Viscofan Group

Third Quarter Results

2001

Madrid, November 2001

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Profit and Loss: Third Quarter Figures

Million Euro	GROUP			CASINGS			VEGETABLES		
	3Q 01	Var. vs. 2Q 01	Var. vs. 3Q 00	3Q 01	Var. vs. 2Q 01	Var. vs. 3Q 00	3Q 01	Var. vs. 2Q 01	Var. vs. 3Q 00
Turnover	**99,72**	**-2,4%**	**1,0%**	**75,66**	**-2,5%**	**1,2%**	**24,06**	**-2,4%**	**0,7%**
EBITDA	17,13	5,5%	1,1%	14,84	1,2%	3,1%	2,29	46,8%	-10,1%
EBIT	9,23	22,1%	15,1%	7,90	19,5%	23,4%	1,33	40,0%	-17,7%
Net Financial Expenses	-2,95	-6,6%	0,3%	-2,13	-7,0%	-2,3%	-0,82	-5,7%	7,9%
Forex & Goodwill Amort.	-1,92	16,4%	-24,7%	-2,03	23,0%	79,3%	0,11	n.c.	n.c.
Ordinary Profit	4,46	68,3%	76,4%	3,83	48,4%	129,5%	0,63	687,5%	-26,9%
Profit Before Taxes	4,35	19,2%	85,7%	3,68	7,0%	159,5%	0,67	219,0%	-27,4%
Attributable Net Profit	**3,88**	**20,5%**	**58,8%**	**3,43**	**12,1%**	**97,7%**	**0,45**	**181,3%**	**-36,7%**

Profit and Loss: Nine Months Figures

Million Euro	GROUP			CASINGS			VEGETABLES		
	9/01	% of turnover	Var. vs. 9/00	9/01	% of turnover	Var. vs. 9/00	9/01	% of turnover	Var. vs. 9/00
Turnover	**292,10**	**100,0%**	**-1,6%**	**221,59**	**100,0%**	**-3,0%**	**70,51**	**100,0%**	**3,0%**
EBITDA	48,39	16,6%	-9,0%	43,08	19,4%	-7,9%	5,31	7,5%	-16,8%
EBIT	22,57	7,7%	-19,0%	19,32	8,7%	-18,1%	3,26	4,6%	-23,3%
Net Financial Expenses	-9,21	-3,2%	11,6%	-6,58	-3,0%	40,5%	-2,63	-3,7%	-0,2%
Forex & Goodwill Amort.	-4,74	-1,6%	-3,5%	-4,96	-2,2%	1,4%	0,22	0,3%	-83,3%
Ordinary Profit	8,63	3,0%	-41,2%	7,77	3,5%	-38,1%	0,86	1,2%	-59,6%
Profit Before Taxes	9,63	3,3%	-30,7%	8,49	3,8%	-26,4%	1,14	1,6%	-51,9%
Attributable Net Profit	**8,39**	**2,9%**	**-28,0%**	**7,59**	**3,4%**	**-24,0%**	**0,79**	**1,1%**	**-52,7%**

General Overview

- TURNOVER
  - Accumulated sales went 1,6% down vs. 2000, and 2,4% quarterly. It is necessary to point out that third quarter is, historically, the one with the lowest activity in the casings business, both from the production and from the demand side. The opposite happens in the vegetables business.
  - Companies wise, the parent company presents a 1% increase in nine month sales versus 2000.
  - Naturin recovers slowly from the sharp decrease in the European demand.
  - Viscofan Brasil reports a good sales performance (in spite of the Argentina´s crisis). Nevertheless, this good performance is partially offset by the local currency devaluation.
  - Viscofan USA continues with the announced improvement , reporting a 6% increase in accumulated sales compared to previous year.
- PROFIT
  - Margins continue improving quarterly, mainly due to lower raw material cost increase and less price competition.
  - Quarterly wise, the vegetables business reports a significant margin improvement, with a 40% increase in operating profit, mainly due to the fruit and tomato campaigns.
  - Third quarter attributable profit is 20% higher than second quarter´s, and 58% higher than third quarter of 2000´s, bringing the accumulated decrease to -28% from -51% in previous quarter.

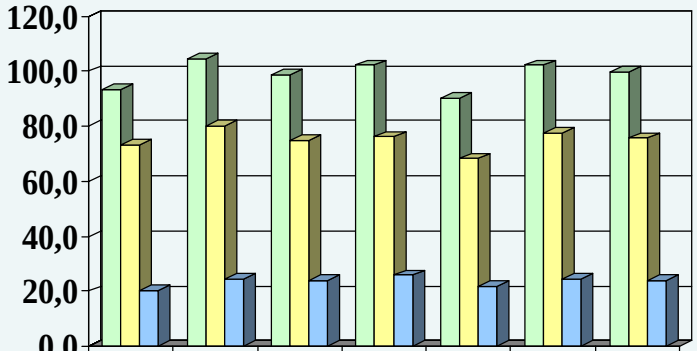
- BALANCE SHEET
  - Net debt is 9 million Euro lower than second quarter´s. The main reasons behind are the better working capital management and a drop in capital expenditure.

Turnover Evolution

Accumulated Group sales are 1,6% lower than 2000´s. Third quarter figures are 1% higher than the same period´s in 2000. Accumulated Vegetables sales are 3% higher than 2000´s.

Million Euro

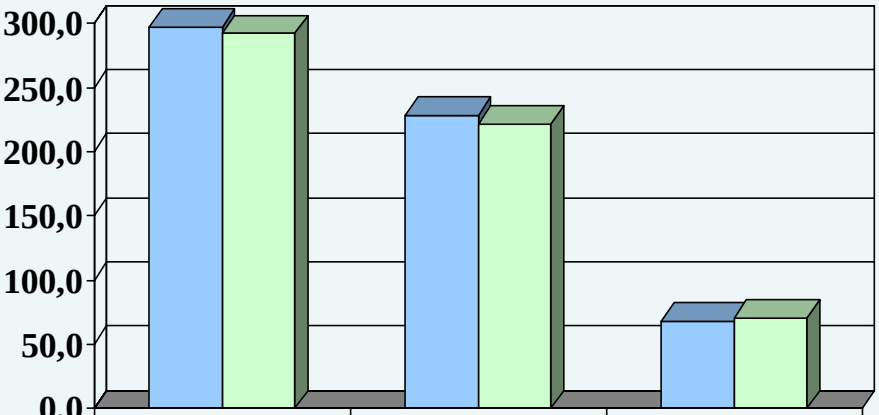
QUARTERLY EVOLUTION



	1Q 2000	2Q 2000	3Q 2000	4Q 2000	1Q 2001	2Q 2001	3Q 2001
Group	93,5	104,7	98,7	102,1	90,2	102,2	99,7
Casings	73,3	80,2	74,8	76,2	68,3	77,6	75,7
Vegetables	20,1	24,4	23,9	25,9	21,8	24,6	24,1

Million Euro

ACCUMULATED FIGURES



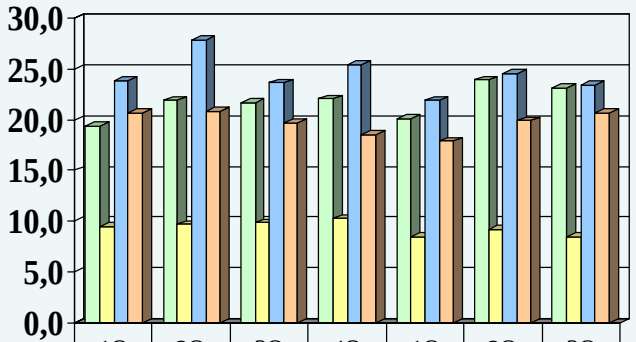
	Group	Casings	Vegetables
sep-00	296,8	228,4	68,4
sep-01	292,1	221,6	70,5

Turnover Evolution: Geographical contribution (*)

US confirms its positive progress, and Western Europe recovers slowly from a hard first half of the year, as indicated in previous quarterly reports. Brasil is suffering from the local currency devaluation.

Million Euro

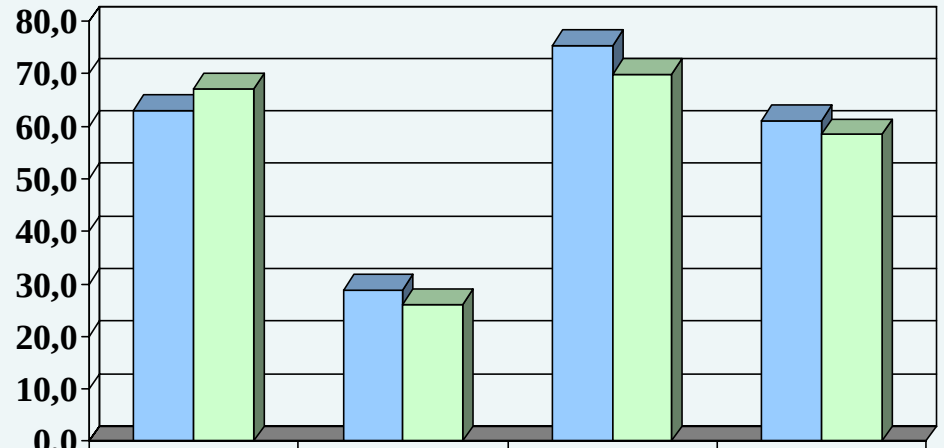
QUARTERLY EVOLUTION



	1Q 2000	2Q 2000	3Q 2000	4Q 2000	1Q 2001	2Q 2001	3Q 2001
Northamerica	19,4	21,9	21,7	22,1	20,1	23,9	23,1
Southamerica	9,4	9,7	9,8	10,2	8,5	9,2	8,5
Central Europe	23,9	27,9	23,7	25,4	21,9	24,6	23,4
Western Europe	20,6	20,8	19,7	18,5	17,9	19,9	20,7

Million Euro

ACCUMULATED FIGURES



	Northamerica	Southamerica	Central Europe	Western Europe
sep-00	63,0	28,9	75,4	61,1
sep-01	67,2	26,1	69,9	58,4

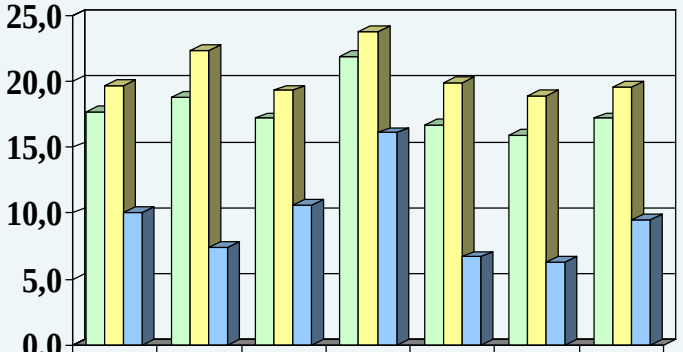
(*) Casings Business

EBITDA Evolution

Margins are recovering from first half raw material costs increases, clearly improving from the second quarter´s levels. The vegetables business presents the strongest recovery, due to the third quarter fruit and tomato campaigns.

% on sales

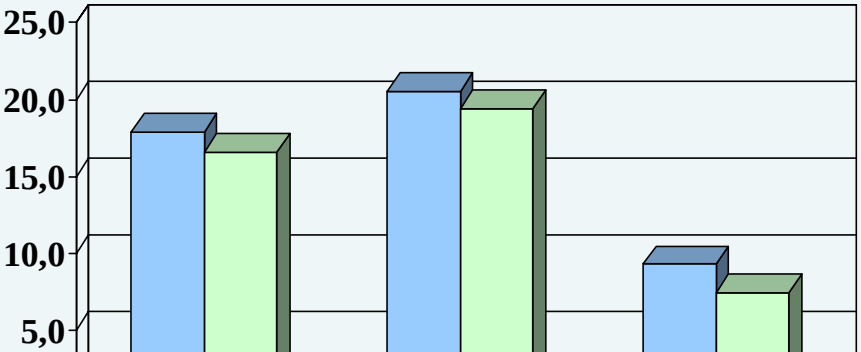
QUARTERLY EVOLUTION



	1Q 2000	2Q 2000	3Q 2000	4Q 2000	1Q 2001	2Q 2001	3Q 2001
Group	17,7	18,8	17,2	21,9	16,7	15,9	17,2
Casings	19,7	22,3	19,3	23,8	19,9	18,9	19,6
Vegetables	10,1	7,4	10,6	16,1	6,7	6,3	9,5

% on sales

ACCUMULATED FIGURES



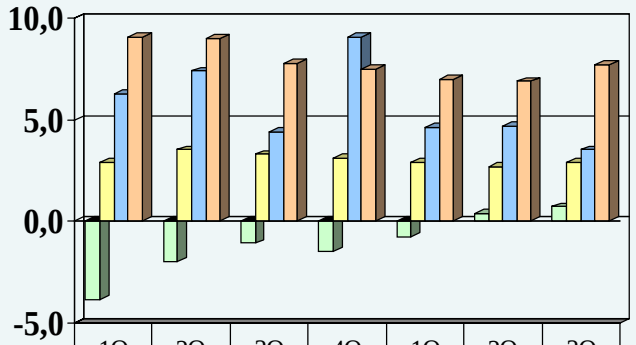
	Group	Casings	Vegetables
sep-00	17,9	20,5	9,3
sep-01	16,6	19,4	7,5

EBITDA Evolution: Geographical contribution(*)

EBITDA figures present a general improvement, with the exception of Central Europe. It is necessary to point out the recovery in Northamerica, mainly due to Viscofan USA. Southamerica presents better figures than last quarter in spite of the Argentina´s crisis and the Brasilian´s currency devaluation.

Million Euro

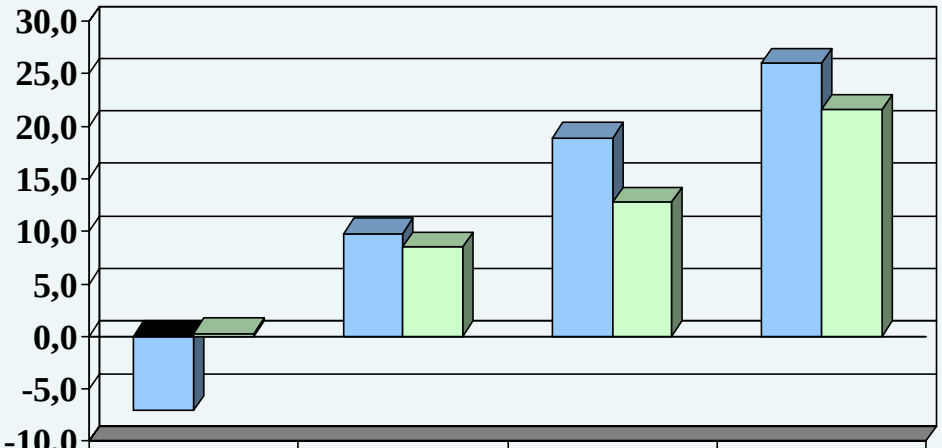
QUARTERLY EVOLUTION



	1Q 2000	2Q 2000	3Q 2000	4Q 2000	1Q 2001	2Q 2001	3Q 2001
Northamerica	-3,9	-2,0	-1,1	-1,5	-0,8	0,4	0,7
Southamerica	2,9	3,5	3,3	3,1	2,9	2,7	2,9
Central Europe	6,3	7,4	4,4	9,1	4,6	4,7	3,5
Western Europe	9,1	9,0	7,8	7,5	7,0	6,9	7,7

Million Euro

ACCUMULATED FIGURES



	Northamerica	Southamerica	Central Europe	Western Europe
sep-00	-7,1	9,8	18,9	26,0
sep-01	0,3	8,5	12,8	21,6

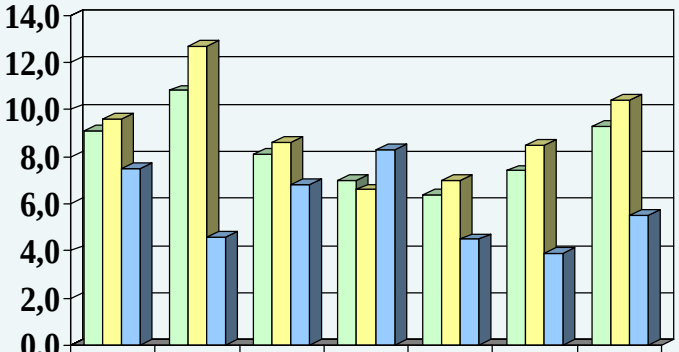
(*) Casings Business

EBIT Evolution

Increasing volumes are reducing net margin gaps comparing to 2000. Quarterly wise, the net margin improvement for casings and for the whole group, brings the percentage of EBIT above second quarter´s and 2000 third quarter´s figures.

% on sales

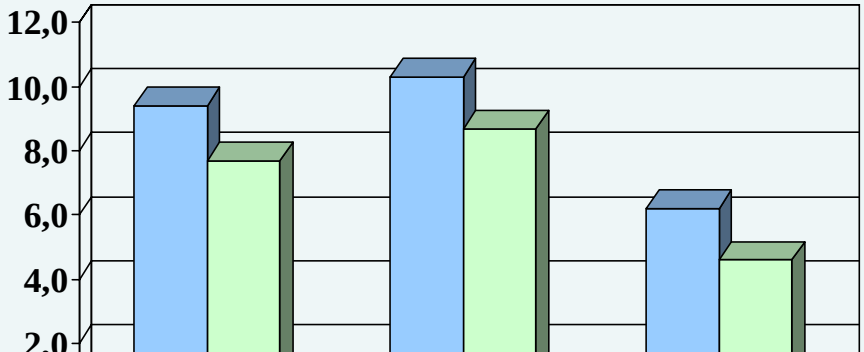
QUARTERLY EVOLUTION



	1Q 2000	2Q 2000	3Q 2000	4Q 2000	1Q 2001	2Q 2001	3Q 2001
Group	9,1	10,8	8,1	7,0	6,4	7,4	9,3
Casings	9,6	12,7	8,6	6,6	7,0	8,5	10,4
Vegetables	7,5	4,6	6,8	8,3	4,5	3,9	5,5

% on sales

ACCUMULATED FIGURES

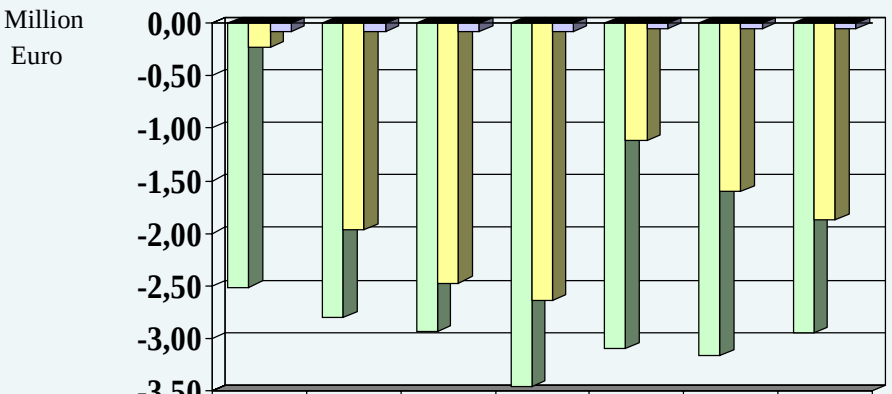


	Group	Casings	Vegetables
sep-00	9,4	10,3	6,2
sep-01	7,7	8,7	4,6

Financial Result Evolution

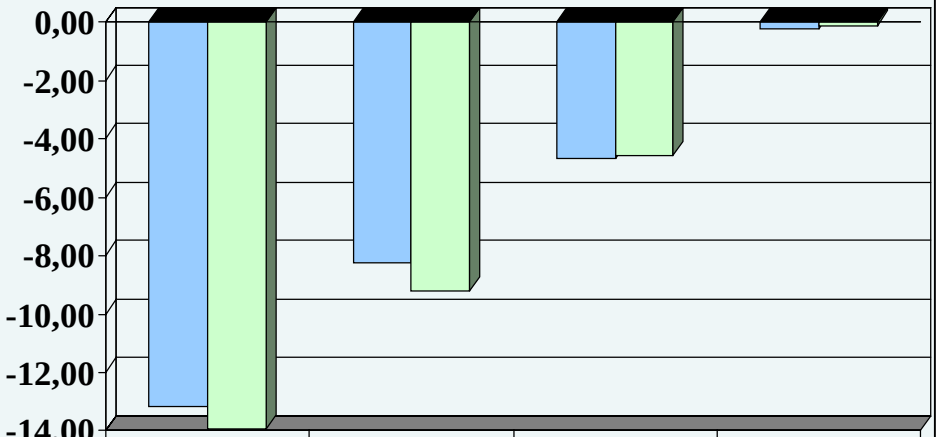
Quarterly wise, net financial expenses are lower than second quarter´s (*) (-6%, due to debt decrease and lower interest rates, see balance sheet page) whereas foreign exchange losses are higher (+16%). The combined outcome is a slight increase in negative financial result (+1%, compared to second quarter and +6% in nine months versus same period in 2000.)

FINANCIAL RESULT BREAKDOWN: QUARTERLY EVOLUTION



	1Q 2000	2Q 2000	3Q 2000	4Q 2000	1Q 2001	2Q 2001	3Q 2001
Net Financ.Exp	-2,51	-2,80	-2,94	-3,46	-3,10	-3,16	-2,95
Forex	-0,23	-1,97	-2,47	-2,64	-1,12	-1,60	-1,87
Goodwill Amort.	-0,08	-0,08	-0,08	-0,08	-0,05	-0,05	-0,05

FINANCIAL RESULT BREAKDOWN: ACCUM. FIGURES



	Financial Result	Net Financ.Exp	Forex	Goodwill Amort.
sep-00	-13,17	-8,25	-4,67	-0,24
sep-01	-13,95	-9,21	-4,60	-0,14

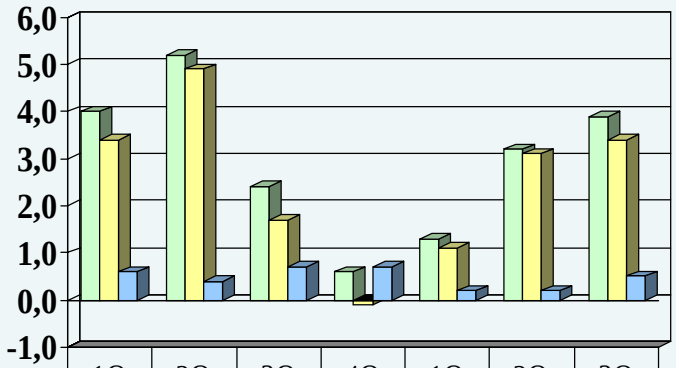
(*) Net Financial Expenses: Financial Expenses - Financial Income

Net Profit and ROE Evolution

In spite of the third quarter´s net profit improvement versus previous quarter (+20% in a seasonal lower volume period), accumulated figure is 28% lower than 2000. Nevertheless, a clear trend in reduction in the negative difference is seen. Quarterly wise, net profit is 58% higher than third quarter of 2000´s.

Million Euro

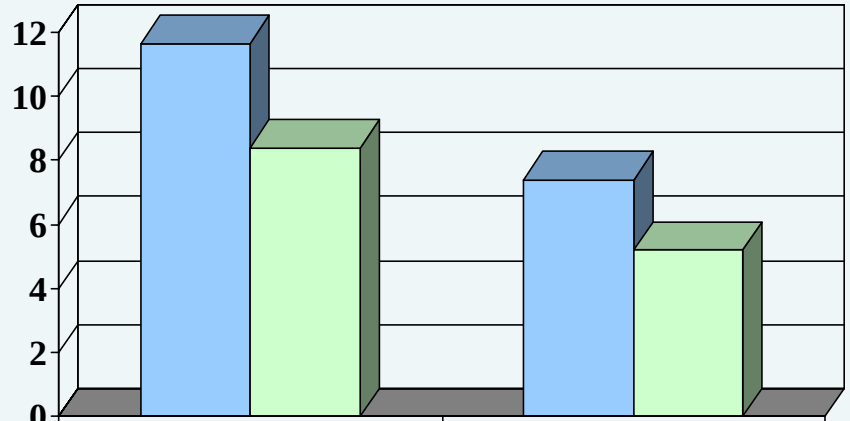
NET PROFIT: QUARTERLY EVOLUTION



	1Q 2000	2Q 2000	3Q 2000	4Q 2000	1Q 2001	2Q 2001	3Q 2001
Group	4,0	5,2	2,4	0,6	1,3	3,2	3,9
Casings	3,4	4,9	1,7	-0,1	1,1	3,1	3,4
Vegetables	0,6	0,4	0,7	0,7	0,2	0,2	0,5

Million Euro and %

NET PROFIT AND ROE: ACCUMULATED FIGURES



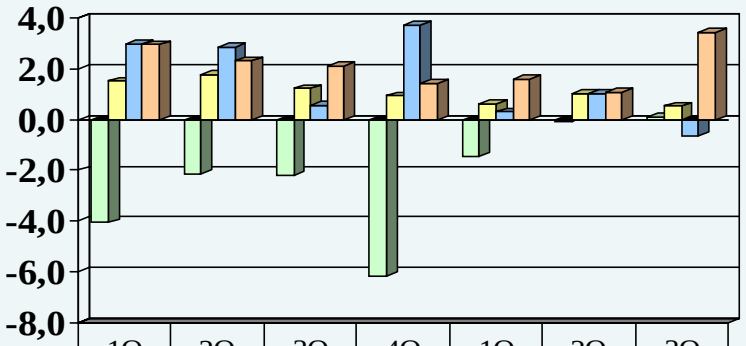
	Net Profit	% ROE (annualized)
sep-00	11,65	7,4
sep-01	8,39	5,2

Net Profit Evolution: Geographical contribution(*)

Regions wise, the best evolution corresponds to US and, particularly, to Western Europe. Brazil is suffering the Argentina´s crisis and the local currency devaluation, and Germany is facing the weakness in demand and some negative extraordinary results.

Million Euro

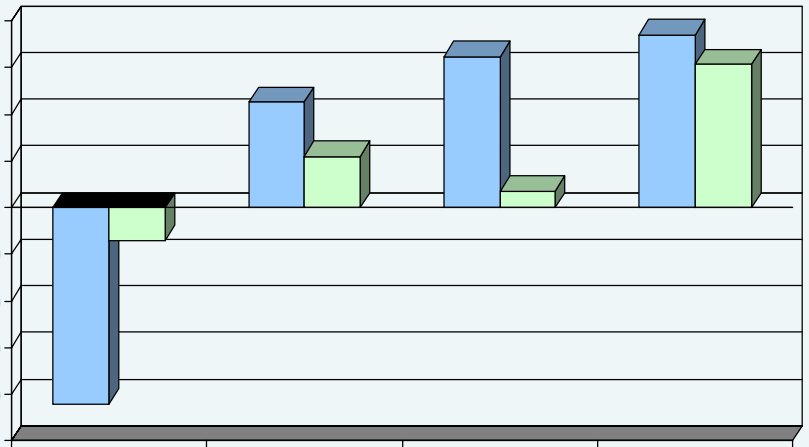
QUARTERLY EVOLUTION



	1Q 2000	2Q 2000	3Q 2000	4Q 2000	1Q 2001	2Q 2001	3Q 2001
Northamerica	-4,1	-2,1	-2,2	-6,2	-1,5	-0,1	0,1
Southamerica	1,5	1,8	1,2	0,9	0,6	1,0	0,5
Central Europe	3,0	2,9	0,6	3,7	0,3	1,0	-0,6
Western Europe	3,0	2,3	2,1	1,4	1,6	1,1	3,4

Million Euro

ACCUMULATED FIGURES



	Northamerica	Southamerica	Central Europe	Western Europe
sep-00	-8,4	4,5	6,5	7,4
sep-01	-1,4	2,2	0,7	6,1

(*) Casings Business

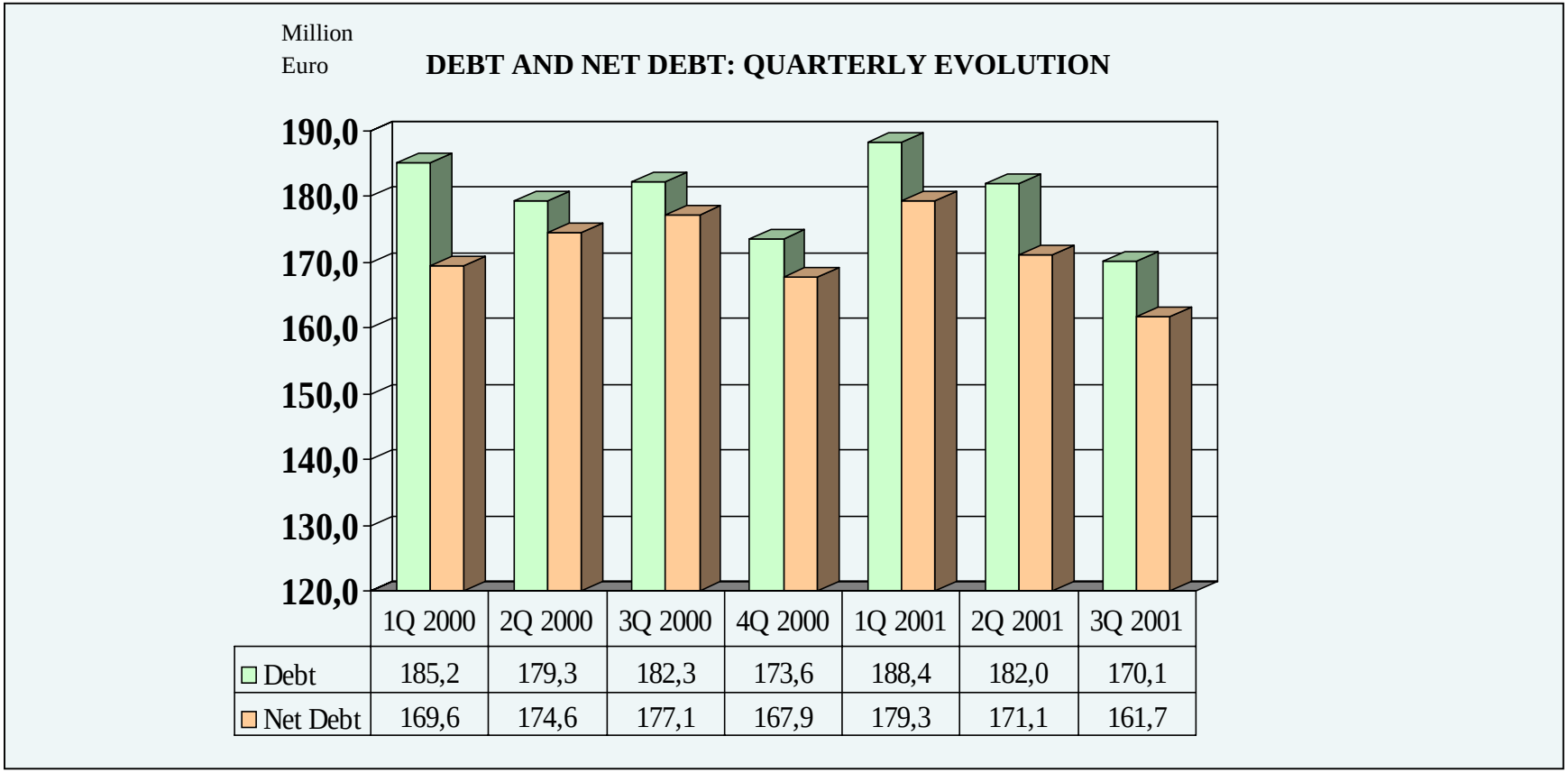
Balance Sheet Evolution

Net gearing is lowering to 80% of Equity, with a 9 million Euro decrease in net debt versus previous quarter.

Million Euro	GROUP			CASINGS			VEGETABLES		
	9/01	6/01	9/00	9/01	6/01	9/00	9/01	6/01	9/00
Goodwill	0,3	0,3	0,5	0,3	0,3	0,5	0,0	0,0	0,0
Intangible assets	10,5	11,7	8,1	7,6	8,2	7,0	2,9	3,4	1,1
Tangible assets	229,6	241,5	261,5	210,7	222,0	241,1	18,9	19,4	20,4
Financial assets	1,0	1,0	1,0	1,0	1,0	1,0	0,0	0,0	0,0
Working Capital	157,3	160,5	160,8	110,4	109,7	111,7	46,9	50,8	49,1
EMPLOYED CAPITAL	**398,7**	**415,0**	**432,0**	**329,9**	**341,3**	**361,3**	**68,8**	**73,7**	**70,7**
Equity	201,7	206,6	216,1	175,7	180,3	191,7	26,0	26,2	24,4
Minorities	0,1	0,1	0,1	0,1	0,1	0,1	0,0	0,0	0,0
Provisions	22,2	22,8	21,5	22,2	22,8	21,5	0,0	0,0	0,0
Net Debt	161,7	171,1	177,1	120,4	125,1	132,0	41,3	46,0	45,0
Other	12,9	14,4	17,3	11,5	13,0	16,0	1,4	1,5	1,3
INVESTED CAPITAL	**398,7**	**415,0**	**432,0**	**329,9**	**341,3**	**361,3**	**68,8**	**73,7**	**70,7**

Gearing and Debt Evolution

The gearing reduction trend is confirmed, with a 9 million Euro decrease in net debt versus second quarter. Net debt is in the lowest level of the last 3 years.



	1Q 2000	2Q 2000	3Q 2000	4Q 2000	1Q 2001	2Q 2001	3Q 2001
Debt	185,2	179,3	182,3	173,6	188,4	182,0	170,1
Net Debt	169,6	174,6	177,1	167,9	179,3	171,1	161,7