

Results

January-June 2015

31 July 2015

Highlights 1H15

Growth in **consolidated revenue** in the first half of the year to €370.8MM **+10.9%**

+18.4% **EBITDA increased** to €107.9, which includes +1.8 p.p. improvement in EBITDA margin to 29.1%.

Net profit rose to €60.5MM backed by operational strength and better exchange rates evolution. **+18.7%**

-60.1% **Net Bank Debt was down to** €29.7MM after €55,8MM proceeds from IAN disposal and OpCF improvement.

[1] Non-recurring figures exclude: a) In 1Q15. Outsourcing of pensions in the US: In the first quarter of 2015 an agreement was reached whereby the insurer Metropolitan Life Insurance Company (MetLife) undertakes the payment of the life annuities of pensioners under the "Hourly Employees" and "Salaried Employees" plans, accounting for a positive non-recurring impact of €2.4 million on operating profit and of €1.5 million on net profit. b) In 2Q14. Non-recurring additional impact registered in 2014 in Revenue, EBITDA and Net profit due to the modification of payment parameters for cogeneration published in the Ministerial Order in July, 2014 versus provisioned in 2013 under the publication of the Order dispatched by the secretary of State to the CNMC.

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This document may include statements about intentions, expectations or forecasts of the Company additional to the mandatory financial reporting whose sole purpose is to provide information more accurately about the perspectives of future behaviours.

Such intentions, expectations or forecasts do not constitute any guaranties of compliance and involve risks, uncertainties and other relevant factors that could cause actual developments and results to differ materially from those states in such forward-looking statements.

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Double digit growth in key financial metrics leveraged by operational strength…

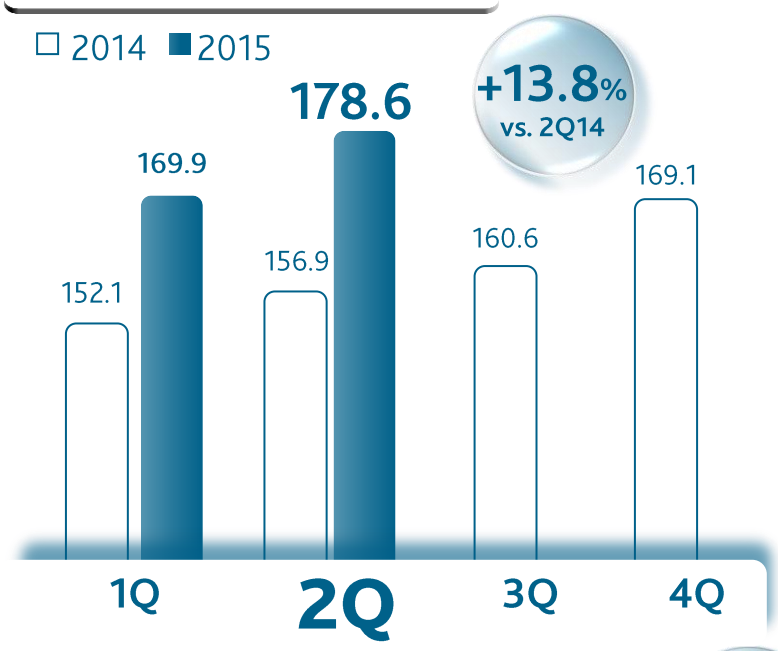
Selected financial data(MM €)

	1H15	% y-o-y	% y-o-y Organic [1]	2Q15	% y-o-y	% y-o-y Organic [1]
Revenue	370.8	+10.9%	**+4.6%**	190.8	+10.8%	**+5.5%**
EBITDA	107.9	+18.4%	**+9.7%**	54.0	+8.8%	**+7.1%**
EBITDA margin	*29.1%*	*+1.8 p.p.*	***+1.3 p.p.***	*28.3%*	*-0.5 p.p.*	***+0.4 p.p.***
EBIT	81.4	+21.9%		40.7	+8.7%	
Net profit	60.5	+18.7%		30.0	+5.3%	

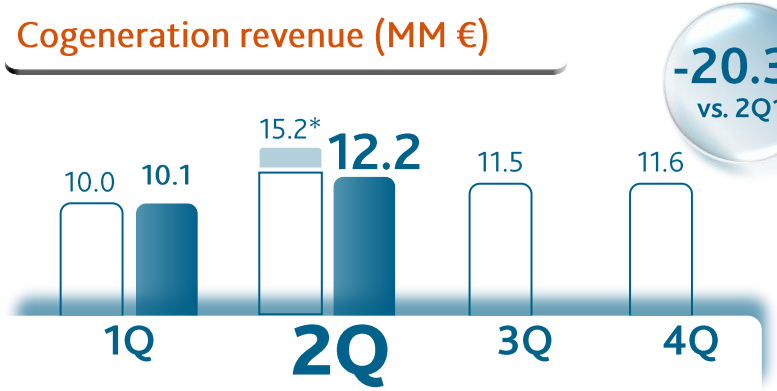
[1] For comparative purposes, organic growth excludes the impact of the different exchange rates applied in the consolidation of the financial statements and the impact of the USD variation in business transactions and non-recurring results recorded in 2015 related to the outsourcing of pensions in the US and in 2014 due to the changes in cogeneration regulation.

… for another quarter yet driven by sales of casings, while offsetting the decline in cogeneration revenue.

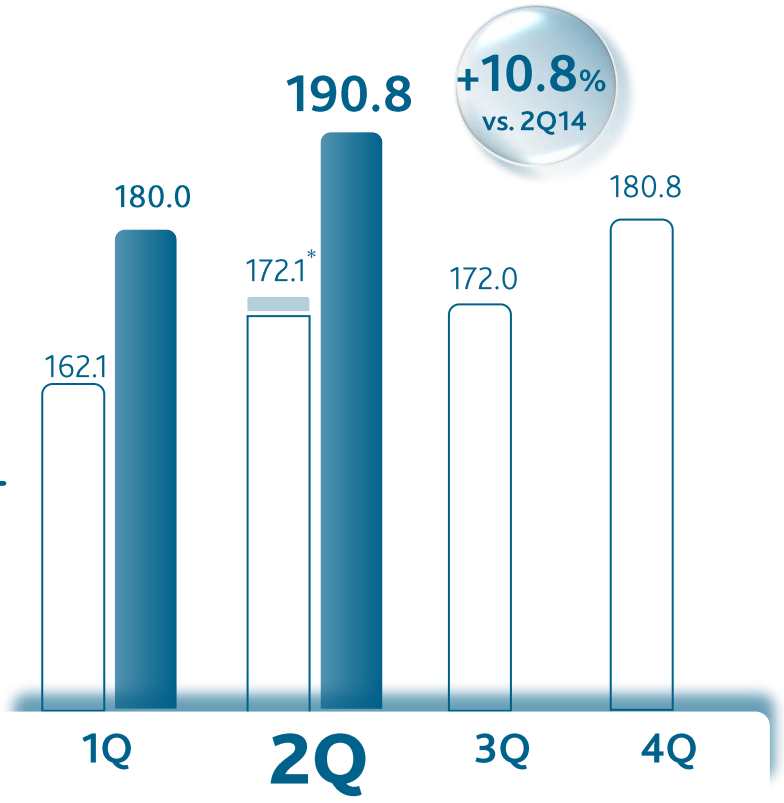
Sales of casings (MM €)



Cogeneration revenue (MM €)



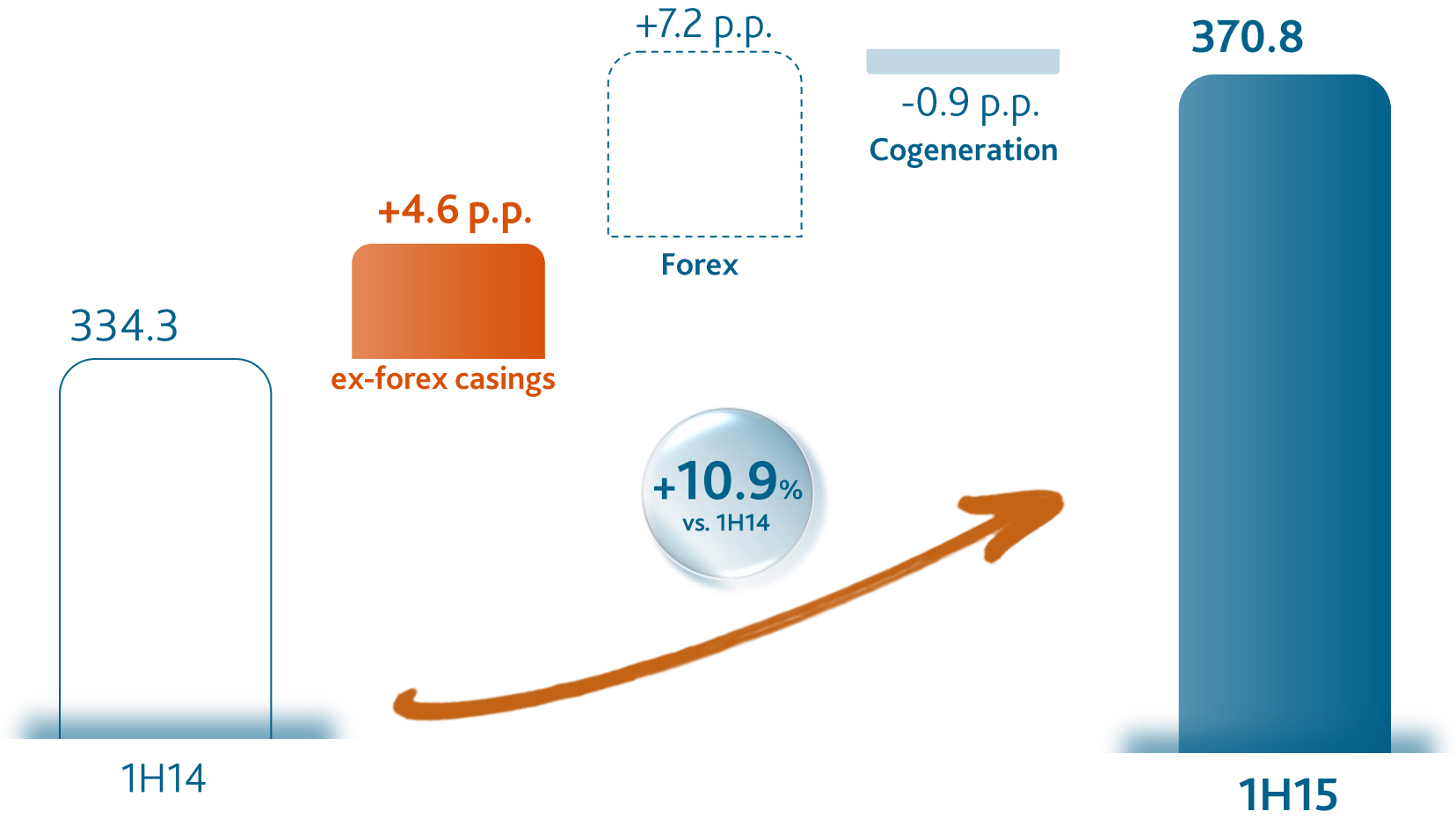
Viscofan Group Revenue (MM €)



* The figures include non-recurring additional impact registered in 2014 in Revenue by €2.9MM due to the modification of payment parameters for cogeneration published in the Ministerial Order in July, 2014 versus provisioned in 2013 under the publication of the Order dispatched by the secretary of State to the CNMC.

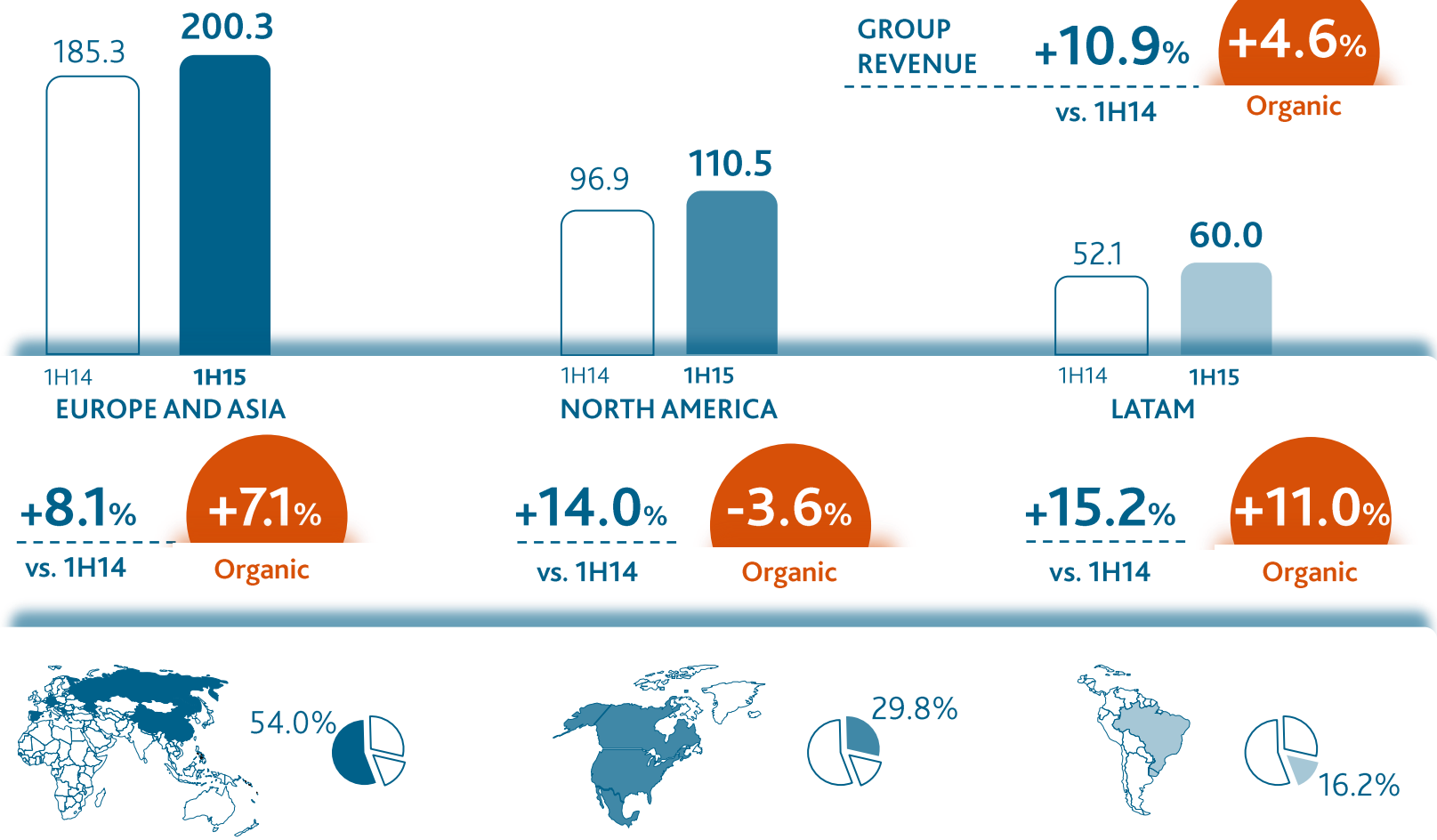
Robust growth that combines organic and forex strength …

Revenues (MM €)



… led by outstanding growth in LATAM, Europe and Asia…

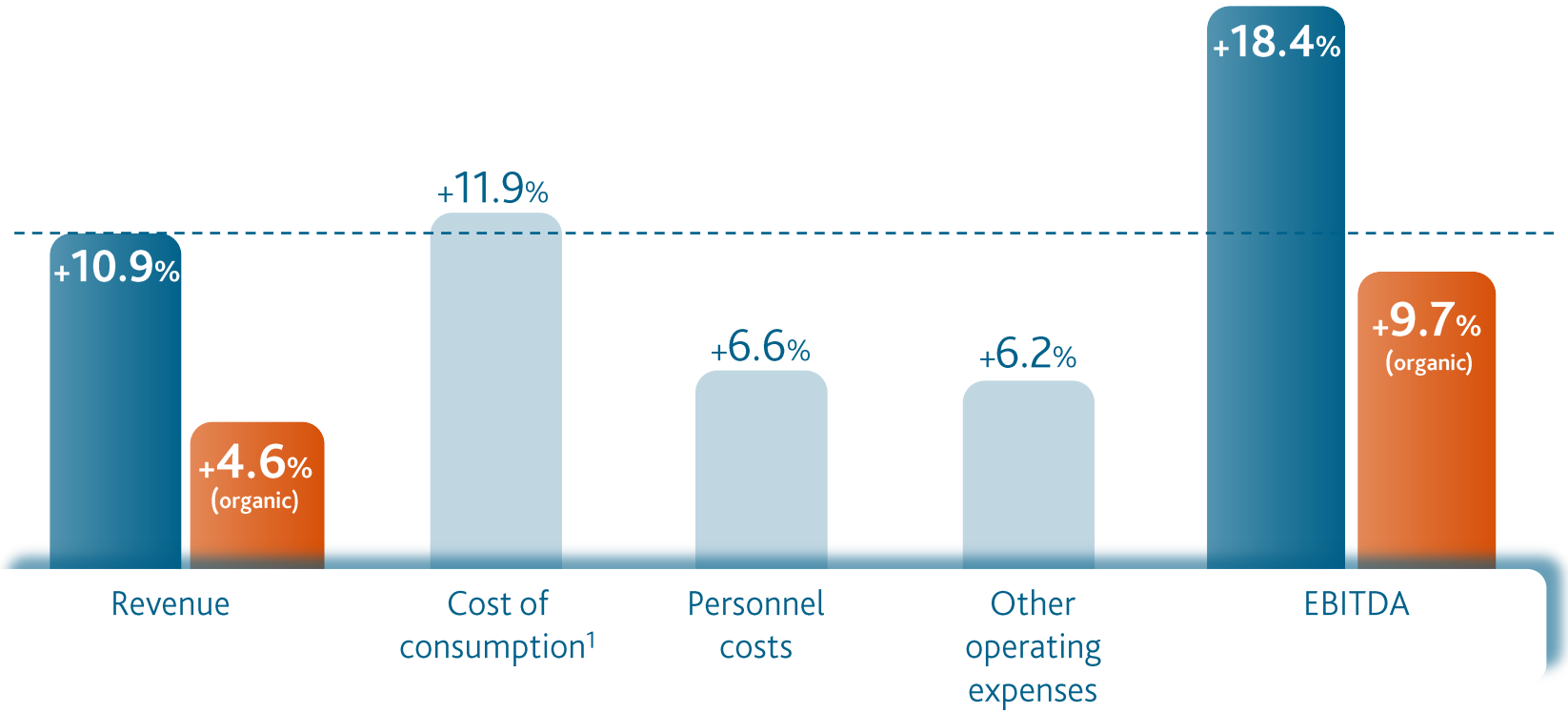
1H15. Revenue breakdown by geographical areas[1] (MM €)



[1] Revenues per origin of sales

Sales growth and cost control boost EBITDA…

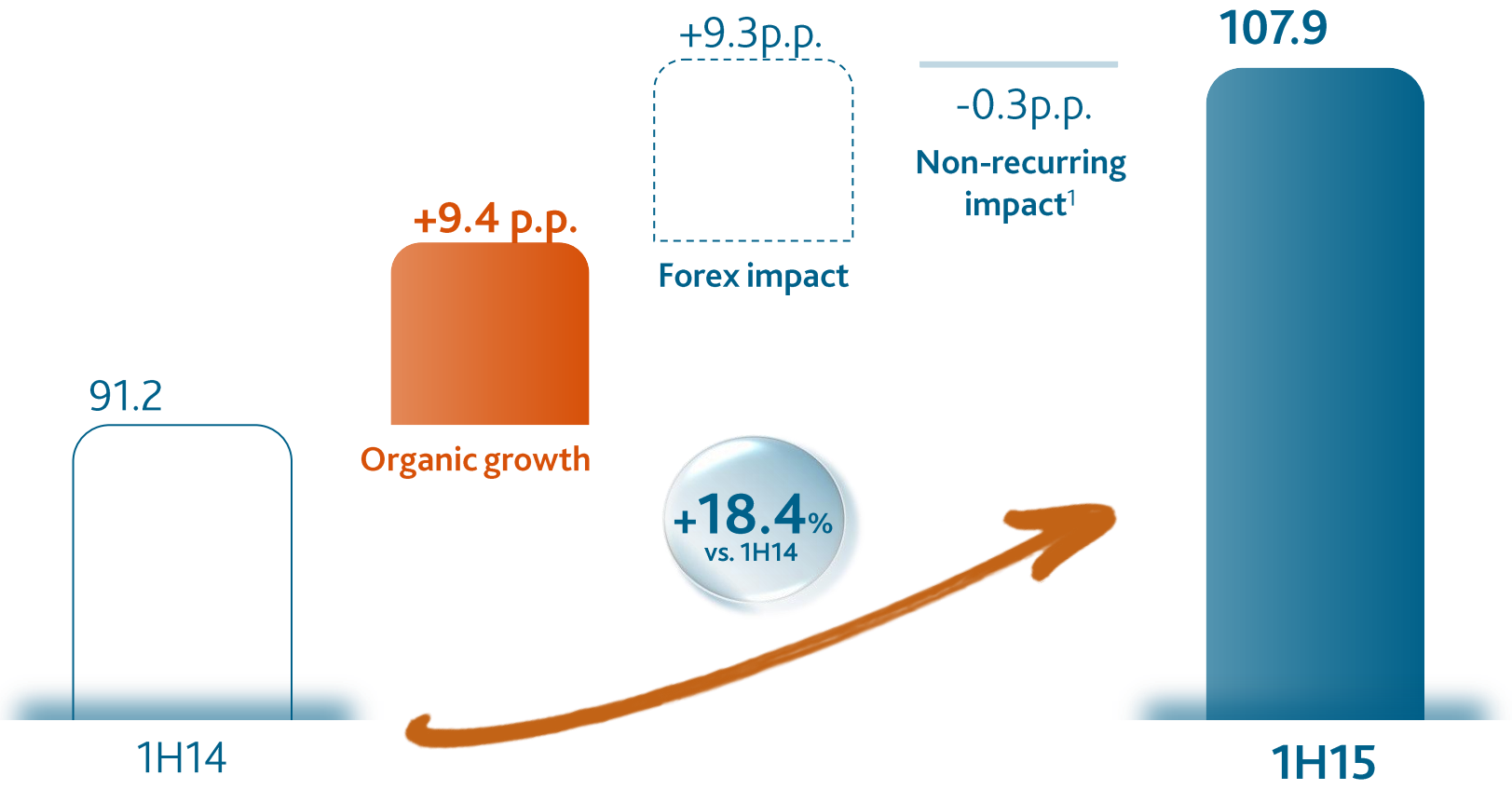
1H15. % Year on year change



[1] Cost of consumption = Net purchases +/- Variation in stocks of finished products and work in progress.

… thanks to consolidation in operational improvements, market leadership foothold and the strength of main commercial currencies…

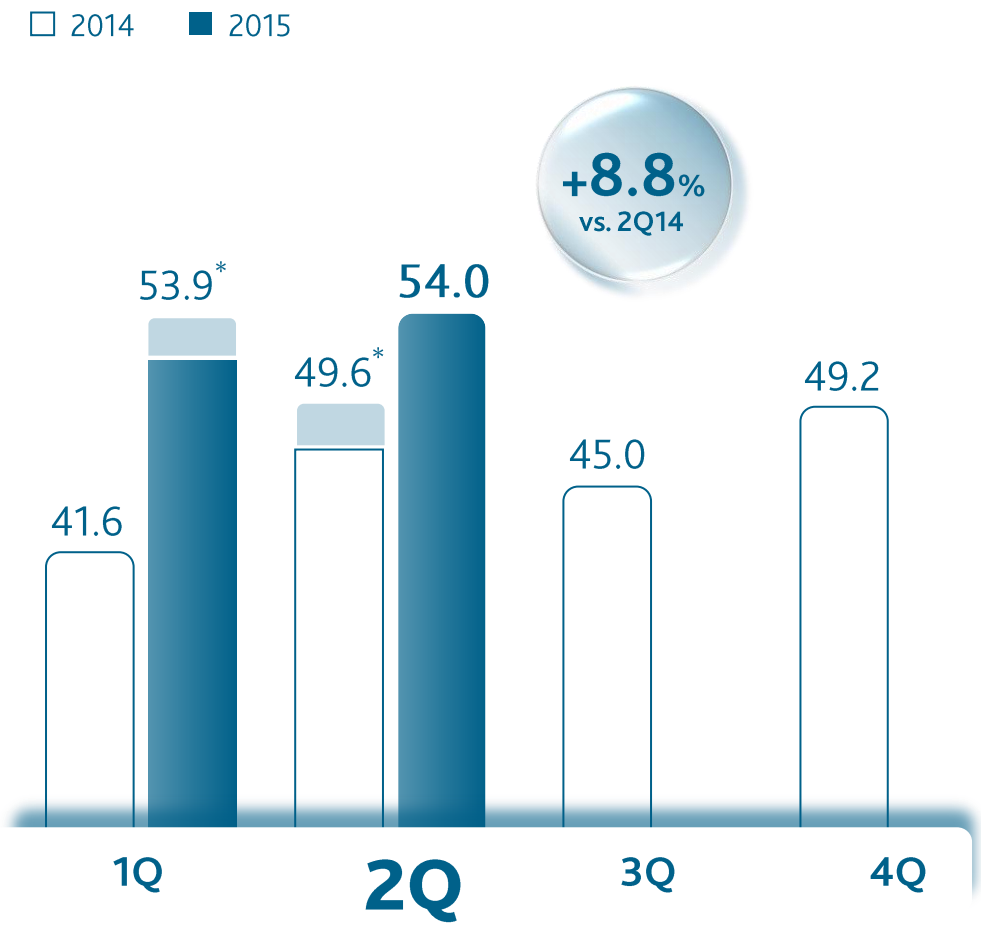
EBITDA (MM €)



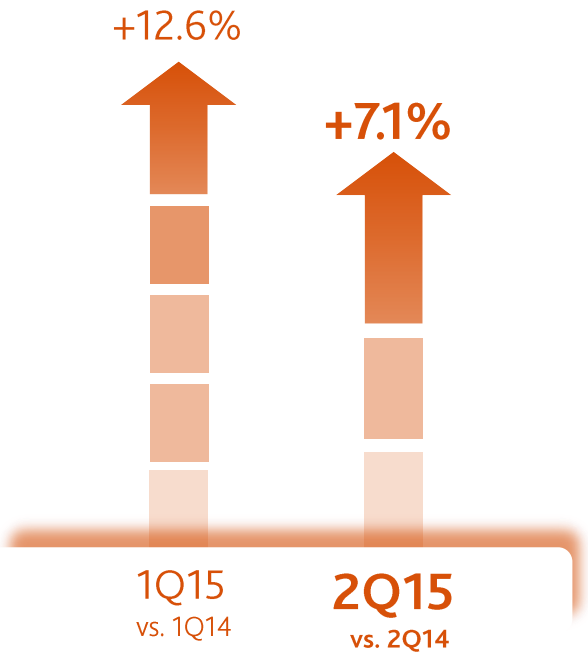
[1] Non-recurring figure include the change between additional impact registered in 2015 related to the outsourcing of pensions in the US and non-recurring impact recorded in 2014 due to the changes in cogeneration regulation.

… despite having recorded a more moderated EBITDA in the second quarter…

Quarterly EBITDA (MM €)



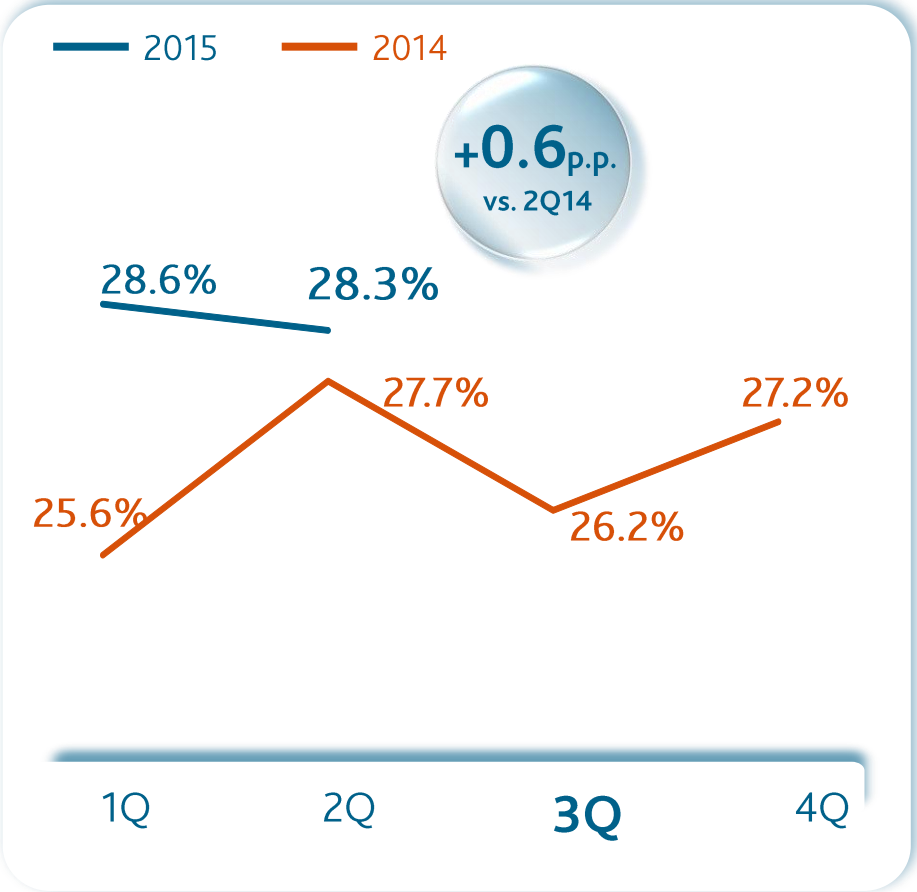
Organic EBITDA growth (%)

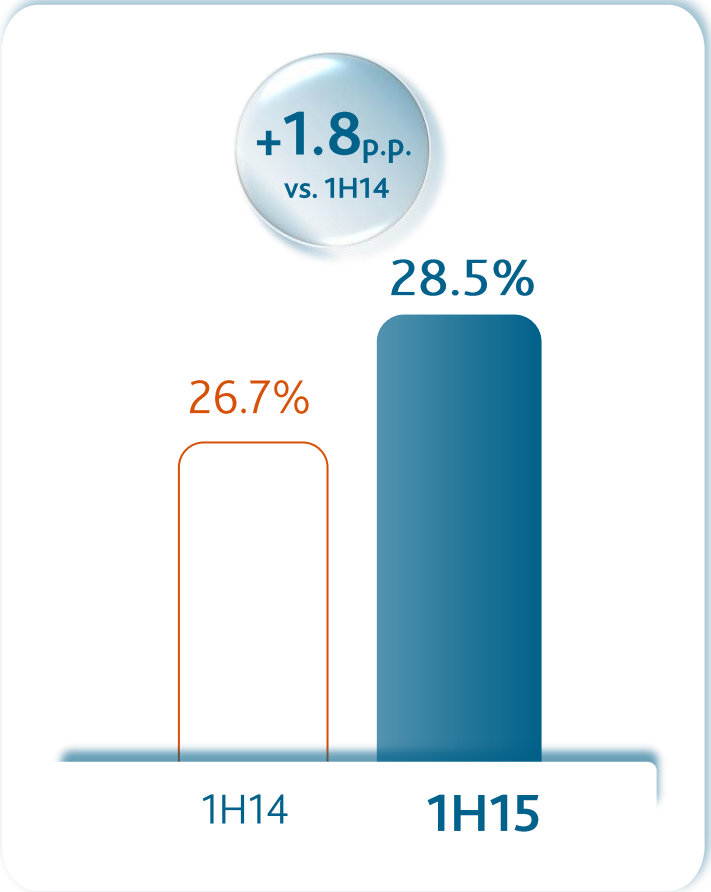


[1] Non-recurring figures include: a) In 1Q15. Outsourcing of pensions in the US: In the first quarter of 2015 an agreement was reached whereby the insurer Metropolitan Life Insurance Company (MetLife) undertakes the payment of the life annuities of pensioners under the "Hourly Employees" and "Salaried Employees" plans, accounting for a positive non-recurring impact of €2.4 million on operating profit and of €1.5 million on net profit. b) In 2Q14. Non-recurring additional impact registered in 2014 in Revenue, EBITDA and Net profit due to the modification of payment parameters for cogeneration published in the Ministerial Order in July, 2014 versus provisioned in 2013 under the publication of the Order dispatched by the secretary of State to the CNMC.

… thanks to EBITDA margin strength as opposed to higher volatility in 2014…

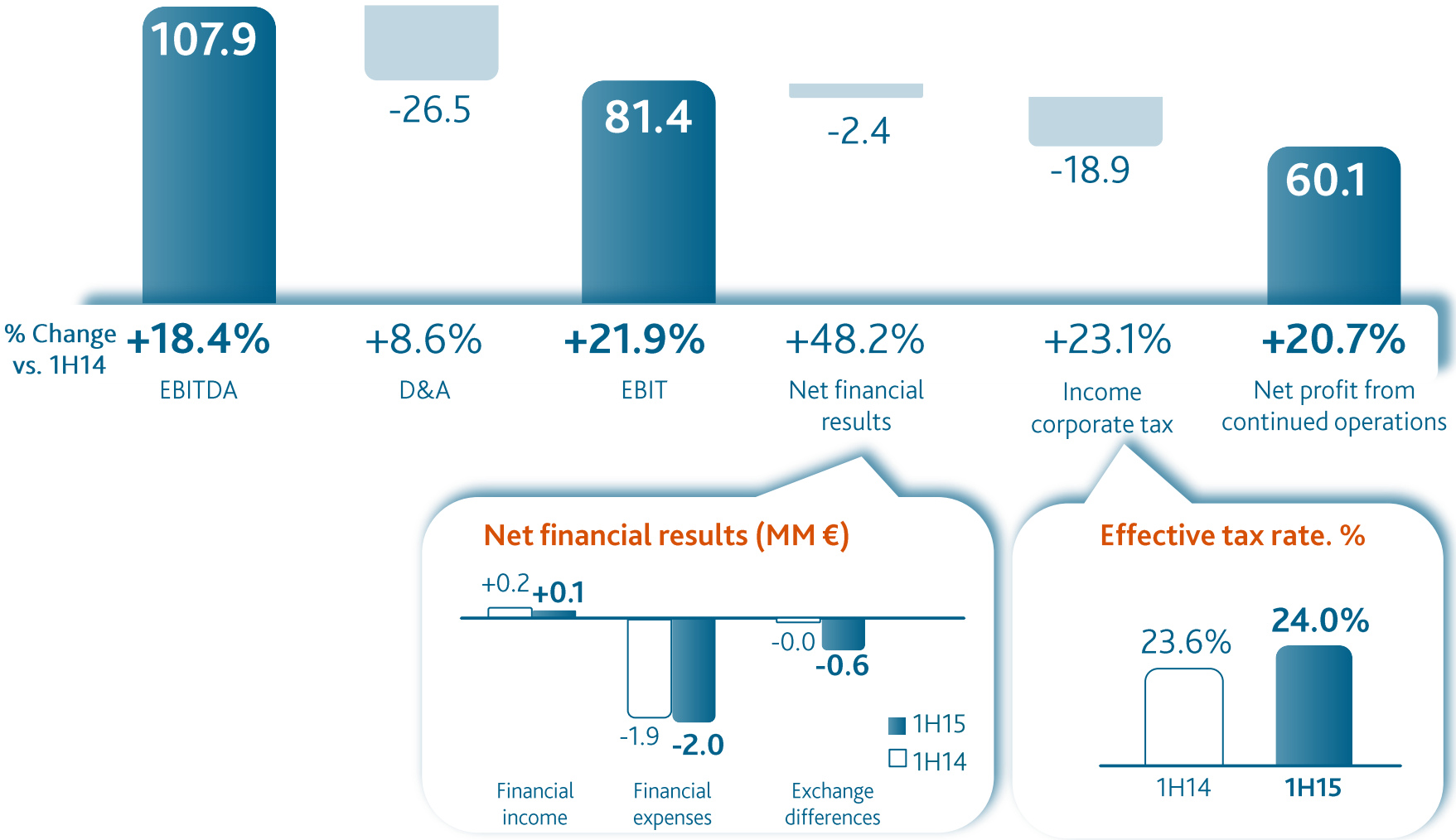
Recurring EBITDA Margin



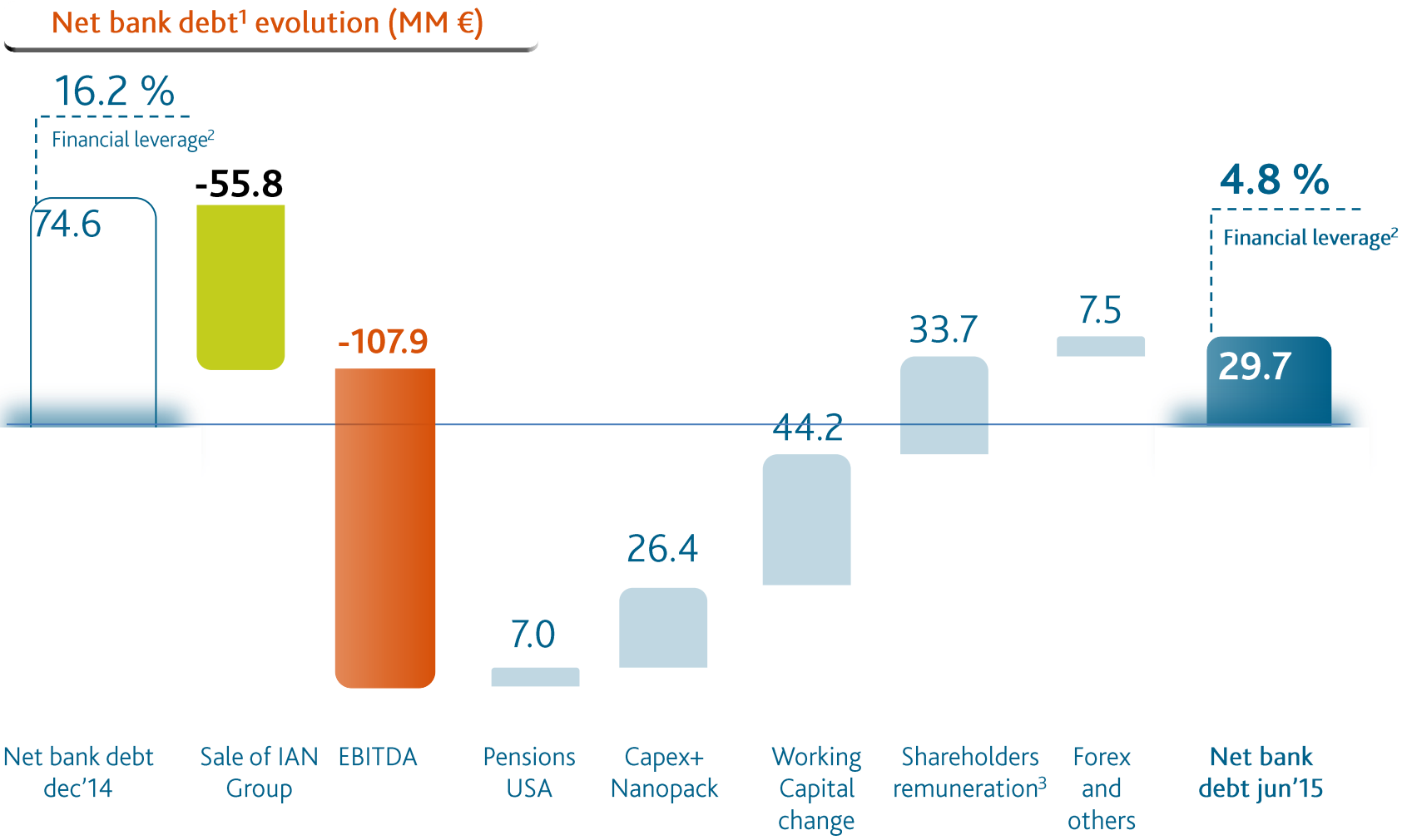


Margin improvement drives forward double digit growth in Net profit.

1H15. EBITDA → Net profit, breakdown in MM€



IAN disposal and operating cash flow strength to fund operations, increase dividends and reduce financial leverage.



[1] Net bank debt = long and short financial debt - cash and cash equivalents.
[2] Financial leverage = Net bank debt/Equity.
[3] It includes 0.724€ final dividend from 2014 paid in June 2015.

To wrap up

- ✓ **Viscofan Group´s organic growth** together with the strengthening of the main trading currencies drives to double digit growth from top to bottom line.
- ✓ **Solid global position** that permits to capture market growth as market conditions normalise.
- ✓ Greenfield operations consolidated and stable and tight control on expenses contribute to **margin expansion.**
- ✓ **Sound balance sheet** after increased dividends, investments on technology and growth, outsourcing of US pension funds and the sale of IAN Group.