Viscofan Group Result Presentation – FIRST HALF 2006





CONTENIDO

- Highlights.
- First half results 2006 quarterly 2006 results.
- Result analyst.
- Balance sheet and debt analysis.
- 2006 Guidance update.

Highlights

Highlights I

- The consolidation perimeter increase in the information we present for the first half of 2006 in comparison with the same period in 2005. In fact, the Teepak NA business and the Serbian company Koteks have also been included in 2006.

- Group sales: were 246.33MM€, implying 39.3% more than in the 1H05. This growth in due both to the incorporation of new companies (24.7%) and increase in the business figure of the old perimeter (14.6%).

- Casing sales have grown 47%. With the same perimeter as 2005, growth is 16%. Tinned food sales increased 8.8%.

- EBITDA increased 60.4% reaching 43,09MM€. Considering the companies forming the 2005 perimeter growth is 26.1%

Highlights II

- ü EBITDA over sales, represents 17.5%, (15,20% in 1H05). It implies 16.7% for the same consolidation perimeter.
- ü Profit before tax: Improved 106.6% reaching 22,85MM€ with the same consolidation perimeter, the increase is 39%, reaching 15,38 MM €.
- ü Profit after tax is: 15.27MM€, 63.4% more than 1H05. With the same consolidation perimeter, growth is 30,6%, with 12,21 MM€.
- ü Net Financial costs: reached -4,3 MM€ (-0,59 MM€ in the same period of last year) due of the increase in debt from the purchases made in financial year 2005, the increase of the interest rates and the negative exchange differences.
- ü Financial leverage reached 50,5% of equity.

Highlights III

- Net Debt: has been increased during first half by 50,8MM€ as a result of the greater indebtedness due to purchasing Teepak NA. and after pay 9.1 MM€ as shareholders remmuneration.

- These results include the followings relevant events:
  - In the first months of the half year, the new companies incorporated in the Group generated losses as expected. The made profits in the last month of the half year.
  - A profit of 11.76 MM€ at EBITDA level, as a result of the agreement reached in Teepak during first quarter whereby the number of commitments with employess due to post retirement benefits, were reduced. One the tax effect had been considered, the effect at result level after taxation is 7.08 MM€
  - Restructuring expenses of the US and Mexican amount to 1 MM€ in both EBITDA and result after taxation.

- We maintain the expectation of improving the base budget presented at the beginning of the year.

- For that, we define the optimistic budget presented in February (Net profit 25.81 MM€) as the reference point for this exercise.

First half results, 2nd quarterly 2006 results.

First Half 2006 Results

Mill. Euros	GROUP	%VAR	CASINGS	% VAR	VEGETABLES	% VAR
SALES	246,33	39,31%	207,69	46,99%	38,64	8,76%
EBITDA	43,09	60,36%	40,83	64%	2,26	14,43%
EBIT	27,15	133,08%	26,03	138,66%	1,12	51,28%
Negat. Financial Result.	-4,30	628%	-3,67	3236%	-0,63	33,83%
PBT	22,85	106,56%	22,36	107,18%	0,50	81,99%
Tax	-7,58	342,18%	-7,42	346,48%	-0,16	207,55%
NET PROFIT	15,27	63,37%	14,94	63,65%	0,33	51,60%

2nd Quarter 2006 results

Mill Euros	GROUP	%VAR	CASINGS	% VAR	VEGETABLES	% VAR
SALES	126,04	32,34%	104,76	38,44%	21,29	8,77%
EBITDA	19,28	19,22%	17,86	17,18%	1,42	52,81%
EBIT	11,32	35,22%	10,54	29,93%	0,78	200,77%
Negat. Financial Result	-2,24	1165%	-1,90	2278%	-0,34	30,77%
PBT	9,07	10,76%	8,63	5,43%	0,44	14533%
Tax	-1,75	2255%	-1,61	3375%	-0,14	540,63%
NET PROFIT	7,33	-11,44%	7,03	-14,68%	0,30	751,43%

Results by quarters 2006

1st quarter 2006

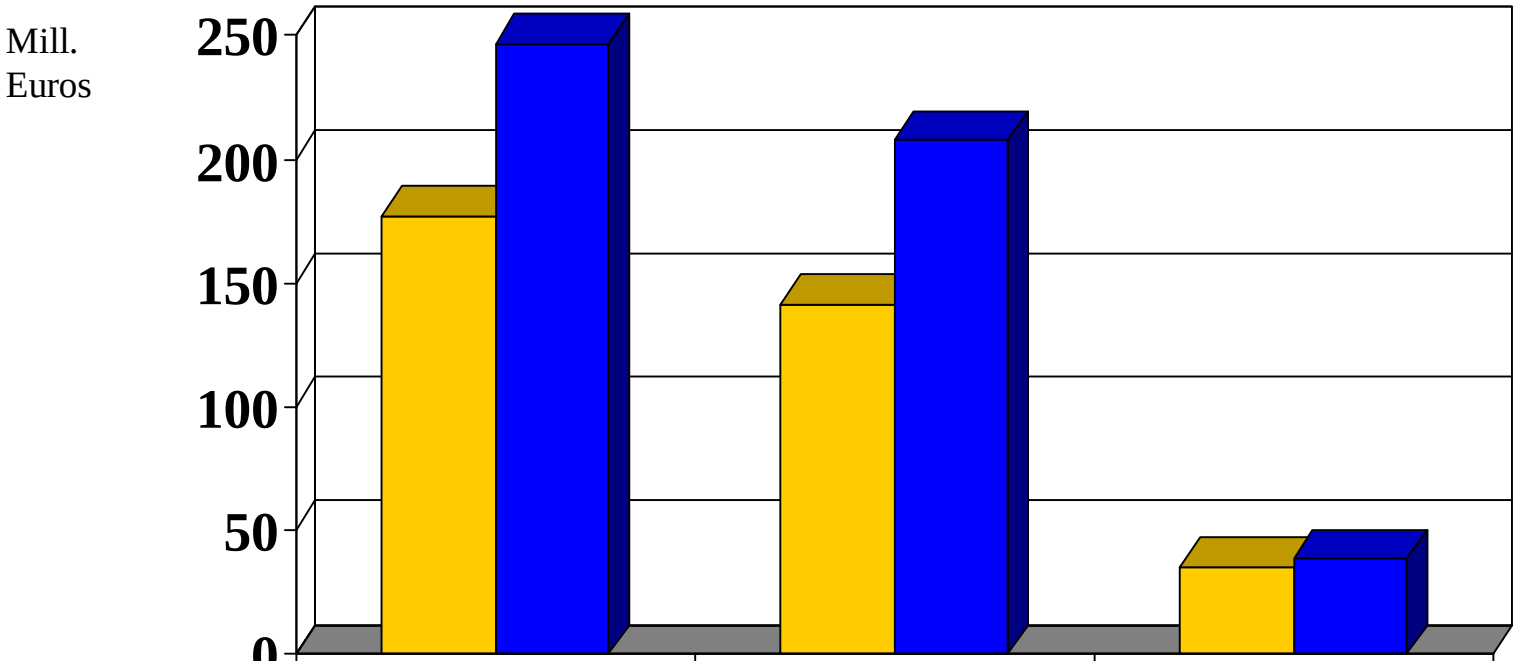
Mill. Euros	GROUP	%VAR	CASINGS	% VAR	VEGETABLES	% VAR
SALES	120,286	47,44%	102,934	56,84%	17,352	8,75%
EBITDA	23,814	122,52%	22,969	137,95%	0,845	-19,45%
EBIT	15,837	382,69%	15,492	453,88%	0,345	-28,72%
Negat. Financial Result.	-2,057	402,93%	-1,768	811,34%	-0,289	34,42%
PBT	13,780	379,81%	13,724	427,24%	0,056	-79,18%
Tax	5,833	224,96%	-5,811	239,82%	-0,022	-74,12%
NET PROFIT	7,947	637,88%	7,913	786,11%	0,034	-81,52%

2nd quarter 2006

Mill Euros	GROUP	%VAR	CASINGS	% VAR	VEGETABLES	% VAR
SALES	126,04	32,34%	104,76	38,44%	21,29	8,77%
EBITDA	19,28	19,22%	17,86	17,18%	1,42	52,81%
EBIT	11,32	35,22%	10,54	29,93%	0,78	200,77%
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Result analysis.

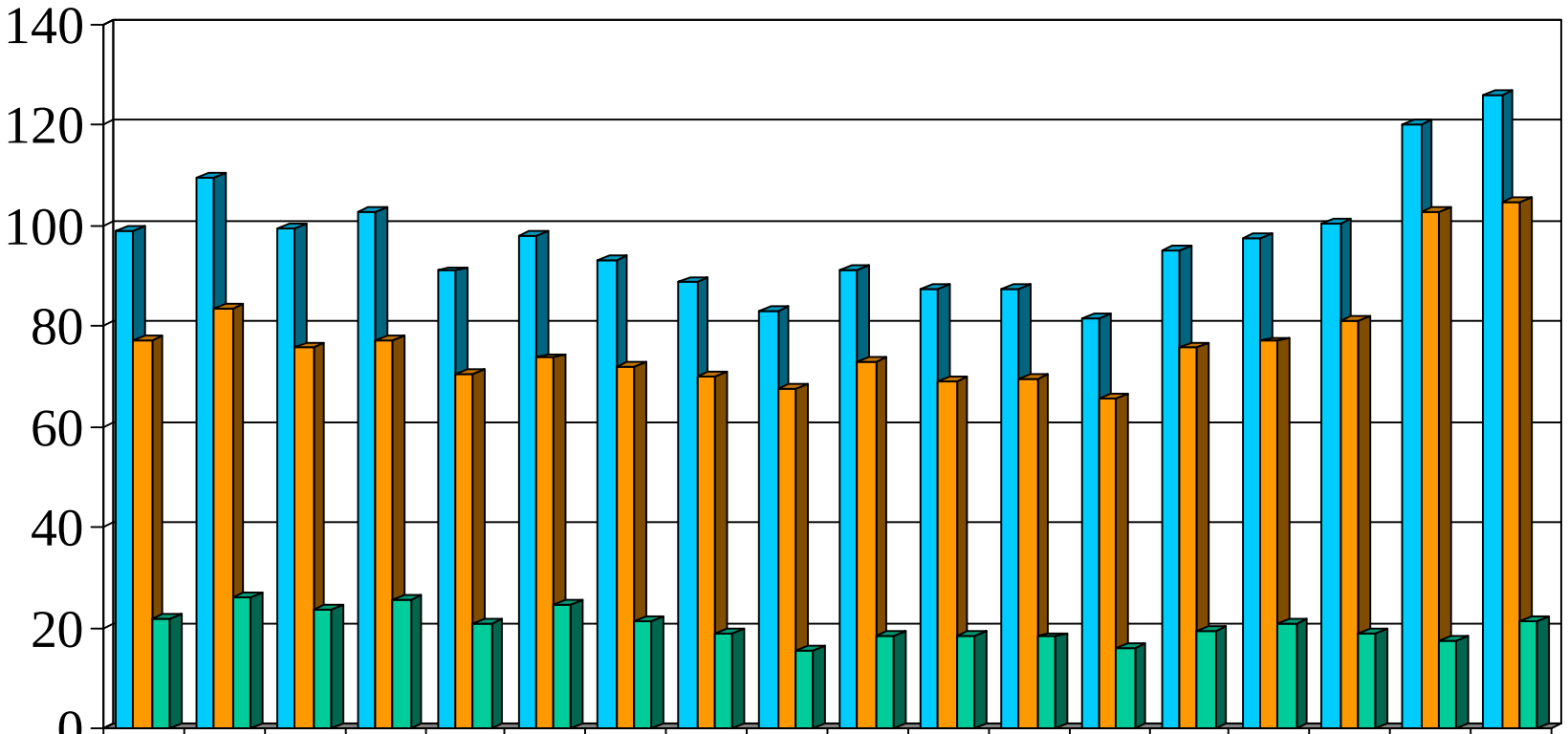
SALES: Sales are 246.3 MM€, 39.31% higher than the same period of 2005. Sales of casing rose by 47% and sales of vegetable were up by 8.8%.



	GROUP	CASINGS	VEGETAB.
1H 05	176,8	141,3	35,5
1H 06	246,3	207,7	38,6

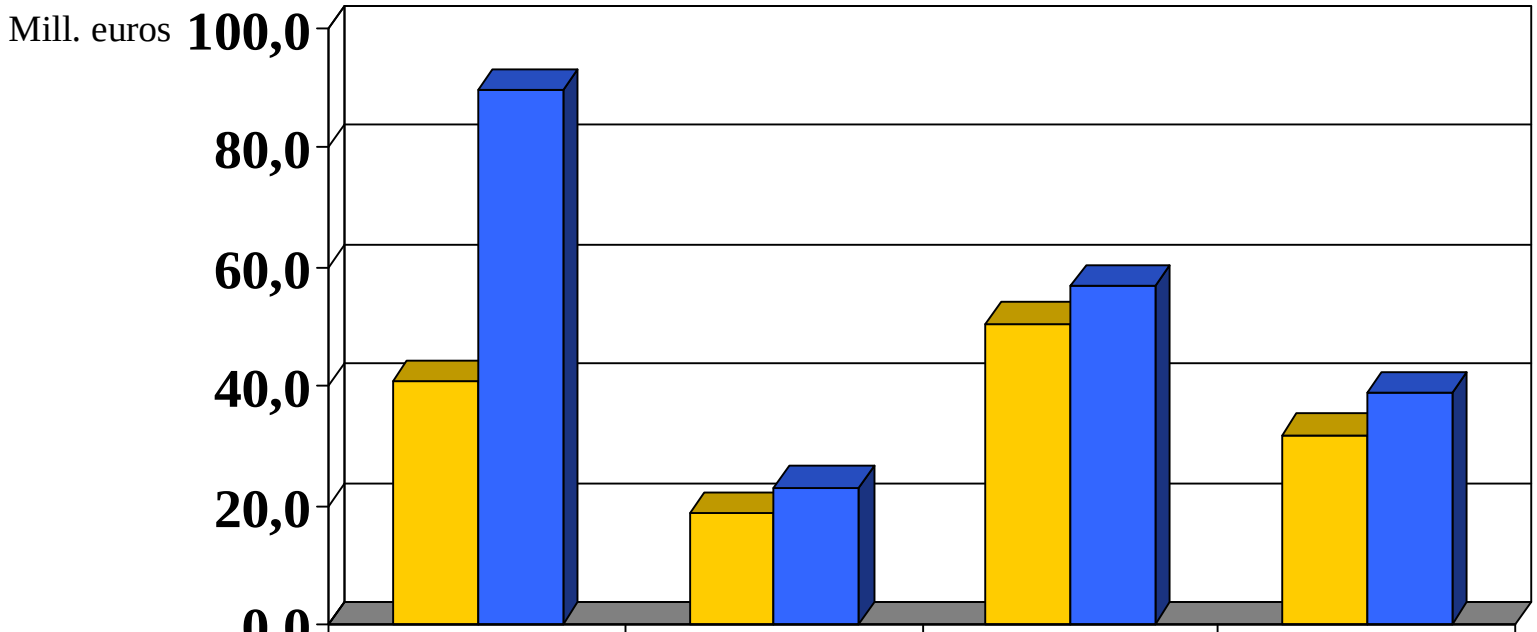
QUATERLY SALES EVOLUTION

Mill. euros.



	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	1Q 06	2Q 06
GROUP	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	120,3	126
CASINGS	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	102,9	104,8
VEGETAB.	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	17,3	21,29

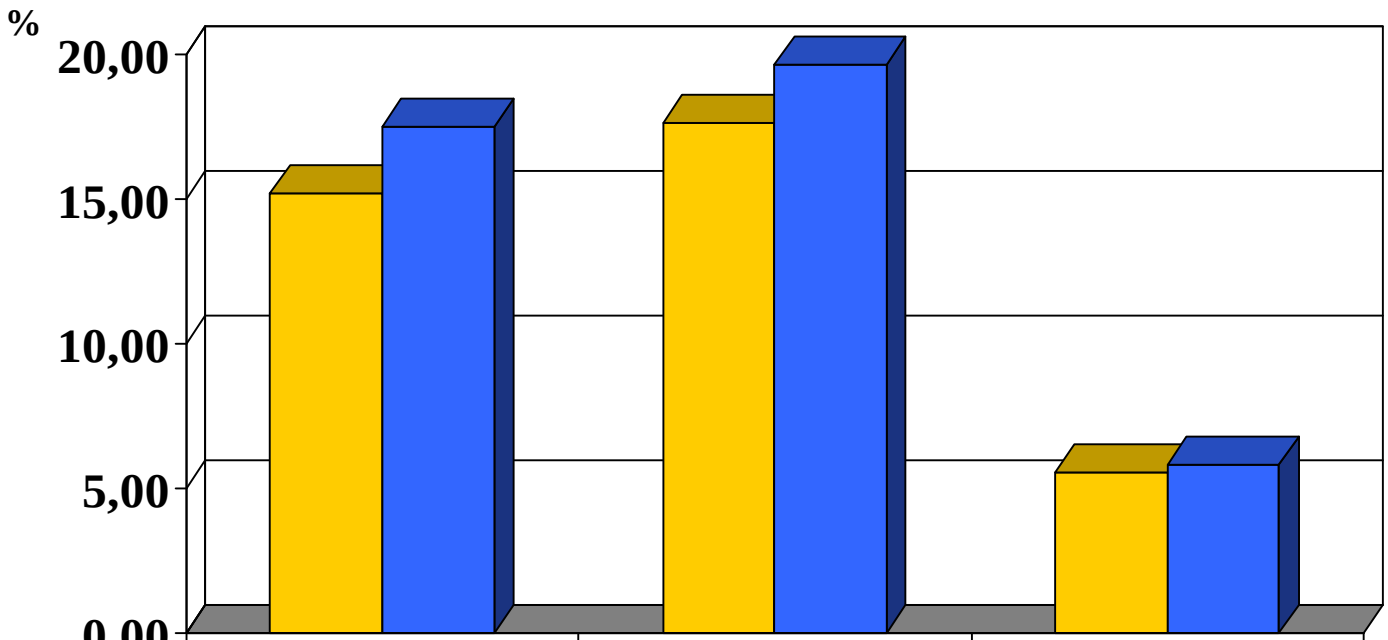
VENTAS POR AREAS: North America presents strong growths largely reflecting the contribution of new plants purchased from Teepak NA. In addition the increase in the rest of the areas demonstrates market recovery.



	Northamerica	Latam	Central Europe	Western Europe
1H 05	40,7	18,6	50,3	31,8
1H 06	89,5	23,0	56,6	38,7

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

% EBITDA MARGIN: **The recovery of two points in casing margins supported to a lesser extent by the improvement in the tinned food industry shows a clear increase in Group profitability.**

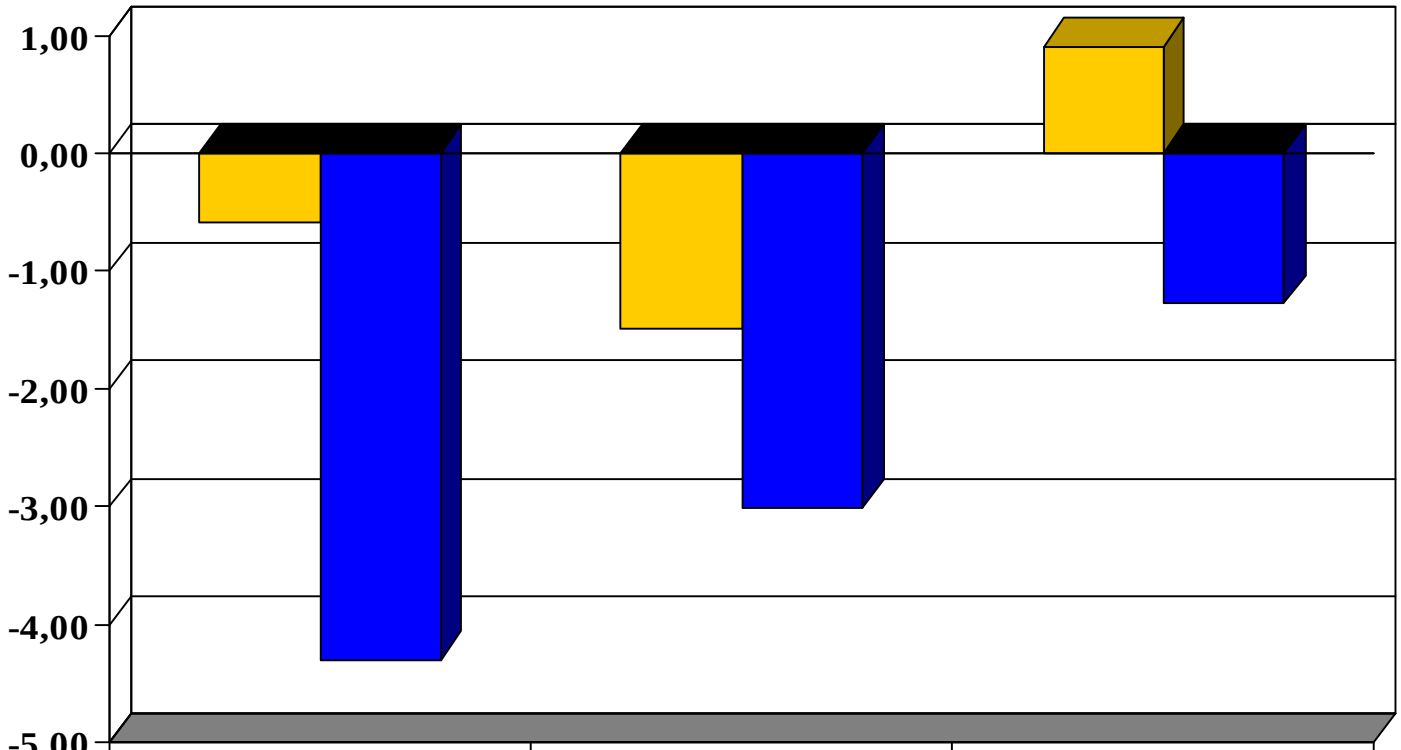


	GROUP	CASING	VEGETAB.
1H 05	15,20	17,62	5,56
1H 06	17,49	19,66	5,85

FINANCIAL RESULT: Financial expenses increase due to greater indebtedness as a result of purchasing Teepak NA and interest rate increase.

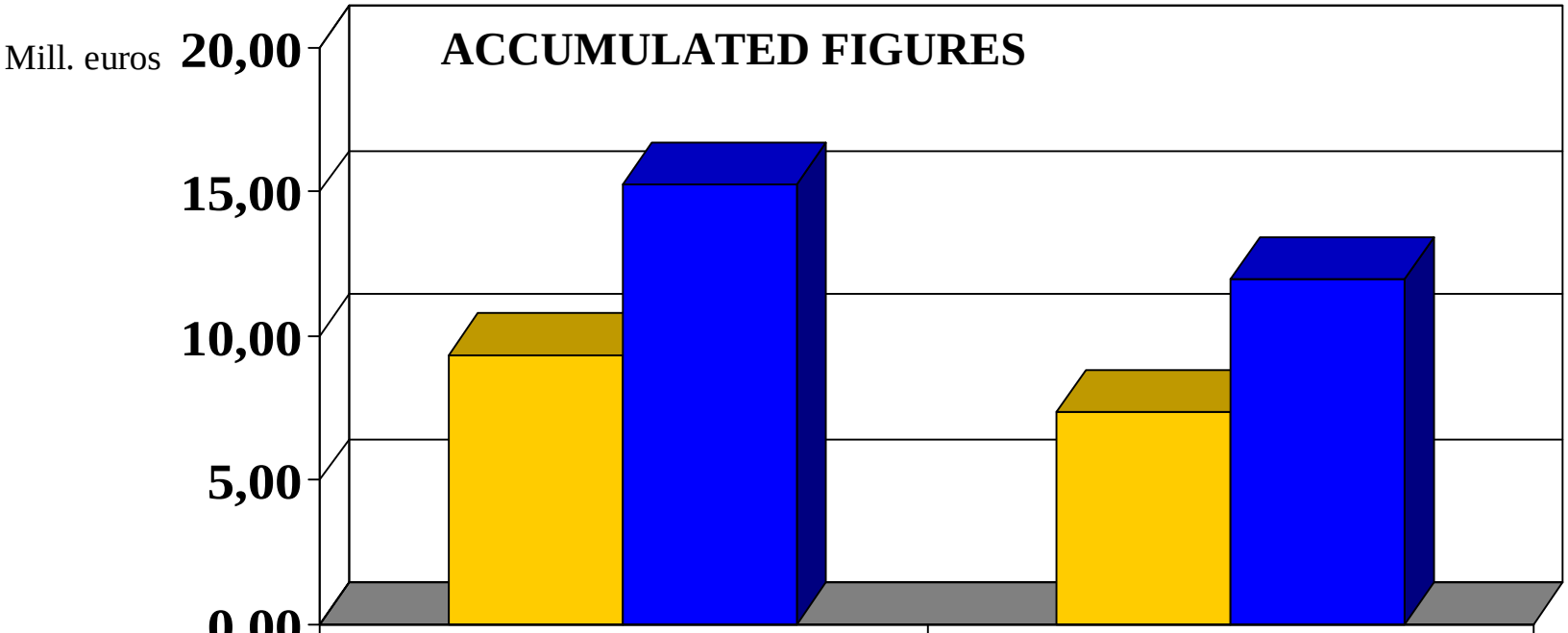
FINANCIAL RESULT BREAKDOWN

Mill. Euros.



	Financ. Result	Net Fin. Expen.	Forex
1H 05	-0,59	-1,49	0,90
1H 06	-4,3	-3,01	-1,28

NET PROFIT AND ROE: Accumulated net profit in the 1H06 is 63,4% higher than 1H 05. Annualized ROE is 12% again 7.40 in the same period last year.



	Net Profit	% ROE
1H 05	9,35	7,40
1H 06	15,27	12,00

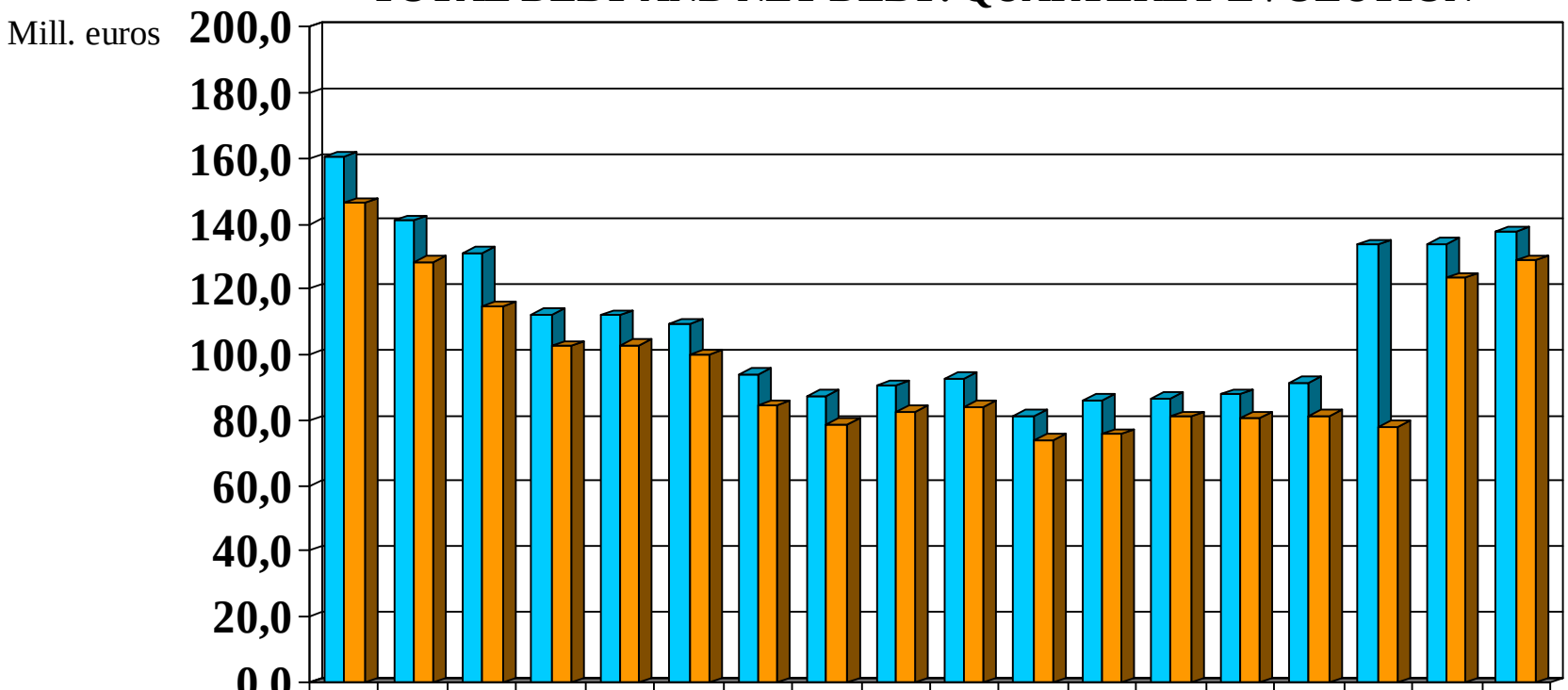
Financial situation analysis.

BALANCE SHEET: Financial leverage reache 50.5% from 31% at the end of the 2005 year.

Mill. Euros	GROUP			CASINGS			VEGETABLES		
	jun-06	mar-06	dic-05	jun-06	mar-06	dic-05	jun-06	mar-06	dic-05
Non current assets	296,5	297,5	258,6	271,8	272,8	233,9	24,7	24,6	24,7
Inventories	130,9	131,9	2,3	108,0	104,9	2,3	22,8	27,1	0,0
Debtors	115,5	107,5	113,0	92,3	88,9	81,3	23,2	18,6	31,7
Other assets	0	0,0	83,2	0,0	0,0	63,2	0,0	0,0	20,0
EMPLOYED CAPITAL	542,9	536,9	457,1	472,1	466,5	380,7	70,7	70,3	76,4
Equity	255,1	257,1	251,8	221,2	223,5	218,0	33,9	33,6	33,8
Provisions	72,7	74,8	58,4	70,6	72,5	56,1	2,2	2,3	2,3
Trade and other creditors	72,6	67,1	59,6	57,9	53,1	42,3	14,6	14,0	17,4
Other current liabilities	13,6	14,6	9,2	12,9	13,8	8,5	0,7	0,7	0,7
Net debt	128,9	123,4	78,1	109,6	103,7	55,9	19,3	19,7	22,2
INVESTED CAPITAL	542,9	536,9	457,1	472,1	466,5	380,7	70,7	70,3	76,4

NET DEBT: Has been increased during first half by 50.8 MM€ due to a greater indebtedness as a result of purchasing Teepak NA, the payment of the dividend, and the return of the share issuance premium.

TOTAL DEBT AND NET DEBT: QUARTERLY EVOLUTION



	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	1Q 06	2Q 06
Total Debt	160,4	141,1	131,2	112,4	112	109,5	94,2	87,5	90,8	93,0	81,5	86,3	86,8	88,1	91,6	134	134	138
Net Debt	146,3	128,6	114,7	102,6	103	100,0	84,6	78,8	82,9	84,1	74,1	75,7	81,3	80,8	81,4	78,1	123	129

COMMENT ON 2006 FORESCASTS
(based on the guidance released at the beginning of 2006)

- **We maintain the expectation of improving the base budget presented at the beginning of the year.**
- **For that, we define the optimistic budget (net profit 25,81 MM€) as the reference point for this exercise.**

Mill. Euros	2006(*)	% VAR 06/05
SALES	494,94	+32,09
EBITDA	69,44	+20,95
EBIT	35,39	+32,50
PBT	32,08	+31,63
NET PROFIT	25,81	+31,02

(*) These figures include data corresponding to Teepak NA that were not included in the forecast published last Februay.

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