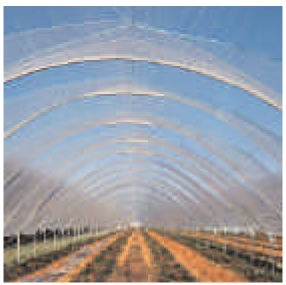
Reconciliation of the 2004 Consolidated Financial Statements to the International Financial Reporting Standards (IFRS)

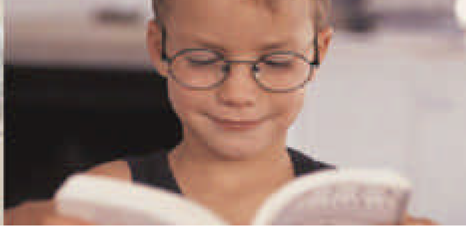
Ebro PULEVA
GRUPO



Contents

IN

Important Notes



Important Notes

* **The adaptation of the EBRO PULEVA consolidated accounts to the IFRS has not produced any material impact.**

* **The net impact on Shareholders' Equity at 31.12.04 is a reduction of 0.1%, with a 7.2% increase in Net Profit.**

* **Some IFRS include options for applying accounting principles. EBRO PULEVA has decided to apply the options that give continuity to the principles of previously applied standards (not applying the "fair value" option to tangible and intangible fixed assets and investment properties).**

* **Current and non-current items will be distinguished on the balance sheet in the annual accounts.**

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

F

2004 Full Year

Y

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

Reconciliation of the Shareholders' Equity at 1 January and 31 December and the Profit for the Year 2004

Million euro	Equity 1/1/04	Equity 31/12/04	Prof/Loss 2004
Total shareholders' equity under previous accounting principles	911.6	980.6	120.9
- Reclassification of own shares deducting from equity	-5.0	-0.4	-0.8
- Elimination of capitalised research expenses	-3.3	-4.5	-1.2
- Elimination of formation expenses	-1.5	-0.5	0.9
- Difference on conversion of goodwill	0.0	-18.0	0.0
- Valuation and write-down of goodwill	0.0	11.0	8.6
- Deferred taxes	0.0	-1.3	-1.4
- Elimination of actuarial differences in retirement commitments	-2.9	-2.4	0.5
- Valuation of retirement commitments	0.0	-1.4	-3.6
- Valuation of intangibles	-1.7	-3.8	-2.3
- Amortisation of intangibles with indefinite useful life	0.0	2.0	2.0
- Differences on conversion of discontinued investments	0.0	0.0	3.0
- Other adjustments for net amount	0.0	-0.1	0.0
Total shareholders' equity before minority interest under IFRS	897.2	961.2	126.6
- Minority interests	22.3	18.6	3.0
Total shareholders' equity under IFRS	919.4	979.8	129.5

Consolidated Balance Sheet – Assets – as at 31 December 2004

Million euro	NCA End 04	IFRS End 04	Variation	NOTE
Formation expenses	0.7	0	-0.7	
Intangible fixed assets	88.6	79.4	-9.2	A
Tangible f.a.& Inv.Properties	830.5	829.7	-0.8	
Financial fixed assets	41.9	62.7	20.8	
Deferred taxes	104.6	113.3	8.7	B
Goodwill	196.0	193.4	-2.6	C
Other non-current assets	6.6	0.3	-6.4	D
Own shares	0.4	0.0	-0.4	
Current assets	912.4	888.5	-23.9	E
Total Assets	***2,181.8***	***2,167.2***	***-14.5***	

NCA: National Chart of Accounts

Consolidated Balance Sheet – Assets – 2004 as at 31 December

A - Reduced by elimination of research expenses and other write-downs.

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 acquisition of the Riviana Group and increased by 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 and reduced by write-down of expenses pending imputation of the effects of changes in the actuarial variables of pension schemes and others.

E – Reclassification between short and long-term under NCA of financial assets that are classified jointly under IFRS.

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

Consolidated Balance Sheet – Liabilities –as at 31 December 2004

Million euro	NCA End 05	IFRS End 04	Variation	NOTE
Shareholders' equity	980.6	961.2	-19,4	F
Minority interests	19.3	18.6	-0.8	
Negative diff. on Consol.	0.9	0.0	-0.9	
Deferred revenues	21.2	21.1	-0.1	
Provisions	153.2	157.2	3.9	H
Financial debt	596.6	592.1	-4.5	G
Deferred taxes	62.4	65.6	3.2	B
Other non-curr. LT payables	0.0	10.7	10.7	G
Other non-curr. ST payables	347.5	340.9	-6.6	G
Total Liabilities	***2,181.8***	***2.167.2***	***-14.6***	

NCA: National Chart of Accounts

Consolidated Balance Sheet – Liabilities –as at 31 December 2004

F – See details on following page.

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

H – Increased mainly by the valuation of retirement commitments under 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 End 04	IFRS End 04	Variation	NOTE
Turnover	1,842.5	1,844.6	2.1	A
Var. stock finished goods & work in progress	8.1	4.9	-3.2	H
Own expenses capitalised	7.7	7.7	0.1	
Other operating income	79.6	75.7	-3.9	A
Materials consumed	-1,138.5	-1,135.8	2.7	H
Staff costs	-197.6	-210.5	-13.0	B
Provision for depreciation & amortisation	-71.9	-66.1	5.8	C
Other operating expenses	-350.8	-322.9	27.9	B,D & G
Operating profit	179.1	197.6	18.5	
Net financial income/loss	-7.9	-20.2	-12.3	D
Deterioration of goodwill	13.0	-2.3	-15.4	E
Share in profits of associated companies	0.2	-0.6	-0.9	
Consolidated profit/loss before tax	158.4	174.4	16.0	
Corporation tax	-34.7	-41.4	-6.6	F
Consolidated profit/loss (Continued Businesses)	123.7	133.1	9.4	
Net profit/loss of Discontinued Operations	0.0	-3.5	-3.5	G
Consolidated profit/loss for the year	123.7	129.5	5.9	
Minority interests	-2.8	-3.0	-0.2	
Net consolidated profit/loss	120.9	126.6	5.7	

Profit and Loss Account - 2004 Full Year

A - Increase by including lease revenues, previously recorded in other operating income.

B – Under IFRS restructuring expenses are included in staff costs and under NCA they were in operating expenses.

C - Smaller amortisation of research and formation expenses.

D – Reclassification from other operating expenses: financial asset provisions, financial adjustment of provisions for litigation and other minor expenses.

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

F - Increased by the effects relating to the adjustments for conversion to the IFRS and the tax effect of operations in the process of discontinuation.

G - Corresponds to the net effect of tdiscontinued operations, which were recorded as operating expenses under the previous principles, with the corresponding tax effect in corporation tax.

H – Reclassification of part of the variation in stocks for consumption.

D

Disclaimer

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 Pubeva 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 Ebro Puleva Group Annual Report 2005.