Viscofan
The casing company

January – December 2016 Results



2017, 28th February

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

Management report

Main highlights of 2016 results

- Net profit in the quarter of €36.9 million, 11.6% higher than the previous year.
- EBITDA[1] in the quarter of €55.3 million, a year-on-year increase of 0.4% including a gain on the negative goodwill from the Vector acquisition
- Revenue in the quarter amounted to €193.5 million, up 4.7% from the fourth quarter of 2015.
- In 2016, the Viscofan Group obtained a net profit of €125.0 million (+4.1% vs. 2015), EBITDA of €204.1 million (-4.6% vs. 2015) and revenue of €730.8 million (-1.3% vs. 2015).
- Net bank debt[2] in December 2016 stood at €8.8 million compared with a net cash position of €3.2 million in December 2015.
- Viscofan's chairman, José Domingo de Ampuero y Osma, stated: "The Viscofan Group's once again delivered a strong operating performance and strong balance sheet in a challenging market, currency and co-generation revenue environment which did not prevent the Group from achieving a further increase in net profit, incorporating organic and inorganic growth projects while increasing shareholder remuneration."

In 2016 the casings market posted a lower growth rate than the historical average range. Sales volumes fell across the market as a result of the sharp slowdown in Latin America, led by Brazil, and the weakness of the North American market, in contrast to the robustness of the Asian market.

Exchange rates were highly volatile, in particular in emerging economies, which indirectly impacted the consumer´s purchasing power of imported products and the production costs of companies in our sector.

Against such a demanding backdrop the Viscofan Group strengthened its leadership position by value in the sector and continued to develop the activities set out in the MORE TO BE 2020 strategic plan with the aim of spearheading the main casings markets in terms of service, cost and technology.

The most notable of these initiatives include the acquisition of the Vector companies in Europe and the United States, the start-up of the new plastics plant in San Luis Potosí (México) and the work starting up plastics production with Nanopack technology in Cáseda (Spain). At the end of 2016 the Viscofan Group was established as one of the five leading producers of plastic casings in the world.

In addition, work on the construction of the new plant in Cáseda (Spain) is proceeding according to schedule and fibrous casings production is slated to start up in the second half of 2017.

Our commitment to the development of the market in Latin America was strengthened with the start-up of the new extrusion capacity of collagen casings at the Pando plant in Uruguay at the end of 2016, consolidating our position as the only collagen producer in Latin America.

This investment activity was accompanied by the achievement of a new record net profit, which totalled €125.0 million, up 4.1% compared with 2015.

[1] EBITDA = Operating profit (EBIT) + depreciation of property, plant and equipment and intangible assets.
[2] Net bank debt = Non-current bank borrowings + Current bank borrowings – Cash and equivalents.

The strength of the balance sheet, with net bank debt of €8.8 million at the end of 2016, and of the results obtained enabled the Group to continue increasing shareholder remuneration, with proposed total remuneration of €1.45 per share, an increase of 7.4% from €1.35 in 2015.

Overall, 2016 was a demanding year that did not prevent the Viscofan Group from growing in terms of results, shareholder remuneration and investment, reinforcing our leadership position in the sector.

From this position we confidently face 2017, expecting to achieve further growth in our key financial indicators while making progress on the projects defined within the MORE TO BE 2020 strategic plan.

Changes in the scope of consolidation

In October of 2016 Viscofan Group has signed the SPA with a group of private investors to acquire the 100% of the shares of Vector USA Inc. and Vector Europe NV. including its subsidiaries in Europe (Vector Packaging Europe NV. y Vector UK Ltd.). The price is paid-out in cash.

The companies acquired are included in the consolidation scope with effect from 1st November 2016 using the full consolidation method.

The share of the Viscofan companies of the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination. This difference was recognised in the profit for the year once the acquisition cost and the valuation of the net assets acquired had been reevaluated, generating a gain of €4.5 million.

The most relevant factors that contributed to the cost of the combination and which entailed the recognition of the excess of net assets acquired over the cost of acquisition are the appraisals by independent experts of the tangible and intangible assets of the group of companies acquired.

Results January-December 2016. Viscofan Group

Viscofan Group 2016 income statement ('000 €)

	Twelve months				Fourth quarter			
	Jan-Dec' 16	Jan-Dec' 15	*Change*	*Like-for-like (1)*	Oct-Dec' 16	Oct-Dec' 15	*Change*	*Like-for-like (1)*
Revenue	730,833	740,770	-1.3%	0.0%	193,476	184,850	4.7%	2.1%
Recurring EBITDA (2)	201,134	210,840	-4.6%	-0.8%	51,723	55,035	-6.0%	-5.0%
Recurring EBITDA Margin (2)	*27.5%*	*28.5%*	-1.0 p.p.	-0.2 p.p.	*26.7%*	*29.8%*	-3.1 p.p.	-2.1 p.p.
Non-recurring result (2)	2,931	3,003	-2.4%		3,531	14	n.s.	
EBITDA	204,065	213,843	-4.6%		55,254	55,049	0.4%	
EBITDA Margin	*27.9%*	*28.9%*	-1.0 p.p.		*28.6%*	*29.8%*	-1.2 p.p.	
EBIT	154,366	160,794	-4.0%		42,103	41,634	1.1%	
Net profit	125,011	120,035	4.1%		36,879	33,047	11.6%	

(1) Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates, the change in the scope of consolidation and non-recurring results.
(2) Recurring: Adjusted by the non-recurring results recorded in 2016 related with the acquisition of Vector in EEUU and Europe, and in 2015 due to the outsourcing of pensions in the US.

Revenue

The pace of growth of the casings market in 2016 underperformed the historical average growth due to the slowdown in the Latin American market and North America.

However, market conditions started to pick up in the Latin American market in the second half of the year, chiefly in Brazil, increasing sales for the Viscofan Group in the region.

In addition, the acquisition of the Vector companies in the US and Europe contributed to revenue with €5.4 million in November and December 2016.

As a result, the revenue generated in 4Q16 amounted to a record figure of €193.5 million, up 4.7% compared with the same period in 2015, marking a change in trend from the slowdown reported in previous quarters.

In like-for-like[3] terms, all reporting geographic areas obtained positive growth rates, with revenue in the quarter advancing by 2.1% year-on-year.

By type of revenue, casing sales amounted to €183.9 million (+6.6% vs. 4Q15) driven by growth in volumes across all families. Meanwhile, revenue from co-generation sales fell by -22.3% to €9.5 million.

Accumulated revenue amounted to €730.8 million, down 1.3% year on year due mainly to the weakness of commercial currencies, which caused revenue for the year to fall by two percentage points, and the decline in co-generation revenue caused by the lower energy price, especially in the second half of the year, while higher casing sales in North America, Europe and Asia offset the drop in sales in Latin America.

By type of revenue, casing sales amounted to €691.2 million (-0.5% vs. 2015) and co-generation revenue amounted to €39.6 million (-13.9% vs. 2015).

In like-for-like[3] terms, cumulative revenue in 2016 was stable compared with 2015.

The geographical breakdown[4] of revenue in 2016 is as follows:

[3] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates, the change in the scope of consolidation and non-recurring results.
[4] Revenue per origin of sales

- In Europe and Asia revenue totalled €411.1 million, down 0.2% compared with 2015 due to the adverse impact of the depreciation of the main trading currencies against the €, most notably the CNY/€ (5.8%) and the GBP/€ (12.8%), and the double-digit decline in co-generation sales in Spain. However, in like-for-like terms, revenue in the region grew by 0.7% thanks to higher casings volumes.

- In North America, revenue totalled €217.3 million, up 0.7% compared with 2015 and 2.3% in like-for-like terms.

- In Latin America, revenue totalled €102.4 million, down 9.4% vs. 2015 owing to the weakness of volumes in Brazil and the depreciation of the Brazilian real against the euro (4.6%). In like-for-like terms, revenue for the year 2016 in Latin America fell by 7.0% year-on-year. This performance contrasts with the fourth quarter, when the recovery of the casings market in Brazil and favourable exchange rates context in the region led growth to +15.5% in 4Q16 vs. 4Q15.

Operating expenses

2016 saw a slight drop in the costs of the main production inputs - both raw materials and energy costs -, which, coupled with operational improvements carried out at the Viscofan Group, helped to keep operating expenses in check compared with 2015. However, the volatility of currencies, the higher expenses associated with a fire at a spare parts warehouse in Germany in November 2016 and the costs incurred in the acquisition of Vector caused operating expenses to rise in the fourth quarter.

Despite the higher operating expenses associated with the fire in Germany, the Viscofan Group has insurance policies as part of its risk management system that cover expenses incurred among other contingencies.

Cost of consumption

The cost of consumption[5] stood at €202.9 million, down 0.3% compared with 2015. In 4Q16 the cost of consumption amounted to €55.3 million, up 13.7% year-on-year, as a result of the recovery of sales volumes, lower efficiencies related with the production start-up of the new capacity and the inclusion of the Vector companies in the consolidation scope.

As a result, the cumulative gross margin[6] in 2016 stood at 72.2% compared with 72.5% in 2015, while the gross margin in the fourth quarter stood at 71.4% compared with 73.7% in 4Q15.

Personnel expenses

The average headcount at the end of December 2016 was 4,363 persons, up 3.1% year on year. This reflects the strengthening of the workforce including the recruitment of personnel for the start-up of plastics production in Mexico and the new plant in Spain with fibrous technology, and the incorporation of the personnel from Vector's companies.

Personnel expenses in 2016 grew by 6.3% vs. 2015 to €168.6 million, of which €45.4 million corresponds to 4Q16, up 8.4% from 4Q15.

In recurring terms, i.e. excluding the accounting savings from the outsourcing of pension plans in the United States in 2015, cumulative personnel expenses advanced by 4.4% vs. 2015.

Other operating expenses

"Other operating expenses" in the quarter rose by 13.1% vs. 4Q15 to €49.1 million. This increase contrasts with the cost control in the previous quarters and is largely due to the increase in energy supply costs

[5] Cost of consumption = Supplies +/- Change in inventories of finished and unfinished products.
[6] Gross margin = (Revenue – cost of consumption) / Revenue.

(+4.6% vs. 4Q15), the non-recurring costs associated with the acquisition of the Vector companies (€1.5 million), the higher plant costs stemming from the start-up of new collagen production capacity in Uruguay and cleaning works in Germany.

Other operating expenses in 2016 totalled €173.4 million, up 0.6% vs. 2015, while energy supply costs fell 8.1% year-on-year.

Result from the business combination.

Following the successful completion of the acquisition of Vector's companies in the US and Europe, accounting standards for business combinations require the assets acquired and liabilities assumed to be measured at their fair values by independent experts.

The share of the Viscofan companies in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination. This difference was recognised in the profit for the year once the acquisition cost and the valuation of the net assets acquired had been reevaluated, generating a gain of €4.5 million in the consolidated financial statements of the Viscofan Group as a result of the higher appraisals by independent experts of the tangible and intangible assets of the group of companies acquired.

Operating profit

EBITDA amounted to €204.1 million, down 4.6% compared with 2015 and €55.3 million in the fourth quarter, up +0.4% vs. 4Q15.

In like-for-like terms, EBITDA in 2016 was 0.8% lower than in 2015 against a backdrop of volume weakness in Latin America and lower co-generation revenue, partially mitigated by the growth in the other reported areas and the containment of operating expenses. In 4Q16, like-for-like EBITDA fell 5.0% year-on-year.

As a result, the Viscofan Group's EBITDA margin stood at 27.9% in 2016 (-1.0 p.p. vs. 2015) and at 28.6% in 4Q16 (-1.2 p.p. vs. 4Q15).

Amortization and depreciation costs in 2016 amounted to €49.7 million (-6.3% vs. 2015) and at €13.2 million in 4Q16 (-2.0% vs. 4Q15).

In 2016, the Viscofan Group's EBIT amounted to €154.4 million, down 4.0% year-on-year, with the fourth quarter contributing €42.1 million (+1.1% vs. 4Q15).

Non-recurring impacts

For a better comparison the non-recurring impacts reported in 2016 and 2015, which contributed a total of €2.9 and €3.0 million respectively to operating profit, are described below.

In 2016 a gain of €4.5 million was reported corresponding to the negative goodwill from the lower cost of business combination over the corresponding value of the identifiable assets acquired less that of the liabilities assumed from the acquisition of the Vector companies in the US and Europe.

The costs associated with the purchase of the Vector companies in the US and Europe amounted to €1.5 million in operating profit and €1.1 million in net profit.

In 2015 a non-recurring impact of €3.0 million on operating profit and €1.9 million on net profit was recorded due to the outsourcing of the "Hourly Employees" and "Salaried Employees" pension plans in the United States.

Financial result

The lower average debt level in 2016 enabled the Group to reduce finance expenses to a total of -€1.8 million in 2016 (-€3.4 million in 2015). The Group also registered positive exchange differences of +€3.0 million in 2016 compared with negative differences of -€6.6 million in 2015 as a result of the currency fluctuations in balance sheet balances expressed in foreign currency. As a result, in 2016 the Group achieved a net finance gain of +€0.9 million compared with the losses of -€9.3 million reported in 2015.

Net profit and tax

Profit before tax in 2016 stood at €155.3 million, with corporate income tax totalling €30.2 million. This reflects an effective tax rate of 19.5% (21.0% in 2015).

The difference between the theoretical tax rate for 2016 (28%) and the effective tax rate (19.5%) is basically due to the different taxes paid by non-resident subsidiaries in Navarre (Viscofan S.A. tax domicile) which pay tax in all of the countries in which they operate, applying the corporate (or similar) tax rate in force on profits for the period and tax allowances or tax credits associated with previous years' losses by various Group subsidiaries.

As a result, the Viscofan Group posted a new record net profit in 2016 in both reported and organic terms. Net profit was €125.0 million compared with €120.0 million in 2015, a year-on-year increase of 4.1%.

Net quarterly profit advanced 11.6% to €36.9 million thanks to revenue growth, the positive one-off impact of the Vector business combination and the improved financial result.

Capital Expeditures

With a view to improving its competitive position, the Viscofan Group is carrying out the MORE TO BE 2016-2020 strategic plan. This includes a host of initiatives involving all the Group's casing production technologies, with a particular emphasis on improving Viscofan's position in plastic and fibrous.

In 2016 the plastic casings plant was built in Cáseda, which started up production in the third quarter. The new capacity was also successfully installed in Uruguay and began operating in the final quarter of the year. This will further improve the service we offer to the Latin American market.

The most significant investment in the year was the outlay on the construction of a new plant in Cáseda (Spain). This will enable machinery for the production of fibrous casings to be installed in the second half of 2017.

Investment amounted to €86.7 million (€57.3 million 2015) and the breakdown is as follows:

- 51% of investment was in capacity and machinery.
- 22% of investment was in process improvements.
- 8% of investment was in energy equipment and in plant safety, hygiene and environmental improvements.
- Ordinary investments accounted for the remaining 19%.

Equity and dividends

The Group's equity stood at €708.1 million at the end of 2016, up 11.8% year-on-year due to the booking of a net profit of €125.0 million (+4.1% vs. 2015) from which €26.6 million is deducted as a final dividend against 2016 earnings (+9.6% vs. 2015).

In addition, the Board of Directors of the Viscofan Group has agreed to propose to the General Shareholders' Meeting the distribution of a final dividend of €0.87 per share, with an amount of €40.5 million to be paid out on 8 June 2017.

This means total shareholder remuneration amounts to €1.45 per share consisting of:

- An interim dividend of €0.57 per share paid on 22nd December 2016.
- A proposed final dividend of €0.87 per share for approval at the General Shareholders' Meeting,
- and a bonus for attending the General Shareholders' Meeting of €0.01 per share.

The remuneration proposed is 7.4% higher than the total remuneration of €1.35 per share approved last year, implying distribution of a total of €67.6 million, equivalent to 54% of the total net profit attributed to the Viscofan Group.

Financial liabilities

The Viscofan Group ended 2016 with a robust balance sheet. The Group's growth projects resulted in an increase in investment and the strategic acquisition of companies were accompanied by strong cash generation from operations that enables these projects to be financed while shareholder remuneration is increased through the payment of cash dividends.

The Viscofan Group ended 2016 with net bank debt[7] of €8.8 million compared with a net cash position of €3.2 million in December 2015. Net bank debt for 2016 rose in the final quarter following distribution of the interim dividend and the acquisition of Vector's companies in Europe and the US.

[7] Net bank debt = Non-current bank borrowings + Current bank borrowings – Cash and equivalents.

Viscofan Group Profit and loss account. 2016 ('000 €)

	Jan-Dec' 16	Jan-Dec' 15	*Change*	*Like-for-like*
Revenues	**730,833**	**740,770**	**-1.3%**	**0.0%**
Other operating income	12,538	6,595	90.1%	
Self-constructed assets	571	285	100.4%	
Variation in stocks of finished products andwork-in-progress	2,387	23,531	-89.9%	
Net purchases	-205,307	-226,980	-9.5%	
Personnel expenses	-168,576	-158,545	6.3%	
Other operating expenses	-173,412	-172,362	0.6%	
Capital grants	672	671	0.1%	
Impairment and results coming from disposals of non-current assets	-116	-122	-4.9%	
Other results	4,475	0	n.s.	
Recurring EBITDA *	**201,134**	**210,840**	**-4.6%**	**-0.8%**
*Recurring EBITDA margin **	*27.5%*	*28.5%*	*-1.0 p.p.*	*-0.2 p.p.*
Non recurring*	2,931	3,003	-2.4%	
EBITDA	**204,065**	**213,843**	**-4.6%**	
EBITDA margin	*27.9%*	*28.9%*	*-1.0 p.p.*	
Amortization and depreciation	-49,699	-53,049	-6.3%	
EBIT	**154,366**	**160,794**	**-4.0%**	
EBIT margin	*21.1%*	*21.7%*	*-0.6 p.p.*	
Financial incomes	431	694	-37.9%	
Financial expenditures	-1,819	-3,373	-46.1%	
Changes in reasonable value of financial instruments	-721	0	n.s.	
Exchange differences	2,998	-6,608	c.s	
Impairment and results coming from disposals of financials assets	0	0	n.s.	
Financial results	**889**	**-9,287**	**c.s**	
Profit from associated companies	0	0	n.s.	
Profit before taxes	**155,255**	**151,507**	**2.5%**	
Taxes	-30,244	-31,883	-5.1%	
Profit after taxes from continued operations	**125,011**	**119,624**	**4.5%**	
Profit after taxes from interrupted operations	0	411	n.s.	
Net profit	**125,011**	**120,035**	**4.1%**	
a) Net profit attributable to the parent comany	125,084	120,022	4.2%	
b) Net profit attributable to minority interests	-73	13	c.s	

Viscofan Group Profit and loss account. 4Q16 ('000 €)

	Oct-Dec' 16	Oct-Dec' 15	Change	Like-for-like
Revenues	**193,476**	**184,850**	**4.7%**	**2.1%**
Other operating income	6,845	3,987	71.7%	
Self-constructed assets	180	67	168.7%	
Variation in stocks of finished products andwork-in-progress	-2,016	2,311	c.s	
Net purchases	-53,257	-50,922	4.6%	
Personnel expenses	-45,429	-41,901	8.4%	
Other operating expenses	-49,111	-43,437	13.1%	
Capital grants	168	173	-2.9%	
Impairment and results coming from disposals of non-current assets	-77	-79	-2.5%	
Other results	4,475	0	n.s.	
Recurring EBITDA *	**51,723**	**55,035**	**-6.0%**	**-5.0%**
*Recurring EBITDA margin **	*26.7%*	*29.8%*	*-3.1 p.p.*	*-2.1 p.p.*
Non recurring*	3,531	14	25121.4%	
EBITDA	**55,254**	**55,049**	**0.4%**	
EBITDA margin	*28.6%*	*29.8%*	*-1.2 p.p.*	
Amortization and depreciation	-13,151	-13,415	-2.0%	
EBIT	**42,103**	**41,634**	**1.1%**	
EBIT margin	*21.8%*	*22.5%*	*-0.7 p.p.*	
Financial incomes	84	478	-82.4%	
Financial expenditures	-650	-711	-8.6%	
Changes in reasonable value of financial instruments	-721	0	n.s.	
Exchange differences	2,233	-2,813	c.s	
Impairment and results coming from disposals of financials assets	0	0	n.s.	
Financial results	**946**	**-3,046**	**c.s**	
Profit from associated companies	0	0	n.s.	
Profit before taxes	**43,049**	**38,588**	**11.6%**	
Taxes	-6,170	-5,541	11.4%	
Profit after taxes from continued operations	**36,879**	**33,047**	**11.6%**	
Profit after taxes from interrupted operations	0	0	n.s.	
Net profit	**36,879**	**33,047**	**11.6%**	
a) Net profit attributable to the parent comany	36,912	33,006	11.8%	
b) Net profit attributable to minority interests	-33	41	c.s	

Consolidated balance sheets ('000 €)

	Dec '16	Dec '15	Change
Intangible assets	16,425	18,334	-10.4%
Goodwill	3,520	3,520	0.0%
Others intangible asset	12,905	14,814	-12.9%
Tangible assets	431,910	382,025	13.1%
Real state investments	0	0	n.s.
Investment accounting ussing the equity method	0	0	n.s.
Non-current financial assets	12,793	1,311	875.8%
Deferred tax assets	16,329	14,518	12.5%
Other non-current assets	0	0	n.s.
NON-CURRENT ASSETS	477,457	416,188	14.7%
Non-current assets held for sale	0	0	n.s.
Inventories	229,578	208,637	10.0%
Trade and other receivables	174,871	159,296	9.8%
Trade debtors	141,659	128,974	9.8%
Other debtors	29,763	26,089	14.1%
Current tax assets	3,449	4,233	-18.5%
Other financial current assets	1,460	1,214	20.3%
Other current assets	2,574	2,133	20.7%
Cash and cash equivalents	45,054	44,453	1.4%
CURRENT ASSETS	453,537	415,733	9.1%
TOTAL ASSETS= EQUITY AND LIABILITIES	930,994	831,921	11.9%
Share capital	32,623	32,623	0.0%
Share issue premium	12	12	0.0%
Reserves	592,173	536,278	10.4%
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	125,084	120,022	4.2%
Less: Interim dividend	-26,564	-24,234	9.6%
Other equity instruments	0	0	n.s.
SHAREHOLDER´S FUNDS	723,328	664,701	8.8%
Financial assets held for sale	0	0	n.s.
Hedge transaction reserves	2,240	-2,861	c.s.
Currency translation differences	-17,704	-28,931	-38.8%
Others	0	0	n.s.
ADJUSTMENTS DUE TO CHANGE IN VALUE	-15,464	-31,792	-51.4%
SHAREHOLDERS' EQUITY	707,864	632,909	11.8%
Minority interest	217	290	-25.2%
EQUITY	708,081	633,199	11.8%
Grants	3,001	3,578	-16.1%
Non-current provision	23,317	20,718	12.5%
Non-current financial liabilities	54,867	37,616	45.9%
Financial debt	42,147	26,130	61.3%
Other financial liabilities	12,720	11,486	10.7%
Deferred tax liabilities	22,811	20,627	10.6%
Other non-current liabilities	0	0	n.s.
NON-CURRENT LIABILITIES	103,996	82,539	26.0%
Liabilities linked to non-current assets held for sale	0	0	n.s.
Current provisions	6,678	5,097	31.0%
Current financial liabilities	30,119	29,837	0.9%
Financial debt	11,698	15,078	-22.4%
Other financial liabilities	18,421	14,759	24.8%
Trade creditor and other payable accounts	81,753	80,818	1.2%
Trade creditors	53,160	51,615	3.0%
Other creditors	22,069	21,132	4.4%
Current tax liabilities	6,524	8,071	-19.2%
Other current liabilities	367	431	-14.8%
CURRENT LIABILITIES	118,917	116,183	2.4%
NET BANK DEBT / (NET BANK CASH)	8,791	-3,245	c.s.

Cash flow statments ('000 €)

	Jan-Dec' 16	Jan-Dec' 15	*Change*
Cash flows from operating activities	**140,519**	**137,698**	**2.0%**
Profit for the year before tax	**155,255**	**151,507**	**2.5%**
Adjustments in results	**44,821**	**58,139**	**-22.9%**
Amortisation and depreciation	49,699	53,049	-6.3%
Others adjustments in results(net)	-4,878	5,090	c.s.
Changes in working capital	**-27,162**	**-34,433**	**-21.1%**
Other cash flows from operating activities	**-32,395**	**-37,515**	**-13.6%**
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	-31,330	-29,943	4.6%
Proceeds/(payments) from operating activities	-1,065	-7,572	-85.9%
Cash flows from investing activities	**-78,163**	**-3,097**	**2423.8%**
Investment payments	**-79,637**	**-60,697**	**31.2%**
Group companies, associated & business units	1,110	-3,995	c.s.
Acquisition of property, plant and equipment and intangible assets	-80,747	-56,702	42.4%
Other financial assets	0	0	n.s.
Other assets	0	0	n.s.
Cash from disposals	**678**	**56,906**	**-98.8%**
Group companies, associated & business units	0	55,803	n.s.
Disposal of property, plant and equipment and intangible assets	678	1,103	-38.5%
Other financial assets	0	0	n.s.
Other assets	0	0	n.s.
Other cash flows from investing activities	**796**	**694**	**14.7%**
Dividends received	0	0	n.s.
Interest received	796	694	14.7%
Proceeds/(Payments) from interrupted operations	0	0	n.s.
Cash flows from financing activities	**-62,200**	**-118,696**	**-47.6%**
Proceeds and payments from equity instruments	**0**	**0**	**n.s.**
Proceeds from issue of stock	0	0	n.s.
Cancellation and payments	0	0	n.s.
Acquisition	0	0	n.s.
Disposal	0	0	n.s.
Proceeds and payments from financial liabilities instruments	**1,171**	**-59,021**	**c.s.**
Proceeds from issue of financial liabilities instruments	26,532	8,037	230.1%
Refund, cancellation and payments	-25,361	-67,058	-62.2%
Dividends paid and others payments from others equities instruments	**-64,779**	**-57,975**	**11.7%**
Others cash flows from financing activities	**1,408**	**-1,700**	**c.s.**
Interest paid	-1,708	-3,292	-48.1%
Others proceeds /(payments) from financing activities	3,116	1,592	95.7%
Effect of foreign exchange rate changes on collections and payments	**445**	**2,947**	**-84.9%**
Net increase (decrease) in cash and cash equivalents	**601**	**18,852**	**-96.8%**
Cash and cash equivalents at the begining of the period	**44,453**	**25,601**	**73.6%**
Cash and cash equivalent at the end of the period	**45,054**	**44,453**	**1.4%**

Applied exchange rates are as follows:

Reporting exchange rates (Currency/€)

Average exchange rates (Currency/€)

	2016	2015	% Change
Euro	1.000	1.000	0.0%
US Dollar	1.107	1.110	-0.3%
Canadian Dollar	1.467	1.418	3.4%
Mexican Peso	20.655	17.600	17.4%
Brazilian real	3.863	3.693	4.6%
Czech crown	27.034	27.286	-0.9%
British Pound	0.819	0.726	12.8%
Serbian Dinar	123.100	120.747	1.9%
Chinesse yuan remminbi	7.324	6.924	5.8%
Uruguayan Peso	33.260	30.298	9.8%

End year (Currency/€)

	Dec 16	Dec 15	% Change
Euro	1.000	1.000	0.0%
US Dollar	1.054	1.089	-3.2%
Canadian Dollar	1.419	1.512	-6.1%
Mexican Peso	21.772	18.915	15.1%
Brazilian real	3.435	4.251	-19.2%
Czech crown	27.021	27.023	0.0%
British Pound	0.856	0.734	16.6%
Serbian Dinar	123.472	121.626	1.5%
Chinesse yuan remminbi	7.307	7.095	3.0%
Uruguayan Peso	30.927	32.604	-5.1%

For further information please contact to:

Investor relations and Corporate communications
Phone: + 34 948 198 436
e-mail: aresa@viscofan.com; beguiristainf@viscofan.com

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