Results January - September 2010

27th October 2010

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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.

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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.

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Highlights 9M10

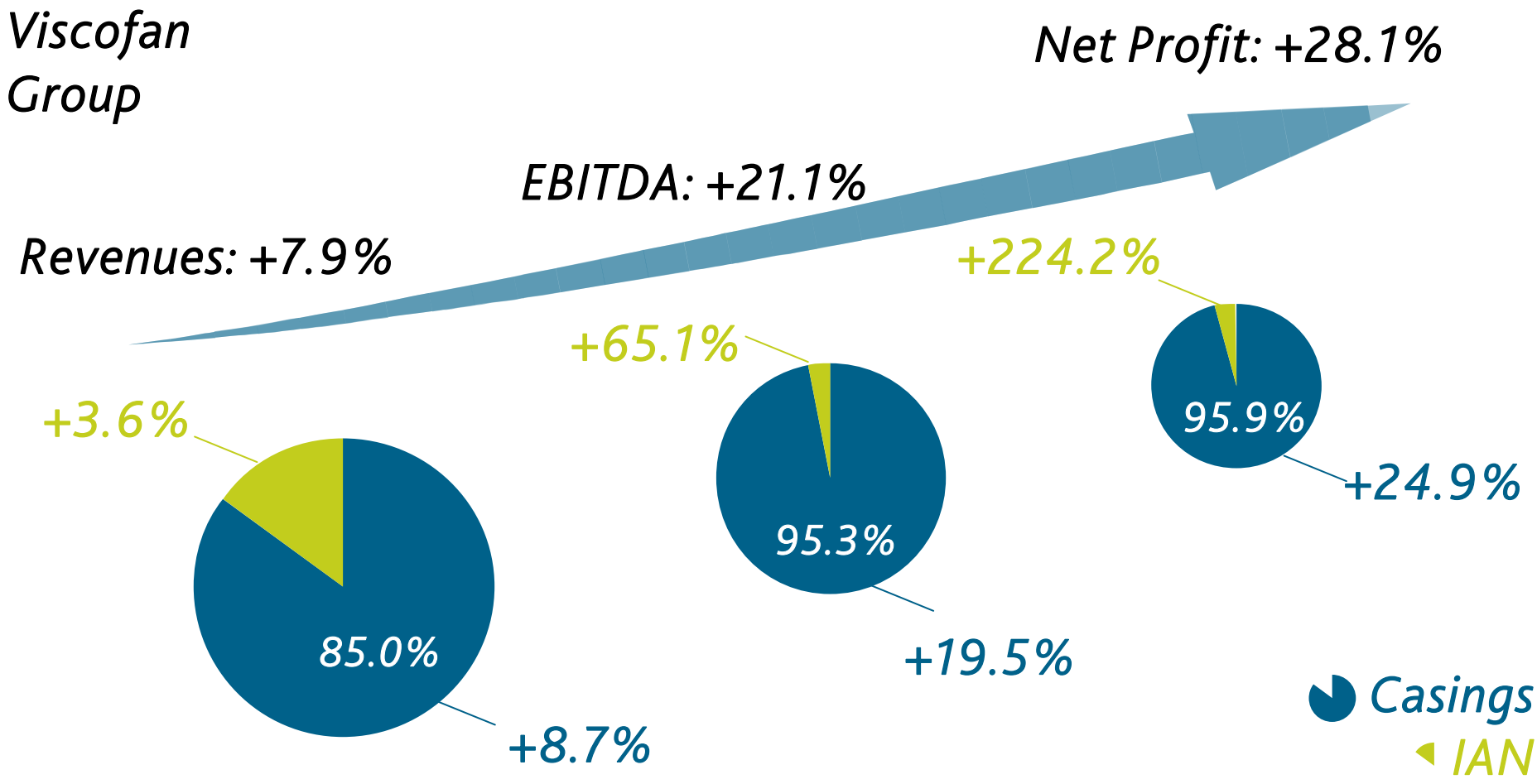
- *+28%* y-o-y Net profit growth to €61.2MM.
- *+21%* y-o-y EBITDA growth to €117.7MM.
- +2.7 p.p. Increase on EBITDA margin to *24.8%* with improvement in both the *casings* (*+2.5 p.p.* vs. 9M09) and *vegetables (+2.9 p.p.)* divisions.
- *+8%* y-o-y Revenue growth to €474.1MM driven by higher volumes across the entire casing technologies.
- -51.9% reduction in Group's net debt vs. December 2009.

New push on results with double-digit growth along the P&L in the third quarter…

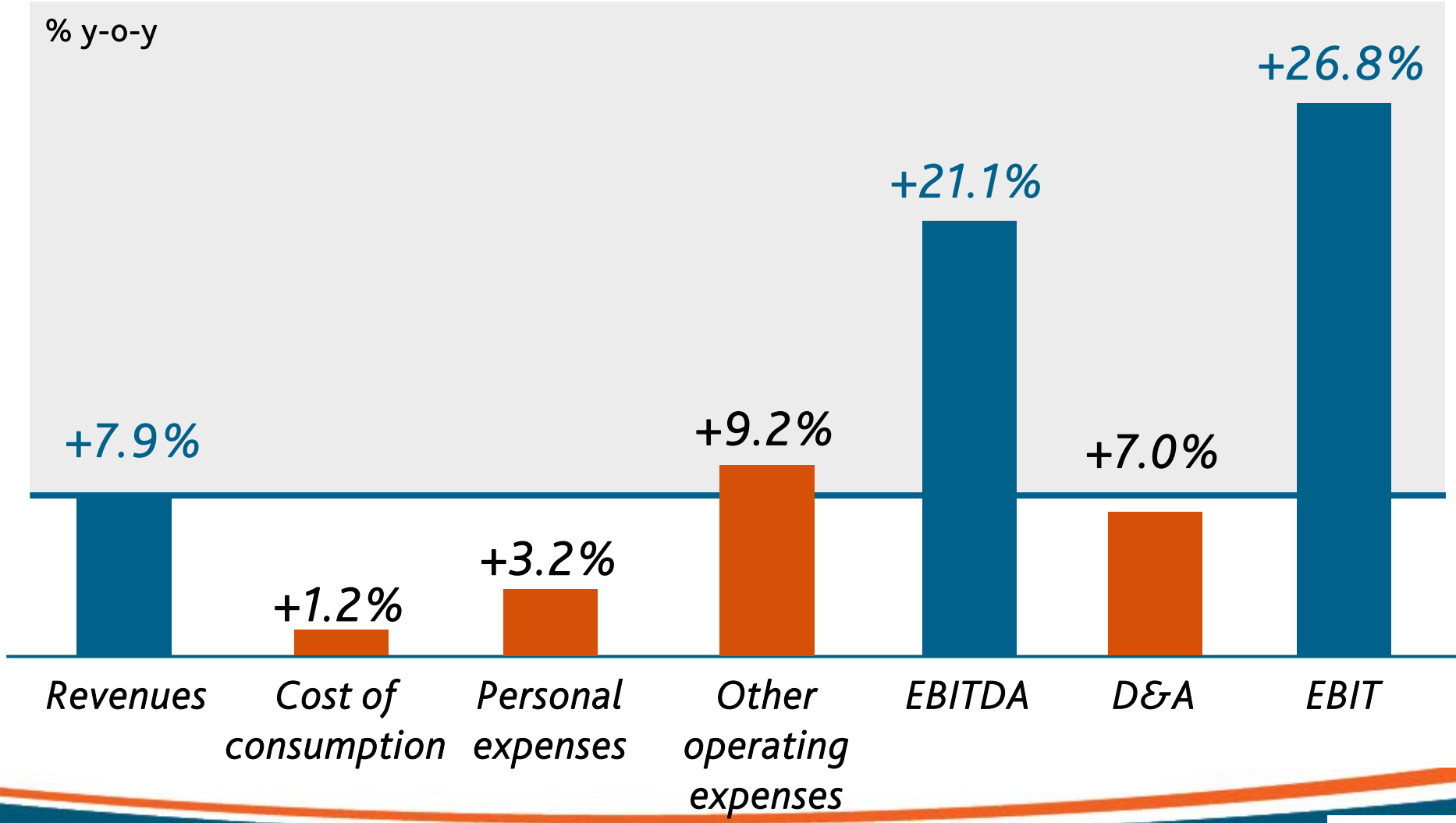
MM €	3Q10	% Var.	9M10	% Var.	% y-o-y ex-forex[1]
Revenues	165.6	+11.6%	474.1	+7.9%	+3.2%
EBITDA	41.4	+29.6%	117.7	+21.1%	+15.1%
EBITDA Margin	*25.0%*	*+3.5 p.p.*	*24.8%*	*+2.7 p.p.*	
EBIT	31.3	+39.5%	87.9	+26.8%	
PBT	28.4	+30.6%	82.0	+27.4%	
Net Profit	20.7	+23.9%	61.2	+28.1%	

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

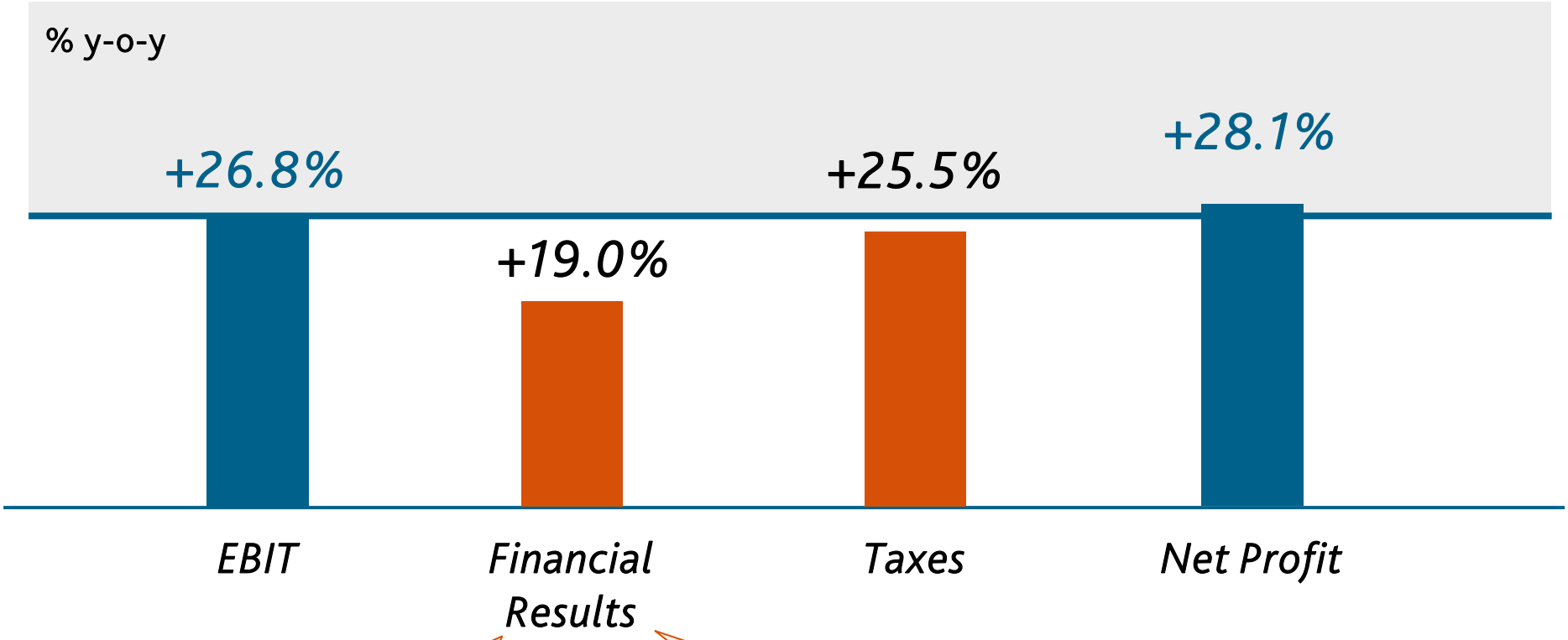
… growth expansion both in casing business and vegetable food business…



… and cost control lead to a higher growth in operating results.



Strong operating results are transferred to net profit.



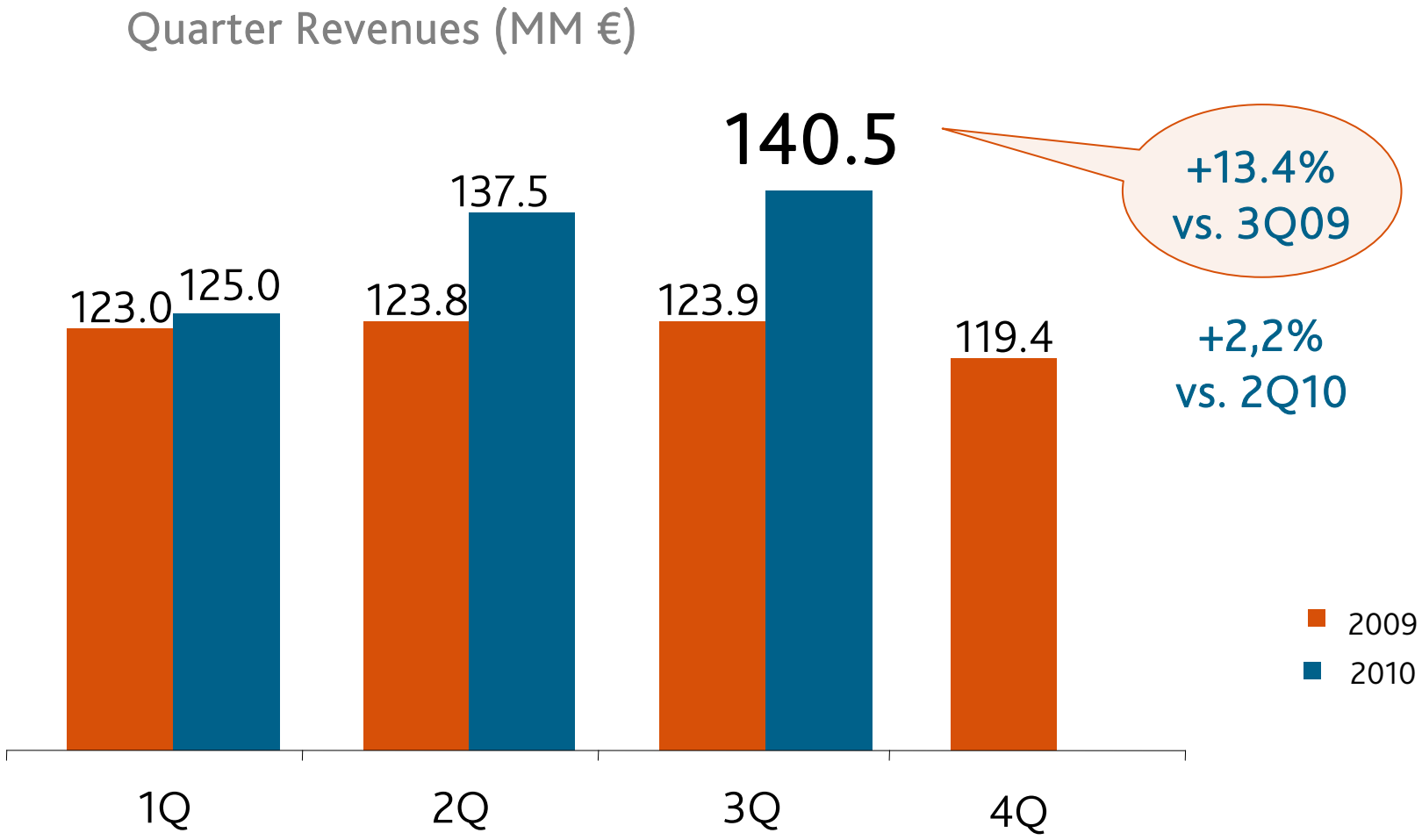
Growth due mainly to negative exchanges differences

Gross financial expenses: -17,8% with y-o-y reduction in net debt -56,8%

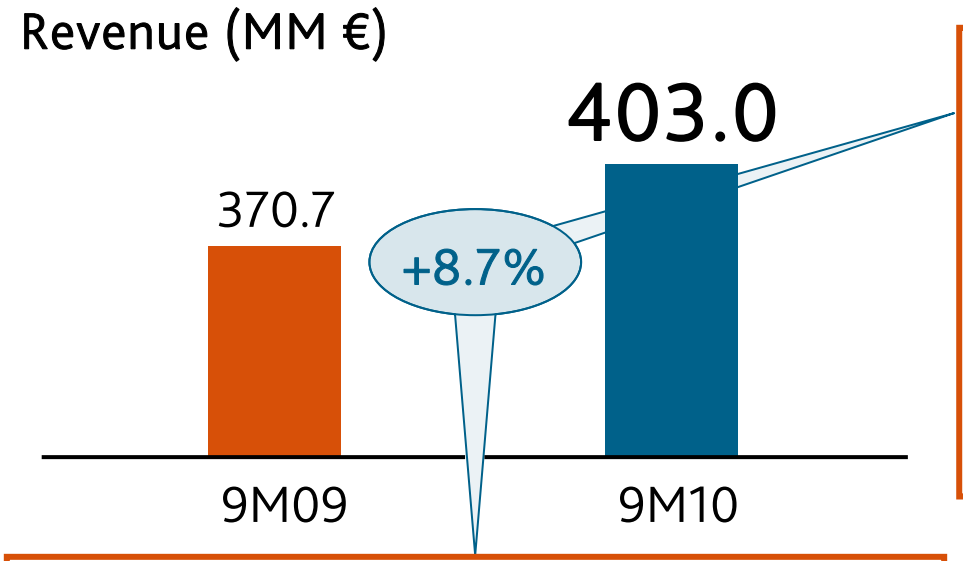
Casing division



Record revenue in the quarter, driven by record volumes in Q3, robust electricity sales and the strength of American currencies against the Euro...



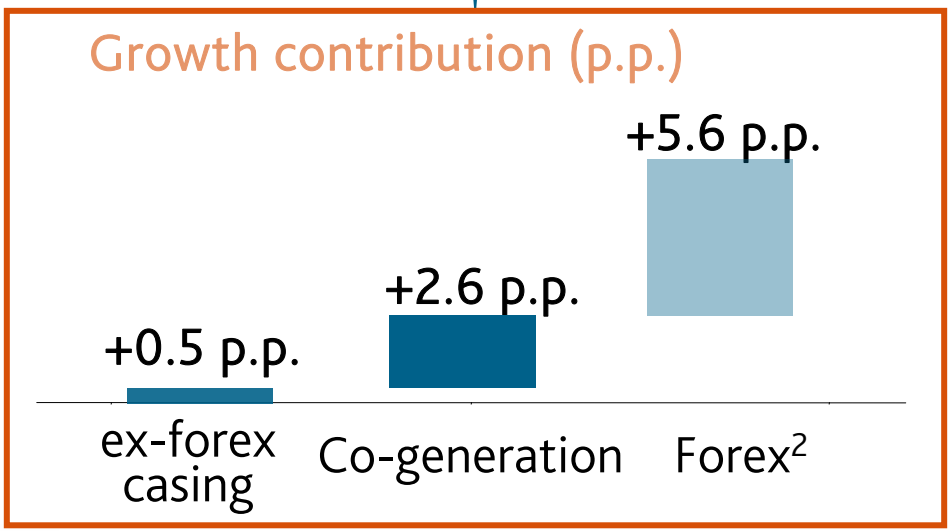
… Volume growth trend has been confirmed, especially in emerging markets.



Geographic growth[1]

Europe	+5.4%
North America	+6.9%
Latam	+24.1%

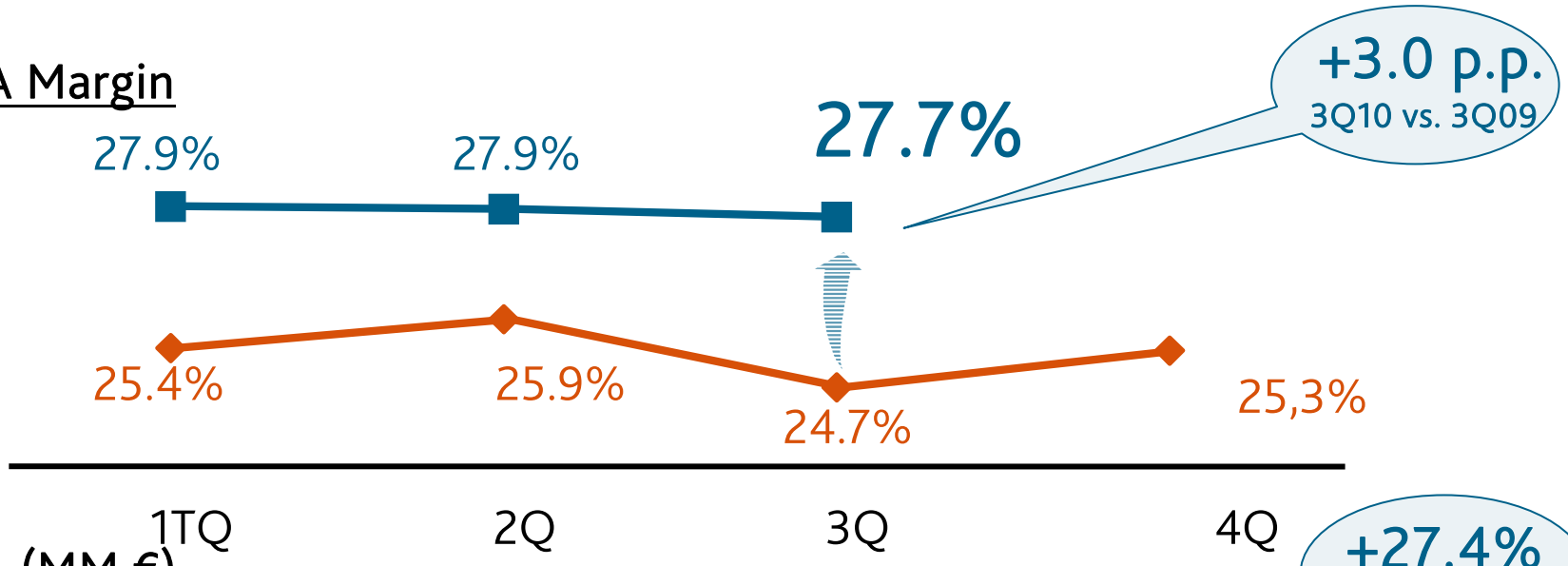
1 Revenue growth per origin of sales



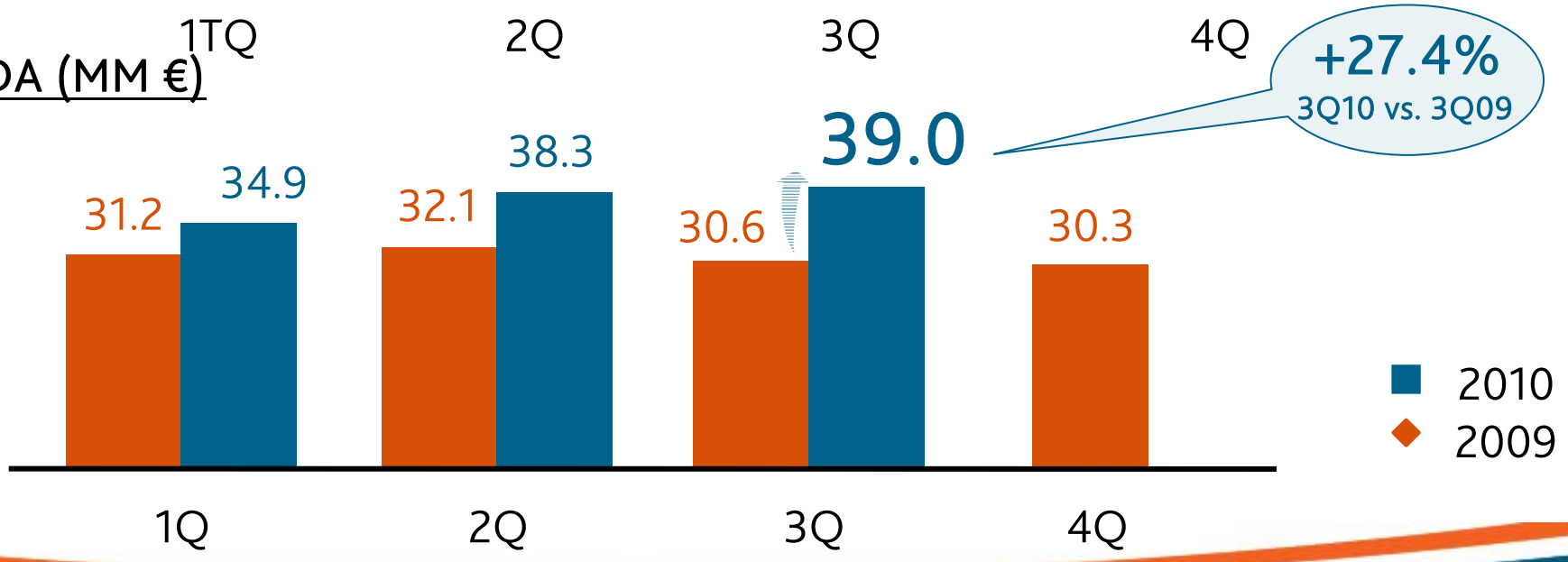
2 For comparison purposes, ex-forex growth excludes the impact of the different exchange rates used in the consolidated accounts and the USD impact in commercial transactions

Volume strength allowed to keep margins despite Q3 seasonality…

EBITDA Margin

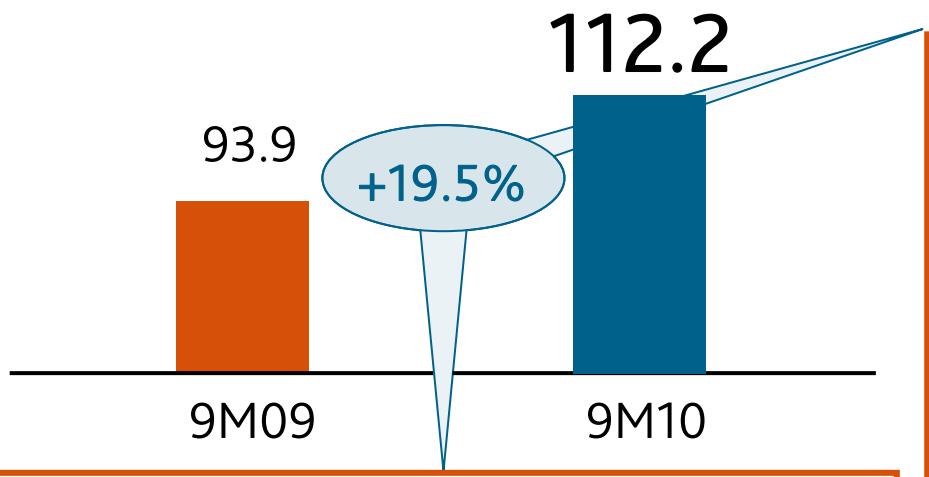


EBITDA (MM €)

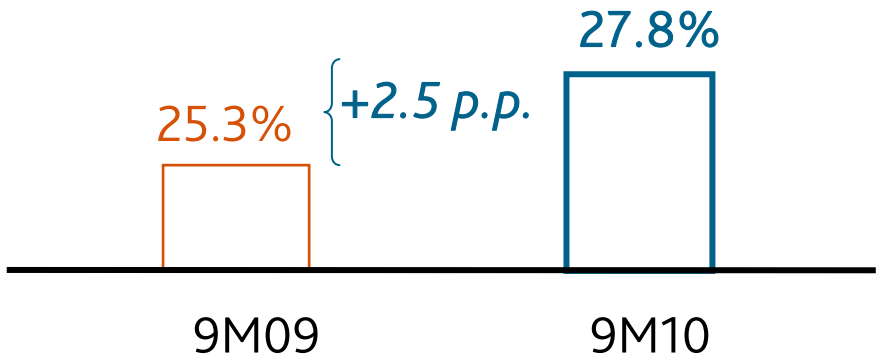


… led by productivity improvements and costs control.

EBITDA (MM €)



EBITDA Margin



Productivity and cost control

Gross margin

+1.2 p.p.

Productivity Margin[2]

+1.2 p.p.

1 Gross Margin = (Revenue – Cost of consumption) / Revenue

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

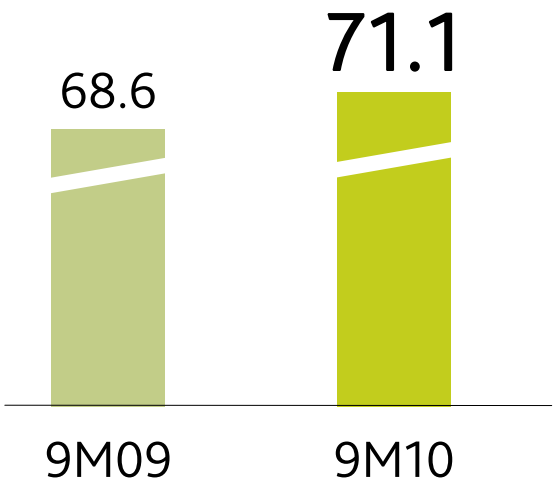
Vegetable food division

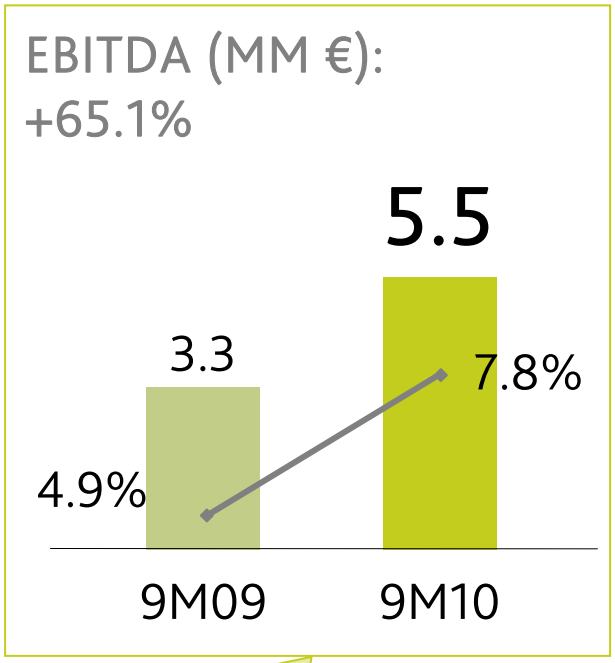


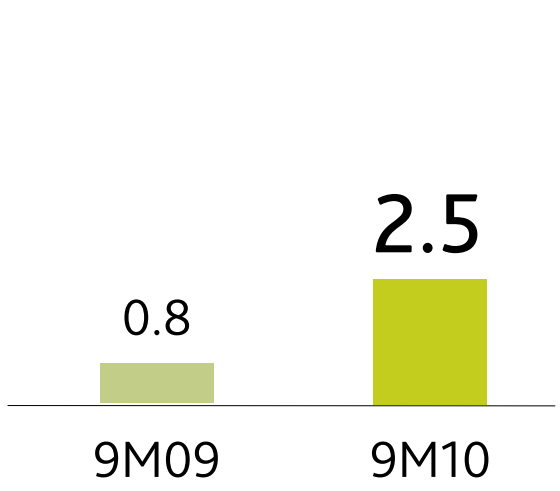




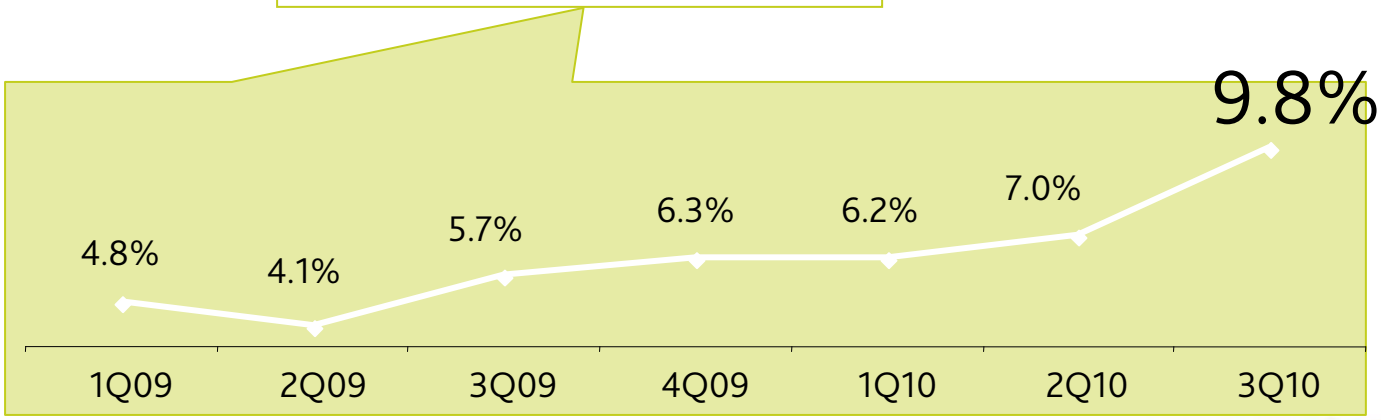
The strength of a domestic leader that combines revenue growth and margins expansion.







EBITDA Margin



To sum up

- **Revenue growth** boosted by improvements in volumes, which are already positive y-o-y for all the families in the casing business and in the vegetable food division.
- **A market that has recovery its growth rate,** especially in the emerging areas of Latam and Asia.
- **Viscofan Group** is ready to capture this growth: anticipating expansion plans on **capacity** (€10MM additional capex) and the inauguration of the **converting plant in China**.
- **EBITDA margin growth** led by gross margin improvement both in the casing division and in the vegetable food division, and containment on personnel costs.
- **Net debt reduction** thanks to strong operating cash flows.