

# *Ebro* **PULEVA**

GRUPO



## **First-Half Results**

Madrid 24 July 2003

## 1. Results, evolution and prospects 2003 of the business units

a) Sugar

b) Rice

c) Dairy

d) Chile

## 2. Consolidated

## 3. Highlights of the first half of the year and conclusions

1. Results at 30.06.03:

**Sugar**



(000 euro)	1H03	1H02	1H01	1H03/1H02
<b>Sales</b>	342,295	326,501	354,739	4.8%
<b>EBITDA</b>	67,387	63,214	56,181	6.6%
<i>Ebitda/sales</i>	19.7%	19.4%	15.8%	1.7%
<b>EBIT</b>	60,938	55,583	55,400	9.6%
<b>Ordinary Profit</b>	59,492	53,129	51,542	12.0%
<b>R.O.C.E.</b>	21.4	18.1	16.3	18.2%

ROCE=(Operating profit CAG 12 months / (Net investment – Financial fixed assets – Goodwill))

- ◆ Following an excellent Northern Campaign 02/03, the volume of sugar sold has increased by 6.2%.
- ◆ The operating improvements explained on earlier occasions have led to a rise in the ebtida/sales ratio, from 19.4% to 19.7%.
- ◆ We are studying several actions designed to further enhance efficiency.
- ◆ Owing to the high temperatures, consumption is expected to increase in the second half of the year. However, the quality of the beet in the Southern Campaign has deteriorated slightly.

1. Results at 30.06.03:

**Rice**



(000 euro)	1H03	1H02	1H01	1H03/1H02
<b>Sales</b>	202,838	232,549	200,812	-12.8%
<b>EBITDA</b>	16,749	20,029	17,397	-16.4%
<i>Ebitda/sales</i>	8.3%	8.6%	8.7%	-4.1%
<b>EBIT</b>	11,864	15,306	13,418	-22.5%
<b>Ordinary Profit</b>	9,835	12,360	9,584	-20.4%
<b>R.O.C.E.</b>	14.1	13.6	13.2	3.7%

- ◆ The unfavourable conditions of the raw material market, owing to the weakness of the dollar and the transitional situation of the European agricultural legislation have hampered the industrial rice business.
- ◆ There are signs of change in this situation, with US rice prices rising at source, which will ease its pressure on competition.
- ◆ The 2003 campaign, beginning in September, will mark the commencement of the transitional regime, in which Intervention will only be able to buy 100,000t for the whole of Europe.

1. Results at 30.06.03:

**Dairy**



(000 euro)	1H03	1H02	1H01	1H03/1H02
<b>Sales</b>	243,987	260,564	275,177	-6.4%
<b>EBITDA</b>	26,992	24,710	22,027	9.2%
<i>Ebitda/sales</i>	11.1%	9.5%	8.0%	16.7%
<b>EBIT</b>	17,355	16,920	16,820	2.6%
<b>Ordinary Profit</b>	12,924	12,279	13,803	5.3%
<b>R.O.C.E.</b>	14.9	9.8	10.2	52.0%

- ◆ The favourable evolution of the dairy business continues. The strategy of abandoning the litres with a smaller value added has caused a slight drop in turnover. In litres, the Puleva brand has now recorded a cumulative rise of 3.3% in units sold and 8.2% in euro.
- ◆ The Ebitda/sales ratio is now 11.1% up 9.2% on the previous year.
- ◆ Sales under house brands are down from 58 to 35 million litres.

1. Results at 30.06.03:  
**Chile**



(000 euro)	1H03	1H02	1H01	1H03/1H02
<b>Sales</b>	164,203	224,260	236,684	-26.8%
<b>EBITDA</b>	10,313	14,533	12,870	-29.0%
<b>Ebitda/sales</b>	6.3%	6.5%	5.4%	-3.1%
<b>EBIT</b>	5,507	2,134	5,064	-158.1%
<b>Ordinary Profit</b>	1,615	-8,708	142	118.5%
<b>R.O.C.E.</b>	4.9	3.8	5.0	28.9%

- ◆ As a result of the sale of Proterra :
  - ✓ Turnover -34 mill euro
  - ✓ Atributed profit/loss -1.9 mill euro
- ◆ The market situation is more stable, with a 20% increase in units sold, although prices have fallen by 4%.
- ◆ The new Price Range Law ("*Ley de Bandas*") is currently being debated in the Chilean Parliament.

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**Consolidated first-half results 2003**

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## 2. Ebro Puleva: Evolution of debt

- ◆ We have reduced our debt on full consolidation by 38% bringing our leverage down from 75.7% to 44% and from 48.1% to 33.6% consolidating Chile by the equity method.

### Consolidated

(000 euro)	1H03	1H02	%
<b>Net Debt</b>	382,492	615,963	-37.9%
<b>Equity</b>	870,140	813,555	7.0%
<b>Leverage</b>	44.0%	75.7%	-41.9%

### Chile consol. Equity Meth.

(000 euro)	1H03	1H02	%
<b>Net Debt</b>	292,768	391,069	-25.1%
<b>Equity</b>	870,140	813,555	7.0%
<b>Leverage</b>	33.6%	48.1%	-30.0%


**Consolidated**

(000 euro)	1H03	1H02	%
Sales	973,618	1,073,194	-9.3%
EBITDA	114,124	124,788	-8.5%
<i>Ebitda/sales</i>	11.7%	11.6%	0.8%
EBIT	86,452	89,835	-3.8%
Ordinary Profit	72,763	68,410	6.4%
Extraordinary Profit	15,576	8,016	94.3%
Pre-Tax Profit	88,339	76,424	15.6%
Net Profit	63,779	53,618	19.0%
<b>R.O.C.E.</b>	12.5	11.1	12.6%

**Chile Consolidated  
by Equity Method**

(000 euro)	1H03	1H02	%
<b>Sales</b>	809,415	848,934	-4.7%
<b>EBITDA</b>	103,811	110,258	-5.8%
<i>Ebitda/sales</i>	12.8%	13.0%	-1.3%
<b>EBIT</b>	80,945	87,704	-20.5%
<b>Ordinary Profit</b>	69,749	71,306	20.6%
<b>Extraordinary Profit</b>	16,267	9,734	67.1%
<b>Pre-Tax Profit</b>	86,016	81,037	6.1%
<b>Net Profit</b>	63,779	53,618	19.0%
<b><i>R.O.C.E.</i></b>	14.5	14.2	2.1%


**Core Businesses**

(000 euro)	1H03	1H02	%
<b>Sales</b>	807,773	839,158	-3.7%
<b>EBITDA</b>	103,157	101,765	1.4%
<i>Ebitda/sales</i>	12.8%	12.1%	5.3%
<b>EBIT</b>	80,507	79,404	1.4%
<b>Ordinary Profit</b>	68,939	62,866	8.4%
<b>Pre-Tax Profit</b>	68,126	64,360	5.9%
<b>Net PProfit</b>	52,162	42,778	21.9%
<b>R.O.C.E.</b>	15.1	10.6	42.5%

## 2. Ebro Puleva Conclusions

- ◆ The slide in turnover is due to two sets of factors
  - ✓ Sale of non-core businesses:
    - ✓ Proterra 34.7 mill. euro
    - ✓ Jesús Navarro 0.79 mill. euro
    - ✓ The change of accounting policy for certain real-estate transactions, totalling 9 mill. euro last year
  - ✓ Smaller sales in core businesses
    - ✓ Puleva Food –6.4% as a result of the drop in House Brand sales
    - ✓ Herba –12.8% as a result of the transitional situation regarding US imports and intervention
- ◆ The Ebitda in the core businesses grew by 1.4% over the previous year, while the Ebitda/sales ratio was up 5.3%.
- ◆ The Ordinary Profit on the core businesses increased by 8.4% thanks to the management policy, which cut debt by 37.9%.
- ◆ In the second quarter of the year, we have effected real-estate transactions to the tune of 16.7 mill. euro, recorded as extraordinary income.

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