General Shareholders Meeting 2007



General Shareholders Meeting 2007

Jaime Echevarría

Chairman

2006 Achievements

2007 Targets

Strategy

In the Stock Market

Shareholder's remuneration



General Shareholders Meeting 2007

José Antonio Canales

Chief Executive Officer

2006 Achievements

Consolidated results

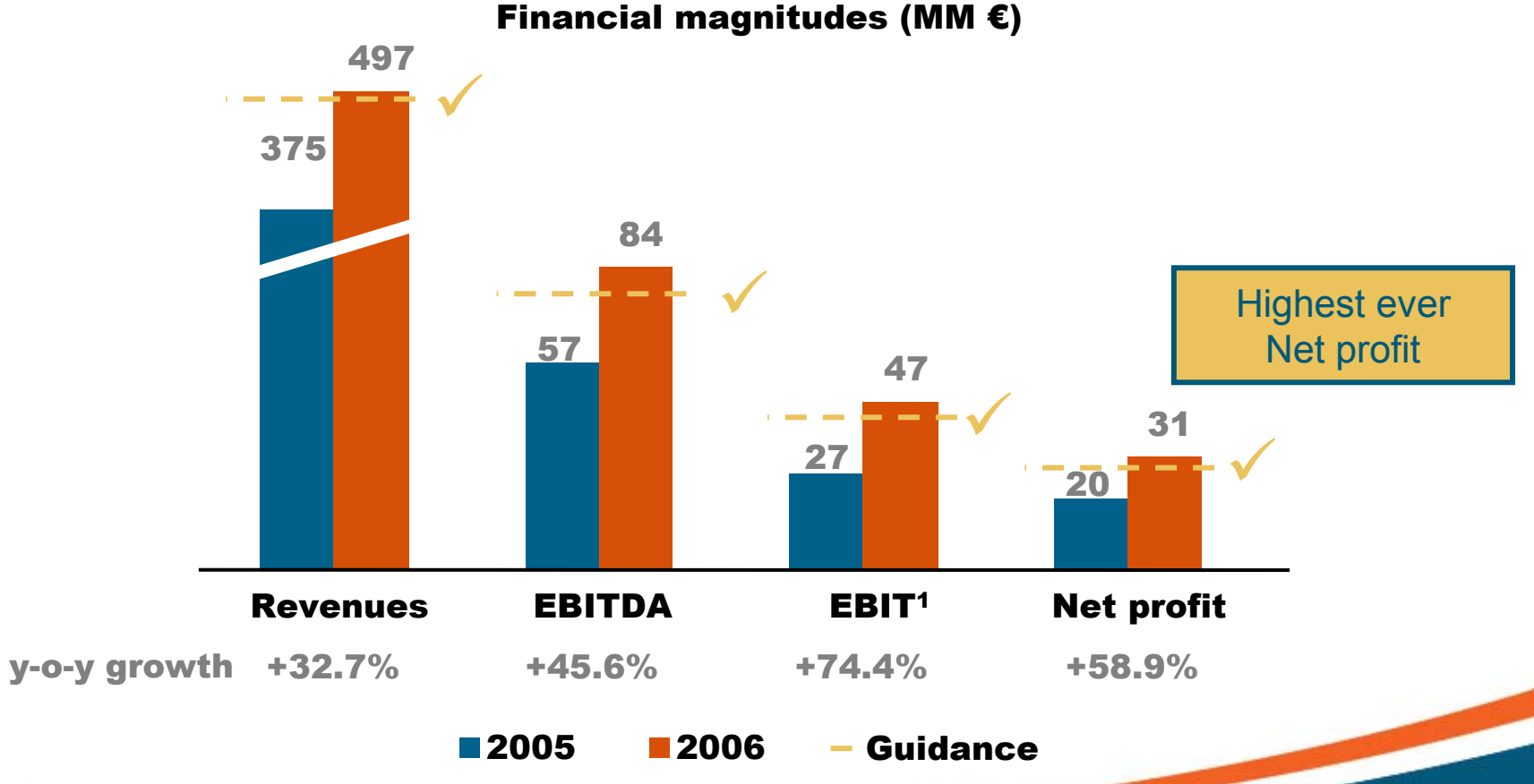
Casing

Canned vegetables

2007 Targets

2006 Consolidated results

Strong growth, fulfilling expectations...

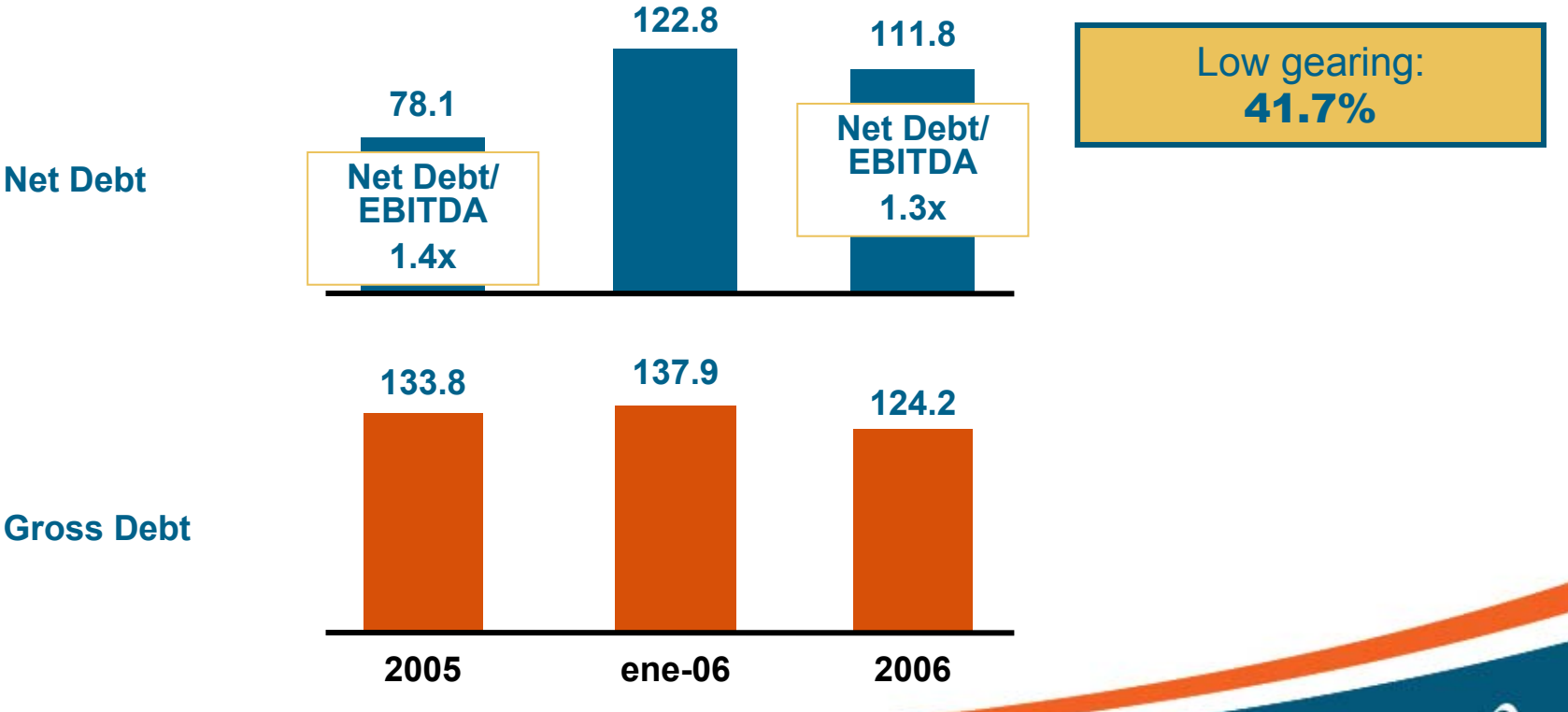


¹ EBIT before asset valuation adjustments

2006 Consolidated results

... and maintaining a solid financial situation

Debt evolution (MM €)



Low gearing:
41.7%

Casing

- Milestones
  - Teepak USA and Teepak México acquisition
  - Increase production capacity in Serbia
  - Plastic production in Czech Republic and Brazil
  - Efficiency improvements in all the Group's facilities
  - Leading the turnaround and Capturing the market growth
- Financial magnitudes

Casing: Milestones

Teepak USA and Teepak México acquisition

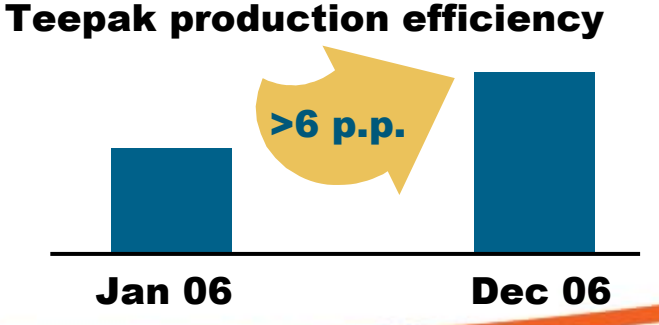
- Fast integration: Profitable in less than 12 months
- Higher independent valuation than asset's acquisition cost
- Access to a new technology: Fibrous casing

Performance initiatives:

Focus on results

Alignment of the workforce with the targets

Transfer of the know-how



Casing: Milestones

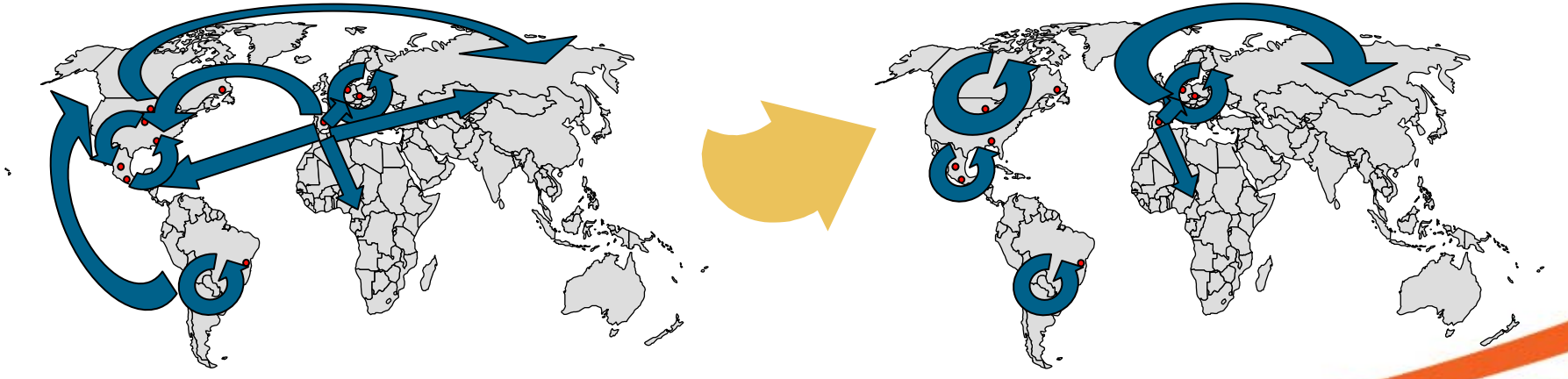
Teepak USA and Teepak México acquisition

- Towards a natural forex hedging
- Reduce custom taxes, transport and management costs

Performance initiatives:

Homogenise product quality

Total interchange ability



Casing: Milestones

Increase the production capacity in Serbia

- Transfer Tripasin's machinery
- Improve the quality of the products of Koteks
- Moving production capacity from Germany (2007)

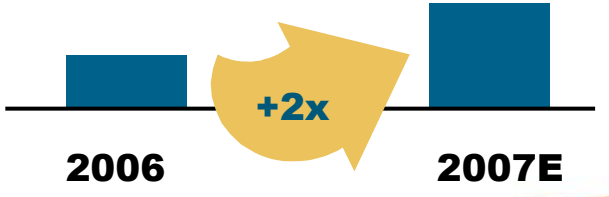
Performance initiatives:

ISO 9001 v. 2000

Transfer know-how

Accomplish regular veterinary-sanitary conditions for export of the casing for sausages made out of animal's origin raw material.

Serbian monthly output



Casing: Milestones

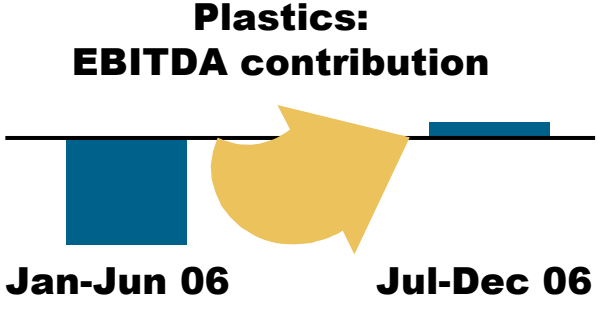
Plastic production in Czech Republic and Brazil

- More competitive production cost
- Production in Europe and South America
- Strategic focus: Diversification of the portfolio

Performance initiatives:

Reduce labour costs

Production of higher added value plastics



Casing: Milestones

Efficiency improvements in all the Group's facilities...

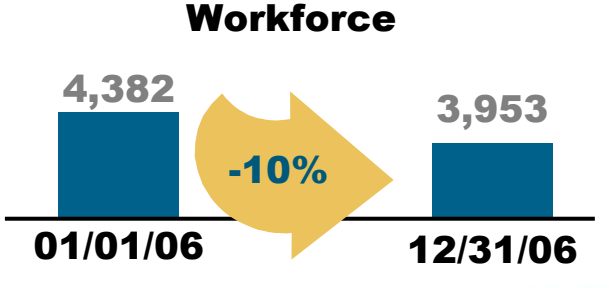
- Internal benchmark
- Adoption of best practices
- Labour agreement in order to improve the competitiveness of the plants

Performance initiatives:

Proactive maintenance of the installed machinery

Transfer of the know-how

Leaning the workforce structure



Casing: Milestones

… boosting our competitiveness.

Teepak

- Reduce post retirement employees benefits liability, with a result of €11.8MM.
- Cost per hour, US$ 0.25 increase per annum, until 2010.
- Reducing workforce from 1,000 to 800. 25% reductions in workforce if needed.

Spain

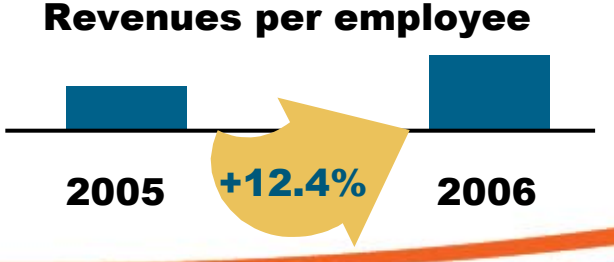
- New labour agreement signed

Koteks

- Elimination of non-core activities.
- Reduce workforce from 540 in 2005 to 263 employees

Germany

- New labour agreement: more hours working, lower premiums and salaries.



Casing: Milestones

Leading the turnaround and Capturing the market growth

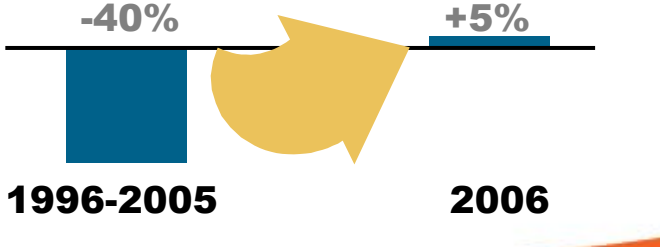
- Prices recovery policy leaded by Viscofan after a long period of continuous price deterioration
- 2006 growth in volume according with the underlying market growth… huge room for growth through gut casing substitution

Performance initiatives:

Financial discipline

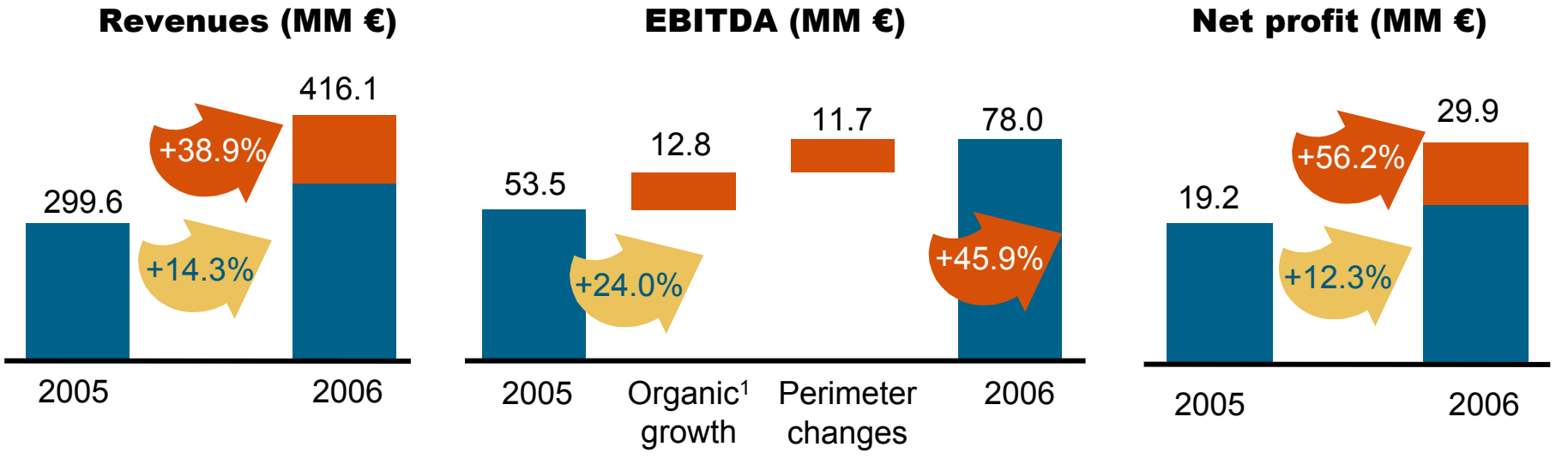
Intense commercial activity

Average Price evolution (skinless)



Casing: Financial magnitudes

Excellent results, reported and in organic terms



Non-recurrent results: +€5.2MM

Reported growth Organic growth[1]

[1] Organic growth considers the same consolidation perimeter for 2006 and 2005

Canned vegetables

Recovering volumes and margins

Revenues **€81.1MM** (+8.0% y-o-y)

EBITDA **€5.6MM** (+42.3% y-o-y)

EBITDA margin **6.9%** (+1.7 p.p. y-o-y)

Double strategy

Minimize costs

Volume
Price mix

Maximize diferenciation

Innovation
Diversification
Added value
Carretilla Brand

Launching new recipes

Leading the asparagus market

Pushing commercial presence

- Optimise production efficiency
- Assure capex pay back < 1 year

2006 Achievements

Consolidated results

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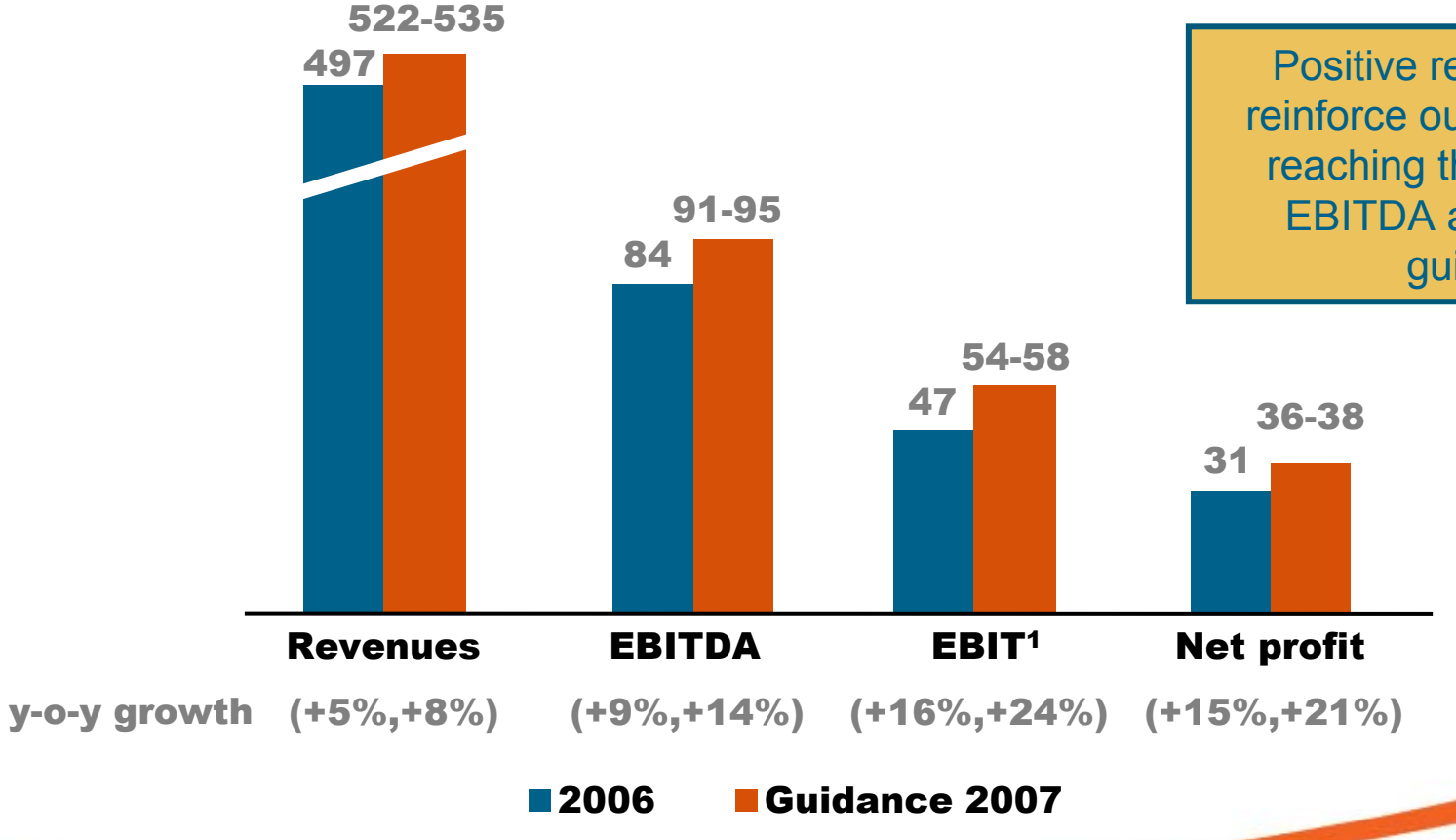
2007 Targets

Ambitious guidance for 2007

Financial magnitudes (MM €)



Positive results in 1Q07 reinforce our confidence in reaching the high-end of EBITDA and Net profit guidance

Capex <€36MM

¹ EBIT before asset valuation adjustments



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Chairman

2006 Achievements

2007 Challenges

Strategy

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A clear strategy

Strategic pillars for sustained value creation

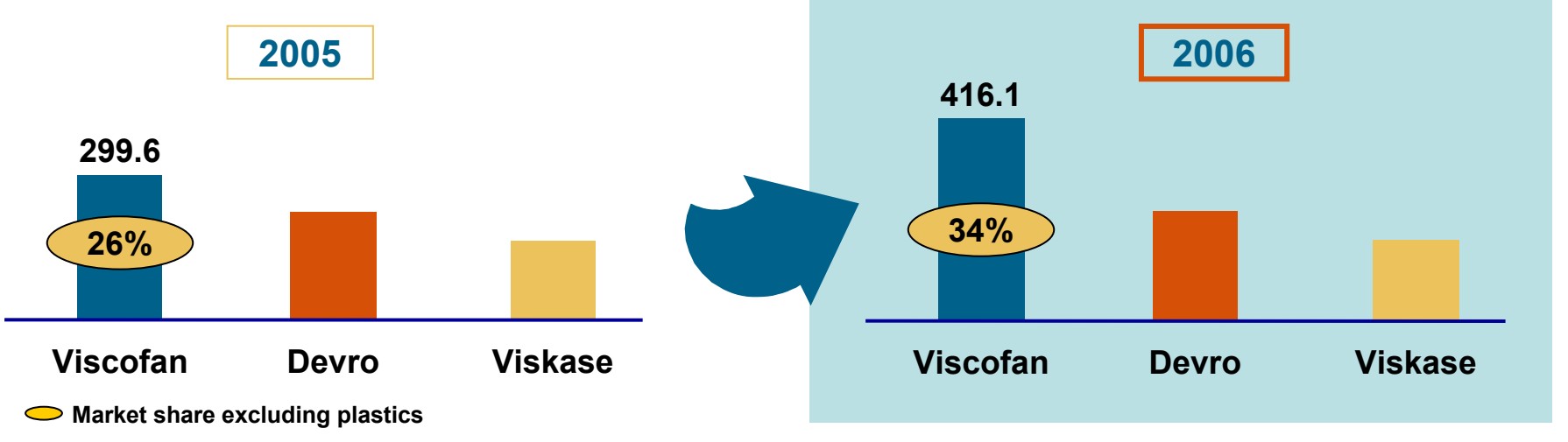


"Higher value through improvement in profitability and cash flows optimization"

The best positioning in the sector

The strategy relies in our solid leadership...

Market share by revenues (MM €)



Source: Company reports and Viscofan estimates

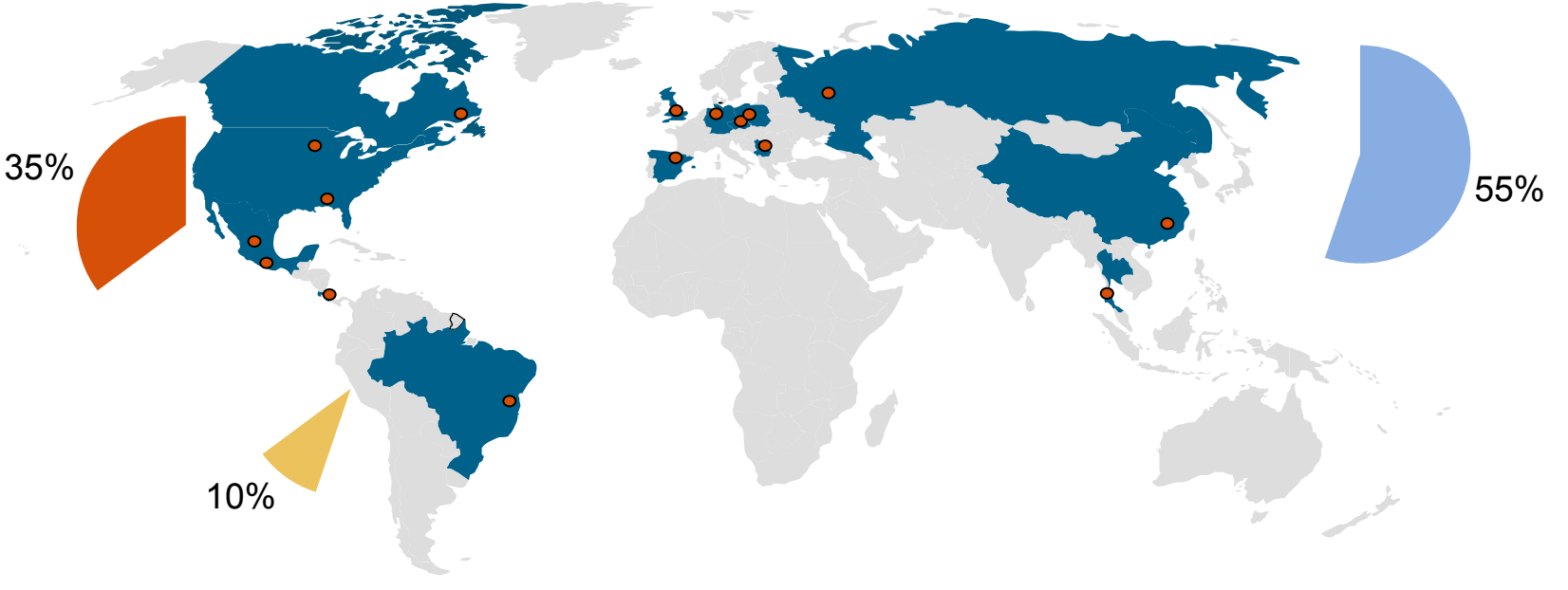
The best positioning in the sector

...combined with the most diversified portfolio in the market...

	Skinless	Collagen	Fibrous	Plastic
Viscofan	✓ #1	✓ #2	✓ #3	✓
Devro	X	✓	X	✓
Viskase	✓	X	✓	✓
Visko	✓	X	✓	✓
Kalle	X	X	✓	✓
Nippi	X	✓	X	X
Nitta	X	✓	X	X
Case-Tech	X	X	✓	✓
Fibran	X	✓	X	X
Fabios	X	✓	X	X
Belkozin	X	✓	X	X
Wuzhou	X	✓	X	X

The best positioning in the sector

...and the adequate geographic footprint.



- Latest acquisitions strengthen our positioning in key markets (USA and Mexico) and regions with low production costs (Serbia).
- Commercial offices in the markets with highest growths.

Revenues 2006 per origin of sales

2006 Achievements

2007 Challenges

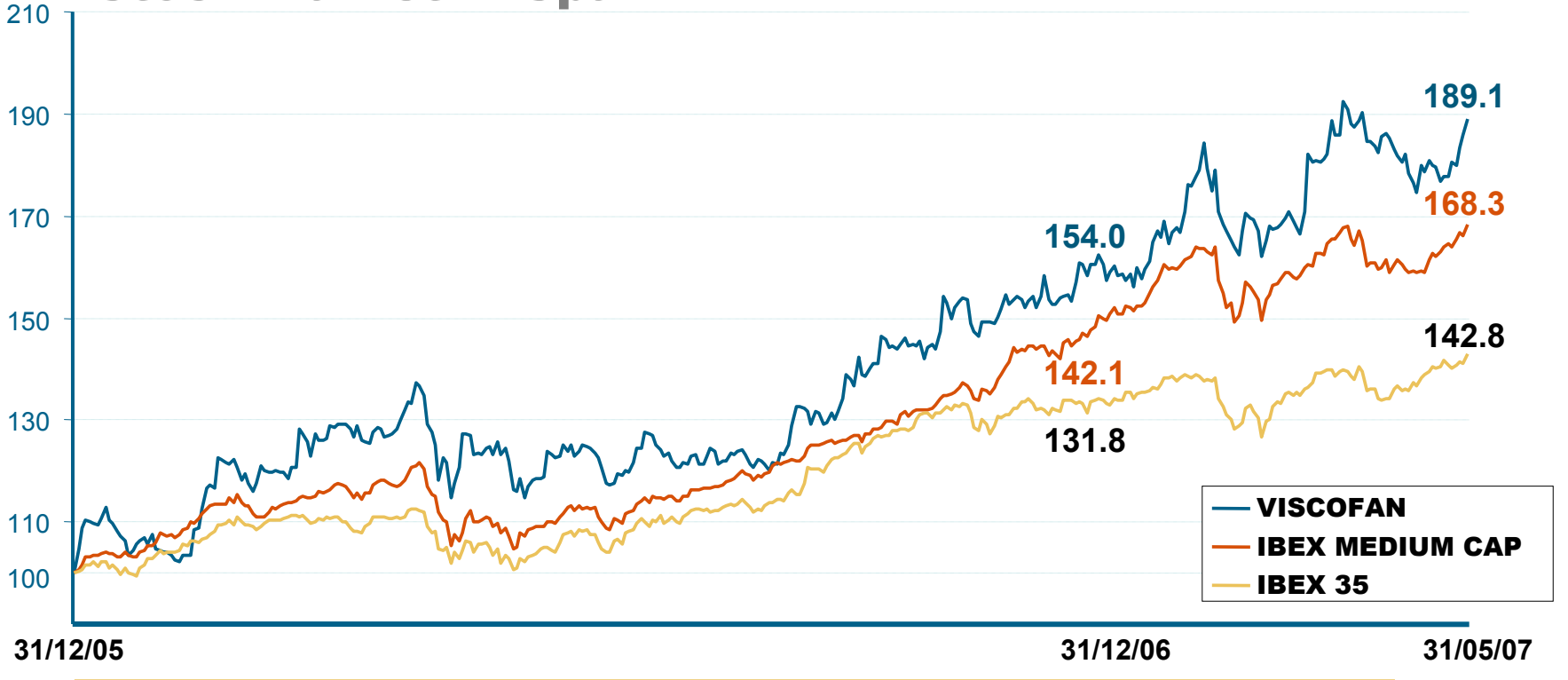
Strategy

In the Stock Market

Shareholder's remuneration

In the stock market

Continuous outperformance of the main index of the Stock Market in Spain



- **+54% growth in 2006,** to a Market Cap of €685MM.
- In less than a year and a half, the company has practically doubled its value, with a **Market Cap at the end of May that surpasses €841MM**.

2006 Achievements

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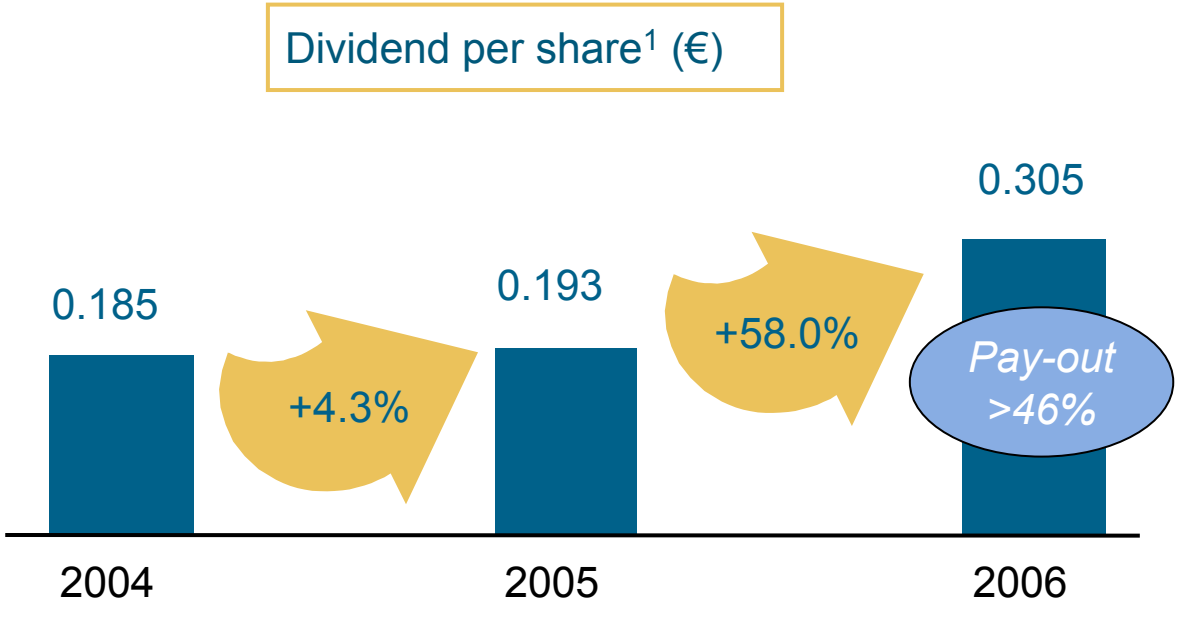
Shareholder's remuneration

Strong increase of the proposed dividend per share, in line with the Net profit growth

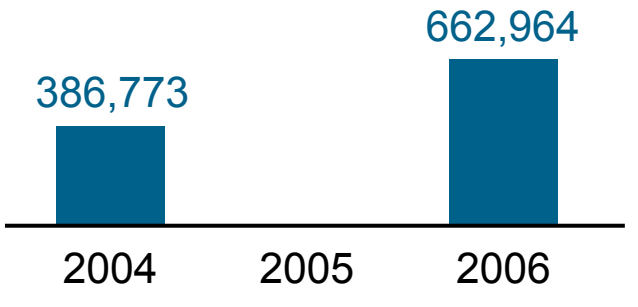


[1] Includes interim dividend, return of share issue premium and AGM fee

Shareholder's remuneration

Complemented with the cancellation of treasury stock

Treasury stock cancellation (shares)



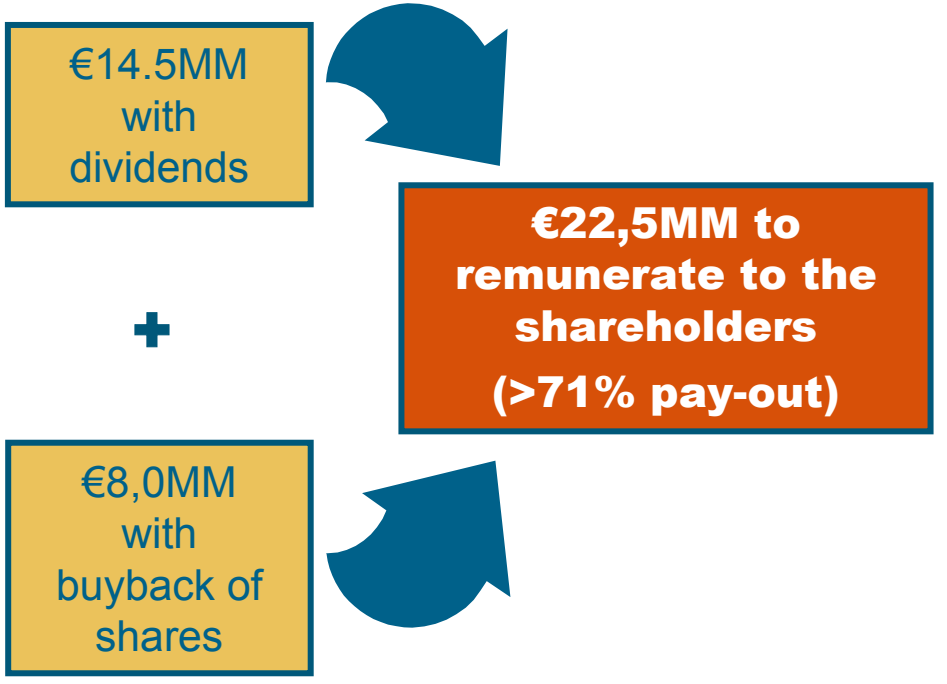
Cancellation of **1,4%** of the Equity of the Company

Benefits from a cancellation of treasury stock after a buyback:

- **Improve financial gearing** ✓
- **Reduce cost of capital** ✓
- **Enhance EPS** ✓

Shareholder's remuneration

We are distributing to the shareholder 2.4 times the amount offered last fiscal year



To sum up

- ✓ Excellent set of results during 2006
- ✓ Ambitious challenges for 2007
- ✓ Operative leverage: enhancing revenues in a more efficient Group
- ✓ A balanced Group: geographic expansion and diversified portfolio
- ✓ Increasing the value of the Company
- ✓ Significant growth in the shareholder's remuneration

Disclaimer

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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.

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).

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