



9M10 & Outlook 2010

Presentation of Results
The Sun is Shining

Ebro



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INTRODUCTION



The Sun is Shining

- The results achieved in the first nine months of 2010 confirm the growth trend we have maintained for the past 12 quarters.
- As every year at this time, we inform the market on our outlook for year-end 2010. The last quarter of 2009 was exceptionally good and we expect our growth to continue in 4Q10.
- The earnings capacity of our businesses has been enhanced by the strength of our brands and market positions, the successful launching of new products, the cost-saving measures and synergies between rice and pasta.
- After the divestment of our dairy business, we will have brought our debt down practically to zero (ND/EBITDA x0.3) by year-end: an excellent position for embarking on inorganic growth projects.
- In this regard, we recently announced the signing of an exclusivity agreement with the Australian company Ricegrowers Limited ("SunRice") to negotiate the purchase of 100% of the capital of that company for 600 MUSD (approx. 425 MEUR). Ebro expects SunRice to generate an EBITDA of AUS\$70 million (approx. €50m) in 2010/11.
- SunRice sells approximately 500,000 tns per annum of branded rice foods and has leading positions in its main markets: Australia, New Zealand, the Pacific Islands, Hong Kong, Singapore, Papua New Guinea, the Middle East and California and Hawaii in the USA.
- The "Due Diligence" will be made over the coming weeks. The acquisition is subject to approval by shareholders and the Australian authorities. The transaction is expected to be completed in March 2011.



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BUSINESS UNITS
9M10 RESULTS AND OUTLOOK 2010





2.1

Rice

RICE



Good Harvests

- Raw material prices came down in the first nine months of 2010. The new crop year has begun with a slight upturn in prices, affected by certain harvest delays and reductions in some Asian countries. World output is expected to exceed last year's harvest by 2%, while prices are, in general, on a par with last year.
- We have continued to run down our raw material stocks and maintain a neutral position in our supply policy.
- During the third quarter, we observed a 3.3% growth in the overall rice category in North America and 2% in Europe. The tone of the Spanish market has improved in recent months, with increased volumes.
- When comparing figures, we should bear in mind that we recorded 20 MEUR from trading in 2008, whereas this year the duplicated costs in Memphis have penalized our accounts by 5 MEUR. The new plant will start up three months behind schedule.

RICE

The 2009/2010 Harvest is Closed

- The 9M10 turnover has slipped 8% year on year to 602 MEUR, in line with the lowering of raw material prices. Nevertheless, the volume of sales of our branded products grew by 2.5% over the period.
- The EBITDA is up 2.5% year on year and the margin by 14.6%.
- The foreign exchange effect on EBITDA is +2 MEUR.
- The Division ROCE has risen to 20%.

Thous EUR	9M08	9M09	9M10	10/09	CAGR 10/08
Sales	647.763	654.925	602.055	-8,1%	-3,6%
Advertising	17.430	21.166	20.699	-2,2%	9,0%
EBITDA	89.592	85.600	87.779	2,5%	-1,0%
EBITDA Margin	13,8%	13,1%	14,6%	11,6%	2,7%
EBIT	74.026	69.901	70.488	0,8%	-2,4%
Operating profit	73.805	63.190	73.185	15,8%	-0,4%
ROCE	18.6	19.4	19.9	2.6%	3.4%



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RICE

A Good 2010/2011 Harvest Commences

- We expect turnover to fall by about 4% over 2010 to 801 MEUR, in line with the lowering of raw material prices earlier in the year.
- The EBITDA forecast for the full year will be up 3.3% with a margin of over 15%.
- The foreign exchange effect on the division EBITDA is forecast at +3.7 MEUR.
- The Division ROCE will be 19.5%.

Thous EUR	2008	2009	E2010	E10/09	CAGR	E10/08
Sales	890.969	836.147	801.815	-4,1%		-5,1%
Advertising	20.214	24.175	26.731	10,6%		15,0%
EBITDA	126.560	118.561	122.498	3,3%		-1,6%
EBITDA Margin	14,2%	14,2%	15,3%	7,7%		3,7%
EBIT	105.724	97.575	99.128	1,6%		-3,2%
Operating profit	104.365	82.157	106.795	30,0%		1,2%
ROCE	19,0	19,7	19,5	-1,0%		1,3%



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2.2

Pasta

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PASTA



Successful Launchings

- The plummeting of durum wheat prices has been followed by an upswing that will affect purchases to be made in 4Q10. In this context we have been forced to announce price rises in our products, effective during the final quarter of the year. However, this upturn can be considered beneficial at present, in the middle of the seeding season, as growers observe a more favorable scenario and will consequently seed a larger area with durum wheat.
- We have grown in volume in all our categories on the French market, with record market shares.
- Pasta consumption leveled off in the USA in 3Q. Our market share eased slightly (-1% to 22%) in a highly profitable scenario.
- Our launchings have been successful in both the USA and France. Success has been particularly outstanding in fresh pasta, with the Lunch Box, as we informed you in our earlier presentation “Full Flavor Meal Solution”, which, just one year after being launched, accounts for 6.4% of the tonnes of Lustucru fresh pasta sold in France.
- We have launched quick-cooking pasta in the USA and new value-added products under the Ronzoni Quick and Garden Delight brands, which are now sold through the vast majority of distribution channels in USA and Canada.



PASTA

Growth Through Innovation

- Our 9M10 results are highly satisfactory.
- Turnover, affected by the slump in raw material prices at the beginning of the year, is down 3% to 669 MEUR.
- The new products, with stronger growth and margins, set the growth trend, confirming that we opted for the correct innovation strategy. The division EBITDA has grown 24% year on year to 117.7 MEUR, while the margin has risen by 3.9 pp to 17.6%, despite the 16% increase in support for our brands.
- The exchange rate fluctuations produced a positive effect on the division EBITDA of +3.7 MEUR.
- The division ROCE is up 7.7 pp to over 29%.



Thous EUR	9M08	9M09	9M10	10/09	CAGR 10/08
Sales	713.065	692.308	669.379	-3,3%	-3,1%
Advertising	34.538	37.431	43.153	15,3%	11,8%
EBITDA	67.208	94.807	117.651	24,1%	32,3%
EBITDA Margin	9,4%	13,7%	17,6%	28,3%	36,6%
EBIT	45.257	73.818	97.569	32,2%	46,8%
Operating profit	36.381	71.767	91.254	27,2%	58,4%
ROCE	12,6	21,6	29,3	35,6%	52,5%

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PASTA

All For Pasta

- Turnover for 2010 as a whole will be down some 2.4% to 905 MEUR owing to the drop in raw material prices during the 09/10 harvest.
- We estimate a 14.7% growth in the division EBITDA to 157 MEUR, with a 2.6 pp rise in the margin, achieved with a 15% increase in investments to back our brands, amounting to 57 MEUR.
- Exchange rate fluctuations are expected to produce a positive effect on the division EBITDA of +3.9 MEUR.
- The division ROCE will foreseeably rise 6 pp to over 29%.

Thous EUR	2008	2009	E2010	E10/09	CAGR	E10/08
Sales	993.696	928.077	905.394	-2,4%		-4,5%
Advertising	47.273	48.781	56.661	16,2%		9,5%
EBITDA	105.993	137.057	157.205	14,7%		21,8%
EBITDA Margin	10,7%	14,8%	17,4%	17,6%		27,6%
EBIT	75.581	108.831	130.935	20,3%		31,6%
Operating profit	65.312	104.066	122.236	17,5%		36,8%
ROCE	14,8	23,2	29,2	25,9%		40,5%



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EBRO FOODS CONSOLIDATED 9M10 RESULTS AND OUTLOOK 2010



3.1

Consolidated 9M10 Results



Maintaining Two-Digit Growth

- We sold our Dairy Division in 9M10 so this division is presented as a Discontinued Operation. For ease of comparison, we include an Annex showing the details of Discontinued Operations.
- The drop in raw material prices has affected our consolidated turnover, which fell by 6.6% to 1,254 MEUR despite a growth of approximately 3% in the volume of sales.
- After investing 5% more in advertising, raising this investment to 64.8 MEUR, our consolidated EBITDA is up 15.4% year on year to 198 MEUR, while the margin has risen by 3 pp to 15.8%.
- The impact of Forex into our Ebitda is +5.8 MEUR.
- Net profit has experienced a year-on-year growth of 156%, rising to 346 MEUR.
- The company's ROCE is now over 21%.

Thous EUR	9M08	9M09	9M10	10/09	CAGR 10/08
Sales	1,333,597	1,342,483	1,253,850	-6.6%	-3.0%
Advertising	53,986	61,482	64,774	5.4%	9.5%
EBITDA	148,762	171,259	197,586	15.4%	15.2%
EBITDA margin	11.2%	12.8%	15.8%	23.5%	18.9%
EBIT	108,360	131,665	157,520	19.6%	20.6%
Operating profit	128,969	117,977	142,443	20.7%	5.1%
Profit before tax	69,519	99,176	135,283	36.4%	39.5%
Discontinued operations	46,997	67,008	265,702	296.5%	137.8%
Net Profit	92,698	134,701	346,065	156.9%	93.2%
ROCE	13.2	17.8	21.5	20.8%	27.6%



3.2

2010 Outlook on Consolidated Results



A Magnificent Year

- Although sales volumes will have grown by around 2% over the full year, our consolidated turnover will be down 4.6% to 1,685 MEUR.
- After investing 12% more in advertising, increasing this investment to 85 MEUR, our EBITDA will grow by around 11% to 271 MEUR with a margin up 2.3 pp to 16%.
- Of this figure, +7.6 MEUR is due to the evolution of the EUR/USD exchange rate.
- Net Profit is up 120% to 388 MEUR.

Thous EUR	2008	2009	E2010	E10/09	CAGR	E10/08
Sales	1.874.475	1.765.397	1.684.898	-4,6%		-5,2%
Advertising	70.219	75.750	84.930	12,1%		10,0%
EBITDA	224.074	243.824	271.229	11,2%		10,0%
EBITDA margin	12,0%	13,8%	16,1%	16,6%		16,0%
EBIT	169.216	190.666	217.940	14,3%		13,5%
Operating profit	165.606	175.041	205.754	17,5%		11,5%
Profit before tax	72.354	124.436	199.780	60,5%		66,2%
Discontinued operations	82.049	79.543	265.702	234,0%		80,0%
Net Profit	130.637	176.539	387.552	119,5%		72,2%
ROCE	14,5	18,5	n.a.			

3.3

Evolution of Debt



In the Black

- o In September we received 555 MEUR as part-payment of the sale of our Dairy Division and in November we expect to receive the remaining of the 630 MEUR transaction.
- o At 30 September and even before receiving the final payment of the price, we are 84 MEUR in the black. By year-end 2010 we expect to have a Net Debt of 70 MEUR, including in this balance, the extraordinary dividends payable in April and July 2011 (46 MEUR) and advance tax on the capital gain produced on the sale of Puleva, amounting to 120 MEUR.
- o Equity has increased by 22% year on year to 1,500 MEUR up to the end of September and we hope to end 2010 with an equity of the order of 1,545 MEUR.
- o We have announced an agreement for the purchase of SunRice. Provided it goes ahead, this purchase would not actually be made until March 2011. The total investment amounts to around 425 MEUR, which will again enable us to make an optimum use of the capital while maintaining its cost.

Thous EUR	30 Sep 08	31 Dec 08	30 Sep 09	31 Dec 09	30 Sep 10	E31 Dec 10	E10/09	CAGR E10/08
Net Debt	1,233,271	1,055,853	545,272	556,800	-84,306	70,160	-115.5%	-74.2%
Average Debt	1,205,893	1,208,078	770,943	716,725	508,386	n.d	-34.1%	-23.0%
Equity	1,189,193	1,203,131	1,228,326	1,280,322	1,500,321	1,544,867	22.1%	13.3%
Leverage ND	103.7%	87.8%	44.4%	43.5%	-5.6%	4.5%	-112.7%	-77.3%
Leverage AD	101.4%	100.4%	62.8%	56.0%	33.9%	46.4%	-46.0%	-32.0%
x EBITDA (ND)		4.7		2.3		0.3		
x EBITDA (AD)		5.4		2.9		n.a.		



4

CONCLUSION



4.1

Conclusion



The Sun is Shining

- We sold our Dairy Division during 2010. Following a period of major investments and divestments, we now have a brand-based, international, innovating and very profitable company.
- Although we are in a period of international recession, our businesses are still growing, we are a defensive company. We have proved that by implementing cost-saving measures, investing in advertising and innovation and obtaining synergies between our businesses we can achieve double digit growth rates, outshining even our own targets.
- Following the sale of our Dairy Division, we have an excellent financial position. With zero debt and a leverage target of around x3 ND/EBITDA, we have capacity to embark on a new stage of inorganic growth while maintaining a healthy return for our shareholders.
- We have started implementing our strategic plan 2010-2012, aiming to establish Ebro in new markets in the categories in which we operate, seeking to consolidate our presence and the maximum leverage of our operations.
- We recently announced the commencement of negotiations to purchase Sunrice, a company which strongly complements ours owing to the geographical position of its brands. It would thus become a new platform from which to develop our strategy.
- "The sun is shining, the weather is sweet" (Bob Marley).

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ANNEXES

Details of Discontinued Operations
Press Release on the SunRice Acquisition
Raw Materials Graphs



5.1

Annexes



Details of Discontinued Operations

	2009		2010	
	Dairy 12 months	Sugar 4 months	Dairy 8 months	Sugar -
Net Profit of the business	36,355	-3,633	22,971	
Profit on the sale		46,821	262,192	-19,461
Total	36,355	43,188	285,163	-19,461
Total Discontinued Operations	79,543		265,702	

5.2

Annexes



Sunrice Press Release (20 October 2010)

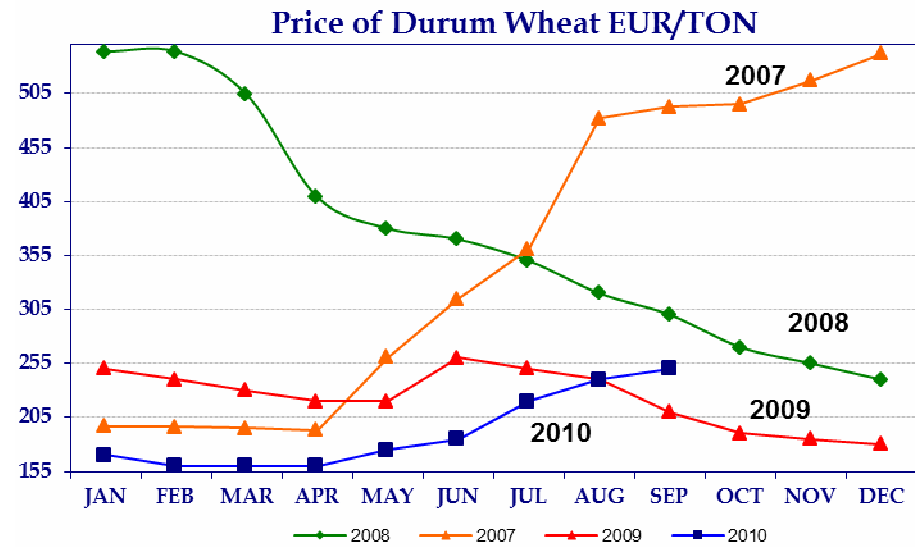
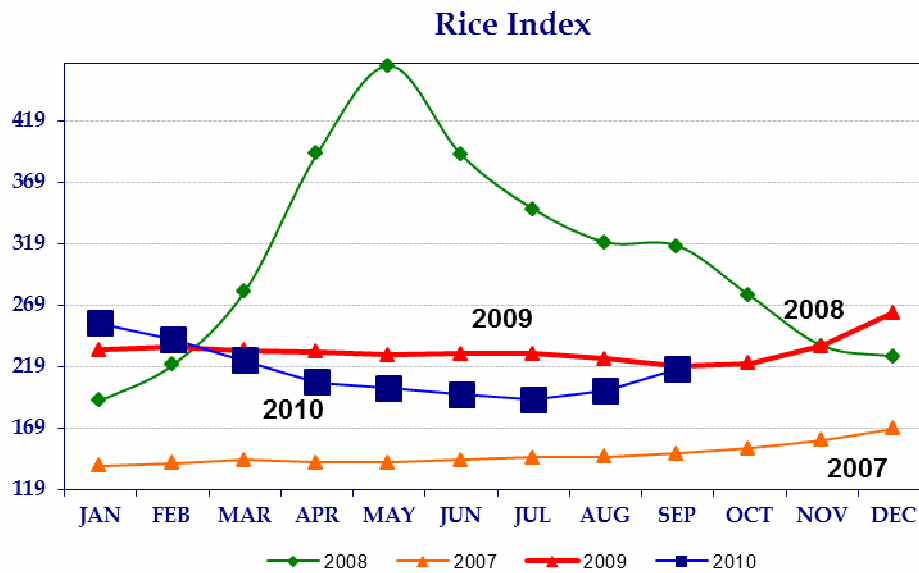
- Ebro Foods, S.A. (www.ebrofoods.es) and Ricegrowers Limited (www.sunrice.com.au), have today entered into an agreement under which Ebro Foods has been granted exclusivity to purchase 100% of the capital of Ricegrowers Limited.
- Ricegrowers Limited, trading as SunRice, is listed on the National Stock Exchange (NSX) of Australia and based in New South Wales, Australia. SunRice sells approximately 500,000 tons per annum of branded rice foods principally through the retail channel and has leading positions in its main markets including Australia, New Zealand, the Pacific Islands, Hong Kong, Singapore, Papua New Guinea, the Middle East and California and Hawaii in the USA.
- For the year ended 31 April 2010, SunRice reported EBITDA of AUS\$56 million (approx. €40m). Ebro expects SunRice to generate EBITDA of approximately AUS\$70 million (approx. €50m) in the year ended 31 April 2011.
- The agreed value of the transaction is AUS\$600 million (approx. €425m). Over the coming weeks Ebro Foods will conduct a financial and legal due diligence, draw up the final transaction documents (*Scheme Implementation Agreement*) and submit applications for approval by the relevant Government authorities.
- Pursuant to Australian law, the acquisition of SunRice will be subject to the approval of SunRice shareholders and the Australian courts. Subject to agreement on the final terms of the acquisition, Ebro Foods and SunRice will execute the final scheme implementation agreement in November 2010, for approval by the SunRice shareholders in March 2011. The transaction is expected to be completed by around the same time, March 2011.

5.3

Annexes



Evolution of Raw Materials





6

CORPORATE CALENDAR



6.1

Corporate Calendar



Ebro Foods maintains its commitment to transparency and reporting in 2010:

26 February	Presentation 2009 year-end results
5 April	Quarterly dividend payment
28 April	Presentation 1st quarter results
1 July	Quarterly payment ordinary dividend
28 July	Presentation 1st half results
1 October	Quarterly payment of ordinary and extraordinary dividends
27 October	Presentation 3rd quarter results and outlook 2010
22 December	Announcement 2011 dividend against 2010 earnings
23 December	Quarterly payment of ordinary and extraordinary dividends



7

DISCLAIMER



7.1



Disclaimer

- o 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 company's operations and position are accurate as at the date hereof.
- o All the figures set out in this report are calculated according to the International Accounting Standards (IAS).
- o 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.
- o Analysts and investors should not rely exclusively on these estimates, which are valid only at the date of this presentation. Ebro Foods is not bound to announce 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 Foods 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).
- o The main risks and uncertainties affecting the Group activities are described on pages 221 ff. of the Consolidated Annual Accounts as at 31 December 2009 and the corresponding Directors' Report, which are available on our web site www.ebrofoods.es. In our opinion there have been no material changes during the year. The Group is exposed to a certain extent to the situation on raw materials markets and the possibility of passing any price changes on to consumers. It is also exposed to fluctuations in exchange rates, especially of the dollar, and interest rate variations.