January-December 2012 Results



1st March 2013

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.

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.

Another year of growth thanks to revenue strength:

MM €	*2012*	*% y-o-y*	% y-o-y ex-forex[1]	4Q12	% y-o-y
Revenue	752.8	+12.9%	+10.4%	190.0	+9,6%
EBITDA	185.0	+14.1%	+7.5%	45.5	+6.7%
EBITDA margin	*24.6%*	*+0.3 p.p.*	*-0.7 p.p.*	*24.0%*	*-0.6 p.p.*
EBIT	140.0	+16.6%		34.7	+11.1%
PBT	133.0	+4.0%		32.9	+5.9%
Net profit	105.1	+3.8%		27.1	+2.5%
Adjusted net profit[2]	*105.1*	*+6.8%*		*27.1*	*+2.5%*
Net debt	*64.7*	*+5.2%*			

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.

Strong activity throughout 2012 to push our strategic plan Be MORE (2012-2015):



Construction of the first Viscofan Group's first extrusion plant for collagen in China.

Consolidation of the capacity installed in Spain and Germany



Leaning the structure in the Czech Republic as a consequence of a higher automation

Replace energy source in Mexico

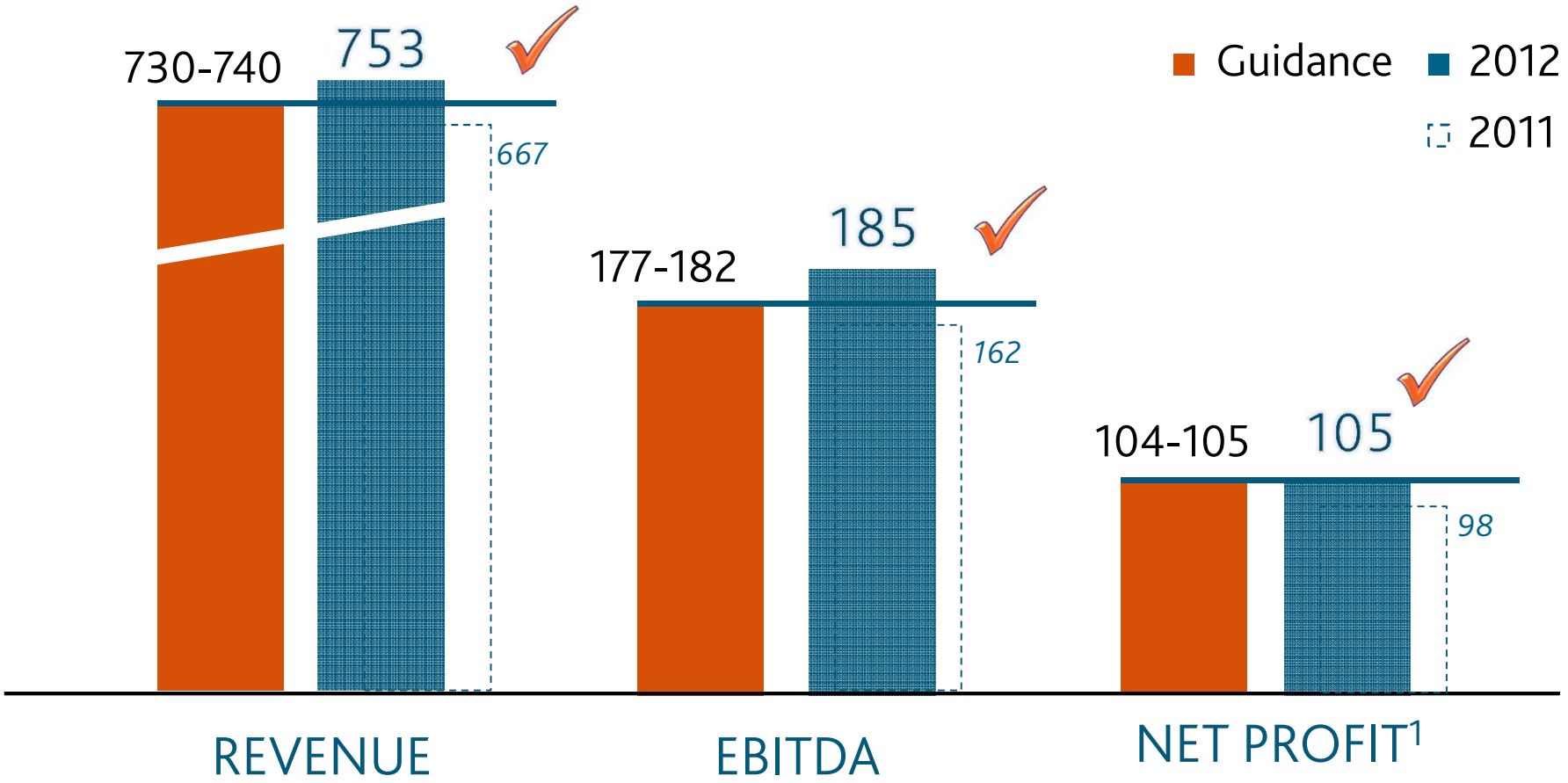


Beating an ambitious guidance of growth in all main financial magnitudes



New production benchmarks in our centres of excellence, and R&D projects seeking new quaility standards

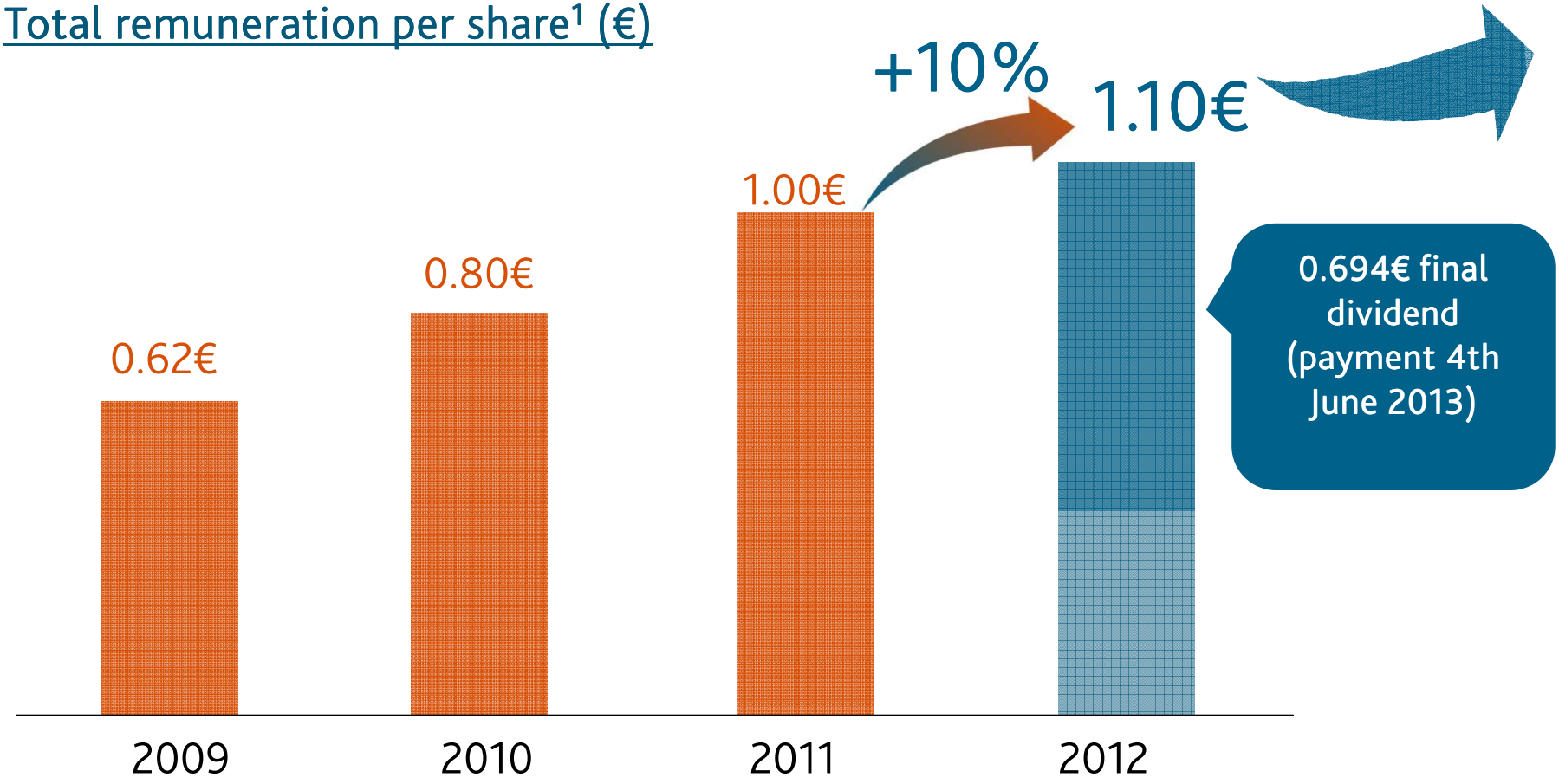
A record year… thanks to the effort made to capture the growth opportunity that the market offered in 2012



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.

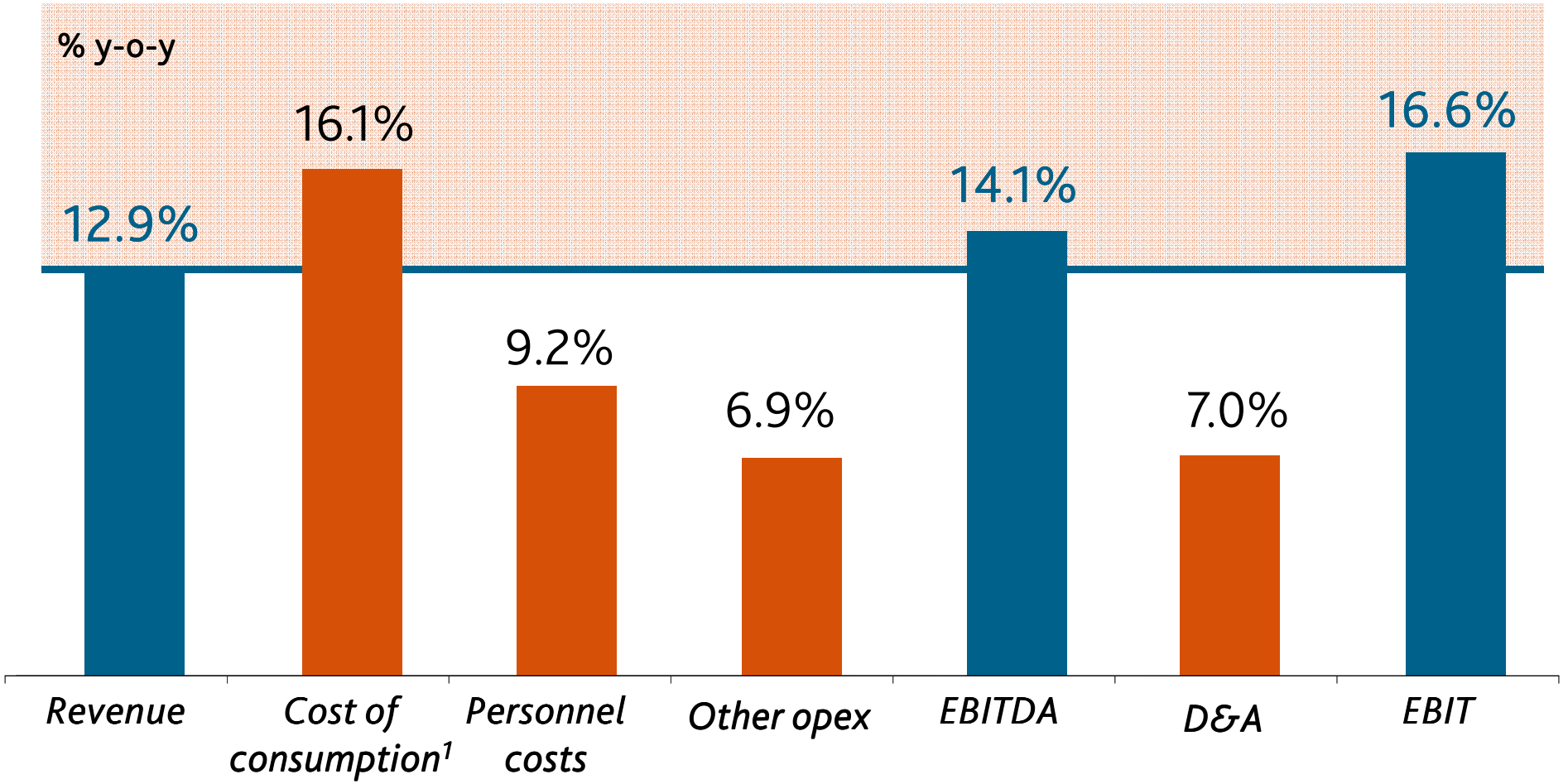
Achieving results and increasing shareholder's remuneration by 10%, above adjusted net profit y-o-y growth

Total remuneration per share[1] (€)



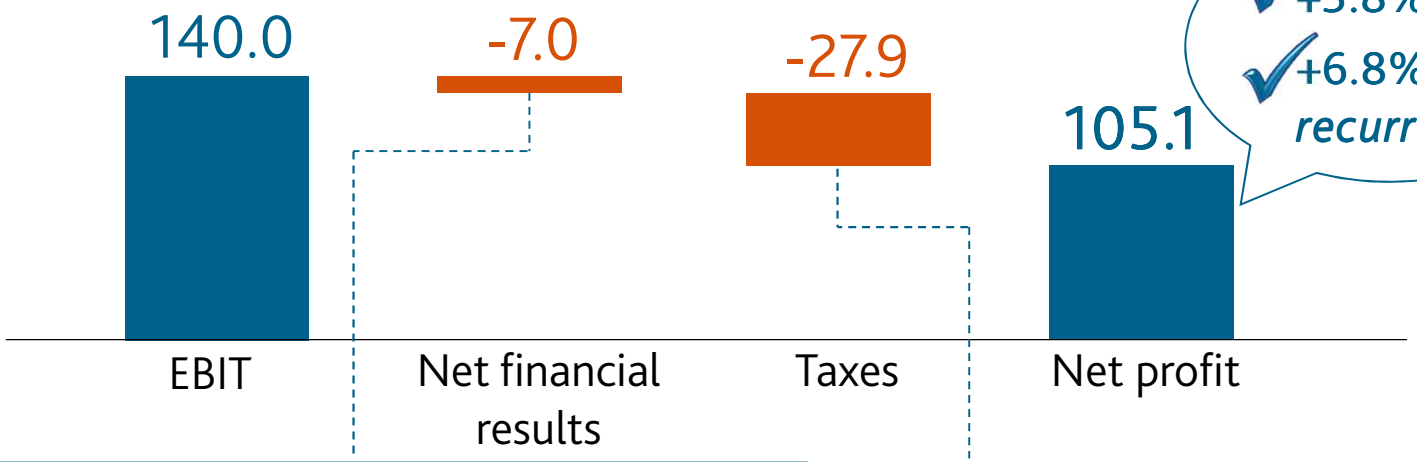
[1] Remuneration per share includes interim dividend, final dividend, refund of issue permium, capital reimbursement, and the AGM attendance bonus..

Strong revenue and EBITDA growth in an environment of high inflation on input costs.



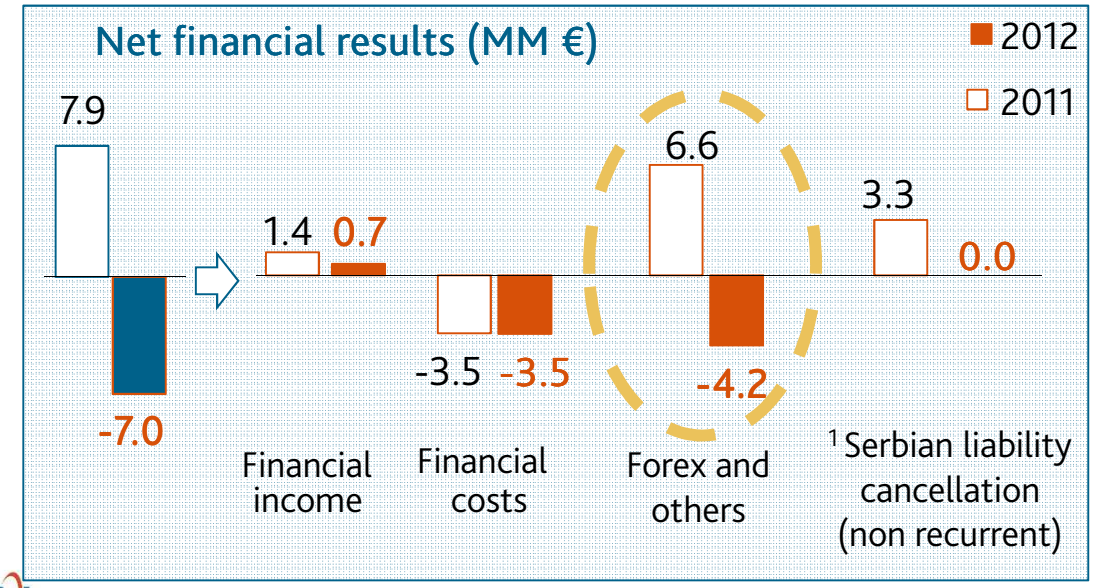
1 Since 2012 the net purchases figure has included energy consumption associated with electricity production from the cogeneration plants in Spain and Mexico, formerly recorded under Other operationg expenses. The impact of this reclassification in 2011 is €28,8MM of higher cost of consumption and a loger figure in Other operating expenses

New highest ever net profit despite forex negative impact.



+3.8% vs. 2011

+6.8% vs. 2011 *recurrent*[1]

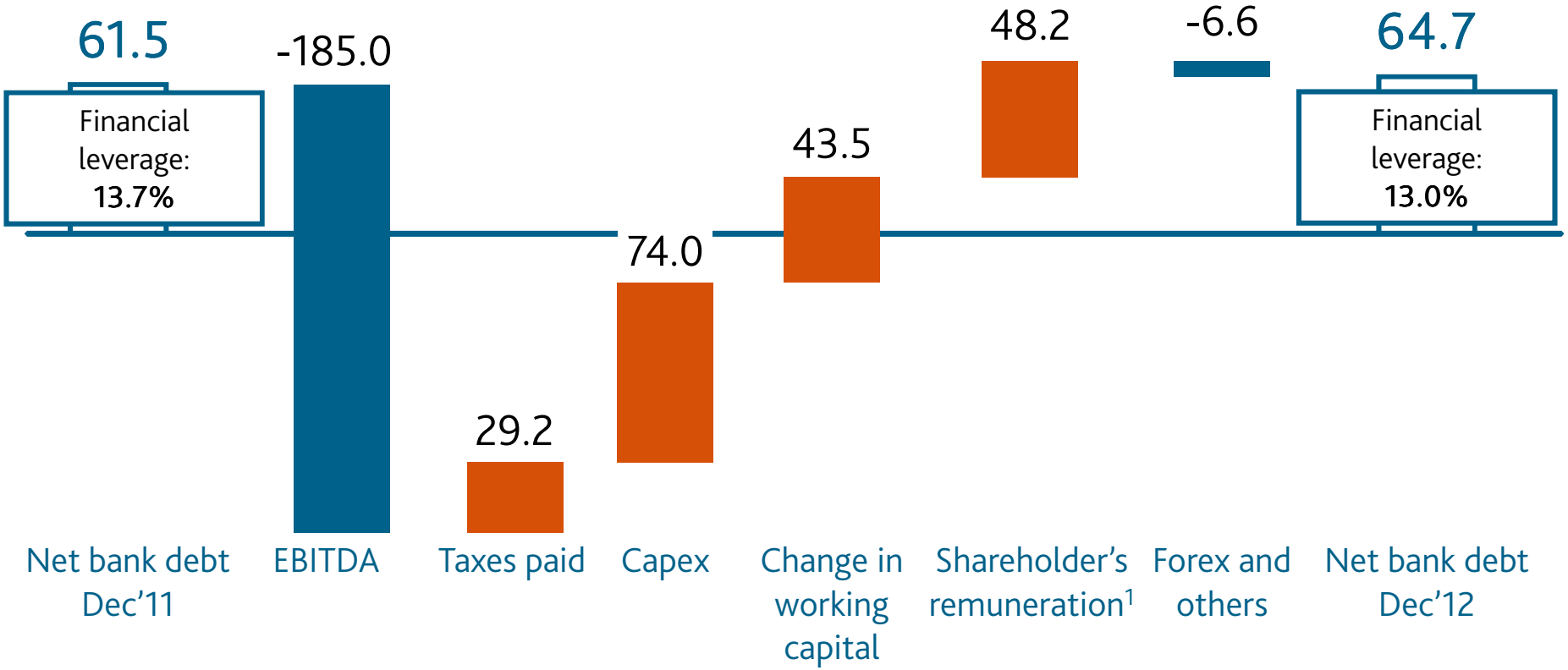


Effective tax rate: 21%

- Use of tax credits in the Czech Republic
- Profitability improvement in Serbian operation
- Tax credit for investments

Strong operations to finance the expansion plan, capex and working capital, and increase shareholder's remuneration.

Net bank debt evolution (MM €)



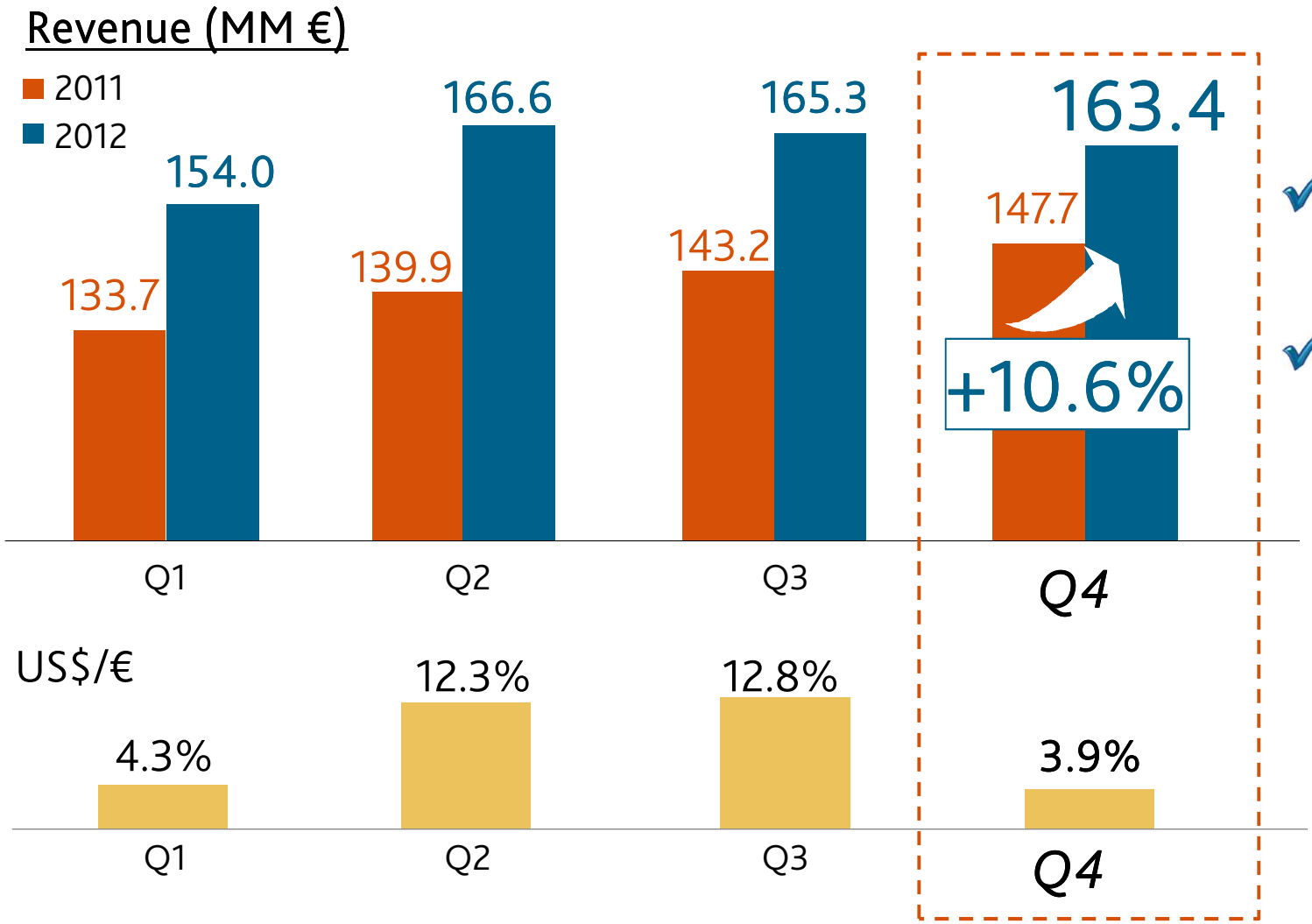
[1] Includes 0.634€ final dividend 2011 paid in June 2012 and 0.400 € interim dividend for 2012 paid in December 2012

Casings division



CASINGS

Double-digit growth on every quarter, thanks to improvements on capacity, higher volume and US$ strength.

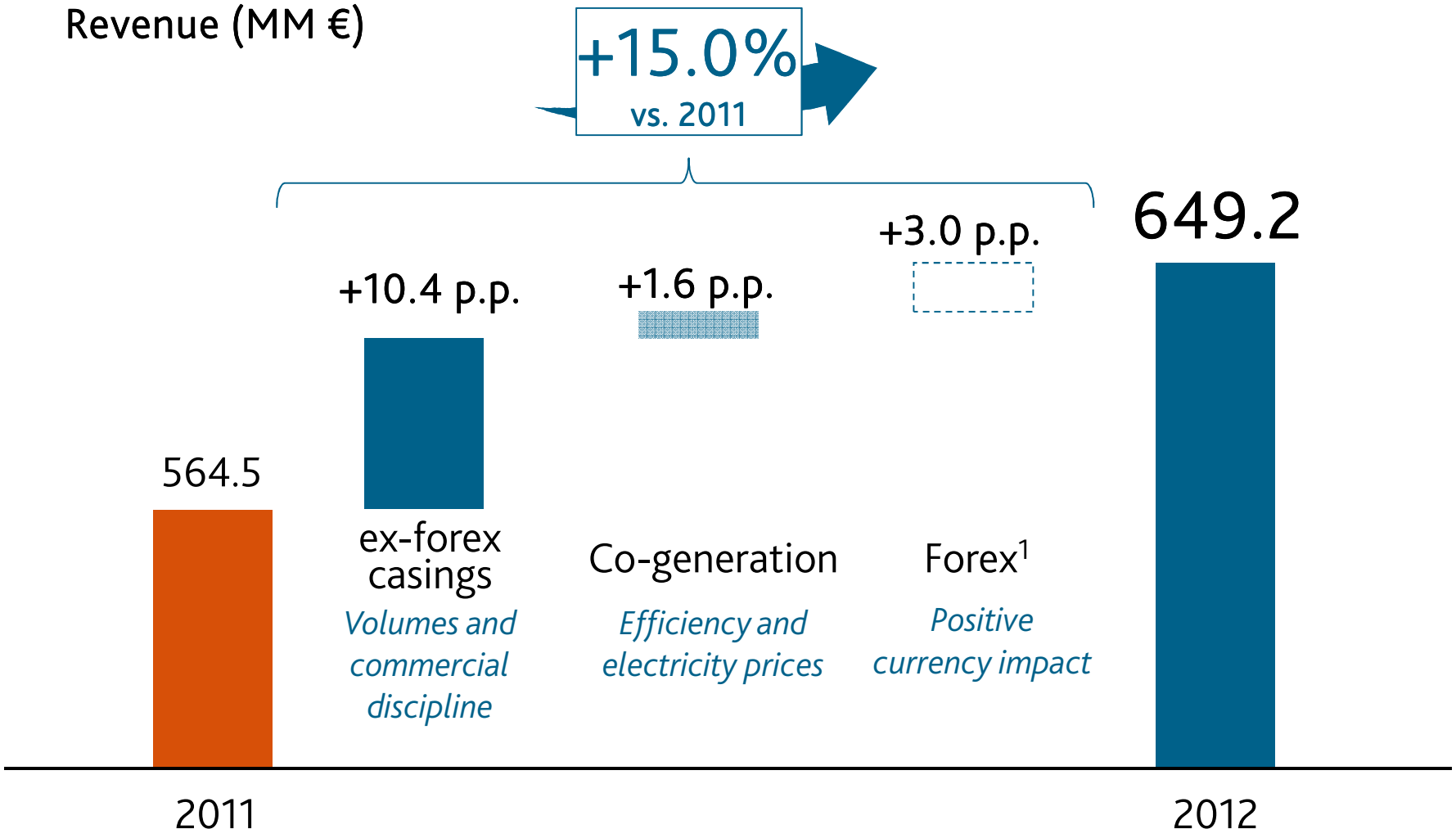


Casings:
+9.8% vs. 4Q11

Cogeneration:
+19.9% vs. 4Q11

CASINGS

… higher capacity and commercial discipline to capture an exceptional organic growth…

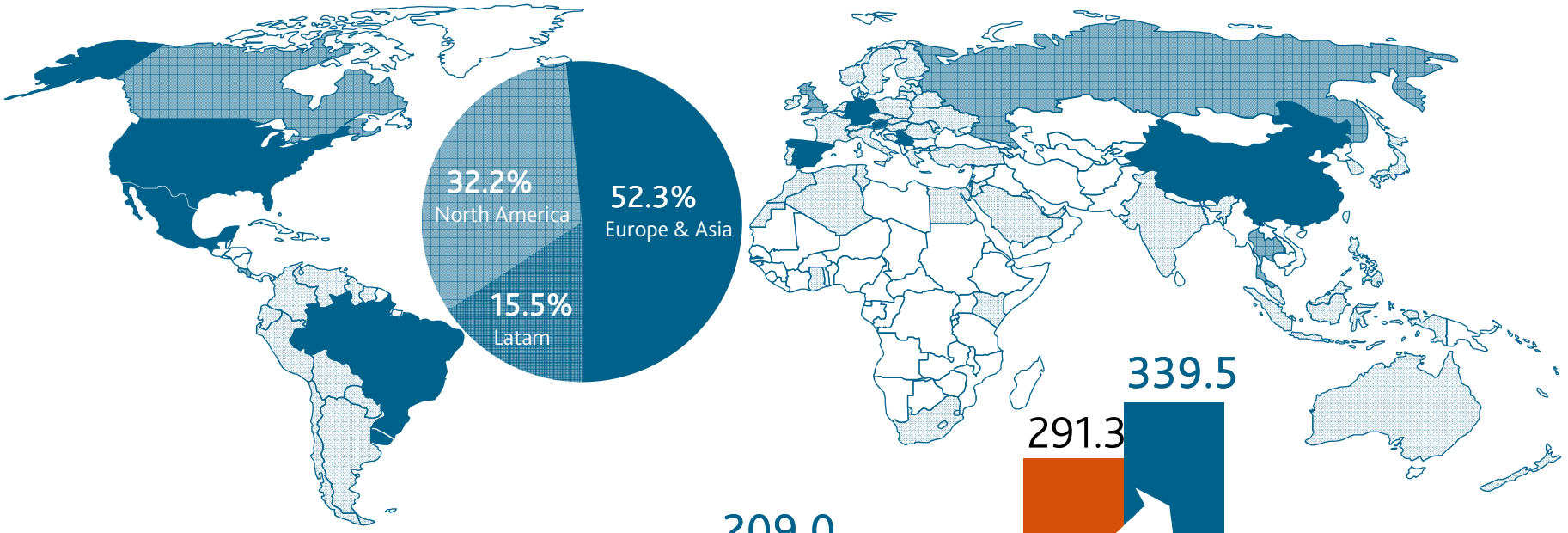


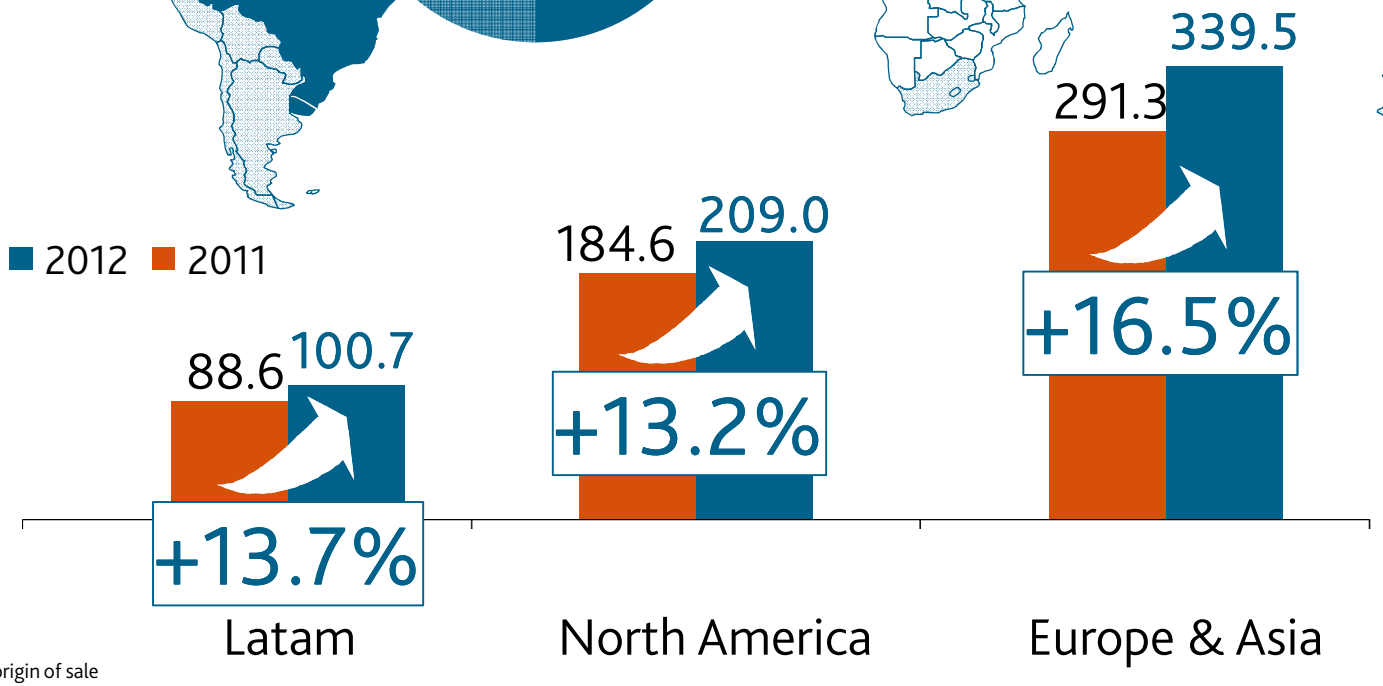
1 For comparative purposes, growth excluding foreign exchange differences excludes the impact of the various exchange rates applied in the consolidation of financial statements, as well as the impact of US$ fluctuations on trade transactions.

CASINGS

… posting double-digit growth in all our reporting regions[1].

Breakdown revenue by geography (MM €)

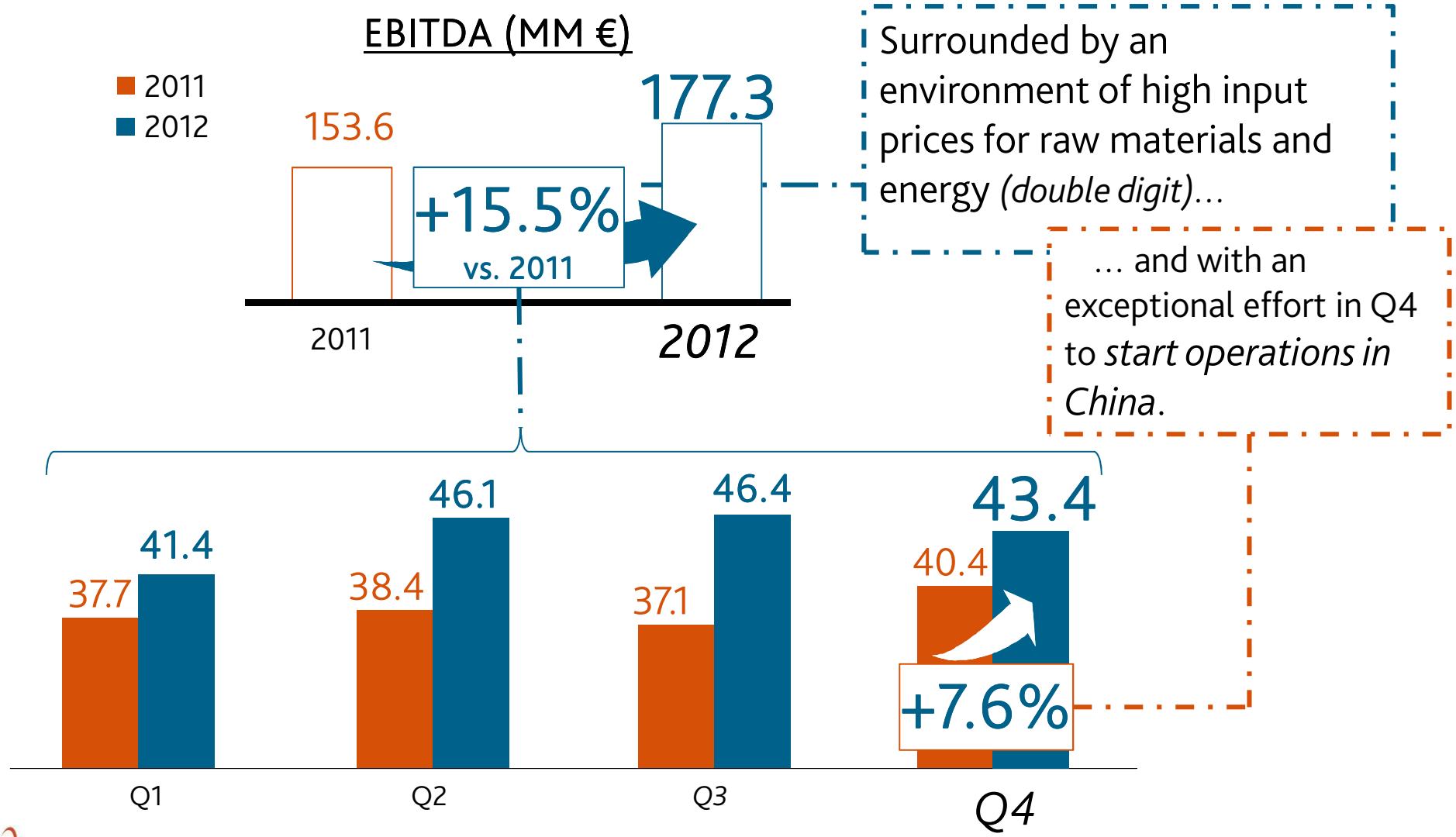




[1] Revenue per origin of sale

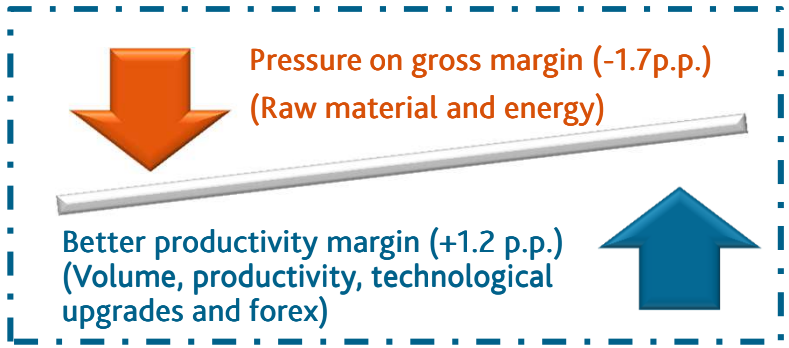
CASINGS

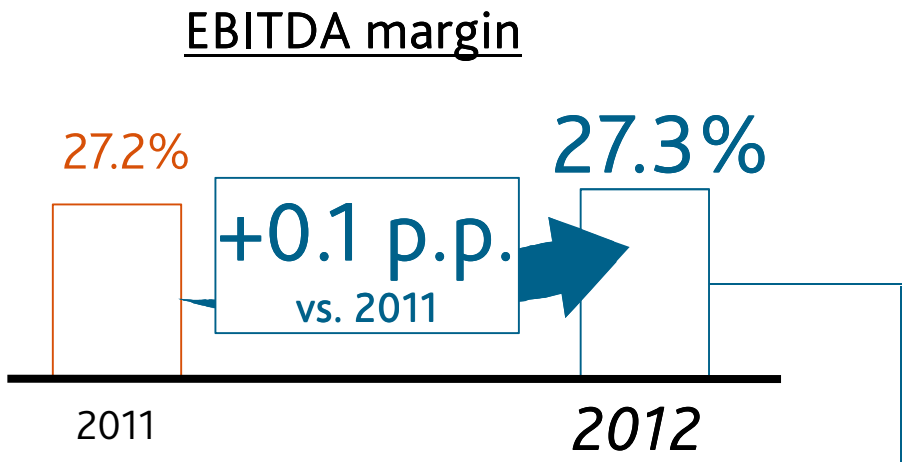
Sound EBITDA y-o-y growth in 2012, backed by strong performance in all the quarters.

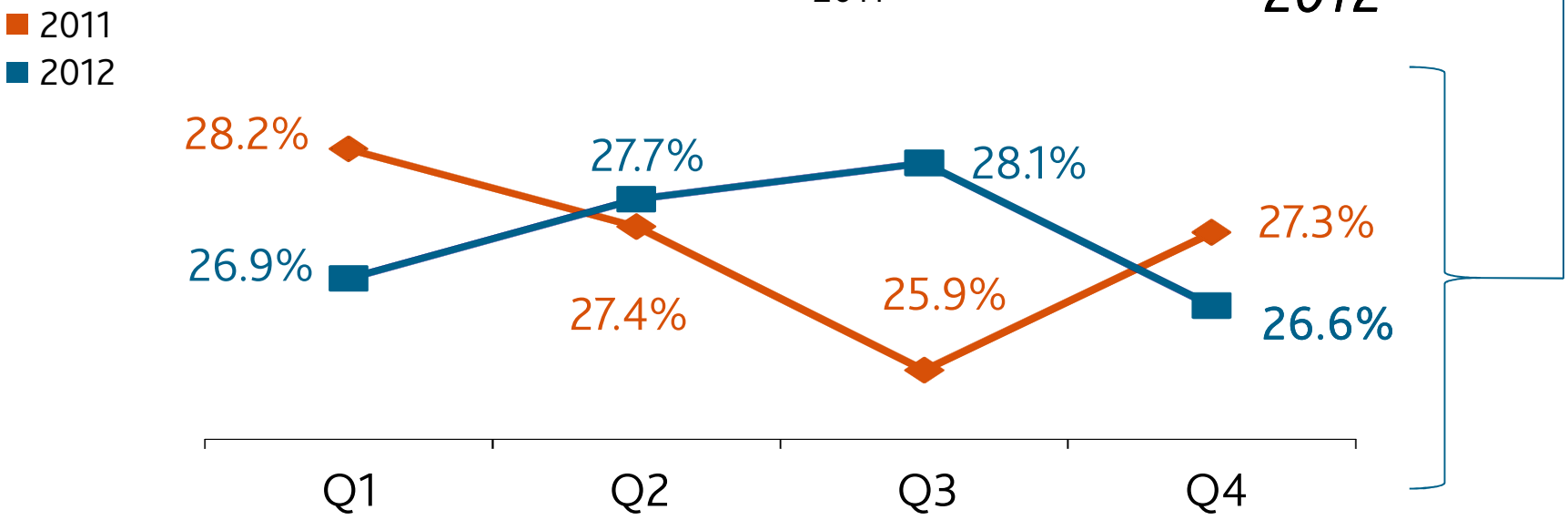


CASINGS

… operating leverage, internal improvements, and forex to improve slightly the EBITDA margin in an inflationary context.



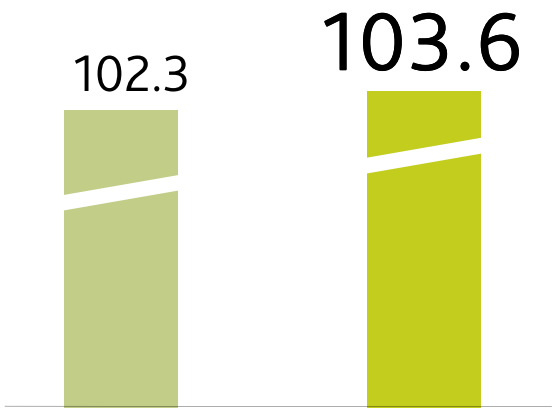






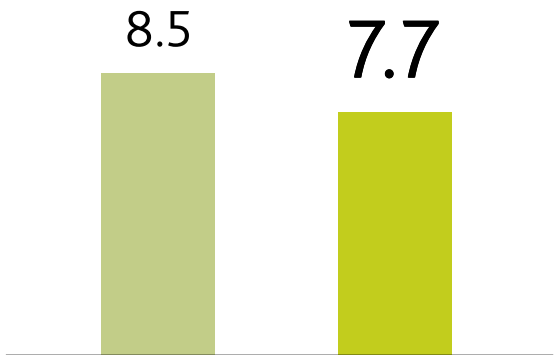
Robuts IAN Group leadership, increasing revenue against a backdrop of economy recession and lower expense on basic food.

Revenue (MM €):
+1.3%

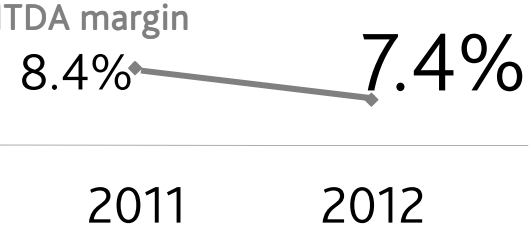


... ready meals +22%...
... growth on exports, tomato, and olives

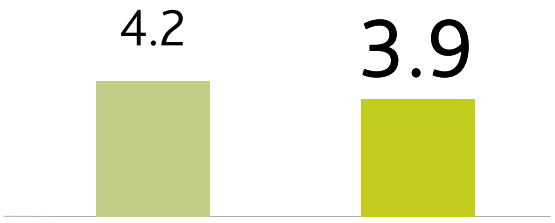
EBITDA (MM €):
-10.0%



EBITDA margin



Net profit (MM €):
-7.5%





2013:
Next steps in our strategic plan

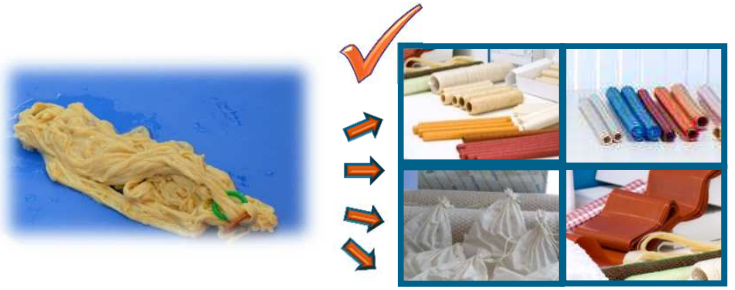
Market growth

Casings market enjoys solid growth fundamentals, and the growth trend has accelerated in recent years

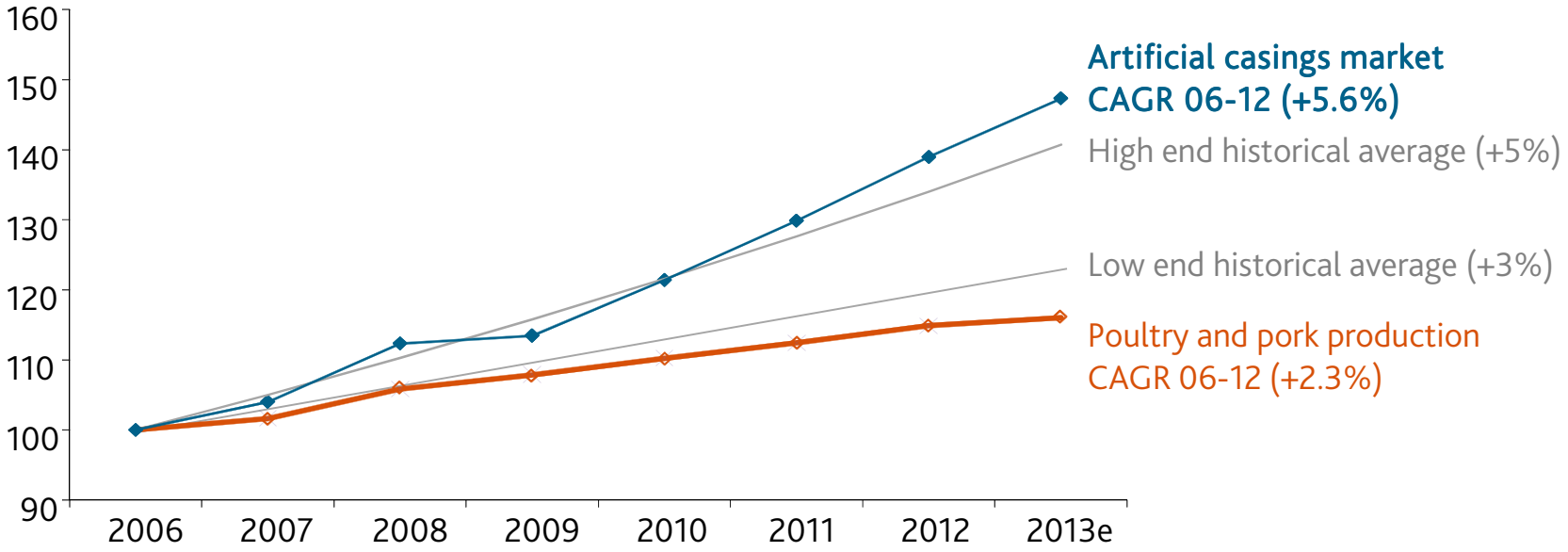
Populations growth and feeding habits



New production technology

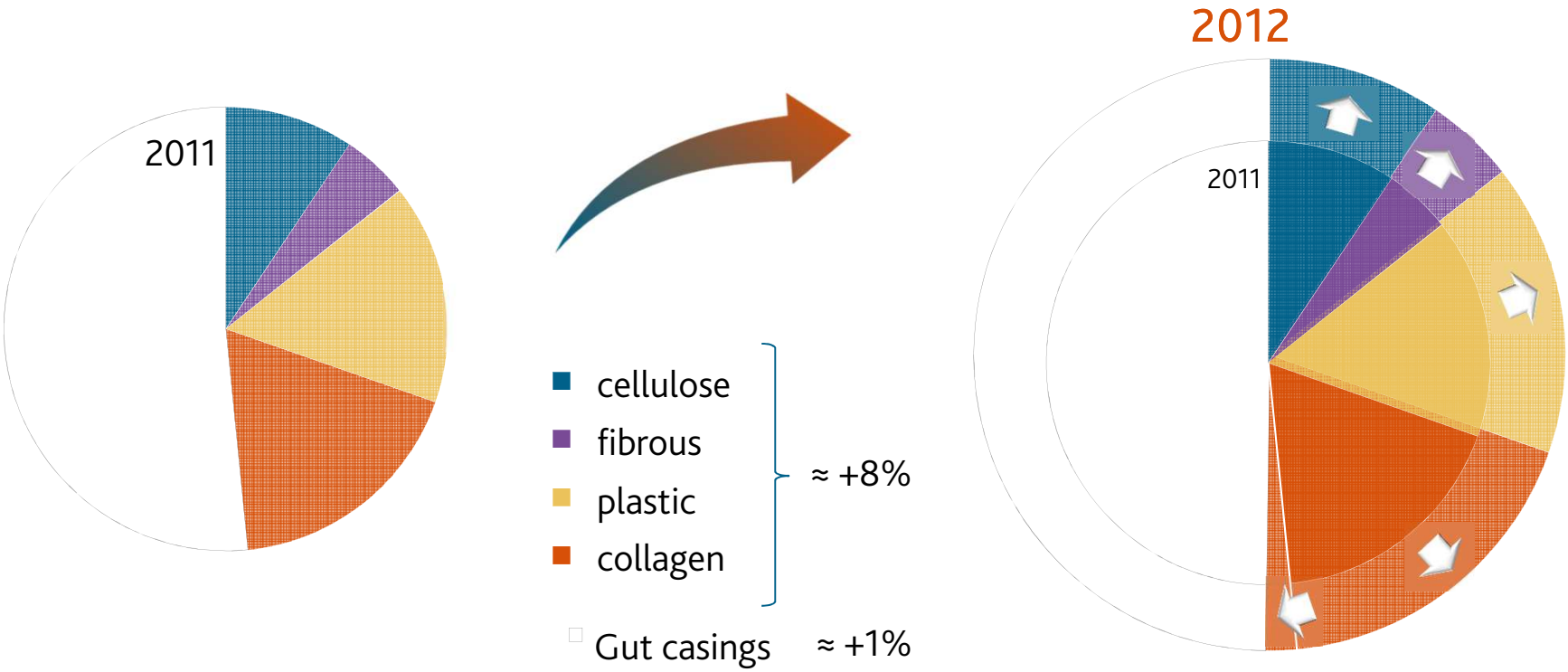


Historical market volume evolution



Market growth

Growth in all technologies and in all regions… but collagen and emerging markets are even more dynamic



Fuente: Viscofan estimates

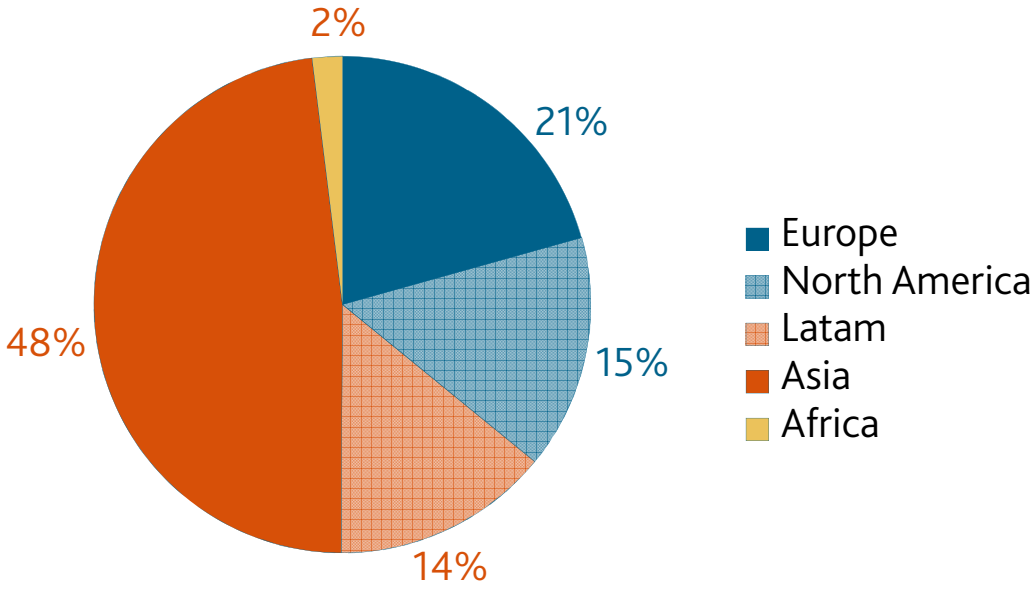
Pressure in production capacity for all the families…

- ✓ *New collagen facilities*
- ✓ *Improve cellulose's operations*
- ✓ *New equipment in plastics and fibrous*

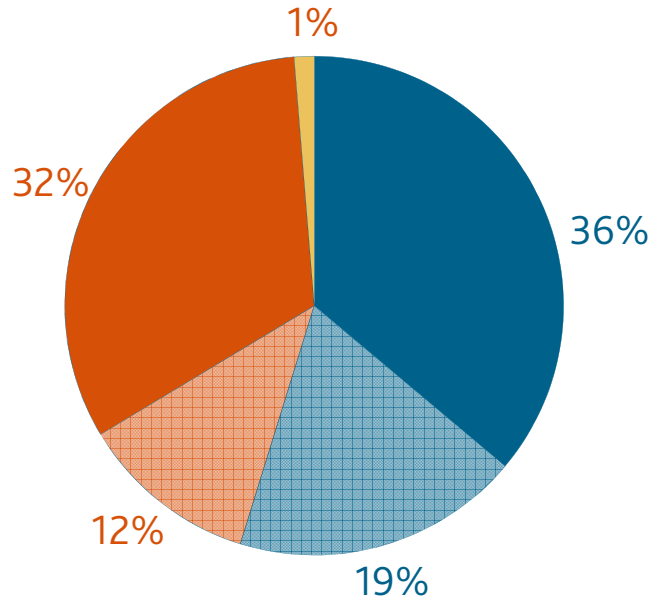
Market growth

Emerging markets: A high growth potential as a consequence of population volume and improvements in feeding habits

Poultry and pork production (Tm)



Expense on casings (MM €)



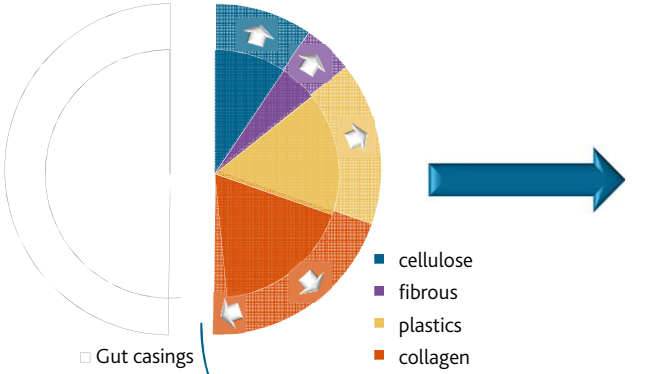
Viscofan has focused in emerging markets to capture the expected long term growth in these areas…

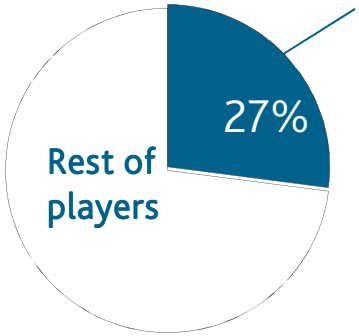
- ✓ *1st extrusion plant in China already working*
- ✓ *Pioneers on extrusion of colllagen casings in Latin America*
  (Uruguay is progressing properly to start production in 2014)

Market growth

Investment to capture growth in all the technologies… and improve the production process.

Total market

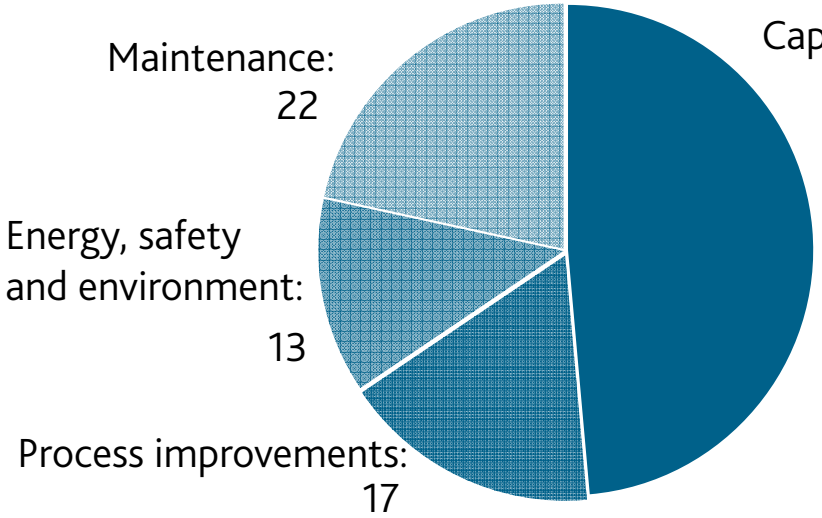




Viscofan

Worldwide leader and the **only one** in the artificial casings industry that can give global solutions to **all** market's growth needs

Capex: €100 MM



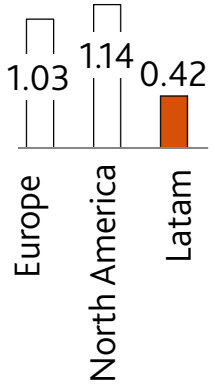
Includes €28MM for the new collagen plant in Uruguay

Market dinamism led us to build new capacity in the areas with higher growth:

Market growth

LATAM

€ casings per capita



Viscofan Uruguay completes the added value cycle in collagen to reinforce ourl leadership in this region

Distribution

Since 1990

Commercial office *(Brazil)*

Since 1991.
Skinless plant since 1995

Collagen converting *(Brazil)*

Since 2012
Capex €1MM



Collagen extrusion plant (Uruguay)

Capex: **€28MM in 2013**

Start operations in 2014

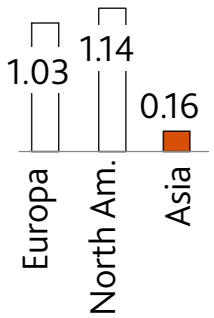
- Gateway to the Latin American market (MERCOSUR)
- Raw material availability
- Competitive labour costs
- Taxation on investments
- Geographic diversification of our production footprint

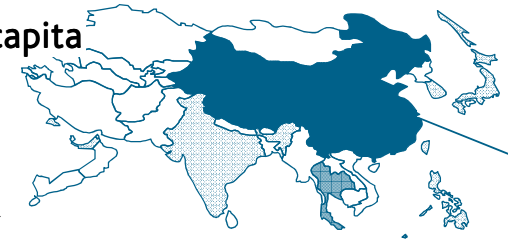
Market growth

Market dinamism led us to build new capacity in the areas with higher growth:

ASIA

€ casings per capita



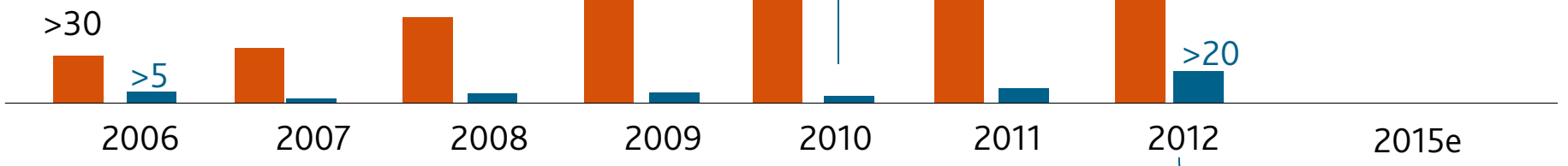


Viscofan technology Suzhou Ltd.



Chinese market
Viscofan

Viscofan in the Chinese market (MM €)



Market share: 15% to 20%

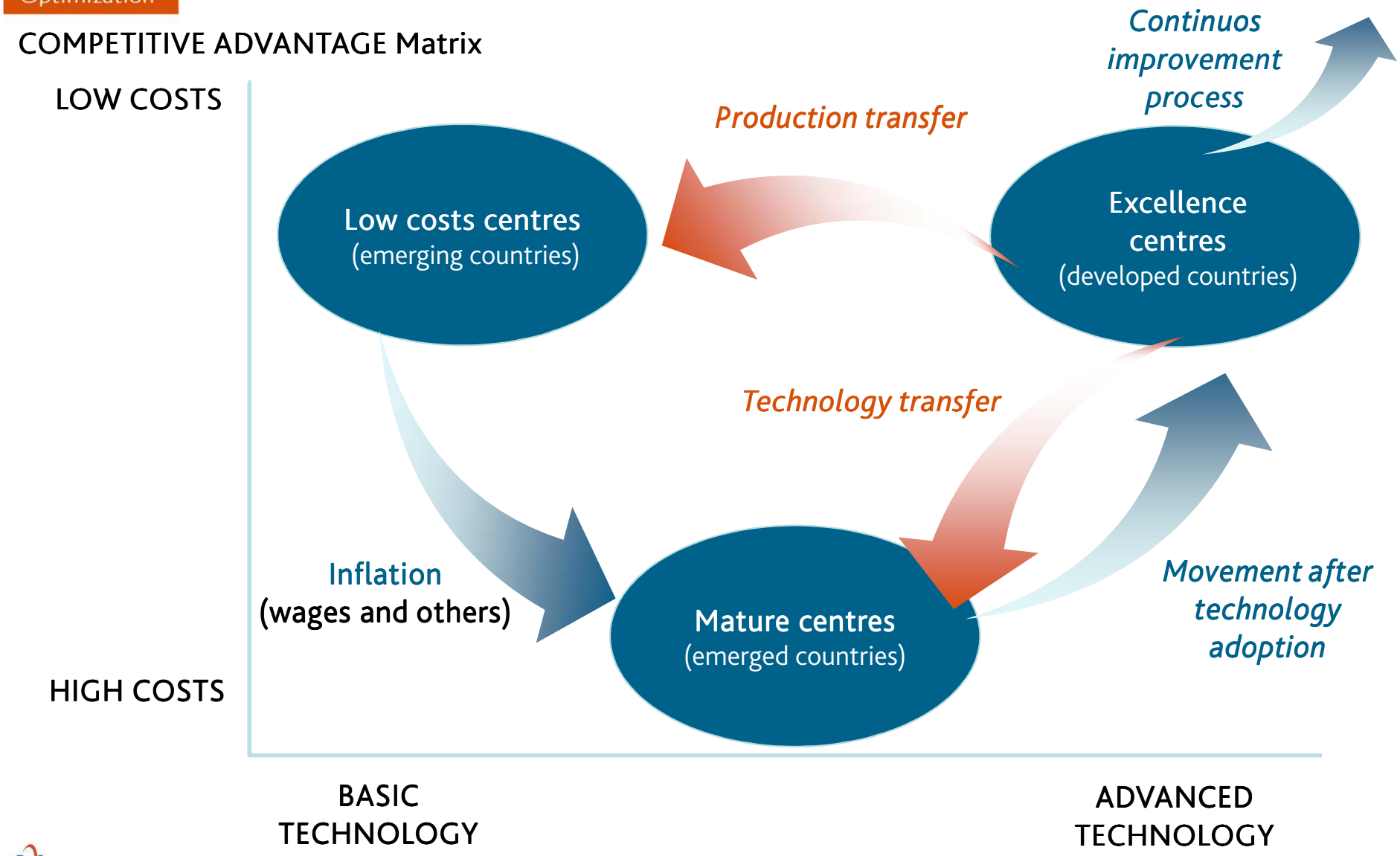
Commercial office
Market development. No local presence hurdles sales evolution

Converting plant
Capex: **€8MM**
Improve time to market

Collagen extrusion plant
Capex €29MM
Satisfactory local production for the market since **February 2013**

Optimization

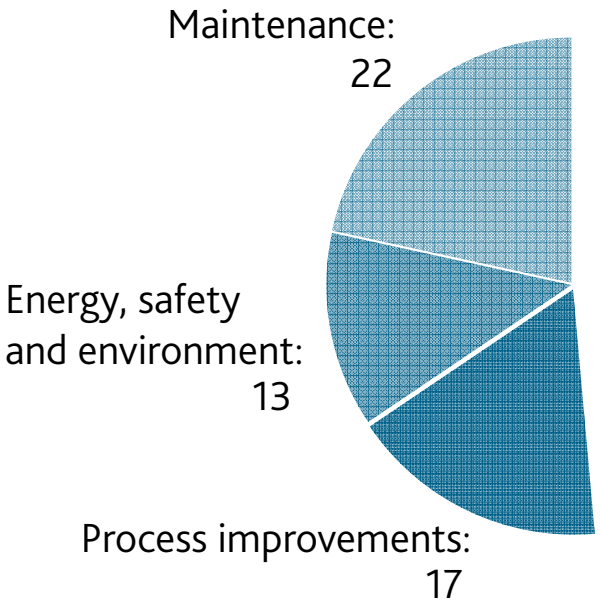
Combined with new resources to continuosly improve our operations.



Optimization

… with especific projects in all our facilities to improve our competitive advantages and profitability.

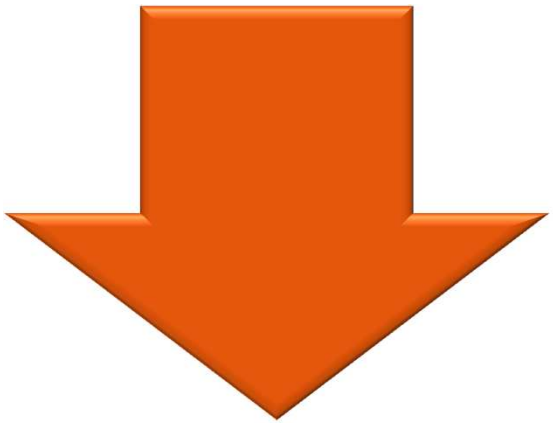
Capex for optimisation: €52MM



- Improve organization and progress in US to adopt Group's benchmarks
- Process automation and leaning the structure in Czech Republic and Brazil
- Consolidate the non-edible collagen capacity production in Serbia and improve production output
- Consolidate technological upgrades in Spain and Germany
- Consolidate the change in the energy model in our operation in Mexico
- Replace the purchase of steam in Germany for our own boilers.
- Improve the cogeneration equipment in Spain
- Investments on IT

R
Returns

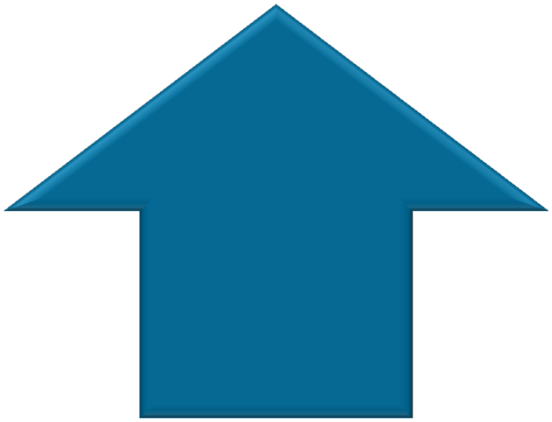
… to enhance margins despite inflation environment in production input and launches of new projects



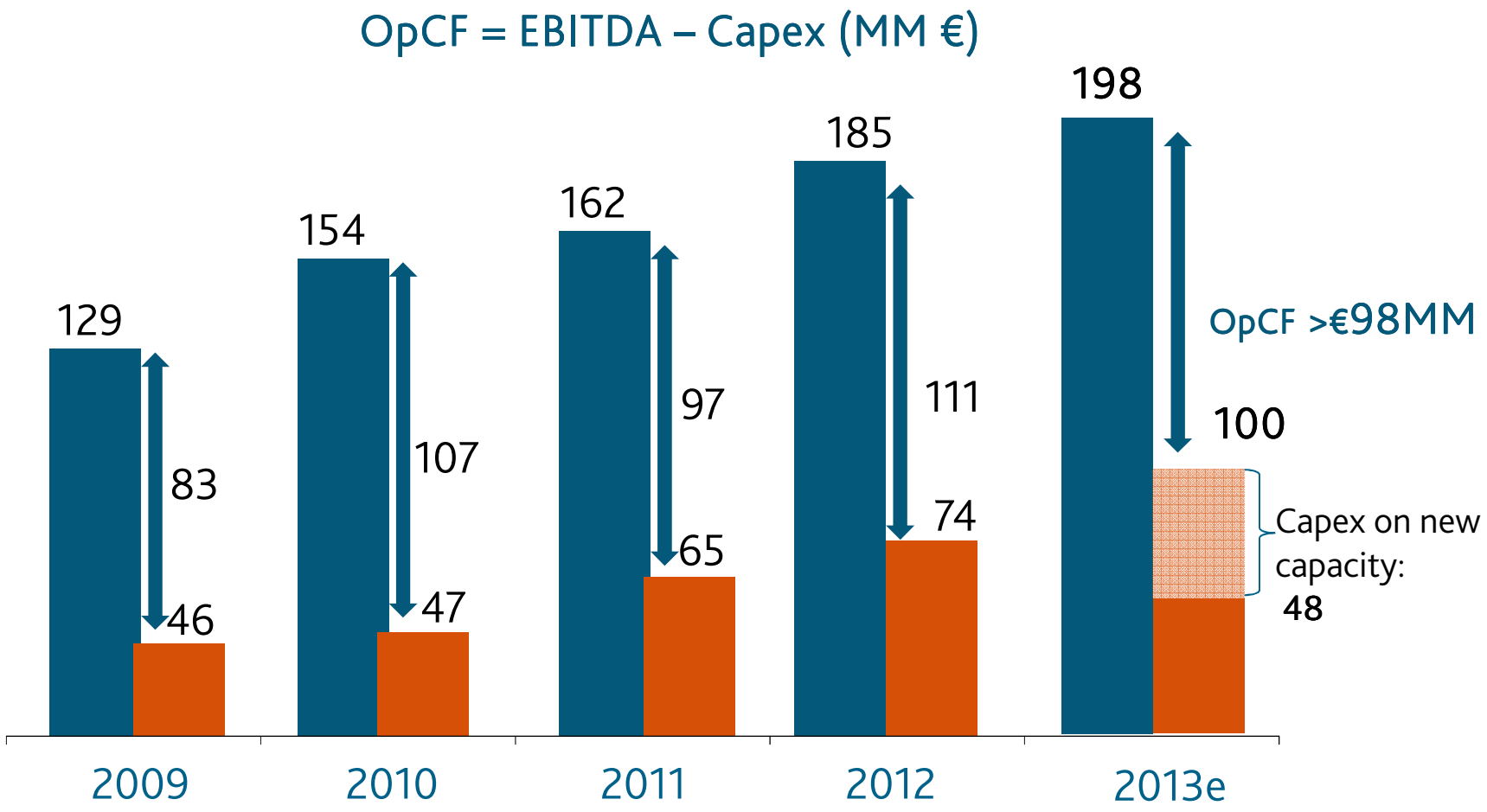
- Price mix in emerging markets
- Learning curve in China
- Start-up costs in Uruguay
- Raw materials and energy
- Increase of taxes



- Scale and productivity
- Commercial and financial discipline
- New capacity in countries with lower costs
- Investments in optimization and savings
- Consolidation of upgrades in technology



Providing enough cash flow to accelerate expansion plans



Excellence

A corporative culture based on excellence in all our activities.

Added value matrix based in the commitment of our team



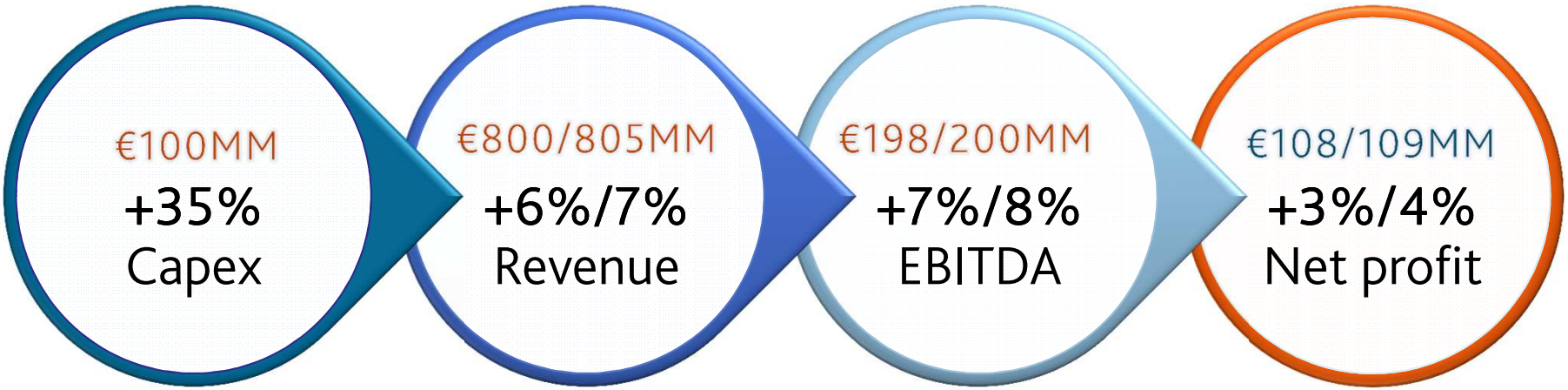
North America:
869 people

Latam:
459 people

Europe & Asia:
3.049 people



Guidance 2013



US$/€: 1.30

To sum up

- **Beating our main financial targets** by keeping a step ahead of the market to capture the growth.
- **Intensive activity in Q4** with the works to start operation in China, but also **showing excellent financial results of growth in the quarter.**
- **Market keeps growing** and Viscofan is placed to capture this growth thanks to different initiatives: the **new facility in China (already producing locally), new expansion projects, and recurrent improvement in our operations.**
- **Ambitious 2013 guidance,** accelerating our expansion plans, combined with revenue and profitability growth despite tough environment.
- **Strong financial position that help us to grow and improve shareholder remuneration,** and maintaining the flexibility required to deal with a volatile environment, with inflation in production input prices and growth opportunities offered by the sector.