Results January-June 2010

28 july 2010

Disclaimer

This document may contain 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.

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Highlights 1H10

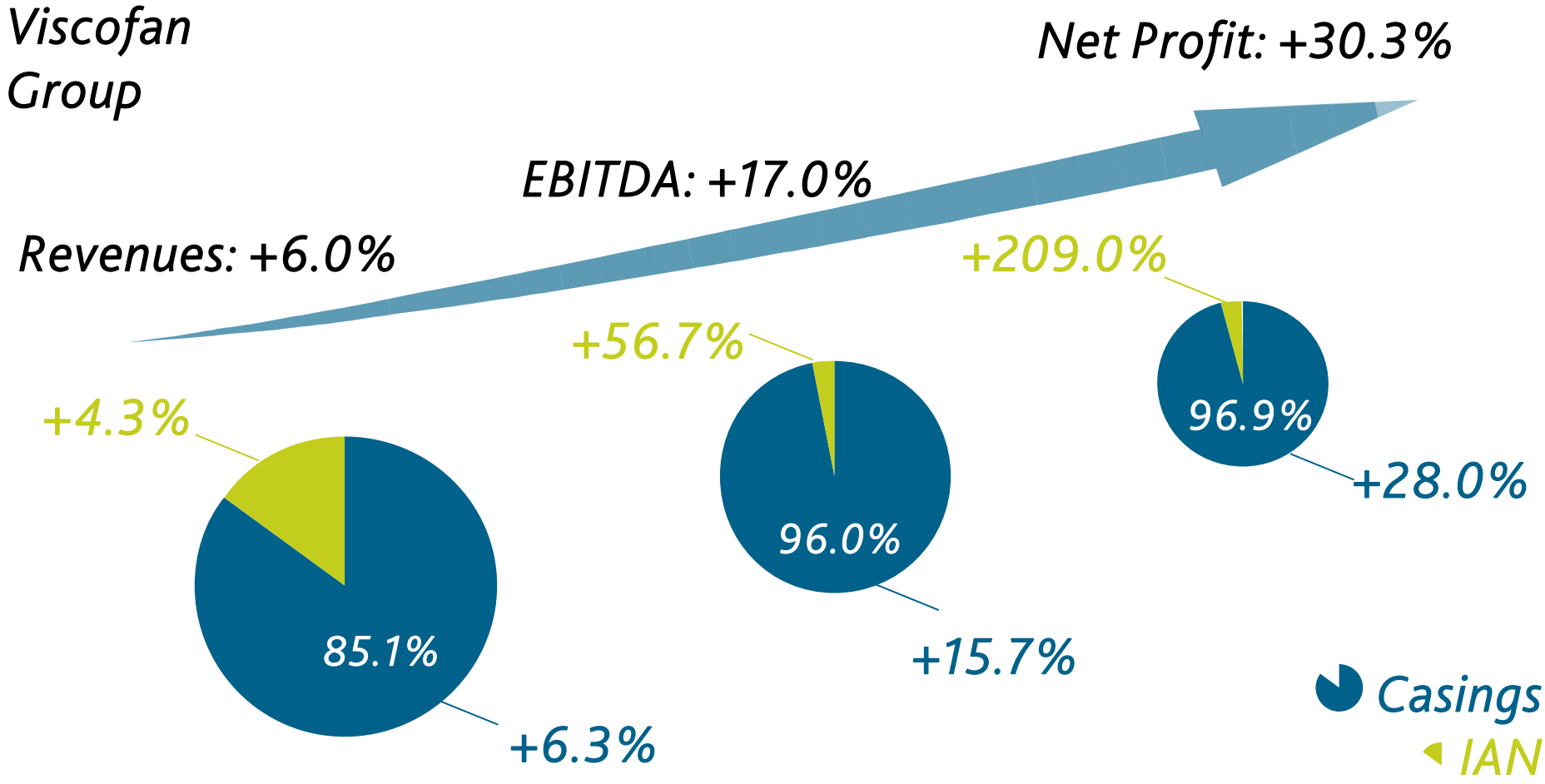
- *+30%* y-o-y Net profit growth to €40.5MM.
- *+17%* y-o-y EBITDA growth to €76.3MM.
- +2.3 p.p. Increase on EBITDA margin to *24.7%* with improvement in both the *casings* (*+2.3 p.p.* vs. 1H09) and *vegetables (+2.2 p.p.)* divisions.
- *+6%* y-o-y Revenue growth to €308.5MM.
- -24.7% reduction in Group's net debt to €68.1MM benefiting from positives FCF in the casing business and IAN Group.

Accelerating growth in the year's second quarter…

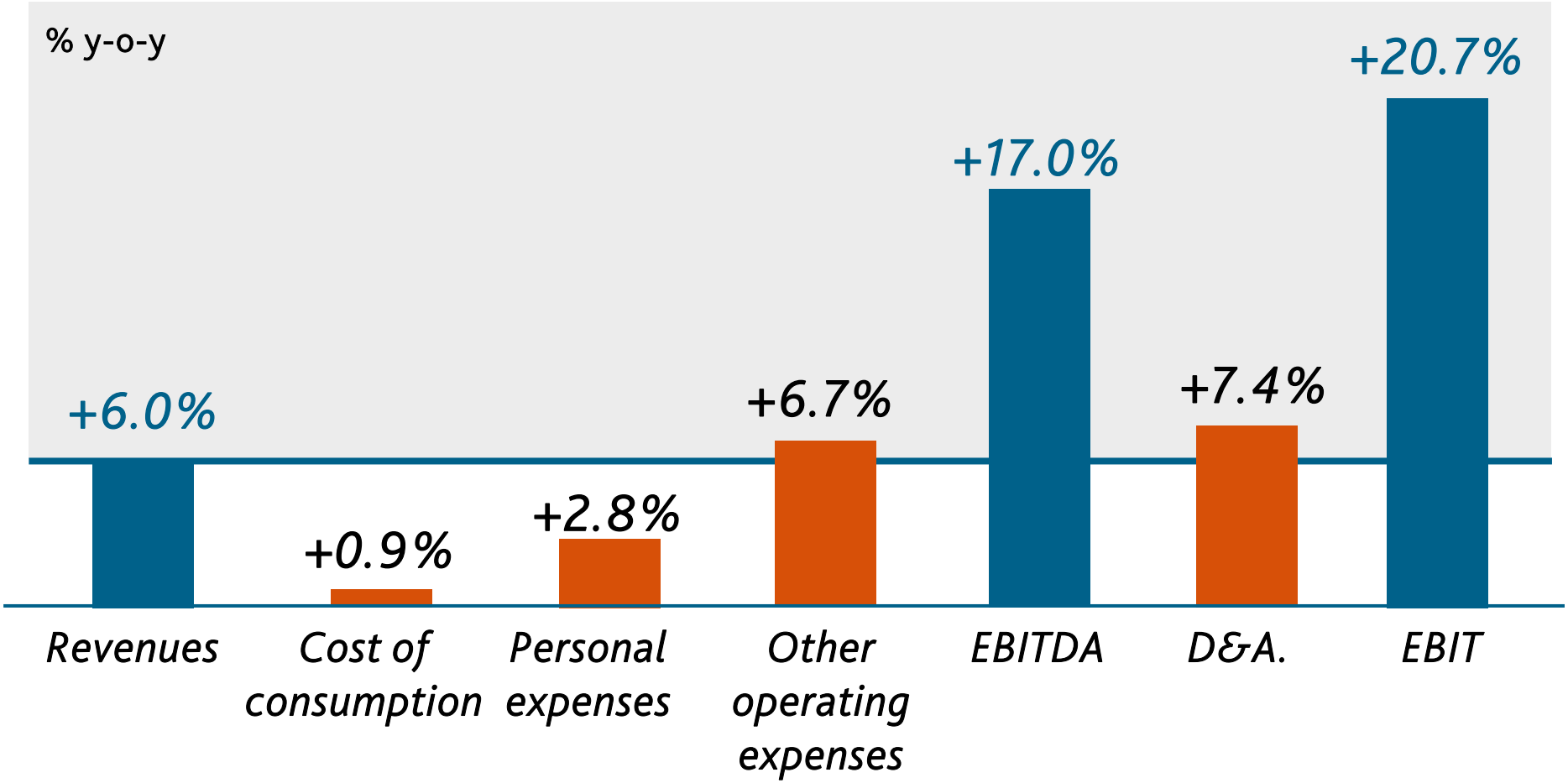
MM €	2Q10	% y-o-y	1H10	% y-o-y	% y-o-y ex-forex[1]
Revenues	161.2	+8.9%	308.5	+6.0%	+2.5%
EBITDA	40.0	+21.0%	76.3	+17.0%	+14.4%
EBITDA margin	*24.8%*	*+2.5 p.p.*	*24.7%*	*+2.3 p.p.*	
EBIT	29.9	+26.1%	56.6	+20.7%	
PBT	28.3	+25.0%	53.6	+25.8%	
Net Profit	21.5	+30.7%	40.5	+30.3%	

[1] For comparison purposes, ex-forex growth excludes the impact of the various exchange rates applied in the consolidation of financial statements, as well as the impact of USD fluctuations on trade transactions.

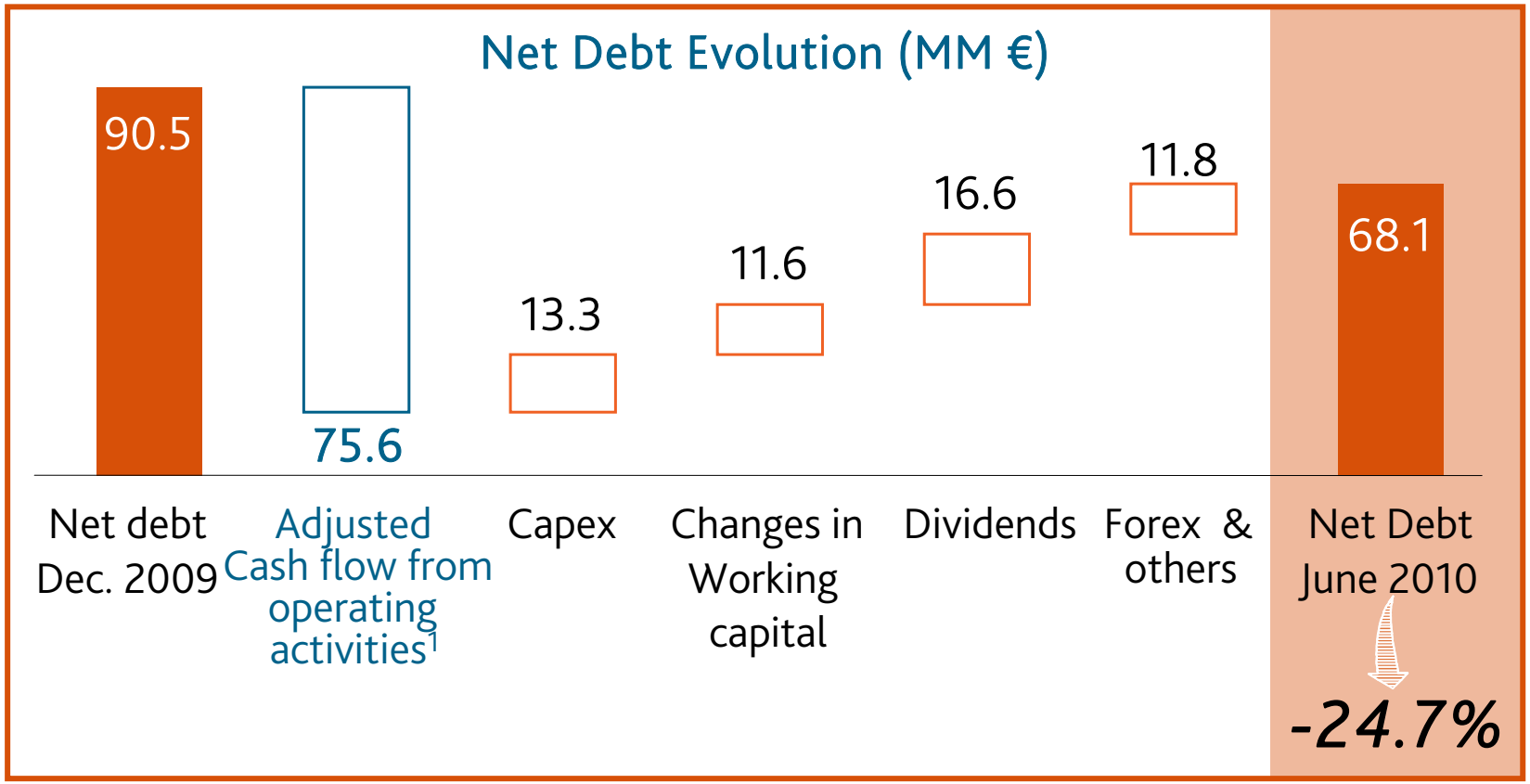
… with casing and vegetable food contributing positively to cumulative 1H10 y-o-y growth…



… y-o-y growth expands along P&L thanks to Group's operating leverage.

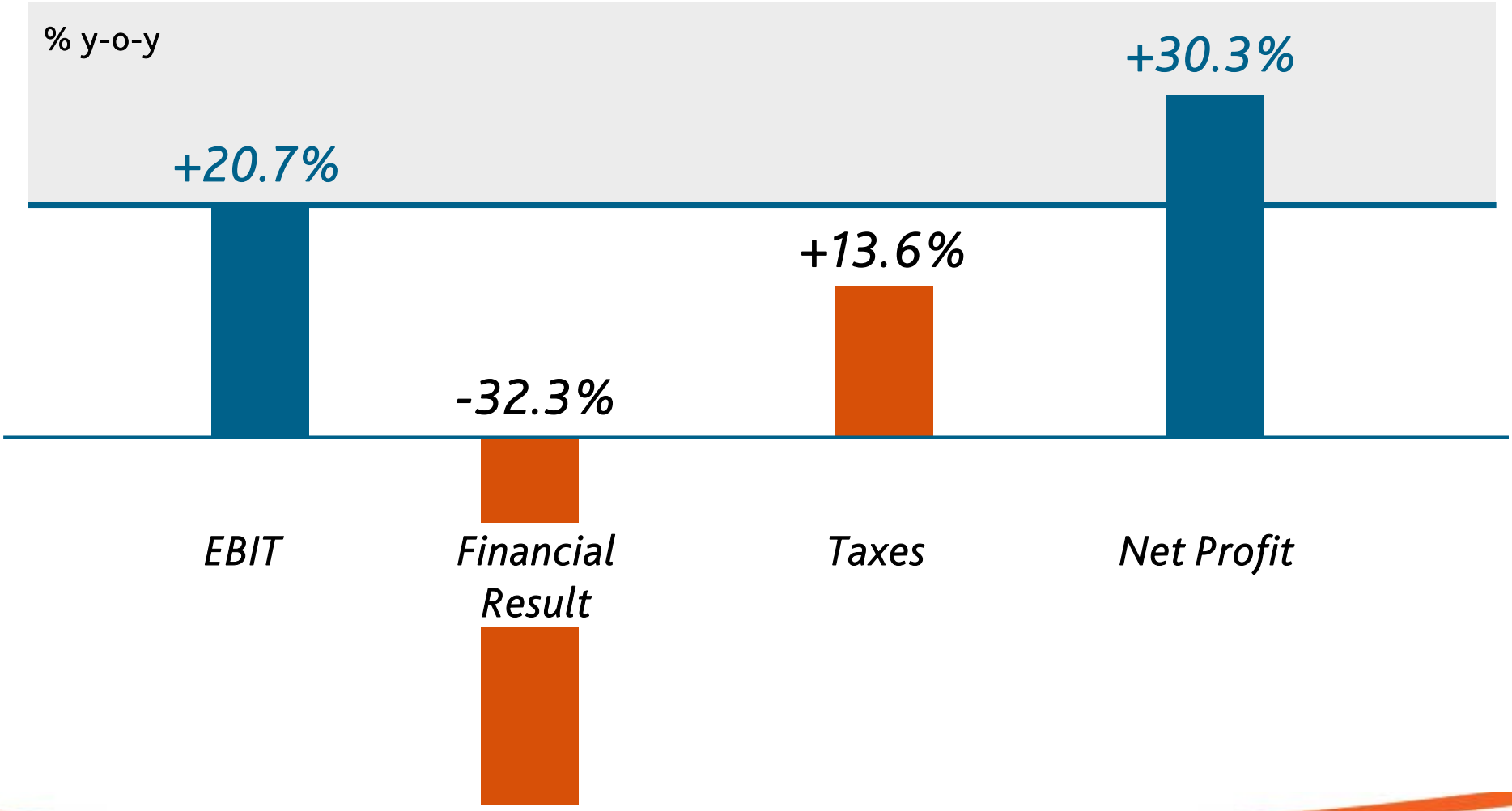


A group that steadily reinforces its balance sheet thanks to the strength of its Operating Cash flow…



[1] Adjusted cash flow from operating activities = Cash flow from operating activities – changes in working capital

… with operating improvements transferred to Net profit.

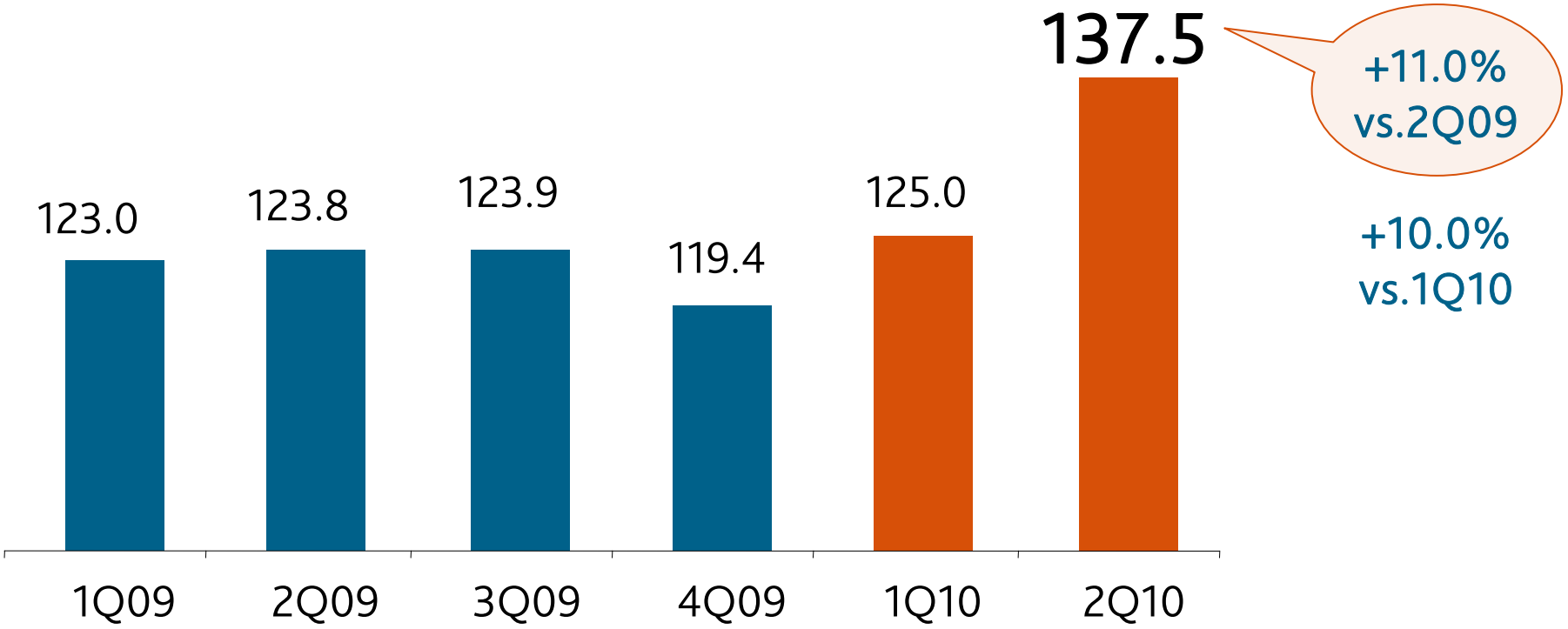


Casing division



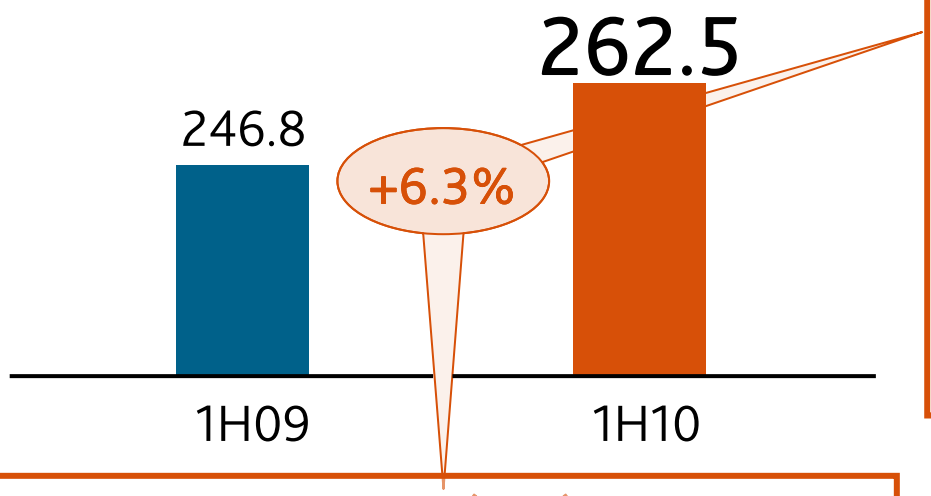
New quarterly high on revenues boosted by volume recovery, electricity sales and favourable American currencies strength against the Euro...

Quarter revenues (MM €)



… In a year that shows an upward trend due to volume recovery in emerging markets.

Revenues (MM €)

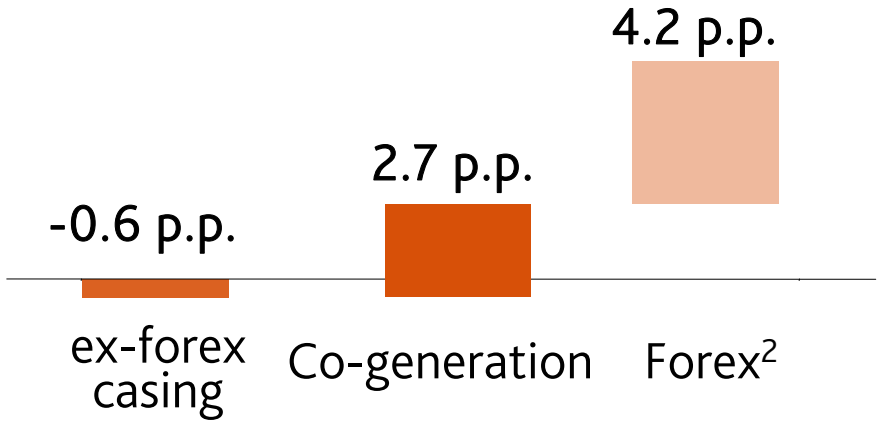


Revenues per geographic areas[1]

Europe	+4.3%
North America	+3.6%
Latam	+20.1%

[1] Per origin of sales

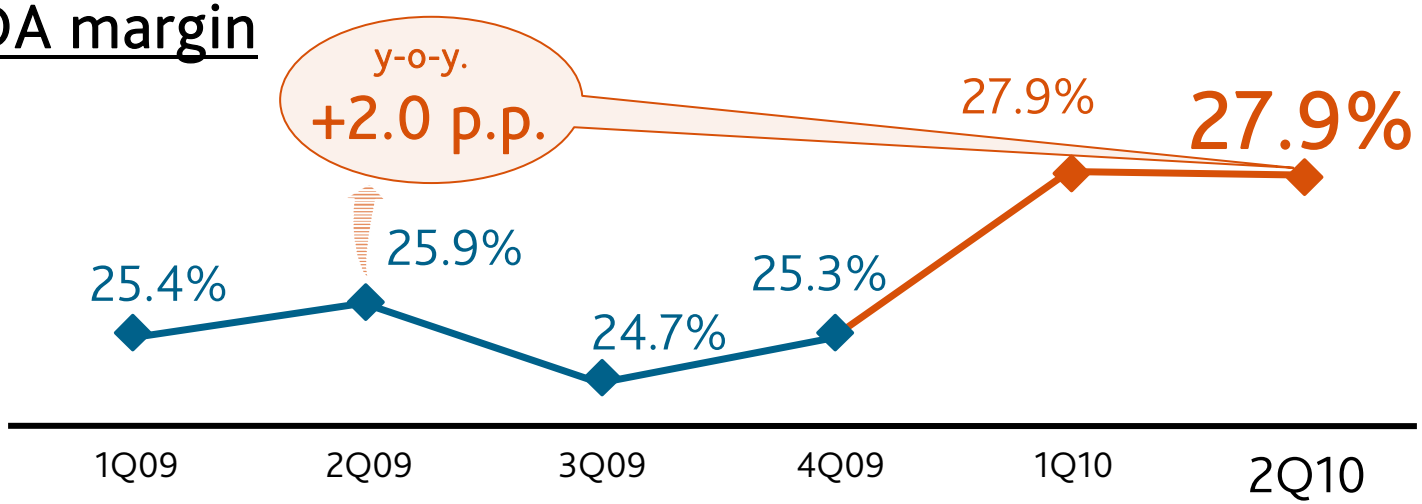
Growth contribution (p.p.)



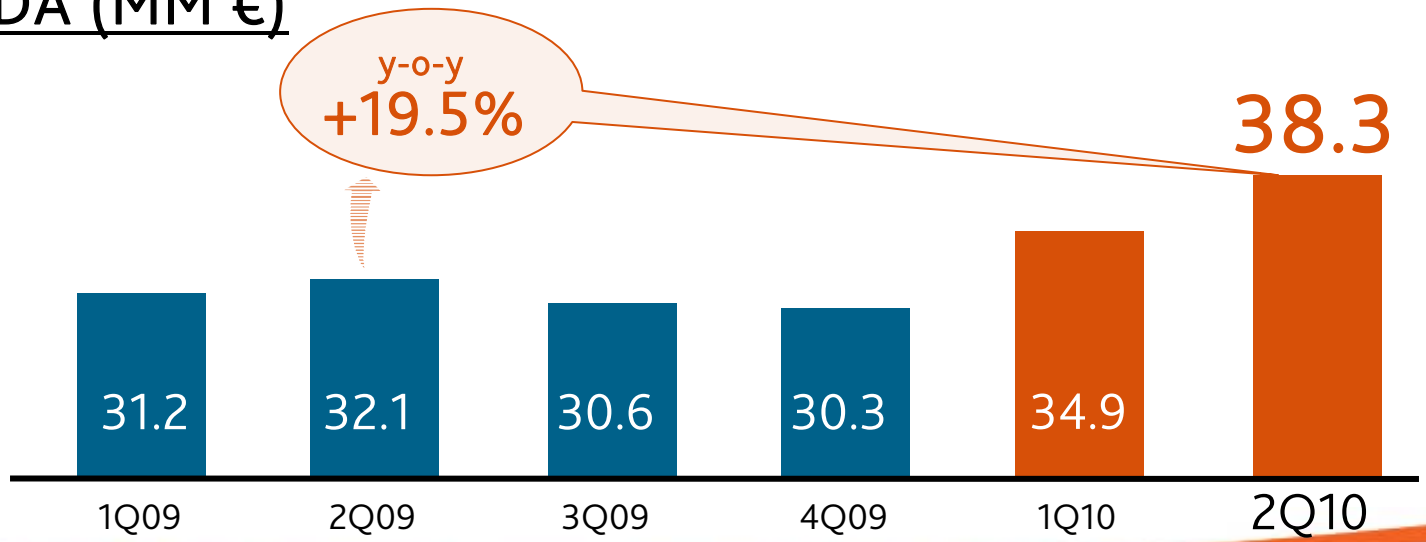
[2] For comparison purposes, ex-forex growth excludes the impact of the different exchange rates used in the consolidated accounts and the USD impact in commercial transactions

Significant enhancement on EBITDA fostered by the improvements on operating margins…

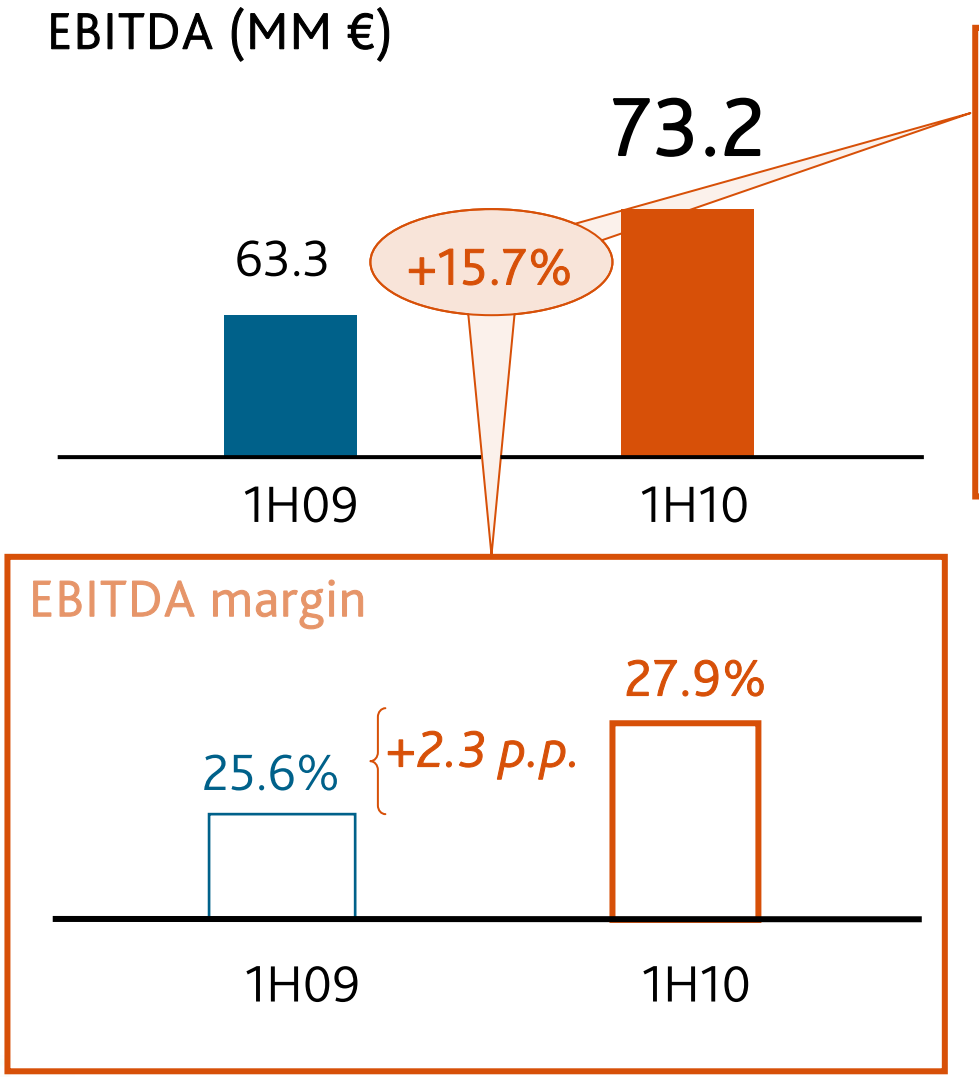
EBITDA margin



EBITDA (MM €)



… Improvements on gross and productivity margin contributes to a higher than expected EBITDA margin growth.



Productivity and cost control

Gross margin[1] +1.0 p.p.

Productivity margin[2] +0.9 p.p.

[1] Gross Margin = (Revenue – Cost of consumptiom) / Revenue

[2] Productivity margin = (1-personal cost / Revenues)

Vegetable food division

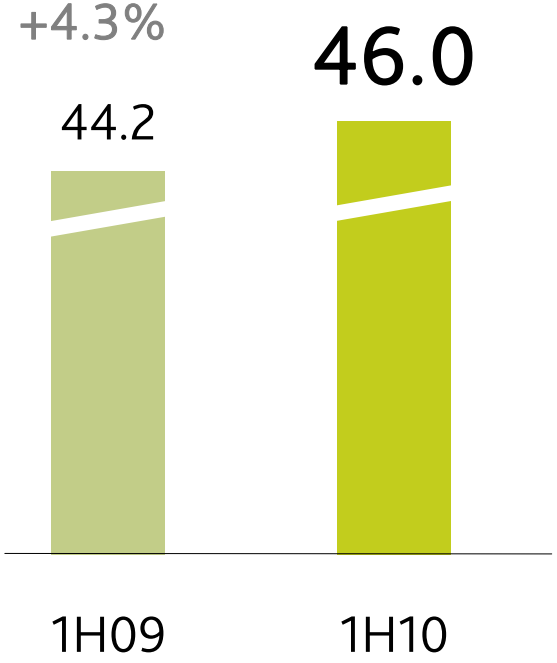




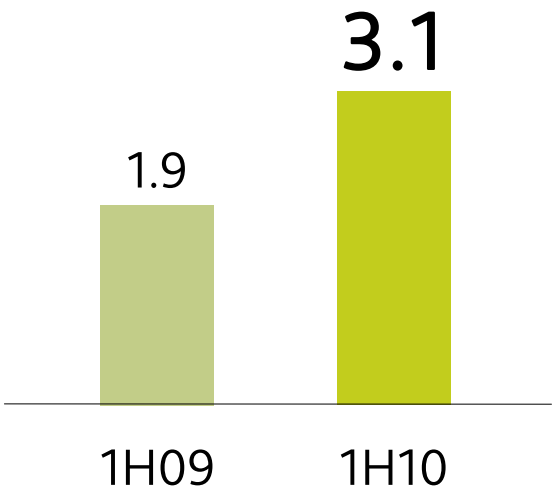


Margin recovery due to austerity and cost control policies.

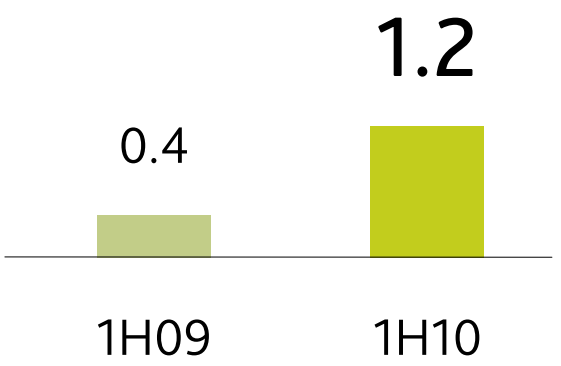
Revenue (MM €):
+4.3%



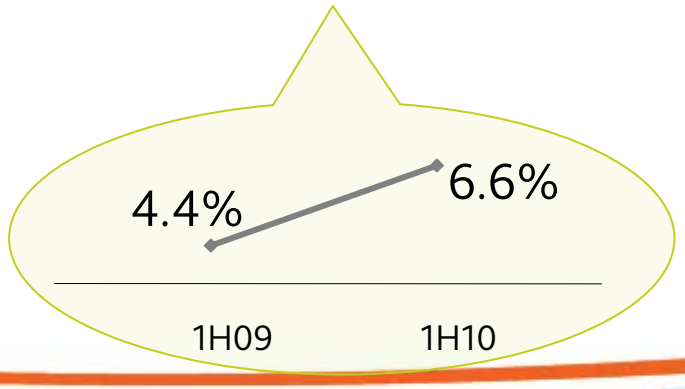
EBITDA (MM €):
+56.7%



Net Profit (MM €):
+209.1%



EBITDA Margin

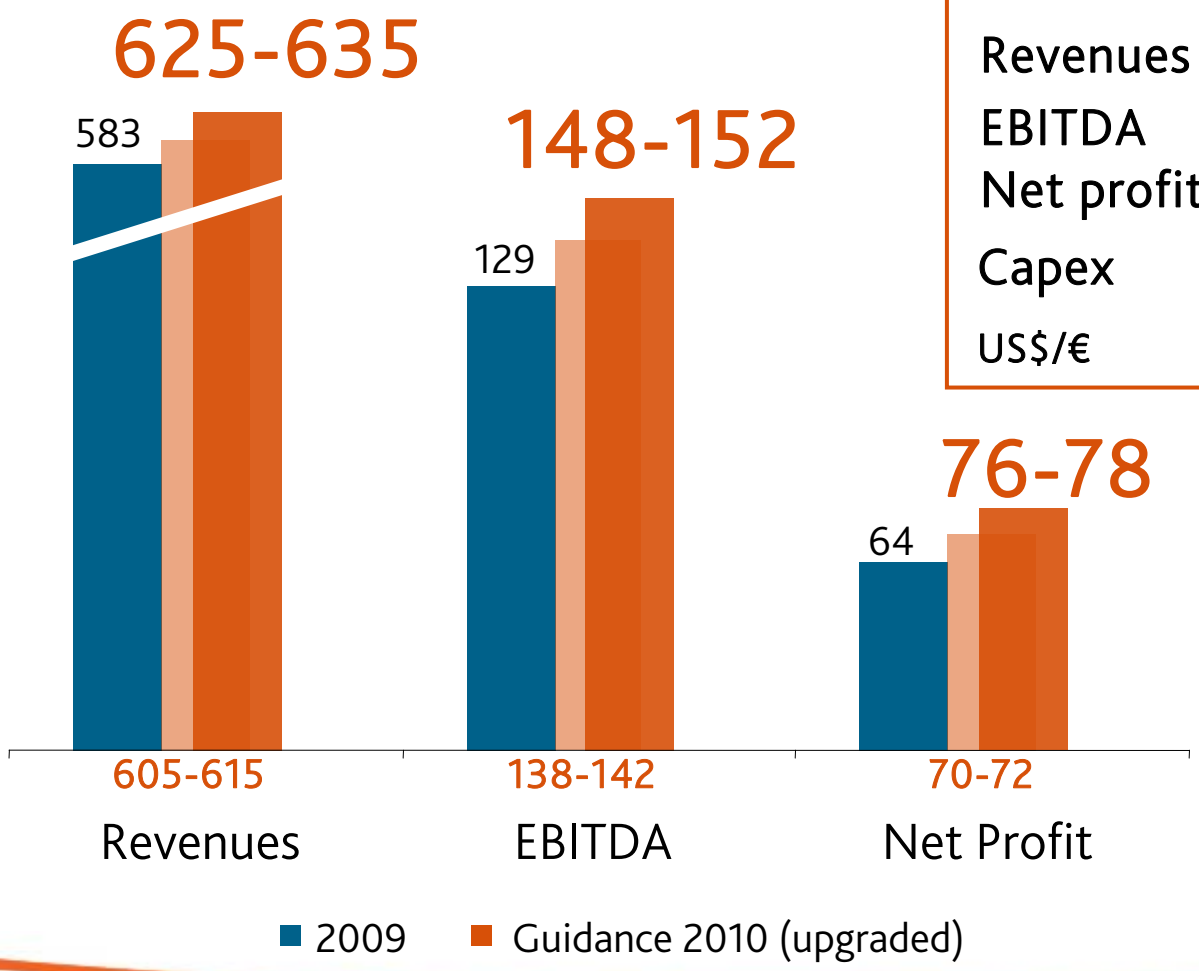


Guidance

Year 2010



Upgraded guidance for 2010 (MM€)



	% y-o-y.	Previous Guidance % y-o-y.
Revenues	7%-9%	4%-5%
EBITDA	15%-18%	7%-10%
Net profit	18%-21%	8%-13%
Capex	<€45MM	<€40MM
US$/€	1.30	1.45

To sum up

- **Growth** in major financial magnitudes driven by top line strength, both in casing and vegetable food division.
- **Significant EBITDA margin improvement** as a consequence of Groups efforts on commercial discipline and productivity to increase gross margin and control personnel costs.
- **Financial strength** coming from positives cash flows in casing and vegetable division. This financial strength makes possible to transfer operating improvements to net profit and to keep a proper balance between shareholder's remuneration and growth capacity.
- **Upgraded guidance for major financial magnitudes** led by better than anticipated in both American forex and Group's operating margins.