Viscofan

January – June 2011 Results
(Interim management report)



28th July 2011

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

Interim management report

Main highlights of the January - June 2011 results

- +23% year-on-year growth in net profit to €49.9 million; +16% excluding non-recurring gains.
- EBITDA margin[1] of 24.6% (-0.1 p.p. year-on-year) against a challenging backdrop in terms of raw material and energy prices and exchange rates, offset by growth in volumes, operating leverage and productivity improvements.
- +5% year-on-year growth in consolidated EBITDA[1] to €79.8 million
- +5% year-on-year growth in consolidated revenue to €324.5 million, driven by higher volumes in both the casings and vegetable food divisions
- All-time record in terms of revenues and adjusted net profit[2] in 2Q11, at €167.3 million in revenues (+4% vs. 2Q10) and €25.2 million in adjusted net profit, up 17% vs. 2Q10.

Consolidated 1H11 results

Viscofan Group consolidated income statement ('000 €)

	Jan-Jun' 11	Jan-Jun' 10	*Change*	Apr-Jun' 11	Apr-Jun' 10	*Change*
Revenue	324,506	308,490	5.2%	167,323	161,189	3.8%
EBITDA	79,785	76,284	4.6%	40,640	39,988	1.6%
EBITDA margin	*24.6%*	*24.7%*	-0.1 p.p.	*24.3%*	*24.8%*	-0.5 p.p.
EBIT	59,519	56,568	5.2%	30,270	29,935	1.1%
Net profit	49,934	40,516	23.2%	28,046	21,529	30.3%
Adjusted Net Profit [1]	47,091	40,516	16.2%	25,203	21,529	17.1%

[1]Adjusted net profit excludes a one-off gain of €2,843 thousand, recognised in June 2011, related to an out-of-court settlement in Serbia in connection with the financial liability with Vojvodanska banka a.d

The Viscofan Group posted consolidated first-half revenue of €324.5 million, year-on-year growth of 5.2%, driven by both the casings (+4.3%) and vegetable food (+10.4%) divisions.

The quarterly earnings performance remains highly noteworthy: revenue advanced 3.8% to €167.3 million despite the depreciation of the US dollar against the euro (13.1%) and against the Brazilian real (0.7%), with both the casings (+1.8%) and vegetable food (+15.4%) divisions posting strong volume growth.

Stripping out the exchange rate effect[3], first-half consolidated revenue growth was 6.2% vs. 1H10, more pronounced than the growth of 4.2% registered in 1Q11 vs. 1Q10.

[1] EBITDA = Earnings before interest, taxes, depreciation and amortisation
[2] Adjusted net profit excludes a one-off gain of €2,843 thousand, recognised in June 2011, related to an out-of-court settlement in Serbia in connection with the financial liability with Vojvodanska banka a.d.
[3] Constant exchange rate growth: for comparative purposes, growth excluding foreign exchange differences excludes the impact of the various exchange rates applied in the consolidation of financial statements, as well as the impact of US$ fluctuations on trade transactions

Against the backdrop of an inflationary economic environment in terms of raw material prices, cost of consumption[4] in the first half rose by 3.3% year-on-year to €83.5 million to leave a 1H11 gross margin[5] of 74.3% (+0.5p.p. vs. 1H10).

It is worth highlighting the trend in the cost of consumption in the second quarter as productivity enhancements, coupled with operational leverage unlocked by volume growth, offset the increase in unit raw material prices. Second-quarter cost of consumption totalled €44.3 million (flat with respect to 2Q10).

Other operating expenses rose 9.0% vs. 1H10 to €96.6 million, on the back of higher energy (+8.8%) and transport (+31.9%) costs, underpinned by the increase in oil prices and production and distribution volume growth. This cost heading, meanwhile, registered year-on-year growth of 12.0% in 2Q11 to €51.0 million.

The Viscofan Group's average headcount stood at 3,911, 3.7% more than at the June 2010 close, due to the start-up of the converting facility in China and higher non-edible collagen production capacity in Serbia, partially offset by workforce fine-tuning in other markets such as the Czech Republic, Germany, the US and Mexico.

As a result, first-half personnel expense rose 2.5% to €69.3 million, while the 2Q11 expense was €34.5 million (-0.7% vs. 2Q10).

The revenue growth, led by volumes, coupled with better operational leverage and the measures taken to tackle the inflationary forces affecting raw material and energy costs, led the constant-currency consolidated EBITDA margin to expand by 1.1 p.p.

However, despite the favourable operating performance, currency volatility with respect to the euro, notably the year-on-year weakening of the dollar against the euro (5.6% in 1H11, accelerating to 13.1% in 2Q11), prevented this momentum from being mirrored in the consolidated results. As a result, the Group's EBITDA margin stood at 24.6% in 1H11 (-0.1 p.p. year-on-year) and 24.3% in 2Q11 (-0.5 p.p. vs. 2Q10).

Accordingly, first-half EBITDA rose by 4.6% to €79.8 million, €40.6 million of which was generated in 2Q11 (+1.6% vs. 2Q10).

Stripping out the exchange rate effect, EBITDA growth was 10.6% compared to 1H10.

Depreciation and amortisation charges amounted to €20.3 million in the first six months of the year (+2.8% vs. 1H10) and to €10.4 million in the second quarter (+3.2% vs. 2Q10).

This meant that first-half EBIT was €59.5 million, year-on-year growth of 5.2%, while second-quarter EBIT was 1.1% higher than in 2Q10 at €30.3 million.

Gross financial result[6] was €-0.7 million, compared to the expense in 1H10 of €1.5 million. Meanwhile, dollar depreciation against the euro, triggered by dollar volatility in the second quarter, was partially offset by the derivatives put in place to hedge this exposure, generating net exchange gains in 1H11 of €3.1 million compared to exchange losses of €1.3 million in 1H10.

Elsewhere, in June of this year, Koteks Viscofan doo (a Viscofan S.A. subsidiary headquartered in Serbia) reached an out-of-court settlement with Vojvodjanska Banka a.d. with respect to a lawsuit concerning a loan dating back to 1984. Under the terms of the agreement reached, Koteks Viscofan DOO has paid €3.2 million to Vojvodjanska Banka a.d. in principal and interest, definitively cancelling the financial liability with this entity. The payment generated a non-recurring financial gain for the Viscofan Group of €3.3 million.

[4] Cost of consumption = Change in inventories + net purchases
[5] Gross margin = (Revenue less cost of consumption) / revenue
[6] Gross financial result = Financial income – Financial expense

As a result, net finance income in 1H11 totalled €5.7 million, compared to net expense of €2.9 million in 1H10.

Net bank debt stood at €69.1 million at the June close, 15.5% more than at year-end, due mainly to:

i) An increase in shareholder remuneration: in May 2011 the company paid out a final gross dividend of €0.204 per share (€9.5 million). In June 2011, the company reduced share capital by lowering the unit par value of its shares by €0.29 by means of a return of contributions to shareholders (€13.5 million).

ii) A one-off payment of €3.2 million under the terms of the agreement reached in Serbia with Vojvodanska Banka a.d.

iii) An increase in capex (capex year to date: €31.2 million). Investments included the collagen production capacity addition in Spain (on stream since 2Q11), the work in progress to expand collagen production capacity in Germany which will come on stream during the second half of the year and investments in energy efficiency in the US and Mexico with a view to partially offsetting the increase in energy costs.

In all, the Viscofan Group's financial leverage[7] stood at 16.3%, against 14.7% at the end of 2010.

Profit before tax rose by 21.6% in the first half to €65.2 million (+28.0% in 2Q11 vs. 2Q10). Tax expense, meanwhile, was €15.2 million (+16.4% vs. 1H10), implying an effective tax rate of 23.4%.

Excluding non-recurring gains, adjusted net profit[8] for the quarter hit a record high of €25.2 million (+17.1% vs. 2Q10), for year-on-year growth in adjusted net profit year-to-date of 16.2% to €47.1 million.

On a consolidated basis, the Viscofan Group reported net profit of €49.9 million in 1H11 (+23.2% year-on-year) and €28.0 million in 2Q11 (+30.3% vs. 2Q10).

[7] Financial leverage = Net debt / equity
[8] Adjusted net profit excludes a one-off gain of €2.843 thousand, recognised in June 2011, related to an out-of-court settlement in Serbia in connection with the financial liability with Vojvodanska banka a.d.

1H11 results: casings

Casings income statement ('000€)

	Jan-Jun' 11	Jan-Jun' 10	Change	Apr-Jun' 11	Apr-Jun' 10	Change
Revenue	**273,655**	**262,450**	**4.3%**	**139,934**	**137,453**	**1.8%**
EBITDA	**76,075**	**73,230**	**3.9%**	**38,355**	**38,324**	**0.1%**
EBITDA margin	***27.8%***	***27.9%***	**-0.1 p.p.**	***27.4%***	***27.9%***	**-0.5 p.p.**
EBIT	**57,185**	**54,655**	**4.6%**	**28,730**	**28,884**	**-0.5%**
Net profit	**48,380**	**39,269**	**23.2%**	**27,057**	**20,856**	**29.7%**
Adjusted Net Profit [1]	**45,537**	**39,269**	**16.0%**	**24,214**	**20,856**	**16.1%**

[1]Adjusted net profit excludes a one-off gain of €2,843 thousand, recognised in June 2011, related to an out-of-court settlement in Serbia in connection with the financial liability with Vojvodanska banka a.d

Against the backdrop of global economic uncertainty, growth in the casings industry continues to outpace the long-run average, underpinned by growing penetration by artificial casings in the emerging market industrial landscape, as well as solid demand from more advanced economies that see in the casing new sources of cost savings and productivity enhancements, in an environment of producer input price inflation.

The Viscofan Group is spearheading this growth worldwide thanks to its international footprint, product portfolio, improving service standards and new capacity, thanks to the start-up, among other initiatives, of new capacity at the Spanish collagen facility which came on stream during the second quarter of the year.

Revenue in the casings division rose 4.3% year-on-year to €273.7 million:

- €20.8 million of this balance came from cogeneration in Spain and Mexico (+5.4% vs. 1H10);
- Revenue from sales of casings totalled €252.8 million (4.2% vs. 1H10), driven by growth in sales volumes of all casing product families (skinless, collagen, fibrous and plastic), most notably in Asia and Latin America.

Second-quarter revenue in the casings division rose 1.8% year-on-year, driven by growth of 8.3% in revenue from cogeneration and of 1.3% in revenue from casings sales; revenue momentum in the latter division was undermined by exchange rate volatility, affecting most notably the dollar, which saw its value slide by 13.1% against the euro compared to 2Q10.

Stripping out the impact of the foreign exchange rates applied in consolidation, revenue in the casings division increased 5.4% year-on-year in 1H11 (+3.8% in 1Q11 vs. 1Q10).

The geographical breakdown of revenue[9] for the first half was as follows:

- In Europe and Asia, revenue rose 9.7% on 1H10 to €138.3 million.
- In North America, revenue declined 3.3% to €90.8 million.
- In Latin America, revenue rose 4.8% year-on-year to €44.6 million.

This growth in revenue is attributable to the Viscofan Group's ability to nimbly adapt to our customers' volume demands in developed markets and, most notably, in emerging markets. This higher capacity has been achieved thanks to productivity enhancements and capacity additions undertaken in recent years, most especially in the second half of 2010 and ongoing in the first half of this year.

[9] Revenue by origin of sales

The technological advances were spearheaded by the Group's centres of excellence in Spain and Germany and have been rolled out to other lower cost productive centres (in terms of direct labour costs), unlocking further productivity improvements, especially in terms of waste reduction and speed of production.

These improvements, coupled with the Group's operational leverage and the depreciation of the dollar, enabled it to achieve consumption savings relative to last year despite sharp upward pressure on unit raw material costs (double-digit growth in the costs of cellulose, polyamide and other auxiliary raw materials).

As a result, consumption costs to June totalled €51.4 million, just 1.1% less than in 1H10, and €27.1 million in 2Q11 (-8.2% vs. 2Q10).

The average headcount in the casings division reached 3,615, 3.0% more than at the 1H10 close, due mainly to the start-up of productive activity in China (September 2010) and capacity additions in Serbia.

Personnel costs amounted to €64.3 million in 1H11, up 1.9% over 1H10, thanks the strategic focus placed in the casings division on productivity enhancements and on raising the competitiveness of its human capital across its productive centres as a whole. These productivity improvements meant that personnel costs represented 23.5% of 1H11 revenue compared to 24.0% in 1H10. In 2Q11, personnel costs declined by 1.6% year-on-year to €31.9 million.

The sharp increase in unit oil and energy costs had an adverse impact on other operating expenses in this division, driving growth of 9.1% vs. 1H10 and of 12.1% against 2Q10 to €86.1 million and €45.4 million, respectively. In order to mitigate the adverse impact of the rise in unit energy costs, the Viscofan Group is making new investments in the US and Mexico that are aimed at increasing energy efficiency at these productive facilities.

Revenue growth, together with operating improvements and control over expenditure in an inflationary environment for raw material and energy costs, drove EBITDA to €76.1 million in 1H11 (+3.9% vs. 1H10) and €38.4 million in 2Q11 (+0.1% vs. 2Q10). However, currency volatility undermined earnings momentum to leave the EBITDA margin at 27.8% in 1H11 (-0.1 p.p. vs. 1H10) and at 27.4% in 2Q11 (-0.5 p.p. vs. 2Q10).

Depreciation and amortisation charges amounted to €18.9 million in the first six months of the year (+1.7% vs. 1H10) and €9.6 million in the second quarter (+2.0% vs. 2Q10) to leave EBIT at €57.2 million in 1H11 (+4.6% year-on-year) and €28.7 million in 2Q11 (-0.5% vs. 2Q10).

The operational and financial strength in the casings division translated into a new quarterly record in terms of adjusted net profit at €24.2 million, up 16.1% on 2Q10.

Reported first-half net profit in the casings division rose 23.2% vs. 1H10 to 48.4 million.

1H11 results: IAN Group

IAN Group income statement ('000€)

	Jan-Jun' 11	Jan-Jun' 10	*Change*	Apr-Jun' 11	Apr-Jun' 10	*Change*
Revenue	50,851	46,040	10.4%	27,389	23,736	15.4%
EBITDA	3,707	3,054	21.4%	2,285	1,663	37.4%
EBITDA margin	*7.3%*	*6.6%*	0.7 p.p.	*8.3%*	*7.0%*	1.3 p.p.
EBIT	2,334	1,913	22.0%	1,540	1,050	46.7%
Net profit	1,554	1,246	24.7%	989	671	47.4%

The solid position of the IAN Group, one of the leading vegetable food players in Spain, combined with a balanced product portfolio, drove year-on-year revenue growth of 10.4% in 1H11 to €50.9 million, despite the backdrop of low consumer spending in Spain.

The growth recorded in the second quarter is particularly noteworthy: revenue rose by 15.4% over 2Q10 to €27.4 million, underpinned by double-digit revenue growth in the tomato, olive and ready-meal divisions, offsetting the downtrend in sales of asparagus.

The growth in the ready-meal segment stands out within the first-half performance (revenue: +53% year-on-year), reinforcing Carretilla's positioning as one of the segment leaders, buoyed by the launch of new dishes and consolidation in the rest of the product range.

This revenue growth, led by volume, coupled with control over production costs, as raw material costs spiral, and containment of other operating expenses, drove growth in EBITDA of 21.4% to €3.7 million in 1H11 and 37.4% in 2Q11 to €2.3 million.

This operational growth trickled down to net profit for the quarter, which rose by 47.4% on 2Q10 to €1.0 million to leave net profit year-to-date at €1.6 million (+24.7% vs. 1H10).

Description of risks and uncertainties

The Viscofan Group strengthened its results during a period of great volatility and uncertainty, and is well positioned to benefit from market growth in its main businesses. However, it should be recalled that due to the nature of its operations, the Group's businesses are exposed to various operating, financial and strategic risks. The Group manages risk according to the policies approved by the Board of Directors and outlined in the annual corporate governance report.

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

APPENDICES

Significant events

- In April 2011, the following resolutions, among others, were adopted at the General Shareholders' Meeting:

    - To approve the balance sheet, income statement, cash flow statement, statement of changes in equity, explanatory notes, the management report, including the annual corporate governance report for the year ended 31 December 2010 of Viscofan, S.A., as well as the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in equity, the notes to the consolidated financial statements, the management report and management's performance for the year ended 31 December 2010 of the Viscofan Group, of which Viscofan, S.A. is the parent.

    - To approve the appropriation, with a charge to 2010 profit of Viscofan, S.A., of €23,488,255.73 to the payment of dividends and €39,491,243.63 to voluntary reserves. It was therefore approved to declare a final dividend of €0.204 per share for a total payout of €9,507,151.13, paid last 5 May 2011.

    - To decrease share capital by €13,515,067.78 by reducing the unit par value of the Company's shares from €0.30 to €0.01, in order to partially return capital to shareholders, thereby amending article 5 of the bylaws. The difference of €0.29 per share has been returned to shareholders on last 16th June. Currently, the new share capital of €466,036.82 has been registered in the "Registro Mercantil de Navarra".

    - To increase the Company's share capital by €32,156,540.58 through an increase in the unit par value of its shares by €0.69, from €0.01 to €0.70 per share. The capital increase does not entail any contributions by shareholders, as it will be charged against the Company's reserves, as recognised on the 31 December 2010 balance sheet, approved earlier at the same General Meeting. In this moment the capital increase is in process, once the capital reduction approved in the previous section has been made.

- In June 2011, Koteks Viscofan DOO, headquartered in Novi Sad (Serbia) and wholly-owned by Viscofan S.A., reached an out-of-court settlement with Vojvodjanska Banka a.d. with respect to a lawsuit concerning a loan dating back to 1984 and accordingly granted before the company was acquired by Viscofan S.A. in 2005. The agreement reached stipulated a total payment (principal and interest) by Koteks to Vojvodjanska Banka a.d. of €3.2 million, thereby definitively extinguishing the financial liability with this entity.

Viscofan Group Profit and loss account ('000 €)

	Jan-Jun' 11	Jan-Jun' 10	*Change*	Apr-Jun' 11	Apr-Jun' 10	*Change*
Revenues	**324,506**	**308,490**	**5.2%**	**167,323**	**161,189**	**3.8%**
Other operating income	4,151	4,194	-1.0%	2,597	3,259	-20.3%
Self-constructed assets	316	692	-54.3%	254	83	206.0%
Variation in stocks of finished products and work-in-progress	2,456	-11,170	c.s	2,343	-842	c.s
Net purchases	-85,995	-69,685	23.4%	-46,658	-43,497	7.3%
Personnel expenses	-69,337	-67,631	2.5%	-34,480	-34,711	-0.7%
Other operating expenses	-96,618	-88,611	9.0%	-50,953	-45,501	12.0%
Capital grants	359	179	100.6%	246	90	173.3%
Impairment and results coming from disposals of non-curren	-53	-174	-69.5%	-32	-82	-61.0%
Other results	0	0	n.s.	0	0	n.s.
EBITDA	**79,785**	**76,284**	**4.6%**	**40,640**	**39,988**	**1.6%**
EBITDA margin	*24.6%*	*24.7%*	*-0.1 p.p.*	*24.3%*	*24.8%*	*-0.5 p.p.*
Amortization and depreciation	-20,266	-19,716	2.8%	-10,370	-10,053	3.2%
EBIT	**59,519**	**56,568**	**5.2%**	**30,270**	**29,935**	**1.1%**
EBIT margin	*18.3%*	*18.3%*	*0.0 p.p.*	*18.1%*	*18.6%*	*-0.5 p.p.*
Financial incomes	947	568	66.7%	264	394	-33.0%
Financial expenditures	-1,664	-2,111	-21.2%	-753	-1,087	-30.7%
Changes in reasonable value of financial instruments	0	0	n.s.	0	0	n.s.
Exchange differences	3,127	-1,331	c.s	3,111	-919	c.s
Impairment and results coming from disposals of financials assets	3,328	0	n.s.	3,327	0	n.s.
Financial results	**5,738**	**-2,874**	**c.s**	**5,949**	**-1,612**	**c.s**
Profit from associated companies	-78	-79	-1.3%	-38	-53	-28.3%
Profit before taxes	**65,179**	**53,615**	**21.6%**	**36,181**	**28,270**	**28.0%**
Taxes	-15,245	-13,099	16.4%	-8,135	-6,741	20.7%
Profit after taxes	**49,934**	**40,516**	**23.2%**	**28,046**	**21,529**	**30.3%**
Minority interest	0	0	n.s.	0	0	n.s.
Net profit	**49,934**	**40,516**	**23.2%**	**28,046**	**21,529**	**30.3%**
Adjusted Net Profit [1]	**47,091**	**40,516**	**16.2%**	**25,203**	**21,529**	**17.1%**

[1]Adjusted Net Profit excludes a one-off gain of €2,843 thousand, recognised in June 2011, related to an out-of-court settlement in Serbia in connection with the financial liability with Vojvodanska banka a.d.

Consolidated balance sheets ('000 €)

	Jun '11	Dec '10	*Change*
Intangible assets	16,548	16,918	-2.2%
Goodwill	0	0	n.s.
Others intangible asset	16,548	16,918	-2.2%
Tangible assets	308,983	300,301	2.9%
Real state investments	0	0	n.s.
Investment accounting ussing the equity method	1,396	1,565	-10.8%
Non-current financial assets	431	1,178	-63.4%
Deferred tax assets	7,435	14,459	-48.6%
Other non-current assets	0	0	n.s.
NON-CURRENT ASSETS	**334,793**	**334,422**	**0.1%**
Non-current assets held for sale	0	0	n.s.
Inventories	166,425	159,258	4.5%
Trade and other receivables	143,939	129,268	11.3%
Trade debtors	124,479	114,754	8.5%
Other debtors	16,772	14,514	15.6%
Current tax assets	2,688	0	n.s.
Other financial current assets	9,825	6,730	46.0%
Other current assets	4,184	2,193	90.8%
Cash and cash equivalents	26,026	57,301	-54.6%
CURRENT ASSETS	**350,399**	**354,749**	**-1.2%**
TOTAL ASSETS= EQUITY AND LIABILITIES	**685,192**	**689,171**	**-0.6%**
Share capital	466	13,981	-96.7%
Share issue premium	12	12	0.0%
Reserves	369,596	312,051	18.4%
Treasury shares	0	0	n.s.
Profit for previous years	0	0	n.s.
Received from associates	0	0	n.s.
Result of the period	49,934	81,346	-38.6%
Less: Interim dividend	0	-13,981	n.s.
Other equity instruments	0	0	n.s.
SHAREHOLDER'S FUNDS	**420,008**	**393,410**	**6.8%**
Financial assets held for sale	0	0	n.s.
Hedge transaction reserves	1,602	2,277	-29.6%
Currency translation differences	3,278	10,683	-69.3%
Others	0	0	n.s.
ADJUSTMENTS DUE TO CHANGE IN VALUE	**4,880**	**12,960**	-62.3%
SHAREHOLDERS' EQUITY	**424,888**	**406,369**	**4.6%**
Minority interest	0	0	n.s.
EQUITY	**424,888**	**406,369**	**4.6%**
Grants	6,781	4,386	54.6%
Non-current provision	25,628	27,606	-7.2%
Non-current financial liabilities	43,715	38,770	12.8%
Financial debt	36,351	32,928	10.4%
Other financial liabilities	7,364	5,842	26.1%
Deferred tax liabilities	25,344	30,509	-16.9%
Other non-current liabilities	0	0	n.s.
NON-CURRENT LIABILITIES	**101,468**	**101,270**	**0.2%**
Liabilities linked to non-current assets held for sale	0	0	n.s.
Current provisions	6,888	7,639	-9.8%
Current financial liabilities	64,558	92,931	-30.5%
Financial debt	58,784	84,191	-30.2%
Other financial liabilities	5,774	8,739	-33.9%
Trade creditor and other payable accounts	87,390	80,894	8.0%
Trade creditors	58,576	60,816	-3.7%
Other creditors	18,196	18,603	-2.2%
Current tax liabilities	10,618	1,475	619.9%
Other current liabilities	0	68	n.s.
CURRENT LIABILITIES	**158,836**	**181,532**	**-12.5%**
NET BANK DEBT	**69,109**	**59,818**	**15.5%**

Cash flow statments ('000 €)

	Jan-Jun' 11	Jan-Jun' 10	Change
Cash flows from operating activities	**51,911**	**64,059**	**-19.0%**
Profit for the year before tax	**65,179**	**53,616**	**21.6%**
Adjustments in results	**15,874**	**22,118**	**-28.2%**
Amortisation and depreciation	20,266	19,716	2.8%
Others adjustments in results(net)	-4,392	2,402	c.s.
Changes in working capital	**-22,631**	**-11,560**	**95.8%**
Other cash flows from operating activities	**-6,511**	**-115**	**5561.7%**
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	-6,511	-115	5561.7%
Proceeds/(payments) from operating activities	0	0	n.s.
Cash flows from investing activities	**-35,066**	**-15,754**	**122.6%**
Investment payments	**-34,738**	**-16,012**	**116.9%**
Group companies, associated & business units	0	0	n.s.
Acquisition of property, plant and equipment and intangible assets	-32,037	-16,008	100.1%
Other financial assets	-2,701	-4	67425.0%
Other assets	0	0	n.s.
Cash from disposals	**770**	**258**	**198.4%**
Group companies, associated & business units	0	0	n.s.
Disposal of property, plant and equipment and intangible assets	17	220	-92.3%
Other financial assets	753	38	1881.6%
Other assets	0	0	n.s.
Other cash flows from investing activities	**-1,098**	**0**	**n.s.**
Dividends received	0	0	n.s.
Interest paid	0	0	n.s.
Proceeds/(Payments) from others investings activities.	-1,098	0	n.s.
Cash flows from financing activities	**-47,681**	**-10,150**	**369.8%**
Proceeds and payments from equity instruments	**-13,515**	**0**	**n.s.**
Proceeds from issue of stock	0	0	n.s.
Cancellation and payments	-13,515	0	n.s.
Acquisition	0	0	n.s.
Disposal	0	0	n.s.
Proceeds and payments from financial liabilities instruments	**-21,695**	**10,235**	**c.s.**
Proceeds from issue of financial liabilities instruments	15,704	23,326	-32.7%
Refund, cancellation and payments	-37,399	-13,091	185.7%
Dividends paid and others payments from others equities instruments	**-9,507**	**-16,638**	**-42.9%**
Others cash flows from financing activities	**-2,964**	**-3,747**	**-20.9%**
Interest paid	-3,422	-2,111	62.1%
Others proceeds /(payments) from financing activities	458	-1,636	c.s.
Effect of foreign exchange rate changes on collections and payments	**-439**	**-480**	**-8.5%**
Net increase (decrease) in cash and cash equivalents	**-31,275**	**37,675**	**c.s.**
Cash and cash equivalents at the begining of the period	**57,301**	**25,763**	**122.4%**
Cash and cash equivalent at the end of the period	**26,026**	**63,438**	**-59.0%**

Average exchange rates (Currency/€)

	1H11	1H10	% Change
Euro	1.000	1.000	0.0%
US Dollar	1.403	1.329	5.6%
Canadian Dollar	1.370	1.374	-0.3%
Mexican Peso	16.684	16.834	-0.9%
Brazilian real	2.287	2.387	-4.2%
Czech crown	24.346	25.738	-5.4%
British Pound	0.868	0.870	-0.3%
Polish Zloty	3.951	4.003	-1.3%
Serbian Dinar	101.935	99.931	2.0%
Chinesse yuan remminbi	9.179	9.069	1.2%

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