January – December 2012 Results



1st March 2013

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

Interim management report

Main highlights of the January-December 2012 results

- +13% year-on-year growth in consolidated revenue to €752.8 million, driven by strong volumes.
- +14% year-on-year growth in consolidated EBITDA[1] to €185.0 million, with the EBITDA margin rising by +0.3 p.p. to 24.6%
- +7% year-on-year growth in recurring net profit[2] to €105.1million.
- Net bank debt[3] totalled €64.7 million, up 5.2% vs. December 2011 as a result of the higher investments linked to the growth plan and dividend hike.
- According to José Domingo de Ampuero y Osma, the Chairman of Viscofan, "2012 was an excellent year for the Viscofan Group, which has beaten all the main financial targets outlined in our guidance, in revenue, EBITDA and net profit. At the same time, work was completed to launch the new collagen extrusion plant in China, which started production in February 2013. Based on these results, the Board of Directors has agreed to propose to the General Shareholders' Meeting a final dividend of €0.694 per share, implying total shareholder remuneration of €1.10, 10% higher than the previous year".

Consolidated FY12 Results

Viscofan Group consolidated income statement ('000 €)

	Jan-Dec' 12	Jan-Dec' 11	*Change*	Oct-Dec' 12	Oct-Dec' 11	*Change*
Revenue	**752,784**	**666,812**	**12.9%**	**189,985**	**173,278**	**9.6%**
EBITDA	**185,033**	**162,142**	**14.1%**	**45,513**	**42,640**	**6.7%**
EBITDA margin	***24.6%***	***24.3%***	**0.3 p.p.**	***24.0%***	***24.6%***	**-0.6 p.p.**
EBIT	**140,023**	**120,092**	**16.6%**	**34,734**	**31,254**	**11.1%**
Net profit	**105,063**	**101,245**	**3.8%**	**27,114**	**26,444**	**2.5%**
Adjusted Net Profit [1]	**105,063**	**98,402**	**6.8%**	**27,114**	**26,444**	**2.5%**

[1] Adjusted net profit excludes a one-off gain of €2.84 million, 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's consolidated net turnover in 4Q12 amounted to €190.0 million, up 9.6% on the 4Q11 figure, due to the 10.6% gain at the casings division and the 4.0% rise at vegetable foods.

This performance has enabled the Viscofan Group to report growth for the eighth consecutive year, with net turnover up 12.9% to €752.8 million, on the back of an especially robust performance by the casings division, which posted 15.0% growth in the year, and by the vegetable foods division which, against a backdrop of recession in the domestic market, saw sales grow by 1.3%.

[1] EBITDA = Operating (EBIT) + Depreciation and amortisation charges
[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] Net bank debt = Non-current bank borrowings + current bank borrowings – cash and cash equivalents

Excluding the impact of exchange rate fluctuations[4], consolidated revenue in 2012 increased by 10.4% compared with 2011.

This growth was recorded in a context of considerable raw materials cost inflation. This trend began in the second half of 2011 and continued throughout 2012, especially with regard to the main raw materials used in the casings division: cellulose, collagen skins and cogeneration gas. Accordingly, costs of consumption[5] rose by 16.1% year-on-year, to 243.4 million in 2012 and €62.1 million in the quarter (+12.5% vs. 4Q11).

Consequently, the gross margin[6] was 67.6% in 2012, vs. 68.6% in the same period one year previously.

Personnel expenses in 2012 rose by 9.2% year-on-year to €150.3 million, with an average headcount of 4,377, i.e. 7.3% more than in 2011. The headcount increase was due to the incorporation of the workforce of Lingbao Baolihao Food Industrial Co. Ltd. in China, fully consolidated since July 2011. Excluding this change in consolidation scope, the average headcount was 2.4% higher, due primarily to increased activity in the casings division.

In this connection, the company made a considerable effort in the final quarter of the year to deploy personnel to China to launch the Group's new collagen plant, which explains the bulk of the 18.3% growth in personnel expenses in 4Q12 vs. 4Q11 to €38.7 million.

The increase in the average headcount was accompanied by production improvements and enhanced competitiveness at the Viscofan Group, boosting the productivity margin[7] by 0.6 p.p. in the year and partly offsetting the decline in the gross margin.

In 4Q12, other operating costs[5] fell by 0.7% to €45.9 million due to the energy improvements implemented in Mexico and to hedges on gas prices in Spain. In 2012, other operating expenses were 6.9% higher at €179.6 million, driven by a 8.6% year-on-year increase in energy costs.

Accordingly, consolidated EBITDA at the Viscofan Group in 4Q12 totalled €45.5 million, 6.7% higher than in 4Q11, and the quarterly EBITDA margin was 24.0% (-0.7 p.p. vs. 4Q11). The decline in the EBITDA margin in 4Q12 vs. 4Q11 was due mainly to the launch of the new collagen extrusion plant in China, and contrasts with the improvement in the EBITDA margin in the year as a whole.

EBITDA in the year amounted to a record €185.0 million, an increase of 14.1% from 2011. Sizeable volumes in the casings division, cost control, productivity gains and appreciation of the US$ against the € (7.6%) boosted the EBITDA margin by 0.3 p.p. vs. 2011 to 24.6%, despite the pressure on the unit costs of raw materials and energy, and the aforementioned work in 4Q11 for the plant launch.

Stripping out the exchange rate effect, 2012 year-end EBITDA growth was 7.1% compared to 2011.

Depreciation and amortisation charges amounted to €10.8 million in 4Q12 (-5.3% vs. 4Q11) and €45.0 million in 2012 (+7.0% vs. 2011), bringing consolidated EBIT to €34.7 million in 4Q12 and €140.0 million in 2012, up 11.1% and 16.6%, respectively, compared with the same period one year previously.

Viscofan reported a net financial loss of €7.0 million in 2012, compared to net financial profit of €7.9 million in 2011, owing to the one-off impact of the €3.3 million recognised in June 2011 related to the cancellation of a liability with Vojvodanska banka and to exchange gains of €6.6 million recognised in 2011, compared to exchange losses of €4.2 million in 2012.

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[4] 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

[5] Since 2012, the net purchases figure has included energy consumption associated with electricity production from the cogeneration plants in Spain and Mexico, formerly recognised under Other operating expenses. The impact of this reclassification in 2011 is €28.8 million of higher costs of consumption and a lower figure in Other operating expenses
Cost of consumption = Change in inventories + net purchases.

[6] Gross margin = (Revenue – cost of consumption) / revenue

[7] Productivity margin = (Revenue – personnel expenses) / revenue

Profit before tax amounted to €32.9 million in 4Q12 (+5.9% vs. 4Q11), and €133.0 million in 2012. Tax in the year totalled €27.9 million and was equivalent to an effective tax rate of 21.0%

Consequently, 2012 net profit rose 3.8% year-on-year to €105.1 million, and was up 6.8% excluding non-recurring results. Quarterly net profit exceeded €27.1 million (+2.5% vs. 4Q11).

Based on this performance, the Viscofan Group has exceeded its guidance for financial year 2012 in revenue, EBITDA and net profit.

Net bank borrowings totalled €64.7 million, up 5.2% vs. December 2011, as a result of the higher investments linked to the growth plan and dividend hike. Thus, the Viscofan Group's financial leverage[8] was 13.0%, vs.13.7% in December 2011.

In 2012, the company invested €74.0 million, compared with €64.7 million in 2011, earmarked mainly for the increase in collagen production capacity. The amount of the investment notably includes the new extrusion plant in China (€27.8 million), which has just been in operation since February 2013, which will help meet the requirements of the world's largest collagen casings market more directly and efficiently.

The improvement in results, coupled with the strong cash flow generated by Viscofan's operations, have enabled this increase in investment to be combined with an improvement in shareholder remuneration. At its meeting of 28 February 2013, the Board of Directors agreed to submit to shareholders a proposal to pay a final dividend of €1.10 per share, vs. the €1.00 in the previous year, comprising:

- Interim dividend of €0.400 per share paid on 20 December 2012.
- Proposed final dividend of €0.694 for approval at the General Shareholders' Meeting and payable on 4 June 2013.
- Bonus of €0.006 per share for attending the General Shareholders' Meeting.

[8] Financial leverage = Net debt / equity

FY2012 results: casings

Casings income statement ('000€)

	Jan-Dec' 12	Jan-Dec' 11	*Change*	Oct-Dec' 12	Oct-Dec' 11	*Change*
Revenue	**649,176**	**564,544**	**15.0%**	**163,353**	**147,677**	**10.6%**
EBITDA	**177,343**	**153,597**	**15.5%**	**43,439**	**40,388**	**7.6%**
EBITDA margin	***27.3%***	***27.2%***	**0.1 p.p.**	***26.6%***	***27.3%***	**-0.7 p.p.**
EBIT	**135,633**	**114,646**	**18.3%**	**33,464**	**29,772**	**12.4%**
Net profit	**101,200**	**97,068**	**4.3%**	**25,827**	**25,374**	**1.8%**
Adjusted Net Profit [1]	**101,200**	**94,225**	**7.4%**	**25,827**	**25,374**	**1.8%**

[1] Adjusted net profit excludes a one-off gain of €2.84 million, 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 globalisation of food habits, coupled with the quest for productivity and savings by meat processors, have translated into strong growth in the casings market throughout 2012, not only in emerging economies, but also in more developed economies.

In this context of growth, the Viscofan Group has launched an ambitious plan called Be MORE for 2012-2015, in order to consolidate its global leadership in the casings market, and this has boosted production capacity thanks to new machinery and better technology at current plants, and has also driven a plan to expand collagen production in China and Uruguay, with new facilities in operation in 2013 and 2014, respectively.

As a result of the production capacity increase in the second half of 2011 and throughout 2012, revenues at the casings division grew by 15.0% vs. 2011 to €649.2 million, of which €54.4 million (+20.3% vs. 2011) were cogeneration energy sales and €594.8 million (+14.5% vs. 2011) were casings sales.

In quarterly terms, revenue from the casings division in 4Q12 grew by 10.6% year-on-year, a slower pace than in previous quarters as the capacity growth projects began in the second half of 2011, boosting sales volumes in 4Q11. Revenue from the casing division in 4Q12 increased to €163.4 million, of which €14.9 million (+19.9% vs. 4Q11) related to cogeneration energy sales and €148.5 million (+9.8% vs. 4Q11) to casings sales.

This growth is being sustained in all casings families, with particular vigour in the collagen segment, and in all of the Group's reporting regions. In this context, in 2012 revenue at Viscofan by region[9] broke down as follows:

- In Europe and Asia, revenue rose 16.5% on FY11 to €339.5 million.
- In North America, revenue rose 13.2% to €209.0 million.
- In Latin America, revenue rose 13.7% year-on-year to €100.7 million.

Stripping out the impact of the foreign exchange rates applied in consolidation, net turnover grew by 12.0% year-on-year in 2012.

The strong sales volumes and market growth came in a very adverse context for unit prices of both energy used at the cogeneration plants in Spain and North America and the main raw materials (principally cellulose, collagen hides and, to a lesser extent, certain auxiliary raw materials). Costs of consumption[5] amounted to €46.5 million in the quarter (+14.1% vs. 4Q11) and €183.3 million in the year as a whole (+22.8% vs. 2011).

[9] Revenue by origin of sales

This increase in raw material costs caused the gross margin to erode, to 71.8% in 2012 (-1.7 p.p. vs. 2011) and to 71.6% in 4Q12 (-0.8 p.p. vs. 4Q11).

The Be MORE strategic plan in place at the Viscofan Group has implied a huge effort to increase production, which has given rise to new personnel requirements, bringing the average headcount at the casings division to 3,776, i.e. 2.1% higher than in December 2011.

This growth in staff has focused mainly on China, with the increase in shifts and new hirings for the launch of the new collagen plant, on Serbia, due to the transfer of non-edible collagen production from Germany, and on Spain, with increases in capacity and central services. These growth initiatives were partially offset by downsizing in Germany and the Czech Republic, where processes are being increasingly automated.

In the final quarter of the year, the Viscofan Group accelerated activities to launch the new collagen extrusion plant in China, deploying staff from its various subsidiaries to install and launch the machinery developed for this purpose. At the same time, the staff deployed are providing important training to employees of Viscofan Technology Suzhou. Ltd., set to continue throughout 2013, for an adequate launch and productive consolidation of the China operations.

These launch costs had a significant impact on personnel expenses in the final quarter of the year, which increased by 20.2% vs. 4Q11 to a total of €35.7 million, contrasting with personnel expenses through December 2012 totalling €138.1 million, i.e. 9.1% higher than in the same period one year earlier.

However, the company achieved sizeable savings in other operating expenses in the final quarter of the year, which totalled €39.6 million (-0.6% vs. 4Q11) due to the investments in Mexico to optimise energy and to the better gas prices in Spain.

As a result of these projects, during November and December 2012 liquefied gas was introduced into part of the production process in Mexico, generating significant savings in the country's energy bill. At the same time, gas hedging projects in Spain brought the price per MW in line with gas prices in 4Q11. These two effects kept gas supply expenses stable in 4Q12 vs. 4Q11, contrasting with the 7.7% rise in energy costs for the year as a whole.

In 2012 other operating costs climbed 7.4% year-on-year to €155.2 million, spearheaded by the aforementioned 7.7% increase in energy costs.

Quarterly EBITDA amounted to €43.4 million and exceeded the figure reported in the same period one year previously by 7.6%, bringing the quarterly EBITDA margin to 26.6% (-0.8 p.p. vs. 4Q11), evidencing the special effort in the quarter to launch the new plant in China.

EBITDA in the year exceeded €177.3 million, a 15.5% gain on the previous year, with an EBITDA margin of 27.3%, i.e. 0.1p.p. higher than the previous year's figure, despite the inflation in raw materials and energy costs, and the work to launch the new plant in China, offset by robust sales volumes, commercial discipline, cost containment and favourable currencies, especially the US$ (7.6%, vs. 2011 against the €).

Stripping out the exchange rate effect, 2012 year-end EBITDA growth was 8.1% compared to 2011.

Depreciation and amortisation charges amounted to €10.0 million in 4Q12 (-6.0% vs. 4Q11) and €41.7 million in 2012 (+7.1% vs. 2011), bringing quarterly EBIT to €33.5MM (+12.4% vs. 4Q11) and EBIT for the year as a whole to €135.6 million (+18.3% vs. 2011).

Net profit in the year totalled €101.2 million, up 4.3% vs. 2011, 7.4% higher excluding non-recurring revenue in 2011. In the quarter, net profit amounted to €25.8MM (+1.8% vs. 4Q11).

FY2012 results: IAN Group

IAN Group income statement ('000€)

	Jan-Dec' 12	Jan-Dec' 11	*Change*	Oct-Dec' 12	Oct-Dec' 11	*Change*
Revenue	**103,608**	**102,268**	**1.3%**	**26,632**	**25,601**	**4.0%**
EBITDA	**7,690**	**8,545**	**-10.0%**	**2,074**	**2,252**	**-7.9%**
EBITDA margin	***7.4%***	***8.4%***	**-1.0 p.p.**	***7.8%***	***8.8%***	**-1.0 p.p.**
EBIT	**4,390**	**5,446**	**-19.4%**	**1,270**	**1,482**	**-14.3%**
Net profit	**3,863**	**4,177**	**-7.5%**	**1,287**	**1,070**	**20.3%**

The vegetable foods division managed to boost revenue by 1.3% year-on-year to €103.6 million, despite the economic crisis in the Spanish market, which is strangling household consumption in the country.

Against this backdrop, the IAN Group has shown solid leadership, with a notable improvement in revenue in the last quarter, up 4.0% vs. 4Q11.

This growth was driven by product range diversification, prospection for external markets, adaptation to emerging consumer habits and the sharp growth in the ready-made meals segment of over 22% year-on-year, offsetting the decline in sales of asparagus.

Although net turnover exceeded the 2011 figure, pressure on sale prices at retail chains, coupled with production cost inflation, translated into a 1.0 p.p. decline in the quarterly and yearly EBITDA margins, which were 7.8% and 7.4%, respectively.

Consequently, EBITDA in the year totalled €7.7 million, i.e. 10.0% less than in 2011, and €2.1 million in the quarter (-7.9% vs. 4Q11).

Net profit totalled €3.9 million, down 7.5% vs. 2011, while quarterly net profit totalled €1.3 million in 4Q12, 20.3% higher than in 4Q11.

Description of risks and uncertainties

The Viscofan Group has shown improved results in a time of great volatility and uncertainty, and is well placed to capture market growth in its main business activities. Nevertheless, it should be remembered that, due to the nature of its operations, the Group's activities are exposed to various operational, financial, strategic and legal risks. The Group manages risk based on policies approved by the Board of Directors, which are outlined in the annual corporate governance report, the supervision of which is also entrusted to the Audit Committee.

Among the specific risks it is worth highlighting the possibility of lower returns and risks relating to the success of the investments made, a worsening of exchange rates, credit risk, financial disclosure oversight systems, liquidity risk, interest rate risk with regard to cash flows and fair value, operating risk in the supply of raw materials, material damage and production continuity, strategic risk linked to the competitive environment in the sector, and legal risks, including criminal liability of legal persons. Furthermore, the Group manages its operations from commercial offices and production centres in 13 countries and markets products in more than 100 countries worldwide. Consequently, political decisions, natural disasters and food or food security crises, whether linked to the company itself or triggered by third parties in any of those countries, could affect our operations.

APPENDICES

Significant events

- In May 2012, the following resolutions, among others, were adopted at the General Shareholders' Meeting:

  - to **approve** the balance sheet, income statement, statement of changes in equity, cash flow statement, explanatory notes, management report including the annual report on corporate governance and management's performance, for Viscofan, S.A., as well as the consolidated statement of financial position, the consolidated income statement, the consolidated statement of total changes in equity, the consolidated cash flow statement, explanatory notes, management report and management's performance for the Viscofan Group, of which Viscofan, S.A. is the parent, for the year ended 31 December 2011.

  - to **earmark** €46,324,059.91 of profit from Viscofan's 2011 separate balance sheet for the payment of dividends, €3,589,477.20 for the legal reserve as a result of the capital increase approved at the General Shareholders' Meeting held on 14 April 2011, and €6,191,426.16 for voluntary reserves. Consequently, it was agreed that a final dividend would be paid of €0.634 per share, representing a total sum of €29,546,734.39, payable to shareholders from 5 June 2012.

  - to accept the proposed total remuneration, bearing in mind the interim dividend of €0.360 per share paid on 22 December 2011, representing a total of €16,777,325.52 and including the €0.006 per share bonus for attending the General Shareholders' Meeting , of **€1 per share**, equivalent to a total of €46,603,682, an increase of 25% from last year.

  - to **appoint** Ernst & Young, S.L. as auditors to review the financial statements of Viscofan, Sociedad Anónima and the consolidated annual accounts of the business group of which Viscofan is the parent, for the fiscal year closing on 31 December 2012.

  - to **appoint** José María Aldecoa Sagastasoloa as an independent director for a term of six years and to re-elect Alejandro Legarda Zaragüeta as an independent director for a term of six years as of the date of the meeting .

  - to **renew**, for the maximum term envisaged by law, and running from the date of the resolution, the authorisation for the Board of Directors to buy and sell treasury shares on the market at the listed share price on the day of the transaction, subject to the maximum number of shares permitted by the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*) and related legal provisions, with the minimum price being the par value and the maximum being €45.

  - to **approve**, by advisory vote, the report on the directors' compensation policy, pursuant to recommendation 40 of the Unified Good Governance Code.

  - to **reject** the introduction of a progressive dividend policy, a proposal that had been included in the supplement to the call notice at the request of Governance for Owners.

  - to **accept the Board's proposal** and **reject the proposal of Governance for Owners** to adopt and apply recommendation 29 of the Unified Good Governance Code and subsequently to modify article 27 of the Bylaws, with regard to the 12-year limit on independent directors.

- to **reject** the adoption and application of Recommendation 36 of the Unified Good Governance Code and the resulting modification to article 27 of the Bylaws, with regard to remuneration for independent directors proposed by Governance for Owners.

- to **reject** the establishment of an unpaid proprietary director role and subsequent modifications to article 27 of the Bylaws proposed by Governance for Owners.

- to **reject** the modification of the remuneration structure for executive directors and subsequent modification to article 27 of the Bylaws proposed by Governance for Owners.

- The Viscofan Group, through its wholly-owned subsidiary, Viscofan Uruguay S.A., will set up the first collagen extrusion production plant in Latin America in Pando (Canelones Department), 23 kilometres outside of Montevideo (Uruguay). This plant is scheduled to come on stream in 2014.

- José María Aldecoa Sagastasoloa became a member of the Audit Committee in July 2012.

- The Navarre Companies Registrar rejected inscription of the resolution to amend article 27 of the Bylaws in respect of limitation of the tenure of independent directors to 12 years, based on its judgement that the addendum to the call notice requested by Governance for Owners was not valid on the grounds that section 519 of the Corporate Enterprises Act does not provide for the right to ask for addenda to extraordinary general meeting call notices.

- The Board of Directors, at its meeting on 28 February 2013, agreed to submit to the General Shareholders' Meeting a proposal for a final dividend from 4 June 2013 of 0.694 per share. This brings total shareholder remuneration to €1.10 per share, including the interim dividend of €0.400 per share paid on 20 December 2012, the aforementioned final dividend of €0.694 per share, and €0.006 per share as a bonus for attending the Shareholders' Meeting. The remuneration proposed is 10.0% higher than the total remuneration of €1.00 approved last year.

Viscofan Group Profit and loss account ('000 €)

	Jan-Dec' 12	Jan-Dec' 11	*Change*	Oct-Dec' 12	Oct-Dec' 11	*Change*
Revenues	**752,784**	**666,812**	**12.9%**	**189,985**	**173,278**	**9.6%**
Other operating income	4,706	8,006	-41.2%	2,193	2,569	-14.6%
Self-constructed assets	428	1,601	-73.3%	85	481	-82.3%
Variation in stocks of finished products and work-in-progress	29,502	4,093	620.8%	29,325	-94	c.s
Net purchases	-272,943	-213,734	27.7%	-91,402	-55,091	65.9%
Personnel expenses	-150,319	-137,635	9.2%	-38,743	-32,738	18.3%
Other operating expenses	-179,578	-168,045	6.9%	-45,887	-46,195	-0.7%
Capital grants	843	1,085	-22.3%	207	423	-51.1%
Impairment and results coming from disposals of non-current assets	-390	-41	851.2%	-250	7	c.s
Other results	0	0	n.s.	0	0	n.s.
EBITDA	**185,033**	**162,142**	**14.1%**	**45,513**	**42,640**	**6.7%**
EBITDA margin	*24.6%*	*24.3%*	*0.3 p.p.*	*24.0%*	*24.6%*	*-0.6 p.p.*
Amortization and depreciation	-45,010	-42,050	7.0%	-10,779	-11,386	-5.3%
EBIT	**140,023**	**120,092**	**16.6%**	**34,734**	**31,254**	**11.1%**
EBIT margin	*18.6%*	*18.0%*	*0.6 p.p.*	*18.3%*	*18.0%*	*0.3 p.p.*
Financial incomes	691	1,389	-50.3%	229	144	59.0%
Financial expenditures	-3,518	-3,491	0.8%	-1,098	-931	17.9%
Changes in reasonable value of financial instruments	0	0	n.s.	0	0	n.s.
Exchange differences	-4,201	6,648	c.s	-944	618	c.s
Impairment and results coming from disposals of financials assets	0	3,326	n.s.	0	-1	n.s.
Financial results	**-7,028**	**7,872**	**c.s**	**-1,813**	**-170**	**966.5%**
Profit from associated companies	0	-80	n.s.	0	-2	n.s.
Profit before taxes	**132,995**	**127,884**	**4.0%**	**32,921**	**31,082**	**5.9%**
Taxes	-27,932	-26,639	4.9%	-5,807	-4,638	25.2%
Profit after taxes	**105,063**	**101,245**	**3.8%**	**27,114**	**26,444**	**2.5%**
Minority interest	0	0	n.s.	0	0	n.s.
Net profit	**105,063**	**101,245**	**3.8%**	**27,114**	**26,444**	**2.5%**
Adjusted Net Profit [1]	**105,063**	**98,402**	**6.8%**	**27,114**	**26,444**	**2.5%**

[1] Adjusted net profit excludes a one-off gain of €2.84 million, 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 €)

	Dec '12	Dec '11	Change
Intangible assets	16,342	17,545	-6.9%
Goodwill	0	0	n.s.
Others intangible asset	16,342	17,545	-6.9%
Tangible assets	344,536	322,293	6.9%
Real state investments	0	0	n.s.
Investment accounting ussing the equity method	0	0	n.s.
Non-current financial assets	1,360	838	62.3%
Deferred tax assets	11,023	11,155	-1.2%
Other non-current assets	0	0	n.s.
NON-CURRENT ASSETS	**373,261**	**351,831**	**6.1%**
Non-current assets held for sale	0	0	n.s.
Inventories	197,837	175,076	13.0%
Trade and other receivables	155,897	141,470	10.2%
Trade debtors	133,563	124,014	7.7%
Other debtors	20,011	16,706	19.8%
Current tax assets	2,323	750	209.7%
Other financial current assets	3,412	11,515	-70.4%
Other current assets	2,299	2,656	-13.4%
Cash and cash equivalents	44,863	14,748	204.2%
CURRENT ASSETS	**404,308**	**345,465**	**17.0%**
TOTAL ASSETS= EQUITY AND LIABILITIES	**777,569**	**697,296**	**11.5%**
Share capital	32,623	32,623	0.0%
Share issue premium	12	12	0.0%
Reserves	386,858	334,575	15.6%
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	105,063	101,245	3.8%
Less: Interim dividend	-18,641	-16,777	11.1%
Other equity instruments	0	0	n.s.
SHAREHOLDER'S FUNDS	**505,915**	**451,678**	**12.0%**
Financial assets held for sale	0	0	n.s.
Hedge transaction reserves	1,125	-1,498	c.s.
Currency translation differences	-8,471	-744	1038.6%
Others	0	0	n.s.
ADJUSTMENTS DUE TO CHANGE IN VALUE	**-7,346**	**-2,242**	227.7%
SHAREHOLDERS' EQUITY	**498,569**	**449,436**	**10.9%**
Minority interest	0	0	n.s.
EQUITY	**498,569**	**449,436**	**10.9%**
Grants	5,434	6,444	-15.7%
Non-current provision	26,772	28,461	-5.9%
Non-current financial liabilities	25,856	22,059	17.2%
Financial debt	19,000	16,654	14.1%
Other financial liabilities	6,856	5,405	26.8%
Deferred tax liabilities	25,315	26,692	-5.2%
Other non-current liabilities	0	0	n.s.
NON-CURRENT LIABILITIES	**83,377**	**83,656**	**-0.3%**
Liabilities linked to non-current assets held for sale	0	0	n.s.
Current provisions	3,834	5,140	-25.4%
Current financial liabilities	102,112	69,606	46.7%
Financial debt	90,516	59,563	52.0%
Other financial liabilities	11,596	10,043	15.5%
Trade creditor and other payable accounts	89,677	89,458	0.2%
Trade creditors	62,458	63,654	-1.9%
Other creditors	17,784	17,240	3.2%
Current tax liabilities	9,435	8,564	10.2%
Other current liabilities	0	0	n.s.
CURRENT LIABILITIES	**195,623**	**164,204**	**19.1%**
NET BANK DEBT	**64,653**	**61,469**	**5.2%**

Cash flow statments ('000 €)

	Jan-Dec' 12	Jan-Dec' 11	Change
Cash flows from operating activities	**104.212**	**112.238**	**-7,2%**
Profit for the year before tax	**132.995**	**127.884**	**4,0%**
Adjustments in results	**51.547**	**34.420**	**49,8%**
Amortisation and depreciation	45.010	42.050	7,0%
Others adjustments in results(net)	6.537	-7.630	c.s.
Changes in working capital	**-43.467**	**-28.514**	**52,4%**
Other cash flows from operating activities	**-36.863**	**-21.552**	**71,0%**
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	-29.228	-19.396	50,7%
Proceeds/(payments) from operating activities	-7.635	-2.156	254,1%
Cash flows from investing activities	**-58.290**	**-71.440**	**-18,4%**
Investment payments	**-70.239**	**-72.084**	**-2,6%**
Group companies, associated & business units	0	886	n.s.
Acquisition of property, plant and equipment and intangible assets	-69.238	-65.994	4,9%
Other financial assets	-971	-6.976	-86,1%
Other assets	-30	0	n.s.
Cash from disposals	**11.258**	**644**	**1648,1%**
Group companies, associated & business units	0	0	n.s.
Disposal of property, plant and equipment and intangible assets	274	644	-57,5%
Other financial assets	10.984	0	n.s.
Other assets	0	0	n.s.
Other cash flows from investing activities	**691**	**0**	**n.s.**
Dividends received	0	0	n.s.
Interest received	691	0	n.s.
Proceeds/(Payments) from others investings activities.	0	0	n.s.
Cash flows from financing activities	**-15.781**	**-83.299**	**-81,1%**
Proceeds and payments from equity instruments	**0**	**-13.515**	**n.s.**
Proceeds from issue of stock	0	0	n.s.
Cancellation and payments	0	-13.515	n.s.
Acquisition	0	0	n.s.
Disposal	0	0	n.s.
Proceeds and payments from financial liabilities instruments	**33.965**	**-40.134**	**c.s.**
Proceeds from issue of financial liabilities instruments	54.039	10.905	395,5%
Refund, cancellation and payments	-20.074	-51.039	-60,7%
Dividends paid and others payments from others equities instruments	**-48.188**	**-26.284**	**83,3%**
Others cash flows from financing activities	**-1.558**	**-3.366**	**-53,7%**
Interest paid	-3.390	-5.327	-36,4%
Others proceeds /(payments) from financing activities	1.832	1.961	-6,6%
Effect of foreign exchange rate changes on collections and payments	**-26**	**-52**	**-50,0%**
Net increase (decrease) in cash and cash equivalents	**30.115**	**-42.553**	**c.s.**
Cash and cash equivalents at the begining of the period	**14.748**	**57.301**	**-74,3%**
Cash and cash equivalent at the end of the period	**44.863**	**14.748**	**204,2%**

Average exchange rates (Currency/€)

	2012	2011	% Change
Euro	1.000	1.000	0.0%
US Dollar	1.286	1.392	-7.6%
Canadian Dollar	1.285	1.376	-6.6%
Mexican Peso	16.908	17.279	-2.1%
Brazilian real	2.510	2.326	7.9%
Czech crown	25.143	24.589	2.3%
British Pound	0.811	0.868	-6.5%
Serbian Dinar	112.999	101.972	10.8%
Chinesse yuan remminbi	8.116	9.000	-9.8%
Uruguayan Peso	26.083	na	na

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