Viscofan

# Results January-March 2010

22nd April, 2010

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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.

# Highlights 1Q10

- *+30%* Net profit 1Q10 vs. 1Q09 up to €19.0MM.
- *+13%* consolidated EBITDA 1Q10 vs. 1Q09 up to €36.3MM.
- +2.1 p.p. consolidated EBITDA margin to *24.6%* improving margins in *casing* (*+2.6 p.p.* vs. 1Q09) and *vegetables (+1.4 p.p.).*
- Revenue growth *+3%* vs. 1Q09, up to €147.3MM.
- -26,3% decline on net debt totalling €66.7MM benefiting from positives FCF in the casing business and IAN Group.

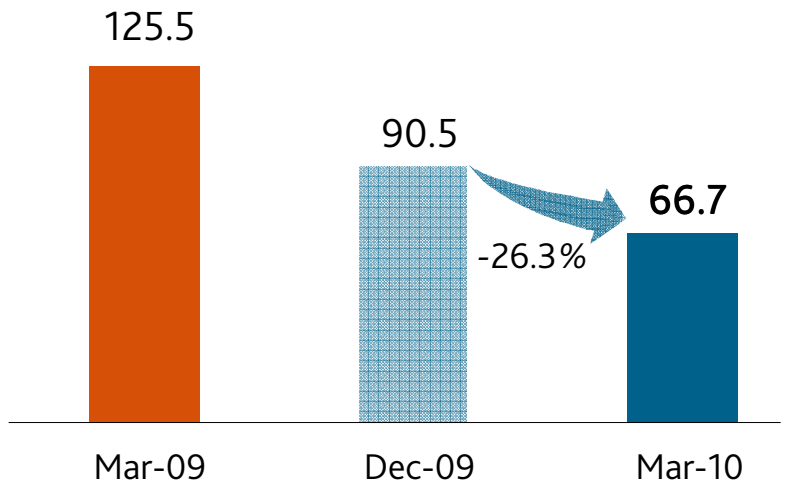
# Growth expansion along the P&L

| MM € | 1Q10 | 1Q09 | % y-o-y | % y-o-y ex-forex[1] |
|---|---|---|---|---|
| Revenues | 147.3 | 143.0 | +3.0% | +2.7% |
| EBITDA | 36.3 | 32.2 | +12.8% | +17.0% |
| *EBITDA margin* | *24.6%* | *22.5%* | *2.1 p.p.* | |
| EBIT | 26.6 | 23.1 | 15.1% | |
| PBT | 25.3 | 20.0 | 26.7% | |
| Net profit | 19.0 | 14.6 | +29.8% | |

[1] For comparison purposes, ex-forex growth excludes the impact of the different exchange rates used in the consolidated accounts and the USD impact in commercial transactions.

# Lower debt…

## Net Debt (MM €)



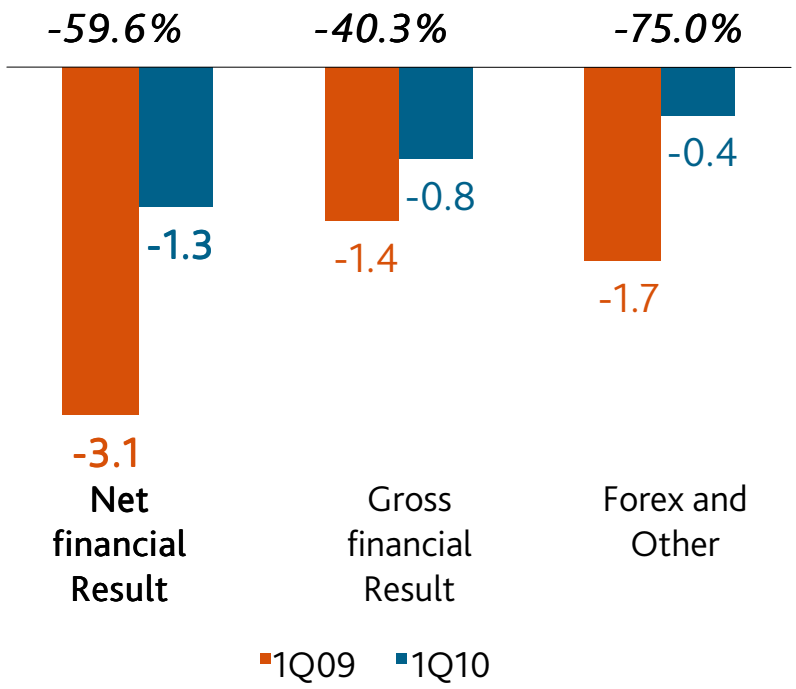

**Financial leverage[1]:**

| Mar-09 | Dec-09 | Mar-10 |
|---|---|---|
| *40.4%* | *26.2%* | ***17.8%*** |

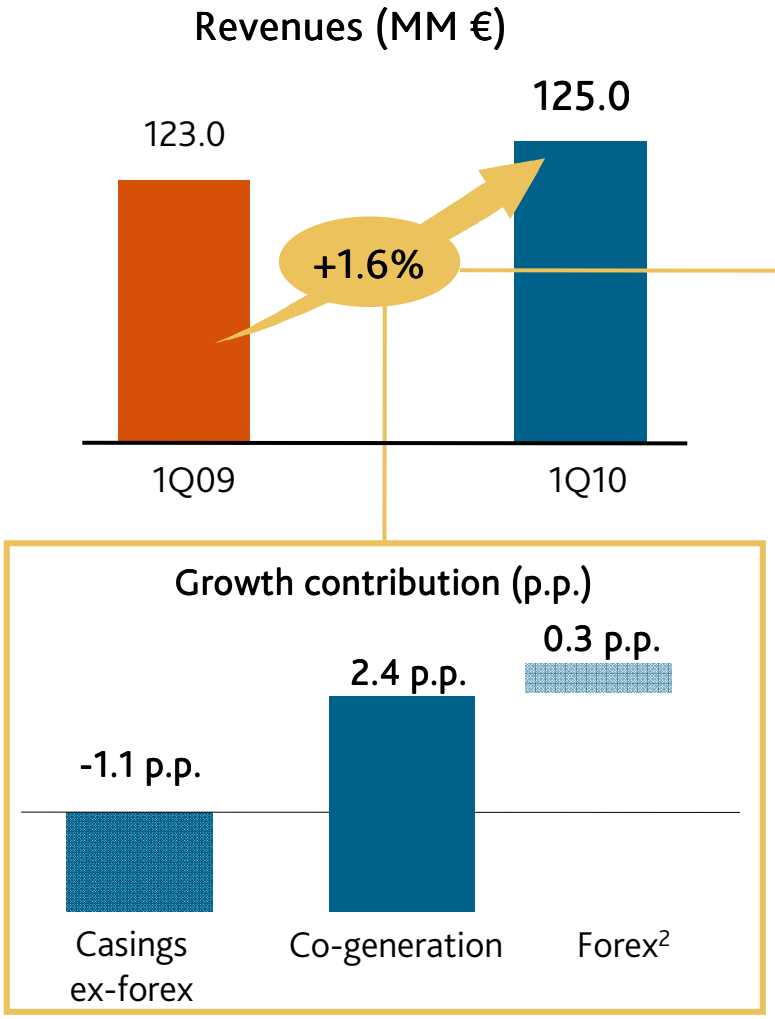
[1] Financial leverage = Net Debt / Equity

# …and lower financial expenses

## Net financial result breakdown (MM €)



# Positive revenue performance backed by electricity sales, expecting higher recovery in Latam and Asia.




**Geographic growth[1]**

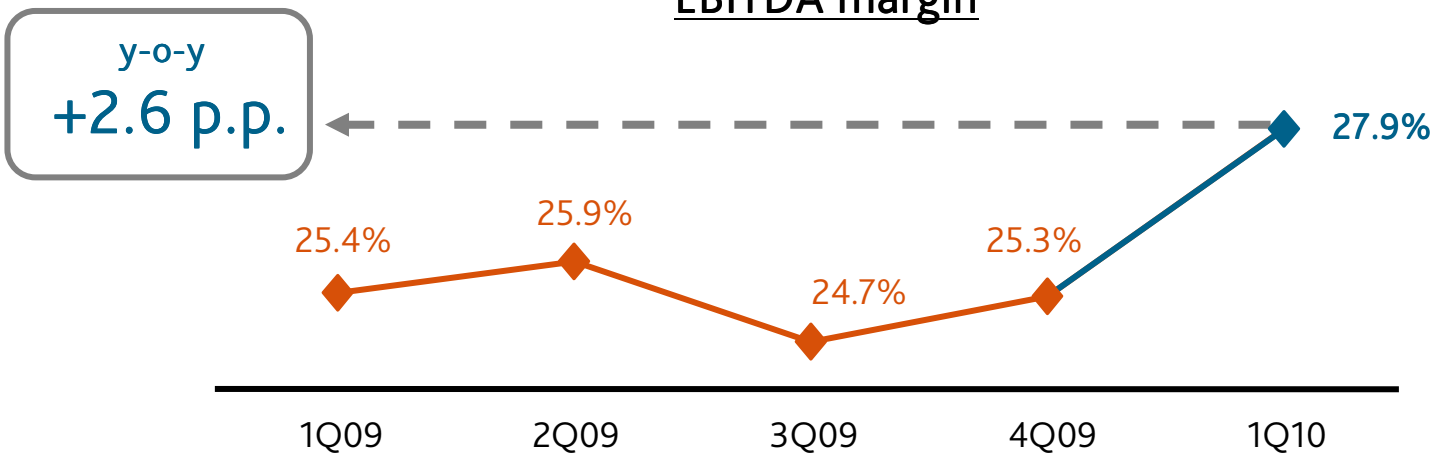
| | |
|---|---|
| Europe | +0.7% |
| North America | -0.4% |
| Latam | +9.6% |

[1] Breakdown per origin of sales

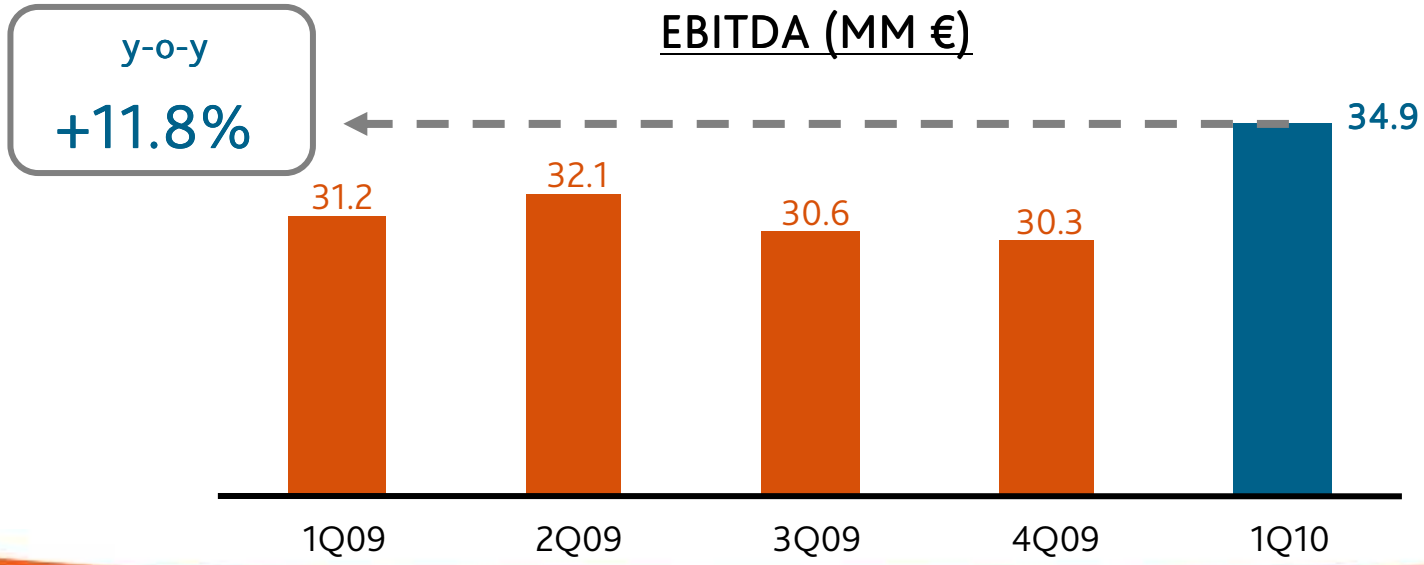
[2] For comparison purposes, ex-forex growth excludes the impact of the different exchange rates used in the consolidated accounts and the USD impact in commercial transactions.

# Double-digit growth on EBITDA with a new EBITDA margin increase led by gross margin and productivity improvement

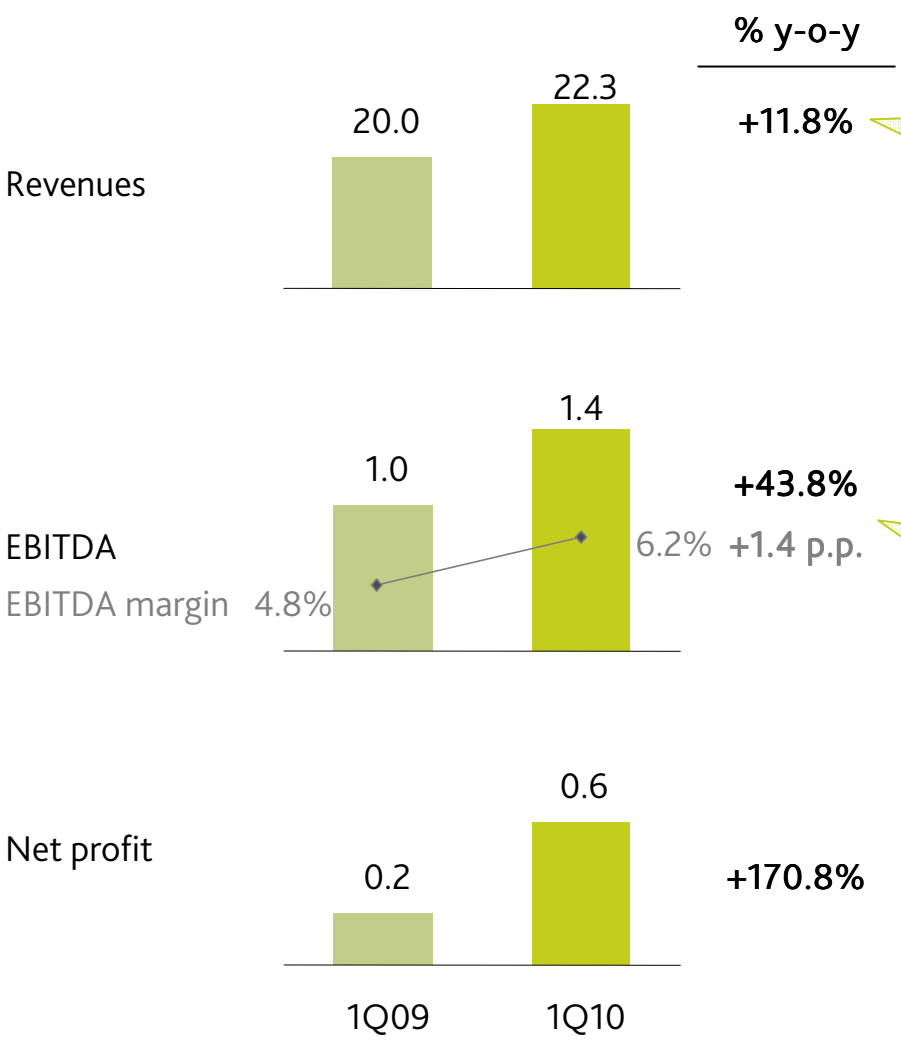
## EBITDA margin




## EBITDA (MM €)



# Revenue strength and recovery of margins.




Better volumes from sales of the tomato business and olives exports…

… which offset the lower growth pace on asparagus

…margin recovery led by increase on volumes protecting gross margin…

… the program to launch new products (ready meals) remains in place



## To sum up

- **Growth** on revenues in the casing and vegetable food business.
- **Significant EBITDA margin improvement** boosted by Consumption costs decline and savings on personnel expenses.
- **Decline in the pressure on price of main raw materials** used in artificial casing production process (cellulose and collagen hides) contributed to reduce Consumption costs.
- **Containment on operational costs,** especially on personnel cost after reducing 4% y-o-y average workforce for the Group, and in Other operating expenses, that, excluding energy costs, grew just 0.1% vs. 1Q09.
- **Financial strength** backed by positives Free Cash Flows from operations in the casing and vegetable foods business, leading to a further reduction of debt.