



Ebro PULEVA
GRUPO

EBRO PULEVA 08

Results 1Q08: As you sow so shall you reap



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Ebro Puleva
An International
Group



Ebro Puleva: Fighting battles and winning trophies

- We are operating against a backdrop of raw material price hikes, slowdown of consumption, sharp appreciation of the Euro and Reform of the Sugar CMO.
- We had prepared ourselves for this situation through our positioning in producing countries. We decided to take long positions in rice and durum wheat in the last quarter of 2007 and, as a result, we have now secured supplies to meet all our needs for this agricultural season.
- The price inflation has affected practically the entire food pyramid. Our core products are at the base of the pyramid and are, by nature, refuge products. Following steep price rises on the raw material markets, the situation is now much calmer, especially on the milk and wheat markets.
- It is at times like these, with the lull in consumption, that investments in advertising and R+D are most important. These investments are helping us to consolidate and strengthen our positions.
- At present, 18% of our consolidated turnover comes from North America, where the currency has depreciated 14% year on year. This has had a relative effect, since all our assets denominated in dollars have a counterbalancing item under liabilities denominated in the same currency, acting as a natural hedge.
- The sugar CMO reform has now concluded, with the outcome announced earlier: a reduction of 363,000 tonnes. The uncertainty has been dispelled. Consequently, Ebro Puleva has decided to study the possibility of selling or floating the sugar business.



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Business Unit Results

1Q08



- **Rice**
- Pasta
- Dairy
- Sugar



Exponential Inflation of the Raw Material

- There has been a hike in international rice prices at source since 2006. The evolution in the first quarter of 2008 was exponential.
- Our rice division has been getting ready for this situation, increasing and accelerating purchase contracts at source through its network of subsidiaries in producing countries (Egypt, Thailand, Europe and USA) We have sufficient stocks to meet the needs of this campaign and we announce the incorporation of Herba Delhi, which will be a new source of supplies.
- The development of microwave products in USA is proving highly successful, with growth rates of the order of 300% in sales.
- We had been preparing ourselves for the price tension on the rice markets and our strategic vision has proved entirely correct. The medium-term prospects are even more promising. The second harvests in the south east of Asia will provide greater volume to ease tension in the producing countries. On a more local level, we are now able to confirm that Seville will be sowing an area very similar to last year, which is excellent last-minute news.

- **Rice**
- Pasta
- Dairy
- Sugar

Less Eating Out, More “Ready to Eat”

- The 1Q08 results of the Rice Division were dented yet again by the general price hike at source, although this has not led to a reduction of volume.
- The adverse effect of the dollar exchange rate has pulled revenues down EUR 10 Mio. Even so, sales rose 4% to EUR 206.3 Mio.
- The EBITDA grew 21.2% to EUR 25 Mio., despite further increase in advertising investments. At constant currency the growth would have been EUR 2 Mio. more (31%).
- The EBITDA margin rose 170 basis points to 12.1%.
- The division ROCE has now reached levels of around 16%.

Thous EUR	1Q06	1Q07	1Q08	.08/07	CAGR 08/06
Sales	170,199	198,184	206,262	4.1%	10.1%
Advertising	5,929	6,552	6,757	3.1%	6.8%
EBITDA	17,121	20,608	24,986	21.2%	20.8%
EBITDA margin	10.1%	10.4%	12.1%	16.5%	9.7%
EBIT	12,143	15,477	19,771	27.7%	27.6%
Operating Profit	10,868	15,487	19,607	26.6%	34.3%
ROCE	11.4	11.3	15.9		



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- Rice
- **Pasta**
- Dairy
- Sugar



After the Storm comes the Harvest

- The raw materials market is currently more relaxed. The prospects of the durum wheat harvests are excellent. Considering that the area sown has increased by more than 20% in the principal producing areas, the prices of the new harvest could well be corrected.
- Consumption has not been affected by the hike in prices and we have maintained a very satisfactory market share. The launching of new products continues developing the health-convenience platform.
- Integration of the Pasta Division is going ahead according to schedule and the purchase of durum wheat is now managed globally. Since January, we have begun installing an ERP SAP in NWP, carrying on from the one implemented in Riviana.
- Birkel, recently incorporated, has turned its results around and is now preparing a wave of new launchings to reactivate its profit margins and market position.
- The comparison between 1Q07 and 1Q08 in NWP is not representative, because in the first quarter of last year a price rise was implemented, in view of a foreseeable rise in raw material costs, which led to an extraordinary profit margin. This year's figures are 8.3% higher than those of 1Q06 in local currency.
- By the end of May we will have Ronzoni microwave pastas on the US market and we are already present in most Canadian distribution networks with Minute microwave rice.

- Rice
- **Pasta**
- Dairy
- Sugar

Boosting Advertising

- The turnover of the pasta division is up 30% to EUR 230.6m, EUR 26.4 Mio. of which is due to the incorporation of Birkel. This figure has, in any case, been adversely affected (-4%) by the depreciation of the dollar.
- We are maintaining our investment in advertising at around 4.5%.
- The EBITDA of the Pasta Division has fallen 16% to EUR 21.4 Mio., mainly due to the larger investments in advertising (EUR -2.8 Mio.), the currency impact (EUR -0.74 Mio.) and the peculiar situation in NWP in 1Q07. Were it not for these circumstances and managerial decisions, the year-on-year results would have been practically identical (EUR 24.7 Mio. vs. EUR 25.5 Mio.).

Thousand dollars	1Q06	1Q07	1Q08	.08/07	CAGR 08/06
Net Sales	79,805	83,714	100,758	20.4%	12.4%
Advertising	1,988	1,785	5,020	181.2%	58.9%
EBITDA	9,699	15,485	7,637	-50.7%	-11.3%
EBITDA margin	12.2%	18.5%	7.6%	-59.0%	-21.0%

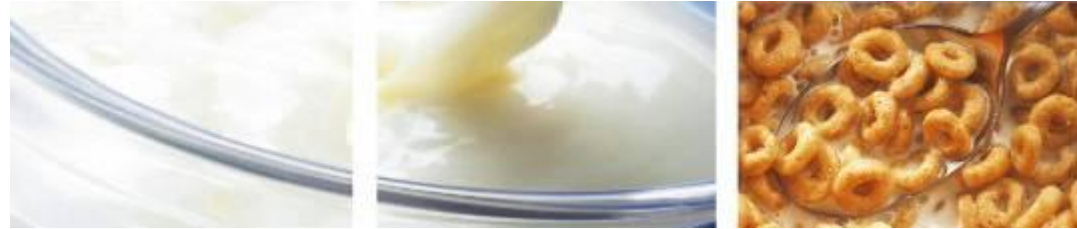
The 1Q06 figures refer to a prior prior to the company's incorporation in the Ebro Puleva group.

Thous EUR	1Q06	1Q07	1Q08	.08/07	CAGR 08/06
Sales	111,002	176,964	230,569	30.3%	44.1%
Advertising	5,487	7,819	10,448	33.6%	38.0%
EBITDA	15,779	25,535	21,365	-16.3%	16.4%
EBITDA margin	14.2%	14.4%	9.3%	-35.8%	-19.3%
EBIT	10,903	17,907	13,820	-22.8%	12.6%
Operating Profit	12,668	17,639	12,899	-26.9%	0.9%
ROCE	16.3	18.2	10.9		



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- Rice
- Pasta
- **Dairy**
- Sugar



Papillas Puleva, undisputed leaders

- The steep rise in dairy prices during 2007 has caused a change in consumer purchasing habits (a change in the product mix consumed) and a slight ebb in consumption.
- We are dealing with this “trading down” effect by giving greater priority to baby foods, where the elasticity is much smaller. The baby milk segment grew by 37.5% in volume year on year and the leadership of Puleva Peques in this segment is indisputable. Over the past year Puleva Peques has increased its market share by 12 percentage points, from 34% to 46%. These products now contribute 8.2% of the division EBITDA.
- In our determination to continue representing the driving force for growth in the infant nutrition sector, we will shortly bring out ready-to-eat milk & cereal baby food under the brand name Puleva Peques Papiya!. These products will have a very positive effect on the business results, since the margins are higher than those of functional milks and are less vulnerable in times of economic instability.
- In general, the evolution in volume by the families of different products we sell have recorded a higher-than-market growth in families recording growth and a smaller decline in families with negative growth.
- Despite the uncertainty in the sector, we have managed to weather the storm thanks to the efforts made last year, both to pass on the increase in raw material prices and to withdraw products with a small contribution, adapting our production structure with the sale of the Leon factory in November 2007.

- Rice
- Pasta
- **Dairy**
- Sugar

Greater Efficiency, Greater ROCE

- Against this backdrop, our sales grew 8% year on year.
- Our logistic costs improved overall by 5.2%, while investment in advertising was maintained at the same level as last year.
- After the industrial restructuring, during which we sold off 4 factories between 2005 and 2007, Lactimilk has been reincorporated within Puleva for commercial operations. The commercial restructuring has cost EUR 1 Mio. this quarter and will conclude with a further EUR 0.5 Mio. in 2Q08.
- As a result of this situation, our EBITDA has fallen to EUR 13.1 Mio. from EUR 14.1 Mio. this time last year.
- The measures taken have been successful and, despite the instability, the division ROCE grew to 18.9% from 18.4% in the same period last year.
- We could say that we have put the crisis behind us.

Thous EUR	1Q06	1Q07	1Q08	.08/07	CAGR 08/06
Sales	128,190	126,094	136,195	8.0%	3.1%
Advertising	4,107	4,413	4,472	1.3%	4.3%
EBITDA	14,036	14,098	13,100	-7.1%	-3.4%
EBITDA margin	10.9%	11.2%	9.6%	-14.0%	-6.3%
EBIT	9,976	10,221	9,314	-8.9%	-3.4%
Operating Profit	9,283	9,952	8,209	-17.5%	-6.0%
ROCE	17.4	18.4	18.9		



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- Rice
- Pasta
- Dairy
- **Sugar**



The Long-Awaited Figure for Renunciation

- The time limit for each Member State to submit its renunciations to the Commission ended on 31 March. The aggregate figure was 5,640,549 tonnes of sugar, so the Commission's target of 6 million tonnes can practically be considered met.
- Spain has renounced 498,458 tonnes, representing exactly 50%.
- Our Sugar Division has renounced 363,000 tonnes.
- The Northern Season was concluded on 2 March, with a duration of 139 effective days. We thus continue our strategy of lengthening seasons, with the twofold benefit of increasing the yield for growers and reducing our operating costs.
- Two outstanding features of this campaign are, on the one hand, the outstanding quality of the beet received (with a polarization of 17.5°) and, on the other, the insufficient rainfall during the autumn, as a result of which the yields are approximately 5% lower than usual, reducing the quantity of beet received.
- The situation regarding competition is now more stable and we expect this situation to continue.

- Rice
- Pasta
- Dairy
- **Sugar**

End of Uncertainty in the Sugar Business

- The first quarter sales figures reflected the smaller quantity of sugar available.
- In these circumstances, the turnover was practically identical to that recorded in 1Q07, at EUR 156.6 Mio., bolstered by the high prices of byproducts (pulp).
- The EBITDA dropped 6% to EUR 16.8 Mio., with an EBITDA margin of 10.7%. This reflects the increased Restructuring Charge, in which we paid 53.4 EUR/tonne more this campaign than last year.
- The ROCE fell to 11.1% due to the smaller contribution with practically the same capital employed.
- No turbulence is expected on the sugar market in forthcoming months, since the CMO reform has been completed on the terms required by the Commission.

Thous EUR	1Q06	1Q07	1Q08	.08/07	CAGR 08/06
Sales	163,520	156,857	156,618	-0.2%	-2.1%
Advertising	797	652	153	-76.5%	-56.2%
EBITDA	19,193	17,810	16,752	-5.9%	-6.6%
EBITDA margin	11.7%	11.4%	10.7%	-5.8%	-4.5%
EBIT	10,366	12,495	11,997	-4.0%	7.6%
Operating Profit	8,087	11,078	12,003	8.3%	21.8%
ROCE	13.5	12.8	11.1		



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Ebro Puleva Group Consolidated Results



Consolidated Group

1Q08



Goodbye to Uncertainty

- The raw materials scenario has undergone profound changes over the past twelve months. We reacted and the situation is now more stable.
- We have kept our volumes up in a complex environment and, consequently, now have a stronger market position. We increased our brand commitments, investing 2.4% more in advertising. Our positions gained in strength as a result. We have also furthered our progress, raising the category of our sales mix through innovation and development.
- This was the last quarter in which the uncertainty surrounding the sugar sector regulation affected our corporate questionnaire. We now close one chapter and begin another.
- Our economic figures show an upturn in profitability levels, compared with 3Q and 4Q07. We are now able to confirm that we have recovered our former level of returns.

Consolidated Group

1Q08



We Repeat Profit Levels

- Our consolidated turnover is up 10.4% year on year and up 12.5% (CAGR) since 2006.
- The EBITDA is slightly down on last year (-2.4%), mainly due to comparison with the extraordinary 1Q07 in NWP. It is, nevertheless, bolstered by the excellent performance of the rice business. Eliminating the impact of the dollar depreciation (which caused a reduction of EUR 2.7 Mio.) and the increased investment in advertising, the EBITDA would have grown by 2%.
- Our net profit is practically identical to that posted last year.
- The company's ROCE is 12.5%.

Thous EUR	1Q06	1Q07	1Q08	.08/07	CAGR 08/06
Sales	567,280	649,847	717,398	10.4%	12.5%
Advertising	16,523	21,547	22,060	2.4%	15.5%
EBITDA	63,057	74,482	72,799	-2.3%	7.4%
EBITDA margin	11.1%	11.5%	10.1%	-11.5%	-4.5%
EBIT	39,947	52,134	50,813	-2.5%	12.8%
Operating Profit	61,304	64,376	60,379	-6.2%	-0.8%
Profit before Tax	53,538	44,771	41,011	-8.4%	-12.5%
Net Profit	37,695	29,285	29,331	0.2%	-11.8%
ROCE	12.0	13.4	12.5		

Consolidated Evolution of Debt 1Q08



Exxentia and Buy-Back of Shares

- The Net Debt grew 3% to EUR 1,244.2 Mio., due mainly to the traditional seasonal nature of our debt evolution, the outlay to buy Exxentia and the buy-back of shares in January, taking advantage of the low price of our share.
- Leverage was 106%, following the usual seasonal trend recorded in other years, marked by the end of the sugar campaign and, this year, by the extremely large stocks of rice.

Thous EUR	31 Dec 06	31 Mar 07	30 Jun 07	31 Dec 07	31 Mar 08
Net Debt	1,134,894	1,204,290	1,131,795	988,250	1,244,241
Average Debt	1,046,354	1,178,378	1,166,921	1,129,254	1,140,378
Equity	1,187,962	1,214,362	1,176,270	1,195,036	1,174,391
Leverage ND	95.5%	99.2%	96.2%	82.7%	105.9%
Leverage AD	88.1%	97.0%	99.2%	94.5%	97.1%

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Ebro Puleva Group Conclusion



Conclusion



Closing one Cycle and Opening Another

- After the storm, the raw materials market is much calmer. The prices of durum wheat and dairy products are more stable, although the price of rice has multiplied by 3.5 over the past two months. In any case, our supply strategy guarantees both the volumes and costs of our operations.
- We continue to boost advertising of our brands and new products, especially in the USA, where our microwave rice products were recently included in the distribution lists of Kroger and Publix nationwide.
- The incorporation of Birkel is proving highly satisfactory and the company is generating energy and growth.
- We have put the crisis behind us in the Dairy sector.
- In Sugar, now that the uncertainty generated by the CMO Reform has ended, the Board has decided to explore different strategic options, from sale to a possible floating of the business. We close one cycle and open another.

5 Annex Pro forma Figures



Annex

Pro forma

Figures



Closing one Cycle and Opening Another

Thous EUR	2007	2007 Pro forma*
Brand sales	1,724,504	1,573,106
Industrial sales	960,538	458,283
Sales	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	576,215	576,215
Sales	2,685,042	2,031,389
Sales in Spain	45%	32%
Sales in EU	33%	40%
Sales Others	21%	28%
Ebitda in Spain	148,986	69,075
Ebitda in EU	76,656	76,656
Ebitda Others	81,118	81,118
Ebitda	306,760	226,849
Ebitda in Spain	49%	30%
Ebitda in EU	25%	34%
Ebitda Others	26%	36%

*Figures calculated by eliminating sales and Ebitda of the Sugar business. Unaudited information.

6 Annex I Raw Materials



Annex I

Raw Materials

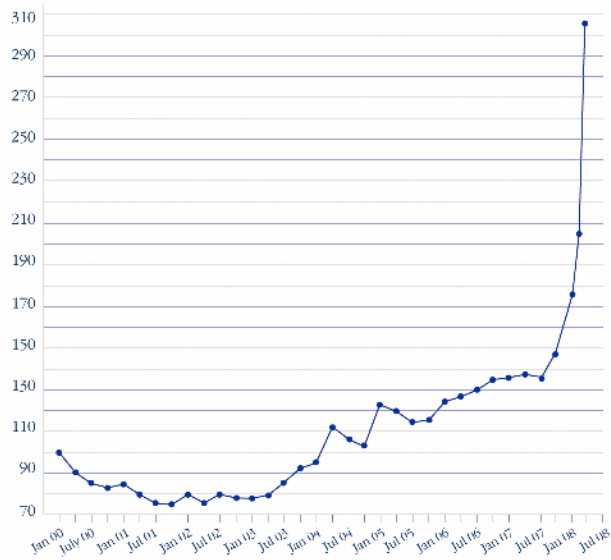


Raw Materials

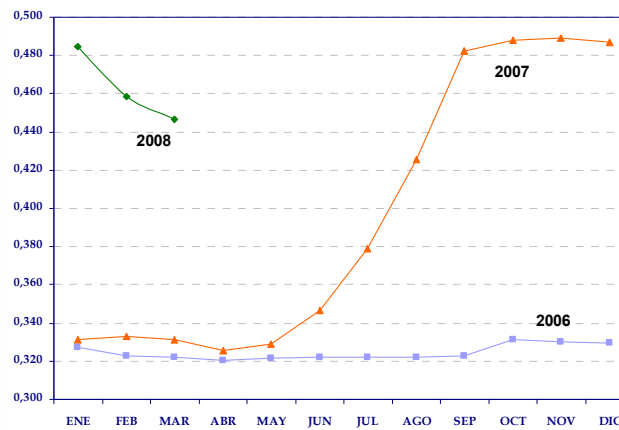
- The following graphs show the evolution of raw material prices:

Price Rice Basket in Bangkok in USD/tonne

International Prices Index (IPI) Base 100 = Jan 2000

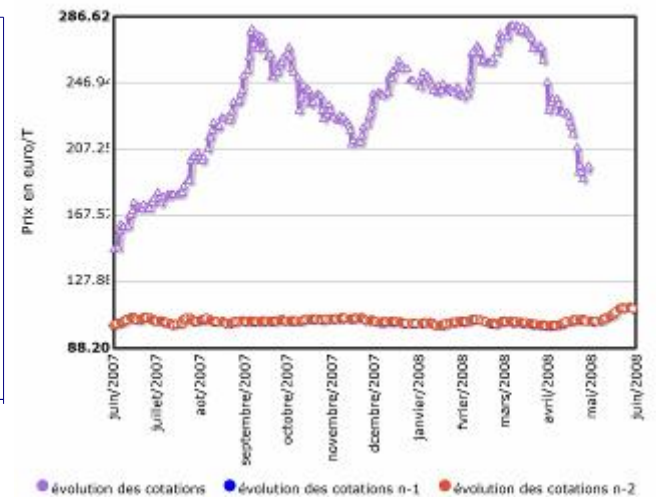


Price of Milk in Spain in Euro/litre



Price of Soft Wheat in France (Liffe) in Euro/tonne

Blé tendre



7

Ebro Puleva
Corporate
Calendar



Corporate Calendar 2008



Ebro Puleva maintains its commitment to transparency and reporting in 2008:

27 February	Presentation year-end 2007 results
3 April	Quarterly dividend payment
5 May	Presentation 1st quarter results
3 July	Quarterly dividend payment
29 July	Presentation 1st half results
3 October	Quarterly dividend payment
29 October	Presentation 3rd quarter results and outlook 2008
19 December	Announcement 2009 dividend against 2008 earnings
23 December	Quarterly dividend payment

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Disclaimer



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 not binding in respect of future actions and entail certain risks and uncertainties. Business results may be affected by numerous factors, causing them to 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 advised to consult the company's Annual Report and the documents filed with the Authorities, especially the National Securities Market Commission (CNMV).
- All figures presented for the current period have been not audited.