

PROFILE OF THE ORGANISATION 01



NAME OF THE ORGANISATION

Ebro Foods, S.A.

ORGANISATIONAL STRUCTURE

Ebro Foods is the leading Spanish food group. Through its subsidiaries it operates on the rice and pasta markets in Europe and North America and has a growing presence in other countries.

The Ebro Foods Group is managed by business segments, combining the type of business performed and their geographical location. The two core businesses are:

Rice: this includes the production and distribution of rice and by-products and culinary compliments. The group has an industrial and brand business with a multi-brand model. Its covers Europe, the Mediterranean Area, India and Thailand through the companies of the Herba Group, and North America, Central America, the Caribbean and the Middle East through the Riviana Group and its subsidiary American Rice (ARI).

Pasta: this includes the production and marketing of dry and fresh pasta, sauces, semolina and by-products and culinary compliments. This business is performed through the New World Pasta Group in North America and the Panzani Group in the rest of the world.

The main companies in the group are:

COMPANY	COUNTRY	BUSINESS AREA
American Rice Inc.	USA	Rice
Arrozeiras Mundiarroz, S.A.	Portugal	Rice
Boost Nutrition, C.V.	Belgium	Rice
Catelli Foods Corporation	Canada	Pasta
Ebro Foods, S.A.	Spain	Holding
Ebro India, Private Ltd.	India	Rice
Ebrofrost Holding GmbH	Germany	Rice & Pasta
Euryza GmbH	Germany	Rice
Herba Bangkok	Thailand	Rice
Herba Egypt, SAE	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 Fraix, S.A.S.	France	Pasta
Mundi Riso, S.R.L.	Italy	Rice
Mundi Riz, S.A.	Morocco	Rice
New World Pasta	USA	Pasta
Panzani, S.A.S.	France	Pasta
Riceland Magyarorzag, KFT	Hungary	Rice
Riviana Foods Inc.	USA	Rice
Stevens&Brotherton Herba Foods, Ltd.	UK	Rice

Decision-making corresponds to the Board of Directors, which is responsible for defining the Group's general strategy and management guidelines. The Board delegates certain tasks to the Executive Committee, including the monitoring and oversight of compliance with the strategic and corporate development guidelines, while the Management Committee, made up of the managers of the principal business areas, monitors and prepares decisions relating to company management.

The Annual Corporate Governance Report contains detailed information on the ownership structure and administration.

FUNCTIONING AND STRATEGY

The principal raw materials used in the production process of the Group's products are rice and durum wheat. Rice is the grain with the largest consumption worldwide, although since some of the largest producers in the world run at a loss (China, Philippines, Indonesia) the world trade is smaller than that of other cereals. The rice marketed by Ebro is obtained from various sources, depending on the type of grain and the quality/abundance of the harvests. Three major sources of supply can be distinguished, related with different varieties of rice: USA, Southern Europe and South-East Asia. Pasta is produced from a variety of wheat with a high protein content called durum wheat. Durum wheat has a much smaller market and geographical distribution than other varieties used mainly for the production of flour. Ebro mainly sources from the north of the United States and Canada and the South of Europe (France, Spain and Italy).

Commodities are purchased from growers, cooperatives or milling companies, which supply the basic raw material for the production process; the milling and/or processing is then done at the Ebro plants. The processes are different depending on the ultimate purpose of the product, from cleaning, milling, polishing and basic extrusion to complex processes of parboiling, boiling and freezing.

The principal activities, brands and market shares by business area can be consulted in Note 6 to the Consolidated Annual Accounts, Financial information by segments.

The Group's strategy aims to provide healthy food solutions for consumers that permit differentiation of its brands based on innovation and the development of new formats and products. The main features of that strategy are indicated in the different three-year plans:

Low risk exposure. The structure of the Group gives it a geographically balanced source of income. The breakdown of sales by geographical regions during 2013 was as follows:

- ❖ 7.2% in Spain
- ❖ 47.5% in rest of Europe
- ❖ 39.5% in North America
- ❖ 1.6% in Africa
- ❖ 3.3% in Middle East
- ❖ 0.2% in Asia
- ❖ 0.7% in other parts of America

The segments of activity in which the Group operates do not have a strong cyclical nature although the fresh and greater value added products, which are at the same time the principal growth vector, are those most closely linked to the evolution of the consumption patterns.

Furthermore, with low financial leverage and a recurring cash flow, we are able to grow without exposure to financial storms.

Differentiation and innovation. The Ebro Foods Group invests in its products from two angles: strong innovation and development (R+D+I) and commitment to leading brands in its segment of activity.

Growth and consolidation of synergies. Ebro Foods specialises in the food industry. It is strongly established in North America and Europe, with a growing presence in markets from which it sources its commodities. Its growth is concentrated in countries that the management teams know well, where it is possible to share resources and develop synergies. The growth strategy places emphasis on these guidelines: value-added products in countries with high consumption while searching for opportunities in developing countries with a high growth potential.



LOCATION OF THE ORGANISATION'S HEADQUARTERS

The registered office of Ebro Foods, S.A. is:
Paseo de la Castellana, nº20 – 3ª planta
28046 Madrid (España)

Number of countries in which the organisation operates and names of the countries in which it performs its main activities or activities that are specifically important regarding the sustainability aspects addressed in this report.

The Ebro Foods Group performs its business activity in 52¹ countries in Europe, America, Africa and Asia. Of those 52 countries, Ebro's activities are purely commercial in 39 and in the remaining 13 countries it owns industrial facilities through its different subsidiaries. Those 14 countries and their production centres are listed below:

- | | |
|--|---|
| 1. Belgium:
Merksem
Schoten | 7. France:
Gennevilliers
Nanterre
Saint Genis Laval
Lorette
Saint Just
Vitrolles
Littoral
La Montre |
| 2. Canada:
Montreal | 8. Netherlands:
Wormer |
| 3. Denmark:
Orbaek | 9. India
Haryana |
| 4. Egypt:
Heliopolis | 10. Italy:
Vercelli |
| 5. Spain:
San Juan de Aznalfarache
Coria del Río
Isla Mayor
Jerez de la Frontera
Silla
Algemesi
L'Aldea
La Rinconada | 11. Morocco:
Larache |
| 6. United States:
Carlisle
Brinkley
Clearbrook
Freeport
Memphis
Fresno
St. Louis
Winchester
Hazen | 12. Portugal:
Coruche |
| | 13. United Kingdom:
Liverpool
Cambridge |
| | 14. Thailand:
Bangkok |

¹The list of these countries, broken down by business areas, can be consulted in the Ebro in 2013 section of this Annual Report.

HIGHLIGHTS OF THE REPORTING ORGANISATION

Net turnover by geographical area

2013	SPAIN	EUROPE	AMERICA	OTHERS	TOTAL
Turnover (€ 000)	146,110	991,346	839,439	113,539	2,090,434

CAPITALISATION	2012	2013
Capital and Reserves	1,692,209	1,705,757
Net Debt	244,804	338,291
Average Debt	294,114	260,820
Leverage	0.17	0.15
Total Assets	2,731,812	2,772,680

EQUITY	2012	2013
Equity attributed to shareholders of Ebro Foods, S.A.	1,728,263	1,693,237
Capital	92,319	92,319
Share premium	4	4
Restricted reserves	21,633	21,633
Unappropriated reserves (cumulative earnings)	1,646,384	1,588,508
Interim dividends	0	0
Exchange differences	(54,583)	(10,255)
Treasury shares	0	0
	1,705,757	1,692,209

AVERAGE NUMBER OF EMPLOYEES 2103	MEN		WOMEN		TOTAL
	PERMANENT	TEMPORARY	PERMANENT	TEMPORARY	
Executives	124	0	38	0	162
Middle management	400	13	166	17	596
Administrative	210	14	341	21	586
Auxiliary staff	545	145	145	34	869
Sales representatives	140	7	54	1	202
Others	1,547	446	306	86	2,385
Total (*)	2,854	625	1,027	159	4,665

* This does not include the employees of Birkel Teigwaren GmbH, sold in December 2013, but does include the employees of Olivieri, a business incorporated in November 2013 and those of Ebro India Private Limited, incorporated as from March 2013.

Significant changes in the size, structure and ownership of the organisation in 2013

There were several changes in the scope of consolidation during 2013, the most significant of which are indicated below:

COMPANIES INCLUDED WITHIN THE SCOPE OF CONSOLIDATION IN 2013

COMPANY	SUB-GROUP	%	COMMENTS
Ebro India, Ltda. (India)	Rice	100%	Purchase of 100% of the business
Keck Spezializaten, Gmbh. (Germany) and Danrice SAS (Denmark)	Rice	55% Keck 45% Danr.	Purchase of 55% of Keck and sale of 45% of Danrice
Olivieri (Fresh pasta & sauces business (Canada))	Pasta	100%	Purchase of 100% of the business
Scotti Group (Italy)	Associate	25%	Acquisition of shareholding interest

COMPANIES EXCLUDED FROM THE SCOPE OF CONSOLIDATION IN 2013

COMPANY	SUB-GROUP	%	COMMENTS
Ebro Germany, GmbH.	Pasta	100%	Sale of pasta business