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**01** *Introduction*

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**Introduction**

- During this first quarter we started developing our strategic plan 2013-2015, which was approved by the Board this April.
- The main goals established in the new Strategic Plan 2013-2015 are:
  - Consolidate our business areas: supporting our brands and increasing advertising, but without allowing profitability to slide.
  - Enter new geographical areas: a process we began this quarter with our entry into India and the purchase of 25% of Riso Scotti in Italy.
  - Expand our operations in countries where we have a platform thanks to the extension of products with which we have already ventured successfully into their markets, in the ranges of both sauces and fresh pasta. We will approach this expansion either through organic growth, whenever our brand enables us to break the entry barriers in the category, or inorganic growth, where it is possible to purchase a brand that will smooth the way for us, saving time and money.
  - Improve returns to shareholders. At the AGM we plan to propose the distribution of an extraordinary dividend of 12 euro cents per share which, added to the 48 cents per share of ordinary dividend announced in December, will give a total dividend of 60 cents per share in 2013.



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*Business Units: Q1 2013 Results*

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# 2.1

RICE



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### Rice

- The price of the 2012/2013 harvest was somewhat lower than in the previous year in Europe, so we were able to raise the utilisation of our factories in southern Europe and increase our operations.
- When comparing with Q1 2012, it should be borne in mind that we no longer have the contribution of Nomen or the other brands sold as part of the obligations imposed by the Spanish Anti-Trust Committee to authorise the acquisition of the SOS business in Spain. Those brands contributed over 1 MEUR to the division EBITDA in the first quarter of last year.
- The specialties launched in Spain under the SOS and Sabroz brands are making good progress.
- The shortage of raw material and the price hike due to the drought in Texas have dented the yield of ARI in the USA. To mitigate this situation, the company has begun to diversify its sources of supply, using rice from Asia, too.
- On the American market, the turnover of our Mahatma and Carolina brands and the RTS category improved by 6% during the period and we increased our market share by 60 bp.



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### Rice

- Sales were up one million euro to 279 MEUR.
- The division EBITDA remains at 36 MEUR even though we have sold Nomen, which contributed almost 5 MEUR last year. These results have not been greatly affected by the exchange rate effect.
- This profit level is due to the smaller margins in ARI, whose sales costs have shot up as a result of having to import rice.

Thous. EUR	1Q11	1Q12	1Q13	13/12	CAGR 13/11
<b>Sales</b>	200,211	277,510	278,658	0.4%	18.0%
<b>Advertising</b>	7,757	8,118	7,877	-3.0%	0.8%
<b>EBITDA</b>	27,551	35,730	35,899	0.5%	14.1%
<b>EBITDA Margin</b>	13.8%	12.9%	12.9%	0.1%	-3.2%
<b>EBIT</b>	22,678	28,888	29,388	1.7%	13.8%
<b>Operating Profit</b>	22,418	28,380	28,665	1.0%	13.1%
<b>ROCE</b>	19.3	18.6	18.3	-1.6%	-2.6%



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### Pasta

- The commodity price level has stabilised since the last harvest at around 280 EUR/tonne in Europe and 10.3 \$/per bushel in the USA.
- The crop is growing well in Europe and North Africa, but the area sown in the USA may be somewhat smaller.
- In the USA, we finished implementing our price policy during this quarter to become more competitive and we have stepped up our advertising, having invested 4.1 MUSD more than in the same quarter of last year. As a result, our market share increased by 50 bp.
- In France we have not suffered the effects of the horsemeat crisis, since we only use certified French beef in our filled pasta and sauces.
- The backdrop in that country is the consumers' waning purchasing power.
- In this context, we are concentrating on maintaining our growth by:
  - Promotion and increased distribution, branching into new formats such as drive-thru.
  - Working on product extension. Launching of new listings in pasta and sauces.
  - Improving merchandising.
- And as a result:
  - Our market share has grown by 80 bp to 37.4% in volume.
  - In fresh products, our share of the Lunch Box segment rose to 28% and we have expanded our product range by launching fresh potatoes for frying.
  - And we have started selling sauces in Canada and New York.



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**Pasta**

- The evolution of sales mainly reflects the evolution of raw material prices and the shrinking volumes in France, dropping 10% to 236 MEUR.
- The division EBITDA has fallen by 1.7 MEUR to 30 MEUR owing to the effect of comparison with Q1 2012, when volumes in France rose 9% as customers stockpiled to hedge against the application of the SAP system in Panzani as from 1 April 2012.
- The exchange rate risk did not produce a material effect on these accounts.
- The division ROCE held steady at 22%.

Thous. EUR	1Q11	1Q12	1Q13	13/12	CAGR 13/11
<b>Sales</b>	236,233	262,809	236,270	-10.1%	0.0%
<b>Advertising</b>	15,505	14,562	16,339	12.2%	2.7%
<b>EBITDA</b>	38,809	31,919	30,224	-5.3%	-11.8%
<b>EBITDA Margin</b>	16.4%	12.1%	12.8%	5.3%	-11.8%
<b>EBIT</b>	31,901	24,545	23,104	-5.9%	-14.9%
<b>Operating Profit</b>	31,576	23,808	22,702	-4.6%	-15.2%
<b>ROCE</b>	30.3	23.3	22.5	-3.4%	-13.8%



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Ebro Foods Consolidado Q1 2013 Results

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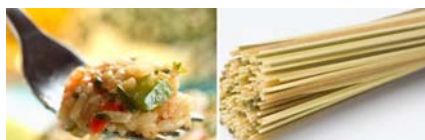




### Consolidated

- The consolidated net turnover has fallen 5% to 502 MEUR owing to the lowering of prices in Pasta and the reduction in volume in France, as mentioned earlier.
- EBITDA fell 0.8 MEUR after investing 1.5 MEUR more in advertising, as we had defined in our strategy. The exchange rate had no material effect on this result.
- The Net Profit grew 2% owing to the smaller financial expenses.

Thous. EUR	1Q11	1Q12	1Q13	13/12	CAGR 13/11
<b>Sales</b>	426.127	530.914	502.161	-5,4%	8,6%
<b>Advertising</b>	23.798	22.779	24.287	6,6%	1,0%
<b>EBITDA</b>	63.387	64.902	64.133	-1,2%	0,6%
<b>EBITDA Margin</b>	14,9%	12,2%	12,8%	4,5%	-7,3%
<b>EBIT</b>	51.269	50.323	50.172	-0,3%	-1,1%
<b>Operating Profit</b>	50.893	48.765	48.994	0,5%	-1,9%
<b>Profit before Tax</b>	51.165	45.703	48.629	6,4%	-2,5%
<b>Net Profit</b>	32.165	32.261	32.918	2,0%	1,2%
<b>ROCE</b>	22	20,6	20,0	-2,9%	-4,7%



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### High cash generation and low debt

- We closed the first quarter with a Net Debt of 258 MEUR, after reducing our debt by almost 73 MEUR year on year.
- Equity grew 7% year on year to 1,740 MEUR.
- During the first quarter we announced two corporate operations:
  - We reached an agreement with Riso Scotti to buy 25 per cent of this leading Italian company for 18 MEUR.
  - We recently concluded the purchase from Olam International of a rice mill in Haryana (India), the largest basmati rice-producing region in the world, for 14.5 MUSD (approx. 11.1 MEUR).
- We are constantly on the look out for any corporate operation that may have a tactical or strategic benefit.

Thous. EUR	31-Mar-11	31-Dec-11	31-Mar-12	31-Dec-12	31-Mar-13	13/12	CAGR 13/11
<b>Net Debt</b>	32.855	390.073	331.101	244.804	258.067	-22,1%	180,3%
<b>Average Debt</b>	243.531	139.157	218.674	294.114	270.878	23,9%	5,5%
<b>Equity</b>	1.574.200	1.587.298	1.620.521	1.692.209	1.739.921	7,4%	5,1%
<b>Leverage ND</b>	2,1%	24,6%	20,4%	14,5%	14,8%	-27,4%	166,6%
<b>Leverage AD</b>	15,5%	8,8%	13,5%	17,4%	15,6%	15,4%	0,3%
<b>x Ebitda (ND)</b>		1,4		0,8			
<b>x Ebitda (AD)</b>		0,5		1,0			



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■ 04

*Conclusion*

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**Conclusion**

- Our strategy of consolidating results thinking of long-term sustainability is confirmed.
- We have stepped up our support for our brands.
- We have created new growth platforms in India and Italy.
- We have entered the sauces segment in North America.
- We have consolidated our entry into the potato business in France.
- We continue with our policy of improving shareholder returns with a new extraordinary dividend.

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**05** *Corporate Calendar*

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**Ebro maintains its commitment to transparency and reporting in 2013:**

10 January	Quarterly payment of ordinary dividend (0.16 EUR/share)
28 February	Presentation 2012 year-end results
24 April	Presentation 1st quarter results
10 May	Quarterly payment of ordinary dividend (0.16 EUR/share)
26 July	Presentation 1st half results
10 September	Quarterly payment of ordinary dividend (0.16 EUR/share)
30 October	Presentation 3rd quarter results and outlook 2013
18 December	Announcement 2014 dividend against 2013 earnings

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*Disclaimer*

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**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).
- This presentation includes forward-looking statements which represent expectations and beliefs concerning future events that involve risks and uncertainties which could cause actual results to differ materially from those currently anticipated.
- Analysts and investors should not rely exclusively on these estimates, which are valid only at the date of this presentation. Ebro Foods does not undertake any obligation to update or supplement any forward-looking information as a result of new information, future events or circumstances occurring after the date of this presentation, including, though by no means limited to, changes in the Ebro Foods businesses or in its acquisitions strategy, or to reflect unforeseen events. Analysts and investors are advised to consult the company's Annual Report and the documents filed with the authorities, especially the National Securities Market Commission (CNMV).
- The main risks and uncertainties affecting the Group activities are described in Note 28 of the Consolidated Annual Accounts as at 31 December 2011 and the corresponding Directors' Report, which are available on our web site [www.ebrofoods.es](http://www.ebrofoods.es). In our opinion there have been no material changes during the year. The Group is exposed to a certain extent to the situation on raw materials markets and the possibility of passing any price changes on to consumers. It is also exposed to fluctuations in exchange rates, especially of the dollar, and interest rate variations.

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