Results January-December 2009

February 25th, 2010

Disclaimer

This document contains additional non-compulsory forward-looking statements on intentions or expectations of the Company as of the date of its publication whose only purpose is to provide further information on perspectives on future performance.

Such forward-looking statements do not constitute any guarantee of future performance and involve risks and uncertainties as well as other important factors that could cause actual developments or results to differ essentially from those expressed in our forward-looking statements.

Analysts and investors in particular as well as any other persons or entities who must take decisions or give advise on investments in the Company should not place undue reliance on those forward-looking statements.

The financial information contained in this document has been prepared under International Financial Reporting Standards (IFRS). This financial information is unaudited and, therefore, subject to potential future modifications.

Consolidated Results 2009



Be ONE: Our strategy in the current environment

Guidance 2010

Highlights FY09 Financial results

- *+25%* Net profit y-o-y up to €64.3MM.
- *+22%* Consolidated EBITDA y-o-y up to €129.0MM.
- +3.0 p.p. Consolidated EBITDA margin to *22.1%* leaded by *casings* (*+3.7 p.p.* margin vs. 2008 up to *25.3%*).
- Revenue growth *+6%* y-o-y, in an environment of global economic recession.
- Vegetable food business (Grupo IAN) keep top line stable despite economic crisis in Spain and market competition.
- -€31.9MM Decline on net debt with a +2.8% y-o-y increase in Capex to €46MM and +32.0% y-o-y increase in payments to shareholders.

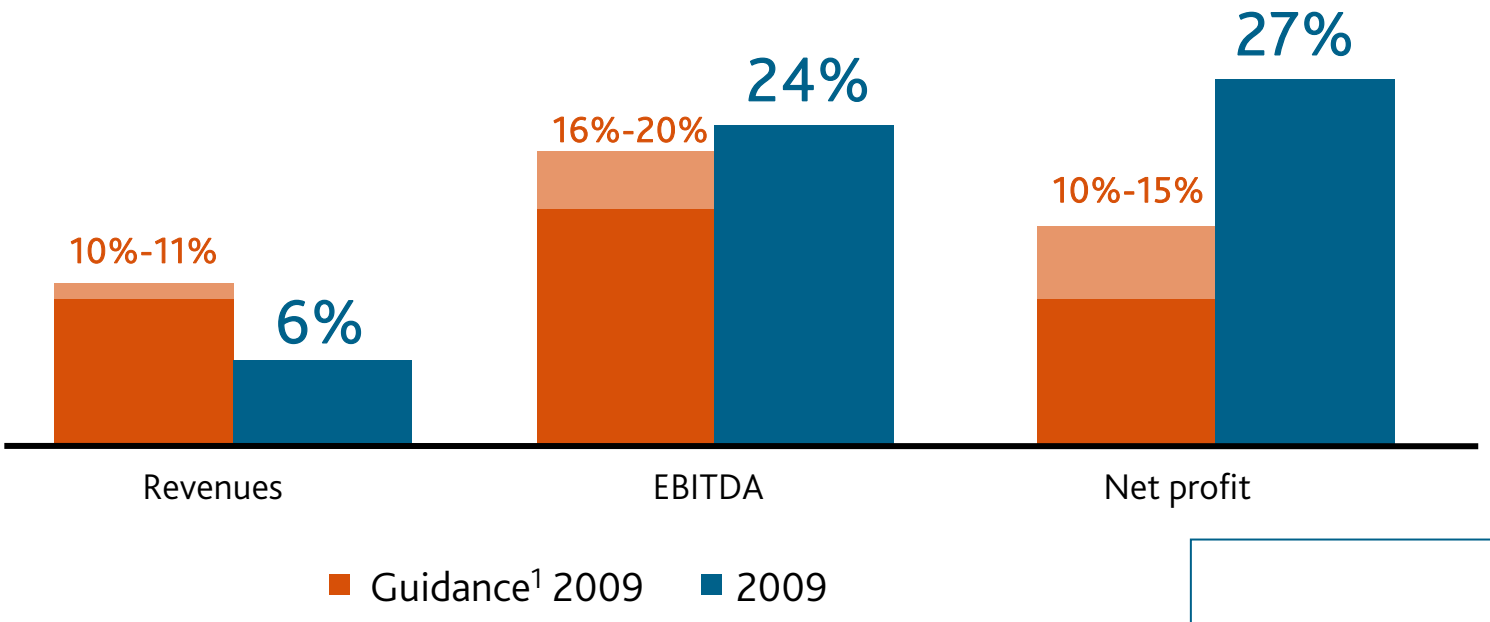
Exceeding main financial targets

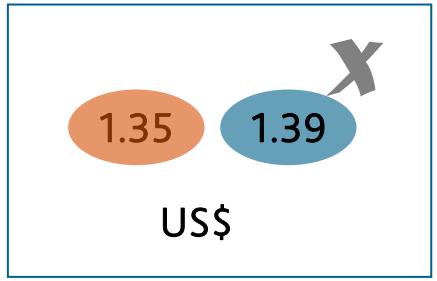
Revenues 09 *€583MM* ✗

EBITDA[1] 09 *€130MM* ✓

Net Profit[1] 09 *€65MM* ✓

Capex[2] 09 *€45MM* ✓





[1] Guidance on recurrent results, In 2009 €1.5MM has been registered as a non-recurrent cost as a consequence of the restructuring cost in Germany

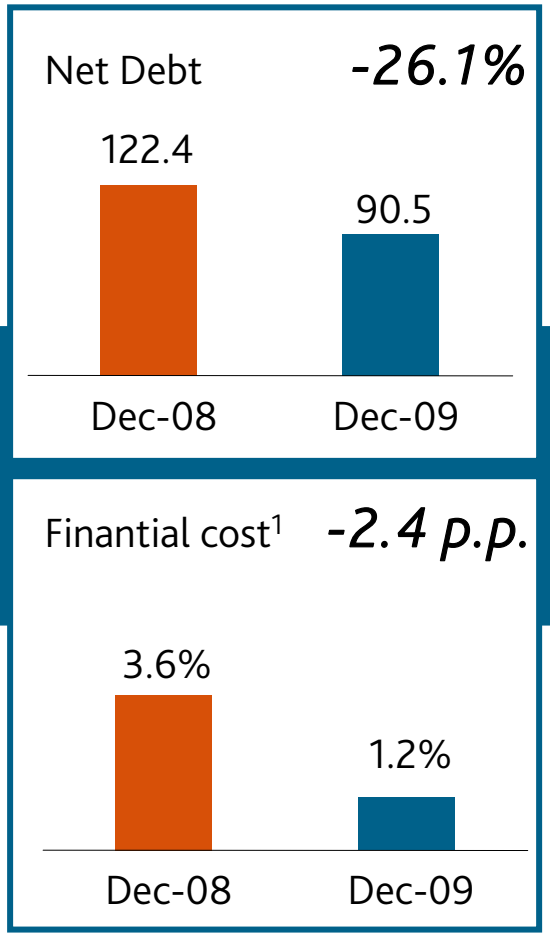
[2] Excluding €1MM investment in China

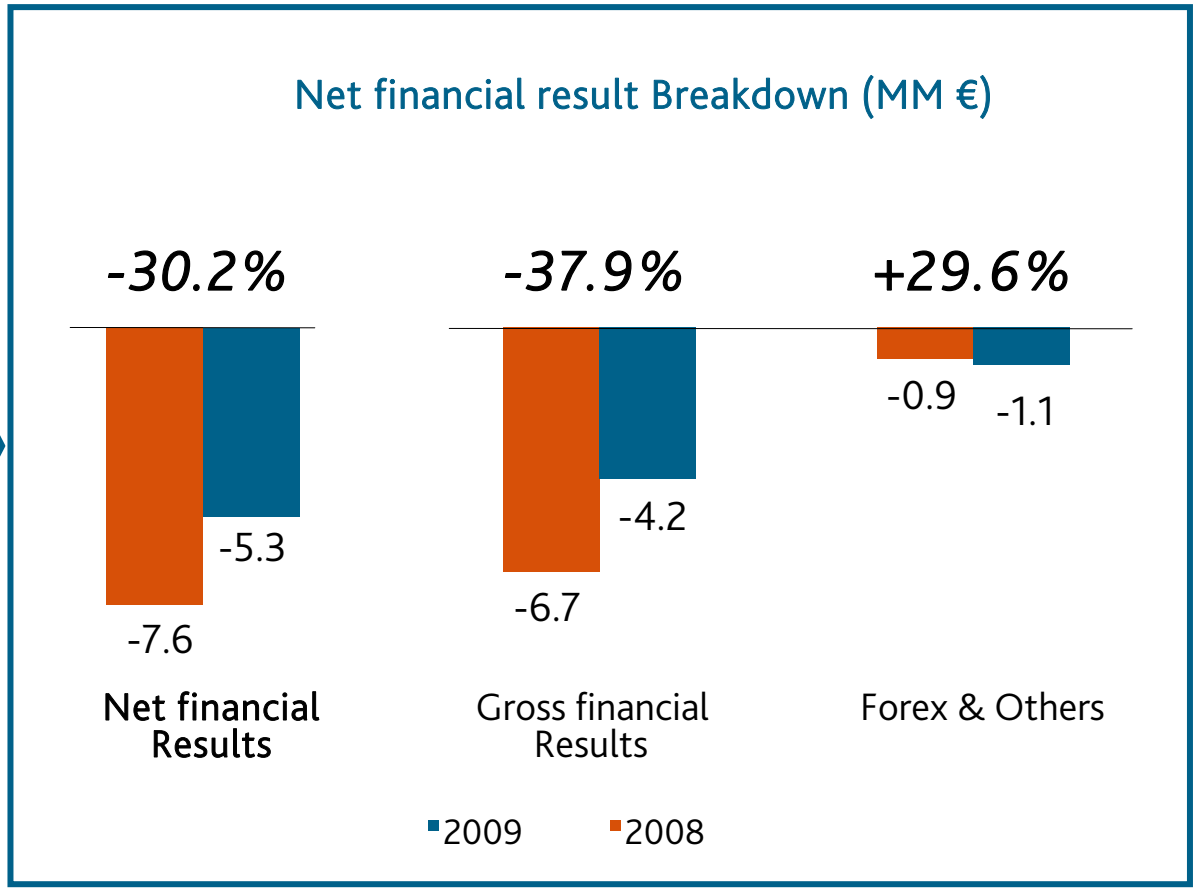
Growth expansion along P&L

MM €	4Q09	% y-o-y	2009	% y-o-y	%y-o-y ex-forex[1]
Revenues	144.0	+0.0%	583.4	+5.7%	+4.9%
EBITDA	31.8	+10.7%	129.0	+22.5%	+14.3%
EBITDA margin	*22.1%*	*+2.1 p.p.*	*22.1%*	*+3.0 p.p.*	
EBIT	21.9	+13.3%	91.3	+34.5%	
PBT	21.6	+48.9%	86.0	+42.6%	
Net profit	16.4	+4.4%	64.3	+25.0%	

[1] For comparison purposes, ex-forex growth excludes the impact of the different exchange rates used in the consolidated accounts and the USD impact in commercial transactions.

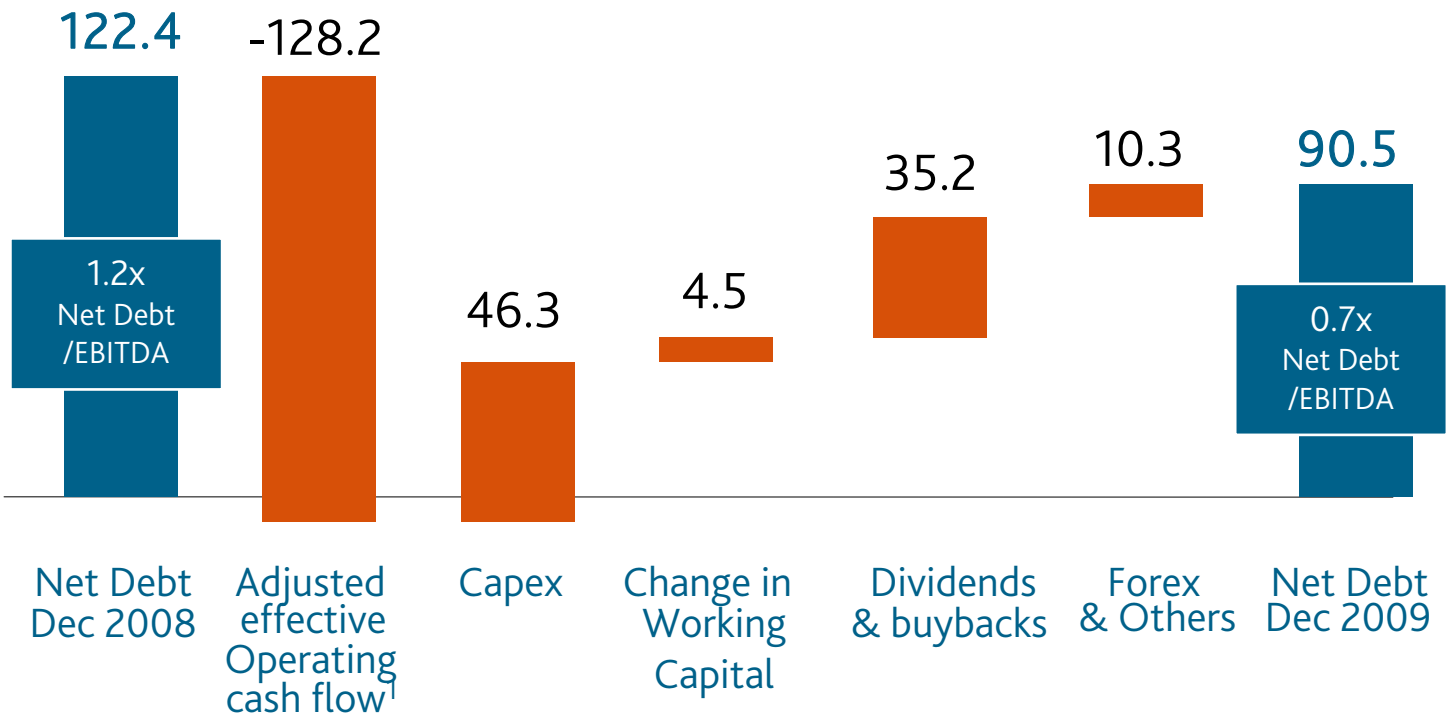
Lower debt and financial expenses





[1] Effective financial cost = cost from interest and others / Average gross financial debt

Strong Operating Cash Flow: more remuneration and less financial debt



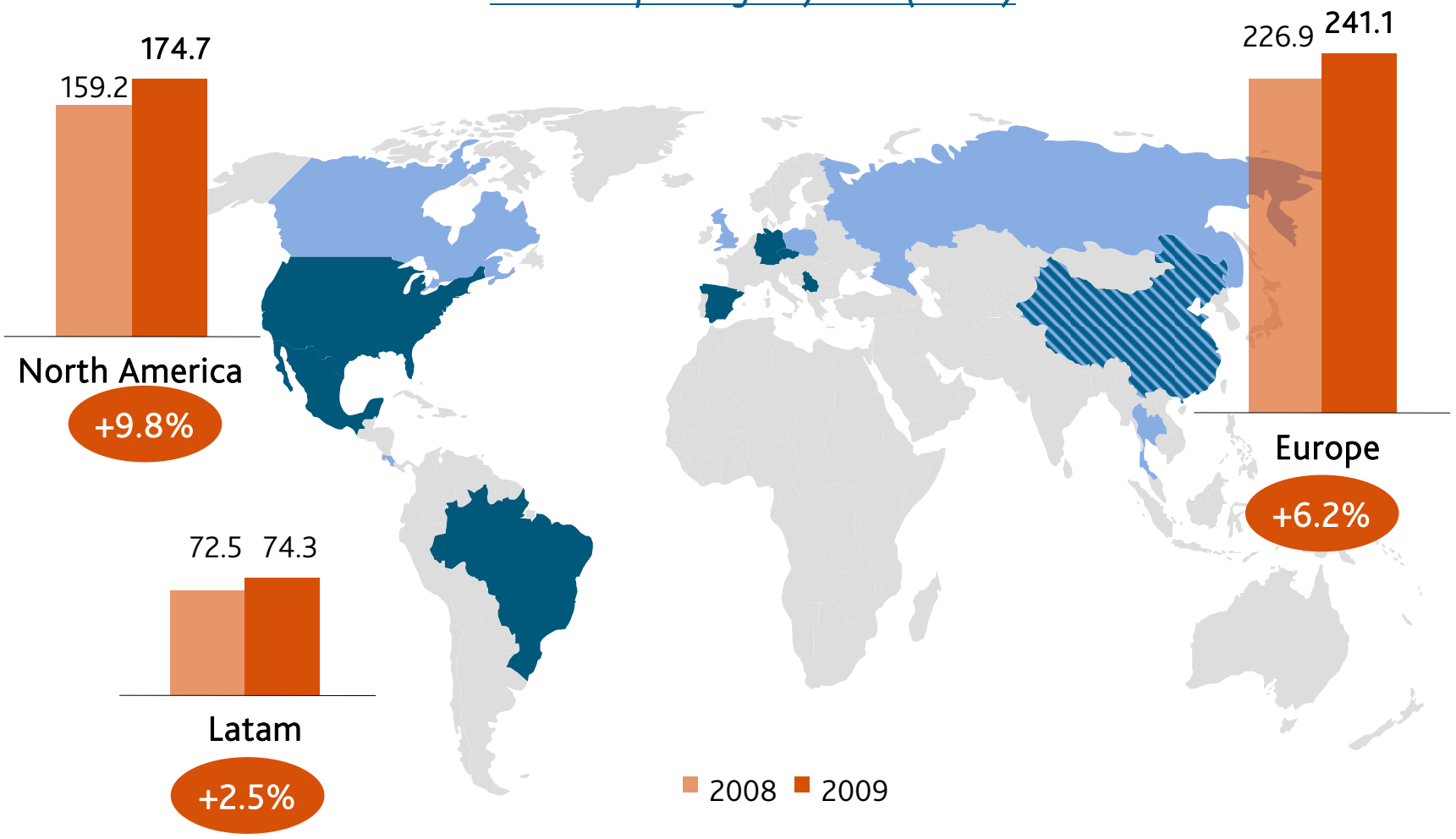
y-o-y change	*+37.3%*	*+2.8%*	*-88.1%*	*+32.0%*	*-13.0%*	*-26.1%*

Significant improvement as a consequence of value focus and risk control

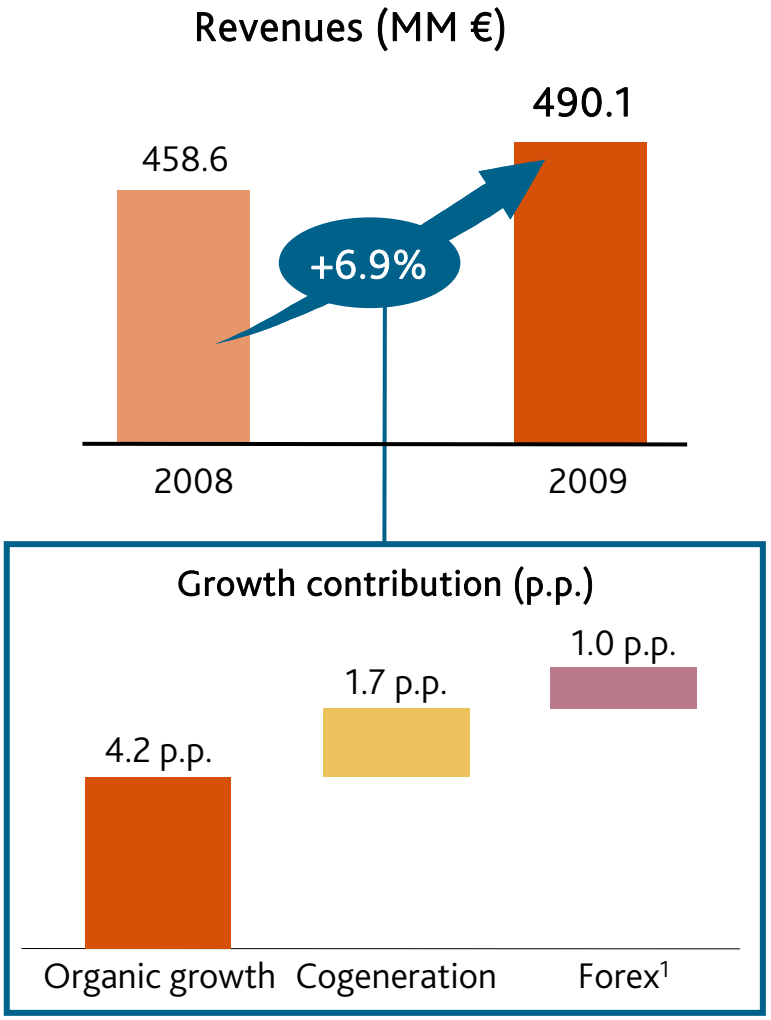
[1] Adjusted effective operating cash flow = Effective operating cash flow – Changes in working capital

Growth in all geographic areas in an environment of global recession…

Revenues per origin of sales (MM €)

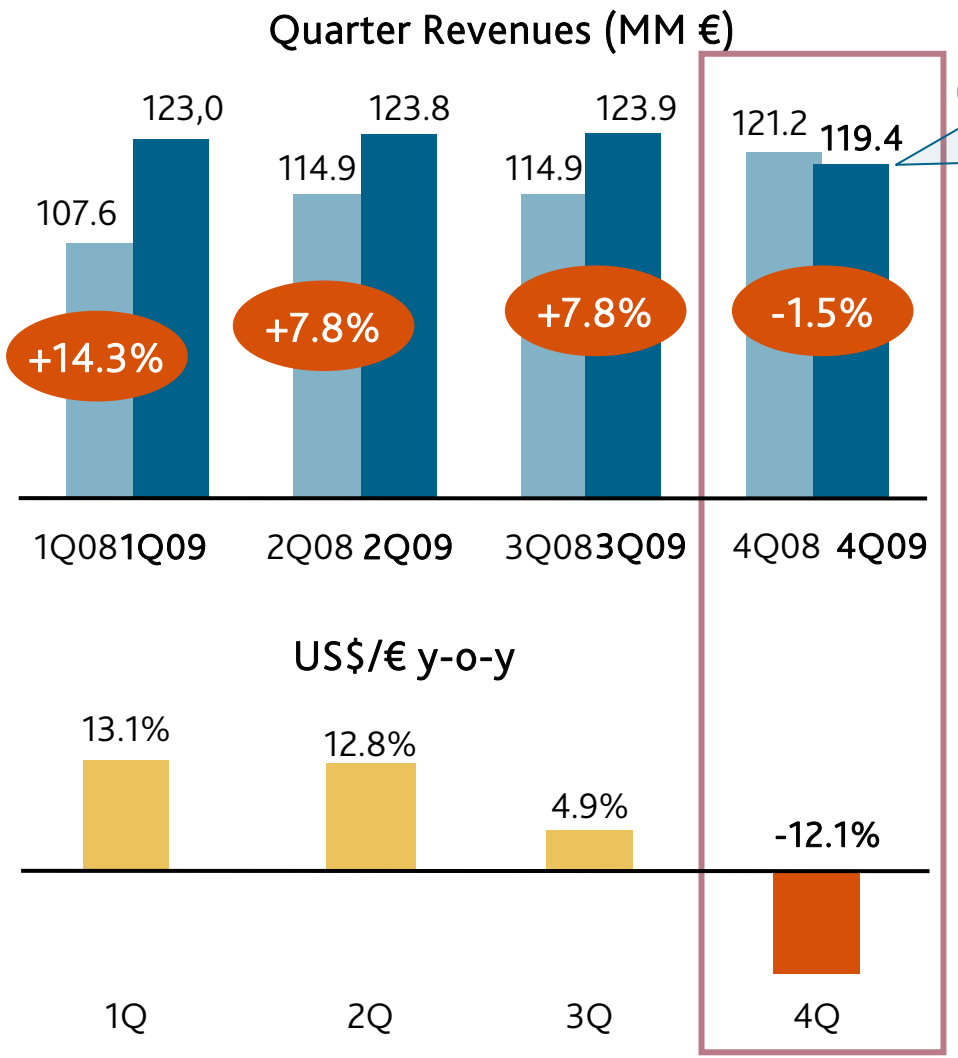


… as a consequence of value focus, commercial discipline and higher capacity in our cogeneration plant…



[1] For comparison purposes, ex-forex growth excludes the impact of the different exchange rates used in the consolidated accounts and the USD impact in commercial transactions.

… a sound performance although Q4 figure was impacted by the fast weakness of US$

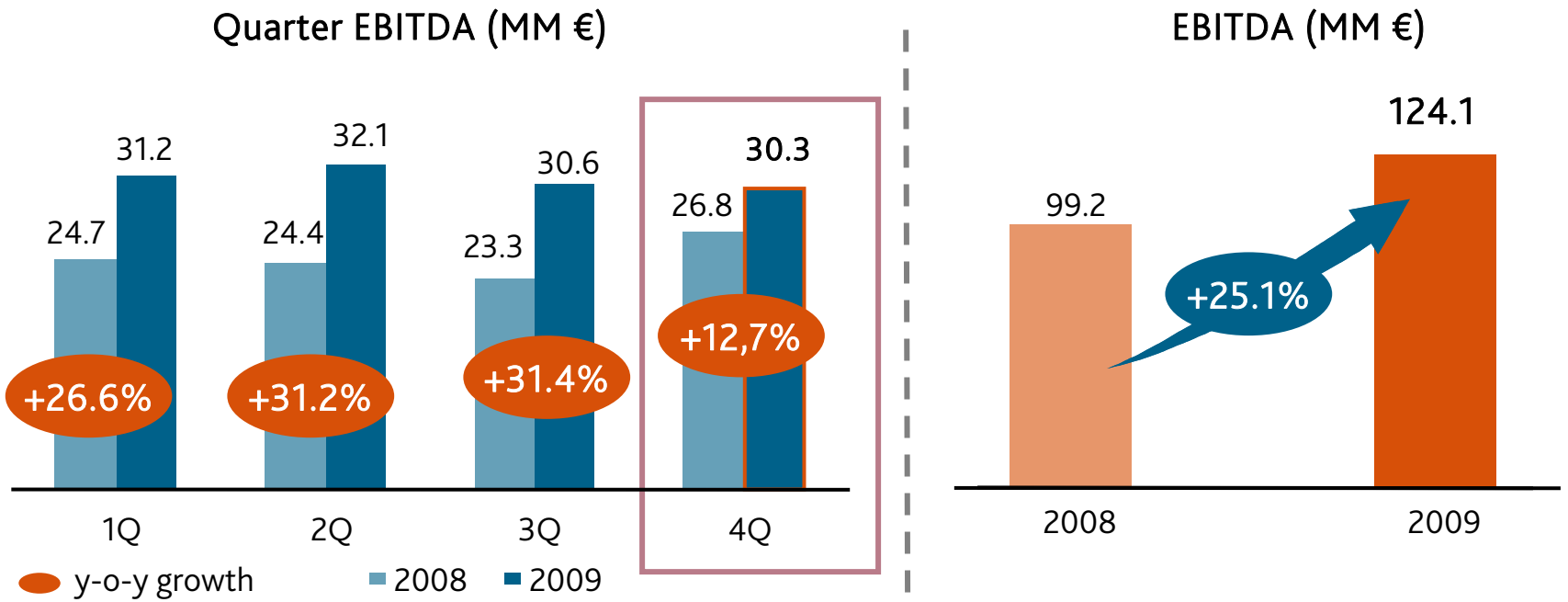


+3.4% vs. 4Q08 at constant forex[1]

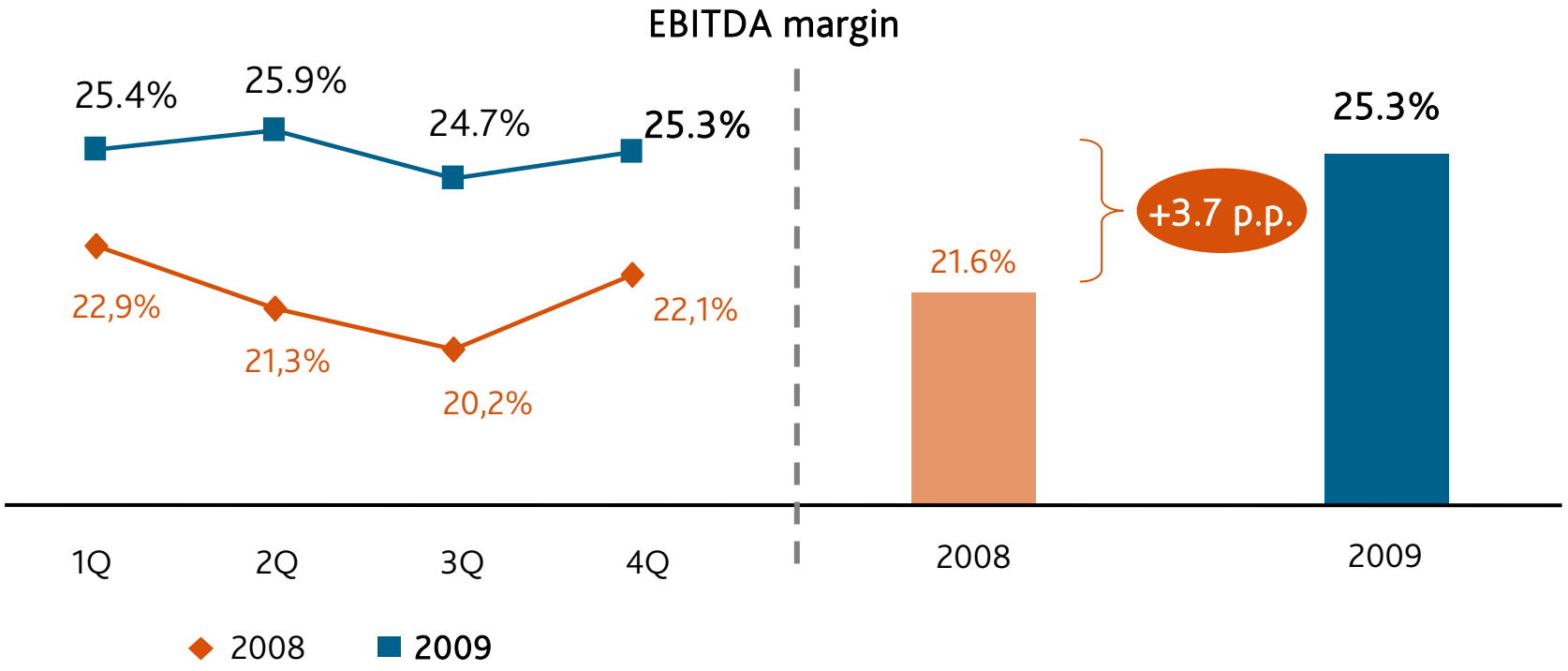
[1] For comparison purposes, ex-forex growth excludes the impact of the different exchange rates used in the consolidated accounts and the USD impact in commercial transactions.

y-o-y growth

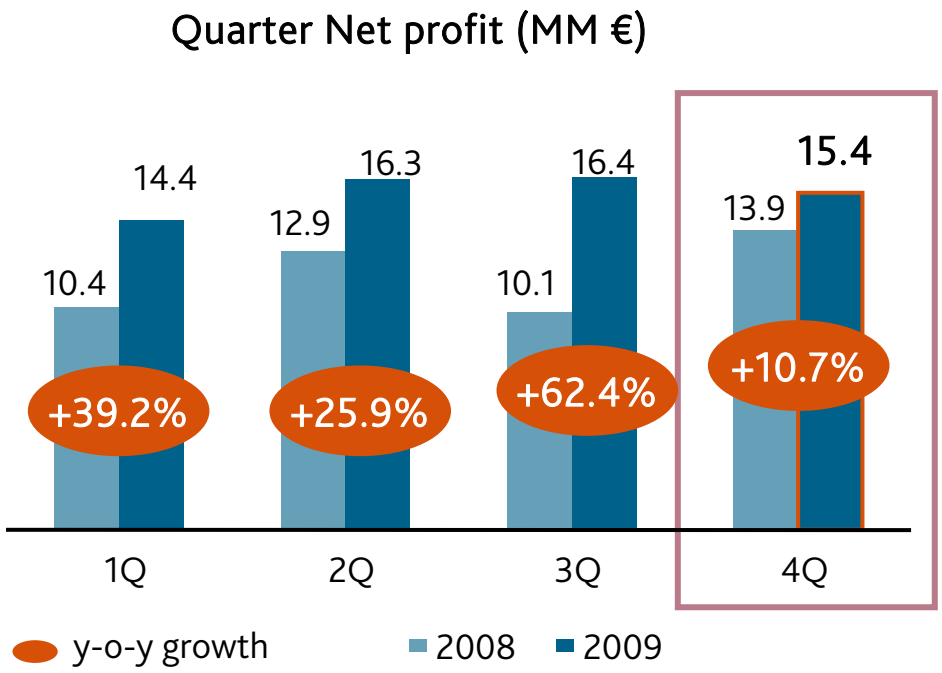
Outstanding double-digit growth on EBITDA in every Quarter

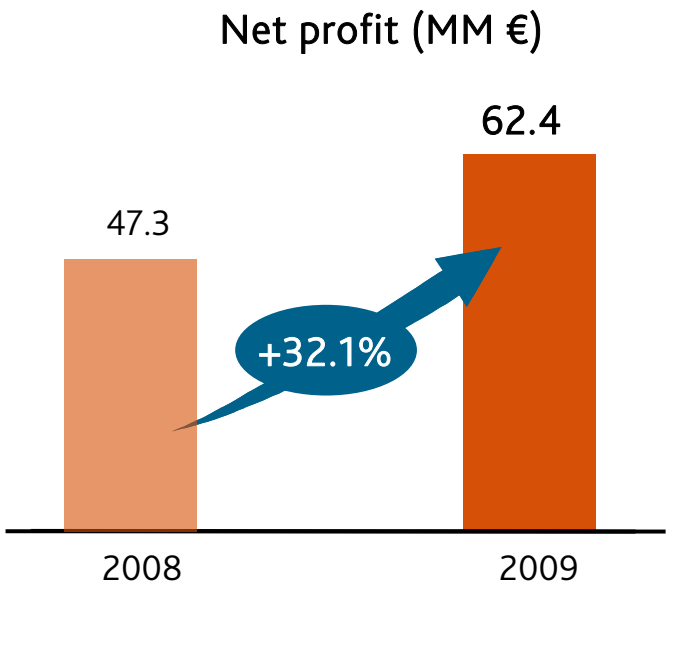


… led by a significant y-o-y improvement on margins



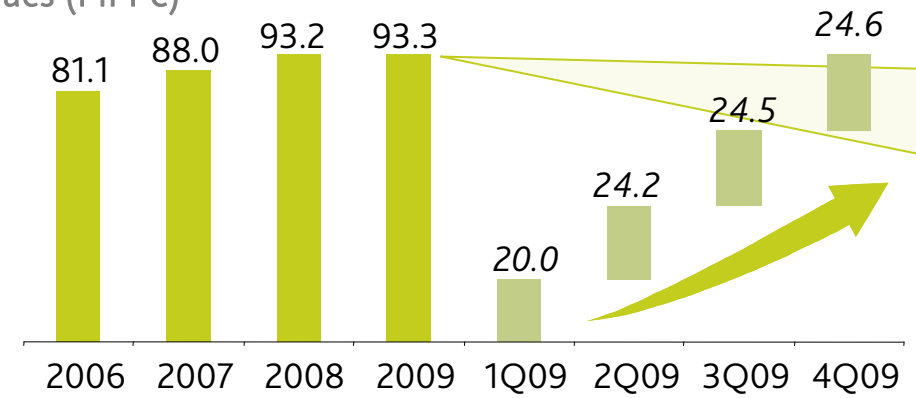
y-o-y improvement in every Quarter meant best ever cumulative Net profit





Revenue and EBITDA recovery in every Quarter led by product mix and strong "Carretilla" brand.

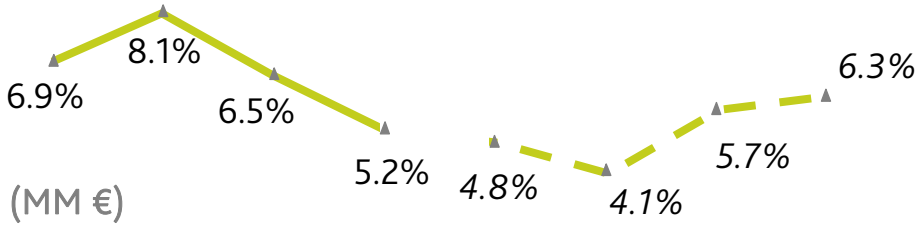
Revenues (MM €)



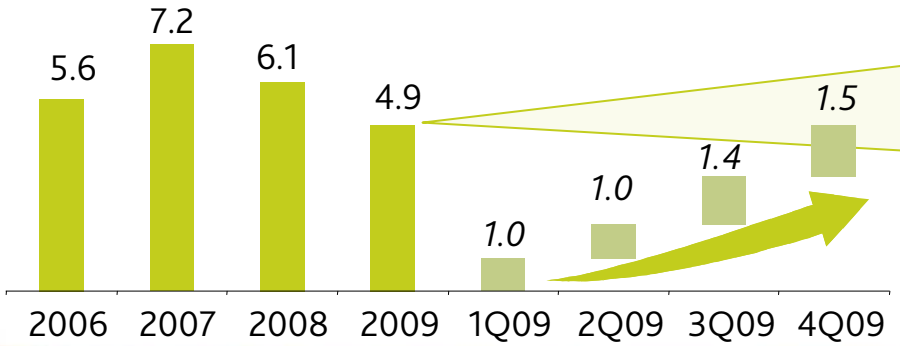
Revenues stable (+0.1%) as a consequence of product mix and Carretilla strength…

… Maintaining our strategy of new commercial launches of high-added value products

EBITDA margin



EBITDA (MM €)



… Decline on margin impacted by market competitiveness and promotions…

… Partially offset by austerity plans and cost control

Consolidated Results 2009



Be ONE: Our strategy in the current environment

?

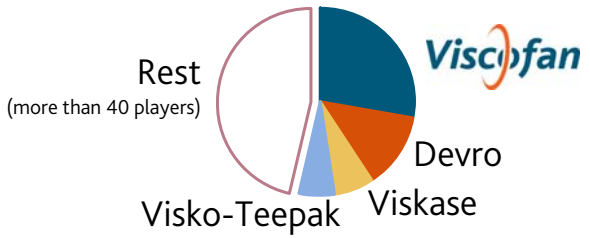
Guidance 2010

Initiatives
2009 - 2011

- *B* Be aligned with the rest of the Group
- *E* Enhance added value
- *O* Organic growth
- *N* New businesses
- *E* Excellence centers by family product

Goal:
Reinforce our market leadership

Casings market share[1]



[1] Market share in €: includes skinless, collagen, fibrous, tubular plastics and bags.

Source: Viscofan Group

Leverage to create value…

Growth in current environment

Cost reduction

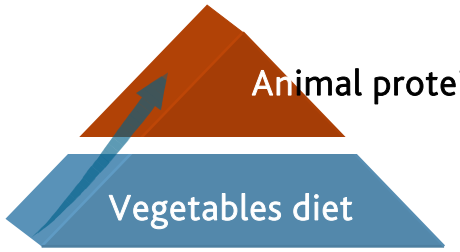
Artificial casing markets keep intact their solid fundamentals despite global economic crisis.

Growth drivers…



Population growth

+

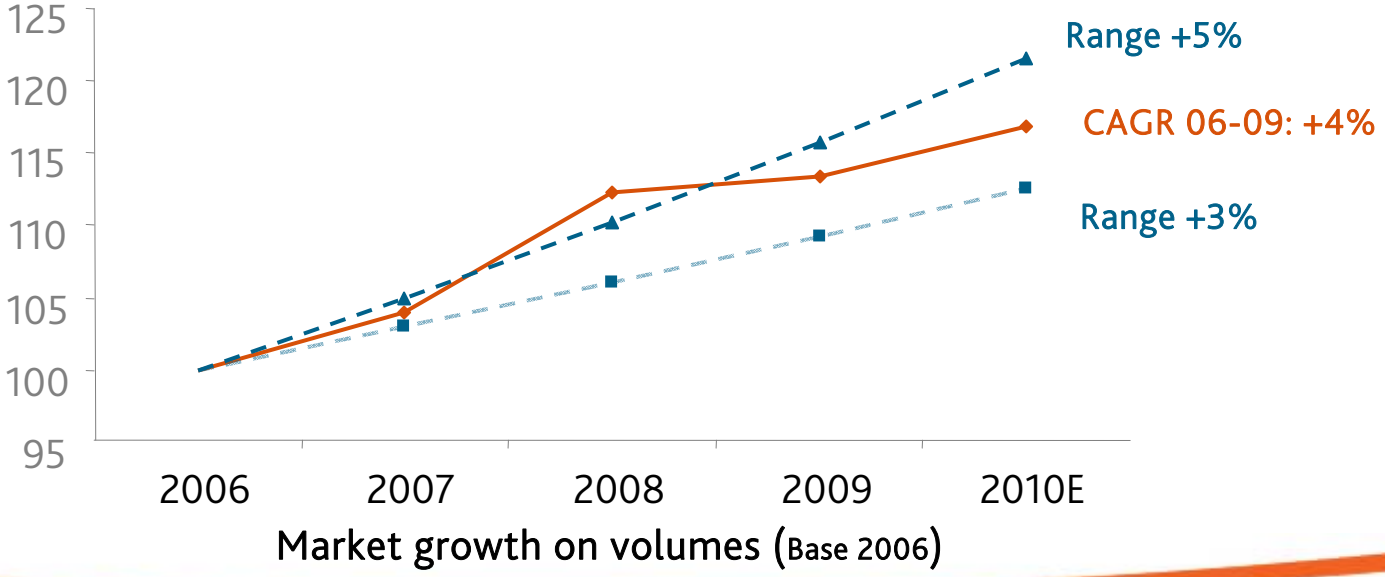


Feeding habits

+



Technology migration

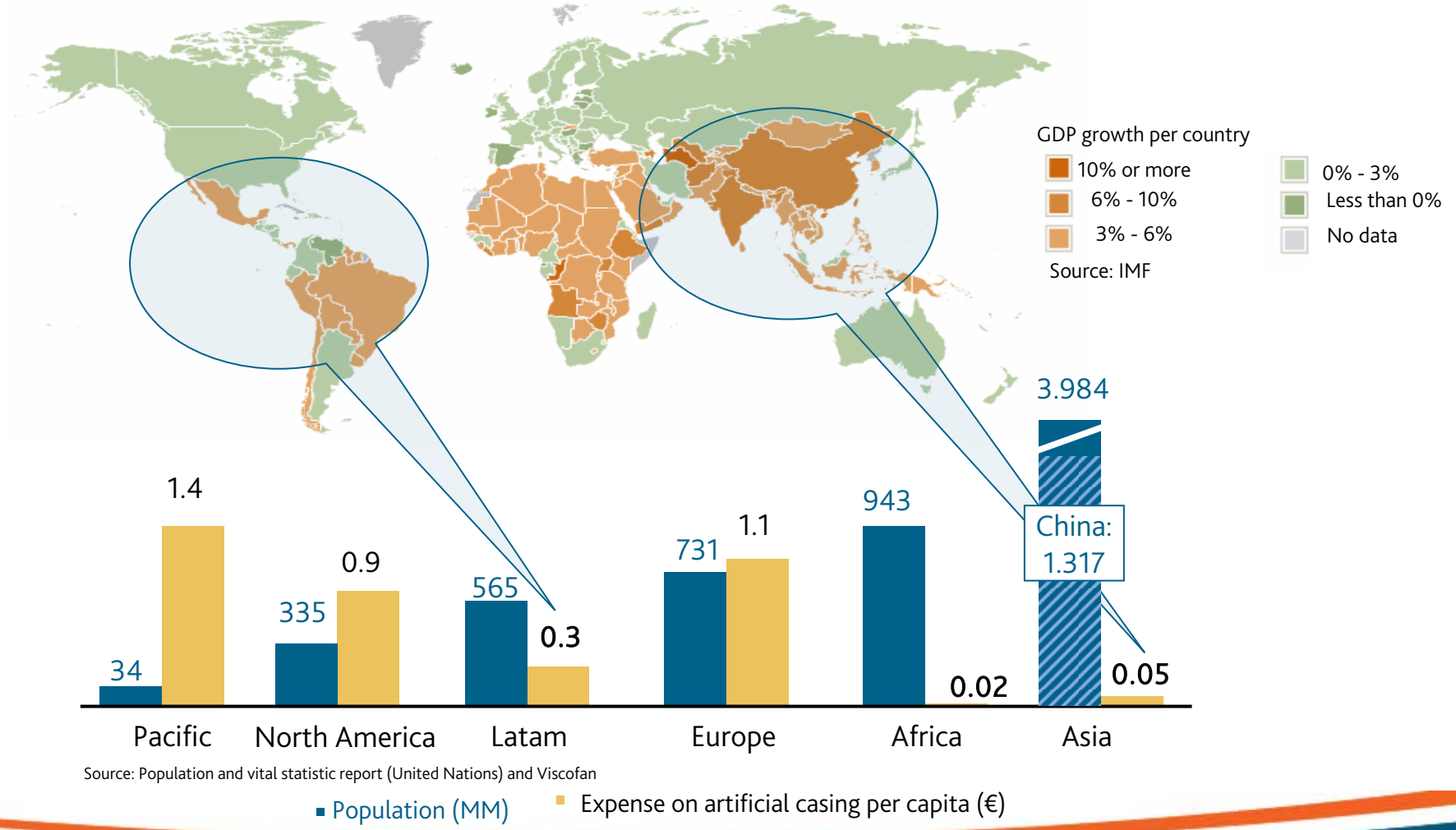


Market growth on volumes (Base 2006)

Undeveloped areas on artificial casing will be the areas that will lead economic growth in the next years.

World GDP 2010E: +3.9%;

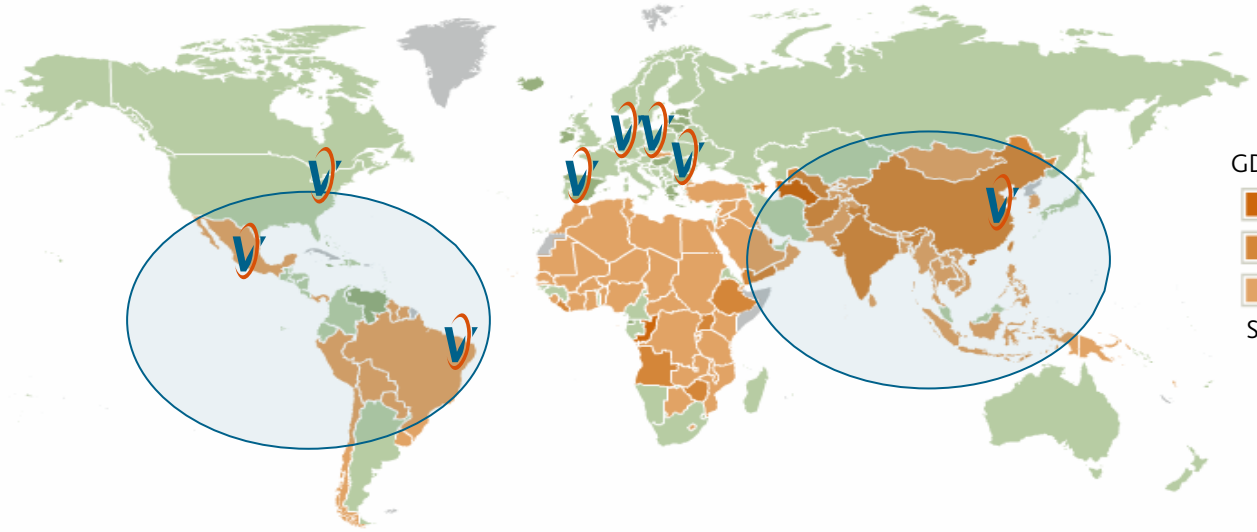
(+2.1% Developed; +6.0% Developing)



… and Viscofan is the only one that combines own production footprint in both areas…

World GDP 2010E: +3.9%;

(+2.1% Developed; +6.0% Developing)



… with solutions in all casing's technologies



Skinless



Collagen



Fibrous



Plastics

	Skinless	Collagen	Fibrous	Plastics
Viscofan	✓ #1	✓ #2	✓ #4	✓

Competitive position

… with key value proposal to our customers

Casing provides **final shape** to the sausage…

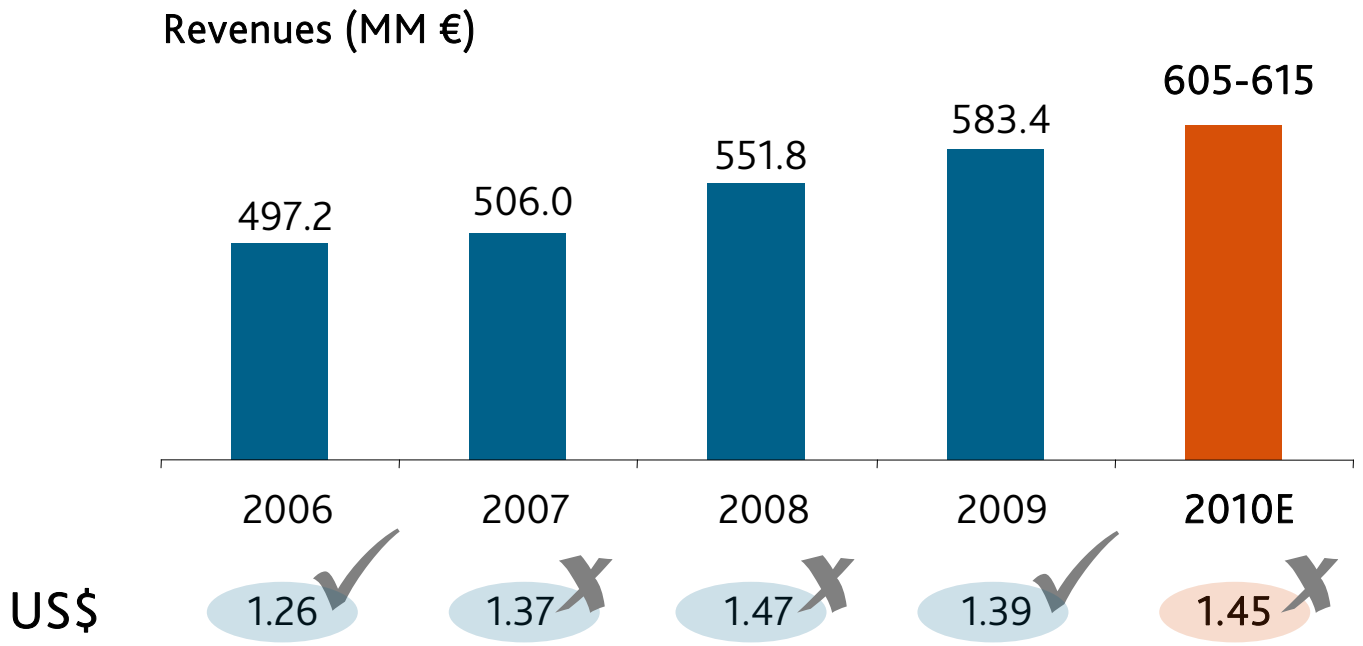


… and contributes to…

- ✓ improve **speed** of production
- ✓ **automate** production process
- ✓ Improve product **quality**
- ✓ Reduce **"waste"** in the production process
- ✓ Facilitate the development of **new products**
- ✓ Improve **health** control

To sum up: provides **new growth opportunities for our customers and a significant source of production savings** in an environment of optimization and production excellence

Record on Revenues for the 5th year in a row



CAGR 06-10E

>+5%

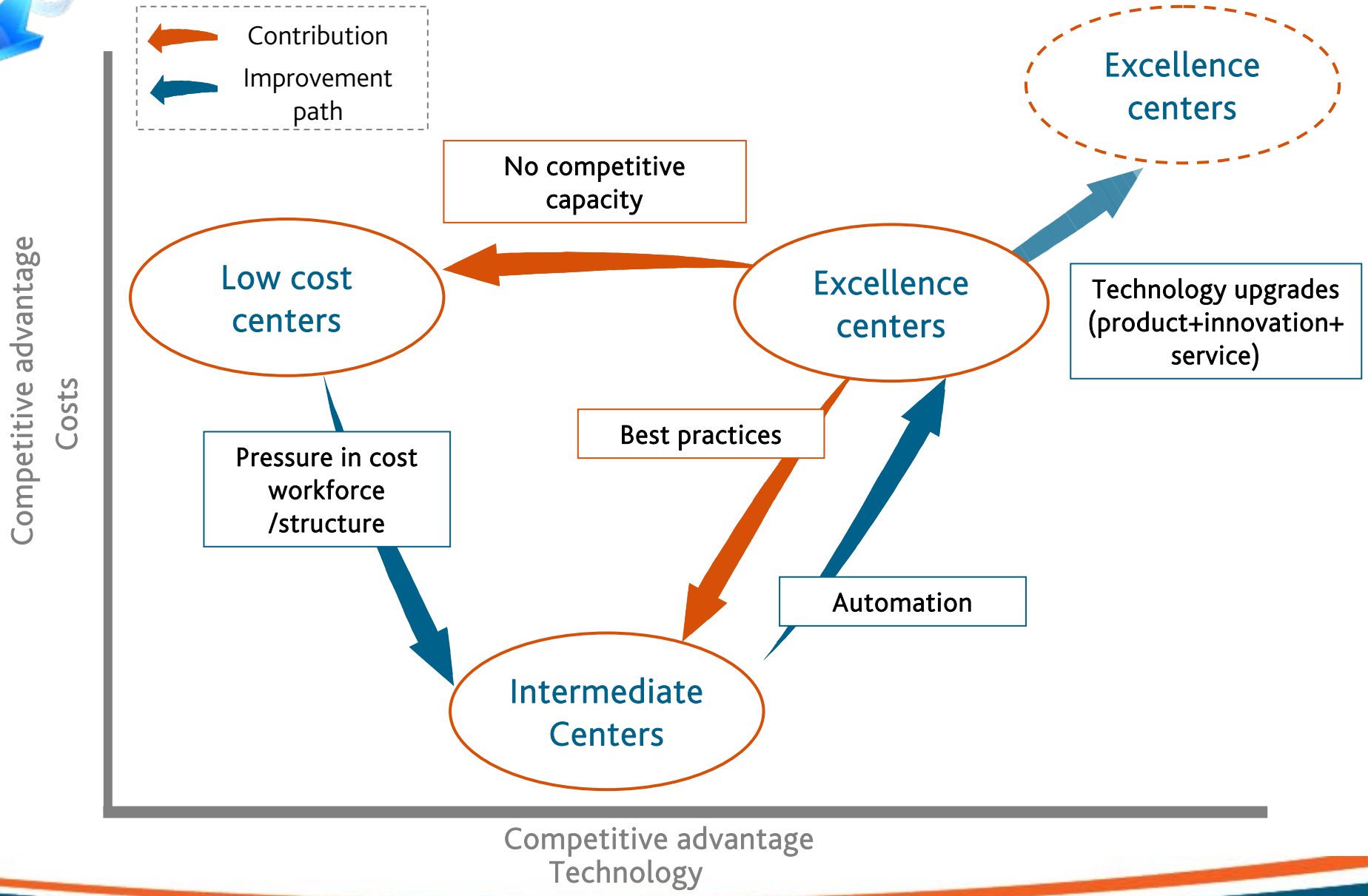
Revenue growth drivers

Commercial discipline

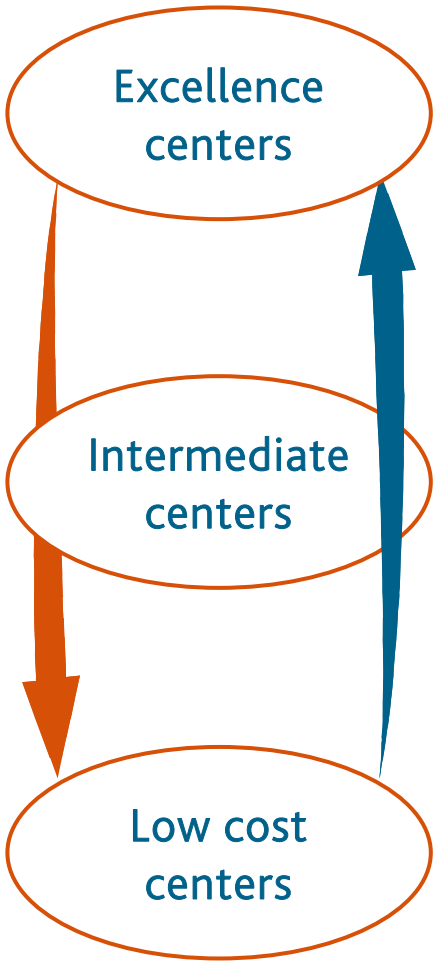
Worldwide leadership in a market that, despite decelerating in 2009, continue to be backed by solid growth fundamentals

Footprint and competitive positioning unique with a sound customer base

Operations: A permanent-improving model



Initiatives and improvement plans for 2010-2011



Technology upgrade increasing speed of production in skinless and collagen

Adapt fibrous portfolio to market needs

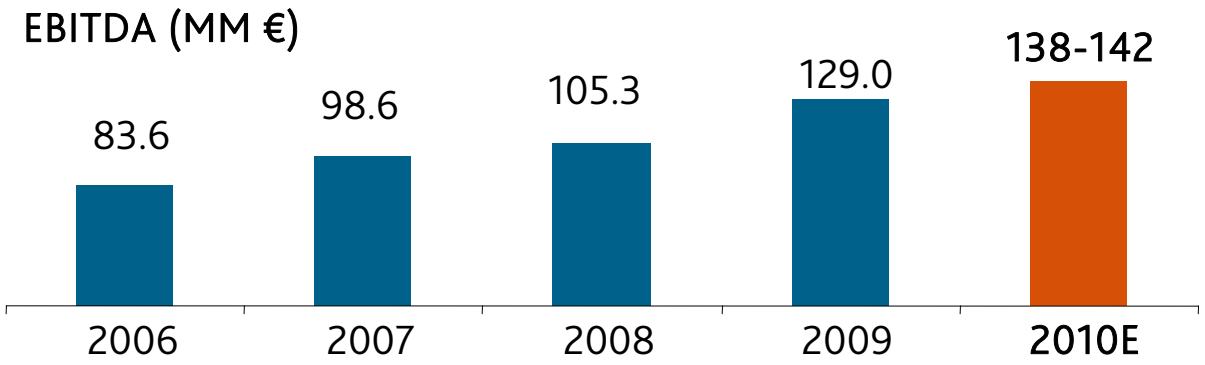
Transfer converting capacity to low cost centers

Process improvements based on excelence centers' technology, looking for **higher productivity yields and energy savings**

Increasing capacity on non-edible collagen in Serbia and transfer of curved non-edible collagen from Germany to Serbia.

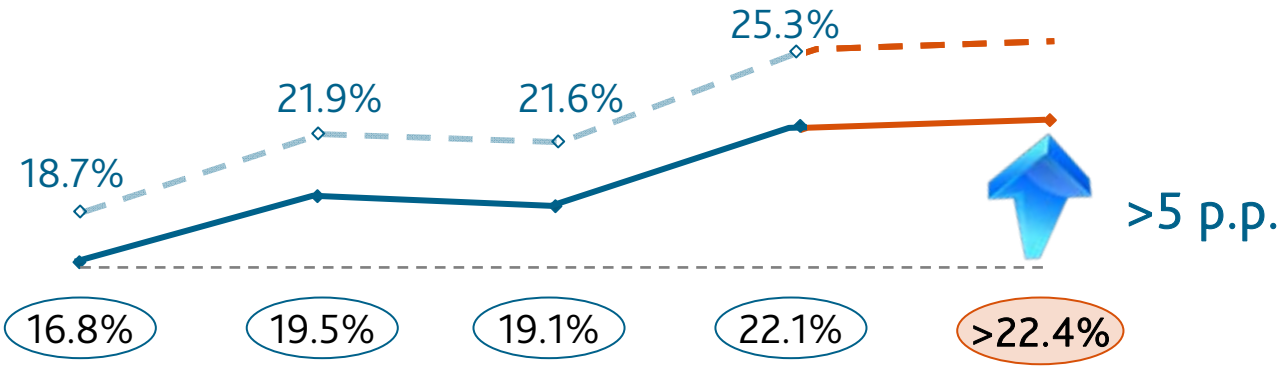
Increasing converting capacity.

Ongoing EBITDA growth with room to keep improving margins



CAGR 06-10E

>+13%



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Drivers for cost reduction

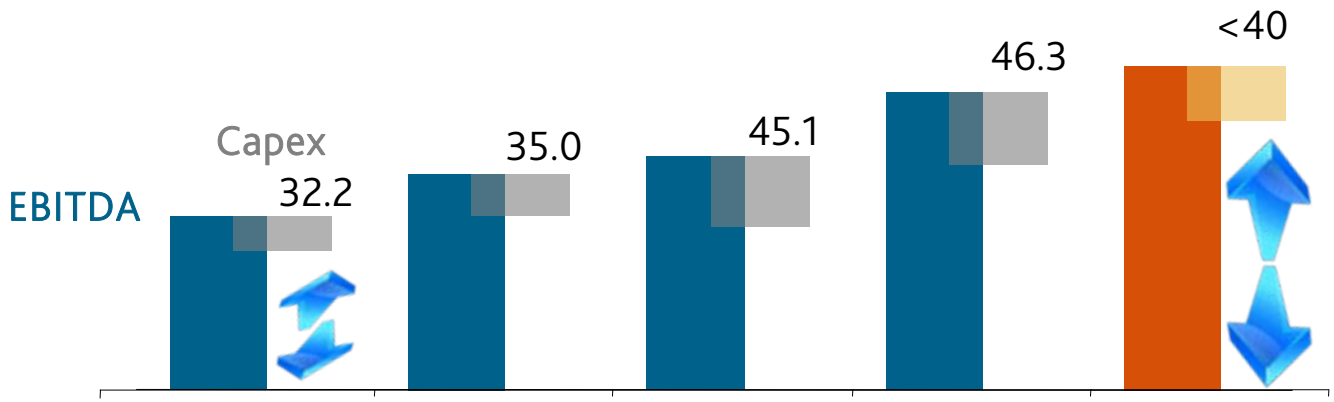
Raw material costs will be more stable in 2010 vs. upward trend during 2006-2009.

Significant production improvements and process automation

Less intensity on labour costs

Energy optimization

Taking advantage of our operating leverage for further value creation…



OpCF[1] (MM €)	51.4	63.6	60.2	82.7	>98

CAGR 06-10E >+17%

[1] OpCF = EBITDA - Capex

Cash flow growth drivers

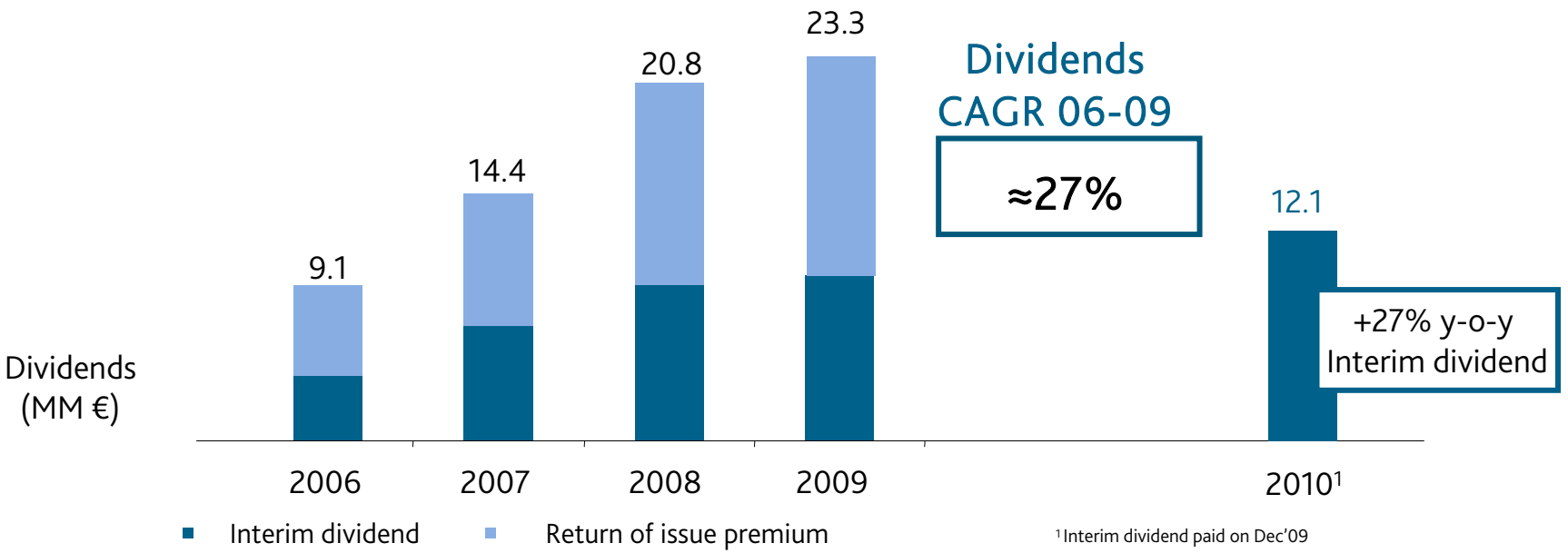
Better operating margins and strong operating leverage

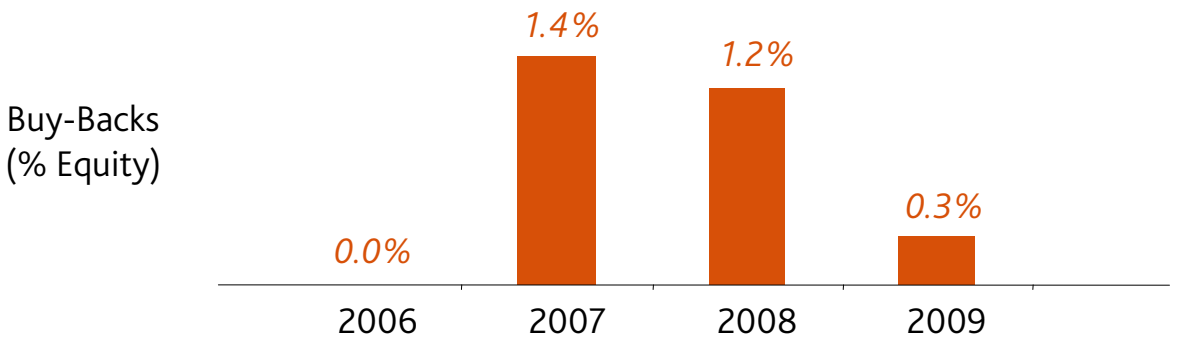
Improvements on efficiencies and automation enables better investment level.

Investment above average in 2008 and 2009 due to efforts to improve production process and new businesses (co-generation),

In 2010, even including China investment, capex will be around depreciation level.

… with shareholders benefiting from Viscofan's growth.





Viscofan in China: An opportunity encompassing growth and competitiveness





China

GDP 2010E: +10.0%

Population: 1,317 MM

% Worldwide meat production: 30%

Viscofan Technology (Suzhou) Co. Ltd

Ownership: 100% Viscofan SA

Mission: Artificial casing converting plant

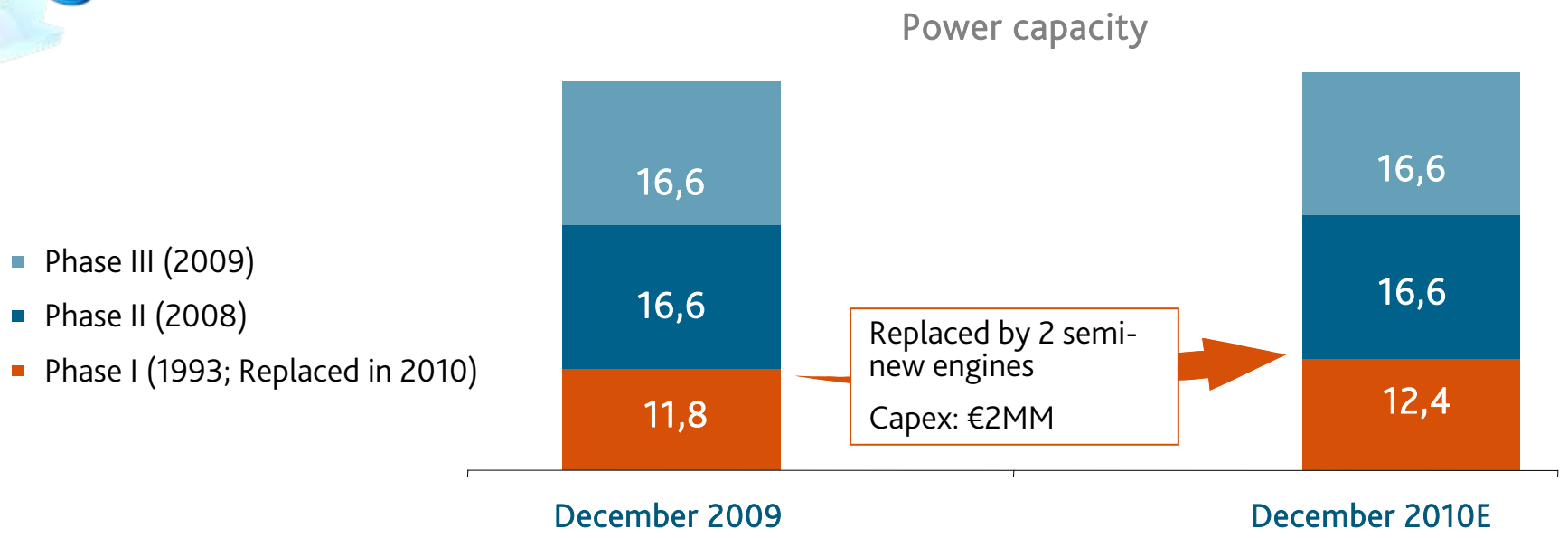
Capex 2010E: *€7MM*

Start of operations: 2011

Goals:

- ✓ Develop a huge potential market
- ✓ Adapt Asian converting capacity for that market in that region
- ✓ Quality control and technology protection
- ✓ New production plant in a non-€ area
- ✓ Reinforce Viscofan leadership increasing market share in Asia/Pacific

New businesses: Consolidating Co-generation in Spain



Power capacity: 44,9MW
Ingresos: €20MM; Margen EBITDA ≈ 25%

Power capacity: 45,5MW
Ingresos: >€25MM; Margen EBITDA ≈ 25%

Benefits from a co-generation plant

- Be self-sufficient in our energy needs in Spain
- Offset energy cost with electricity sales
- Assuring positive margin under a "fixed-price" scheme for 12 months since February 2010
- Better sustainability, our technology contributes to reduce CO_2 emissions

New businesses: Satisfactory progress in Viscofan Bioengineering activity

VISCOFAN BIO ENGINEERING combines natural sciences and engineering to provide innovative biomaterials based on collagen as new solutions for cell biology, tissue engineering and regenerative medicine

www.viscofan-bioengineering.com

Potential markets

"Life sciences"

- Cell culture based on collagen (CCC)



Cellular biology

"Health care"

Regenerative medicine



- Collagen biocompatible membrane



Tissue engineering

Short term | Mid term (3-8 years) | Long term (10-15 years)

Collaboration agreements:

Universidad de Navarra · cima Centro de Investigación Médica Aplicada Universidad de Navarra · ciber-bbn Centro Investigación Biomédica en Red Bioingeniería, Biomateriales y Nanomedicina · GEMM Group of Structural Mechanics and Material Modelling · zm Universitätsklinikum Tübingen Zentrum für Regenerationsbiologie und Regenerative Medizin · UAA Universitäts-Augenklinik Aachen

Consolidated Results 2009

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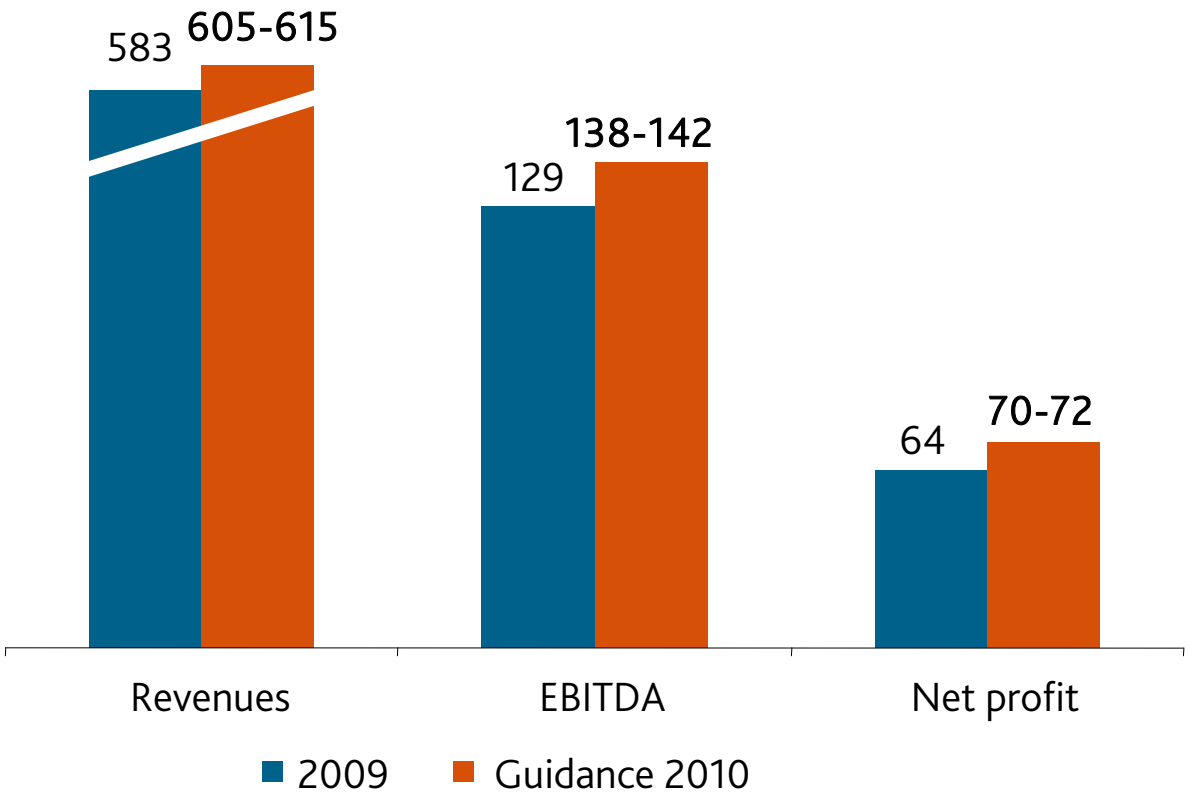
Main financial figures (MM€)



	% y-o-y.
Revenues	4%-5%
EBITDA	7%-10%
Net Profit	8%-13%
Capex	<€40MM

US$ 1.45

To Sum up

- **New high record on results**, exceeding initial expectatives despite worse than expected market (lower demand growth and weaker US$)
- **A Group in an excellent situation** considering growth opportunities and Group's low exposure to the specific risks derived from worldwide economic crisis.
- **With a unique business model and positioning** which enables us to capture that growth and keep improving our operating margins.
- Significant progress in expected Cash Flow for 2010, even including **ambicious investment plans and higher shareholder remuneration**.