

EBRO IN 2012

FINANCIAL

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CHAIRMAN'S STATEMENT

WEB: www.ebrofoods.es

Antonio Hernández Callejas

CHAIRMAN'S STATEMENT

Dear stakeholders,



As you are all well aware, 2012 was another difficult year for the world economy. Economic activity was weak in Europe. The Euro or Sovereign Debt Crisis checked the growth of the large economies on the European continent and the year was once again marked by the loss of investor confidence and the lack of clear policies for the Member States to rebalance their economies, stabilise the structure of their government borrowing and reduce their external deficits. Meanwhile, the US economy experienced sluggish growth and the labour market and consumption did not pick up as well as had been expected at the beginning of the year, as the persistently high unemployment continued to weaken the desired economic recovery.

Against this difficult backdrop, which favoured the growth of private label brands, Ebro waged a tough battle and, as a result of its hard work, completed a highly satisfactory year, proving the cohesion of a business model that has again posted a turnover of over €2 billion and generated an EBITDA of the order of €300 million, similar to that obtained when we still owned the sugar and dairy businesses. At the same time, our net debt had a ratio at year end of less than 1xEBITDA, at €244.8 million, down €145 million year on year. This is even more important bearing in mind the negative effect of the dollar exchange rate and that we paid our shareholders €98 million in dividends during 2012.

One of the pillars for achieving these results was the fact that the company has continued to invest heavily in Marketing and Innovation, with which it has

maintained a sound positioning of its brands and achieved a huge success with its latest launchings, both in the traditional rice and pasta businesses and in the recently opened related territories of potato and frozen foods.

Looking now at the performance of our divisions during the year, the evolution of the rice division was very positive, bolstered by the progression of both European and North American brands, the stabilisation of commodity prices and the incorporation of the SOS rice businesses, which will contribute €27 million to the total division EBITDA.

Things were not so easy for our pasta division. In Europe Panzani performed well, with a significant progression in all its business areas, but the US business suffered setbacks caused by three factors:

1. The shrinking of the pasta market (by around 6%)
2. The price war waged by many of our rivals
3. And the use of durum wheat stocks purchased at peak prices.

Towards the end of the year, in a more stable commodity situation and after implementing several corporate decisions, including a price adjustment and renewal of the management team, the yield of our subsidiary New World Pasta (NWP) finally started to pick up.

The performance of the EBRO share on the stock market has been reasonably stable, rising 5.5% compared to the 6.4% drop on Ibex 35 and 26.1% on Ibex Small. The only two indexes with a better performance were the Eurostoxx Food and Beverage, benchmark for European food securities, which rose 18.2% and Ibex Med, which was up 12.1%.

The end result is, as I mentioned earlier, that we have completed a good year, much to my satisfaction. Without much fuss, the company has grown, enjoyed stability (no mean feat in this day and age), improved its profitability parameters, managed to hold on to its market shares in many of the countries in which it operates, continued innovating and, therefore, by strengthening its leadership and differentiation from its rivals, it has also consolidated its financial position.

I invite you to consult on this USB the details of the company's performance in all its areas of activity during 2012.

With a view to the future, we still have numerous options for growth, not only through acquisitions, but also for organic growth, extending the know-how of business segments in which we are leaders in some countries to others in which we do not yet operate those market niches, or even opening up new territories, as we did this year with frozen food and potato in the United States and France. There are some areas with a great deal of potential, we have excellent R+D+I support, strong brands recognised by consumers, we are creative and we have a good commercial team. In other words, we have very solid foundations for further progress and to be a benchmark in our business areas.

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OUR CORE BUSINESS

WEB: www.ebrofoods.es

Our Core business



The core businesses of Ebro Foods are rice and pasta. Ebro develops its business model within these areas using the different technologies available: dry, fresh, precooked and frozen.

Rice division



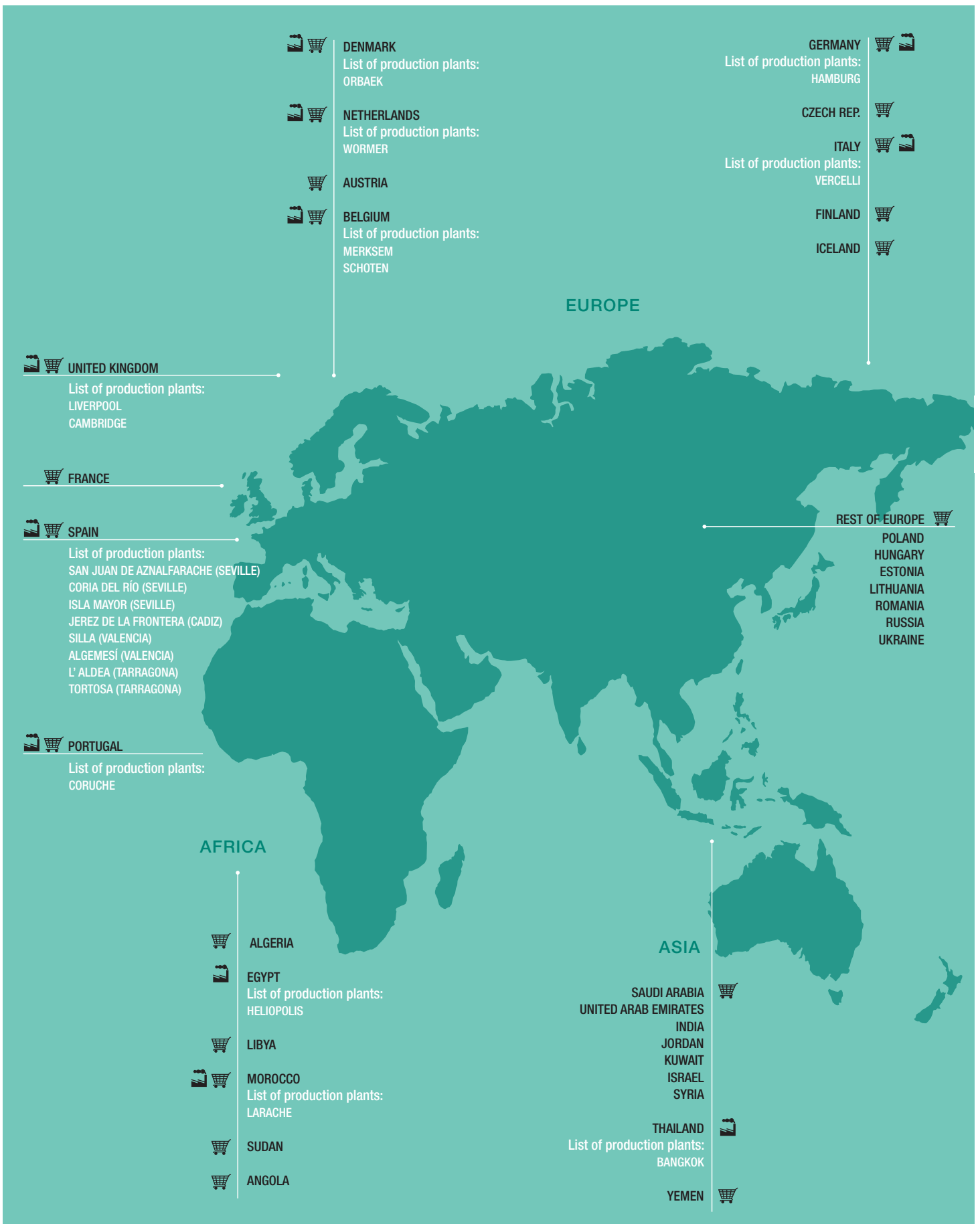
Rice division



The Group is world leader in this business. Its origins in Spain date back to 1950, commencing its international expansion in 1986 through the acquisition of brands and leading companies in Europe, United States and Canada. Now present also in Africa and Asia, the division operates with a broad portfolio of brands and leading products. This business unit contributes 54% of Ebro's overall turnover.

Rice. Geographical areas





Brands in America



Market position

| RICE | |
|---------------|--------|
| Canada | N° 1 R |
| United States | N° 1 R |

N° 1 R: Short-grain rice



Brands in America

Bahamas

Blue Ribbon®

Mahatma®

Belize

Mahatma®

Bermudas

Carolina®

Minute®

Canadá

Minute®

Curaçao

Blue Ribbon®

Mahatma®

Jamaica

Mahatma®

Panama

Mahatma®

Peru

Mahatma®

Puerto Rico

El Mago®

Sello Rojo®

St Martin

Mahatma®

St Lucia

Mahatma®

Suriname

Mahatma®

Minute®

United States

Abu Bint®

Adolphus®

Blue Ribbon®

Carolina®

Comet®

Gourmet House®

Mahatma®

Minute®

River®

Success Rice®

Watermaid®

Uruguay

Minute®



Brands in Europe



Market position

| RICE | |
|----------------|---------------------|
| Czech Republic | NR |
| France | N° 1 R |
| Hungary | N° 1 R |
| Portugal | N° 1 R |
| Romania | NR |
| Slovakia | N° 3 Retail, N° 1 R |
| Spain | N° 1 R |

NR: Not predominant
N° 1 R: Short-grain rice

Brands in Europe



Belgium

Bosto®

Boss®

Denmark

Oryza®

Ris-Fix®

Estonia

Bosto®

Finlandia

Risella®

France

Lustucru®

Taureau Ailé®

Germany

Oryza®

Reis-Fit®

Hungary

Riceland®

SOS®

Iceland

River®

Lithuania

Bosto®

Netherlands

Lassie®

Poland

Bosto®

Portugal

La Cigala®

Saludaes®

Slovakia

SOS®

Spain

Arroz Rocio®

Brillante®

La Cigala®

La Fallera®

SOS®

Russia

Casi®

Bosto®

United Kingdom

Chinatown®

Daawat®

Double Phoenix®

Gourmet House®

Peacock®

Success®

Sunrich®

Ukraine

Bosto®

Casi®

Oryza®

Brands in Africa y Asia



Brands in Africa y Asia

Market position

RICE

AFRICA

| | |
|---------|-------------|
| Angola | Nº 3 Retail |
| Algeria | Nº 2 V |
| Egypt | NR |
| Morocco | Nº 1 R |

ASIA

| | |
|----------------------|--------------|
| Israel | NR |
| Jordan | Nº 1 R, PARB |
| Kuwait | NR |
| Saudi Arabia | Nº 1, PARB |
| Syria | Nº 2 Retail |
| United Arab Emirates | NR |

NR: Not predominant
 Nº 1 R: Short-grain rice
 V: Share market value
 PARB: Parboiled rice

AFRICA

Angola
 Arroz Cigala®

Egypt
 Abu Bint®

Libya
 Herba®
 SOS®

Morocco
 Arroz Cigala®
 Miura®

Sudan
 Abu Bint®

ASIA

Israel
 Arroz Cigala®

Kuwait
 SOS®

Saudi Arabia
 Abu Bint®

Syria
 SOS®

United Arab Emirates
 Abu Bint®
 SOS®

Yemen
 Abu Bint®



Pasta, sauces and others division



Pasta, sauces and others division



This division is represented by New World Pasta (leader in USA and Canada), Panzani (No. 1 in France in dry and fresh pasta, sauces, couscous and semolina) and Birkel (No. 1 in Germany). The Group's brands are also present in other parts of the world, such as Belgium, Hungary, United Kingdom, Algeria, United Arab Emirates, Czech Republic and Russia. In just eight years Ebro has established itself as the second pasta manufacturer worldwide. The division now accounts for 46% of the Group's total turnover.

Pasta, sauces and others. geographical areas

CANADA

List of production plants:
MONTREAL (QUEBEC)

UNITED STATES

List of production plants:
FRESNO (CALIFORNIA)
ST. LOUIS (MISSOURI)
WINCHESTER (VIRGINIA)

REST OF AMERICA

PUERTO RICO
ST MARTIN
BAHAMAS
CURAÇAO
BERMUDAS
BELIZE
JAMAICA
ST LUCIA
TRINIDAD & TOBAGO
PANAMA
SURINAME

PERU

URUGUAY

AMERICA



INDUSTRIAL PRESENCE



COMMERCIAL PRESENCE

 BELGIUM
 GERMANY
List of production plants
MANHEIM
WAREN
 CZECH REP.

HUNGARY 
ESTONIA
SLOVAKIA
ROMANIA
RUSSIA

EUROPE

 FRANCE
List of production plants:
GENNEVILLIERS
NANTERRE
SAINT GENIS LAVAL
LORETTE
SAINT JUST
VITROLLES
LITTORAL
LA MONTRE

AFRICA

 ALGERIA
MOROCCO

ASIA

SAUDI ARABIA 
UNITED ARAB EMIRATES
LEBANON

Brands in America



Brands in America

Bahamas
Ronzoni®

Belize
Ronzoni®

Bermudas
Catelli®
Ronzoni®

Canada
Catelli®
Catelli Healthy Harvest®
Lancia®
Splendor
Ronzoni®

Jamaica
Ronzoni®

Panama
Creamette®

Peru
Ronzoni®

Puerto Rico
Prince®
Ronzoni®

St Martin
Ronzoni®

St Lucia
Ronzoni®

Suriname
Ronzoni®

Trinidad and Tobago
Ronzoni®

United Staes
American Beauty®
Creamette®
Light'n'fluffy®
No Yolks®
Prince®
P&R®
Ronzoni Healthy Harv
Ronzoni®
San Giorgio®
Skinner®
Wacky Mac®

Uruguay
Ronzoni®

Market position

| DRY PASTA | |
|---------------|------|
| Canada | Nº 1 |
| Mexico | P |
| United States | Nº 2 |
| SAUCES | |
| Mexico | P |

P: Presence



Brands in Europe



Brands in Europe

Market position

DRY PASTA

| | |
|----------------|------|
| Belgium | N° 2 |
| Czech Republic | N° 1 |
| Estonia | N° 1 |
| France | N° 1 |
| Hungary | P |
| Portugal | P |
| Romania | N° 5 |
| Slovakia | P |

FRESH PASTA

| | |
|--------|------|
| France | N° 1 |
|--------|------|

SAUCES

| | |
|----------------|------|
| Belgium | P |
| Czech Republic | N° 1 |
| Estonia | N° 1 |
| France | N° 1 |
| Hungary | P |
| Portugal | P |
| Romania | N° 3 |
| Slovakia | P |

FRESH PATATA

| | |
|--------|------|
| France | N° 1 |
|--------|------|

P: Presence

Belgium

Panzani®

Czech Republic

Panzani®

Estonia

Panzani®

France

Ferrero®

Lustucru®

Panzani®

Regia®

Germany

Birkel®

3 Glocken®

Minuto®

Romania

Panzani®

Russia

3 Glocken®

Slovakia

Panzani®



Brands in Africa and Asia



Brands in Africa and Asia

Market position

DRY PASTA

| | |
|----------------------|---------------|
| Angola | P |
| Algeria | N° 1 Imported |
| Libya | P |
| Morocco | N° 2 Imported |
| Saudi Arabia | N° 1 Imported |
| United Arab Emirates | N° 1 |
| Jordan | P |
| Kuwait | N° 1 Imported |
| Thailand | P |
| Yemen | P |
| Lebanon | N° 2 |
| Qatar | N°1 Imported |
| Cameroon | N° 1 |
| Ivory Coast | N°1 Imported |
| Senegal | N°1 Imported |
| Gabon | N°1 Imported |
| Congo | N°1 Imported |
| Mauritius | N°1 Imported |
| Antilles | N° 1 |

SAUCES

| | |
|----------------------|------|
| Algeria | P |
| Morocco | P |
| United Arab Emirates | N° 2 |
| Lebanon | N° 3 |
| Antilles | N° 1 |

P: Presence

AFRICA

Argelia
Lustucru®
Panzani®

Morocco
Panzani®

ASIA

Lebanon
Panzani®

Saudi Arabia
Panzani®

United Arab Emirates
Panzani®



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FINANCIAL HIGHLIGHTS

WEB: www.ebrofoods.es

Financial highlights

THOUSAND EURO

| CONSOLIDATED FIGURES | 2010 | 2011 | 2011-2010 | 2012 | 2011-2012 | CAGR 2012-2010 |
|---|-----------|-----------|-----------|-----------|-----------|----------------|
| Net turnover | 1,688,957 | 1,804,111 | 6.8% | 2,041,266 | 13.1% | 9.9% |
| EBITDA | 267,479 | 273,106 | 2.1% | 299,576 | 9.7% | 5.8% |
| EBIT | 211,573 | 224,022 | 5.9% | 242,295 | 8.2% | 7.0% |
| Operating profit | 200,023 | 219,074 | 9.5% | 253,393 | 15.7% | 12.6% |
| Consolidated earnings (Continuing operations) | 128,972 | 151,643 | 17.6% | 158,451 | 4.5% | 10.8% |
| Net earnings on discontinued operations | 259,970 | 0 | | 0 | | (100.0%) |
| Net profit | 388,797 | 151,542 | (61.0%) | 158,592 | 4.7% | (36.1%) |
| Average current assets | 237,222 | 252,916 | (6.6%) | 337,378 | (33.4%) | |
| Capital employed | 995,309 | 1,007,686 | (1.2%) | 1,212,424 | (20.3%) | |
| ROCE (1) | 21.3 | 22.2 | | 20.0 | | |
| Capex | 69,617 | 66,596 | (4.3%) | 52,930 | (20.5%) | |
| Average headcount | 4,850 | 4,920 | (1.4%) | 4,884 | (0.7%) | |

(1) ROCE = Operating income CAGR last 12 months / (intangible assets - property, plant & equipment - current assets)

| STOCK MARKET HIGHLIGHTS | 2010 | 2011 | 2011-2010 | 2012 | 2012-2011 |
|-----------------------------------|-----------------|-----------------|------------------|-------------|------------------|
| Number of shares | 153,865,392 | 153,865,392 | 0.0% | 153,865,392 | 0.0% |
| Market capitalisation at year-end | 2,435,689 | 2,207,968 | (9.3%) | 2,307,981 | 4.5% |
| EPS | 2.53 | 0.98 | (61.0%) | 1.03 | 4.7% |
| Dividend per share | 0.70 | 0.87 | 24.3% | 0.63 | (27.6%) |
| Theoretical book value per share | 10.35 | 10.32 | (0.3%) | 11.00 | 6.6% |
| | 31-12-10 | 31-12-11 | 2011-2010 | 2012 | 2012-2011 |
| Equity | 1,592,743 | 1,587,298 | (0.3%) | 1,692,209 | 6.6% |
| Net Debt | 17,600 | 390,073 | (2116.3%) | 244,804 | 37.2% |
| Average Debt | 378,336 | 139,157 | | 294,114 | |
| Leverage (2) | 0.24 | 0.09 | | 0.17 | |
| Total Assets | 2,885,030 | 2,710,608 | (6.0%) | 2,719,717 | 0.3% |

(2) Ratio of average net financial debt with cost to equity (excluding minority interests)

THOUSAND EURO

| RICE BUSINESS | 2010 | 2011 | 2011-2010 | 2012 | 2011-2012 | CAGR 2012-2010 |
|------------------------|---------|---------|-----------|-----------|-----------|----------------|
| Net turnover | 811,558 | 920,752 | 13.5% | 1,105,738 | 20.1% | 16.7% |
| EBITDA | 123,263 | 135,953 | 10.3% | 161,035 | 18.4% | 14.3% |
| EBIT | 99,019 | 113,698 | 14.8% | 133,927 | 17.8% | 16.3% |
| Operating profit | 103,024 | 103,056 | 0.0% | 130,021 | 26.2% | 12.3% |
| Average current assets | 181,782 | 231,686 | (27.5%) | 298,822 | (29.0%) | |
| Capital employed | 506,347 | 582,158 | (15.0%) | 729,081 | (25.2%) | |
| ROCE | 19.6 | 18.8 | | 18.4 | | |
| Capex | 37,855 | 26,950 | (28.8%) | 19,105 | (29.1%) | |

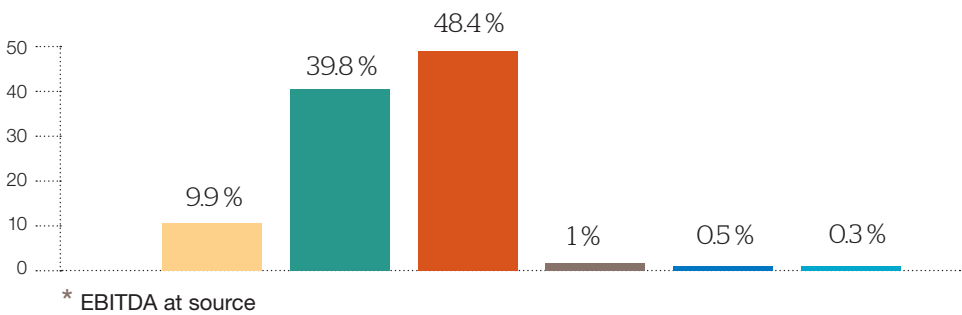
| PASTA BUSINESS | 2010 | 2011 | 2011-2010 | 2012 | 2011-2012 | CAGR 2012-2010 |
|------------------------|---------|---------|-----------|---------|-----------|----------------|
| Net turnover | 916,101 | 928,297 | 1.3% | 982,226 | 5.8% | 3.5% |
| EBITDA | 160,484 | 144,457 | (10.0%) | 145,370 | 0.6% | (4.8%) |
| EBIT | 133,741 | 119,064 | (11.0%) | 116,634 | (2.0%) | (6.6%) |
| Operating profit | 122,806 | 107,798 | (12.2%) | 108,002 | 0.2% | (6.2%) |
| Average current assets | 60,427 | 69,173 | (14.5%) | 90,115 | (30.3%) | |
| Capital employed | 442,061 | 456,917 | (3.4%) | 520,880 | (14.0%) | |
| ROCE | 30.3 | 26.1 | | 22.4 | | |
| Capex | 32,652 | 38,095 | 16.7% | 33,574 | (11.9%) | |



Breakdown by geographical areas

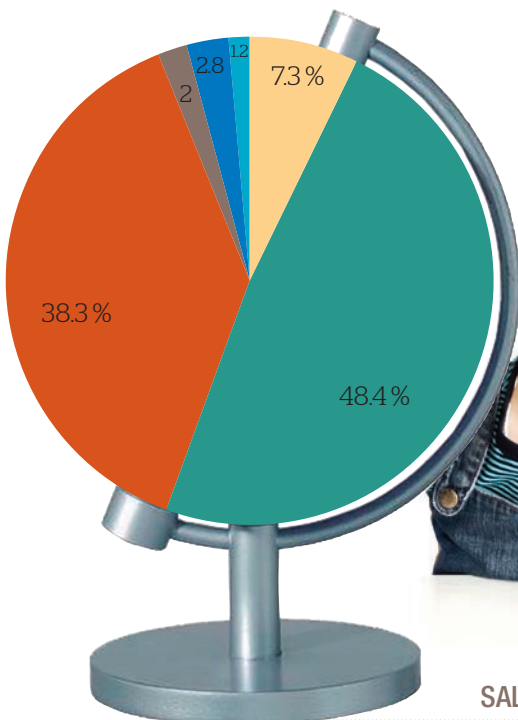


EBITDA BREAKDOWN* (%)



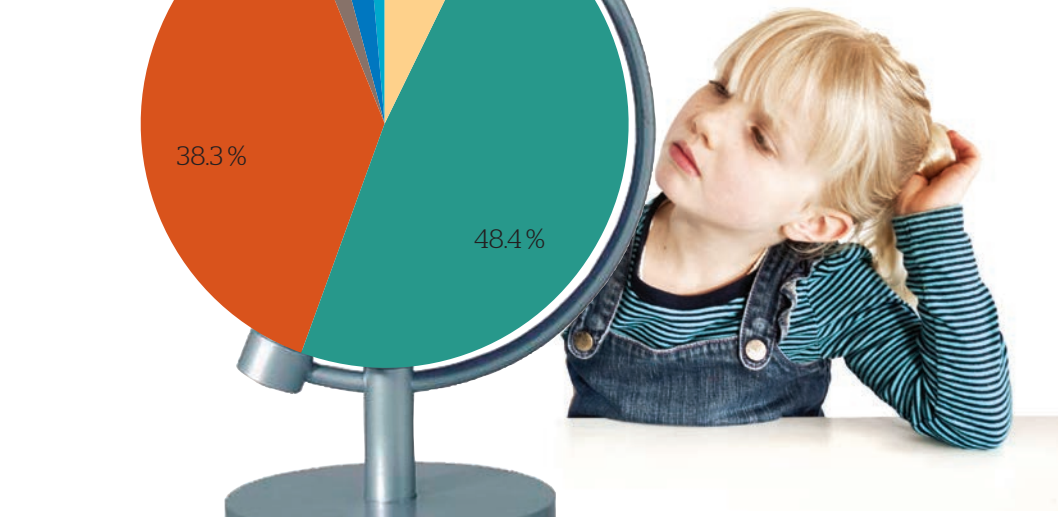
* EBITDA at source

- Spain
- Rest of Europe
- North America
- Africa
- Asia
- Others

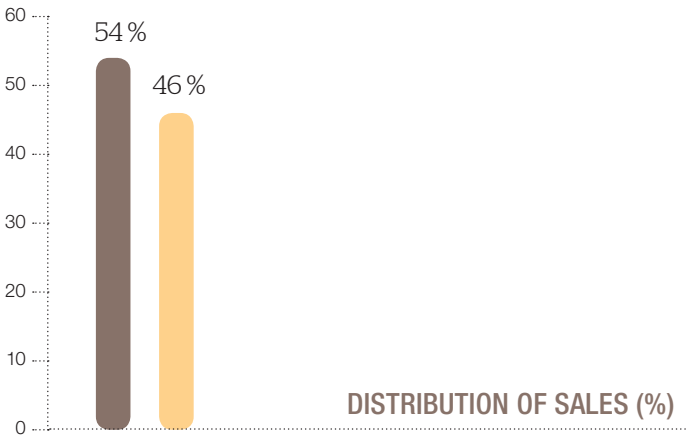


SALES BREAKDOWN* (%)

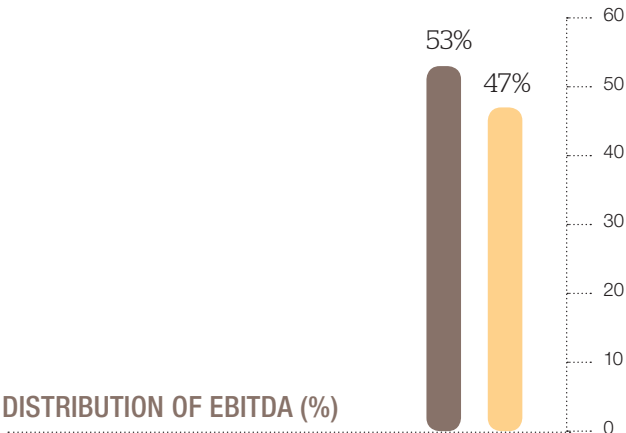
* Sales at destination



Distribution by business units



- Rice
- Pasta and sauces



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ANALYSIS OF 2012

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Analysis of 2012



As announced at the end of 2011, the macro-economic situation has been somewhat bleak. Even so, there has been some room for optimism, as financial stability appears to have increased in the eurozone and the tax consolidation efforts have improved the competitiveness of the more depressed economies. There have also been some signs of improvement in confidence, although this has not yet given rise to changes in economic activity.



Nevertheless, consumption remains sluggish in the eurozone and there is strong pressure on brands and prices. In the United States, despite the upturn in private consumption and the level of debt in household economies, prices still exert a strong influence on purchase decisions.

On the commodity markets, the situation was more or less stable in the grain market, with prices falling until the summer, when the drought in the United States and uncertainties regarding the final stock of some harvests increased the pressure, forcing up the prices of certain products, especially soy and corn, although wheat prices also got caught up in the trend. Finally, with confirmation that the wheat harvest was adequate and the good final stock level, prices eased down towards the end of the year. Rice prices maintained a gentle downward trend, with a few exceptions in certain types of grain or source, due to the policies of certain governments, as in the case of Thailand, or the devastating drought affecting recent harvests in Texas; but in general, the evolution has been positive, with favourable prospects and forecasts of maximum final stocks. Among the favourable aspects, the opening of borders in Egypt and a good harvest of medium-grain rice in Australia have been particularly positive. On the other hand, as mentioned earlier, the situation in Thailand has been extremely uncertain, with off-market prices and an enormous quantity of subsidised grain, of the order of 18.5 million tonnes of paddy rice, in store.

Against this backdrop, **the Net Earnings in Continuing Operations grew by 4.5%**. With two-digit CAGR over the past three years and a profit and loss account showing growth in its main items, our financial position remains tremendously healthy, sound and balanced within the surrounding frenzy.

We achieved a 13.1% year-on-year growth in turnover, thanks to the full incorporation of the acquisitions made in 2010. This growth reflects the price and discount adjustments made in the new brand portfolio to adapt them to the Group's profitability structure, and the exclusion of the brand Nomen and other lesser brands, following the requirements stipulated by the Spanish Antitrust Authorities to sell them as a condition for approving the acquisition of the former SOS (now Deoleo) rice business in Spain.

The generation of resources, EBITDA, grew by 9.7% year on year and 5.8% CAGR over the period 2010-2012. The greatest boost came from the rice business, since on the one hand the incorporation of the purchases from Deoleo contributed €27 million and on the other the Riviana business in the USA has achieved a highly satisfactory 19.4% growth.



The most significant financial highlights of the Group are shown below:

| CONSOLIDATED FIGURES | 2010 | 2011 | 2011-2010 | 2012 | 2011-2012 | CAGR 2012-2010 |
|---|-----------------|-----------------|------------------|-------------|------------------|-----------------------|
| Net turnover | 1,688,957 | 1,804,111 | 6.8% | 2,041,266 | 13.1% | 9.9% |
| EBITDA | 267,479 | 273,106 | 2.1% | 299,576 | 9.7% | 5.8% |
| % Turnover | 15.8% | 15.1% | | 14.7% | | |
| EBIT | 211,573 | 224,022 | 5.9% | 242,295 | 8.2% | 7.0% |
| % Turnover | 12.5% | 12.4% | | 11.9% | | |
| Profit before tax | 192,504 | 222,393 | 15.5% | 247,901 | 11.5% | 13.5% |
| % Turnover | 11.4% | 12.3% | | 12.1% | | |
| Tax | (63,532) | (70,750) | (11.4%) | (89,450) | (26.4%) | 18.7% |
| % Turnover | (3.8%) | (3.9%) | | (4.4%) | | |
| Consolidated earnings (Continuing operations) | 128,972 | 151,643 | 17.6% | 158,451 | 4.5% | 10.8% |
| % Turnover | 7.6% | 8.4% | 0.0% | 7.8% | 0.0% | |
| Net earnings on discontinued operations | 259,970 | 0 | | 0 | | (100.0%) |
| % Turnover | 15.4% | 0.0% | 0.0% | 0.0% | 0.0% | |
| Net profit | 388,797 | 151,542 | (61.0%) | 158,592 | 4.7% | (36.1%) |
| % Turnover | 23.0% | 8.4% | | 7.8% | | |
| Average current assets | 237,222 | 252,916 | (6.6%) | 337,378 | (33.4%) | |
| Capital employed | 995,309 | 1,007,686 | (1.2%) | 1,212,424 | (20.3%) | |
| ROCE (1) | 21.3 | 22.2 | | 20.0 | | |
| Capex | 69,617 | 66,596 | (4.3%) | 52,930 | (20.5%) | |
| Average headcount | 4,850 | 4,920 | 1.4% | 4,884 | (0.7%) | |
| | 31-12-10 | 31-12-11 | 2011-2010 | 2012 | 2012-2011 | |
| Equity | 1,592,743 | 1,587,298 | (0.3%) | 1,692,209 | 6.6% | |
| Net Debt | 17,600 | 390,073 | 2116.3% | 244,804 | (37.2%) | |
| Average Debt | 378,336 | 139,157 | (63.2%) | 294,114 | 111.4% | |
| Leverage (2) | 0.24 | 0.09 | | 0.17 | | |
| Total Assets | 2,885,030 | 2,710,608 | | 2,719,717 | | |

(1) ROCE = Operating income CAGR last 12 months / (intangible assets - property, plant & equipment - current assets)

(2) Ratio of average net financial debt with cost to equity (excluding minority interests)



The profitability measured by the EBITDA/Sales ratio is slightly down at 14.7%, largely due to the smaller yield of the US pasta business and an impaired sales ratio in the USA of the American Rice (ARI) brands, which we are repositioning within our product portfolio.

The earnings from continuing operations improved thanks to the increase in funds generated in operations and a positive balance of non-recurring operations, partly offset by the increase in financial expense deriving from the debt acquired to purchase the Deoleo rice business.

The earnings from discontinued operations reflect the net earnings from the sale of businesses and their operations up to the effective date of sale. The most significant item within these earnings in 2010 was the proceeds from sale of the dairy business.

MAJOR INVESTMENTS DURING THE PERIOD

The like-for-like CAPEX (stripping out the investments of the discontinued operations) for the past three years is shown below:

| <u>YEAR</u> | <u>AMOUNT (THOUSAND €)</u> |
|-------------|----------------------------|
| 2010 | 64,691 |
| 2011 | 66,596 |
| 2012 | 52,930 |

Investments slowed down somewhat in 2012 as the new rice mill in Memphis was completed; the largest investments in progress correspond to the pasta division. In 2012 investments were made in the Fresh Pasta Scheme near Lyon, aiming to increase the production capacity of this category, including gnocchi for the frying pan or the new line of potato dishes. Another ambitious project begun towards the end of the year and which will require heavy investment in the future is that of rice-based ingredients.

FINANCIAL STRENGTH

Our debt position remains highly satisfactory.

| CONSOLIDATED/ NET DEBT (THOUSAND EURO) | 2010 | 2011 | 2011-2010 | 2012 | 2012-2011 |
|---|-------------|-------------|------------------|-------------|------------------|
| Equity | 1,592,743 | 1,587,298 | (0.3%) | 1,692,209 | 6.6% |
| Net Debt | 17,600 | 390,073 | 2116.3% | 244,804 | (37.2%) |
| Average Debt | 378,336 | 139,157 | (63.2%) | 294,114 | 111.4% |
| Leverage | 1.1% | 24.6% | 2123.9% | 14.5% | (41.1%) |
| Leverage AD (1) | 23.8% | 8.8% | (63.1%) | 17.4% | 98.3% |
| EBITDA | 267,479 | 273,106 | 2.1% | 299,576 | 9.7% |
| Coverage | 0.07 | 1.43 | | 0.82 | |

(1) ROCE = Operating income CAGR last 12 months / (intangible assets - property, plant & equipment - current assets)

The coverage is outstanding, affording the Group enormous investment capacity and room for organic or inorganic growth. The variations in the debt level are shown in the following table indicating the generation of free cash flow:

| CONSOLIDATED (THOUSAND EURO) | 2010 | 2011 | 2012 |
|--------------------------------------|----------------|------------------|----------------|
| Cash flows from operating activities | 199,490 | 58,496 | 220,734 |
| Cash flows from investing activities | 531,126 | (253,662) | (37,029) |
| Cash flows from financing activities | (95,401) | (177,232) | (44,296) |
| Free cash flow | 635,215 | (372,398) | 139,409 |

In 2011 the hike in raw material prices consumed a large part of the cash from operating activities, owing to the increase in working capital, which is at more normal levels this year. The huge variations in other lines correspond to the sale or purchase of businesses (investing activities) and the payment of dividends or trading with own equity instruments (financing activities).



INFORMATION ON THE CORE BUSINESSES

Rice

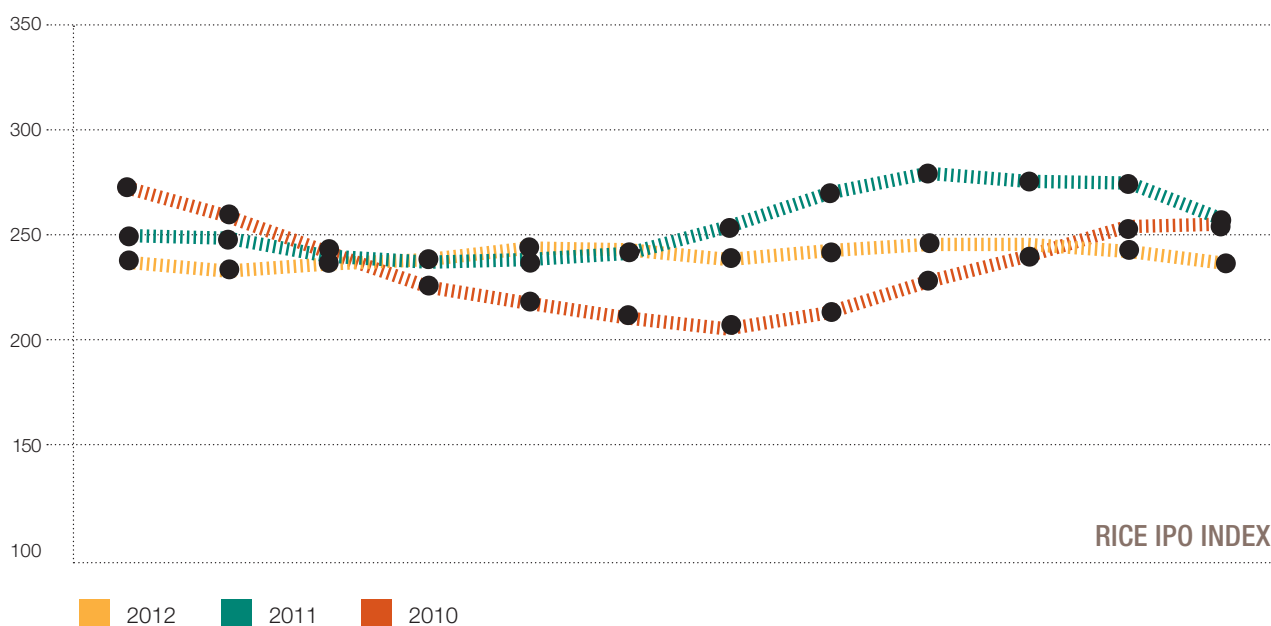
| RICE BUSINESS (THOUSAND EURO) | 2010 | 2011 | 2011-2010 | 2012 | 2011-2012 | CAGR 2012-2010 |
|-------------------------------|---------|---------|-----------|-----------|-----------|----------------|
| Net turnover | 811,558 | 920,752 | 13.5% | 1,105,738 | 20.1% | 16.7% |
| EBITDA | 123,263 | 135,953 | 10.3% | 161,035 | 18.4% | 14.3% |
| EBIT | 99,019 | 113,698 | 14.8% | 133,927 | 17.8% | 16.3% |
| Operating profit | 103,024 | 103,056 | 0.0% | 130,021 | 26.2% | 12.3% |
| Average current assets | 181,782 | 231,686 | (27.5%) | 298,822 | (29.0%) | |
| Capital employed | 506,347 | 582,158 | (15.0%) | 729,081 | (25.2%) | |
| ROCE | 19.6 | 18.8 | | 18.4 | | |
| Capex | 37,855 | 26,950 | (28.8%) | 19,105 | (29.1%) | |

Prices were somewhat unstable during the year with world production at record levels. The latest harvest of long-grain rice in Europe, South America and the United States was somewhat smaller, but the possibilities of importing from other sources checked local tensions and the pressure from the drought in the United States, especially in Texas, or the price limitations in Thailand.

There have been changes in the list of largest exporters, traditionally topped by Thailand whereas India and Vietnam have now taken the lead, and the inclusion of countries such as Egypt, providing stability for medium-grain prices.

Division sales increased thanks to the contributions of new businesses (€196 million) and the impact of the exchange rate on sales made in dollars, and were reduced by the decline in industrial sales owing to the reduced availability of Spanish paddy rice. In the retail section, after stripping out the smaller contribution by the Nomen brand, like-for-like sales figures were more or less on a par with the previous year.

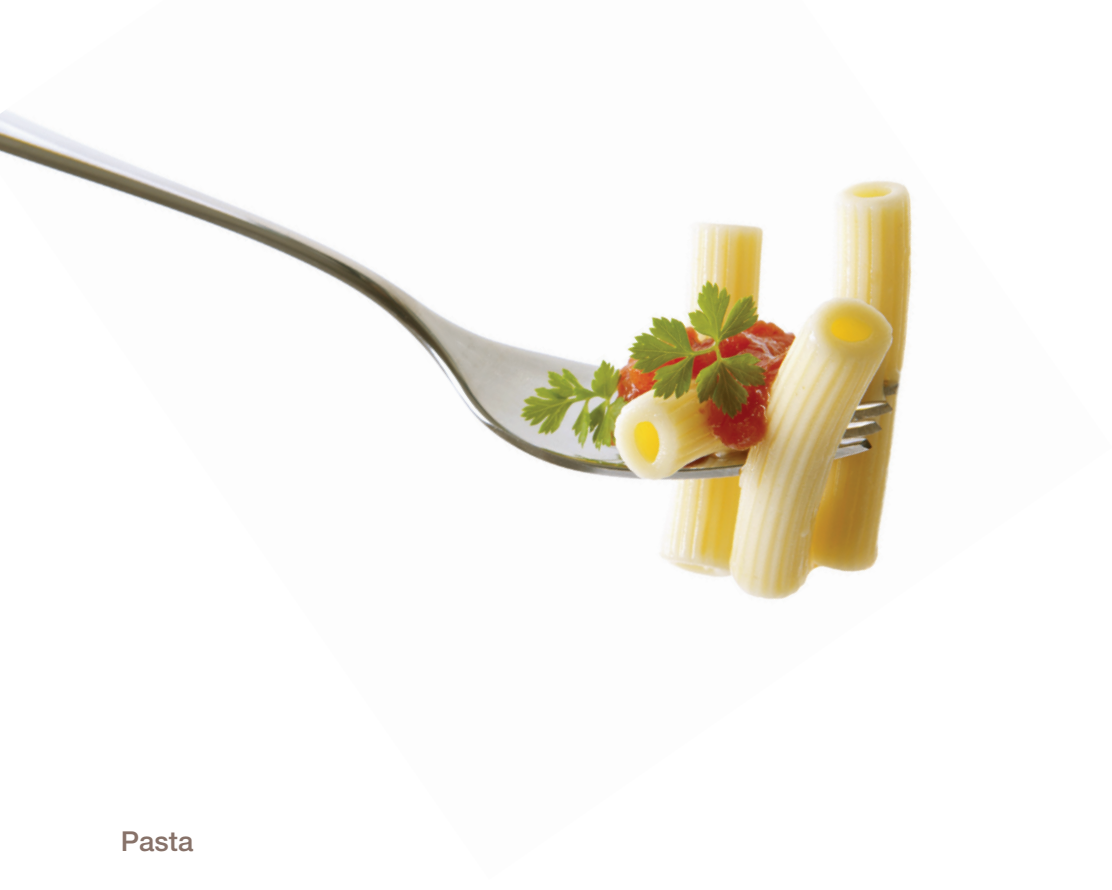
The division EBITDA grew by €25 million, up 18.4% year on year, of which €12 million corresponded to SOS and a further €12 million to the growth of Riviana, which obtained its best ever result. On the other hand, the contribution of the Nomen brand was lost, estimated at around €5 million a year, while the ARI contribution rose by about the same amount.



The results posted by Riviana were achieved with the enhanced efficiency of its Memphis plant, now operating at full capacity, the growth in volume of the Ready to Serve (RTS) line, the local production of which has been successfully developed, and the improved yield of wild rice and by-products, thanks to an interesting supply positioning strategy.

The slight decline in ROCE is due to the smaller yield of the ARI business in the United States, although it has a clear upside for two reasons: the forthcoming repositioning of its brands and the export potential of the Abu Bint brand.

The principal investments made in this division correspond to the purchase of equipment to improve productivity at the Memphis plant (4 million dollars) and those made in the ingredients project in the Netherlands (3.5 million euro).



Pasta

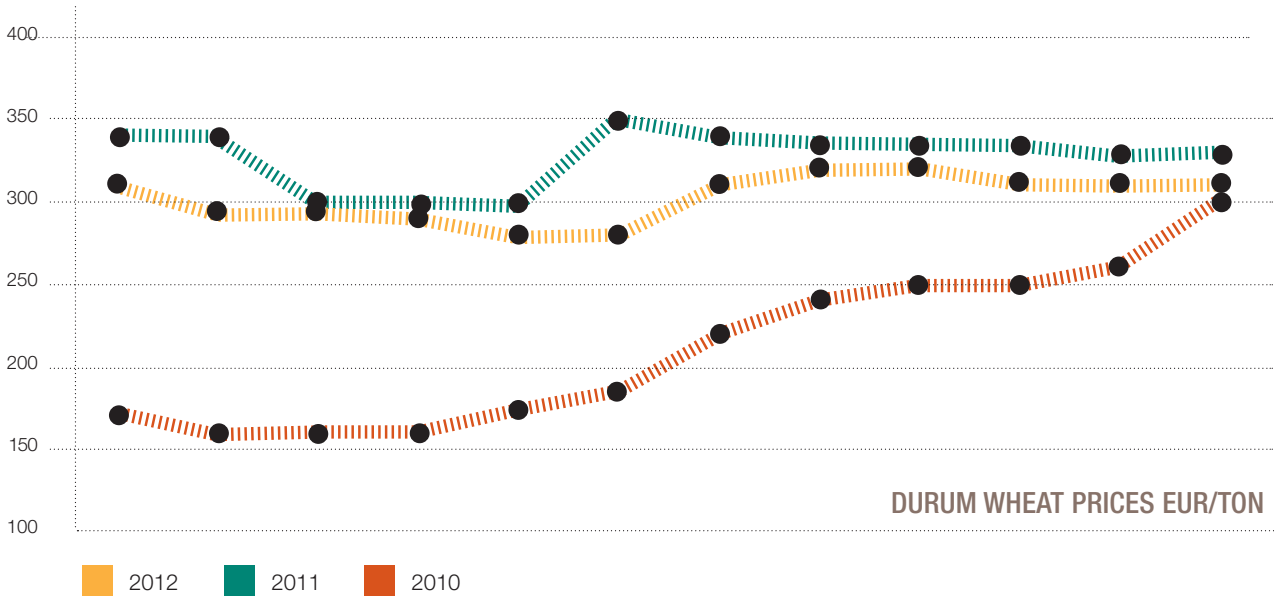
| PASTA BUSINESS (THOUSAND EURO) | 2010 | 2011 | 2011-2010 | 2012 | 2011-2012 | CAGR 2012-2010 |
|--------------------------------|---------|---------|-----------|---------|-----------|----------------|
| Net turnover | 916,101 | 928,297 | 1.3% | 982,226 | 5.8% | 3.5% |
| EBITDA | 160,484 | 144,457 | (10.0%) | 145,370 | 0.6% | (4.8%) |
| EBIT | 133,741 | 119,064 | (11.0%) | 116,634 | (2.0%) | (6.6%) |
| Operating profit | 122,806 | 107,798 | (12.2%) | 108,002 | 0.2% | (6.2%) |
| Average current assets | 60,427 | 69,173 | (14.5%) | 90,115 | (30.3%) | |
| Capital employed | 442,061 | 456,917 | (3.4%) | 520,880 | (14.0%) | |
| ROCE | 30.3 | 26.1 | | 22.4 | | |
| Capex | 32,652 | 38,095 | 16.7% | 33,574 | (11.9%) | |

Durum wheat prices remained fairly stable, sliding very slightly up to the summer, when pressure began from other crops such as soy and corn. Despite this, a better harvest than in the previous year in the United States and Canada restored the situation to normal, closing the price gap with other varieties, although prices are still high.

The two business units in this division fared very differently during the year. While Panzani, in Europe, led the market, achieving volume growth in practically all its products, New World Pasta (NWP) came up against a contrasting strategy by its rivals in the United States, which generated a price gap that impaired our shelf position.

The performance of the two markets also contrasted, with 2.3% growth in dry pasta and 3.4% in fresh pasta in France, compared to a 3.4% decline in the dry pasta segment in the USA. It should be noted that the market shares of private label and bargain products increased on both markets.

As a result of the situation mentioned above, although the outstanding performance of Panzani has resulted in increased product sales and the incorporation of the NoYolks and Wacky Mac brands has been completed successfully, the contribution of this area has barely varied in respect of the previous year.



The division EBITDA rose by 0.6%, although the average CAGR is down 4.8% due to the smaller contribution by NWP in the last two years, since in 2010 it had posted excellent results. After deep reflection on the situation, the group decided to change the strategy, involving a change of part of the management team, closing the price gap that was denting volume sales in the USA and implementing several costly promotion activities with a smaller long-term effect.

The CAPEX corresponds mostly to plant for improving the capacity and productivity of free products (€8 million), the purchase of land for a fresh product plant near Lyon (€5 million) and the work to complete installation of the new pasta lines in Saint Louis.