January-March 2007 results highlights

- Net profit amount to €9.6MM, 20.6% higher than the €7.9MM obtained in 1Q06 (€1.7MM excluding the non-recurrent results registered during 1Q06).

- EBITDA margin stated at 20.2%, propitiated by higher production efficiency in the casing business, especially in those plants acquired during 2006 in the United States and Mexico.

- 94.8% y-o-y growth in recurrent EBITDA, with more than €25MM achieved in the 1Q07 and strong growth both in casing and canned vegetables business.

- 1Q07 consolidated revenues amount to €124MM, 3.3% higher as compared to the previous year.

- Better results in terms of production efficiency in the casing business, as well as the operative improvement in canned vegetables, place the expectations of the company in the high-end of the EBITDA and net profit guidance range.

Variation in consolidation perimeter

- The Group incorporates the same societies in the consolidation perimeter during 2007 and 2006.

Significant events

- The Board of Directors of Viscofan has approved to distribute an interim gross dividend from 2006 net revenues of an amount of 0.14 euros per share, which implies a 79.5% increase vs. the interim dividend from 2005 net revenues distributed last year. The aforementioned dividend was paid on the 30th of January 2007.

Results 1Q07 Consolidated Group

Viscofan Group Profit and loss account ('000 €)

	Jan-Mar' 07	Jan-Mar' 06	% Change
Revenues	**124,281**	**120,286**	**3.3%**
Other operating income	807	1,201	-32.8%
Variation in stocks of finished products □ and work-in-progress	3,559	-759	c.s
Net purchases	-36,799	-37,226	-1.1%
Personnel expenses	-33,333	-24,579	35.6%
Other operating expenses	-33,469	-35,109	-4.7%
EBITDA	**25,046**	**23,814**	**5.2%**
Depreciation and amortisation	-9,297	-7,977	16.5%
EBIT	**15,749**	**15,837**	**-0.6%**
Gain (Loss) after impairment test	0	0	n.s.
EBIT adjusted after impairment test	**15,749**	**15,837**	**-0.6%**
Financial result	-2,111	-2,057	2.6%
Profit before taxes	**13,638**	**13,780**	**-1.0%**
Income tax	-4,050	-5,833	-30.6%
Profit after taxes	**9,588**	**7,947**	**20.6%**
Minority interests	0	0	n.s.
Net profit	**9,588**	**7,947**	**20.6%**

Unaudited data

During 1Q07, the consolidated revenues stood at €124.3MM, 3.3% higher than the one obtained during the previous period, supported by the solid behaviour of the casing business and the accelerated growth of the canned vegetable business, which has offset the depreciation of the US$ against the euro (-8.3% as compared to the US dollar during 1Q07 vs. 1Q06). Excluding the effects of the different exchange rates applied for consolidation purposes, the Group's consolidated revenues growth would have increased to 6.9%.

The efforts oriented to contain net purchases due to a better utilization of raw materials, as a consequence of an improvement in the efficiency, has had a positive impact in consumption, which has decreased by 12.5% as compared to that same period of the previous year.

Besides, personnel expenses amount to €33.3MM during 1Q07. Excluding the non-recurrent results registered during 1Q06 as a consequence of the agreement at the Danville plant, in Teepak North America, which brought about the cancellation of the undertakings concerning the benefits post retirement and the liabilities accounted for a net amount of €11.8MM, 1Q07 personnel expenses would stand 8.3% below 1Q06 figure.

Thus, the EBITDA stood at €25.0MM, 5.2% higher than that of the previous year, and 94.8% excluding the net effect of the non-recurrent results registered during 1Q06, which amount to €11.0MM. The consolidated EBITDA, considering constant exchange rates, would have grown 8.5%, as compared to that same period of the previous year.

Viscofan obtains 20.2% consolidated EBITDA margin, which is +0.4p.p. higher than the one achieved in 1Q06 and +9.5p.p. higher than the recurrent EBITDA margin obtained during 1Q06, which had suffered the consequences of the instability of the production of the recently-acquired assets in the United States and Mexico.

Depreciation amount to €9.3MM, they are 16.5% higher than those of the same period of the previous year, mainly due to the depreciation associated to the revalorisation of assets following Teepak's valuation by the end of the fiscal period 2006.

Thus, the EBIT 1Q07 is €15.7MM, which is similar to the one obtained during 1Q06; yet, the result of 1Q06 includes positive non-recurrent results for €11.0MM.

Net debt amounts to €115.6MM vs. €111.8MM by the 2006 year-end closing, with 42.5% gearing. Financial results amounted to -€2.1MM, which is similar to the results obtained from the same concept during the same period of the previous year.

Thus, Net profit before taxes stands at €13.6MM, which, together with 30% tax rate, yields a Net profit of €9.6MM, which is 20.6% higher than that of the previous year; the aforementioned growth would be even more important if the positive impact the non-recurrent results registered during 1Q06 was excluded.

Results 1Q07: Casing business

Meat casing income statement ('000€)

	Jan-Mar' 07	Jan-Mar' 06	*% Change*
Revenues	**104,681**	**102,934**	**1.7%**
EBITDA	**23,601**	**22,969**	**2.8%**
Margin EBITDA	***22.5%***	***22.3%***	**0.2 p.p.**
EBIT	**14,852**	**15,492**	**-4.1%**
EBIT adjusted after impairment test	**14,852**	**15,492**	**-4.1%**
NET PROFIT	**9,191**	**7,913**	**16.2%**

Unaudited data

The revenues obtained during 1Q07 by the casing business amounted to €104.7MM, 1.7% vs. 1Q06, as it suffered from the depreciation of the exchange rate in the case of certain currencies against the euro, especially the US dollar, which was counterbalanced by the continuous growth of the main casing families demand and the price-recovery policy, especially in the case of cellulose casing. This way, excluding the impact of the exchange rates, the revenues of the casing business would have grown 5.9%.

As to geographical areas, the favourable evolution of Southern America stands out, with €14.0MM contribution to consolidated revenues, 23.9% higher than that of the previous year; Europe contributes by €50.2MM of revenues, a 8.2% y-o-y growth. The contribution of Northern America to the consolidated results decreased by 10.5% vs. 1Q06, with €40.5MM, due to the impact of the US dollar depreciation and the transfer of sales from clients of Teepak to our plants in Southern America within the frame of the structural reorganisation of the commercial flows in which the company is involved.

The consolidated EBITDA of the casing business amounted to €23.6MM during 1Q07, doubling the EBITDA obtained in 1Q06, once the non-recurrent results associated to the restructuring of Teepak, which include the cancellation of the retirement benefits of Teepak Northern America, were excluded. Including the aforementioned non-recurrent results, the EBITDA grew 2.8% vs. 1Q06.

The recurrent EBITDA has also improved due to the favourable evolution in the integration of Teepak, which has allowed Northern America to generate positive results in terms of recurrent EBITDA, as compared to the losses faced during 1Q06. At the same time, the improvements introduced during 2006 with regards to production efficiency and the greater competitiveness of the plastic plant in the Czech Republic have brought about very favourable results during 1Q07.

The 1Q07 EBITDA margin of the casing business stands at 22.5%, 0.2p.p. higher than the one obtained during 1Q06 and 10.9 p.p. higher than the recurrent EBITDA margin obtained during 1Q06.

The favourable evolution of the EBITDA is transferred to the recurrent EBIT, which is multiplied by 3.3 as compared to the one obtained during 1Q06, in spite of the increase of the depreciation level associated to the greater valorisation of the assets acquired from Teepak that was registered in 4Q06. The EBIT of the casing business amounts to €14.9MM, 4.1% inferior to €15.5MM, the amount registered in 1Q06.

Net profit of the casing business amounted to €9.2MM, 16.2% higher than the one obtained during the same period of the previous year, and more than five times higher than the Net profit obtained in 1Q06, excluding the non-recurrent results.

Results 1Q07: Canned vegetables

Tinned vegetables income statment ('000€)

	Jan-Mar' 07	Jan-Mar' 06	*% Change*
Revenues	**19,600**	**17,352**	**13.0%**
EBITDA	**1,445**	**845**	**71.0%**
Margin EBITDA	***7.4%***	***4.9%***	**2.5 p.p.**
EBIT	**897**	**345**	**160.0%**
EBIT adjusted after impairment test	**897**	**345**	**160.0%**
NET PROFIT	**397**	**34**	**1067.6%**

Unaudited data

1Q07 is characterised by the increase of the revenues of the canned vegetable business, which has grown 13.0% vs. 1Q06, thanks, once again, to the positive results of the asparagus, as its market share by value keeps increasing, and consolidates its leading position within the Spanish market.

At the same time, the new initiatives to launch new products under the brand Carretilla are contributing to the aforementioned increase of the revenues.

This way, in 1Q07, the EBITDA margin is 7.4%, 2.5 p.p. higher than the margin obtained in 1Q06, and leading to a €1.4MM EBITDA, 71.0% higher than the one obtained during the same period of the previous year.

The improvement of operative profitability, together with the containment in depreciation takes to a favourable behaviour of the EBIT, which grows 160% as compared to the previous year, up to 0.9M€; and in the Net profit which increases 11 times vs. 1Q07, up to €0.4MM.

Appendix

Balance Sheet ('000 €)

	Mar '07	Dec '06	%Change
Tangible assets	283,122	285,990	-1.0%
Goodwill	0	0	n.s.
Other intangible assets	10,895	11,373	-4.2%
Non-Current Financial Assets	354	1,587	-77.7%
Investment in Associates accounted for using the equity method	0	0	n.s.
Deferred tax assets	12,384	13,696	-9.6%
Othen non-current assets	935	0	n.s.
NON CURRENT ASSETS	**307,690**	**312,646**	**-1.6%**
Stocks	137,574	132,968	3.5%
Commercial debts and other receivables	102,751	101,109	1.6%
Other financial current assets	203	152	33.6%
Assets corresponding to tax on current earning	635	0	n.s.
Other current assets	1,643	0	n.s.
Cash and cash equivalents	9,247	12,233	-24.4%
Non current assets held for sale	0	0	n.s.
CURRENT ASSETS	**252,053**	**246,462**	**2.3%**
TOTAL ASSETS= EQUITY AND LIABILITIES	**559,743**	**559,108**	**0.1%**
Share capital	14,388	14,388	0.0%
Other Reserves	52,686	52,686	0.0%
Retained earnings	223,265	208,354	7.2%
Own shares	-7,597	-3,004	152.9%
Exchange rate differences	-3,852	-4,293	-10.3%
Interim dividend	-6,625	0	n.s.
EQUITY	**272,265**	**268,131**	**1.5%**
Minority interest	0	0	n.s.
NET EQUITY	**272,265**	**268,131**	**1.5%**
Loans	58,251	61,165	-4.8%
Financial liabilities	5,736	5,501	4.3%
Deferred income tax liabilities	32,897	34,783	-5.4%
Provisions	41,623	41,951	-0.8%
Other non-cureent liabilities	2,767	3,064	-9.7%
NON CURRENT LIABILITIES	**141,274**	**146,464**	**-3.5%**
Loans	66,804	63,026	6.0%
Trade creditors	67,509	71,682	-5.8%
Other financial liabilities	0	1,342	n.s.
Provisions	9,494	6,676	42.2%
Income tax for current liabilities	2,242	1,787	25.5%
Other current liabilities	155	0	n.s.
Liabilities linked to non-current assets held for sale	0	0	n.s.
CURRENT LIABILITIES	**146,204**	**144,513**	**1.2%**
NET DEBT	**115,605**	**111,806**	**3.4%**

Unaudited data

For further information please contact to:

Investor relations and Media department
Tfno: + 34 948 198444
e-mail: aresa@viscofan.com

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