

9M15 and Outlook 2015 RESULTS



Ebro

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1. Business Units: 9M Results and Outlook 2015





RICE DIVISION

RICE

- 0 During this exercise we have had different situation concerning raw materials in the USA and in Europe:
 - 0 In the USA, the 14/15 crop has been very abundant and prices have remained low during the whole trading period. The new North American crop 15/16 has just finished and its quality is worse and with lower volumes than the previous one. That has affected prices of raw materials with an increase higher than 20% which will affect the last quarter and the first half of 2016. On the other hand, the new crop in Texas has been even worse than last year's, paradoxically, due to the excess of water when harvesting. Water reservoirs have increased their volumes significantly and we expect a more normalized crop for 16/17.
 - 0 In Europe, the 2014/15 crop has been good but 20EUR/Tn more expensive than the previous one in the Indica varieties and prices of Japonica have been very volatile, specially in Italy. This situation has fostered an increase of the imports of Asian rice, which is not only cheaper than the local market rice but it also benefits from tariff advantages, which has made our factories of the area to be less used. The new crop 15/16 is still in process and we estimate that it will have lower prices than last year's with regards to rice of Indica varieties in order to be able to compete with imported rice. Japonica rice for paella, risotto, etc will remain with the high price they enjoyed last crop.
- 0 There has been a major decrease of Basmati prices during the exercise due to the offer surplus; that will be a positive factor for our brands.



RICE

- From a commercial point of view, results have been very positive, specially in North America where we have lived a growth higher than the market, which grows at 3%, and we already reach a market share of 24% in USA. Aromatic rice, Minute brand and microwave rice still grow with high yields. The purchase of RiceSelect opens the door to new concepts of multigrain, quinoa and organic production rice.
- It is important to highlight from Herba the major advertising effort carried out to support our traditional brands such as SOS and the success of innovations such as Sabroz and wholegrain with quinoa cups which allow us to consolidate our leadership position. In the North of Europe we have used Asian rice, affecting on the one side to the industrial cost in Spain, at around 4MEUR, but on the other side, it guarantees competitiveness and growth.
- In summary, a great year for our rice activity which sees its businesses in India and the Americas consolidate.



RICE

- The sales of the division in the first 9 months represent 951.7 MEUR, that is an increase of 15% versus the same period of the previous year.
- Investment in advertisement rises almost to 5.5 MEUR, that is 33%, reaching 22 MEUR, reinforcing the value of our brands such as SOS and fostering the launching of new products such as grains and rice mixes and organic and conventional quinoa in all our subsidiaries.
- The Ebitda of the division grows by 21% reaching 126.6 MEUR with a positive impact in the exchange rate of 14.1 MEUR. At a constant exchange rate, this growth would have been of a major 8%.
- The good shape of the business makes the ROCE to grow by 130 basis points, reaching 16,7%.

Thous. EUR	9M13	9M14	9M15	15/14	CAGR 15/13
Sales	825.099	830.520	951.736	14,6%	7,4%
Advertising	18.413	16.499	22.008	33,4%	9,3%
Ebitda	99.154	104.477	126.552	21,1%	13,0%
EBITDA Margin	12,0%	12,6%	13,3%	5,7%	5,2%
Ebit	78.719	84.283	105.116	24,7%	15,6%
Operating Profit	75.618	89.181	106.803	19,8%	18,8%
ROCE	15,5	15,4	16,7	ND	ND



RICE



- The sales of the division for the end of the year will rise by 11.2%, reaching 1,272.1 MEUR, a major increase versus the same period of the previous year.
- Investment in advertising will have kept its pace and the investment figure for the end of the year will be 9.2 MEUR over the previous year, representing an increase of 46.5%.
- The division's Ebitda will rise by 12.6% reaching 167.6 MEUR, with an exchange rate impact that if it remains at these levels, its contribution will be of 15 MEUR.
- We estimate the Operating Profit to reach an increase of 19.9% by the end of the year; a significant increase if we take into account the fact that in the previous exercise this figure included the gain in value due to the selling of some Riviana land.

Thous. EUR	2013	2014	E2015	E15/14	CAGR E15/13
Sales	1.090.460	1.144.265	1.272.068	11,2%	8,0%
Advertising	21.797	19.813	29.025	46,5%	15,4%
Ebitda	137.627	148.828	167.605	12,6%	10,4%
EBITDA Margen	12,6%	13,0%	13,2%	1,3%	2,2%
Ebit	110.156	121.789	138.525	13,7%	12,1%
Operating Profit	102.785	118.439	142.015	19,9%	17,5%
ROCE	14,8	15,3	ND	ND	ND





PASTA DIVISION

PASTA

- With regards to Pasta, this has been a very difficult year regarding raw materials both in North America and in Europe. In November 2014 durum wheat rose like a rocket up to 430 EUR/tn in Europe and 17 USD/bushel in EE.UU. and Canada. The consequences was a price increase in Europe and the reduction of promotions in North America. Later, the market decreased as new crops were getting at more reasonable prices of 290 EUR/tn and 11 USD/bushel. Paradoxically and facing the heat of the past month of July a dizzy growth took place during two months, reaching prices of 380 EUR/tn and 14 USD/bushel. Luckily, this spiral has reverted and it is foreseen to have a major sowing area worldwide due to the differential of more than 120 EUR/tn between durum wheat and common wheat. That is why we guess that 4Q15 and 1S16 will be much calmer than the previous year.
- We have had two different scenarios to face this raw materials situation:
 - In Europe, we have faced this price increase (with an overrun of 35 MEUR) in an environment of Distribution concentration. We have passed the test with great marks and we have increased our market shares in 170 b.p. The result could have been even better if we had not suffered the harshness of this midsummer heat that has affected the consumption and the fire in our Gennevilliers plant which has forced us to find supplies of semoline outside the Group. The growth of sales and the participation in the market has also extended to Sauces and Couscous. We have successfully launched Banzai's Asiatic noodles.



PASTA

- In North America the situation has been a very difficult one. In a market decreasing by 3% due to the “low carb” fashion only Distributor Brands keep the pace and main brands loose ground. Wholegrain pastas have experienced an even stronger reduction (-20%), currently affecting NWP due to the reorganization of the listings of a major distributor. In order to counteract this effect, we are going to foster the “Gluten-Free” segment, for which we will open a plant in the last quarter, the range “150 calories” with a lower caloric value per portion and “Ancient Grains”. The idea is to put pasta again under the consumer's light.
- Garofalo has had an excellent year, reaching its profitability objectives and increasing its world volumes by 5.7% by September. It will be in 2016 when the brand will be promoted in most part of the UE has its distribution will have been transferred to Ebro Group.
- In summary, very solid results in Europe while in North America the downward market requires changes in the strategic approach in order to get back to the essence of growth and profitability.



PASTA

- The sales of the division rise by 21%, reaching 877.7 MEUR mainly due to the price increase, offsetting the rise of raw materials. Garofalo contributes with 109.7 MEUR.
- Investment in advertising increases up to 43.6 MEUR, 12,8% to foster our brands and the new launchings.
- Ebitda contracts 4.5 MEUR up to 94.8 MEUR. Garofalo contributes with 11 MEUR and the exchange rate with 2.5 MEUR due to the USD appreciation.
- The Ebitda margin decreases to 10.8% though we start to see a positive evolution, having recovered 110 basis points since the first quarter, when the price to consumer had a bigger differential with the rise of raw materials.



Thous. EUR	9M13	9M14	9M15	15/14	CAGR 15/13
Sales	666.603	725.952	877.654	20,9%	14,7%
Advertising	40.827	38.629	43.588	12,8%	3,3%
Ebitda	100.678	99.288	94.835	-4,5%	-2,9%
EbitdaMargin	15,1%	13,7%	10,8%	-21,0%	-15,4%
Ebit	80.770	76.547	67.582	-11,7%	-8,5%
Operating Profit	79.455	75.828	64.956	-14,3%	-9,6%
ROCE	25,5	23,4	16,8	ND	ND



PASTA

- The increase of the sales of the division at year closure is estimated at 18.5% reaching 1,220.9 MEUR, mainly due to the price increase of raw materials. Garofalo will have contributed with 146.3 MEUR and Monterrat with 15.9 MEUR.
- Investment in advertising will increase by 7.9 MEUR reaching 59.9 MEUR as we have prepared a strong battery of launches for sauces and fresh pasta in Europe and a strong campaign for Garofalo and several products of the revalorized segment in North America for the last quarter.
- Ebitda will remain flat in 144.2 MEUR as it will be in the fourth quarter when we will harvest the positive effect of the strategies followed to offset the heavy rise of raw materials. Just as in rice, the exchange rate, should it continue at these levels, it will have a positive effect of 4 MEUR for the total of the exercise.

Thous. EUR	2013	2014	E2015	E15/14	CAGR 15/13
Sales	915.120	1.029.294	1.220.901	18,6%	15,5%
Advertising	49.406	52.060	59.935	15,1%	10,1%
Ebitda	152.955	146.317	144.163	-1,5%	-2,9%
Ebitda Margin	16,7%	14,2%	11,8%	-16,9%	-15,9%
Ebit	125.725	114.397	105.798	-7,5%	-8,3%
Operating Profit	115.283	112.340	101.163	-9,9%	-6,3%
ROCE	22,0	19,8	ND	ND	ND



1. Ebro Foods Consolidated 9M Results and Outlook 2015



2.1 PROFIT & LOSS ACCOUNT 9M15



- The sales of the Group increase, during the first 9 months of the year, by 17.7% reaching 1,789,8 MEUR.
- Our consumer and differentiation strategy is backed by a strong advertisement investment; during these months we have invested 10.1 MEUR reaching 65.7 MEUR, 18.2% above the same period of the previous year.
- Ebitda grows by 8.7% reaching 214.4 MEUR, having a positive impact of the currency of 17.4 MEUR.
- The Operating result rises 4.8% reaching 164.3 MEUR.
- The Net Profit shrinks by 3.8 % reaching 101.6 MEUR due to the absence of gains such as the one of the previous exercise stemming from the disinvestment in Deoleo, which represented 9.9 MEUR.
- ROCE remains in a satisfactory profitability level of 15.4%

Thous. EUR	9M13	9M14	9M15	15/14	CAGR15/13
Sales	1.456.809	1.520.683	1.789.799	17,7%	10,8%
Advertising	59.684	55.599	65.693	18,2%	4,9%
Ebitda	193.425	197.294	214.369	8,7%	5,3%
Ebitda Margin	13,3%	13,0%	12,0%	-7,7%	-5,0%
Ebit	152.096	153.570	165.072	7,5%	4,2%
Operating profit	154.669	156.867	164.330	4,8%	3,1%
Profit Before Tax	153.998	165.796	155.579	-6,2%	0,5%
Net Profit	99.504	105.618	101.594	-3,8%	1,0%
ROCE	17,9	17,3	15,4	ND	ND



2.1 PROFIT & LOSS ACCOUNT E2015

- The sales of the Group will increase by 15%, reaching 2,444 MEUR. The change in the perimeter will contribute with 31.6 MEUR.
- We expect to continue reinforcing the amount of advertisement investment for the end of the year as advertising campaigns of several product launchings will drop this quarter. Thus, the advertisement line rises by 23% reaching 89 MEUR.
- Ebitda will significantly rise by 5.2% reaching 302.1 MEUR with the perimeter change contributing with 3.6 MEUR and the currency translation contributing with 20.1 MEUR.
- The operating profit will increase by 7.4% despite having less extraordinary operating results as the previous year registered the major part of the sale of some estate of Riviana and major reversions due to the surplus of provisions from different litigations.
- The net profit will contract by 2.5% reaching 142.3 MEUR due to the absence of an extraordinary financial result (selling Deoleo) in the previous exercise but it proves its good shape as the compound annual growth rate since 2013 grows at a rate of 3.5%.



Thous. EUR	2013	2014	E2015	15/14	CAGR 15/13
Sales	1.956.647	2.120.722	2.444.150	15,3%	11,8%
Advertising	72.188	72.414	88.970	22,9%	11,0%
Ebitda	282.392	287.251	302.143	5,2%	3,4%
Ebitda Margin	14,7%	13,5%	12,4%	-8,7%	-8,2%
Ebit	226.356	227.242	233.912	2,9%	1,7%
Operating Results	212.907	217.377	233.409	7,4%	4,7%
Profit Before Tax	210.647	217.377	223.588	2,9%	3,0%
Net Profit	132.759	146.013	142.345	-2,5%	3,5%
ROCE	17,7	16,7	ND	ND	ND



2.2 DEBT EVOLUTION

- At September 30 the net debt reduces, since the closure of the first semester, by 62 MEUR reaching 448.2 MEUR.
- By the end of the year the net debt will reach 431.4 MEUR, a figure including the purchase of RiceSelect and Roland Monterrat. This represents a debt multiple equalling 1.4 times the estimated EBITDA for the year end. It is a very comfortable debt level allowing us to continue with our strategy of geographical and product consolidation and render the existing Capital Employed in our platforms by leveraging our Goodwill or Fix Assets.

Thous. EUR	30 Sep 13	31 Dec 13	30 Sep 14	30 Dec 14	30 Sep 15	E31 Dec 15	E15/14	CAGR E15/13
Net Debt	259.910	338.291	364.174	405.617	448.148	431.378	6,4%	12,9%
Average Net Debt	246.473	260.820	318.872	333.178	413.295	ND	ND	ND
Equity	1.683.849	1.705.757	1.793.303	1.849.485	1.900.665	1.931.624	11,4%	6,4%
Leverage DN	15,4%	19,8%	20,3%	21,9%	23,6%	22,3%	31,6%	6,1%
Leverage AD	14,6%	15,3%	17,8%	18,0%	21,7%	ND	ND	ND
x Ebitda (DN)		1,20		1,41		1,43		
x Ebitda (AD)		0,92		ND		ND		



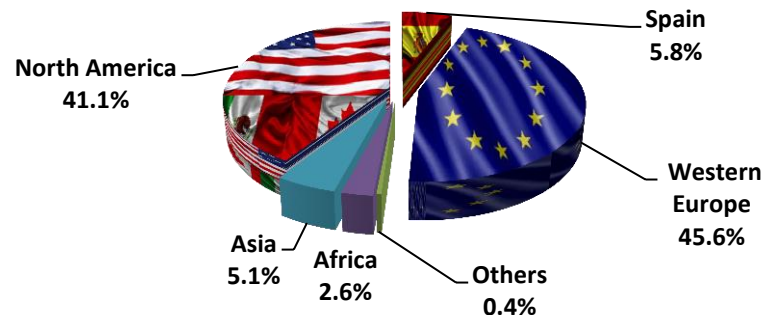


CONCLUSION



CONCLUSION

- o Despite being a complicated year regarding raw materials, specially durum wheat, we have managed to implement the necessary measures that from now on will allow us to gradually recover from the negative impacts suffered in our margins. In general, we foresee a sustained raw materials market with a slight upwards trend in rice and possible a downward trend in durum wheat.
- o Despite the difficulties, we have kept our head high, looking to the mid term and we have preferred to reinforce investing in the brand and in new launchings instead of monetizing a nicer result on the short term.
- o By the end of the year we will have assumed the whole distribution of Garofalo and we are going to strongly invest in advertising to reinforce the position of this premium pasta brand.
- o With RiceSelect we find the perfect lever to rise the value of our portfolio in USA, with a premium brand well positioned in multigrain and organic; rising our market share in this country up to 24%.
- o With the purchase of Roland Monterrat we continue to expand our position in the fresh market, achieving major synergies and entering in the very promising fresh snacking market, an activity which is very close our capacities in this market and for which we have a fully prepared local platform.
- o We expect a new geographical map of the sales for the end of the year, in which we reinforce the our position in those markets with greater brand appreciation and where we find higher value in the development of our strategy.



CORPORATE CALENDAR

Ebro keeps its commitment of transparency and communication for 2015, therefore we provide here our Corporate Calendar for the exercise:

25th of February	Results Presentation Year-End Closing 2014 ✓	
1st of April	Four-month payment of ordinary dividend (0,17 EUR/share)	✓
29th of April	1st Quarter Results Presentation ✓	
29th of June	Four-month payment of ordinary dividend (0,17 EUR/share)	✓
29th of July	1st Semester Results Presentation ✓	
2nd of October	Four-month payment of ordinary dividend (0,17 EUR/share)	✓
28th of October	3rd Quarter Results Presentation and Pre-Year-End Closing 2015	✓
22nd of December	Payment of extraordinary dividend (0,15 EUR/share)	



DISCLAIMER

- o This presentation contains our true understanding to the date of estimates on the future growth and on the different business lines and the global business, market share, financial results and other aspects of the activity and the positioning of the Company.
- o All the data included in this report have been put together according to the International Accounting Standards (IAS)
- o The information included herein does not represent a guarantee of our future action and it entails risks and uncertainty. The real results may be materially different from the ones stated in our estimates as a result of different factors.
- o Analysts and investors shall not depend on these estimates covering only up to the date of this presentation. Ebro Foods does not undertake the obligation of publicly informing about the results of any revision of these estimates that may be done to reflect the successes and circumstances that may happen after the date of this presentation, including with no limits, changes in the business of Ebro Foods or in the acquisitions strategy or to reflect unforeseen events. We encourage analysts and investors to consult the Company's Annual Report as well as the documents presented to the Authorities and more specifically to the National Stock Exchange Authority (CNMV).
- o The main risks and uncertainties affecting the activities of the Group are the same ones included in Note 28 of the Consolidated Annual Accounts and in the Management Report corresponding to the year closed at 31st December 2014 which is available at www.ebrofoods.es. We think that no major change has taken place in this exercise. The Group still has certain exposure to the markets of raw materials and to the transfer of changes in prices to its customers. Likewise, there is certain exposure to fluctuations in the exchange rate, specially the dollar, and to changes in the interest rates.

