693,237	1,028	1,692,209	92,319	4	3,169	18,464	1,429,916	158,592	0	-10,255	0

Notes 1 - 24 are an integral part of the condensed consolidated statement of changes in equity for the year ended 31 December 2012.

EBRO FOODS CONSOLIDATED GROUP
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011
THOUSAND EURO

	<u>2012</u>	<u>2011</u>
	Unaudited	Audited
Cash receipts from customers	2,199,051	1,788,712
Cash payments to suppliers and employees	(1,925,517)	(1,696,766)
Interest paid	(8,570)	(7,061)
Interest received	2,674	11,127
Dividends received	1,174	1,891
Other receipts / payments generated from operations	10,644	12,304
Income taxes paid	(58,722)	(51,711)
<u>Net cash flows from operating activities</u>	<u>220,734</u>	<u>58,496</u>
Investments in non-current assets	(52,930)	(66,596)
Disposals of non-current assets	16,374	7,539
Investments in financial assets	(615)	(205,535)
Disposals of financial assets	2,099	2,528
Other receipts / payments generated from investments	(1,957)	8,402
<u>Net cash flows from investing activities</u>	<u>(37,029)</u>	<u>(253,662)</u>
Treasury share transactions	27,205	(45,537)
Dividends paid	(71,501)	(131,695)
Bank borrowing drawdowns	100,558	62,314
Repayment of bank borrowings	(162,852)	(144,849)
Other financial receipts / payments and capital grants	540	(5,281)
<u>Net cash flows from financing activities</u>	<u>(106,050)</u>	<u>(265,048)</u>
Exchange differences on cash flows from foreign operations	(1,237)	(3,607)
<u>Net increase in cash and cash equivalents</u>	<u>76,418</u>	<u>(463,821)</u>
Cash and cash equivalents at beginning of period	97,870	555,707
Effect of year-end exchange rate on opening balance	(548)	5,984
<u>Cash and cash equivalents at end of period</u>	<u>173,740</u>	<u>97,870</u>

Notes 1 - 24 are an integral part of the condensed consolidated statement of cash flows for the year ended 31 December 2012.

EBRO FOODS GROUP

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FULL-YEAR PERIOD ENDED 31 DECEMBER 2012 (EXPRESSED IN THOUSAND EURO)

1. BUSINESS AND GENERAL INFORMATION

The Spanish public limited company Ebro Foods, S.A., (“the Company”) came into being through the merger by absorption of Puleva, S.A. into Azucarera Ebro Agrícolas, S.A. on 1 January 2001. Following that merger, the company’s name was changed from Azucarera Ebro Agrícolas, S.A. to Ebro Puleva, S.A. and subsequently, at the Annual General Meeting held on 1 June 2010, the Company adopted its current name of Ebro Foods, S.A.

The company’s current registered office is at Paseo de la Castellana, 20, 28046 Madrid.

The Group operates on the domestic and international markets. Its core business activities, the composition of its sales and other details are set out in the disclosures about business segments (Note 6).

The accompanying condensed consolidated financial statements are presented in thousand euro (unless expressly indicated otherwise) because the euro is the principal currency in which the Ebro Foods Group operates. Transactions in other currencies are converted to euro according to the accounting policies described in Note 2.

These condensed consolidated financial statements for the full-year period ended 31 December 2012 were authorised for issue by the board of directors in a resolution adopted on 28 February 2013.

2. BASIS OF PRESENTATION, COMPARATIVE INFORMATION AND ACCOUNTING POLICIES

a) Basis of presentation

The condensed consolidated financial statements and notes hereto were prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*, applying accounting policies and/or principles criteria consistent with the International Financial Reporting Standards (IFRS), as adopted by the European Union, in pursuance of Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

The condensed consolidated financial statements and notes hereto do not include all the information and disclosures required in the complete consolidated annual accounts and should be read together with the consolidated annual accounts for the year ended 31 December 2011. The Board of Directors of Ebro Foods, S.A. is expected to authorise the consolidated annual accounts for the year ended 31 December 2012 for issue on 21 March 2013 and they are expected to be published shortly afterwards.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FULL-YEAR PERIOD ENDED 31 DECEMBER 2012
(EXPRESSED IN THOUSAND EURO)**

b) Comparative information

The Group presents the figures for 2011 alongside those of the year ended 31 December 2012 in the condensed consolidated financial statements (balance sheet, income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity) and in the notes to the condensed financial statements, to enable comparison.

The following material adjustments had to be made to the comparative figures for the previous period:

- In the final accounting of the business combination of Strom Products, Ltd. -No Yolks- (acquired in December 2011) in respect of the provisional accounting at year-end 2011. The only effect was a reclassification reducing Intangibles by €12,601 thousand, increasing Goodwill by €10,668 thousand and increasing Inventories by €1,933 thousand.

c) Accounting policies

The accounting policies used to prepare the condensed consolidated financial statements and the notes thereto are consistent with those applied in the preparation of the consolidated annual accounts for the year ended 31 December 2011, except for the following new IFRS or IFRIC or amendments of existing ones which entered into force on or after 1 January 2012:

- Amendment to IFRS 7 – Financial Instruments: Disclosures
- Amendment to IAS 12 – Income Taxes - deferred tax on investment property

The adoption of these standards, interpretations and amendments has not had a material effect on the Group's financial position or earnings, or on the presentation and disclosures of these condensed consolidated financial statements.

Furthermore, at the date of publication of these condensed consolidated financial statements, the most significant standards and interpretations listed in the following table had been published by the IASB but had not yet entered into force, either because their effective date falls after the date of the consolidated annual accounts or because they have not yet been adopted by the European Union. The Group has not adopted in advance any standard, interpretation or amendment that has been published but whose application is not mandatory.

EBRO FOODS GROUP

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FULL-YEAR PERIOD ENDED 31 DECEMBER 2012 (EXPRESSED IN THOUSAND EURO)

Standards and Amendments to Standards		Mandatory application: years commencing as from
Not yet approved for use in the European Union		
IFRS 9 Financial instruments: Classification and measurement	Replaces the requirements for classifying and measuring of financial assets and liabilities and carries over from IAS 39.	Annual periods beginning on or after 1 July 2015
Amendment to IAS 19 Employee benefits	The amendments mainly affect defined benefit plans, since one of the fundamental changes is the elimination of the "fluctuation band".	Annual periods beginning on or after 1 January 2014
Approved for use in the European Union		
IFRS 10 Consolidated financial statements	Replaces the consolidation requirements currently in place under IAS 27.	Annual periods beginning on or after 1 January 2014
IFRS 11 Joint arrangements	Replaces the current IAS 31 on joint arrangements.	Annual periods beginning on or after 1 January 2014
IFRS 12 Disclosure of interests in other entities	Single standard establishing disclosures regarding an entity's interests in subsidiaries, associates, joint arrangements, and unconsolidated structured entities.	Annual periods beginning on or after 1 January 2014
IFRS 13 Fair value measurement	Provides a framework for fair value measurement.	Annual periods beginning on or after 1 January 2013
IAS 28 (Revised) Investments in associates and joint ventures	Parallel review with IFRS 11 Joint arrangements.	Annual periods beginning on or after 1 January 2014
Amendment to IAS 32 Offsetting of financial assets and liabilities	Further clarifications on the rules for offsetting financial assets and liabilities set out in IAS 32 and introduction of new disclosures in IFRS 7.	Annual periods beginning on or after 1 January 2014
Amendment to IFRS 7	Offsetting of financial assets and financial liabilities (published in December 2011)	Annual periods beginning on or after 1 January 2013
Interpretation IFRIC 20: Stripping costs in the production phase of a surface mine	The IFRS Interpretations Committee addresses the accounting of waste removal costs in surface mining.	Annual periods beginning on or after 1 January 2013

- IFRS 9 Financial instruments: Classification and measurement

In the future IFRS 9 will replace the classification and measurement currently regulated in IAS 39. There are major differences with the current rules regarding financial assets, including the approval of a new model of classification based on two single categories of amortised cost and fair value, the disappearance of the current classifications of "held-to-maturity investments" and "available-for-sale financial assets", impairment testing only for assets carried at amortised cost and non-separation of embedded derivatives in financial asset contracts.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FULL-YEAR PERIOD ENDED 31 DECEMBER 2012
(EXPRESSED IN THOUSAND EURO)**

With regard to financial liabilities, the classification categories proposed by IFRS 9 are similar to those currently existing in IAS 39, so there should be no significant differences except for the requirement of recognising any changes in fair value attributable to changes in the credit risk of the liability as a component of equity, in the case of financial liabilities for which the fair value option is applied.

The Group is currently studying how these new standards will affect its accounts, but in principle no material changes are expected in respect of the present situation.

- IFRS 10 Consolidated financial statements, IFRS 11 Joint arrangements, IFRS 12 Disclosure of interests in other entities, IAS 27 (Revised) Separate financial statements and IAS 28 (Revised) Investments in associates and joint ventures.

IFRS 10 changes the definition of control. The new definition of control requires three elements to be met: power over the investee, exposure, or rights, to variable returns from its investment and the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 11 Joint arrangements, will replace IAS 31. The essential change made by IFRS 11 in respect of the current standard is the elimination of the option of proportionate consolidation for joint ventures, which will change to the equity method.

The Group is analysing how these new standards will affect its control throughout the consolidated companies, but in principle no material changes are expected.

The amendments to IAS 27 and IAS 28 are parallel to the new IFRS mentioned above.

- Finally, IFRS 12 is a disclosure standard, which groups together all the disclosure requirements regarding interests in other entities (whether subsidiaries, associates, joint arrangements or other interests) including new disclosure requirements. Consequently, its entry into force will foreseeably require an extension of the disclosures that the Group has been making, which are now required also for interests in other entities and in investment vehicles.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FULL-YEAR PERIOD ENDED 31 DECEMBER 2012
(EXPRESSED IN THOUSAND EURO)**

3. SEASONAL NATURE OF TRANSACTIONS IN THE REPORTING PERIOD

As a rule, the transactions of the different segments of the Group have a certain seasonal variation over the annual period and, therefore, on a consolidated level there is a relative deviation in the transactions between the interim periods. In particular, the campaigns for obtaining product in the rice business segment are between September of one year and March of the next, which has a significant effect during the year on the situation of working capital (through the volume of accumulated stock) and, therefore, the level of debt at the same date.

At the end of the first half of each year, the volume of stock is usually considerably lower than that existing at year-end (31 December), the smallest volume of stock being registered at 31 October.

In general, judging by the information from previous years, we can conclude that the business volumes and income levels are traditionally better in the second half of each year than in the first half, accounting for approximately 55% to 45%, respectively, of the full year figures.

4. SUBSIDIARIES AND ASSOCIATES

The interests held by Ebro Foods, S.A. in subsidiaries and associates are represented by the company's direct or indirect investments in the same companies as those mentioned in the consolidated annual accounts for the year ended 31 December 2011.

5. MOST SIGNIFICANT CORPORATE TRANSACTIONS AND/OR BUSINESS COMBINATIONS IN THE YEAR ENDED 31 DECEMBER 2012

There have been no significant changes in the scope of consolidation.

6. FINANCIAL REPORTING BY SEGMENTS

The Group's principal format for disclosures about segments is by business segments, since its risks and rates of return are affected mainly by differences in the goods and services offered. The operating segments are organised and managed separately according to the nature of the products and services supplied, each segment representing a strategic business segment offering different products and serving different markets.

The Ebro Foods Group has the following business lines and/or activities:

- Rice business
- Pasta business
- Other businesses and/or activities

These businesses and/or activities are the basis for the Group's disclosure about segments.

EBRO FOODS GROUP

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FULL-YEAR PERIOD ENDED 31 DECEMBER 2012 (EXPRESSED IN THOUSAND EURO)

There are no differences in the segmentation criteria or criteria for measurement of segment profit or loss in this period in respect of the previous period or the consolidated annual accounts for the year ended 31 December 2011.

Thousand euro

SEGMENTS	Ordinary revenue					
	CONSOLIDATED					
	Ordinary revenue from customers		Ordinary revenue between segments		Total ordinary revenue	
	CURRENT PERIOD	PER. ENDED 31/12/2011	CURRENT PERIOD	PER. ENDED 31/12/2011	CURRENT PERIOD	PER. ENDED 31/12/2011
RICE BUSINESS	1,051,224	868,276	54,785	52,483	1,106,009	920,759
PASTA BUSINESS	964,861	911,166	17,347	17,131	982,208	928,297
					0	0
					0	0
Others	25,181	24,669	6,764	5,614	31,945	30,283
					0	0
(-) Adjustments and eliminations of ordinary revenue between segments			-78,896	-75,228	-78,896	-75,228
TOTAL	2,041,266	1,804,111	0	0	2,041,266	1,804,111

SEGMENTS		Income	
		CONSOLIDATED	
		CURRENT PERIOD	PER. ENDED 31/12/2011
RICE BUSINESS	2250	127,570	102,557
PASTA BUSINESS	2251	108,560	107,186
	2252		
	2253		
	2254		
Total income from the segments reported	2260	236,130	209,743
(+/-) Unassigned earnings	2261	11,771	12,650
(+/-) Elimination of internal revenue (between segments)	2262	0	0
(+/-) Other revenue	2263	0	0
(+/-) Income tax and/or revenue from continuing operations	2264		
PROFIT (LOSS) BEFORE TAX	2270	247,901	222,393

Distribution of net turnover by geographical area	PERIOD 31/12/2012	PERIOD 31/12/2011
Domestic market	149,024	146,804
Exports:	1,892,242	1,657,307
a) European Union	988,512	921,383
b) OECD countries	784,131	639,169
c) Other countries	119,599	96,755
TOTAL	2,041,266	1,804,111

EBRO FOODS GROUP

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FULL-YEAR PERIOD ENDED 31 DECEMBER 2012 (EXPRESSED IN THOUSAND EURO)

The distribution of assets among the different geographical segments is shown below (thousand euro):

31/12/2011 - Geographic area	Spain	Europe	America	Others	TOTAL
Intangible assets	32,230	134,958	212,875	61	380,124
Property, plant & equipment	73,398	204,418	212,619	17,325	507,760
Other assets	329,150	842,081	609,870	41,623	1,822,724
Total Assets	434,778	1,181,457	1,035,364	59,009	2,710,608

31/12/2012 - Geographic area	Spain	Europe	America	Others	TOTAL
Intangible assets	31,723	135,188	207,032	50	373,993
Property, plant & equipment	71,238	211,436	201,180	12,191	496,045
Other assets	310,509	868,720	658,701	23,844	1,861,774
Total Assets	413,470	1,215,344	1,066,913	36,085	2,731,812

7. DISCONTINUED OPERATIONS

There are no discontinued operations in 2012.

8. OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

8.1 Other operating income

Other operating income includes the following less recurrent items:

- Proceeds of €31,492 thousand from the sale of the brand Nomen and other less prominent brands (see Note 9).
- Income of €23,037 thousand from reversals of provisions for litigation upon the conclusion of the relevant lawsuits. The lion's share of this amount corresponds to the negotiated settlement of the suits regarding the dairy business, for which provisions were reversed in a sum of €20,934 thousand (see Note 19).
- Proceeds of €3,431 thousand from the sale of property, plant and equipment; €1,898 thousand from reversals of provisions for impairment of property, plant and equipment; and €2,003 thousand from the sale of CO₂ emission allowance.
- The remaining other operating income correspond to grants and other minor operating income.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FULL-YEAR PERIOD ENDED 31 DECEMBER 2012
(EXPRESSED IN THOUSAND EURO)**

8.2 Other operating expenses

Other operating expenses include the following less recurrent items:

- Losses and expenses of €7,933 thousand deriving from the decision to close the rice factory in Germany, including a provision of €2,670 thousand for impairment of property, plant and equipment and a provision of €4,695 thousand for workforce restructuring costs.
- Losses of €317 thousand on the retirement or disposal of industrial plant and equipment.
- Provision of €2,338 thousand for impairment of investment properties.
- Amounts set aside for provisions and costs of certain contingencies and litigations in progress in a sum of €4,052 thousand.
- Industrial restructuring expenses in several workplaces in a sum of €5,342 thousand.
- Non-capitalisable investment expenses and the cost of starting up new IT systems, in a sum of €4,985 thousand.

9. INTANGIBLE ASSETS

The most significant movements in this item in the period ended 31 December 2012 are:

- Increase of €5,001 thousand for new intangible assets: €3,914 thousand for the acquisition of EDP equipment and the remainder for CO₂ emission allowance.
- Reduction of €3,795 thousand for exchange differences.
- Reduction of the provision for amortisation in the period of €5,146 thousand.
- Reduction for sales or cancellations of CO₂ emission allowances in a sum of €2,043 thousand.

Retirements and disposals were made in the same period in a sum of €162 thousand and transfers received of €14 thousand.

Finally, as mentioned in the 2011 annual accounts, in September 2011 the Spanish Antitrust Authorities approved the purchase of the SOS rice business in Spain, subject to the commitments for Ebro Foods, S.A. to license or sell the Nomen brand and the brands La Parrilla, La Cazuela, Pavo Real and Nobleza. Accordingly, on 26 April 2012, Ebro Foods, S.A. and Arrossaires del Delta de L'Ebre, SCCL signed an agreement whereby the former undertook to sell its Nomen business to the latter on the following terms:

- The object of the transaction was brands, distinguishing signs and other industrial and intellectual property rights associated with the Nomen products.

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- The agreed price was €30.1 million, receivable in an initial payment consisting of a building in La Aldea (Tarragona) valued at €1.5 million (sold to Herba Ricemills, S.L., a company wholly owned by Ebro Foods, S.A.), and thirteen annual payments of €2.9 million each. Therefore, the total amount to be received by Ebro, including interest on the deferred payment, will be €39.2 million.
- It was agreed to mortgage the Nomen brands as security for the deferred price.
- Effectiveness of the agreement was conditional upon approval by the Spanish Antitrust Authorities. That approval was granted on 5 July 2012 and the parties concluded the sale and transfer of Nomen on 12 September 2012.

With regard to the undertaking to sell the other brands (La Parrilla, La Cazuela, Pavo Real and Nobleza), an agreement was reached on 26 June 2012 to sell those brands to a third party for €2 million. This agreement became effective as of 13 September 2012 on obtaining approval by the Spanish Antitrust Authorities.

10. PROPERTY, PLANT AND EQUIPMENT

During the period ended 31 December 2012, the most significant changes in this item were:

- Reduction of €3,657 thousand for exchange differences.
- Reduction for the provision for depreciation of €52,066 thousand.
- Increase for new investments of €49,346 thousand. These were basically for technical enhancements and new plant at the Group's factories.
- Retirements and disposals were made in the same period in a net sum of €751 thousand.
- Reduction for impairment provisions of €2,670 thousand and increase for reversal of impairment provisions in a sum of €1,898 thousand.
- Reduction for transfers to investment property of a net sum of €3,814 thousand.

At 31 December 2012 the Group had investment commitments for purchases or replacements of machinery in a sum of approx. €15,100 thousand.

11. INVESTMENT PROPERTY

The most significant variations in this item correspond to the reduction of the impairment provision by €2,338 thousand, the increase in transfers of property, plant and equipment in a sum of €3,815 thousand, and the reduction through retirements of €863 thousand.

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12. FINANCIAL ASSETS

The composition of this item on the balance sheet is as follows (in thousand euro):

	31/12/2012			31/12/2011		
	Total	Non-current	Current	Total	Non-current	Current
<u>Assets held for trading:</u>	1,028	1,024	4	498	401	92
<u>Available-for-sale financial assets</u>	29,905	29,905	0	45,428	45,428	0
<u>Held-to-maturity investments:</u>						
- Deposits and guarantees	1,351	1,075	276	1,113	1,083	30
<u>Loans and receivables:</u>						
- Associates	0	0	0	0	0	0
- Third parties	33,057	27,539	5,518	9,100	5,015	4,085
	33,057	27,539	5,518	9,100	5,015	4,085
TOTAL FINANCIAL ASSETS	65,341	59,543	5,798	56,139	51,927	4,207

Available-for-sale financial assets

1. Investment in Deoleo Corporación, S.A.

This corresponds to the investment of €47,756 thousand in Deoleo Corporación, S.A. made in December 2010, subscribing 95,510,218 shares in the capital increase made by that company at a cost of 0.5 €/share, representing 9.3% of Deoleo's capital. This financial investment is recognised at its fair value with changes in equity until its derecognition or impairment, when the amount recognised will be carried to profit and loss.

At 31 December 2012, the fair value of this investment according to the market price of the shares was €26,265 thousand, equivalent to 0.275 €/share, so a year-on-year net reduction of €10,363 thousand in its value was recognised directly in equity at that date (€14,804 thousand gross expense less €4,441 thousand tax effect). Furthermore, at 30 June 2012 it was established that this investment had suffered a permanent impairment since its acquisition, so the cumulative impairment in equity items of €15,044 thousand at both 30 June and 31 December 2012 was reverted to profit and loss in 2012, corresponding to €21,492 thousand gross expense (included in finance costs) less the tax effect of €6,448 thousand.

2. Investment in Biosearch, S.A.

On 13 January 2011 the board of directors of Ebro Foods, S.A. resolved to sell to Grupo Lactalis Iberia, S.A. 17,252,157 shares, representing 29.9% of the capital of Biosearch, S.A. After the sale, the remaining investment in this company was recognised as an available-for-sale financial investment.

This financial investment is recognised at its fair value with changes directly in equity until its derecognition or impairment, when the amount recognised will be carried to profit and loss.

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At 30 June 2012, the investment corresponded to 10,215,000 shares, representing 17.704% of the capital. At that date, the fair value of this investment according to the market price of the shares was €2,758 thousand, equivalent to 0.27 €/share, so a net reduction of its value of €855 thousand was recognised directly in equity (€1,221 thousand gross expense less €366 thousand tax effect). Furthermore, at 30 June 2012 it was established that this investment has suffered a permanent impairment since its acquisition, so the cumulative impairment in equity items of €3,027 thousand was reverted to profit and loss in first-half 2012, corresponding to €4,324 thousand gross expense (included in finance costs) less the tax effect of €1,297 thousand.

During 2012, 1,056.249 shares in Biosearch, S.A. have been sold. At 31 December 2012, this investment corresponded to 9,706,000 Biosearch, S.A. shares, representing more than 16.82% of its capital. At that date, the fair value of this investment according to the market price of the shares was €3,640 thousand, equivalent to 0.375 €/share and, therefore, as required by current accounting standards, this increase in value since 30 June 2012 has been recognised directly in equity in a sum of €713 thousand (€1,019 thousand gross income less €306 thousand tax effect).

Third-party loans and receivables

The difference in the balance of loans to and receivables from third parties at 31 December 2012 in respect of 31 December 2011 is due to the payments received according to the repayment schedule and new receivables generated in 2012. The balance outstanding corresponds mainly to the following:

- The deferred part of the sale of land in Alagón under a payment arrangement made in 2009, for €2,366 thousand in the short term.
- The deferred part of the sale of the Nomen brand under a payment arrangement made in 2012 (see Note 9), for €26,903 thousand in the long term and €1,699 thousand in the short term. Interest accrues on this debt at a rate of 4.2% and final maturity is scheduled in September 2025.

There have been no significant variations in other financial assets since 31 December 2011.

13. INVESTMENTS IN ASSOCIATES

There have been no significant variations in this item since 31 December 2011.

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14. GOODWILL

The only significant variation in respect of year-end at 31 December 2011 is due mainly to the reduction of €5,488 thousand in exchange differences of the US subsidiaries.

As regards testing intangible assets for possible impairment, the Ebro Foods Group assesses the recoverability of goodwill and other intangible assets with an indefinite useful life once a year or whenever there are signs that any of those assets may have suffered impairment or a loss of value. The Ebro Foods Group considers that there are no signs of impairment of its intangible assets and the results of the impairment tests done in 2012 were satisfactory.

15. INVENTORIES

There were no significant changes in the provisions for impairment of inventories in the period ended 31 December 2012.

16. EARNINGS PER SHARE AND DIVIDENDS

16.1 Earnings per share

The following table shows the profits and disclosure of the actions used to calculate the basic and diluted earnings per share:

	31/12/2012	31/12/2011
Net profit attributable to the ordinary shareholders of the parent for continuing operations	158,592	151,542
Profit attributable to the ordinary shareholders of the parent for discontinued operations	0	0
Net profit attributable to ordinary shareholders of the parent	158,592	151,542
Interest on non-cumulative convertible redeemable preference shares	0	0
Net profit attributable to ordinary shareholders of the parent adjusted for the effect of non-cumulative convertible redeemable preference shares	158,592	151,542

	31/12/2012	31/12/2011
	Thousand	Thousand
Weighted average number of ordinary shares for basic earnings per share (*)	151,659	152,419
Effect of dilution:		
Stock options	0	0
Redeemable preference shares	0	0
Weighted average number of ordinary shares adjusted for the dilution effect	151,659	152,419

(*) Considering the average number of treasury shares during the year.

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16.2 Dividends

Distribution of dividends approved at the Annual General Meeting held on 29 May 2012: it was resolved to deliver a dividend payable in cash against unappropriated earnings of 0.60 €/share, in a total sum of €92,309 thousand, of which interim dividend payments of 0.15 €/share had already been made in 2011 and another further payments of 0.15 €/share were made in January, May and September 2012.

In addition, an extraordinary dividend in kind was approved in accordance with Article 34 of the Articles of Association, consisting of delivering treasury shares representing up to 1% of the capital against the reserves recognised under liabilities on the balance sheet as at 31 December 2011. A total of 1,538,653 shares were delivered on 11 December 2012 at a rate of one (1) share for every ninety-nine (99) held by each shareholder. A further dividend associated with the dividend in kind was also approved, as payment on account for shareholders subject to withholding under the tax laws in place at the delivery date, or the equivalent in cash for other shareholders, entailing a total disbursement of €6,673 thousand.

17. TREASURY SHARES

In 2012, the company traded in own equity instruments according to the authorisations granted at the annual general meetings held on 15 June 2011 and 29 May 2012, having notified the National Securities Market Commission in accordance with prevailing legislation. In 2012 the company bought 409,720 shares, sold 2,255,161 shares and delivered 1,538,653 treasury shares to shareholders as dividend in kind (see Note 16).

At 31 December 2012 the company held no treasury shares.

18. PROVISIONS FOR PENSIONS (RETIREMENT BENEFITS) AND SIMILAR OBLIGATIONS

There were no significant changes during the period in the type of these commitments in respect of the situation at 31 December 2011. As regards the quantities set aside, the total provision has been increased considerably, mainly because the discount rate used in 2012 has declined in respect of 2011.

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19. OTHER PROVISIONS

These provisions are summarised in the following table (in thousand euro):

Summary by items of Other provisions	31-12-12	31-12-11
Hedging of outcome of litigations in sale of the sugar business	8,828	8,544
Hedging of outcome of litigations in sale of the dairy business	0	28,825
Other litigations and contentious proceedings	5,553	6,569
Modernisation and Restructuring Plan	6,771	4,044
CO ₂ emission allowances	145	88
Other sundry contingencies in negligible amounts	629	997
	21,926	49,067

The provisions for hedging of the outcome of litigations in sale of the sugar business in 2009 and the sale of the dairy business in 2010 correspond to the guarantees granted to the buyers of those businesses, whereby the selling price of those businesses will be lowered if an unfavourable judgment is passed in those litigations. The funding (or reversal) of those provisions correspond to an adjustment of the selling price and, consequently, are recognised as a smaller (or greater) profit for the year in which they are funded (or reversed).

No significant variations have been produced in first-half 2012 in the situation of the sugar business litigations in respect of 31 December 2011. However, the payment obligations deriving from the final judgment in the most significant litigations regarding the dairy business (with no further significant litigations pending settlement) have been recognised. As a result of the negotiated settlement of these litigations, the company has had to pay a sum of €7,891 thousand in amounts corresponding to quotas, penalties and costs of the proceedings. Consequently, the remaining provision recognised, in a sum of €20,934 thousand, has been reversed and recognised as other operating income in the consolidated income statement 2012 (see Note 8.1).

There have been no significant changes in the situation of other litigations and disputes from what was reflected in the consolidated annual accounts 2011.

20. INCOME TAX

The income tax expense for the period ended 31 December 2012 is calculated on the basis of the best estimate of the weighted average tax rate (effective rate) expected for the annual accounting period, adjusted for application of the current standards. The effective rate used for 2012 was 36.08%.

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21. BANK LOANS AND RECEIVABLES

There were no significant changes in long-term bank borrowings in 2012 compared with 31 December 2011. The most significant changes in short-term borrowings in 2012 were:

- Some short-term credit facilities have been rolled over in amounts that are not material overall in respect of the total of these debts.
- In general, the terms of borrowing are tougher than at year-end 2011, as are the requirements regarding guarantees and borrowing capacity. The margins applied in interest rates are approximately 0.9 points on average higher than in the preceding period.

22. RELATED PARTY TRANSACTIONS

Significant related party transactions are summarised below:

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Units: Thousand euro RELATED PARTY TRANSACTIONS	CURRENT PERIOD (31/12/2012)				
	Significant shareholders	Directors & Executives	Persons or companies in the group	Other related parties	Total
EXPENSES AND INCOME:					
1) Finance costs					0
2) Management or collaboration agreements					0
3) R+D transfers and licence agreements			685		685
4) Leases					0
5) Receipt of services		173			173
6) Purchase of goods (finished or in progress)		10,918			10,918
7) Value adjustments for bad or doubtful debts					0
8) Losses on disposal or retirement of assets					0
9) Other expenses					0
EXPENSES (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	0	11,091	685	0	11,776
10) Finance income					0
11) Management or collaboration agreements					0
12) R+D transfers and licence agreements					0
13) Dividends received					0
14) Leases		85			85
15) Rendering of services		1			1
16) Sale of goods (finished or in progress)	4,896	3,581			8,477
17) Gains on disposal or retirement of assets					0
18) Other income					0
INCOME (10 + 11 + 12 + 13 + 14 + 15 + 16 + 17+18)	4,896	3,667	0	0	8,563
	CURRENT PERIOD (31/12/2012)				
	Significant shareholders	Directors & Executives	Persons or companies in the group	Other related parties	Total
OTHER TRANSACTIONS:					
Purchase of tangibles, intangibles or other assets					0
Financing agreements: loans and contributions of capital (lender)					0
Finance lease agreements (lessor)					0
Repayment or cancellation of loans and lease agreements (lessor)					0
Sale of tangibles, intangibles or other assets					0
Financing agreements: loans and contributions of capital (borrower)					0
Finance lease agreements (lessee)					0
Repayment or cancellation of loans and lease agreements (lessee)					0
Guarantees furnished					0
Guarantees received					0
Commitments acquired					0
Commitments/guarantees cancelled					0
Dividends and other distributed profits	24,183	20,352			44,535
Other transactions					0

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Units: Thousand euro RELATED PARTY TRANSACTIONS	PREVIOUS PERIOD (31/12/2011)				
	Significant shareholders	Directors & Executives	Persons or companies in the group	Other related parties	Total
EXPENSES AND INCOME:					
1) Finance costs					0
2) Management or collaboration agreements					0
3) R+D transfers and licence agreements			590		590
4) Leases		150			150
5) Receipt of services		50		46	96
6) Purchase of goods (finished or in progress)		8,184		5,852	14,036
7) Value adjustments for bad or doubtful debts					0
8) Losses on disposal or retirement of assets					0
9) Other expenses				126	126
EXPENSES (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	0	8,384	590	6,024	14,998
10) Finance income					0
11) Management or collaboration agreements					0
12) R+D transfers and licence agreements					0
13) Dividends received					0
14) Leases					0
15) Rendering of services		7			7
16) Sale of goods (finished or in progress)	4,449	3,088	3,718	9,795	21,050
17) Gains on disposal or retirement of assets					0
18) Other income				172	172
INCOME (10 + 11 + 12 + 13 + 14 + 15 + 16 + 17+18)	4,449	3,095	3,718	9,967	21,229
OTHER TRANSACTIONS:					
	PREVIOUS PERIOD (31/12/2011)				
	Significant shareholders	Directors & Executives	Persons or companies in the group	Other related parties	Total
Purchase of tangibles, intangibles or other assets		1		203,493	203,494
Financing agreements: loans and contributions of capital (lender)					0
Finance lease agreements (lessor)					0
Repayment or cancellation of loans and lease agreements (lessor)					0
Sale of tangibles, intangibles or other assets					0
Financing agreements: loans and contributions of capital (borrower)					0
Finance lease agreements (lessee)					0
Repayment or cancellation of loans and lease agreements (lessee)					0
Guarantees furnished					0
Guarantees received					0
Commitments acquired				653	653
Commitments/guarantees cancelled					0
Dividends and other distributed profits	35,120	26,340			61,460
Other transactions					0

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We specify in respect of the 2012 dividends indicated in the above table that:

- Of the €24,183 thousand paid to significant shareholders, €5,443 thousand correspond to the dividend in kind, paid in treasury shares, valuing each share at €14.20 (market price at 3 December 2012).
- Of the €20,352 thousand paid to directors and executives, €4,581 thousand correspond to the dividend in kind, paid in treasury shares, valuing each share at €14.20 (market price at the same date).

Other information of interest

Ebro Foods, S.A. has a shareholding interest of less than 20% (16.82% at 31 December 2012) in Biosearch, S.A. This interest is recorded in the Ebro Group accounts as an “Available-for-sale financial investment”.

Biosearch, S.A. is a listed company engaged in similar activities to those comprising the objects of Ebro Foods, S.A. and was part of the Ebro Group until January 2011. The non-member Secretary of the Board of Ebro Foods, Miguel Ángel Pérez Álvarez, is proprietary director of Biosearch, nominated by Ebro in its capacity as significant shareholder.

The transactions made from 1 January to 31 December 2012 between Biosearch, S.A. and different companies of the Ebro Foods Group are shown below, in thousand euro:

EBRO GROUP COMPANY WITH WHICH BIOSEARCH MAKES THE TRANSACTION	TYPE OF TRANSACTION	AMOUNT 2012	AMOUNT 2011
Herba Ricemills, S.L.U	Purchase of goods (finished or in progress)	108	146
Herba Ricemills, S.L.U	Receipt of services	77	137
Herba Ricemills, S.L.U	Other expenses	0	200
Herba Ricemills, S.L.U	Leases (income)	25	0
Dosbio 2010, S.L.U	Leases (expense)	28	28
Ebro Foods, S.A.	Rendering of services	90	58

Ebro Foods, S.A. also holds a significant interest of 9.333% in Deoleo, S.A., recognised in the Ebro Group accounts as “Available-for-sale financial investment”.

Antonio Hernández Callejas, Chairman of the Board of Ebro Foods, S.A., is also a proprietary director of Deoleo, nominated by Ebro in its capacity as significant shareholder.

The transactions made from 1 January to 31 December 2012 between Deoleo and different companies of the Ebro Foods Group are shown below, in thousand euro:

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COMPANY IN EBRO FOODS GROUP	TYPE OF TRANSACTION	AMOUNT 2012	AMOUNT 2011
Riviana Foods, Inc	Sale of goods (finished or in progress)	0	4
Herba Ricemills, S.L.U.	Sale of goods (finished or in progress)	0	9.791
Riviana Foods, Inc	Purchase of goods (finished or in progress)	0	5.360
Herba Ricemills, S.L.U.	Purchase of goods (finished or in progress)	32	29
S&B Herba Foods, Ltd	Purchase of goods (finished or in progress)	0	463
Ebro Foods, S.A.	Purchase of tangible, intangible or other assets	0	203.493
Herba Ricemills, S.L.U.	Other income	0	172
Herba Ricemills, S.L.U.	Other expenses	0	126
Herba Ricemills, S.L.U.	Rendering of services	23	0
Herba Ricemills, S.L.U.	Receipt of services	31	0
Lassie Nederland, BV	Receipt of services	156	46
Lustucru Riz, S.A.	Commitments acquired	0	653
Lustucz Riz, S.A.	Purchase of tangible, intangible or other assets	653	0

Finally, the remunerations of directors and senior executives are summarised in the following table:

DIRECTORS:

Remuneration item:

		Amount (thousand euro)	
		PERIOD 31/12/2012	PERIOD 31/12/2011
Fixed remuneration	2310	682	681
Variable remuneration	2311	955	650
Attendance fees	2312	354	348
Emoluments stipulated in articles of association	2313	2,565	2,565
Stock options and/or options over other financial instruments	2314		
Others	2315		
TOTAL	2320	4,556	4,244

Other benefits:

Advances	2326	-	-
Loans granted	2327	-	-
Pension Funds and Schemes: Contributions	2328	-	-
Pension Funds and Schemes: Obligations contracted	2329	-	-
Life assurance premiums	2330	-	-
Guarantees furnished by the company for directors	2331	-	-

EXECUTIVES:

		Amount (thousand euro)	
		PERIOD 31/12/2012	PERIOD 31/12/2011
Total remuneration received by executives	2325	4,500	2,562

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The directors' emoluments shown in the following table include the following:

- Remunerations received by José Barreiro Seoane from 1 January 2012 to 29 May 2012, when he stepped down from the board.
- Remunerations received by Leopoldo del Pino y Calvo Sotelo from 1 January 2012 to 23 November 2012, when he stepped down from the board.
- Remunerations received by José Antonio Segurado García from 29 May 2012, when he joined the board, to 31 December 2012.

The amount indicated as executives' remuneration includes the remunerations and termination benefits received in 2012 by two executives who left the company as of 12 January 2012. The remuneration has been considered of all the executives of Ebro Foods, S.A., even though they are not all members of the top management.

23. FINANCIAL INSTRUMENTS

The Group is exposed to commodity market risks and passing price alterations on to its customers. It is also exposed to exchange rate fluctuations, especially of the dollar, and interest rate variations. These risks and their potential effect on the main indicators of the company's income statement, balance sheet and strategy are checked regularly. During 2012 the dollar appreciated by 8.3% against the euro over 2011 in weighted average terms, which produced an increase in turnover and comparative year-on-year earnings, with a positive effect on debt because the closing exchange rate in 2012 is more favourable than at year-end 2011.

The Group's principal financial instruments are bank loans, bank overdrafts, forward agreements, cash and short-term deposits. The Group also has other financial assets and liabilities, such as trade accounts receivable and payable.

Derivatives are also contracted, mainly forward currency purchases and sales and in specific cases options over interest rates. The purpose of these derivatives is to hedge the foreign exchange and interest risks arising from the Group's transactions and its sources of financing. During the current period ended 31 December 2012 no significant variations were produced in respect of the contracting or evolution of the financial instruments recognised at 31 December 2011.

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Foreign exchange risk

Other loans include two loans of a total of USD 301 million at 31 December 2012, designated as hedging of the net investments in subsidiaries in the United States and used to hedge the Group's exposure to foreign exchange risks in these investments. The exchange gains or losses produced on the translation of these loans to euro are recognised in equity to offset any gain or loss on the translation of the net investments in the subsidiaries.

Some Spanish companies in the Rice Segment (Herba, S&B Herba (UK), Euryza (Germany), Herba Bangkok and the Panzani sub-group) have futures and options over foreign currency to mitigate the exposure of their commercial transactions. These futures and options are not classified as hedging instruments. At 31 December 2012 they had contracts open in the following notional amounts:

Currency (thous)	Notional
US \$	38,879
Euro	10,961
Pounds sterling	2,700

24. EVENTS AFTER THE REPORTING PERIOD

On 15 February 2013, Ebro Foods, S.A. clinched a deal to purchase a 25% interest in Riso Scotti S.p.A., parent company of the Scotti Group. Scotti is an Italian group specialising in the production and processing of rice, leaders in risotto rice in Italy with a broad array of products marketed under the Scotti brand in over seventy countries. Its portfolio includes numerous high value-added products (rice and soybean milk, rice biscuits, rice oils, ready meals, etc.) directed at the premium segment, which bring traditional Italian cuisine up with the times. The price agreed for the 25% stake in Riso Scotti is €18 million and we hope to complete the transaction, after the corresponding due diligence, no later than 31 May 2013.

No other significant events have occurred between year-end and the date of authorisation of these condensed consolidated financial statements.