

# Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)





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Important Notes

This financial information has been prepared on the basis of the...



## Important Notes

- \* **The EBRO PULEVA Group consolidated accounts adaptation to the IFRS has not entailed any material impact.**
- \* **The net impact on Shareholders' Equity at 31.12.04 is a reduction of 2.2%, with a 2.6% increase in Net Profit.**
- \* **Some IFRS include options for applying accounting principles. The EBRO PULEVA Group has decided to apply the options that give continuity to the principles of the previously applied standards (e.g. not applying the "fair value" option to tangible and intangible fixed assets and investment properties).**
- \* **The annual accounts balance sheet will be set out following the principle of distinguishing current and non-current items.**

\* Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)



## Important Notes

- \* **The profit and loss account of the annual accounts will be set out following the principle of distribution by nature of the expenses and the requirements of the IFRS.**
- \* **In the different interim financial statements, the profit and loss account will continue including the EBITDA, EBIT and Operating Profit before other non-recurring income and expenses.**
- \* **The full year Official Accounts and those of the first quarter of 2004 under the NCA included 11 months and 3 months, respectively, of our Chilean business activities. We present these figures in the first column. However, since the IFRS requires businesses sold to be presented as “Profit/Loss on Discontinued Operations”, in order to facilitate the reconciliation between NCA and IFRS for the full year and its comparison with the results of the first quarter of 2005, we include the column equivalent to “Chile consolidated by the Equity Method”, which we habitually presented under the NCA.**

\* Conciliación de los Estados Financieros Consolidados de 2004 a las Normas Internacionales de Información Financiera (NIIF)

FY

2004 Full Year

... and the interpretations made thereof by the Standing Interpretations Committee (SIC) ...



## Consolidated Balance Sheet – Assets – 2004 as at 31 December

Million euro	NCA End 04	IFRS End 04	Variation	NOTE
<b>Formation expenses</b>	0.7	0	-0.7	
<b>Intangible fixed assets</b>	88.6	80.1	-8.5	<b>A</b>
<b>Tangible fixed assets &amp; properties</b>	830.5	828.8	-1.7	
<b>Financial fixed assets</b>	41.9	40.3	-1.6	
<b>Deferred taxes</b>	104.6	110.1	5.5	<b>B</b>
<b>Goodwill</b>	195.1	185.9	-9.2	<b>C</b>
<b>Deferred charges</b>	6.6	1.5	-5.1	<b>D</b>
<b>Own shares</b>	0.4	0.0	-0.4	
<b>Current assets</b>	912.4	912.2	-0.2	
<b><i>Total Assets</i></b>	<b><i>2,180.8</i></b>	<b><i>2,158.9</i></b>	<b><i>-21.9</i></b>	

NCA: National Chart of Accounts

\* Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)



... and the International Financial Reporting Interpretations Committee (IFRIC-IASB), effective for the year ending December 31st, 2005.



## Consolidated Balance Sheet – Assets – 2004 as at 31 December

**A - Reduced by elimination of research expenses (6.9) and other write-downs (1.6)**

**B - Corresponds to the tax effect produced by adjustments between the NCA and IFRS**

**C - Reduced basically by application of the year-end exchange rate to the Goodwill generated on the Riviana Group acquisition of (12.3) and increased by not writing off goodwill in 2004 under the IFRS (3.1)**

**D - Reduced by transfer to minor debt of commitment fees on loans deferred charges (1.2) and reduced by write-down of expenses pending imputation of the effects of changes in the actuarial variables of pension schemes (3.6) and others (0.3)**

\* Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)



In this respect, the following comments should be taken into account:



## Consolidated Balance Sheet – Liabilities – 2004 as at 31 December

Million euro	NCA End 04	IFRS End 04	Variation	NOTE
<b>Shareholders' equity</b>	980.6	958.8	-21.8	<b>E</b>
<b>Minority interests</b>	19.3	19.0	-0.3	
<b>Deferred revenues</b>	21.2	21.1	-0.1	
<b>Provisions</b>	153.2	152.7	-0.5	
<b>Financial debt</b>	596.6	592.0	-4.6	<b>F</b>
<b>Deferred tax</b>	62.4	63.4	1.0	
<b>Other long-term accounts payable</b>	0.0	10.7	10.7	<b>F</b>
<b>Other current liabilities</b>	347.5	341.2	-6.3	<b>F</b>
<b><i>Total Liabilities</i></b>	<b><i>2,180.8</i></b>	<b><i>2,158.9</i></b>	<b><i>-21.9</i></b>	

NCA: National Chart of Accounts

\* Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)

The financial information is prepared internally by the company and has not been audited....



## Consolidated Balance Sheet – Liabilities – 2004 as at 31 December

**E - Reduced by :** currency translation differences of the Riviana Group goodwill (12.3), elimination of research expenses net of the tax effect (4.5), elimination of deferred charges on the pension fund net of the tax effect (2.3), formation expenses (0.4), own shares (0.4), and others net (1.9).

**F - The financial debt is reduced by the transfer to other long-term accounts payable of the accounts payable to fixed asset suppliers (10.7) and commitment fees on loans (1.2), and increased by the transfer of the debt corresponding to financing the outsourcing of the pension fund (7.3), which, under the National Chart of Accounts, had been recorded as other current liabilities.**

\* Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)

The Standards that have now been issued and approved by the European Union are subject to the interpretations made from time to time by the IFRIC. Moreover, the IASB could ...



## Profit and Loss Account - 2004 Full Year

Million euro	NCA Consol 04	NCA Chile 04	NCA w/o Chile 04	IFRS End 04	Variation	NOTE
<b>Turnover</b>	2,121.7	279.2	1,842.5	1,844.6	2.1	
<b>Consumption</b>	1,326.4	196.6	-1,129.8	-1,131.0	-1.2	
<b>Net operating expenses</b>	496.7	51.0	-445.7	-459.2	-13.5	<b>G</b>
<b>EBITDA</b>	298.6	31.6	267.0	254.4	-12.6	
<b>Deprec. &amp; Amortis.</b>	80.5	8.6	-71.9	-69.4	2.5	<b>H</b>
<b>Operating provisions</b>	7.4	6.0	-1.4		1.4	
<b>EBIT</b>	210.7	17.0	193.7	185.0	-8.7	
<b>Fixed asset disposals</b>	53.2		53.2	53.2	0	
<b>Restructuring</b>	-17.8		-17.8		17.8	<b>I</b>
<b>Provisions</b>	-38.2		-38.2	-38.2	0	
<b>Other extraord. items</b>	-28.2	-15.5	-12.7		12.7	<b>J</b>
<b>OPERATING PROFIT</b>				200.0		
<b>Financial profit/loss</b>	-17.6	-10.6	-7.0	-20.2	-13.2	<b>K</b>
<b>Goodwill</b>	-17.1	-4.0	-13.1	-9.9	3.2	<b>L</b>
<b>Prof/Loss Equity Method</b>	0.4	0.1	0.3	-0.7	-1	
<b>Pre-tax profit</b>	145.4	-13.0	158.4	169.2	10.8	
<b>Tax</b>	-29.0	5.7	-34.7	-38.8	-4.1	<b>M</b>
<b>Prof/loss on Discontin. Op.</b>				-3.5	-3.5	<b>N</b>
<b>CONSOLIDATED PROFIT</b>	116.4	-7.3	123.7	126.9	3.2	
<b>Minority interests</b>	4.5	7.3	-2.8	-2.9	-0.1	
<b>PROF.ATTRIB. PARENT CO</b>	<i>120.9</i>	<i>0.0</i>	<b>120.9</b>	<b>124.0</b>	<b>3.1</b>	

\* Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)

... issue new standards, which might be applicable to financial years commencing as from January 1st 2005.



## Profit and Loss Account - 2004 Full Year

**G - Increased by the inclusion of expenses incurred in restructuring (17.8) (previously recorded as an extraordinary item) and increased by reduction of lease revenues (1.8), and reduced by inclusion of capital grants (4.2) (previously recorded as an extraordinary item) and reduced for other reasons (1.9).**

**H - Smaller amortisation of research and formation expenses.**

**I - The expenses incurred in restructuring the accounts under the IFRS are included in operating expenses.**

**J - Reclassification as financial expenses (13.2), operating income for grants (4.2), operations in the process of discontinuation (5.4), gains on sales of own shares (0.8) and other adjustments (0.9).**

\* Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)

The IFRS have so far been submitted to considerable review and are being applied within the European Union and a large number of countries simultaneously for the first time.



## Profit and Loss Account - 2004 Full Year

**K** - Reclassification from extraordinary expenses (13.2): provisions for financial assets (7.4), financial adjustment of provisions for legal disputes (5.0) and others (0.8).

**L** - The IFRS do not permit the write-off of goodwill, but do oblige companies to make provisions for possible deterioration.

**M** - Increased by the effects relating to the adjustments for conversion to the IFRS and the tax effect of operations in the process of discontinuation (1.8).

**N** - Corresponds to the net effect of the investment in Chile deconsolidation, reclassification of extraordinary items (5.4), and the tax effect (1.8).

\* Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)

**FQ**

**2004  
First Quarter**

Consequently, there is not yet a significant body that could be called on to resolve ...



## Consolidated Balance Sheet – Assets – 2004 as at 31 March

Million euro	NCA 1Q 04	IFRS 1Q 04	Variation	NOTE
<b>Formation expenses</b>	2	0	-2.0	
<b>Intangible fixed assets</b>	50.4	41.6	-8.8	<b>A</b>
<b>Tangible f.assets &amp; invest. properties</b>	691.5	692.3	0.8	
<b>Financial fixed assets</b>	24.6	23.2	-1.4	
<b>Deferred taxes</b>	86.5	93.2	6.7	<b>B</b>
<b>Goodwill</b>	75.5	76.5	1.0	<b>C</b>
<b>Deferred charges</b>	4.9	0.2	-4.7	<b>D</b>
<b>Own shares</b>	1.0	0.0	-1.0	
<b>Current assets</b>	736.7	738.8	2.1	
<b>Total Assets</b>	<b>1,673.1</b>	<b>1,665.8</b>	<b>-7.3</b>	

\* Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)

... any technicalities that might arise when applying these standards to facts not specifically contemplated in the IFRS.



## Consolidated Balance Sheet – Assets – 2004 as at 31 March

**A - Reduced by elimination of research expenses (6.9) and other write-downs (1.9).**

**B - Corresponds to the tax effect deriving from the adjustments between the NCA and IFRS.**

**C - Increased basically due to not writing off goodwill in 2004 under the IFRS.**

**D - Reduced by transfer to minor debt of the deferred charges of commitment fees on loans (0.3) and reduced by write-down of expenses pending imputation of the effects of changes in the actuarial variables of pension schemes (4.1) and others (0.3).**

\* Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)





The possible changes deriving from the situation mentioned above could affect some of the decisions and interpretations...



## Consolidated Balance Sheet – Liabilities – 2004 as at 31 March

Million euro	NCA 1Q 04	IFRS 1Q 04	Variation	NOTE
<b>Shareholders' equity</b>	938.3	929,4	-8.9	<b>E</b>
<b>Minority interests</b>	21.4	21,1	-0.3	
<b>Deferred revenues</b>	20.7	20,9	0.2	
<b>Provisions</b>	104.7	102,5	-2.2	<b>F</b>
<b>Financial debt</b>	316.5	321.9	5.4	<b>G</b>
<b>Deferred taxes</b>	19.0	18.9	-0.1	
<b>Other long-term accounts payable</b>	0.0	3.5	3.5	<b>G</b>
<b>Other current liabilities</b>	252.5	247.6	-4.9	<b>F &amp; G</b>
<b>Total Liabilities</b>	<b>1,673.1</b>	<b>1,665.8</b>	<b>-7.3</b>	

\* Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)



... made now by the Ebro Puleva Group when preparing the information set out in this document.



## Consolidated Balance Sheet – Liabilities – 2004 as at 31 March

**E - Reduced by elimination of research expenses net of the tax effect (4.5), elimination of deferred charges of the pension fund net of the tax effect (2.7), formation expenses (1.3), own shares (1.0) and increased by others net (0.6).**

**F - Provisions reduced by transfer to short term of payments for restructuring and increased in other current liabilities.**

**G - The financial debt is reduced by the transfer to “other long-term accounts payable” of the “accounts payable to fixed asset suppliers” (3.5) and commitment fees on loans (0.3), and increased by the transfer of the debt corresponding to financing the outsourcing of the pension fund (6.9), which, under the National Chart of Accounts, had been recorded as other current liabilities, and increased by the provision for the value of financial instruments (2.3).**

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Consequently, we cannot rule out the possibility that changes may have to be made ...



## Profit and Loss Account - 2004 First Quarter

Million euro	NCA Co ns IQ 04	NCA Chile IQ 04	NCA 1Q 04	IFRS 1Q 04	Variation	NOTE
<b>Turnover</b>	476.8	65.4	411.4	411.5	0.1	
<b>Consumption</b>	323.9	64.0	-259.9	-259.8	0.1	
<b>Net operating expenses</b>	95.2	-4.7	-99.9	-100.5	-0.6	H
<b>EBITDA</b>	57.7	6.1	51.6	51.2	-0.4	
<b>Deprec. &amp; Amortis.</b>	12.7	2.6	-10.1	-9.4	0.7	
<b>Operating provisions</b>			0	0	0	
<b>EBIT</b>	45.0	3.5	41.5	41.8	0.3	
<b>Fixed asset disposals</b>	3.9		3.9	3.9	0	
<b>Restructuring Provisions</b>	-2.3		-2.3		2.3	H
<b>Other extraord. items</b>	-5.9	-4.1	-1.8		1.8	I
<b>OPERATING PROFIT</b>				45.7		
<b>Financial profit/loss</b>	-4.3	-0.9	-3.4	-6.8	-3.4	J
<b>Goodwill</b>	2.9	-0.6	-2.3	-2.1	0.2	
<b>Prof/loss Equity Method</b>	0.2	0.5	-0.3		0.3	
<b>Pre-tax profit</b>	33.7	-1.6	35.3	36.8	1.5	
<b>Tax</b>	-8.7	1.5	-10.2	-10.5	-0.3	
<b>Prof/loss Discontin.Op.</b>					0	
<b>CONSOLIDATED PROFIT</b>			25.1	26.3	1.2	
<b>Minority interests</b>	-0.5	0.1	-0.6	-0.8	-0.2	
<b>PROF.A TTRIB.PARENT CO.</b>	24.5		24.5	25.5	1	

\* Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)

... to this information before it is published as comparative ...



## Profit and Loss Account - 2004 First Quarter

**H - Increased by inclusion of restructuring expenses (2.3) (previously recorded as an extraordinary item) and reduced by inclusion of capital grants (1.1) (previously recorded as an extraordinary item) and reduced for other reasons (0.6).**

**I - Reclassification to financial expenses (2.7), operating income for grants (1.1), gains on sales of own shares (0.4) and other adjustments (0.6).**

**J - Reclassification from other extraordinary expenses (2.7) (provisions for financial assets (1.3), financial adjustment of provisions for legal disputes (0.9) and others (0.5)) and provision for derivatives (0.7).**

\* Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)

# D

Disclaimer



... financial information in the Annual Report 2005 of the Ebro Puleva Group.



## DISCLAIMER

This financial information has been prepared on the basis of the International Financial Reporting Standards (IFRS) and the interpretations made thereof by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC-IASB), effective for the year ending 31 December 2005.

In this respect, the following comments should be taken into account:

- The financial information is prepared internally by the company and has not been audited.
- The Standards that have now been issued and approved by the European Union are subject to the interpretations made from time to time by the IFRIC. Moreover, the IASB could issue new standards, which might be applicable to financial years commencing as from 1 January 2005.
- The IFRS have so far been submitted to considerable review and are being applied within the European Union and a large number of countries simultaneously for the first time. Consequently, there is not yet a significant body that could be called on to resolve any technicalities that might arise when applying these standards to facts not specifically contemplated in the IFRS.
- The possible changes deriving from the situation mentioned above could affect some of the decisions and interpretations made now by the Ebro Puleva Group when preparing the information set out in this document.
- Consequently, we cannot rule out the possibility that changes may have to be made to this information before it is published as comparative financial information in the Annual Report 2005 of the Ebro Puleva Group.

\* Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)