Viscofan

XVIII Santander Iberian Conference



Madrid. February 1-2, 2012

Disclaimer

This document may contain 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.

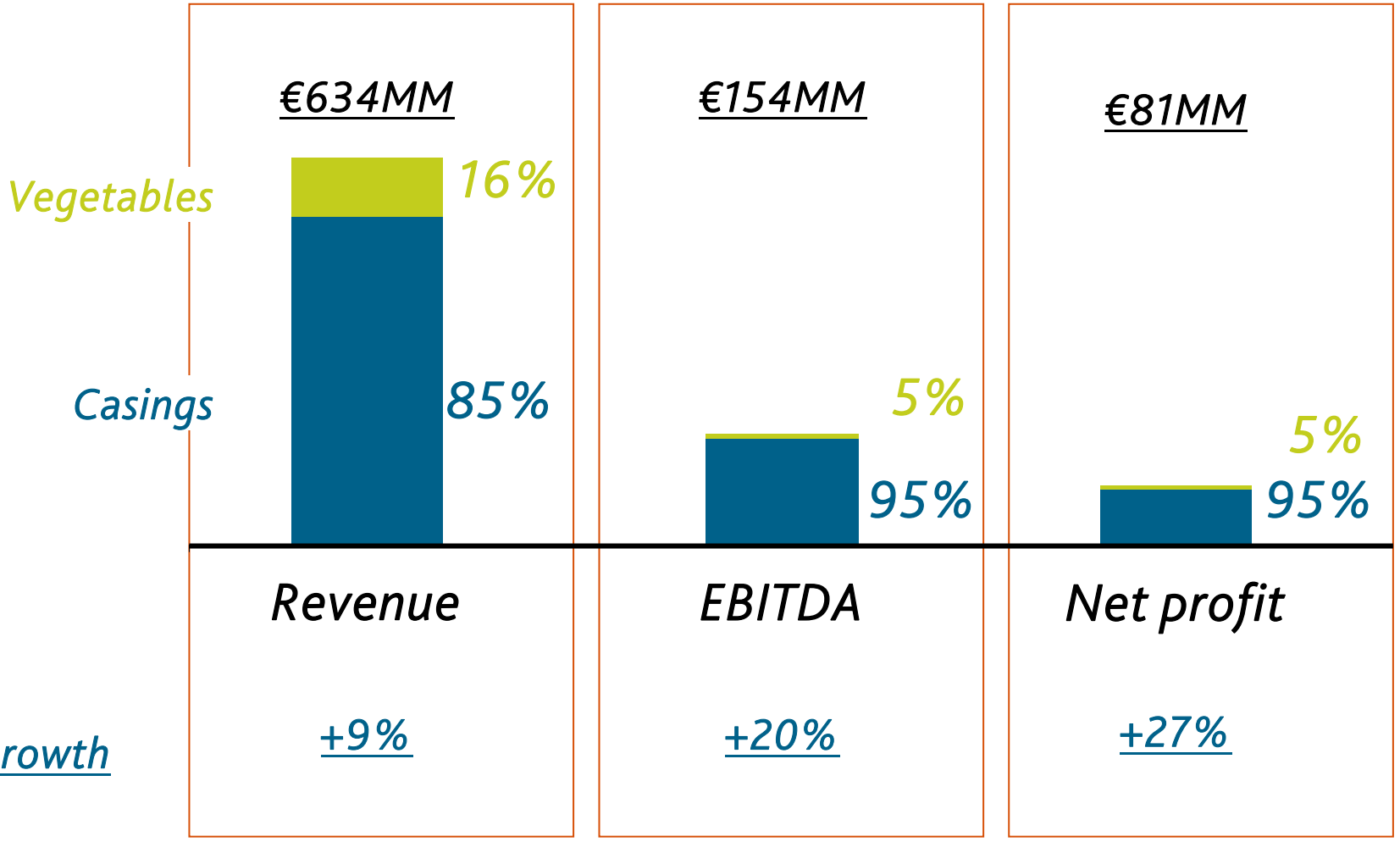
Analysts and investors in particular as well as any other persons or entities who must take decisions or give advise on investments in the Company should not place undue reliance on those forward-looking statements.

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.

Viscofan at a glance

A growth company

FY10 Main financial magnitudes



Viscofan at a glance

A track record of strong organic and inorganic growth.

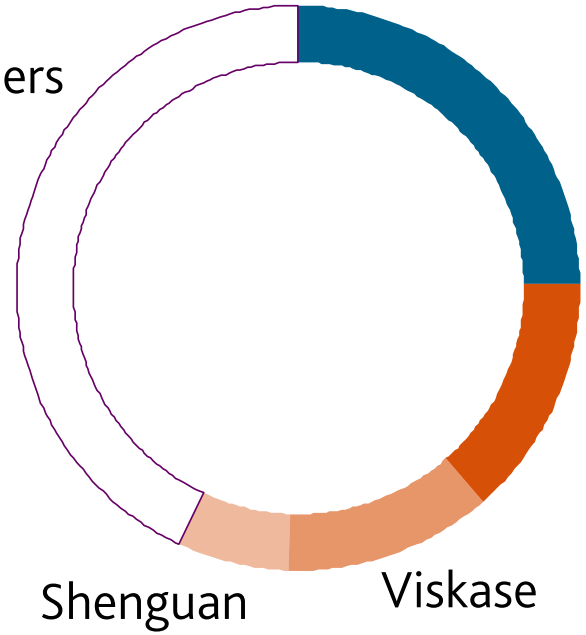
	Revenue[1] CAGR	Market position
1975		
Viscofan S.A. was founded in Navarre (Spain)		
80's		
Fast organic growth	33 MM € (1989)	5th
	31%	
90's		
Geographic expansion in major markets	376 MM € (1999)	3rd
	5%	
2000's		
Further expansion in emerging markets and market consolidation	583 MM € (2009)	1st
	9%	
2010		
First converting plant in Asia (China)	634MM € (2010)	1st

[1] Revenue for the Consolidated Group. 1989 and 1999 figures are reported in Spanish GAAP, 2009 and guidance 2010 figures are reported in NIFF

Viscofan at a glance

The worldwide leader in the artificial casings market.

2010 Artificial casings Market share[1]



[1] Includes segments of skinless, collagen, fibrous, and plastics casings.

Source: Viscofan Group

Viscofan at a glance

Unique technology and know-how in the casings market.

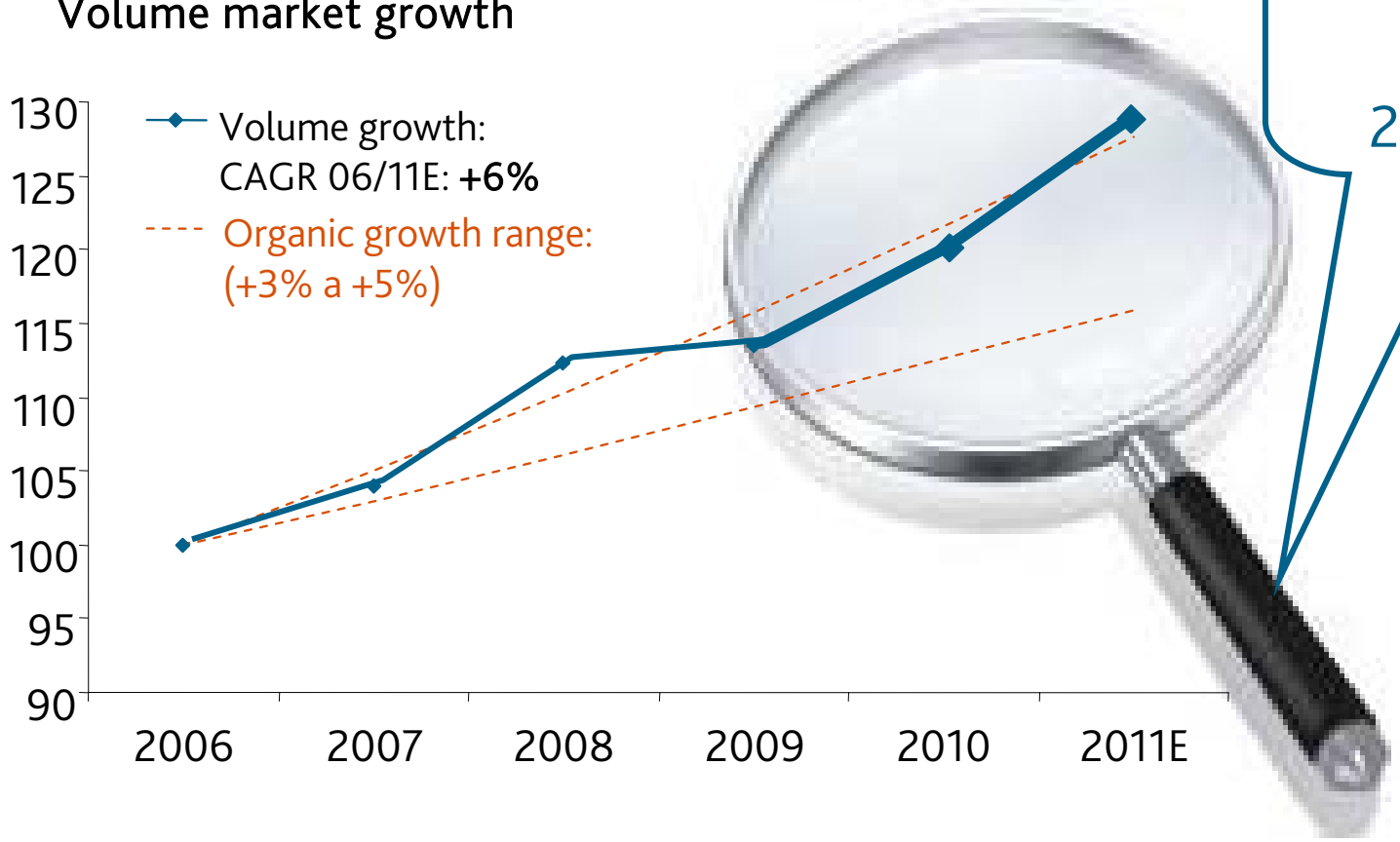
	Skinless	Collagen	Fibrous	Plastics
Casings				
Applications				
Viscofan	✓ #1	✓ #2	✓ #3	✓
Players: Devro	–	✓	–	–
Viskase	✓	–	✓	✓
Shenguan	–	✓	–	–
Visko-Teepak	✓	–	✓	✓
Kalle	–	–	✓	✓
Fabios	–	✓	–	–
Nippi	–	✓	–	–
Fibran	–	✓	–	–

✓ #1

The artificial casings market

Enjoying a very solid growth momentum.

Growth above historic average rate 2010-2011E



The artificial casings market

Sustained growth based on solid fundamentals.



Population growth



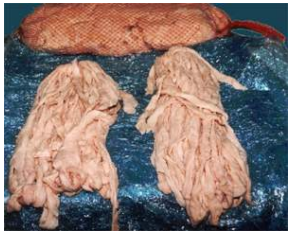
Global feeding habits



Renew production technology

The artificial casings market

Meat processors are accelerating production technology renewal.



Gut casings

Renew production technology



Viscofan's casings

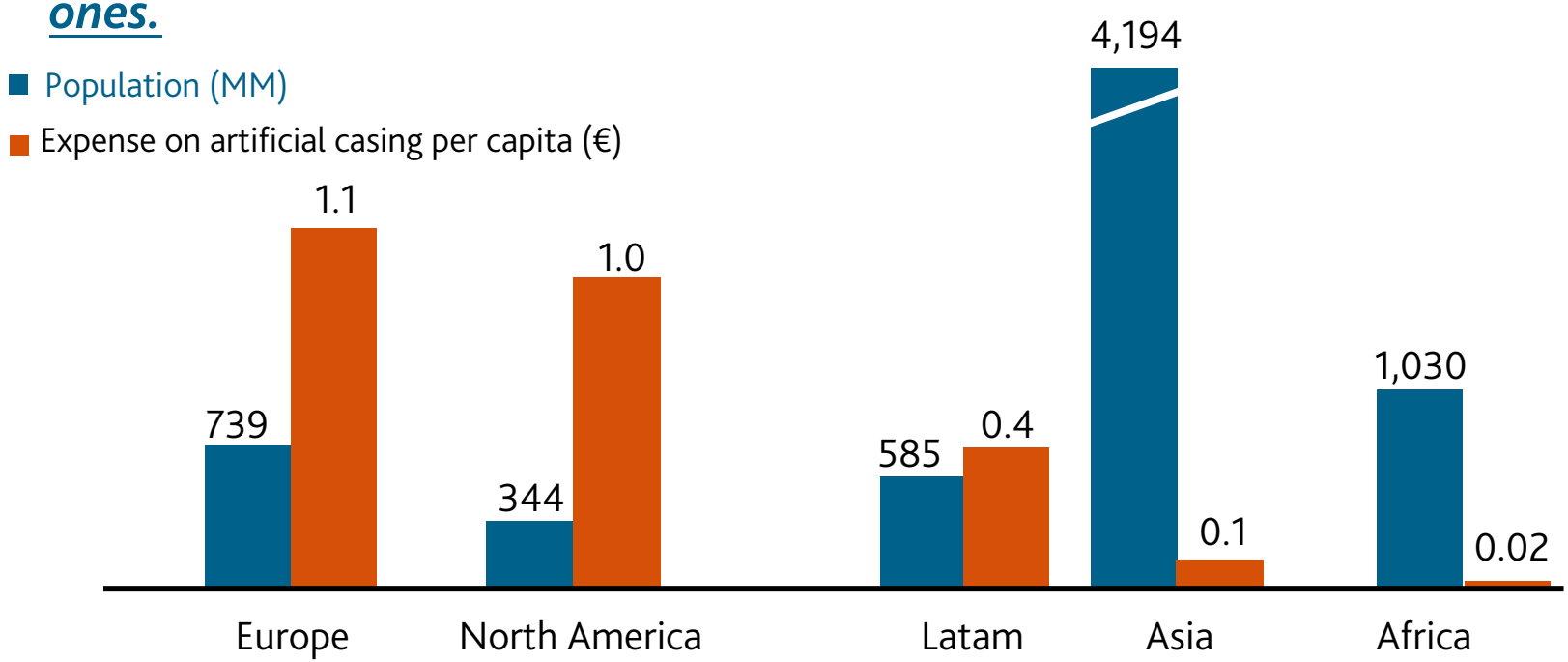
Meat processors consume artificial casings because they want to…

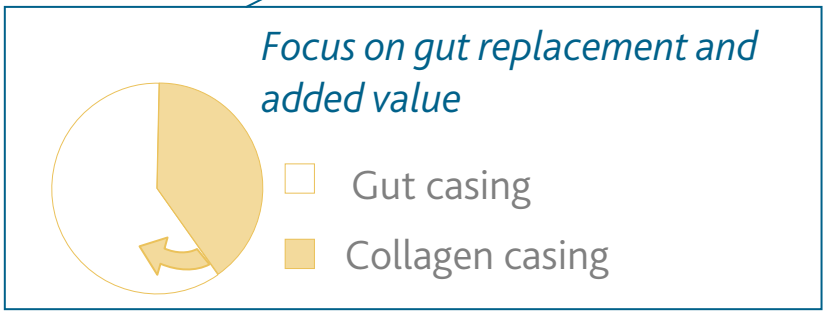
- ✓ improve **speed** of production
- ✓ **automate** production process
- ✓ Improve product **quality**
- ✓ Reduce **"waste"** in the production process
- ✓ Facilitate the development of **new products**
- ✓ Improve **health** control

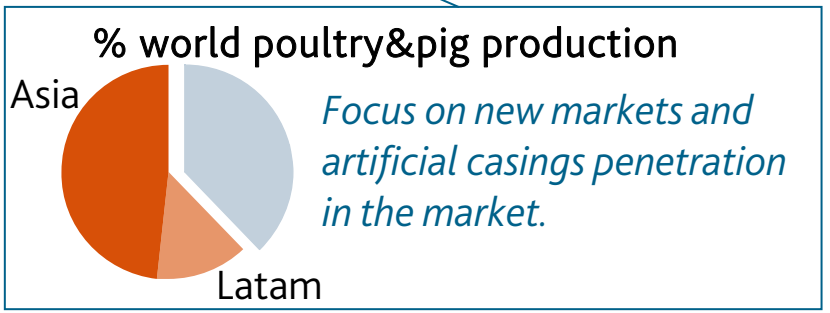
To sum up: provides **new growth opportunities for our customers and a significant source of production savings** in an environment of optimization and production excellence

The artificial casings market

Developing areas will lead the growth… but there is also growth in developed ones.







Source: Population and vital statistic report (United Nations) and Viscofan

Viscofan in China

Opportunity to capture growth in the largest collagen casing market worldwide.

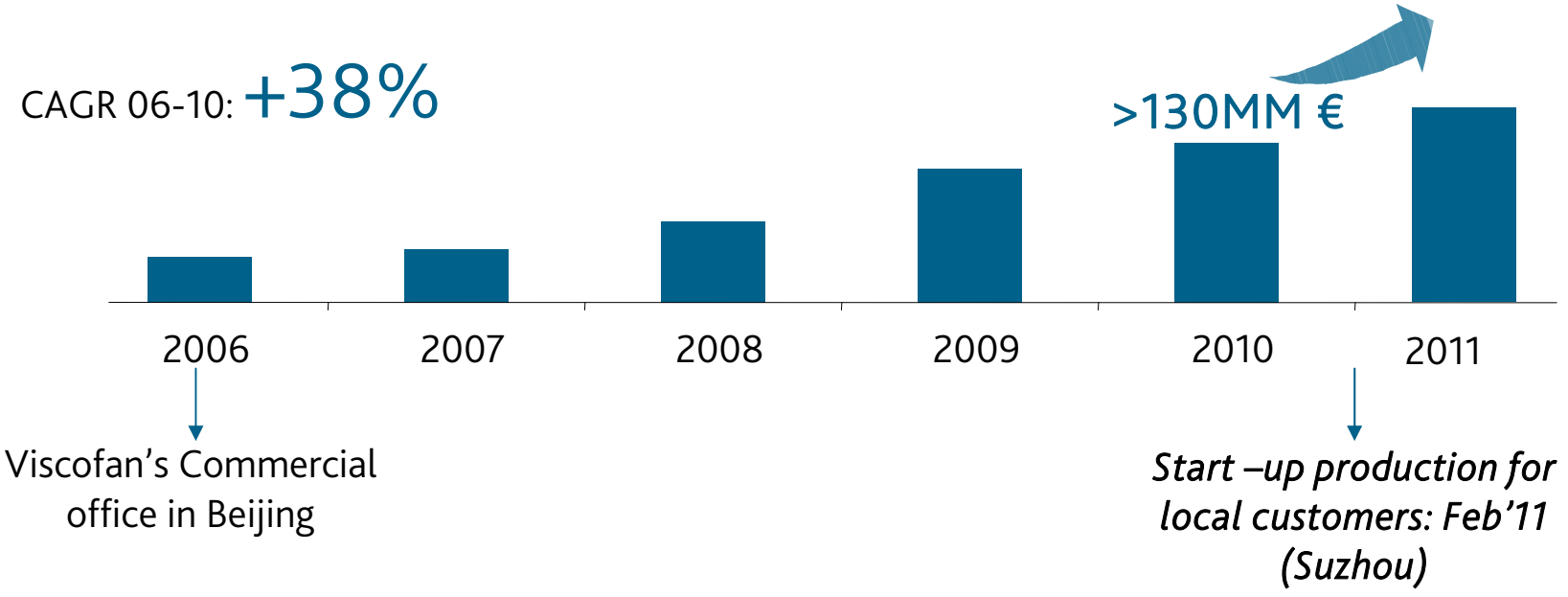


Viscofan Suzhou converting plant: Stronger commitment and proximity with customers in a market with a huge potential growth.

Capex: 8MM € Revenue 2011E: 10MM €

Plan to build a new extrusion plant ready in 2013

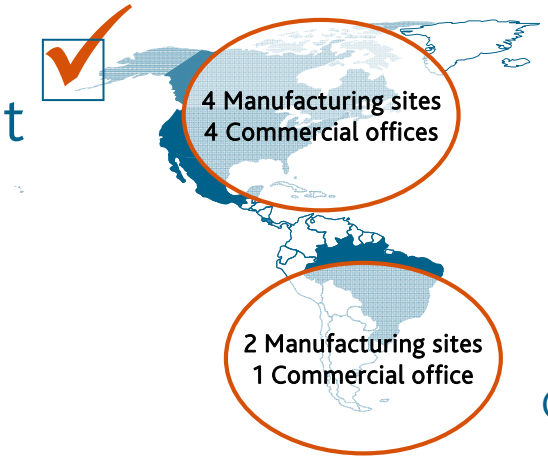
Artificial casing market in China: a very special growth case:

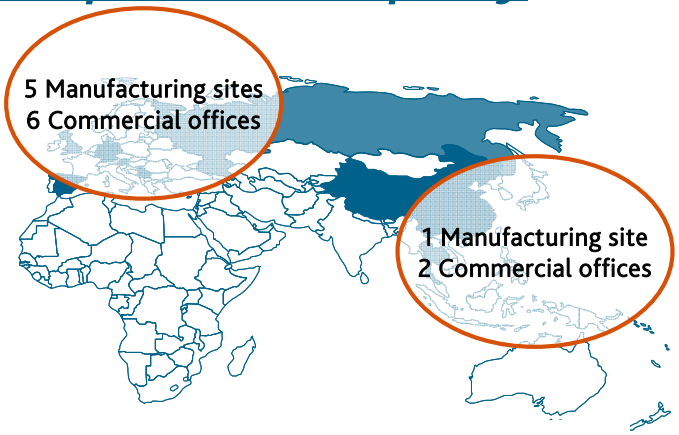


Viscofan's unique position to capture growth

Leveraging on our geographic footprint, portfolio and production capacity

Geographic footprint





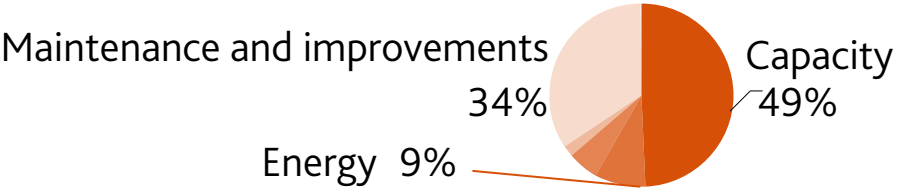
Only casing player with local production facilities in the main casing markets : USA, European Union, Brazil, Mexico and China.

Service



Production capacity

2010 Capex expansion devoted manily to market growth



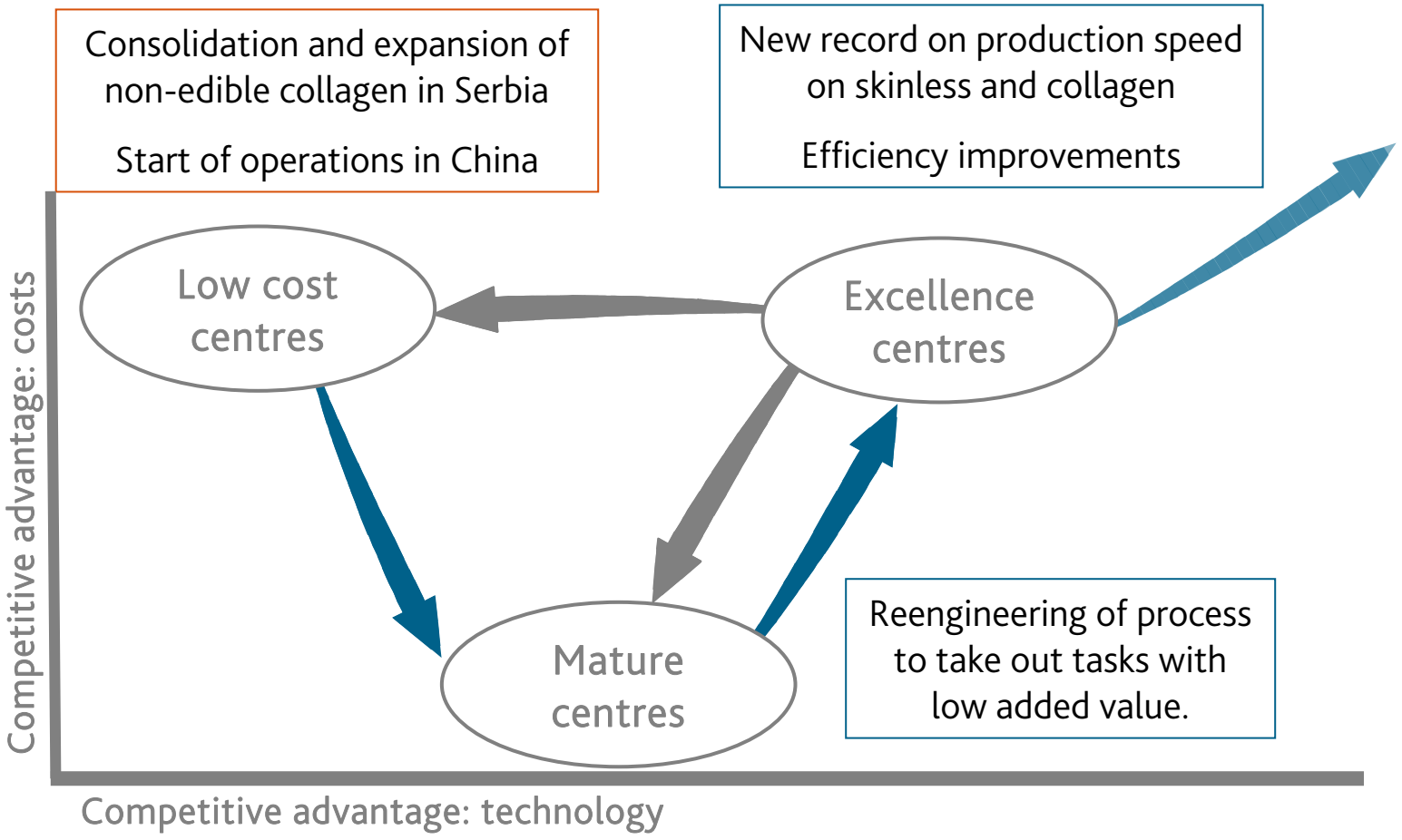
Viscofan's unique position to capture growth

Actions to offset a very tough environment

Market concerns	Viscofan's actions
➢High inflation • Raw materials • Energy • Transport costs	➢Improvements in production efficiencies backed by upgrades on technology. ➢Economies of scale driven by market growth. ➢New capacity in our centres of excellence: Spain, Germany & USA. ➢Cogeneration in Spain and Mexico. Investments to optimize energy efficiencies in Mexico and US.
➢US$ weakness	➢Adverse impact on EBITDA… but partially offset thanks to forex hedge.
➢Financial volatility	➢Robust balance sheet: We can both invest and remunerate shareholders

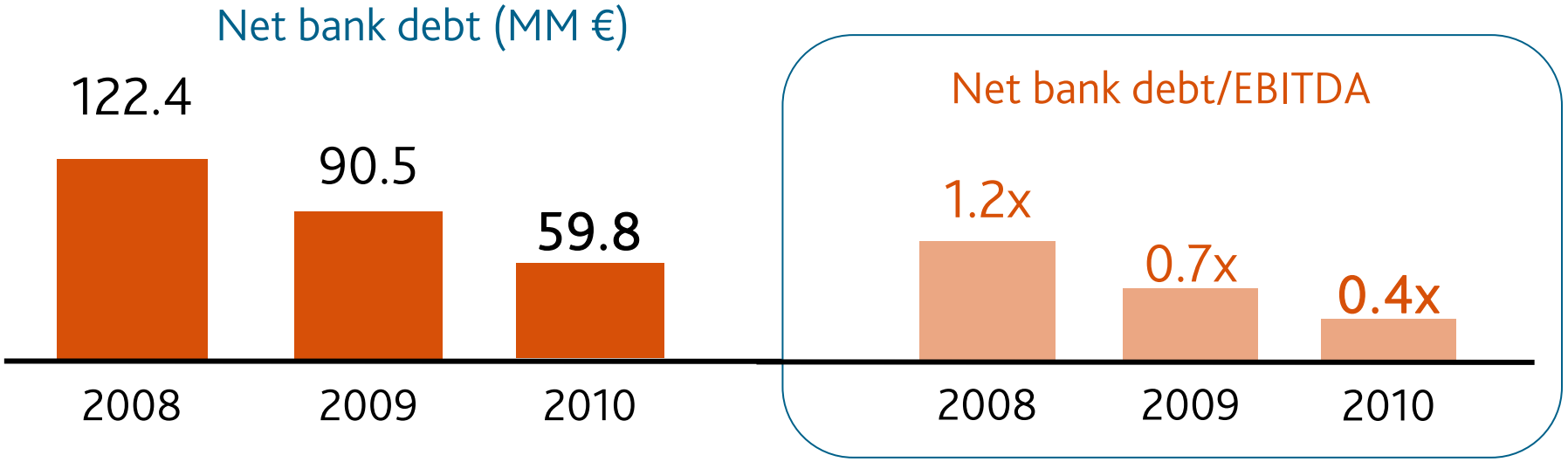
Viscofan's unique position to capture growth

An operations model that can reach again new improvements on productivity



Viscofan's unique position to capture growth

A solid balance sheet based on strong and recurrent cash flows



Flexibility to face new growth opportunities:

-Increasing collagen capacity in Germany

- Increasing collagen capacity in Spain

- Converting plant in China

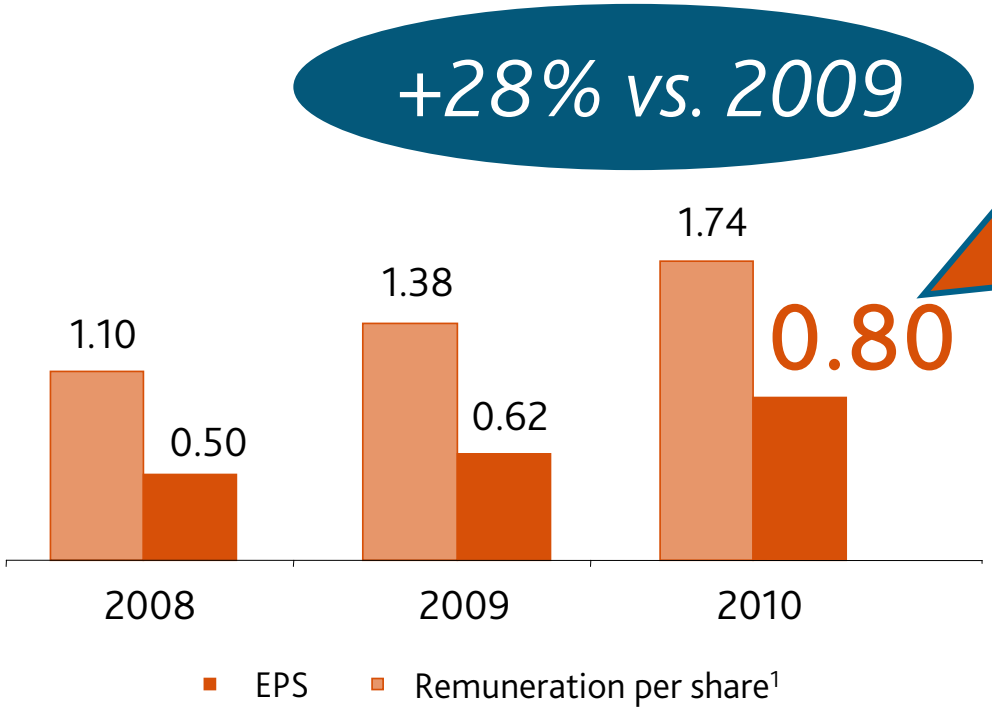
- Increasing fibrous capacity in US

- Investment on technological upgrades

Viscofan's unique position to capture growth

6 years in a row increasing shareholder remuneration

Positive trend on EPS and Remuneration per share (€)



Interim dividend (paid 22nd Dec. 2010)	0.300
Complementary dividend (to be paid 5th May 2011)	+ 0.204
Capital reimbursement	+ 0.290
AGM attendance bonus	+ 0.006

[1] Shareholder remuneration in 2011 includes interim dividend (0.30 €/sh), proposed complementary dividend (0204€/sh), capital reimbursement (0.29€/sh) and AGM attendance bonus in 2011 (0.006 €/sh).

To Sump up

- **A market that shows new growth opportunities** both emerging areas, especially in Asia and Latam, and in developed markets but with higher added value.
- **Viscofan Group is in a unique position to keep growing on value** encompassing growth and profitability targets.
- A company in an **excellent financial situation** to keep growing in **profits, investments and shareholder's remuneration** despite the **adverse environment** (raw material, inflation, economic volatility, …).

Appendix



9M11 Results highlights

- *+22%* y-o-y growth in Net profit to €74.8MM, +18% excluding non-recurring gains.
- *+2%* y-o-y growth in consolidated EBITDA to €119.5MM, against a backdrop of steep inflation in unit raw material and energy costs.
- *24.2%* consolidated EBITDA margin (-0,6 p.p. vs. 9M10) eroded by currencies weakness against the euro. Ex-forex EBITDA margin rises to 25.4% (+0.6 p.p. vs. 9M10).
- *+4%* y-o-y growth in revenue to €493,5MM, driven by a new increase on revenue in Q3 underpinned by strong volumes in casing and vegetable food.

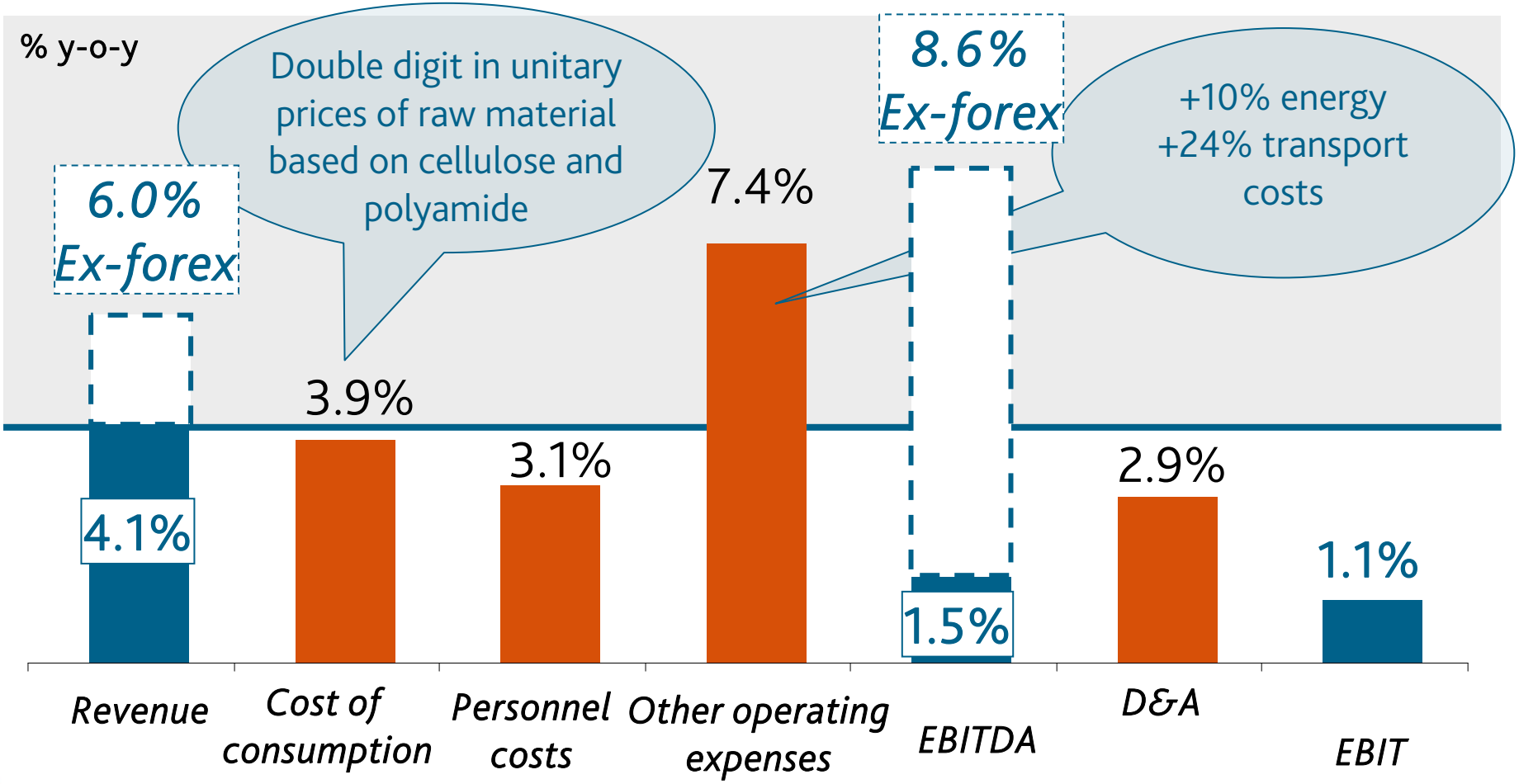
Strong volumes and operational improvements in 9M11 eroded by currency weakness.

MM €	9M11	% y-o-y	% y-o-y ex-forex[1]	3Q11	% y-o-y
Revenue	493.5	+4.1%	+6,0%	169.0	+2.1%
EBITDA	119.5	+1.5%	+8,6%	39.7	-4.1%
EBITDA margin	*24.2%*	*-0.6 p.p.*	*+0,6p.p.*	*23.5%*	*-1.5 p.p.*
EBIT	88.8	+1.1%		29.3	-6.4%
PBT	96.8	+18.0%		31.6	+11.3%
Net profit	74.8	+22.1%		24.9	+20.0%
Adjusted net profit[2]	72.0	+17.5%		24.9	+20.0%

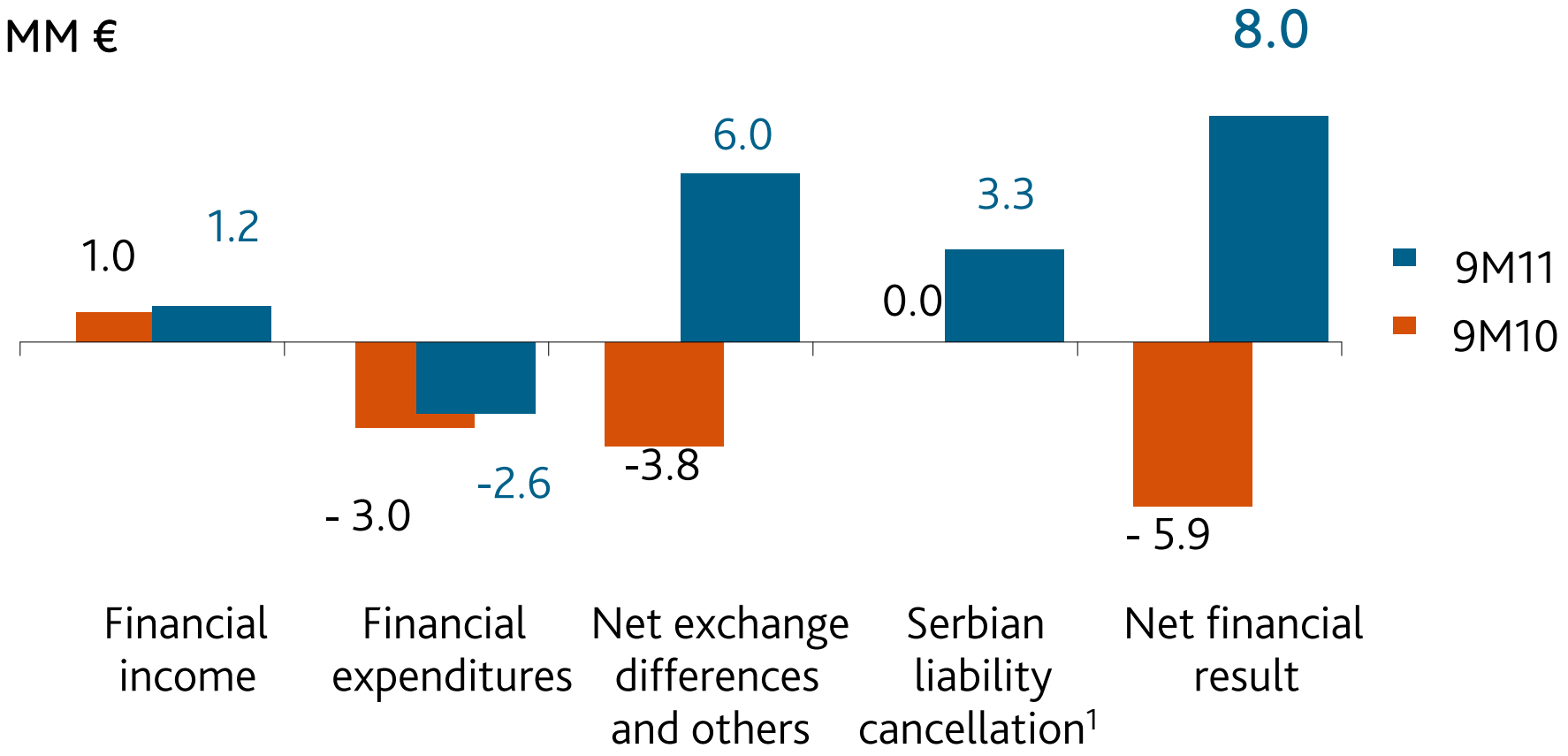
1 For comparative purposes, growth excluding foreign exchange differences excludes the impact of the various exchange rates applied in the consolidation of financial statements, as well as the impact of US$ fluctuations on trade transactions.

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.

Sustained growth trend on organic growth driven by volumes, especially in emerging areas… nevertheless, raw material costs, energy and worse forex adversely affect to margin.

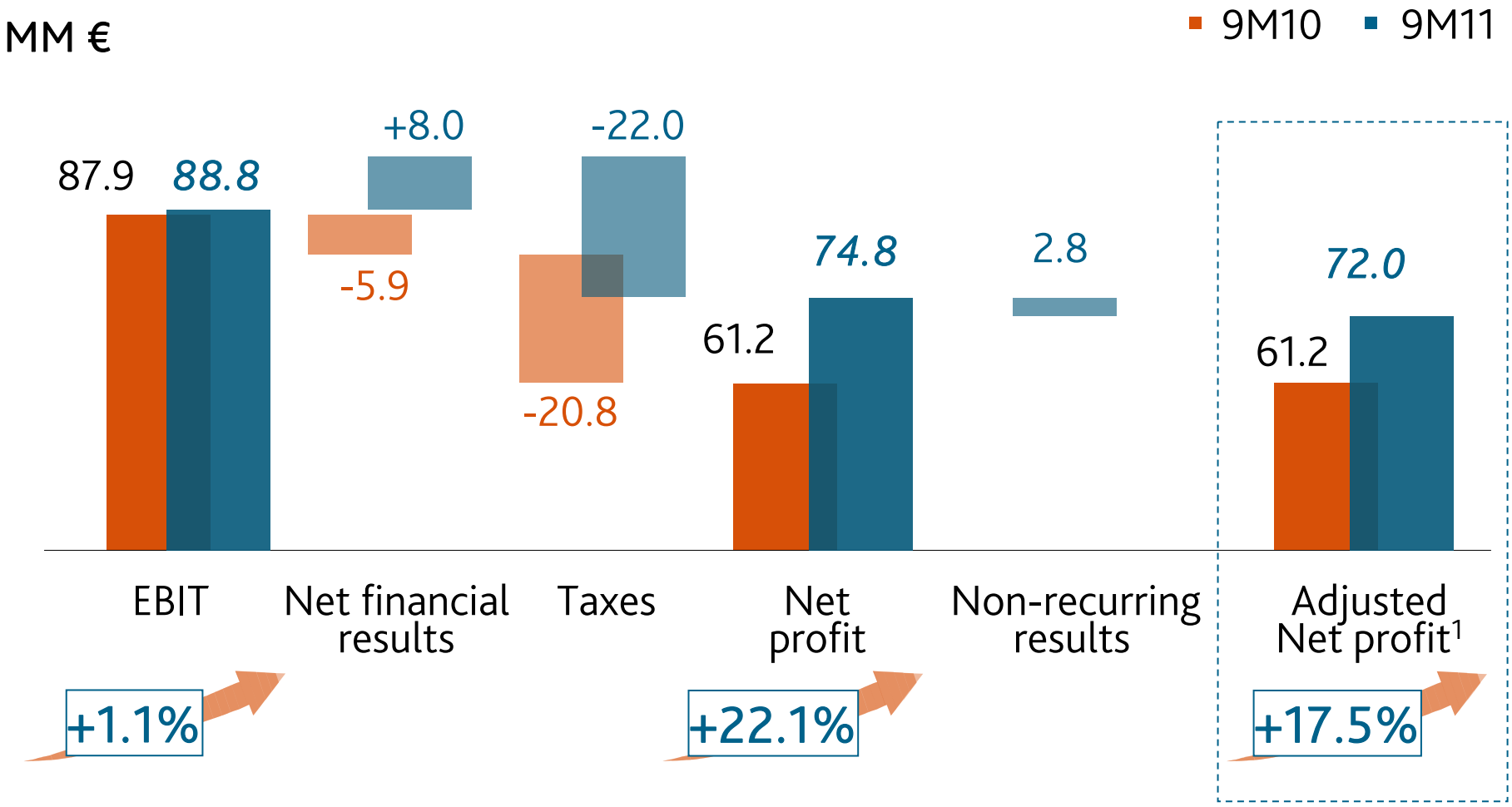


Positive financial results backed by balance sheet strength, forex hedging and the cancellation of Serbian financial liability



[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.

Double-digit growth on Net profit underpinned by operating and financial strength.

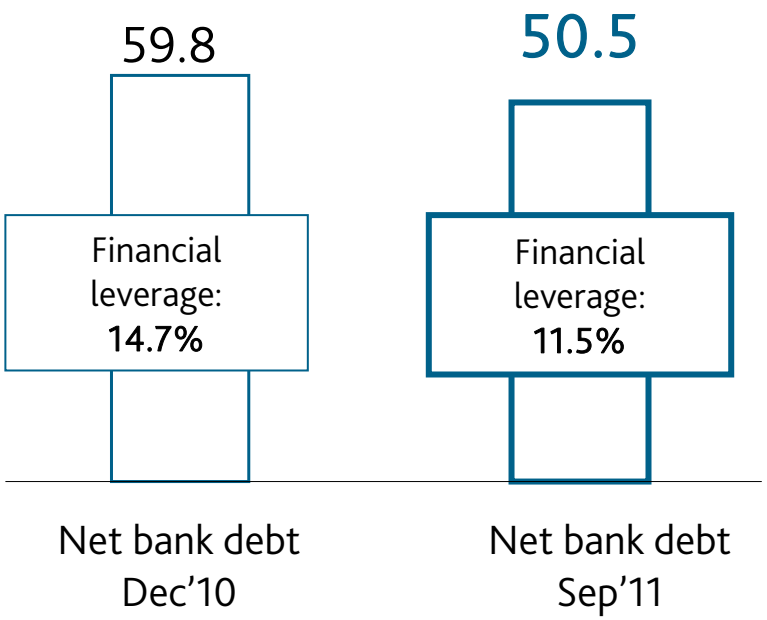


1 Adjusted net profit excludes a one-off gain of €2.843 thousands, recognised in June 2011, related to an out-of-court settlement in Serbia in connection with the financial liability with Vojvodanska banka a.d.

Net bank debt:

Robust operating cash flow to face increases in shareholder remuneration, cancellation of the financial liability in Serbia and increase on investments to pave the way for future growth.

Net bank debt evolution (MM €)



Capex
9M11

€46.5MM

Main projects:

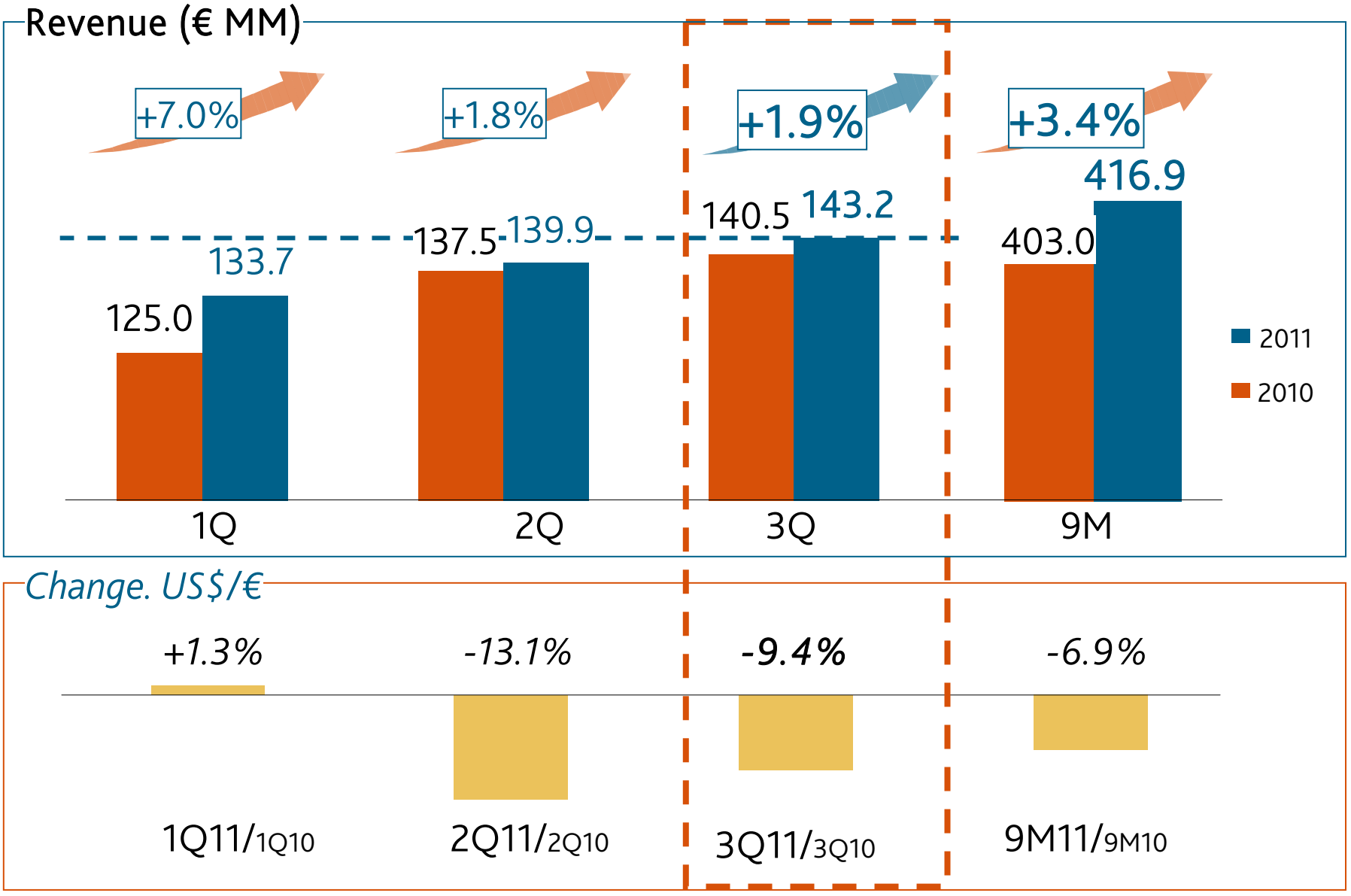
-Increase of collagen capacity in Spain (2Q11)

- New "superfast" collagen equipment in Germany (3Q11)

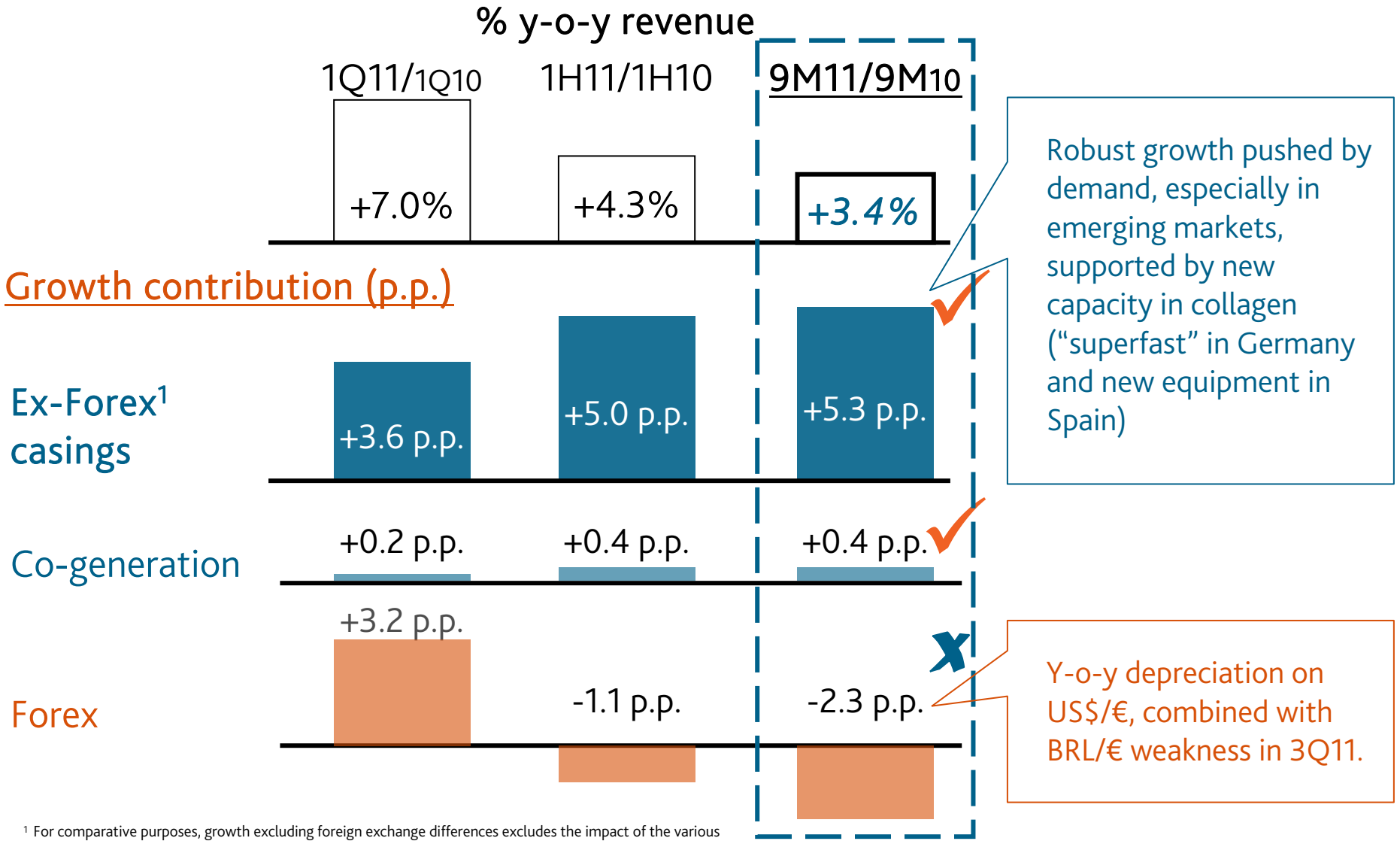
Casing business



Best quarterly revenue boosted by artificial casing demand and availability of new capacity.

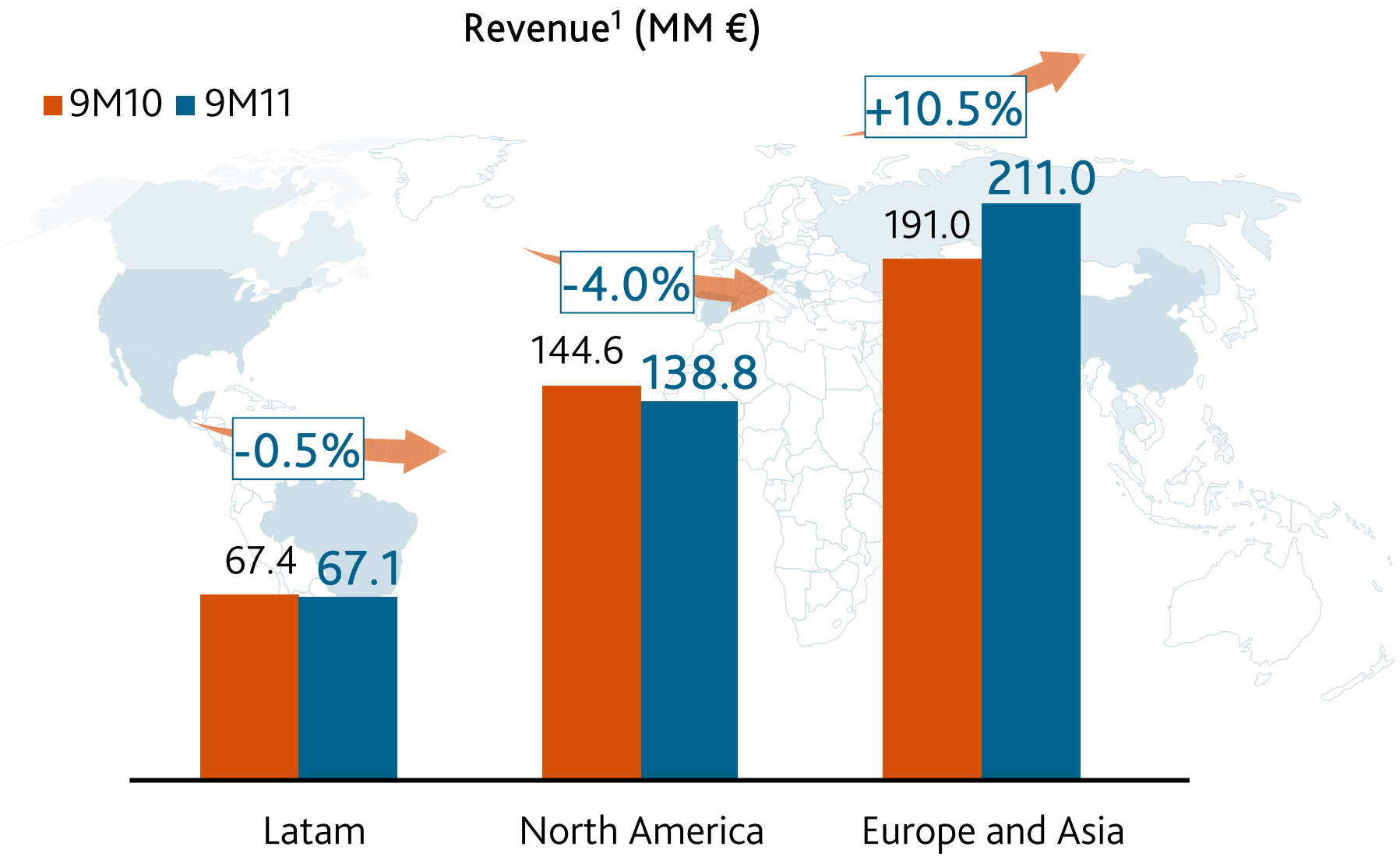


Higher revenues backed by organic growth and volumes, which are eroded during last quarters due to weakness of trade currencies…



[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.

… affecting performance in geographic areas with large US$ exposure.

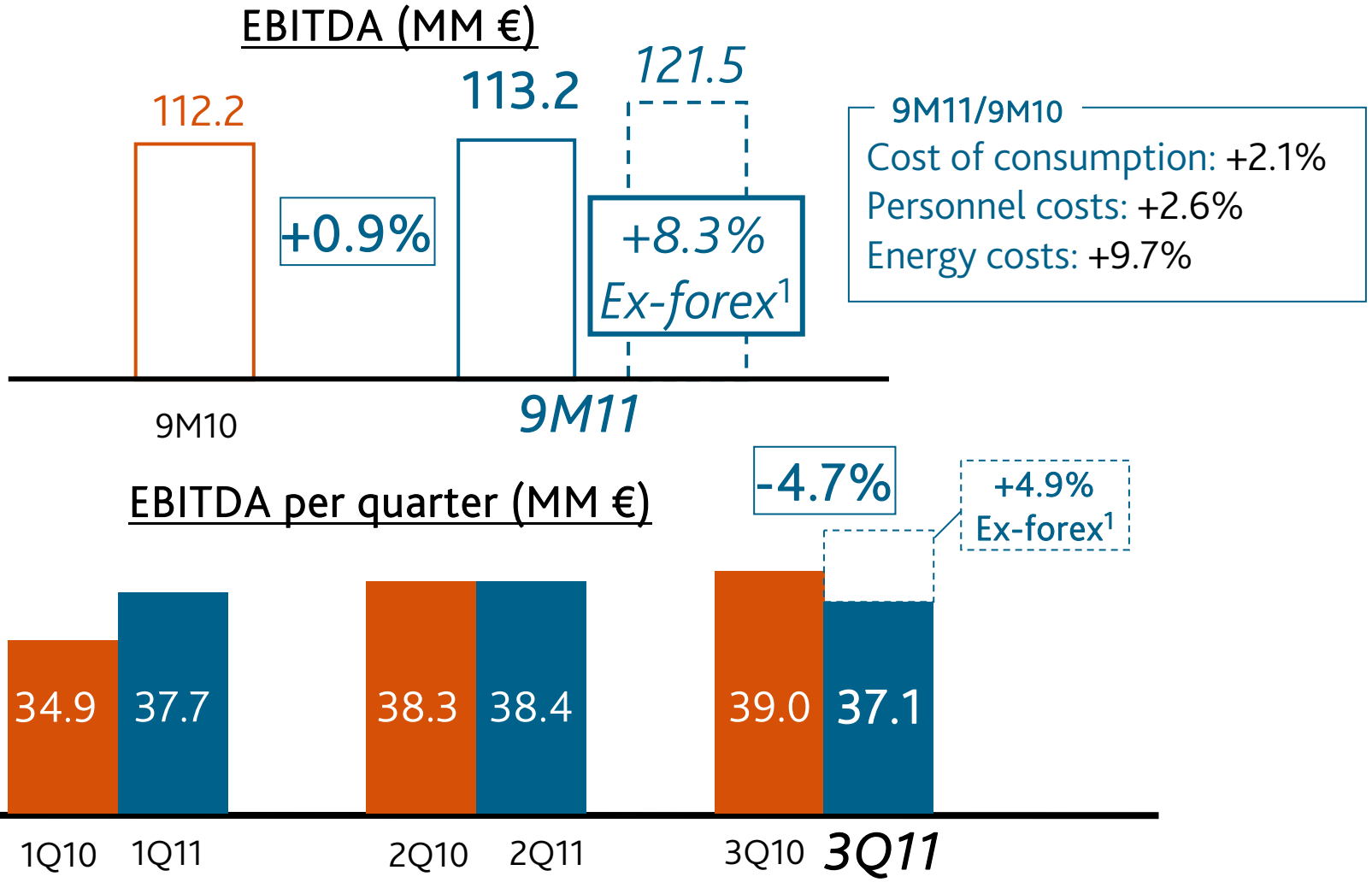


[1] Revenue per origin of sales

Sound cumulative EBITDA performance

Volumes, operating gearing and productivity improvements…

…vs. higher raw material and energy prices, and forex.

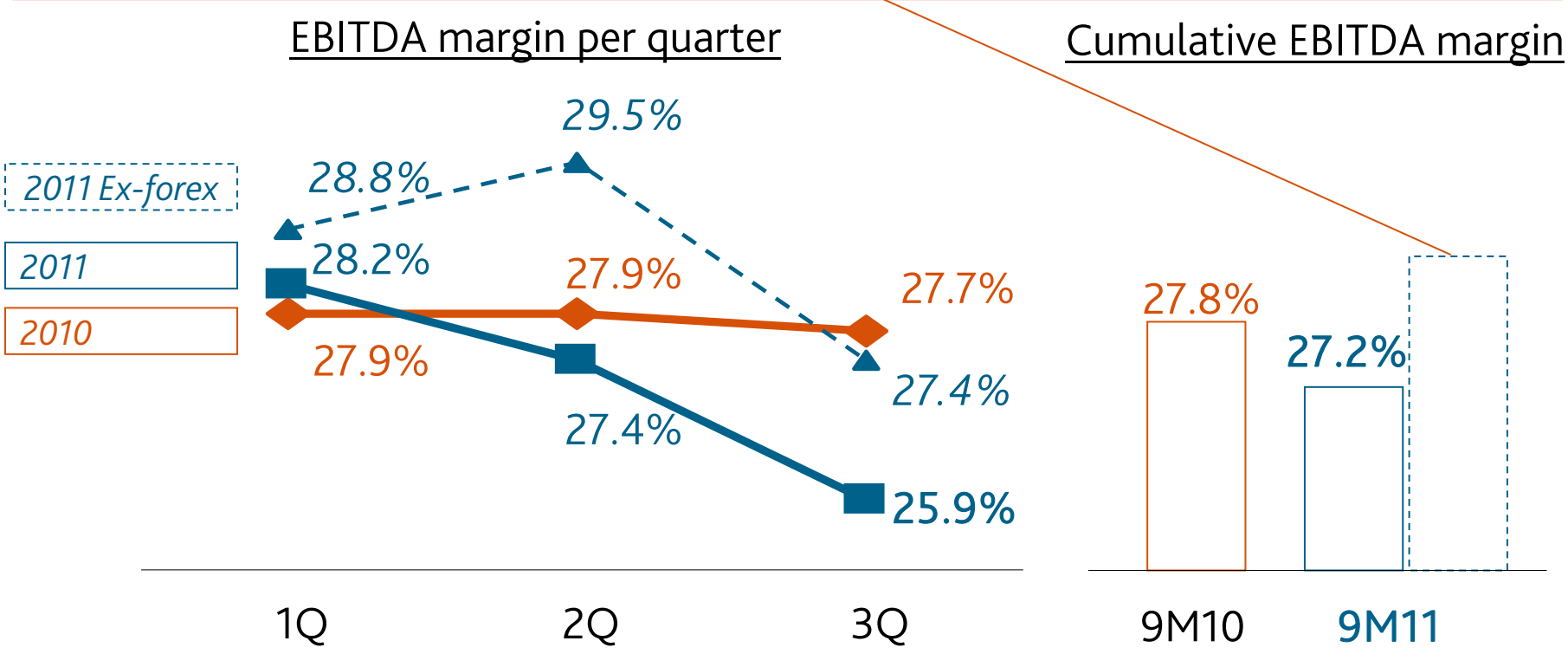


[1] For comparative purposes, growth excluding foreign exchange differences excludes the impact of the various exchange rates applied in the consolidation of financial statements, as well as the impact of US$ fluctuations on trade transactions.

Decisive strategic focus on growth, and adverse forex environment, adversely affect EBITDA margin

Start of new capacity, seasonal production stoppage for maintenance work in Q3, and a further weakness of US$/€ and BRL/€ eased margin in 3Q11.

EBITDA margin ex forex[1] 9M11: **28.5%** (+0.7 p.p. vs. 9M10)



[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

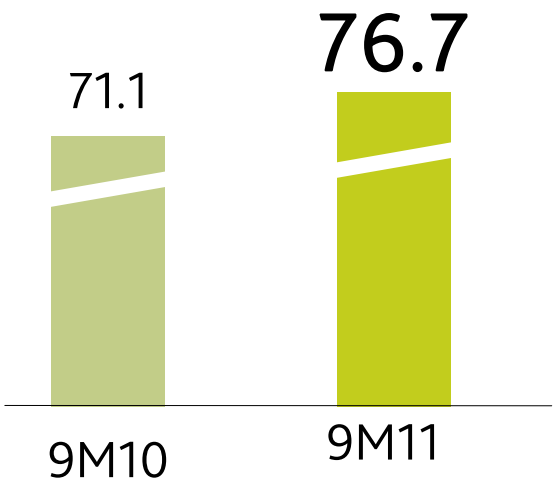




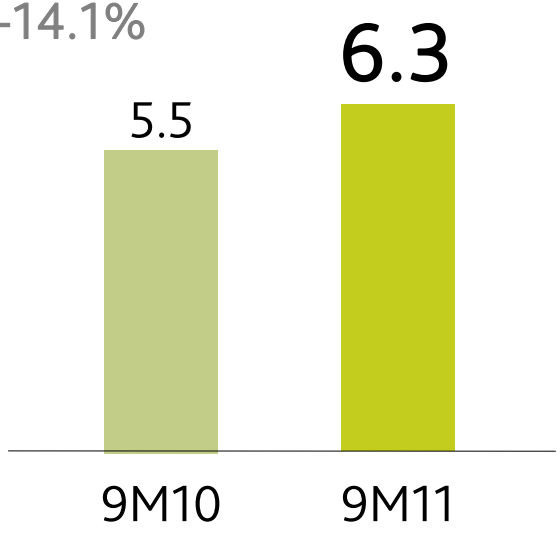


Growth driven by volumes supported by IAN Group and Carretilla brand robustness and leadership.

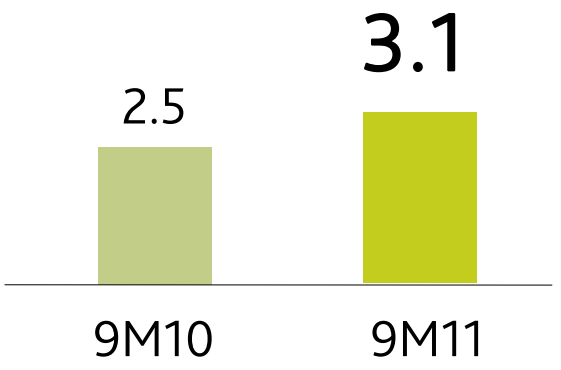
Revenue (MM €): +7.8%



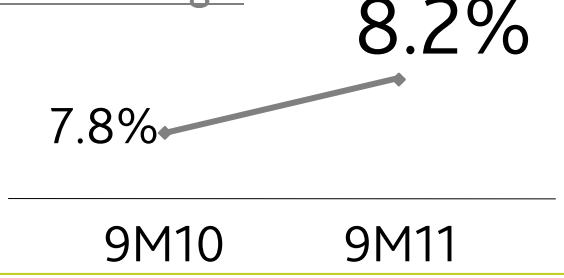
EBITDA (MM €): +14.1%



Net profit (MM €): +24.3%



EBITDA margin





Volume growth (olives and tomato).

Ready meals: +43% y-o-y



To sum up

- Volume grew ahead historical average driven by emerging markets, especially Asia.
- The start of new capacity in Germany and Spain, combined with volume increases in all casing technologies and in IAN Group, led to a new increase on quarterly revenue.
- Investment commitment to capture growth opportunity, reinforce by the plans to establish a new collagen extrusion plant in China in 2013.
- Viscofan Group expects to exceed its Net profit guidance for the year. The healthy sales volume trend leaves Viscofan in line with its revenue growth targets for the year, nevertheless, the company's decisive strategic focus on accelerating its growth plans, principally in emerging economies, is expected to have a slight adverse effect on the EBITDA margin that will be mitigated at the net profit level.