



EBRO PULEVA 2007

9M07 Results and Outlook for 2007

Ebro PULEVA
GRUPO

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01



Introduction

Introduction

- The first nine months of 2007 were marked by an overwhelming hike in raw material prices, unprecedented in both speed and extent. A specific chapter is included on this subject.
- We reacted in time, passing these price rises on to our products. We have continued with our calendar of launching new products, maintaining our investments in advertising with our sights set on the long term without damaging the short term.
- We were pending the latest details of the New CMO Sugar Reform, which has now been published and is at the negotiation stage prior to implementation. A specific chapter is included on this subject.
- Birkel has been included in our figures since October. This is a breakthrough in our Meal Solutions strategy.
- July-October was a highly complex period, but we are starting to see greater stability on the raw material markets, which will lead to improvements in the generation of all our businesses.



02



Business Units:
9M07 Results and Outlook 2007



Negotiation of the Reform

- The activity of this Division has been affected by the negotiations of the CMO Reform, which have caused price instability and competitive positions.
- The volume of production in the Southern Campaign was adequate, although at a higher cost, due mainly to the effects of the drought.
- Operations through Nueva Comercial Azucarera (NCA) are now fully consolidated, although the increase in sales volumes does not produce higher contribution as is a merely commercial activity.
- The by product market (pulp, alcohols, etc.) is still strong, in line with the other raw materials.

Without Intervention or Exports

- The figures for the first nine months of the year reflect the price instability caused by the uncertainties surrounding the recently announced Reform.
- With no possibility of sale to Intervention or exports, the turnover dropped 9% to EUR 486.8m.
- The contribution to Group results dropped again in the third quarter. The EBITDA for 9M07 was down 21% to EUR 55.8m.

Thous EUR	9M05	9M06	9M07	.07/06	CAGR 07/05
Sales	483,851	533,776	486,854	-8.8%	0.3
EBITDA	84,078	70,953	55,745	-21.4%	-18.6
<i>EBITDA margin</i>	<i>17.4%</i>	<i>13.3%</i>	<i>11.5%</i>	<i>-13.9%</i>	<i>-18.8%</i>
EBIT	67,053	50,797	37,636	-25.9%	-25.1%
Operating Profit	67,900	25,879	37,812	46.1%	-25.4%
<i>ROCE</i>	<i>17.1</i>	<i>12.7</i>	<i>10.7</i>		



Clearer Horizon

- The sales forecast for year-end, taking into account that we will sell 130,000 t. less due to the absence of sales to Intervention and exports, falls 4% to EUR 657m.
- The figures for the full year show a drop of EUR 15m. in EBITDA, practically identical to the 9M figure.
- The horizon has begun to clear and competitive positions are stabilising, although from an operating point of view, 2008 may still be unstable.
- We include a specific chapter on the current situation regarding the CMO application.



Thous EUR	2005	2006	E2007	07/06	CAGR 07/05
Sales	652,314	687,011	657,517	-4.3%	0.4%
EBITDA	119,505	96,955	81,208	-16.2%	-17.6%
<i>EBITDA Margin</i>	<i>18.3%</i>	<i>14.1%</i>	<i>12.4%</i>	<i>378.3%</i>	<i>-17.9%</i>
EBIT	86,273	64,818	49,665	-23.4%	-24.1%
Operating Profit	83,733	31,844	55,670	74.8%	-18.5%
ROCE	<i>15.6</i>	<i>11.9</i>	<i>10.4</i>		



RICE



Record Year

- The drought has halved the sowing area in our reference area (Seville) and a clear upswing is observed on the international supply markets, heralding considerable pressure on prices. Our rice division has managed to get ahead of this upward trend as we announced last year the incorporation of Herba Bangkok and Herba Egypt, through which we have been able to close major purchase contracts that will enable us to maintain our margins. We have sufficient experience and infrastructure to cope with these price rises and consider them an opportunity to consolidate our position.
- Organic international expansion continues to make headway within the strategy we marked out. We recently opened offices in Romania and Ukraine and expect to begin commercial activity in the fourth quarter.
- Marketing activity has been stepped up with major advertising campaigns to boost our brands, especially on the new markets such as Hungary and Poland, and the launching of new products, as in the USA.

Leaving Volatility behind

- In the first 9 months of 2007, our rice division picked up considerably, recovering from the turbulence caused by the hike in raw material prices, which occurred some months earlier in rice.
- Sales has grown by almost 14% over the period to EUR 576m.
- Investment in advertising is also up 14% to EUR 20m.
- The division EBITDA is up 43% to EUR 65m., with a margin of 11.3%

Thous EUR	9M05	9M06	9M07	.07/06	CAGR 07/05
Sales	511,739	506,324	575,793	13.7%	6.1%
EBITDA	53,544	45,584	64,998	42.6%	10.2%
EBITDA margin	10.5%	9.0%	11.3%	25.4%	3.9%
EBIT	39,536	30,734	49,500	61.1%	11.9%
Operating Profit	37,724	25,433	48,538	90.8%	13.4%
ROCE	14.4	9.7	13.4		



RICE

Introduction of new Products

- We anticipate record figures in 4Q07, with a generation of EUR 28m. Raising the EBITDA for the year to EUR 93m.
- By December, investment in advertising will be up 24% to EUR 25m., leading to growth in brands such as Carolina, up 22.5%, or Minute Ready to Serve, now present nationwide in Wal-Mart, which has doubled its sales.
- The EBITDA margin will in turn grow by 1.5 percentage points, to 11.7%.
- Our rice division has a solid base for an outstanding 2008.



Thous EUR	2005	2006	E2007	07/06	CAGR 07/05
Sales	688,648	696,655	795,891	14.2%	7.5%
EBITDA	68,820	71,343	92,843	30.1%	16.1%
EBITDA Margin	10.0%	10.2%	11.7%	13.9%	8.0%
EBIT	49,147	51,368	71,838	39.8%	20.9%
Operating Profit	46,932	40,722	71,377	75.3%	23.3%
ROCE	13.1	11.1	14.3		



Steep Inflation in Raw Materials

- Although the first quarter was fairly uneventful and everything suggested that we would meet our budgeted targets, the benchmark prices of milk have soared since May, from 0.30 EUR/l. to 0.50 EUR/l.
- This increase has been passed on to end consumers in four successive price rises since June. We have thus finally managed to adjust the final price to the cost of the raw material.
- The time lag between the rise in raw material prices and the rise in retail prices affected our 3Q results considerably, especially in second brands.
- Against this difficult backdrop, we have increased our investment in advertising, which no doubt helped us to apply the price rises with less pressure on the Puleva brand.
- We now have a stable scenario and with these prices our margins should return to normal in the fourth quarter.

Max Peques

- Our sales figure has remained practically unchanged at EUR 382m, but the margin has been affected, although it is still above 10% with an EBITDA of EUR 39m.
- In this context, we increased our investment in advertising by 2% to EUR 13m. The efforts made in the children's market are paying off with remarkable results, both in the Puleva Peques brand (77% growth in sales volume) with a long list of launchings, and in the existing products sold under the Puleva Max brand (milk and milk drinks).



Thous EUR	9M05	9M06	9M07	.07/06	CAGR 07/05
Sales	389,915	378,411	382,044	1.0%	-1.0%
EBITDA	40,881	41,798	38,535	-7.8%	-2.9%
EBITDA margin	10.5%	11.0%	10.1%	-8.7%	-1.9%
EBIT	28,141	29,462	26,879	-8.8%	-2.3%
Operating Profit	23,916	28,575	25,871	-9.5%	4.0%
ROCE	15.7	17.5	19.0		



Calm follows the Storm

- The Leon factory will leave the Group as of 1 November, which will enable us to consolidated the heralded savings.
- After a weak third quarter, yields are expected to pick up in the fourth. The division will make a EUR 14.7m contribution in the fourth quarter, compared with EUR 13.6m in the same quarter last year.
- Advertising will remain at the same level as last year, increasing by 1% to EUR 17m. All in all, the year-end EBITDA will be down 4% to EUR 53m.
- The raw material scenario appears to have stabilised, so we will once again be able to seek larger operating margins.

Thous EUR	2005	2006	E2007	07/06	CAGR 07/05
Sales	518,137	504,140	520,836	3.3%	0.3%
EBITDA	54,121	55,460	53,199	-4.1%	-0.9%
<i>EBITDA Margin</i>	<i>10.4%</i>	<i>11.0%</i>	<i>10.2%</i>	<i>-7.2%</i>	<i>-1.1%</i>
EBIT	37,507	40,176	37,824	-5.9%	0.4%
Operating Profit	31,473	38,097	36,627	-3.9%	7.9%
<i>ROCE</i>	<i>16.6</i>	<i>18.0</i>	<i>18.9</i>		





PASTA



Exercising Leadership

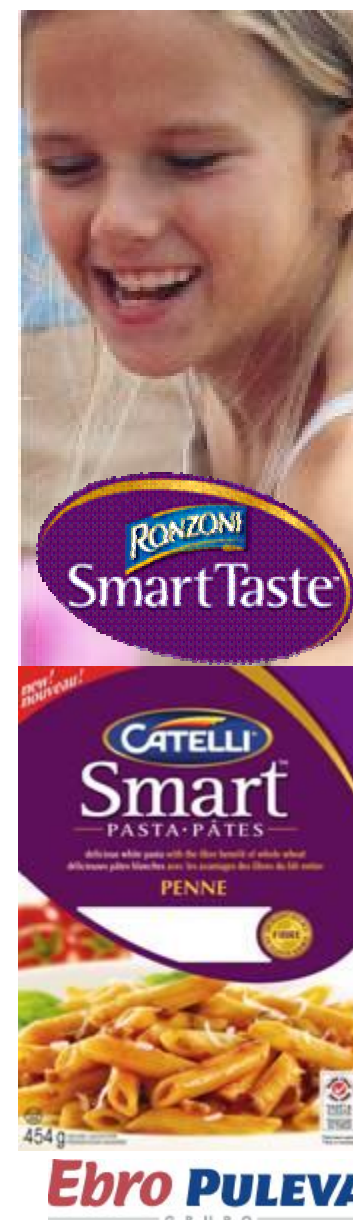
- Our Pasta Division was hardest hit by the raw material price hike. The largest price rises were in durum wheat (see specific chapter).
- The effects were felt as early as June, although the lion's share of the price rise was concentrated in August and September, until retail prices were raised again.
- Taking advantage of our leadership, we have successively raised our prices and will thus offset the increased costs over forthcoming quarters.
- Consequently, our market shares have been consolidated, secured by the EUR 29m we invested in advertising in the first nine months of the year (5.3% of sales). We plan to increase such investments to EUR 41m (5.2% of sales) by the end of the year.

PASTA

New Consolidation

- The effect of consolidating NWP, included within our consolidated group in July 2006, and Birkel, since September 2007, has pushed our sales figure up to EUR 539m.
- The EBITDA reflects the steep rise in durum wheat prices, rising 3.6% year on year to EUR 63m.

Thous EUR	9M05	9M06	9M07	.07/06	CAGR 07/05
Sales	185,161	407,865	538,493	32.0%	70.5%
EBITDA	23,765	60,296	62,461	3.6%	62.1%
EBITDA margin	12.8%	14.8%	11.6%	-21.5%	-4.9%
EBIT	15,766	41,808	39,965	-4.4%	59.2%
Operating Profit	17,796	44,430	38,944	-12.3%	47.9%
ROCE	10.9	15.8	15.1		



Unprecedented investment in Advertising

- The 4T07 figures will show the effect of the raw material, especially in the North American business, while Panzani will close a very sound quarter with a contribution of EUR 17m, up from EUR 16m last year.
- The impact on NWP will be greater because of the peculiarities of the US durum wheat market, where spot transactions are more frequent than the long-term contracts that are more common in Europe.
- We will close the year with an EBITDA of around EUR 79m, after increasing investment in advertising by 77% year on year, to EUR 41m.



Thous EUR	2005	2006	E2007	07/06	CAGR 07/05
Sales	291,041	596,140	773,007	29.7%	63.0%
EBITDA	44,416	92,093	79,050	-14.2%	33.4%
EBITDA Margin	15.3%	15.4%	10.2%	-33.8%	-18.1%
EBIT	31,492	66,408	49,040	-26.2%	24.8%
Operating Profit	33,957	63,758	46,494	-27.1%	17.0%
ROCE	14.5	18.4	11.4		

03



Ebro Puleva Consolidated Results

Ebro Puleva Consolidated 9M07 Results

Profit and Loss Account

- The consolidated results of the first nine months have been adversely affected by the volatile raw material prices. Nevertheless, we have achieved a growth in turnover of 8.3%.
- The consolidated EBITDA is up 3% year on year following the investment of EUR 65m in advertising, 19% more than last year.
- The balance of Operating Profit (Extraordinary items) is down on last year, owing to a smaller need for provisions and fewer sales of real estate.
- This effect has reduced the Net Profit from EUR 131m to EUR 58m.



Thous EUR	9M05	9M06	9M07	.07/06	CAGR 07/05
Sales	1,557,148	1,804,454	1,9547,98	8.3%	12.0%
Advertising	31,181	54,506	64,961	19.2%	44.3%
EBITDA	195,020	208,385	215,027	3.2%	5.0%
EBITDA Margin	12.5%	11.5%	11.0%	-4.7%	-6.3%
EBIT	141,521	141,282	146,089	3.4%	1.6%
Operating Profit	202,862	146,832	149,564	1.9%	-14.1%
Profit before Tax	170,518	109,706	88,681	-19.2%	-27.9%
Profit Discont. Activities	5,245	61,594	0	-	-
Net Profit	125,366	130,769	57,790	-55.8%	-32.1%



Ebro Puleva Consolidated Results Outlook 2007 Profit and Loss Account

- Turnover will be up 10.3% year on year, with a particular good contribution to growth by the Rice Division.
- The EBITDA will reach EUR 300 Mio, slightly down on last year, due to the rise in raw material prices (approx. EUR 49m) and the increased investment in advertising (EUR 20m) although with an organic growth of EUR 30m.
- The foreign exchange effect on the EBITDA was insignificant (EUR 4.2m).

Thous EUR	2005	2006	E2007	07/06	CAGR 07/05
Sales	2,130,409	2,452,212	2,705,505	10.3%	12.7%
Advertising	51,425	67,207	87,080	29.6%	30.1%
EBITDA	281,564	306,005	299,319	-2.2%	3.1
EBITDA Margin	13.2%	12.5%	11.1%	-11.3%	-8.5%
EBIT	197,052	211,216	199,798	-5.4%	0.7%
Operating Profit	247,117	250,747	215,841	-13.9%	-6.5%
Profit before Tax	210,361	200,099	136,014	-32.0%	-19.6%
Profit Discont. Activities	7,141	59,584	0	-	-
Attributed earnings *	155,641	180,363	90,131	-50.5%	-23.9%

* Note in Disclaimer



Ebro Puleva Consolidated Results

Outlook 2007 Profit and Loss Account

- The Operating Profit will drop from EUR 251m to EUR 216m and the Net Profit from EUR 180m to EUR 90m. Last year's results included the effect of selling off our businesses in Central America, which contributed EUR 60m to the Net Profit.
- In view of the special circumstances this year, we include a table summarising the impacts on EBITDA for each business unit classified by nature:

	Thous Euro	SUGAR Euro	RICE Euro	DAIRY Euro	PASTA Euro	OTHERS Euro
CONSOLIDATED GROUP						
EBITDA 2006	306,005	96,955	71,343	55,460	92,093	(9,846)
Impact of change in perimeter	37,217	0	16,719	0	20,499	0
Impact of raw material costs	(49,421)	(4,018)	(11,555)	(8,398)	(25,450)	0
Impact of change in advertising	20,302	85	(5,723)	(88)	(14,147)	(429)
Impact of currency effect	(4,228)	0	(3,622)	0	(605)	0
Organic (others)	30,048	(11,814)	25,682	6,225	6,660	3,294
EBITDA OUTLOOK 2007	299,319	81,208	92,843	53,199	79,050	(6,981)

- Without the huge fluctuations in raw material prices, our EBITDA would have been EUR 50m greater.
- The increased investment in advertising is consistent with our strategy of building value around our brands.

Ebro Puleva Consolidated Results

Debt Evolution

Focusing on Business Integration and Reduction of Debt

- The Net Debt will be reduced by EUR 34m year on year at year-end, after paying almost EUR 56m in dividend.
- Equity will be up 2% to EUR 1,211m.
- Leverage will stand at 91%, four decimals down on last year.
- Our debt coverage ratio (Net Debt/Ebitda) will be approximately 3.7 times.

Thous EUR	31 Dec 04	31 Dec 05	30 Sep 06	31 Dec 06	30 Sep 07	31 Dec 07	Dec07E/ Dec06
Net Debt	472,123	931,322	977,442	1,134,894	1,112,236	1,101,000	-3.0%
Average Debt	352,088	841,427	1,014,818	1,046,354	1,149,657	1,127,011	7.7%
Shareholders' Equity	961,160	1,076,582	1,152,331	1,187,962	1,177,288	1,211,600	2.0%
Leverage ND	49.1%	86.5%	84.8%	95.5	94.5%	90.9%	
Leverage AD	36.6%	78.2%	88.1%	88.1%	97.7%	93.0%	
x Ebitda (ND)	1.9	3.2		3.7		3.7	
x Ebitda (AD)	1.4	2.9		3.4		3.8	

04



Sugar Reform



Impact of the New Sugar Reform

- Following talks with the other parties operating in the Spanish sugar sector, the Ebro Puleva Group is now in a position to offer, within the framework of the talks held with the other actors in the Spanish sugar sector, an initial estimate of the impact that the CMO sugar reform will have on its sugar division. We insist, nevertheless, that this is a preliminary estimate and, as such, is subject to any modifications that may arise during the remaining months up to the end of the time established in the CMO:
 - The sector consensus for cutting the Spanish sugar quota by 50% to enable growers to receive coupled aids of 6€/tonne would give Azucarera Ebro a future annual production quota of around 400,000 tonnes of national sugar.
 - This quota will be supplemented with 300,000 tonnes a year as from the 2009 marketing year, with the start-up of the Guadalete refinery, for which we already have a preliminary imported raw sugar supply agreement.
 - The effect of the 50% quota cut will take place from the 2009/2010 marketing year, by that time our domestic sales quota will be maintained by national production plus refining. On the other hand, the recent organisation jointly with DAI of Nueva Comercial Azucarera (NCA) will enable the marketing of a further 100,000 tonnes of sugar, maintaining the Group's sugar quota at over 800,000 tonnes.
 - As a result of the 50% reduction in crops and without prejudice to the restructuring map finally established, we will foreseeably have to close three of our sugar factories.



Impact of the New Sugar Reform

- Growers will not be affected by the Reform, since those who continue to sow beet will receive a price up to 2014 practically identical to the price they were receiving earlier, since approximately 12€/tonne of de-coupled aid will be added to the 35€/tonne under the new CMO, giving a total of 47€/tonne.
- In our opinion, withdrawal from production throughout the European Union will lead to a market situation in the period 2009-2014 of a smaller sugar supply and, consequently, greater price stability.
- The conclusions of the initial estimate of the financial effects of the CMO sugar are as follows:
 - Income from the Restructuring Fund would amount to €185 million. The cost of shutting down three factories and the retirement of assets would be €175 million.
 - After concluding the restructuring phase, the EBITDA of our sugar division would be around €70 million for the period 2009-2014, compared to €120 million in 2005 .
 - The entry into force of the compulsory inclusion of blends with both bioethanol and biodiesel, restoring the price of raw materials for biofuels to normal levels and the start-up of our biodiesel plant in Jedula will enable our complementary biofuels business to start making a positive economic contribution to the Group as from 2010 .



Impact of the New Sugar Reform

- The Ebro Puleva Group faces this new scenario from a sound position in respect of its employees and shareholders, thanks to:
 - The production optimisation work undertaken in its sugar division in previous years and the opening-up of new complementary business lines (refining and biofuels).
 - The diversification strategy implemented in recent years, enabling a major development of the rice and pasta divisions, which currently make the largest contributions to the Group's consolidated income, relegating the sugar business to third place.

05

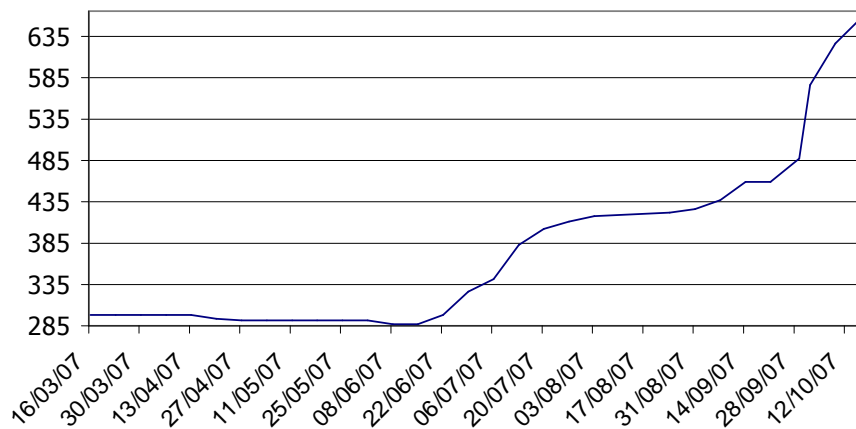


Raw Materials Environment

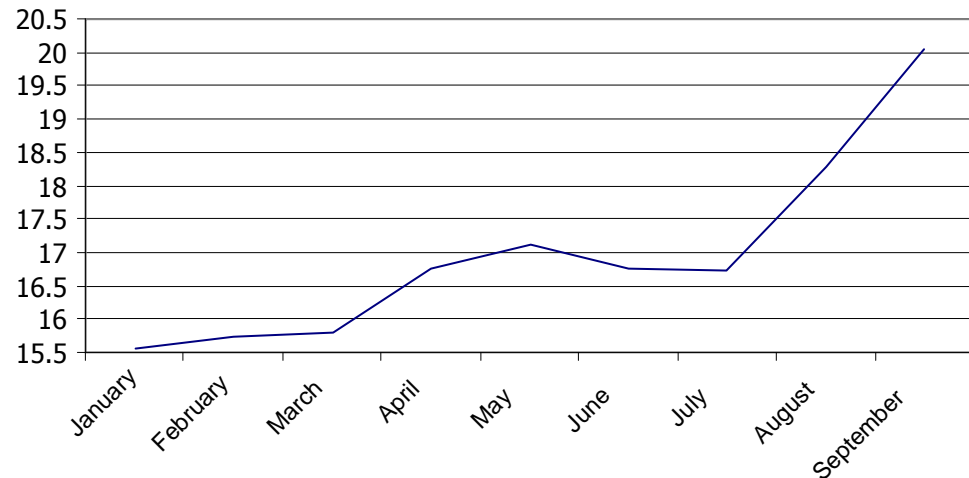
Raw Materials Environment

- Ebro Puleva is an increasingly brand-based enterprise, balanced in both geographical areas and in businesses. In recent years we have made numerous far-reaching changes within a diversification strategy designed to give us greater protection in case any of the businesses were to run into difficulties.
- Over 2007 we have seen how all our businesses have suffered the effects of startling inflation in the cost of its raw materials. The following graphs show the evolution of prices of the raw materials affected:

Evolution of durum wheat semolina in Milan in EUR/t.



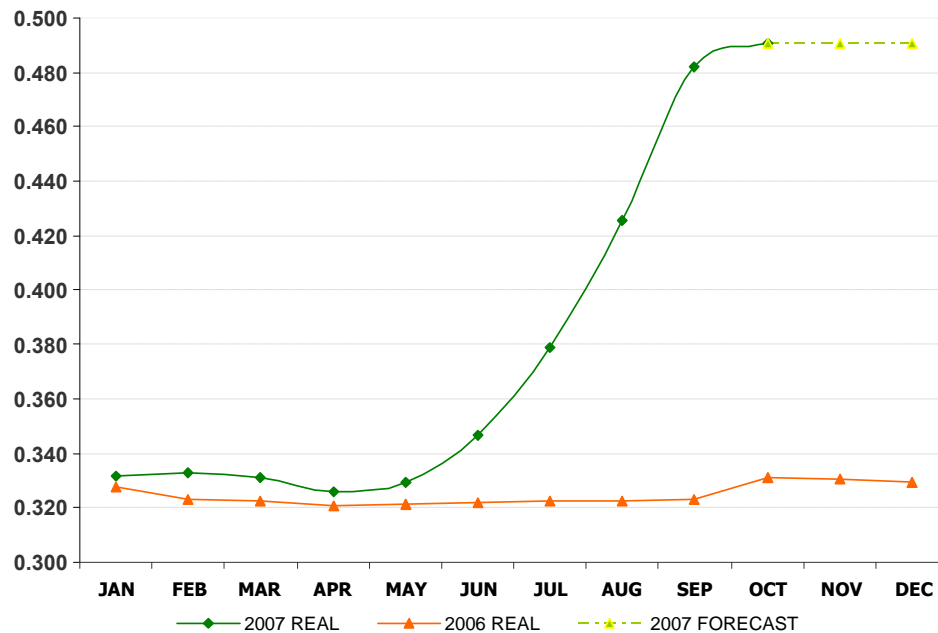
Evolution of semolina in USA. In USD/CWT



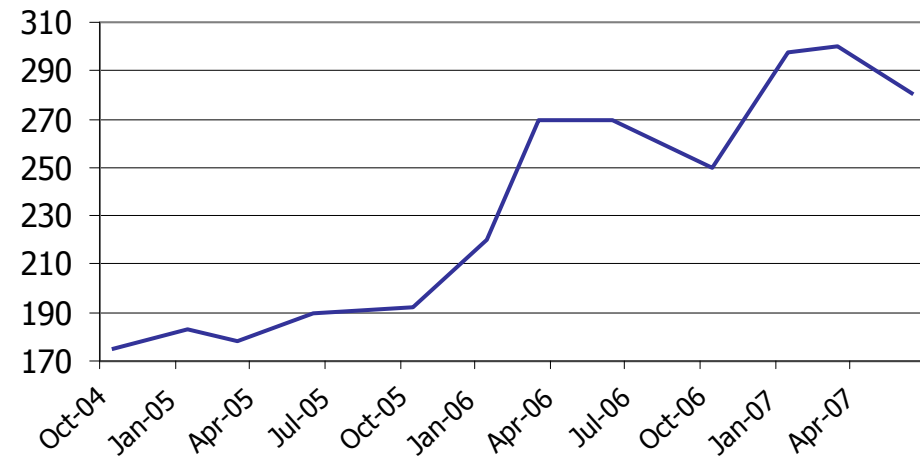
Raw Materials Environment

- We have been committed from the outset to investing in brands. Leading brands with which we have headed price strategies. We have thus been able to pass the price rises and falls rapidly on to the consumer, but there is a time lag that temporarily affects our results.
- We estimate that the effect of this time lag of price rises on our year-end EBITDA forecast will be around EUR 50m.

Evolution of the price of milk in Spain in EUR/litre



Evolution of the price of paddy rice in Italy in EUR/t.



06



Conclusion



Conclusion

2007: An Inflationist Year

- We have been through a period of unprecedented volatility, which we are now leaving behind, coming through even stronger than before.
- We have reacted to the challenges looking to the long term, but without compromising our short-term returns.
- We managed this using all available tools:
 - We have modified our supply chains.
 - We have been quick to raise prices of the products in which we are leaders.
 - We have strengthened our brand commitment.
- As a result, our market shares are growing and we are sure our brands will take advantage of all the opportunities that arise in the approaching period of greater stability.
- Finally, we are in the last few months of uncertainty surrounding our sugar division. Once this stage is closed, we will be able to resume our growth plans.



07



Corporate Calendar

Corporate Calendar

Ebro Puleva continues to pursue its commitment to transparency and reporting in 2007:



1 March	Presentation 2006 year-end results
2 April	Quarterly dividend payment
18 April	Annual General Meeting (2nd Call)
19 April	Presentation 1st quarter results
2 July	Quarterly dividend payment
23 July	Presentation 1st half results
2 October	Quarterly dividend payment
31 October	Presentation 3rd quarter results and outlook for 2007
19 December	Announcement 2008 dividend against 2007 earnings
26 December	Quarterly dividend payment

08



Disclaimer

Disclaimer

- To the best of our knowledge, the estimates contained in this presentation on the future growth of the different businesses and the overall business, market share, financial results and other aspects of the operations and position of the company are accurate as at the date hereof.
- All the figures set out in this report are calculated according to the International Accounting Standards (IAS).
- The contents of this presentation are no guarantee of future actions and entail certain risks and uncertainties. Business results may be affected by numerous factors and, consequently, they may differ considerably from those estimated herein.
- Analysts and investors should not rely exclusively on these estimates, which are valid only at the date of this presentation. Ebro Puleva is not bound to publish the results of any updates of these estimates made to reflect events and circumstances occurring after the date of this presentation, including, though by no means limited to, changes in the Ebro Puleva businesses or in its acquisitions strategy, or to reflect unforeseen events. Analysts and investors are encouraged to consult the company's Annual Report and the documents filed with the Authorities, especially the National Securities Market Commission (CNMV).
- **The information projected for year-end is based on the hypothesis that the effects of the CMO Sugar Reform are not recorded in the accounts. As negotiations progress, the Board may adopt decisions that affect these projections.**

