Viscofan Group

Results Presentation

Fiscal Year 2003

February 2004

Index

- **Highligths**
- **2003 Full Year and Fourth Quarter Results**
- **Results Analysis**
- **Balance Sheet, Cash Flow and Debt Analysis**
- **Outlook for 2004. Main Investments**

Highligths

- **Group Sales are 371,3 MM EUR, 9,6% lower than 2002´s. The main reasons behind are the strong revaluation of the Euro vs the US dollar (19,6% during 2003), some price pressures and the disposal of the tinned fruits business. Taking out the currencies effect, sales would have been 2,3% lower than 2002`s, with an estimated 0,2% increase in casings and a 10,3% decrease in vegetables, due to the disposal of the tinned fruits business.**

- **EBITDA Margin goes from 19,2% in 2002 to 16,4% in 2003. In the Fourth Quarter this figure is 16,9%, versus 20,5% in the same period of 2002. Again, the main reasons behind are the strong revaluation of the Euro vs the US dollar and price pressures in some products . Taking out the currencies effect, EBITDA would have been 0,3% higher than 2002´s.**

- **Lower net financial expenses (-41%) and lower negative forex (-53%) allow the financial result to improve by 45%.**

Highligths (II)

- **Net Profit is 30,73 MM EUR, 2,1% higher than 2002´s. The extraordinary results coming from the vegetables business re-structuring process, which includes the disposal of the tinned fruits business, (around 7 MM EUR), compensate the negative effect of the US dollar and the price pressures.**

- **Net Debt was reduced by 5,8 MM EUR in this quarter, till 78,8 MM EUR, placing the leverage in 33%. During the last 12 months, net debt was reduced by 23 MM EUR.**

- **During 2003, the Group continued the policy of trying to reduce the currency effect in the results. In order to do it, the activity in dollar-related and low cost factories has been increased. The Board approved investments above the initial plan, which should allow additional reductions of this dependency from 4Q04 onwards.**

Full Year Results

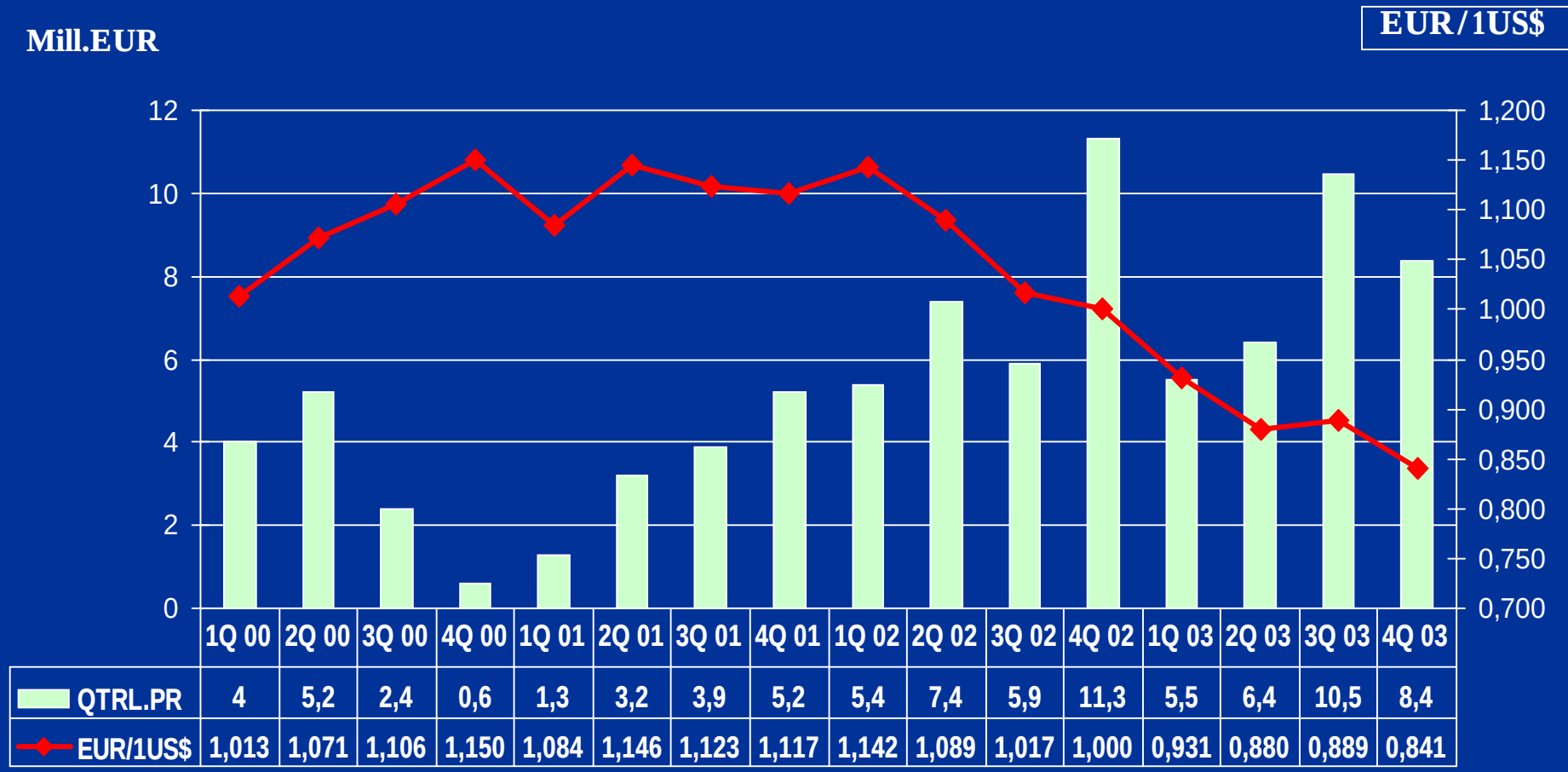
Million Euro	GROUP	% VAR	CASINGS	% VAR	VEGETABLES	% VAR
Sales	**371,31**	**-9,6%**	**285,70**	**-9,0%**	**85,61**	**-11,6%**
EBITDA	60,98	-22,9%	56,02	-20,6%	4,96	-41,6%
EBIT	**31,65**	**-25,4%**	**29,09**	**-22,4%**	**2,56**	**-48,4%**
Neg. Financ. Result.	-5,77	-45,2%	-3,41	-54,3%	-2,36	-23,0%
Ordinary Profit	**25,88**	**-18,9%**	**25,68**	**-14,4%**	**0,20**	**-89,4%**
Extraordinaries	8,35	619,2%	0,33	-88,5%	8,02	559,5%
PBT	**34,24**	**3,5%**	**26,02**	**-21,0%**	**8,22**	**5429,3%**
Taxes	3,49	18,1%	3,54	54,6%	-0,04	-105,0%
Attrib.Net Profit	**30,73**	**2,1%**	**22,48**	**-26,6%**	**8,25**	**1656,3%**

Fourth Quarter Results

Million Euro	GROUP	% VAR	CASINGS	% VAR	VEGETABLES	% VAR
Sales	**88,98**	**-13,6%**	**70,02**	**-9,5%**	**18,96**	**-26,0%**
EBITDA	15,05	-28,9%	14,19	-20,1%	0,86	-74,8%
EBIT	**8,83**	**-34,6%**	**8,79**	**-24,1%**	**0,03**	**-98,3%**
Neg. Financ. Result.	-1,60	-19,6%	-1,05	-8,2%	-0,55	35,0%
Ordinary Profit	**7,23**	**-37,2%**	**7,74**	**-25,9%**	**-0,52**	**-148,7%**
Extraordinaries	0,32	-726,0%	-0,07	-103,4%	0,39	119,2%
PBT	**7,55**	**-34,1%**	**7,68**	**-38,2%**	**-0,13**	**86,6%**
Taxes	-0,81	-648,5%	0,20	-209,3%	-1,00	-405,2%
Attrib.Net Profit	**8,35**	**-26,1%**	**7,48**	**-40,7%**	**0,88**	**167,9%**

Currency Environment : **Euro has been very strong versus the main Group´s operating currencies during the year (average 2003 value is 19% higher compared to 2002). The Company has been able to compensate partially that effect.**

QUARTERLY NET PROFIT AND AVERAGE EUR/US$ RATE



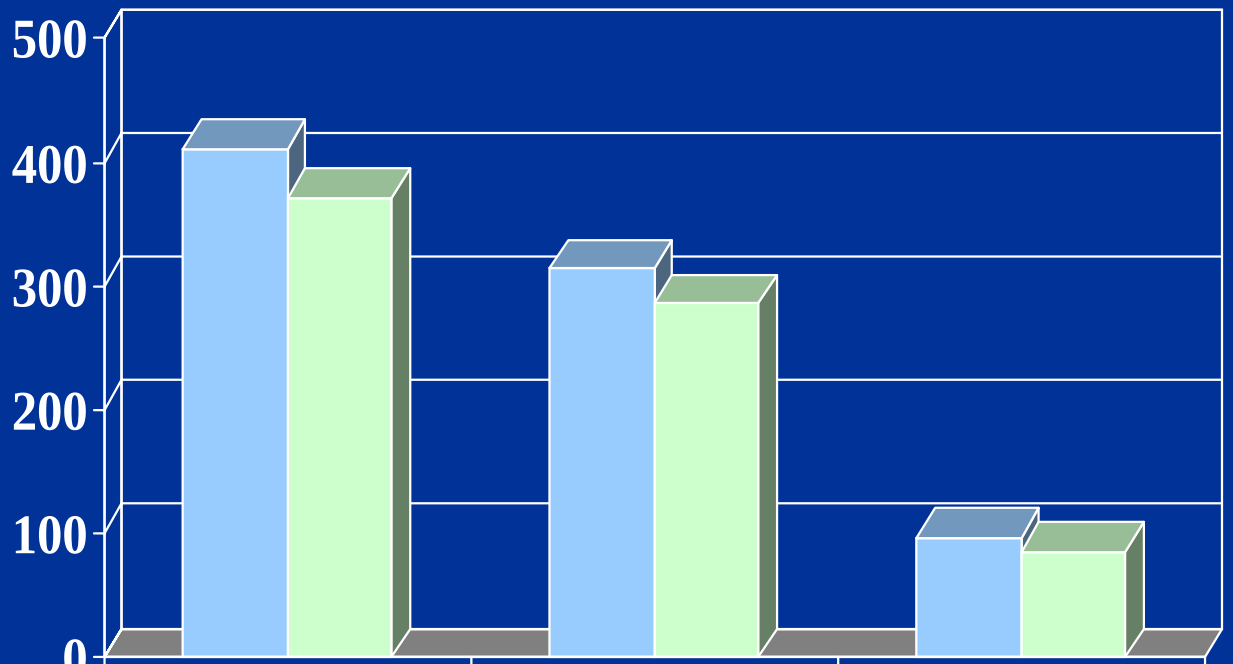
	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03	3Q 03	4Q 03
QTRL.PR	4	5,2	2,4	0,6	1,3	3,2	3,9	5,2	5,4	7,4	5,9	11,3	5,5	6,4	10,5	8,4
EUR/1US$	1,013	1,071	1,106	1,150	1,084	1,146	1,123	1,117	1,142	1,089	1,017	1,000	0,931	0,880	0,889	0,841

Results Analysis

<u>VENTAS:</u> Group Sales are 371,3 MM EUR, 9,6% lower than 2002´s. The main reasons behind are the strong revaluation of the Euro vs the US dollar (19,6% during 2003), some price pressures and the disposal of the tinned fruits business.

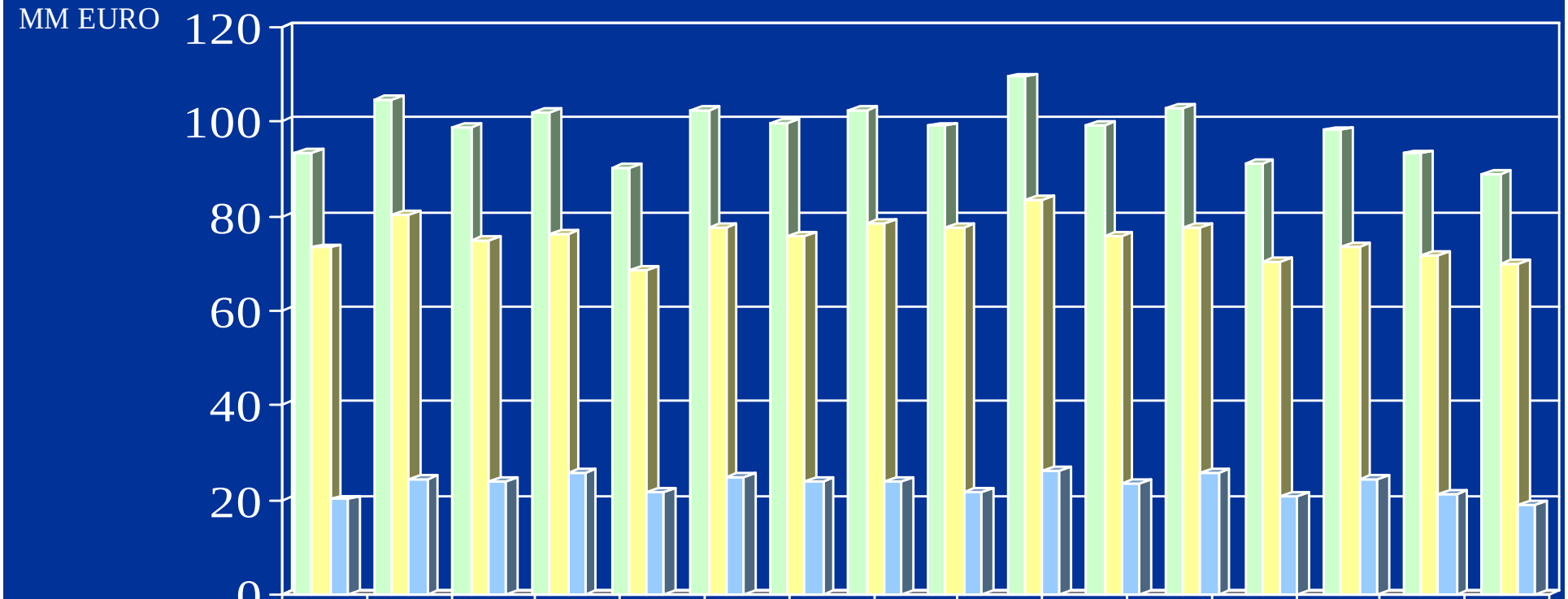
MM EURO

ACCUMULATED FIGURES



	GROUP	CASINGS	VEGETAB.
2002	410,8	313,9	96,8
2003	371,3	285,7	85,6

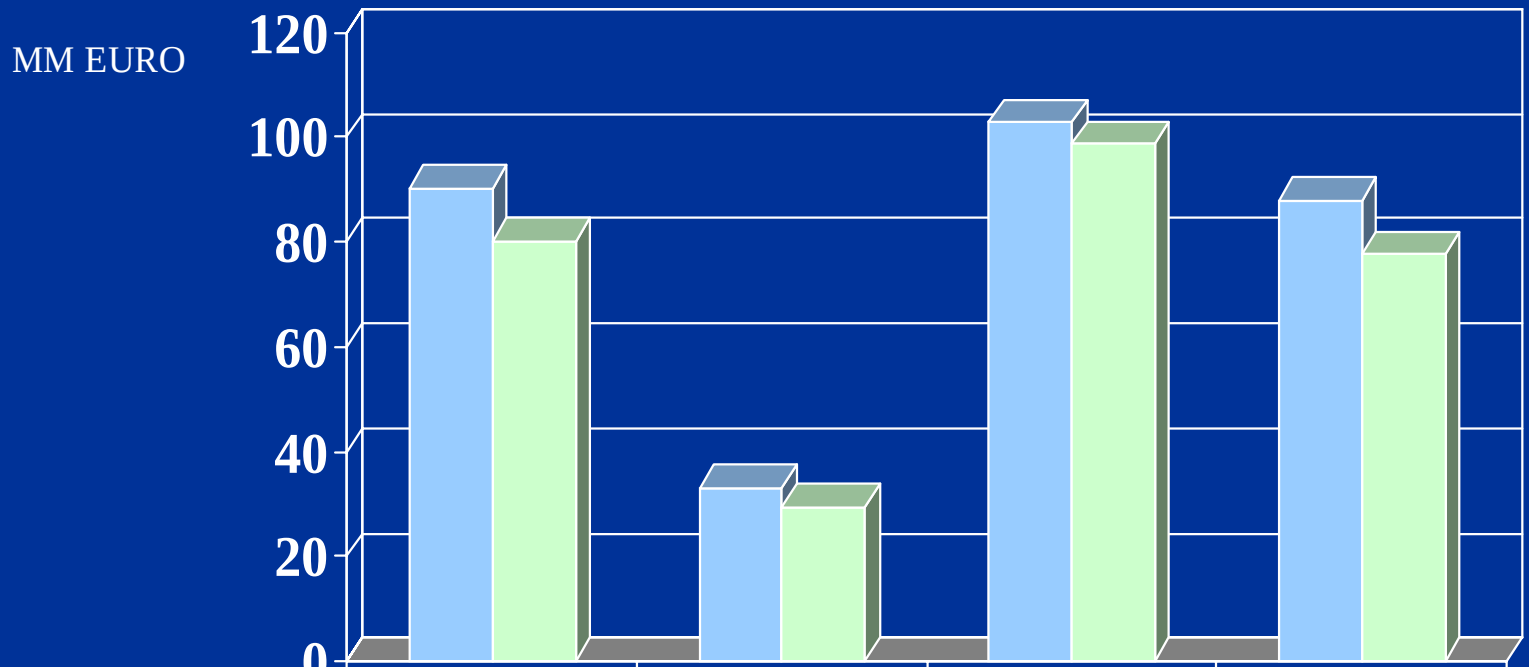
QUARTERLY SALES EVOLUTION



	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03	3Q 03	4Q 03
GROUP	93,5	104,	98,7	102,	90,2	102,	99,7	102,	109,	99,4	103,	91,0	98,1	93,1	89,0
CASINGS	73,3	80,2	74,8	76,2	68,4	77,6	75,7	78,4	83,4	75,8	77,4	70,3	73,6	71,7	70,0
VEGETAB.	20,1	24,4	23,9	25,9	21,8	24,6	24,1	24,0	26,0	23,6	25,6	20,7	24,5	21,4	19,0

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 currencies.**

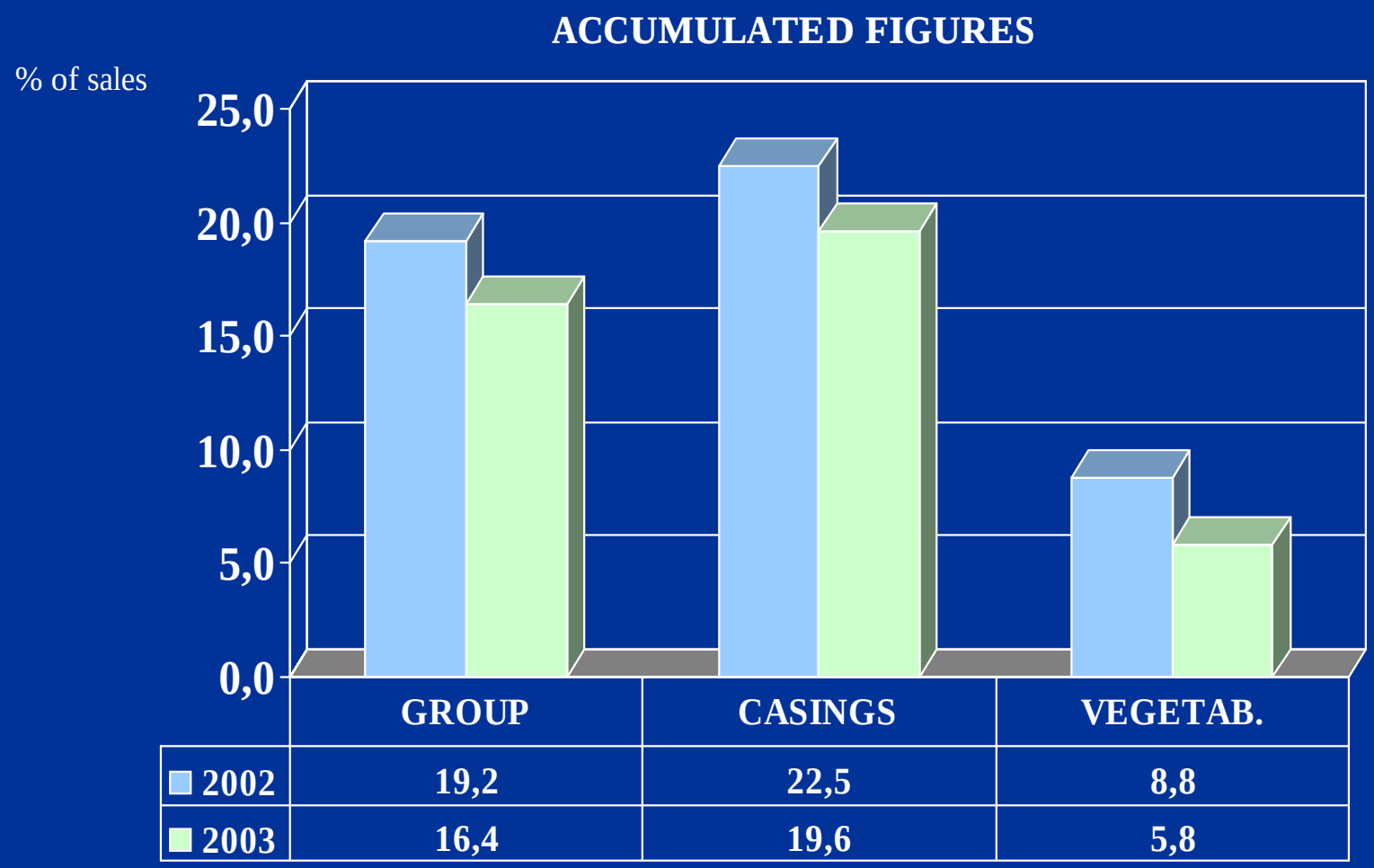
ACCUMULATED FIGURES



	Northamerica	Southamerica	Central Europe	Western Europe
2002	90,2	33,1	102,8	87,8
2003	80,1	29,3	98,6	77,7

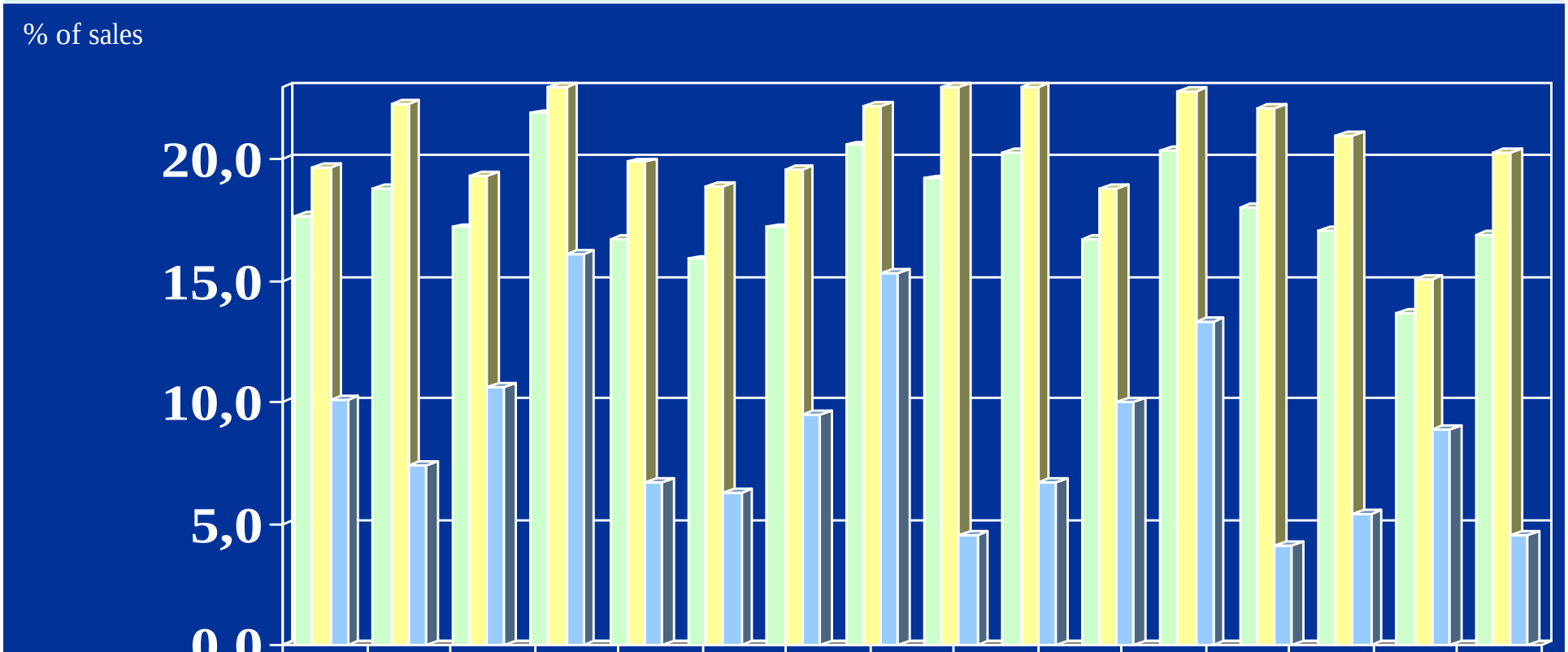
(*) Casing´s figures. Breakdown by origin of the sales.

<u>EBITDA margin</u> goes from 19,2% in 2002 to 16,4% in 2003. Dollar weakness and certain products price erosion are the main reasons behind.



	GROUP	CASINGS	VEGETAB.
2002	19,2	22,5	8,8
2003	16,4	19,6	5,8

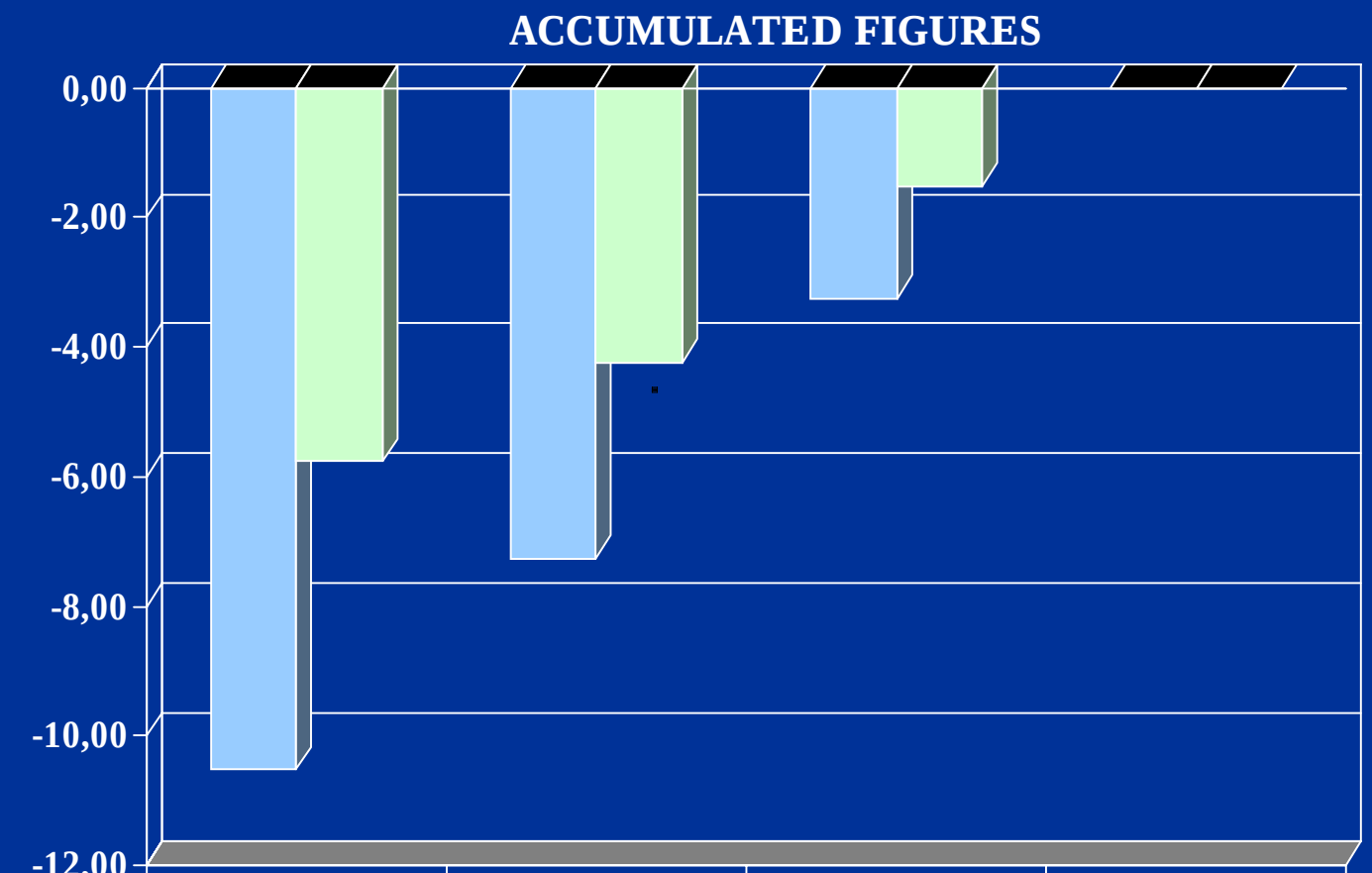
% QUARTERLY EBITDA MARGIN EVOLUTION



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

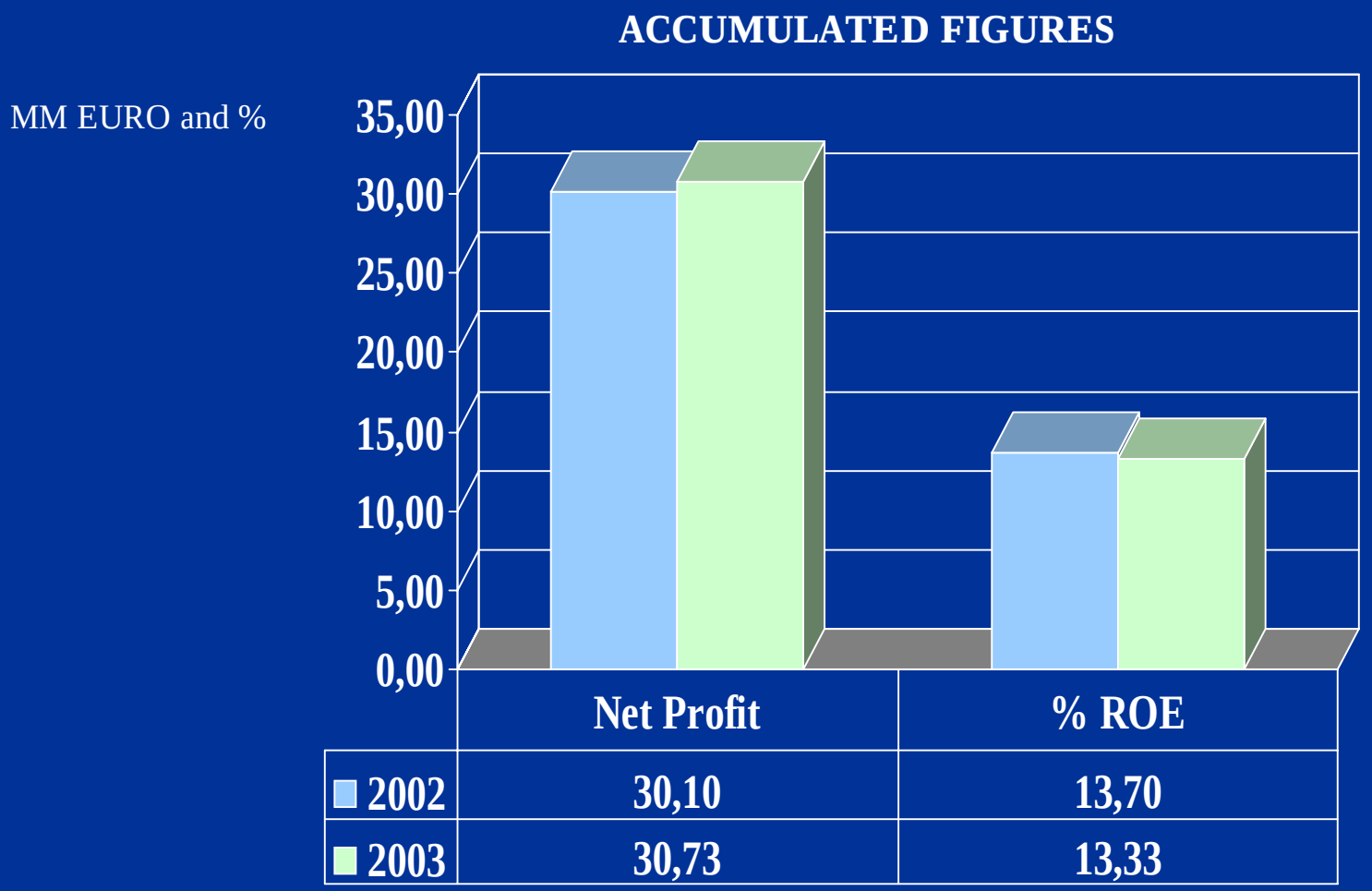
FINANCIAL RESULT: Lower net financial expenses (-41%) and lower negative forex (-53%) allow the financial result to improve by 45%.

MM EURO



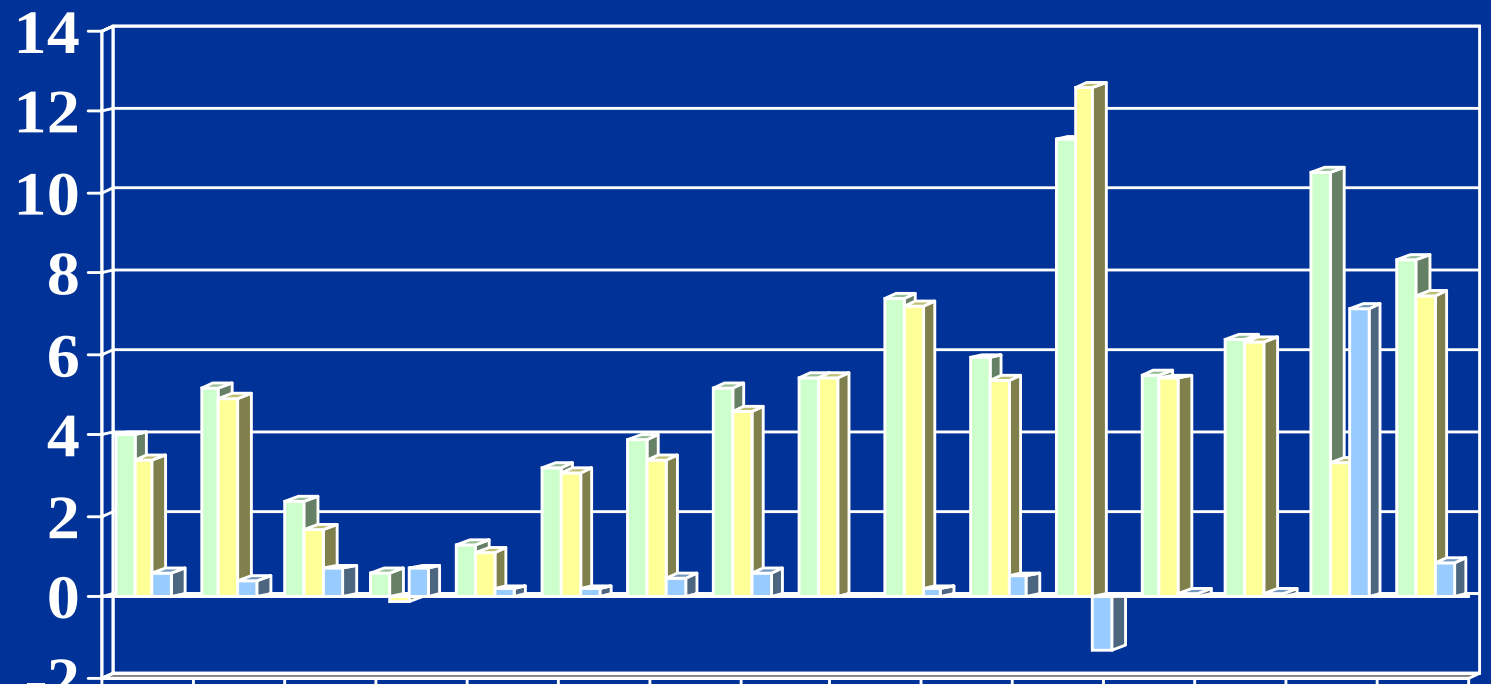
	Financ.Result	Net Fin.Expen.	Forex	GW Amort.
2002	-10,53	-7,27	-3,26	-0,01
2003	-5,77	-4,25	-1,51	-0,01

NET PROFIT AND ROE: **Net Profit is 30,73 MM EUR, 2,1% higher than 2002´s. Tax rate is 10,2%. The ROE is above 13,3%.**



QUARTERLY NET PROFIT EVOLUTION

MM EURO



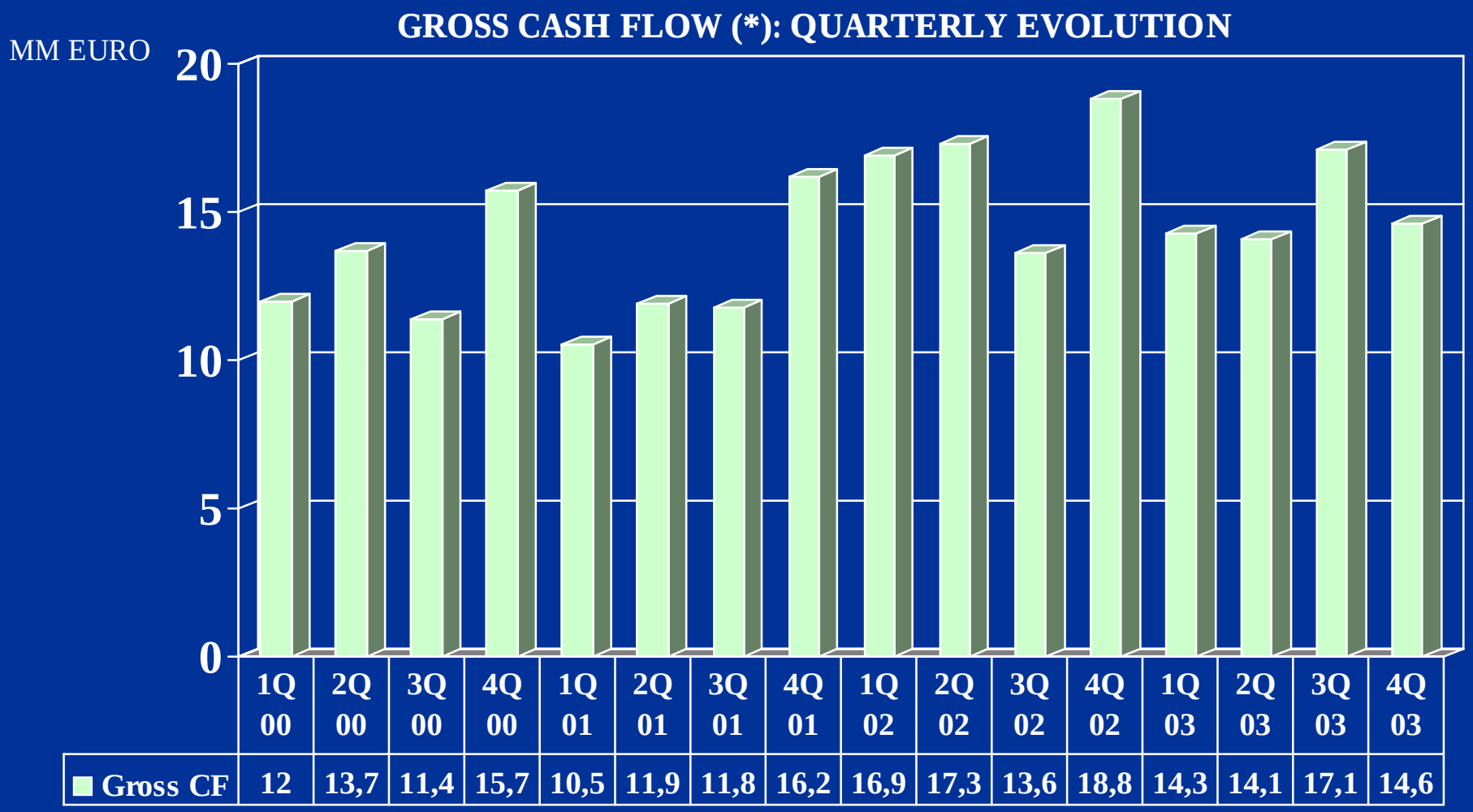
	1Q 00	2Q 00	3Q 00	4Q 00	1Q 01	2Q 01	3Q 01	4Q 01	2Q 02	3Q 02	4Q 02	1Q 03	2Q 03	3Q 03	4Q 03
GROUP	4	5,2	2,4	0,6	1,3	3,2	3,9	5,2	7,4	5,9	11,3	5,5	6,4	10,5	8,4
CASINGS	3,4	4,9	1,7	-0,1	1,1	3,1	3,4	4,6	7,2	5,4	12,6	5,4	6,3	3,3	7,5
VEGETAB.	0,6	0,4	0,7	0,7	0,2	0,2	0,5	0,6	0,2	0,5	-1,3	0,1	0,1	7,2	0,9

Balance Sheet, Cash Flow and Debt Analysis

Balance Sheet: Leverage is 33% versus 36% at the end of third quarter. Working capital remains more or less stable.

MM Euro	GROUP			CASINGS			VEGETABLES		
	12/03	09/03	06/03	12/03	09/03	06/03	12/03	09/03	06/03
Goodwill	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Intangible Assets	5,7	7,4	9,4	4,0	5,3	6,4	1,7	2,2	3,1
Tangible Assets	213,4	216,7	220,5	195,2	198,8	199,0	18,2	17,9	21,5
Financial Assets	1,0	1,0	1,0	1,0	1,0	1,0	0,0	0,0	0,0
Working Capital	132,0	132,7	131,7	84,5	83,9	91,7	47,5	48,9	40,0
NET ASSETS	352,0	357,9	362,6	284,7	288,9	298,0	67,4	68,9	64,6
Equity	240,4	235,2	226,1	206,3	202,4	200,6	34,0	32,8	25,5
Minorites	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Provisions	23,3	24,3	22,3	22,8	22,0	22,2	0,5	2,3	0,1
Net Debt	78,8	84,6	100,0	48,1	52,5	62,7	30,7	32,1	37,3
Others	9,6	13,8	14,2	7,5	12,1	12,5	2,1	1,7	1,7
NET LIABILITIES	352,0	357,9	362,6	284,7	288,9	298,0	67,4	68,9	64,6

CASH FLOW GENERATION: 4Q 03´s gross cash flow is 14,6 MM Euro. Accumulated figure is 60,1 MM Euro.

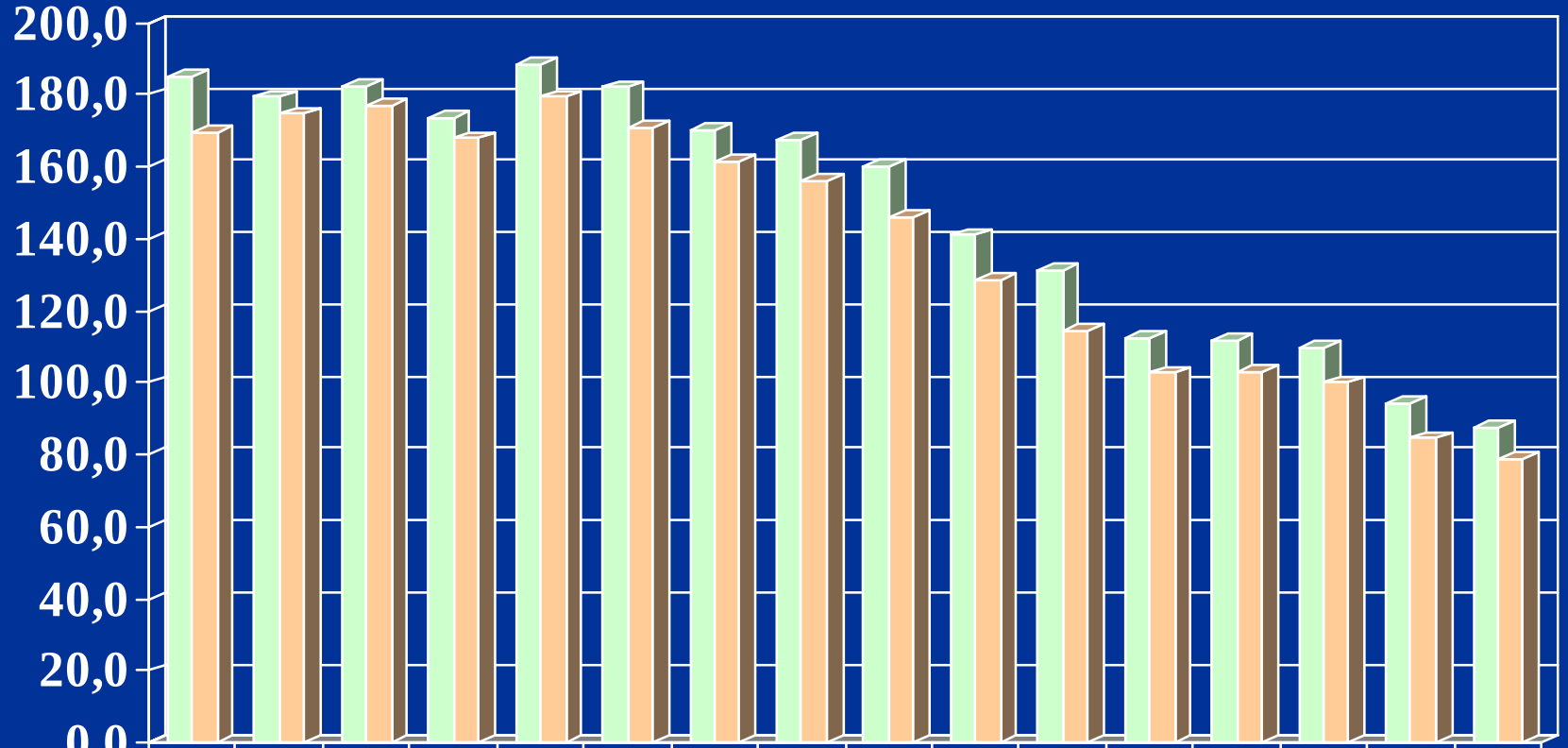


(*) Gross Cash Flow: Net Profit + Depreciation + Provisions

DEBT EVOLUTION: **Net debt was reduced in 5,8 MM EUR during the last quarter till 78,8 MM EUR. In the last 12 months it has decreased more than 23 MM Euro.**

MM EURO

TOTAL DEBT AND NET DEBT: QUARTERLY EVOLUTION



	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	3Q 03	4Q 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	94,2	87,5
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	84,6	78,8

Outlook for 2004

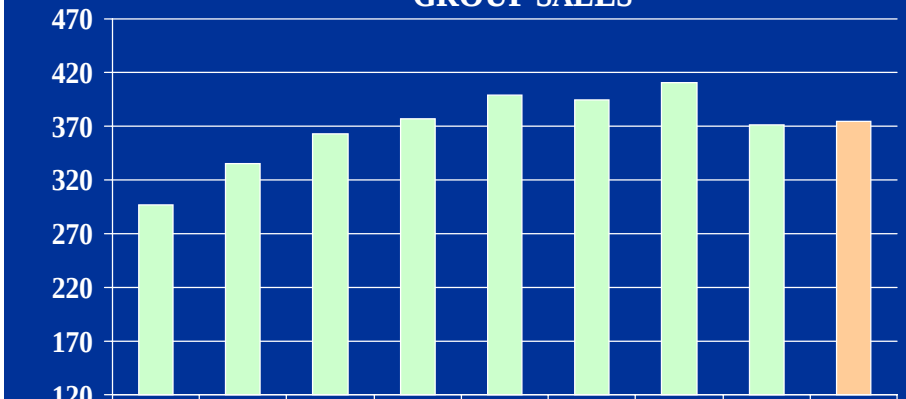
2004 FORECASTS

	BASE CASE		BEST CASE		WORST CASE	
	Mill. Euro	% VAR 04/03	Mill. Euro	% VAR 04/03	Mill. Euro	% VAR 04/03
Sales	**374,43**	**0,8%**	**381,28**	**2,7%**	**368,03**	**-0,9%**
EBITDA	63,93	4,8%	67,11	10,0%	60,94	-0,1%
EBIT	**31,00**	**-2,1%**	**33,99**	**7,4%**	**28,17**	**-11,0%**
Ordinary Profit	25,72	-0,6%	28,69	10,8%	22,92	-11,4%
PBT	**25,65**	**-25,1%**	**28,63**	**-16,4%**	**22,84**	**-33,3%**
Net Profit	19,97	-35,0%	22,76	-25,9%	17,32	-43,6%
Net Debt	**73,6**	**-5,17**	**70,8**	**-7,96**	**76,3**	**-2,50**
% Fin.Gearing.	29%		28%		31%	
% ROE	**8,1%**		**9,2%**		**7,1%**	

2004 FORECASTS

Mn. Eur

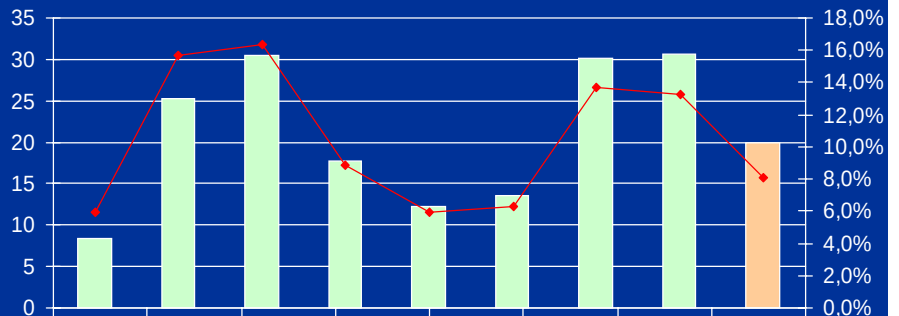
GROUP SALES



	1996	1997	1998	1999	2000	2001	2002	2003	2004E
Sales	296,4	335,2	363,5	376,4	398,9	394,6	410,7	371,3	374,4

Mn. Eur

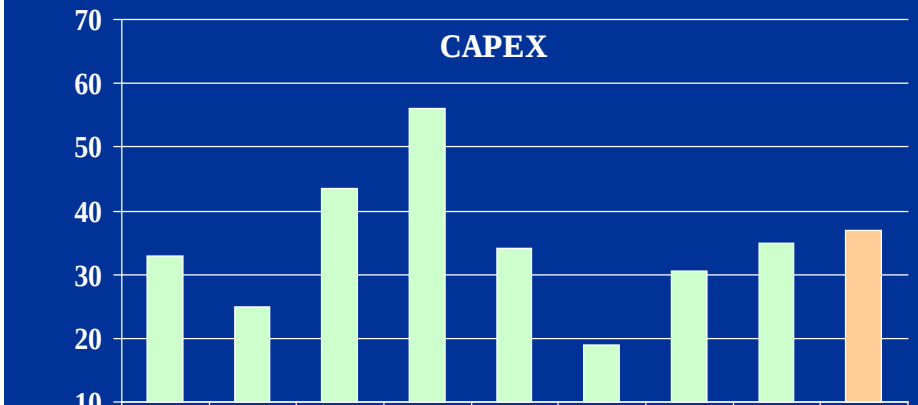
NET PROFIT AND ROE



	1996	1997	1998	1999	2001	2002	2003	2004E
N.Profit	8,4	25,3	30,4	17,8	13,6	30,1	30,7	20,0
ROE	5,9%	15,7%	16,4%	8,9%	6,3%	13,7%	13,3%	8,10%

Mn. Eur

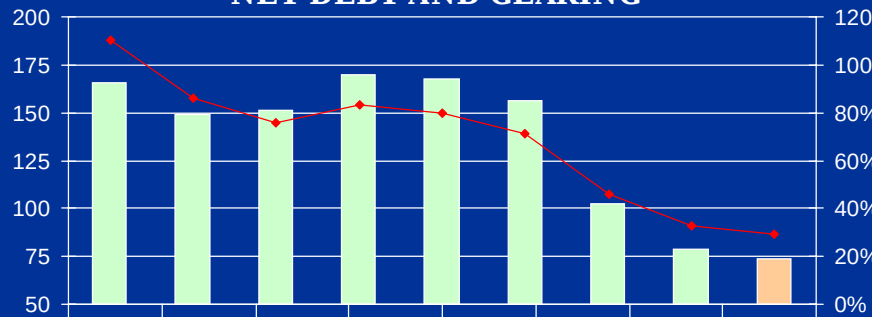
CAPEX



	1996	1997	1998	1999	2000	2001	2002	2003	2004E
Capex	32,9	24,9	43,5	56,1	34,1	19,0	30,5	34,9	37,0

Mn. Eur

NET DEBT AND GEARING



	1996	1997	1998	1999	2001	2002	2003	2004
N.Debt	165,5	149,4	150,9	169,8	156,3	102,6	78,8	73,6
ND/Equity	110%	86%	76%	83%	71%	46%	33,0%	29%

2004 MAIN INVESTMENTS

CAPEX BUDGET 37 MM

	TARGETS
15 MM Capacity Increase in Viscofan Brazil	Have free capacity to supply the world skinless markets with flexibility, depending on the relative situation of costs and currencies.
4 MM Viscofan de Mexico Start Up (San Luis Potosí)	Produce locally to supply the Mexican skinless market (3rd in the world), with cheaper costs. Move costs to a dollar-related area.
4 MM Production Re-location Investments	Reduce costs of production through the increasing activity in the cheaper facilities (with lower labour costs), maintaining the quality of the product.

Presentation available at

www.viscofan.com