

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

Madrid, 5 May 2008

Subject: Study of the possible sale or spin-off of the Ebro Puleva sugar business

You are hereby advised that the Board of Directors of Ebro Puleva, S.A. has unanimously resolved as of the date hereof to put this matter to the shareholders at the forthcoming Annual General Meeting, including on the agenda a proposal to study and analyse either the possible sale or the possible spin-off and flotation of the Ebro Puleva sugar business and other related agro-industrial businesses and proposing the adoption of a resolution authorising the board to begin the necessary studies and contacts to explore both possibilities, delegating it to carry out the operation or to abandon it if market conditions are unfavourable.

This proposal to study an operation of this nature is considered convenient at a time when the viability and stability of the sugar business has been guaranteed for forthcoming years, after satisfactory completion of the Sugar CMO. If this sale or spin-off is finally made, the board considers that it would contribute value to the Ebro Puleva shareholders, on the one hand, and on the other it would permit a more individual development of the sugar business in the medium and long term, free from the constraints of being integrated in a set of essentially brand-based businesses.

The full text of the proposed resolution to be put to the forthcoming General Meeting of Shareholders, foreseeably to be held at 12.30 on Monday, 9 June, on second call, is set out below:

“PROPOSED RESOLUTION FOR ITEM FOUR ON THE AGENDA

Analysis of the possible sale or spin-off and flotation of the sugar business and other related agro-industrial businesses and authorisation of the Board to study and, if appropriate, carry out the operation.

Authorisation of the Board to begin the necessary studies and contacts to explore the possibilities of a sale or spin-off and flotation of the Ebro Puleva sugar business and other related agro-industrial businesses, authorising the Board fully, on completion of the corresponding process, to either effect one or other operation within a period of twenty-four months, ensuring the most beneficial solution for the company's interests, or abandon it if market conditions are unfavourable. This authorisation includes, but is by no means limited to:

- *The choice of sale or spin-off, according to market circumstances.*
- *Definition of the exact perimeter of the businesses, assets and liabilities, rights and obligations of the Ebro Puleva Group to be included in the operation, which may*

include, apart from the sugar business and related agro-industrial businesses, other minor agro-industrial businesses outside the strategic core businesses of the Ebro Puleva Group.

- The terms and conditions of the purchase and sale agreement or the total or partial spin-off agreement.
- The possibility of abandoning the operation if market conditions are unfavourable.”

Based on the year-end 2007 accounts, if this operation is concluded, the consolidated turnover of the Ebro Puleva Group would be reduced from €2,685 million to €2,031 million, its consolidated EBITDA would be reduced from €306 million to €226 million and its debt would be greatly reduced, the exact amount depending on the terms of the operation. The Group’s business structure would also change significantly, as the brand-based and international businesses would acquire a greater weight in the group, as shown below:

thousand €	EXISTING	PRO FORMA
Brand sales	1,724,504	1,573,106
Industrial sales	<u>960,538</u>	<u>458,283</u>
	2,685,042	2,031,389
Brand activity (%)	64%	77%
Industrial activity (%)	36%	23%
Sales in Spain	1,216,572	644,630
Sales in EU	892,255	810,544
Sales Others	<u>576,215</u>	<u>576,215</u>
	2,685,042	2,031,389
Sales in Spain (%)	45.3%	31.7%
Sales in EU (%)	33.2%	39.9%
Sales Others (%)	21.5%	28.4%
Ebitda in Spain	148,986	69,075
Ebitda in EU	76,656	76,656
Ebitda in Others	<u>81,118</u>	<u>81,118</u>
	306,760	226,849
Ebitda in Spain (%)	48.6%	30.4%
Ebitda in EU (%)	25.0%	33.8%
Ebitda in Others (%)	26.4%	35.8%

We are entirely at your disposal should you require any further information or explanations.

Yours faithfully,

Miguel Ángel Pérez Álvarez
Secretary of the Board