Viscofan Group

2003 First Half Results

July 2003

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Highlights

- **Group sales are 189,19 MM EUR, 9,2% lower than 1H02´s, mainly due to US$ weakness against Euro (-18,8% vs. 1H02). Taking out the currencies effect, sales would have been similar to 1H02´s, with a 1,1% growth in casings and a 3,9% decrease in vegetables.**
- **EBITDA margin goes from 19,8% in 1H02 to 17,5% in 1H03 and from 20,3% to 17,1% quarterly wise. Taking out the currencies effect, margins would have been slightly higher than 1H02´s.**
- **Lower net financial expenses (-37%) and lower negative forex (-80%) allow the financial result to improve by 51%.**
- **Net Profit is 11,9 MM EUR, 7,7% lower than 1H02´s (-5% at PBT level). If the currency environment would have been the same as 1H02´s, the net profit would have been substantially higher than the corresponding to the same period of 2002.**
- **Volume increases and efficiency improvements compensated partially the impact of currencies.**
- **Net Debt was reduced by 2,9 MM EUR in this quarter, till around 100 MM EUR, in despite of the 4,9 MM EUR paid as issue premium return.**
- **The effects of the sale of the jams business will be included in 3Q03 figures, because it was approved by competent antitrust authorities in July 17th.**

2003 First Half Results

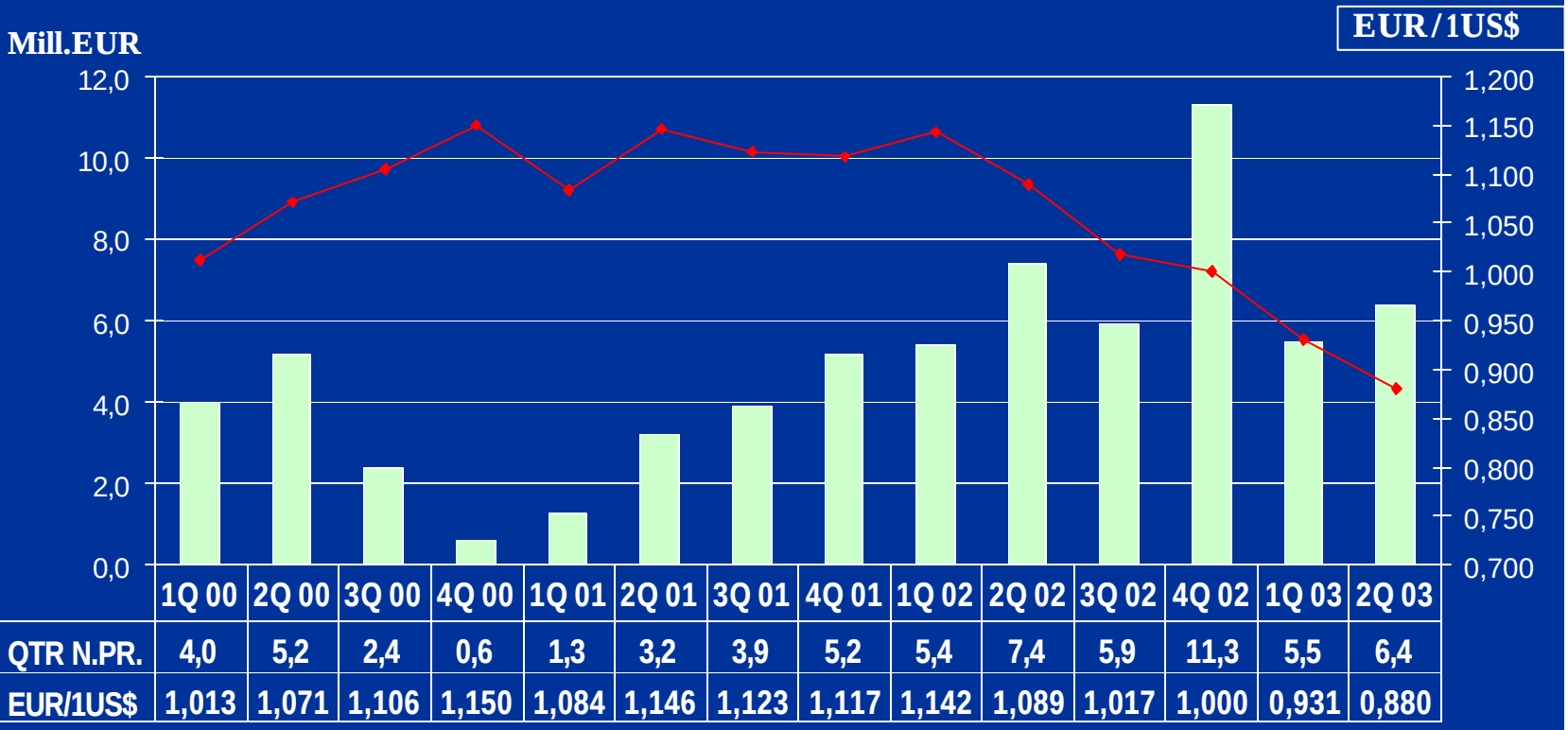
Million Euro	GROUP	% VAR 1H03/1H02	CASINGS	% VAR 1H03/1H02	VEGETABLES	% VAR 1H03/1H02
Sales	**189,19**	**-9,2%**	**143,94**	**-10,5%**	**45,25**	**-4,9%**
EBITDA	33,16	-19,7%	30,97	-19,7%	2,19	-19,7%
EBIT	**16,67**	**-16,4%**	**15,31**	**-16,6%**	**1,36**	**-14,0%**
Neg.Financ.Res.	-2,80	-51,1%	-1,66	-61,9%	-1,14	-17,0%
Ordinary Profit	**13,87**	**-2,4%**	**13,65**	**-2,5%**	**0,22**	**5,6%**
Extraordinaries	0,60	-41,1%	0,38	-53,5%	0,22	11,7%
PBT	**14,47**	**-5,0%**	**14,03**	**-5,4%**	**0,44**	**8,6%**
Taxes	2,56	10,1%	2,35	8,2%	0,21	35,4%
Attrib.Net Profit	**11,90**	**-7,7%**	**11,68**	**-7,7%**	**0,22**	**-9,7%**

2003 Second Quarter Results

Million Euro	GROUP	% VAR 2Q03/2Q02	CASINGS	% VAR 2Q03/2Q02	VEGETABLES	% VAR 2Q03/2Q02
Sales	**98,15**	**-10,3%**	**73,64**	**-11,7%**	**24,51**	**-5,8%**
EBITDA	16,76	-24,7%	15,44	-24,8%	1,32	-24,4%
EBIT	**9,06**	**-26,8%**	**8,10**	**-28,4%**	**0,96**	**-10,6%**
Neg.Financ.Res.	-1,31	-68,1%	-0,74	-78,2%	-0,57	-17,9%
Ordinary Profit	**7,76**	**-6,5%**	**7,36**	**-6,9%**	**0,40**	**2,2%**
Extraordinaries	-0,14	-127,8%	-0,02	-103,4%	-0,12	-103,0%
PBT	**7,62**	**-13,5%**	**7,34**	**-13,4%**	**0,28**	**-16,1%**
Taxes	1,19	-11,0%	1,03	-17,7%	0,17	78,9%
Attrib.Net Profit	**6,42**	**-13,9%**	**6,31**	**-12,6%**	**0,11**	**-53,3%**

Currency Environment: **Viscofan has partially compensated the strength of the Euro against the main currencies that has continued during the second quarter of the year (19% depreciation of the US$ against the Euro in 2Q03 compared to 2Q02).**

QUARTERLY NET PROFIT AND AVERAGE EUR/US$ RATE



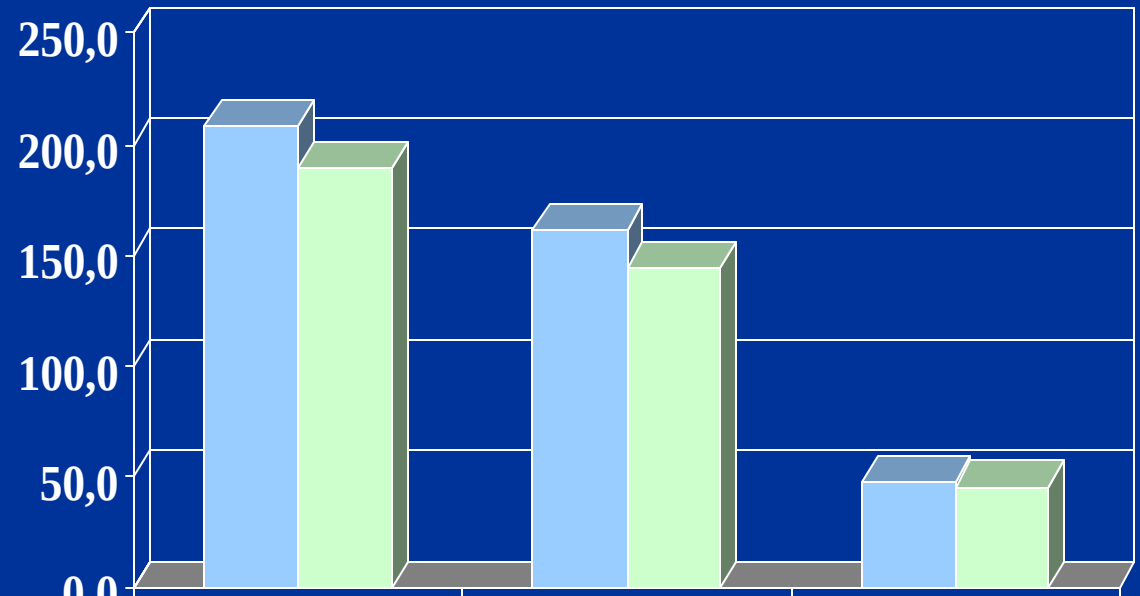
	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03
QTR N.PR.	4,0	5,2	2,4	0,6	1,3	3,2	3,9	5,2	5,4	7,4	5,9	11,3	5,5	6,4
EUR/1US$	1,013	1,071	1,106	1,150	1,084	1,146	1,123	1,117	1,142	1,089	1,017	1,000	0,931	0,880

Results Analysis

<u>SALES:</u> Group sales are 189,19 MM EUR, 9,2% lower than 1H02´s, mainly due to US$ weakness against Euro (-18,8% vs. 1H02). Taking out the currencies effect, sales would have been similar to 1H02´s, with a 1,1% growth in casings and a 3,9% decrease in vegetables.

MM EUR

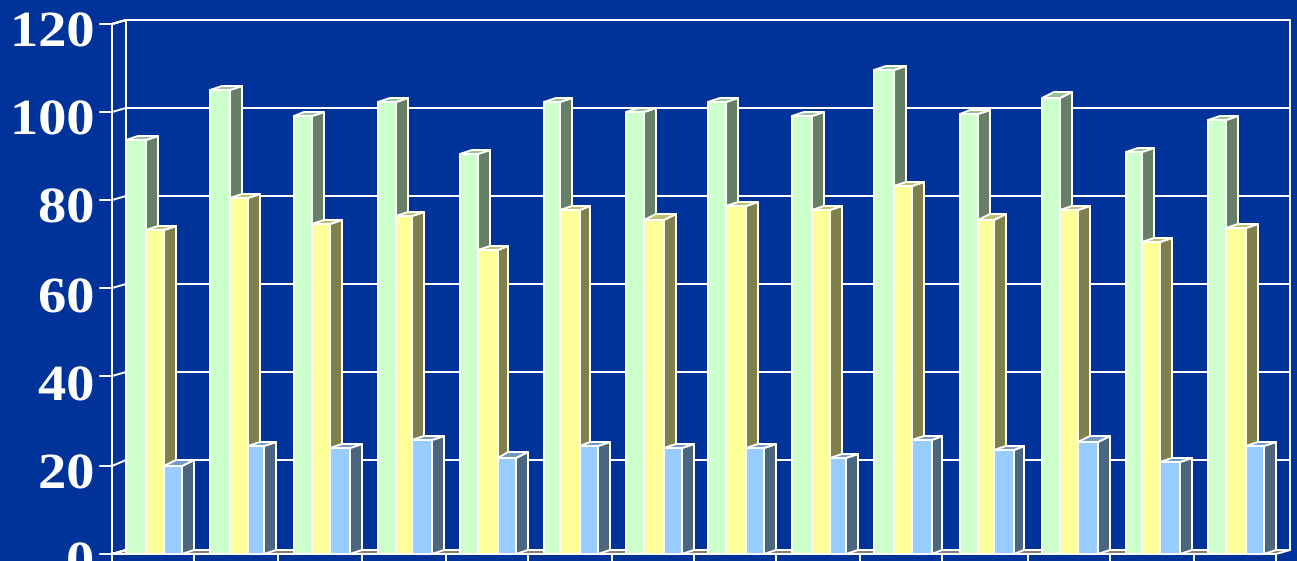
ACCUMULATED FIGURES



	GROUP	CASINGS	VEGETAB.
6M 02	208,4	160,8	47,6
6M 03	189,2	143,9	45,3

QUARTERLY SALES EVOLUTION

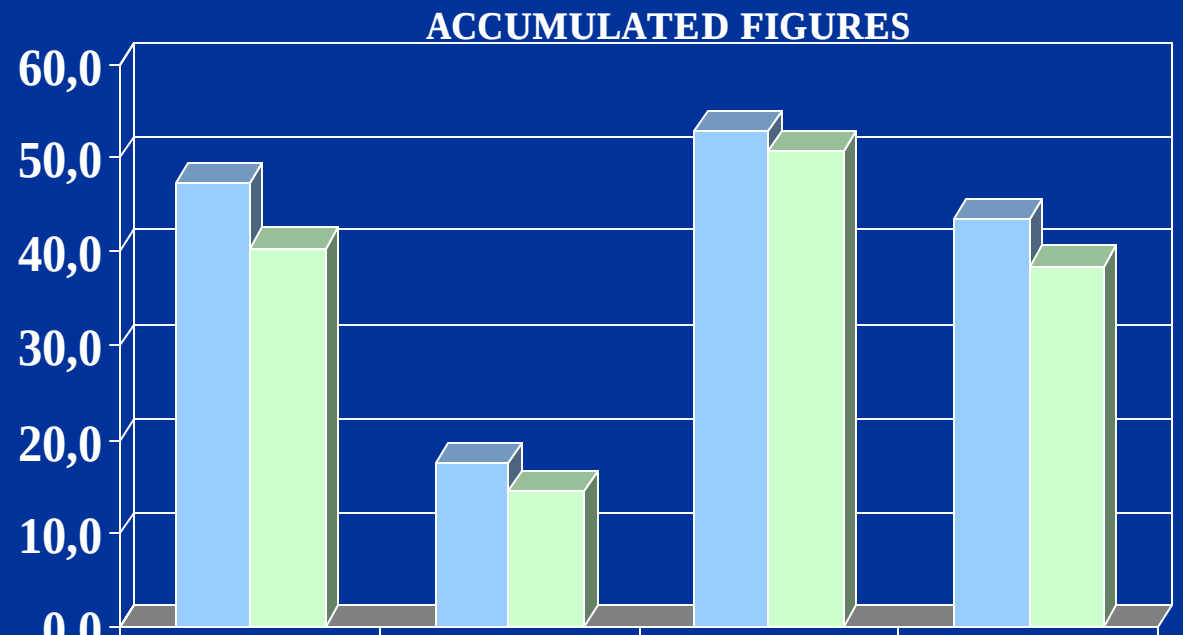
MM EUR



	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03
GROUP	93,5	105	98,7	102,	90,2	102,	99,7	102	99,0	109	99,4	103,	91,0	98,1
CASINGS	73,3	80,2	74,8	76,2	68,4	77,6	75,7	78,4	77,4	83,4	75,8	77,4	70,3	73,6
VEGETABLES	20,1	24,4	23,9	25,9	21,8	24,6	24,1	24,0	21,5	26,0	23,6	25,6	20,7	24,5

SALES BY AREA(*): US$ related subsidiaries suffer with sharp intensity the impact of currencies when converting their sales to EUR. European subsidiaries reflect this impact on the part of their sales which are exports in US$.

MM EUR

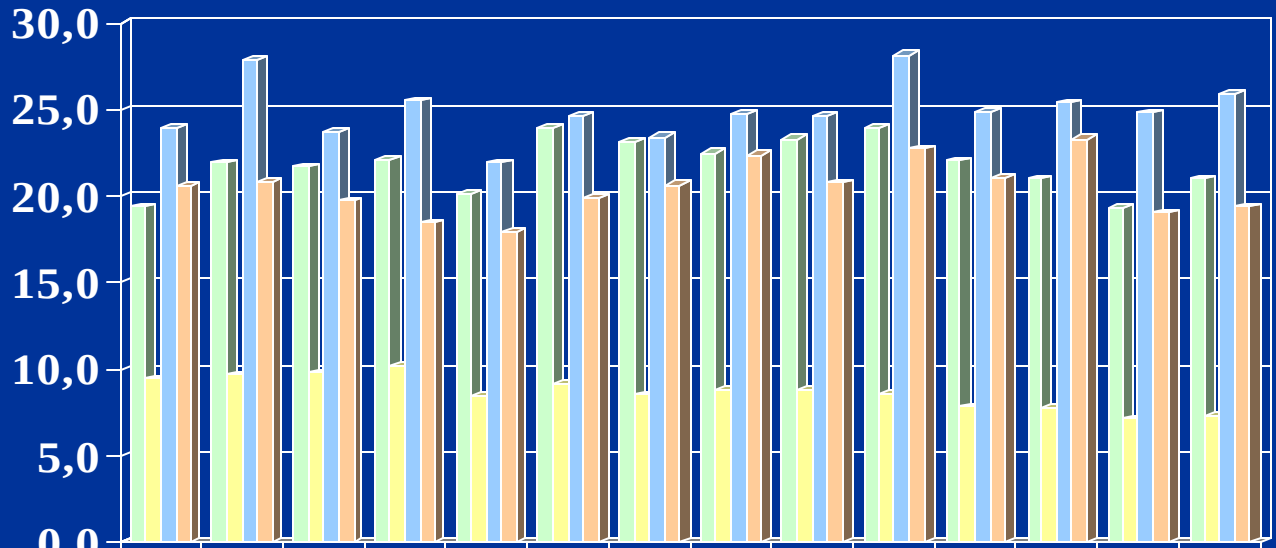


	Northamerica	Southamerica	Central Europe	Western Europe
6M 02	47,3	17,4	52,7	43,4
6M 03	40,3	14,5	50,7	38,4

(*) Casing´s figures. Breakdown by origin of the sales.

QUARTERLY SALES BY AREA EVOLUTION (*)

MM EUR



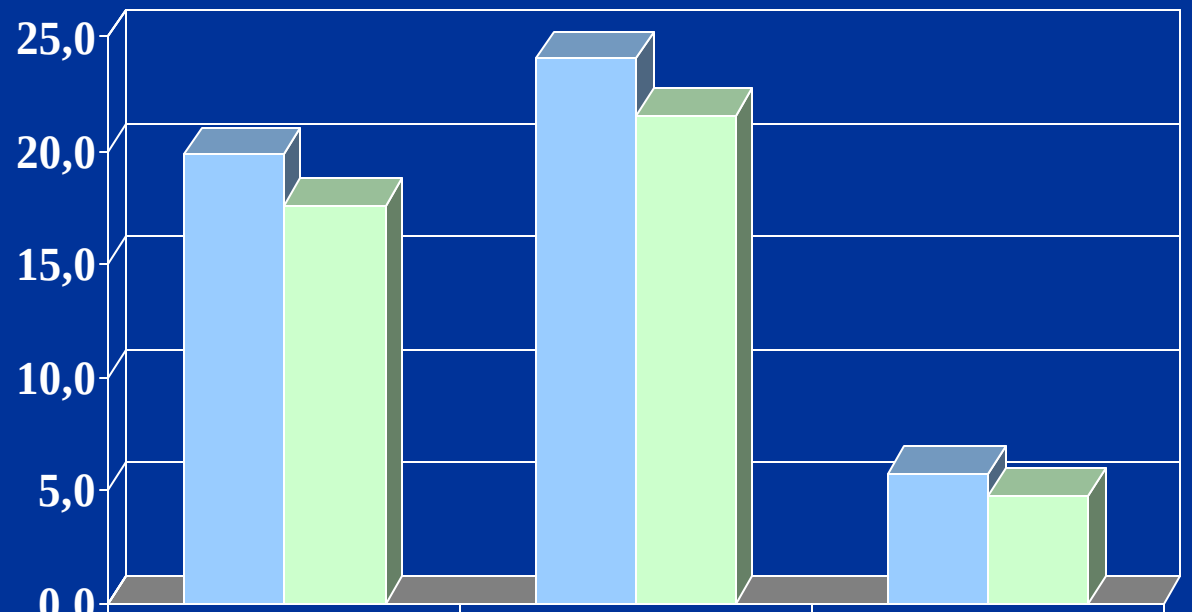
	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03
Northamerica	19,4	21,9	21,7	22,1	20,1	23,9	23,1	22,5	23,3	23,9	22,0	21,0	19,3	21,0
Southamerica	9,4	9,7	9,8	10,2	8,5	9,2	8,5	8,9	8,8	8,6	7,9	7,8	7,2	7,3
Central Europe	23,9	27,9	23,7	25,4	21,9	24,6	23,4	24,7	24,6	28,1	24,9	25,3	24,8	25,9
Western Europe	20,6	20,8	19,7	18,5	17,9	19,9	20,7	22,3	20,7	22,7	21,0	23,3	19,0	19,4

(*) Casing´s figures. Breakdown by origin of the sales.

% EBITDA MARGIN: It goes from 19,8% in 1H02 to 17,5% in 1H03 and from 20,3% in 2Q02 to 17,1% in 2Q03. Taking out the currencies effect, margins would have been slightly higher than 1H02´s.

% of sales

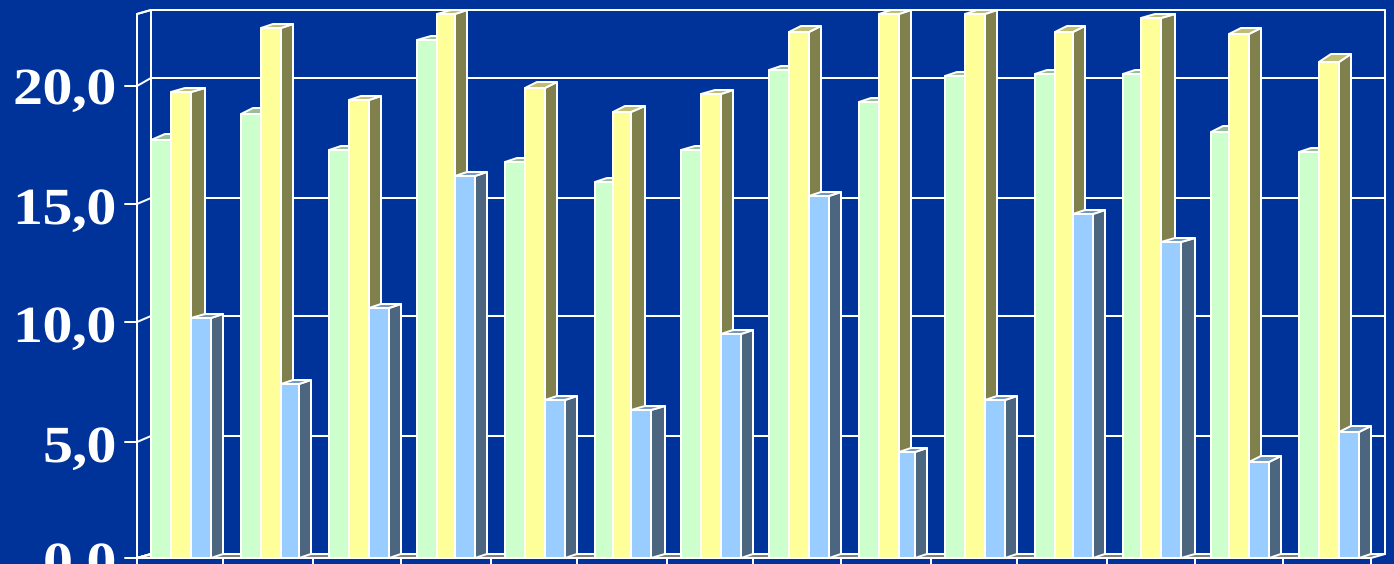
ACCUMULATED FIGURES



	GROUP	CASINGS	VEGETABLES
6M 02	19,8	24,0	5,7
6M 03	17,5	21,5	4,8

% QUARTERLY EBITDA MARGIN EVOLUTION

% of sales

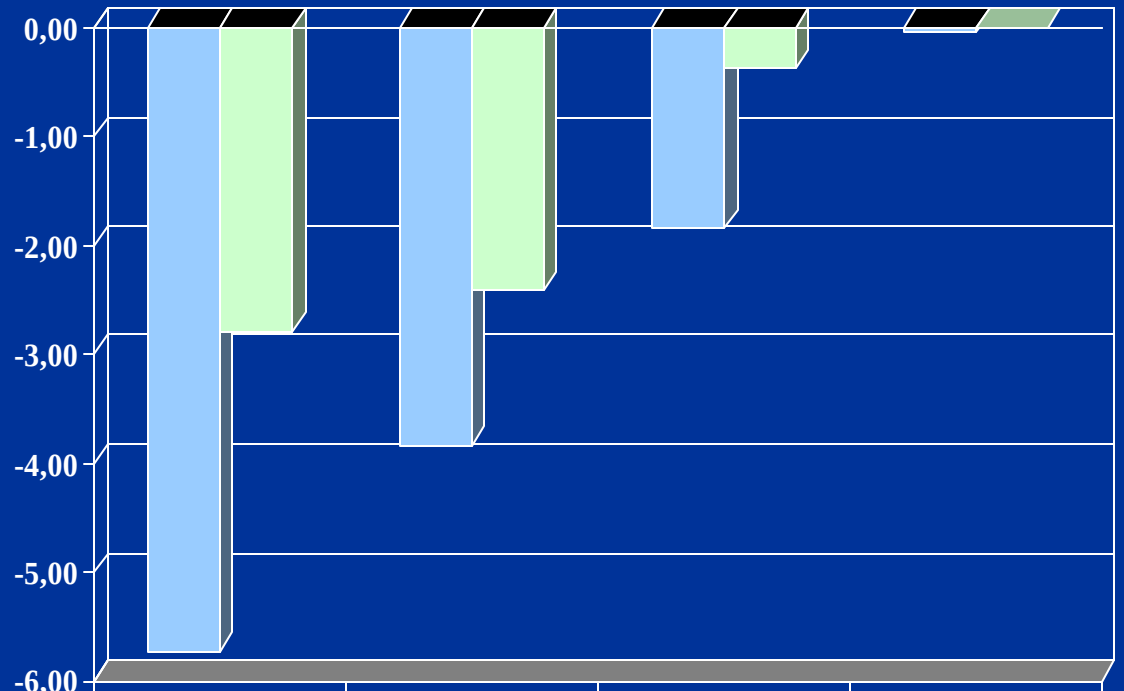


	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03
GROUP	17,7	18,8	17,2	21,9	16,7	15,9	17,2	20,6	19,2	20,3	20,4	20,4	18,0	17,1
CASINGS	19,7	22,3	19,3	23,8	19,9	18,9	19,6	22,2	23,3	24,6	22,2	22,8	22,1	21,0
VEGETABLES	10,1	7,4	10,6	16,1	6,7	6,3	9,5	15,3	4,5	6,7	14,5	13,3	4,1	5,4

FINANCIAL RESULT: Lower net financial expenses (-37%) and lower negative forex (-80%) allow the financial result to improve by 51%.

MM EUR

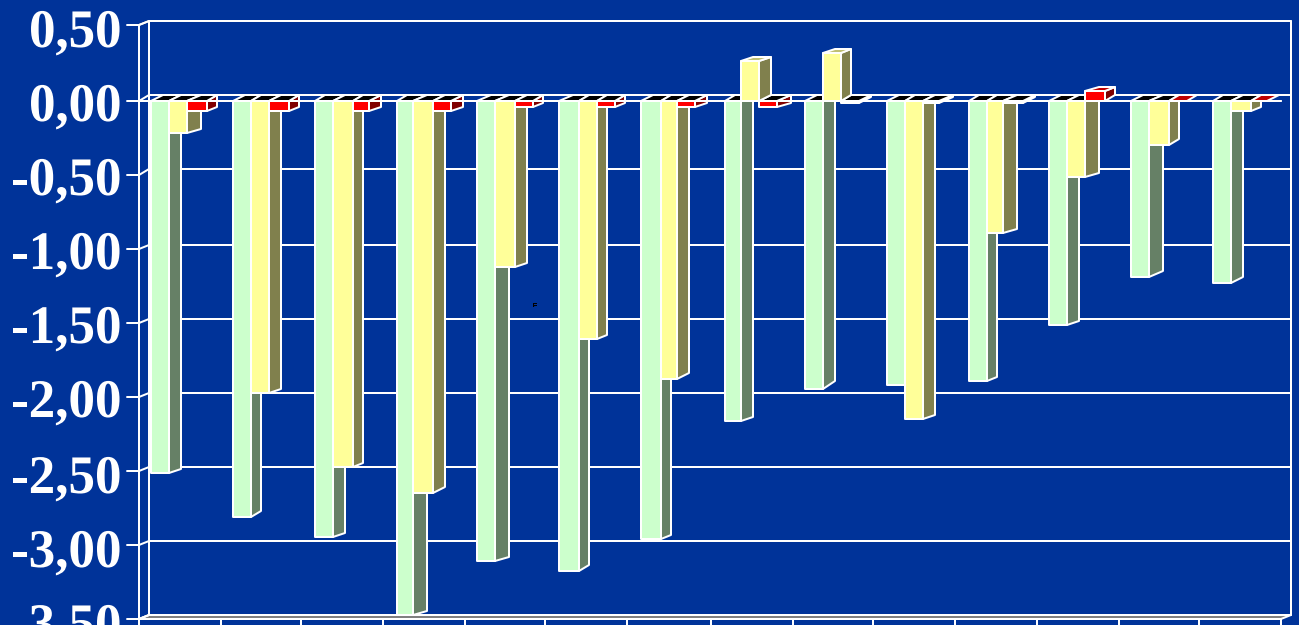
ACCUMULATED FIGURES



	Financ.Result	Net Fin.Expen.	Forex	GW Amort.
6M 02	-5,73	-3,84	-1,85	-0,04
6M 03	-2,80	-2,42	-0,38	0,00

QUARTERLY FINANCIAL RESULT EVOLUTION

MM EUR

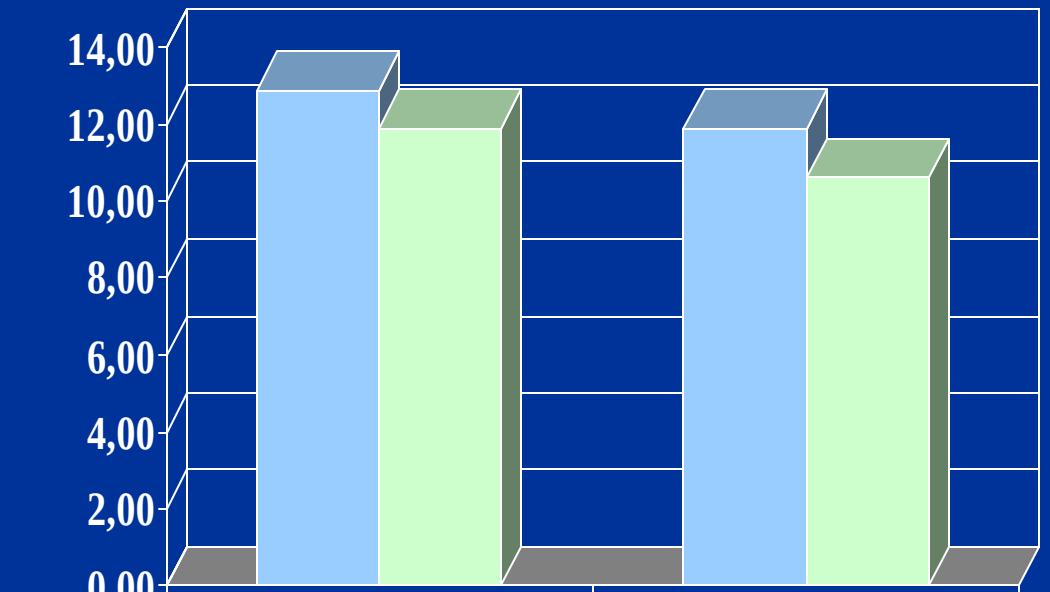


	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03
Net Fin.Expen.	-2,51	-2,80	-2,94	-3,46	-3,10	-3,16	-2,95	-2,17	-1,93	-1,92	-1,89	-1,52	-1,19	-1,23
Forex	-0,23	-1,97	-2,47	-2,64	-1,12	-1,60	-1,87	0,25	0,31	-2,15	-0,90	-0,52	-0,30	-0,08
GW Amort.	-0,08	-0,08	-0,08	-0,08	-0,05	-0,05	-0,05	-0,05	-0,02	-0,02	-0,02	0,05	0,00	0,00

NET PROFIT AND ROE: Net Profit is 11,9 MM EUR, 7,7% lower than 1H02´s. Tax rate goes up to 17,8%. The annualised ROE keeps above 10%.

MM EUR and %

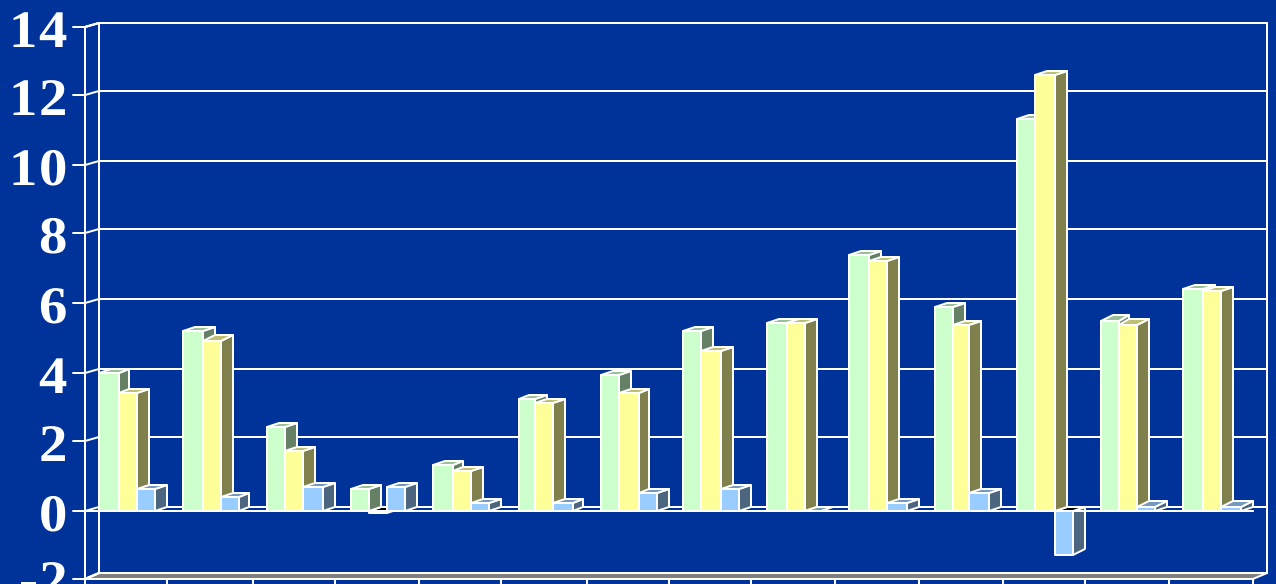
ACCUMULATED FIGURES



	Net Profit	% ROE (annualised)
6M 02	12,89	11,90
6M 03	11,90	10,60

QUARTERLY NET PROFIT EVOLUTION

MM EUR



	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03
GROUP	4	5,2	2,4	0,6	1,3	3,2	3,9	5,2	5,4	7,4	5,9	11,3	5,5	6,4
CASINGS	3,4	4,9	1,7	-0,1	1,1	3,1	3,4	4,6	5,4	7,2	5,4	12,6	5,4	6,3
VEGETABLES	0,6	0,4	0,7	0,7	0,2	0,2	0,5	0,6	0,0	0,2	0,5	-1,3	0,1	0,1

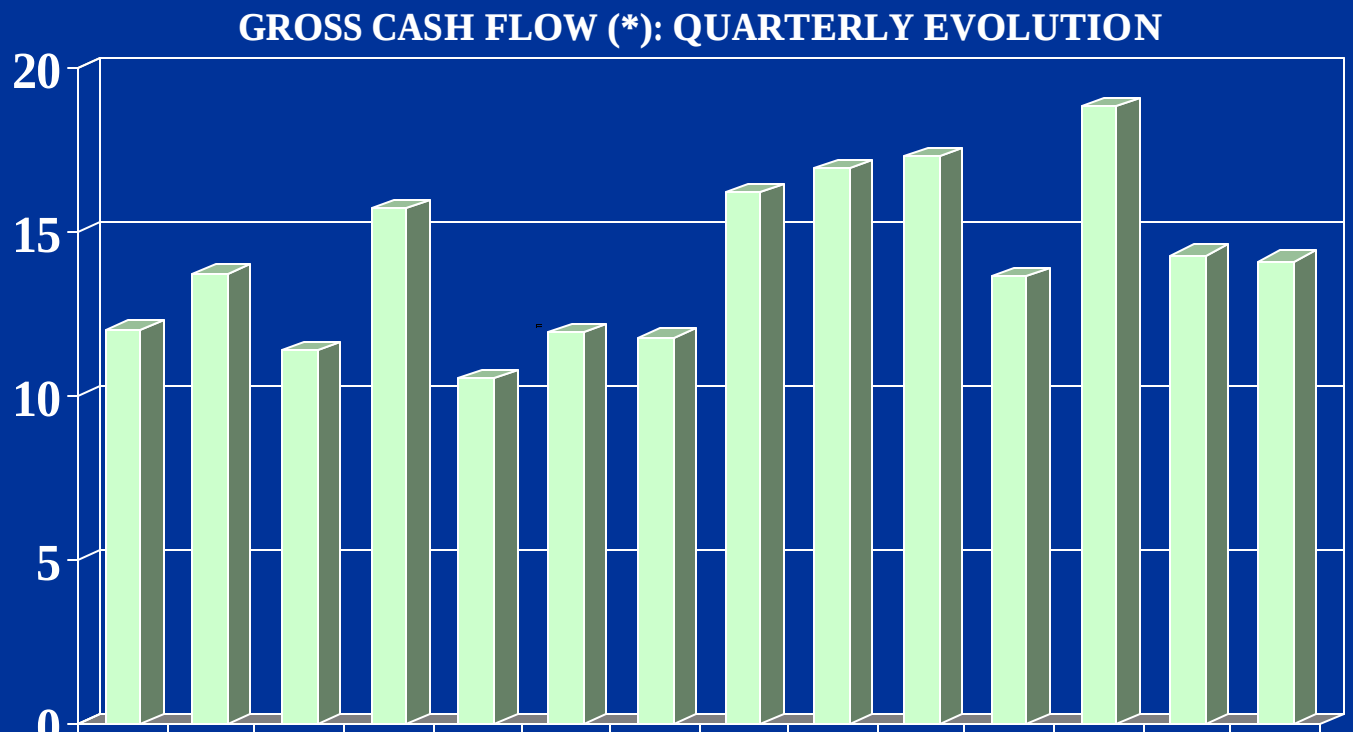
Balance Sheet, Debt and Cash Flow Analysis

BALANCE SHEET: **Gearing is reduced to 44%, compared to 46% at the end of 1Q 03. Working capital figures remain stable, once they have reached a more adequate level according to Group needs.**

MM Euro	GROUP			CASINGS			VEGETABLES		
	06/03	03/03	12/02	06/03	03/03	12/02	06/03	03/03	12/02
Goodwill	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Intangible Assets	9,4	7,6	6,8	6,4	5,1	4,5	3,1	2,5	2,3
Tangible Assets	220,5	219,5	219,0	199,0	198,7	198,2	21,5	20,8	20,8
Financial Assets	1,0	1,0	0,9	1,0	1,0	0,9	0,0	0,0	0,0
Working Capital	131,7	130,6	128,0	91,7	87,7	84,1	40,0	42,9	43,9
NET ASSETS	362,6	358,7	354,7	298,0	292,5	287,6	64,6	66,2	67,1
Equity	226,1	221,7	220,3	200,6	196,2	194,6	25,5	25,5	25,6
Minorites	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Provisions	22,3	22,6	22,9	22,2	22,0	22,0	0,1	0,6	0,9
Net Debt	100,0	102,9	102,6	62,7	64,4	63,9	37,3	38,4	38,7
Others	14,2	11,5	8,9	12,5	9,8	7,1	1,7	1,7	1,8
NET LIABILITIES	362,6	358,7	354,7	298,0	292,5	287,6	64,6	66,2	67,1

CASH FLOW GENERATION: 2Q 03´s generated gross cash flow is 14,1 MM Euro, similar to 1Q 03´s.

MM EUR

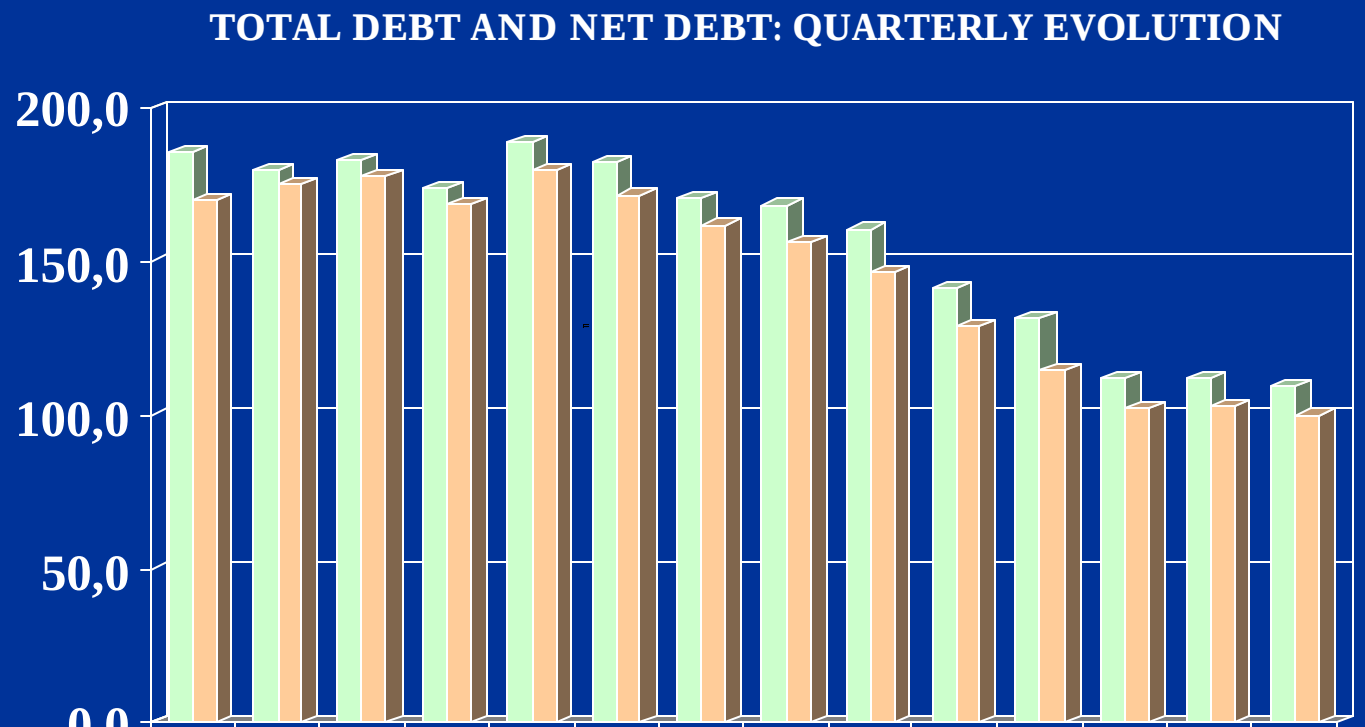


	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03
Gross CF	12	13,7	11,4	15,7	10,5	11,9	11,8	16,2	16,9	17,3	13,6	18,8	14,3	14,1

(*) Gross Cash Flow: Net Profit + Depreciation + Provisions

DEBT EVOLUTION: Net debt was reduced in 2,9 MM EUR during the last quarter. In the last 12 months it has decreased 28 MM Euro.

MM EUR



	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03
Total Debt	185,2	179,3	182,3	173,6	188,4	182,0	170,1	167,8	160,4	141,1	131,2	112,4	111,9	109,5
Net Debt	169,6	174,6	177,1	167,9	179,3	171,1	161,7	156,3	146,3	128,6	114,7	102,6	102,9	100,0

Comments on 2003 Forecasts

COMMENTS ON 2003 FORECASTS

(based upon the guidance released at the beginning of 2003)

	BASE CASE		BEST CASE		WORST CASE	
	Mill Euros	% VAR 03/02	Mill Euros	% VAR 03/02	Mill Euros	% VAR 03/02
Sales	414,1	0,8%	418,5	1,9%	411,7	0,2%
EBITDA	71,7	-9,2%	74,8	-5,2%	70,7	-10,5%
EBIT	40,2	-5,3%	43,3	2,0%	39,1	-7,8%
Ordinary Profit	34,1	6,8%	37,2	16,7%	33,0	3,5%
Extraordinaries	-1,0	-189,0%	-1,0	-189,0%	-1,0	-189,0%
PBT	33,1	0,0%	36,2	9,5%	32,0	-3,3%
Taxes	6,9	131,7%	7,5	153,2%	6,85	131,1%
Attr.Net Profit	26,2	-13,0%	28,7	-4,7%	25,1	-16,5%
ROE	11,4%		12,5%		11,0%	
Capex	30,0	-1,6%	30,0	-1,6%	30,0	-1,6%
% Gearing	35,5%		35,0%		35,8%	

- **Based on a similar currency environment to current, 2003 Net Profit should be around the figure presented in the Best Case scenario.**
- **Taking out the positive effect of the capital gains of the sale of the jam business, and with the same hypothesis about currencies (worse than the initially assumed in our worst case scenario), 2003 Net Profit should be somewhere between the Base and the Worst scenario.**

Presentation available at

www.viscofan.com