(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 REDUCTION OF 13,515,067.78 EUROS THROUGH A REDUCTION OF 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 13th and 14th April 2011.

B) CONTENT OF THE PROPOSED BY-LAWS AMENDMENT

Having carried out a number of capital reductions in preceding years through amortization of treasury shares purchased by the Board of Directors pursuant to the powers authorised by the General Shareholders' Meeting, with the limits laid down by the General Meeting itself and by applicable regulations, the company's capital now consists of 46,603,682 shares represented by book entries, with a nominal value of 0.30 Euros each.

The Board currently deems it advisable to propose to shareholders a reduction of capital stocks with a return of contributions to the shareholders by means of a reduction of the par value of shares, thus maintaining the number of shares existing at this time.

Consequently, the Board of Directors proposes to the General Meeting that the company's capital be reduced by 13,515,067.78 Euros through a reduction of the par value of shares, which would change from the present value of 0.30 Euros a share to 0.01 Euros a share. The difference of 0.29 Euros per share will be returned to the shareholders once all legal requirements related to the reduction resolution have been fulfilled.

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

"Article 5: The share capital is 13,981,104.60 Euros (thirteen million nine hundred and eighty-one thousand one hundred and four euros and sixty cents), represented by 46,603,682 shares (forty-six million six hundred and three thousand six hundred and eighty-two shares) of 0.30 Euros (30 euro cents) 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 466,036.82 Euros (four hundred and sixty-six thousand and 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."

C) APPROVAL OF THE REPORT.

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

Done in Pamplona, 28 February 2011.