

EBRO 2015

ANNUAL REPORT



Key Indicators 2015



BUSINESS

23
companies

76
countries

45
plants

70
brands

ECONOMIC (Thousand of €)

2,461.9
Net sales

314.7
EBITDA

144.8
Net Profit

101.5
Dividends paid

HUMAN CAPITAL

5,808
Average total
workforce

72.88
% men

27.12%
women

117,717
Hours training
given

SOCIAL COMMITMENT

1,146,964 €
in food donations

596,795 €
in welfare
programmes

60
projects
developed

51,272
beneficiaries

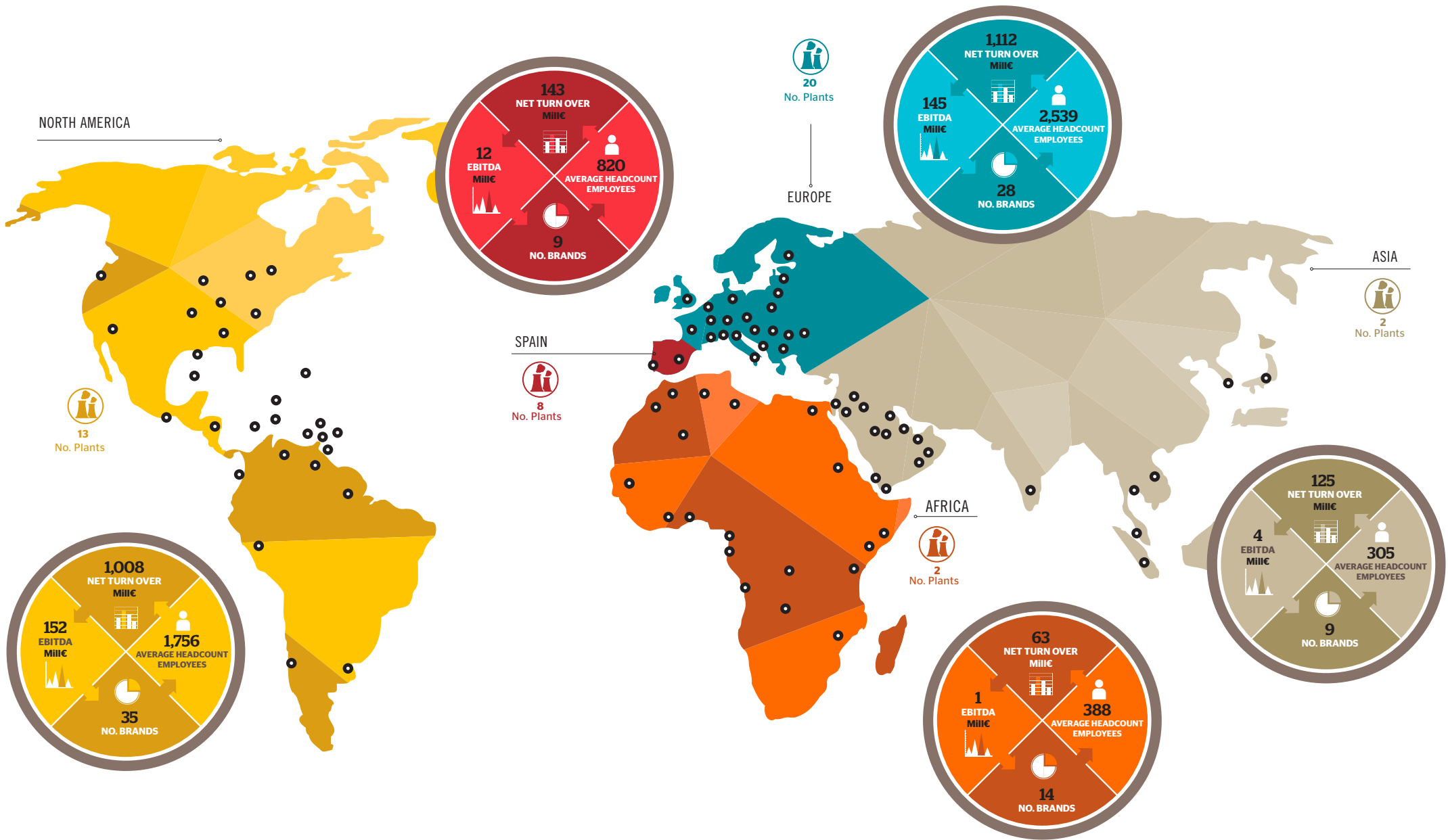
ENVIRONMENT

1,541,725 €
Expense +
Investment:

7%
less significant
emissions than in
2014

11%
more water recycled
and reused than in
2014

5%
less energy
consumed than in
2014



International Presence

FINANCIAL HIGHLIGHTS

CONSOLIDATED FIGURES	2013	2014	2014-2013	2015	2015-2014	CAGR 2015-2013
Net turnover	1,956,647	2,120,722	8.4%	2,461,915	16.1%	12.2%
EBITDA	282,392	287,251	1.7%	314,724	9.6%	5.6%
EBIT	226,356	227,242	0.4%	246,314	8.4%	4.3%
Operating profit	212,907	217,377	2.1%	242,377	11.5%	6.7%
Consolidated earnings (Continuing operations)	141,489	151,342	7.0%	150,688	(0.4%)	3.2%
Net earnings on discontinued operations	(7,507)	(2,223)	(70.4%)	0	(100.0%)	(100.0%)
Net profit	132,759	146,013	10.0%	144,846	(0.8%)	4.5%
Average working capital	420,517	442,036	(5.1%)	482,300	(9.1%)	
Capital employed	1,286,515	1,363,346	(6.0%)	1,579,447	(15.9%)	
ROCE (1)	17.7	16.7		15.6		
Capex (2)	61,308	67,123	9.5%	81,466	21.4%	
Average headcount	4,665	5,189	11.2%	5,759	11.0%	

Thousand of euros

STOCK MARKET HIGHLIGHTS	2013	2014	2014-2013	2015	2015-2014
Number of shares	153,865,392	153,865,392	0.0%	153,865,392	0.0%
Market capitalisation at year-end	2,621,097	2,109,495	(19.5%)	2,780,348	31.8%
EPS	0.86	0.95	10.0%	0.94	(0.8%)
Dividend per share	0.60	0.50	(16.7%)	0.66	32.0%
Theoretical book value per share	11.09	12.02	8.4%	12.78	6.3%
Equity	1,705,757	1,849,485	8.4%	1,966,259	6.3%
Net Debt	338,291	405,617	(19.9%)	426,280	(5.1%)
Average Debt	260,820	333,178	27.7%	424,940	27.5%
Leverage (3)	0.15	0.18		0.22	
Total Assets	2,772,680	3,162,068	14.0%	3,403,676	7.6%

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

(2) Capex as cash outflow from investing activities

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



RICE BUSINESS	2013	2014	2014-2013	2015	2015-2014	CAGR 2015-2013
Net turnover	1,090,459	1,139,697	4.5%	1,287,726	13.0%	8.7%
EBITDA	137,627	148,828	8.1%	176,959	18.9%	13.4%
EBIT	110,156	121,789	10.6%	147,509	21.1%	15.7%
Operating profit	102,785	118,439	15.2%	148,600	25.5%	20.2%
Average current assets	329,938	339,882	(3.0%)	360,709	(6.1%)	
Capital employed	751,292	767,771	(2.2%)	861,763	(12.2%)	
ROCE						
Capex	21,186	32,440	53.1%	39,555	21.9%	

Thousand of euros

PASTA BUSINESS	2013	2014	2014-2013	2015	2015-2014	CAGR 2015-2013
Net turnover	915,120	1,029,294	12.5%	1,224,491	19.0%	15.7%
EBITDA	152,955	146,317	(4.3%)	148,647	1.6%	(1.4%)
EBIT	125,725	114,397	(9.0%)	110,477	(3.4%)	(6.3%)
Operating profit	115,283	112,340	(2.6%)	104,957	(6.6%)	(4.6%)
Average current assets	76,369	94,810	(24.1%)	107,261	(13.1%)	
Capital employed	508,429	578,767	(13.8%)	691,071	(19.4%)	
ROCE	25.7	20.5		16.1		
Capex	38,720	34,249	(11.5%)	40,683	18.8%	

Thousand of euros



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CHAIRMAN'S STATEMENT

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- Ethics and integrity
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BUSINESS MODEL

- Definition of the model
- Strategy
- Value creation: R+D+I

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BUSINESS AREAS AND DEVELOPMENT IN 2015

- Consolidated
- Rice
- Pasta



SALES BY GEOGRAPHICAL AREAS

41%
NORTH AMERICA

45%
EUROPE

6%
SPAIN

3%
AFRICA

4%
ASIA

1%
OTHERS

CHAIRMAN'S STATEMENT

DEAR STAKEHOLDERS,

As you will have noticed, the recovery of the eurozone was consolidated in 2015, even though the year-on-year growth rate remained at a modest 1.5% of the GDP. This recovery rests on growth of domestic demand, underpinned by an expansive monetary policy with interest rates close to zero and oil prices at their lowest level in the past decade. The improvement brought higher levels of employment and consumer confidence, although several political uncertainties such as Brexit and social issues such as the refugee crisis might check growth.

The United States has maintained its positive trend of the past two years. With a year-on-year GDP growth of 2.5% (the highest since the crisis set in) and unemployment at around 5%, its economy is still growing at a faster rate than most other developed countries. Domestic demand has been the main driving force behind this growth, as consumers have overcome their earlier distrust. The raising of rates by Federal Reserve leads the way to stabilisation and should not have a negative impact, except on the exports affected by the appreciation of the dollar and the weakness of emerging economies.

In the food sector, as I have announced in earlier reports, the after-effects of the crisis are being felt by all of us in the food industry. Society has changed and so has its scale of values when choosing a product. Loyalties have evaporated and consumers have begun to adjust their needs and expectations to a new food model offering true quality at good prices.

Consumers have become more cautious: they buy less, go for cheaper goods and have shifted towards quality private-label products or the more economical brands, and fresh, gourmet and ecological products with good value for money.

They are also more wary. Food crises such as those involving horsemeat, pork, antibiotics in animal feed or pesticides have led them to believe that the food industry is not transparent. The new scenario that has emerged is a major challenge for brands, as we must find a way to build new links with consumers and generate new loyalties. Other trends include the growth of local supermarkets and the appearance of virtual stores on the distribution market, which show that consumers are looking for healthy, enjoyable shopping experience.

Our starting point within this new competitive framework is very good, because although we are a global enterprise, the local factor has always prevailed over multinational in our business philosophy. We have preserved the DNA of each of our brands and respected their regional attributes and idiosyncrasies, maintaining a very close bond with consumers. Consequently, we still have emotional ties with our customers. Moreover, we have always been pioneers and drivers in the categories in which we operate and I am sure that our vocation to consumers and our permanent innovation policy will enable us to continue leading the market needs and anticipating the preferences of our customers and consumers.

In the area of commodities, the grain markets recorded maximum stock forecasts and stable or falling prices during the year. The Commodity Agricultural Raw Materials Index fell for the fourth year in succession since its record levels in 2011 and world ratios measuring stock as a percentage of annual consumption of the principal grains (corn, wheat and rice) were clearly above the average of the past 10 years.



Antonio Hernández Callejas

Chairman
Ebro Foods

In rice, the overall market trend was one of stable prices with world output and stock levels down slightly but still at the top end of the scale of those on record. There was a bumper crop in the United States in 14/15 (+10% on 2013/14), which reduced the US price spread over other long grain rice sources and enabled it to increase its exports. However, the long grain harvests this year are smaller (and of poorer quality), owing to the smaller area sown and the smaller yield, hence costs rose in the last quarter of the year. Another important aspect was the increase in imports of Asian rice in Europe. This, together with low yields and high prices in the last two crop years in Europe, has made European rice uncompetitive.

Against this backdrop, the rice division closed a very satisfactory year, underpinned by the continuous launching of new products and strong support in advertising. Our businesses grew in countries such as the Netherlands, Belgium, Finland, Spain, USA and Canada. The innovations of Brillante® and SOS® had an excellent performance in Spain, with Sabroz, brown rice and quinoa and specialty rice. In North America, record growth was achieved by brands such as Mahatma®, Carolina® and Minute® in their varieties of Instant Rice, Minute Ready-To-Serve or the wild rice business.

In durum wheat, prices started to come down as the harvesting of the new crop drew near, from levels of around 400 €/tonne to 280 €/t. In June, the rumours of a lower crop yield in Europe unleashed a new price hike, but as this was not confirmed, prices eased to 265 €/t by year-end.

In this scenario of rising prices, our pasta division faced an increase in costs of €54 million and its performance varied in the different geographical areas in which it operates.

In Europe, specifically in France, in a market that declined by 1.5%, the Panzani Group grew by 3.8%. Garofalo® also completed an excellent year and its penetration of different markets, such as Spain, Portugal, France, Germany and the Netherlands, progressed at a good rate. In contrast, the North American business was hard hit by the price tension and falling consumption, owing to the new trends in low carb diets. The Group managed to revert this trend towards the end of the year by investing in gluten free, quinoa, ancient grains and 150-cal categories.

On an international level, we concluded two major inorganic projects during the year, namely the acquisition of RiceSelect®, a North American business specialising in organic and specialty rice varieties, and the purchase of Roland Monterrat, a prominent player on the French snacks and fresh ready meals market. Through these operations, we have boosted and diversified the fresh products business, while bolstering our positioning in the organic foods category, in which we had already begun to operate by developing organic products and products based on quinoa, ancient grains or supergreens under the Netherlands, Spanish and North American brands.

On the stock market, the value of the Ebro Foods share rose by 37% in 2015. Over the same period, the Ibex 35 dropped 8%, the Ibex Med rose 12.7%, the Ibex Small was up 5% and the Eurostoxx Food and Beverage, benchmark for European food sector shares, rose 22.7%. The share performance has remained very positive during the first quarter of 2016. The value of the share rose 6.8%, while Ibex 35 dropped 12%, Ibex Med 11.5%, Ibex Small 2.8% and Eurostoxx Food and Beverage by 2.9%.

In Social Responsibility, we have had the honour of being elected members of the Private Sector Advisory Group working with the United Nations Sustainable Development Goals Fund (SDGF) to define working plans to progress in the achievement of the sustainable development goals. We have approved a new Corporate Code of Conduct, which expands on and develops the commitments acquired by the Ebro Group with its different stakeholders, and a specific Supplier Code of Conduct; within the Ebro Foods Foundation we have created a Sustainable Agriculture working line, focusing on the sustainable production of our agricultural raw materials; and we have worked on the development of a product portfolio positioned in the health segment with the aim of broadening our offer of healthy, differentiated food, etc. In short, we have made considerable progress in our goal of sustainable growth and I invite you to consult our Sustainability Report for further information on this.

I would like to round off by saying that in 2015 we closed a Strategic Plan in which the company achieved a highly satisfactory development. We improved our key financial metrics; we consolidated our rice and pasta businesses; we entered the most premium segment of our core business with Garofalo® and RiceSelect®; and we created value for all of you, our shareholders, and for everyone who interacts with us in the development of our business activity.

A wooden sign with the word "EBRO" hanging from a wooden post. The sign is made of light-colored wood with a dark blue border. The word "EBRO" is written in large, bold, black, textured letters. The sign is suspended by a dark metal chain from a wooden post. Above the chain, there is a decorative metal piece with the word "EBRO" embossed on it. The background is a blurred outdoor scene with green foliage and a white building.

EBRO

01

INTRODUCTION



- 01** Leading group in the Spanish food sector
- 02** Global leader of the rice sector
- 03** Number two pasta manufacturer worldwide
- 04** Leader of the markets in which we operate





MISSION, VISION AND VALUES

The mission of the Ebro Foods Group is to research, create, produce and distribute high value-added foods which enhance people's health and well-being while meeting their nutritional needs.

Our vision is to grow sustainably, ensuring ethical conduct and professional and personal integrity in the performance of our business activities, creating value for our shareholders, minimising the environmental impact of our operations, guaranteeing the personal and career development of our employees, improving the quality of life in society and meeting the needs of customers and consumers.

THE GROUP'S CONDUCT IS GUIDED BY THE FOLLOWING VALUES:

- 01** Leadership
- 02** Transparency
- 03** Honesty
- 04** Responsibility
- 05** Integrity
- 06** Culture of effort
- 07** Ambition to generate value
- 08** Environmental responsibility
- 09** Service vocation
- 10** Focus on people
- 11** Innovation
- 12** Long-term sustainability
- 13** Strict compliance with prevailing laws and regulations

ETHICS AND INTEGRITY

The company is governed by the Ebro Foods Group Code of Conduct and the Internal Code of Market Conduct.

EBRO FOODS CODE OF CONDUCT

The current Code of Conduct approved by the Board of Directors of Ebro Foods, S.A. in December 2015, is an update of the previous Code of Conduct (in force since 2012) and reinforces the company's commitment to integrity, transparency and ethical, responsible behaviour.

The Group's Code of Conduct (hereinafter COC) provides guidance on how to act in the internal and external relationships of the people and companies making up the group headed by Ebro Foods, strengthening the values that distinguish us and establishing a basic reference to be followed by the people and companies of the Ebro Foods Group.

The COC is devised as an essential element within the crime prevention model implemented in the Ebro Foods Group, so it is important that it be known and observed by all those persons within its scope.

The COC also lays down the guidelines for relations with the Group's stakeholders: shareholders, professionals, consumers, customers, suppliers, rivals, authorities and markets in general.

All those falling within the scope of application of the Code, as per point 4 thereof, are bound to comply and contribute towards compliance with it. Nobody, regardless of their position within the Group, is authorised to require a person bound by the Code to breach the contents thereof. No relevant person may justify any malpractice or conduct infringing the COC alleging an order from a superior or ignorance of its contents.

In this regard, any person bound by the Code may report, under a guarantee of absolute confidentiality, any default or infringement of any of its principles. A reporting channel is established for this purpose, as follows:



- ❖ Reports may be sent to the e-mail canaldedenuncias@ebrofoods.es
- ❖ Access to that e-mail account, technologically protected to prevent any unauthorised access, shall be limited exclusively to the Chairman of the Audit and Compliance Committee who, as independent director, has no relationship with the management structure of the Ebro Foods Group.
- ❖ According to the contents of the report, the Chairman of the Audit and Compliance Committee may obtain the appropriate information and make the necessary consultations to clarify the issue, guaranteeing at all times the absolute confidentiality of the reporter and not informing the reported person or persons until the investigation has concluded.
- ❖ The Chairman of the Audit and Compliance Committee shall keep in touch with the reporter, informing him/her of the enquiries made and the final outcome and consequences.
- ❖ The Chairman of the Audit and Compliance Committee shall in all cases establish the order of priority, process, investigate and resolve reports, according to their importance and nature, paying special attention to those concerning a possible financial or accounting fraud and possible fraudulent activities.



The full text of the Code of Conduct and the guidelines laid down for its implementation and application are available for consultation by any of our stakeholders through the corporate Intranet and the Group's website, specifically within the section Corporate Social Responsibility <http://www.ebrofoods.es/corporate-social-responsibility/code-of-conduct/>

The COC has been translated into the languages of all the countries in which the Group operates and has been signed by all the company's employees.

The Ebro Group is developing a multi-year ethical audit plan as a mechanism for monitoring and assessment of compliance. These audits will be made by an independent third party at both Group workplaces and at a sample of suppliers.

INTERNAL CODE OF MARKET CONDUCT

This Code, approved by the Board of Directors of Ebro Foods, S.A. in November 2015, modifies and replaces the previous one, in force from 2006. The Code is included in a process of actions taken by the Company within the framework of constant review of its internal regulations to adjust them to the legal provisions and CNMV criteria in place from time to time.

Its purpose is to establish a set of rules conforming to the laws and regulations in place from time to time, governing the conduct by the Company and the Relevant Persons in the different areas regulated in the Code, all relating to their actions in the security markets.

In this regard, Relevant Persons are:

- (i) Directors and Executives
- (ii) External Advisers insofar as they are considered Insiders
- (iii) Members of the Compliance Unit
- (iv) Any person other than the former whenever so decided in specific cases by the Compliance Unit contemplated herein, in view of the prevailing circumstances in each case.

The Code is applicable to the following subject matter:

- (i) Trading in relevant securities
- (ii) Insider information and price-sensitive information
- (iii) Treasury stock
- (iv) Conflicts of interest

The full text of this Code is available for consultation by any of our stakeholders through the corporate Intranet and the Group's website, specifically within the section Corporate Governance

<http://www.ebrofoods.es/information-for-shareholders-and-investors/corporate-governance/internal-code-of-market-conduct/>



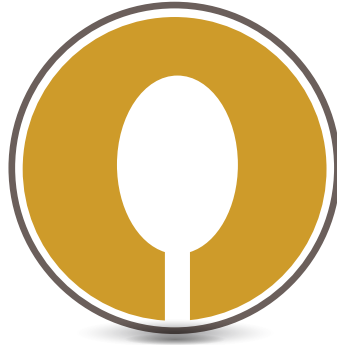
COMPANIES PERFORMING THE BUSINESS

The details of all the subsidiaries and associates of the Ebro Foods Group and the interest held by the latter in each one are set out in the consolidated financial statements (see Note 4 to the Consolidated Annual Accounts for the year ended 31 December 2015).

The rice and pasta businesses are performed by the following subsidiaries, reporting to Ebro Foods, S.A.:



COMPANY	COUNTRY	BUSINESS AREA
American Rice Inc.	USA	Rice
Arrozeiras Mundiarroz, S.A.	Portugal	Rice
Boost Nutrition, C.V.	Belgium	Rice
Bosto Panzani Benelux, N.V.	Belgium	Rice and pasta
Ebro India, Privated Ltd.	India	Rice
Ebrofrost Holding GmbH	Germany	Rice and pasta
Euryza GmbH	Germany	Rice
Herba Bangkok	Thailand	Rice
Herba Egypt, Ricemills. Ltd.	Egypt	Rice
Herba Puerto Rico, LLC	Puerto Rico	Rice
Herba Ricemills, S.L.U.	Spain	Rice
Herba Ricemills Romania, S.R.L.	Romania	Rice
Lassie, B.V.	Netherlands	Rice
Lustucru Frais, S.A.S	France	Rice and pasta
Mundi Riso, S.R.L.	Italy	Rice
Mundi Riz, S.A.	Morocco	Rice
Panzani, S.A.S.	France	Rice and pasta
Riceland Magyarorzag, KFT	Hungary	Rice
Riviana Foods Inc.	USA	Rice
Stevens&Brotherton Herba Foods, Ltd.	United Kingdom	Rice
Catelli Foods Corporation	Canada	Pasta
New World Pasta	USA	Pasta
Pastificio Lucio Garofalo, Spa	Italy	Pasta



TWO NEW BUSINESSES JOINED THE GROUP IN 2015

RICESELECT® is the leading business in the US retail market of aromatic and organic rice and products based on ancient grains, quinoa and other super cereals. It is a brand with a premium image and a portfolio of high value-added products widely recognised by North American consumers.

Price of the operation: US\$45 million.



ROLAND MONTERRAT® is a mayor player in the French fresh food segment. It is leader of the “Pâté en croûte” market and one of the top companies in the sandwich and *croque-monsieur* segment.

Price of the operation: €44.25 million



Industrial infraestructure

The Ebro Group has, through its subsidiaries, 45 industrial plants in 15 different countries.

45

INDUSTRIAL PLANTS

15

COUNTRIES

BELGIUM

Merksem
Schoten

CANADA

Montreal
Hamilton
Delta

DENMARK

Orbaek

EGYPT

Heliopolis

FRANCE

Communay
Gennevilliers
Nanterre
Saint Genis Laval
Lorette
Saint Just
Vitrolles
Littoral
La Montre
Macon

GERMANY

Offingen

INDIA

Taraori

ITALY

Gragnano
Vercelli

MOROCCO

Larache

NETHERLANDS

Wormer

PORTUGAL

Coruche

SPAIN

San Juan de
Aznalfarache
Coria del Río
Isla Mayor
Jerez de la Frontera
Silla
Algemesí
L' Aldea
La Rinconada

THAILAND

Bangkok

UNITED KINGDOM

Liverpool
Cambridge

UNITED STATES

Alvin
Carlisle
Brinkley
Clearbrook
Freeport
Memphis
Fresno
St. Louis
Winchester
Hazen



02

GOVERNANCE MODEL



GOVERNANCE BODIES

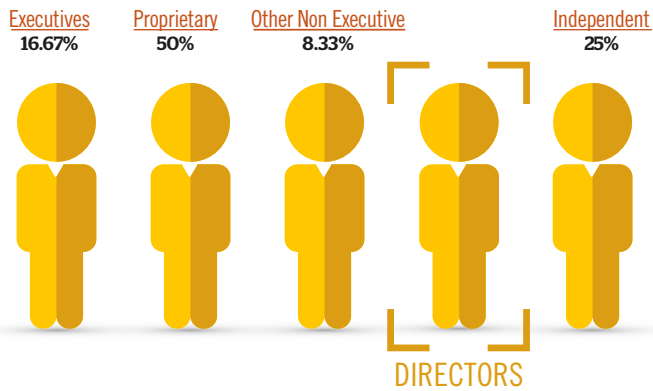
The governance bodies of Ebro Foods, S.A. are the General Meeting of Shareholders and the Board of Directors.

The General Meeting is the company's sovereign body. It is competent to discuss and adopt resolutions on all business reserved in law or the Articles of Association for decision by this body and, in general, on all business which, within its legal scope of competence, is submitted to it by the Board of Directors or the shareholders as stipulated in law.

Save in any matters reserved by law or the Articles of Association to the General Meeting, the Board of Directors is the highest body of governance and administration of the company, with full powers to direct, administer and represent the company in the activities comprising its objects. The Board of Directors commissions the day-to-day management of the company to its executive members and the senior officers, focusing its own activities on oversight and certain general duties including, among others, those corresponding to it by law, those established in the Regulations of the Board and any that may be delegated to it by the General Meeting of Shareholders in the form stipulated in law.

The Board of Directors will have no fewer than seven nor more than fifteen members, the General Meeting being competent to decide their exact number and to appoint and remove directors.

At 31 March 2016, the Board of Directors of Ebro Foods has 12 members, two of whom are executive directors, six are proprietary directors, three are independent directors and one is in the category of other non-executive directors.



CHAIRMAN

Antonio Hernández Callejas Executive

VICE-CHAIRMAN

Demetrio Carceller Arce Proprietary

MEMBERS

- Alimentos y Aceites, S.A. <i>Represented by Concepción Ordiz Fuertes</i>	Proprietary
- Fernando Castelló Clemente	Independent
- Jose Ignacio Comenge Sánchez - Real	Independent
- Hispafoods Invest, S.L. <i>Represented by Blanca Hernández Rodríguez</i>	Proprietary
- Instituto Hispánico del Arroz, S.A. <i>Represented by Félix Hernández Callejas</i>	Executive ¹
- José Nieto de la Cierva	Proprietary
- August Oetker	Proprietary
- Eugenio Ruiz-Gálvez Priego	Other Non-Executive ²
- Empresas Comerciales e Industriales Valencianas, S.L. <i>Represented by Juan Luis Gómez-Trenor Fos</i>	Proprietary

LEAD INDEPENDENT DIRECTOR

José Antonio Segurado García Independent

NON-DIRECTOR SECRETARY

Luis Peña Pazos

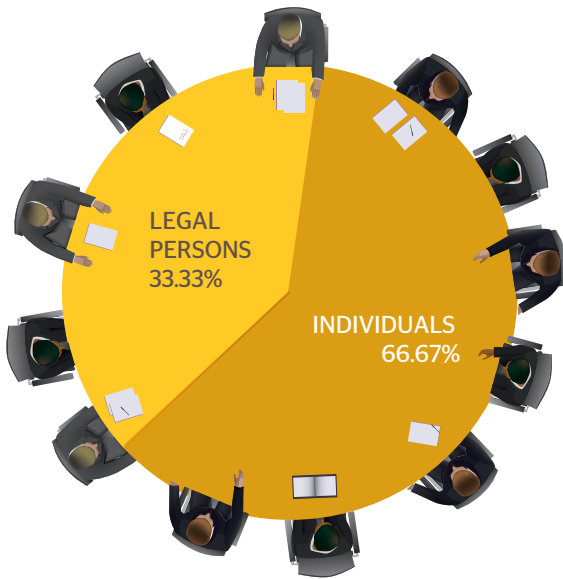
NON-DIRECTOR VICE-SECRETARY

Yolanda de la Morena Cerezo

¹ The executive director Instituto Hispánico del Arroz, S.A. has been so classified in view of the fact that its representative on the Ebro Foods board (pursuant to Art. 212 bis Corporate Enterprises Act) is an executive of one of the Group's subsidiaries, although this institutional director does not perform executive or management duties in Ebro Foods, S.A. or any subsidiary of the Group and, therefore, does not receive any remuneration as such.

² The director classified as "other non-executive" holds office on the Board of Directors and the Audit and Compliance Committee, as though he were a true independent director, although it is so classified because he has been a director for a continuous period of over 12 years.

MEMBERS: 12



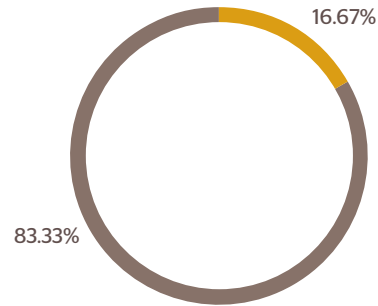
MEN AND WOMEN



100% aged 50 - 70 years
30% aged 70 - 100 years



100% aged 30 - 50 years



There are also four Committees, which guarantee fulfilment of the Board's duties and have the powers and competence established in the law, the Articles of Association and the Regulations of the Board.

COMMITTEES

EXECUTIVE COMMITTEE

Antonio Hernández Callejas

CHAIRMAN

Demetrio Carceller Arce

José Nieto de la Cierva

José Antonio Segurado García

AUDIT & COMPLIANCE COMMITTEE

José Ignacio Comenge- Sánchez Real

CHAIRMAN

Fernando Castelló Clemente

Hispa Foods Invest, S.L. (Blanca Hernández Rodríguez)

Eugenio Ruiz Gálvez-Priego

NOMINATION & REMUNERATION COMMITTEE

Fernando Castelló Clemente

CHAIRMAN

Demetrio Carceller Arce

Hispa Foods Invest, S.L.(Blanca Hernández Rodríguez)

José Antonio Segurado García

STRATEGY & INVESTMENT COMMITTEE

Demetrio Carceller Arce

CHAIRMAN

Antonio Hernández Callejas

José Nieto de la Cierva

Instituto Hispánico del Arroz, S.A. (Felix Hernández Callejas)

SHAREHOLDING STRUCTURE

Ebro Foods currently has a capital of €92,319,235.20, fully subscribed and paid up. The shares are issued in book-entry form and recorded by the Management Company of Securities Liquidation and Clearing Registration Systems (IBERCLEAR), listed on the four Spanish stock exchanges.

The details of the capital represented on the board as at 31 December 2015 are shown below:

SCALE OF PERCENTAGE INTERESTS IN THE CAPITAL	NUMBER OF CONTROLLING SHAREHOLDERS AND/OR DIRECTORS WITH AN INTEREST IN THE CAPITAL	TOTAL NUMBER OF SHARES OR VOTING RIGHTS	TOTAL PERCENTAGE OF CAPITAL
≥10.00%	4	71,264,433	46.32%
≥5.00% - <10.00%	1	10,924,443	7.10%
≥3.00% - <5.00%	0	0	0.00%
<3.00%	6 ¹	5,264,533	3.66 %

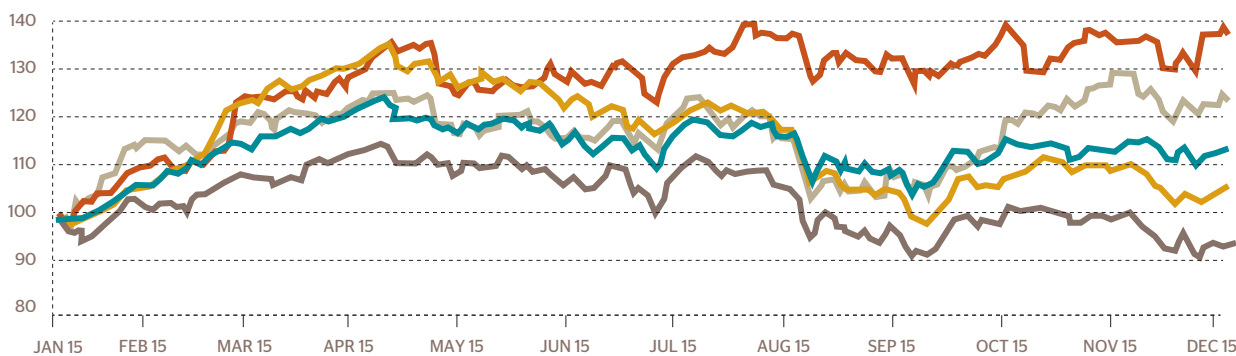
¹None of these 6 directors is a controlling shareholder because the share they each hold in the capital is less than 3%.

At 31 December 2015, 57.08% of the share capital was represented on the board, while the free float was estimated at 42.92%.

SHARE PERFORMANCE

During 2015, the value of the Ebro Foods share rose by 37%. Over the same period, the Ibex 35 dropped 8%, the Ibex Med rose 12.7%, the Ibex Small was up 5% and the Eurostoxx Food and Beverage, benchmark for European food sector shares, rose 22.7%.

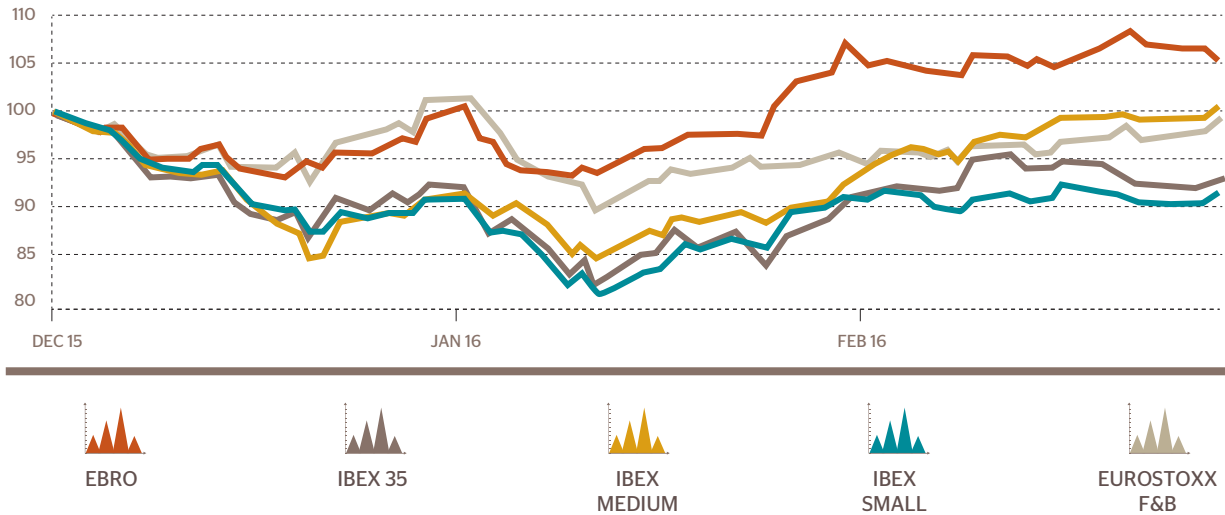
EBRO Vs INDEX IN 2015



The average share price in 2015 was €16.8, closing the year at €18.1. Share turnover was equivalent to 0.4 times the total number of shares in the company. The average daily volume of trading during 2015 was 240,175 shares, compared to an average volume of 371,155 in 2014.

The share performance has remained very positive during the first quarter of 2016. The value of the share rose 6.8%, while Ibex 35 dropped 12%, Ibex Med 11.5%, Ibex Small 2.8% and Eurostoxx Food and Beverage by 2.9%.

EBRO Vs INDEX Q1 2016



At the end of the first quarter of 2016 the company had a market capitalisation of €2,931 million, closing that day at €19.05 per share.

EBRO COVERAGE

Analysts continue to rate our share highly and EBRO is currently tracked by the following firms:

- | | |
|------------------------------|--------------------------------------|
| 1. Ahorro Corporación | 10. JB Capital Markets, S. V. |
| 2. Banco Sabadell | 11. Kepler Cheuvreux Capital Markets |
| 3. Haitong Research - Iberia | 12. La Caixa |
| 4. BBVA | 13. Link Securities |
| 5. BPI | 14. Mirabaud |
| 6. Banka Finance | 15. N+1 |
| 7. Exane BNP Paribas | 16. Santander Investment |
| 8. Fidentis | 17. UBS |
| 9. Intermoney | |

At year-end 2015, the average rating by analysts gave EBRO a target price of €19.8 per share, 9% higher than our market price at that date.

DIVIDENDS

An ordinary dividend of €78.5 million (0.51 €/share) was distributed in 2015 against the 2014 profits and an extraordinary dividend of €23 million (€0.15 €/share).

The ordinary dividend was paid in three instalments (€0.17 per share) in April, July and October 2015. The extraordinary dividend was paid in a single payment of €0.15 per share, in December.

The dividend yield per share at year-end was 3.6%.

For 2016, the Ebro Foods board unanimously resolved on 22 December 2015 to propose at the forthcoming Annual General Meeting a dividend of €0.54 per share against the 2015 earnings, to be distributed in three payments of €0.18 per share in April, June and October 2016. This would be a 6% increase in the dividend in respect of 2015.

NB: All the information on the ownership structure and governance of the company can be consulted in the Annual Corporate Governance Report.



RISK MANAGEMENT

Within the corporate policies approved by the Board of Directors, the Risk Control and Management Policy lays down the basic principles and general framework for control and management of the business risks, including tax risks, and internal control of financial reporting to which the Company and other companies in its group are exposed.

This general framework is set out in an integrated, homogenous Risk Control and Management System, guided by the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) integrated framework and guidance on internal control. This System is based on the preparation of a business risk map to identify, assess and rate the management capacity of different risks and thus obtain a ranking from greater to lesser impact for the Group and their probability of occurrence. Risks are classified into four main groups: compliance, operational, strategic and financial.

In the classification process, a dynamic assessment is made of both inherent risk and the residual risk after applying the internal controls and protocols established to mitigate them. Those controls include preventive measures, adequate segregation of duties, clear levels of authorisation and the definition of policies and procedures.

The model is both qualitative and quantitative and can measure risks in the Group earnings, considering whether the risk level is acceptable or tolerable on a corporate level.

In 2015, in the wake of the amendments to the Corporate Enterprises Act in 2014 and the new recommendations made in the Code of Good Governance of Listed Companies in February 2015, the Group has reinforced its Risk Control System, including tax risks, and internal control of financial information. The most important new feature is the creation of the Risks Committee as an internal committee reporting to the Audit and Compliance Committee, designed to be the centrepiece of the control system.

Following that review, the Risk Control and Management System, including tax risks and control over financial information, rests on the following structure:

- ❖ The Board of Directors, as the body responsible for the system, determines the risk control and Management System, including tax risks and control over financial information.
- ❖ The Audit and Compliance Committee, through the Risks Committee, performs the duties of oversight and monitoring of financial information and risk control systems, reporting regularly to the board on any significant aspects arising in these areas. It is responsible for supervising and promoting internal control of the Group and risk management systems, and submitting proposals to the Board on the risk control and management policy and possible measures for improvement.
- ❖ The Risks Committee, following the policy established by the Board and supervised by and reporting to the Audit Committee, is specifically responsible for coordination and monitoring of the risk control and management system, including tax risks and control of the Group's financial information. The Risks Committee also analyses and assesses any risks associated with new investments.



- ❖ The Management Committees of the different units, with the participation of the Chairman of the Board and the Chief Operating Officer (COO), assess the risks and decide on the measures to be taken.
 - ❖ Risk officers in the different units. The Risks Committee appoints officers responsible in the relevant subsidiaries for monitoring the risk control and management systems, including tax risks and financial information, and reporting to the Committee.
 - ❖ Internal Audit Department. Within the internal audits made on the different subsidiaries, the company's Internal Audit Department checks that the testing and control of financial information and risk management systems are being done correctly, as stipulated by the Risks Committee.
-

NB: A full description of the risks and the measures taken to mitigate them can be consulted in Note 28 to the Consolidated Annual Accounts and point 4 of the consolidated Directors' Report.



03

BUSINESS MODEL

DEFINITION OF THE MODEL

The Ebro Foods Group is the leading Spanish food group. It is firmly established through its subsidiaries in the rice and pasta markets in Europe and North America and has a growing presence in other countries.

The Group decentralises certain management areas of each business, focusing on the business with a light, dynamic structure in which functionality, coherence and knowledge of the market prevail over individuals.

The Ebro Foods Group is managed by business segments, grouped by the type of activity they perform and their geographical location. Our two core businesses are:

Rice Business:

This includes the production and distribution of rice, rice-based products and complementary food products. It engages in industrial and branding activities under a multi-brand model. Its presence spans Europe, the Mediterranean Basin, India and Thailand with the Herba Group companies and covers North America, Central America, the Caribbean and the Middle East through the Riviana Group and its subsidiary American Rice (ARI).

Pasta Business:

This includes the production and marketing of fresh and dry pasta, sauces, semolina, semolina-based products and complementary food products by the New World Pasta Group in North America, the Panzani Group and Garofalo (rest of the world).

Decision-making is controlled by the Board of Directors, which is ultimately responsible for defining the Group's general strategy and management guidelines. The Board delegates certain tasks to the Executive Committee, including monitoring and oversight of compliance with the strategic and corporate development guidelines, while the Management Committee, on which the heads of the principal business areas are represented, is tasked with monitoring and preparing the decisions made at management level.



The basic raw materials used to manufacture the products marketed by the Group are rice and durum wheat, although other grains, such as quinoa and other ancient grains, are gradually being incorporated.

Rice is the world's most consumed grain, although the volume of world trade is smaller than that of other grains and cereals owing to the production shortfalls in some of the largest producers (China, the Philippines and Indonesia). The origins of the rice marketed by Ebro vary according to the type of grain and the quality/abundance of harvests. There are three major sources of supply for different rice varieties: USA, southern Europe and South East Asia.

Pasta is produced from a variety of wheat with a high protein content, called durum wheat, which has a much smaller geographical distribution and market than other varieties used mainly for flour production. Ebro sources its rice mainly in north USA and Canada and in southern Europe (France, Spain and Italy).

Purchases are made from farmers, cooperatives and milling companies. They provide the basic raw material, which is then milled and/or processed at the Ebro Group's production plants. Processes differ depending on the ultimate use of the product, ranging from cleaning, milling, polishing and basic extrusion to complex processes of pre-cooking, cooking and freezing.



MEMBERSHIP OF SECTOR ASSOCIATIONS AND INSTITUTIONS

Ebro Foods, S.A. and some of its subsidiaries belong to the following sector associations:

COMPANY	ASSOCIATION	GEOGRAPHICAL AREA
Herba Ricemills, S.L.U.	Federación de Molineros Europeos de Arroz (FERM)	Europe
Herba Ricemills, S.L.U.	Asociación Española de Codificación Comercial (AECOC)	Spain
Herba Ricemills, S.L.U.	Confederación de Empresarios de Andalucía (CEA)	Spain
Herba Ricemills, S.L.U.	Asociación Española de Anunciantes	Spain
Herba Ricemills, S.L.U.	Asociación de Industrias Arroceras Españolas (UNIADE)	Spain
Arrozeiras Mundiarroz, S.A.	Associação Portuguesa de Empresas de Distribuição	Portugal
Boost Nutrition, C.V.	Federation of Food Companies (FEVIA)	Belgium
S&B Herba Foods, Ltd.	British Edible Pulse Association (BEPA)	UK
S&B Herba Foods, Ltd.	Campden BRI	UK
S&B Herba Foods, Ltd.	Dried Fruit Trade Association	UK
S&B Herba Foods, Ltd.	Food & Drink Federation	UK
S&B Herba Foods, Ltd.	Rice Association	UK
Ebro India, Privated Ltd.	Rice Association	India
Lassie, B.V.	Association Ricemillers VRN	Netherlands
Mundi Riso, S.R.L.	Italian Rice Miller Association (AIRI)	Italy
New World Pasta	National Pasta Association	USA
Riviana Foods Inc.	U.S. Rice Federation	USA

STRATEGY

The Group aims to be an important player on the rice and pasta markets and in cross-cutting categories known as meal solutions. The company also has the following goals:

1. Achieve a global position in a highly inter-related world, being open to the incorporation of related products, such as value-added pulses and noodles.
2. Reaffirm itself as a benchmark business group in its different areas of activity.
3. Lead innovation in the geographical areas in which it operates.
4. And position itself as a sound, innovating, responsible company, committed to social well-being, environmental balance and economic progress.

To achieve these goals, the Group upholds sustainable growth as the cornerstone of its business management and develops a business model focusing on the generation of value for its employees, shareholders, investors, customers, suppliers, the media, communities in which it operates and, in short, all the stakeholders with which the Group interacts during or in connection with its business activities.

The Group strategy is thus based on a number of levers considered essential to increase the value of the business and on a number of principles of action comprising the company's commitment to sustainable development and its value chain.

PRINCIPLES OF ACTION

Regarding good corporate governance and ethical management of business:

- ❖ Foster ethical management based on good governance practices and fair competition.
- ❖ Comply with prevailing laws, taking a preventive approach at all times to minimise economic, social and environmental risks, including tax risks.

Regarding financial sustainability and long-term focus:

- ❖ Endeavour to obtain a return on investments while guaranteeing the operating and financial soundness of its activities.
- ❖ Ensure business profit as one of the bases for the future sustainability of the company and the large groups of agents operating directly and indirectly with it.

Regarding human capital management and talent development:

- ❖ Generate a framework of labour relations that favours training and personal and professional development, respects the principle of equal opportunities and diversity and promotes a safe, healthy working environment.

Regarding fundamental human rights:

- ❖ Fundamental and universal human rights must be construed and recognised in accordance with international laws and practices.
- ❖ All forms of abuse or violation of those rights among any of the stakeholders are rejected.

Regarding value generation for the community:

- ❖ Promote a relationship of mutual benefit with the communities in which the Group is present, sensitive to their culture, context and needs.



Regarding sustainability of the value chain:

- ❖ Make sure that sustainable social, economic and environmental standards are met throughout the entire life cycle of the Group's products.

Regarding customers:

- ❖ Meet and anticipate our consumers' and customers' needs, offering a broad portfolio of products and differentiated, healthy food.

Regarding environmental protection:

- ❖ Steer all the company's processes, activities and decisions towards protecting the environment, preventing and minimising environmental impacts, optimising the use of natural resources and preserving biodiversity.

Regarding stakeholders:

- ❖ Develop a framework of responsible, honest, transparent communication and dialogue with stakeholders, setting up perfectly identified stable channels of communication.

Regarding the rendering of accounts and transparency:

- ❖ Provide stakeholders regularly with transparent, rigorous, true information on the Group's activities.

GROWTH LEVERS**1. Organic and inorganic growth** in high-consumption countries and the search for opportunities in developing countries with a high growth potential:

- ❖ Moving into new territories or categories, paying special attention to new fresh products (snacks, crisps, omelettes, sandwiches, ready meals) and new ranges of higher value-added ingredients.
- ❖ Development of products that offer a complete culinary experience, extending the catalogue with new formats (maxi cups...), flavours (cup and sauce ranges) and preparations (rice and pasta dishes for the frying pan, SOS dishes...)
- ❖ Taking prominent positions in the healthy and organic foods area, through new concepts based on ancient grains, gluten free, quinoa, etc.
- ❖ Establishing ourselves as leaders of mature markets by outperforming others in product quality. Expanding and leading the premium category. Developing the Garofalo brand.
- ❖ Expanding our geographical presence and completing our product/country matrix:
 - Search for business opportunities in mature markets with a business profile similar to ours and opportunities in specialist market niches (Rice Select, Monterrat, Celnat) through which we can shift in our strategy from a generalist position to that of a multi-specialist (individual solutions).
 - Branch out into new business niches in markets in which we are already present (India, Middle East, Eastern Europe and black Africa).
 - Extend successful formulas to other countries in which we are already present (fresh products).



2. Differentiation and innovation. The Ebro Foods Group is firmly committed to investment in products along two lines:

- ❖ Research, development and innovation (R+D+I), through four research, development and innovation centres of our own and an investment policy with which new ideas and consumption needs can be developed into real products for our clients.
- ❖ Support for leading brands in our segment of activity, investing in advertising to underpin their development.

3. Low risk exposure. Recent years have been marked by increased instability on the commodity markets and ever-faster changes in consumption patterns. The Ebro Group faces these challenges with a firm vocation to adapt to change and maintain its market positions. To achieve this, it keeps on an even keel with recurring income sources (markets, currencies), low leverage to be able to grow without exposure to financial turmoil, new supply channels and long-term relationships with stakeholders (customers, suppliers, authorities, employees and society).

VALUE CREATION: R+D+I

The Ebro Foods Group has always been a step ahead of new consumer trends and an international benchmark in the research and development of products for the food sector. Aware that R+D+I is essential for developing its quality and differentiation strategy, the Group maintained its firm commitment in 2015.

The total expenditure in this area during the year was €4.9 million, between internal resources (€3 million) and external resources (€1.9 million).

Investment totalled €12 million, mostly in gluten-free products and fresh pasta, accounting for €9.8 million, the remainder corresponding essentially to new manufacturing processes or processing methods.

The Group has built up its R+D+I activities at different research centres in France, USA and Spain. These centres and the principal projects developed during the year are described briefly below:

1. CEREC, in St. Genis Laval (France), with 10 employees, focuses its activities within the pasta division, developing its range of fresh pasta, potato, fresh pre-cooked dishes and sauces. Its activities in 2015 were directed at broadening the range of sauces with a gourmet touch and high quality, repositioning of high quality fresh pasta Triglioni and collaborating in the expansion of the Croque (sandwich) concept with the integration of Roland Monterrat.
2. CRECERPAL, in Marseille, with 8 employees in the raw materials and analysis laboratory and one collaborating doctor, focuses its research on the development of the durum wheat category, with dry pasta, couscous and new food processing technologies applied to cereals. During 2015 it increased its work on new applications for durum wheat flour in batter, bread and pastries; enhanced productivity in milling; and launching and expansion of the range of dry pasta with fresh pasta quality and gluten-free pasta.
3. TECH CENTER, in United States, with 5 employees engaged in developing new products, processes and technologies and adapting them for the US rice and pasta divisions. Its work has focused on completing the development and launching of the gluten-free range (linguini, lasagne), enhancing the efficiency and productivity of pasta for baking and pasta with fibre, with new or redesigned processes, endorsement by the US authorities (FDA) of different grain varieties and new formulations for the Ready-To-Serve cups and reformulation of multi-grain and gluten-free products.
4. Herba group centres in Moncada (Española de I+D, Valencia) and the San José de la Rinconada plant, with 26 employees, engaged in the development of new and/or improved products and technologies and technical assistance in the areas of rice and rice-product technology for today's needs: fast-food and catering. The most important project in progress is the development of rice, cereal and pulse-based functional flour and ingredients, with a low glycaemic index or quick-cooking flour.



**R+D+I
PRINCIPAL
INNOVATIONS
DURING 2015**



SPAIN
Fallera Caldosos y Meloso



SPAIN
Brillante Lima & Albahaca



FRANCE
Imperial Basmati Taureau Ailé



FRANCE
Panzani XTRA beef



FRANCE
Lustucru Pan-fry tortellini
mushrooms & ham & cheese



FRANCE
Lustucru Menu Gourmand
Fusilli Chicken & cream 330g

SPAIN
Brillante Couscous



FRANCE
Panzani variante pesto



FRANCE
Panzani Qualité pâtes fraîches



FRANCE
Risotto 5minutes Lustucru



FRANCE
Lustucru Tortellini
Mozzarella blue cheese



FRANCE
Lustucru Menu Gourmand
Tagliatelles Carbonara 330g



FRANCE
3 rice BIB Lustucru



FRANCE
Lustucru Tortellini Ckicken & Cream 250g



FRANCE
Panzani Gourmet



NORTH AMERICA
Gluten Free Elbow



FRANCE
Lustucru Tortilla 200g



NORTH AMERICA
Ronzoni Ancient Grains



FRANCE
Pan-fry Ravioles goat cheese



NORTH AMERICA
Minute Basmati 12/14oz



FRANCE
Lustucru Ravioli Tartiflette 280g



NORTH AMERICA
Minute Jasmine 12/14oz



FRANCE
Lustucru Menu Gourmand Ravioles Ricotta & herbs 310g



NORTH AMERICA
Texas Skinner Pasta



More than forty new products

SPAIN
SOS Quinoa 100%

FRANCE
Lustucru Noodles

FRANCE
Panzani pulpe fine

NORTH AMERICA
Ronzoni Ancient Grains





04

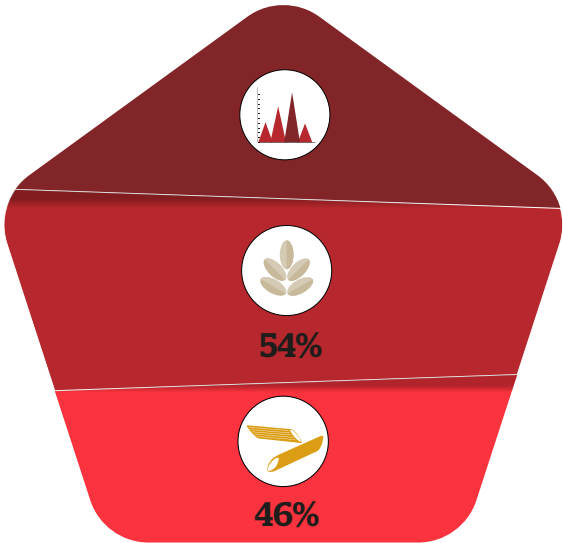
BUSINESS AREAS

BUSINESS AREAS AND DEVELOPMENT IN 2015

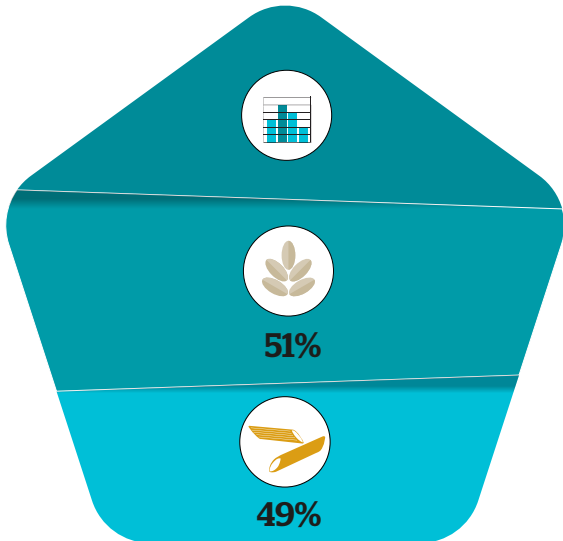
The core businesses of Ebro Foods are rice and pasta.

Within these areas, Ebro develops its business model with the different technologies: dry, fresh, pre-cooked and frozen.

Apart from rice and pasta, the Group also produces and puts on the market high value added products in the following areas: sauces, ready meals, fresh potato and other related foods.

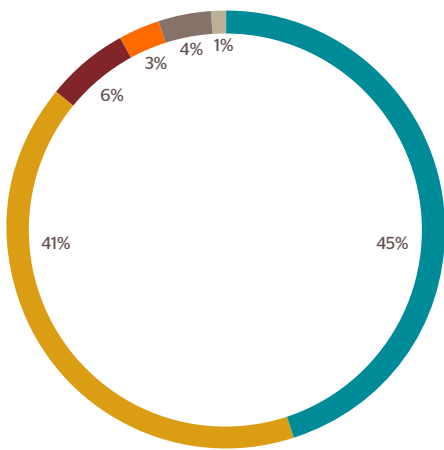


BREAKDOWN OF GROUP EBITDA BY BUSINESS AREA

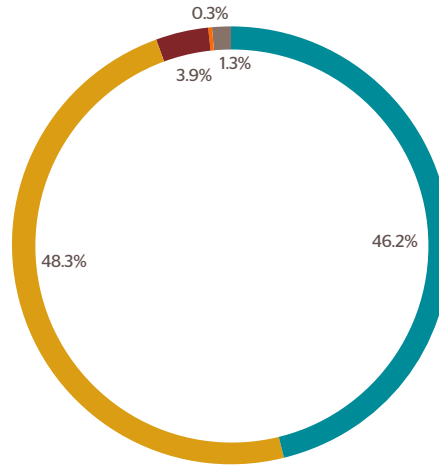


BREAKDOWN OF GROUP SALES BY BUSINESS AREA

BREAKDOWN OF GROUP SALES BY GEOGRAPHICAL AREAS



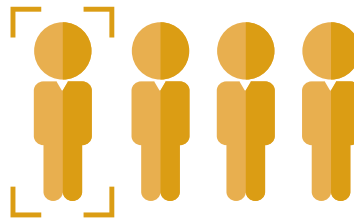
BREAKDOWN OF GROUP EBITDA BY GEOGRAPHICAL AREAS



- EUROPE
- NORTH AMERICA
- SPAIN
- AFRICA
- ASIA
- OTHERS

BREAKDOWN OF GROUP WORKFORCE BY BUSINESS AREAS

Rice	48.97%
Pasta	50.00%
Holding	1.03%



EBRO FOODS
AVERAGE WORKFORCE:
 5,808 Workers

THE GROUP'S BUSINESS DEVELOPMENT IN 2015

BACKDROP

The recovery of the eurozone was consolidated in 2015, even though the year-on-year growth rate remained at a modest 1.5% of the GDP. This recovery rests on growth of domestic demand (11% growth in vehicle registrations), underpinned by an expansive monetary policy with interest rates close to zero, which has eased the pressure somewhat on the funding capacity of small and medium-sized enterprises, and oil prices at their lowest level in the past decade, which releases consumer and company funds. But despite this improvement, which has been reflected in higher levels of employment and consumer confidence, several political uncertainties (Brexit and the political instability in some of the EU member states) and social issues (refugee crisis, aging of the population), together with the problems facing emerging economies, may halt growth at the end of the year.

The United States has maintained its positive trend of the past two years. With a year-on-year growth of GDP of 2.5% (the highest since the crisis set in) and unemployment at around 5%, its economy is still growing at a faster rate



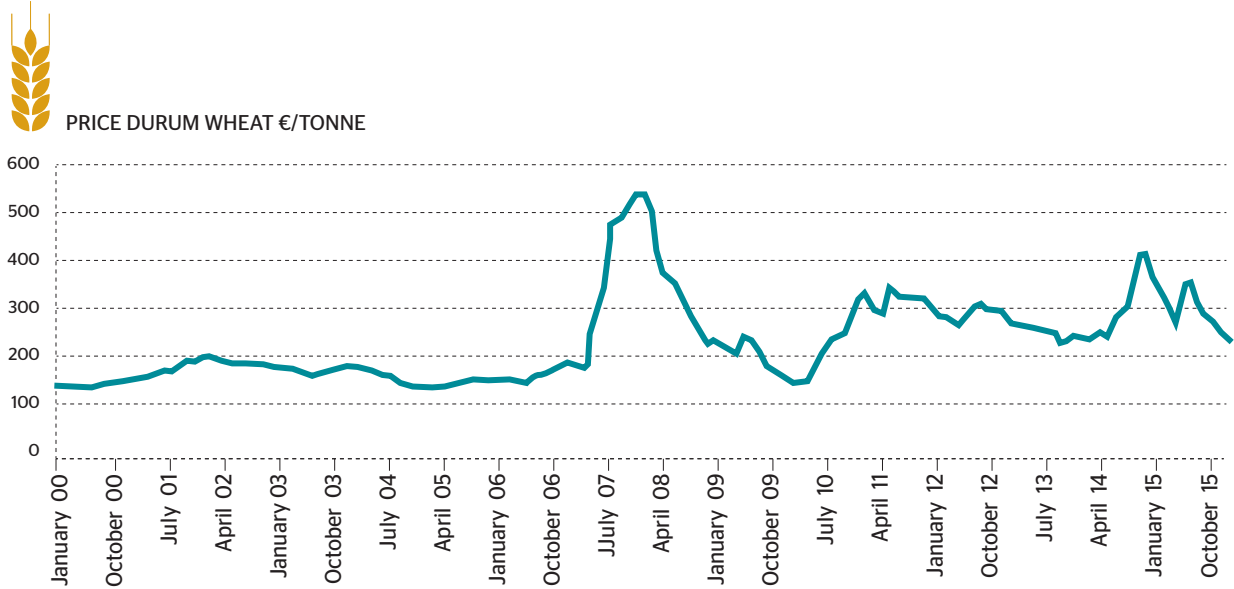
than most other developed countries. Domestic demand has been the main driving force behind this growth, as consumers have overcome their earlier distrust and perceive a progressive increase in available income, although there is still some tension regarding its distribution. The Federal Reserve put the rates up, leading the way to stabilisation. This should not have a negative impact, except on those exports affected by the appreciation of the dollar and the weakness of emerging economies.

As we said last year, the years of uncertainty and the high rates of unemployment have taken their toll in the form of changes in consumption patterns. On the whole, consumers have become more cautious: they buy less, go for cheaper goods and have shifted towards quality private-label products or the more economical brands, and fresh, gourmet and ecological products with good value for money. Other trends include the growth of local supermarkets and the appearance of new players (virtual stores) on the distribution market. All these trends reveal consumers' search for healthy, enjoyable shopping experience while keeping within a tight budget.

Finally, we should not overlook factors with a bearing on consumer patterns, such as aging of the population in developed economies, smaller families, new ways of cooking or consuming foods (to order, at vending terminals, snacks substituting meals, etc.), the relentless progress of Internet, which enables consumers to compare prices and features, and the growing number of automated options, which are set to change habits in the purchase and consumption of food (self-driving cars, drones...). While traditional consumers still predominate, producers must progressively adapt and specialise their offer and distributors must offer a different shopping experience.

Just like all raw materials, the grain markets recorded maximum stock forecasts and stable or falling prices during the year. The Commodity Agricultural Raw Materials Index fell for the fourth year in succession since its record levels in 2011 and world ratios measuring stock as a percentage of annual consumption of the principal grains (corn, wheat and rice) were clearly above the average of the past 10 years.

Last year we published the following graph of the evolution of durum wheat prices, showing the increasing volatility of a particularly narrow market.



Source: own compilation

In 2015, prices fell from the beginning of the year, from around 400 €/tonne to 280 €/tonne as the new harvest drew near. In June, a new price hike was triggered by rumours of a possibly smaller yield in Europe due to the shortage of rain in the spring, although when those rumours were not confirmed, prices deflated again to 265 €/tonne by year-end.

World rice production dropped 0.5% overall in 2015, affected by adverse weather conditions (the effects of El Niño) and discouraged by the low prices in general. World trade also declined (2%) in 2015 from the record levels recorded in the previous year, as demand receded. World rice prices gradually fell over the year, especially in certain varieties of aromatic rice.

North America had a bumper crop in 14/15 and prices remained low. However, the quality and volume of the new 15/16 crop are lower, pushing costs up in the last quarter of the year.

GROUP EARNINGS

The principal financial highlights of the Group are shown below:

CONSOLIDATED FIGURES	2013	2014	2014-2013	2015	2015-2014	CAGR 2015-2013
Net sales	1,956,647	2,120,722	8.4%	2,461,915	16.1%	12.2%
EBITDA	282,392	287,251	1.7%	314,724	9.6%	5.6%
<i>% net sales</i>	14.4%	13.5%		12.8%		
EBIT	226,356	227,242	0.4%	246,314	8.4%	4.3%
<i>% net sales</i>	11.6%	10.7%		10.0%		
Profit before tax	210,646	215,749	2.4%	229,722	6.5%	4.4%
<i>% net sales</i>	10.8%	10.2%		9.3%		
Income tax	(69,157)	(64,407)	6.9%	(79,034)	(22.7%)	6.9%
<i>% net sales</i>	(3.5%)	(3.0%)		(3.2%)		
Consol. profit for the year (continuing operations)	141,489	151,342	7.0%	150,688	(0.4%)	3.2%
<i>% net sales</i>	7.2%	7.1%		6.1%		
Net loss on discontinued operations	(7,507)	(2,223)	(70.4%)		(100.0%)	(100.0%)
<i>% net sales</i>	(0.4%)	(0.1%)				
Net profit	132,759	146,013	10.0%	144,846	(0.8%)	4.5%
<i>% net sales</i>	6.8%	6.9%		5.9%		
Average working capital	420,517	442,036	(5.1%)	482,300	(9.1%)	
Capital employed	1,286,515	1,363,346	(6.0%)	1,579,447	(15.9%)	
ROCE (1)	17.7	16.7		15.6		
Capex (2)	61,308	67,123	9.5%	81,466	21.4%	
Average headcount	4,665	5,189	11.2%	5,759	11.0%	

	31-12-13	31-12-14	2014-2013	31-12-15	2015-2014
Equity	1,705,757	1,849,485	8.4%	1,966,259	6.3%
Net Debt	338,291	405,617	19.9%	426,280	5.1%
Average Debt	260,820	333,178	27.7%	424,940	27.5%
Leverage (3)	0.15	0.18		0.22	
TOTAL ASSETS	2,772,680	3,162,068		3,403,676	

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

(2) Capex as cash outflow from investing activities

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



Turnover was up 16.1% year on year, thanks to a significant increase in volumes, the exchange rate effect deriving from the evolution of the dollar, estimated at €181 million, and the effect of changes in the scope of consolidation, calculated at €105 million.

The **generation of resources, EBITDA**, rose by 9.6%, with a contribution of €8.3 million by the new businesses and an estimated impact of €23 million caused by exchange rate variations. Performance was especially positive in the rice segment, with record yields, whereas the pasta business had another tough year struggling with the volatile durum wheat prices and the need to pass on the additional supply costs in the first half of the year (estimated at €54 million year on year).

The average profitability measured by the EBITDA to sales ratio fell to 12.8%, due entirely to the performance of the pasta division as margins were narrowed by the rising cost of the raw material (partly offset by larger volumes of sales) and the still negative impact of fresh pasta in Canada and the United States, which is being relaunched with a lower profitability than the average in other business sectors.

The **Net Earnings in Continuing Operations** slid 0.4%, despite the improvement in recurring income owing to a combination of effects stemming from the previous year: positive impact by a smaller non-recurring expense (recognition in 2014 of the impairment loss in Goodwill corresponding to the cash-generating unit ARI - American Rice - in a sum of €11.1 million); negative effect of the absence in this year's accounts of the financial income from the sale of our interest in Deoleo (€14.0 million) and the variations in the corporate income tax expense (see Note 25 to the Annual Accounts).

The **ROCE** fell to 15.6% due entirely to the smaller yield on the pasta business in the United States and Canada.

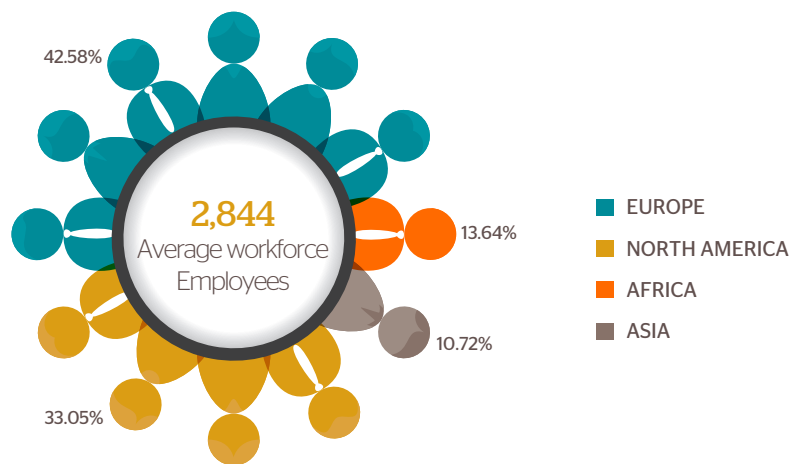
The **Earnings from Discontinued Operations** include the net proceeds from divestments and net earnings on their operations up to the date of sale. In this case the earnings shown in the previous years correspond to divestment in the pasta business in Germany and proceeds from the sale described in Note 7 to the consolidated annual accounts.

Rice

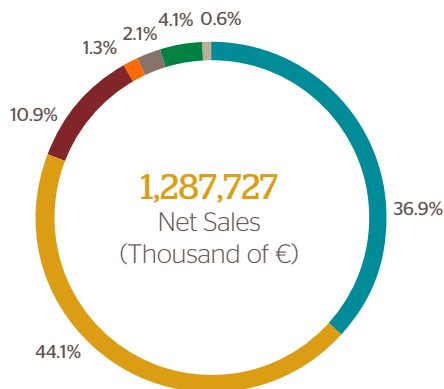


The group is world leader in this business area. Its origins in Spain date back to 1950 and it began its international expansion in 1986 with the purchase of leading brands and companies in Europe, United States and Canada. Now present also on the African and Asian continents, the division operates through a broad portfolio of leading brands and products in their category. This business area accounts for 51% of Ebro's total sales.

BREAKDOWN OF RICE DIVISION WORKFORCE BY GEOGRAPHICAL AREA

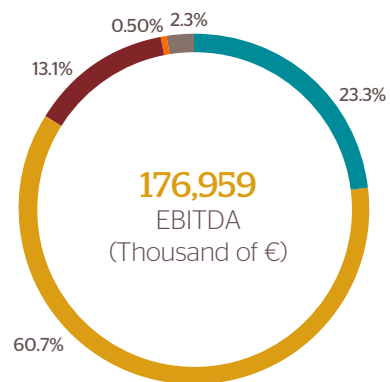


BREAKDOWN OF NET SALES OF RICE DIVISION BY GEOGRAPHICAL AREA



- EUROPE
- NORTH AMERICA
- SPAIN
- AFRICA
- ASIA
- MIDDLE EAST
- OTHERS

BREAKDOWN OF EBITDA OF RICE DIVISION BY GEOGRAPHICAL AREA

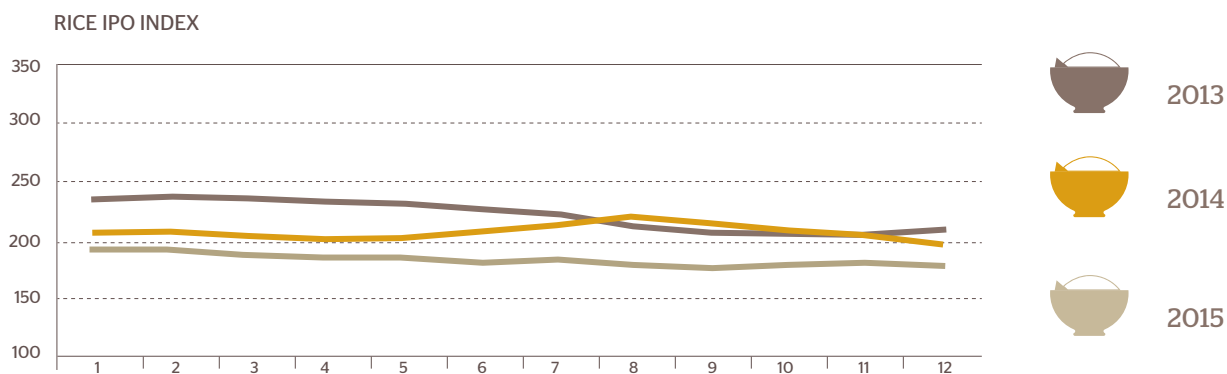


DEVELOPMENT OF THE RICE BUSINESS IN 2015

RICE BUSINESS	2013	2014	2014-2013	2015	2015-2014	CAGR 2015-2013
Net sales	1,090,459	1,139,697	4.5%	1,287,726	13.0%	8.7%
EBITDA	137,627	148,828	8.1%	176,959	18.9%	13.4%
<i>% net sales</i>	12.6%	13.1%		13.7%		
EBIT	110,156	121,789	10.6%	147,509	21.1%	15.7%
<i>% net sales</i>	10.1%	10.7%		11.5%		
Average working capital	329,938	339,882	(3.0%)	360,709	(6.1%)	
Capital employed	751,292	767,771	(2.2%)	861,763	(12.2%)	
ROCE	14.8	15.9		17.1		
Capex	21,186	32,440	53.1%	39,555	21.9%	

Thousand of euros

As indicated in the comments on the general situation, the overall market trend was one of stable prices with world output and stock levels down slightly but still at the top end of the scale of those on record.



There was a bumper crop in the United States in 14/15 (+10% on 2013/14), which reduced the US price spread over other long grain rice sources and enabled it to increase its exports. However, the long grain harvests this year are smaller (and of poorer quality), owing to the smaller area sown and the smaller yield, which brings an element of uncertainty in prices. There have been no significant changes in the short and medium grain varieties, so with an ample excess of stock over use prices are kept fairly low.

CAMPAIGN PRICE USA

AUGUST - JULY

\$/CWT	15/16*	14/15	13/14	12/13
Average price	12,5-13,3	13,4	16,3	14,9
Long grain	11-11,6	11,9	15,4	14,4
Medium grain	16,1-16,9	18,3	19,2	16,7

Source USDA

* Estimated range

There were no material changes in respect of other sources, with stable or falling prices in long-grain Asian rice varieties and stable markets in the aromatic varieties. In this case, too, the current 15/16 harvest means production will be smaller in Thailand and India, the major Asian exporters, although Thailand has a huge intervention stock from at least three crop years, with questionable quality but which nevertheless provides a buffer for establishing prices of the rice sourced there. With the falling prices of Asian rice and the last two European crop years with below-average yields and high prices, this area is not very competitive at present.

Sales rose entirely through volume and evolution of the dollar, because prices remained stable or were slightly down, in line with the prices paid at source. The increase in sales can be put down mainly to:

- ❖ Consolidation of the ingredients business, replacing a traditional offer of little value added with a product at the high end of the value chain, with a 15% growth.
- ❖ Progressive replacement of the traditional products with products launched in recent years, especially Sabroz and Vasitos, which have achieved year-on-year growth in volume of 11.6% and 19.6% in Spain, maintaining market shares and the value of sales.
- ❖ Outstanding performance of Riviana in all its listings and brands in the United States. They are market leaders with a 22.3% share in volume in a market that is growing at 2.9% p.a. (*Nielsen XAOC scantrack 52 weeks*).
- ❖ Good progress by ARI - American Rice - which, with the relative improvement in American long grain rice prices and despite the shortage of Texan rice, has competed in better conditions with its brand Abu Bint in the Middle East.

The division **EBITDA** was up 18.9% year on year, which is greater than the rise in turnover, indicating an improvement in yield (13.7% margin, up from 13.1% in the previous year). Apart from the good performance of sales, an adequate procurement policy has enabled a slight improvement in profitability. Investment in advertising was raised significantly by €9 million, almost entirely in the United States, taking advantage of the group's excellent position on the market.

Riviana maintained its excellent progression with a new record in earnings of USD 107 million. Just a small part of that increase corresponds to the incorporation of the Rice Select assets (USD 1.4 million), with which we have added some local aromatic, organic, ancient grains and couscous varieties to our catalogue. ARI also improved its earnings, despite the continued problems with Texan rice, which dampen the productivity of its Freeport plant.

The situation is much more complicated in Europe. The business concentration process continues in distribution (3 distributors are merging in France, Ahold & Delhaize in Belgium-Netherlands, and in Germany the process is under way between Edeka and Rewe) and although the market appears to be starting to relax, there is still a lot of promotion activity going on and very large price spreads between the private label and manufacturers' brands. To cope with this situation, we have maintained our firm commitment to innovation and supporting our brands, which has enabled us to grow in the Netherlands, Portugal and Finland and hold our position in Belgium and Germany. Despite the difficulties, we have kept our earnings on an even keel with a slight increase in investment in advertising (+€1.7 million).

By source, the contribution to the EBITDA of the non-American business is as follows:

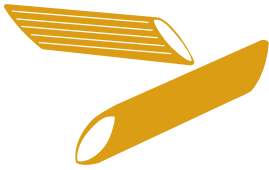
	2013	2014	%	2015	%
Spain	31,474	28,539	38.9	23,191	32.2
Europe	33,454	40,873	55.7	41,307	57.4
Others	2,100	3,916	5.3	7,522	10.4
TOTAL EBITDA	67,028	73,328	100	72,020	100

There was a significant growth from other sources, as business stepped up in India and we recovered the full value of our business in Puerto Rico, which, after several years' work to enhance its value, was sold in January 2016. The Spanish market has defended its positions by replacing traditional segments (flooded with private label brands) with the range of new products. However, its profits have fallen as the national crop has become less competitive over the past two years in comparison with other sources.

The division **ROCE** rose considerably thanks to the greater profitability of the US business, including the correction of the valuation of ARI assets made in the previous year.

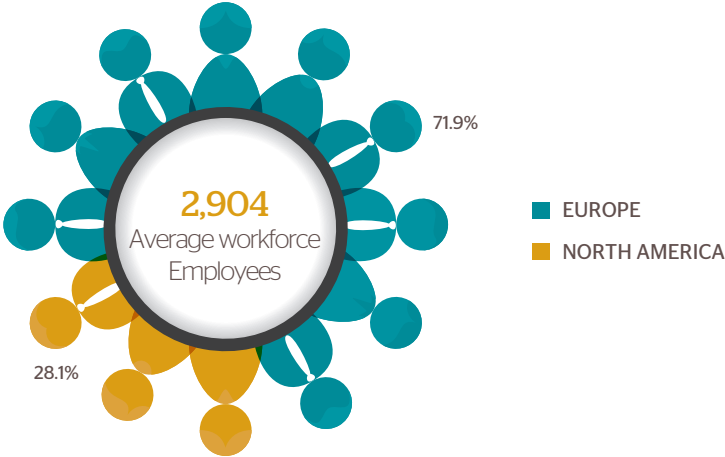
The principal investments (**CAPEX**) made in this division correspond to a new frozen products warehouse (€1.6 million), a new flour and ingredients production line (€2.9 million), enlargement of the facilities in India (€1.8 million), enlargement of the plants in Amsterdam and Antwerp (€2 million), completion of the Algemesi mill enlargement (€2.5 million) and continuation of the work to install a new gluten-free pasta production line in Memphis for €7.3 million (built at this plant, but for use by the pasta division).

Pasta, sauces and others

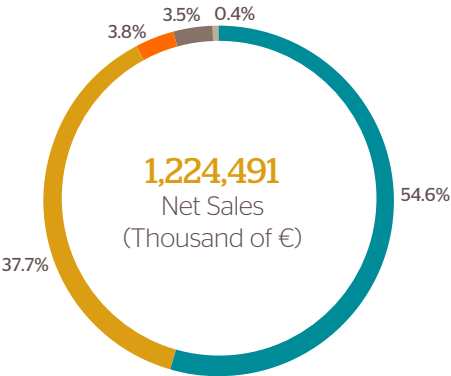


This division is represented by the companies New World Pasta (leader in the United States and Canada), Panzani (no. 1 in France in the dry and fresh pasta, sauces, couscous and semolina sectors) and Pastificio Lucio Garofalo (Italy). Apart from these countries, the group's brands are also present in Belgium, Hungary, United Kingdom, Algeria, United Arab Emirates, Czech Republic and Russia, so in just ten years, Ebro has positioned itself as second pasta manufacturer in the world. The division overall now accounts for 49% of the Group's business.

BREAKDOWN OF PASTA DIVISION WORKFORCE BY GEOGRAPHICAL AREA



BREAKDOWN OF NET SALES OF PASTA DIVISION BY GEOGRAPHICAL AREA



■ EUROPE

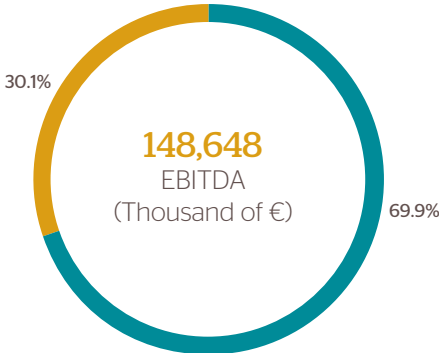
■ NORTH AMERICA

■ AFRICA

■ ASIA

■ OTHERS

BREAKDOWN OF EBITDA OF PASTA DIVISION BY GEOGRAPHICAL AREA



DEVELOPMENT OF THE PASTA AND SAUCES BUSINESS IN 2015

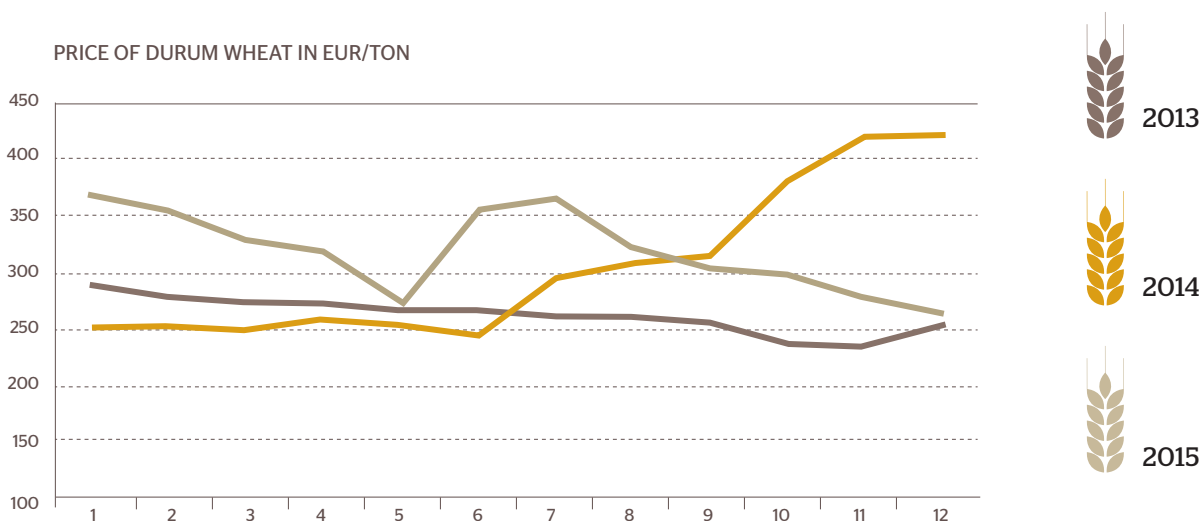
PASTA BUSINESS	2013	2014	2014-2013	2015	2015-2014	CAGR 2015-2013
Net sales	915,120	1,029,294	12.5%	1,224,491	19.0%	15.7%
EBITDA	152,955	146,317	(4.3%)	148,647	1.6%	(1.4%)
<i>% net sales</i>	16.7%	14.2%		12.1%		
EBIT	125,725	114,397	(9.0%)	110,477	(3.4%)	(6.3%)
<i>% net sales</i>	13.7%	11.1%		9.0%		
Average working capital	76,369	94,810	(24.1%)	107,261	(13.1%)	
Capital employed	508,429	578,767	(13.8%)	691,071	(19.4%)	
ROCE	25.7	20.5		16.1		
Capex	38,720	34,249	(11.5%)	40,683	18.8%	

Thousand of euros

Durum wheat prices rallied in the second half of 2014, peaking in November at over 400 €/tonne. After that, with the 2015/16 harvest in sight and good prospects of the producing countries, moderation was recovered and prices started to come down, ending 2015 at 265 €/tonne), after showing signs of the volatility that has prevailed in this market in recent years.

The warm spring in the producing countries sparked fears of insufficient irrigation and, as a result, a second year of poor quality crop. However, these fears turned out to be unfounded, the French harvest was good (+18%) and prices started falling again until the end of the year, with adequate stock levels.

SALES grew by 19%, mostly as the increased cost of the raw material was passed on in sale prices and due to the impact of



the dollar appreciation on our American business and the incorporation of a full year of Garofalo (€72 million) and three months of the Roland Monserrat business (€19 million).

By geographical markets:

- ❖ In France, the dry and fresh pasta market grew by 4.6% to take a 37.1% share in volume of modern distribution, in a category that is declining at a rate of 1.5%. The growth in sales and market share was extended to fresh pasta (+2.3% with a market share of 39.4%). A significant part of this growth is underpinned by innovations, especially in the new dry pasta with the quality of fresh product (1,300 tonnes sold) and the 22% growth of pan-fried gnocchi sales, which further broadened its range.
- ❖ Garofalo had an excellent performance. It clearly leads the premium pasta market in Italy (a segment in growth, while the overall market declined by 4.5%) with a 4.8% share in volume and 7.3% in market value. It now distributes in France, Germany and the Netherlands through our commercial network.
- ❖ United States: Apart from a declining market (-2.0% in volume), the division had a bad start to the year, as the rising price of the raw materials heightened the pressure on a market that was already tense as a result of the price war and abundant promotion activities. This unfavourable situation was further depressed by the downward trend in the healthy foods segment, comprising wholewheat, high fibre and vegetable, low calorie and gluten-free pastas, in which we have a prominent position. Thanks to the determination to renovate the health category with the launching of new gluten-free products and others based on quinoa and other ancient grains, there was an upturn in sales at the end of the year, giving New World Pasta a 19.4% share in volume of the market.
- ❖ Canada: The dry pasta market shrank in volume (-4%) but grew in value (9%) as the higher wheat costs were adequately passed on in prices. Just as in the United States, there was a decline in the consumption of healthy pastas, except for the gluten-free listings. Our subsidiary Catelli Foods still leads the market with a 34.0% share in volume. The fresh pasta market grew by 3.2% in volume and 4.3% in value, and Olivieri maintains its leadership with a 45.9% share, despite the competition between private label and manufacturers' brands.

The division **EBITDA** was up 1.6% and has remained practically on the same level over a three-year span, despite the positive contribution by Garofalo of €17.4 million (€7.4 million in six months of the previous year). The increase in raw material costs was estimated at €54 million and seriously hampered the profitability of this business, especially in the United States. Investment in advertising was raised by €6.2 million to support Garofalo for a full year.

France increased its contribution slightly to €87.8 million (Roland Monserrat contributed €1.7 million from October), in spite of the pressure from procurement costs, thanks to an increase in the volume sold and a powerful commercial leadership policy, which minimised the negative impact of the higher costs of the product.

New World Pasta was not so lucky, suffering a drop in profits due to the smaller volume of sales in the healthy pasta segment and the difficulties it experienced in passing on the higher wheat costs, owing to the tough price competition. Another factor in the loss of profit was the 23% devaluation of the Canadian dollar, since approximately 25% of the income of this sub-group is generated in that currency (Catelli).

The fresh pasta and sauces sold under the Olivieri brand continued to suffer under the extremely aggressive commercial strategy developed by the competition, deriving from an increased production capacity. As a consequence of that strategy, Olivieri lost some of its business with one of our clients in two provinces of Canada, while promotion pressure heightened in that segment. In response to this challenge, Olivieri increased its exclusive distribution and private label production agreements to guarantee an adequate volume of production in the medium term. This will enable it to secure its medium and long-term profitability and recover positions based on innovation, enhancement of its processes and renovation of its brands. These objectives are all contemplated in its 5-year Strategic Plan.

The division **ROCE** fell to 16.1% owing to the lower profitability of pasta in the United States and Canada.

CAPEX was concentrated in the facilities to improve the fresh product capacity and productivity at Communay (near Lyon, €8.5 million for an investment to date of €31.5 million), equipment to increase capacity at the dry pasta plants (€5.5 million in Europe), implementation of the SAP production module for fresh products (€1 million), productivity enhancement at the semolina plants (€2.4 million), a new short pasta packaging line at St. Louis (USA) (€1.4 million), a new packaging machine at Winchester (USA) (€1 million) and a new fresh pasta line at Hamilton (Canada) (€1.9 million).

