



1Q11

Presentation of 1Q11 Results

Ebro



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BUSINESS UNITS 1Q11 RESULTS





1.1

Rice

RICE



Our Sights are set on the Second Half

- Although the Asian markets have remained stable throughout the year, the US market rose in 4Q10. This rise was not consolidated and after three months raw material prices came down again.
- In Europa raw material prices also went up by more than 20% for the indica varieties and even more steeply for the japonica varieties.
- We have managed to put our prices up in the USA for all categories (retail and industrial), so our margins will improve there in 2Q.
- We have also put our prices up in Europe for industrial sales, but have as yet been unable to do so for retail, where distributors are extremely sensitive and the pressure from private label brands is enormous. Our reasonable stock situation enables us to avoid too great a repercussion, but prices will have to be put up in 2H11.
- Our market share has held steady at around 22% in the USA and grown in Europe, except in Spain where it was weaker in the first quarter.
- We continue investing in R+D and studying consumer tastes on the different markets to offer products suited to their needs. As a result, the “Brillante” brand is to launch a new, revolutionary product line in the second half of 2011, when we will also start to see the results of the first frozen rice products we launched in North America with Minute Steamers and rice prepared in the frying pan in France with Riz a Pôeler.

RICE

- Sales rose 1.2% in 1Q2011 to 200.2 MEUR thanks to our industrial operations.
- EBITDA fell by 1 MEUR to 27.5 MEUR, largely due to the delay in closing the Houston factory, which continued operating up to its final shutdown at the end of April, temporarily duplicating costs in the USA. The evolution of the EUR-USD exchange rate did not affect our accounts.
- Owing to the excellent base of our cost of supplies, the new products we are putting on the market and the cost savings in Memphis, we hope to generate an EBITDA higher than that projected in the coming months.
- The division ROCE was 19.3%.

Thous EUR	1Q09	1Q10	1Q11	11/10	CAGR 11/09
Sales	224,841	197,790	200,211	1.2%	-5.6%
Advertising	8,195	8,028	7,757	-3.4%	-2.7%
EBITDA	28,897	28,506	27,551	-4.7%	-2.4%
EBITDA Margin	12.9%	14.4%	13.8%	-4.5%	3.5%
EBIT	23,544	22,765	22,678	-0.4%	-1.9%
Operating Profit	22,023	24,136	22,418	-7.1%	0.9%
ROCE	19.4	20.1	19.3	-3.98%	-0.26%



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1.2

Pasta

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PASTA



Volatile Durum Wheat Prices

- Durum wheat prices have risen considerably, commencing in 3Q10 and peaking in February 2011, rising from 190EUR/t to 340EUR/t over that period. As from March, they started coming down and currently stand at around 290EUR/t.
- NWP and Panzani put their prices up 16-18% in October 2010. The price rise was implemented fast in the USA, but in Europe the part affecting EBITDA was only completed in early March and we are currently presenting a further rise of 7 cents for distribution.
- We have maintained a 24.4% market share in the USA, thanks to the outstanding performance of our value added brands Smart Taste and Garden Delight.
- Our launching of quick cooking pasta it tends to be contributing with 15 MUSD sales in its first year.
- In Europe our Dry Pasta maintains its market share of over 36%, while our market share in Fresh Pasta has increased by 2.5 pp.

PASTA

Deflection to be Corrected in Forthcoming Quarters

- Our sales were up 2.3% in this first quarter.
- In the first quarter of 2010 our EBITDA grew by 46%, which makes comparison difficult. We stepped up our investments in advertising by 3.6% during the quarter, to 15.5 MEUR. The division EBITDA dropped 7% to 38.8 MEUR due to the higher durum wheat prices, although this deflection will be corrected over the year as the new price rise is passed on to consumers.
- The average double-digit growth accumulated over the past two years has been maintained, at over 16%.
- The foreign exchange risk has not affected these accounts.
- The division ROCE broke through the 30% threshold.



Thous EUR	1Q09	1Q10	1Q11	11/10	CAGR 11/09
Sales	241,171	231,003	236,233	2.3%	-1.0%
Advertising	11,789	14,962	15,505	3.6%	14.7%
EBITDA	28,619	41,718	38,809	-7.0%	16.4%
EBITDA Margin	11.9%	18.1%	16.43%	-9.0%	17.7%
EBIT	21,247	34,652	31,901	-7.9%	22.5%
Operating Profit	20,594	34,459	31,576	-8.4%	23.8%
ROCE	16.4	26.3	30.3	15.21%	35.9%

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EBRO PULEVA CONSOLIDATED 1Q11 RESULTS



2.1

Consolidated 1Q11 Results



A Transition Quarter

- We sold 29.9% of Biosearch during the quarter and still hold 20.8% as a financial investment, so this company is no longer included in our consolidated group. We do not rule out the possibility of selling off this interest eventually. In 2010 the biotechnology EBITDA was 4.1 MEUR.
- Consolidated turnover, with very little fluctuation, rose to 426 MEUR.
- EBITDA suffered a downturn of 3 MEUR to 63.4 MEUR with a margin of almost 15%. We trust this trend will be corrected over coming quarters. Our CAGR for the last three years shows an 8% growth.
- The Net Profit from Continuing Operations grew by 9.6% to 32.3 MEUR, pushed up by the absence of Financial Expenses deriving from our present debt level.

Thous EUR	1Q09	1Q10	1Q11	11/10	CAGR 11/09
Sales	459,944	422,945	426,127	0.8%	-3.7%
Advertising	21,981	23,875	23,798	-0.3%	4.1%
EBITDA	54,213	66,417	63,387	-4.6%	8.1%
EBITDA Margin	11.8%	15.7%	14.88%	-5.3%	12.3%
EBIT	41,150	53,421	51,269	-4.0%	11.6%
Operating profit	46,051	50,116	50,893	1.6%	5.1%
Profit before tax	39,377	47,038	51,165	8.8%	14.0%
Net profit from continuing operations	29,291	29,471	32,305	9.6%	5.0%
Discontinued operations	3,151	10,967	0	-100.0%	-100.0%
Net profit	32,566	40,286	32,166	-20.2%	-0.6%
ROCE	15.2	19.8	22.0	11.11%	20.3%



2.2

Evolution of the Debt



Debt-free

- We closed the first quarter with a Net Debt of 33 MEUR which, you are reminded, includes the extraordinary dividends payable in April and July 2011 (46 MEUR).
- Our Equity has grown by 17% year on year to 1,574 MEUR.
- We have announced agreements to purchase the SOS rice division and Sunrice, although these purchases, provided they go ahead, will not be concluded until June 2011. With a total investment of the order of 650 MEUR, we will again be able to make optimum use of the capital.

Thous EUR	31 Mar 09	31 Dec 09	31 Mar 10	31 Dec 10	31 Mar 11	Mar10/09	CAGR 10/08
Net Debt	1,165,185	556,800	545,971	17,600	32,855	-94.0%	-83.2%
Average Debt	1,158,742	716,725	588,993	378,336	243,531	-58.7%	-54.2%
Equity	1,240,548	1,279,468	1,345,862	1,592,743	1,574,200	17.0%	12.6%
Leverage ND	93.9%	43.5%	40.6%	1.1%	2.1%	-94.9%	-85.1%
Leverage AD	93.4%	56.0%	43.8%	23.8%	15.5%	-64.7%	-59.3%
x EBITDA (ND)		1.8		0.1			
x EBITDA (AD)		2.3		1.4			



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EVALUATION OF RESULTS



3.1

Evaluation of Results



Consolidating Growth

- The first quarter of 2010 was outstanding. The results of this quarter were good considering the extraordinary situation of raw materials. Just as we warned investors last year that the first quarter growth could not be extrapolated to the full year, nor can the dent in EBITDA observed in 1Q11 be extrapolated.
- Our raw material prices rose to record levels during the quarter but since they peaked in February they have been coming down constantly. We are currently implementing new price rises so expect to recover our earlier profit levels.
- Ricegrowers shareholders are to vote on 31 May on our possible purchase of Sunrice. The Sunrice board recently presented the acquisition prospectus to shareholders containing the positive recommendations by an independent expert, supporting the recommendations made earlier by the board. The transaction was recently approved by the Australian Government Authorities, so the operation can go ahead if shareholders accept it.
- The agreements signed by Ebro for purchase of the SOS rice business have opened up a new, promising horizon for our rice business. The purchase of the Saludaes brand in Portugal has been concluded, while the SOS business units in the rest of the world (mainly the Netherlands, USA and Spain) are pending authorisation from the Spanish and US antitrust authorities.
- We have a portfolio of major launchings, which we hope to see on the shelves over coming months and which will improve the margins on our profit and loss account.



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CORPORATE CALENDAR



4.1

Corporate Calendar



Ebro maintains its commitment to transparency and reporting in 2011:

28 February	Presentation 2010 year-end results
4 April	Quarterly payment of ordinary and extraordinary dividend
29 April	Presentation 1st quarter results
4 July	Quarterly payment ordinary and extraordinary dividend
27 July	Presentation 1st half results
3 October	Quarterly payment ordinary dividend
26 October	Presentation 3rd quarter results and outlook 2011
21 December	Announcement 2012 dividend against 2011 earnings
22 December	Quarterly payment ordinary dividend



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DISCLAIMER



5.1



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 on pages 221 ff. of the Consolidated Annual Accounts as at 31 December 2009 and the corresponding Directors' Report, which are available on our web site 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.