RESULTS

1H2018

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BUSINESS UNIT RESULTS 1H2018

1.1 Rice 1H18

- It has been a complicated first half for our Rice Division, largely due to five factors:
  - The figure is compared with an extraordinary 1H2017, when EBITDA grew 13%, a record half for the Division.
  - This half saw a significant rise in the price of raw materials, mainly in the price of Thai jasmine rice, which had a considerable impact on Riviana. The impact on Europe was less aggressive.
  - Start-up costs for the new microwave lines were very high in both the US and Spain. They were also high in Bangkok due to the facility extension, and as such we were subsequently unable to stock as normal.
  - In the US, staff recruitment difficulties in Freeport – due to high employment and the lack of professionals qualified to carry out maintenance work – also proved problematic.
  - A sharp rise in logistics costs in the US owing to the lack of transport providers and the increase in fuel prices.
- In recent months, we have adjusted our rates to bring them into line with this new backdrop – as is usually the case, we must be the ones to initiate this adjustment.
- However, fortunately, volumes have not been affected and we continue to register acceptable growth levels – with the US brands growing the most in what is a fairly local flat market.

1.1 Rice 1H18

- Our net sales rose 2.3% to EUR688.3 million, and the branded volumes sold in Europe grew 7.6%.
- However, the above-mentioned factors did affect the Division's EBITDA, which fell 22% to EUR85.6 million. The exchange rate had a negative impact of EUR4.5 million.
- Operating Profit fell 27% to EUR72.5 million.

EUR Thous.	1H16	1H17	1H18	18/17	CAGR 18/16
Sales	637,484	672,989	688,253	2.3%	3.9%
Advertising	16,127	13,247	13,433	1.4%	-8.7%
Ebitda	97,445	110,354	85,876	-22.2%	-6.1%
Ebitda Margin	*15.3%*	*16.4%*	*12.5%*		
Ebit	81,926	94,086	67,667	-28.1%	-9.1%
Operating Profit	90,633	99,676	72,507	-27.3%	-10.6%

1.2 Pasta 1H18

- With the durum wheat harvest almost finished in Europe, we can confirm that it has been a plentiful harvest in terms of quantity, but not in terms of quality. As such, a great deal of wheat will be rejected and used for animal fodder. The fact that there are significant high quality stocks leftover from last year will help to balance the market. This said, we have sufficient provisions in place, both in the US and in Europe, to cover the whole of this year.

- So far this year, sales have grown in Europe, but the sales mix has worsened, as the highest growth has been registered with less profitable customers.

- Garofalo has consolidated its position in a highly competitive Italian market. We are working extremely hard to introduce the brand in Spain, France, Germany and the US, and this has weighed on returns when compared to an exceptional 2017. As we incorporate Bertagni, we are also launching Garofalo fresh pasta in the main markets.

- Bertagni contributed EUR3 million to EBITDA, a level that lies within the parameters used to complete the acquisition. We are working to create synergies with Olivieri in order to improve our position in Canada.

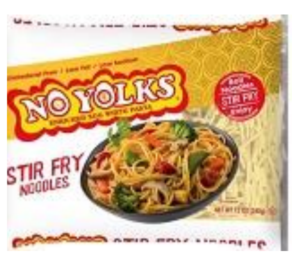
- The measures we have taken in the US are starting to bear fruit and our market shares are improving, especially for traditional pasta. Health & Wellness pasta continues to struggle in the US and only our Gluten Free range seems to be performing well.

Ebro

1.2 Pasta 1H18

- As such, volumes grew, pushing the Division's turnover up by 2% to EUR617 million.
- As planned, this half we prioritised promotion over advertising in order to maintain our market share.
- The Division's EBITDA fell 7.8% to EUR70.5 million, with an 11.4% margin. The exchange rate impact stood at EUR0.5 million.
- Operating Profit fell 11% to EUR45.8 million.

EUR Thous.	1H16	1H17	1H18	18/17	CAGR 18/16
Sales	609,292	604,073	617,004	2.1%	0.6%
Advertising	35,038	36,170	31,289	-13.5%	-5.5%
Ebitda	72,278	76,438	70,502	-7.8%	-1.2%
Ebitda Margin	*11.9%*	*12.7%*	*11.4%*		
Ebit	51,419	54,272	47,188	-13.1%	-4.2%
Operating Profit	43,562	51,368	45,755	-10.9%	2.5%



CONSOLIDATED GROUP RESULTS

2.1 P&L 1H18

- The consolidated Sales figure grew 2.3% to EUR1,277.4 million, with a negative exchange rate impact of EUR44 million.

- Advertising investment fell 8.4% to EUR45.2 million, due to a greater weighting of promotions in the consumer communication mix.

- EBITDA fell 16.6% to EUR151.5 million, primarily due to temporary costs in the North America rice business. The exchange rate had a negative effect, causing EBITDA to drop EUR5 million.

- Net Profit fell by 17.1% to EUR76.3 million, as final prices adjusted to the reality of raw materials during the half and extraordinary costs.

EUR Thous.	1H16	1H17	1H18	18/17	CAGR 18/16
Sales	1,216,789	1,248,831	1,277,363	2.3%	2.5%
Advertising	50,913	49,422	45,256	-8.4%	-5.7%
Ebitda	164,391	181,722	151,469	-16.6%	-4.0%
Ebitda Margin	*13.5%*	*14.6%*	*11.9%*		
Ebit	127,731	142,979	109,634	-23.3%	-7.4%
Operating Profit	135,244	147,628	113,375	-23.2%	-8.4%
Pre-tax Profit	132,899	143,540	111,884	-22.1%	-8.2%
Net Profit	87,575	92,088	76,339	-17.1%	-6.6%
ROCE %	*16.8%*	*17.1%*	*13.6%*		

2.2 Debt Performance

- During the half, we increased net debt by EUR215 million following the acquisition of Bertagni, invested significantly in both stocks of raw materials – both rice and pasta – and made strong investments in organic growth.

- Equity remained stable at EUR2,076 million.

- We remain on the lookout for appealing assets and businesses, and are not ruling out the possibility of new acquisitions before the end of the year.

EUR Thous.	30 Jun 16	31 Dec 16	30 Jun 17	31 Dec 17	30 Jun 18	18/17	CAGR 18/16
Net Debt	461,890	443,206	454,761	517,185	732,223	61.0%	25.9%
Average net debt	413,317	404,137	401,075	426,042	*513,013*	*27.9%*	*11.4%*
Equity	1,951,883	2,079,326	1,996,515	2,074,637	2,076,292	4.0%	3.1%
ND Leverage	*23.7%*	*21.3%*	*22.8%*	*24.9%*	*35.3%*	*54.8%*	*22.1%*
AND Leverage	*21.2%*	*19.4%*	*20.1%*	*20.5%*	*24.7%*	*23.0%*	*8.0%*
x Ebitda (ND)		1.29		1.44			
x Ebitda (AND)		1.2		1.2			

CONCLUSION

Conclusion

- The first half proved complicated for the company, primarily due to our Rice Business in North America.
- Riviana's results were affected by rising costs – some that affected the market as a whole and others that were specific and extraordinary for the company.
- In Riviana, sales and the business as a whole are performing well, with all the problems identified being temporary and cost-related. As such, we are confident that the measures taken to offset the negative effects, together with the upbeat figures being seen in volumes and sales, will soon put us back on track and allow returns to grow once again.
- In both the Pasta and Rice businesses, we have adopted strong positions in terms of raw materials, this not only gives us greater visibility in terms of the costs for the coming months, but also affords us greater security.
- In Pasta in Europe, a positive sales performance did not translate into better results primarily due to Garofalo and the investments made in developing its international business, as well as to the previously-mentioned worsening sales mix and the negative contribution of Roland Monterrat.
- The Riviana Pasta business is growing well; the strategy implemented in recent years is bearing fruit and is beginning to match the KPIs of other Group divisions.
- Despite the aforementioned problems, it is proving to be a good year in terms of volumes and sales, which demonstrates the healthy business environment.


Corporate Calendar

As part of Ebro's commitment to complete transparency, below we provide our Corporate Calendar for 2018:

➢ 28 February	Presentation of YE2017 Results ✓
➢ 3 April	Four-month payment of ordinary dividend (EUR0.19/share) ✓
➢ 25 April	Presentation of 1Q Results ✓
➢ 29 June	Four-month payment of ordinary dividend (EUR0.19/share) ✓
➢ 25 July	Presentation of 1H results ✓
➢ 1 October	Four-month payment of ordinary dividend (EUR0.19/share)
➢ 24 October	Presentation of 9M18 Results and Pre-YE 2018

Legal Disclaimer

- This presentation contains our true understanding to date of estimates on the future growth in the different business lines and the global business, market share, financial results and other aspects of business activity and the positioning of the Company. All the data included in this report has been put together according to International Accounting Standards (IAS). The information included herein does not represent a guarantee of any future actions that maybe taken and it entails risks and uncertainty. The true results may be materially different from the ones stated in our estimates as a result of various factors.

- Analysts and investors should not rely on these estimates, which only cover up to the date of this presentation. Ebro Foods does not assume any obligation to publicly report the results of any review of these estimates that may be carried out to reflect events and circumstances occurring after the date of this presentation - including but not limited to - changes in Ebro Foods business or its acquisitions strategy, or to reflect unforeseen events. We encourage analysts and investors to consult the Company's Annual Report, as well as the documents filed with the Authorities and more specifically with the Spanish National Securities Markets Commission (CNMV).

- The main risks and uncertainties affecting the Group's business are the same as those included in Note 28 of the Consolidated Annual Accounts and the Management Report for the year ending 31 December 2017, which is available at www.ebrofoods.es. We believe that there have been no significant changes during this financial year. The Group still has some exposure to the raw materials markets and to passing on changes in prices to its customers. Likewise, there is certain exposure to fluctuations in the exchange rate, especially the dollar, and changes in interest rates.

- According to the guidelines set by the European Securities and Markets Authority (ESMA), the following is a list of the indicators used in this report. These indicators are currently and consistently used by the Group to describe its business performance and their definitions have not been altered:

  - Ebitda. Earnings before interest, taxes, depreciation and amortization, excluding results considered as extraordinary or non-recurring (essentially profit earned from transactions relating to the Group's fixed assets, industrial restructuring costs, results from or provisions for lawsuits, etc.).

	30/06/2016	30/06/2017	30/06/2018	2018 - 2017
EBITDA	**164,391**	**181,722**	**151,469**	**(30,253)**
Provision for amortisation	(36,660)	(38,743)	(41,835)	(3,092)
Non-recurring income	22,778	6,695	7,656	961
Non-recurring costs	(15,265)	(2,046)	(3,915)	(1,869)
OPERATING PROFIT	**135,244**	**147,628**	**113,375**	**(34,253)**

  - Net debt. Financial liabilities with cost, the value of shares and put/call options qualified as such, and where applicable, dividends that have accrued and are pending payment, minus cash and cash equivalents.
  - CAPEX. Capital expenditure - payments for investment in production related fixed assets.
  - ROCE. Return on capital employed – a measure on yield on assets calculated as income before tax and interest minus any income regarded as extraordinary or non-recurring for the period considered, divided by Net Average Assets for the period, minus Financial Assets and Goodwill.