Viscofan Group

Results Presentation

Third Quarter 2003

November 2003

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Highligths

- Group sales are 282,3 MM EUR, 8,3% lower than 9M02´s, mainly due to US$ weakness against Euro (-16,8% vs. 9M02) and to price pressure. Taking out the currencies effect, sales would have increased 0,6%, with a 2,3% growth in casings and a 5,2% decrease in vegetables (jams business is not included anymore).
- EBITDA margin goes from 18,8% in 9M02 to 16,3% in 9M03 and from 16,7% to 13,7% quarterly wise. Dollar weakness and certain products price erosion are the main reasons behind.
- Lower net financial expenses (-38%) and lower negative forex (-76%) allow the financial result to improve by 51%.
- Net Profit is 22,3 MM EUR, 19,1% higher than 9M02´s. Capital gains from the sale of the jams business is 7 MM EUR, and compensate the mentioned negative effect of the dollar weakness and price performance.
- Net Debt was reduced by 15 MM EUR in this quarter, till 84,6 MM EUR, placing the leverage level in 36% versus 44% at the end of second quarter.
- With today´s information, 2003 Net Profit is expected to be around Best Case scenario. Nevertheless, given the current currency and prices scenario and due to the partial de-consolidation of the jam business, 2003 Sales, EBITDA and EBIT will be probably lower than the worst case scenario figures.

Nine Months Results

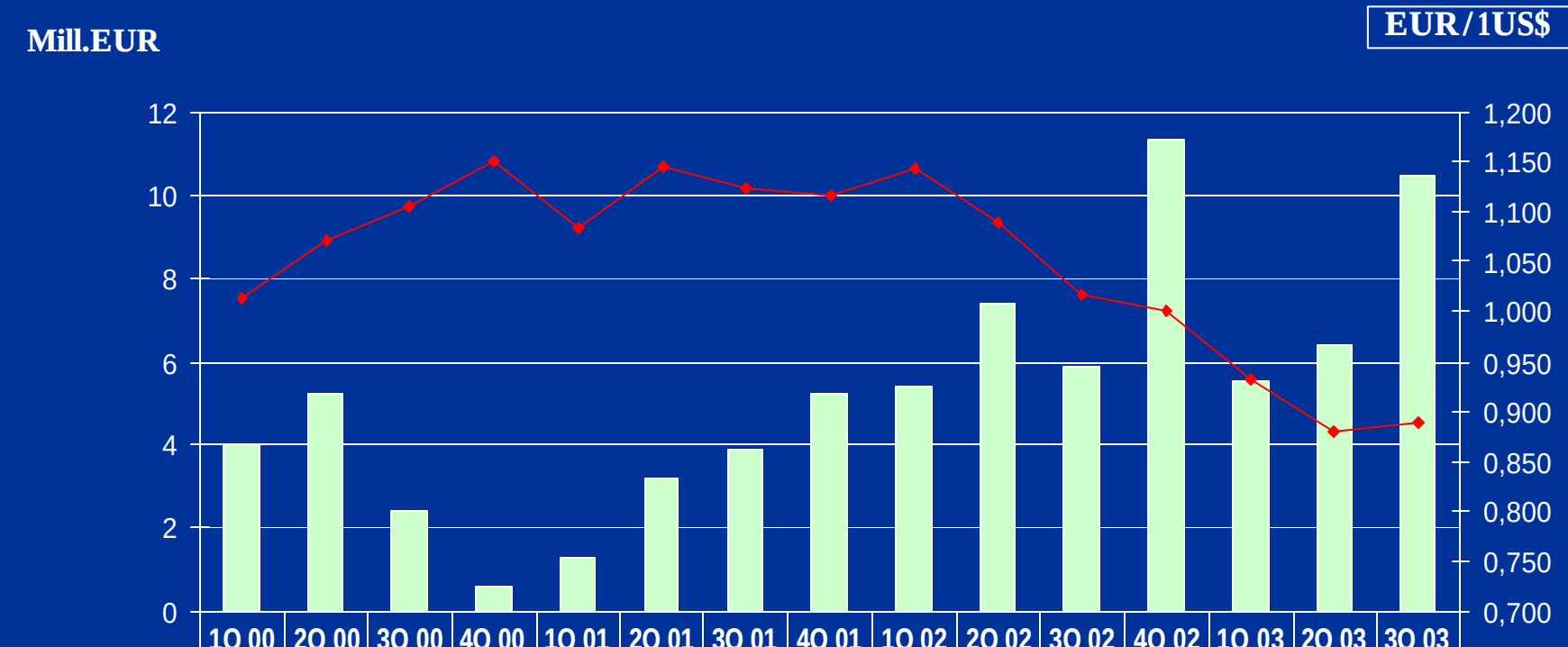
Million Euro	GROUP	% VAR	CASINGS	% VAR	VEGETABLES	% VAR
Sales	**282,33**	**-8,3%**	**215,68**	**-8,8%**	**66,65**	**-6,4%**
EBITDA	45,93	-20,7%	41,83	-20,8%	4,10	-19,2%
EBIT	**22,83**	**-21,1%**	**20,30**	**-21,6%**	**2,53**	**-17,0%**
Neg.Financ.Res.	-4,17	-51,2%	-2,36	-62,6%	-1,81	-18,4%
Ordinary Profit	**18,66**	**-8,5%**	**17,94**	**-8,3%**	**0,72**	**-13,3%**
Extraordinaries	8,03	562,0%	0,40	-57,0%	7,63	2628,0%
PBT	**26,69**	**23,5%**	**18,34**	**-10,5%**	**8,35**	**652,4%**
Taxes	4,30	52,8%	3,34	35,1%	0,96	177,1%
Attrib.Net Profit	**22,38**	**19,1%**	**15,00**	**-16,8%**	**7,38**	**871,5%**

Third Quarter Results

Million Euro	GROUP	% VAR	CASINGS	% VAR	VEGETABLES	% VAR
Sales	**93,14**	**-6,3%**	**71,74**	**-5,3%**	**21,40**	**-9,3%**
EBITDA	12,77	-23,1%	10,85	-23,8%	1,91	-18,7%
EBIT	**6,16**	**-31,6%**	**4,99**	**-33,8%**	**1,17**	**-20,3%**
Neg.Financ.Res.	-1,37	-51,3%	-0,70	-64,4%	-0,67	-20,7%
Ordinary Profit	**4,79**	**-22,6%**	**4,29**	**-22,9%**	**0,50**	**-19,7%**
Extraordinaries	7,43	3747,4%	0,02	-84,2%	7,41	8516,8%
PBT	**12,22**	**91,4%**	**4,31**	**-24,1%**	**7,91**	**1018,8%**
Taxes	1,74	258,4%	0,99	232,0%	0,75	300,4%
Attrib.Net Profit	**10,48**	**77,7%**	**3,32**	**-38,3%**	**7,16**	**1277,3%**

Currency Environment : **Euro has remained strong versus the main currencies during third quarter (US dollar depreciation versus euro compared to 3Q02: -12%).**

QUARTERLY NET PROFIT AND AVERAGE EUR/US$ RATE



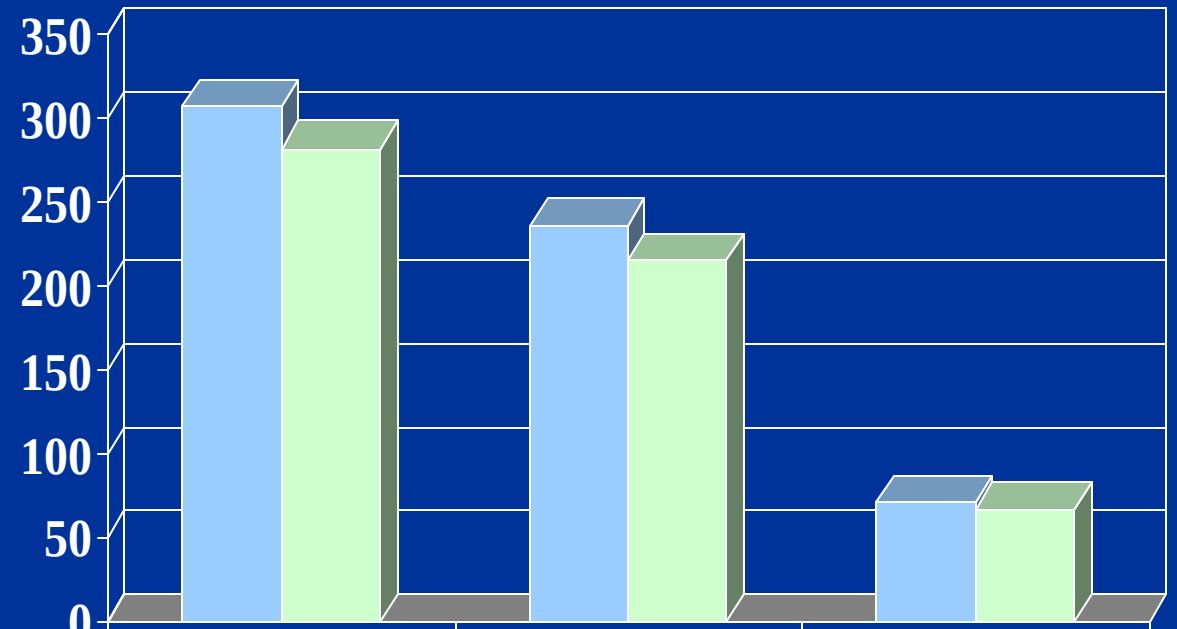
	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03	3Q 03
QTR N.PR.	4	5,2	2,4	0,6	1,3	3,2	3,9	5,2	5,4	7,4	5,9	11,3	5,5	6,4	10,5
EUR/1US$	1,013	1,071	1,106	1,150	1,084	1,146	1,123	1,117	1,142	1,089	1,017	1,000	0,931	0,880	0,889

Results Analysis

Group sales are 282,3 MM EUR, 8,3% lower than 9M02´s, mainly due to US$ weakness against Euro (-16,8% vs. 9M02) and to price pressure. Taking out the currencies effect, sales would have increased 0,6%, with a 2,3% growth in casings and a 5,2% decrease in vegetables (jams business is not included anymore).

MM EUR

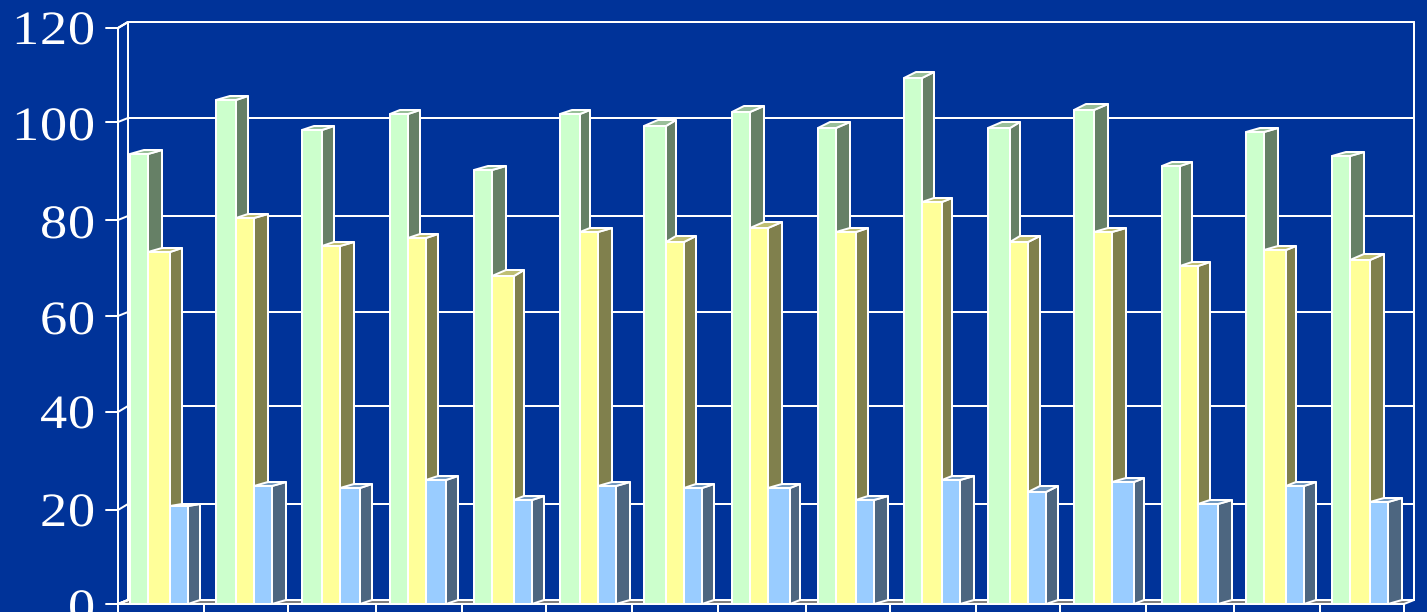
ACCUMULATED FIGURES



	GROUP	CASINGS	VEGETAB.
9M 02	307,8	236,6	71,2
9M 03	282,3	215,7	66,7

QUARTERLY SALES EVOLUTION

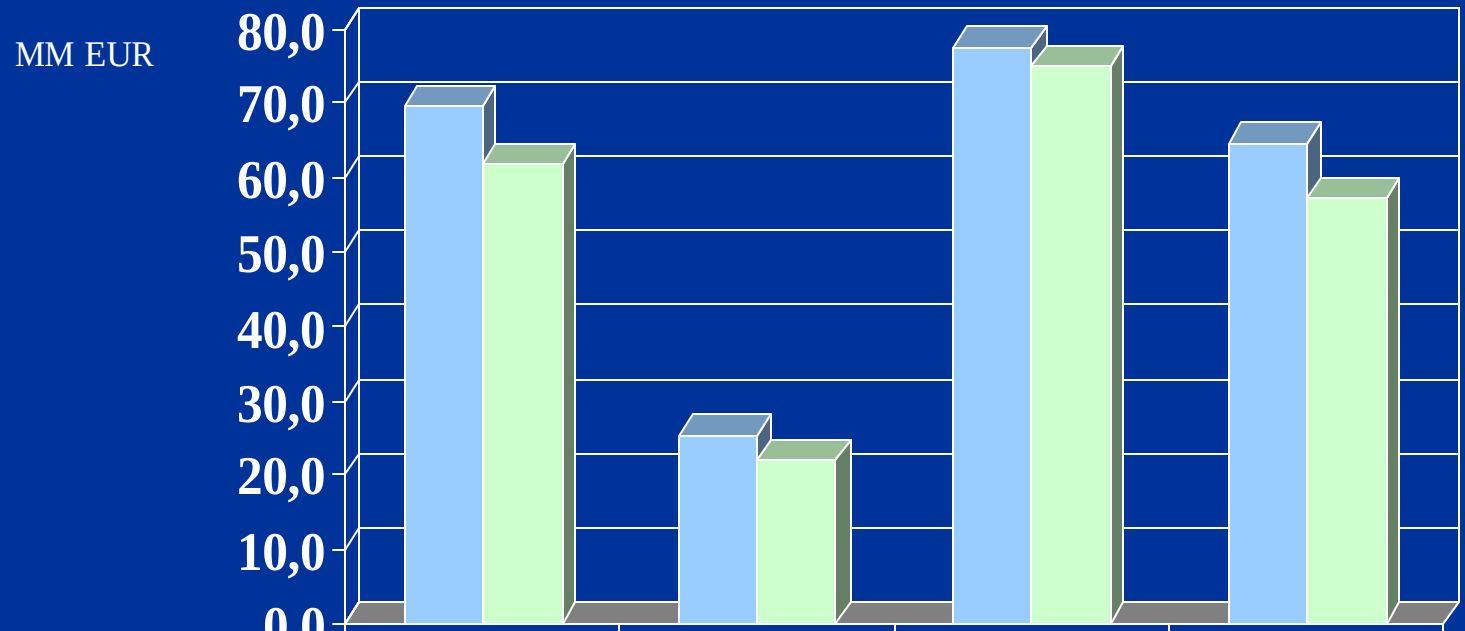
MM EUR



	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03	3Q 03
GROUP	93,5	104,	98,7	102,	90,2	102,	99,7	102,	99,0	109,	99,4	103,	91,0	98,1	93,1
CASINGS	73,3	80,2	74,8	76,2	68,4	77,6	75,7	78,4	77,4	83,4	75,8	77,4	70,3	73,6	71,7
VEGETAB.	20,1	24,4	23,9	25,9	21,8	24,6	24,1	24,0	21,5	26,0	23,6	25,6	20,7	24,5	21,4

SALES BY AREA(*): **US$ related subsidiaries suffer with sharp intensity the impact of currencies when converting their sales to EUR. European subsidiaries reflect this impact on the part of their sales which are exports in US$.**

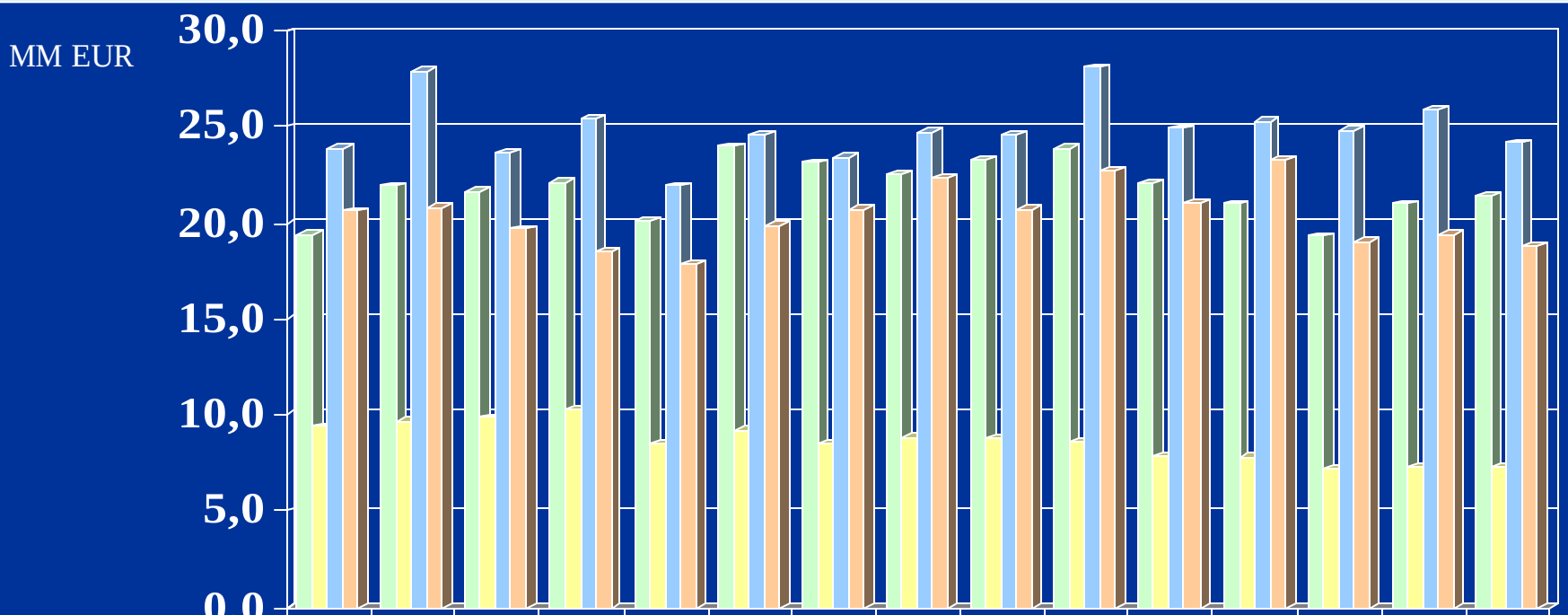
ACCUMULATED FIGURES



	Northamerica	Southamerica	Central Europe	Western Europe
9M 02	69,4	25,3	77,5	64,5
9M 03	61,8	21,8	74,9	57,2

(*) Casing´s figures. Breakdown by origin of the sales.

QUARTERLY SALES BY AREA EVOLUTION (*)



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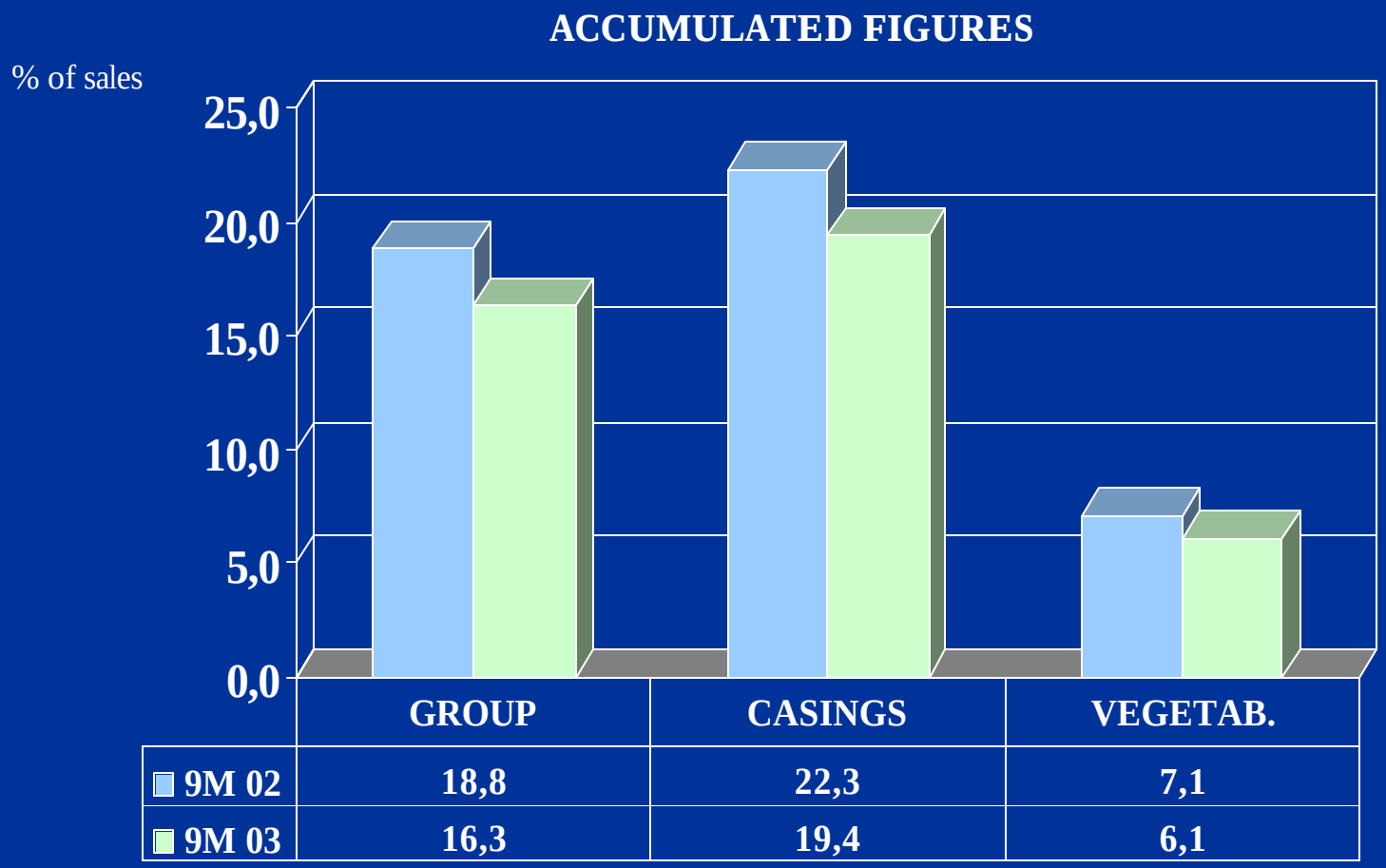
Northamerica	19,4	21,9	21,7	22,1	20,1	23,9	23,1	22,5	23,3	23,9	22,0	21,0	19,3	21,0	21,4
Southamerica	9,4	9,7	9,8	10,2	8,5	9,2	8,5	8,9	8,8	8,6	7,9	7,8	7,2	7,3	7,3
Central Europe	23,9	27,9	23,7	25,4	21,9	24,6	23,4	24,7	24,6	28,1	24,9	25,3	24,8	25,9	24,2
Western Europe	20,6	20,8	19,7	18,5	17,9	19,9	20,7	22,3	20,7	22,7	21,0	23,3	19,0	19,4	18,8

(*) Casing´s figures. Breakdown by origin of the sales.

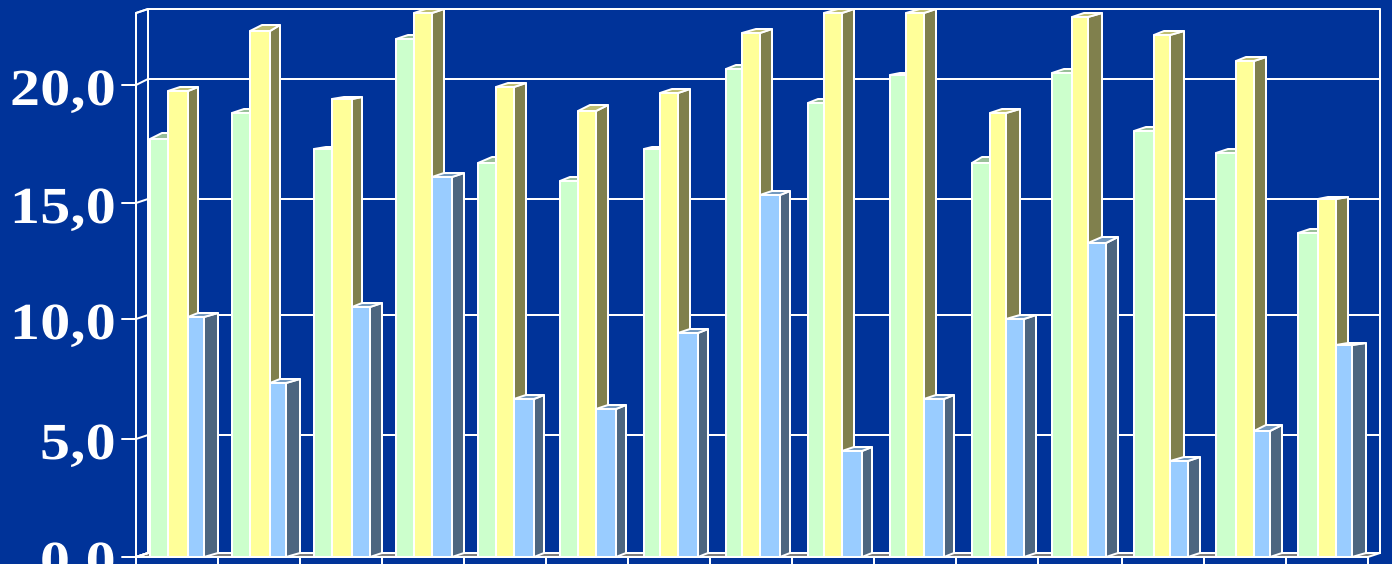
<u>EBITDA margin</u> goes from 18,8% in 9M02 to 16,3% in 9M03 and from 16,7% to 13,7% quarterly wise. Dollar weakness and certain products price erosion are the main reasons behind.



	GROUP	CASINGS	VEGETAB.
9M 02	18,8	22,3	7,1
9M 03	16,3	19,4	6,1

% QUARTERLY EBITDA MARGIN EVOLUTION

% of sales

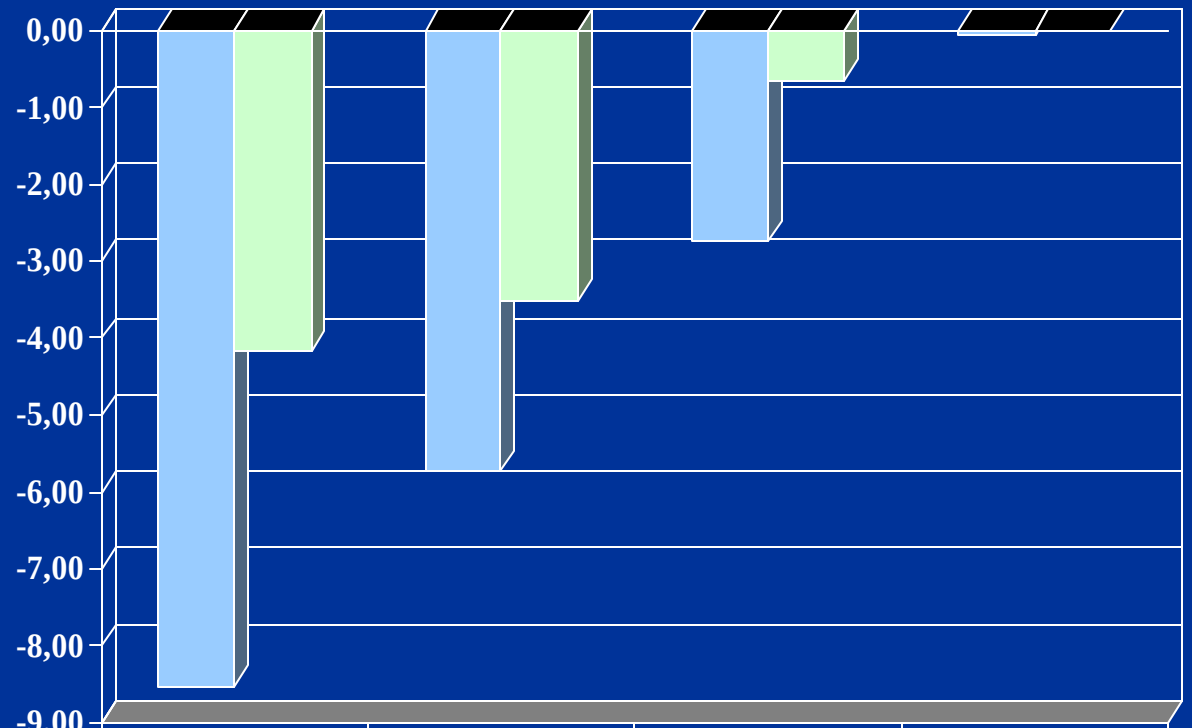


	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03	3Q 03
GROUP	17,7	18,8	17,2	21,9	16,7	15,9	17,2	20,6	19,2	20,3	16,7	20,4	18,0	17,1	13,7
CASINGS	19,7	22,3	19,3	23,8	19,9	18,9	19,6	22,2	23,3	24,6	18,8	22,8	22,1	21,0	15,1
VEGETAB.	10,1	7,4	10,6	16,1	6,7	6,3	9,5	15,3	4,5	6,7	10,0	13,3	4,1	5,4	8,9

FINANCIAL RESULT: Lower net financial expenses (-38%) and lower negative forex (-76%) allow the financial result to improve by 51%.

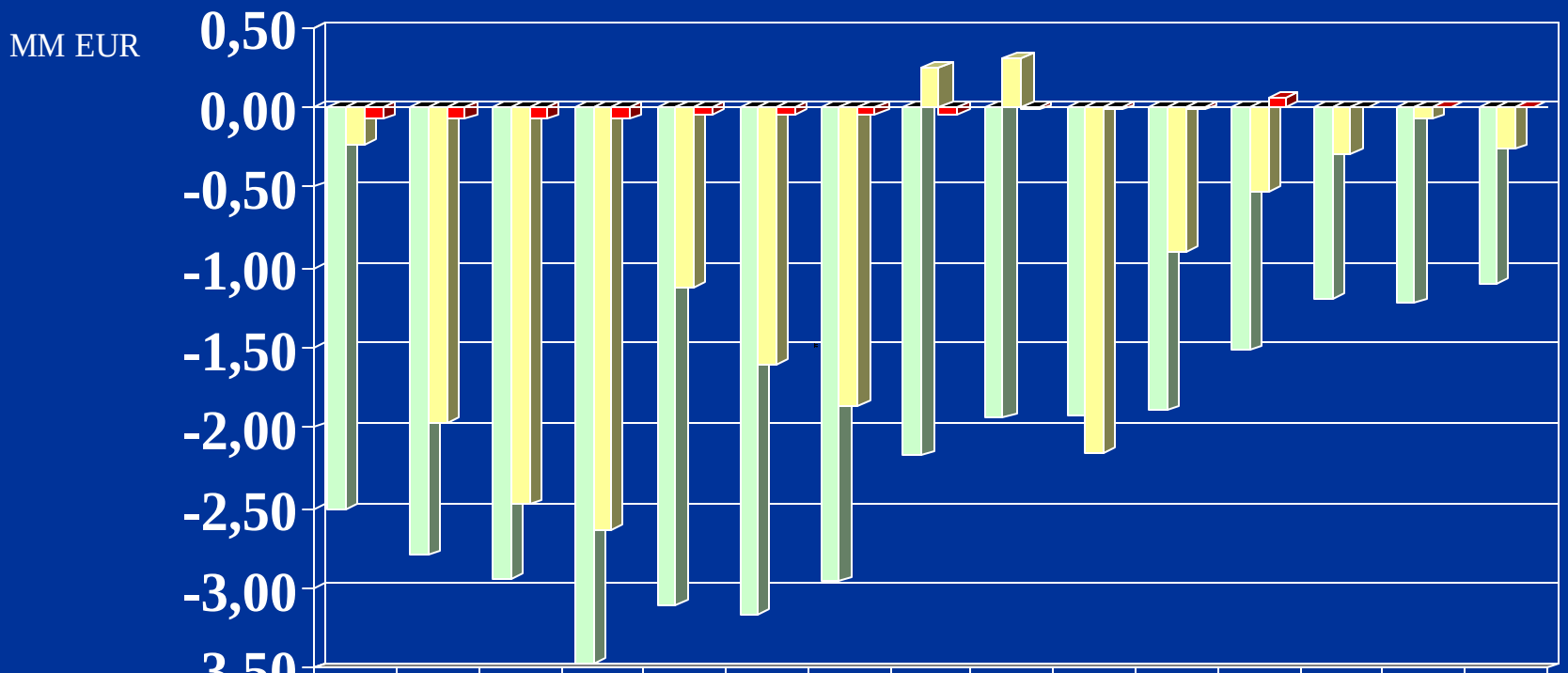
MM EUR

ACCUMULATED FIGURES



	Financ.Result	Net Fin.Expen.	Forex	GW Amort.
9M 02	-8,54	-5,74	-2,75	-0,05
9M 03	-4,17	-3,51	-0,65	-0,01

QUARTERLY FINANCIAL RESULT EVOLUTION



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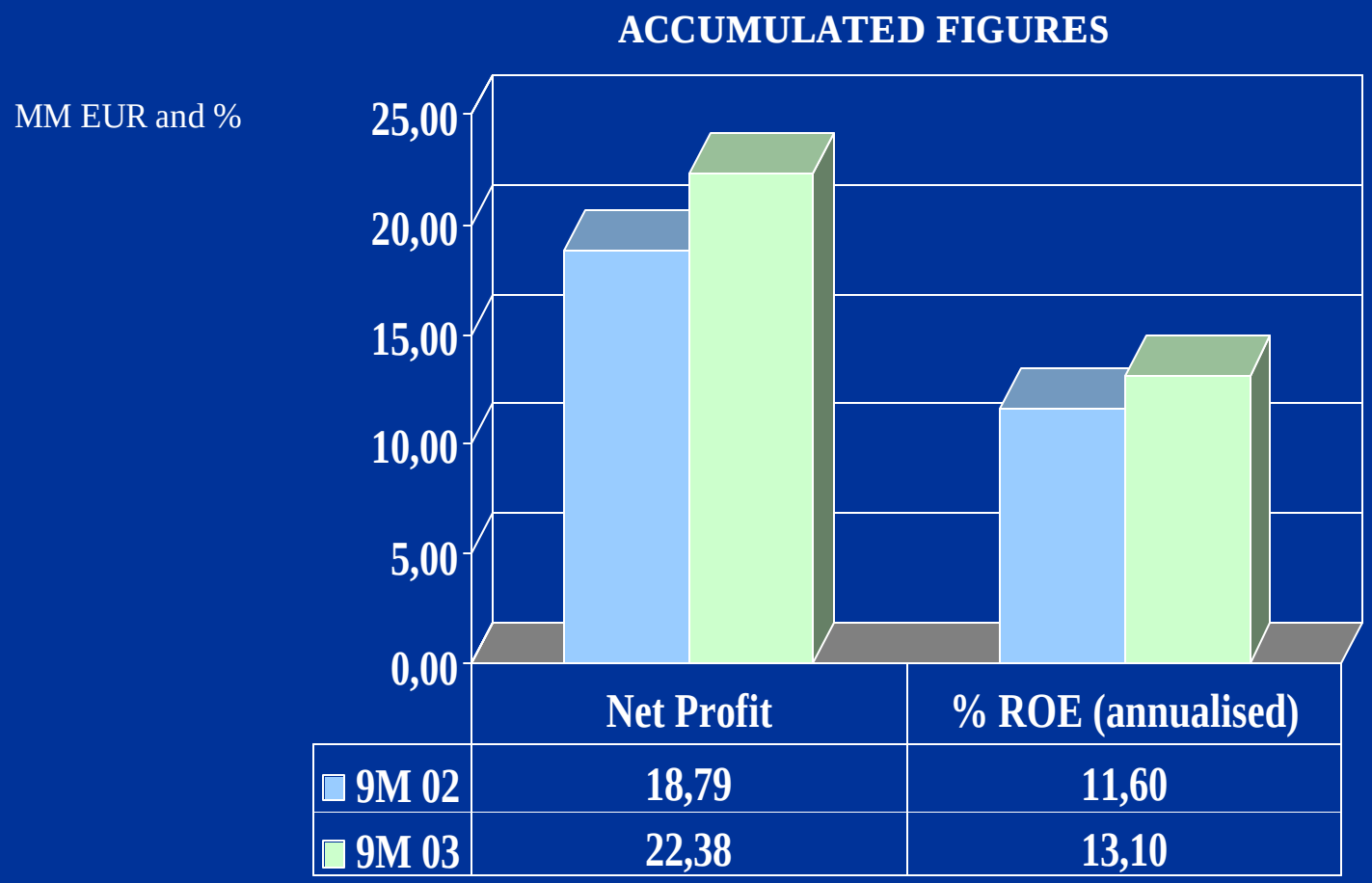
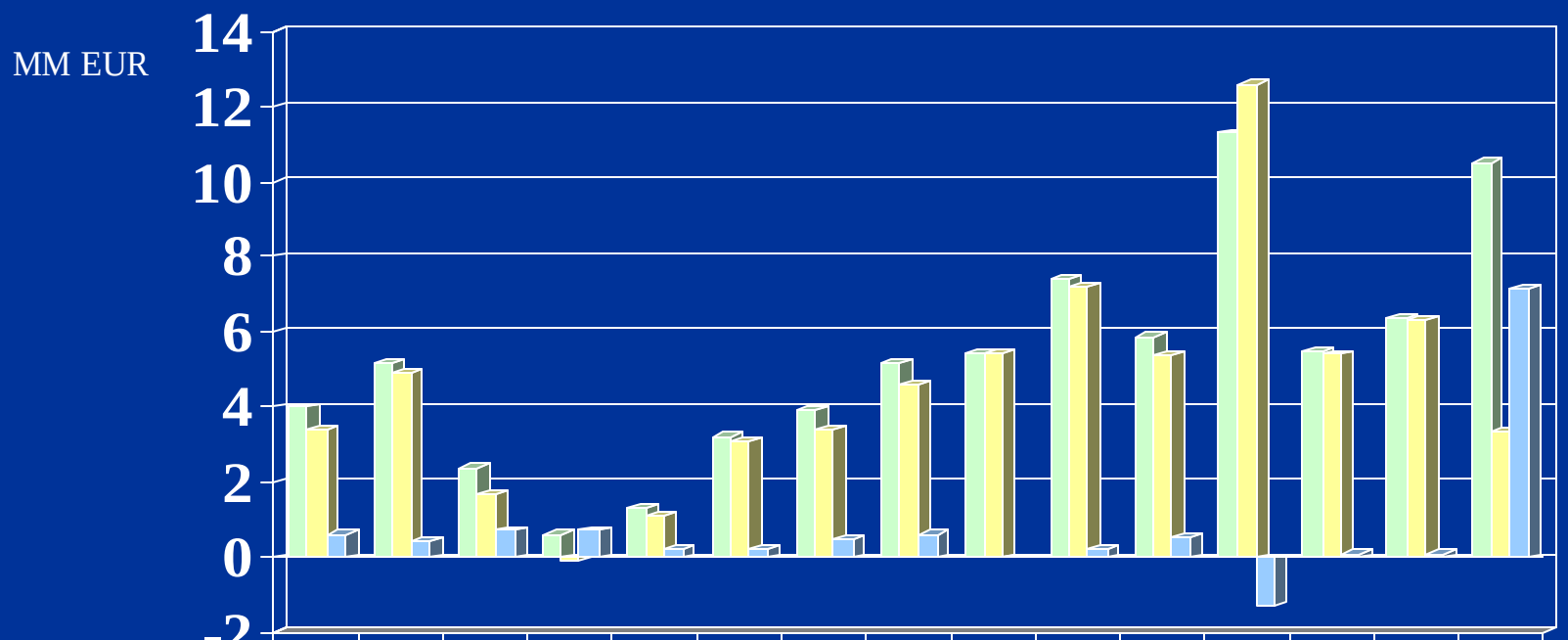
Net Fin.Expen.	-2,51	-2,80	-2,94	-3,46	-3,10	-3,16	-2,95	-2,17	-1,93	-1,92	-1,89	-1,52	-1,19	-1,23	-1,10
Forex	-0,23	-1,97	-2,47	-2,64	-1,12	-1,60	-1,87	0,25	0,31	-2,15	-0,90	-0,52	-0,30	-0,08	-0,27
GW Amort.	-0,08	-0,08	-0,08	-0,08	-0,05	-0,05	-0,05	-0,05	-0,02	-0,02	-0,02	0,05	0,00	0,00	0,00

NET PROFIT AND ROE: Net Profit is 22,38 MM EUR, 19,1% higher than 9M02´s. Tax rate is 16,1%. The annualised ROE is above 13%.



QUARTERLY NET PROFIT EVOLUTION



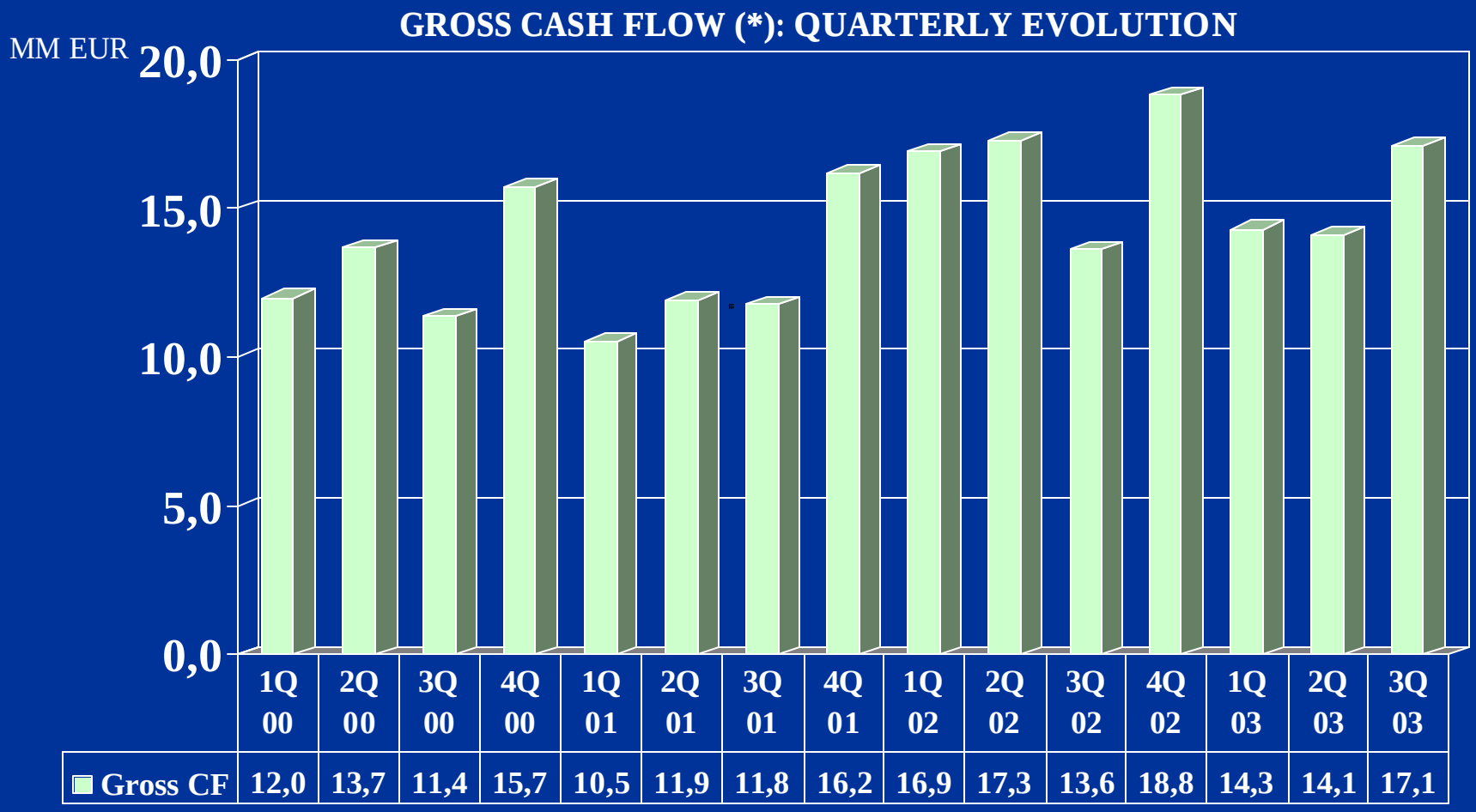
	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03	3Q 03
GROUP	4	5,2	2,4	0,6	1,3	3,2	3,9	5,2	5,4	7,4	5,9	11,3	5,5	6,4	10,5
CASINGS	3,4	4,9	1,7	-0,1	1,1	3,1	3,4	4,6	5,4	7,2	5,4	12,6	5,4	6,3	3,3
VEGETAB.	0,6	0,4	0,7	0,7	0,2	0,2	0,5	0,6	0,0	0,2	0,5	-1,3	0,1	0,1	7,2

Balance Sheet, Debt and Cash Flow Analysis

Balance Sheet: Leverage level is 36% versus 44% at the end of second quarter. Casings´ working capital reduction compensates the seasonal increase in vegetables.

MM Euro	GROUP			CASINGS			VEGETABLES		
	09/03	06/03	03/03	09/03	06/03	03/03	09/03	06/03	03/03
Goodwill	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Intangible Assets	7,4	9,4	7,6	5,3	6,4	5,1	2,2	3,1	2,5
Tangible Assets	216,7	220,5	219,5	198,8	199,0	198,7	17,9	21,5	20,8
Financial Assets	1,0	1,0	1,0	1,0	1,0	1,0	0,0	0,0	0,0
Working Capital	132,7	131,7	130,6	83,9	91,7	87,7	48,9	40,0	42,9
NET ASSETS	357,9	362,6	358,7	288,9	298,0	292,5	68,9	64,6	66,2
Equity	235,2	226,1	221,7	202,4	200,6	196,2	32,8	25,5	25,5
Minorites	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Provisions	24,3	22,3	22,6	22,0	22,2	22,0	2,3	0,1	0,6
Net Debt	84,6	100,0	102,9	52,5	62,7	64,4	32,1	37,3	38,4
Others	13,8	14,2	11,5	12,1	12,5	9,8	1,7	1,7	1,7
NET LIABILITIES	357,9	362,6	358,7	288,9	298,0	292,5	68,9	64,6	66,2

CASH FLOW GENERATION: 3Q 03´s generated gross cash flow is 17,1 MM Euro. Accumulated figure is 45,5 MM Euro.

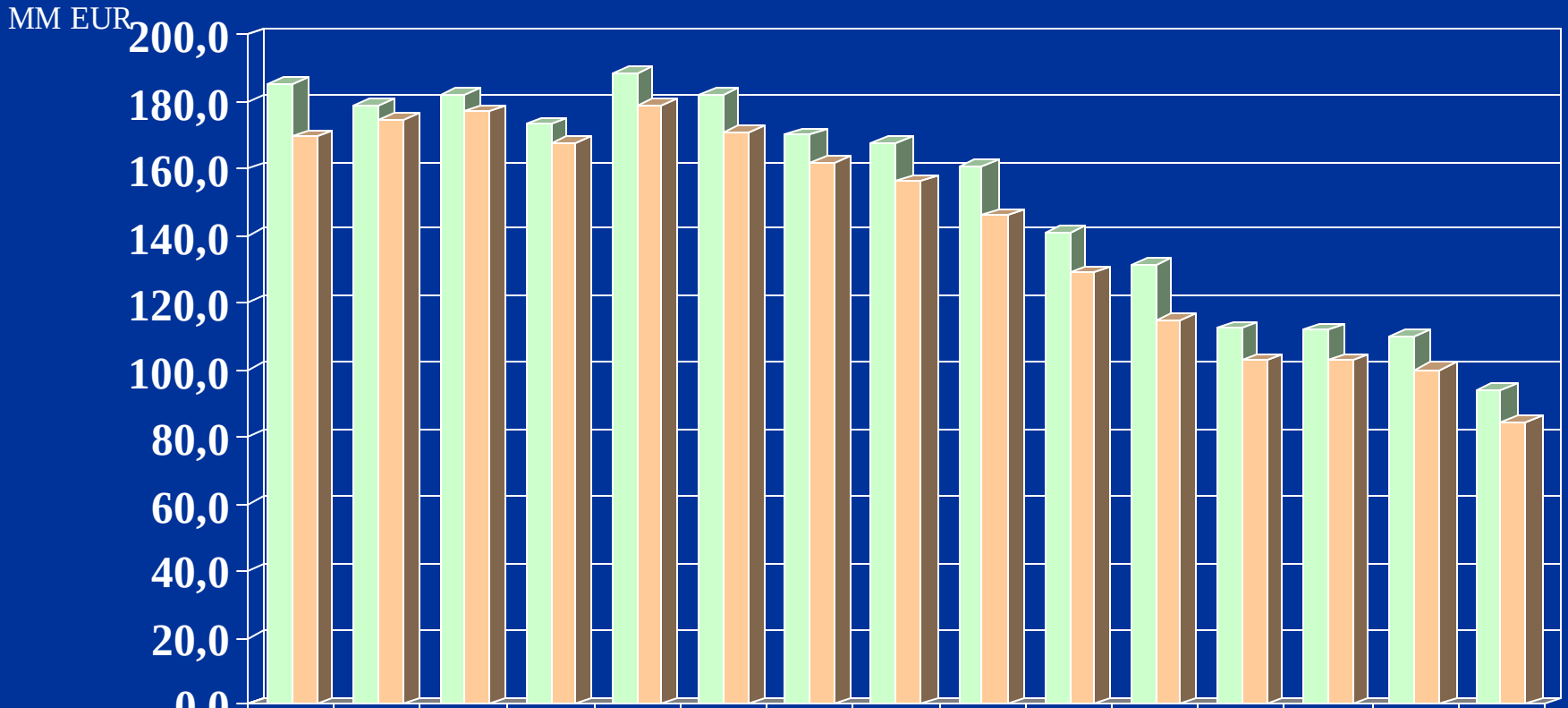


	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03	3Q 03
Gross CF	12,0	13,7	11,4	15,7	10,5	11,9	11,8	16,2	16,9	17,3	13,6	18,8	14,3	14,1	17,1

(*) Gross Cash Flow: Net Profit + Depreciation + Provisions

DEBT EVOLUTION: Net debt was reduced in 15,4 MM EUR during the last quarter till 84,6 MM EUR. In the last 12 months it has decreased more than 30 MM Euro.

TOTAL DEBT AND NET DEBT: QUARTERLY EVOLUTION



	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03	3Q 03
Total Debt	185,2	179,3	182,3	173,6	188,4	182,0	170,1	167,8	160,4	141,1	131,2	112,4	111,9	109,5	94,2
Net Debt	169,6	174,6	177,1	167,9	179,3	171,1	161,7	156,3	146,3	128,6	114,7	102,6	102,9	100,0	84,6

Presentation available at

www.viscofan.com