Results January-September 2011



27th October 2011

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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.

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9M11 Results highlights

- **+22%** y-o-y growth in Net profit to €74.8MM, +18% excluding non-recurring gains.
- **+2%** y-o-y growth in consolidated EBITDA to €119.5MM, against a backdrop of steep inflation in unit raw material and energy costs.
- ***24.2%*** consolidated EBITDA margin (-0,6 p.p. vs. 9M10) eroded by currencies weakness against the euro. Ex-forex EBITDA margin rises to 25.4% (+0.6 p.p. vs. 9M10).
- **+4%** y-o-y growth in revenue to €493,5MM, driven by a **new increase on revenue in Q3** underpinned by strong volumes in casing and vegetable food.

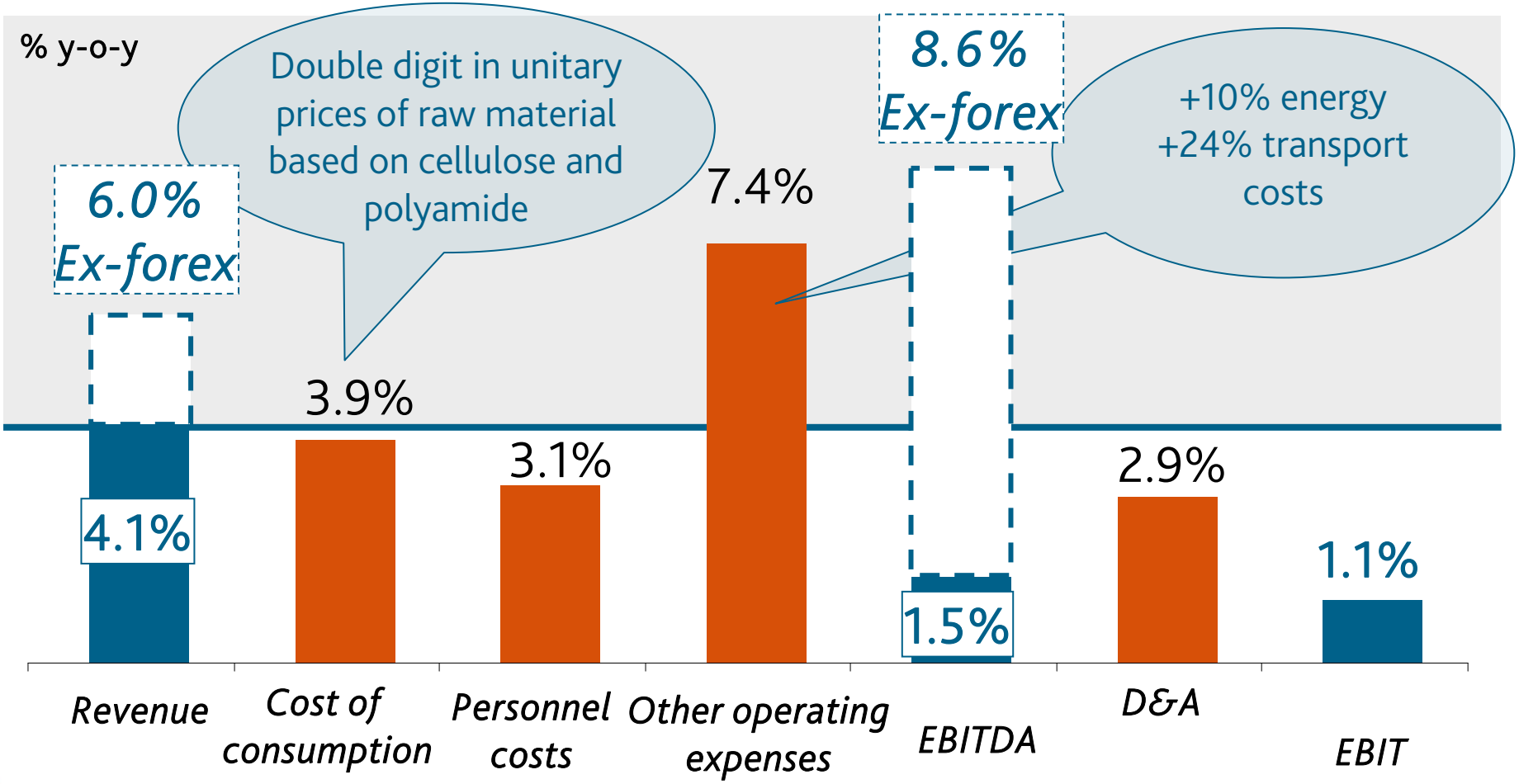
Strong volumes and operational improvements in 9M11 eroded by currency weakness.

MM €	9M11	% y-o-y	% y-o-y ex-forex[1]	3Q11	% y-o-y
Revenue	493.5	+4.1%	+6,0%	169.0	+2.1%
EBITDA	119.5	+1.5%	+8,6%	39.7	-4.1%
EBITDA margin	*24.2%*	*-0.6 p.p.*	*+0,6p.p.*	*23.5%*	*-1.5 p.p.*
EBIT	88.8	+1.1%		29.3	-6.4%
PBT	96.8	+18.0%		31.6	+11.3%
Net profit	74.8	+22.1%		24.9	+20.0%
Adjusted net profit[2]	72.0	+17.5%		24.9	+20.0%

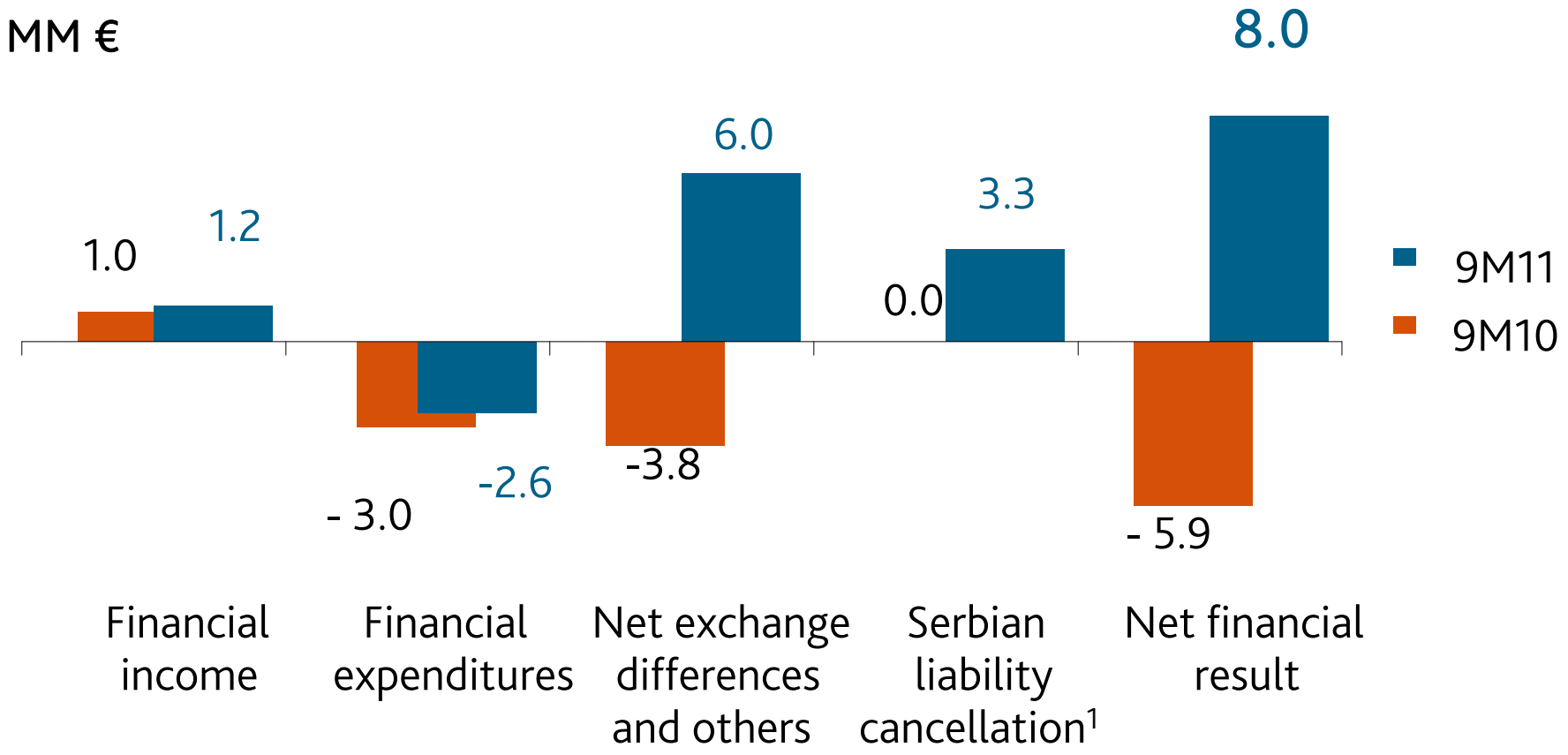
1 For comparative purposes, growth excluding foreign exchange differences excludes the impact of the various exchange rates applied in the consolidation of financial statements, as well as the impact of US$ fluctuations on trade transactions.

2 Adjusted net profit excludes a one-off gain of €2.843 thousands, recognised in June 2011, related to an out-of-court settlement in Serbia in connection with the financial liability with Vojvodanska banka a.d.

Sustained growth trend on organic growth driven by volumes, especially in emerging areas… nevertheless, raw material costs, energy and worse forex adversely affect to margin.

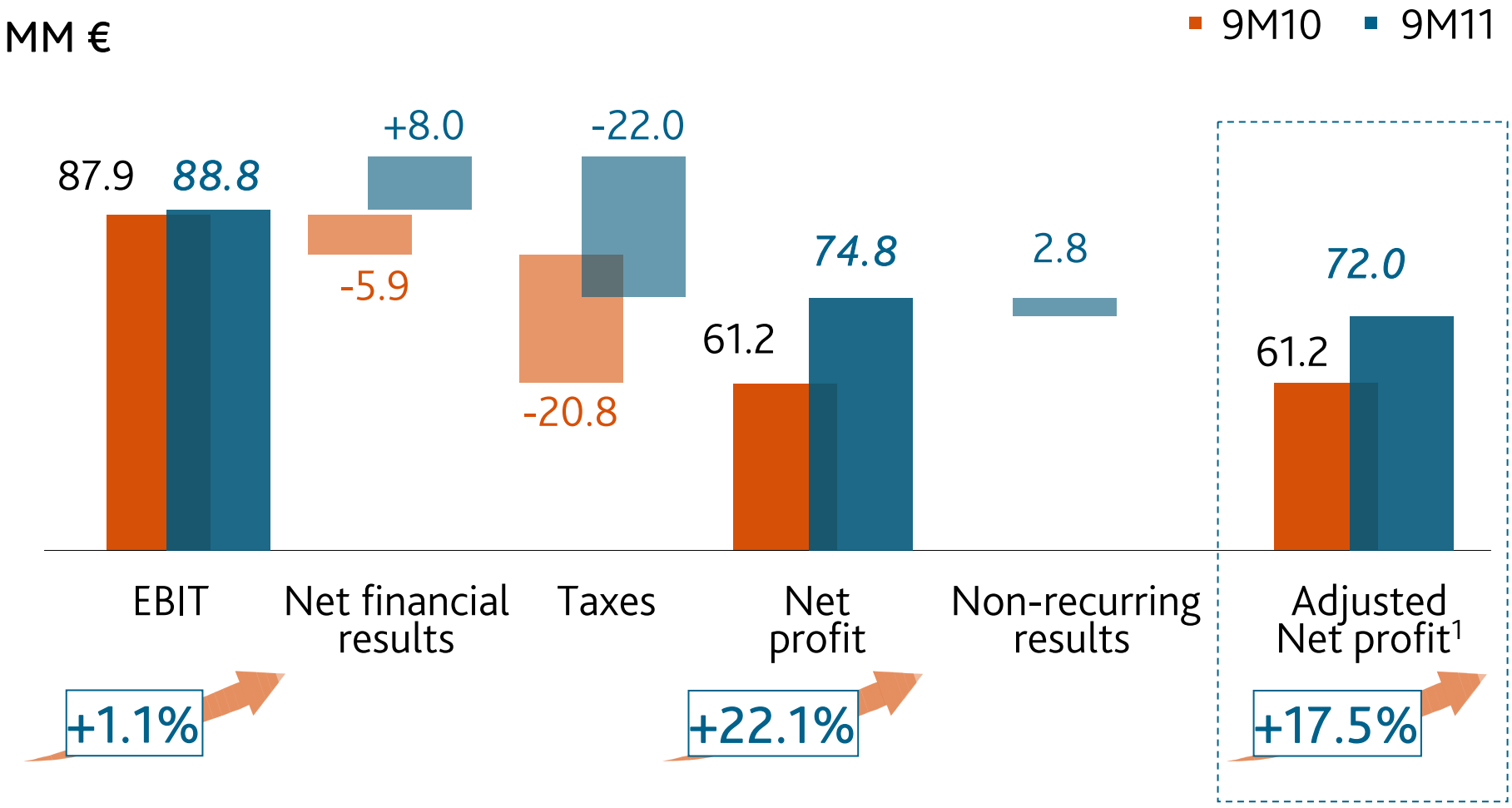


Positive financial results backed by balance sheet strength, forex hedging and the cancellation of Serbian financial liability



[1] As a consequence of an out-of-cpurt settlement, Koteks Viscofan d.o.o. has paid a total amount of €3.2MM 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 €3.3MM.

Double-digit growth on Net profit underpinned by operating and financial strength.

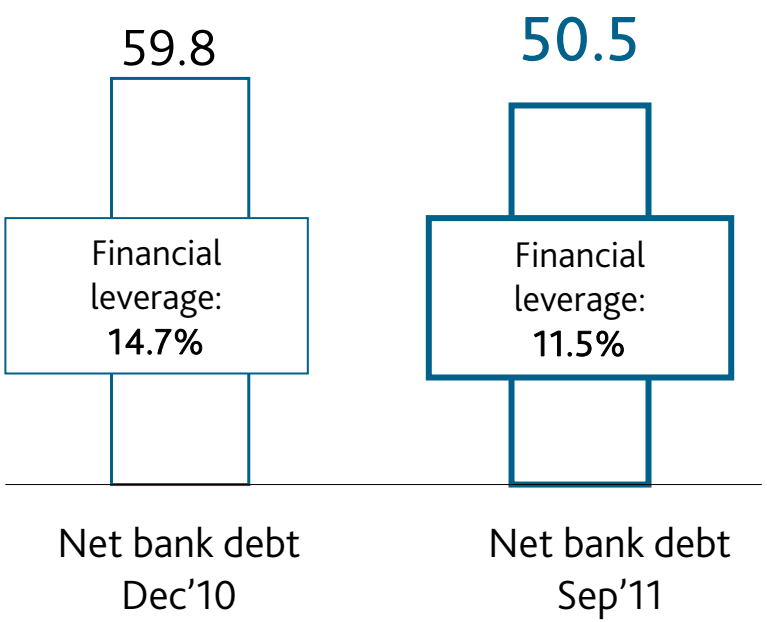


1 Adjusted net profit excludes a one-off gain of €2.843 thousands, recognised in June 2011, related to an out-of-court settlement in Serbia in connection with the financial liability with Vojvodanska banka a.d.

Net bank debt:

Robust operating cash flow to face increases in shareholder remuneration, cancellation of the financial liability in Serbia and increase on investments to pave the way for future growth.

Net bank debt evolution (MM €)



Capex
9M11

€46.5MM

Main projects:

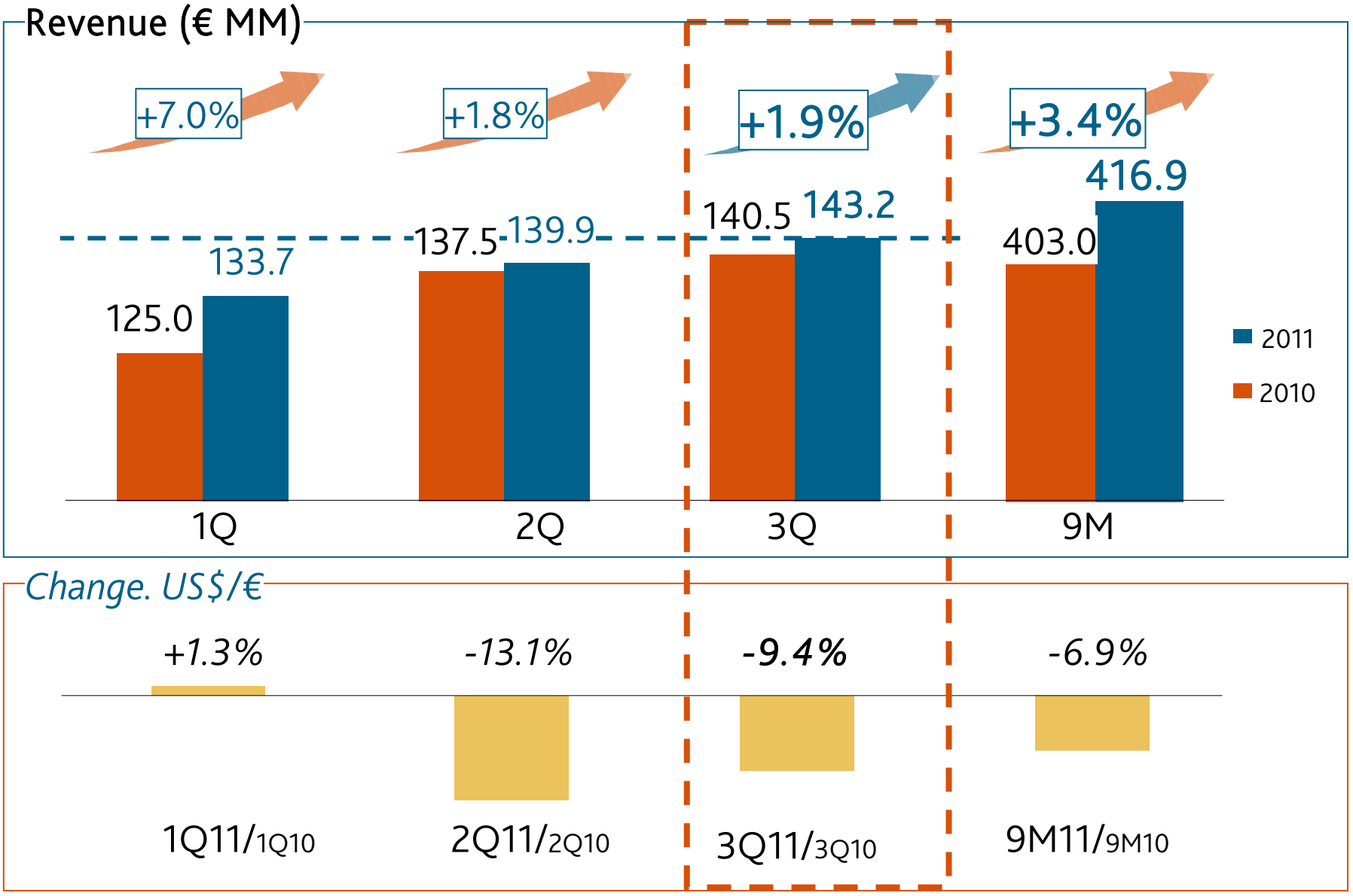
-Increase of collagen capacity in Spain (2Q11)

- New "superfast" collagen equipment in Germany (3Q11)

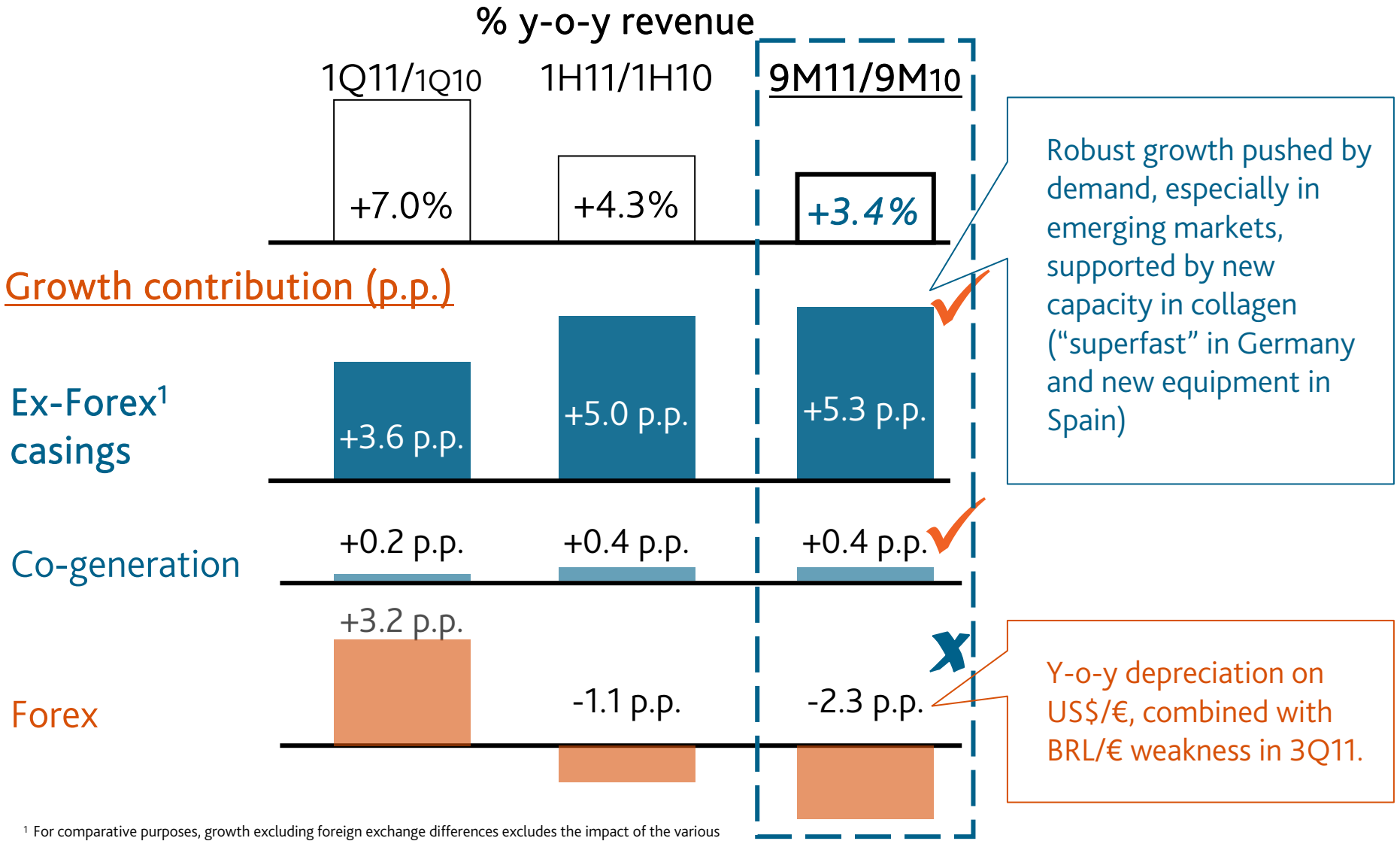
Casing business



Best quarterly revenue boosted by artificial casing demand and availability of new capacity.



Higher revenues backed by organic growth and volumes, which are eroded during last quarters due to weakness of trade currencies…



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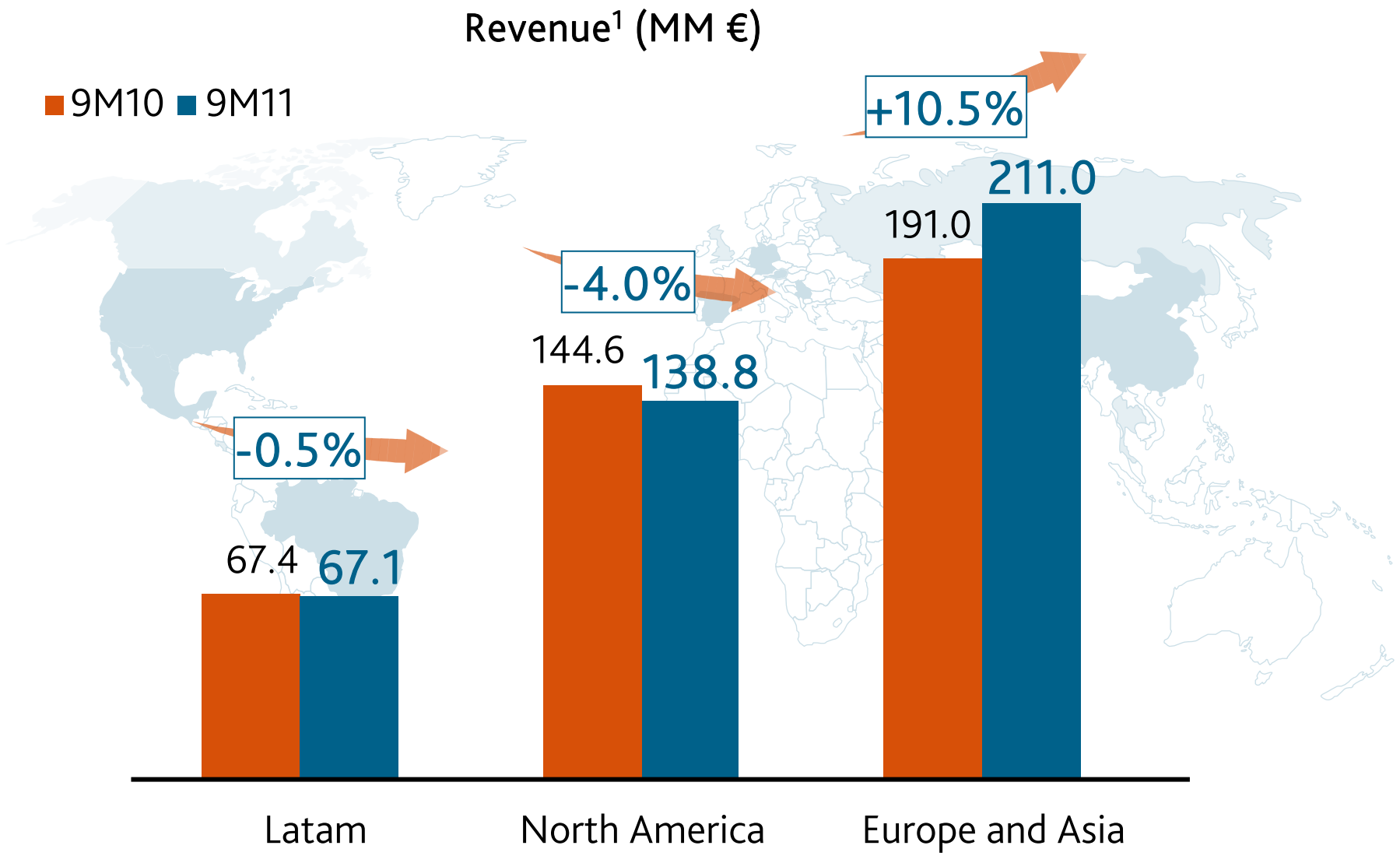
… affecting performance in geographic areas with large US$ exposure.

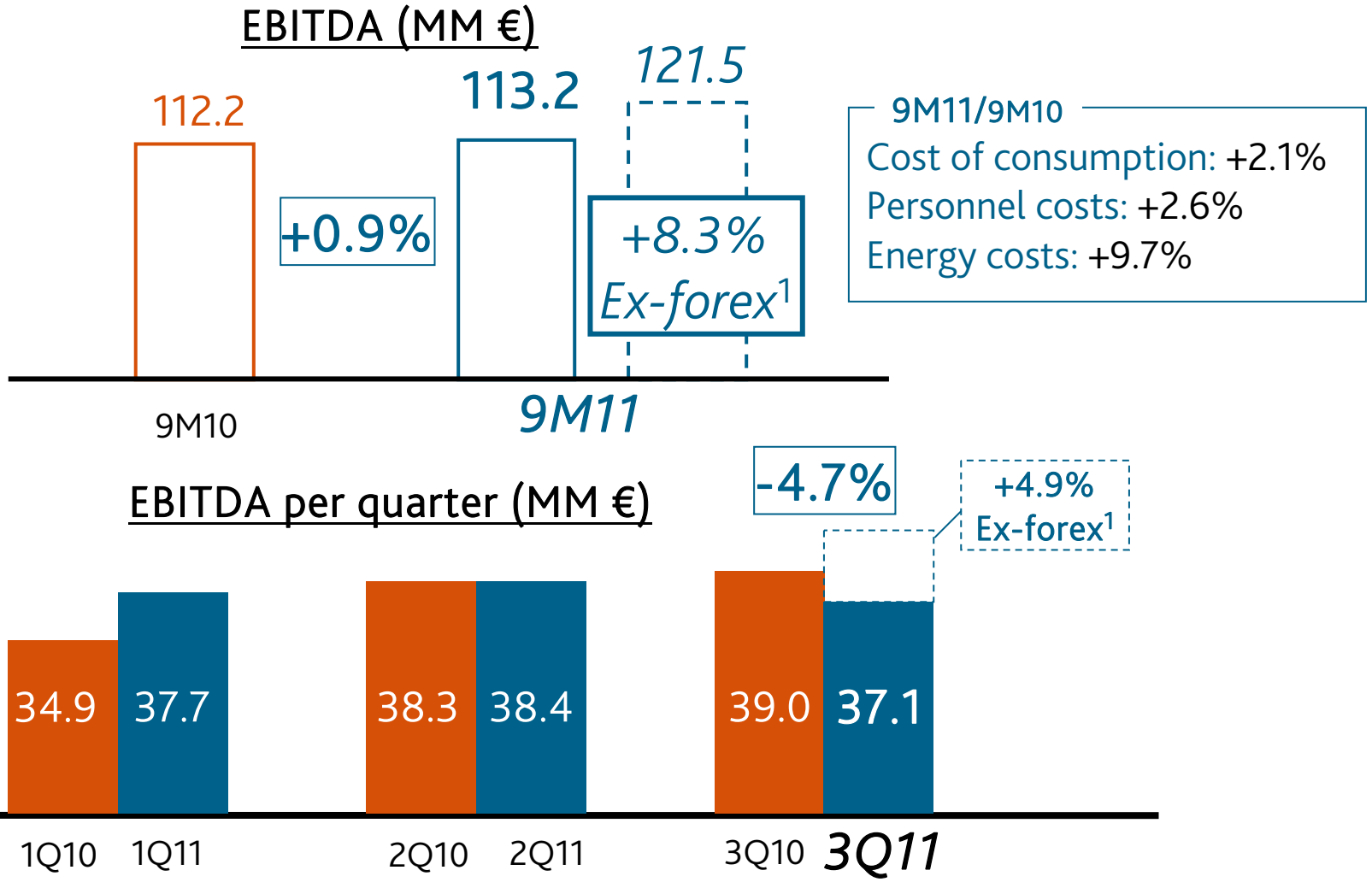


[1] Revenue per origin of sales

Sound cumulative EBITDA performance

Volumes, operating gearing and productivity improvements…

…vs. higher raw material and energy prices, and forex.



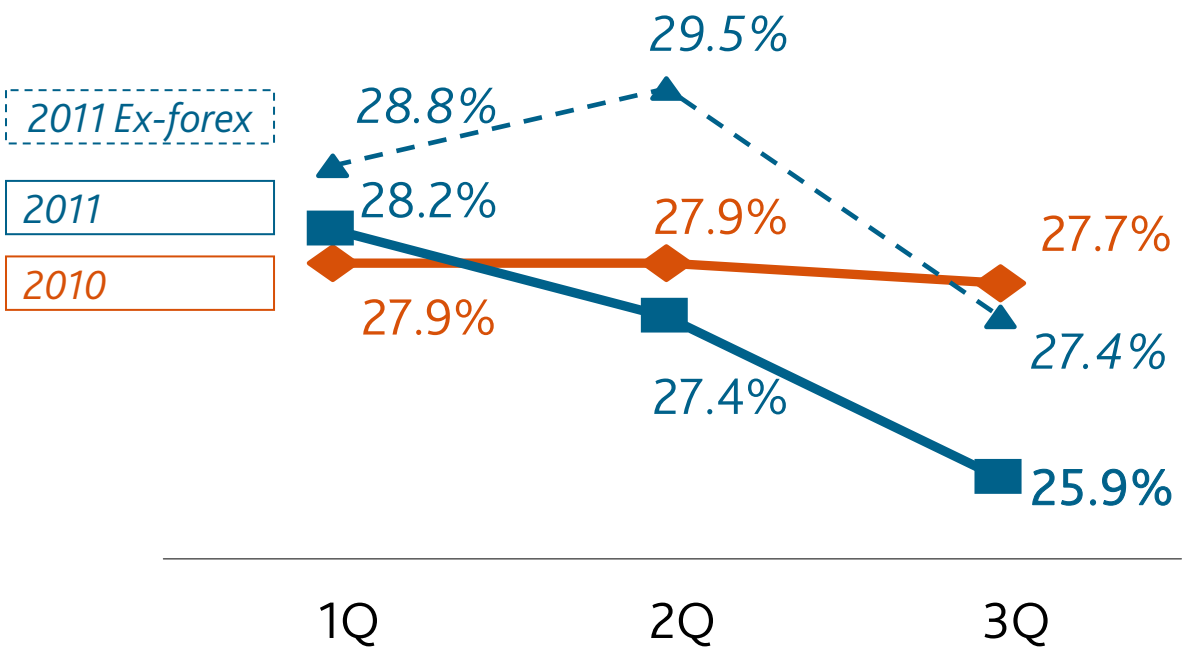
[1] For comparative purposes, growth excluding foreign exchange differences excludes the impact of the various exchange rates applied in the consolidation of financial statements, as well as the impact of US$ fluctuations on trade transactions.

Decisive strategic focus on growth, and adverse forex environment, adversely affect EBITDA margin

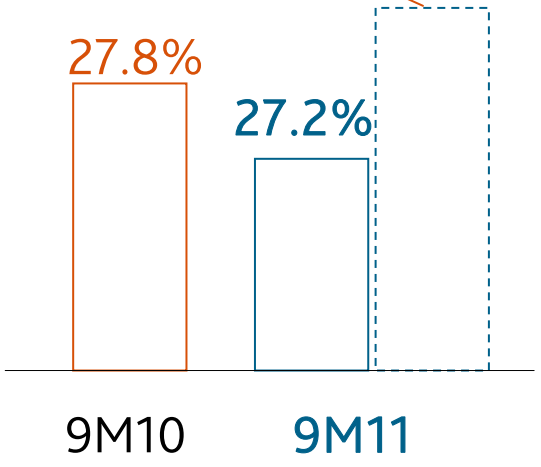
Start of new capacity, seasonal production stoppage for maintenance work in Q3, and a further weakness of US$/€ and BRL/€ eased margin in 3Q11.

EBITDA margin ex forex[1] 9M11: **28.5%** (+0.7 p.p. vs. 9M10)

EBITDA margin per quarter



Cumulative EBITDA margin



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Vegetable food

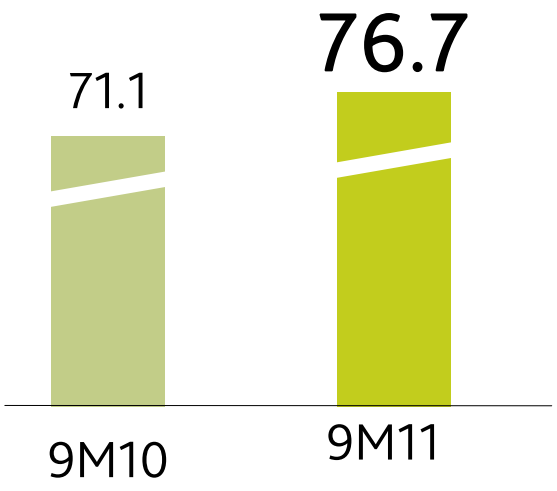




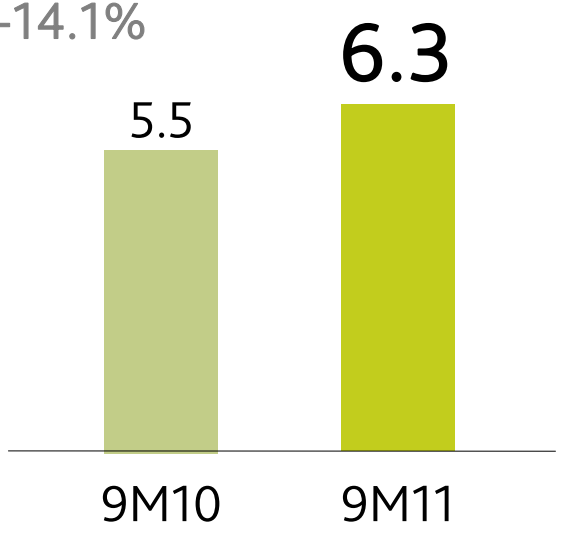


Growth driven by volumes supported by IAN Group and Carretilla brand robustness and leadership.

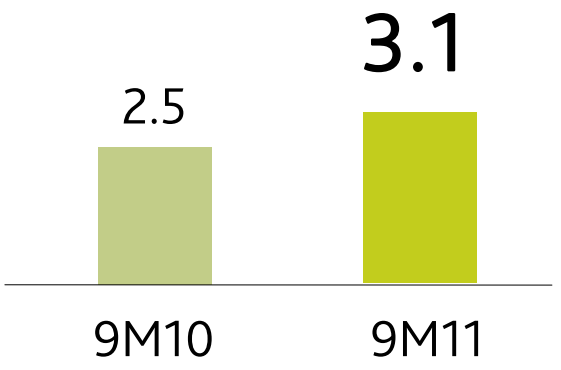
Revenue (MM €): +7.8%



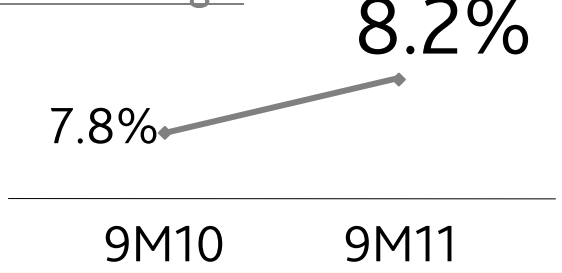
EBITDA (MM €): +14.1%



Net profit (MM €): +24.3%



EBITDA margin





Volume growth (olives and tomato).

Ready meals: +43% y-o-y



To sum up

- Volume grew ahead historical average driven by emerging markets, especially Asia.
- The start of new capacity in Germany and Spain, combined with volume increases in all casing technologies and in IAN Group, led to a new increase on quarterly revenue.
- Investment commitment to capture growth opportunity, reinforce by the plans to establish a new collagen extrusion plant in China in 2013.
- Viscofan Group expects to exceed its Net profit guidance for the year. The healthy sales volume trend leaves Viscofan in line with its revenue growth targets for the year, nevertheless, the company's decisive strategic focus on accelerating its growth plans, principally in emerging economies, is expected to have a slight adverse effect on the EBITDA margin that will be mitigated at the net profit level.