

RESULTS 2015



Ebro

INDEX

1. **2015 RESULTS BY BUSINESS UNIT**
 - 1.1 Rice
 - 1.2 Pasta
2. **2015 CONSOLIDATED RESULTS FOR THE EBRO FOODS GROUP**
 - 2.1 P&L
 - 2.2 Debt evolution
3. **CONCLUSION**
4. **2016 CORPORATE CALENDAR**
5. **DISCLAIMER**



RESULTS BY BUSINESS UNIT 2015





RICE DIVISION

RICE

- Worldwide rice production decreased by 0.5% in 2015, mainly due to weather phenomena (i.e. El Niño) as well as being a less attractive crop due to lower prices. In addition, world trade was affected by the decrease in demand (2%) in countries where rice stocks were high. Global rice prices have continued showing a downward trend in general, being the aromatic varieties specially affected by this dynamic.
- Trends and evolution of international rice markets had different implications for Ebro's two main geographical areas:
 - In Europe, 14/15 crop was costlier than prior year's and ended being uncompetitive against Asian imports. 15/16 crop will remain non-competitive due to a significant price increase in the last month of the harvesting season.
 - In North America, 14/15 crop was abundant and prices remained low. However, 15/16 crop was of a lesser quality and smaller than previous one. This situation triggered higher prices in 4Q15 that we believe will remain in place at least in 1H16.



RICE

- o Rice business performance has been different in Europe and North America as well:
 - o In Europe, market environment has been fairly complex. European retailers continue a consolidation process: 1) France, three retailers are merging; 2) Belgium-Netherlands, Ahold and Delhaize are combining; 3) Germany, consolidation trend between Edeka, Rewe and hard discount. Although the market seems to be slowing down, there is still a lot of promotional activity and big price gaps between private label and branded products. To better face this situation, we have continued innovating aggressively and strongly supporting our brands with advertising, helping us to grow in Belgium, Finland and the Netherlands. In Germany, on the other hand, we are holding our market share but we are starting to see growth in the market, which is a very positive indicator. In Spain the market is up 1% and, while our share of traditional round grain products is down (a segment with high private label penetration), we have double digit growth in both microwavable and specialty products.
 - o In North America, we have achieved record growth in several key brands such as Mahatma, Carolina or Minute (both instant and microwavable products). The wild rice business also had a remarkable year. Such positive outcome in this geography is the result of healthy category growth (up 2.4%) along with some additional points of market share. We also anticipated and maximized the raw material cost reduction. We completed the acquisition of RiceSelect in 2015, adding some local varieties, organic rice and ancient grain items along with couscous to our portfolio. Even though the Texas crop was not competitive, ARI showed a very positive evolution. 14/15 crop helped propelling Abu Bint exports to Saudi Arabia while boosting sales to the ethnic channel in the US. Although the 15/16 crop is smaller in size than prior year's, Texas water reservoirs at 89% levels anticipate a normalized 16/17 crop.



RICE



- Sales for the division are up significantly versus prior year (13%), equaling 1,287.72 MEUR.
- Significant increase in advertising investment (46%) up to 29 MEUR shows the Group's commitment to the brands, particularly as it happened along with a wave of innovation and new product launches in 2015.
- Ebitda is up 19%, amounting to 117 MEUR. The exchange rate had a positive impact of 18.5 MEUR.
- Operating Profit is up 25.5%, remarkable growth when considering that 2014 figure included a gain for the sale of some Riviana real estate assets.
- As a measurement of profitability, the division's ROCE shows a healthy evolution and reaches 17.1%.



Thous EUR	2013	2014	2015	15/14	CAGR 15/13
Sales	1,090,459	1,139,697	1,287,727	13.0%	8.7%
Advertising	21,797	19,813	28,988	46.3%	15.3%
Ebitda	137,627	148,828	176,959	18.9%	13.4%
Ebitda Margin	12.6%	13.1%	13.7%	5.2%	4.3%
Ebit	110,156	121,789	147,509	21.1%	15.7%
Operating Profit	102,785	118,439	148,600	25.5%	20.2%
ROCE	14.8	16.0	17.1	6.9%	7.5%





PASTA DIVISION

PASTA

- We have faced significant price increases for durum wheat in different markets. As a result, costs have went up 54 MEUR for this division.
- In this scenario, our pasta businesses have performed differently:
 - In Europe, our brands grew 3.8% in a category that decreased 1.5%. Growth in sales and market share also extended to fresh pasta, sauces and couscous. The acquisition of Roland Monterrat has started contributing since October, adding 1.7 MEUR to the division's Ebitda. In January 2016, we acquired Celnat. Celnat is the specialist in organic grains and cereals in the French market, with items listed in 75% of the 2,000 specialized organic stores in that geography (Biocoop, La Vie Claire, Satoriz...). 20% of Celnat's sales are made outside of France.
 - In North America we experienced a very negative beginning of the year as a result of different factors: 1) rise in raw material cost; 2) comeback of low carbohydrate diets, impacting particularly consumers in the Health and Wellness subcategory (a key strength for our brands); 3) 3% volume decline in the pasta category in general that also impacted our brands. In order to offset this situation and relaunch sales, we started working in readjusting our product portfolio and our Memphis plant to this new trends: gluten free pasta, use of quinoa and other ancient grains, low calorie pastas, etc. As a result of these efforts, performance in 4Q15 was better than expected and, while we still have a long road ahead, it is an indication that we are moving in the right direction.



PASTA

- Sales for the division have experienced a 19% increase, amounting to 1,224.49 MEUR, mostly due to raw material price increase. As a result of recent acquisitions, Garofalo has contributed with 72.4 MEUR (six months) and Monterrat with 18.8 MEUR (three months).
- Advertising investment grew 6.2 MEUR (12%) equaling 58.2 MEUR as a result of strong support to new product launches in Europe (sauces and fresh pasta), Garofalo campaigns and other added value products in North America.
- Ebitda increased by 1.6% reaching 148.7 MEUR as it was just in 4Q15 when we reaped the benefits of the strategies followed to offset the significant increase of raw material prices. The exchange rate had a positive impact of 4.3 MEUR.

Thous. EUR	2013	2014	2015	15/14	CAGR 15/13
Sales	915,120	1,029,294	1,224,491	19.0%	15.7%
Advertising	49,406	52,060	58,231	11.9%	8.6%
Ebitda	152,955	146,317	148,647	1.6%	-1.4%
Ebitda Margin	16.7%	14.2%	12.1%	-14.6%	-14.8%
Ebit	125,725	114,397	110,477	-3.4%	-6.3%
Operating Profit	115,283	112,340	104,957	-6.6%	-4.6%
ROCE	26.6	20.5	16.1	-21.5%	-22.2%



1. 2015 CONSOLIDATED RESULTS FOR THE EBRO FOODS GROUP



2.1 P&L 2015

- Ebro's sales were up 16%, totaling 2,462 MEUR. Acquisitions added 104.6 MEUR.
- Ebitda increased significantly (9.6%), reaching 314.8 MEUR. Acquisitions brought in 8.6 MEUR while exchange rate had a positive effect of 22.9 MEUR. 2015 was an important year in terms of new product launches, triggering an increase of 14.6 MEUR in advertising, equaling 87 MEUR in 2015.
- Operating Profit was up 11.5%, growing at a higher rate than Ebitda. This is the result of lower extraordinary operating losses as 2014 figures included significant provisions to cover different legal proceedings.
- Earnings Before Tax was up an important 6.5% to 229.7 MEUR.
- Net Profit was slightly down (0.8%), amounting to 144.9 MEUR, due to the lack of extraordinary financial results in 2015. 2014 included extraordinary results coming from the sale of our stake in Deoleo. Nonetheless, a 4.5% CAGR since 2013 is a good indication that the business is in good shape.



Thous. EUR	2013	2014	2015	15/14	CAGR 15/13
Sales	1,956,647	2,120,722	2,461,915	16.1%	12.2%
Advertising	72,188	72,414	87,017	20.2%	9.8%
Ebitda	282,392	287,251	314,724	9.6%	5.6%
Ebitda Margin	14.4%	13.5%	12.8%	-5.6%	-5.9%
Ebit	226,356	227,242	246,314	8.4%	4.3%
Operating Profit	212,907	217,377	242,377	11.5%	6.7%
Profit before Tax	210,647	215,749	229,722	6.5%	4.4%
Net Profit	132,759	146,013	144,846	-0.8%	4.5%
ROCE	17.7	16.7	15.6	-6.6%	-6.1%



2.2 DEBT EVOLUTION

- Net debt as of the end of 2015 was up 5%, totaling 426.3 MEUR. This number includes the acquisitions of RiceSelect and Roland Monterrat.
- Equity increased 6.3%, almost reaching the 2 billion EUR level.
- Net Debt as of the end of the year equated to a 1.36 multiple of Ebitda. This is a comfortable debt level to continue pursuing our strategy of product and geographical expansion along with improving ROCE by further leveraging Goodwill and Fixed Assets.

Thousands of EUR	31 Dec 13	31 Dec 14	31 Dec 15	15/14	CAGR 15/13
Net Debt	338,291	405,617	426,280	5.1%	12.3%
Average Net Debt	260,820	333,178	424,940	27.5%	27.6%
Equity	1,705,756	1,849,485	1,966,259	6.3%	7.4%
Leverage DN	19.8%	21.9%	21.7%	-1.1%	4.6%
Leverage AD	15.3%	18.0%	21.6%	20.0%	18.9%
x Ebitda (DN)	1.20	1.41	1.36		
x Ebitda (DNM)	0.92	1.16	1.35		





CONCLUSION



CONCLUSION

- Despite a very challenging year for durum wheat, our pasta division has been able to take steps and measures to mitigate what otherwise could have been a significant impact in our margins.
- Our rice division completed an excellent year with remarkable growth propelled by a combination of factors: lower raw material cost along with a successful procurement strategy, consumption growth, success of new products and adequate demographic positioning of our brands.
- The Group continued investing in launching innovation through brands with strong advertising support instead of pursuing other strategies such as promotions.
- We have completed strategic acquisitions:
 - On the one hand, RiceSelect, as it happened with Garofalo, allows the Group to grow the premium side of the business.
 - On the other hand, Roland Monterrat continues building our fresh distribution network and capabilities.
 - The more recent acquisition of Celnat has become the first inorganic growth step into the organic food segment, a key market of further growth interest for Ebro.
- In summary, a very satisfactory year in terms of results and a period in which we took adequate steps to start 2016 in a path of growth and profitability.



CORPORATE CALENDAR

Ebro keeps its commitment of transparency and communication for 2016, therefore we provide here our Corporate Calendar for the exercise:

February 24th

Results Presentation Year-End Closing 2015 ✓

April 1st

Four-month payment of ordinary dividend (0,18 EUR/acc)

April 27th

1st Quarter Results Presentation

June 29th

Four-month payment of ordinary dividend (0,18 EUR/acc)

July 28th

1st Semester Results Presentation

October 3rd

Four-month payment of ordinary dividend(0,18 EUR/acc)

October 26th

3rd Quarter Results Presentation and Pre-Year-End Closing 2016

DISCLAIMER

- o This presentation contains our true understanding to the date of estimates on the future growth and on the different business lines and the global business, market share, financial results and other aspects of the activity and the positioning of the Company.
- o All the data included in this report have been put together according to the International Accounting Standards (IAS)
- o The information included herein does not represent a guarantee of our future action and it entails risks and uncertainty. The real results may be materially different from the ones stated in our estimates as a result of different factors.
- o Analysts and investors shall not depend on these estimates covering only up to the date of this presentation. Ebro Foods does not undertake the obligation of publicly informing about the results of any revision of these estimates that may be done to reflect the successes and circumstances that may happen after the date of this presentation, including with no limits, changes in the business of Ebro Foods or in the acquisitions strategy or to reflect unforeseen events. We encourage analysts and investors to consult the Company's Annual Report as well as the documents presented to the Authorities and more specifically to the National Stock Exchange Authority (CNMV).
- o The main risks and uncertainties affecting the activities of the Group are the same ones included in Note 28 of the Consolidated Annual Accounts and in the Management Report corresponding to the year closed at 31st December 2014 which is available at www.ebrofoods.es. We think that no major change has taken place in this exercise. The Group still has certain exposure to the markets of raw materials and to the transfer of changes in prices to its customers. Likewise, there is certain exposure to fluctuations in the exchange rate, specially the dollar, and to changes in the interest rates.

