January-December 2008 Results

March, 2nd. 2009

Disclaimer

This document contains additional non-compulsory forward-looking statements on intentions or expectations of the Company as of the date of its publication whose only purpose is to provide further information on perspectives on future performance.

Such forward-looking statements do not constitute any guarantee of future performance and involve risks and uncertainties as well as other important factors that could cause actual developments or results to differ essentially from those expressed in our forward-looking statements.

Analysts and investors in particular as well as any other persons or entities who must take decisions or give advise on investments in the Company should not place undue reliance on those forward-looking statements.

The financial information contained in this document has been prepared under International Financial Reporting Standards (IFRS). This financial information is unaudited and, therefore, subject to potential future modifications.

- Viscofan's Group Results: January-December 2008
  - Consolidated Results
  - Casings
  - Vegetable food
- 2009-2011 Strategy
- Outlook 2009

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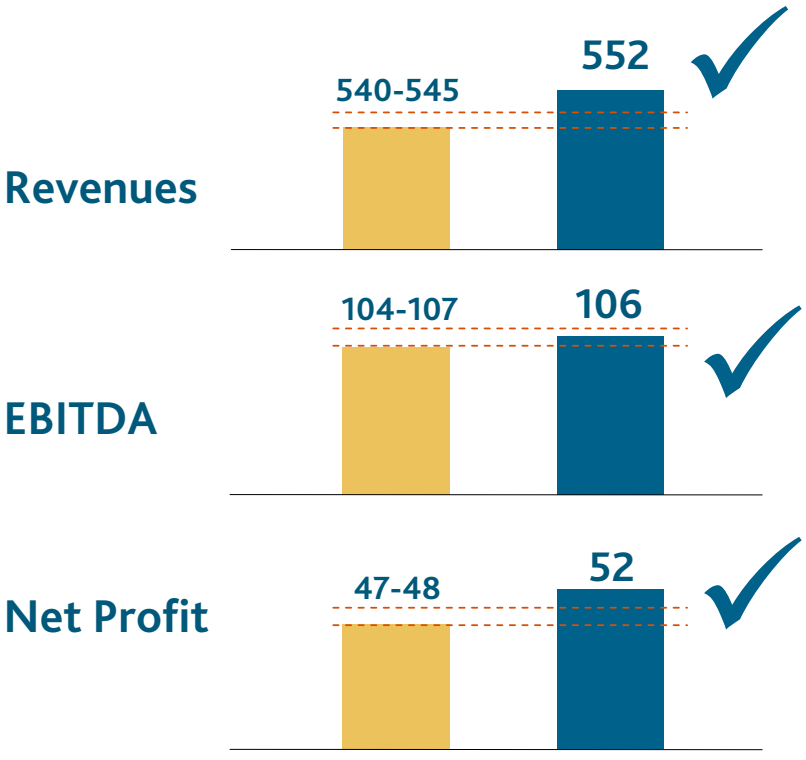
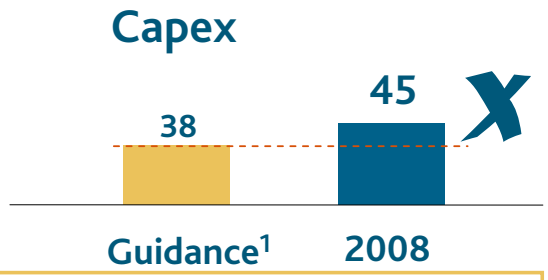
2008 Highlights

- Record for the third year running in Net Profit, EBITDA and Revenues.
- Increased growth in last quarter posting double-digit growth in Revenues and EBITDA.
- Revenue strength in all Group's geographic areas, totalling +€552MM (+9% vs. 2007) despite US$ and GBP weakness against the €.
- Quarterly EBITDA margin y-o-y growth for the first time this year, to 20% in Q408.
- +€106MM in recurrent EBITDA (+6% vs. 2007), in a fiscal year with maximum raw material and energy prices.
- +€51,4MM Consolidated Net profit (+11% vs. 2007 or +17% on a recurrent basis).
- Robust financial position in an environment of credit crunch.

Meeting our commitments in an environment of high uncertainty





Increase in our capacity to meet the strong market growth

[1] Guidance on recurrent results: Recurrent EBITDA exclude -€0.3MM associated with the staff restructuring costs and capital gains deriving form the expropriation of land in Serbia in 2008; versus -€1.2MM recorded in 2007 as a result of the staff restructuring and cancellation of post-retirement benefits in the U.S. Recurrent Net profit excludes tax impact associated to the aforementioned non recurrent items and to the change in the tax rate of several countries where the Group operates (-€0.2MM in 2008 and +€2.1MM in 2007).

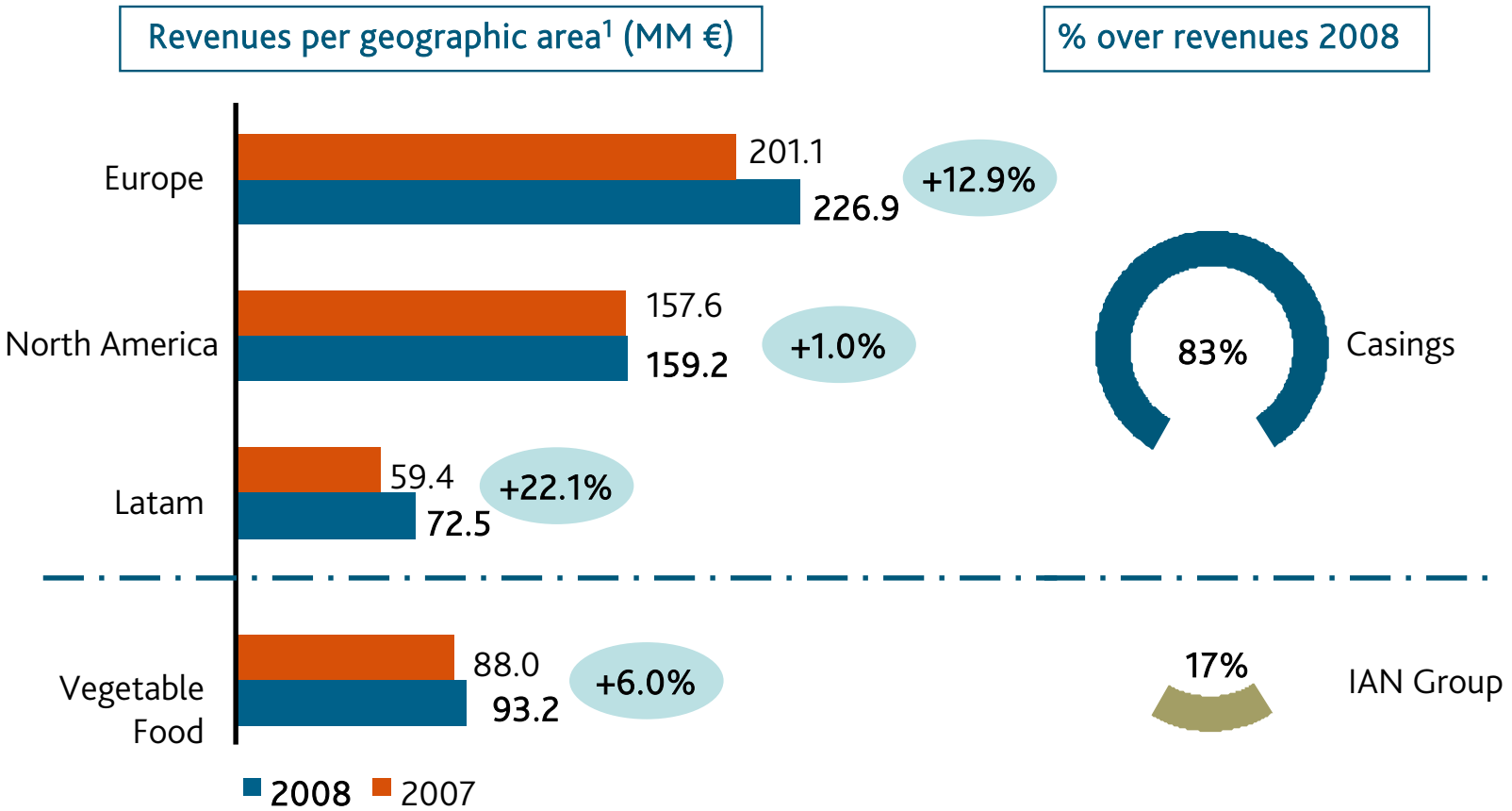
Consolidated Results

Solid results boosted by revenue strength…

MM €	Q408	Change	2008	Change	ex-forex[1] change
Revenues	144.1	+14.7%	551.8	+9.0%	+12.1%
EBITDA	28.7	+20.4%	105.3	+6.9%	+9.5%
EBITDA margin	*19.9%*	*+0.9 p.p.*	*19.1%*	*-0.4p.p.*	
EBIT	19.4	+38.4%	67.9	+12.2%	
PBT	14.5	+9.4%	60.3	+9.3%	
Net Profit	15.7	+9.0%	51.4	+11.3%	

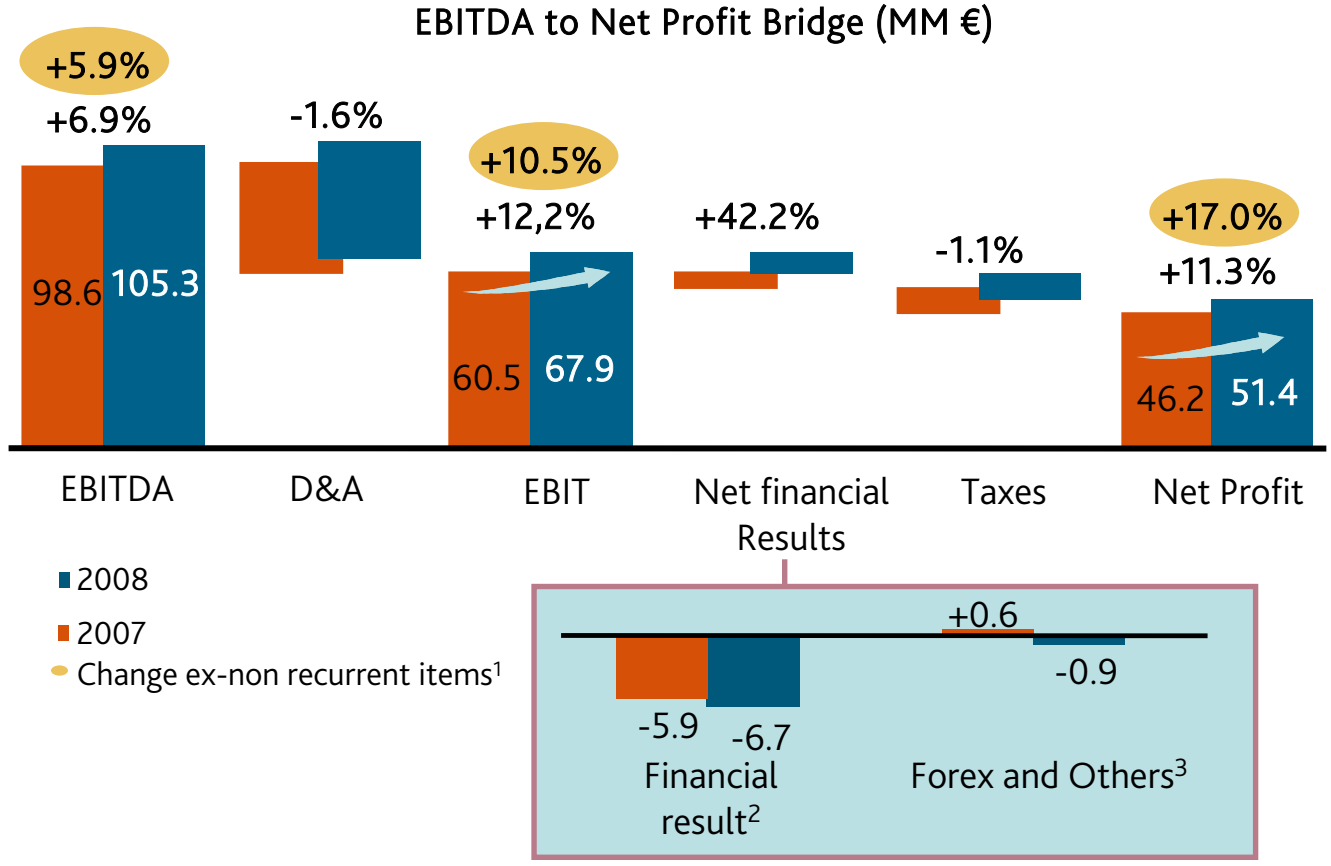
[1] y-o-y growth excluding changes in foreign exchange used for consolidation purposes

… posting growth in all Group divisions.



[1] Breakdown per origin of sales

EBITDA and Net profit strength despite costs pressures.



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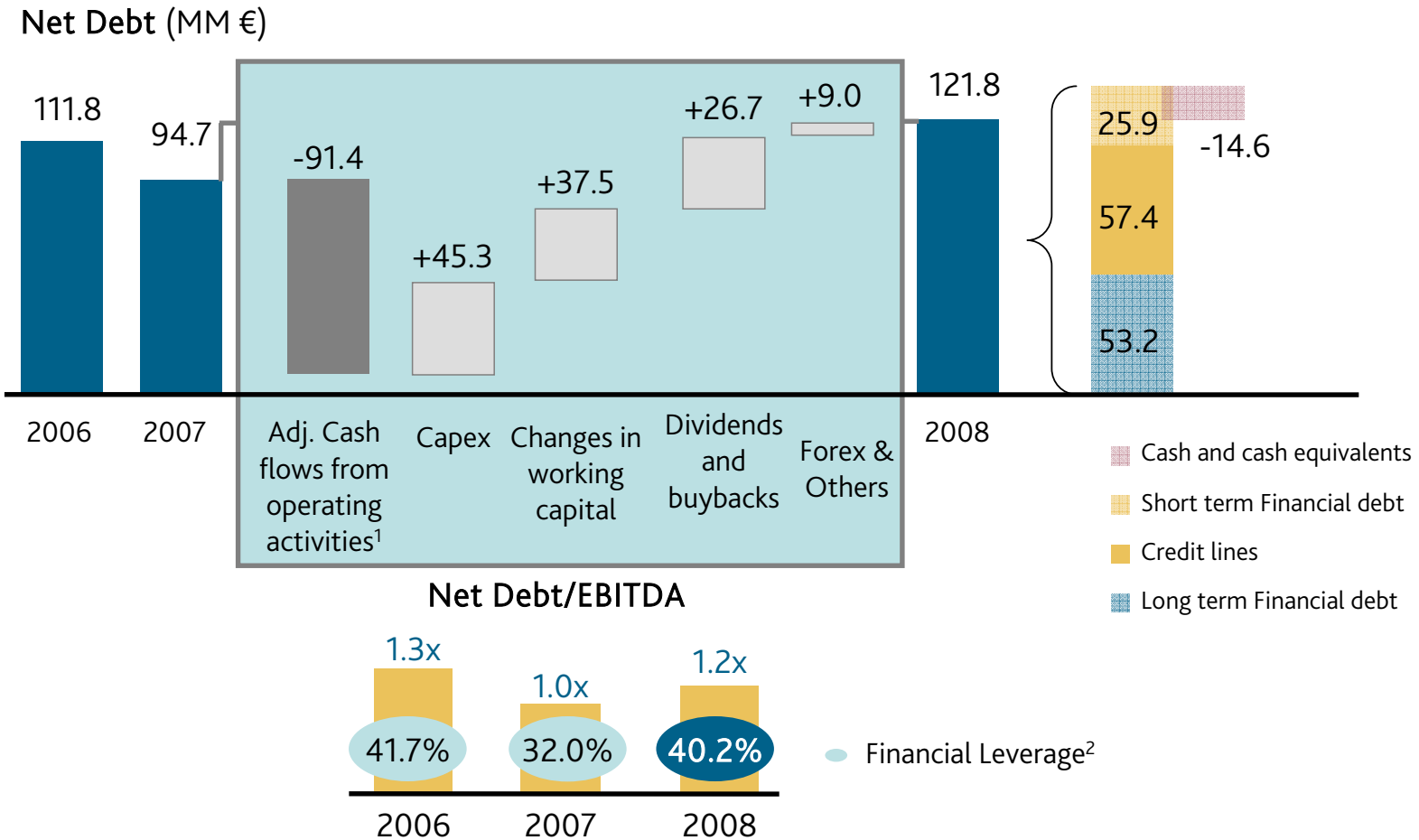
[2] Financial Result = Financial income – Financial expenses

[3] Forex and Others = Change in financial insttrument value + exchange differences + Impairment and results coming from disposal of financial instruments

Debt evolution: Investing on growth, remunerating to shareholders, and keeping a solid financial position

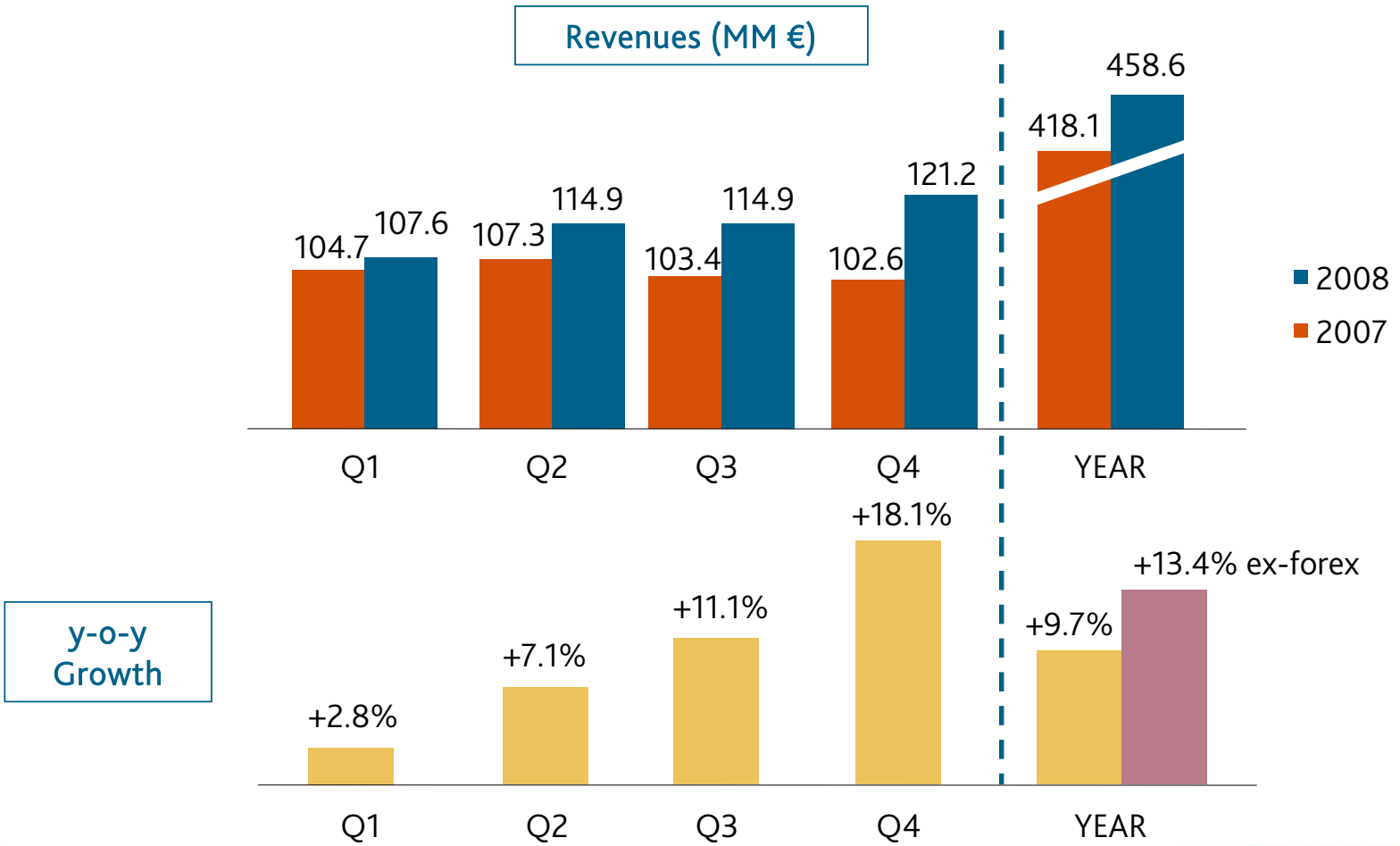


[1] Adjusted Cash flows from operating activities = Cash flows from operating activities – Changes in working capital

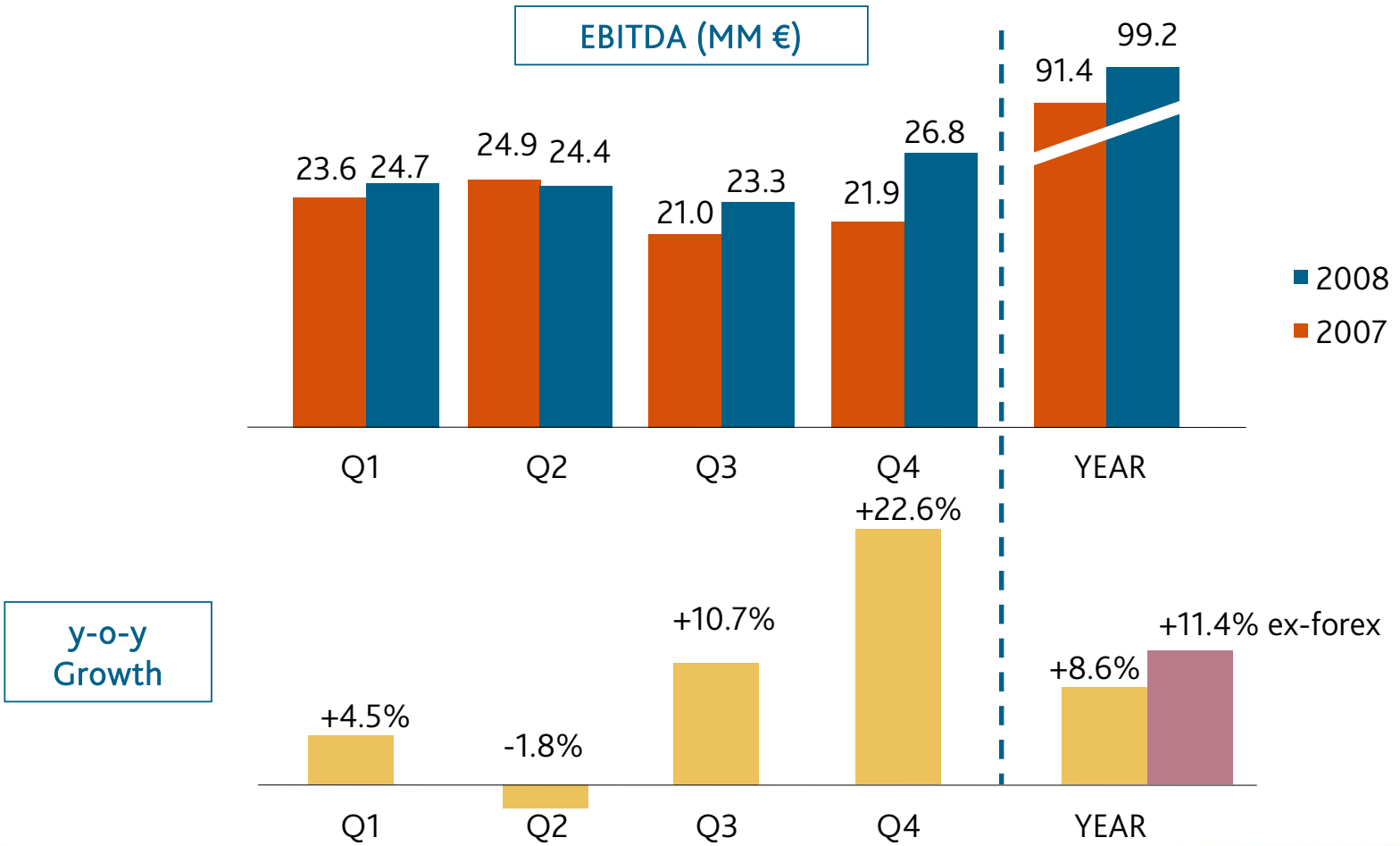
[2] Financial leverage = Net Debt/ Equity

Casings

Double-digit growth on quarterly revenues despite US$ depreciation

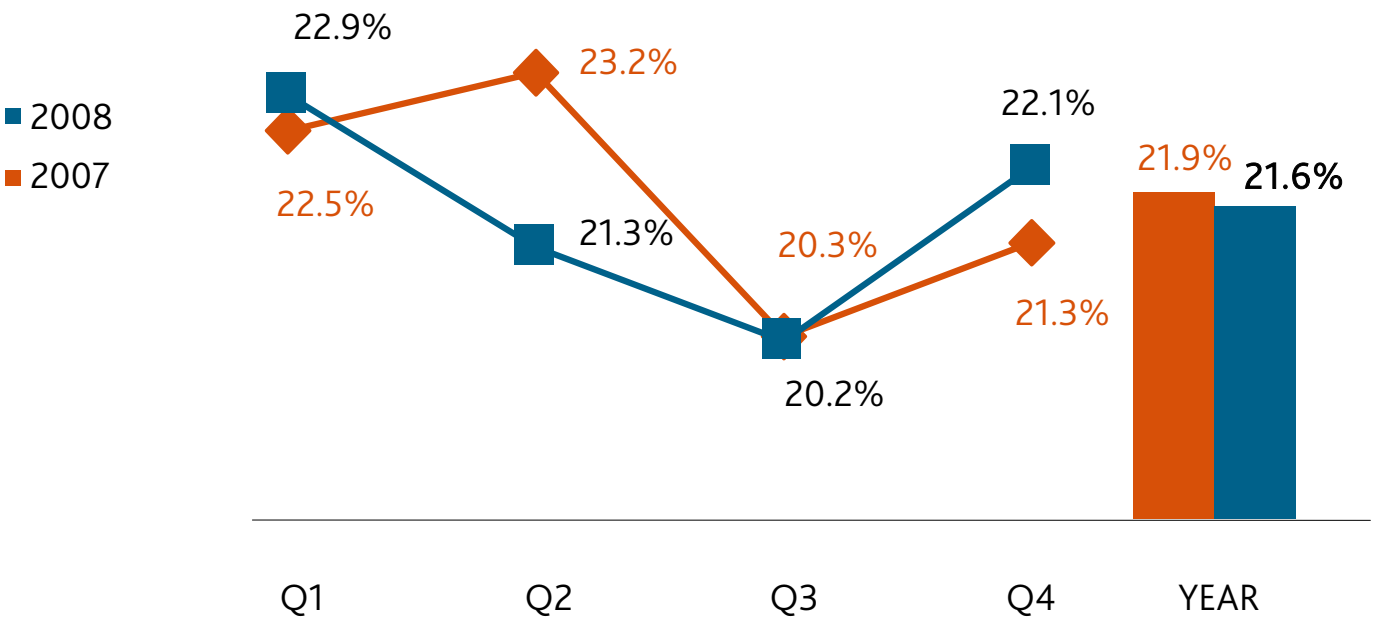


Cost control and operating leverage boost y-o-y EBITDA growth…

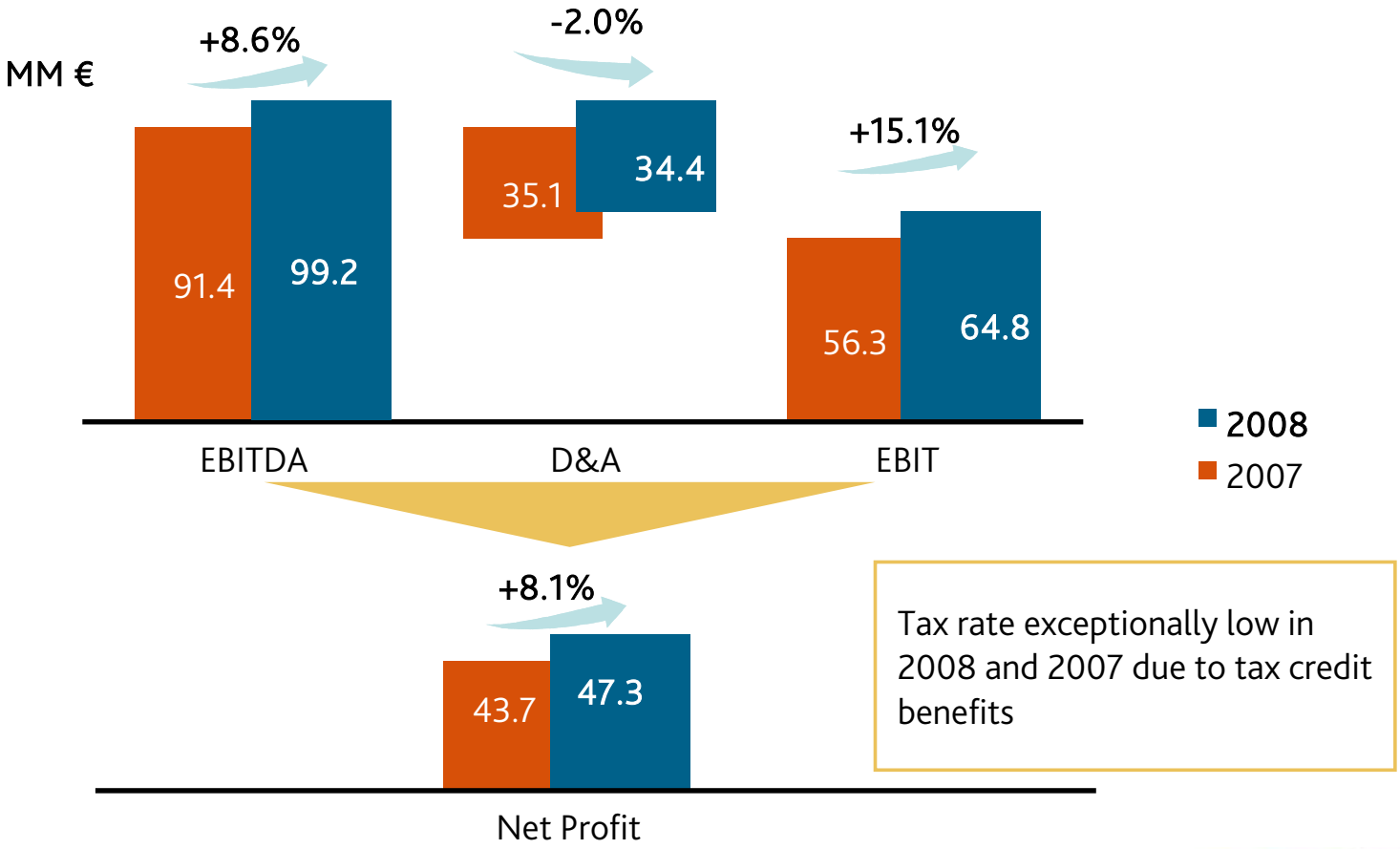


… with a solid margin in a very unfavorable environment.

EBITDA margin evolution



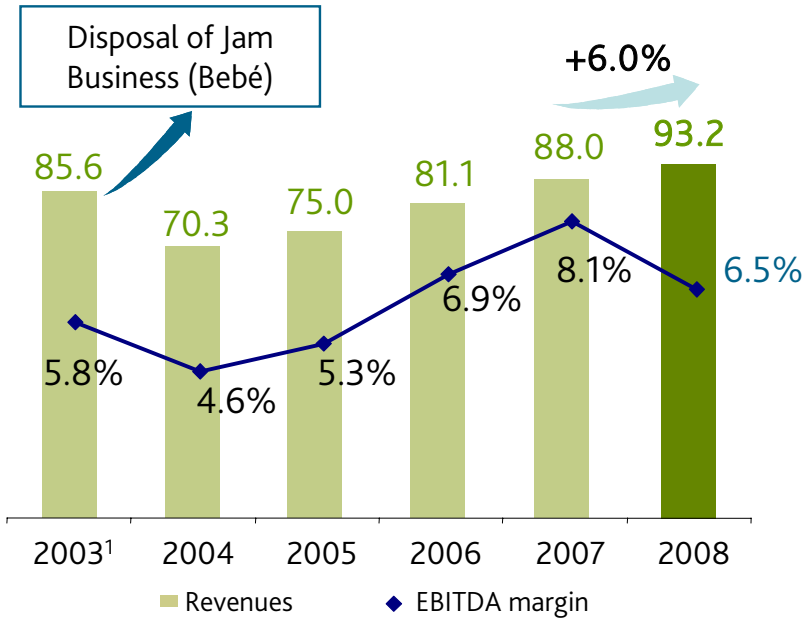
Commercial, operative and financial discipline are translated to Net Profit

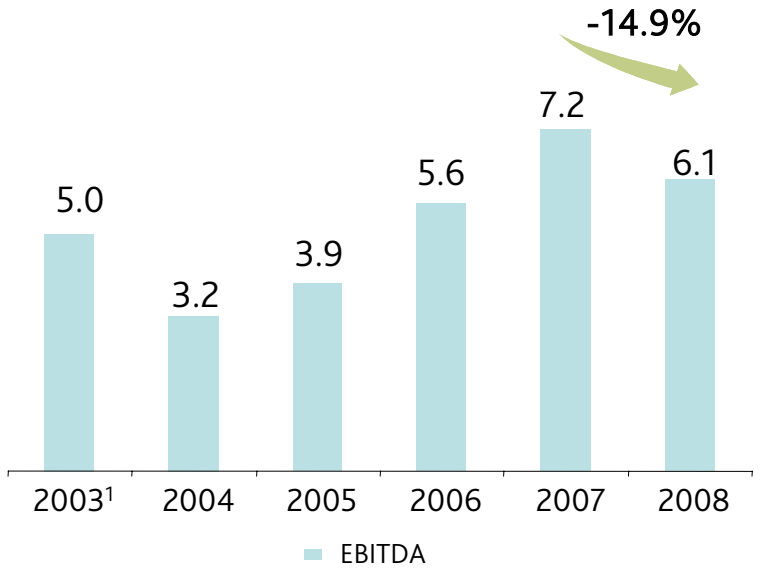


Tax rate exceptionally low in 2008 and 2007 due to tax credit benefits

Vegetable Food

Preserving revenues in a recession period





Since the disposal of Jam Business (Bebé) IAN Group has been posting a positive trend on revenues, and an improvement of margins broken up by the economy recession in Spain

[1] 2003: Spanish Gaap

Enhance margins through Carretilla leadership

Boost Carretilla brand

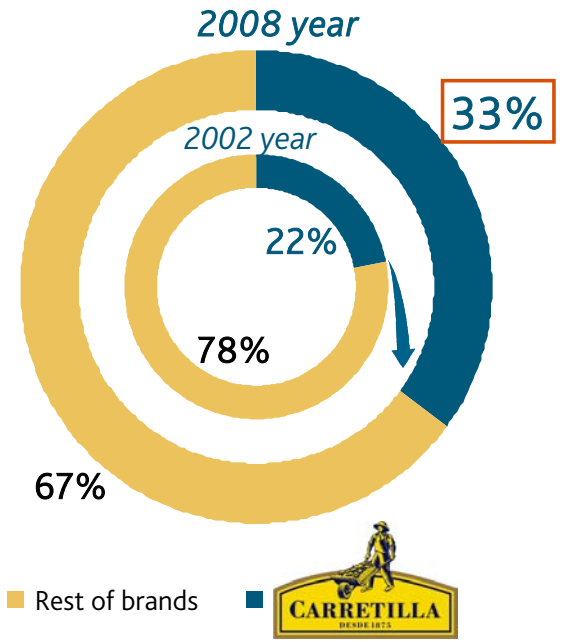
Innovation on new products

JV in China (2010E)



Focus on margin protection through sales of products with higher added value, and with a better adoption to raw materials and cost of production

IAN Revenue breakdown



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Be ONE: A strategy to boost our economies of scale

Initiatives 2006 - 2008

- Teepak integration ✓
- Commercial discipline ✓
- Production and distribution reallocation ✓
- Full portfolio ✓
- Plastic transfer to Brazil and Czech Republic ✓

Be One

Initiatives 2009 - 2011

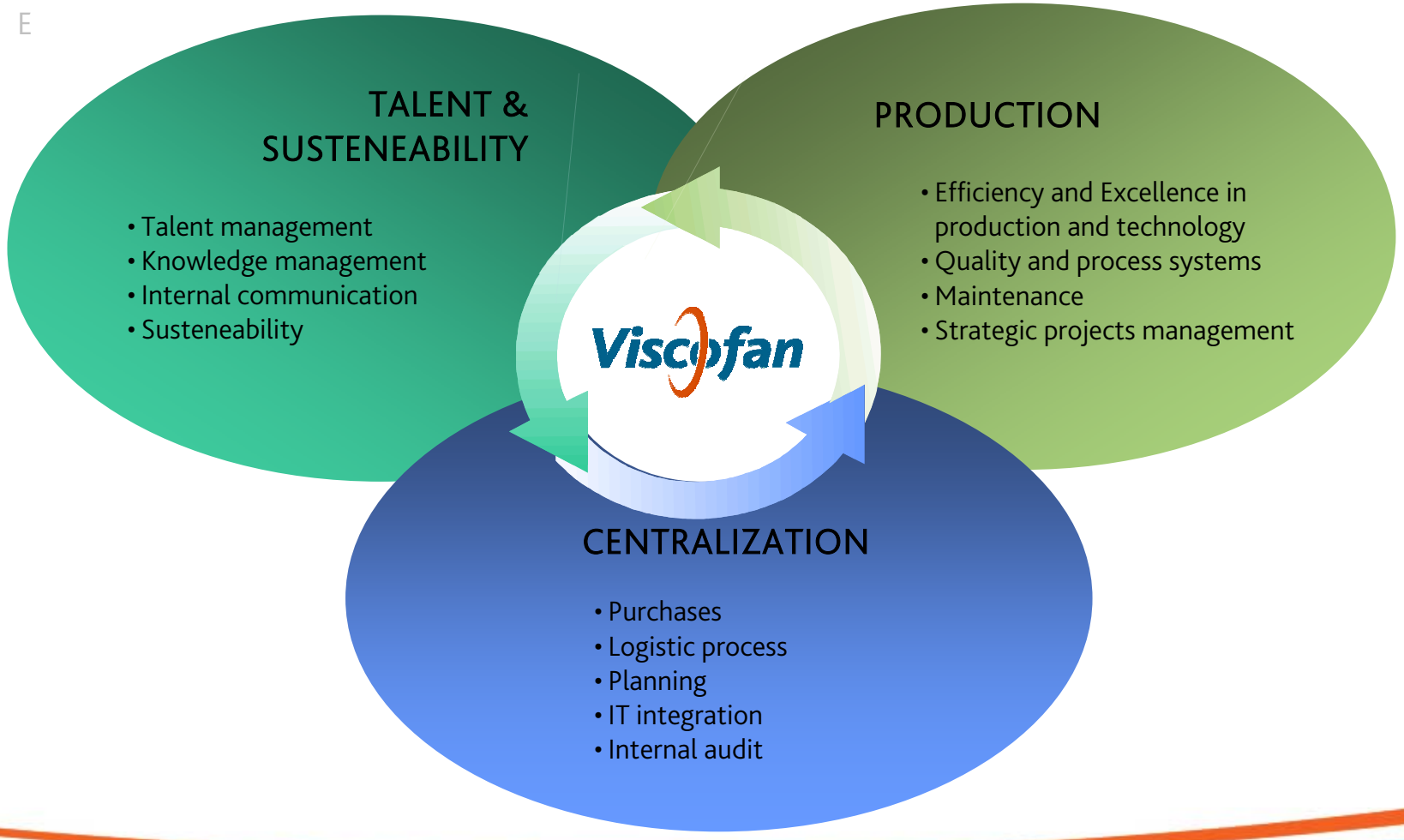
- ***B*** e aligned with the rest of the Group
- ***E*** nhance added value
- ***O*** rganic growth expansion
- ***N*** ew businesses
- ***E*** xcellence centers by family

Goal

Reinforce our leadership in the market

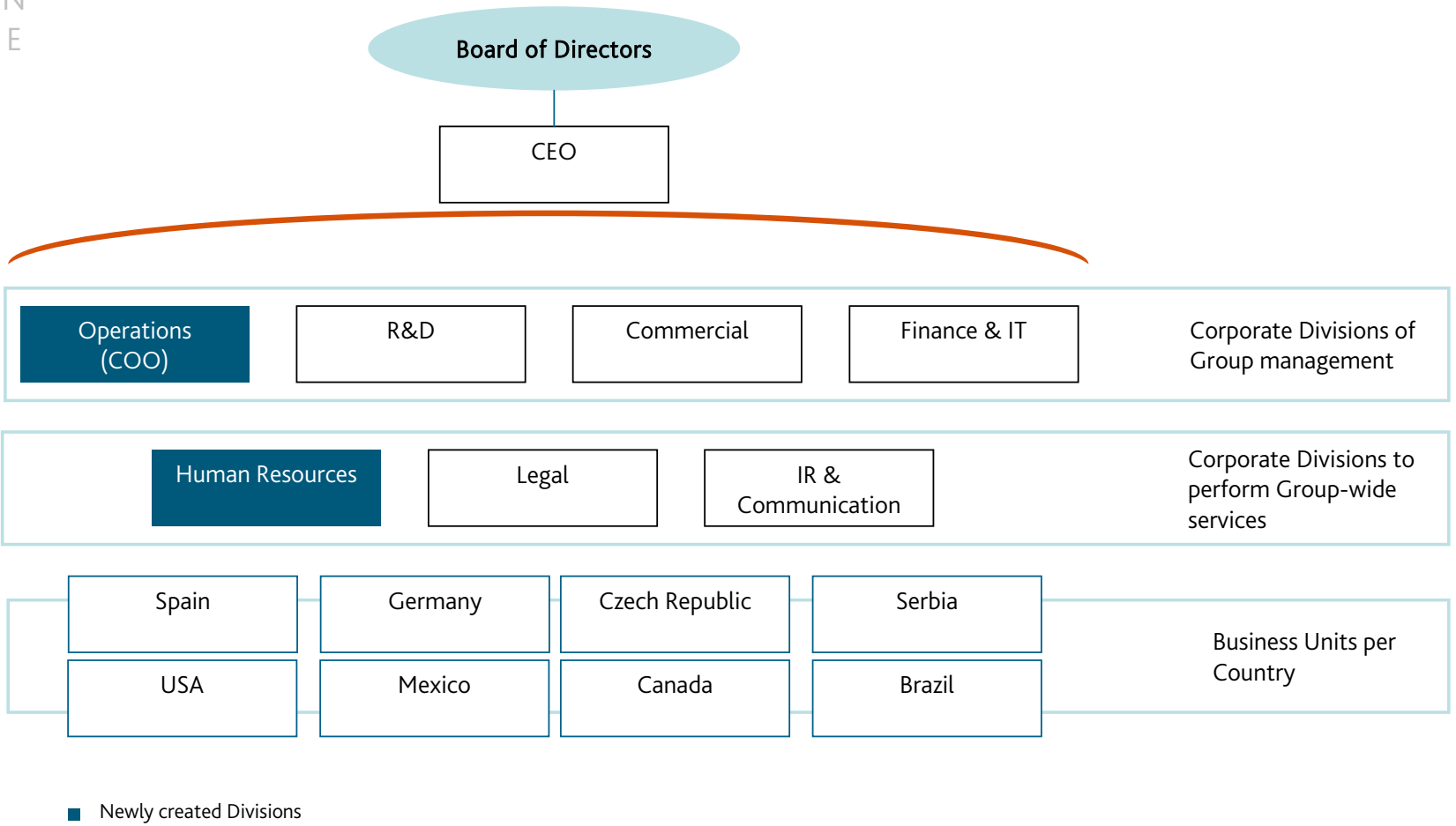
B e O N E

Be aligned means to strength our processes…



B e O N E

… with a new organizational chart to facilitate value management for the whole Group



Enhanced added value… giving answers to market needs

Customer focus	Viscofan contribution
Reduce cost of production	Improve our product quality with a clear focus on attributes that make easier the production process of our customers
Improve "Time to Market"	Project teams devoted to shorter lead times.
Wide product portfolio	New developments to substitute gut casing

Commercial discipline

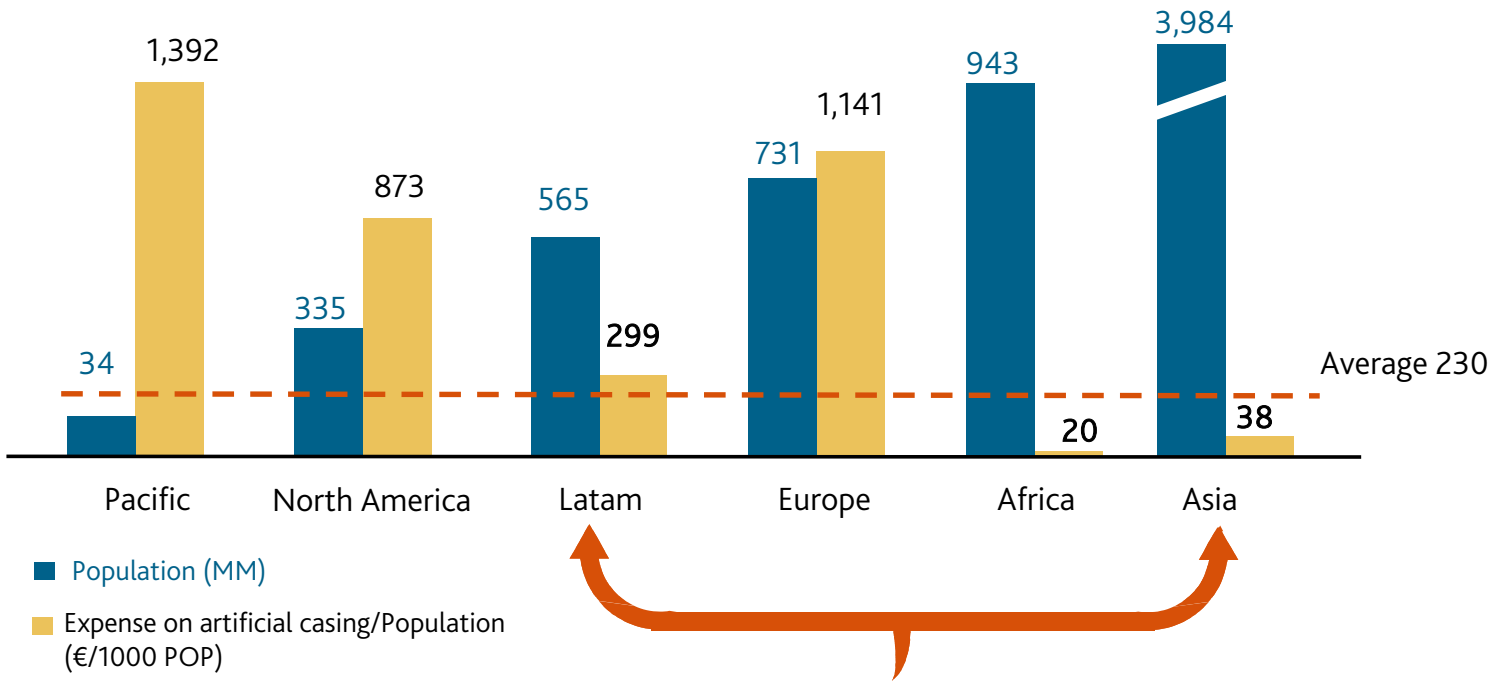
Create value for the industry

Enhance added value… walking on the innovation way

Specific R&D solutions

PRODUCT DEVELOPMENTS	Biffi application for US: New market
TECHNOLOGY UPGRADE IN PRODUCTION PROCESS	Upgrade in edible collagen in Germany Technology upgrade in Mexico and Serbia
DIVERSIFICATION	Development of CCC as a matrix for cell culture in vitro.

Organic growth expansion in new geographic areas…

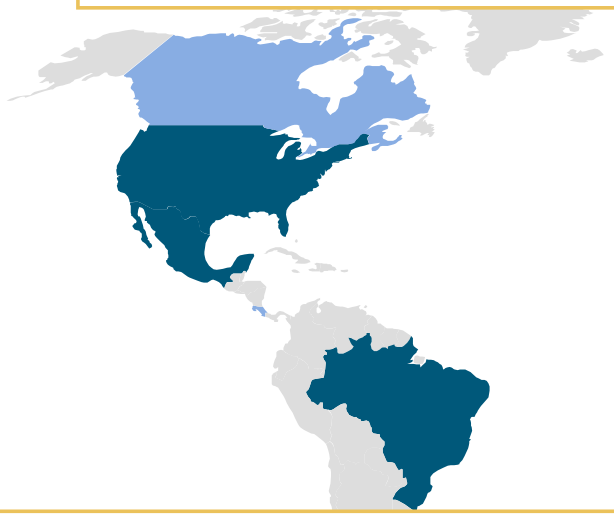


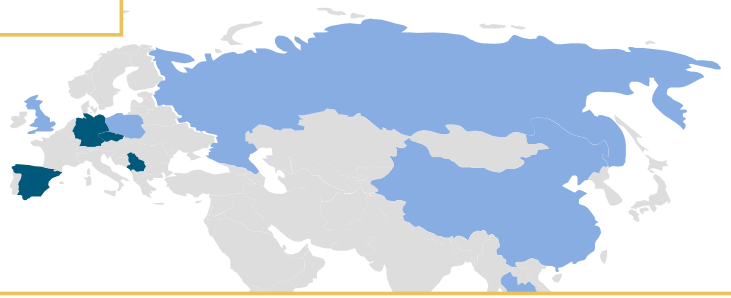
The highest growth (double digit) can be found in the areas with lowest expense on artificial casing per capita, areas with a high volume of population.

Worldwide market growth (+3% to +5%)

… improving and growing in our brownfield operations…

US: Technology upgrade on skinless converting. Improving of production standard in fibrous.
Mexico: Technology upgrade and increase in converting capacity of skinless,
Projects of termo-energy and electric savings.





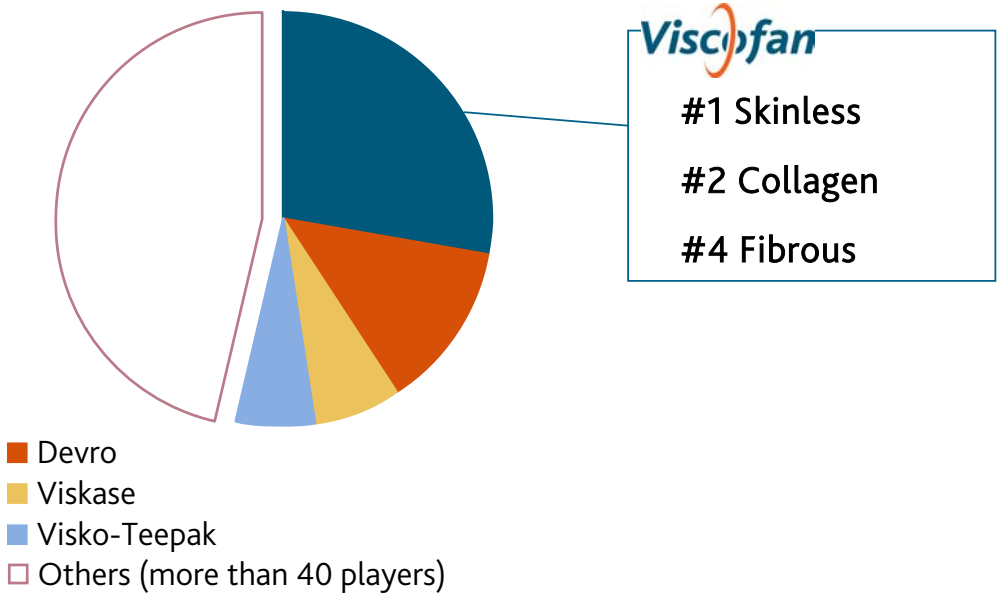
Spain: New phase of automation in converting.
Germany: Technology upgrade on edible collagen.
Czech Republic: Increasing converting capacity on collagen and skinless.
Serbia: Complete transfer of straight non-edible collagen from Germany.

Brazil: Increasing converting capacity on skinless converting

… reinforcing our leadership

2008

"Artificial casings" market share[1]



[1] Includes segments of skinless, collagen, fibrous, tubular plastics and bags.

Source: Viscofan Group

B e O N E

New businesses: Additional sources of revenues



Energy

Take advantage of the termo-energetic intensity of our production process to generate electricity for third parties.



Bioengineering

Take advantage of our knowledge of collagen properties and collagen production to develop new applications for biomedical issues

Energy: Increasing our cogeneration plant

Cogeneration plant in Spain means:

- Be self-sufficient in our energy needs in Spain.
- Improve our caloric capacity
- Offset partially energy costs with electricity sales
- Reduce CO_2 emissions to the atmosphere and contribute to avoid climate change



Gas

Electricity → Sale to the electric network (Pool price + Cogeneration premium)

(€9,8MM in H208)

Hot water → Production process Viscofan Spain

Water steam → Production process Viscofan Spain

Saving costs

Capex 2008: €11MM

Planned Capex for the 2nd phase: €14MM in 2009

Power installed after 2nd Phase: 46,4 MWH

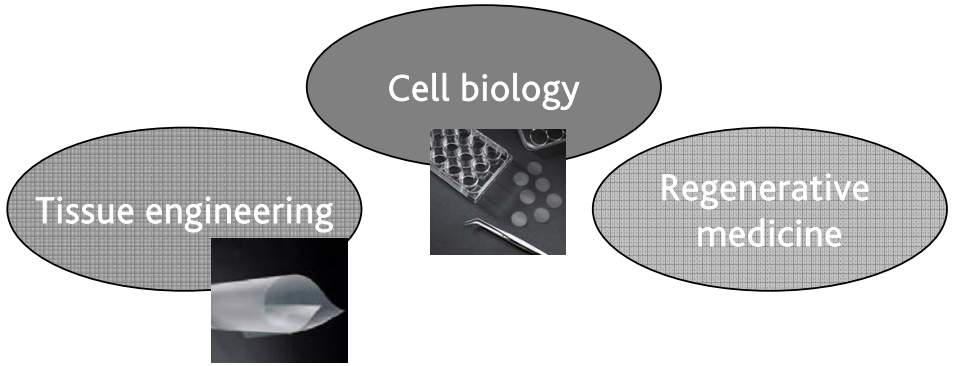
B e O N E

Bioengineering: High production efficiency + innovation = new market opportunity

R&D

Development of CCC as a matrix for cell culture in vitro

Potential markets



Market opportunities:

- High need of new medicinal supports and new resources to help R&D efforts on cell culture.
- Curative treatments

VISCOFAN BIO ENGINEERING

Our technology at investigation and medicine service

Excellence centers by family

Excellence center by family product

SKINLESS	SPAIN	COLLAGEN	GERMANY
FIBROUS	US	PLASTIC	CZECH REPUBLIC

Benefits derived from Excellence centers

R&D

- R&D centers
- Technology Vanguard. Development of products
- Improvement in quality development and innovation.
- Technology observatory.

FINANCE

- Better specialization and economies of scale
- Optimize, rationalize and maximize investment/expenses on innovation.

PRODUCTION

- Better focus to find improvement areas and priorities
- Center of development of the best available technology.
- New suppliers homologation.

COMMERCIAL

- Commercial and institutional shop window.

HHRR

- Talent and knowledge attraction
- Training centers for personnel

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- ✓ **Outlook 2009**

Viscofan Group, a company that grows in a demanding environment…

Market worries		Viscofan's competitive advantages
Revenues	Worldwide economic crisis	Growing market due to population, habit of consumption, and migration from gut casing Solid customer base
Consumption	Increased price in raw materials (cellulose and collagen)	Commercial discipline + Production efficiency and production speed
Workforce	Dimension	Process automation, and transfer of production to areas with lower labor costs
Energy	Volatility	Energy saving plans and 2nd Phase of the cogeneration plant in Spain
Capex	Increased capacity in the industry	Investment as a consequence of the market growth and technological upgrades
Financial crisis	Credit difficulties	Comfortable leverage, weighting long term, and benefiting from declining interest rates.

… that will improve its ROCE…

Capital investments

- Balance between demand and capacity.
- The strong growth seen in 2008 pushes investments to provide service during demand hikes (flexible capacity vs. spare capacity)
- New investments in IT to facilitate Be One strategy

<€30MM

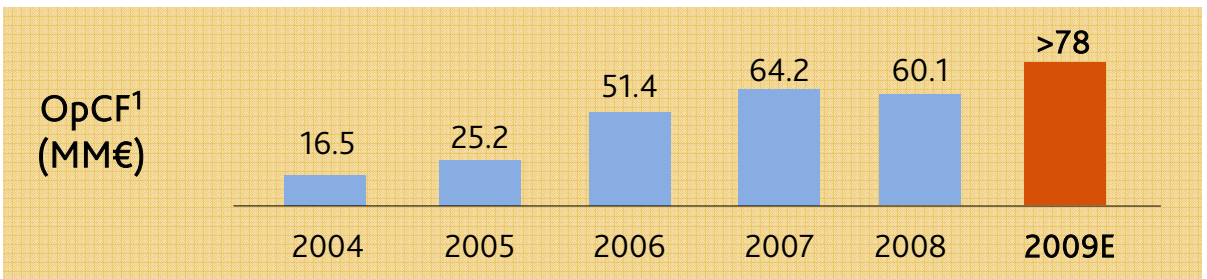
Investment on new businesses

- Cogeneration in Spain
- Arrange installations in Germany for Bioengineering.

<€15MM

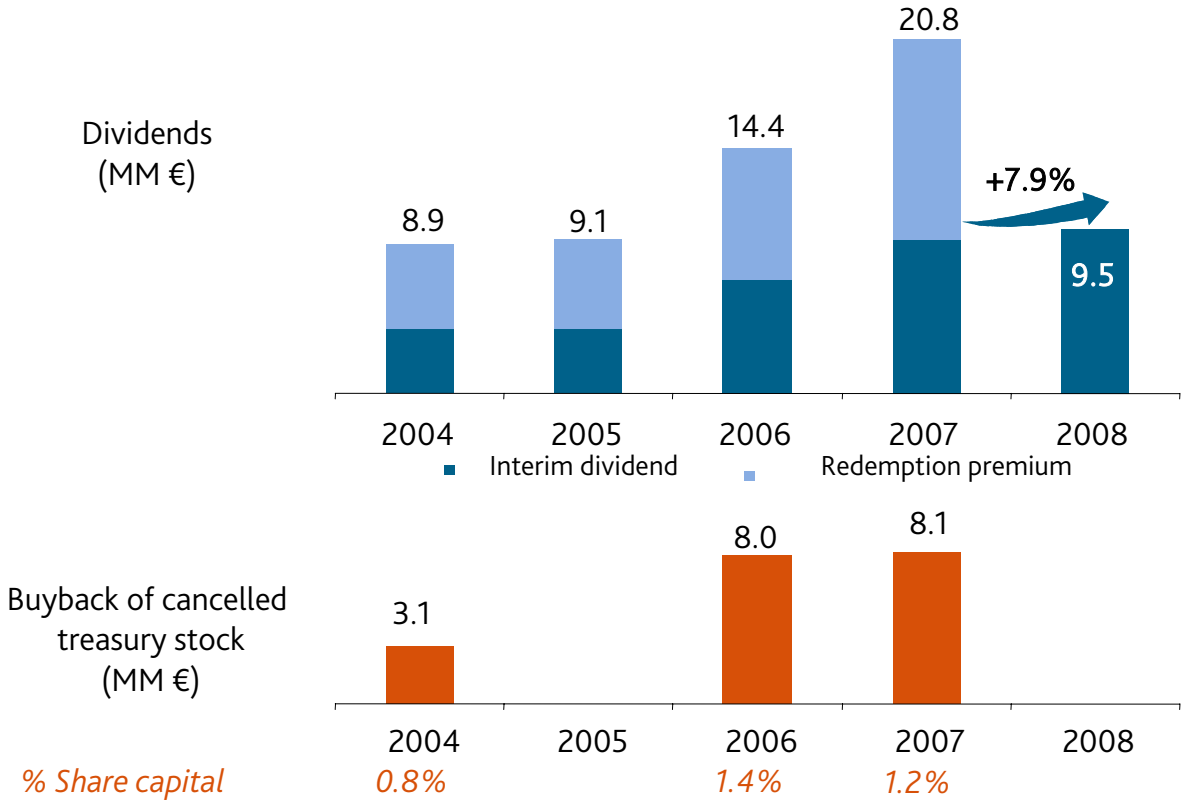
Working Capital

- "Be One" strategy will reduce working capital needs in the mid term.



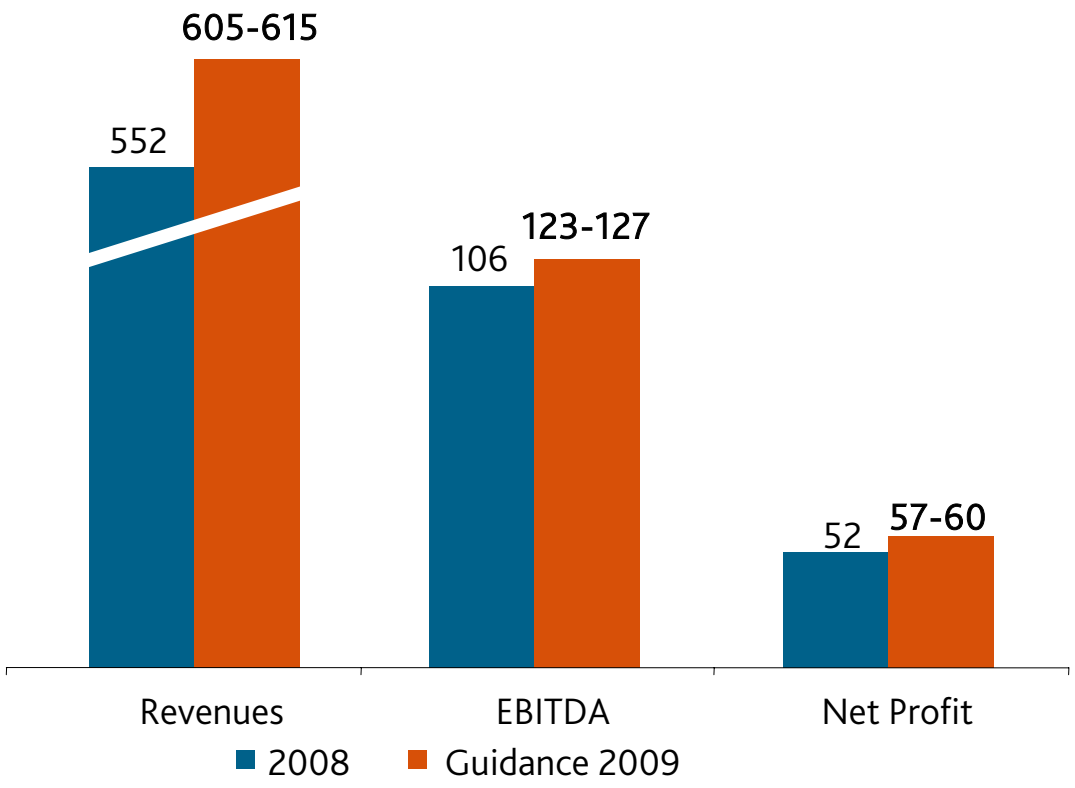
[1] OpCF = EBITDA - Capex

… creating value to its shareholders



Improvement in financial results are combined with an improvement in shareholder remuneration.

Guidance 2009



	% y-o-y.
Revenues	10%-11%
EBITDA	16%-20%
Net Profit	10%-15%
Capex	<€45MM

US$ 1.35

[1] Guidance on recurrent results

To sum up

- **Record results** in an environment of high volatility and uncertainty thanks to solid improvement basis established since 2006: commercial discipline, operating efficiency and costs control.
- **2008 has been an exceptional year** if we look at the casing market growth, **2009 continue to be a growing market**, but a slower speed (+3%/+5%).
- **Economic crisis in Spain is affecting negatively to IAN Group,** however, we have preserved our level of revenues.
- A new strategy aiming the same goal: **Reinforce Viscofan's leadership and profitability**.
- **Double digit growth** guidance in major financial items: Revenues, EBITDA, and Net profit.
- With an **appropriate financial structure** that makes possible to invest in a business that grows and to continue with a solid shareholder remuneration.