Viscofan Group

Results Presentation

Third Quarter 2005

November 2005

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Content

- **Highligths**
- **Third Quarter 2005 Results**
- **Nine Months 2005 Results**
- **Results Analysis**
- **Balance Sheet and Debt Analysis**

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Highligths

- **Third Quarter Results confirm the improvement trend started in 2Q05. Sales growth, margin increases and a more stable currency environment are the main reasons behind the good performance of 3Q05.**
- **The Casings business growth in volume continues in main families. Price situation is generally more stable, depending on products and markets. This division shows a sound growth in sales value and margin improvements, in despite of the overlapping costs of the ongoing transfer projects.**
- **The Vegetables business presents a nice sales growth in 3Q05, but suffers the negative impact of the advertising expenses for the new refrigerated products. Taking apart this effect, the operating result of the third quarter would have grown over 30%.**
- **Group Sales are 11,9% higher quarterly-wise and 4,9% higher in the first nine months, reaching 274,45 MM EUR. Casing sales are 11,6% and 4,2% higher. In vegetables sales are 12,9% and 7,5% higher than 3Q04´s and 9M04´s.**

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Highligths (II)

- **EBITDA Margin in 3Q05 (13,6%) is higher than 3Q04´s (12,7%). This improvement is mainly due to casings (15,3% in 3Q05 vs 13,4% in 3Q04). Accumulated figure for the Group is 14,6% (versus 15,6% in 9M04), still influenced by 1Q05.**
- **In absolute value, EBITDA is 20% higher than 3Q04´s and 1,6% lower compared to the first nine months of 2004.**
- **Financial Result improves 27% in the third quarter and 65% in the first nine months. Profit Before Taxes is 64,1% higher compared to 3Q04´s and 2,9% compared to 9M04´s.**
- **Quarterly Net Profit is 1,3% higher than 3Q04 (influenced by the higher tax rate), and 15,1% lower in accumulated figures till September. Koteksproduct results are included for the first time. Its contribution is negative (0,24 MM EUR) due to the re-structuring costs.**
- **Net Debt has increased 0,53 MM EUR in this quarter, being the ending level 81,37 MM EUR. Leverage is 31,4% after dedicating 8,65 MM EUR to dividends and premium pay back, 3,10 MM EUR to the purchase of own shares (0,8% of the equity) and 3,9 MM EUR to Koteksproduct take-over.**

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Third Quarter Results (*)

Mill. Euros	GROUP	% VAR	CASINGS	% VAR	VEGETABLES	% VAR
Sales	97,62	11,9%	77,06	11,6%	20,56	12,9%
EBITDA	13,30	20,0%	11,82	27,2%	1,49	-17,5%
EBIT	5,16	45,9%	4,58	78,3%	0,57	-40,4%
Financial Result	-0,51	-27,7%	-0,20	-52,5%	-0,31	7,7%
PBT	4,65	64,1%	4,39	103,2%	0,26	-60,9%
Taxes	1,23	326,9%	1,12	301,9%	0,11	857%
Net Profit	3,42	1,3%	3,27	20,5%	0,15	-77,1%

(*) These figures have been prepared according to IAS. In order to allow easier comparative analysis, 2004 figures have been re-stated under the same standards.

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Nine Months Results (*)

Mill. Euros	GROUP	% VAR	CASINGS	% VAR	VEGETABLES	% VAR
Sales	274,45	4,9%	218,36	4,2%	56,09	7,5%
EBITDA	40,17	-1,6%	36,71	-1,1%	3,46	-7,2%
EBIT	16,81	-8,7%	15,49	-7,2%	1,32	-23,7%
Financial Result	-1,09	-65,3%	-0,31	-86,0%	-0,78	-16,1%
PBT	15,72	2,9%	15,18	4,9%	0,54	-32,7%
Taxes	2,94	1230,2%	2,78	1243,8%	0,16	1035%
Net Profit	12,77	-15,1%	12,40	-13,1%	0,37	-52,5%

(*) These figures have been prepared according to IAS. In order to allow easier comparative analysis, 2004 figures have been re-stated under the same standards.

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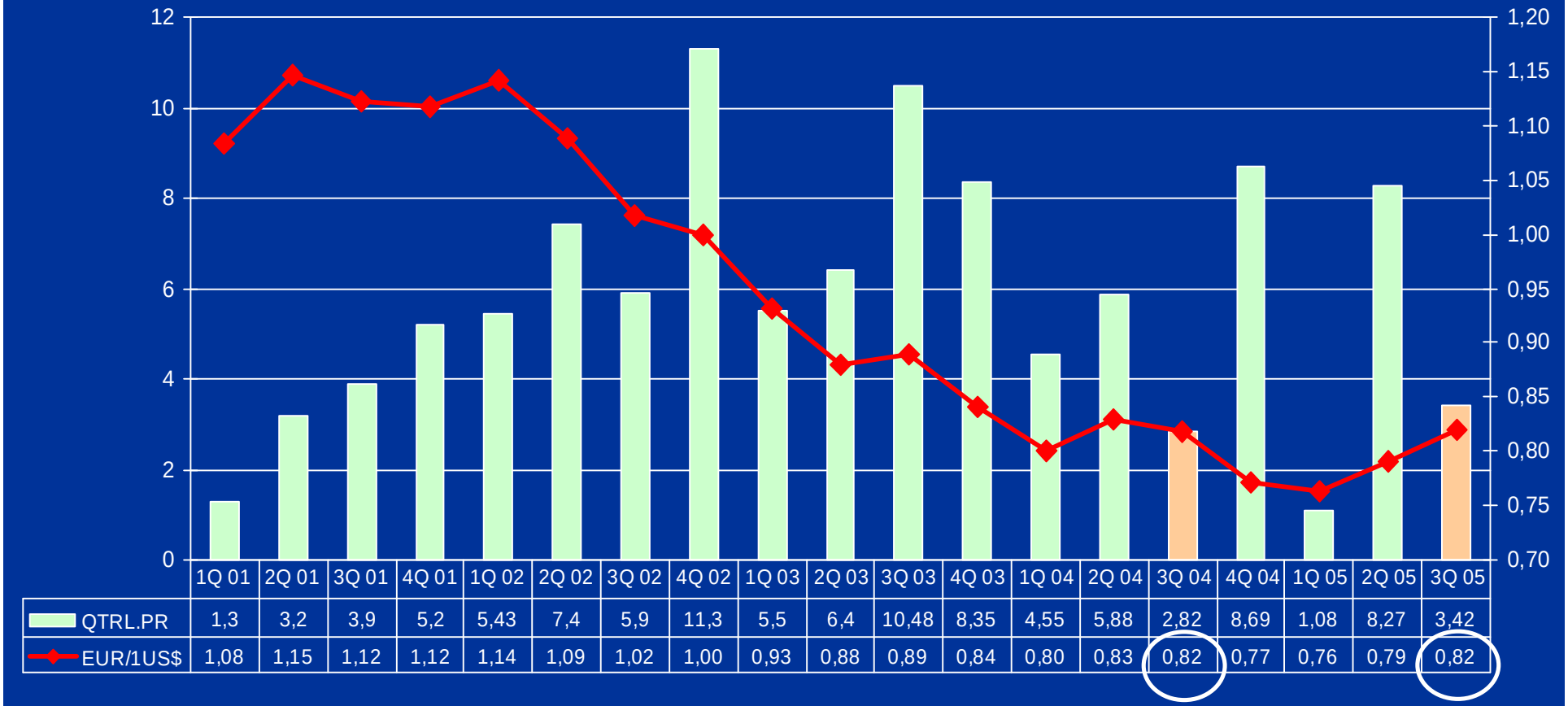
Currency Environment : During the third quarter, the US$ has continued its revaluation trend against the Euro. Nevertheless, in comparative terms, average accumulated value is 3% lower than the same period of 2004.

QUARTERLY NET PROFIT AND AVERAGE EUR/US$ RATE (*)



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QTRL.PR	1,3	3,2	3,9	5,2	5,43	7,4	5,9	11,3	5,5	6,4	10,48	8,35	4,55	5,88	2,82	8,69	1,08	8,27	3,42
EUR/1US$	1,08	1,15	1,12	1,12	1,14	1,09	1,02	1,00	0,93	0,88	0,89	0,84	0,80	0,83	0,82	0,77	0,76	0,79	0,82

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Results Analysis

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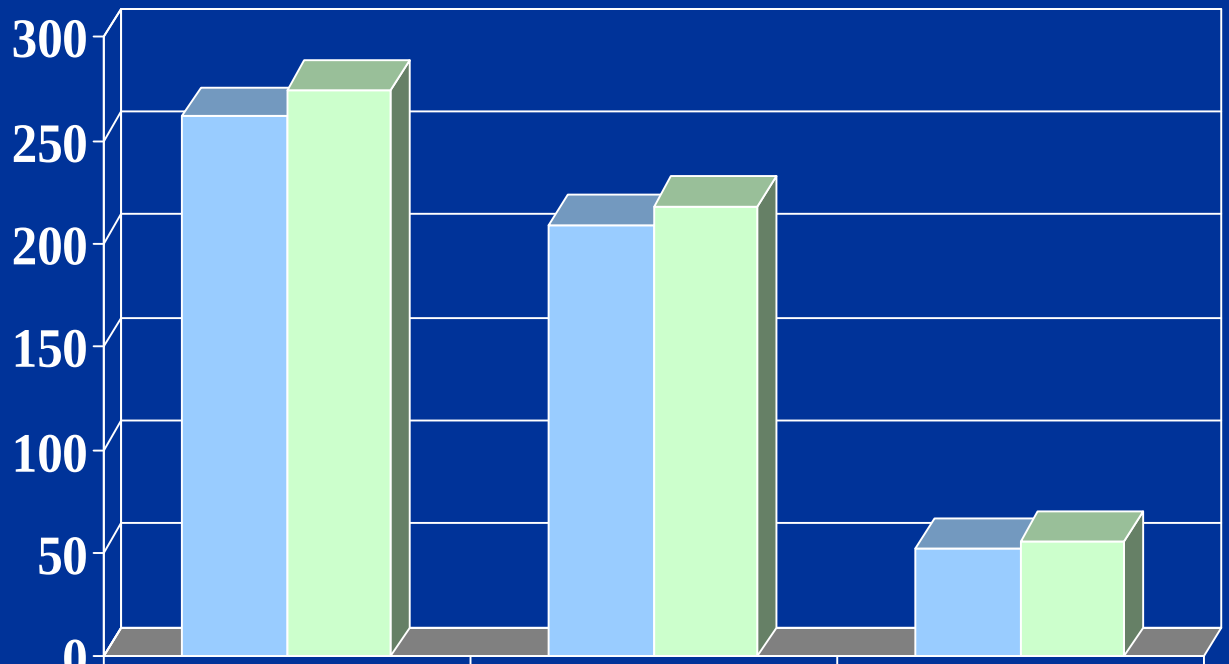
SALES: **Group sales are 274,4 MM EUR, 4,9% higher than 9M04´s. Casing sales are 4,2% higher (218,4 MM EUR), and vegetables are 7,5% higher than 9M04´s (56 MM EUR).**

Million Euro

ACCUMULATED FIGURES



	GROUP	CASINGS	VEGETAB.
9M 04	261,6	209,5	52,1
9M 05	274,4	218,4	56,0

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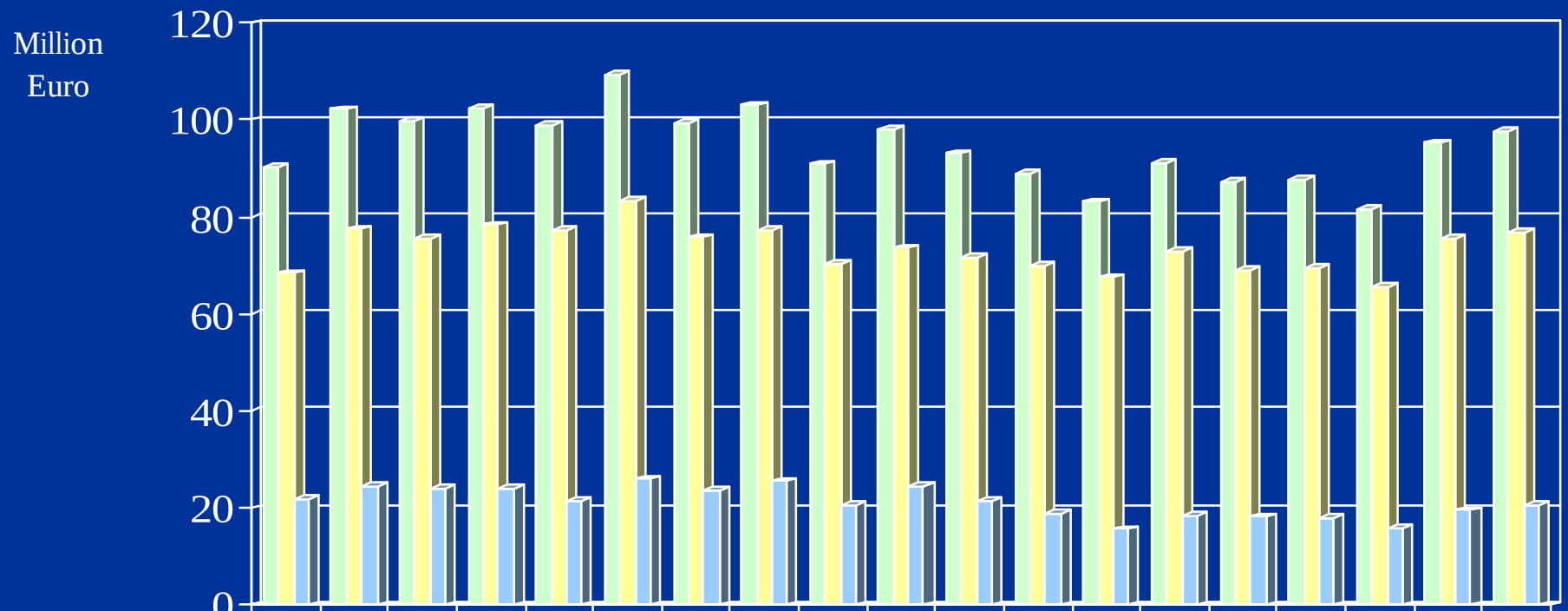
QUARTERLY SALES EVOLUTION (*)



	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03	3Q 03	4Q 03	1Q 04	2Q 04	3Q 04	4Q 04	1Q 05	2Q 05	3Q 05
GROUP	90,2	102,2	99,7	102,4	99,0	109,4	99,4	103,0	91,0	98,1	93,1	89,0	83,1	91,2	87,3	87,6	81,6	95,2	97,6
CASINGS	68,4	77,6	75,7	78,4	77,4	83,4	75,8	77,4	70,3	73,6	71,7	70,0	67,5	72,9	69,1	69,5	65,6	75,7	77,0
VEGETAB.	21,8	24,6	24,1	24,0	21,5	26,0	23,6	25,6	20,7	24,5	21,4	19,0	15,6	18,3	18,2	18,1	16,0	19,5	20,6

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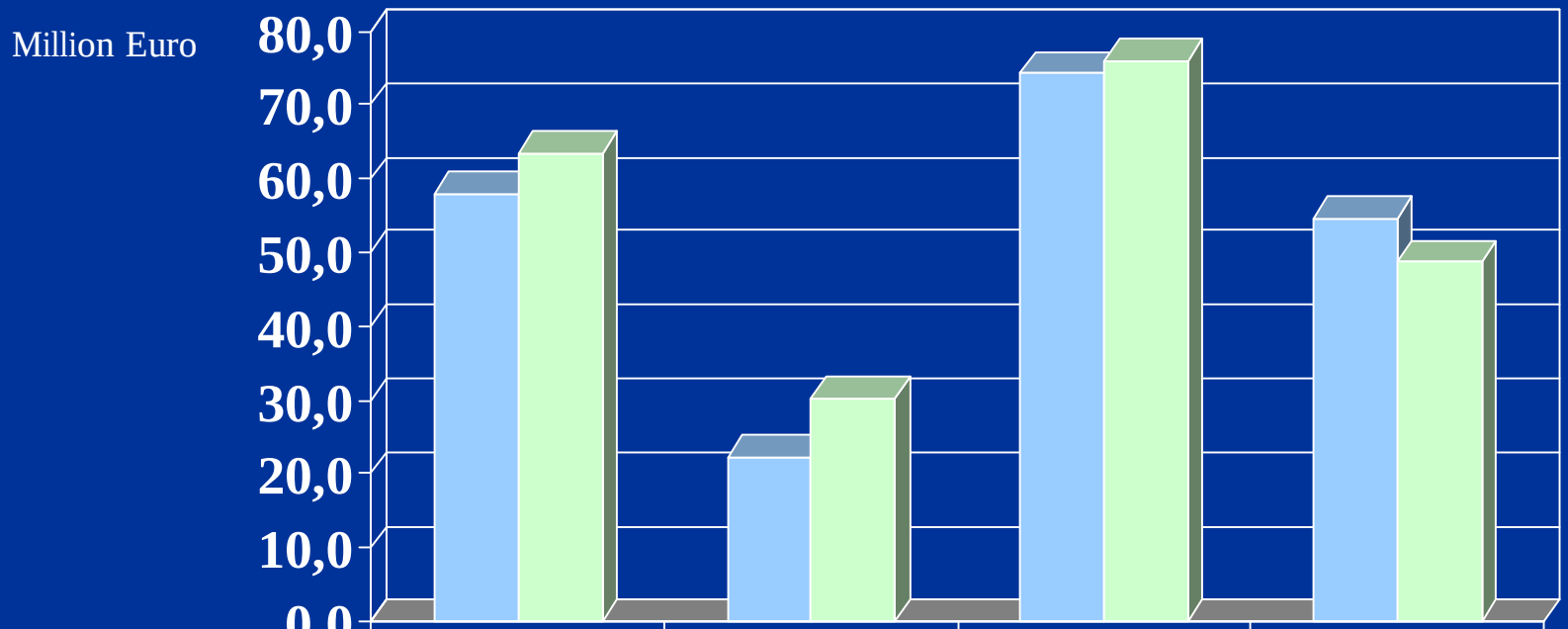
SALES BY AREA(*): **Northamerica and Latam show sales growth, partially affected by the production transfer to Mexico and Brazil. Sales originated in Western Europe are lower, as a mixed result of those transfers and the currency effect over exports in US$.**

ACCUMULATED FIGURES



	Northamerica	Latam	Central Europe	Western Europe
9M 04	58,0	22,4	74,3	54,7
9M 05	63,5	30,2	76,0	48,7

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

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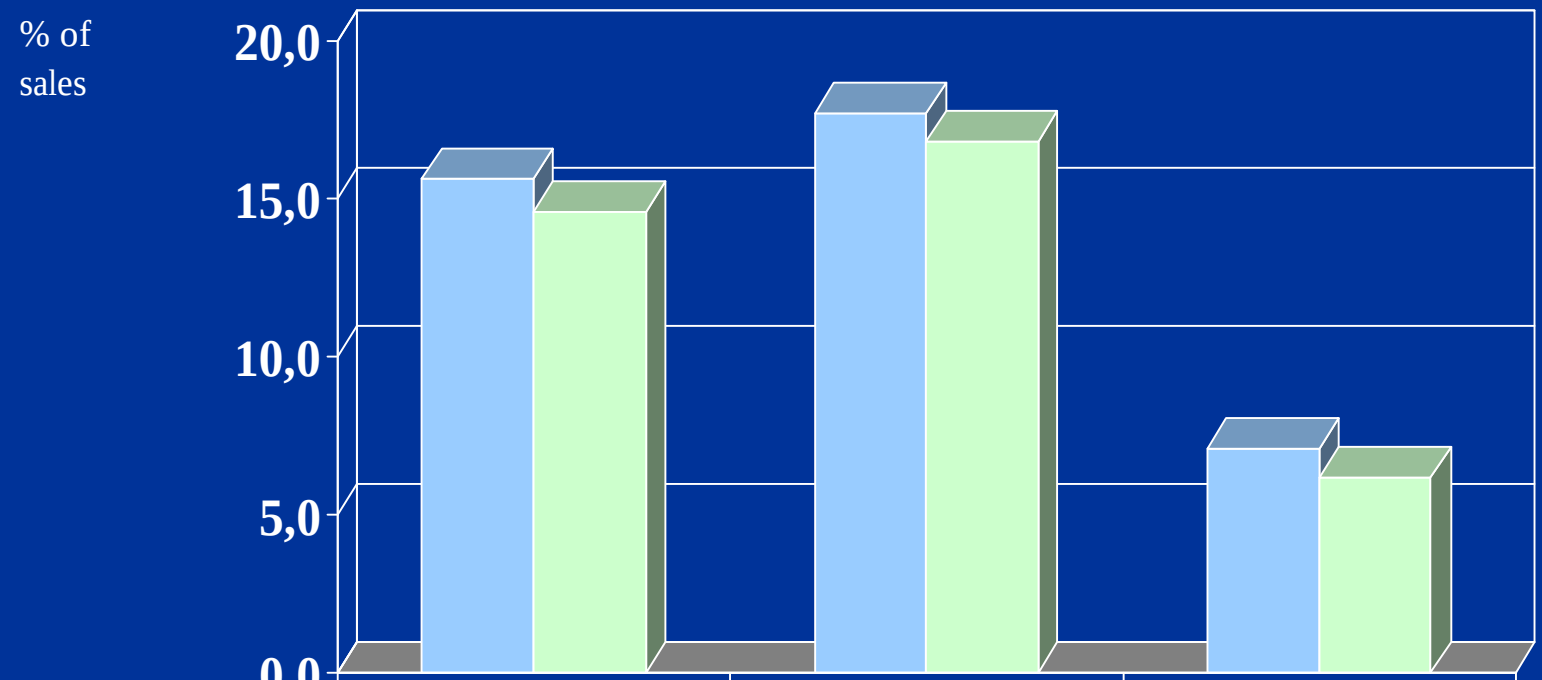
% EBITDA MARGIN (*): : 9M05´s (14,6%) is lower than 9M04´s . This is a consequence of the first quarter figures, given that second and third quarter figures are better than the corresponding ones of 2004, especially in the casings business (see quarterly figures in next page).

ACCUMULATED FIGURES



	GROUP	CASINGS	VEGETABLES
9M 04	15,6	17,7	7,1
9M 05	14,6	16,8	6,2

(*) These figures have been prepared according to IAS. In order to allow easier comparative analysis, 2004 figures have been re-stated under the same standards.

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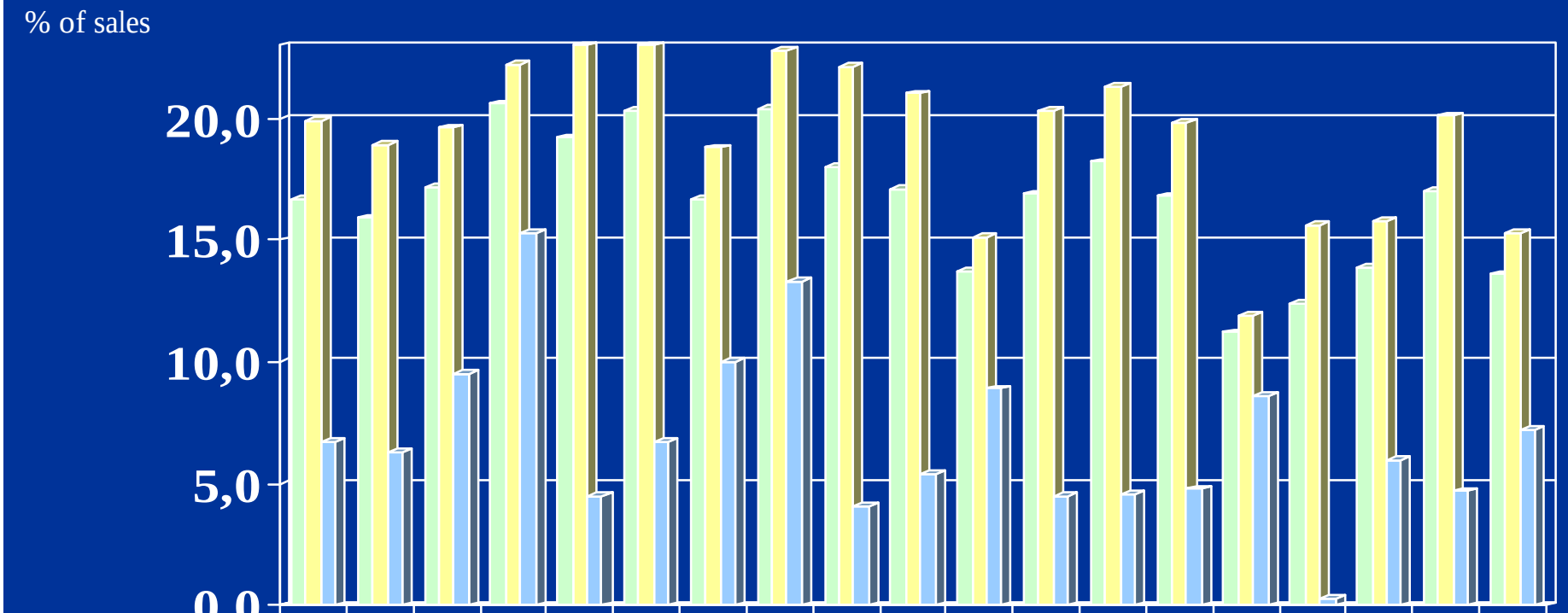
% QUARTERLY EBITDA MARGIN EVOLUTION (*)



	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03	3Q 03	4Q 03	1Q 04	2Q 04	3Q 04	4Q 04	1Q 05	2Q 05	3Q 05
GROUP	16,7	15,9	17,2	20,6	19,2	20,3	16,7	20,4	18,0	17,1	13,7	16,9	18,2	16,8	11,2	12,4	13,9	17,0	13,6
CASINGS	19,9	18,9	19,6	22,2	23,3	24,6	18,8	22,8	22,1	21,0	15,1	20,3	21,3	19,8	11,9	15,6	15,8	20,1	15,3
VEGETAB.	6,7	6,3	9,5	15,3	4,5	6,7	10,0	13,3	4,1	5,4	8,9	4,5	4,6	4,8	8,6	0,3	6,0	4,7	7,2

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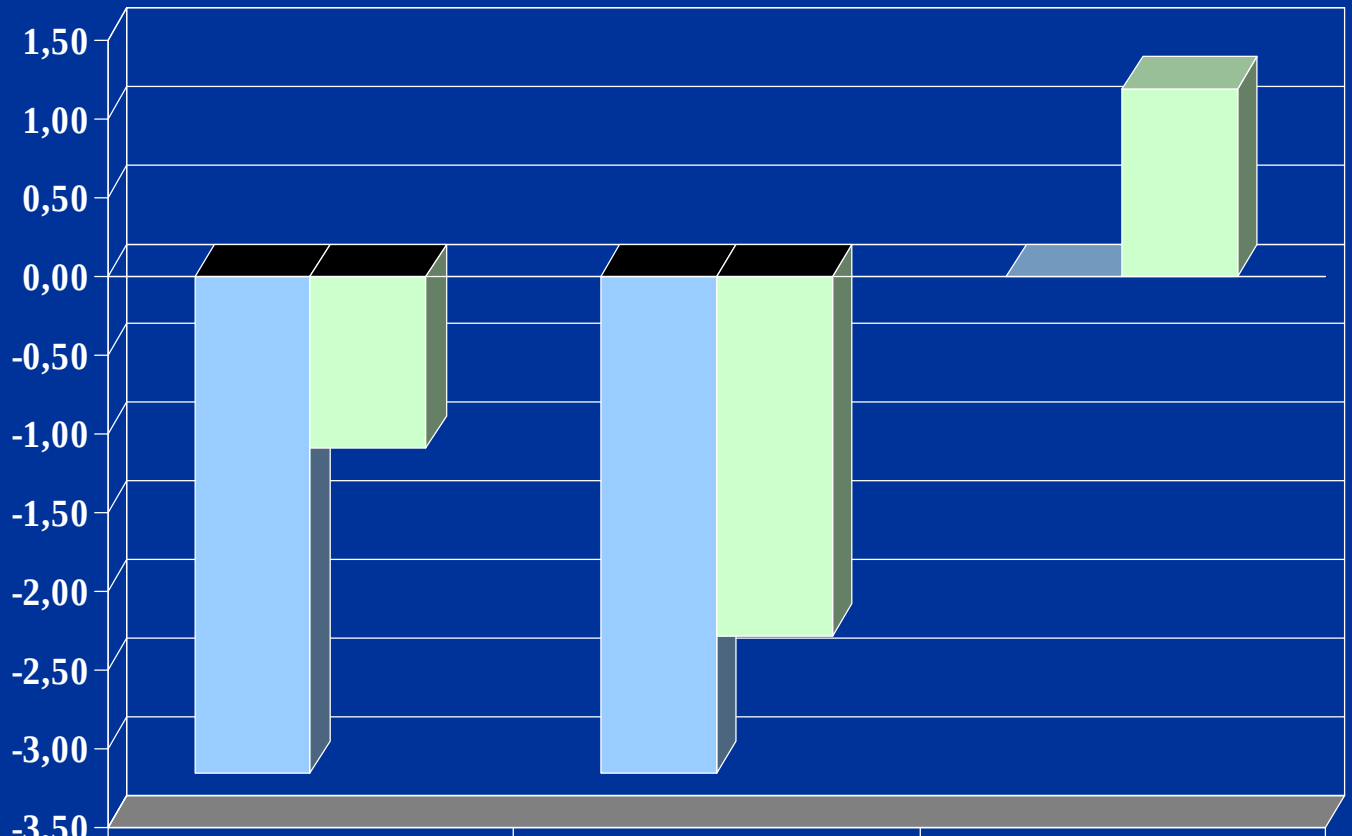
FINANCIAL RESULT: Lower net financial expenses (-27%) and positive forex allow the accumulated financial result to improve by 65%.

Million Euro

ACCUMULATED FIGURES



	Financ.Result	Net Fin.Expen.	Forex
9M 04	-3,15	-3,15	0,00
9M 05	-1,09	-2,28	1,19

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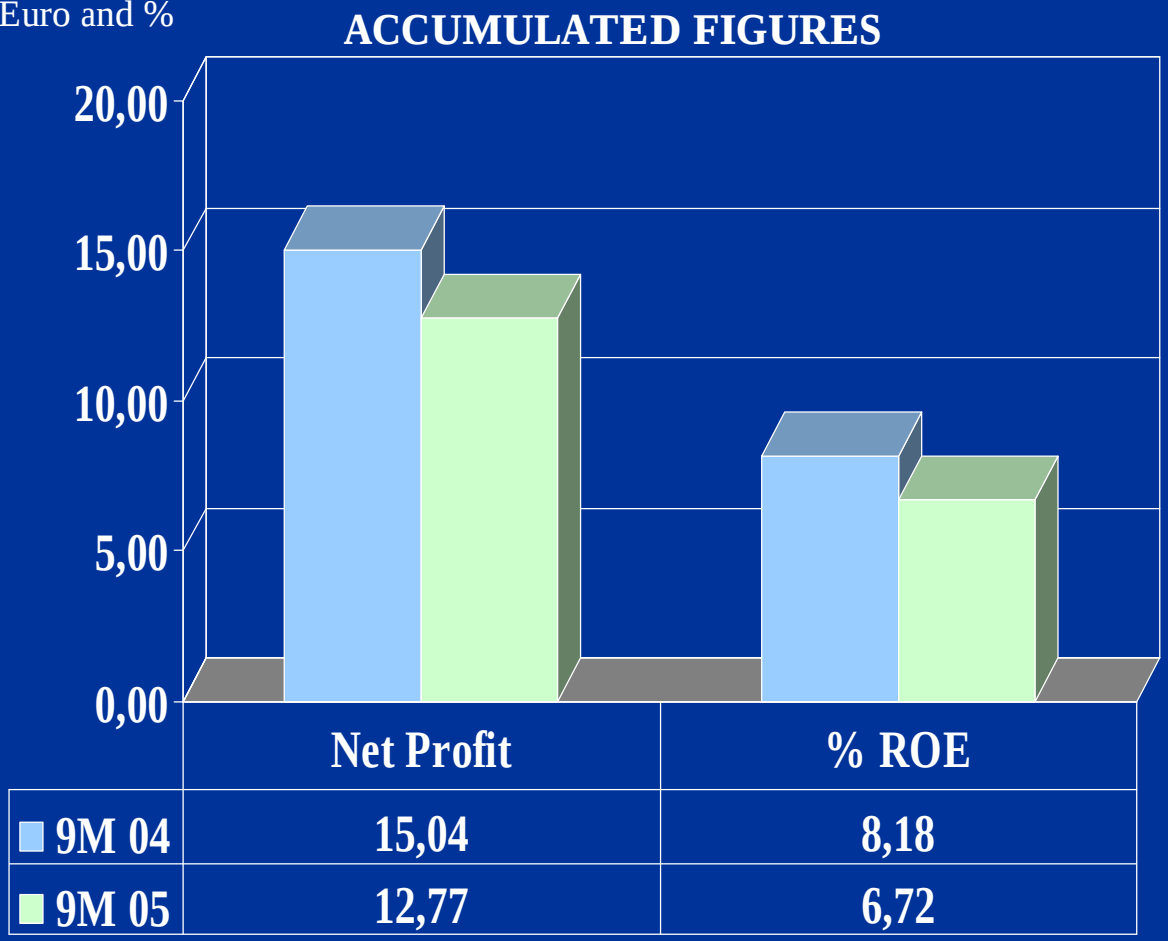
NET PROFIT AND ROE (*): **Net Profit is 15,1% lower than 9M04´s. This decrease is partially caused by the results obtained during 1Q05.Third quarter shows a 1,3% growth in Net Profit. Annualised ROE is 6,72%**

Million Euro and %



	Net Profit	% ROE
9M 04	15,04	8,18
9M 05	12,77	6,72

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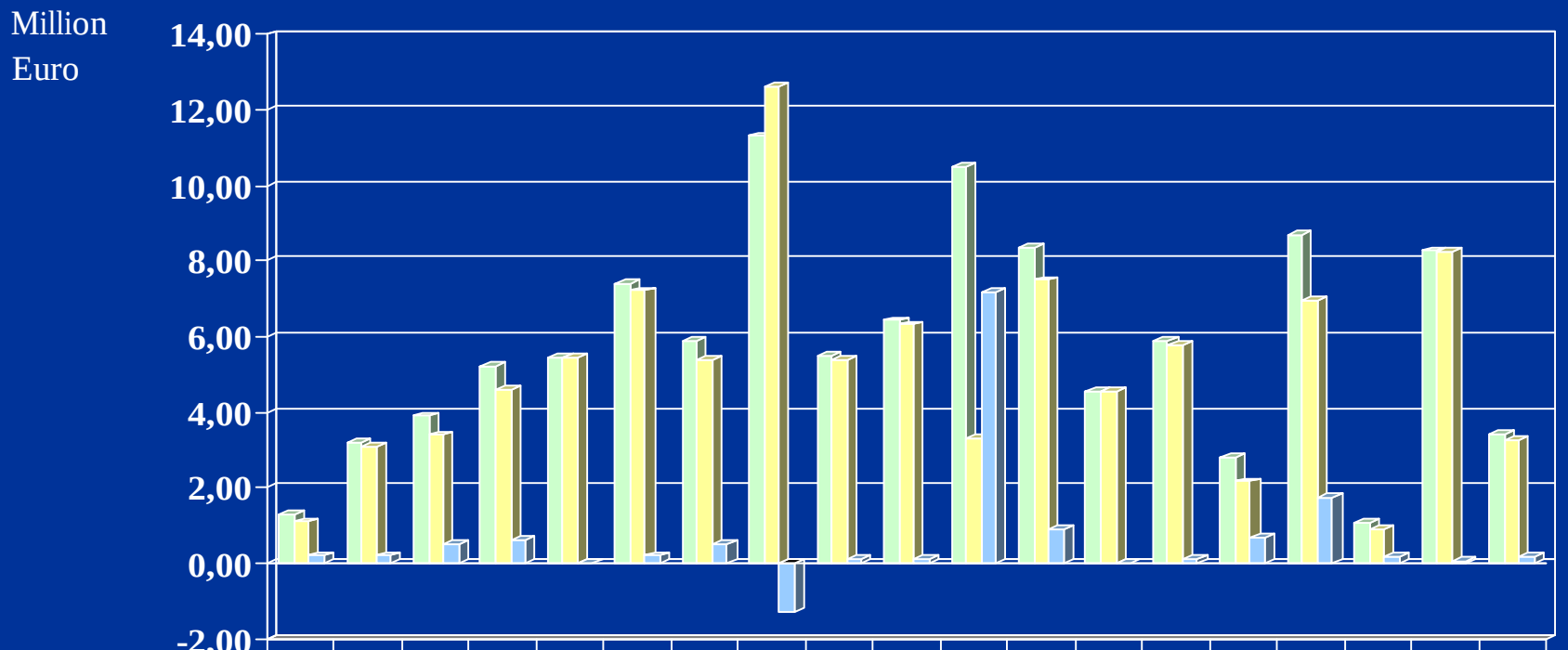
QUARTERLY NET PROFIT EVOLUTION (*)



	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03	3Q 03	4Q 03	1Q 04	2Q 04	3Q 04	4Q 04	1Q 05	2Q 05	3Q 05
GROUP	1,30	3,20	3,90	5,20	5,43	7,40	5,90	11,30	5,50	6,42	10,48	8,35	4,55	5,88	2,82	8,69	1,08	8,27	3,42
CASINGS	1,10	3,10	3,40	4,59	5,43	7,20	5,38	12,60	5,40	6,31	3,32	7,48	4,54	5,77	2,16	6,95	0,89	8,23	3,27
VEGETAB.	0,20	0,20	0,50	0,60	0,00	0,20	0,52	-1,30	0,10	0,11	7,16	0,88	0,01	0,11	0,66	1,74	0,18	0,04	0,15

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Balance Sheet and Debt Analysis

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Balance Sheet : **Financial leverage decreases to 31,4% from 31,6% at the end of 2Q05. The Group used 8,65 MM EUR to pay dividend and premium pay back, 3,10 MM EUR to the purchase of own shares in order to cancel them and 3,9 MM EUR for Koteksproduct purchase.**

Million Euro	*GROUP*		*CASINGS*		*VEGETABLES*	
	sep-05	*jun-05*	*sep-05*	*jun-05*	*sep-05*	*jun-05*
Non current assets	255,0	247,5	229,5	217,6	25,6	29,9
Inventories	107,6	106,1	79,1	82,6	28,5	23,5
Debtors	93,1	92,4	67,4	64,0	25,7	28,4
Other assets	0,0	0,0	0,0	0,0	0,0	0,0
EMPLOYED CAPITAL	*455,7*	*445,9*	*375,9*	*364,2*	*79,8*	*81,8*
Equity	259,0	257,7	222,3	221,1	36,7	36,6
Provisions	42,8	37,2	42,4	37,2	0,3	0,0
Trade and other creditors	58,0	55,2	36,2	39,4	21,9	15,8
Other current liabilities	14,5	15,0	13,9	14,5	0,6	0,6
Net debt	81,4	80,8	61,1	52,0	20,3	28,8
INVESTED CAPITAL	*455,7*	*445,9*	*375,9*	*364,2*	*79,8*	*81,8*

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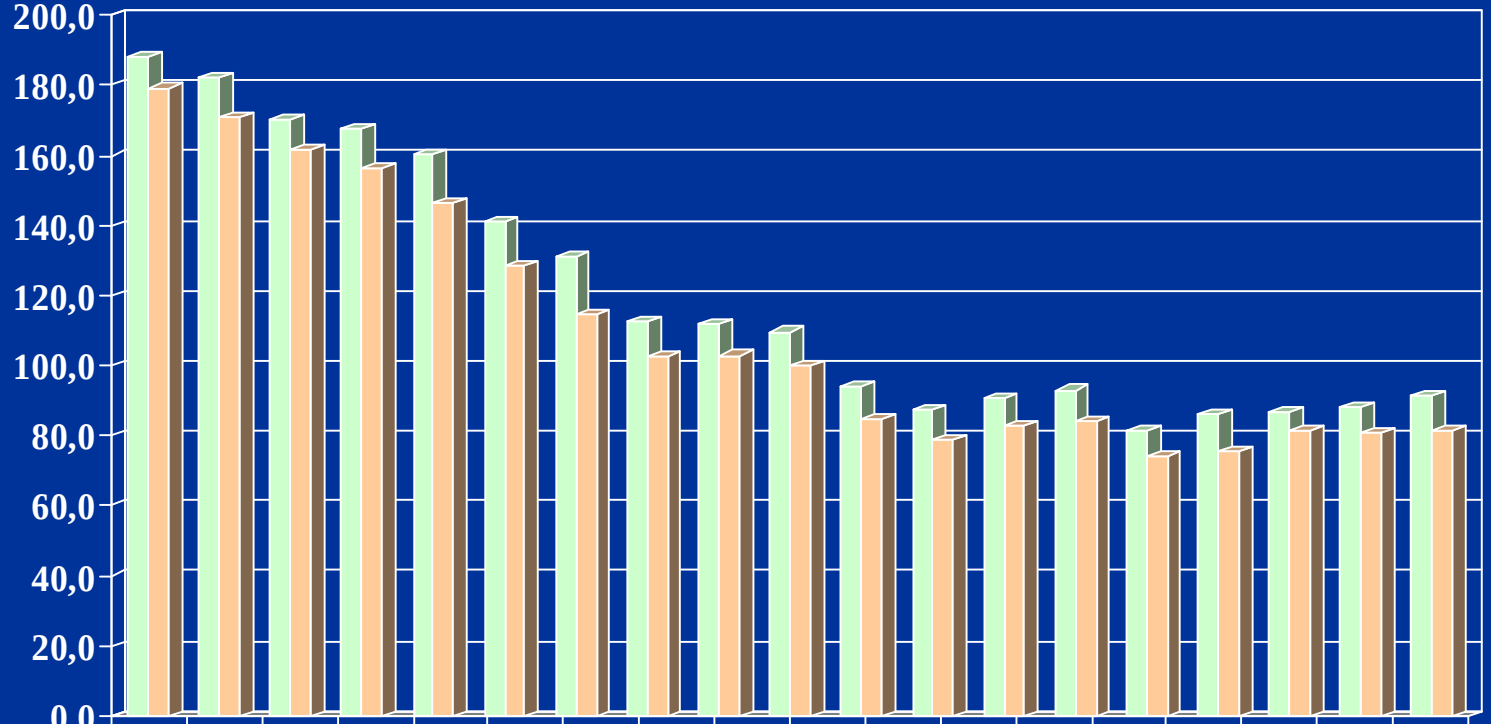
Net Debt (*) has increased 0,53 MM EUR in the quarter, being the ending level 81,37 MM EUR.

Million Euro

TOTAL DEBT AND NET DEBT: QUARTERLY EVOLUTION (*)



	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	3Q 03	4Q 03	1Q 04	2Q 04	3Q 04	4Q 04	1Q 05	2Q 05	3Q 05
Total Debt	188,4	182,0	170,1	167,8	160,4	141,1	131,2	112,4	112	94,2	87,5	90,8	93,0	81,5	86,3	86,8	88,1	91,6
Net Debt	179,3	171,1	161,7	156,3	146,3	128,6	114,7	102,6	103	84,6	78,8	82,9	84,1	74,1	75,7	81,3	80,8	81,4

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