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

REPORT PREPARED BY THE BOARD OF DIRECTORS OF "VISCOFAN, SOCIEDAD ANONIMA" RELATING TO THE AMENDMENT OF THE BYLAWS SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING, TO BE HELD ON FIRST CALL ON 13 APRIL 2011 AND ON SECOND CALL ON 14 APRIL 2011 CONSISTING OF A CAPITAL STOCK INCREASE OF 32,156,540.58 EUROS THROUGH A CAPITAL INCREASE IN THE PAR VALUE OF SHARES

A) PURPOSE OF THE REPORT.

With this report, the Board of Directors meets its obligation to inform shareholders of the change that it wishes to make to the company's bylaws.

The Company's Board of Directors issues and approves this report pursuant to article 286 of the Spanish Companies Law relating to the amendment of article 5 of the company's bylaws, which it puts forward to the General Shareholders' Meeting to be held on 13 and 14 April 2011.

B) CONTENT OF THE PROPOSED BY-LAWS AMENDMENT

The Board of Directors has analysed the reserves of the Company accrued over the last two years, the majority of them resulting from application of a number of accounting and tax regulations that required their carrying for several years.

While some reserves have become distributable owing to the elapse of the period in which it was necessary to maintain them, others are available and may be capitalised, but they cannot yet be distributed among Company shareholders.

Hence, the Board of Directors of the Company wishes to propose to the shareholders a capital increase by means of an increase in the par value of the shares to be charged against these reserves shown in the balance sheet also submitted for the approval of the shareholders in a previous item on the agenda of the General Meeting called for 13 and 14 April 2011.

Consequently, the Board of Directors proposes to the General Meeting that the company's capital be increased by 32,156,540.58 Euros through an increase of the nominal value of shares by 0.69 Euros, which would change from the present value of 0.01 Euros a share to 0.70 Euros a share. The capital increase shall not require any contributions by shareholders, as it shall be charged against the Company's reserves.

The resolution to increase capital would require amending article 5 of the company's bylaws, which was until now worded as follows:

"Article 5: The share capital is 466,036.82 Euros (four hundred and sixty-six thousand thirty-six euros and eighty-two cents) represented by 46,603,682 shares (forty-six million six hundred and three thousand six hundred and eighty-two shares) of 0.01 Euros (one euro cent) in nominal value each.

The capital is fully subscribed and paid up."

Once the resolution has been adopted, it shall then be worded as follows:

"Article 5: The share capital is 32,622,577.40 Euros (thirty-two million six hundred and twenty-two thousand five hundred and seventy-seven euros and forty cents), represented by 46,603,682 shares (forty-six million six hundred and three thousand six hundred and eighty-two shares) of 0.70 Euros (70 euro cents) each.

The capital is fully subscribed and paid up."

C) APPROVAL OF THE REPORT.

The Board of Directors of the Company approved this report in its meeting of 28 February 2011.

In Pamplona, 28 February 2011.