

Madrid, 31 October 2007

NATIONAL SECURITIES MARKET COMMISSION
Paseo de la Castellana, 19
28046 Madrid

Subject: CMO Sugar

Further to Significant Event notifications remitted on 28 September (no. 84326) and 3 October (no. 84453), Ebro Puleva, S.A., 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 for restructuring the sugar sector. This estimate may be summed up as follows:

1. 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.
2. 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.
3. The effect of the 50% quota reduction will be produced as from the 2009/2010 marketing year, when 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.
4. 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.
5. 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.

6. 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.
7. 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.
8. 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.

We are at your disposal for any queries you may have in this regard.

Yours faithfully,

Miguel Ángel Pérez Álvarez
Secretary