Viscofan

Results January - June 2011



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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.

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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.

H1 2011 Highlights

- *+23%* y-o-y Net profit to €49.9MM in 1H11, +16% excluding non-recurring gains.
- *24,6%* Consolidated EBITDA margin (-0,1 p.p. vs. 1H10) against a challenging backdrop in terms of raw materials, energy prices and exchange rates, offset by growth in volumes, operating leverage and production improvements.
- *+5%* y-o-y Consolidated EBITDA growth to €79.8MM.
- *+5%* y-o-y revenue growth to €324.5MM, driven by the favourable volume trend.

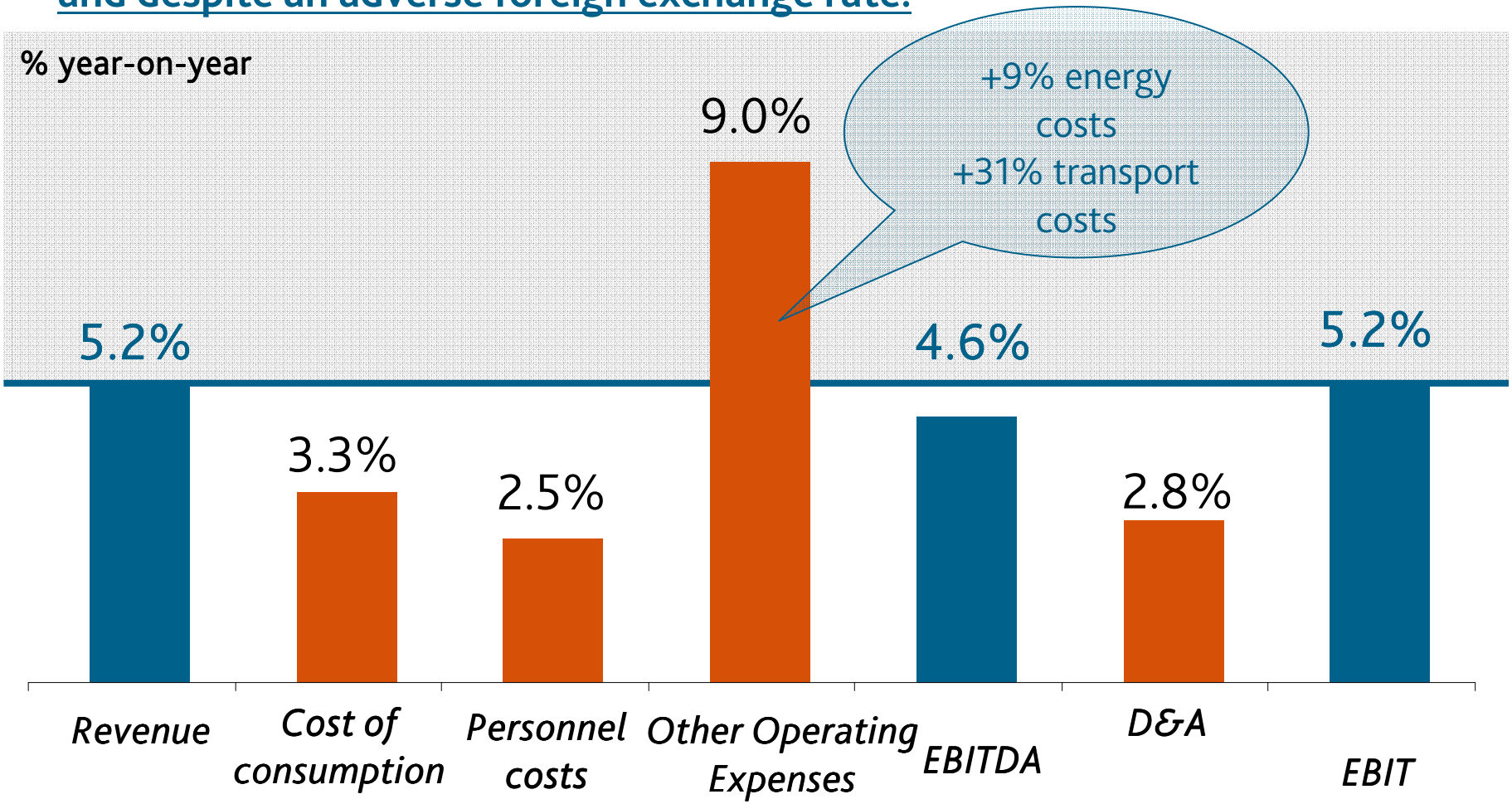
Another Quarter of growth in main financial magnitudes

MM €	1H11	% y-o-y	% y-o-y ex-forex[1]	2Q11	% y-o-y
Revenue	324.5	+5.2%	+6.2%	167.3	+3.8%
EBITDA	79.8	+4.6%	+10.6%	40.6	+1.6%
EBITDA margin	*24.6%*	*-0.1 p.p.*		*24.3%*	*-0.5 p.p.*
EBIT	59.5	+5.2%		30.3	+1.1%
PBT	65.2	+21.6%		36.2	+28.0%
Net profit	49.9	+23.2%		28.0	+30.3%
Adjusted net profit[2]	47.1	+16.2%		25.2	+17.1%

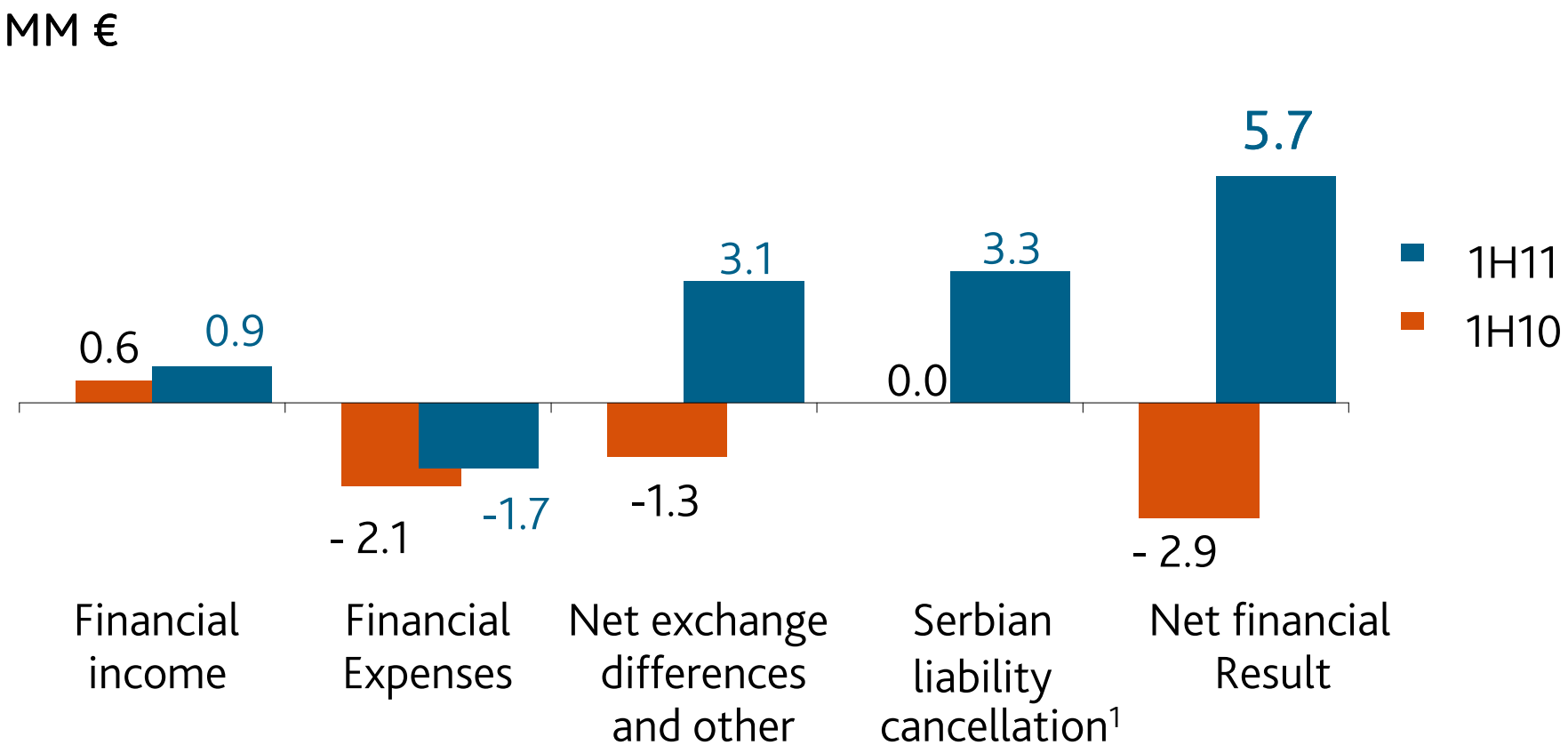
1 For comparative purposes, growth excluding foreign exchange differences excludes the impact of the various exchange rates applied in the consolidation of financial statements, as well as the impact of US$ fluctuations on trade transactions.

2 Adjusted net profit excludes a one-off gain of €2.843 thousands, recognised in June 2011, related to an out-of-court settlement in Serbia in connection with the financial liability with Vojvodanska banka a.d.

EBITDA and EBIT growth led by revenue, volume, operating and production improvements… against a backdrop of inflation on raw materials and energy, and despite an adverse foreign exchange rate.

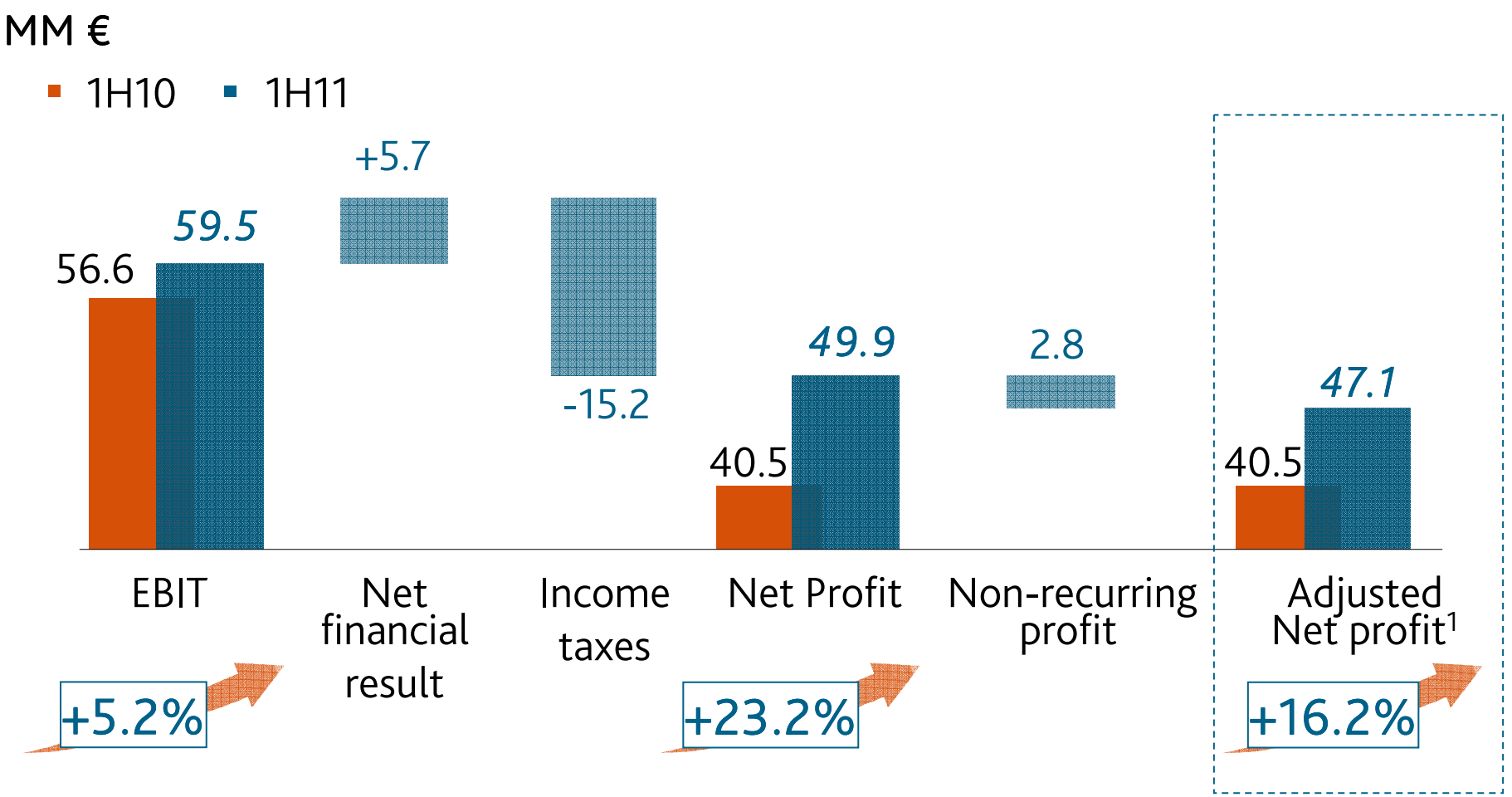


Net financial gains driven by balance sheet strength, forex hedging, and the cancellation of the financial liability in Serbia



[1] As a consequence of an out-of-cpurt settlement, Koteks Viscofan d.o.o. has paid a total amount of €3.2MM to Vojvodjanska Banka a.d. in principal and interest, definitively cancelling the financial liability with this entity. The payment generated a non-recurring financial gain for the Viscofan Group of €3.3MM.

Significant growth in Adjusted Net profit: EBIT growth + financial result strength

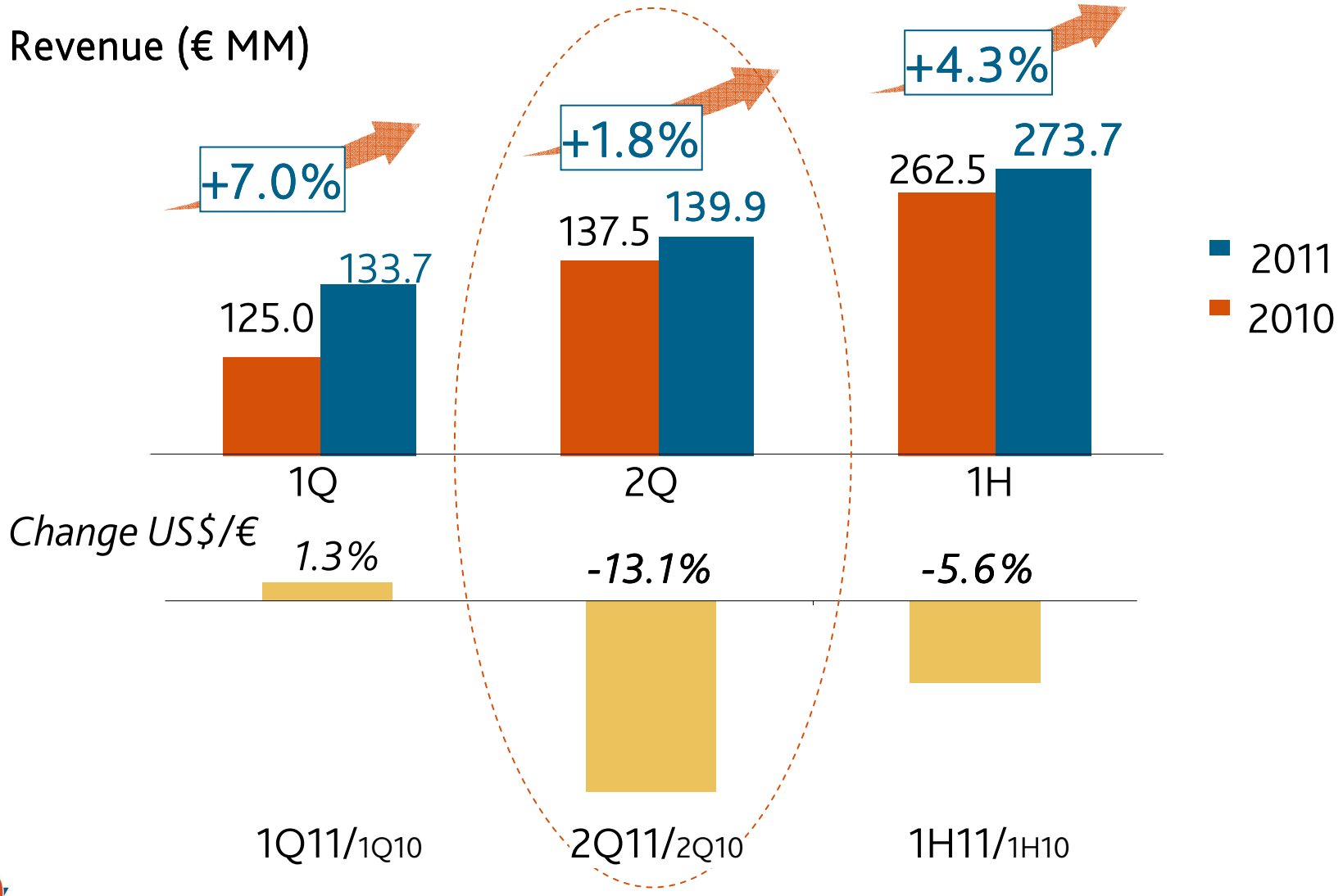


1 Adjusted net profit excludes a one-off gain of €2.843 thousands, recognised in June 2011, related to an out-of-court settlement in Serbia in connection with the financial liability with Vojvodanska banka a.d.

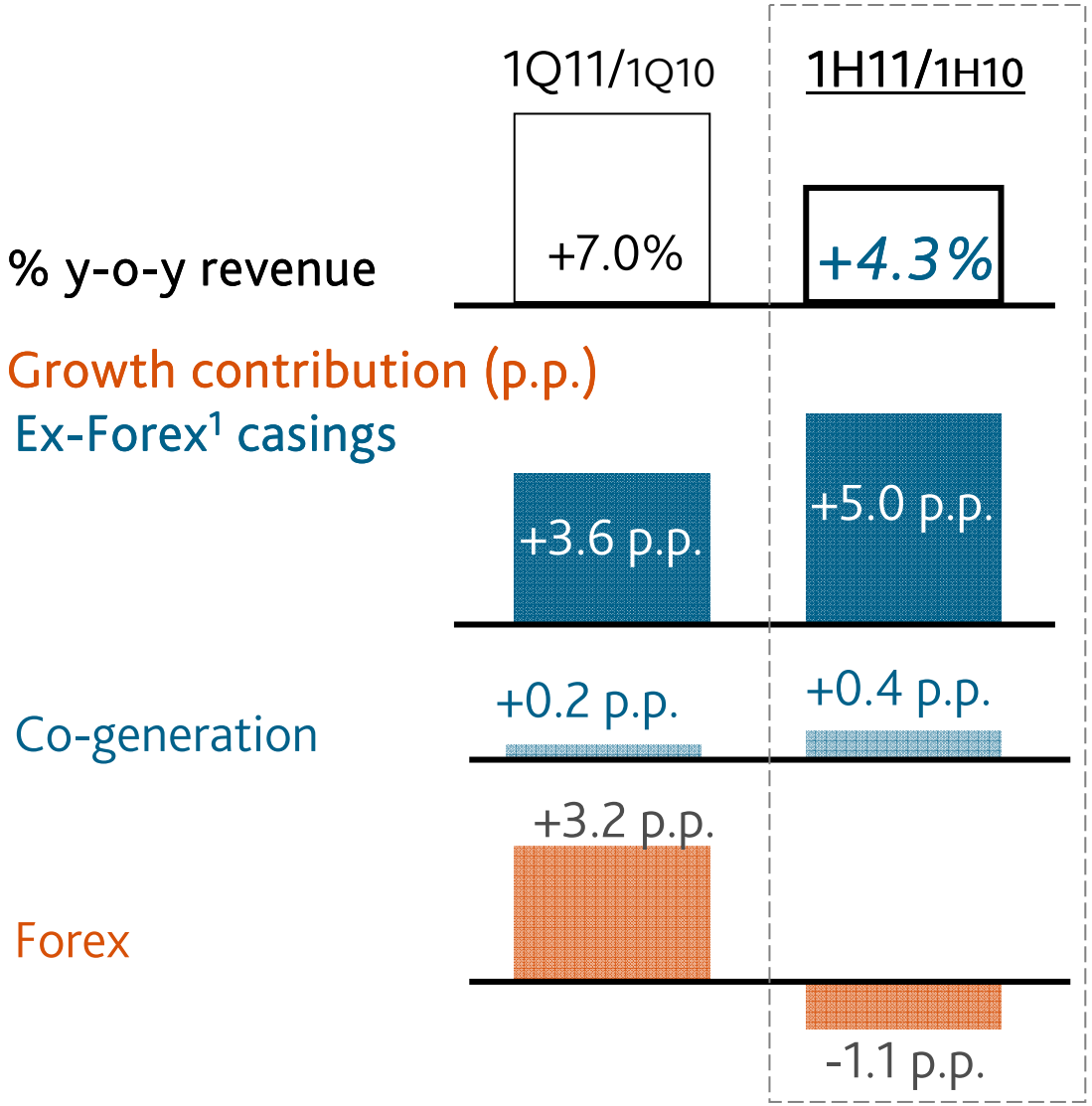
Casings division



Positive revenue performance in 2Q11 against a backdrop characterized by forex weakness of main commercial currencies against the €.



Significant organic growth acceleration driven by casing's volume sales and co-generation.



Volume growth:
- Skinless
- Collagen
- Fibrous
- Plastics

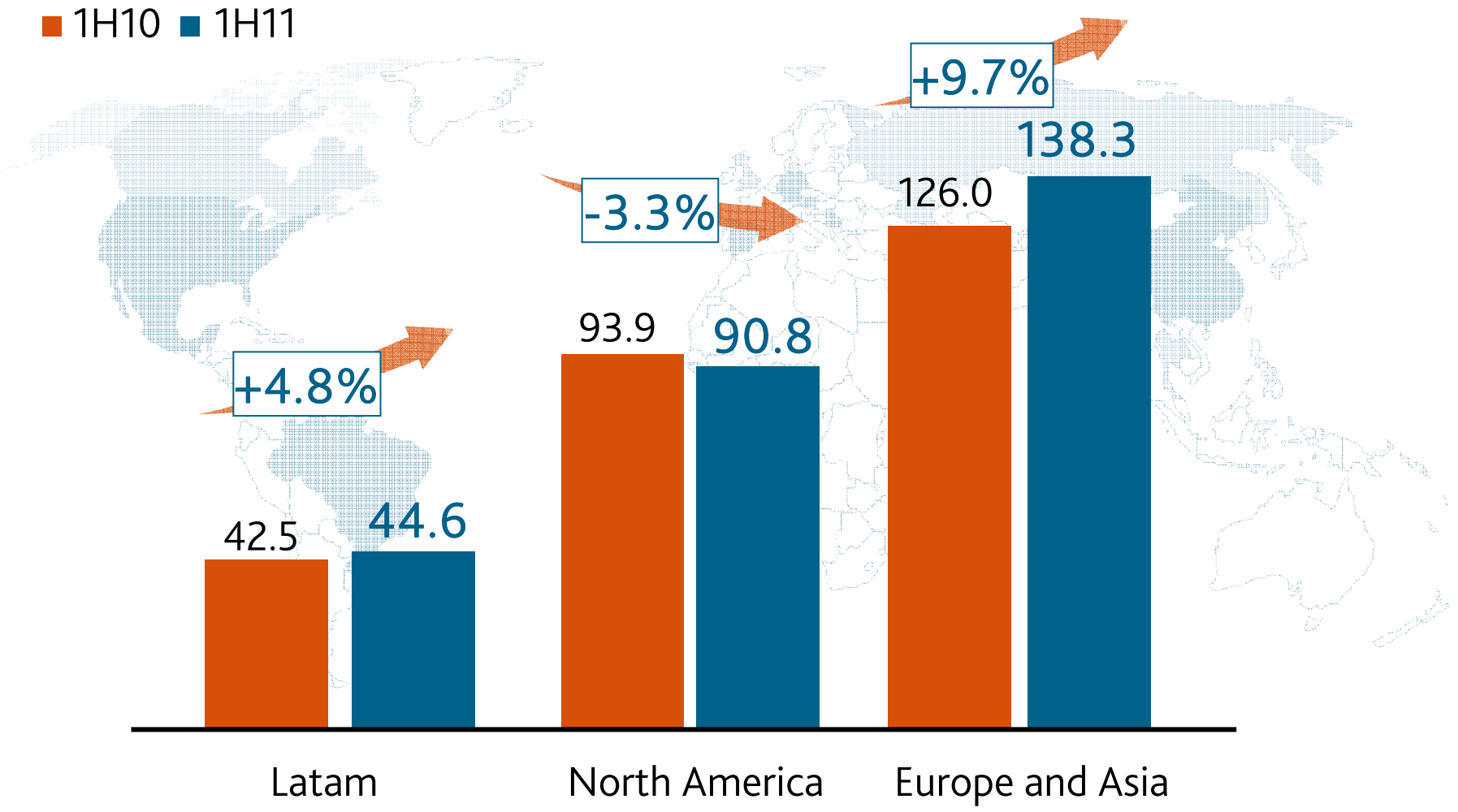
Capacity + Production improvements

Energy sales price

US$/€

[1] For comparative purposes, growth excluding foreign exchange differences excludes the impact of the various exchange rates applied in the consolidation of financial statements, as well as the impact of US$ fluctuations on trade transactions.

Revenue growth led by emerging markets, especially Asia and Latam

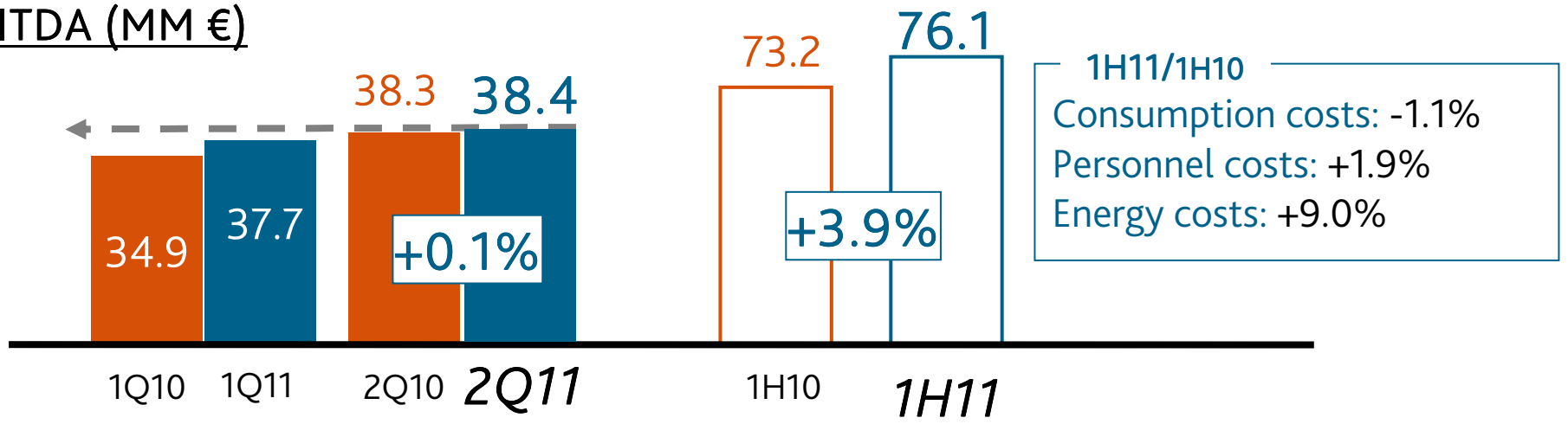


[1] Revenue per origin of sales

Good performance on Quarter and Cumulative EBITDA

Volumes, operating leverage and productivity improvements… offset higher raw material and energy prices, and adverse forex.

EBITDA (MM €)



1H11/1H10

Consumption costs: -1.1%
Personnel costs: +1.9%
Energy costs: +9.0%

EBITDA margin 2Q11: 27.4% (-0.5 p.p. vs. 2Q10)

EBITDA margin 1H11: 27.8% (-0.1 p.p. vs. 1H10)

EBITDA margin ex forex[1] 1H11: 29.2% (+1.3 p.p. vs. 1H10) ✓

[1] For comparative purposes, growth excluding foreign exchange differences excludes the impact of the various exchange rates applied in the consolidation of financial statements, as well as the impact of US$ fluctuations on trade transactions.

Vegetable food

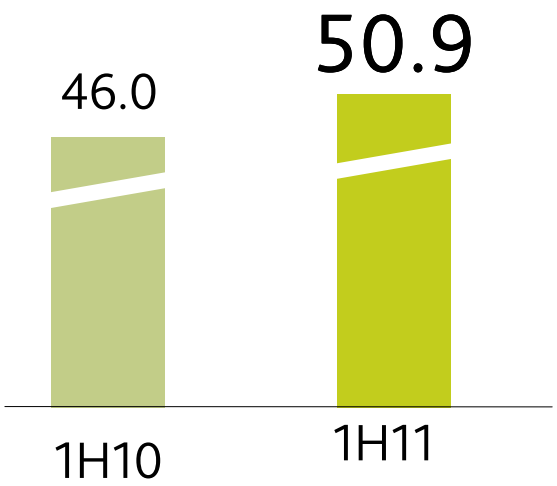




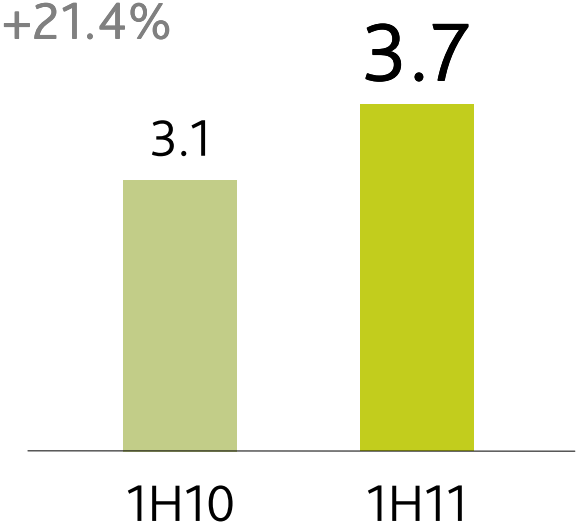


Growth driven by volumes thanks to Grupo IAN and Carretilla brand's robustness and leadership.

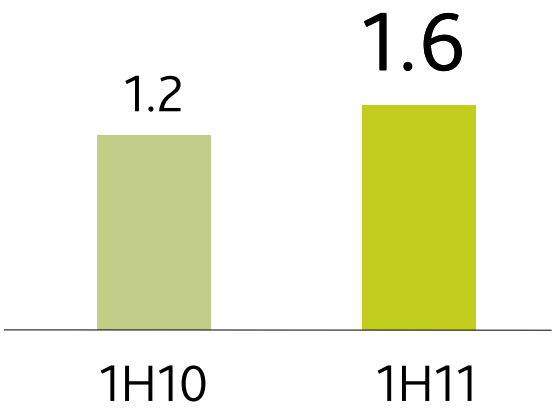
Revenue (MM €): +10.4%



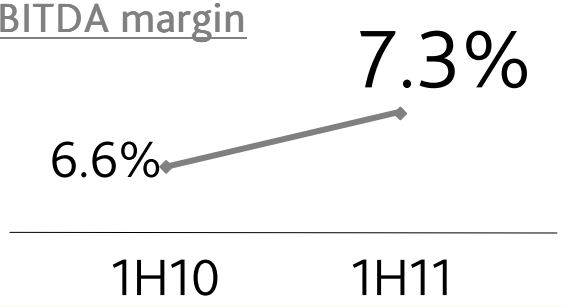
EBITDA (MM €): +21.4%



Net profit (MM €): +24.7%



EBITDA margin





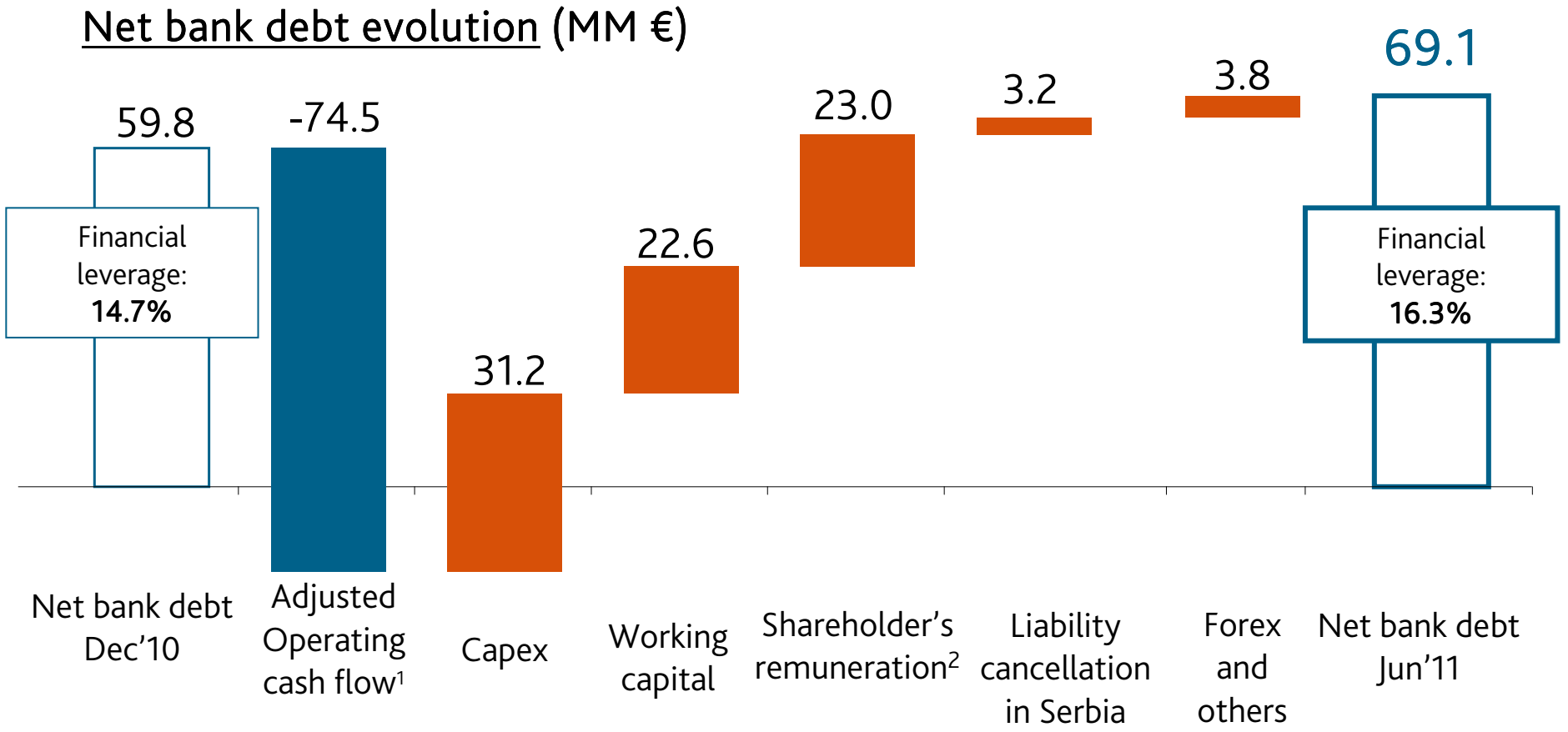
Volume growth (olives and tomatoes).

Ready meals: +50% y-o-y.



Net bank debt:

Robust operating cash flow, financing higher shareholder's remuneration, cancellation of the financial liability in Serbia, and new investments on growth.



[1] Adjusted operating cash flow = operating cash flow before change in working capital
[2] Includes the complementary dividend of €0.204 paid in May'11 and the return of capital of €0.290 per share paid in June'11

To sum up

- All-time record on revenue and adjusted net profit in the Quarter, driven by the increase on volumes in all casing families and IAN Group.
- Emerging markets, especially Asia, are leading the volume growth in the casing bussines.
- Commitment on investments to capture the growth opportunity, which will facilitate a higher volume capacity for the second half of the year.
- Sales, production enhancements and better efficiency coming from the operating leverage of the Group have offset the strong pressure on unit cost on raw materials, energy and US$/€ weakness.
- A company in an excellent financial position to keep growing on profits, capex and shareholder's remuneration.