Viscofan Group

2002 First Quarter Results

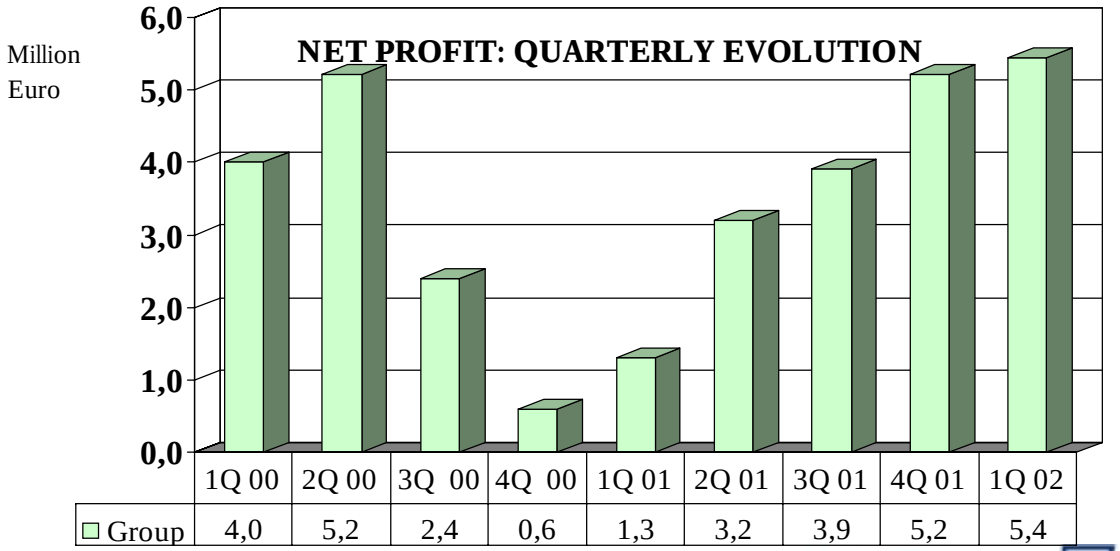
May 2002

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2002 First Quarter Results

Million Euro	GROUP		CASINGS		VEGETABLES	
	1Q 02	Var. vs. 1Q 01	1Q 02	Var. vs. 1Q 01	1Q 02	Var. vs. 1Q 01
Turnover	**98,99**	**9,8%**	**77,44**	**13,3%**	**21,55**	**-1,2%**
EBITDA	19,03	26,6%	18,07	33,1%	0,97	-34,1%
EBIT	7,55	30,7%	7,05	46,6%	0,50	-48,2%
Net Financial Expenses	-1,93	-37,7%	-1,23	-42,9%	-0,70	-0,3%
Forex and Goodwill Amort.	0,29	124,8%	0,28	121,6%	0,01	0,0%
Ordinary Profit	5,91	291,1%	6,09	348,5%	-0,18	-214,3%
Profit Before Taxes	6,43	295,4%	6,35	364,7%	0,07	-72,1%
Attributable Net Profit	**5,43**	**324,6%**	**5,43**	**396,7%**	**0,00**	**-98,9%**



General Overview

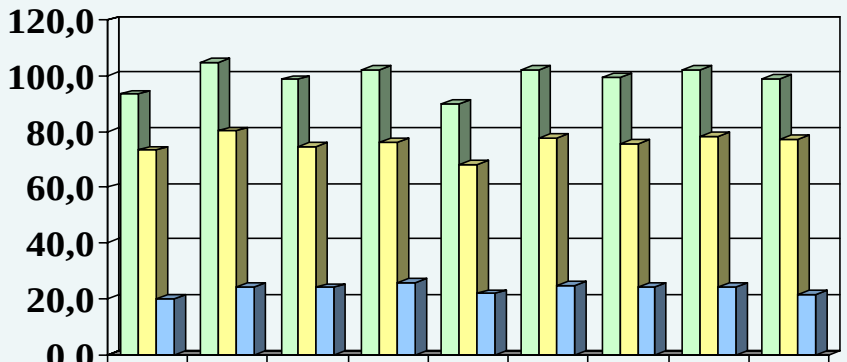
- Industry confirmed its stabilisation during first quarter of 2002. Volumes recovered and some products showed price increases, reflecting the improvement in the competitive situation
- First quarter Group´s results show the continuing in the improvement trend started in 2001. The level of reported attributable profit can be considered as more normalised , reflecting more properly the “cruise speed” level of earnings for the Group.
- Consolidated sales were 10% higher than 1Q01´s, mainly fuelled by the good performance of the casings division, as a result of higher volumes and better price environment.
- Casings margins continued improving, reporting better figures than 4Q01´s and, especially, than 1Q01´s. The vegetables division reflects the effect of some one-off costs derived from the launching of new applications.
- Financial results showed an outstanding improvement, due to a strong reduction in financial expenses and to forex results that show positive figures for two consecutive quarters.
- Attributable net profit clearly beats 1Q01´s and is even higher than 4Q01´s, reaching levels that can be considered within the “normal” range of results for the company. It is the aim of the Group to keep the figures stabilised around these levels, assuming logical business cyclical quarterly variations.

Turnover Evolution

Consolidated sales were 9,8% higher than 1Q01´s, as a result of the increase in casing sales (+13,3%), fuelled by a good currency environment, and the slight reduction in vegetables´s (-1,2%).

Million Euro

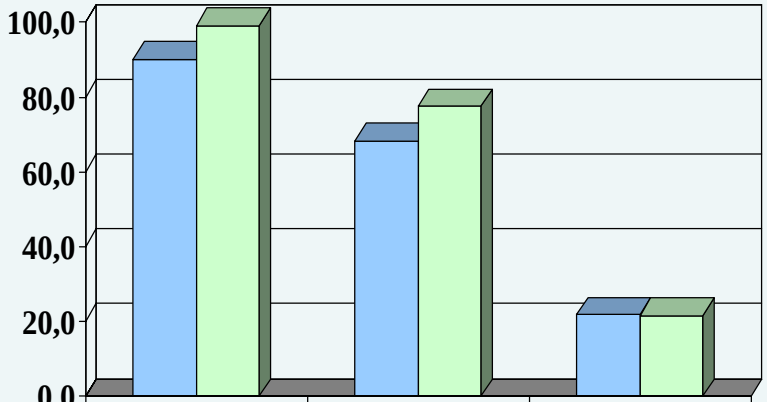
QUARTERLY EVOLUTION



	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02
Group	93,5	104,	98,7	102,	90,2	102,	99,7	102	99,0
Casings	73,3	80,2	74,8	76,2	68,4	77,6	75,7	78,4	77,4
Vegetables	20,1	24,4	23,9	25,9	21,8	24,6	24,1	24,0	21,5

Million Euro

ACCUMULATED FIGURES



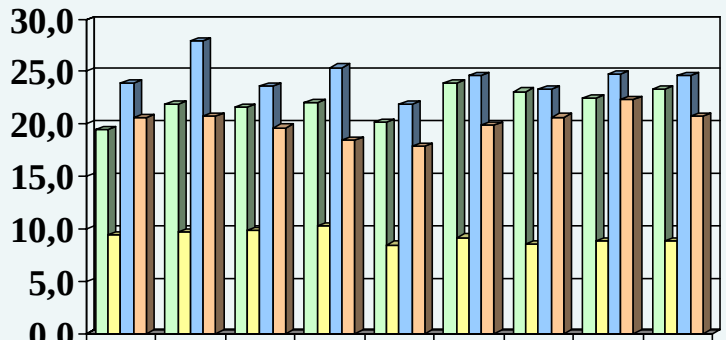
	Group	Casings	Vegetables
3M 01	90,2	68,4	21,8
3M 02	99,0	77,4	21,5

Turnover Evolution: Geographical Contribution (*)

Sales improved almost worldwide, being Northamerica (+16%) and Western Europe (+15%) the best areas. Central Europe´s sales recovered sharply from the strong impact that BSE caused in 1Q01.

Million Euro

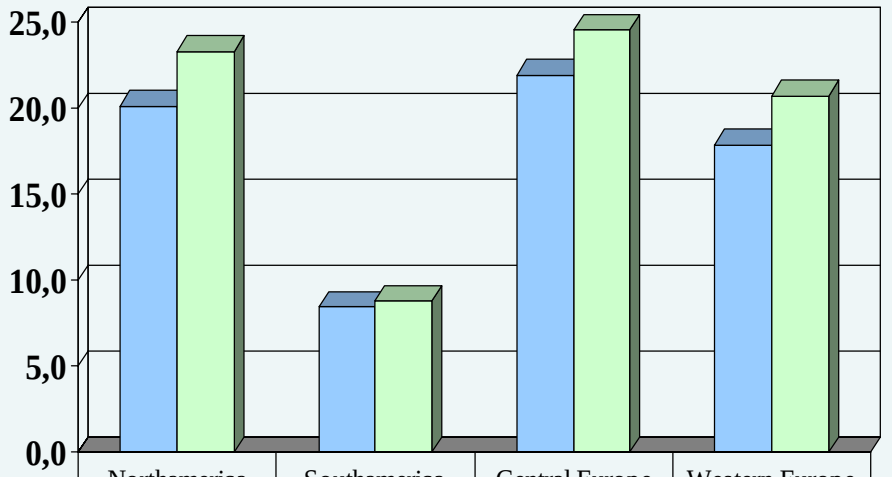
QUARTERLY EVOLUTION



	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02
Northamerica	19,4	21,9	21,7	22,1	20,1	23,9	23,1	22,5	23,3
Southamerica	9,4	9,7	9,8	10,2	8,5	9,2	8,5	8,9	8,8
Central Europe	23,9	27,9	23,7	25,4	21,9	24,6	23,4	24,7	24,6
Western Europe	20,6	20,8	19,7	18,5	17,9	19,9	20,7	22,3	20,7

Million Euro

ACCUMULATED FIGURES



	Northamerica	Southamerica	Central Europe	Western Europe
3M 01	20,1	8,5	21,9	17,9
3M 02	23,3	8,8	24,6	20,7

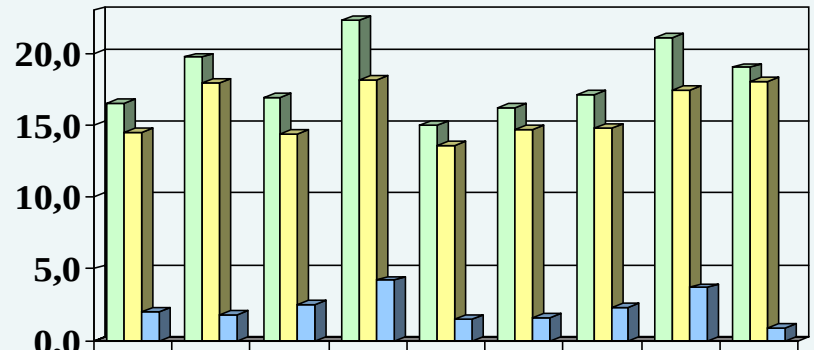
(*) Casing Business

EBITDA Evolution

Casings division´s EBITDA was over 18 million Euro, figures that hadn´t been reached since the end of 2000. Vegetables division reported much lower figures than normal, partly caused by the one-off costs of the launching of new applications.

QUARTERLY EVOLUTION

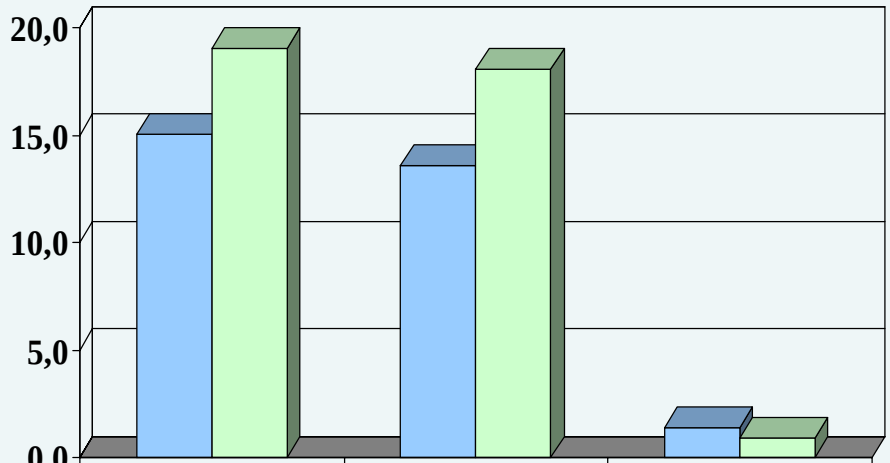
Million Euro



	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02
Group	16,5	19,7	16,9	22,3	15,0	16,2	17,1	21,1	19,0
Casings	14,5	17,9	14,4	18,2	13,6	14,7	14,8	17,4	18,1
Vegetables	2,0	1,8	2,5	4,2	1,5	1,6	2,3	3,7	0,9

ACCUMULATED FIGURES

Million Euro



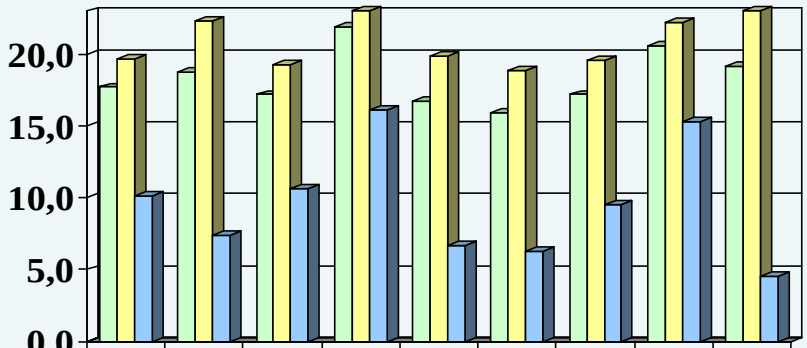
	Group	Casings	Vegetables
3M 01	15,0	13,6	1,4
3M 02	19,0	18,1	0,9

% EBITDA Evolution

Casings´ margins continued with the improvement trend, as a result of a better price environment, a good currency performance, and, especially as a result of the cost cutting and efficiency increase programs started in 2001. Consolidated margin (19,2%) is 1,6 points higher than full 2001´s. It is foreseeable a stabilisation around these levels.

QUARTERLY EVOLUTION

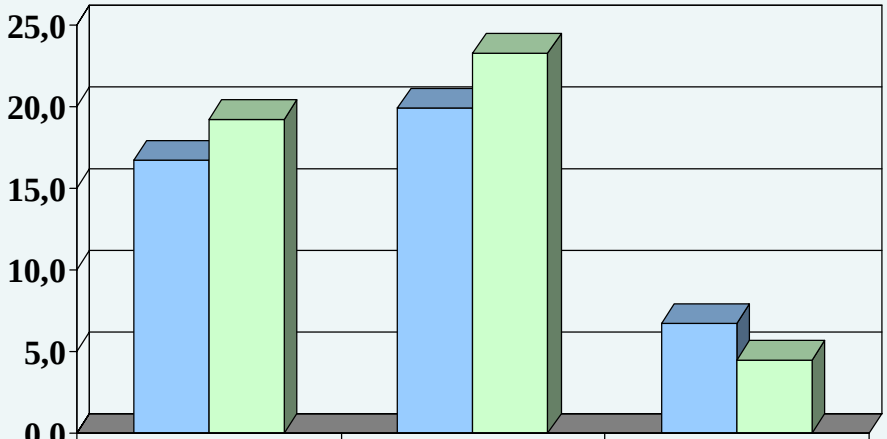
% on sales



	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02
Group	17,7	18,8	17,2	21,9	16,7	15,9	17,2	20,6	19,2
Casings	19,7	22,3	19,3	23,8	19,9	18,9	19,6	22,2	23,3
Vegetables	10,1	7,4	10,6	16,1	6,7	6,3	9,5	15,3	4,5

ACCUMULATED FIGURES

% on sales

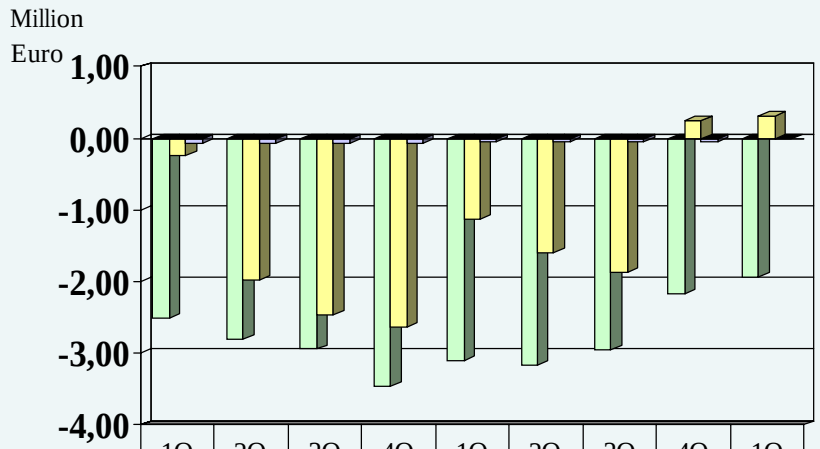


	Group	Casings	Vegetables
3M 01	16,7	19,9	6,7
3M 02	19,2	23,3	4,5

Financial Result Evolution

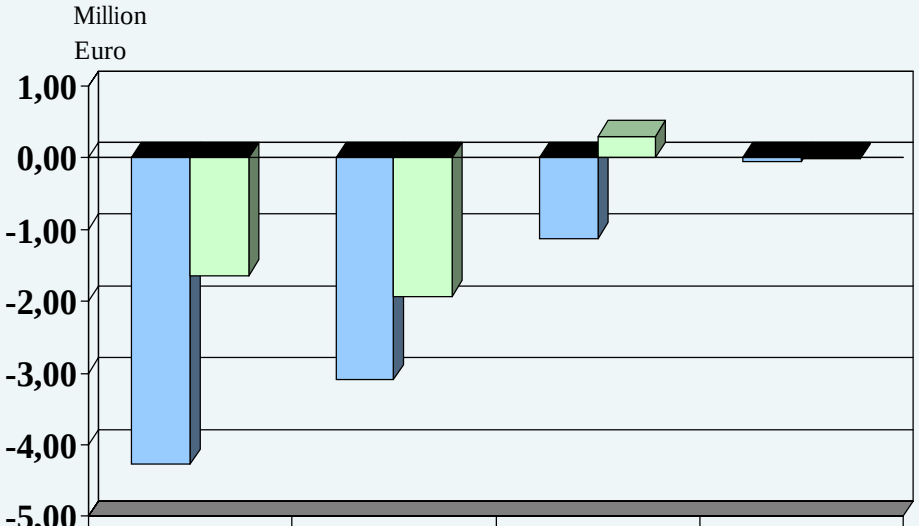
Negative financial result is 2,6 million euro lower than 1Q01´s, due to a strong reduction in net financial expenses (-37%) and positive forex results (0,3 million euro), reflecting the effects of the reduction in gearing and of the new forex management policy.

FINANCIAL RESULT BREAKDOWN:QUARTERLY EVOLUTION



	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02
Net Financ.Exp	-2,51	-2,80	-2,94	-3,46	-3,10	-3,16	-2,95	-2,17	-1,93
Forex	-0,23	-1,97	-2,47	-2,64	-1,12	-1,60	-1,87	0,25	0,31
Goodwill Amort.	-0,08	-0,08	-0,08	-0,08	-0,05	-0,05	-0,05	-0,05	-0,02

FINANCIAL RESULT BREAKDOWN: ACC.FIGURES



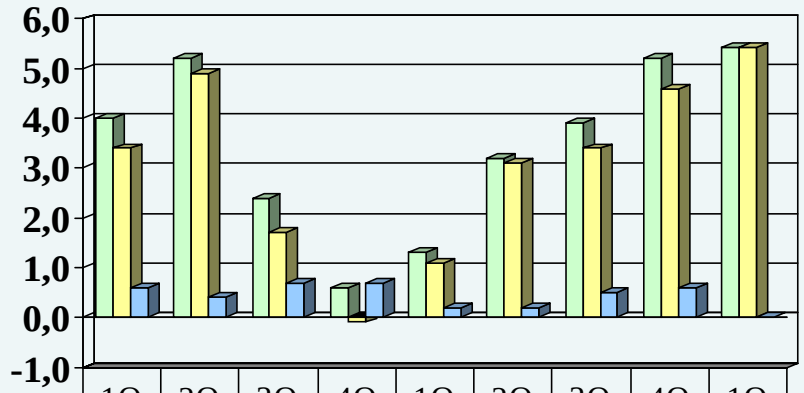
	Financial Result	Net Financ.Exp	Forex	Goodwill Amort.
3M 01	-4,27	-3,10	-1,12	-0,05
3M 02	-1,64	-1,93	0,31	-0,02

Net Profit and ROE Evolution

Attributable net profit is four times 1Q01´s. The Group reached “cruise speed” figures, more in line with the Strategic Objectives. Return on equity improves substantially, reaching 9,8% (figure obtained by annualising the quarterly figure).

Million Euro

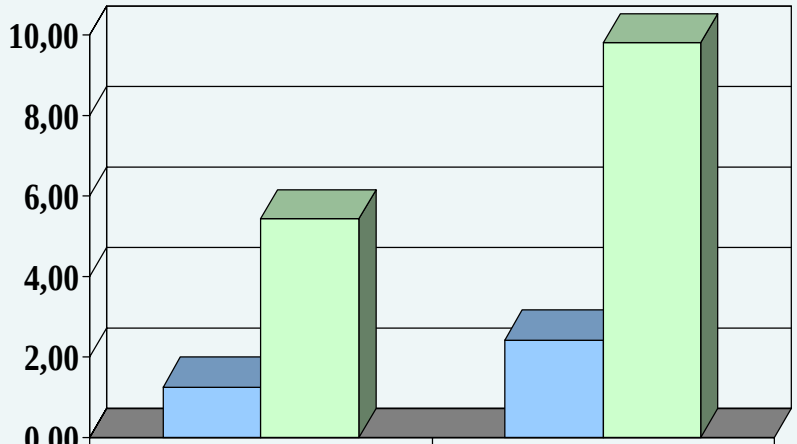
NET PROFIT: QUARTERLY EVOLUTION



	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02
Group	4,0	5,2	2,4	0,6	1,3	3,2	3,9	5,2	5,4
Casings	3,4	4,9	1,7	-0,1	1,1	3,1	3,4	4,6	5,4
Vegetables	0,6	0,4	0,7	0,7	0,2	0,2	0,5	0,6	0,0

Million Euro and %

ACCUMULATED FIGURES



	Net Profit	% ROE (annualized)
3M 01	1,28	2,44
3M 02	5,43	9,81

Balance Sheet Evolution

The Group continued with its gearing reduction trend. Gearing reduced from 71% in December 2001 to 65%, lowering net debt in 10 million euro. Main reasons behind are the capex slowdown and the reduction in the vegetables working capital figures. It is foreseeable that the rate of debt reduction will be lower in the next quarters.

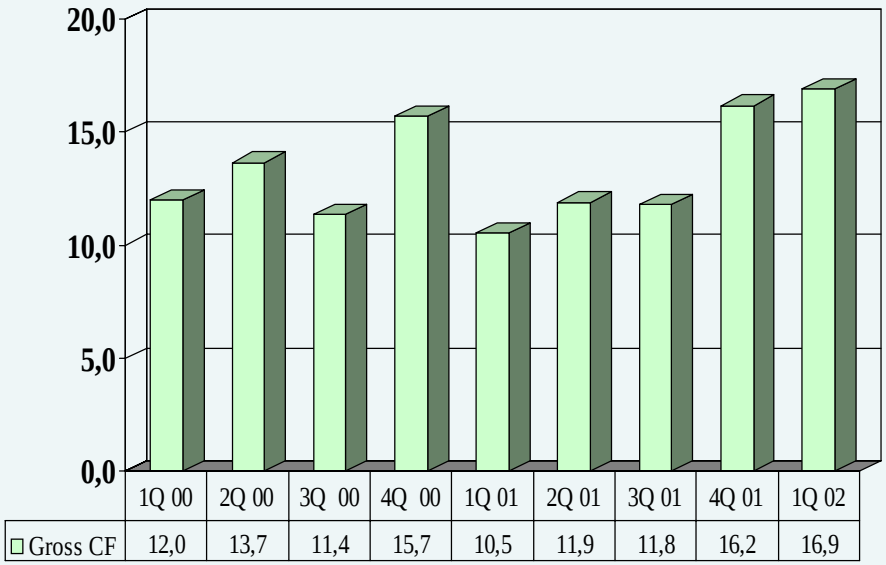
Million Euro	GROUP			CASINGS			VEGETABLES		
	3/02	12/01	3/01	3/02	12/01	3/01	3/02	12/01	3/01
Goodwill	0,2	0,2	0,4	0,2	0,2	0,4	0	0,0	0,0
Intangible assets	8,1	7,2	11,2	5,4	4,9	8,2	2,8	2,4	3,0
Tangible assets	235	237,6	248,5	215,9	218,6	228,5	19,2	19,1	20,0
Financial assets	1	1,0	1,0	1	1,0	1,0	0	0,0	0,0
Working Capital	160,1	161,9	160,4	110,1	108,6	105,8	49,9	53,3	54,6
EMPLOYED CAPITAL	**404,5**	**408,0**	**421,5**	**332,6**	**333,3**	**343,9**	**71,9**	**74,7**	**77,6**
Equity	222,9	219,8	207,6	195,8	192,8	181,9	27,1	27,0	25,7
Minorities	0,1	0,1	0,1	0,1	0,1	0,1	0	0,0	0,0
Provisions	22,5	22,3	21,8	22,5	22,3	21,8	0	0,0	0,0
Net Debt	146,3	156,3	179,3	102,9	110,0	128,9	43,5	46,3	50,4
Other	12,6	9,4	12,7	11,3	8,1	11,2	1,3	1,4	1,5
INVESTED CAPITAL	**404,5**	**408,0**	**421,5**	**332,6**	**333,3**	**343,9**	**71,9**	**74,7**	**77,6**

Cash Flow and Debt Evolution

1Q02´s cash flow is close to 17 million euro and net debt is 146 million, 33 million lower than at the end of 1Q01.

Million Euro

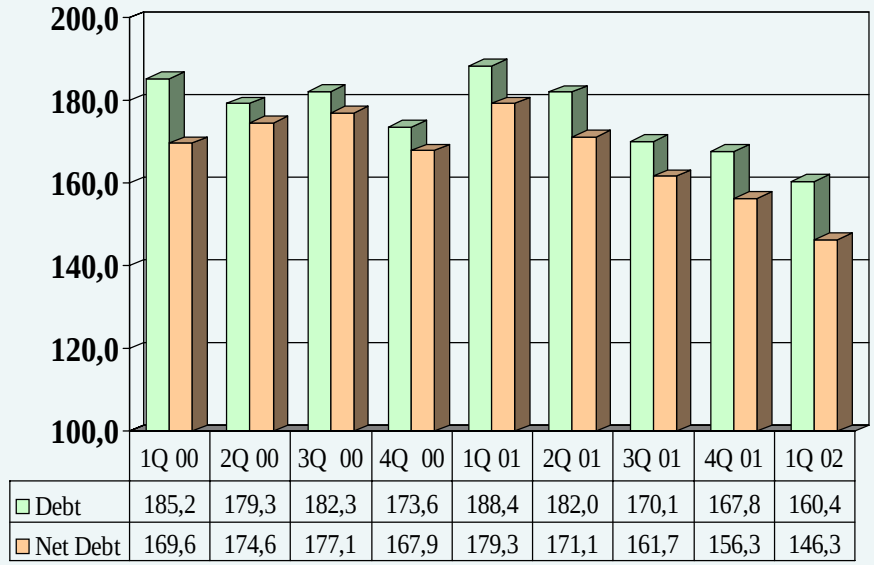
GROSS CASH FLOW (*): QUARTERLY EVOLUTION



	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02
Gross CF	12,0	13,7	11,4	15,7	10,5	11,9	11,8	16,2	16,9

Million Euro

DEBT AND NET DEBT: QUARTERLY EVOLUTION



	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02
Debt	185,2	179,3	182,3	173,6	188,4	182,0	170,1	167,8	160,4
Net Debt	169,6	174,6	177,1	167,9	179,3	171,1	161,7	156,3	146,3

(*) Attributable Net Profit + Amortisations + Provisions