2017 RESULTS

Ebro

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1. BUSINESS UNIT RESULTS 2017

1.1 RICE DIVISION

RICE

- During the last quarter we have seen higher inflation in the different rice markets, due to a variety of reasons:
  - In southern Europe, a shortage of water in some regions may lead to a lower volume 18/19 harvest. Farmers are behaving more conservatively, which is creating price tensions compared with previous years.
  - In Southeast Asia the waning of the Thai surplus meant that specific upturns in demand in countries like Indonesia and the Philippines, etc. could not be covered so easily, and before the arrival of the second harvest prices underwent a sharp increase of 15% in just a couple of weeks.
  - In the USA, the harvest was particularly short in important rice-producing regions (Arkansas), and this, combined with heavy sales under special treaties (Iraq/USA), is also driving prices upwards.
  - As regards aromatic varieties, basmati and jasmine rice from regions of designated origin, we have found that a significant rise in demand, combined with structural limits on production and restrictions on pesticide use have had a negative effect on prices.

- As regards the commercial performance of our different platforms in 2017:
  - Herba has launched more than 80 new products, essentially linked to “convenience”, and almost all the brands have extended their portfolios to associated categories, such as ancient grains and pulses. We have achieved growth in terms of both volume and value, especially in the greater added value segments. Of particular note are the good results obtained in Germany and India.

  - As regards the North American business, we had a record year in terms of both profitability and market share, despite the costs associated with hurricane Harvey. The categories that have seen the greatest growth are RTS and aromatics, which in both cases have grown significantly above market levels. The most recent product launches have mainly involved organics, ancient grain mixtures and couscous.

RICE 2017 Results

- Division sales grew by 4.8% to EUR1,345 million, owing to the recovery of sales in the USA following the hurricane and the strong performance of European business.
- Advertising, an important tool in the Group's strategy, has remained at a level that is in line with the launch of new products, falling by just EUR2 million.
- The division's Ebitda climbed by 5% to EUR206 million, increasing by a considerable 8% in terms of CAGR 17/15. The significant rise in the value of the dollar over the last financial year had a negative impact of EUR3.2 million on the division's Ebitda.
- Operating profit grew 2.8% to EUR174 million; growing 8.2% in terms of CAGR 17/15.

EUR Thous.	2015	2016	2017	17/16	CAGR 17/15
Sales	1,287,726	1,283,853	1,345,026	4.8%	2.2%
Advertising	28,988	30,135	28,088	-6.8%	-1.6%
Ebitda	176,959	196,264	205,988	5.0%	7.9%
Ebitda Margin	*13.7%*	*15.3%*	*15.3%*		
Ebit	147,509	163,561	172,522	5.5%	8.1%
Operating Profit	148,600	169,240	174,027	2.8%	8.2%

1.2 PASTA DIVISION

PASTA

- In Europe, the price of durum wheat experienced a significant spike over the summer, though this was corrected during the last part of the year as prices returned to the levels seen a year ago. In North America, the durum wheat market rallied during the summer on the back of fears of a poor harvest. In the autumn, the market returned to normality, though this situation has led to an increase in costs of around USD5 million in relation to our wheat supplies in the region.

- In 2017, Panzani was affected by the poor durum wheat harvest in France and the good harvest in Italy, which has meant that competitors established in Italy have enjoyed a price advantage and gained position in the more competitive products. Nevertheless, Panzani has consolidated its results and shown significant growth (5-13%) across all the categories in which it operates, with the exception of sauces.

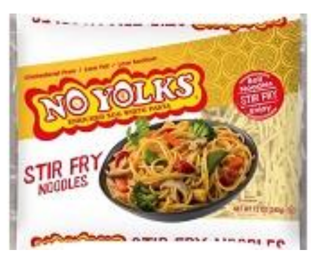
- Riviana Pasta is dealing with a category that has shrunk by 1.3% during 2017, though its decline is not even half the percentage experienced by the market as a whole. Against this background, its brands have increased their market share. Its “Gluten Free” and “Super Greens” product categories are showing satisfactory growth, as to a lesser extent are its “Organics”.

- Garofalo continues to register double-digit growth, with returns growing significantly and the brand firmly establishing its Premium position. It is important to mention that we have begun to distribute Garofalo US through Riviana.


PASTA 2017 Results

- Division sales declined by 1.4% to EUR1,218 million, hit by the situation in North America.
- Advertising investment fell by EUR4.6 million to EUR66.2 million, mainly due to the strategy refocus in the US market.
- Ebitda grew 3.7% to EUR163 million. Currency exchange had a negative effect of EUR0.7 million.
- Operating Profit grew by 9.4%, to EUR102 million, due to the lack of extraordinary costs, in contrast with last year.

EUR Thous.	2015	2016	2017	17/16	CAGR 17/15
Sales	1,224,491	1,236,227	1,218,404	-1.4%	-0.2%
Advertising	58,173	70,840	66,154	-6.6%	6.6%
Ebitda	148,647	157,089	162,977	3.7%	4.7%
Ebitda Margin	*12.1%*	*12.7%*	*13.4%*	5.3%	5.0%
Ebit	110,477	113,544	117,420	3.4%	3.1%
Operating Profit	104,957	93,294	102,050	9.4%	-1.4%



2. EBRO FOODS CONSOLIDATED RESULTS 2017

2.1 P&L 2017

- Group sales grew by 1.9% to EUR2,507 million, owing to the strong performance of the rice division.

- Advertising investment temporarily fell by 7%, although in terms of CAGR 17/15 it increased by almost 3%. It should be remembered that promotional marketing is now included in the (net) turnover figure, and a balance between promotion and advertising is sought when providing support for brands.

- Ebitda grew by 4.3% to EUR359 million, and the Ebitda margin climbed by 300 b.p. to 14.3%. Currency exchange had a negative effect of EUR4 million on the Ebitda. At a constant value and exchange rate, the Ebitda figure would stand at EUR359 million, with organic growth of 4%.

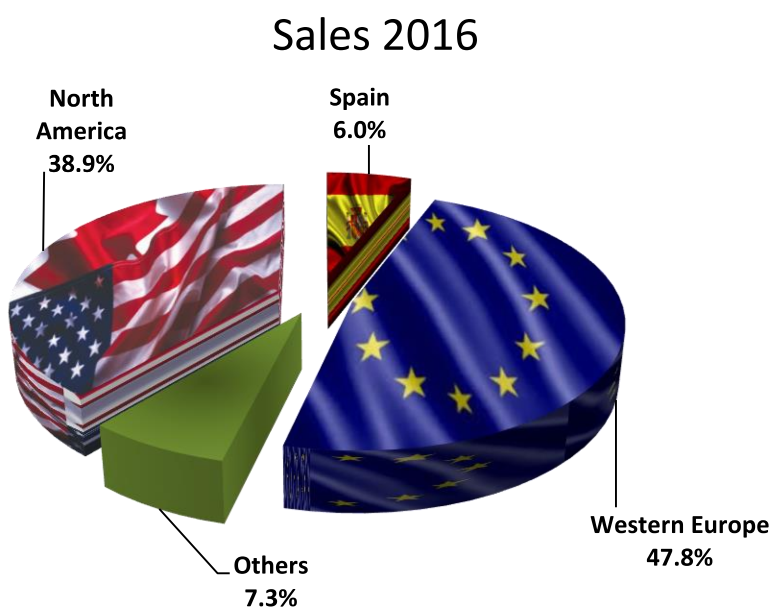
- Operating Profit increased by 2.4%; particularly notable among other operational income items were the sale of a plot of land in Houston and the sale of buildings in Lisbon and Madrid, along with allowance provisions for brand depreciation in North America.

- Net profit increased 30% to EUR220.6 million. This significant increase was mainly due to the tax-related measures recently approved in the USA, which have led to net deferred tax amounts being updated to reflect the new rate (down from 35% to 21%). Extraordinary income of EUR50.6 million has therefore been entered in the accounts in respect of company tax.

EUR Thous.	2015	2016	2017	17/16	CAGR 17/15
Sales	2,461,915	2,459,246	2,506,969	1.9%	0.9%
Advertising	87,017	100,401	93,134	-7.2%	3.5%
Ebitda	314,724	344,141	359,000	4.3%	6.8%
Ebitda Margin	*12.8%*	*14.0%*	*14.3%*		
Ebit	246,314	267,308	279,314	4.5%	6.5%
Operating Profit	242,377	264,608	271,079	2.4%	5.8%
Pre-tax Profit	229,722	259,410	264,131	1.8%	7.2%
Net Profit	144,846	169,724	220,600	30.0%	23.4%
ROCE	*15.6*	*16.6*	*16.6*		

2.2 Sales Distribution by Area

- As a result of the new tax reforms in the USA, which from 2018 will mean a reduction in outgoing tax payments of around USD15-16 million, we feel it is appropriate to recall the significant contribution that sales made by the North American business represent within the Group.



2.3 Debt Performance

- At year-end we have increased debt levels by EUR74 million, ending the year with a Net Debt of EUR517 million after having carried out several investments in organic and non-organic development.

- Debt stands at around 1.4 times the Ebitda figure, which represents a low level of debt that will allow us to maintain a high level of flexibility when considering the Group's inorganic development. Thus, following closure of the accounts, in January 2018 we announced a binding agreement for the acquisition of a 70% stake in the Italian company Bertagni 1882 ("Bertagni"). For the purposes of this transaction, Bertagni is valued at EUR130 million (the value of 100% of the company, i.e. before any potential adjustment for debt).

Thous EUR	31 Dec 15	31 Dec 16	31 Dec 17	17/16	CARG 17/15
Net Debt	426.280	443.206	517.185	16,7%	10,1%
Average Debt	424.940	404.137	426.042	5,4%	0,1%
Equity	1.966.259	2.079.326	2.074.637	-0,2%	2,7%
Leverage ND	*21,7%*	*21,3%*	*24,9%*	17,0%	7,2%
Leverage AD	*21,6%*	*19,4%*	*20,5%*	5,7%	-2,5%
x Ebitda (ND)	1,35	1,29	1,44		
x Ebitda (AD)	1,4	1,2	1,2		

CONCLUSION


SOS
VIDASANIA
PANZANI
Gratin facile
cuisson
brillante
NUEVO
QUINOA
BLANCA Y ROJA

Conclusion

- The effects of inflation on raw materials in the rice division during the second half of the year did not prevent the business from achieving a record year. The wisdom of the division's strategy for diversification in terms of origin has been borne out, allowing us to maintain an efficient supply line, though it is true that in 2018 our raw materials will be more expensive.

- Panzani has had a very good year as far as high-value products are concerned, though its more competitive products have suffered as a result of the lower costs of its competitors.

- Riviana Pasta is continuing with the reactivation of its brands, redefining its strategy in a digital environment. It is also making investments to increase the flexibility of its products, formats and packaging.

- The Group is placing particular importance on positioning the company, its brands and its products in the health, convenience and premium segments. The strategies used are both organic development (e.g. pulses, ancient grains), and the completion of acquisitions (Celnat, Vegetalia, Geovita, and the recent announcement of an agreement to purchase Bertagni). This is the path that we shall continue to pursue in 2018.

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 2016, 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.).

	31/12/2015	31/12/2016	31/12/2017	Dif 17/16
EBITDA	**314,724**	**344,141**	**359,000**	**14,589**
Provision for amortisation	-68,410	-76,833	-79,686	-2,853
Non-recurring income	8,110	25,598	11,144	-14,454
Non-recurring costs	-12,047	-28,298	-19,379	8,919
OPERATING PROFIT	**242,377**	**264,608**	**271,079**	**6,951**

  - 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.