Viscofan

January - June 2009 Results



July 27th, 2009

(Free translation from the original in Spanish, in event of discrepancy, the Spanish-language version prevails)

January-June 2009 results highlights

- +25% year over year net profit growth in 1H09, to €31.1 million.
- +26% year over year EBITDA[1] growth in 1H09, to €65.2 million.
- +3.1 p.p. year over year consolidated EBITDA margin growth, at 22.4% for the half.
- Significant quarterly EBITDA margin growth in the casings division, to 25.9% (+4.6 p.p. vs. 1H08).
- In a context of global economic recession, the strength of consolidated revenues was maintained; they grew 8.5% vs. 1H08.
- The trend of vegetable food division (IAN Group) results was still negative for revenues and margins, deriving from the magnitude of the economic crisis in Spain and competition in the sector.
- The solid balance sheet structure is maintained, with 39.9% financial leverage[2] which is lower than the 40.4% recorded as of December 2008 even after a 12% increase in shareholder remuneration payments in the first half of the year.
- In the first half of 2009, despite the complicated global economic environment, recent years' efforts to boost margins and growth yielded considerable growth in the main financial variables: revenues, EBITDA[1] and net profit for the period.
- After the results obtained in 1H09, Viscofan Group confirms its guidance for full-year 2009.

Key events

- In January 2009, an interim dividend was distributed, charged to 2008 earnings, in a gross amount of €0.205 per share. This represented a 7.9% increase over the interim dividend charged to 2007 earnings distributed the previous year.
- In January 2009, a capital increase was approved for Koteks Viscofan d.o.o. and Viscofan de México de S.R.L de C.V in the amount of €4 million and €6 million, respectively.
- In February 2009, the Board of Directors, upon a motion by the Appointments and Compensation Committee, resolved to appoint Mr. José Domingo de Ampuero y Osma to the Board of Directors as an independent Director, to replace the late Mr. José María Cuevas Salvador. In addition, after a report by the Appointments and Compensation Committee, the Board also resolved to appoint Ms. Agatha Echevarría Canales and Mr. José Domingo de Ampuero y Osma to the Company's Executive Committee. All these appointments were approved by the shareholders at the General Shareholders Meeting held in June 2009.
- In June 2009, the Company returned the share premium in the amount of €0.290 per share as resolved at the last General Meeting of Shareholders. This payment, together with the per-share dividend and the Meeting attendance fee resulted in shareholder compensation totalling €0.500 per share, 12.4% over the prior year.

[1] EBITDA = Operating profit (EBIT) + Depreciation of property, plant and equipment
[2] Financial Leverage = Net debt / Equity

- In June 2009, the shareholders at the General Shareholders Meeting passed resolutions including the cancellation of 131,197 treasury shares, equivalent to 0.28% of the share capital.

1H09 Consolidated Group Results

Viscofan Group Profit and loss account ('000 €)

	Jan-Jun' 09	Jan-Jun' 08	*Change*	Apr-Jun' 09	Apr-Jun' 08	*Change*
Revenues	**290,996**	**268,290**	**8.5%**	**148,017**	**140,430**	**5.4%**
Other operating income	2,742	3,937	-30.4%	1,778	3,360	-47.1%
Self-constructed assets	69	186	-62.9%	14	54	-74.1%
Variation in stocks of finished products and work-in-progress	3,380	782	332.2%	960	-3,301	c.s
Net purchases	-83,549	-80,924	3.2%	-42,524	-40,463	5.1%
Personnel expenses	-65,794	-65,444	0.5%	-32,878	-32,807	0.2%
Other operating expenses	-83,039	-75,804	9.5%	-42,495	-41,783	1.7%
Capital grants	311	339	-8.3%	90	156	-42.3%
Impairment and results coming from disposals of non-current assets	110	368	-70.1%	79	300	-73.7%
Other results	0	0	n.s.	0	0	n.s.
EBITDA	**65,226**	**51,730**	**26.1%**	**33,041**	**25,946**	**27.3%**
Amortization and depreciation	-18,352	-18,279	0.4%	-9,300	-9,257	0.5%
EBIT	**46,874**	**33,451**	**40.1%**	**23,741**	**16,689**	**42.3%**
Financial incomes	279	551	-49.4%	139	262	-46.9%
Financial expenditures	-2,646	-3,570	-25.9%	-1,116	-1,888	-40.9%
Changes in reasonable value of financial instruments	0	-139	n.s.	0	-260	n.s.
Exchange differences	-1,877	487	c.s	-143	1,055	c.s
Impairment and results coming from disposals of financials assets	0	0	n.s.	0	0	n.s.
Financial results	**-4,244**	**-2,671**	**58.9%**	**-1,120**	**-831**	**34.8%**
Profit from associated companies	0	0	n.s.	0	0	n.s.
Profit before taxes	**42,630**	**30,780**	**38.5%**	**22,621**	**15,858**	**42.6%**
Taxes	-11,536	-5,960	93.6%	-6,155	-2,068	197.6%
Profit after taxes	**31,094**	**24,820**	**25.3%**	**16,466**	**13,790**	**19.4%**
Minority interest	0	0	n.s.	0	0	n.s.
NET PROFIT	**31,094**	**24,820**	**25.3%**	**16,466**	**13,790**	**19.4%**

Unaudited data

Net cumulative year-to-date revenues were €291.0 million, 8.5% increase over year ago. Noteworthy is the favourable trend of the casings division with a 10.9% year over year growth, versus a 3.6%% decline in the vegetable food business.

In 2Q09, consolidated revenues were €148.0 million (+5.4% vs. 2Q08) led by the strength of artificial casings sales (+7.8% vs. 2Q08) as a result of price increases established at the beginning of the fiscal year,

greater electricity sales and the recovery of the US$ against the €. This performance is in contrast to the faster decline at the IAN Group, whose revenues dropped 5.3% in 2Q09 vs. 2Q08.

As of June 2009, the cost of consumption[3] was flat with the prior year, at €80.2 million. Thus, it accounted for 27.5% of revenues in 1H09 versus 29.9% in 1H08.

On a quarterly basis, less price pressure on raw materials led to lower costs of consumption[3], which declined 5.0% versus 2Q08.

1H09 personnel expense was €65.8 million, +0.5% over year ago, and +0.2% in 2Q09 vs. 2Q08.

This cost containment resulted from the Group's cumulative headcount reduction. The Group's total headcount was 3,933 as of month end June 2009, with a reduction of 43 people compared to 2008 yearend figures and 178 people (4% of total headcount) against June 2008.

Cumulative Other operating expenses as of June 2009 were €83,0 million up 9.5% from 1H08, primarily due to the higher consumption of gas associated with the expansion of the cogeneration plant in Spain, which went on-stream in June 2008, as well as other expenses related to the centralization of operations and systems within the Viscofan Group. The efforts to hold down expenses meant that other operating expenses totalled €42.5 million, up 1.7% from 2Q08.

During the quarter there were negative non-recurring expenses in the amount of €0.08 million, of which €0.17 million pertain to the capital gain on the sale of part of the old headquarters offices of Viscofan in Spain and €0.25 million to the higher personnel expense due to the cost of early retirement plans in Spain.

Improvements in productivity, cost containment, and the favourable trend of revenues yielded an increase in cumulative EBITDA as of June 2009 to €65.2 million, up 26.1% over year ago. Recurrent EBITDA[4] was €65.3 million, up 26.2% vs. 1H08.

On a quarterly basis, EBITDA growth accelerated, up 27.3% from 2Q08, to reach a new quarterly high of €33.0 million despite an adverse environment in terms of credit quality in some markets and consumer spending capacity.

Thus, cumulative EBITDA margin for the fiscal year was up 3.1 p.p. from that obtained in 1H08, to 22.4%. The year over year improvement of quarterly EBITDA margin should be noted, up 3.8 p.p. from 2Q08, to 22.3%. For yet another quarter this year over year improvement of EBITDA margin was led by the artificial casings division (+4.6 p.p. vs. 2Q08), offsetting a poorer performance in the vegetable food division (-1.8 p.p. vs. 2Q08).

Depreciation and amortization were flat with year ago figures, at €18.4 million in 1H09 and €9.3 million in 2Q09, up 0.4% and 0.5%, respectively.

Thus, cumulative EBIT as of June 2009 was €46.9 million, up 40.1% over 1H08. Quarterly, EBIT was €23.7 million in 2Q09, up 42.3% versus 2Q08.

1H09 net financial losses were -€4.2 million, 58.9% higher than in 1H08 due to greater exchange losses accounted in 1Q09 versus the prior year (-€1.9 million in 1H09 vs. +€0.5 million in 1H08).

In 2Q09 exchange losses were only -€0.1 million, versus -€1.7 million in 1Q09 as a result of the strengthening of the US$ and exchange rate hedging previously contracted.

[3] Cost of consumption = change in inventories + net purchases

[4] Recurring results exclude the impact of non-recurring expenses in the amount of €0.08 million, of which €0.17 million pertain to the capital gain on the sale of part of the old headquarters offices of Viscofan in Spain and €0.25 million to the higher personnel expense due to the cost of early retirement plans in Spain.

The decline in exchange losses and lower cost of financing translated into 2Q09 net financial losses of -€1.1 million, versus -€3.1 million in 1Q09 and -€0.8 million in 2Q08.

Net financial debt[5] as of June 30, 2009, was €128.7 million, a €6.3 million increase over yearend 2008.

This increase in debt is explained primarily by the 12% increase in shareholder compensation associated with the payment of the interim dividend in the first quarter of the year (€9.6 million) and the return of the share premium in June 2009 (€13.6 million), for a greater volume of net investments, which include the acceleration of the investments in the 2nd phase of the expansion of the cogeneration plant in Spain, which went on-stream at the end of July 2009, and the increase in US$-denominated debt as a result of a stronger Dollar.

Financial leverage was 39.9%, a slight decline from the 40.4% recorded as of yearend 2008 and as of March 2009.

The strong operating results, deriving from the improved margins and the containment of financial expense translated into cumulative profit before taxes in the amount of €42.6 million as of 1H09, or 38.5% growth versus 1H08. In the second quarter of the year, profit before taxes grew 42.6% vs. 2Q08, to €22.6 million.

The effective tax rate for 1H09 was 27.1%, slightly higher than the 19.4% in June 2008, which translated into a tax expense of €11.5 million, virtually twice that of a year ago.

Nonetheless, cumulative net profit for 1H09 was up 25.3%, to €31.1 million, while in 2Q09 net profit was €16.5 million, up 19.4% from 2Q08.

1H09 Results: Casings

Data in thousand euros

	Jan-Jun' 09	Jan-Jun' 08	*Change*	Apr-Jun' 09	Apr-Jun' 08	*Change*
Revenues	246,836	222,478	10.9%	123,808	114,873	7.8%
EBITDA	63,277	49,108	28.9%	32,059	24,441	31.2%
Margin EBITDA	*25.6%*	*22.1%*	3.6 p.p.	*25.9%*	*21.3%*	4.6 p.p.
EBIT	46,131	32,093	43.7%	23,436	15,903	47.4%
Net profit	30,691	23,284	31.8%	16,275	12,924	25.9%

Unaudited data

The artificial casings market volumes are still solid, although their growth has slowed from a year ago because during the second quarter of the year the global economic climate remained difficult, which hindered plans to invest in the growth of the meat processors, particularly in Eastern Europe, Latam, and certain countries in south Asia.

Against this backdrop, in the first half of the year, Viscofan revenues for the casings division amounted to €246.8 million, up 10.9% over same period year ago.

Quarterly, revenues exceeded €123.8 million, up 7.8% vs. 2Q08, led by Viscofan's focus on value. This quarter, average sale prices continued to improve in the leading families of casings, and revenues in the amount of €3.7 million were recorded for the sale of electricity in Spain deriving from the cogeneration plant.

The year over year appreciation of the US$ against the € contributed favourably to the cumulative growth in revenues for the year, while the rest of the currencies in which Viscofan Group operates suffered

[5] Net financial debt = Long-term borrowings + Short-term borrowings – Cash and equivalents.

considerable depreciation against the €. Overall, the impact of foreign exchange differences[6] contributed 4.0 p.p. to the growth of revenues for the casings business versus 1H08.

The strength of revenues is also evident in the principal geographic areas[7]:

- The U.S. is particularly noteworthy, where sales grew 19.1% versus 1H08, to €90.6 million.
- In Europe, revenues were €120.8 million, up 8.9% over year ago.
- In Latin America, revenues exceeded €35.4MM, although the sharp depreciation of the Brazilian real (-12.4%) and exceptional performance in 2Q08 had a negative impact on year over year performance (-0.2% vs. 1H08). Excluding the exchange rate impact, revenues deriving from Latin America were up 4.5% vs. 1H08.

It should be noted that despite the initial uncertainty after the appearance of the type A flu in Mexico, no decline in the volume of casings sales due to it has been detected, nor has it had a material impact on Viscofan's pace of production at its plants in Mexico, where adequate safety and hygiene measures had already been implemented in the production and quality assurance process at Viscofan's Mexican plants.

The cost of consumption[8] in 1H09 was €51.4 million, up 0.3% over 1H08. During this period the average price of the leading raw materials, due to their specific nature, has increased over year ago, while other, auxiliary raw materials, including glycerine and caustic soda, have been declining steadily.

In 2Q09, the price of the leading raw materials stabilized at the 1Q09 levels, while the price of some auxiliary raw materials continued to drop. Overall, these price trends, coupled with a decline in the volume of business, favoured the trend of the cost of consumption[7], which declined by 7.6% over year ago, to €25.4 million.

As a result of continued improvement projects, and the progress made in terms of automation and productivity, headcount requirements have been reduced over the past years to a total of 3,667 for the casings division (down 148 from month end June 2008 and down 64 from yearend 2008). Thanks to this effort, 1H09 personnel expense was €61.4 million, up 0.9% over 1H08, representing 24.9% of the division's revenues, versus 27.4% in 1H08.

Quarterly, 2Q09 personnel expense was €30.7 million, up 0.5% from 2Q08, including €0.3 million associated with the costs of the early retirement plan carried out in Spain.

Other operating expenses benefited from the sharp decline in the unit price of energy, primarily gas, in the first half of the year and the energy savings plans implemented at the Group's various production plants. Nonetheless, the expansion of the cogeneration plant in Spain, with two new 8.3MW engines installed in June 2008, implied greater consumption of gas and, therefore, energy expenses went up 15.0% over year ago and 13.8% in 2Q09 vs. 2Q08.

The higher consumption of gas together with other expenses related to the centralization of certain operations and systems as part of the "Be ONE" strategy implemented by the Group brought total Other operating expenses to €73.7 million, up 12.1% vs. 1H08 and €37.5 million in 2Q09, up 3.6% vs. 2Q08.

Viscofan Group maintains an active risk policy in the current global macroeconomic climate, minimizing to the extent possible the negative impact of bad debt. Therefore, provisions for bad debt were €0.5 million, only 0.2% of the Group's revenues.

Revenue growth together with greater efforts in terms of productivity and savings, and a more favourable exchange rate, contributed to the strong increase of EBITDA margin, which went up more than 3.6 p.p. in

[6] For comparative purposes, growth excluding foreign exchange differences excludes the impact of the various exchange rates applied in the consolidation of accounts as well as the impact of the USD on trade transactions
[7] Revenues by origin of sales
[8] See note 3

1H09, to 25.6%. Quarterly, the improvement in margin was even more significant, up more than 4.6 p.p. over 2Q08, to 25.9%.

Thanks to this margin improvement, cumulative EBITDA as of June 2009 was €63.3 million, up 28.9% over 1H08. The acceleration of EBITDA in 2Q09 strongly contributed to this growth, up 31.2% vs. 2Q08, to €32.1 million.

Cumulative depreciation and amortization was stable (+0.8% vs. 1H08 and +1.0% vs. 2Q08), contributing to greater EBIT growth, which was up 43.7% vs. 1H08, to €46.1 million, and 47.4% vs. 2Q08, exceeding the €23.4 million mark.

Thus, despite a higher effective tax rate than in the same period year ago, the net profit for the casings division was up a cumulative 31.8% as of June 2009, to €30.7 million. In 2Q09, net profit grew sharply, up 25.9% vs. 2Q08, to €16.3 million.

1H09 Results: IAN Group

Data in thousand Euros

	Jan-Jun' 09	Jan-Jun' 08	*Change*	Apr-Jun' 09	Apr-Jun' 08	*Change*
Revenues	44,160	45,812	-3.6%	24,209	25,557	-5.3%
EBITDA	1,949	2,622	-25.7%	982	1,505	-34.8%
Margin EBITDA	*4.4%*	*5.7%*	-1.3 p.p.	*4.1%*	*5.9%*	-1.8 p.p.
EBIT	743	1,358	-45.3%	305	786	-61.2%
Net profit	403	1,536	-73.8%	191	866	-77.9%

Unaudited data

The profound economic crisis in the Spanish market is generating significant imbalances in terms of supply and demand in the vegetable food sector, where distribution chains as well as consumers are prioritizing price as the major driver in their buying decisions.

This behaviour is increasing competitive pressure on the market, which is focused on getting rid of production surpluses by cutting sale prices sharply and greater sales volumes for private label brand products.

In this context, the IAN Group had net revenues of €44.2 million, down 3.6% from 1H08 due to the decline in sales of high value-added products in its portfolio (primarily asparagus and ready-cooked meals), which could not be totally offset by an increase in sales of tomato-based and private label products.

Quarterly, IAN Group revenues were €24.2 million, up 21.3% over 1Q09, but down -5.3% from 2Q08.

Savings efforts are being implemented to prevent the erosion of margins, as are point-of-sale promotional campaigns to drive the recovery of volumes.

Thus, cumulative EBITDA margin as of June 2009 was 4.4%, versus 5.7% in 1H08. The severity of the economic crisis and vegetable food market conditions once again impacted quarterly performance, with EBITDA margin declining to 4.1% in 2Q09 vs. 4.8% in 1Q09 and 5.9% in 2Q08.

Thus, cumulative EBITDA in 1H09 was €1.9 million, down 25.7% from year ago, and €1.0 million in 2Q09 (down 34.8% vs. 2Q08).

1H09 depreciation and amortization, at €1.2 million, was down 4.6% from year ago due to the containment of investments in recent years. Nonetheless, the decline in EBITDA fed through to EBIT which dropped 45.3% vs. 1H08, to €0.7 million. Quarterly, EBIT declined 61.2% vs. 2Q08, to €0.3 million.

The year over year decline in cumulative net profit as of 1H09 (down 73.8% vs. 1H08) and as of 2Q09 (down 77.9% vs. 2Q08) was affected by the use of tax credits recorded in fiscal year 2008.

It should be noted that the IAN Group's austerity policies and low level of leverage enabled it to achieve positive net profits in 2Q09 (€0.2 million) as well as cumulative net profits as of June 2009 (€0.4 million).

Description of risks and uncertainties for H209

Viscofan Group has strengthened its results in a period of great volatility and uncertainty, and is well-positioned to optimistically meet the challenges to achieving its targets. However, we must note that due to the nature of its operations, Viscofan's business is exposed to various operating, financial and economic risks. The Group manages its risk under policies approved by the Board of Directors.

Specific risks include the deterioration of exchange rates, increased costs of production factors including raw materials and energy, and a deterioration of market conditions as a result of the global economic situation.

APPENDIX

Consolidated balance sheet ('000€)

	Jun '09	Dec '08	*Change*
Intangible assets	13,980	11,976	16.7%
Goodwill	0	0	n.s.
Others intangible asset	13,980	11,976	16.7%
Tangible assets	287,372	277,940	3.4%
Real state investments	0	0	n.s.
Investment accounting ussing the equity method	1,282	998	28.4%
Non-current financial assets	632	585	8.1%
Deferred tax assets	15,130	15,286	-1.0%
Other non-current assets	0	0	n.s.
NON-CURRENT ASSETS	**318,396**	**306,785**	**3.8%**
Non-current assets held for sale	0	0	n.s.
Inventories	155,338	156,540	-0.8%
Trade and other receivables	136,106	118,344	15.0%
Trade debtors	106,330	100,119	6.2%
Other debtors	28,971	18,073	60.3%
Current tax assets	805	152	429.4%
Other financial current assets	2,797	612	357.0%
Other current assets	1,242	172	622.0%
Cash and cash equivalents	12,928	14,014	-7.8%
CURRENT ASSETS	**308,410**	**289,682**	**6.5%**
TOTAL ASSETS= EQUITY AND LIABILITIES	**626,806**	**596,467**	**5.1%**
Share capital	14,020	14,020	0.0%
Share issue premium	16,650	30,165	-44.8%
Reserves	3,281	3,281	0.0%
Treasury shares	-1,699	-1,699	0.0%
Profit for previous years	267,610	226,593	18.1%
Received from associates	0	0	n.s.
Result of the period	31,094	51,403	-39.5%
Less: Interim dividend	0	0	n.s.
Other equity instruments	0	0	n.s.
SHAREHOLDER´S FUNDS	**330,957**	**323,763**	**2.2%**
Financial assets held for sale	0	0	n.s.
Hedge transaction reserves	1,161	-38	-3154.3%
Currency translation differences	-10,265	-19,616	-47.7%
Others	528	-834	-163.3%
ADJUSTMENTS DUE TO CHANGE IN VALUE	**-8,577**	**-20,488**	-58.1%
SHAREHOLDERS' EQUITY	**322,380**	**303,275**	**6.3%**
Minority interest	0	0	n.s.
EQUITY	**322,380**	**303,275**	**6.3%**
Grants	4,217	3,111	35.5%
Non-current provision	33,724	35,393	-4.7%
Non-current financial liabilities	60,414	58,202	3.8%
Financial debt	55,358	53,151	4.2%
Other financial liabilities	5,056	5,051	0.1%
Deferred tax liabilities	27,323	28,272	-3.4%
Other non-current liabilities	0	0	n.s.
NON-CURRENT LIABILITIES	**125,678**	**124,978**	**0.6%**
Liabilities linked to non-current assets held for sale	0	0	n.s.
Current provisions	5,056	4,569	10.7%
Current financial liabilities	88,910	87,429	1.7%
Financial debt	86,269	83,287	3.6%
Other financial liabilities	2,642	4,142	-36.2%
Trade creditor and other payable accounts	83,892	76,216	10.1%
Trade creditors	43,111	53,558	-19.5%
Other creditors	35,403	21,711	63.1%
Current tax liabilities	5,378	947	467.9%
Other current liabilities	890	0	n.s.
CURRENT LIABILITIES	**178,749**	**168,214**	**6.3%**
NET DEBT	**128,699**	**122,424**	**5.1%**

Unaudited data

Cash flow statments ('000 €)

	Jan-Jun' 09	Jan-Jun' 08	Change
Cash flows from operating activities	**44,324**	**21,250**	**108.6%**
Profit for the year before tax	**42,630**	**30,779**	**38.5%**
Adjustments in results	**20,000**	**18,882**	**5.9%**
Amortisation and depreciation	18,352	18,279	0.4%
Others adjustments in results(net)	1,648	603	173.3%
Changes in working capital	**-17,413**	**-16,898**	**3.0%**
Other cash flows from operating activities	**-893**	**-11,513**	**-92.2%**
Interest paid	0	0	n.s.
Dividend paid and other payments from others equity instruments	0	0	n.s.
Dividends received	0	0	n.s.
Interests received	0	0	n.s.
Proceeds/ (payments) from income tax	-893	-11,513	-92.2%
Proceeds/(payments) from operating activities	0	0	n.s.
Cash flows from investing activities	**-21,006**	**-20,603**	**2.0%**
Investment payments	**-22,247**	**-23,670**	**-6.0%**
Group companies, associated & business units	-284	0	n.s.
Acquisition of property, plant and equipment and intangible assets	-21,957	-22,327	-1.7%
Other financial assets	-6	-1,343	-99.6%
Other assets	0	0	n.s.
Cash from disposals	**962**	**3,067**	**-68.6%**
Group companies, associated & business units	0	0	n.s.
Disposal of property, plant and equipment and intangible assets	962	2,262	-57.5%
Other financial assets	0	7	n.s.
Other assets	0	798	n.s.
Other cash flows from investing activities	**279**	**0**	**n.s.**
Dividends received	0	0	n.s.
Interest paid	279	0	n.s.
Proceeds/(Payments) from others investings activities.	0	0	n.s.
Cash flows from financing activities	**-23,638**	**-5,123**	**361.4%**
Proceeds and payments from equity instruments	**0**	**-4,811**	**n.s.**
Proceeds from issue of stock	0	0	n.s.
Cancellation and payments	0	0	n.s.
Acquisition	0	-4,811	n.s.
Disposal	0	0	n.s.
Proceeds and payments from financial liabilities instruments	**4,770**	**23,667**	**-79.8%**
Proceeds from issue of financial liabilities instruments	20,149	29,073	-30.7%
Refund, cancellation and payments	-15,379	-5,406	184.5%
Dividends paid and others payments from others equities instruments	**-23,069**	**-20,588**	**12.1%**
Others cash flows from financing activities	**-5,339**	**-3,391**	**57.5%**
Interest paid	-2,641	-3,570	-26.0%
Others proceeds /(payments) from financing activities	-2,698	179	c.s.
Effect of foreign exchange rate changes on collections and payments	**-765**	**3**	**c.s.**
Net increase (decrease) in cash and cash equivalents	**-1,085**	**-4,473**	**-75.7%**
Cash and cash equivalents at the beginning of the period	**14,014**	**17,107**	**-18.1%**
Cash and cash equivalents at the end of the period	**12,929**	**12,634**	**2.3%**

Average exchange rates (Currency/€)

	1H09	1H08	% Change
Euro	1.000	1.000	0.0%
US Dollar	1.332	1.531	-13.0%
Canadian Dollar	1.605	1.541	4.2%
Mexican Peso	18.422	16.243	13.4%
Brazilian real	2.917	2.595	12.4%
Czech crown	27.148	25.190	7.8%
British Pound	0.894	0.775	15.3%
Polish Zloty	4.470	3.490	28.1%
Serbian Dinar	93.892	81.824	14.7%

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Disclaimer

This document is a free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.

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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.

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