Viscofan Group

Results Presentation

Fiscal Year 2004

February 2005

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Highligths

- **The casings business growth in volume continues being above 5% in main families with an uneven performance of prices (in local currency) depending on products and geographical areas.**

- **Group Sales are 87,6 MM EUR in this quarter, and 349,2 MM in 2004, 1,6% and 5,9% lower than the corresponding periods of 2003. Taking out the currencies effect and with the same Group perimeter (taking out the effect of the disposal of the jam business), sales would have been 0,6% higher than 2003´s, with an estimated 1,8% increase in casings and a 3,7% decrease in vegetables.**

- **EBITDA Margin in 2004 (14,6%) is lower than 2003´s, affected by the performance of currencies and prices and the start-up expenses of the Mexico and Brazil projects, still with low revenue contribution.**
- **In absolute value, EBITDA is 28,4% lower than 4Q03´s and 16,2% lower than 2003´s due to above mentioned reasons.**

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Highligths (II)

- **Lower net financial expenses (-15%) and lower negative forex (-83%) allow the accumulated financial result to improve by 33%.**

- **Ordinary Profit is 29% lower than 2003´s. Accumulated Net Profit is 21,94 MM EUR, 28,6% lower than 2003´s. The main reason behind this drop is the comparative lack of the capital gains of the sale of the jam business in 2003. It is necessary to be aware of the 7,4 MM EUR of provisions that have been booked in 4Q04 as a result of the re-structuring projects of Naturin and IAN, and of the 8,4 MM EUR of positive taxes adjustment due to IAS.**

- **Net Debt has slightly increased in the last quarter, being the ending level of the quarter 75,3 MM EUR. In the last twelve months the Group has decreased this figure by 3,1 MM EUR, placing the leverage in 30,5%, in despite of the cancellation of the treasury stock (around 3 MM EUR).**

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Fourth Quarter Results

Mill. Euros	GROUP	% VAR	CASINGS	% VAR	VEGETABLES	% VAR
Sales	87,587	-1,6%	69,492	-0,8%	18,095	-4,6%
EBITDA	10,897	-28,4%	10,837	-23,6%	0,059	-94,2%
EBIT	4,978	-44,1%	5,037	-42,7%	-0,059	-153,6%
Negat.Financial Result	-0,741	-53,6%	-0,540	-48,5%	-0,201	-63,5%
Ordinary Profit	4,237	-42,0%	4,497	-41,9%	-0,260	40,9%
Extraordinaries	-6,005	-2552,8%	-6,292	-9306,1%	0,287	-8,1%
PBT	-1,768	-123,4%	-1,795	-123,4%	0,027	120,7%
Taxes	-10,460	-891,5%	-8,751	-4497,9%	-1,709	-36,3%
Net Profit	8,692	1,0%	6,956	-7,0%	1,736	54,2%

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Fiscal Year 2004

Mill. Euros	GROUP	% VAR	CASINGS	% VAR	VEGETABLES	% VAR
Sales	349,22	-5,9%	278,96	-2,4%	70,26	-17,9%
EBITDA	51,09	-16,2%	47,85	-14,6%	3,24	-34,7%
EBIT	22,10	-30,2%	20,93	-28,1%	1,18	-54,1%
Negat.Financial Result	-3,84	-33,5%	-2,73	-20,1%	-1,11	-53,0%
Ordinary Profit	18,26	-29,4%	18,20	-29,1%	0,07	-66,8%
Extraordinaries (*)	-5,48	-165,7%	-6,23	-1962,1%	0,74	-90,7%
PBT	12,78	-62,7%	11,97	-54,0%	0,81	-90,2%
Taxes	-9,16	-361,6%	-7,46	-311,1%	-1,70	-4876,7%
Net Profit	21,94	-28,6%	19,43	-13,5%	2,51	-69,6%

(*) In 2003 this line included 8 MM Eur of capital gains due to the sale of the jam business (7 MM net, due to the re-structuring costs of the asparragus business).

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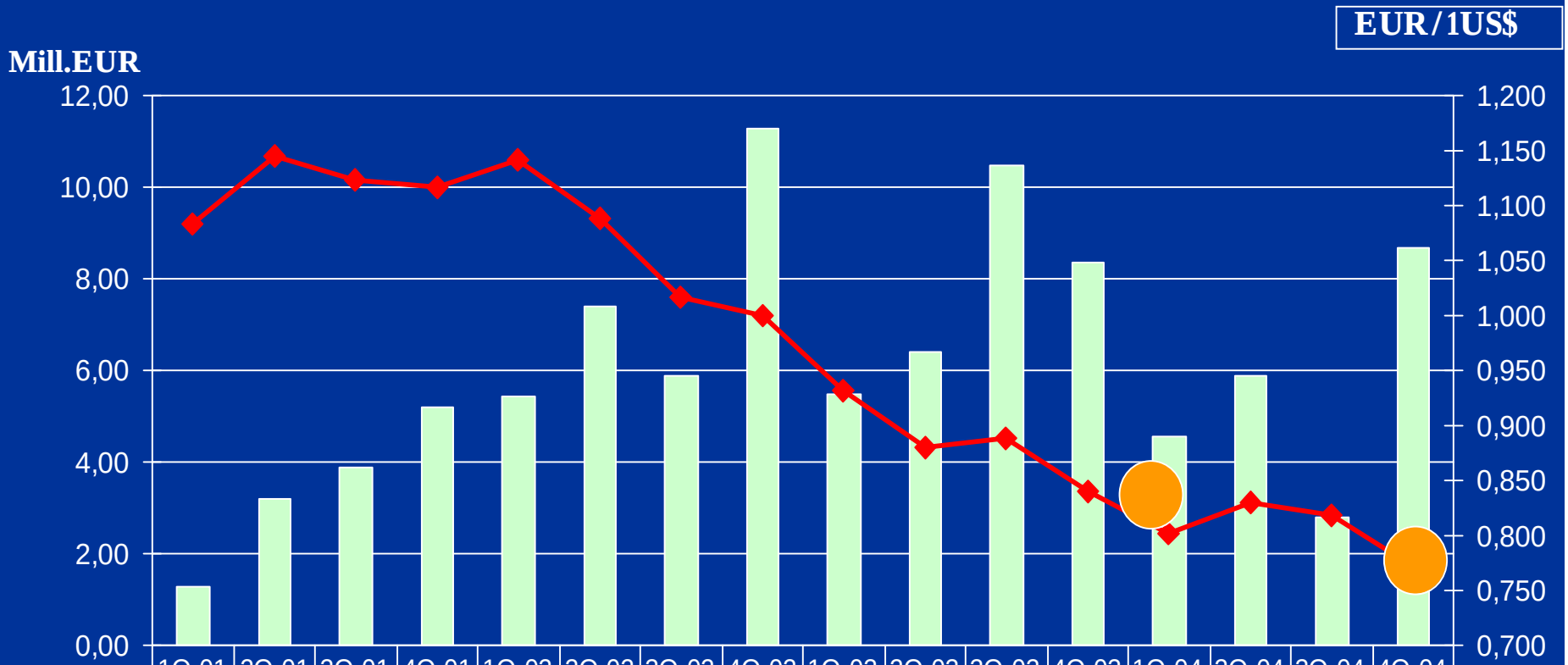
Currency Environment : **Euro was again very strong versus the rest of the currencies in which the Group trades, especially versus the US$ (average 4Q04 value is 9% higher compared to 4Q03). The Company has been able to compensate partially that effect.**

QUARTERLY NET PROFIT AND AVERAGE EUR/US$ RATE



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QTRL.PR	1,30	3,20	3,90	5,20	5,43	7,40	5,90	11,30	5,50	6,40	10,48	8,35	4,55	5,88	2,82	8,69
EUR/1US$	1,084	1,146	1,123	1,117	1,142	1,089	1,017	1,000	0,931	0,880	0,889	0,841	0,801	0,830	0,818	0,771

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Currencies and Sale of Jam Business Effects: In order to make the analysis of the impact of both effects on results easier, the following information is presented, based on the hypothesis shown below.

ACTUAL 2003	Million Euro	ACTUAL 2004 (A)	% VAR vs 2003	(A) + CURRENCY EFFECT 2004 (B)	% VAR vs 2003	(B) + SAME PERIMETER 2004 (C)	% VAR vs 2003
371,31	Sales	349,22	-5,9%	361,88	-2,5%	373,40	0,6%
60,98	EBITDA	51,09	-16,2%	58,39	-4,2%	58,77	-3,6%
25,88	Ordinary Profit	18,26	-29,4%	25,12	-2,9%	25,17	-2,8%

COLUMN (A): Actual 2004 Results

COLUMN (B): Column(A) + Additional figures if average currencies exchange rates of 2004 were the same of 2003

COLUMN (C): Column (B) + Additional figures corresponding to the ones of the Jam Business included in 2003 until its sale in July

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Results Analysis

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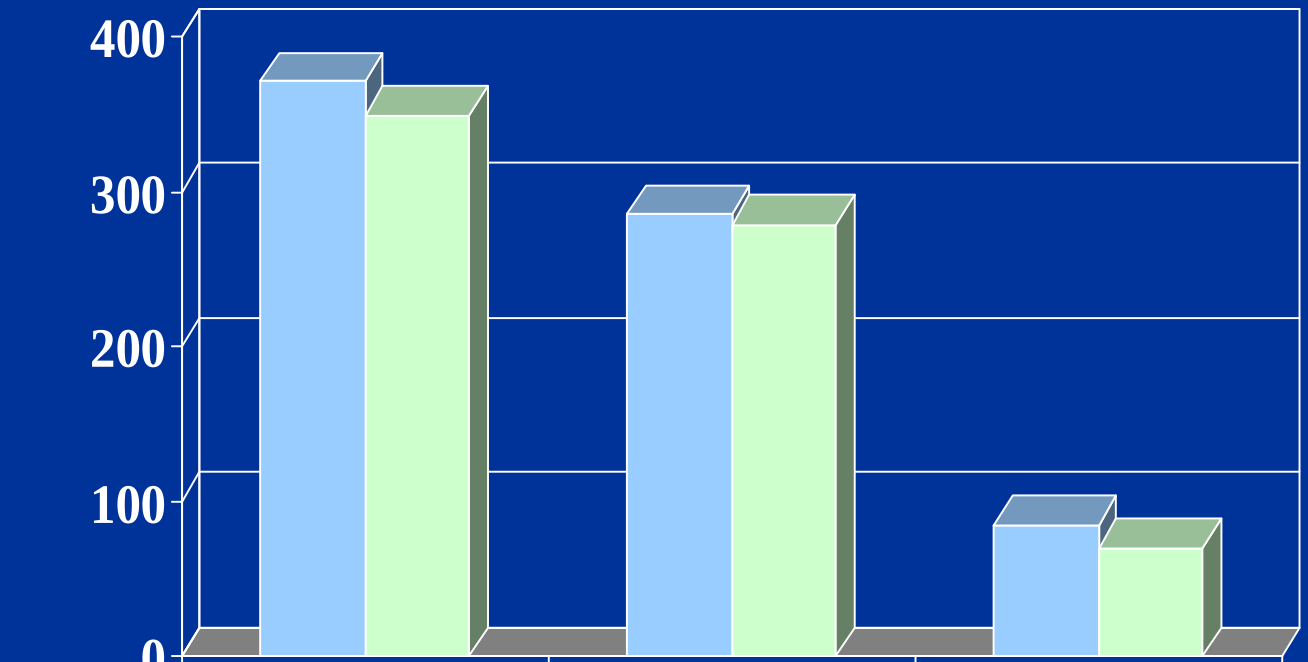
SALES: **Accumulated Group sales are 349,22 MM EUR, 5,9% lower than 2003´s. Casing sales are 2,4% lower, and vegetables are 18% lower, mainly due to the comparative effect of the disposal of the jam business in July 2003.**

Million Euro

ACCUMULATED FIGURES



	GROUP	CASINGS	VEGETAB.
2003	371,3	285,7	85,6
2004	349,2	279,0	70,2

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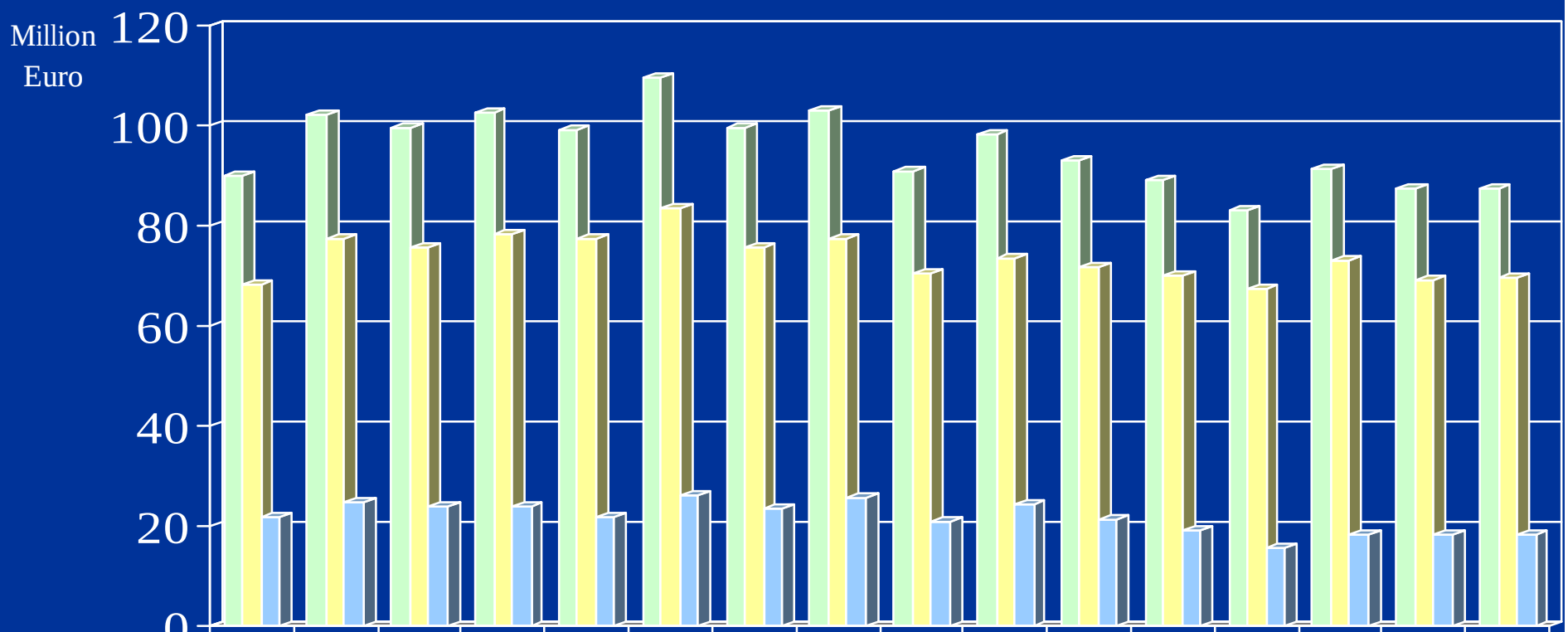
QUARTERLY SALES EVOLUTION



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GROUP	90,2	102,2	99,7	102,4	99,0	109,4	99,4	103,0	91,0	98,1	93,1	89,0	83,1	91,2	87,3	87,6
CASINGS	68,4	77,6	75,7	78,4	77,4	83,4	75,8	77,4	70,3	73,6	71,7	70,0	67,5	72,9	69,1	69,5
VEGETAB.	21,8	24,6	24,1	24,0	21,5	26,0	23,6	25,6	20,7	24,5	21,4	19,0	15,6	18,3	18,2	18,1

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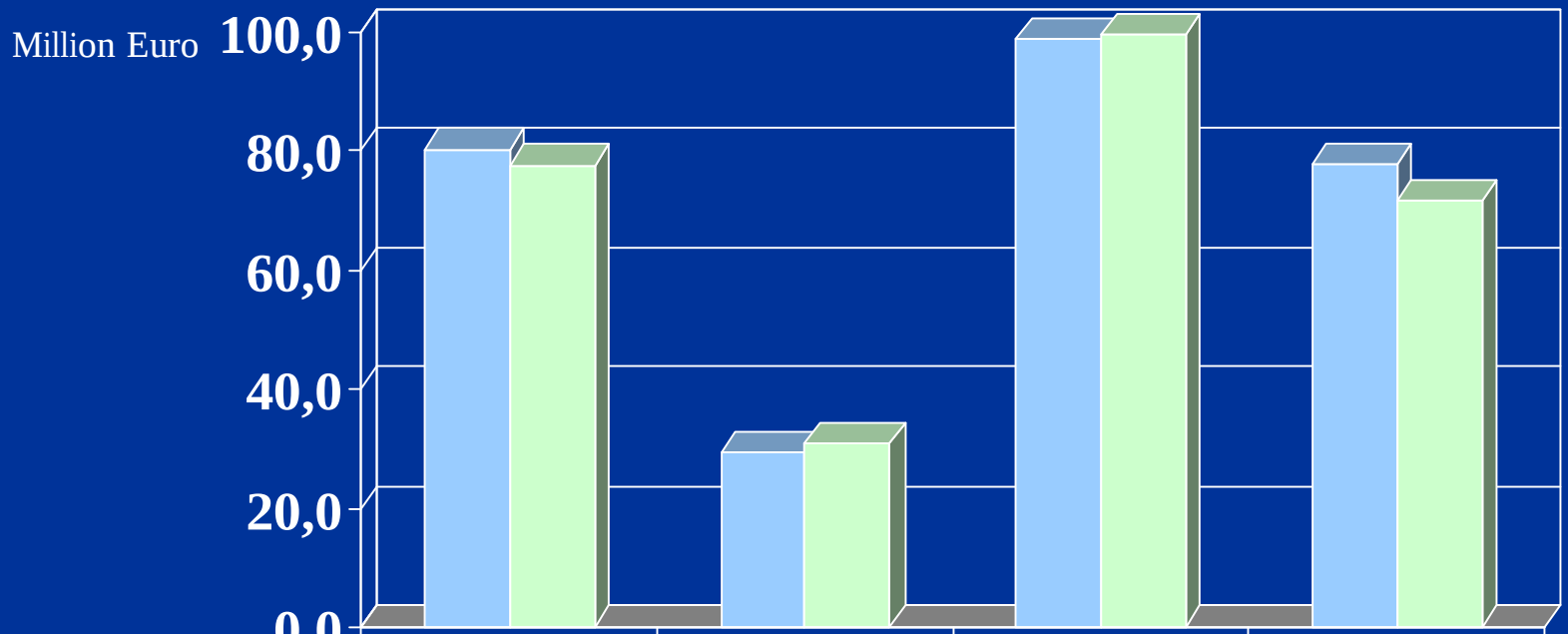
SALES BY AREA(*): **Northamerica and Europe partially compensate the negative effect of the dollar with increasing volume. Latam shows a 4,7% growth in Euros due to stronger demand and market share gains.**

ACCUMULATED FIGURES



	Northamerica	Latam	Central Europe	Western Europe
2003	80,1	29,3	98,6	77,7
2004	77,4	30,7	99,4	71,5

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

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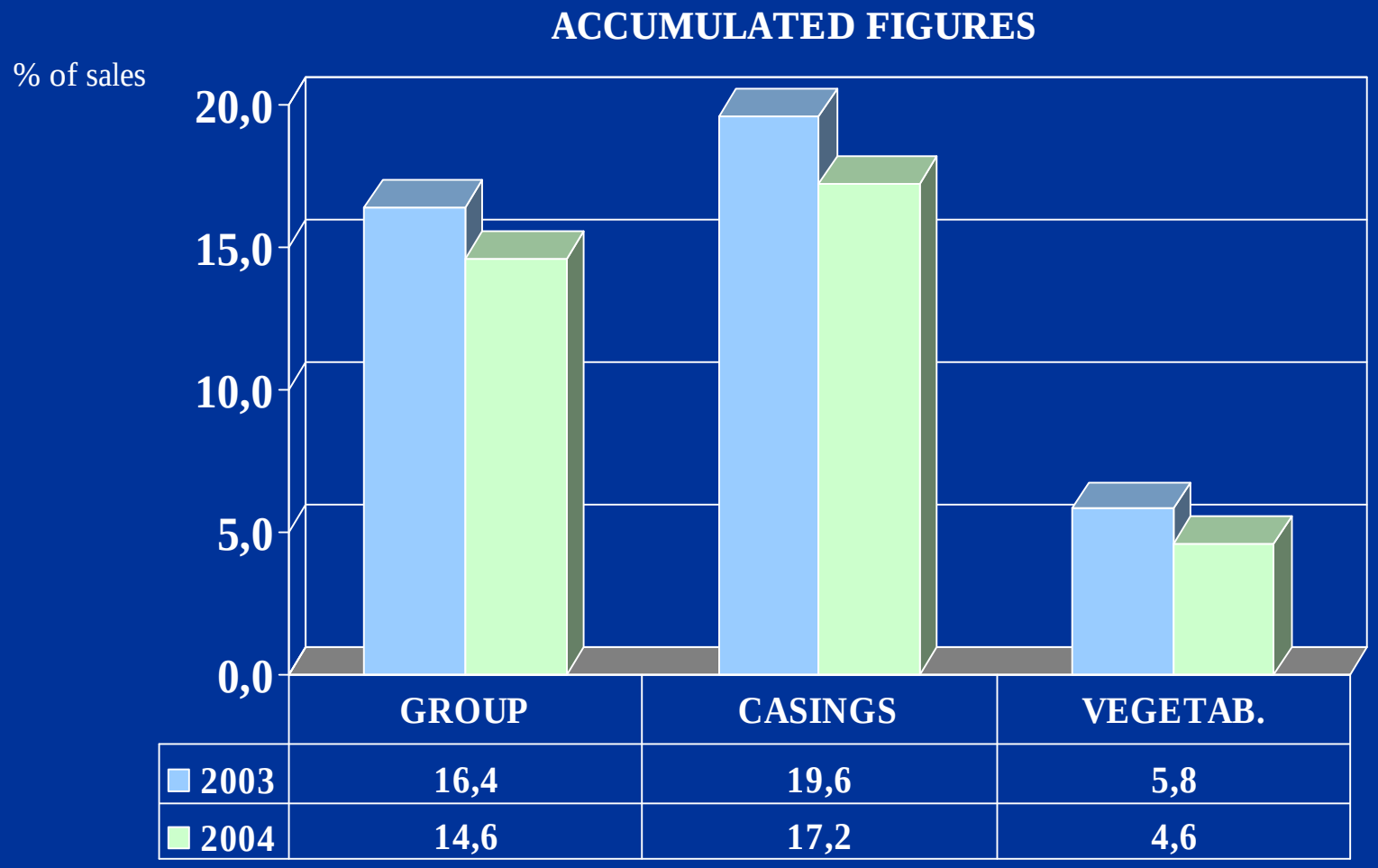
EBITDA Margin in 2004 (14,6%) is lower than 2003´s , especially due to casing business, affected by the performance of currencies and prices and the start-up expenses of the Mexico and Brazil projects, still with low revenue contribution.



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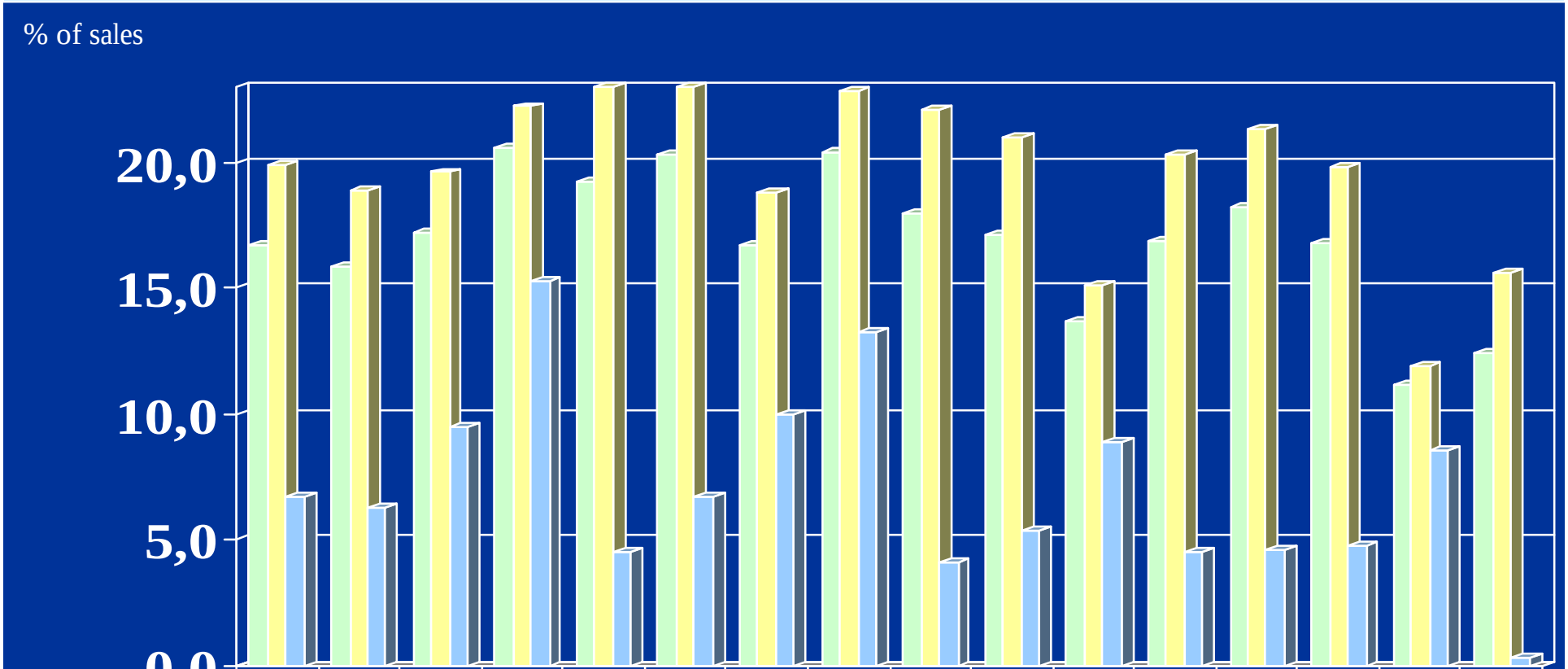
% QUARTERLY EBITDA MARGIN EVOLUTION



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GROUP	16,7	15,9	17,2	20,6	19,2	20,3	16,7	20,4	18,0	17,1	13,7	16,9	18,2	16,8	11,2	12,4
CASINGS	19,9	18,9	19,6	22,2	23,3	24,6	18,8	22,8	22,1	21,0	15,1	20,3	21,3	19,8	11,9	15,6
VEGETAB.	6,7	6,3	9,5	15,3	4,5	6,7	10,0	13,3	4,1	5,4	8,9	4,5	4,6	4,8	8,6	0,3

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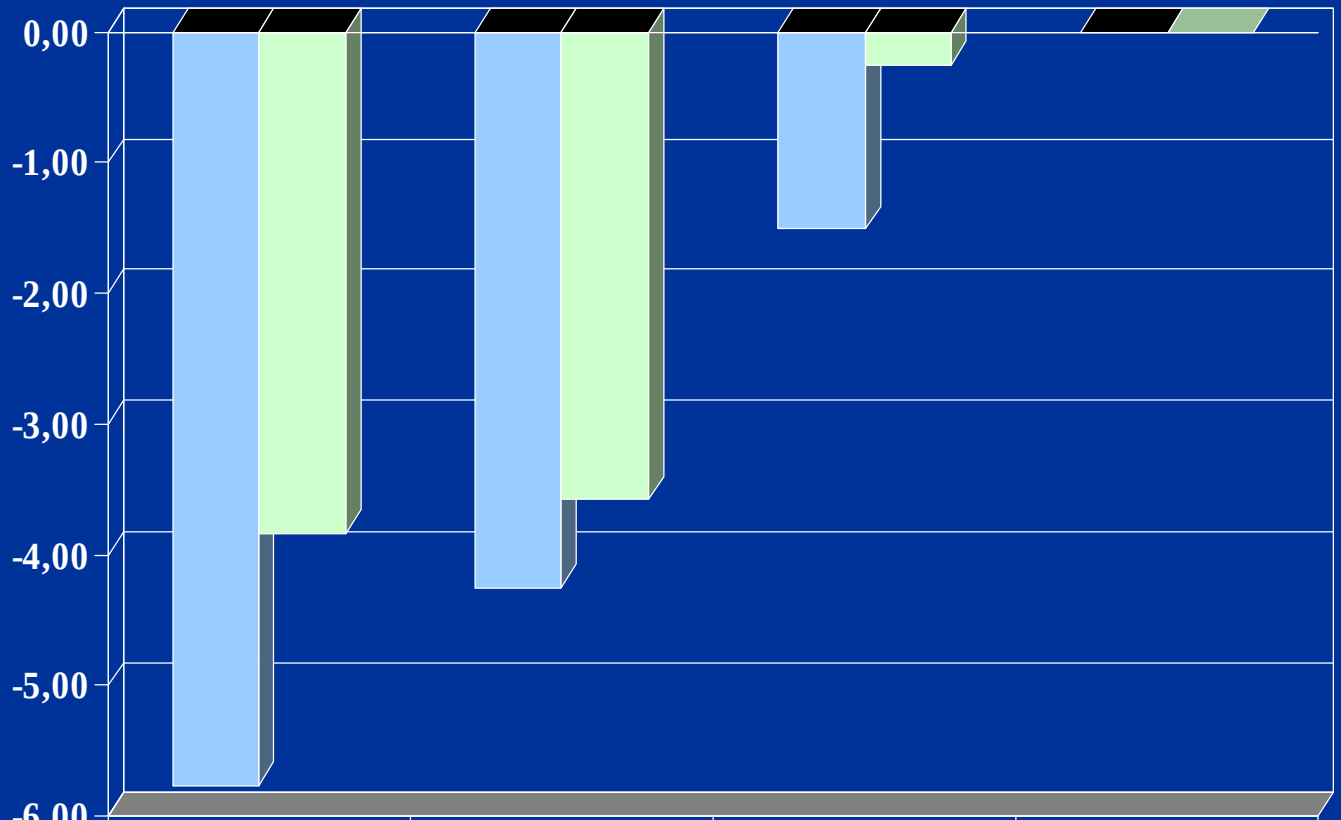
FINANCIAL RESULT: Lower net financial expenses (-15%) and lower negative forex (-83%) allow the accumulated financial result to improve by 26%.

Million Euro

ACCUMULATED FIGURES



	Financ.Result	Net Fin.Expen.	Forex	GW Amort.
2003	-5,77	-4,25	-1,51	-0,01
2004	-3,83	-3,58	-0,25	0,00

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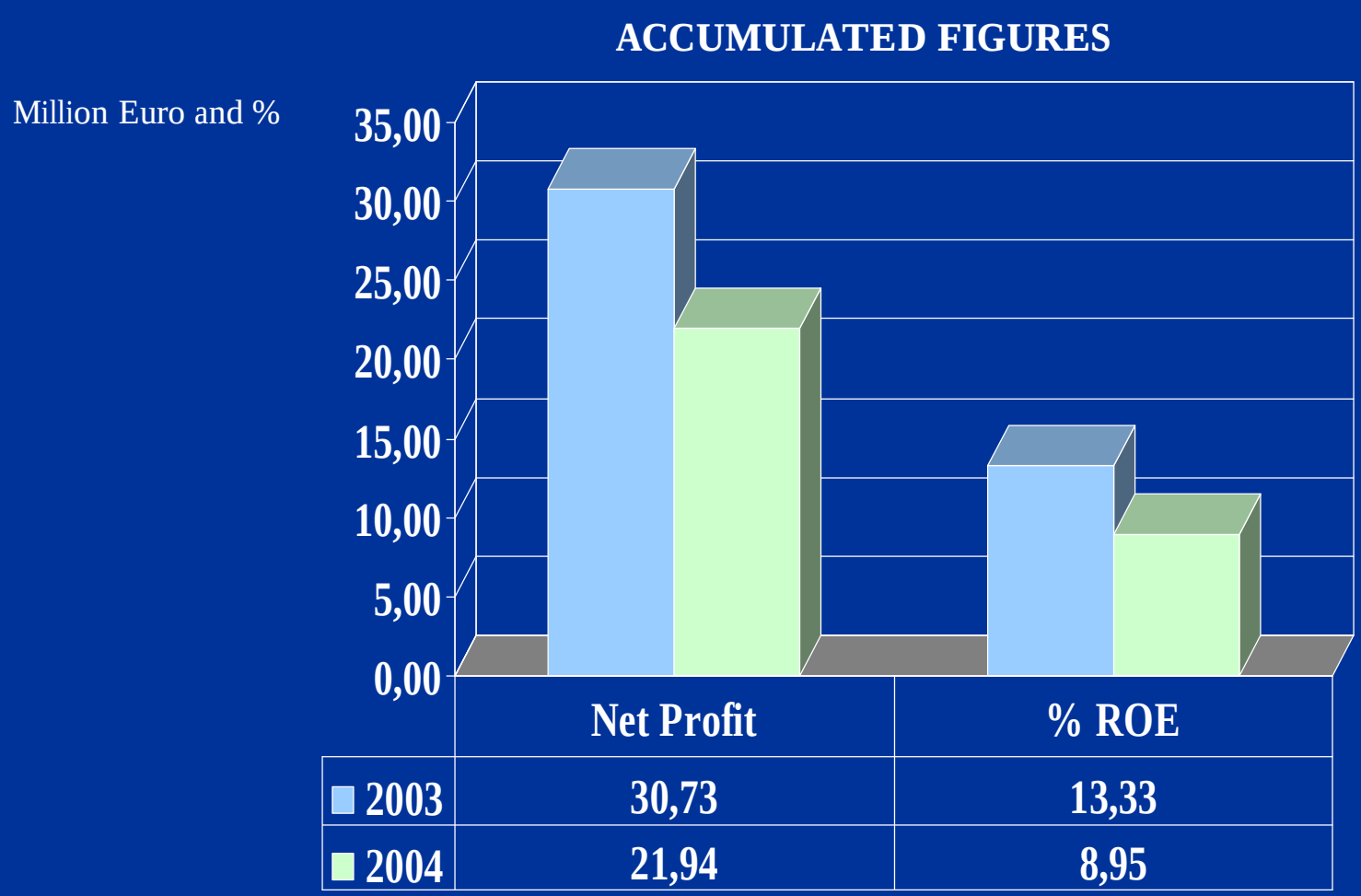
NET PROFIT AND ROE: Accumulated Net Profit is 28% lower than 2003´s (1% higher quarterly wise), strongly affected by the capital gains released in 3Q03. The d ROE is 8,95%.



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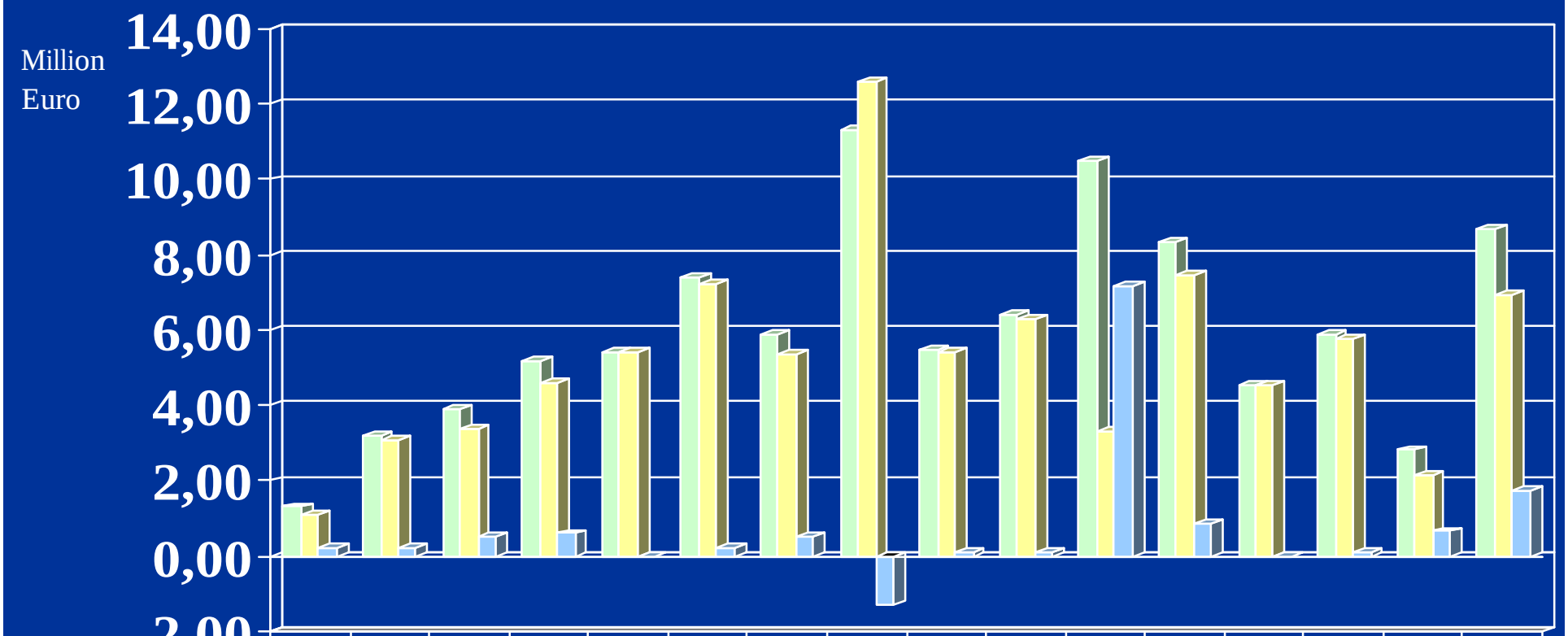
QUARTERLY NET PROFIT EVOLUTION



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GROUP	1,30	3,20	3,90	5,20	5,43	7,40	5,90	11,30	5,50	6,42	10,48	8,35	4,55	5,88	2,82	8,69
CASINGS	1,10	3,10	3,40	4,59	5,43	7,20	5,38	12,60	5,40	6,31	3,32	7,48	4,54	5,77	2,16	6,95
VEGETAB.	0,20	0,20	0,50	0,60	0,00	0,20	0,52	-1,30	0,10	0,11	7,16	0,88	0,01	0,11	0,66	1,74

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Balance Sheet and Debt Analysis

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Balance Sheet: Leverage remains in 30,5%. Working capital is 12% higher than the previous quarter due to the increase of 7,4% in casings and of 23,8% in vegetables.

MM Euro	GROUP			CASINGS			VEGETABLES		
	12/04	09/04	06/04	12/04	09/04	06/04	12/04	09/04	06/04
Goodwill	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Intangible Assets	5,2	7,0	8,5	3,8	5,1	5,8	1,4	1,9	2,7
Tangible Assets	218,6	222,5	219,5	195,7	200,8	199,5	22,9	21,7	20,0
Financial Assets	0,9	0,9	0,9	0,9	0,9	0,9	0,0	0,0	0,0
Working Capital	140,0	125,1	139,8	96,8	90,1	95,0	43,2	34,9	44,7
NET ASSETS	364,7	355,5	368,7	297,2	297,0	301,3	67,4	58,5	67,4
Equity	249,9	243,0	246,5	213,7	208,6	212,7	36,1	34,4	33,8
Minorites	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Provisions	24,3	24,0	23,7	24,3	23,5	23,2	0,0	0,5	0,5
Net Debt	75,7	74,1	84,1	47,8	53,3	53,9	27,9	20,8	30,2
Others	14,9	14,4	14,4	11,5	11,7	11,5	3,4	2,8	2,9
NET LIABILITIES	364,7	355,5	368,7	297,2	297,0	301,3	67,4	58,5	67,4

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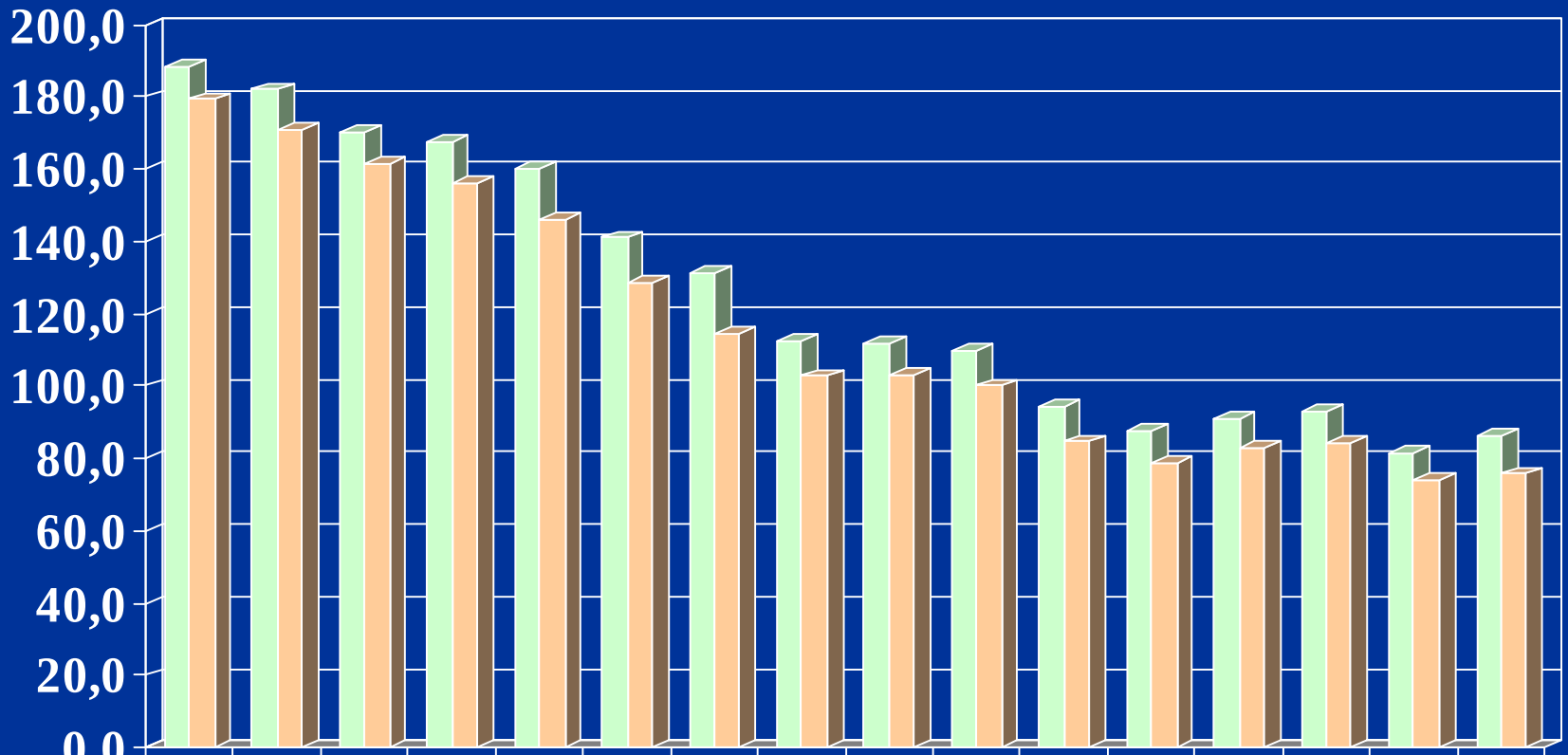
DEBT EVOLUTION: **Net Debt has slightly increased in the last quarter, placing the ending level of the year in 75,7 MM EUR. In the last twelve months the Group has decreased this figure by 3,1 MM EUR, ending with a 30% leverage level.**

TOTAL DEBT AND NET DEBT: QUARTERLY EVOLUTION



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Total Debt	188,4	182,0	170,1	167,8	160,4	141,1	131,2	112,4	111,9	109,5	94,2	87,5	90,8	93,0	81,5	86,3
Net Debt	179,3	171,1	161,7	156,3	146,3	128,6	114,7	102,6	102,9	100,0	84,6	78,8	82,9	84,1	74,1	75,7

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Re-structuring and IFRS: Impact on 2004 Results

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RE-STRUCTURING AND IFRS: IMPACT ON 2004 RESULTS

- **4Q04 results include the extraordinary effects of the announced re-structuring processes in Naturin and IAN, and of the tax adjustment due to IFRS. The following chart shows the corresponding amounts:**

Concept	Euros	Booked in
Re-structuring Naturin	-7.006.000	Extraordinaries
Re-structuring IAN	-410.000	Personnel Expenses
Positive Tax Adjustment due to IFRS	8.465.000	Taxes
TOTAL NET EFFECT FOR THE GROUP	1.049.000	

- **Naturin´s re-structuring projects are on their way, according to previously announced plans. They will continue during 2005 and 2006, with the 20% staff reduction and with the write-off of the affected assets.**

- **As it was previously annouced in 3Q04, Naturin re-structuring process will imply a 6 million euro investment. Savings in production costs for the equivalent amount of volume are estimated to be around 6,5 millions per year, once the process is finished, which is estimated to be in 2006.**

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New Product Line of IAN: Convenience Food

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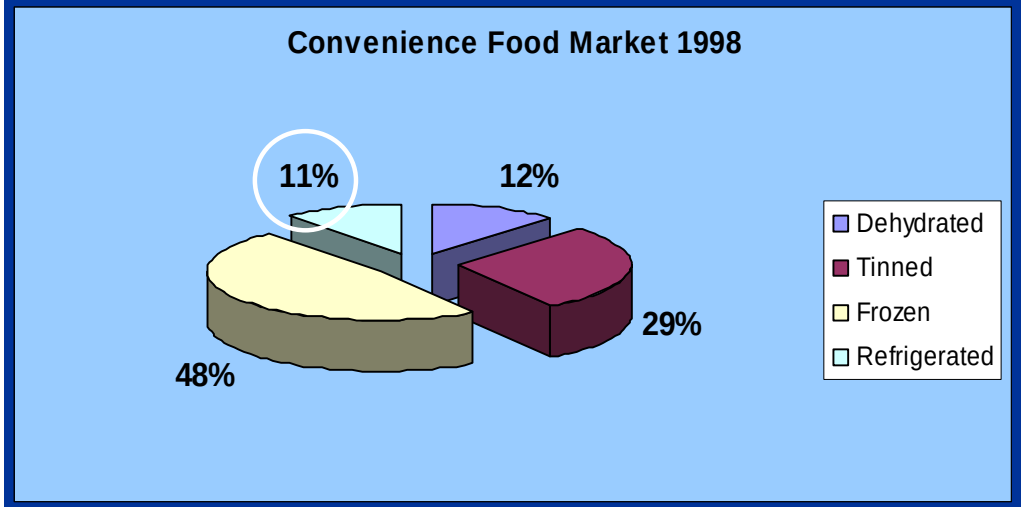
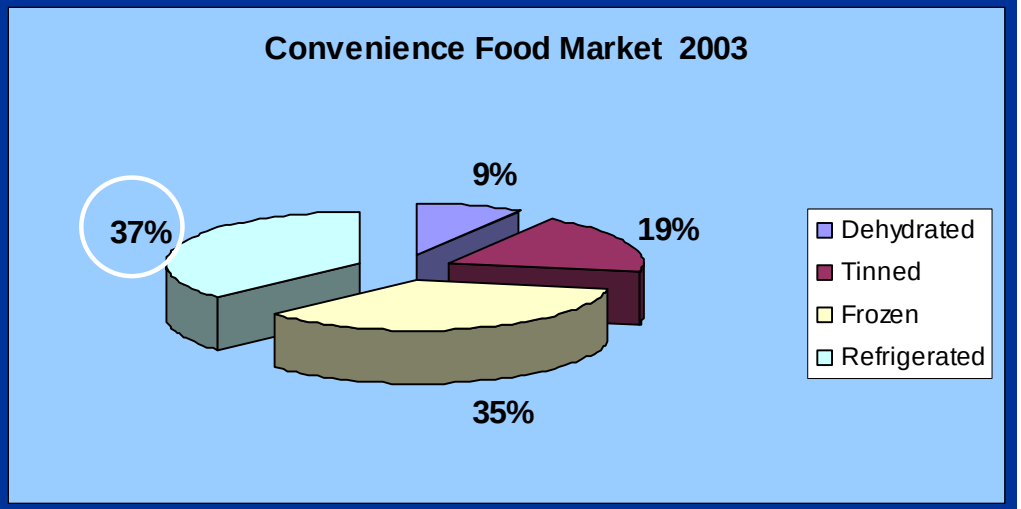
Refrigerated is the most growing segment within the convenience food market. This trend is expected to continue due to the changes in consumer habits, looking for natural and ready to eat products.





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Due to that trend, IAN has developed and launched a new line of refrigerated products, based on vegetables. The product is available in the market since February 2005.



- **Unique product based on new technology.**
- **Capex of 5 million euro (4 millon in 2004).**
- **Lower expected contribution in 2005 due to start-up and advertising expenses.**

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2005 Outlook

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2005 OUTLOOK (*)

	BASE		BEST		WORST	
	Mill. Euros	% VAR 05/04	Mill. Euros	% VAR 05/04	Mill. Euros	% VAR 05/04
Sales	364,24	4,3%	371,35	6,3%	357,47	2,4%
EBITDA	59,60	16,7%	64,47	26,2%	55,06	7,8%
EBIT	27,95	26,5%	32,86	48,7%	23,38	5,8%
Ordinary Prof.	25,00	36,9%	29,90	63,7%	20,50	12,2%
PBT	24,60	92,5%	29,50	130,8%	20,10	57,3%
Net Profit	18,69	-14,8%	22,51	2,6%	15,11	-31,1%
Capex	24,0		24,0		24,0	
Net Debt	57,0	-18,9	53,2	-22,7	60,6	-15,3
% Gearing	22%		20%		24%	
% ROE	7,3%		8,8%		6,0%	

(*) Potential additional provisions due to the Naturin re-structuring project are not included.

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