January – June Results 2012



30th July 2012

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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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1H12 Highlights

- *+14%* y-o-y growth on revenue to €370.9MM driven by strong volumes.
- *+14%* y-o-y growth in consolidated EBITDA up to €91.1MM.
- EBITDA margin steady at 24,6% despite strong pressure on unit raw material and energy cost
- +9% y-o-y growth in recurring net profit to €51.4MM.
- Net bank debt of €71.5MM, up 16.3% from December 2011, due to of dividend payments and increased investment.

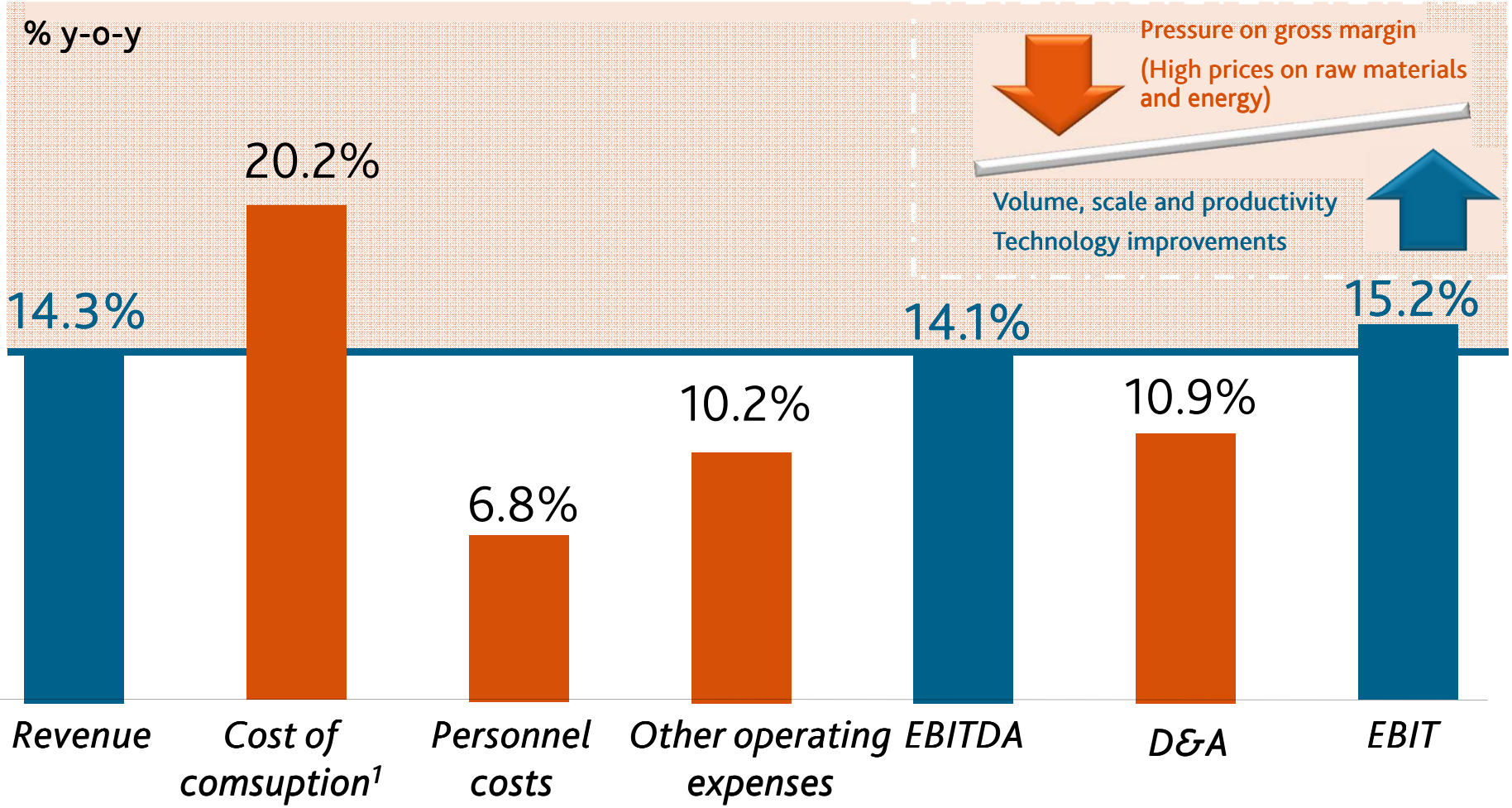
Sound operations backed by revenue strength:

MM €	*1H12*	*% Change*	% Change ex-forex[1]	2Q12	% Change
Revenue	370.9	+14.3%	+11.7%	193.0	+15.4%
EBITDA	91.1	+14.1%	+6.0%	48.2	+18.7%
EBITDA Margin	*24.6%*	*+0.0 p.p.*	*-1.3 p.p.*	*25.0%*	*+0.7 p.p.*
EBIT	68.6	+15.2%		37.0	+22.1%
PBT	66.3	+1.8%		36.9	+1.9%
Net Profit	51.4	+3.0%		28.2	+0.4%
Adjusted net profit[2]	*51.4*	*+9.2%*		*28.2*	*+11.7%*

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.

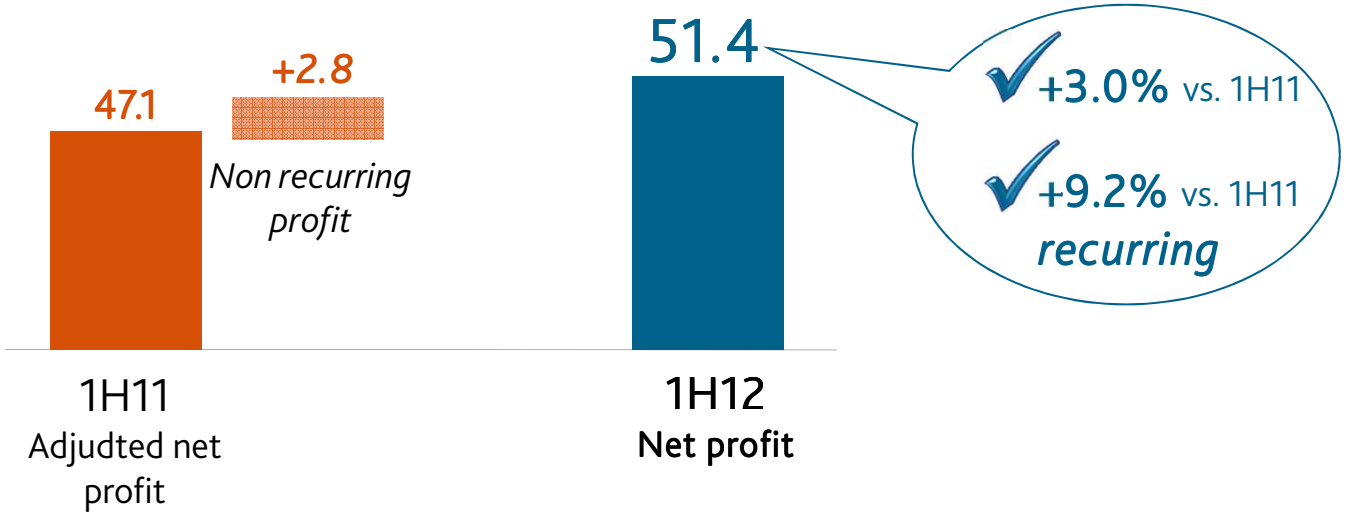
2 Adjusted net profit excludes a one-off gain of €2.843 thousands, recognised in June 2011, related to an out-of-court settlement in Serbia in connection with the financial liability with Vojvodanska banka a.d.

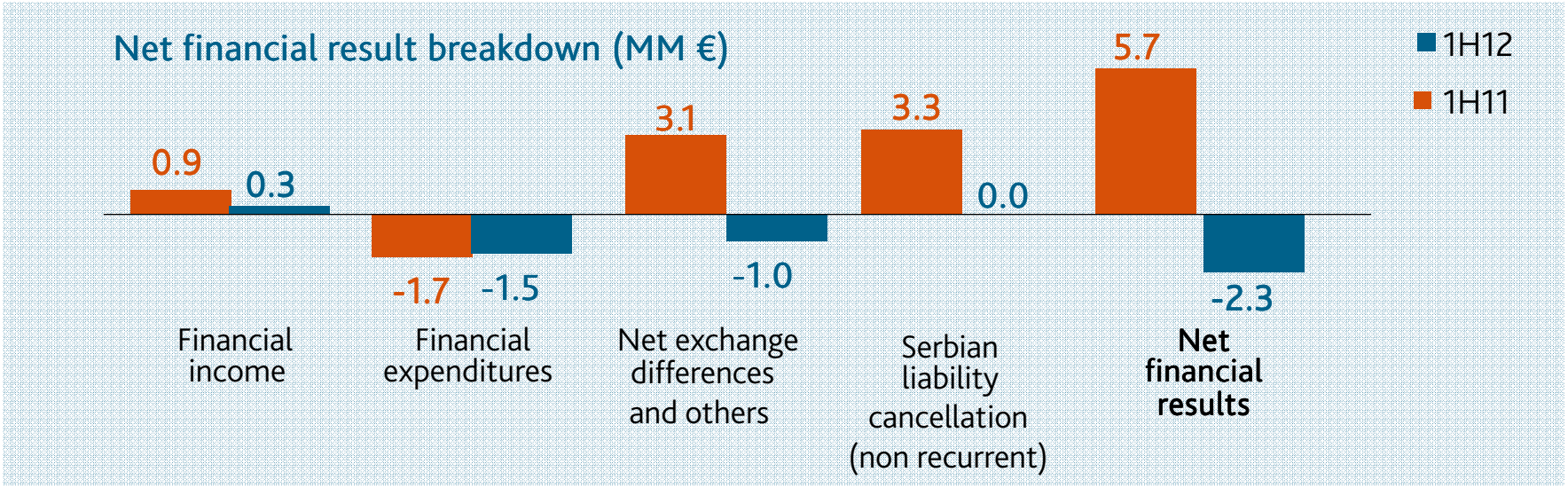
EBITDA margin stable despite pressure in unit cost on raw material and energy



1 Since 2012, the net purchases figure has included energy consumption associated with electricity production from the cogeneration plants in Spain and Mexico, formerly recorded under Other operating expenses. The impact of this reclassification in 1H11 is €13.7 million of higher costs of consumption and a lower figure in Other operating expenses

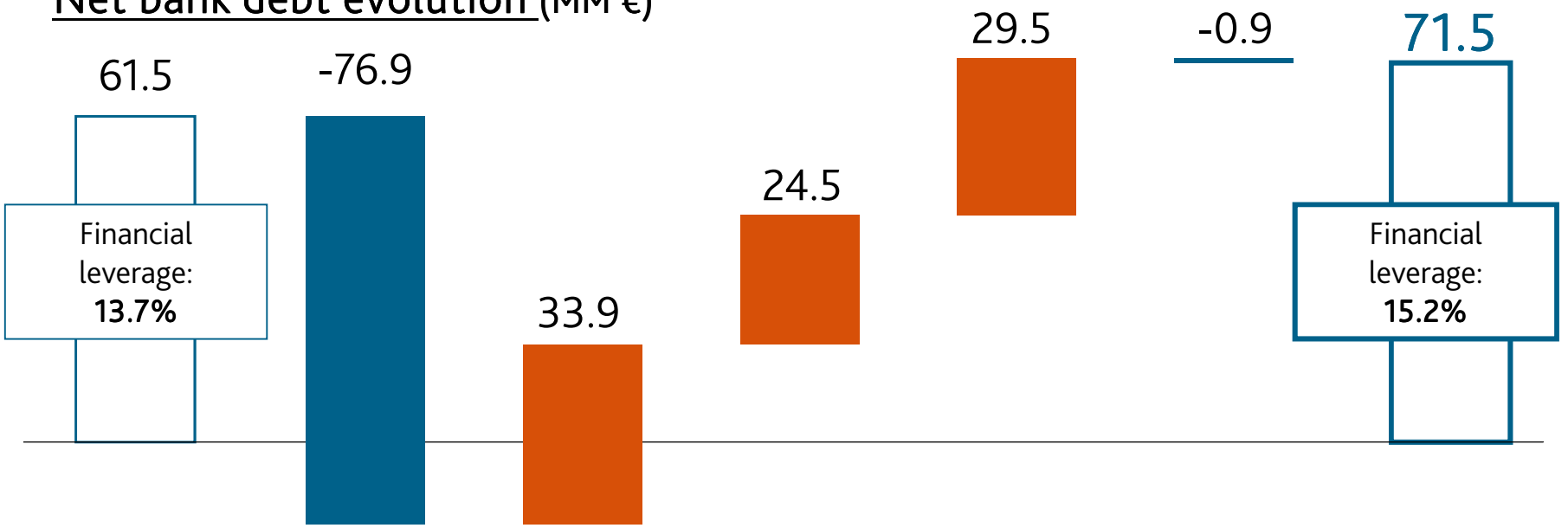
Operational strength and financial discipline drive Net profit growth.





Increase on debt as a consequence of higher investments, international expansion and higher shareholders' remuneration.

Net bank debt evolution (MM €)



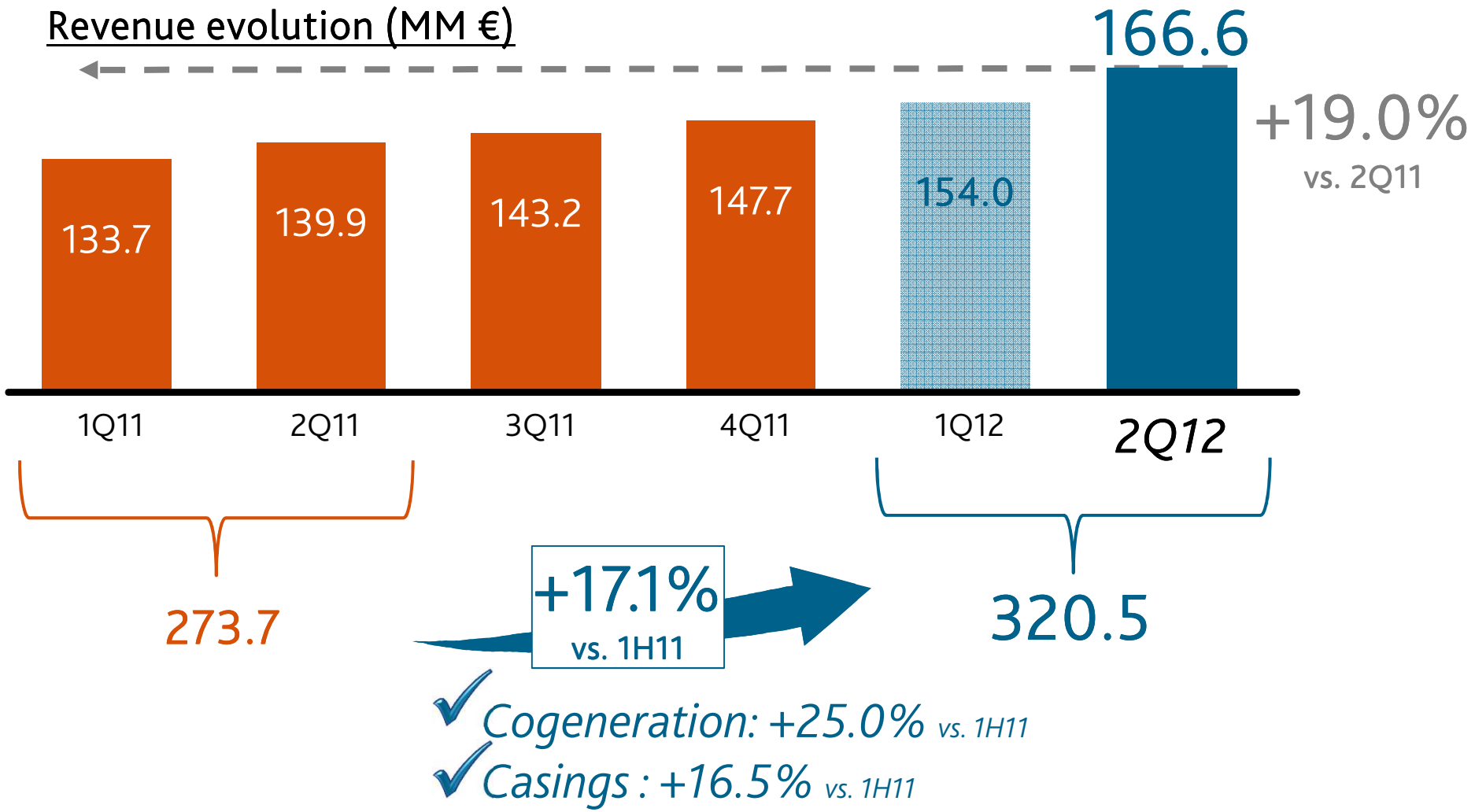
[1] Adjusted cash flow from operating activities = Cash flow from operating activities-changes on working capital
[2] Shareholders remuneration includes payments on final dividend, capital reimbursement and interim dividend.

Casing business



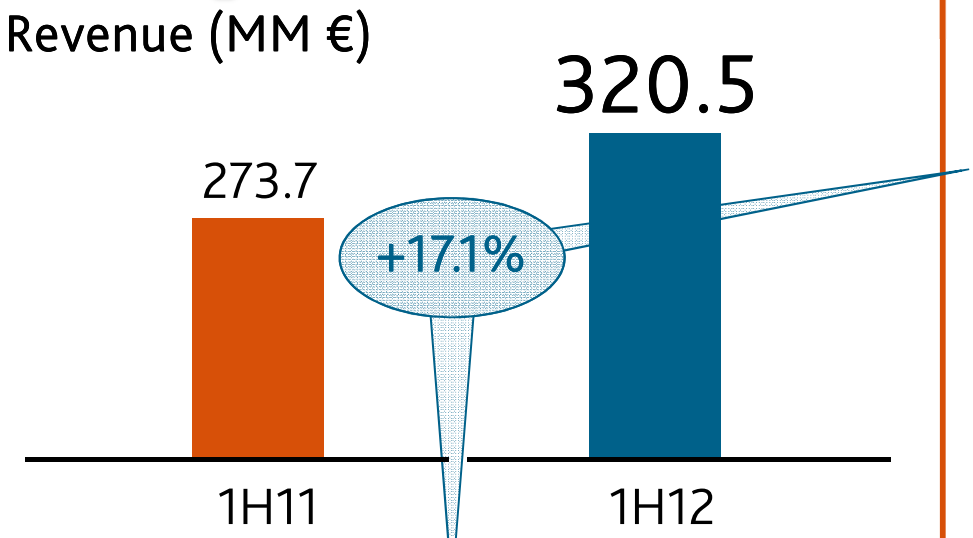
CASINGS

Positive trend on revenue boosted by Viscofan leadership, international expansion and quick answer to customer's demands in a growth market…



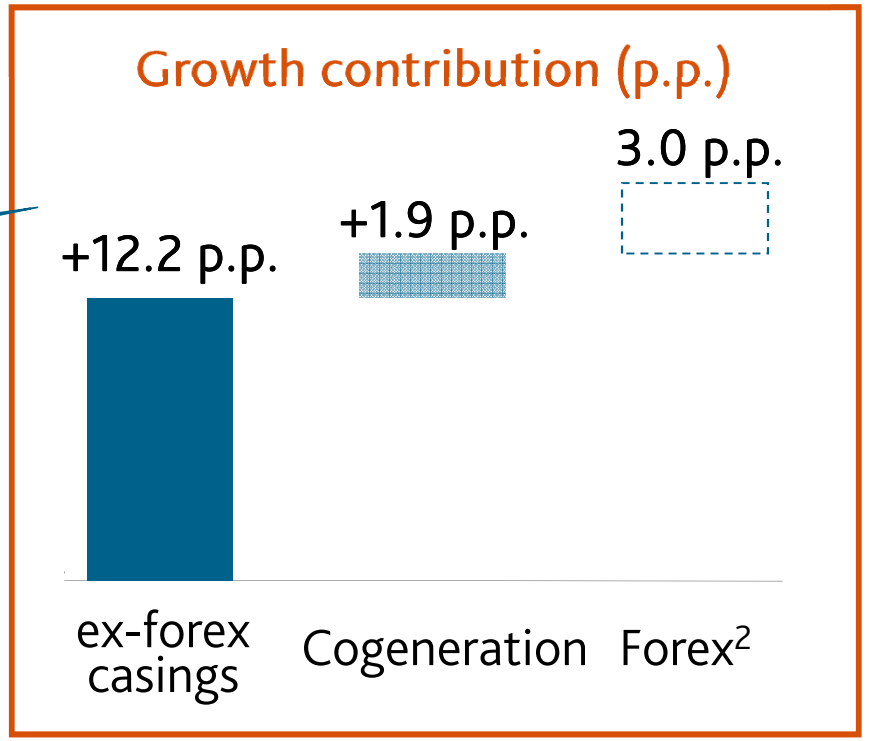
CASINGS

… increasing sales in all reporting regions led by volume growth in all casing technologies.



Geographic growth[1]

Europe & Asia (€167MM)	+20.5%
North America (€105MM)	+15.4%
Latam (€49MM)	+10.1%

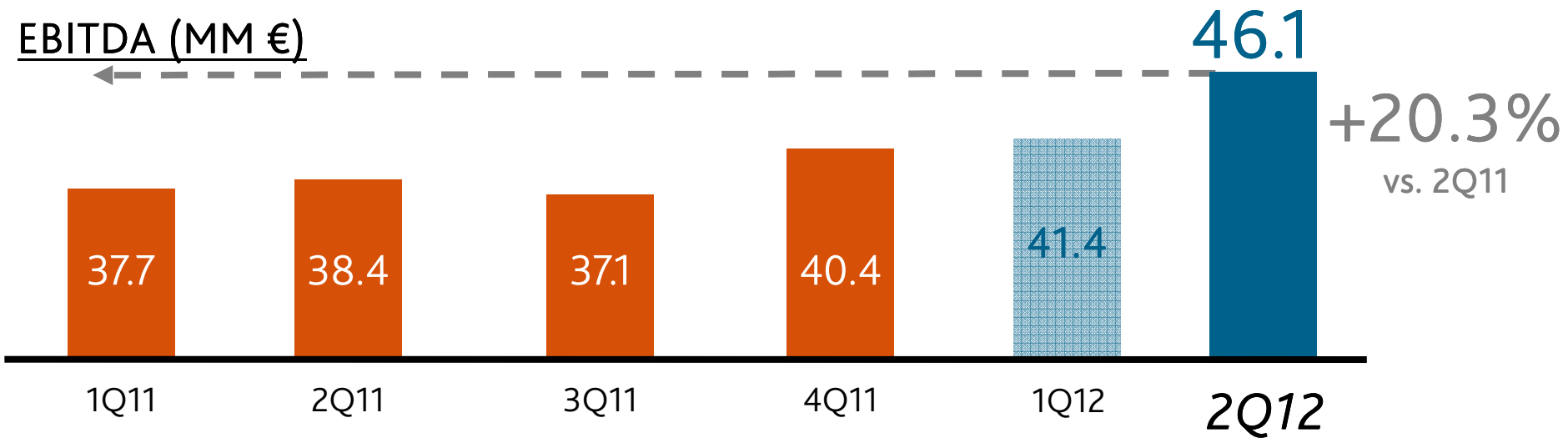


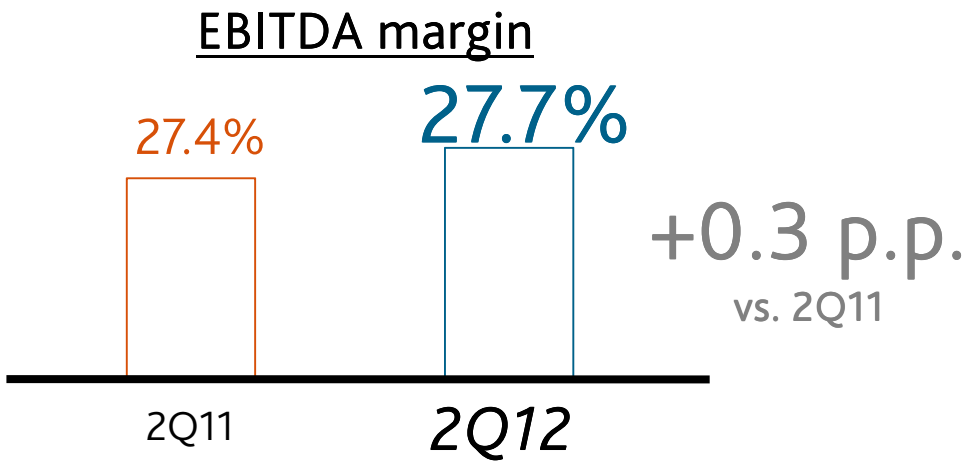
[1] Revenue by origin of sales

[2] 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

CASINGS

Revenue strength, improvements on production, cost control and forex contributes positively to increase margins in 2Q12.

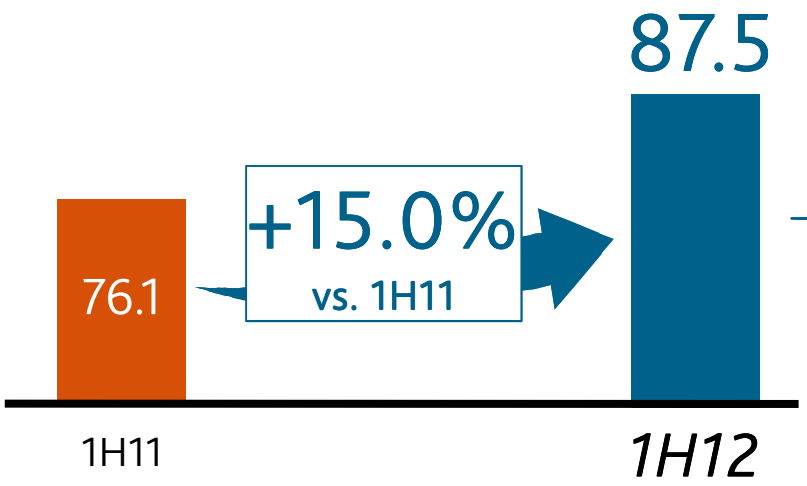




CASINGS

Double-digit y-o-y EBITDA growth in an adverse environment on raw material and energy cost inflation.

EBITDA (MM €)

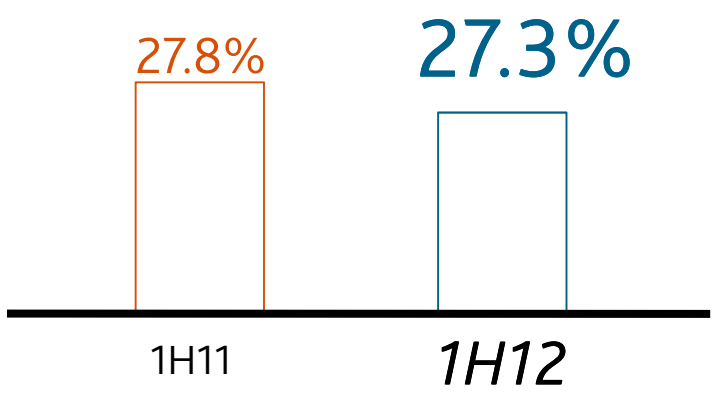


[1] Gross Margin= [Revenue– (Net purchases +/- changes in inventories)] / Revenue

Since 2012, the net purchases figure has included energy consumption associated with electricity production from the cogeneration plants in Spain and Mexico, formerly recorded under Other operating expenses. The impact of this reclassification in 1H11 is €13.7 million of higher costs of consumption and a lower figure in other operating expenses.

[2] Productivity ratio= (revenue– Personnel expenses) / revenue

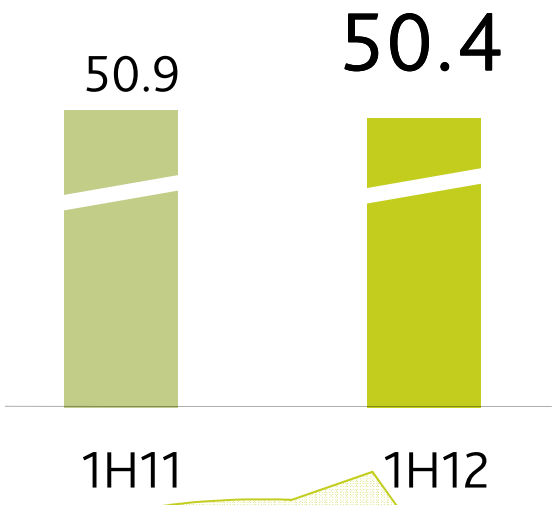
- *Gross margin: -3.4 p.p.*
  - *Raw material prices (cellulose, hides)*
  - *Gas price for cogeneration*
- *Productivity margin[2]: +2.3 p.p.*
  - *Improvement on operational efficiencies*
  - *Cost control*
- *EBITDA margin: -0.5 p.p.*





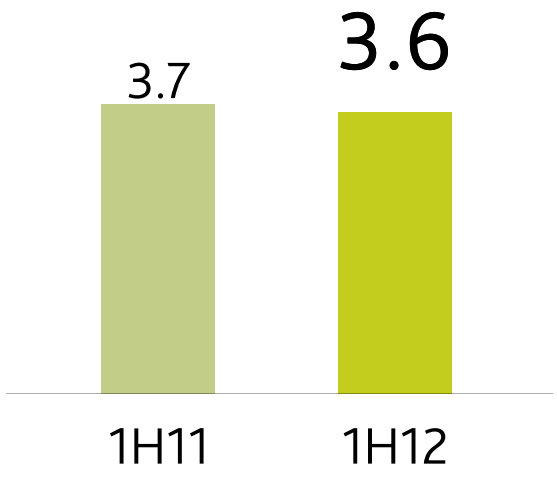
Sound results in an environment of weak consumption in Spain and higher raw material prices.

Revenue (MM €):
-1.0%

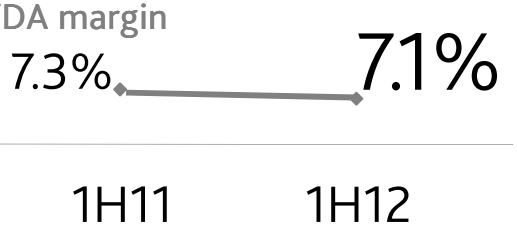


... Ready meals +28%...
... sound tomato market share.

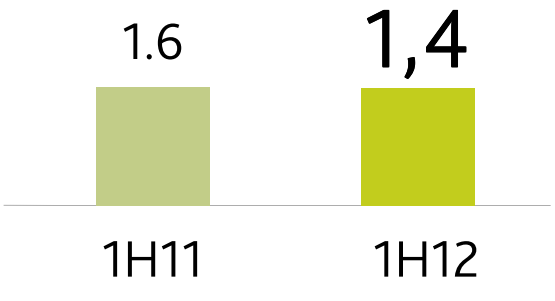
EBITDA (MM €):
-4,1%



EBITDA margin



Net Profit(MM €):
-7.0%



To sum up

- **Strong set of results**, led by revenue progress both quarterly and year to date. Growth based on **casing market growth and Viscofan Group leadership**, and despite the weaker evolution in the vegetal casing business.
- **Pressure on margins** due to raw material and energy cost inflation, which have been offset by **productivity improvements, cost control and commercial discipline**.
- **Start of the preliminary works to build up the first collagen extrusion centre in Latam,** (expected for 2014), while works to build the **new collagen plant in China progress according to plan** in order to start production in 2013.
- A company in an **excellent financial position** to keep growing on **profits, investments and shareholders' remuneration**.