Viscofan 40 YEARS
The casing company

Results

January-March 2015



23th April, 2015

1Q15 Results Highlights 1Q15

Growth in **consolidated revenue** for the quarter to €180.0MM.

+11.1%

+29.7%

EBITDA increased to €53.9MM, after +4.3 p.p. improvement in EBITDA margin to 29.9%, and +3.0 p.p. y-o-y to 28.6% EBITDA margin in recurring terms.

Net profit for the quarter **rose** to €30.4MM supported by operational strength and better exchange rates evolution.

+35.8%

€2.4MM

Non-cash operating profit due to **outsourcing of pensions in the US** that reduces the long term liability risk (€47.6MM).

Net Bank Debt was down to €15.5MM due to the collection of €55.8MM related with IAN disposal to Portobello Capital Gestión, S.G.E.C.R., S.A.

-79.2%

Double digit growth in key financial metrics…

Selected financial data (MM €)

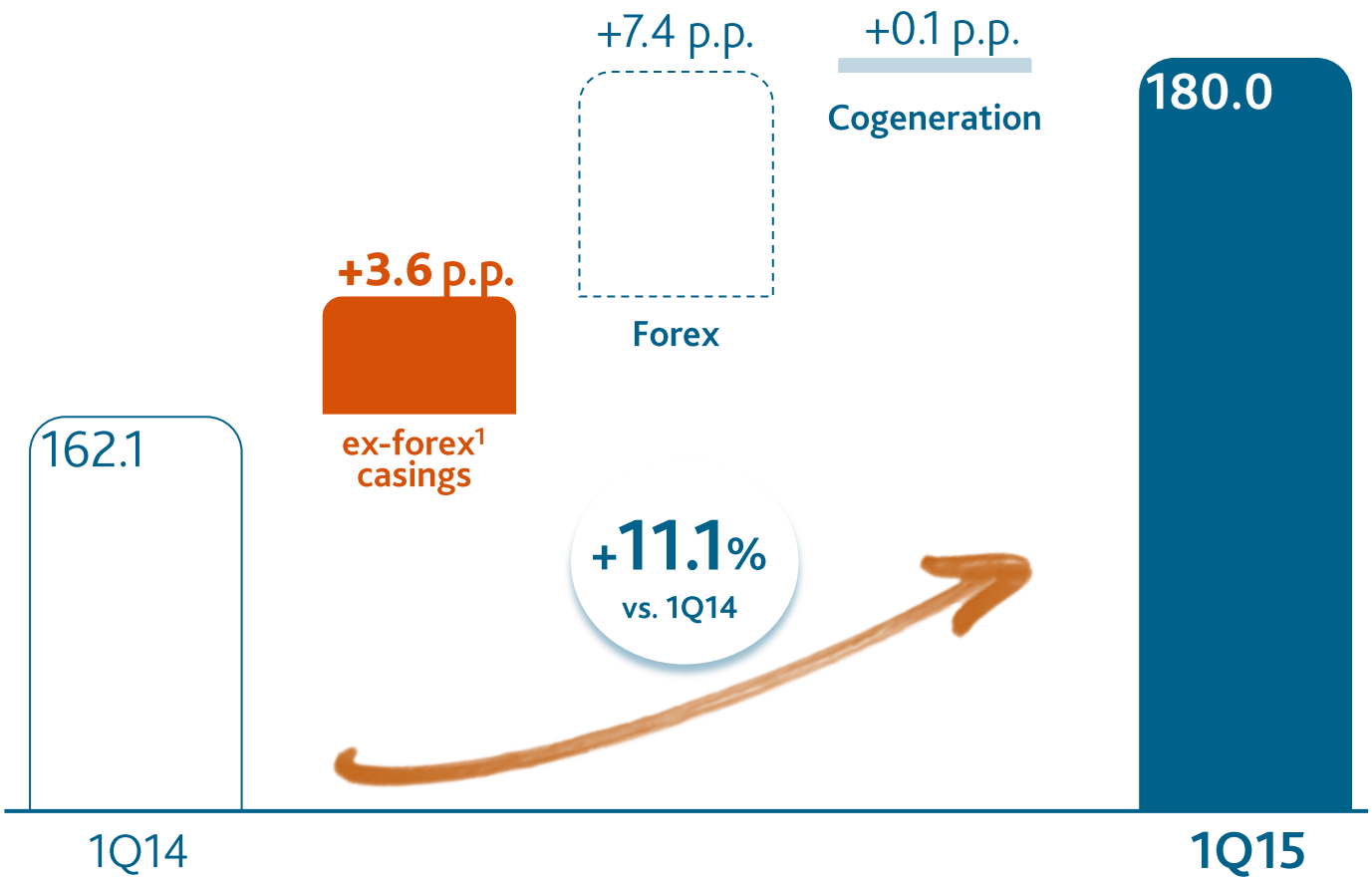
	1Q15	1Q14	% y-o-y	% y-o-y Ex-forex [2]
Revenues	180.0	162.1	+11.1%	+3.6%
Recurring EBITDA [1]	51.5	41.6	+24.0%	+12.6%
Recurring EBITDA margin [1]	*28.6%*	*25.6%*	*+3.0 p.p.*	*+2.2 p.p.*
Non recurring [1]	*2.4*	*-*	*n.s.*	
EBITDA	53.9	41.6	+29.7%	
EBITDA margin	*29.9%*	*25.6%*	*+4.3p.p.*	
EBIT	40.8	29.4	+38.6%	
Net profit from continued operations	30.0	21.9	+37.4%	
Net profit	30.4	22.4	+35.8%	

[1] 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. This deal implies the payment of €7 million in cash to the insurer, having discounted the assets under the plan, in exchange for eliminating this liability's risk, resulting in a positive non-recurring accounting impact of €2.4 million on operating profit and of €1.5 million on profit after tax.

[2] For comparative purposes, ex-forex growth includes 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.

… driven by organic revenue growth and the strength of main commercial currencies…

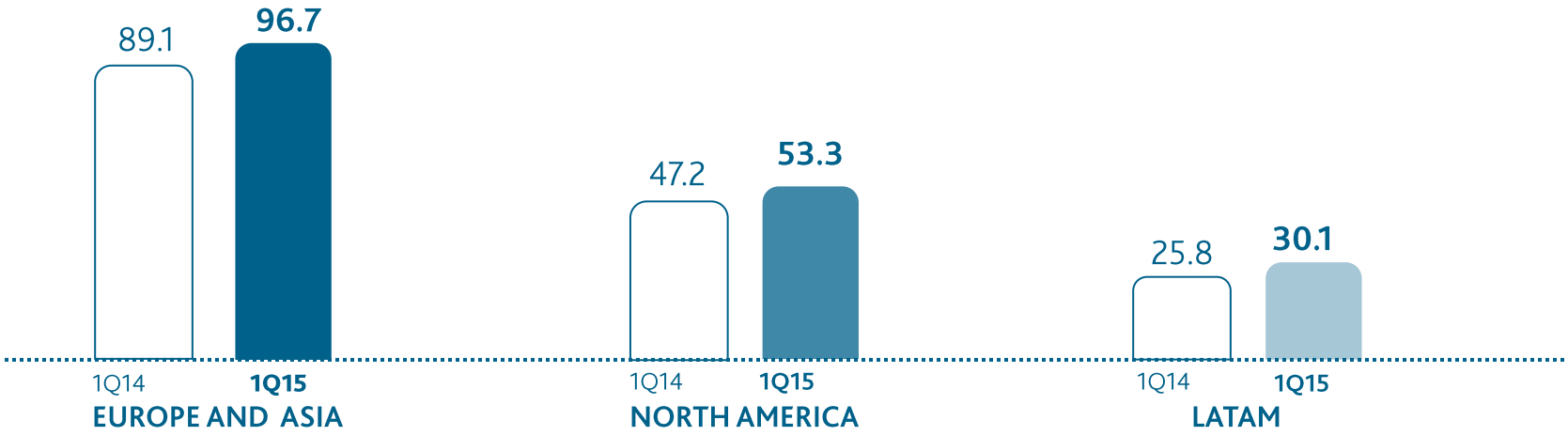
1Q15. Revenue evolution (MM €)

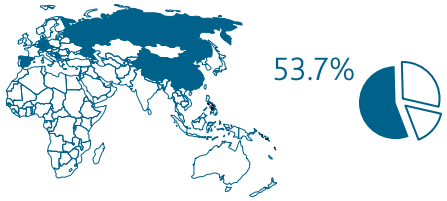


[1] For comparative purposes, ex-forex growth includes the impact of the different exchange rates applied in the consolidation of the financial statements and the impact of the USD variation in business transactions.

...led by organic growth in LATAM, Europe and Asia...

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





53.7%



29.6%



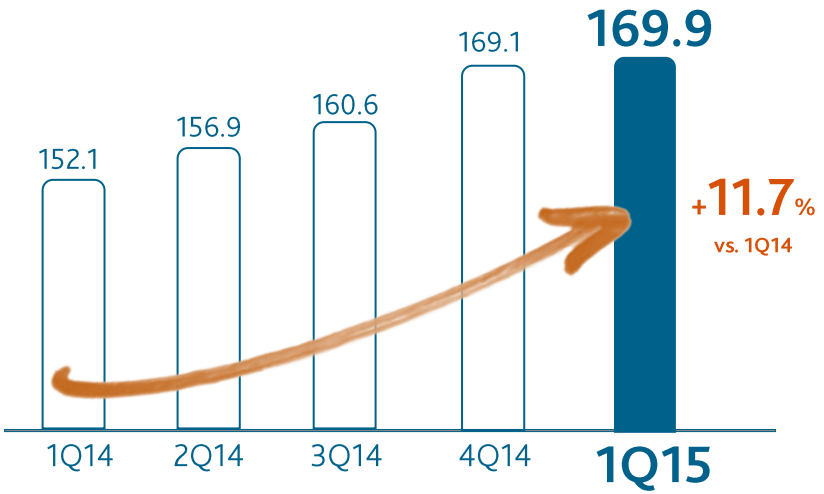
16.7%

[1] Revenues per origin of sales

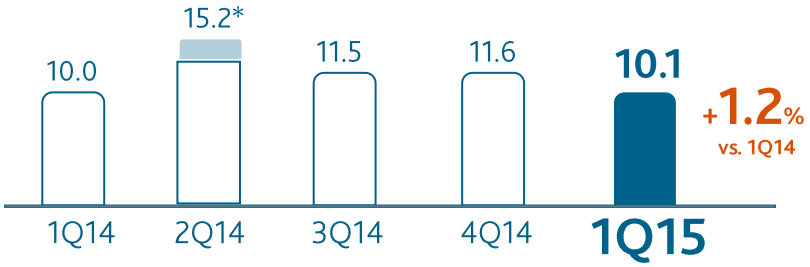
...enables a new quarterly growth

□ 2014 ■ 2015

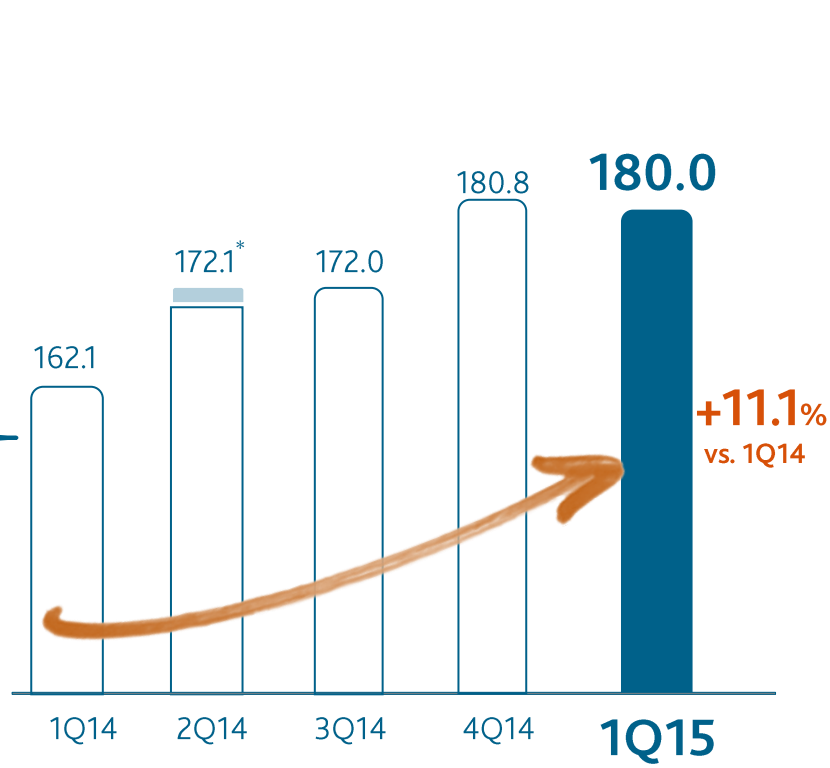
Sales of casings (MM €)



Cogeneration revenue (MM €)



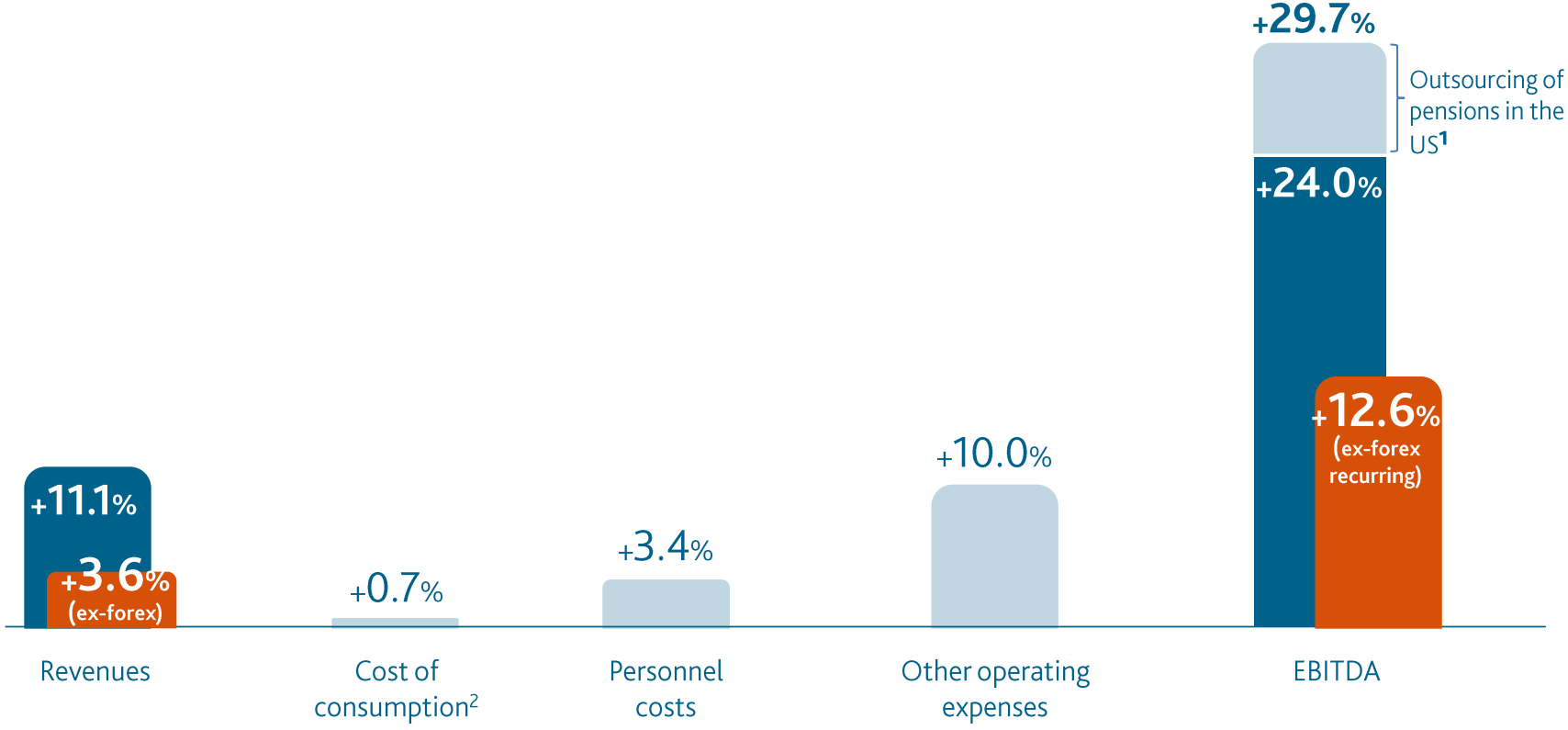
Total revenue Viscofan Group(MM €)



* The figures exclude 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.

Combination of organic growth and cost control…

% Year on year change

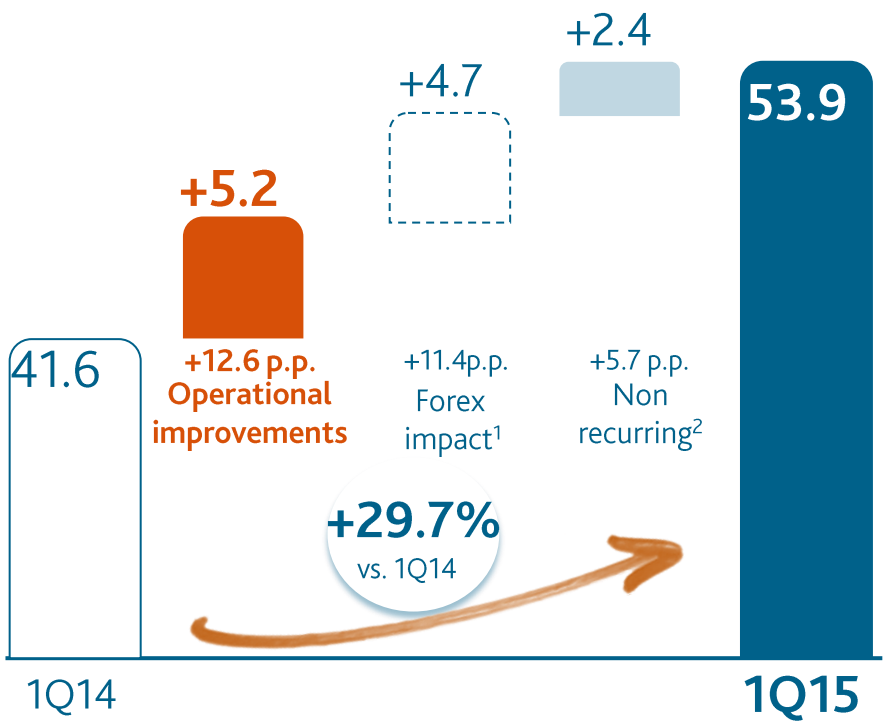


[1] Outsourcing of pensions in the US: Non-recurring accounting impact of €2.4 million on operating profit due to the externalization of pensions Hourly Employees and Salaried Employees in the US.

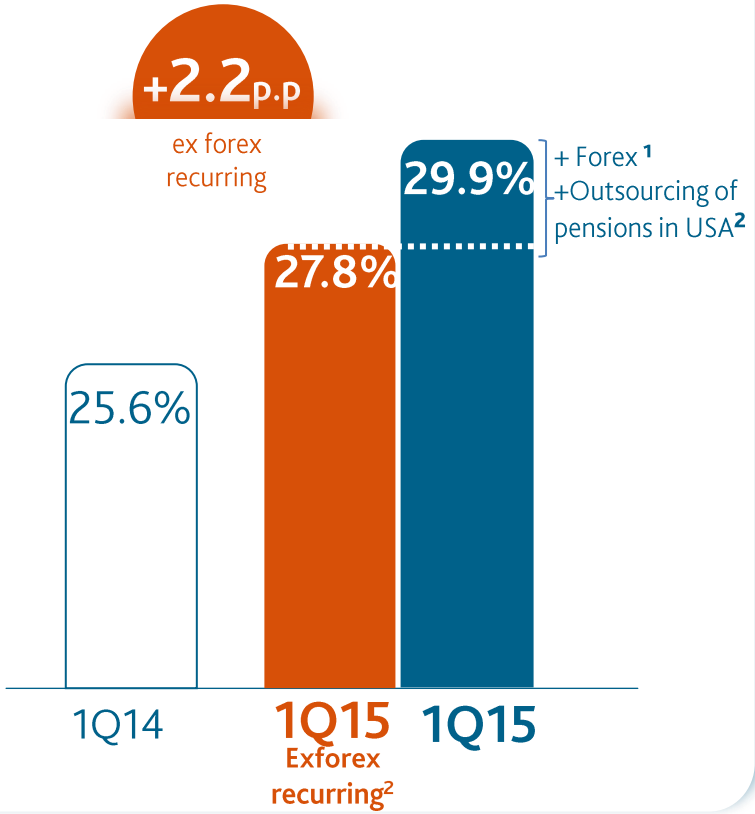
[2] Cost of consumption = Net purchases +/- Variation in stocks of finished products and work in progress.

… drives up organic EBITDA margin.

1Q15. EBITDA evolution breakdown(MM €)



EBITDA Margin (%)

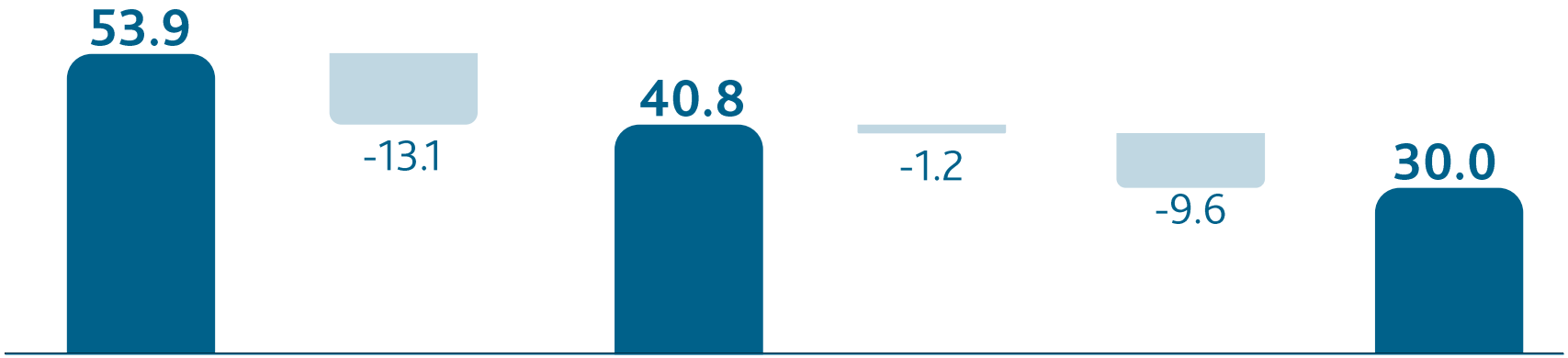


[1] For comparative purposes, ex-forex growth includes the impact of the different exchange rates applied in the consolidation of the financial statements and the impact of the USD variation in business transactions.

[2] Outsourcing of pensions in the US: Non-recurring operating profit of €2.4 million and €1.5 million net profit recorded in 1Q15 due to the outsourcing of the "Hourly Employees" and "Salaried Employees" pensions in the USA

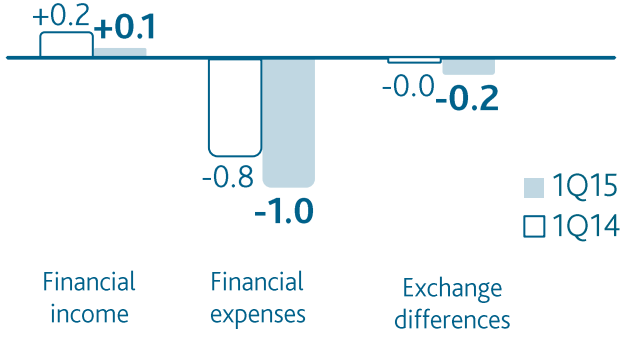
Double digit growth in Net profit supported by positive EBITDA performance

EBITDA → Net profit, breakdown in MM€

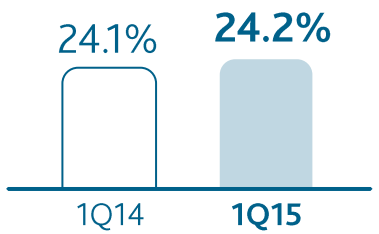


	EBITDA	D&A	EBIT	Net financial results	Income corporate tax	Net profit from continued operations
% change vs. 1Q14	**+29.7%**	+8.1%	**+38.6%**	+85.0%	+38.5%	**+37.4%**

Net financial results (MM €)

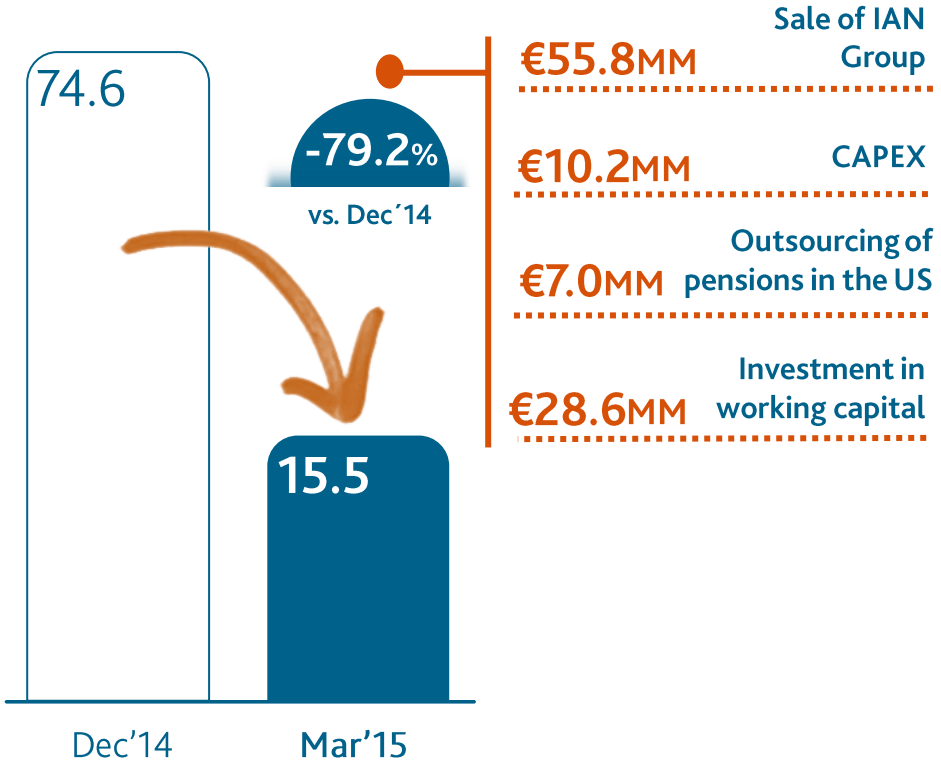


Effective tax rate. %

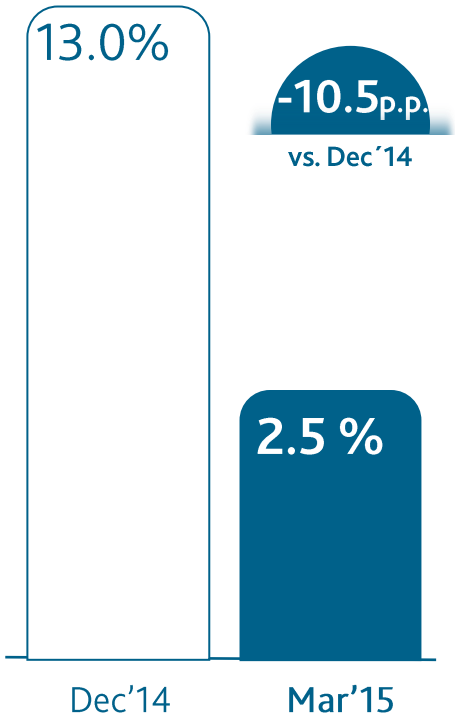


Strong Balance sheet strength and lowe risk associated with the pensions in US.

Net bank debt [1] evolution (MM €)



Financial leverage [2] (%)



[1] Net bank debt = long and short financial debt - cash and cash equivalents.
[2] Financial leverage = Net bank debt/Equity

To wrap up

- ✓ **Viscofan Group´s organic growth** together with the strengthening of the main trading currencies drives to double digit growth in main P&L figures.
- ✓ **EBITDA margin improvement** thanks to savings in raw materials and energy
- ✓ **Reducing risk associated with pension liabilities** in the USA and the management of non-core bussiness in Vegetable food
- ✓ Viscofan has a **strong balance sheet** to cope with optimism the medium and long term growth opportunities in the casings market.

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