Results

January-September 2006



October 23th. 2006

Viscofan: 9M06 results highlights

- **Maximum consolidated turnover in 9 months (€370MM), due to good demand performance, recovery in prices, and new acquisitions.**
- **50% y-o-y EBITDA growth in 9M06, improving operative margins as a consequence of a higher scale and better efficiency.**
- **EBIT doubles vs. 9M05.**
- **Sound Net profit growth (+66.0% vs. 9M05), surpassing, in just 9 month. the net profit achieved in the 12 months of 2005.**

Consolidated results

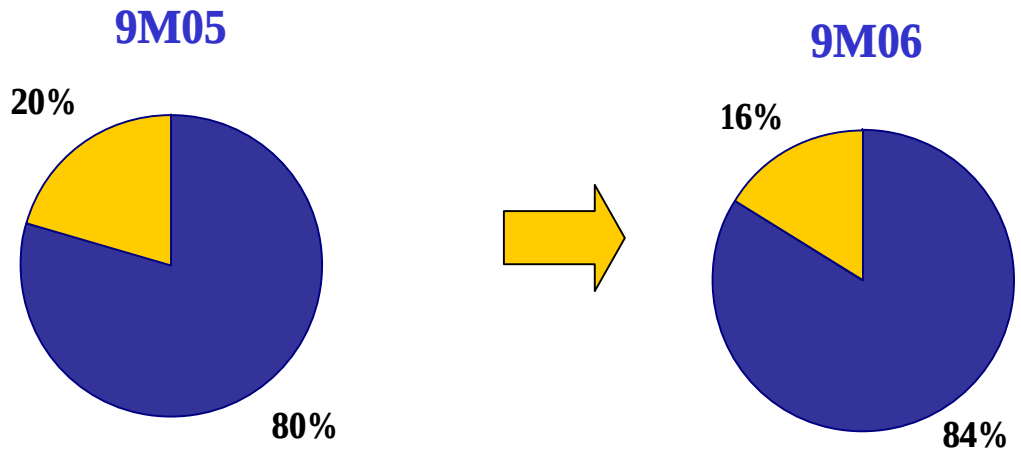
Encompass sound growth and improving profitability

MM €	9M06	% y-o-y	3Q06	% y-o-y
Revenues	370.1	34.9%	123.8	26.8%
EBITDA	60.3	50.0%	17.2	29.1%
EBITDA margin	*16.3%*	*1.6 p.p.*	*13.9%*	*0.3 p.p.*
EBIT	36.0	113.9%	8.8	70.6%
PBT	30.1	91.3%	7.2	55.1%
Net profit	21.2	66.1%	5.9	73.2%

Consolidated Results

Latest acquisitions increase the weight in the higher growth business …

Revenues



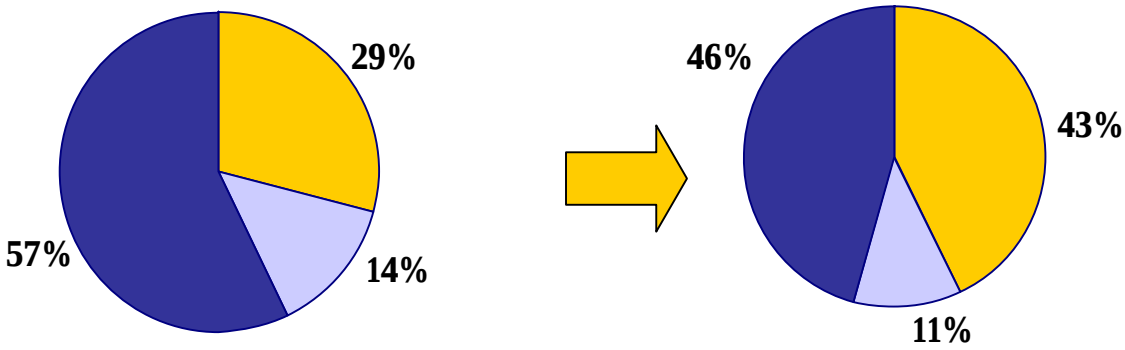
- Meat casing: **+42.1% vs. 9M05 (+14.5% organic[1] growth)**
- tinned vegetables: **+6.8% vs. 9M05**

[1]Organic growth compares like-for-like consolidation perimeter

Consolidated Results

… while increasing geographic diversification.

Revenues by geographic regions

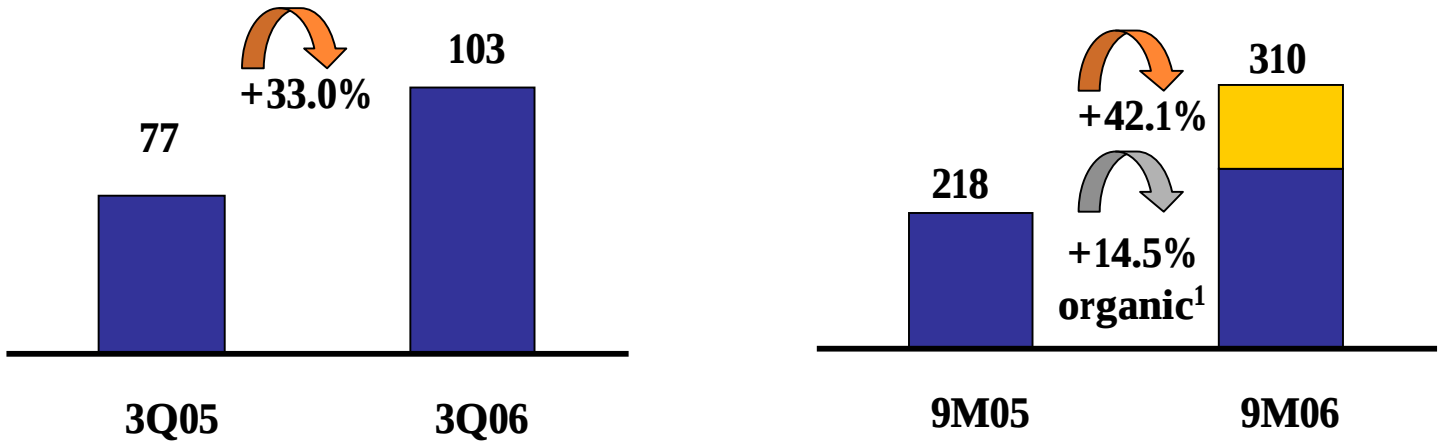


- Europe: **+13.9% vs. 9M05**
- North America: **+109.7% vs. 9M05**
- Latin America: **+16.1% vs. 9M05**

Meat casing business 9M06

Double-digit growth in organic performance and in acquisitions.

Revenues (MM €)

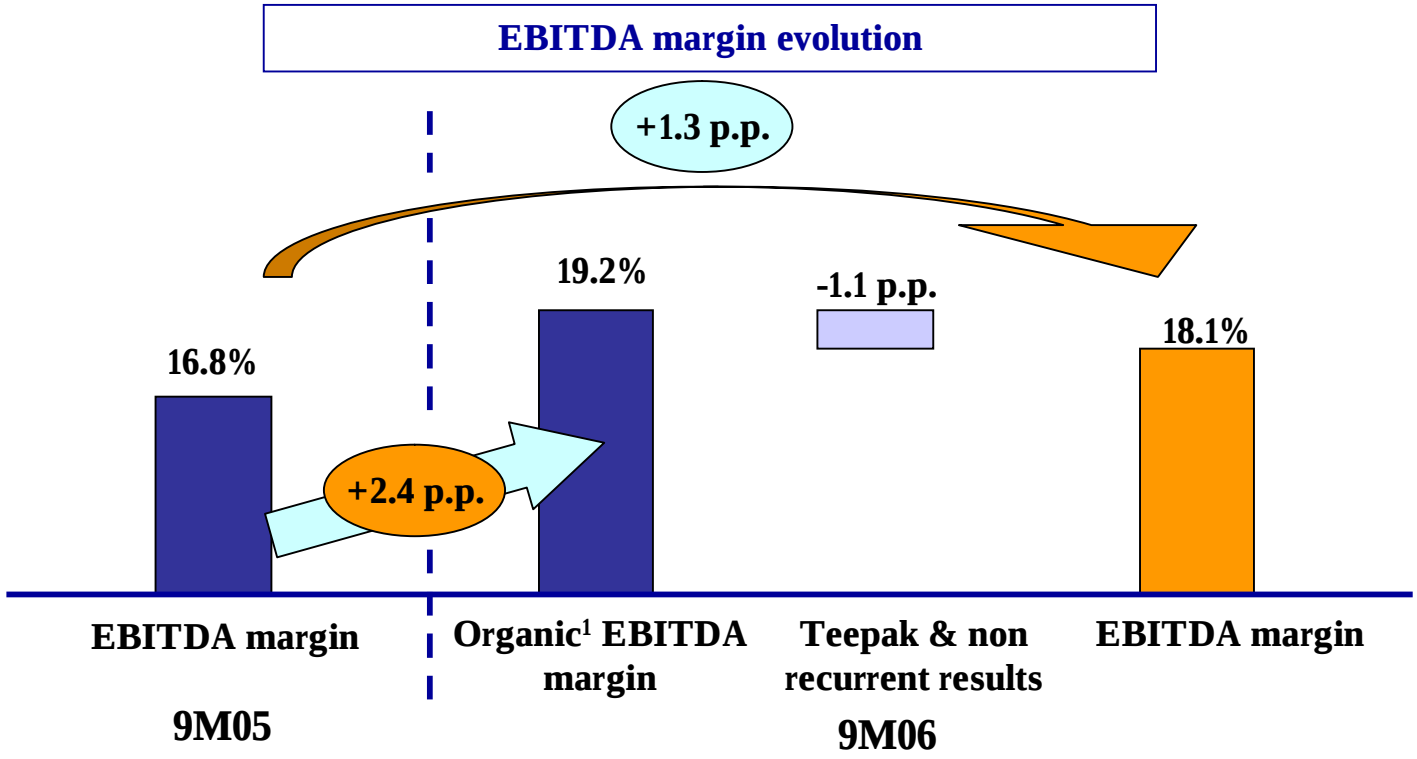


Strong revenue growth boosted by higher volumes and recovery in prices.

[1]Organic growth compares like-for-like consolidation perimeter

Meat casing business 9M06

Strong margin expansion…



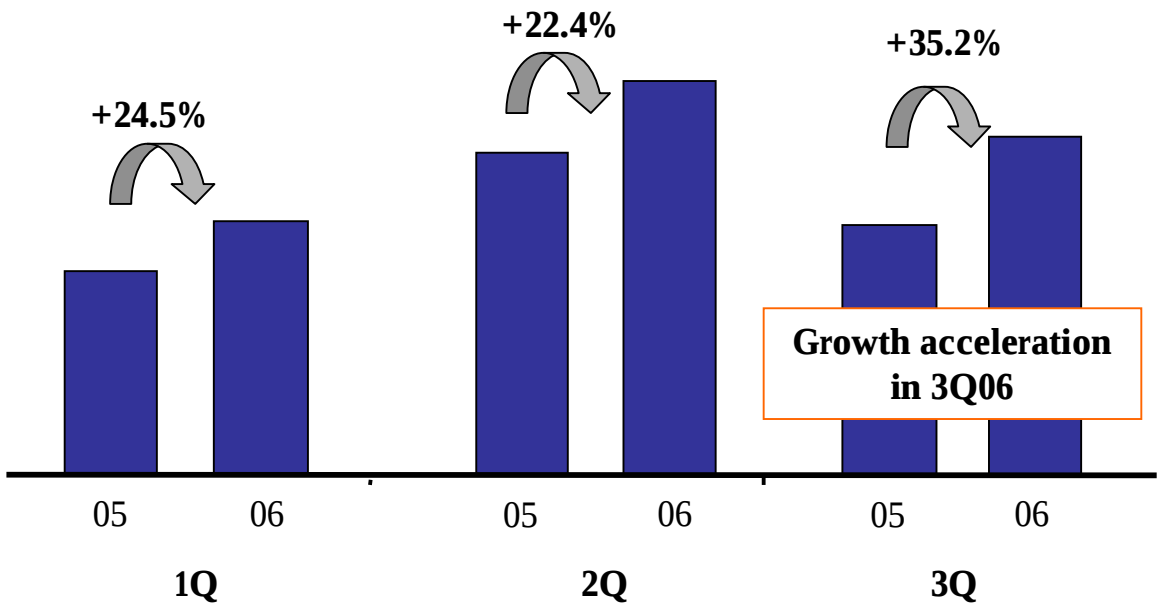
Margin growth due to good revenues performance and higher efficiencies in production.

[1]Organic growth compares like-for-like consolidation perimeter

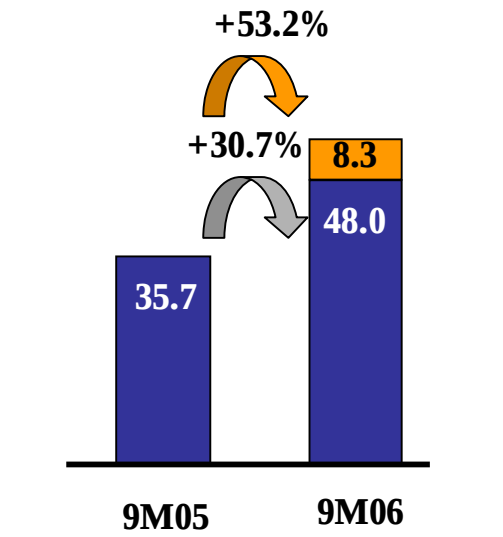
Meat casing business 9M06

…and quarterly EBITDA acceleration.

Ex–non recurrent EBITDA performance



Cumulative EBITDA (MM€)

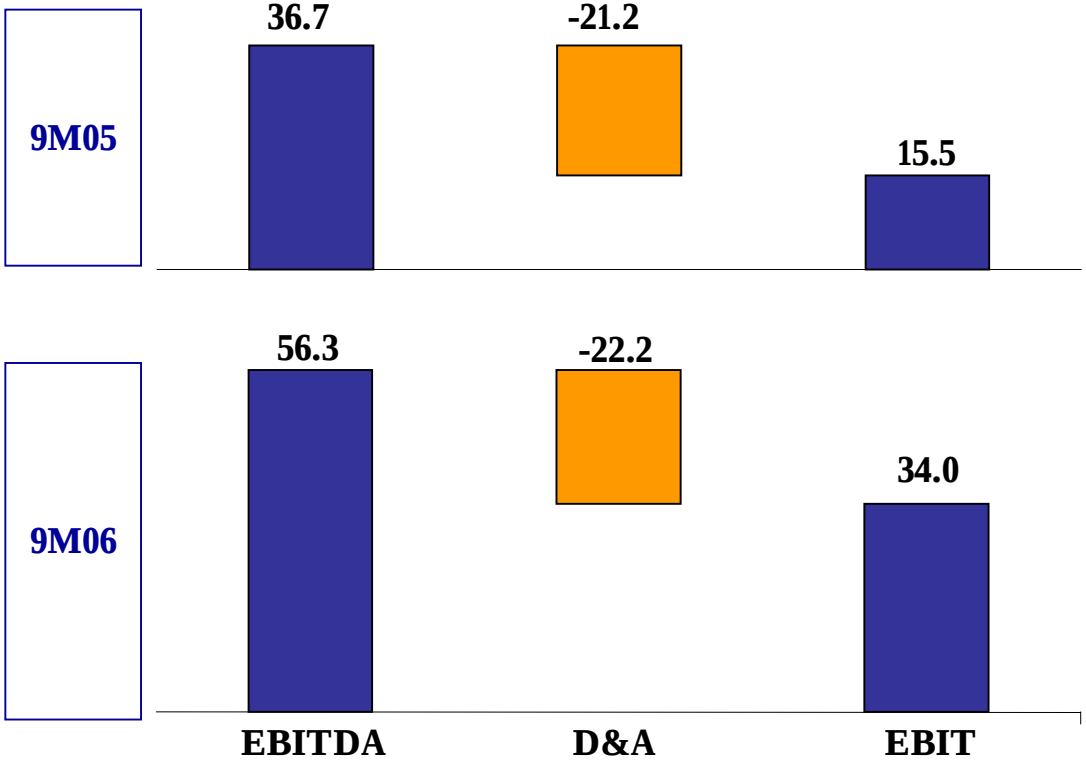


Organic improvement and higher speeds of integration in the new assets acquired.

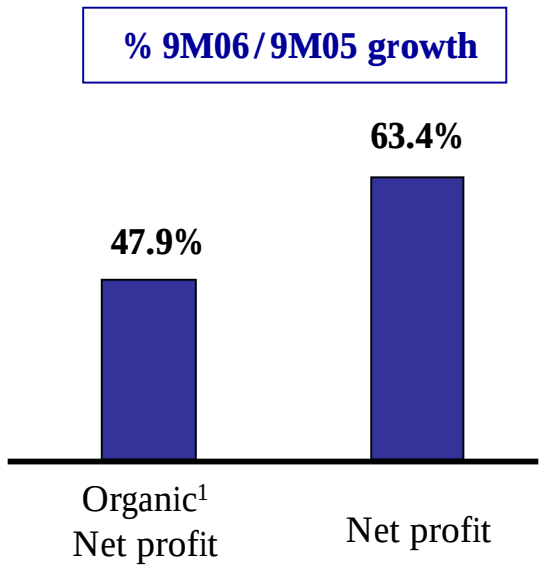
[1]Organic growth compares like-for-like consolidation perimeter

Meat casing business 9M06

Boosting the EBIT and Net profit growth



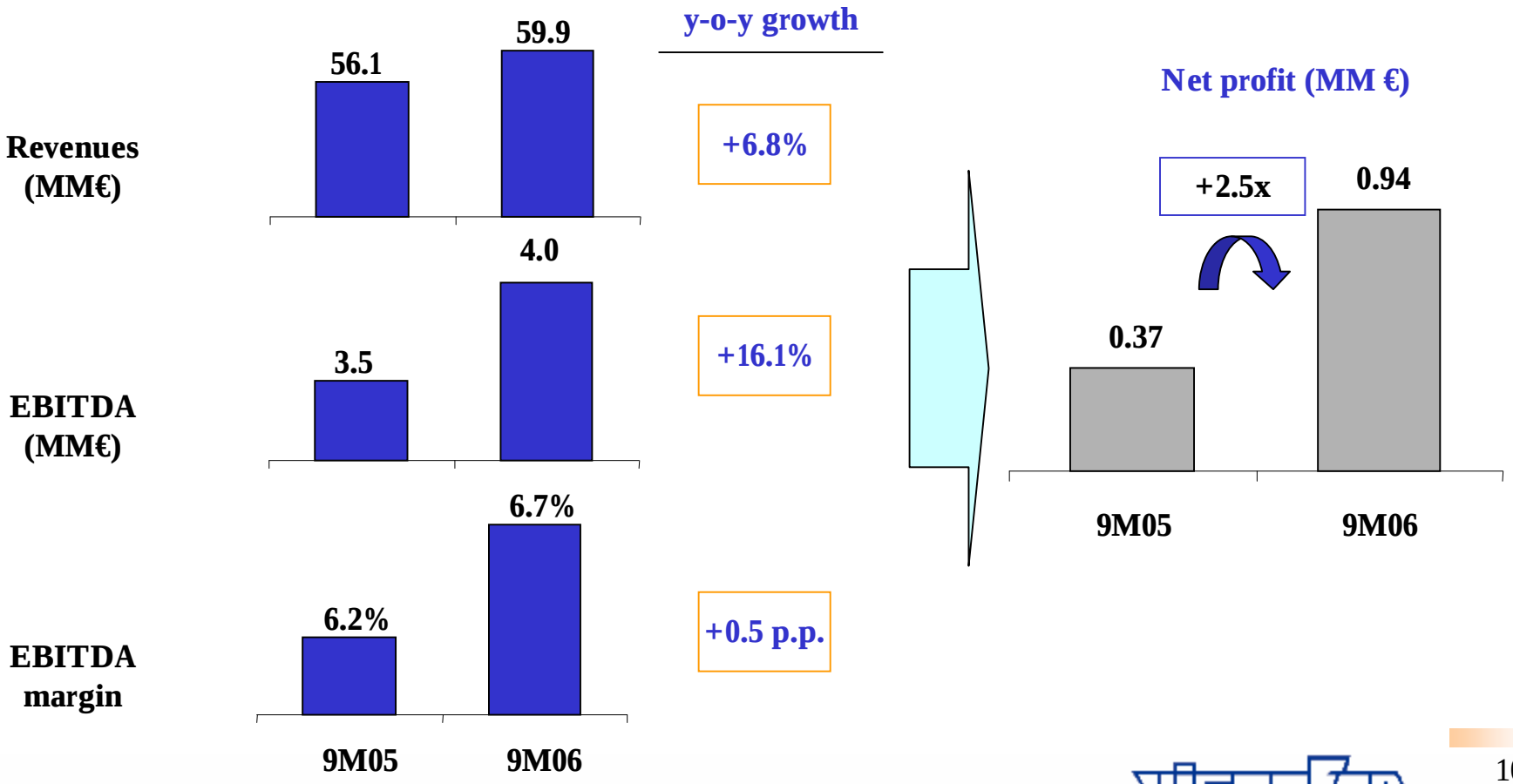
% Var.	+53.2%	+4.8%	+119.6%



[1]Organic growth compares like-for-like consolidation perimeter

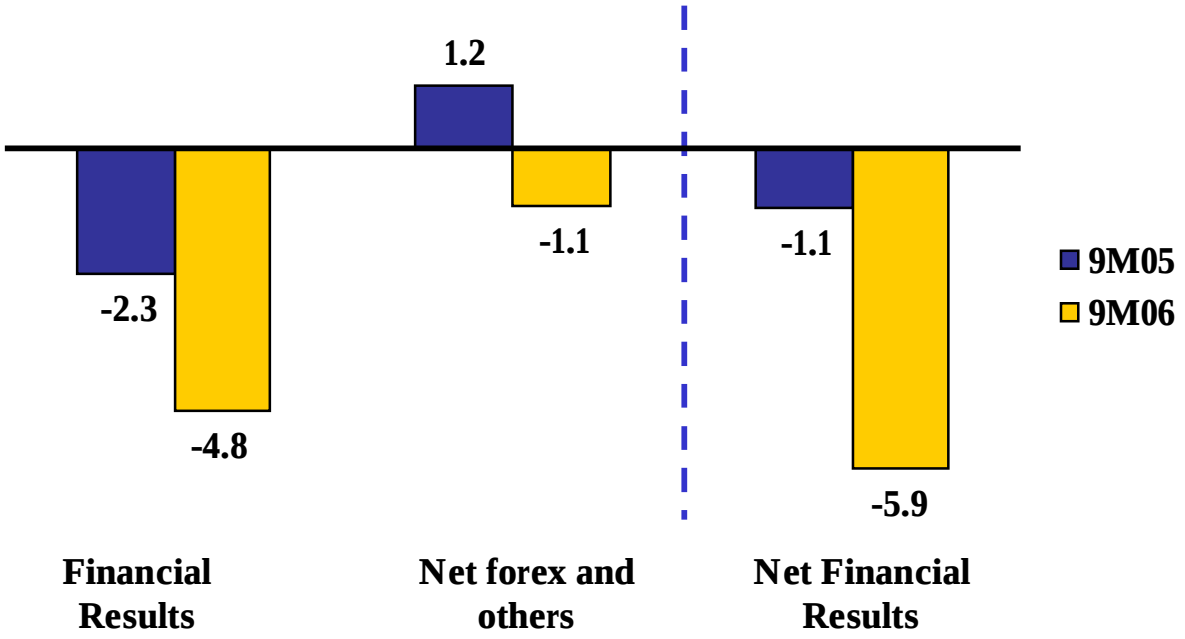
Tinned vegetables business 9M06

In the path of margin recovery



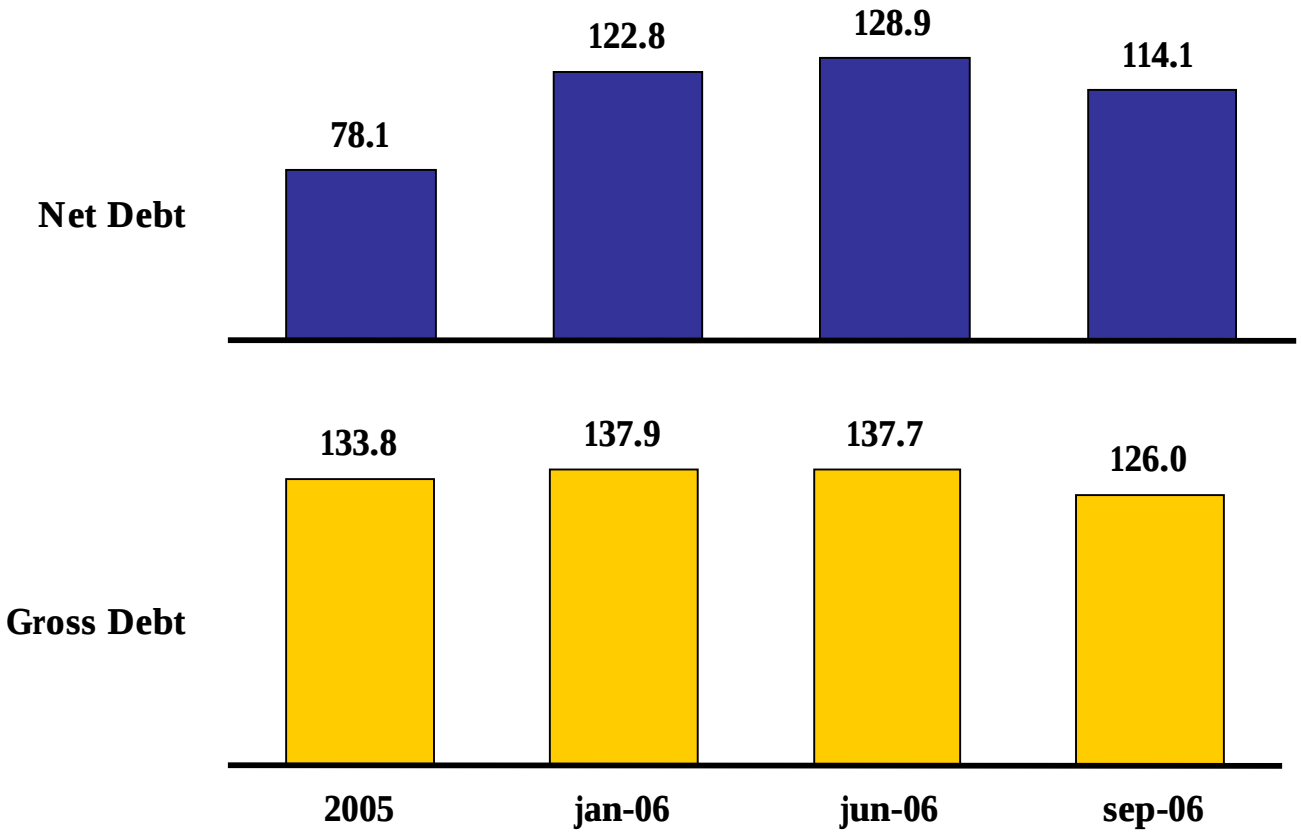
Viscofan Group: Financial results

Financial results breakdown



Higher losses in net financial results is due to higher Net debt, and the unfavourable evolution of the US$ against €.

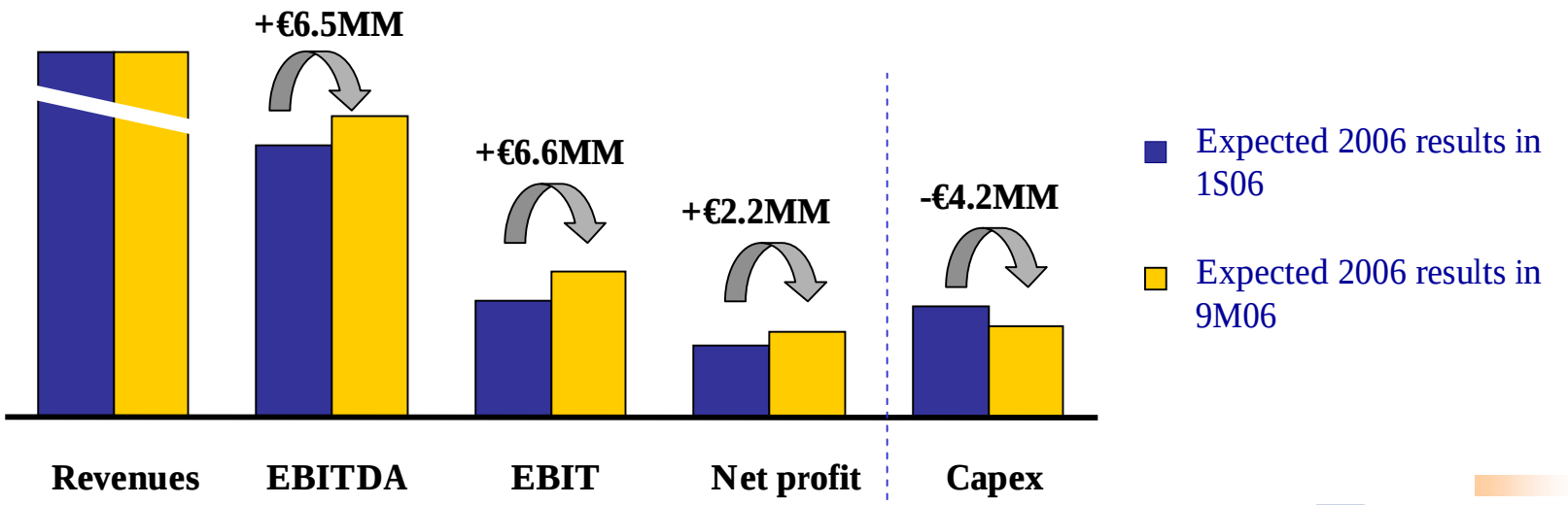
Financial Debt (MM €)



Sharp reduction in Gross debt and net debt (-8.5% and 11.5% respectively vs. jun-06) caused by a good operating cash flow performance in 3Q06.

Better expectations for 2006

MM €	2006	Change 06 / 05
Revenues	495	+32%
EBITDA	76	+32%
EBIT	42	+57%
Net profit	28	+42%
Capex	30	-7%



To sum up

- **Strong growth in Net profit,** both, in organic terms and consolidated terms.
- **Higher speed in EBITDA growth, improving margins in organic terms.**
- **Integration of the new assets** in a pace better than expected.
- **Sound demand evolution and recovering average prices in meat casing,** contributing to achieve revenues in line with Company expectations.
- **Stability both in capex and depreciation** despite new acquisitions in the consolidated perimeter.
- **Better expectations for 2006 results.**

Appendix

Consolidated income statement Viscofan Group ('000 €)

	Jan-Sep' 06	Jan-Sep' 05	% Change	Jun-Sep' 06	Jun-Sep' 05	% Change
Net Turnover	**370,084**	**274,449**	**34.8%**	**123,754**	**97,623**	**26.8%**
Other operating income	2,435	1,390	75.2%	782	252	210.3%
Variation in stocks of finished products and work-i	-4,358	3,374	-229.2%	-4,031	1,121	-459.6%
Net purchases	-112,770	-96,306	17.1%	-37,260	-37,594	-0.9%
Personnel expenses	-94,509	-76,216	24.0%	-34,528	-26,184	31.9%
Other operating expenses	-100,614	-66,519	51.3%	-31,541	-21,918	43.9%
EBITDA	**60,268**	**40,172**	**50.0%**	**17,176**	**13,300**	**29.1%**
Depreciation and amortisation	-24,315	-23,365	4.1%	-8,375	-8,142	2.9%
EBIT	**35,953**	**16,807**	**113.9%**	**8,801**	**5,158**	**70.6%**
Financial result	-5,885	-1,092	438.9%	-1,585	-506	213.2%
Profit before taxes	**30,068**	**15,715**	**91.3%**	**7,216**	**4,652**	**55.1%**
Income tax	-8,871	-2,955	200.2%	-1,292	-1,241	4.1%
Profit after taxes	**21,197**	**12,760**	**66.1%**	**5,924**	**3,411**	**73.7%**
Minority interests	0	-10	n.s.	0	-10	n.s.
Net profit	**21,197**	**12,770**	**66.0%**	**5,924**	**3,421**	**73.2%**

Appendix

Profit and Loss account Meat Casing ('000 €)

	Jan-Sep' 06	Jan-Sep' 05	% Change	Jun-Sep' 06	Jun-Sep' 05	% Change
Net turnover	310,195	218,359	42.1%	102,504	77,059	33.0%
EBITDA	56,251	36,712	53.2%	15,419	11,815	30.5%
Margin EBITDA	*18.1%*	*16.8%*	1.3 p.p.	*15.0%*	*15.3%*	-0.3 p.p.
EBIT	34,010	15,490	119.6%	7,982	4,584	74.1%
NET PROFIT	20,259	12,400	63.4%	5,318	3,270	62.6%

Profit and Loss account Tinned Vegetables ('000 €)

	Jan-Sep' 06	Jan-Sep' 05	% Change	Jun-Sep' 06	Jun-Sep' 05	% Change
Net turnover	59,889	56,090	6.8%	21,250	20,564	3.3%
EBITDA	4,017	3,460	16.1%	1,757	1,485	18.3%
Margin EBITDA	*6.7%*	*6.2%*	0.5 p.p.	*8.3%*	*7.2%*	1.0 p.p.
EBIT	1,943	1,317	47.5%	819	574	42.7%
NET PROFIT	938	370	153.5%	606	151	301.3%