January-September 2012 Results



24th October 2012

Disclaimer

This document may contain additional non-compulsory forward-looking statements on intentions or expectations of the Company as of the date of its publication whose only purpose is to provide further information on perspectives on future performance.

Such forward-looking statements do not constitute any guarantee of future performance and involve risks and uncertainties as well as other important factors that could cause actual developments or results to differ essentially from those expressed in our forward-looking statements.

Analysts and investors in particular as well as any other persons or entities who must take decisions or give advise on investments in the Company should not place undue reliance on those forward-looking statements.

The financial information contained in this document has been prepared under International Financial Reporting Standards (IFRS). This financial information is unaudited and, therefore, subject to potential future modifications.

9M12 Highlights

- *+14%* y-o-y growth on revenue to €563MM, driven by strong volumes.
- *+17%* y-o-y growth in consolidated EBITDA up to €140MM.
- *24,8%* consolidated EBITDA margin **+0,6 p.p.** despite pressure on unit raw material and energy costs.
- *+8%* y-o-y growth in recurring net profit to €78MM.
- Net bank debt of €59MM, **-4%** from December 2011 thanks to strong operating cash flow

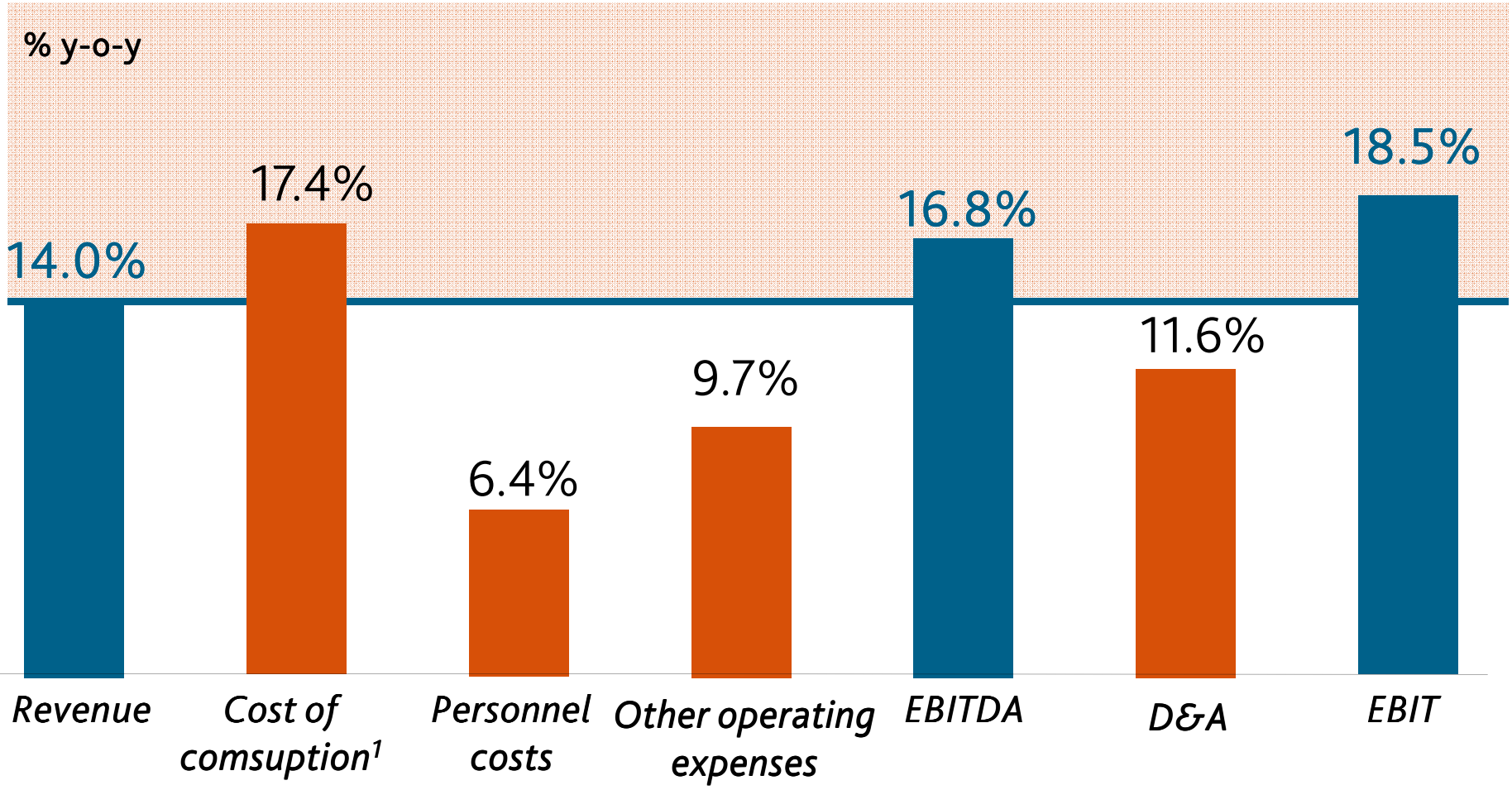
Sound operations backed by revenue strength:

MM €	9M12	% Change	% Change ex-forex[1]	3Q12	% Change
Revenue	562.8	+14.0%	+10.9%	191.9	+13.5%
EBITDA	139.5	+16.8%	+7.5%	48.5	+22.0%
EBITDA Margin	*24.8%*	*+0.6 p.p.*	*-0.8 p.p.*	*25.2%*	*+1.7p.p.*
EBIT	105.3	+18.5%		36.7	+25.2%
PBT	100.1	+3.4%		33.8	+6.7%
Net Profit	77.9	+4.2%		26.5	+6.6%
Adjusted net profit [2]	*77.9*	*+8.3%*		*26.5*	*+6.6%*

1 For comparative purposes, growth excluding foreign exchange differences excludes the impact of the various exchange rates applied in the consolidation of financial statements, as well as the impact of US$ fluctuations on trade transactions.

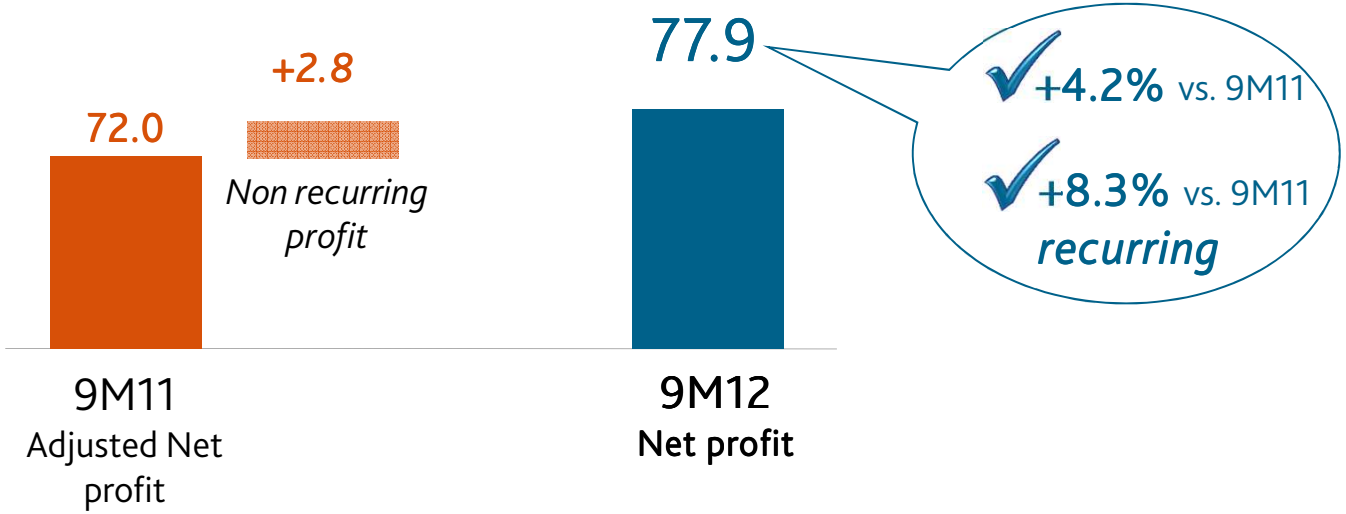
2 Adjusted net profit excludes a one-off gain of €2.843 thousands, recognised in June 2011, related to an out-of-court settlement in Serbia in connection with the financial liability with Vojvodanska banka a.d.

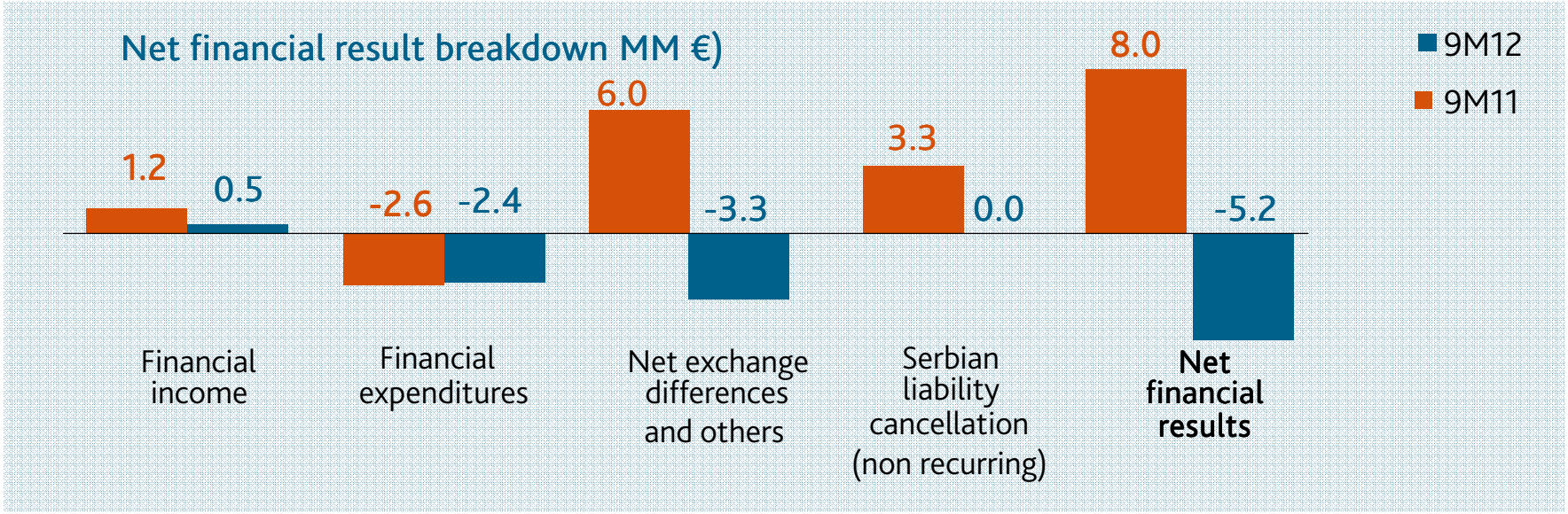
EBITDA margin leveraged by strong revenues despite pressure on unit raw material and energy costs.



1 Since 2012, the net purchases figure has included energy consumption associated with electricity production from the cogeneration plants in Spain and Mexico, formerly recorded under Other operating expenses. The impact of this reclassification in 9M11 is €21.6 million of higher costs of consumption and a lower figure in Other operating expenses

Operational strength and financial discipline drive Net profit growth.





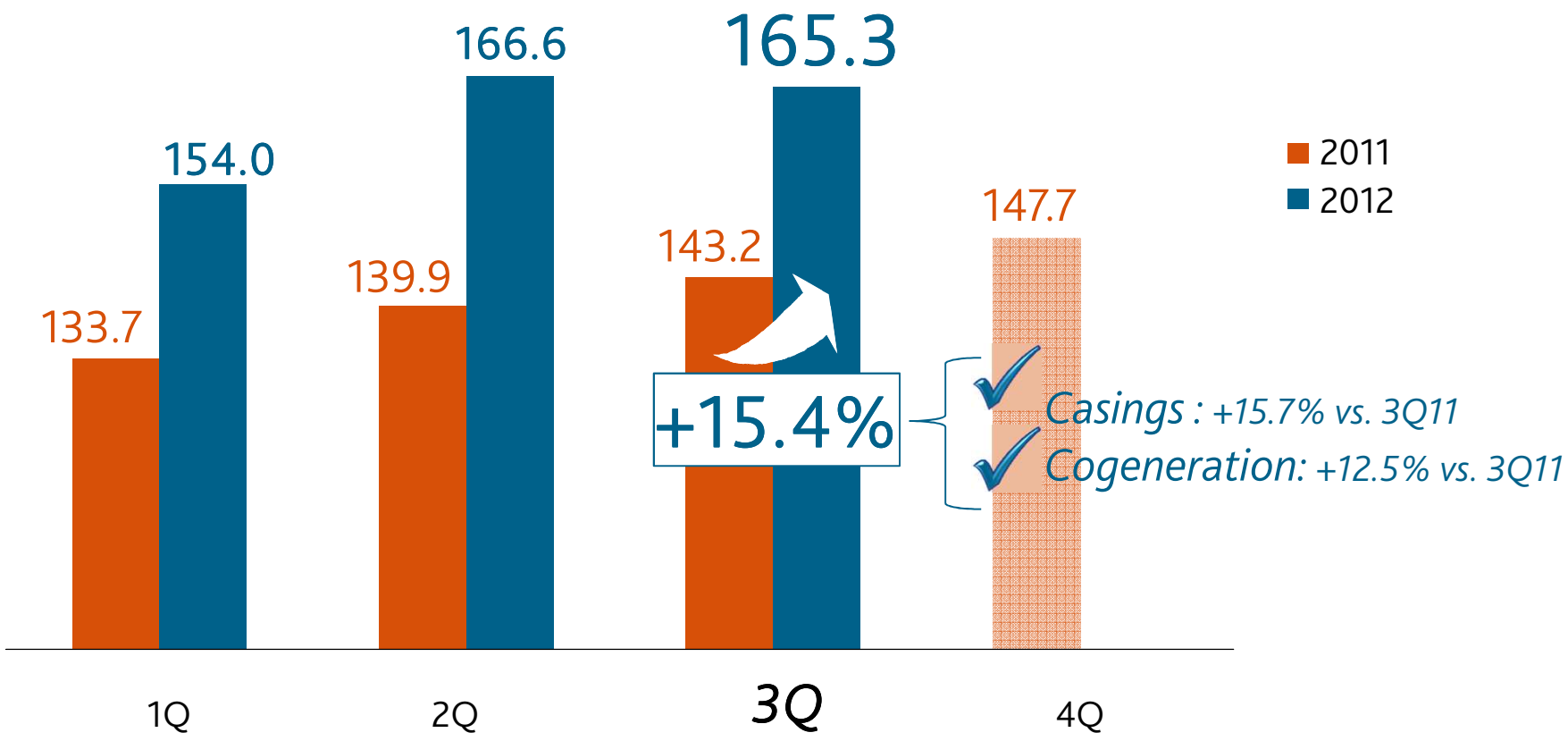
Casing business



CASINGS

Double-digit growth on revenues thanks to production capacity, international expansion, and strong US$…

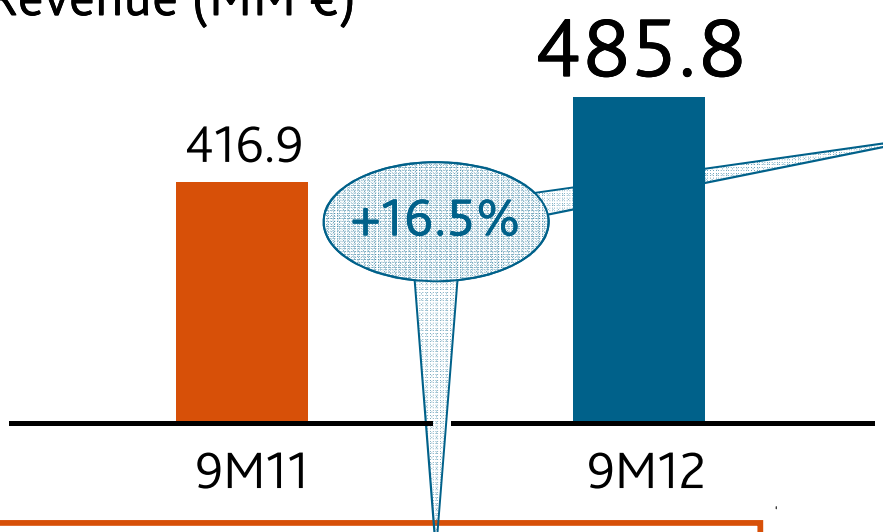
Revenue evolution (MM €)



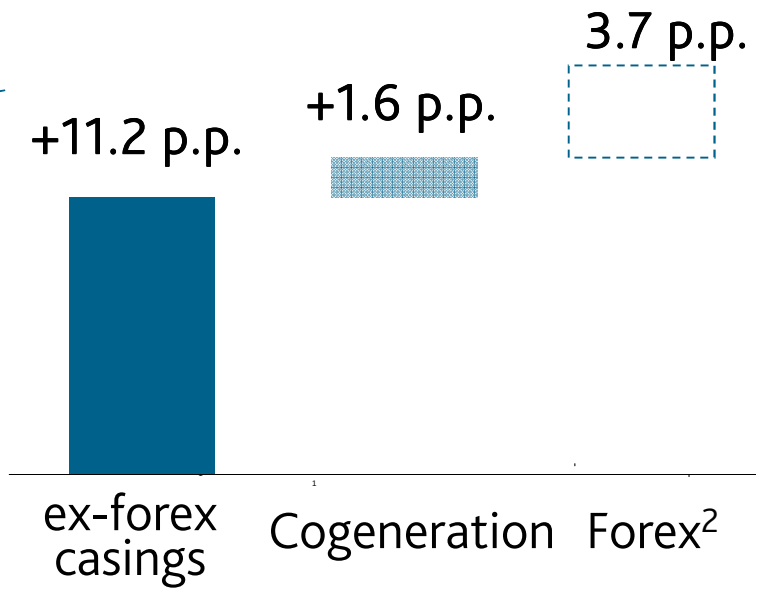
CASINGS

… increasing sales in all reporting regions led by volume growth in all casing technologies.

Revenue (MM €)



Growth contribution (p.p.)



Geographic growth[1]

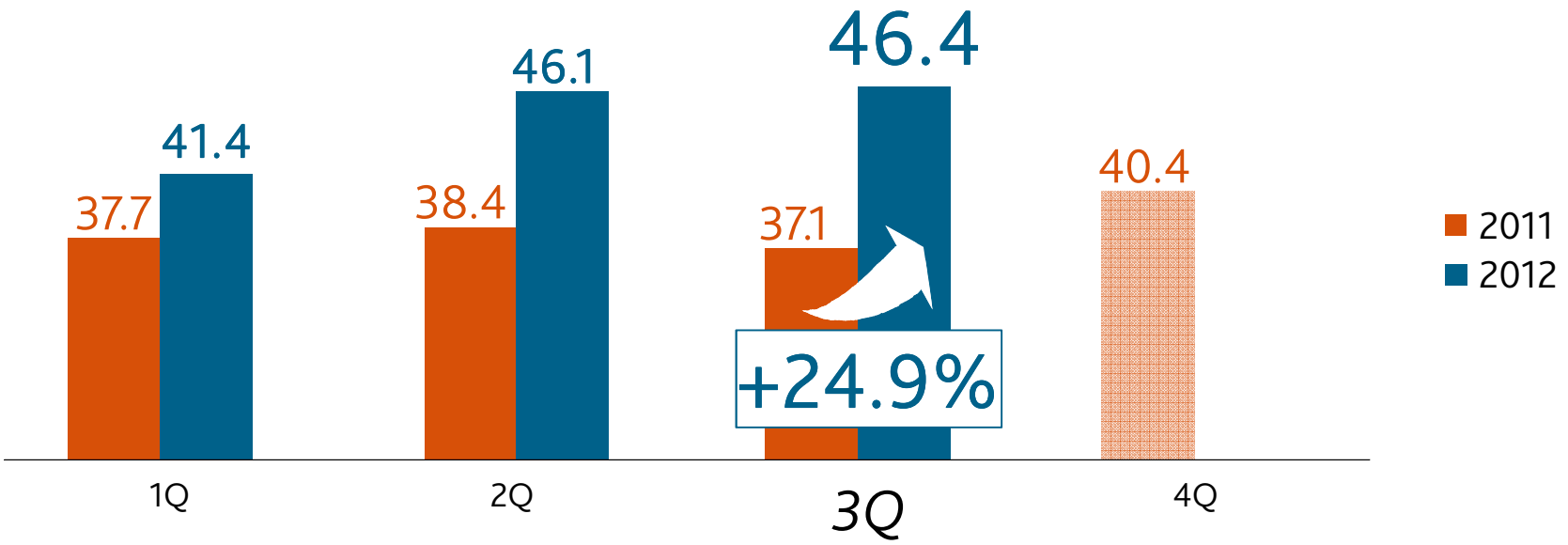
Europe & Asia (€251MM)	+19.0%
North America (€159MM)	+14.8%
Latam (€75MM)	+12.5%

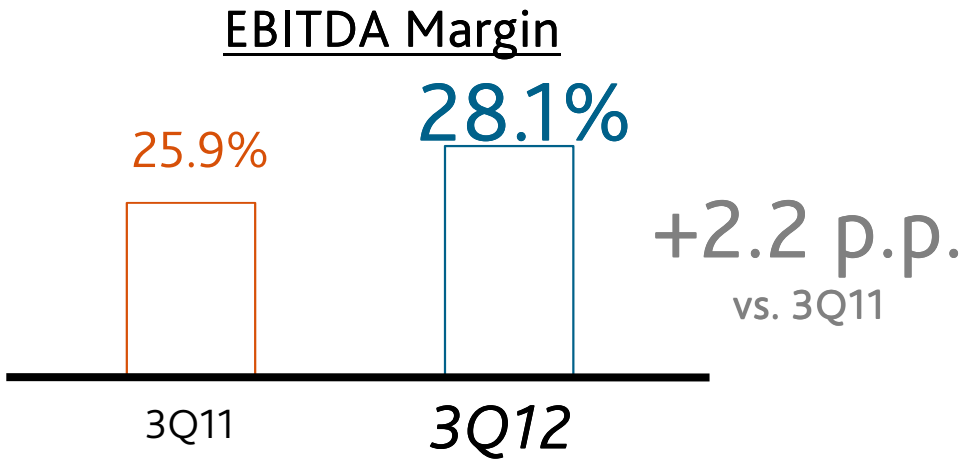
[1] Revenue by origin of sales

[2] For comparative purposes, growth excluding foreign exchange differences excludes the impact of the various exchange rates applied in the consolidation of financial statements, as well as the impact of US$ fluctuations on trade transactions

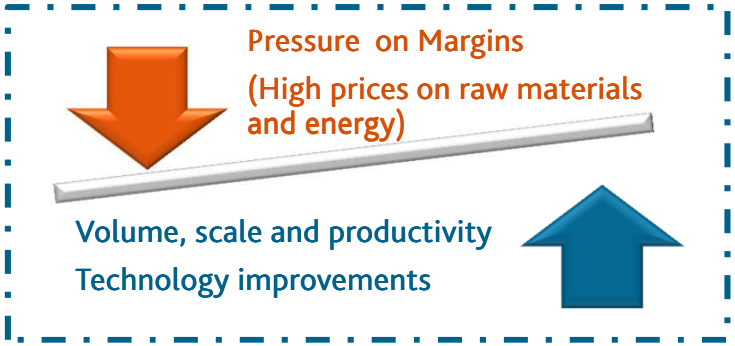
CASINGS

Revenue strength, improvements on production, cost control and forex contributes positively to increase margins in 3Q12.





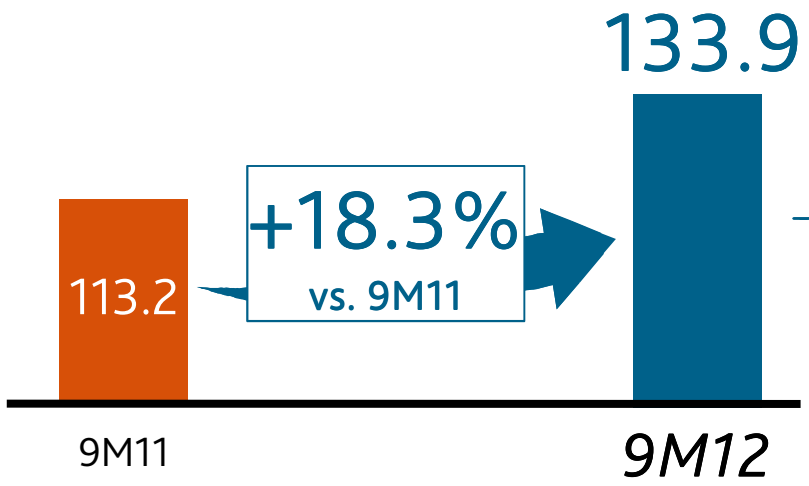
+2.2 p.p.
vs. 3Q11



CASINGS

Double-digit EBITDA growth in an adverse environment of raw material and energy cost inflation.

EBITDA (MM €)



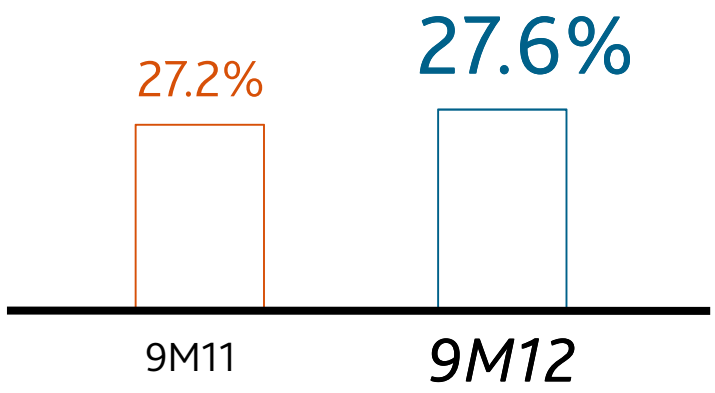
✓ *Gross margin[1]: -2.1 p.p.*

Raw material prices (cellulose, hides)
Gas price for cogeneration

✓ *Productivity margin[2]: +2.1 p.p.*

Improvement on operational efficiencies
Cost control

✓ *EBITDA margin: +0.4 p.p.*



[1] Gross Margin= [Revenue– (Net purchases +/- changes in inventories)] / Revenue

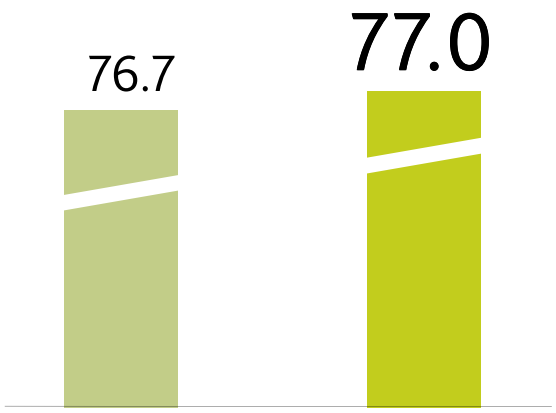
Since 2012, the net purchases figure has included energy consumption associated with electricity production from the cogeneration plants in Spain and Mexico, formerly recorded under Other operating expenses. The impact of this reclassification in 9M11 is €21.6 million of higher costs of consumption and a lower figure in other operating expenses.

[2] Productivity ratio= (revenue– Personnel expenses) / revenue



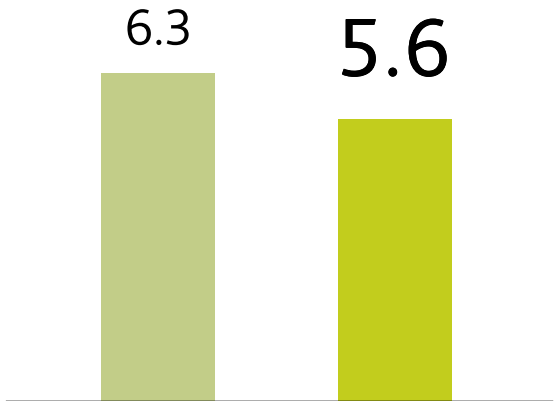
Sound results in an environment of weak consumption in Spain and higher raw material prices.

Revenue (MM €):
+0.4%

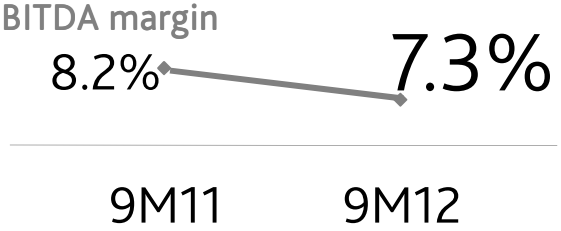


… Ready meals +19%…
… sound tomato market share.

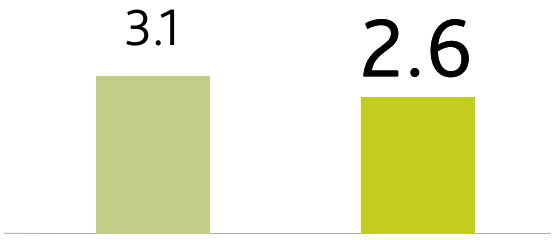
EBITDA (MM €):
-10.8%



EBITDA margin



Net profit (MM €):
-17.1%



To sum up

- **Strong set of results**, led by revenue progress both quarterly and year to date. Growth based on **casing market growth and Viscofan Group leadership,** offsetting the weaker evolution in the vegetable casing business.
- **Y-o-y improvement on margins** despite inflation on raw materials an energy, that are offset by **improvements in productivity, cost control and commercial discipline**.
- **Expansion plans are on track.** The new extrusion collagen plant in **China will start production in 1Q13,** and in **Uruguay we are progressing** to build the new collagen plant with production expected for 2014.
- A company in an excellent financial position **that is confident to beat the 2012 guidance** and continue growing in **profits, investments and shareholder remmuneration**.