

09

EBRO PULEVA
1Q09: Contrarians



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Introduction

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Swimming against the Tide

- ◁ While the world crumbles around it, Ebro Puleva is a “Contrarian”, posting spectacular results.
- ◁ We started 2009 with strong growth in all our divisions and in all the profitability parameters.
- ◁ We have maintained and even increased our investment in advertising, bolstering our brands in this boom of private label brands.
- ◁ Through our policy of stringency and constant striving to cut costs, we have managed to reduce our processing costs.
- ◁ In contrast to last year, when exchange rates had a detrimental effect on our profit and loss account, this year they have operated in our favour.
- ◁ At 31 March, prior to receiving the proceeds on the sale of the Sugar Division, to be concluded by April 30th, we had a Net Debt of €1,165.2m. Once the proceeds of the sale are received, the debt will be cut to around €710 million.
- ◁ This morning, the AGM approved the distribution of two extraordinary dividends: €34.3m in kind and €55.4m in cash.





Business Units: 1Q09 Results

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2.1

Business Areas

Rice





◁ RICE

A Remarkable Quarter Even Without Extraordinary Items

- ◁ We were hit by an exponential price hike in the raw material, rice, during 2008. Nevertheless, with an efficient supply strategy, our Rice Division was able to maintain a low inventory cost, while adjusting retail prices to market prices, which eventually had a direct effect on our profit margins, giving us outstanding and, to a certain extent, extraordinary results.
- ◁ Prices have subsequently levelled off on international markets, especially in the indica varieties (less so in japonica) as new harvests produced a greater availability of raw material and export constraints in Asian countries were eased. We correctly predicted this trend in our Rice Division and took adequate positions to reduce our stocks at the right time.
- ◁ The boom of private label brands has affected the division, with a reduction in volumes of products with a low added value, where competition is fiercer. However, our higher value-added lines achieved steady growth, record earnings and generated synergies.
- ◁ Building work continues on the Memphis plant. Production is due to start at the end of this year and the entire production of Minute Rice will be transferred to that factory from early 2010. The production of the Houston plant and other old factories will gradually be transferred to the Memphis plant over 2010, until the latter is fully operational by the third quarter of 2010.



◀ RICE

New Products and Increased Advertising

- ◁ Once again, the 1Q09 results of the Rice Division have been affected by the general increase in costs year on year and the greater weight of private label brands on the shelves. Yet against all the odds, the division increased its sales by 13.6%.
- ◁ The division EBITDA, with a further injection of investment in advertising, up 21.3% to €8m, stands at almost €29m, up 15.7% year on year. At constant exchange rates, the growth would have been €2.1m less.
- ◁ The EBITDA margin is up 30 basis points to 12.9%.
- ◁ The ROCE is at almost 20%.

Thous EUR	1Q07	1Q08	1Q09	.09/08	CAGR 09/07
Sales	190,678	197,974	224,841	13.6%	6.6%
Advertising	6,552	6,757	8,195	21.3%	10.1%
EBITDA	20,608	24,986	28,897	15.7%	7.5%
EBITDA Margin	10.8%	12.6%	12.9%	1.8%	0.9%
EBIT	15,477	19,771	23,544	19.1%	9.1%
Operating Profit	15,487	19,607	22,023	12.3%	6.0%
ROCE	11.3	15.9	19.4		

2.2

Business Areas Pasta





◁ PASTA

More Than Pasta

- ◁ The first quarter of 2009 was marked by a strong growth on the pasta markets (7% in France and 5% in North America). Despite the stronger position of private label brands, our brands have stood their ground and maintain a higher-than-market growth.
- ◁ Thanks to the synergies obtained, controlled expenditure and smaller durum wheat costs, our pasta division has achieved a very healthy growth in yield.
- ◁ We are still working on and obtaining synergies upon the integration of our pasta and rice businesses on the different markets. From January, Riviana and NWP have been working under the same ERP platform. Their legal, finance, tax, human resources, logistics and raw materials purchase departments have been consolidated. We have combined all the warehouses and opened two new joint distribution centers which, along with a further two due to be opened in 2010, will achieve even greater savings. We recently announced the consolidation of the sales teams, which will give us critical mass to lever the future growth of the Ebro North America business.



◀ PASTA

New Products and Increased Advertising

- ◀ The sales of this division rose 6% to €241m.
- ◀ The EBITDA, with a further injection of investment in advertising, up 12.8% to €11.8m, stands at almost €29m, up 34% year on year. Outstripping the exchange rate effect, the growth would have been €1.6m less, with a nevertheless very healthy 27% growth rate.
- ◀ The EBITDA margin is up 250 basis points to 12%.
- ◀ The ROCE is 16.4%.

Thous EUR	1Q07	1Q08	1Q09	.09/08	CAGR 09/07
Sales	173,797	227,380	241,171	6.1%	3.0%
Advertising	7,819	10,448	11,789	12.8%	6.2%
EBITDA	25,535	21,365	28,619	34.0%	15.7%
EBITDA Margin	14.7%	9.4%	11.9%	26.3%	12.4%
EBIT	17,907	13,820	21,247	53.7%	24.0%
Operating Profit	17,639	12,899	20,594	59.7%	26.4%
ROCE	18.2	10.9	16.4		

2.3

Business Areas Dairy





◁ DAIRY

Picking Up

- ◁ After a year of inflation for food in general and for the dairy sector in particular, the milk drinks market, virtually stagnant throughout most of 2008, has started to pick up with a growth of 0.7% in volume.
- ◁ In the current economic situation, consumers attempt to save money by turning to classic milks and private label brands. Owing to the loss of volume due to this circumstance and the lowering of raw material prices, our sales revenues fell by 16% year on year.
- ◁ Meanwhile, our results reflect the correct decisions made, the cost-cutting measures and austerity we have imposed in previous years and the undeniable health of the business, which was strengthened by these adjustments.
- ◁ We further developed the special segments that are still growing, such as infant milks, which recorded a year-on-year growth in volume of 21.3%. Puleva Peques is undisputed leader of this segment, with a 47% market share.
- ◁ We have developed new products to be launched in 2009, with major innovations in formats and containers, on the one hand, and product, on the other. We hope to be able to present these novelties to you at our next meeting.



◀ DAIRY

Preparing the Entry of New Products and Formats

- ◀ The consolidated turnover is 16.3% down on last year.
- ◀ The EBITDA has grown by 7.4% with a very significant increase in profitability, up to 12.3%, 230 basis points more.
- ◀ Our Operating Profit is up 22.6% to €10m.
- ◀ The division ROCE is 20.6%.

Thous EUR	1Q07	1Q08	1Q09	.09/08	CAGR 09/07
Sales	126,094	136,195	114,008	-16.3%	-8.5%
Advertising	4,413	4,472	3,718	-16.9%	-8.8%
EBITDA	14,098	13,100	14,063	7.4%	3.6%
EBITDA Margin	11.2%	9.6%	12.3%	28.2%	13.2%
EBIT	10,221	9,314	10,347	11.1%	5.4%
Operating Profit	9,952	8,209	10,062	22.6%	10.7%
ROCE	18.4	18.9	20.6		



Ebro Puleva Group Consolidated Results

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◁ CONSOLIDATED RESULTS 1Q09

An Excellent Momentum

- ◁ The first quarter results of 2009 show strong growth in all the divisions. Group sales rose 4.2% to €575m.
- ◁ Advertising support for our brands and the new products is even more important in the current situation of economic crisis, so much so that even though advertising prices have come down, we have invested 17% more in this item, €25.7m, which represents 4.5% of sales.
- ◁ As a result of the policy of stringency, which forms part of our group culture, the synergies generated on the integration of rice and pasta, a favorable evolution of exchange rates, which contributed €3.7m, and the lowering of raw material prices, the consolidated EBITDA has risen to €68m, a year-on-year growth of 21%.
- ◁ The Net Profit is up 11% to €32.6m, while the ROCE stands at almost 16%.

Thous EUR	1Q07	1Q08	1Q09	.09/08	CAGR 09/07
Sales	484,501	551,917	575,184	4.2%	2.1%
Advertising	21,547	21,907	25,699	17.3%	8.3%
EBITDA	56,422	56,236	68,017	20.9%	10.0%
EBITDA Margin	11.6%	10.2%	11.8%	16.1%	7.7%
EBIT	39,213	38,828	50,622	30.4%	14.2%
Operating Profit	53,063	48,389	55,188	14.1%	6.8%
Profit before Tax	33,822	28,866	48,286	67.3%	29.3%
Net Profit	29,285	29,331	32,565	11.0%	5.4%
ROCE	13.4	12.5	15.9		

◁ EVOLUTION OF DEBT 1Q09

With the Imminent Receipt of Proceeds on the Sale of the Sugar Division

- ◁ The Group's Net Debt has been reduced by 6% year on year to €1,165m, despite the adverse effect of exchange rates, and is 10% greater than that recorded in December 2008, following the usual seasonal pattern. This balance does not include the proceeds from the sale of the Sugar Division, which we will receive within the next few days and which will considerably reduce our net debt.
- ◁ The Pro-forma Debt at March 2009, after receiving the entire proceeds from the sale and net of the payment of extraordinary dividends, would be €710m.

Thous EUR	31 Mar 07	31 Dec 07	31 Mar 08	31 Dec 08	31 Mar 09
Net Debt	1,204,290	988,250	1,244,241	1,055,853	1,165,185
Average Debt	1,178,378	1,129,254	1,140,378	1,208,078	1,158,742
Equity	1,214,362	1,195,036	1,174,391	1,203,131	1,240,548
Leverage ND	99.2%	82.7%	105.9%	87.8%	93.9%
Leverage AD	97.0%	94.5%	97.1%	100.4%	93.4%
x EBITDA (ND)		3.2		3.9	
x EBITDE (AD)		3.7		4.4	



Ebro Puleva Group Conclusion

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◁ CONCLUSION

Excellent Results

- ◁ **A positive quarter that has been the last of Azucarera in our accounts. The sale has been almost finalized as is due to be paid and completed by April 30th.**
- ◁ **We have presented results that reveal the defensive nature of our sectors, which are performing splendidly, especially Pasta.**
- ◁ **Confirmation that our geographical diversification is a true guarantee for the company's operating and financial stability.**
- ◁ **Consolidation of our strategy of value and innovation in dairy products, steering away from volume-based strategies and focusing on value, with resounding success.**
- ◁ **Sound financial base with which to face forthcoming years, while enabling us to take advantage of any opportunities that may arise.**
- ◁ **In short, a fantastic start to the year.**



Annex I
Raw Materials

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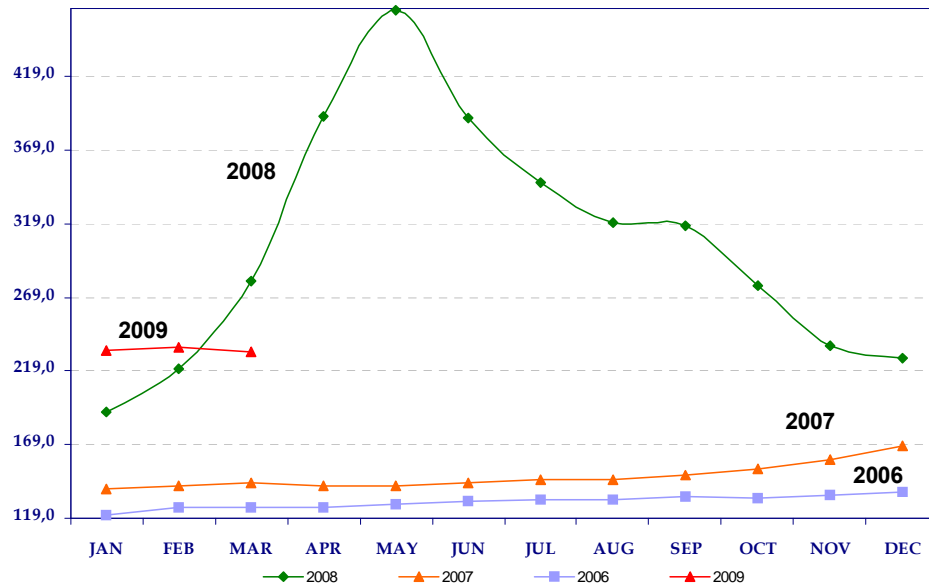


◁ ANNEX

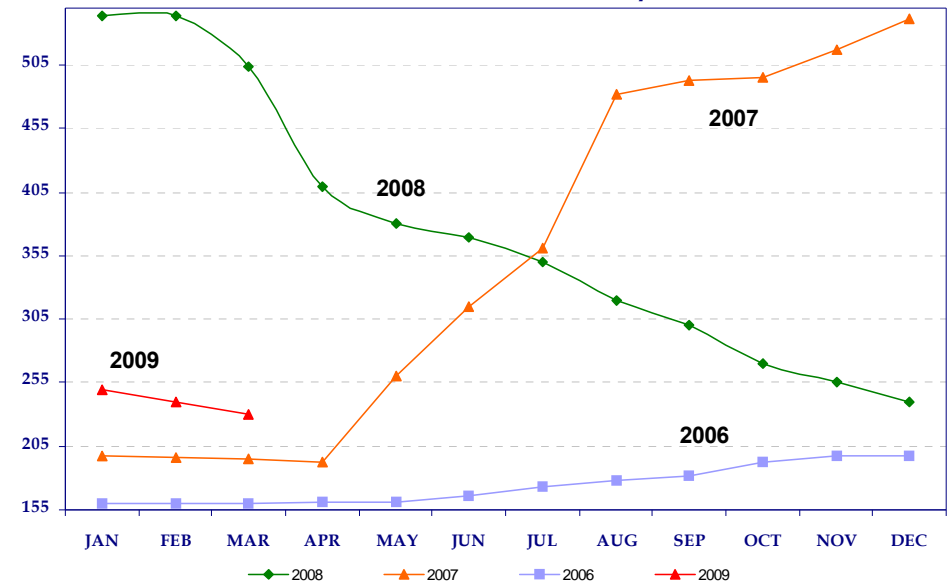
Raw Materials: Rice and Pasta

◁ The following graphs show the evolution of raw material prices

IPO Rice Price Index



Durum Wheat Price in EUR/TON

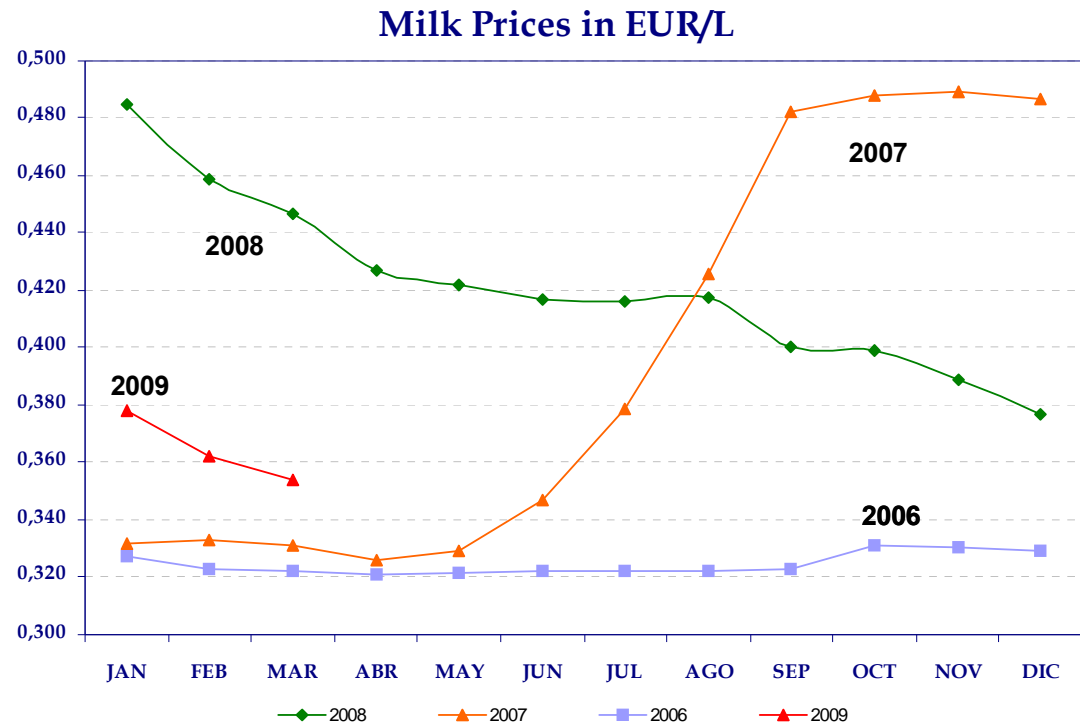




◁ ANNEX

Raw Materials: Milk

◁ The following graph shows the evolution of milk prices





Corporate Calendar

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◀ CORPORATE CALENDAR

Ebro Puleva maintains its commitment to transparency and reporting in 2009:

26 February	Presentation 2008 year-end results
2 April	Quarterly dividend payment
29 April	Presentation 1st quarter results
2 July	Quarterly dividend payment
30 July	Presentation 1st half results
2 October	Quarterly dividend payment
28 October	Presentation 3rd quarter results and outlook 2009
17 December	Announcement 2010 dividend against 2009 earnings
22 December	Quarterly dividend payment



Disclaimer

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◁ 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 company's operations and position 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 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 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).
- ◁ The main risks and uncertainties affecting the Group activities are described on pages 181 ff. of the Consolidated Annual Accounts as at 31 December 2007 and the corresponding Directors' Report, which are available on our web site www.ebropuleva.com. In our opinion there have been no material changes that are likely to affect the remaining months of this year. The Group is exposed to fluctuations on the 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.