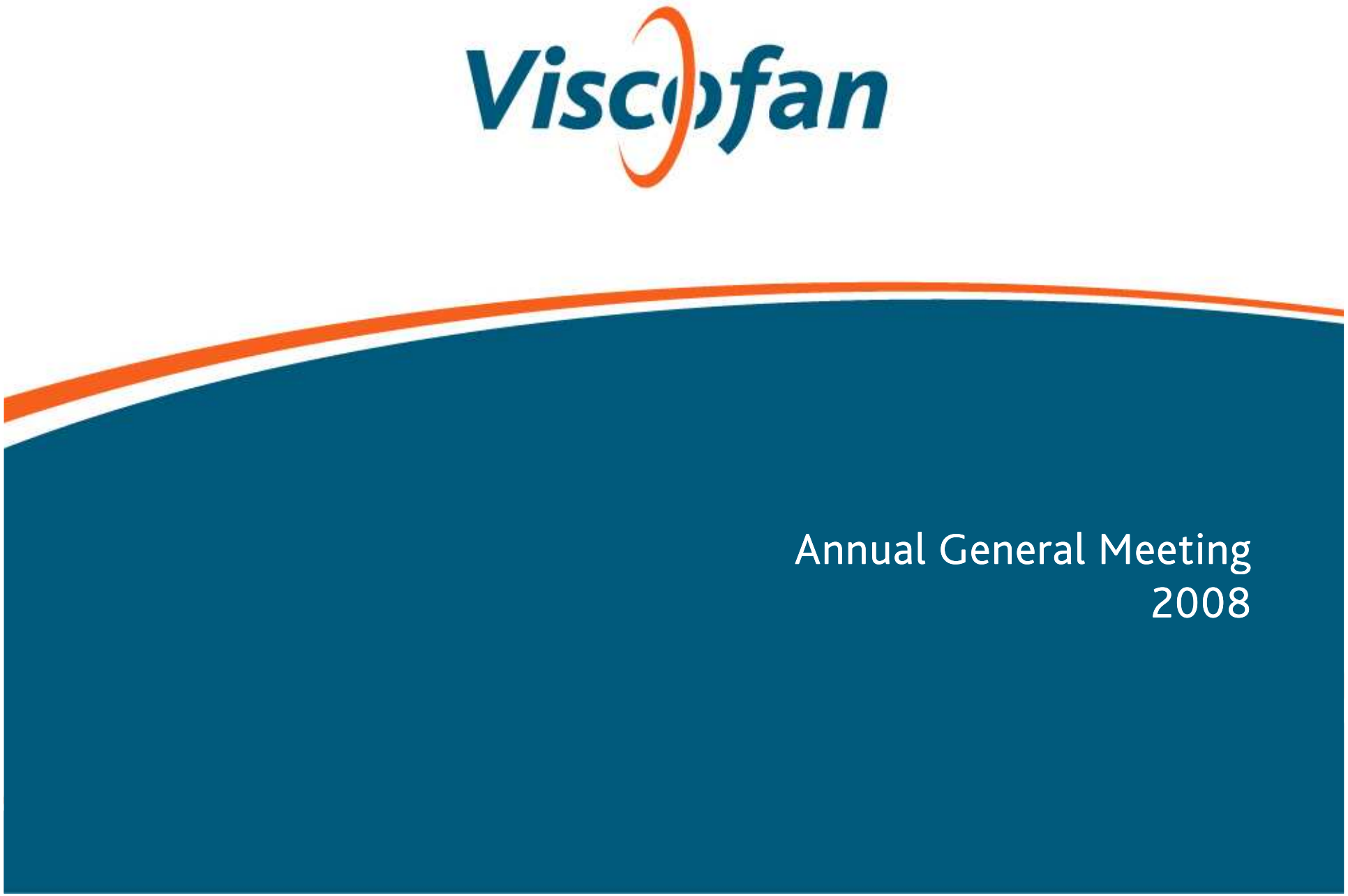
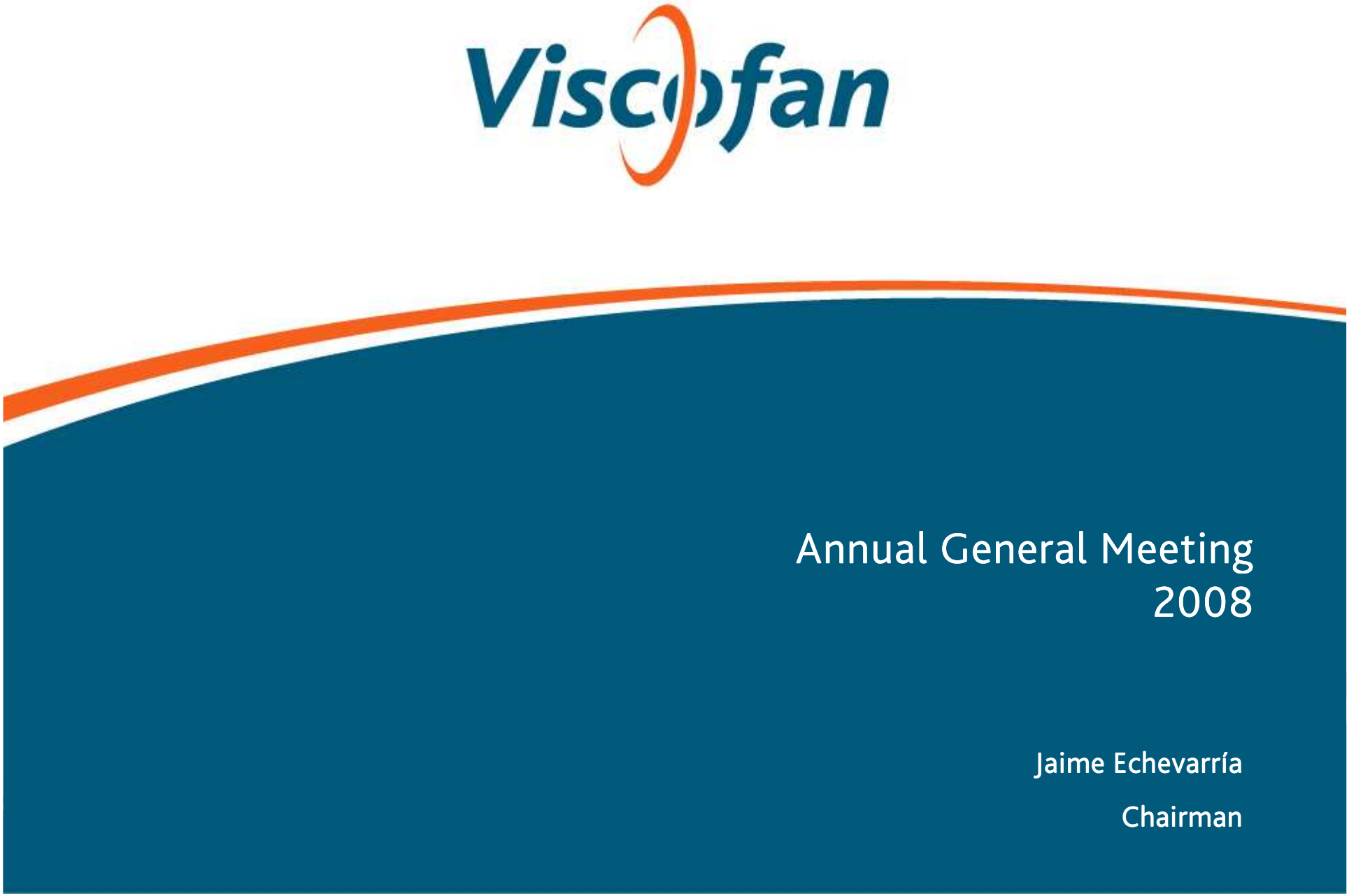


Annual General Meeting 2008



Annual General Meeting 2008

Jaime Echevarría

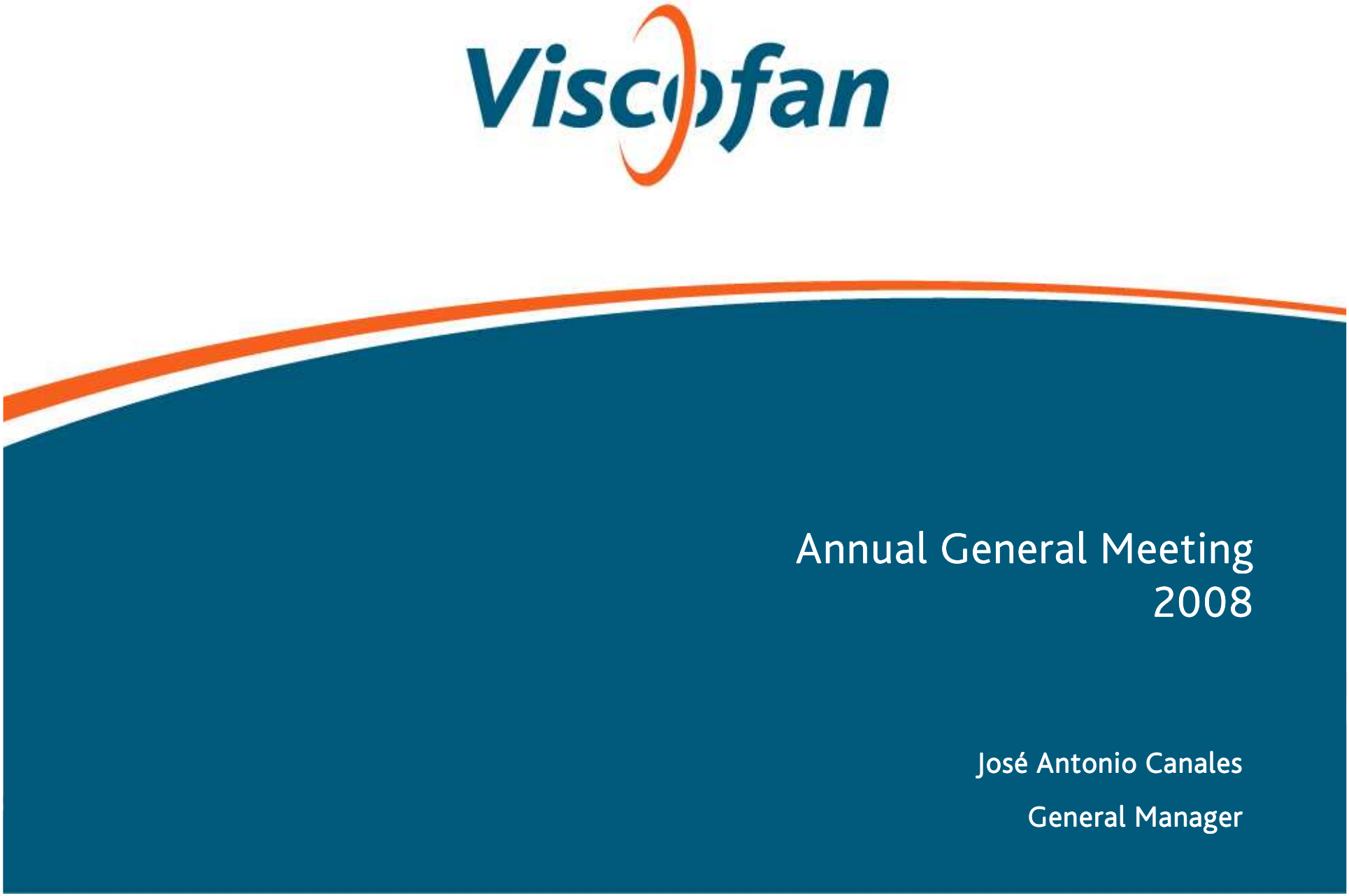
Chairman

2007 Results

1Q08 Results

Viscofan: Creating value in the long term

Shareholder remuneration



Annual General Meeting 2008

José Antonio Canales

General Manager

2007 Results

1Q08 Results

Consolidated results

Double-digit growth in major financial items

MM €	2007	2006	% Change	% Change ex-forex[1]
Revenues	506.0	497.2	+1.8%	*+3.9%*
EBITDA	98.6	83.6	+17.9%	*+18.9%*
EBITDA margin	*19.5%*	*16.8%*	*+2.7 p.p.*	
EBIT	60.5	46.6	+29.8%	*+30.6%*
EBIT adjusted[2]	60.5	53.9	+12.2%	
PBT	55.2	45.9	+20.2%	
Net profit	46.2	31.3	+47.5%	

Expectative achieved despite worse forex scenario (US$/€ 1.37 vs. 1.35)

[1] y-o-y growth excluding forex change applied for consolidation purposes

[2] During 2006, as a consequence of the valuation of the companies acquired by Vicofan compared with its purchase price, the Group recorded a non recurrent positive result of €7.3MM in 2006 accounts.

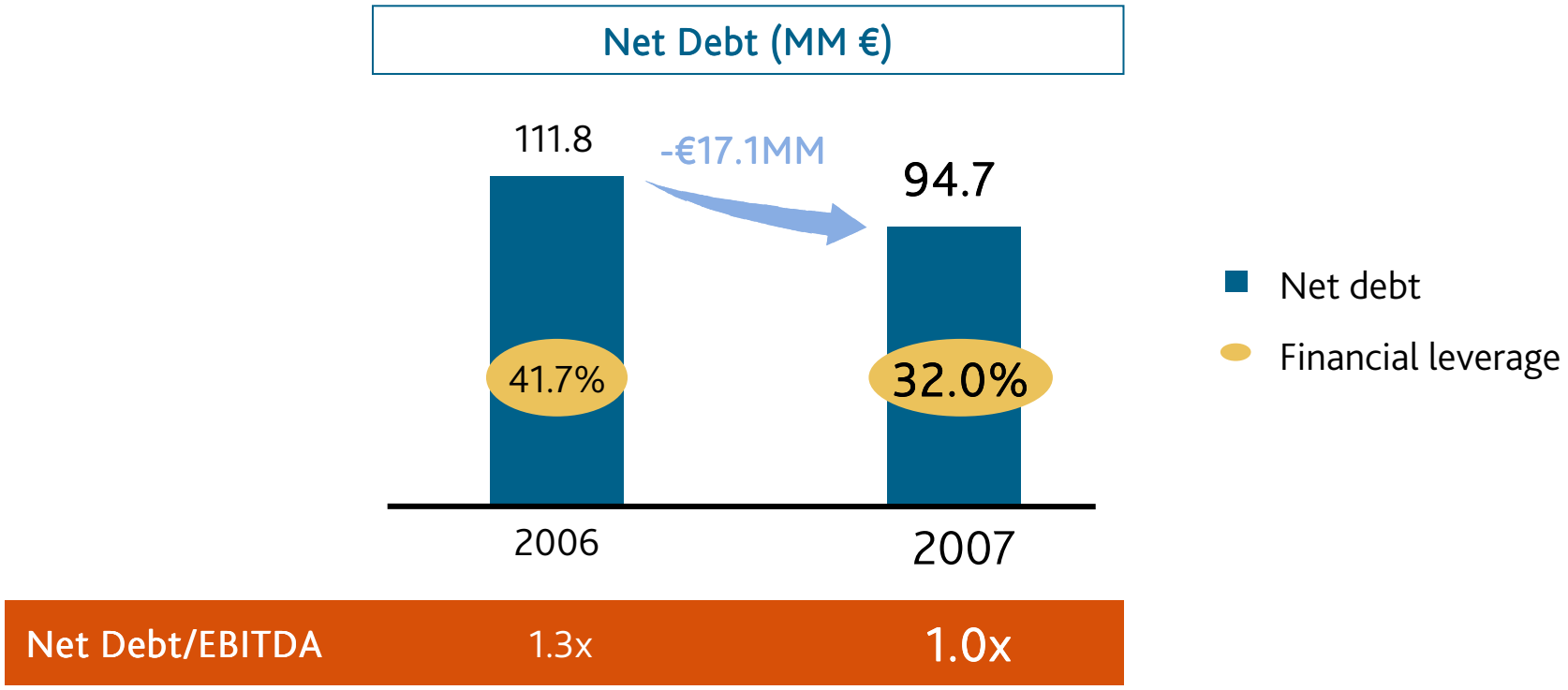
Consolidated results

Keeping a solid balance sheet

	2007	2006	% Change
Non current assets	298.4	312.6	-4.6%
Stocks	143.0	133.0	+7.6%
Commercial debts and other receivables	104.3	101.1	+3.2%
Rest of current assets	18.3	12.4	+47.9%
Current assets	266.2	246.5	+8.0%
Equity	295.8	268.1	10.3%
Loans	40.3	61.2	-34.0%
Rest of non current liabilities	74.0	85.1	-13.0
Non current liabilities	113.3	146.5	-22.6%
Loans	71.4	63.0	+13.4%
Trade creditors and other payables	73.6	71.7	+2.6%
Rest of current liabilities	39.7	37.4	+6.0%
Current liabilities	155.4	144.5	+7,.5%

Assets:
€564.6MM
+1.0% vs. 2006

Net debt reduction supported by operative and financial discipline.



Net Debt/EBITDA	1.3x	1.0x

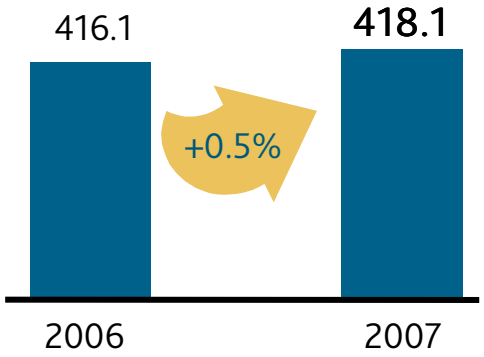
Executing the strategy…

- Increasing average prices:
  - Skinless +5%;
  - Collagen +1%
- Capturing growth in emerging areas: Latam, East Europe and Asia.
- Achieving 65% of the expected synergies after Teepak acquisition.
- Improving productivity in all the facilities.
- Slimming the structure looking for further productivities (-2.0% y-o-y decline in workforce at the end of the period).

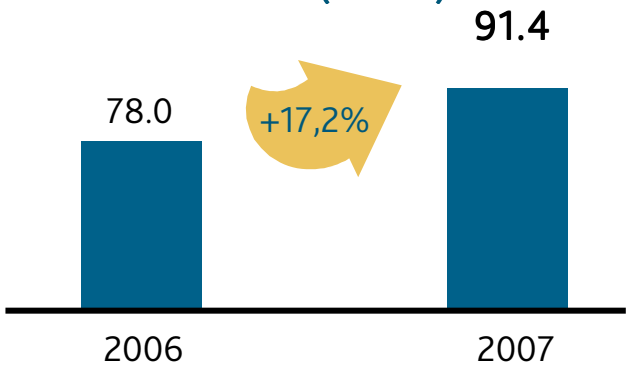
Casing

… to achieve outstanding results

Revenues (MM €)



EBITDA (MM €)



+27,7% Excluding non recurrent results

Net profit (MM €)

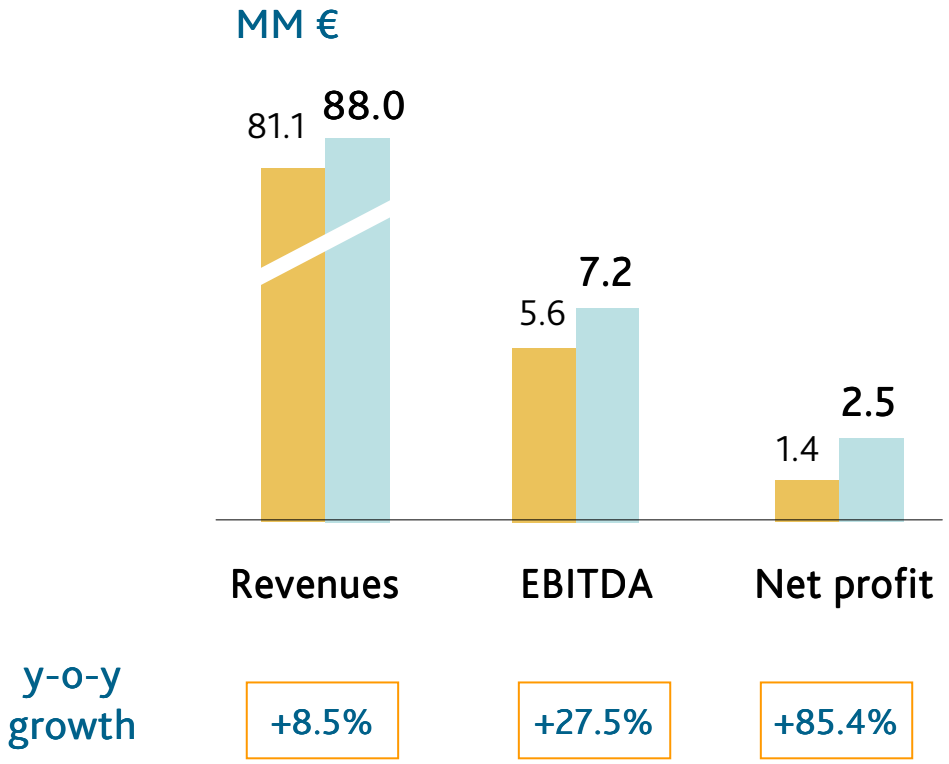


+72.6% Excluding non recurrent results

[1] As a consequence of the restructuring carried out by the Group, and non recurrent taxes effects, during 2007 €1.2MM of non recurrent results have been accounted as lower EBITDA, with €1.8MM of higher net profit., vs. €5.5MM accounted as higher EBITDA and €5.7MM as higher net debt for 2006 fiscal year.

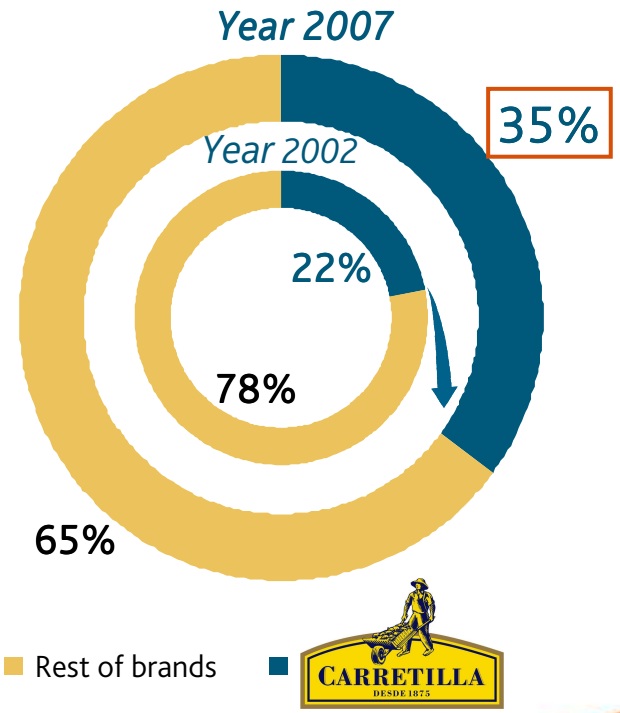
Preserved vegetables

2007, an excellent year… and ready for a worse scenario for 2008



Foreseeable lower margins for 2008 due to the increase in the price of raw materials and worse economic momentum in Spain.

"Carretilla" revenues over total revenues





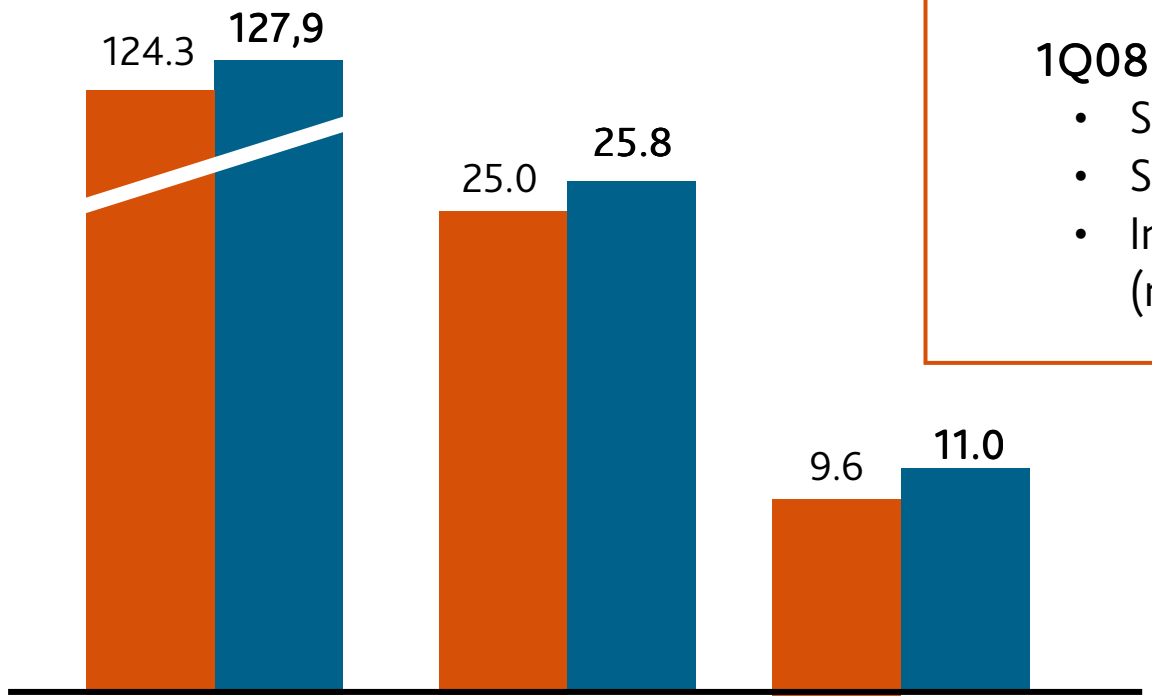
2007 results



1Q08 results

1Q08 Consolidated results

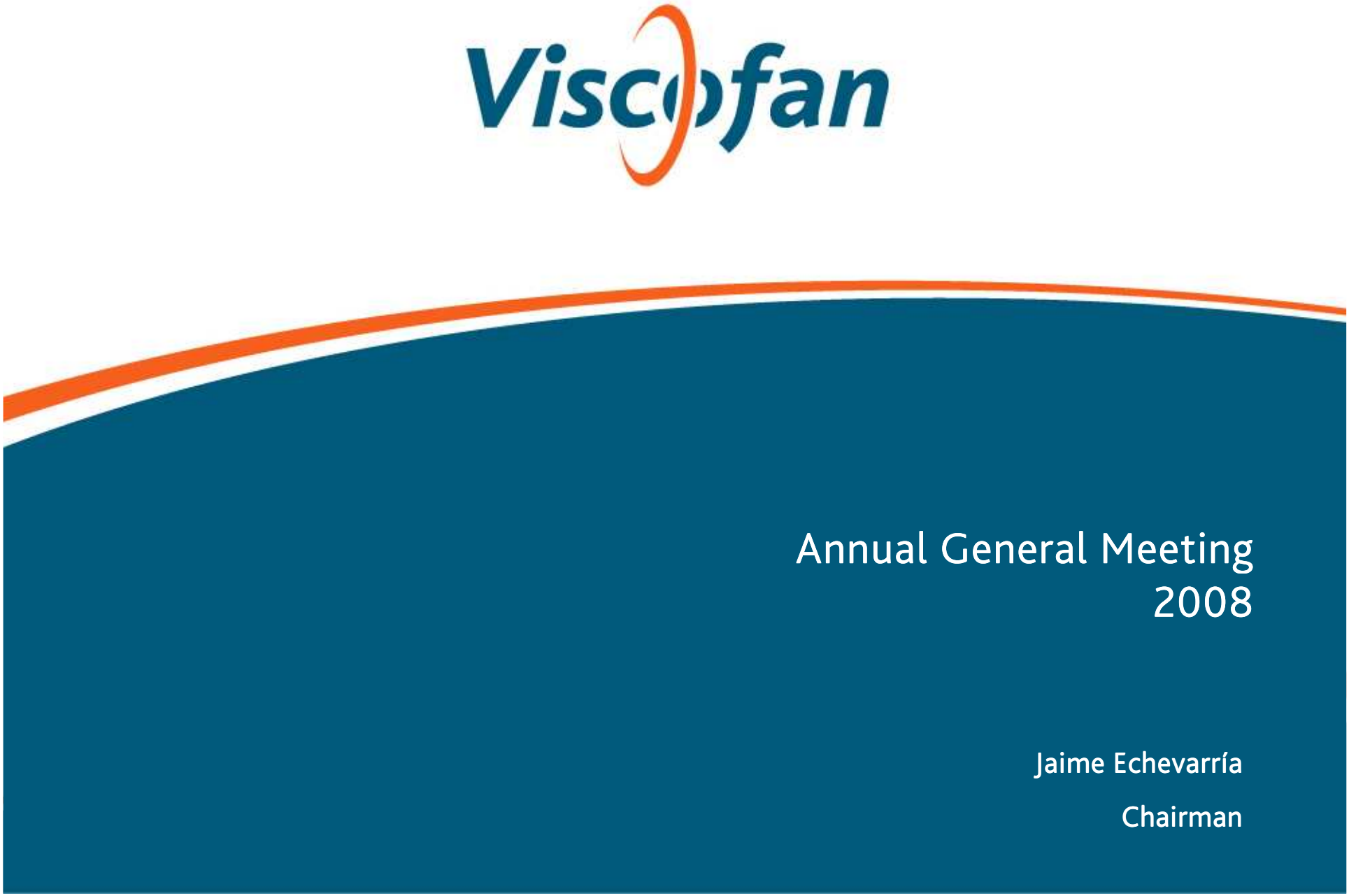
Growth along the P&L despite unfavorable forex



1Q08 trends:

- Strong demand
- Strong US$ depreciation
- Increase in unitary costs (raw material and energy).

	Revenues	EBITDA	Net profit
Y-o-Y	+2.9%	+2.9%	+15.0%



Annual General Meeting 2008

Jaime Echevarría

Chairman

Viscofan: Creating value in the long term

Shareholder remuneration

Mission

To meet the artificial casing needs of the worldwide food industry, generating value for our stakeholders.

Strategic milestones

- Consolidation
- Globalization
- Service
- Efficiency
- R&D+i

2008 goals

- Growth at rates higher than world GDP
- Supplier of choice for artificial casings
- Improve quality, efficiencies and productivity
- Proactive innovation

Values:

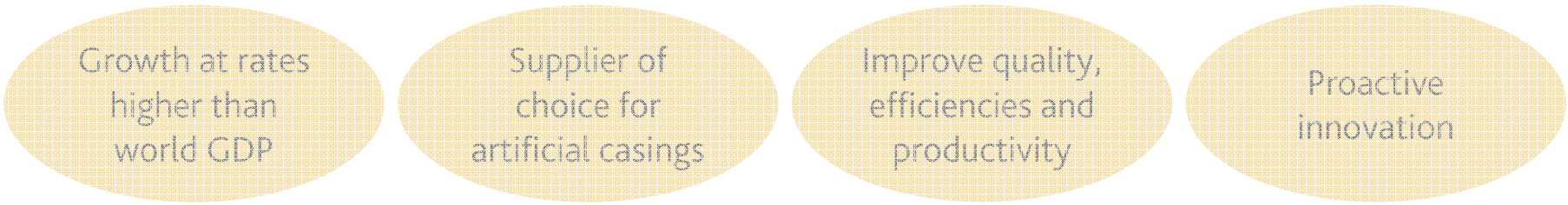
Team working, dynamism, focus on results, innovation and professional ethic

2008, a year of big challenges for the world economy, and particularly for Viscofan…

- Inflation pressures:
  - Higher raw material prices in origin (cellulose, glycerin, chemical derivatives, etc.)
  - Significant increase in energy prices: highest ever oil prices, strong gas demand.
  - Wages linked to inflation rates.
- World economic instability:
  - US$/€ lowest ever, making difficult to export from Europe and impacting negatively when consolidating the financial results in US$ area.
  - Increase in the cost of financing.

… against which Viscofan is specially well prepared.

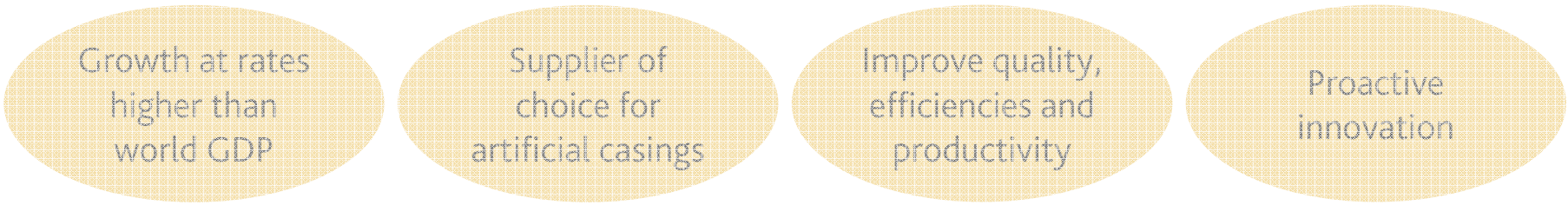
2008 goals



Viscofan can continue strengthening its revenues…

- Ability to keep recovering average prices.
- Huge potential of the market in the long run:
  - Gut casing doubles the size of collagen casing market
  - More than half of the population does not consume animal protein yet.
- Artificial casing volumes are not related with GDP evolution in the developed economies.

2008 goals



… with a wide room to improve operative expenses.

- Increase productivity:
  - Automated production
  - Know-how transfer
  - Complete Teepak's synergies
- Cost containment
- Slim the workforce of Viscofan
- Search higher energetic efficiencies: (ie. Co-generation in Spain)
- Transfer production to Serbia and other areas with low production costs.

Viscofan: The best positioning to lead the market in the long term.

The best human team of the sector

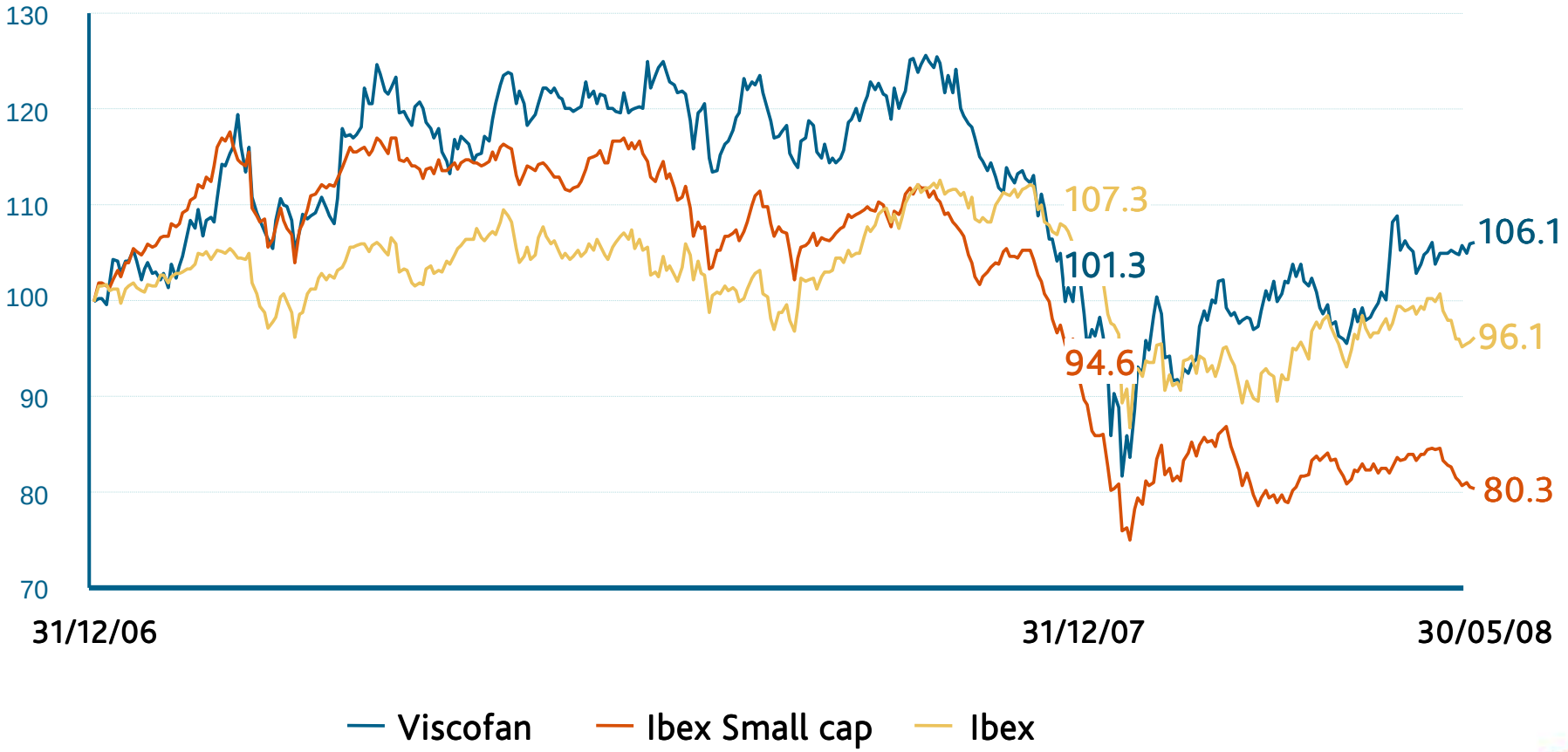
Clear leadership with a 36% market share well above the second player

The only one that can produce and commercialize all the artificial casing families

Continuous improvement and operative excellence

Complete geographic footprint both in commercial and production

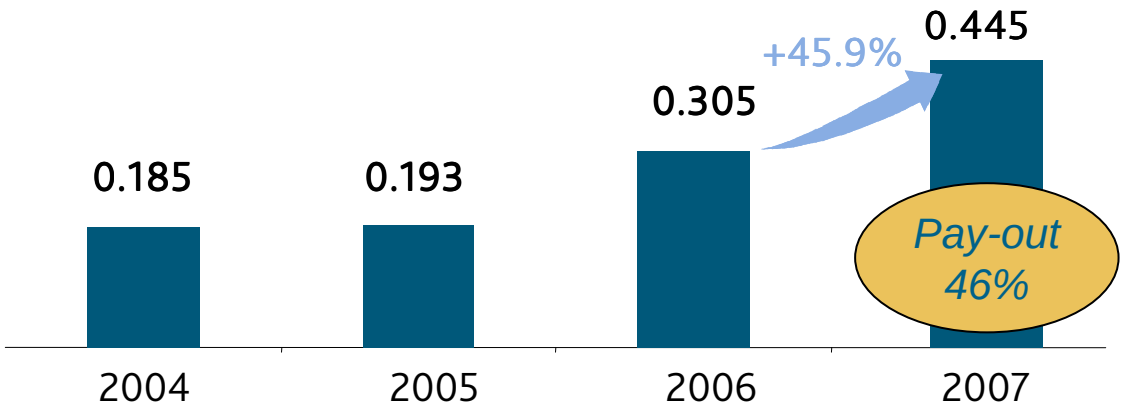
That's the reason why our shares are outperforming main Spanish indexes.



Shareholder remuneration

Significant increase in the DPS…

DPS[1] (€)

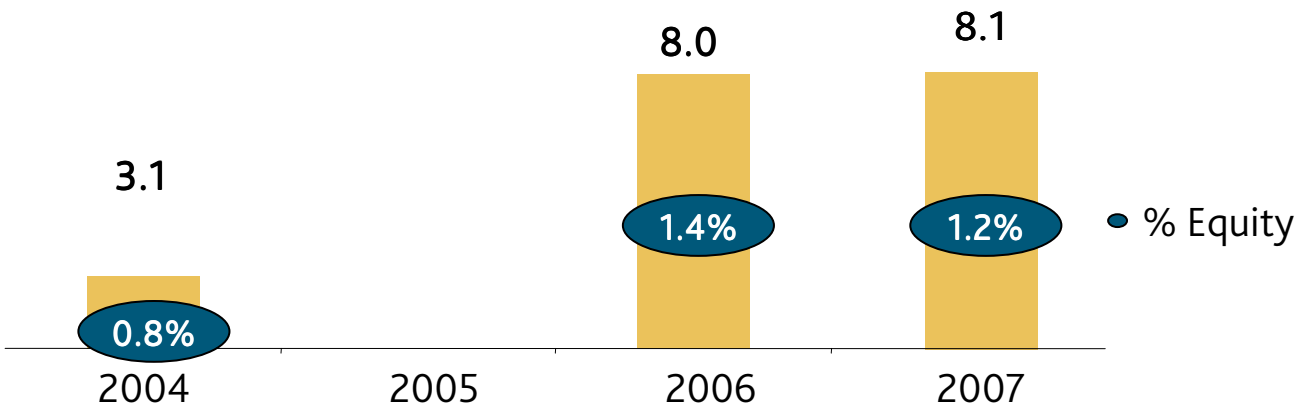


DPS[1] is now 2,4x higher than just 4 years ago

[1] Dividend per share includes: Interim dividend, return of issue premium, and General Shareholder Meeting attendance fee.

… maintaining the buyback of shares for its cancellation.

Buyback of shares (MM€)



Cancelling 561,361 shares

✓ Benefits from the cancellation of treasury stock:

- Improve the financial leverage, reduce cost of capital, boost EPS.

Dividends + Buyback means to devote 63% of the Net profit to shareholder remuneration

To sum up

- ✓ 2007 has set a new record in terms of financial results for Viscofan
- ✓ Viscofan is now a stronger company to face with optimism the challenges that are taking place right now for the year 2008.
- ✓ With a strategy defined to create value and lead the market in the long term.
- ✓ A robust company, as it shows the better relative share price behavior than the rest of Spanish indexes.
- ✓ Strong increase in shareholder remuneration: maintaining a solid balance sheet and distributing 63% of the Net profit.

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). 2007 financial results are audited, but 1Q08 financial information is unaudited and, therefore, subject to potential future modifications.