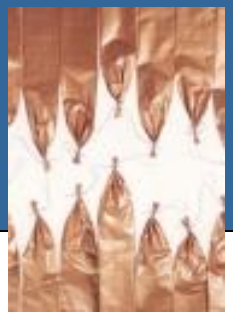
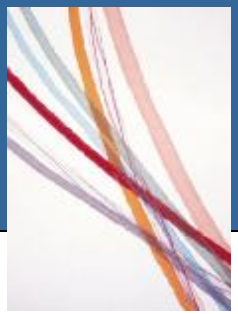
Viscofan Group Result Presentation. Fiscal year 2005 and 2006 outlook



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CONTENIDO

- Highligths.
- Fourth quarter 2005 and fiscal year 2005.
- Results analysis.
- Financial situation analysis.
- 2005: corporate changes.
- 2006 outlook.

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1 Highligths.

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Highligths I (*)

- The result for financial year 2005 improves the initial budget presented at the beginning of the year in sales and net results and shows recovery from the bad 1stQ. This improvement was achieved in spite of the costs incurred in buying new businesses and the subsequent restructuring operations.
- Sales Group: are 14.45% higher quarterly-wise and 7.3% in the total year reaching 100.24MM€ and 374.69MM€ respectively.
- Sales of meat casings rose by 7.42% and sales of preserved foods were up by 6.81%.
- EBITDA Margin in 4Q05 is 17.20% compared to 5.6% in the same period last year. Accumulated figure for the Group is 15.32% versus 13.10% in 2004.

(*) 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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Highligths II (*)

- In value EBITDA, reaches 57.4 million Euros in 2005, a rise of 25.48% compared to 2004. Fourth quarter EBITDA is 17.34 million euros, 12.33 million euros higher than 4Q04.

- Net Financial Result is -2,34 MM€ (-4,23 MM€ in 2004). Fourth quarter is 0,16 million euros higher than same period last year.

- Profit Before Taxes: 24.37% million euros 95.2% more than in 2004. Improvement is specially high in the fourth quarter of the year where we obtain 8,66 million euros (11.44 million euros more than in the 4Q 04).

(*) 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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Highligths III (*)

- ü After-tax profit: 6,95 million € in 4Q 05 (8,19 MM€ more than 4T 04) and 19,70 MM€ in the year (+42,72%).

- ü Net Debt has been reduced during last quarter by 3,29 MM€, and was 78.1 million € at the end of the year. Over the financial year net debt increased by 1.2 million €, after investments and allocating 8.65 million euro to dividends and premium pay back and 3.10 million Euros to own shares buy-back.

- ü Financial gearing is 31%. Balance sheet shows debt facilities prepared but not used at the end of the year.

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2 Fourth quarter 2005 and fiscal year 2005.

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Fourth quarter result 2005 (*)

Mill. Euros.	GROUP	%VAR	CASING	% VAR	VEGETABLES	% VAR
SALES	100,24	14.45%	81,28	16,97%	18,96	4,77%
EBITDA	17,24	251,20%	16,75	249,78%	0,49	308,40%
EBIT	9,90	682,98%	9,73	725,85%	0,17	216,78%
Negat.Financial result.	-1,24	14,67%	-1,17	33,49%	-0,08	-64,11%
PBT	8,66	411,14%	8,56	452,43%	0,09	126,14%
Tax	-1,72	-212,04%	-1,79	-194,50%	0,07	-118,36%
NET PROFIT	6,95	657,38%	6,79	1357,04%	0,16	122,24%

(*) 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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Fiscal year 2005 (*)

Mill Euros.	GROUP	%VAR	CASING	% VAR	VEGETABLES	% VAR
SALES	374,69	7,29%	299,64	7,42%	75,05	6,81%
EBITDA	57,41	25,48%	53,46	27,59%	3,95	2,57%
EBIT	26,71	59,78%	25,22	66,71%	1,48	-6,37%
Negat. Financial Result	-2,34	-44,73%	-1,48	-55,12%	-0,86	-24,96%
PBT	24,37	95,20%	23,74	97,18%	0,63	41,53%
Tax	-4,68	-455,59%	-4,58	-371,90%	-0,10	-72,83%
NET PROFIT	19,70	42,72%	19,17	39,66%	0,53	602,67%

(*) 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

grupo

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3 Results Analysis

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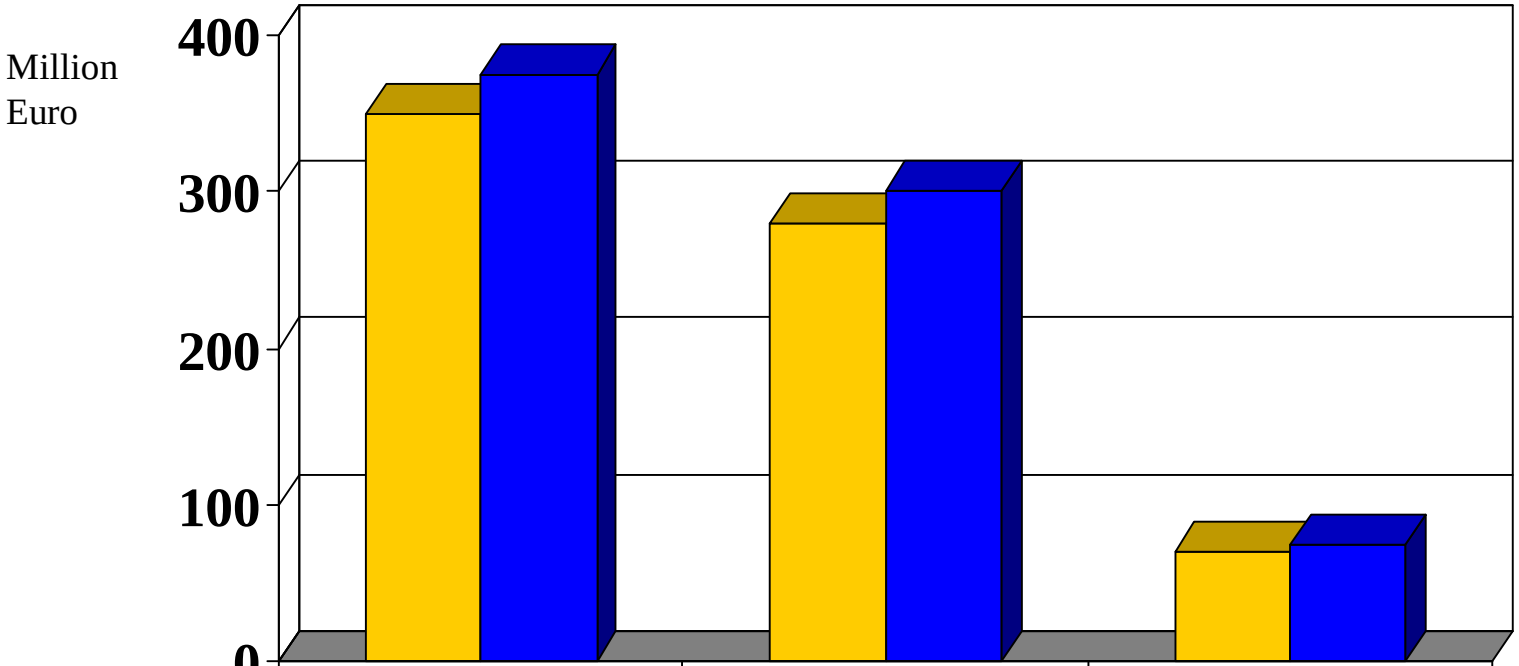
SALES: Group sales are 374,69 MM Euro, 7,3% higher than 2004. Casing sales are 7,42% higher and vegetables are 6,8% higher than 2004.



	GROUP	CASINGS	VEGETAB.
2004	349,2	279,0	70,2
2005	374,7	299,6	75,1

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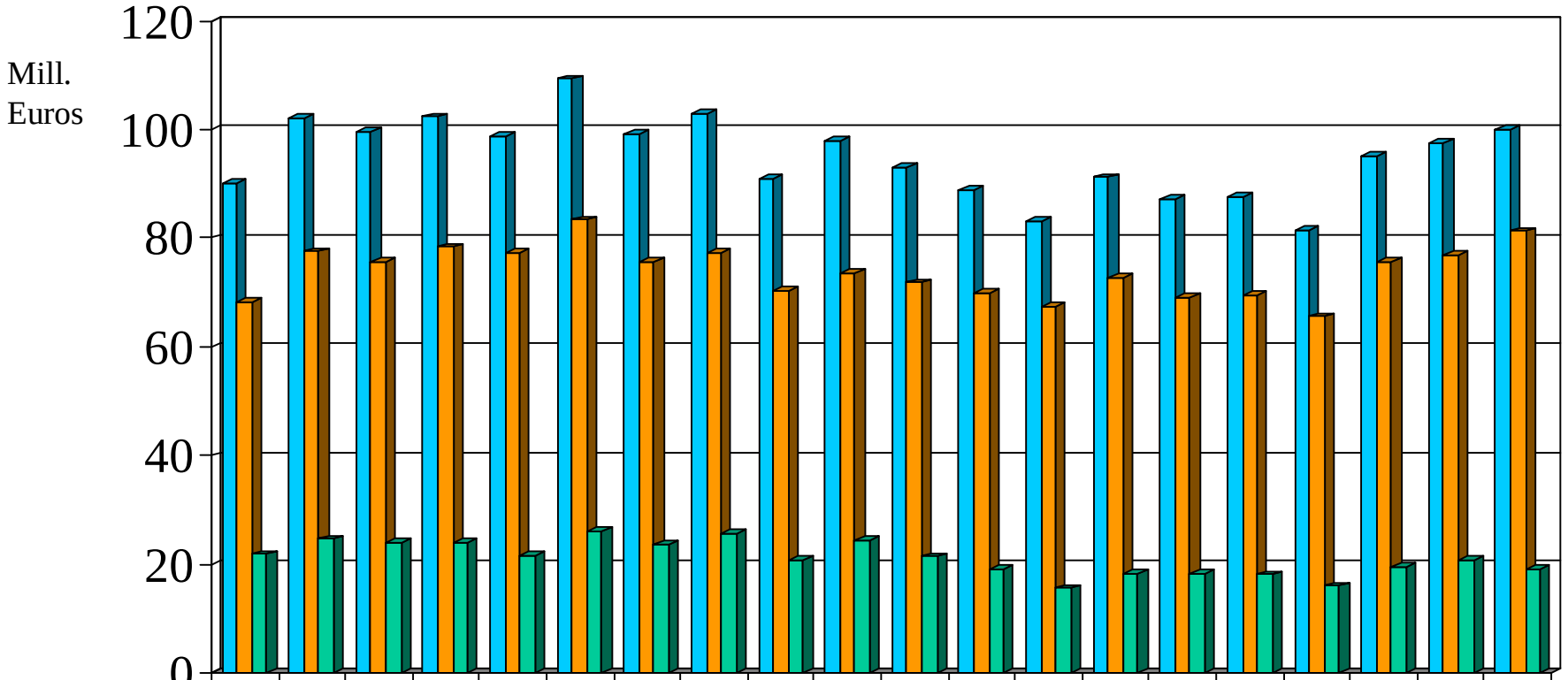
QUATERLY SALES EVOLUTION(*)



	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	4Q 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	100,2
CASING	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	81,3
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	19,0

(*) 2005 figures have been calculated according to IAS. Former quarters are calculated under valid rultes in respective periods.

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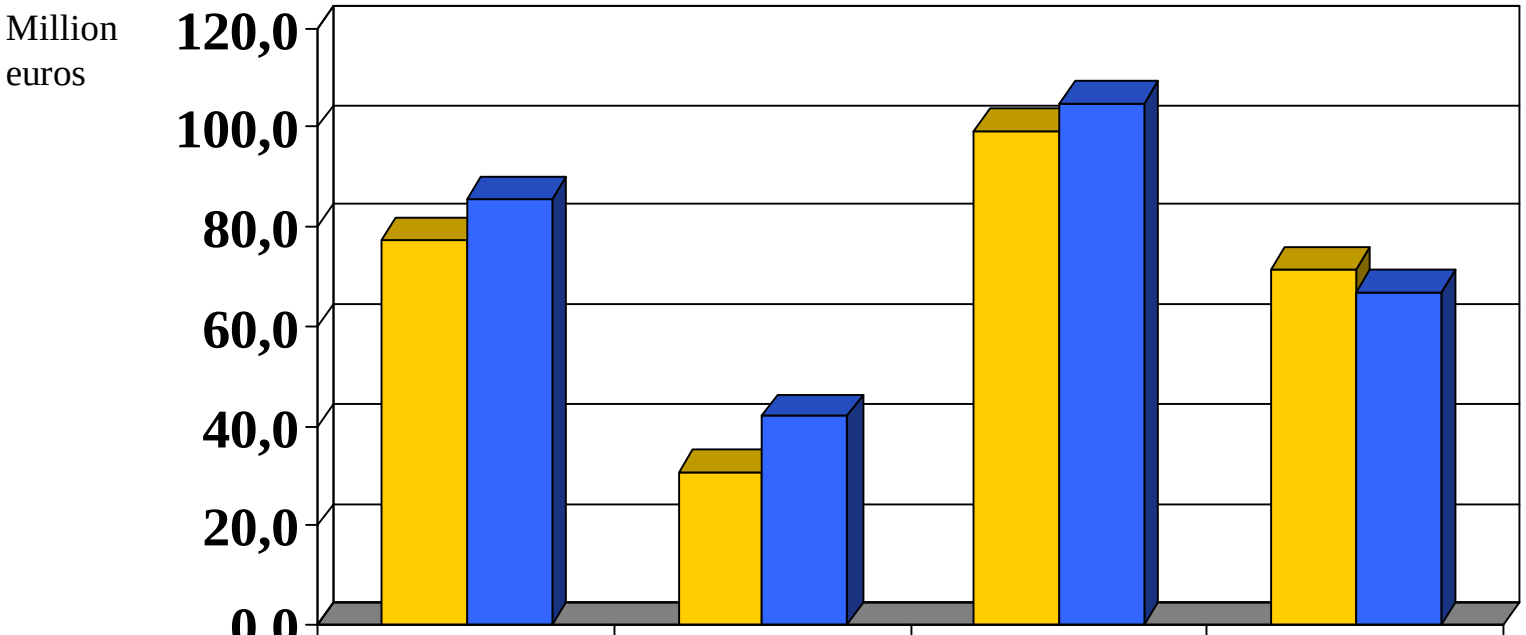
SALES BY AREA(*): Northamerica and Latam show significant sales growth, partially affected by the production transfer to Mexico and Brazil.



	Northamerica	Latam	Central Europe	Western Europe
2004	77,4	30,7	99,4	71,5
2005	85,6	41,9	104,9	66,9

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

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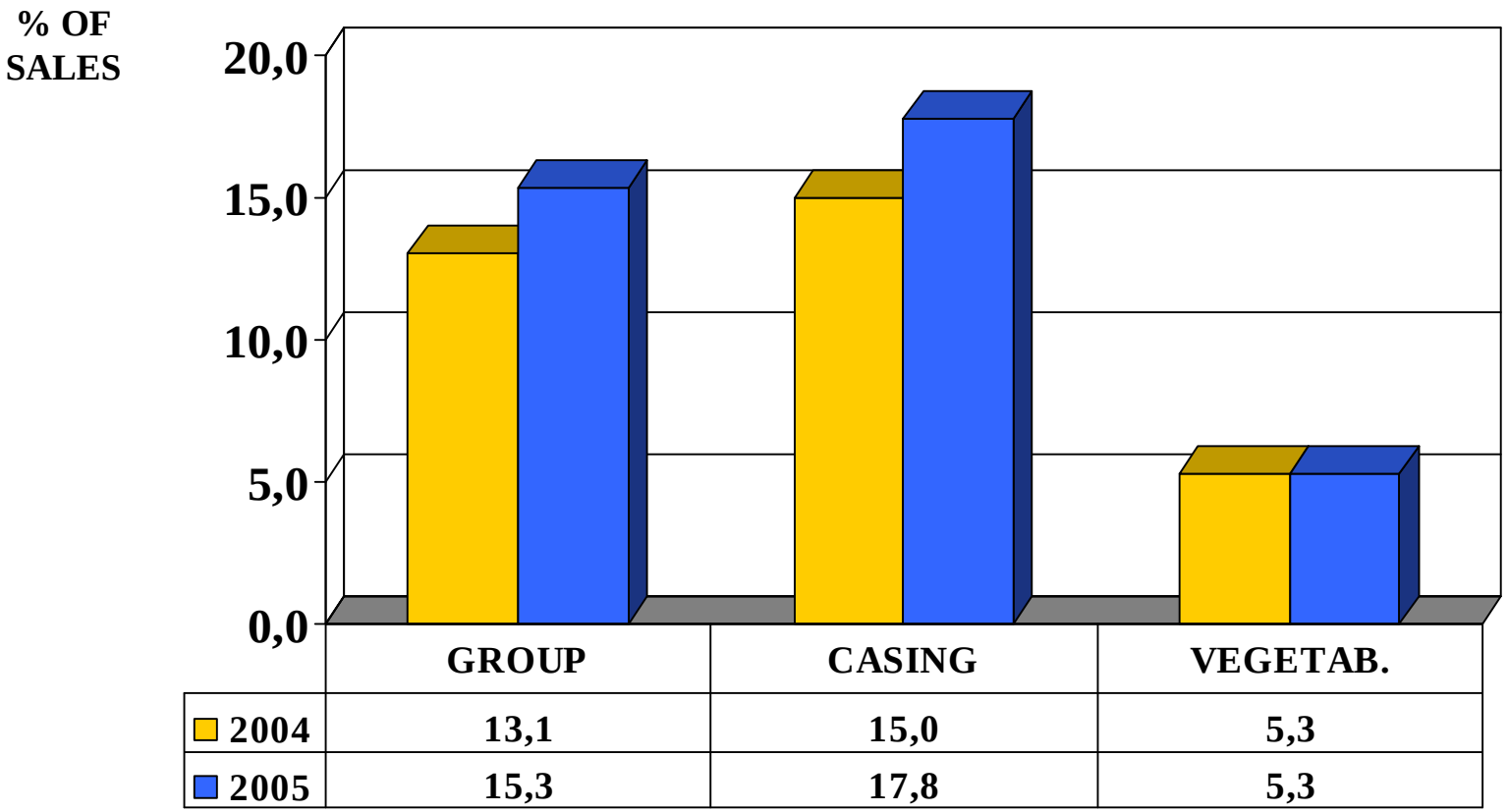
% EBITDA MARGIN(*): The Group improves EBITDA MARGIN. Casing business shows a gradual improvement in profitability during the year.



	GROUP	CASING	VEGETAB.
2004	13,1	15,0	5,3
2005	15,3	17,8	5,3

(*) 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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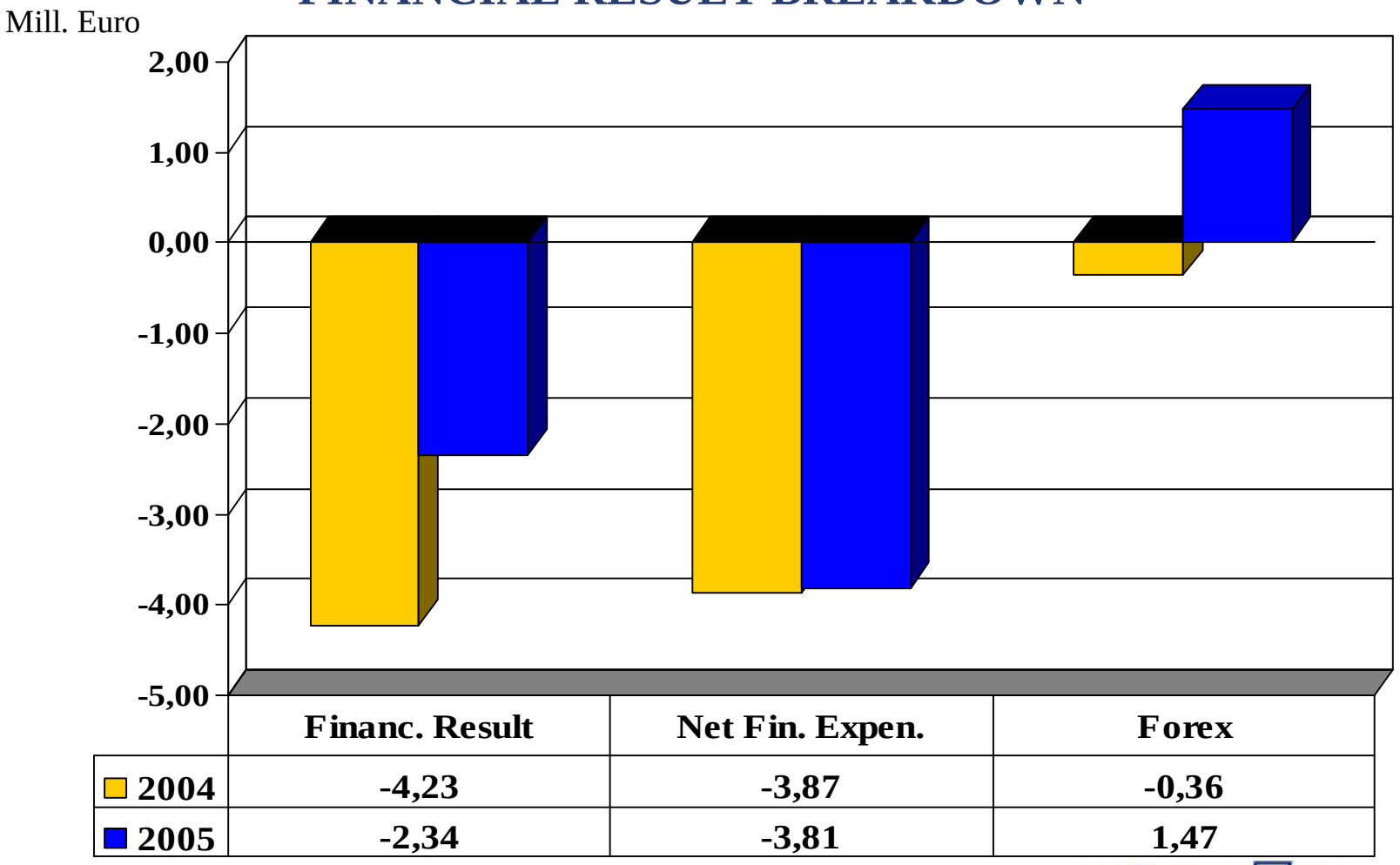
FINANCIAL RESULT: Positive forex allows the accumulated financial results to improve by 44,7%.

FINANCIAL RESULT BREAKDOWN



	Financ. Result	Net Fin. Expen.	Forex
2004	-4,23	-3,87	-0,36
2005	-2,34	-3,81	1,47

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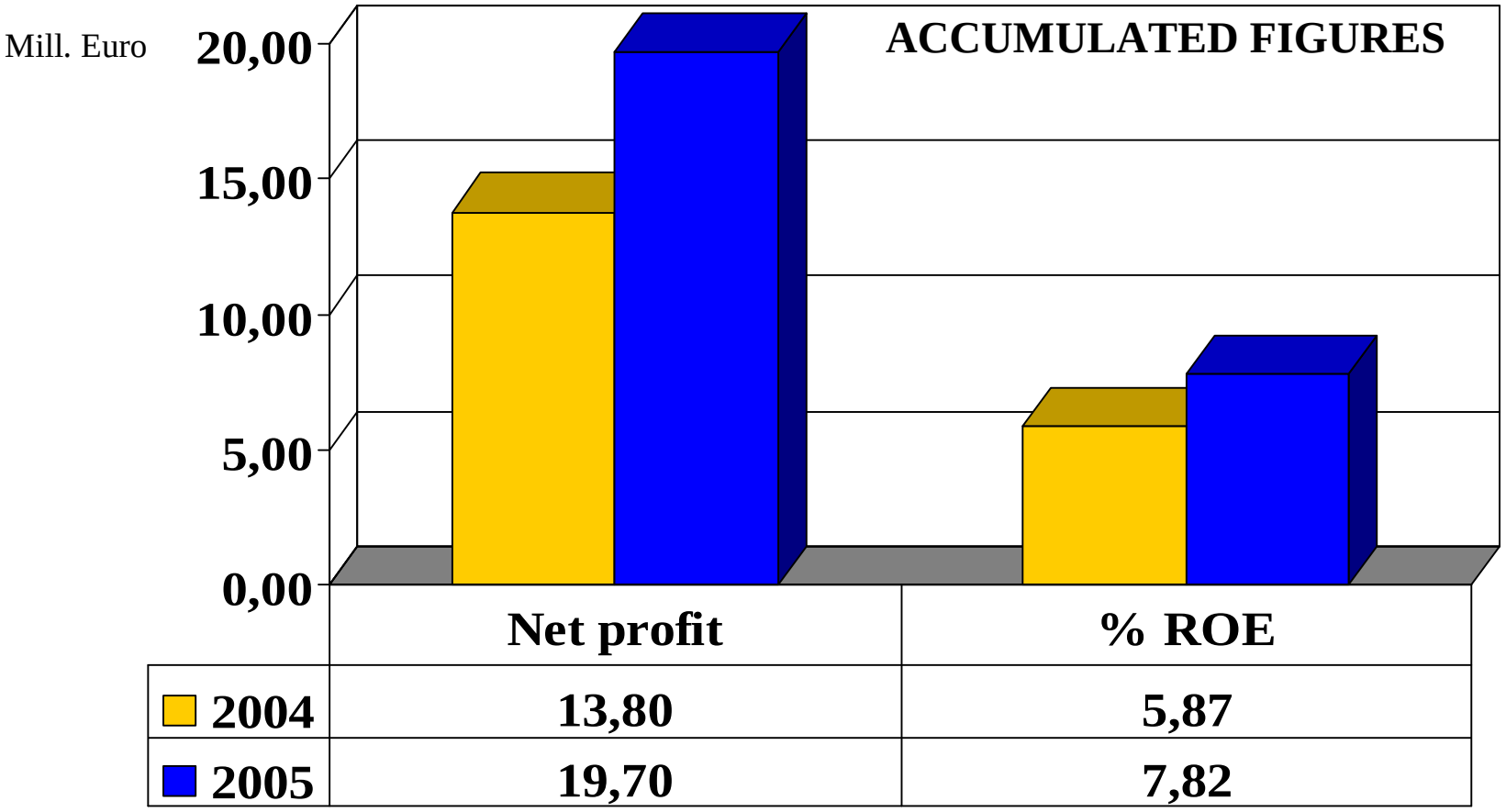
NET PROFIT AND ROE (*): Net profit is 42,72% higher than 2004. Annualised ROE is 7,82%.



	Net profit	% ROE
2004	13,80	5,87
2005	19,70	7,82

(*) 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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4 Financial situation analysis

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BALANCE SHEET(*): Financial gearing decreases to 31% at the end of the 2005.

Mill. Euros	GROUP			CASINGS			VEGETABLES		
	dic-05	sep-05	jun-05	dic-05	sep-05	jun-05	dic-05	sep-05	jun-05
Non current assets	256,2	255,0	247,5	231,3	229,5	217,6	24,9	25,6	29,9
Inventories	112,9	107,6	106,1	81,3	79,1	82,6	31,6	28,5	23,5
Debtors	82,6	93,1	92,4	63,5	67,4	64,0	19,1	25,7	28,4
Other assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
EMPLOYED CAPITAL	451,7	455,7	445,9	376,1	375,9	364,2	75,6	79,8	81,8
Equity	251,3	259,0	257,7	217,6	222,3	221,1	33,7	36,7	36,6
Provisions	55,1	42,8	37,2	52,8	42,4	37,2	2,3	0,3	0,0
Trade and other creditors	58,1	58,0	55,2	41,5	36,2	39,4	16,6	21,9	15,8
Other current liabilities	9,1	14,5	15,0	8,4	13,9	14,5	0,7	0,6	0,6
Net debt	78,1	81,4	80,8	55,8	61,1	52,0	22,3	20,3	28,8
INVESTED CAPITAL	451,7	455,7	445,9	376,1	375,9	364,2	75,6	79,8	81,8

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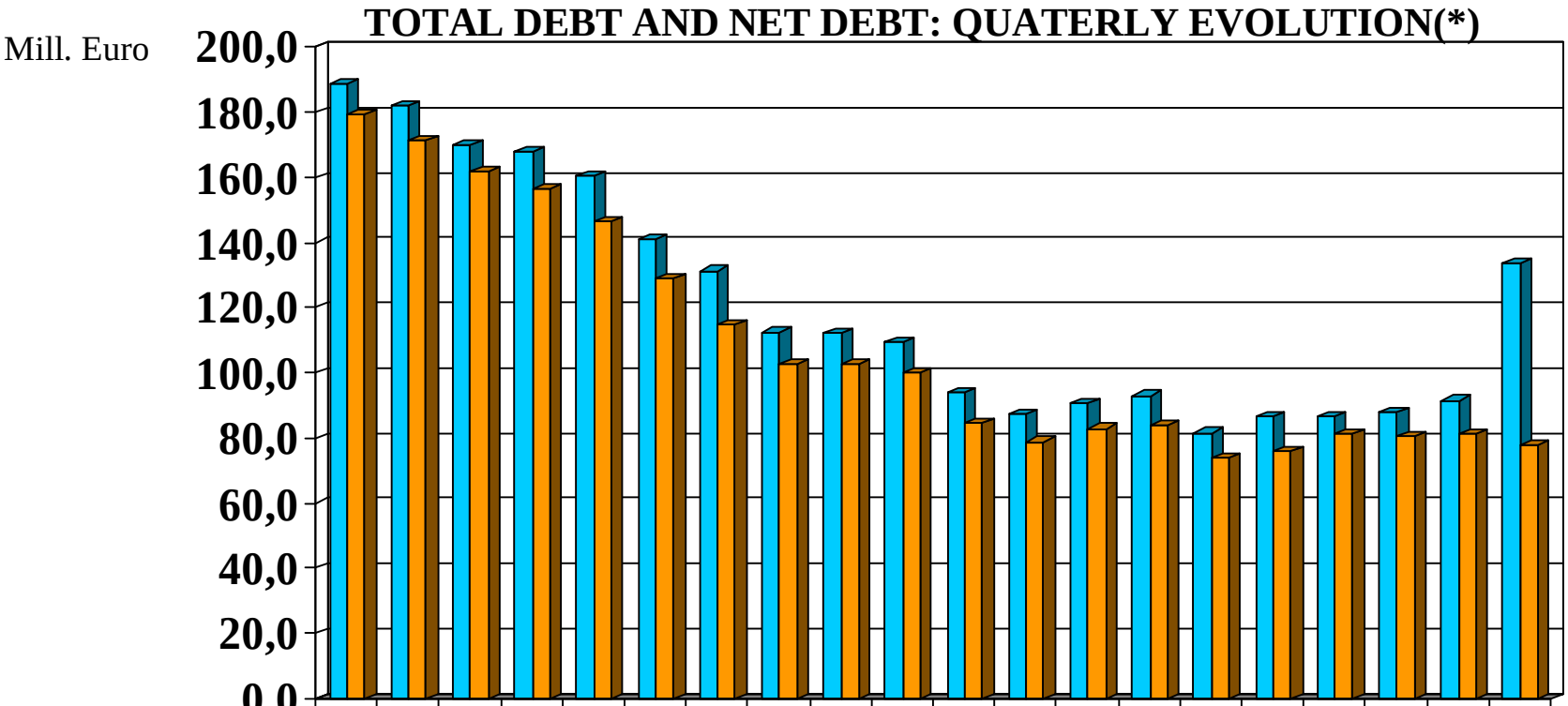
NET DEBT(*): has been reduced during last quarter by 3,2 MM€. Bank debt at the end of the year shows financing arranged for the Teepak NA acquisition.



	1T 01	2T 01	3T 01	4T 01	1T 02	2T 02	3T 02	4T 02	1T 03	2T 03	3T 03	4T 03	1T 04	2T 04	3T 04	4T 04	1T 05	2T 05	3T 05	4T 05
Deuda Total	188,	182,	170,	167,	160,	141,	131,	112,	112	109,	94,2	87,5	90,8	93,0	81,5	86,3	86,8	88,1	91,6	134
Deuda Neta	179,	171,	161,	156,	146,	128,	114,	102,	103	100,	84,6	78,8	82,9	84,1	74,1	75,7	81,3	80,8	81,4	78,1

(*) 2005 figures have been calculated according to IAS. Former quarters are calculated under valid rules in respective periods.

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5 Corporate movements

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COPORATE MOVEMENTS I

- In April 2004, Viscofan reached an agreement with majority shareholders of TRIPASIN to acquire its collagen casing business and its assets related to such a production. Tripasin stopped production activity. This machinery will go to the newly owned Serbian plant. Its sales in 2004 amounts to 83 M Skr.

- In July 2005, Viscofan filed a take over bid for the whole share capital of the Serbian company KOTEKSPRODUKT a.d. A capital increase of 5.5 million euros was completed after having full control of the company to improve equipment and processes and to increase production capacity as well.

- In December 2005, with effects in 2006, Viscofan bought the business of TEEPAK NA , which has sales of 112 million dollars, plants in the USA and Mexico and fibrous casings technology.

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CORPORATE MOVEMENTS II

- With these acquisitions Viscofan improves the business mix, with concentration in artificial casing: its core and most profitable business.
- Viscofan plays an active role in the consolidation process of the artificial casing sector that will improve this business.
- Teepak acquisition makes Viscofan less vulnerable to exchange rates fluctuations.
- It improves the geographical situation of the production plants with respect to to the markets and will generate transport and duties saving.
- With this acquisition Viscofan will be the only group able to manufacture all kinds of artificial casings.

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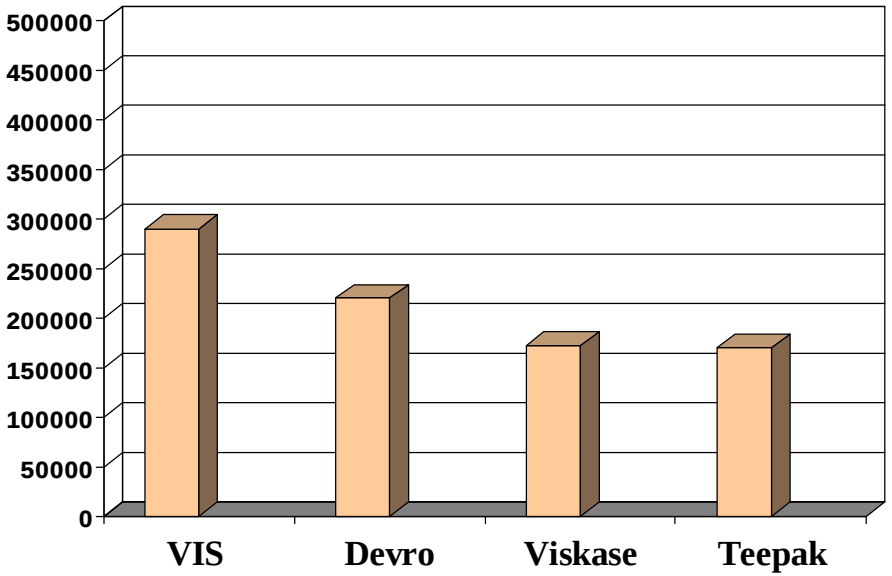
Teepak NA Acquisition

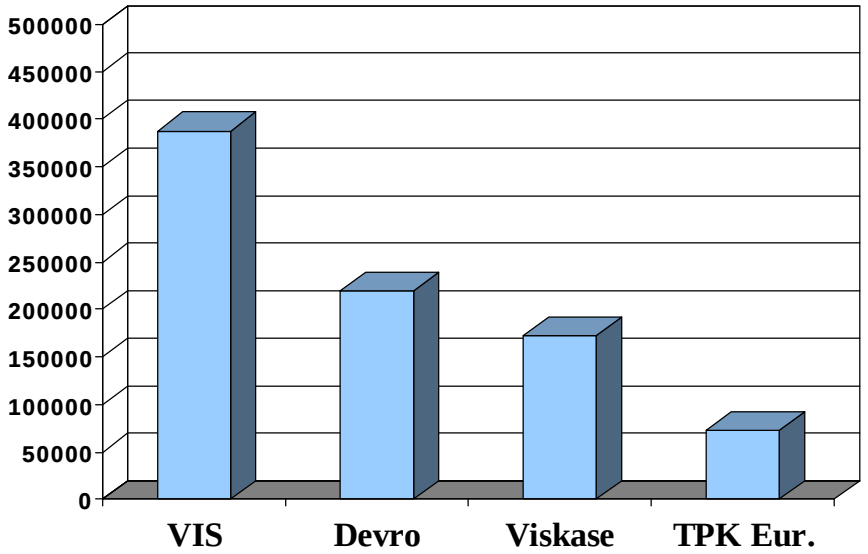
Big jump in size

CASINGS SALES (000) Euros

BEFORE



AFTER



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6 Outlook 2006

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OUTLOOK 2006 EX TEEPAK N.A.

Mill. Euro	BASE	%VAR 06/05
SALES	395,45	+5,54
EBITDA	64,01	+11,5
EBIT	32,83	+23,1
PROFIT BEFORE TAX	29,31	+20,3
NET PROFIT	22,43	+13,9

Mill. Euro	OPTIMIST	% VAR 06/05
SALES	404,31	+7,91
EBITDA	68,68	+19,63
EBIT	37,52	+40,47
PBT	34,21	+40,38
NET PROFIT	25,81	+31,05

Mill. Euro	PESIMIST	% VAR 06/05
SALES	387,52	+3,42
EBITDA	58,01	+1,05
EBIT	26,95	+0,90
PBT	24,65	+1,15
NET PROFIT	19,95	+1,27

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OUTLOOK 2006 – INVESTMENTS AND DEBT

Thousand Euro	**BASE**	**OPTIMIST**	**PESIMIST**
INVESTMENTS	34.198	34.198	34.198
FINAL NET DEBT	142.093	138.593	146.833
LEVERAGE	54,55%	52,50%	57,41%

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