



Results | 2015
2016, 1st March

Disclaimer

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Such intentions, expectations or forecasts do not constitute any guaranties of compliance and involve risks, uncertainties and other relevant factors that could cause actual developments and results to differ materially from those states in such forward-looking statements.

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The
CASING
company



Be MORE
conclusions



2015FY
Results



New strategic plan,
from Be MORE to
MORE TO BE

Transforming the company from integration to growth



Main characteristics of the plan:

- Long-term vision: Greenfield plants
- Commitment to collagen globalization
- Viscofan as market catalyst
- Higher investment combined with risk mitigation.
- Shareholder protection

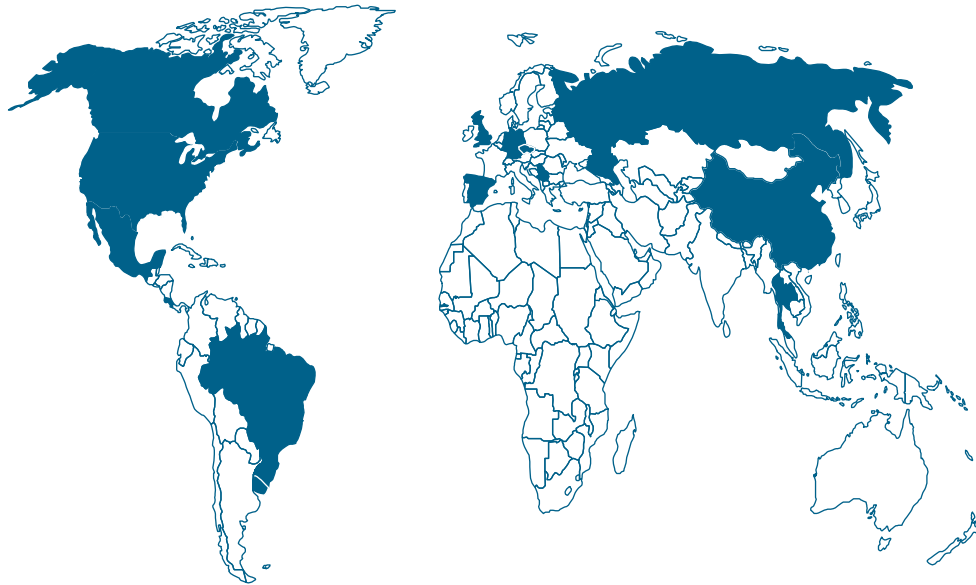
When we announced the plan, we faced an adverse environment due to:

- Forex volatility
- High cost of raw materials
- High energy cost
- Competitors in emerging areas



High operational activity to transform the Group

Footprint in main casing markets



14 production centres in 9 countries, commercial offices in 14 countries and sales in more than 100 countries

✓ New collagen plant in China



✓ New collagen plant in Uruguay



✓ New plastics plant in Mexico



✓ Better efficiencies in excellence centres

✓ Co-generation in Germany

✓ Disposal of Vegetable food division (IAN Group)

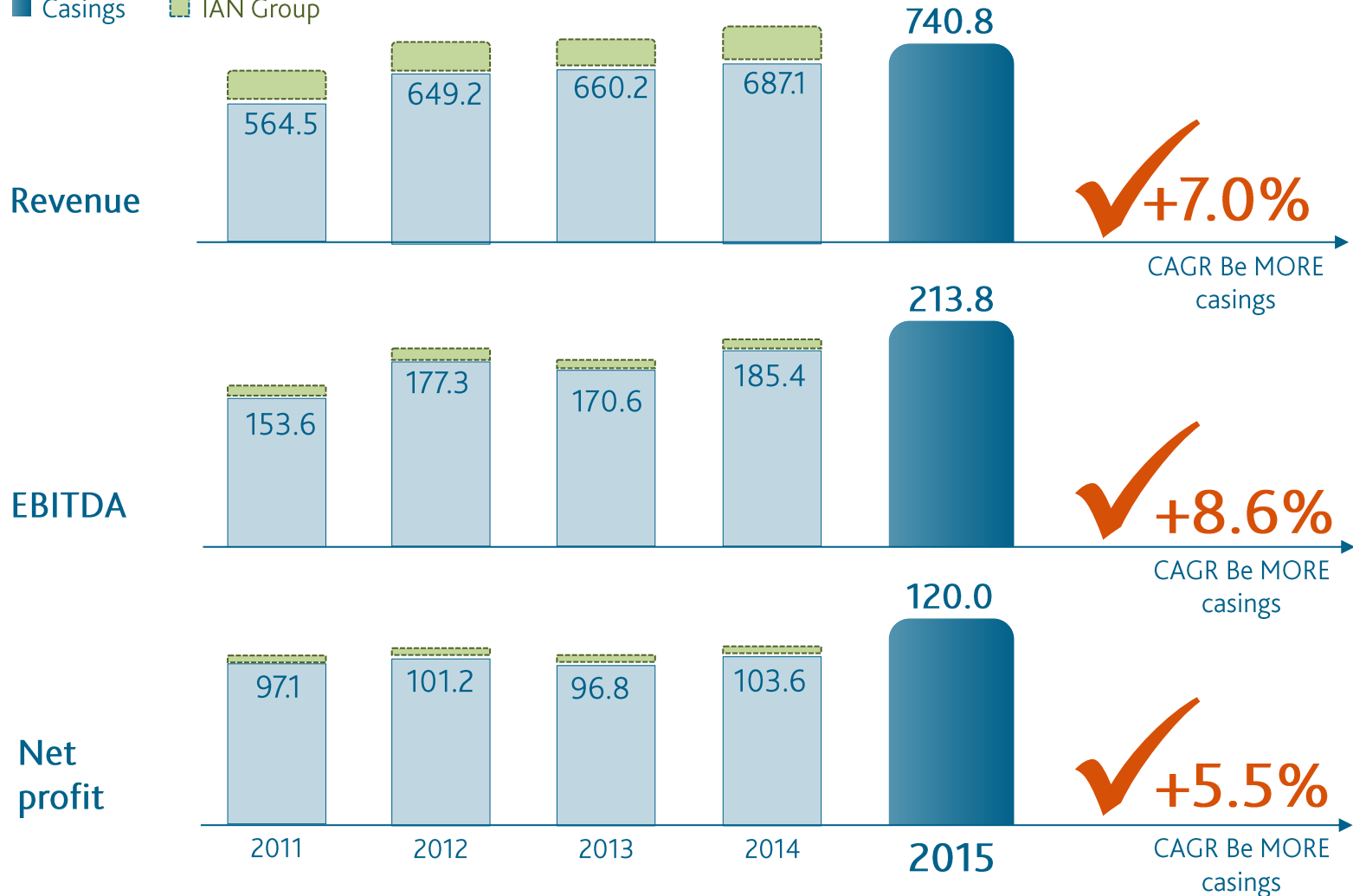
✓ Outsourcing of pension plans in the USA and Germany



Focus on growth and profitability in our core business

Be MORE evolution (MM€)

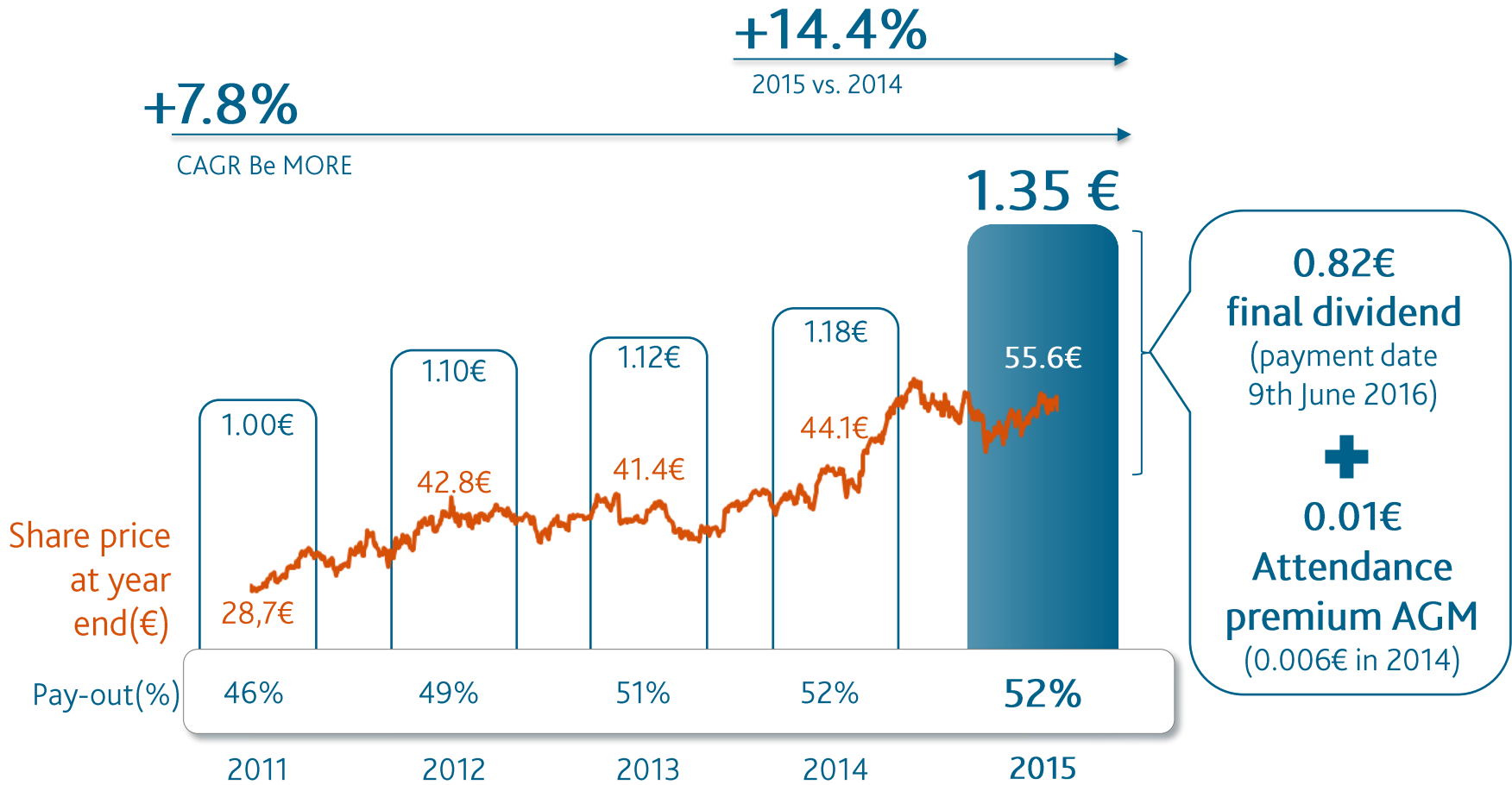
■ Casings ■ IAN Group





Returning value creation to our shareholders

Remuneration per share (€)





Strong principles to be more leader

2012-2015

M O R E



Assets



**Sound
Balance
sheet**



Risk



Value for shareholders



Strength to deal with new challenges

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from Be MORE to
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Viscofan ended the period of the Be MORE 2012-2015 plan reaching **all-time high in Revenue, EBITDA and Net Profit**

Consolidated revenue growth to €740.8MM

+7.8%

+15.3% **Cumulative EBITDA increases** to €213.8MM, improving the **EBITDA margin** by +1.9 p.p. to **28.9%**.

Net profit from continuing operations grew to €119.6MM

+15.4%

1.35€ **Remuneration per share** (+14.4% vs. 2014).



Double digit growth in Net profit thanks to significant Operational margin improvement

Selected financial data (MM €)

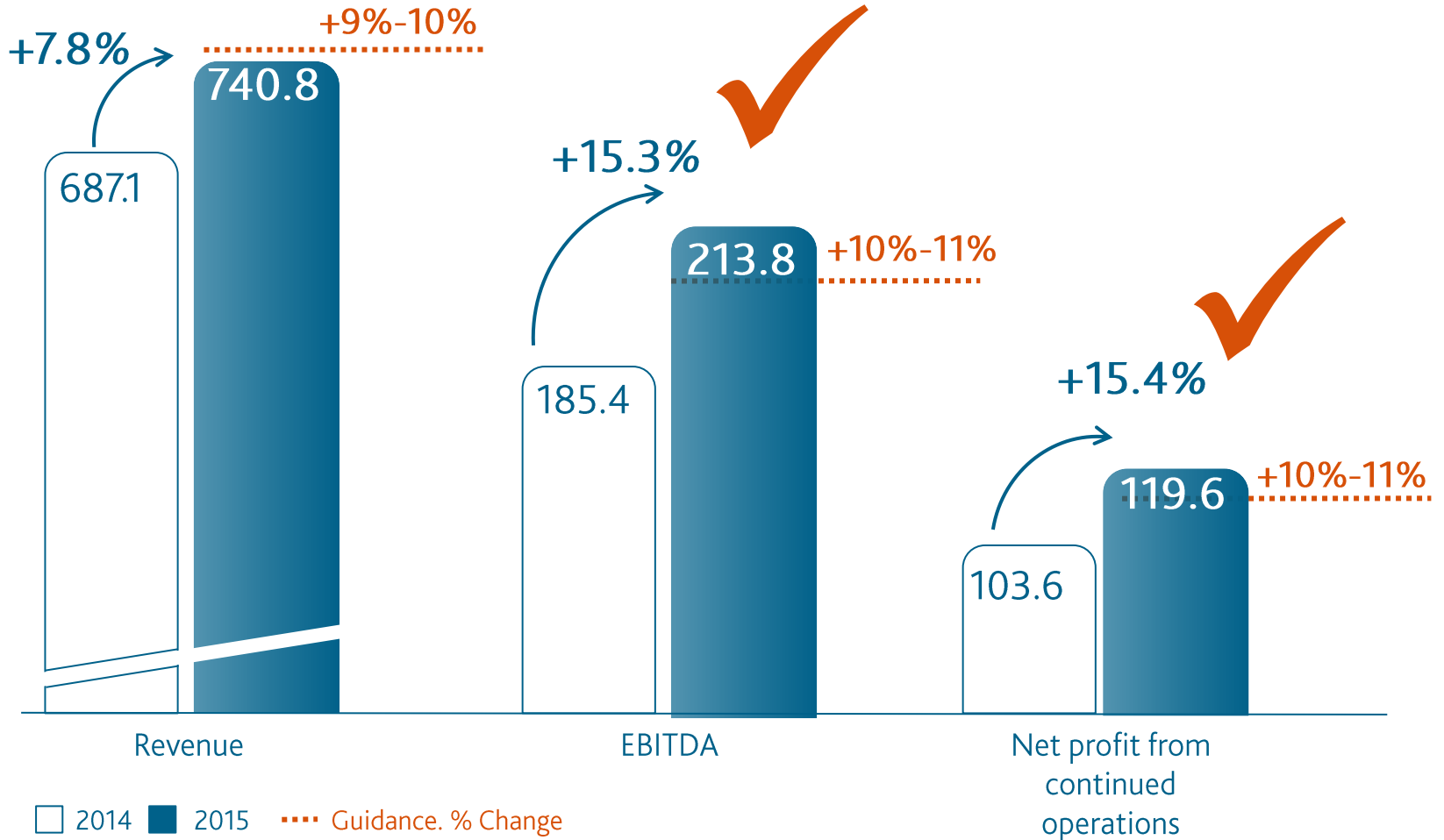
	2015	% y-o-y	% y-o-y Like-for-like ¹	4Q15	% y-o-y	% y-o-y Like-for-like ¹
Revenue	740.8	+7.8%	+2.7%	184.9	+2.3%	-1.9%
EBITDA	213.8	+15.3%	+6.3%	55.0	+11.9%	+0.8%
<i>EBITDA Margin</i>	28.9%	+1.9 p.p.	+0.9 p.p.	29.8%	+2.6 p.p.	+0.7 p.p.
EBIT	160.8	+18.0%		41.6	+13.2%	
Net Profit from continued Ops ²	119.6	+15.4%		33.0	+17.5%	
Net Profit	120.0	+12.8%		33.0	+16.9%	

¹ For comparative purposes, like-for-like growth excludes the impact of the different exchange rates applied in the consolidation of the financial statements and the impact of the USD variation in business transactions and non-recurring results recorded in 2015 related to the outsourcing of pensions in the US and in 2014 due to the changes in cogeneration regulations.

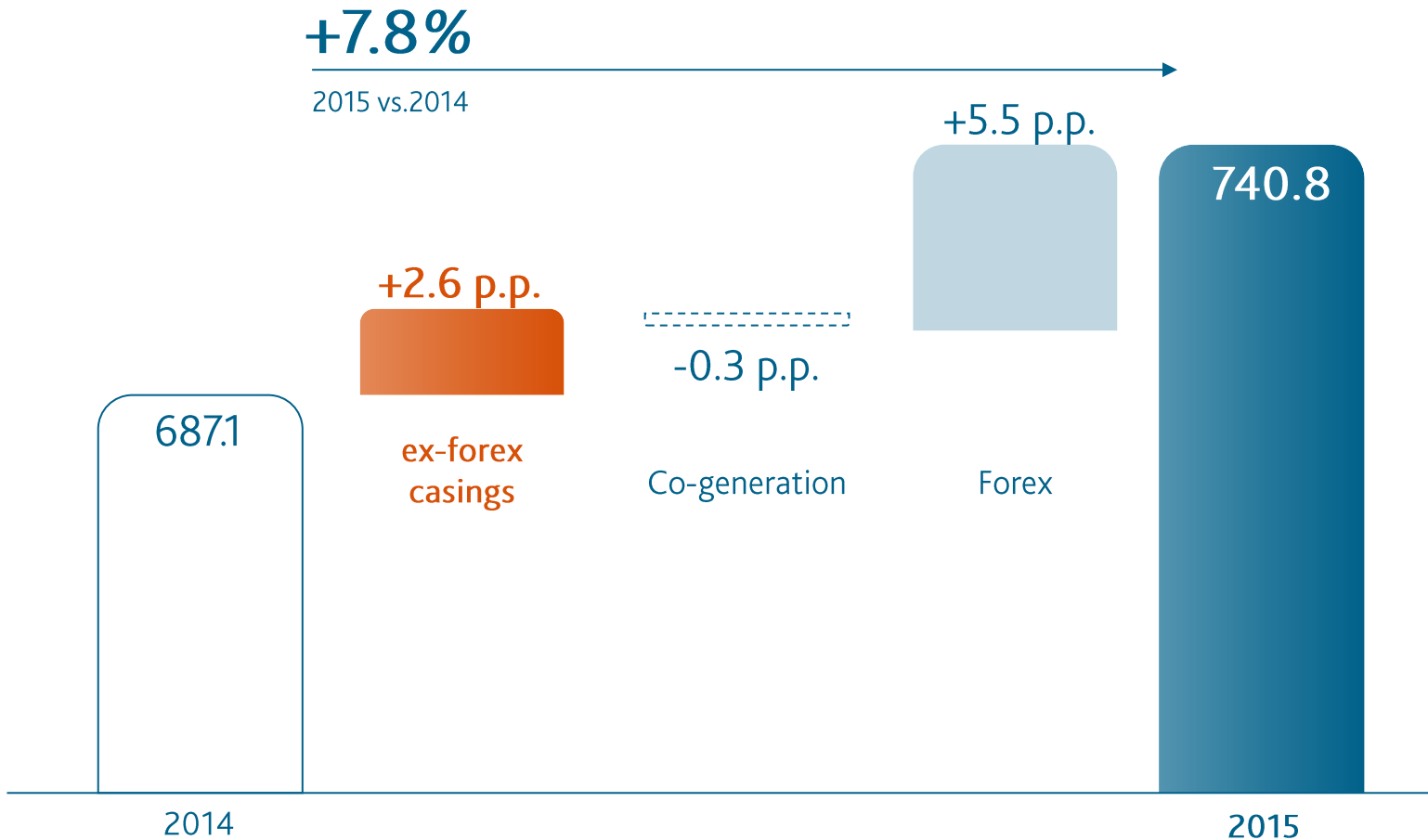
² In March 2015 Viscofan sold the vegetable food division (IAN Group) obtaining a share capital gain worth 0.4MM €

Exceeding EBITDA and Net profit guidance thanks to operational strength and commercial discipline.

Guidance analysis 2015. MM€

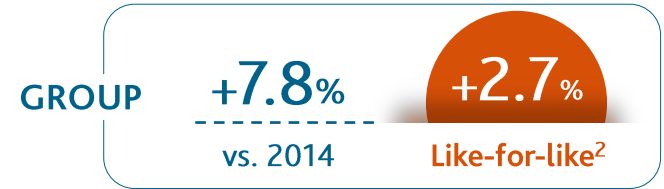


Group Revenue (MM€) and growth contribution (p.p.)



Like-for-like growth thanks to Viscofan's global footprint offsetting higher commercial activity in the USA...

Revenue breakdown by geographical area¹ (MM €)



EUROPE AND ASIA



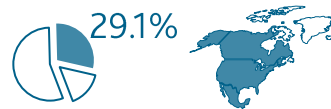
+8.0%

vs. 2014

+5.1%

Like-for-like²

NORTH AMERICA



+8.9%

vs. 2014

-5.4%

Like-for-like²

LATAM

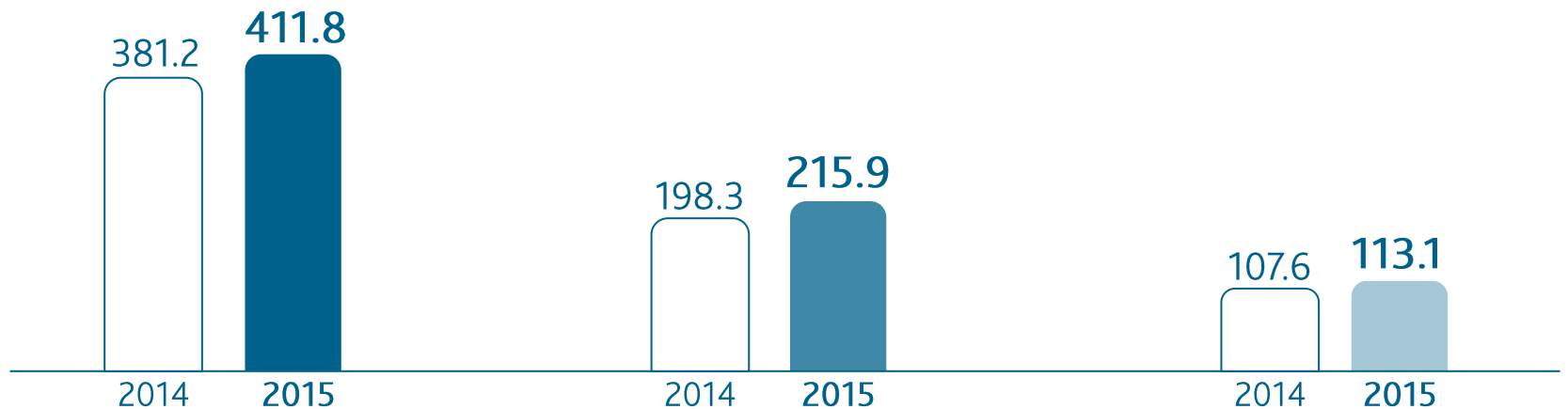


+5.1%

vs. 2014

+9.6%

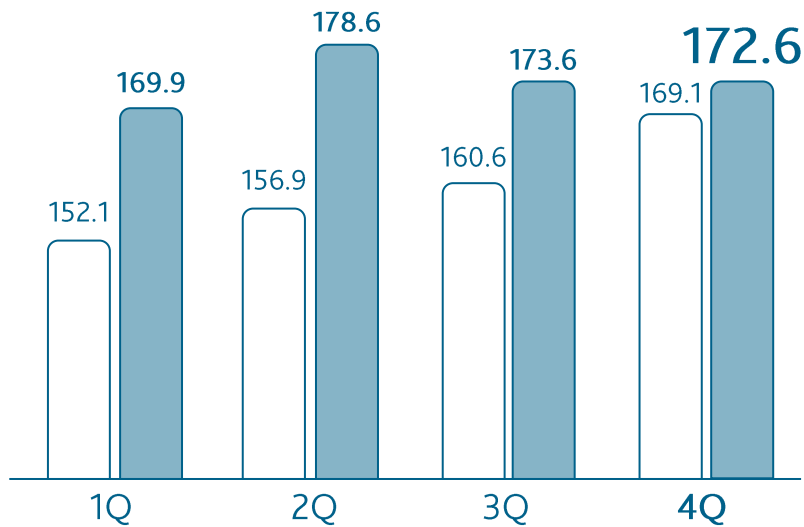
Like-for-like²



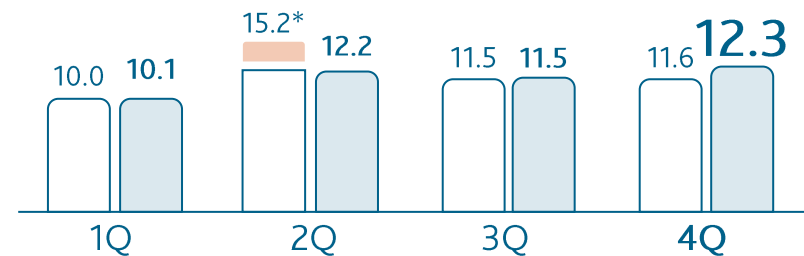
¹ Revenue per origin of sale.

² For comparative purposes, organic growth excludes the impact of the different exchange rates applied in the consolidation of the financial statements and the impact of the USD variation in business transactions and non-recurring results recorded in 2015 related to the outsourcing of pensions in the US and in 2014 due to the changes in cogeneration regulations.

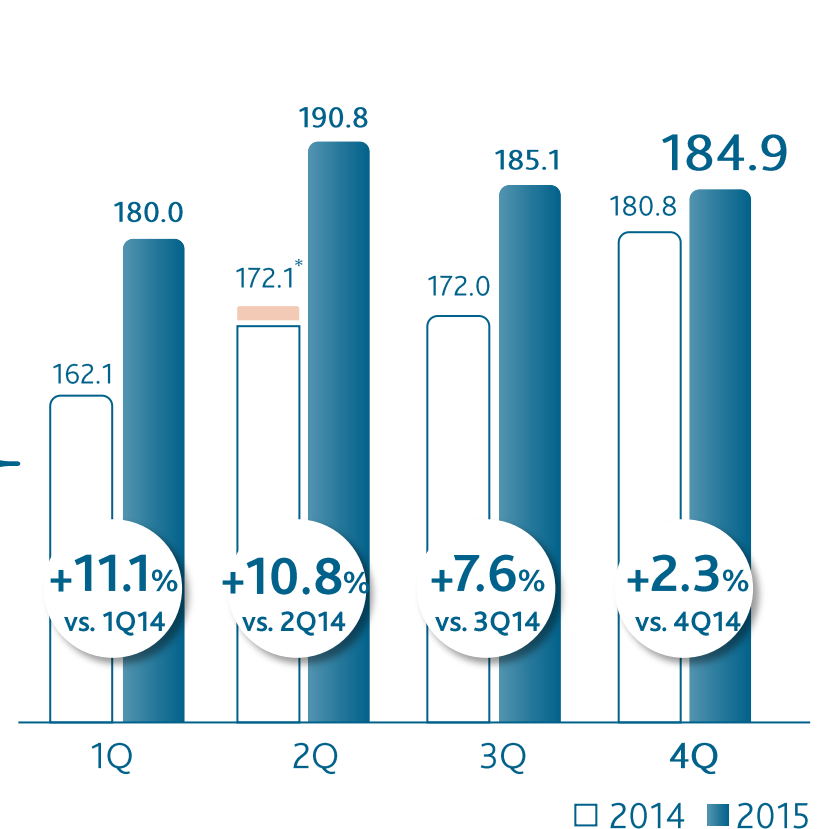
Casing sales (MM €)



Co-generation sales (MM €)

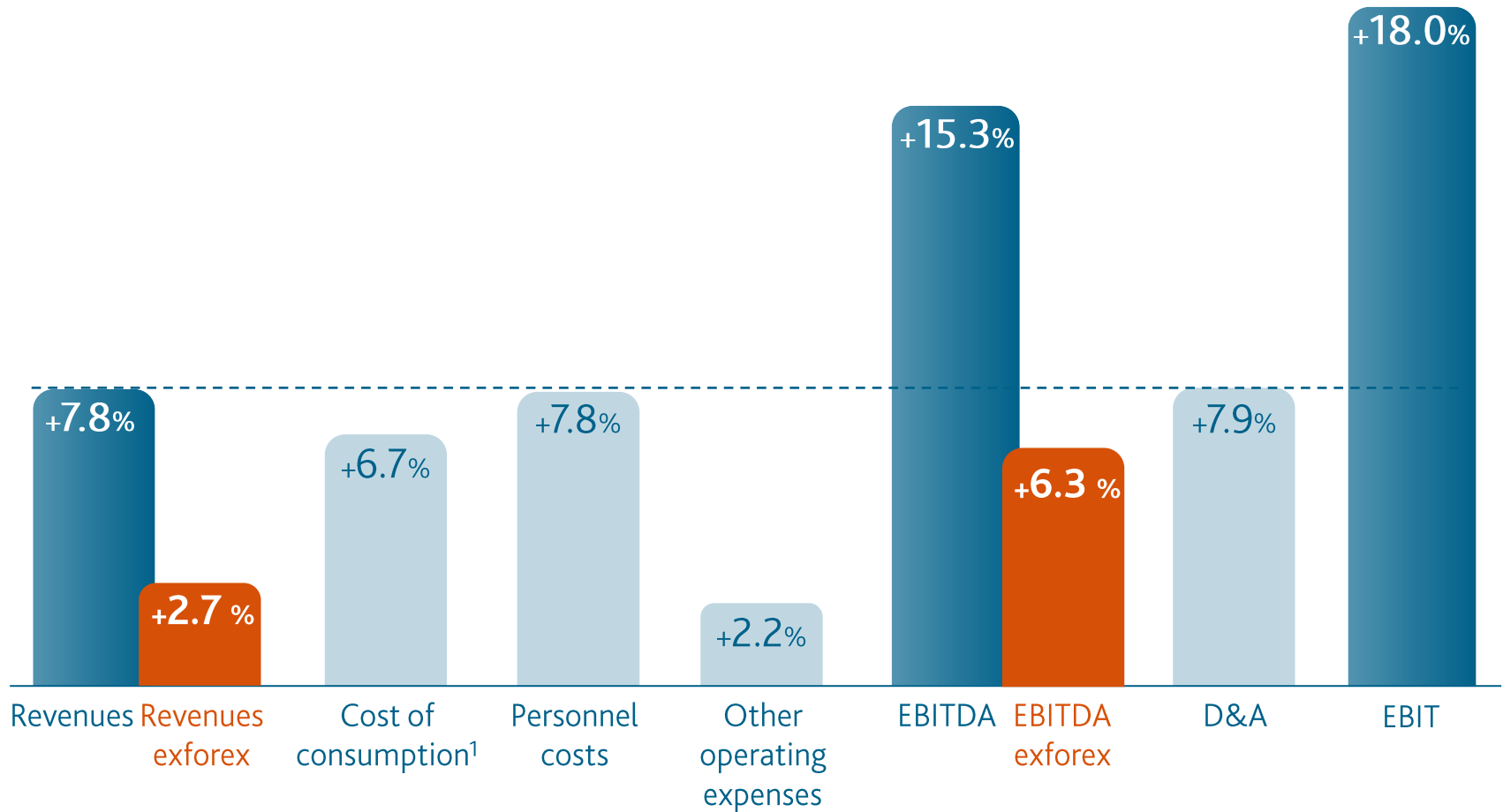


Viscofan Group Revenue (MM €)



* The figures include non-recurring additional impact registered in 2014 in Revenue by €2.9MM due to the modification of payment parameters for cogeneration published in the Ministerial Order in July, 2014 versus provisioned in 2013 under the publication of the Order dispatched by the secretary of State to the CNMC.

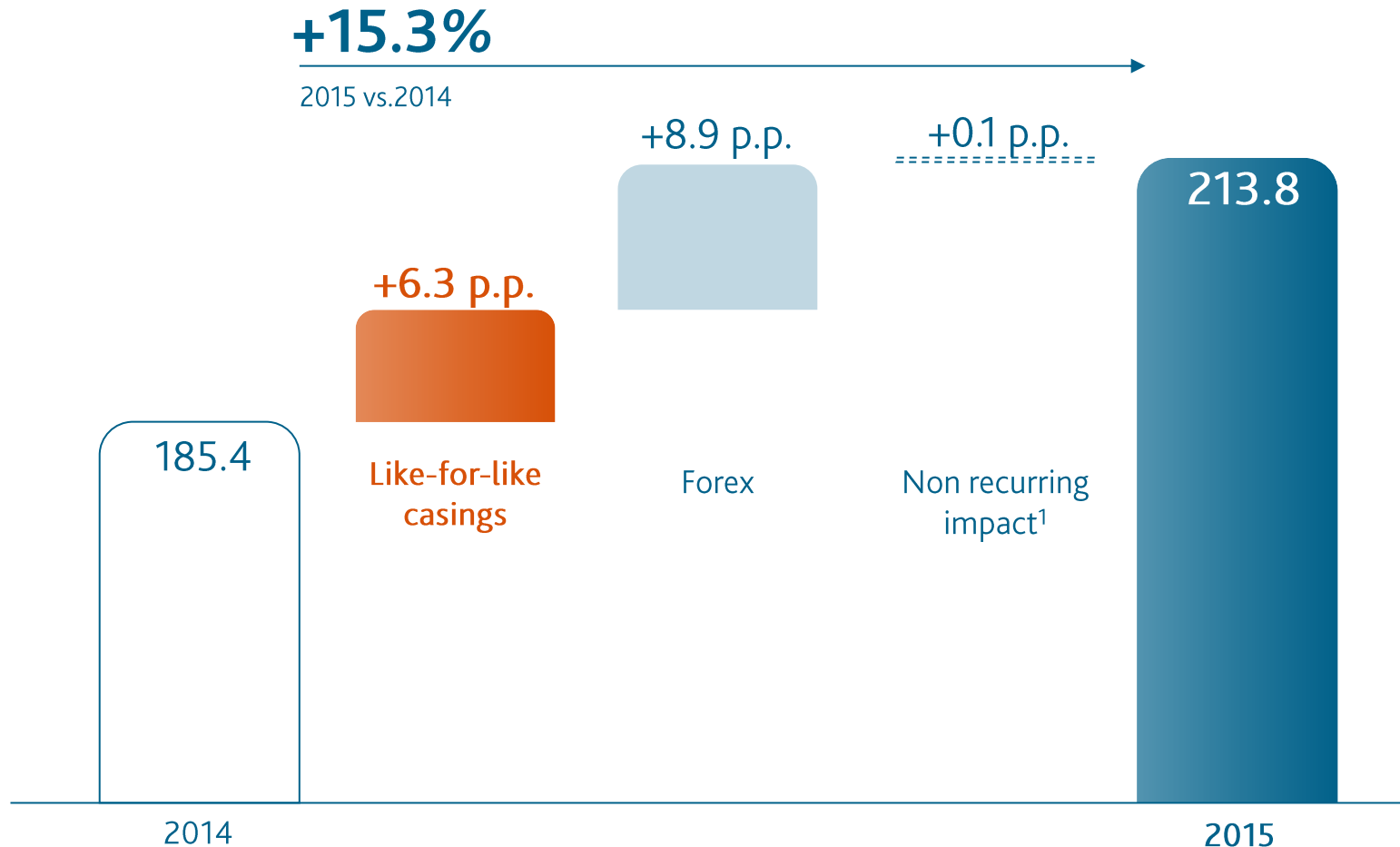
2015. Year-on-year change



¹ Net purchases+/- changes in inventory

...is a double source of profitability improvement in current environment.

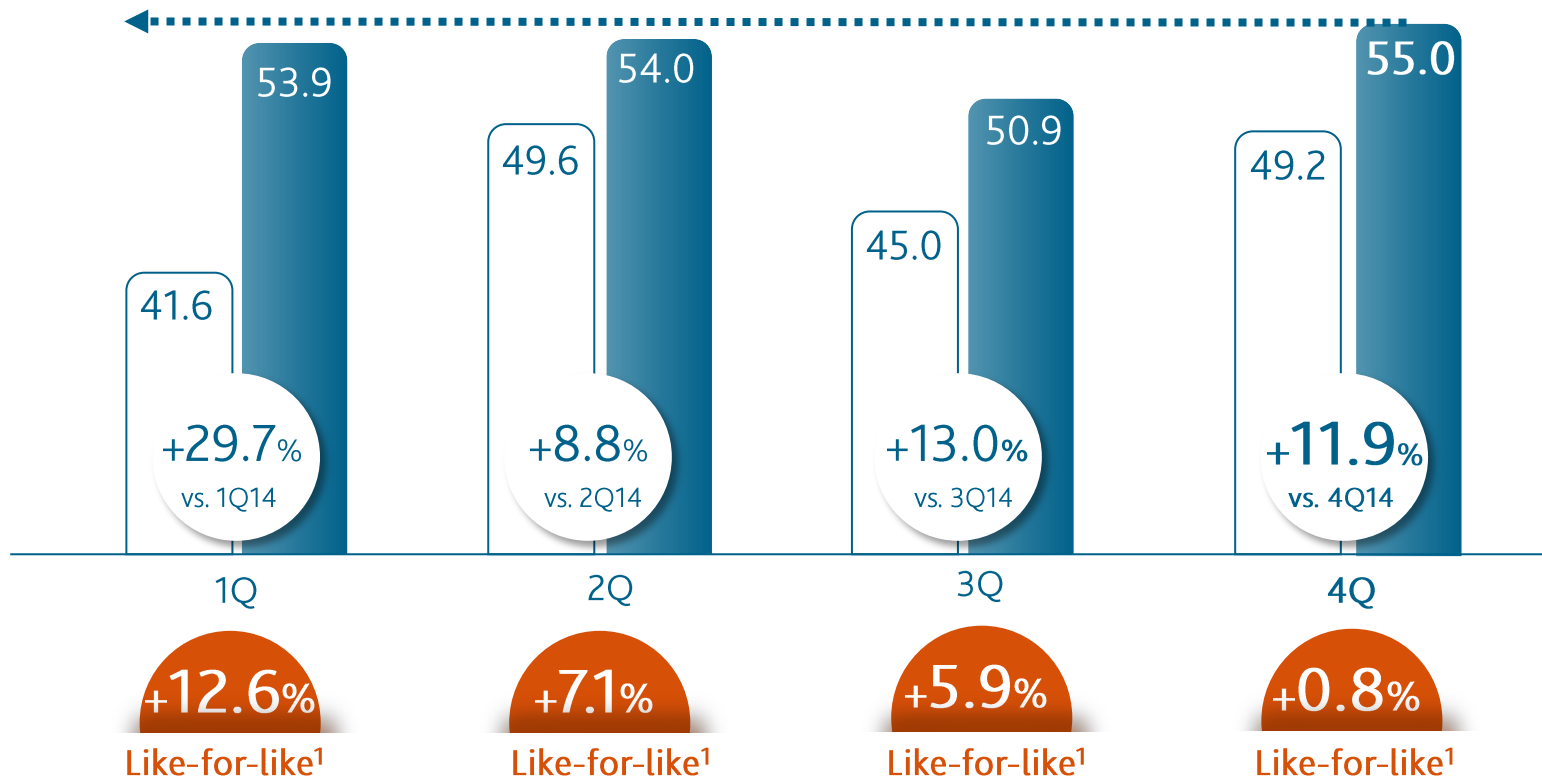
EBITDA (MM€) and growth contribution (p.p.)



¹Non-recurring figure includes the change between additional impact registered in 2015 related to the outsourcing of pensions in the US and non-recurring impact recorded in 2014 due to the changes in co-generation regulation.

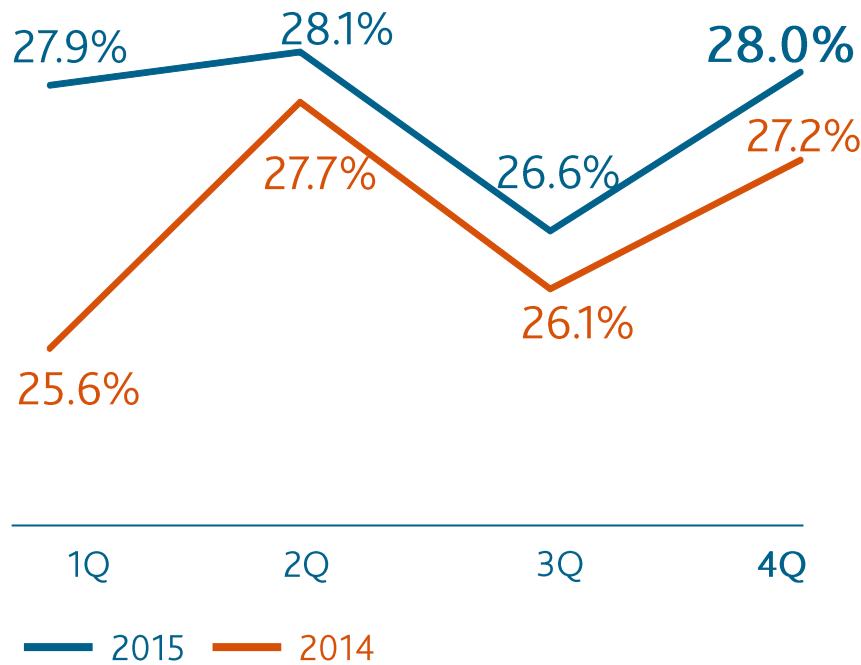
Quarterly EBITDA (MM €)

□ 2014 ■ 2015



¹ For comparative purposes, like-for-like growth excludes the impact of the different exchange rates applied in the consolidation of the financial statements and the impact of the USD variation in business transactions and non-recurring results recorded in 2015 related to the outsourcing of pensions in the US and in 2014 due to the changes in cogeneration regulations.

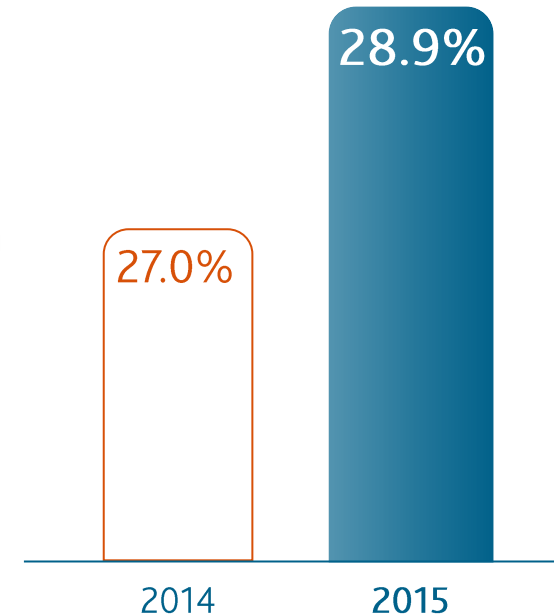
Like-for-like¹ EBITDA margin



Reported EBITDA margin

+1.9p.p.

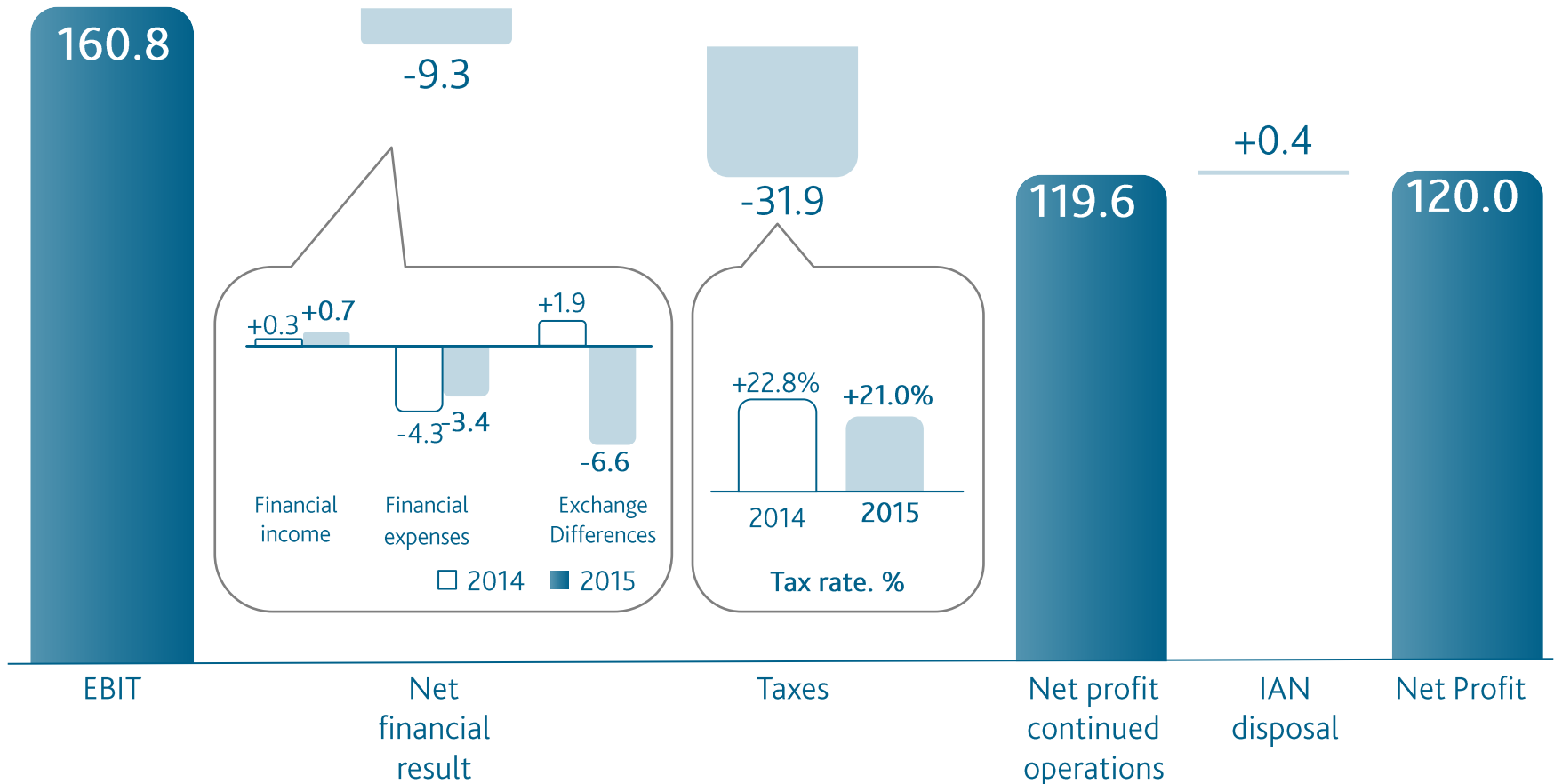
2015 vs. 2014



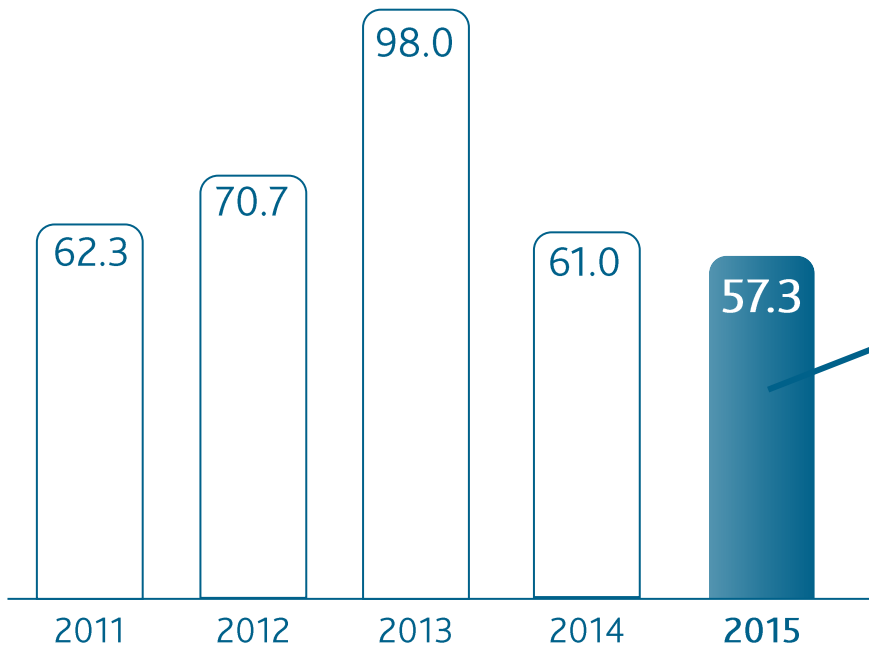
¹For comparative purposes, like-for-like growth excludes the impact of the different exchange rates applied in the consolidation of the financial statements and the impact of the USD variation in business transactions and non-recurring results recorded in 2015 related to the outsourcing of pensions in the US and in 2014 due to the changes in cogeneration regulations.

Net Profit growth supported by operational profitability and sound balance sheet

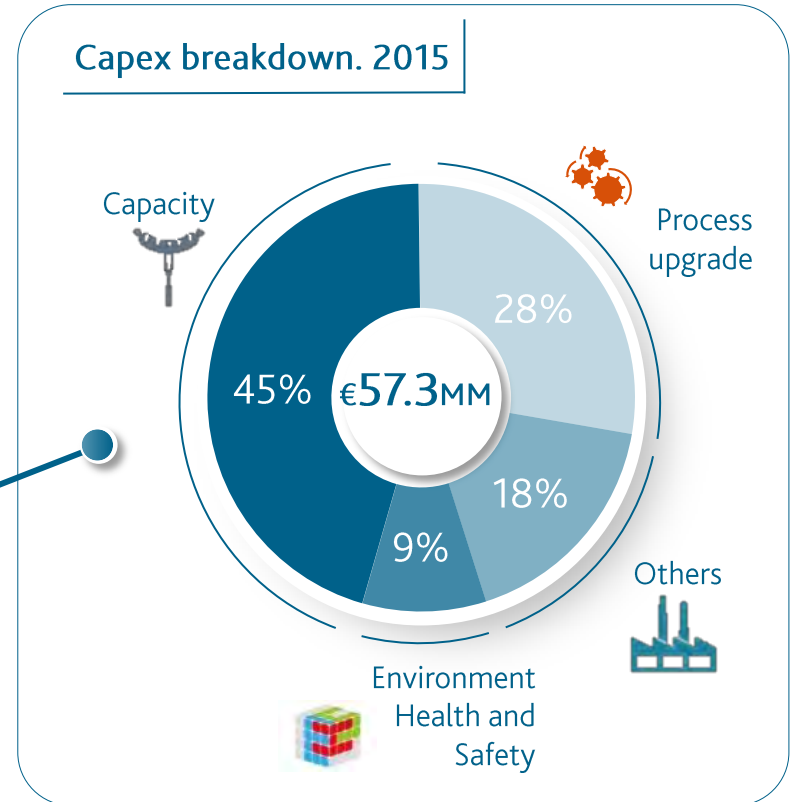
EBIT – Net Profit bridge (MM €)



Capex (MM €)



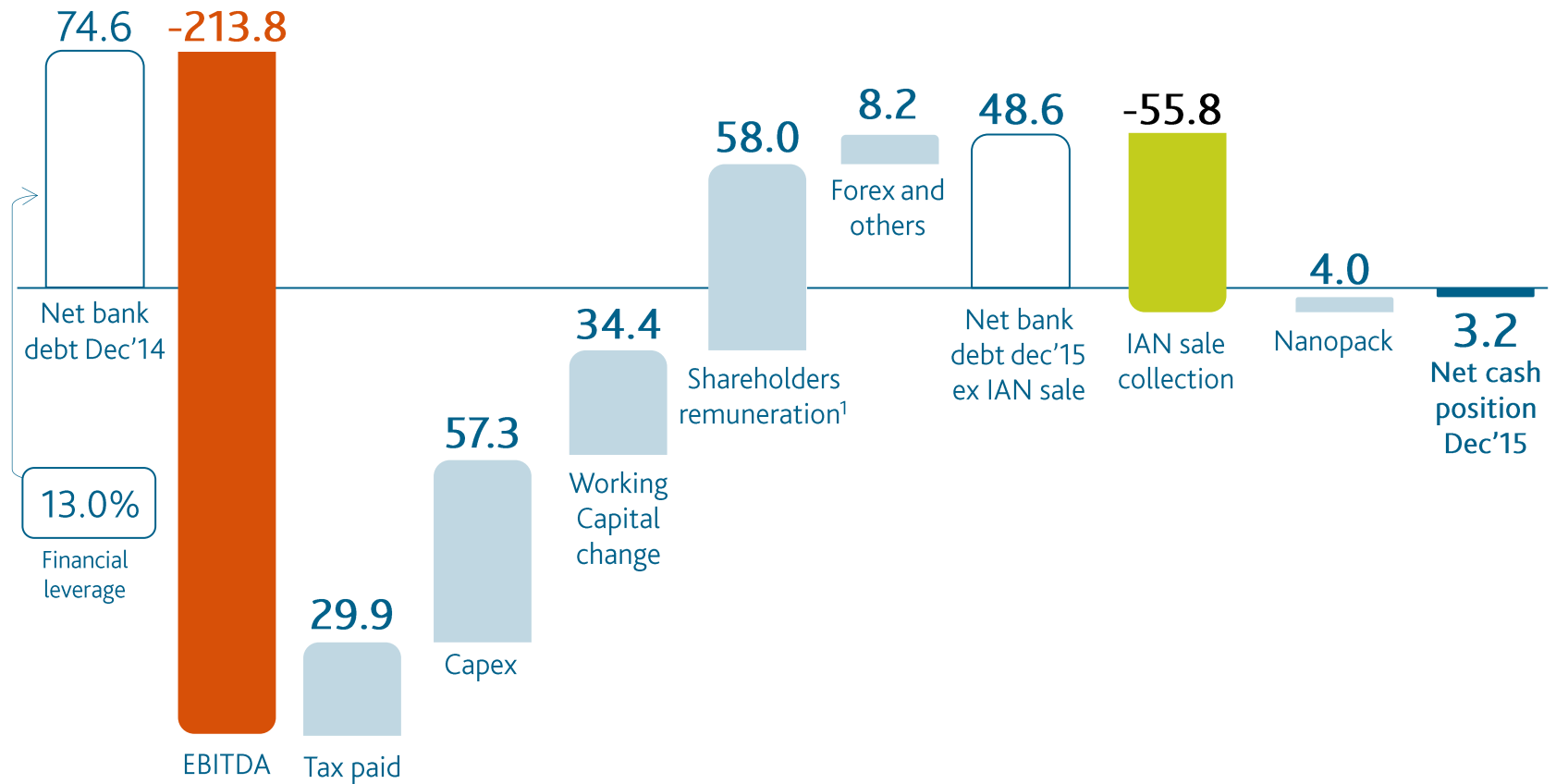
Capex breakdown. 2015





Room for long term growth. Operational strength and leadership to focus on...

Net Bank Debt evolution (MM €)



¹ Includes 0,724€ final dividend paid in June 2015, and 0.52€ interim dividend for 2015 paid in December 2015.

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CASING
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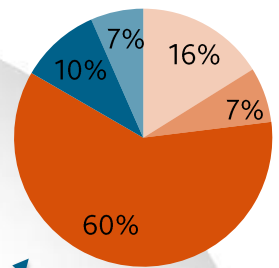
New strategic plan,
from Be MORE to
MORE TO BE



Industry growth drivers remain solid...

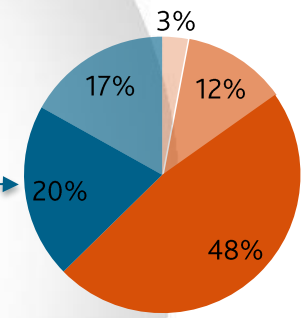
+3%/+5%
Casings market annual growth

- Africa
- South America
- Asia & Oceania
- Europe
- North America



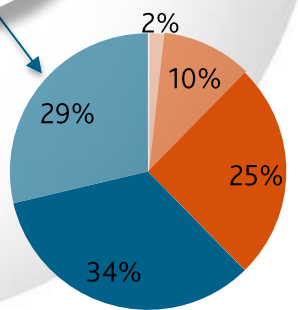
More population

- Annual growth 1%.
- Migration to cities



More meat production (poultry and pork)

- Annual growth. 2%
- Better feeding
- Food safety



More productivity search (casings €)

- Quality standards
- Taylor-made service



... albeit in a context of **more**

uncertainty

- Economic growth?
- Forex
- Raw materials
- Energy
- Regulation



The world has changed, we live in a more uncertain backdrop... we all want **competitiveness**...

GDP. % Change	2012	2013	2014	2015	2016-2020
<i>World</i>	3.4%	3.3%	3.4%	3.1%	+2-3%
Advanced econ.	1.2%	1.1%	1.8%	2.0%	+1-2% ?
Emerging econ.	5.4%	5.0%	4.6%	4.0%	+3-5% ?

+3%/+5%

Casings market annual growth

Higher weight of growth from advanced economies

“New growth model” in emerging economies towards better competitiveness

Competitiveness

Market focus

Short-term productivity

Long-term sustainability 

Global focus:



Cost savings

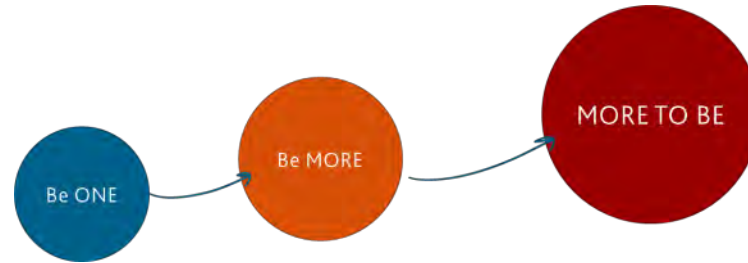


The best available technology



Differentiation

2016-2020 A new vision



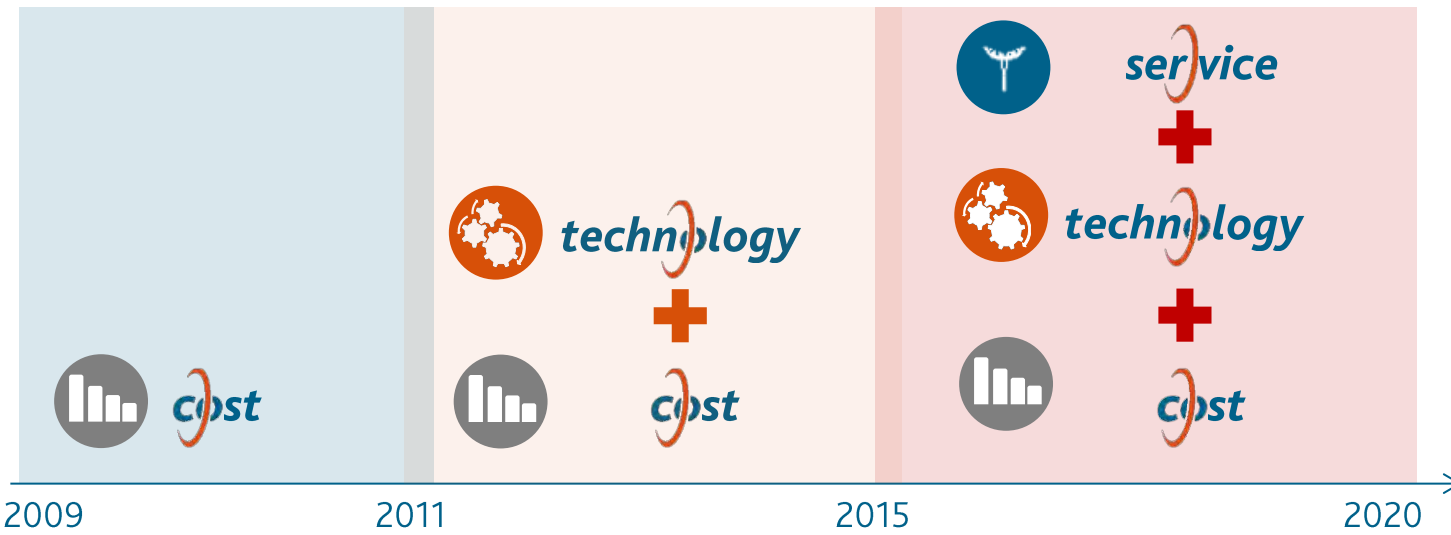
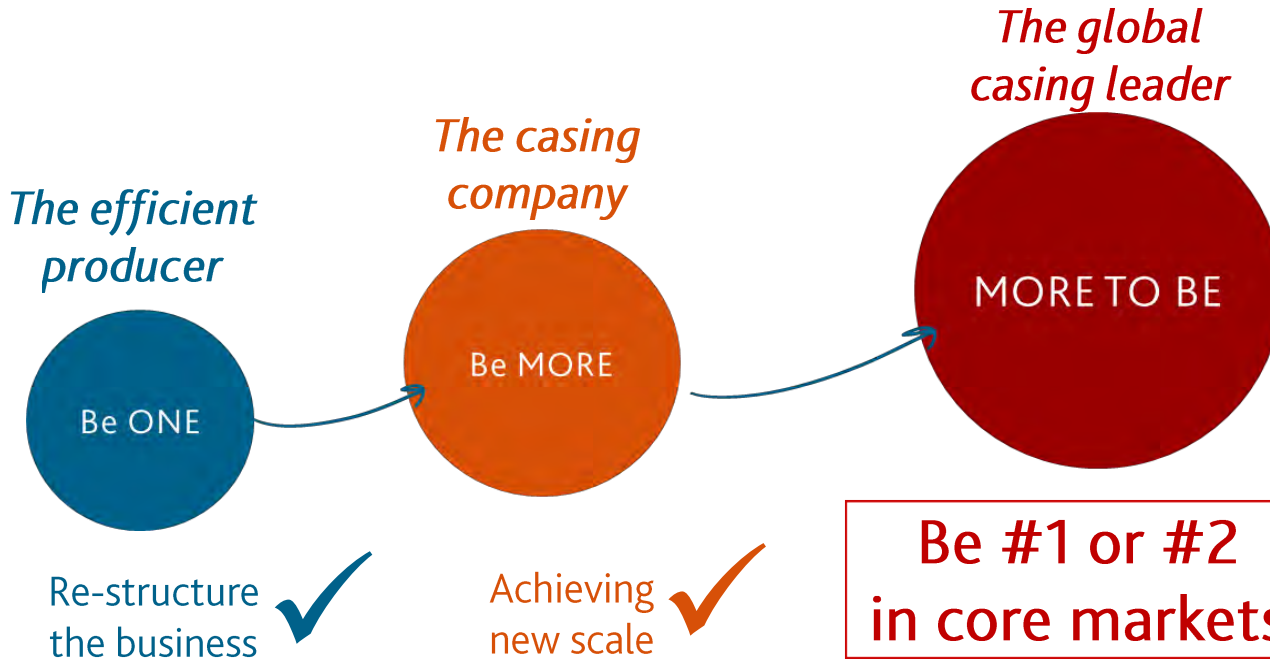
In **2020** we strive to be an authentic global leader “THE CASING COMPANY”.

“MORE TO BE” vision means that...

- THE CASING COMPANY focuses its efforts to create value for **SHAREHOLDERS** in a **SUSTAINABLE** way.
- THE CASING COMPANY is the **GLOBAL LEADER** in all meat casings families and promotes actively the development of **NEW MARKETS**.
- THE CASING COMPANY is the **PREFERRED OPTION** for the customers and the inspiring option for competitors.
- THE CASING COMPANY is the industry **BENCHMARK** in terms of efficiency and productivity in **ALL** casing technology.
- THE CASING COMPANY has **THE BEST TEAM OF THE MARKET**, attracts and retains the talent and develop its skills.
- THE CASING COMPANY heads in **SERVICE**, in **COST**, and in **TECHNOLOGY**.

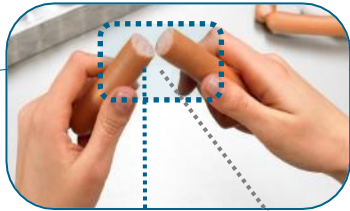


... backed by our track record





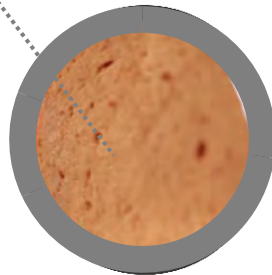
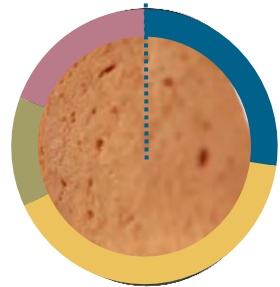
An increasingly sophisticated world means to be closer to the customer...



Meat processor's market view

Customised casings
2.3 Bn €

Animal gut
2.1 Bn €



Other costs 30-40 Bn €

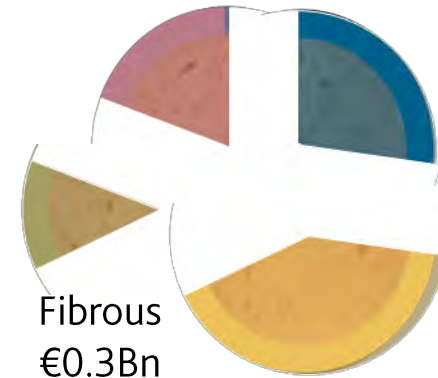
Total costs 35-45 Bn €



Casings producer's market view

Available market

Plastics and specialities
€0.4Bn



Cellulose
€0.6Bn

Fibrous
€0.3Bn

Collagen
€0.9Bn





...and Viscofan's positioning is unique to take advantage of all the market opportunities.

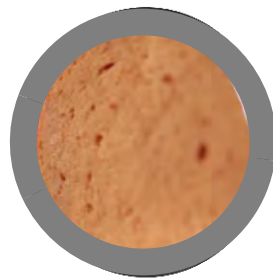
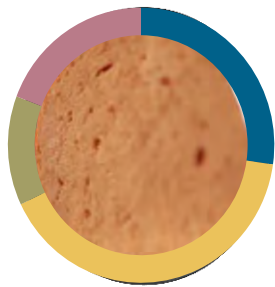
Casings producer's market view



Total costs 35-45 Bn €

Customised casings
2.3 Bn €

Animal gut
2.1 Bn €



Other costs 30-40 Bn €



Market view for

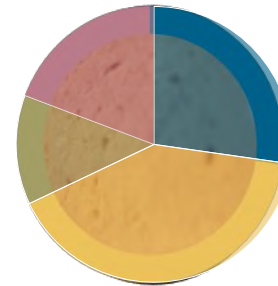


Personalization:
>10,300 references in 2015

Available market

Casings
2.3 Bn €

Potential market
2.1 Bn €



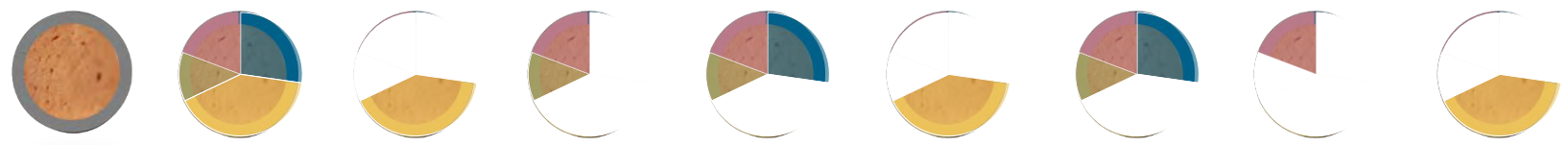
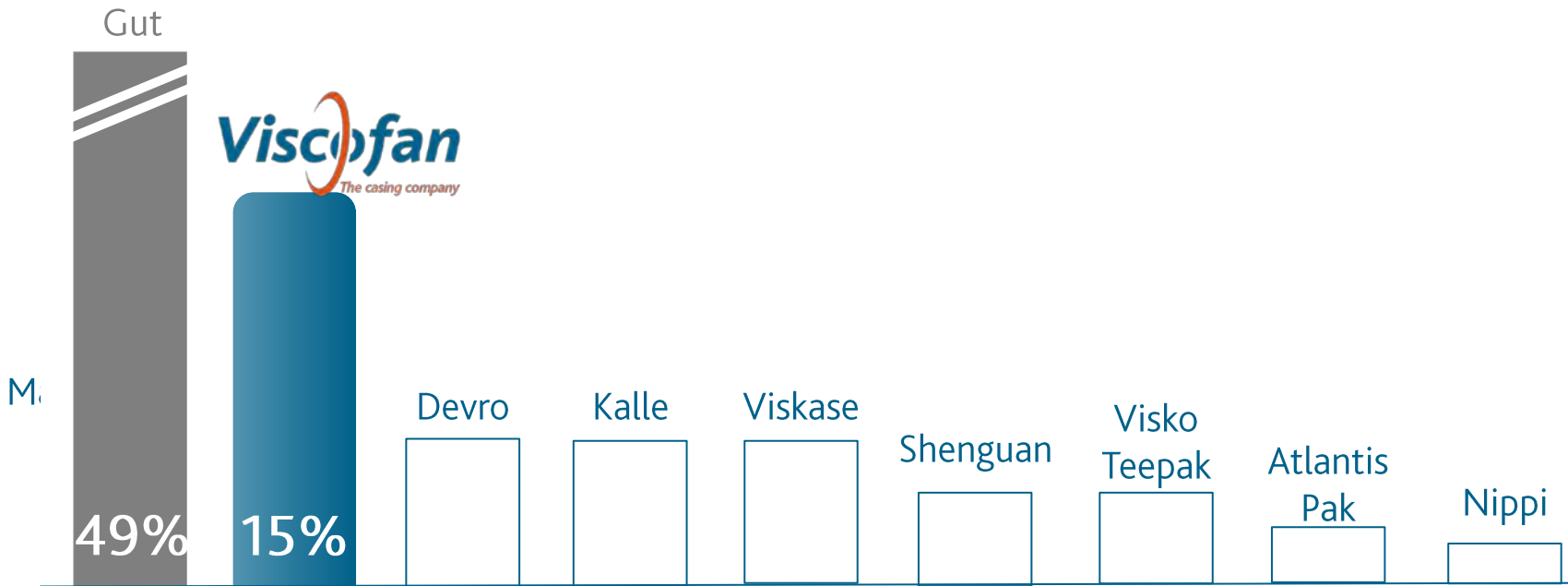
Market share 15%

The casing company

>50% of sales come from customers that buy the 4 technologies



Across-the-board know-how and technology and also better market risks diversification...

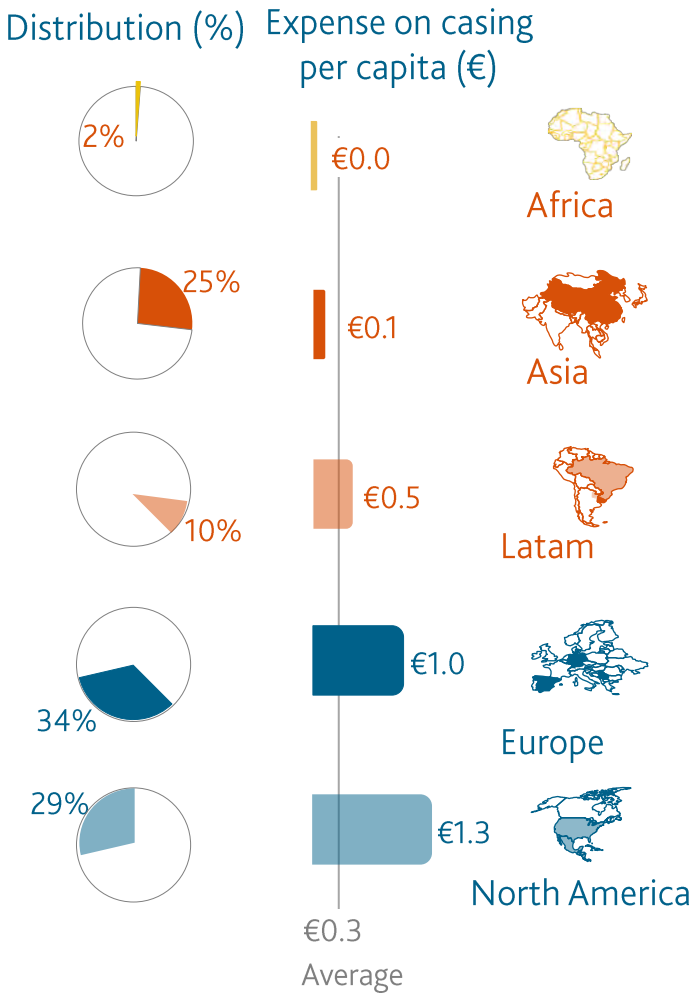


Av ■ Gut ■ Collagen ■ Cellulose ■ Plastics ■ Fibrous



... expose to more growth opportunities thanks to a unique positioning in a global market...

Available market



Viscofan footprint Available production capacity

	Collagen	Cellulose	Fibrous	Plastics
Africa	X	X	X	X
Asia	Viscofan	Viscofan <i>Converting</i>	X	X
Latam	Viscofan	Viscofan	Viscofan <i>Converting</i>	Viscofan
Europe	Viscofan	Viscofan	MORE to BE	Viscofan
North America	X	Viscofan	Viscofan	MORE to BE

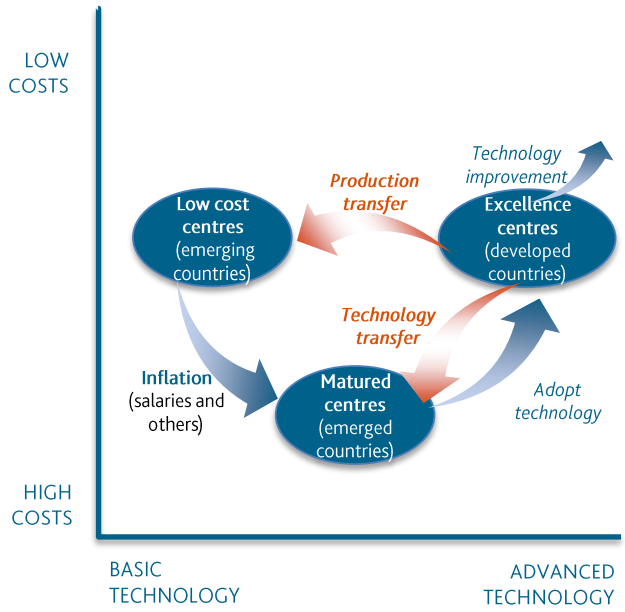
MORE to BE
Long term "growth" opportunity

MORE to BE
Long term "share" opportunity

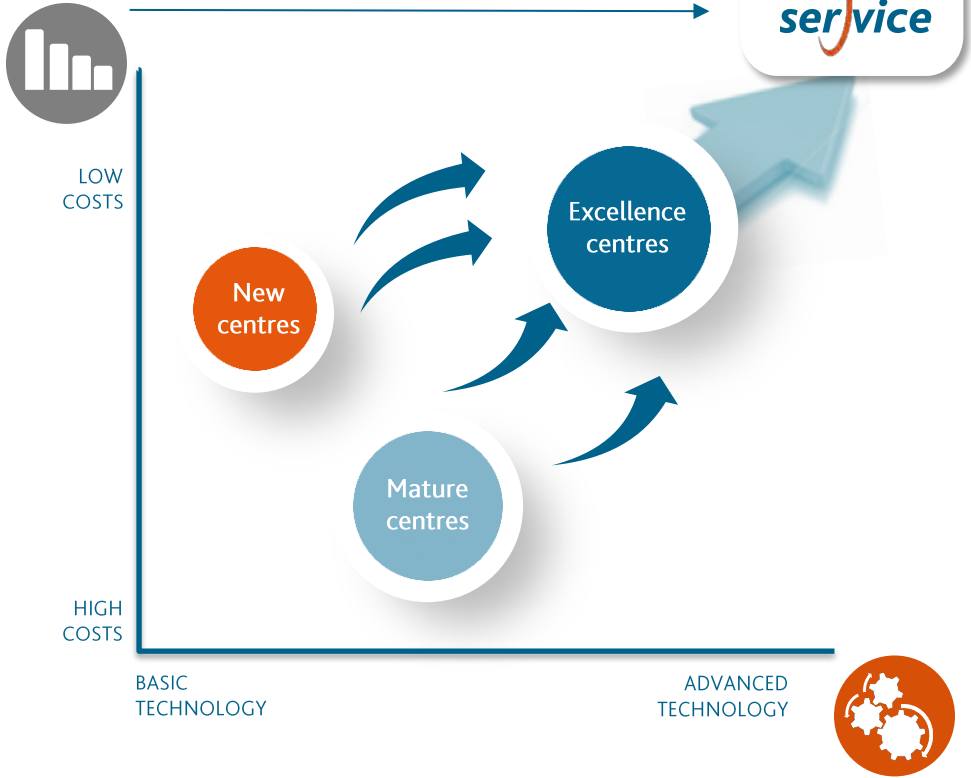


Growth in emerging areas and market share in technology niches means to include service in our continuous improvement matrix

BE MORE MATRIX



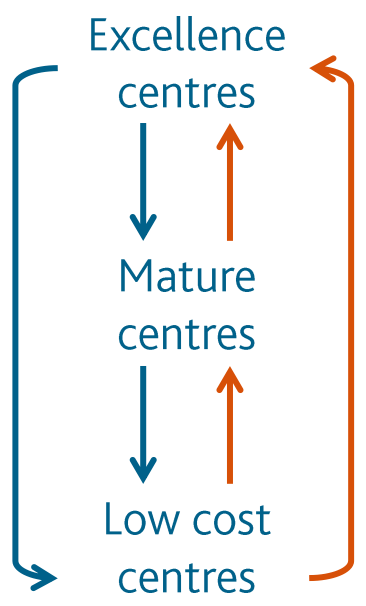
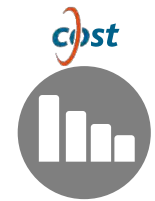
MORE TO BE MATRIX





Plenty of room to improve: Transfer technology and costs through centres, and improve the service level to be the reference in the market

- ✓ Be MORE positioning
- ✓ MORE TO BE positioning



	service	technology	cost
Excellence centres	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓
Mature centres	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓
Low cost centres	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓

Multi-local and multidisciplinary teams supporting transfer of know-how and capacity among centres to reduce the gap between benchmark and operations



North America

Focus on added value improvement



service

- Plastics in Mexico
- Improve facilities reliability
- Fibrous. Free capacity for the local market



technology

- New products: BTC plastics, specialities
- Upgrade fibrous technology



cost

- Union agreement
- Cruise speed in the new plastics plant in Mexico
- Change in energy model



- Certificate ISO 14.001 in all plants

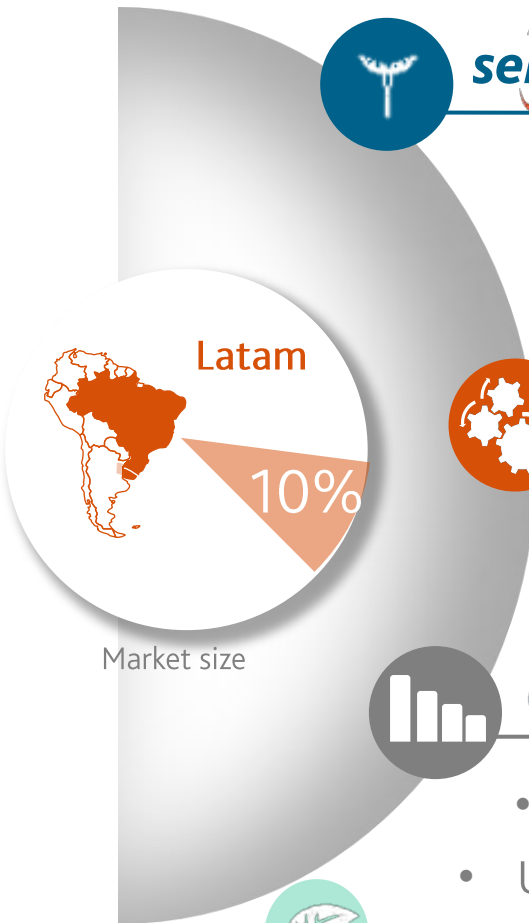


Market size



Latam

Leaders and committed with an area of outstanding market dynamism



service

- Product development. New concepts to replace animal gut
- Stability in Brazilian plants



technology

- New extrusion machinery in collagen
- Converting technology



cost

- Higher capacity in Uruguay
- Uruguay plant consolidation
- Efficiency in resources usage (water)
- Certificate ISO 14.001 in all plants

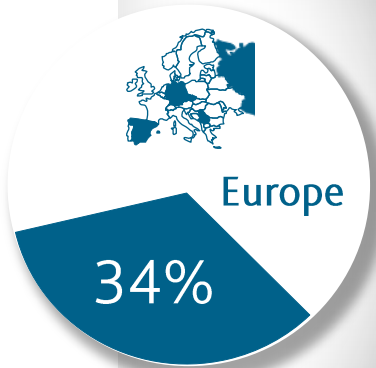


Europe

R&D in the four technologies as competitive advantage spearhead

service

- Greenfield fibrous plant in Cáseda (Spain)
- Nanopack acquisition
- Support centre for new products. “specialities”



Market size

technology

- Upgrade cellulose technology
- Fibrous technology in a centre of excellence
- Upgrade technology for large calibre collagen
- Upgrade technology in plastics

cost

- Higher production capacity in Serbia
- Productivity improvement in Spain, Germany and the Czech Republic
- Energy efficiency. Development of safer production technologies
- Certificate ISO 14.001 in all plants





Asia

Wider offer and better service in the fastest growth region



service

- Asian self-sufficiency
- Availability, quality and sophistication in our offer
- Be the benchmark in the market
- Push cellulose sales



technology

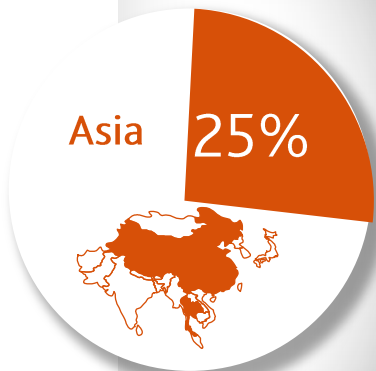
- Consolidate operations
- Production flexibility



cost



- Raw Materials. New suppliers
- Operating leverage
- Change in the energy model (co-generation)
- Certificate ISO 14.001 in all plants



Market size

Key projects in 2016: Plastics technology

✓ Reinforce plastics position in North America... and also transform our value proposal in Europe

Viscofan Plastics

- Viscofan CAGR Be MORE **+5.0%**
- Competitive position **n.s**

Spain

- Capex'16: €6MM
- Nanopack
- "Greenfield" in Cáteda

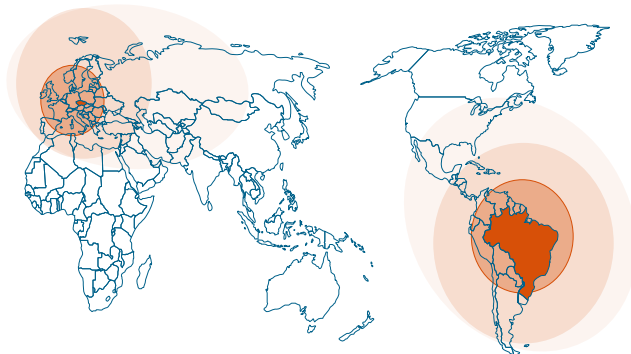
Mexico

- Capex'15: €10MM
- Start up 4Q15/1Q16

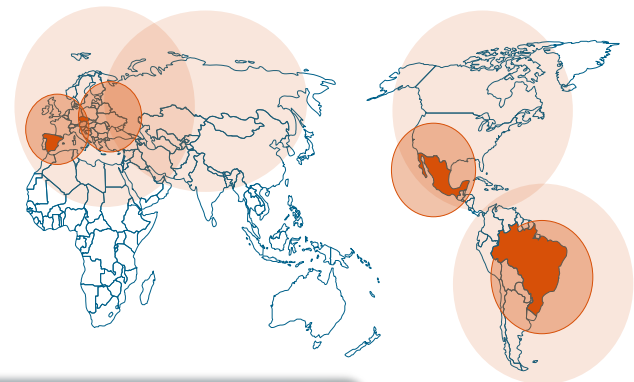
Czech Republic

- Upgrade technology

Footprint: Europe and Latam



Footprint: Europe, Latam and North America



➔ MORE TO BE target. #1 o #2

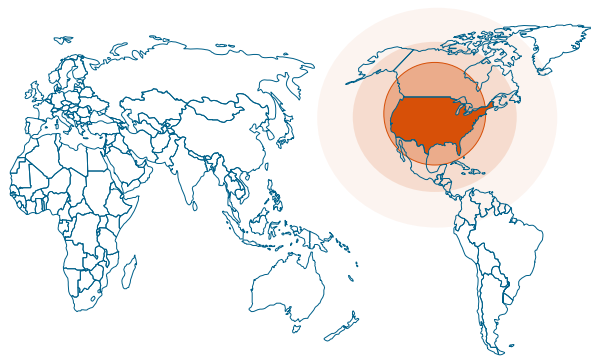
2016 Key projects: Fibrous technology

- ✓ Reinforce our fibrous position in North America... and also reducing the risk of production concentration
- ✓ Improve service proposal in Europe and Asia
- ✓ Leveraged on transversal know-how with the excellence centre in Spain

Viscofan Fibrous

- Viscofan's sales growth CAGR Be MORE **+5.7%**
- Market position **4#**

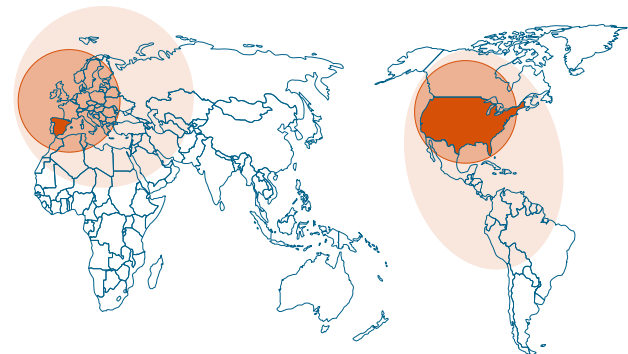
Footprint: **North America**



Spain

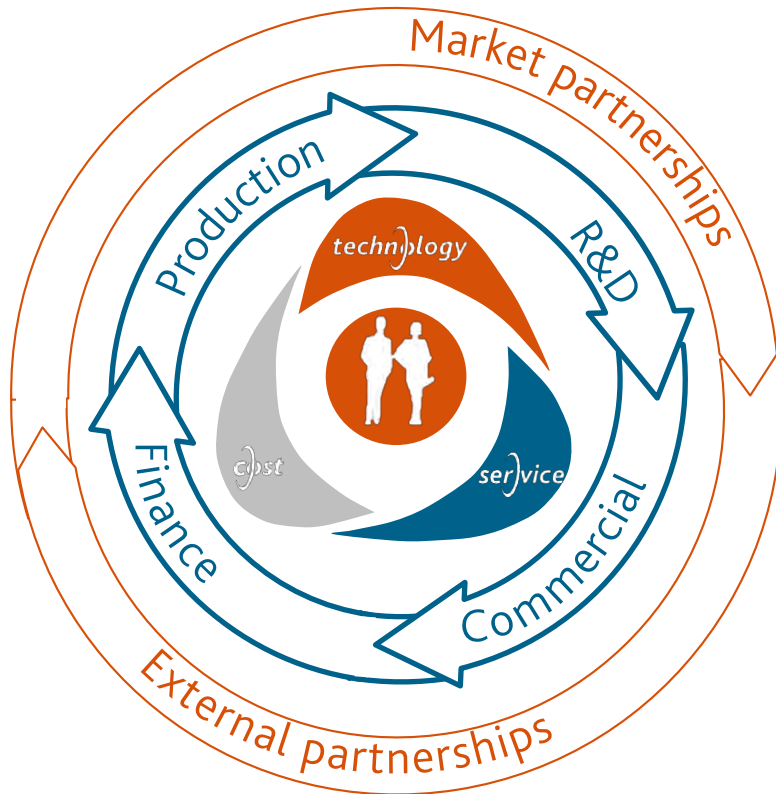
- Investment **€20MM**
- Start-up **2H'17**

Footprint: **North America and Europe**



MORE TO BE target. #1 o #2

A committed team focused on innovation to boost competitiveness



✓ Multidisciplinary teams with international profile

✓ Strengthening R&D in excellence centres

✓ Proactive promotion of new products

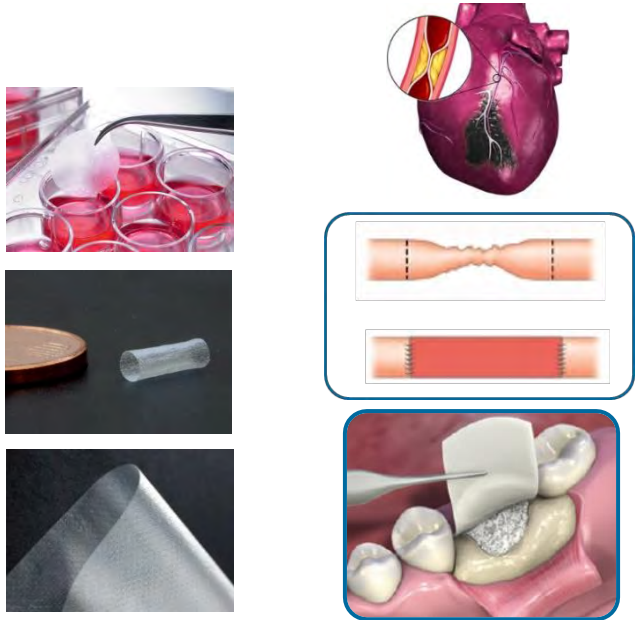
✓ Costs analysis and target market

✓ Surveillance technology



Viscofan Bioengineering:

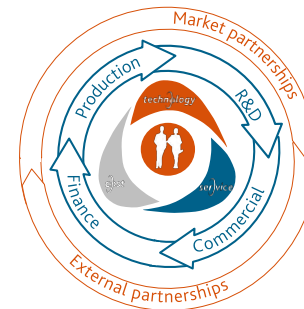
Good progress, but results are expected beyond our strategic plan period



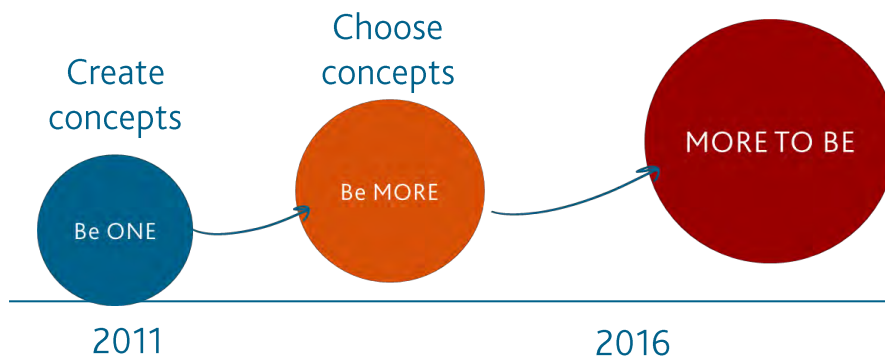
Significant investment (€2MM 2016)
Modular investment 2016-2020
A must for any clinical trial
An opportunity for sales of other collagen-based solutions
Trial clinical studies

Develop concepts

External partnerships network



Solutions in the market?



2020

2025-2030



The best team in the market, a growing team...

AVERAGE HEADCOUNT 2015 GROUP = **4,233** **+3.4%**

CAGR Be MORE

EUROPE AND ASIA **2,687**

persons



63.5%

NORTH AMERICA **950**

persons



22.4%

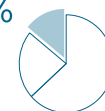


LATAM **596**

persons



14.1%



MORE TO BE 2016-2020.

Commitment to attract and retain talent

- Workforce growth according to market growth
- Design career plans



2016. Specific projects



Spain. Requirements in Plastics and Fibrous



Requirements in specialist for corporate purposes



New personnel for the plastics plant in Mexico



Uruguay. Personnel linked to capacity increase



Safety



Training, investment and safety awareness



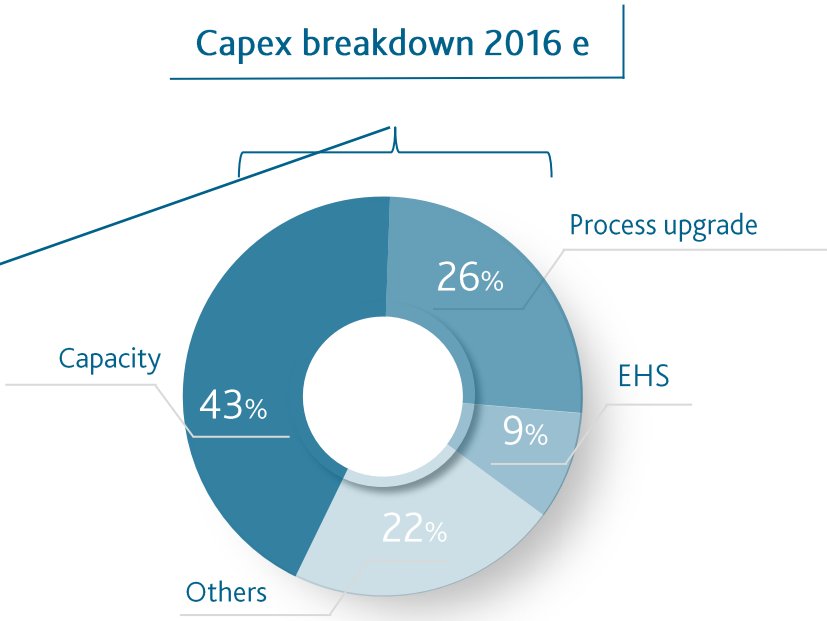
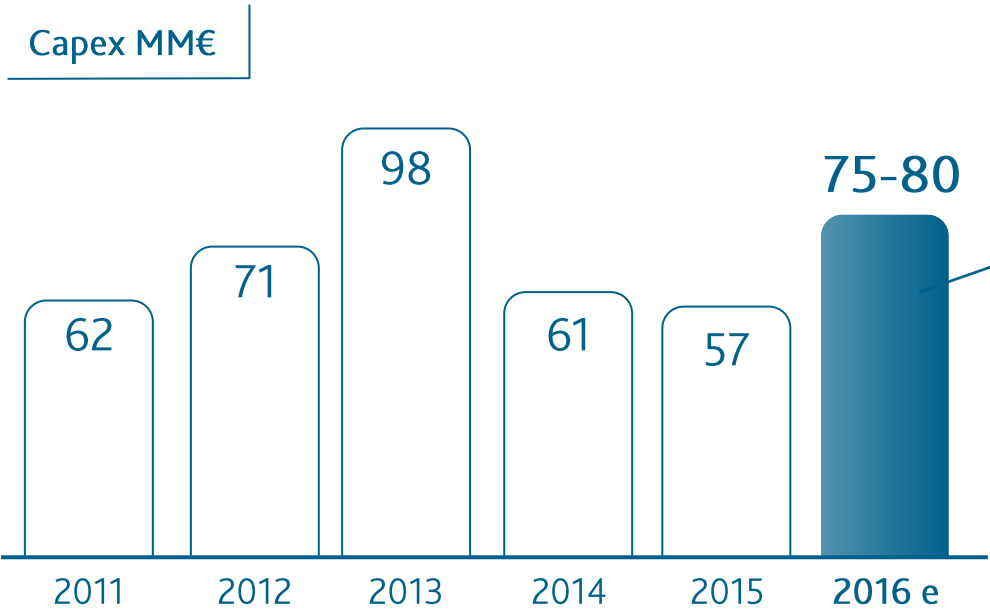
Comply with the standard OSHA 18.001

- ✓ Identify risks
- ✓ Reduce accidents and costs
- ✓ Compliance with customers and suppliers



Organic investments to strengthen our leadership. Good macroeconomic and competition momentum to invest in the business

Investment to support organic growth...

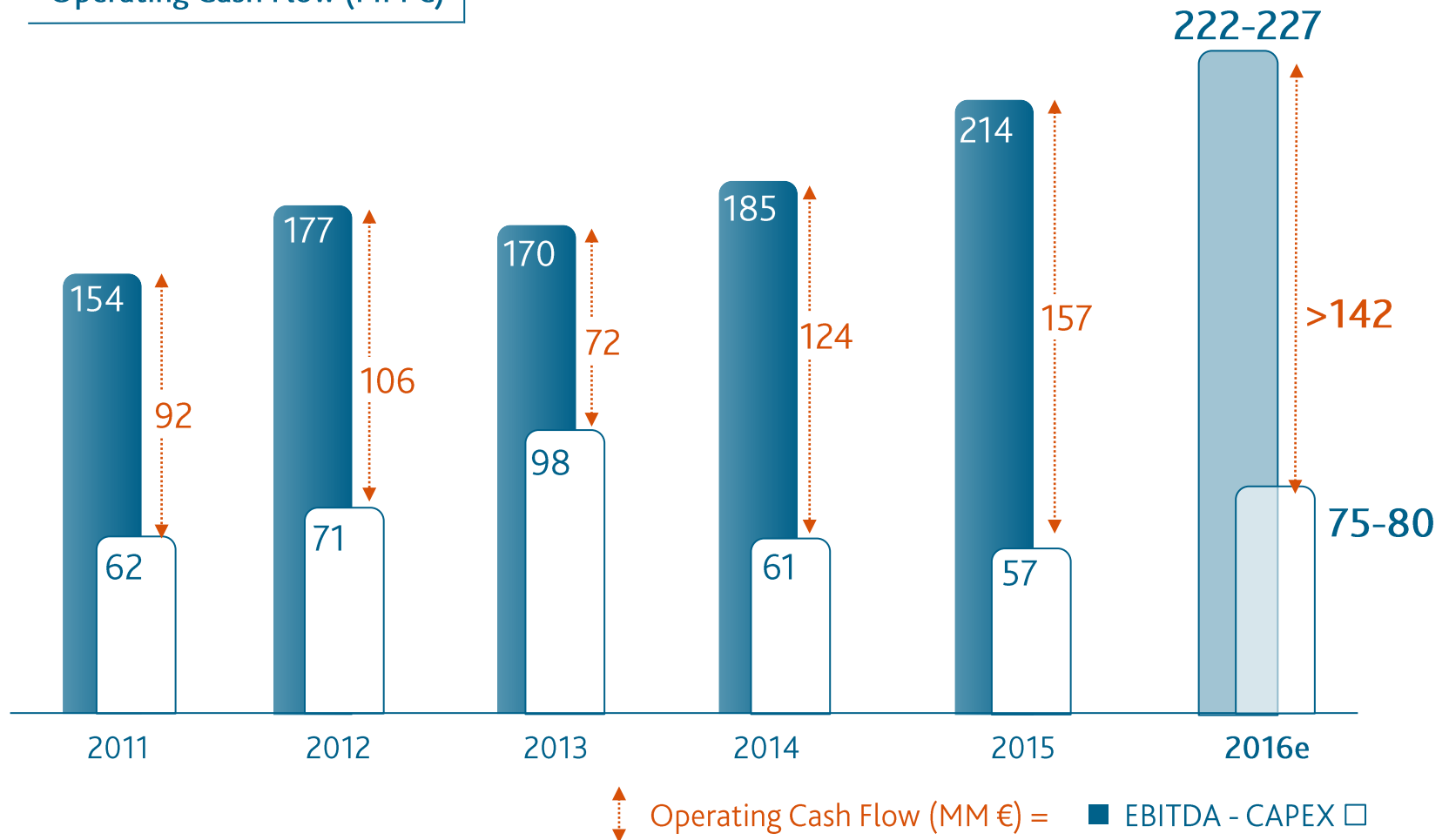


...but keeping a strong balance sheet to be ready for other growth projects



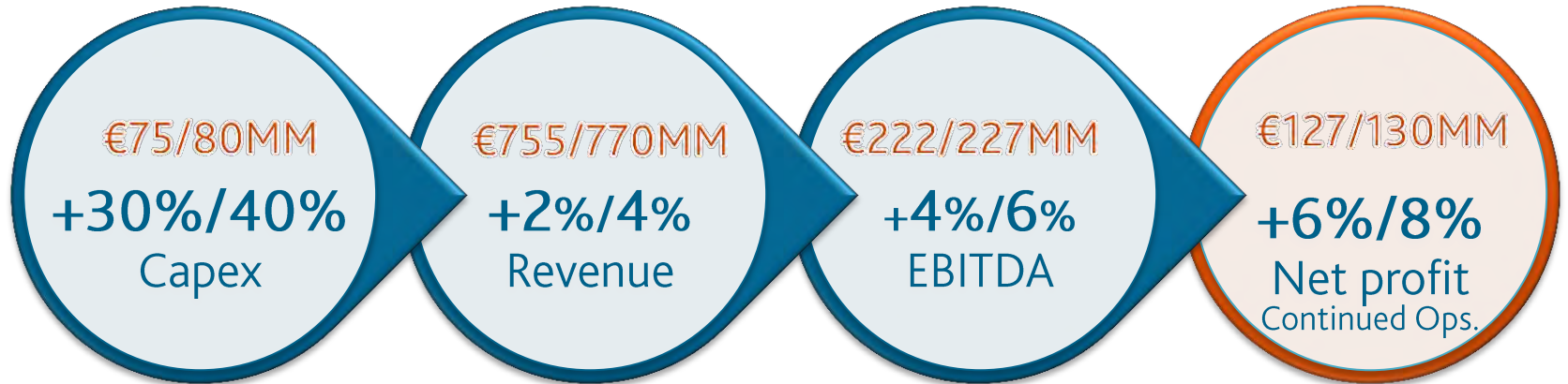
The investment effort carried out in last years has set the pace to expand operating cash flows

Operating Cash Flow (MM €)



GUIDANCE 2016 (MM €)

US\$/€: 1.10 BRL/€: 4.20



To wrap up

- ✓ Viscofan **successfully** completed the Be MORE strategic plan with record Revenue, EBITDA and Net Profit.
- ✓ **Strength** which led Viscofan to record **very positive results** outperforming main financial targets set out in our guidance and that have led the Board of **Directors** to propose a final dividend of 0.82€ per share, meaning a total shareholder remuneration of 1.35€ per share, **14.4% higher year-on-year**.
- ✓ Viscofan's **balance sheet remains solid**, allowing us to explore new ways of organic and inorganic growth in this industry, combining strategic and financial discipline with shareholder remuneration.
- ✓ The market has **strong growth prospects in the medium and long term**, against a backdrop of higher uncertainty in the short term.
- ✓ The **new strategic plan "MORE TO BE"** has been designed to reach higher market leadership, with a triple focus: **leadership in service, technology and cost**.
- ✓ Viscofan expects to **grow once again in Revenue, EBITDA and Net Profit in 2016**, and to speed up investments to be prepared for new growth opportunities that may appear in our sector.