Viscofan
THE CASING COMPANY

Results JANUARY-DECEMBER twenty 17

28 February 2018

(Free translation from the original in Spanish, in event of discrepancy, the Spanish-language version prevails)

Management report

Main highlights of the January-December 2017 results:

- €778.1 million in revenue, up 6.5% from 2016.
- €211.2 million in EBITDA[1], 3.5% higher year-on-year.
- €122.0 million in Net Profit, down 2.4% year-on-year.
- Net bank debt[2] of €41.1 million in December 2017, compared with €8.8 million in December 2016, as a result of the higher level of investment (€107.2 million), the acquisition of Supralon and the increase in shareholder remuneration.
- According to José Domingo de Ampuero y Osma, chairman of the Viscofan Group: "2017 was another year of strong activity and growth for the Viscofan Group. Strategic projects were completed including the construction of the new plant in Spain, capacity increases in China and Serbia while we also succeeded in strengthening our leadership in our key growth markets. As a result, the Board of Directors was able to propose a new increase in shareholder remuneration of 6.9% compared with 2016 to €1.55 per share”

In 2017 the casings market posted robust growth in volumes, driven by the emerging regions, highlighting the recovery of the Brazilian market

Against this backdrop, Viscofan has strengthened its leadership position with volume growth across all casing families: cellulose, collagen, fibrous and plastic casings. This performance was largely underpinned by the emerging countries of Latin America, Asia and Eastern Europe, which contrasts with the more modest showing of the developed markets, chiefly in North America, owing to the decline in cellulose casing volumes in the USA.

In 2017, the Viscofan Group carried out a large number of projects under the MORE TO BE 2020 strategic plan, the aim of which is to spearhead the main casings markets strengthening service, cost and technology strategic axis. As a result of this strategic drive, the volume of investment hit a new record high of €107.2 million in 2017.

Particularly noteworthy were the outlay on the construction of the new plant in Cáseda (Spain), which entailed total investment of €56 million, of which €44 million was invested in 2017, and start-up costs of around €2 million to commence trial production in December 2017. This plant features state-of-the-art technology for the production of viscose-based casings, which means customers will benefit from a marked improvement in terms of quantity and quality thanks to product improvements and production efficiency gains. Investment also included €6 million in the installation of the best environmental solutions in the market.

The plant features machinery with new fibrous technology which has already been approved by customers at the start of 2018. We expect fibrous casing customers to experience improved service levels once the Viscofan Group is able to offer a better response to the market thanks to the production of these casings in the two main markets: Europe and North America.

[1] EBITDA = Operating profit (EBIT) + Depreciation of property, plant and equipment and amortization.

[2] Net bank borrowings = Non-current bank borrowings + Current bank borrowings - Cash and cash equivalents

Furthermore, the plant has been designed to accommodate new leading-edge cellulose casing capacity from 2018 in keeping with Viscofan's planned growth strategy for this technology.

Also noteworthy is the investment in collagen technology. In China new machinery has been installed in the Suzhou (China) factory, making it more self-sufficient to supply the Chinese collagen market, the largest in the world for this technology, while in Novi Sad (Serbia) premium quality collagen machinery has been installed to cope with the growth in this technology and improve service to our customers.

At the same time, the Viscofan Group is continuing to progress in plastics technology by carrying out significant operational and commercial investment. In November 2017 the Viscofan Group acquired the Supralon companies in Europe, which dovetail with the activities of the Vector companies in the USA and Europe bought in October 2016. With these acquisitions, the Viscofan Group moves a step closer to achieving leadership of the global plastic casings market in terms of revenues, in line with the goals of the MORE TO BE strategic plan.

In 2017 efficiency gains and production cost savings were achieved at plants in a year marked by hefty investment, which in the short term entails a recruitment drive, commissioning costs associated with the start-up of new operations and higher amortisation and depreciation expenses owing to the larger industrial equipment base.

This backdrop of organic growth and strong investment activity coincided with a highly volatile exchange rate environment, with the euro making strong gains towards the end of the year against the main currencies, in particular vis-a-vis the US$, the BRL and the CNY. This fluctuation caused a significant slowdown in results in the fourth quarter.

Although exchange rates were significantly below those forecast in initial guidance, the results achieved by the Viscofan Group are in line with the objectives set at the start of the year in terms of revenue and EBITDA, while net profit was a little lower due to negative exchange differences.

Net bank debt at the end of 2017 stood at €41.1 million, 0.2 times EBITDA, with robust cash generation which enables the Group to marry the high level of investment in our plants to improve capacity and deliver operational improvements, to take advantage of sector consolidation opportunities such as the acquisition of Supralon and the continued improvement of shareholder remuneration by paying a final dividend of €0.92 per share, for a total of €1.55 per share. This means remuneration is 6.9% higher than in 2016.

Changes in the consolidation scope

Supralon:

In November 2017, the Viscofan Group signed a SPA agreement with a group of private investors for the cash purchase of 100% of Supralon International AG, Supralon Verpackungs AG and their subsidiaries. Supralon Produktions und Vertriebs GmbH and Supralon France SARL.

The subsidiaries were included in the Viscofan Group consolidation scope as of December 1, 2017 using the full consolidation method.

Vector:

In October 2016, the Viscofan Group signed a SPA agreement with a group of private investors for the cash purchase of 100% of the shares of Vector USA Inc. and Vector Europe NV, including their subsidiaries in Europe (Vector Packaging Europe NV. and Vector UK Ltd.).

The subsidiaries were included in the Viscofan Group consolidation scope as of November 1, 2016 using the full integration method.

Viscofan Group. 2017 results

Selected figures. Viscofan Group income statement ('000 €)

	Accumulated				Quarterly			
	Jan-Dec' 17	Jan-Dec' 16	*Change*	*Like-for-like (2)*	Oct-Dec' 17	Oct-Dec' 16	*Change*	*Like-for-like (2)*
Revenue	778,136	730,833	6.5%	3.4%	197,408	193,476	2.0%	4.0%
Recurring EBITDA (1)	206,763	201,134	2.8%	2.9%	47,926	51,723	-7.3%	-0.2%
Recurring EBITDA Margin (1)	*26.6%*	*27.5%*	-0.9 p.p.	-0.1 p.p.	*24.3%*	*26.7%*	-2.4 p.p.	-1.0 p.p.
EBITDA	211,235	204,065	3.5%		46,408	55,254	-16.0%	
EBITDA Margin	*27.1%*	*27.9%*	-0.8 p.p.		*23.5%*	*28.6%*	-5.1 p.p.	
EBIT	154,853	154,366	0.3%		32,130	42,103	-23.7%	
Net profit	122,019	125,011	-2.4%		29,810	36,879	-19.2%	

(1) Recurring results: a) In 2017 the figure excludes the positive impact of €4.5 million from the net impact of compensation for the fire in Germany following the deduction of non-recurring stock, clearance and cleaning costs; and the management costs associated with the acquisition of the Supralon companies in Europe, inter alia. b) In 2016 the figure excludes €2.9 million associated with the acquisition of the Vector companies in the US and Europe.
(2) Like-for-like: Like-for-like growth excludes the impact of the variation in exchange rates, the effect of the change in the consolidation scope and the non-recurring gains of the business.

Revenue:

In 2017, Viscofan posted volume growth across all casing families, with this growth accelerating in the final quarter. This growth is being driven by the strong performances in Latin America, Europe and Asia. In North America, conversely, the decline in sales in the United States and the weakness of the dollar continue to take a toll.

Revenue amounted to €197.4 million in the fourth quarter, up 2.0% from the fourth quarter of 2016. By revenue type, reported casing sales totalled €185.8 million (+1.0% vs. 4Q16) and revenue from co-generation sales totalled €11.6 million (+21.4% vs. 4Q16).

In the fourth quarter like-for-like[3] revenue advanced by 4.0% from 4Q16 stripping out the impact of foreign exchange differences and the changes in the consolidation scope.

This like-for-like revenue growth was entirely offset by the weakness of the company's main trading currencies against the euro, which reduced growth in the quarter by -4.3 p.p. Noteworthy were the depreciations in 4Q17 vs. 4Q16 of -9.4% in the value of the US$/€, of -7.5% in that of the BRL/€ and of -5.7% of the CNY/€.

The inclusion of the new companies in the consolidation scope boosted growth by +2.3 p.p. in the fourth quarter.

In the full year to 31 December 2017, revenue advanced by 6.5% to €778.1 million. Casing sales contributed €734.1 million to this total (+6.2% vs. 2016), and revenue from co-generation sales amounted to €44.1 million in the same period (+11.2% vs. 2016).

In like-for-like terms[3] consolidated revenue advanced 3.4% compared with 2016, with foreign exchange differences reducing consolidated revenue by -0.6 p.p., while changes in the consolidation scope contributed +3.7 p.p. to growth.

The breakdown and geographical performance[4] of revenue in 2017 is as follows:

[3] Like-for-like: In comparative terms, like-for-like growth excludes the impact of exchange rate variations, the effect of the change in the consolidation scope (Vector and Supralon) and the non-recurring results of the business.

[4] Revenue by origin of sale.

- Europe and Asia (55.8% of the total): Reported revenue totalled €434.1 million, up 5.6% compared with 2016 and 3.9% in like-for-like terms, boosted by higher sales volumes in both Europe and Asia.
- North America (29.3% of the total): Revenue amounted to €228.1 million, up 4.9% from 2016, helped by the incorporation of Vector. In like-for-like terms, revenue fell by -0.4%.
- Latin America (14.9% of the total): Revenue grew 13.2% in 2017 vs. 2016 to €115.9 million, driven by volume growth in Brazil and other countries in the region. This increase in sales corresponds with like-for-like growth of 9.6% compared with 2016.

Operating expenses

In 2017 the Viscofan Group combined efficiency gains in several factories with intense investment activity, standing out the new plant in Cáseda (Spain), which commenced trial production in December 2017, entailing start-up costs of around €2 million.

Against this backdrop, the performance of the main operating expenses was as follows:

Costs of consumption[5] advanced by 3.9% vs. 2016 to €210.7 million, resulting in a gross margin[6] of 72.9% in 2017 (+0.7 p.p. vs. 2016). In the fourth quarter of 2017 the growth mix and the higher cost of some raw materials fuelled a 7.5% increase in the cost of consumption to €59.4 million, resulting in a gross margin of 69.9% in 4Q17, down 1.5 p.p. compared with 4Q16.

Personnel expenses grew by 9.3% in 2017 compared with 2016 to €184.3 million owing to the inclusion of the workforce of Vector in the United States and Europe and the increase in personnel recruited, most notably in Spain. The average headcount in December 2017 was 4,554 employees, up 4.4% compared with the average in 2016. Personnel expenses in the fourth quarter fell by 1.5% year-on-year due to the reduction of the impact of the change related with the inclusion of the Vector companies and the decline in expenses in euros owing to the depreciation of currencies in 4Q17.

In the full year, Other operating expenses advanced 9.5% compared with 2016 to €189.9 million, with energy supply costs growing by 7.4% in 2017 vs. 2016. In the quarter, Other operating expenses grew by 1.4% vs. 4Q16 to €49.8 million, with energy supply costs declining 1.7% year-on-year.

EBITDA

EBITDA in 2017 grew by 3.5% vs. 2016 to €211.2 million, driven by the growth in sales volumes and the contribution of Vector.

In like-for-like terms[3], EBITDA advanced 2.9% compared with 2016, with a like-for-like annual EBITDA margin of 27.4% (-0.1 p.p. vs. 2016), while the exchange rate reduced annual recurring EBITDA growth by -1.8 p.p.

In the final quarter the impact of exchange rates on EBITDA was especially pronounced, reducing recurring growth by -8.3 p.p. As a result, like-for-like EBITDA in the quarter was down 0.2% year-on-year, with higher consumption costs resulting in a like-for-like EBITDA margin in the quarter of 25.7%, down -1.0 p.p. compared with 4Q16.

Net profit

Cumulative depreciation costs in 2017 grew by 13.4% vs. 2016 to €56.4 million and by 8.6% in 4Q17 vs. 4Q16 to €14.3 million, chiefly due to the larger tangible asset base following the investment carried out under the current MORE TO BE strategic plan.

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5 Consumption costs = Net purchases +/- Changes in inventory of finished goods and work in progress.

6 Gross margin = (Revenue - Consumption costs) / Revenue

As a result, the Group obtained EBIT of €154.9 million in 2017, up 0.3% year-on-year, of which €32.1 million correspond to 4Q17.

In 2017 the net finance loss stood at -€9.5 million owing to the negative exchange differences of -€8.5 million, mainly arising from the balance sheet balances in the Czech Republic, and which compares with the net finance gain of +€0.9 million in 2016, when foreign exchange differences were positive totalling +€3.0 million.

Profit before tax amounted to €145.4 million in 2017 while taxes totalled €23.3 million. In 2017 the tax rate stood at 16.1%, lower than the figure of 19.5% in 2016, mainly due to the positive impact of tax reform in the United States, which resulted in a €0.7 million reduction in deferred tax liabilities.

The difference between the theoretical tax rate for 2017 (28%) and the effective tax rate (16.1%) is basically due to the different taxes paid by non-resident subsidiaries in Navarre (Viscofan S.A. tax domicile) which pay tax in all countries in which they operate, applying the corporate (or similar) tax rate in force on profits for the period and tax allowances for investments by various Group subsidiaries.

Finally, Net profit in December 2017 stood at €122.0 million (-2.4% vs. 2016). Of this, €29.8 million corresponds to 4Q17 (-19.2% vs. 4Q16).

Investment

2017 saw a high level of investment as a result of the multiple projects carried out under the MORE TO BE strategic plan. The most notable is the new plant in Cáseda (Spain), which means that since the end of 2017 the Viscofan Group has the most cutting-edge viscose-based casing facility. Machinery for the production of fibrous casings has already been installed in Europe and initial testing is being carried out at the start of 2018 with very positive results.

In 2017 new collagen capacity was also installed and started up in China and Serbia.

Overall, the Viscofan Group invested €107.2 million in 2017. The favourable market conditions and the good results achieved in testing the new installations support the MORE TO BE strategy in continuing investments to strengthen the competitive position of the Viscofan Group.

The breakdown by type of investment in 2017 is as follows:

24% of investment was in capacity and machinery.
51% of investment was in process improvements.
7% of investment was in energy equipment and in plant safety, hygiene and environmental improvements.
Ordinary investments accounted for the remaining 18%.

Dividend

The Board of Directors of the Viscofan Group has agreed to propose to the General Shareholders' Meeting the distribution of a final dividend of €0.92 per share, with an amount of €42.9 million to be paid out on 7 June 2018.

This means total shareholder remuneration amounts to €1.55 per share, consisting of:

- An interim dividend of €0.62 per share paid on December 21, 2017.
- A proposed final dividend of €0.92 per share for approval at the General Shareholders' Meeting,
- and an attendance bonus at the General Meeting of €0.01 per share.

The remuneration proposed is 6.9% higher than the total remuneration of €1.45 per share approved last year, implying distribution of a total of €72.2 million, equivalent to 59% of the total Net profit attributed to the Viscofan Group.

In addition, at the meeting held on 28 February 2018 the Board of Directors agreed to distribute an extraordinary dividend of €0.13 per share to be paid on 22 March 2018, which corresponds to the contribution to 2018 net profit of the one-off gain from the Supreme Court ruling in the action brought by Industrias Alimentarias de Navarra S.A.U. against Mivisa Envases S.A.U. (now Crown Food España S.A.U.) for the infringement of a patent which, according to the sale contract of Industrias Alimentarias de Navarra, S.A.U., belongs to Viscofan S.A.

Equity

The Group's Equity in 2017 stood at €727.7 million, up 2.8% year-on-year due to the booking of a Net profit of €122.0 million from which is deducted €28.9 million as an interim dividend against 2017 earnings (+8.8% vs. 2016).

Bank debt

The increase in shareholder remuneration, the stepping-up of the pace of investment projects, and the acquisition of Supralon companies in Europe by €12.0 million, of which €10.5 million have been paid out in cash in 2017, having agreed a deferred payment for the outstanding amount, were largely financed by cash flows from transactions, leaving Net bank debt[7] in December 2017 at €41.1 million compared with €8.8 million at the end of December 2016.

Outlook for 2018

The first few months of 2018 confirm the trend of growth in market volumes amid increased pressure on production input costs and greater currency weakness. In this environment, the Viscofan Group is continuing to invest in the improvement of its production plants in line with the MORE TO BE strategic plan, with the aims of reducing its cost structure and continuing to improve service and technological development levels. Against this backdrop, the Viscofan Group forecasts growth in revenue of between 4% and 6%, growth in EBITDA of between 2% and 5%, and 2% to 5% in Net Profit, underpinned by investment of €75 million (down -30% vs. 2016). The baseline hypothesis for these objectives involves an average exchange rate scenario of 1.25US$/€.

Non-recurring impacts

The breakdown of non-recurring impacts booked in 2017 and 2016 is as follows:

In 2017 it is related with the positive impact of €4.5 million from the net impact of compensation for the fire in Germany following the deduction of non-recurring stock, clearance and cleaning costs; and the management costs associated with the acquisition of the Supralon companies in Europe, among others.

In 2016 the Viscofan Group booked a gain of €4.5 million corresponding to the difference between the cost of business combination and the assignment of the purchase price to the acquired assets of the Vector companies in the US and Europe. In addition, it was booked under "Other operating expenses" the management expenses associated with the acquisition of the Vector companies in the US and Europe amounting to €1.5 million in EBITDA and €1.1 million in Net profit.

[7] Net bank borrowings = Non-current bank borrowings + Current bank borrowings - Cash and cash equivalents

Viscofan The casing company

Viscofan Group Profit and loss account. 2017 ('000 €)

	Jan-Dec' 17	Jan-Dec' 16	*Change*
Revenues	**778,136**	**730,833**	**6.5%**
Other operating income	16,398	12,538	30.8%
Self-constructed assets	262	571	-54.1%
Variation in stocks of finished products and work-in-progress	18,809	2,387	688.0%
Net purchases	-229,549	-205,307	11.8%
Personnel expenses	-184,280	-168,576	9.3%
Other operating expenses	-189,889	-173,412	9.5%
Capital grants	637	672	-5.2%
Impairment and results coming from disposals of non-current assets	711	-116	c.s
Other results	0	4,475	n.s.
EBITDA	**211,235**	**204,065**	**3.5%**
EBITDA margin	*27.1%*	*27.9%*	*-0.8 p.p.*
Amortization and depreciation	-56,382	-49,699	13.4%
EBIT	**154,853**	**154,366**	**0.3%**
EBIT margin	*19.9%*	*21.1%*	*-1.2 p.p.*
Financial incomes	279	431	-35.3%
Financial expenditures	-1,846	-1,819	1.5%
Changes in reasonable value of financial instruments	527	-721	c.s
Exchange differences	-8,456	2,998	c.s
Impairment and results coming from disposals of financials assets	0	0	n.s.
Financial results	**-9,496**	**889**	**c.s**
Profit from associated companies	0	0	n.s.
Profit before taxes	**145,357**	**155,255**	**-6.4%**
Taxes	-23,338	-30,244	-22.8%
Profit after taxes from continued operations	**122,019**	**125,011**	**-2.4%**
Profit after taxes from interrupted operations	0	0	n.s.
Net profit	**122,019**	**125,011**	**-2.4%**
a) Net profit attributable to the parent comany	122,101	125,084	-2.4%
b) Net profit attributable to minority interests	-82	-73	12.3%

Viscofan Group Profit and loss account. 4Q17 ('000 €)

	Oct-Dec' 17	Oct-Dec' 16	*Change*
Revenues	**197,408**	**193,476**	**2.0%**
Other operating income	2,667	6,845	-61.0%
Self-constructed assets	67	180	-62.8%
Variation in stocks of finished products and work-in-progress	-5,225	-2,016	159.2%
Net purchases	-54,176	-53,257	1.7%
Personnel expenses	-44,764	-45,429	-1.5%
Other operating expenses	-49,789	-49,111	1.4%
Capital grants	160	168	-4.8%
Impairment and results coming from disposals of non-current assets	60	-77	c.s
Other results	0	4,475	n.s.
EBITDA	**46,408**	**55,254**	**-16.0%**
EBITDA margin	*23.5%*	*28.6%*	*-5.1 p.p.*
Amortization and depreciation	-14,278	-13,151	8.6%
EBIT	**32,130**	**42,103**	**-23.7%**
EBIT margin	*16.3%*	*21.8%*	*-5.5 p.p.*
Financial incomes	180	84	114.3%
Financial expenditures	-436	-650	-32.9%
Changes in reasonable value of financial instruments	527	-721	c.s
Exchange differences	-1,440	2,233	c.s
Impairment and results coming from disposals of financials assets	0	0	n.s.
Financial results	**-1,169**	**946**	**c.s**
Profit from associated companies	0	0	n.s.
Profit before taxes	**30,961**	**43,049**	**-28.1%**
Taxes	-1,151	-6,170	-81.3%
Profit after taxes from continued operations	**29,810**	**36,879**	**-19.2%**
Profit after taxes from interrupted operations	0	0	n.s.
Net profit	**29,810**	**36,879**	**-19.2%**
a) Net profit attributable to the parent comany	29,821	36,912	-19.2%
b) Net profit attributable to minority interests	-11	-33	-66.7%

Consolidated balance sheets ('000 €)

	Dec '17	Dec '16	*Change*
Intangible assets	19,293	16,425	17.5%
Goodwill	4,906	3,520	39.4%
Others intangible asset	14,387	12,905	11.5%
Tangible assets	469,799	431,910	8.8%
Real state investments	0	0	n.s.
Investment accounting ussing the equity method	0	0	n.s.
Non-current financial assets	9,149	12,793	-28.5%
Deferred tax assets	17,472	16,329	7.0%
Other non-current assets	0	0	n.s.
NON-CURRENT ASSETS	**515,713**	**477,457**	**8.0%**
Non-current assets held for sale	0	0	n.s.
Inventories	238,530	229,578	3.9%
Trade and other receivables	172,134	174,871	-1.6%
Trade debtors	141,165	141,659	-0.3%
Other debtors	27,135	29,763	-8.8%
Current tax assets	3,834	3,449	11.2%
Other financial current assets	3,557	1,460	143.6%
Other current assets	2,727	2,574	5.9%
Cash and cash equivalents	28,143	45,054	-37.5%
CURRENT ASSETS	**445,091**	**453,537**	**-1.9%**
TOTAL ASSETS= EQUITY AND LIABILITIES	**960,804**	**930,994**	**3.2%**
Share capital	32,623	32,623	0.0%
Share issue premium	12	12	0.0%
Reserves	650,573	592,173	9.9%
Treasury shares	0	0	n.s.
Profit for previous years	0	0	n.s.
Received from associates	0	0	n.s.
Result of the period	122,101	125,084	-2.4%
Less: Interim dividend	-28,894	-26,564	8.8%
Other equity instruments	0	0	n.s.
SHAREHOLDER´S FUNDS	**776,415**	**723,328**	**7.3%**
Financial assets held for sale	0	0	n.s.
Hedge transaction reserves	1,772	2,240	-20.9%
Currency translation differences	-50,641	-17,704	186.0%
Others	0	0	n.s.
ADJUSTMENTS DUE TO CHANGE IN VALUE	**-48,869**	**-15,464**	216.0%
SHAREHOLDERS' EQUITY	**727,546**	**707,864**	**2.8%**
Minority interest	135	217	-37.8%
EQUITY	**727,681**	**708,081**	**2.8%**
Grants	2,482	3,001	-17.3%
Non-current provision	22,235	23,317	-4.6%
Non-current financial liabilities	74,336	54,867	35.5%
Financial debt	62,679	42,147	48.7%
Other financial liabilities	11,657	12,720	-8.4%
Deferred tax liabilities	20,514	22,811	-10.1%
Other non-current liabilities	0	0	n.s.
NON-CURRENT LIABILITIES	**119,567**	**103,996**	**15.0%**
Liabilities linked to non-current assets held for sale	0	0	n.s.
Current provisions	4,999	6,678	-25.1%
Current financial liabilities	19,386	30,119	-35.6%
Financial debt	6,571	11,698	-43.8%
Other financial liabilities	12,815	18,421	-30.4%
Trade creditor and other payable accounts	88,596	81,753	8.4%
Trade creditors	58,007	53,160	9.1%
Other creditors	24,072	22,069	9.1%
Current tax liabilities	6,517	6,524	-0.1%
Other current liabilities	575	367	56.7%
CURRENT LIABILITIES	**113,556**	**118,917**	**-4.5%**
NET BANK DEBT / (NET BANK CASH)	**41,107**	**8,791**	**367.6%**

Cash flow statments ('000 €)

	Jan-Dec' 17	Jan-Dec' 16	*Change*
Cash flows from operating activities	**157,288**	**140,519**	**11.9%**
Profit for the year before tax	**145,357**	**155,255**	**-6.4%**
Adjustments in results	**63,835**	**44,821**	**42.4%**
Amortisation and depreciation	56,382	49,699	13.4%
Others adjustments in results(net)	7,453	-4,878	c.s.
Changes in working capital	**-21,778**	**-27,162**	**-19.8%**
Other cash flows from operating activities	**-30,126**	**-32,395**	**-7.0%**
Interest paid	0	0	n.s.
Dividend paid and other payments from others equity instruments	0	0	n.s.
Dividends received	0	0	n.s.
Interests received	0	0	n.s.
Proceeds/ (payments) from income tax	-28,549	-31,330	-8.9%
Proceeds/(payments) from operating activities	-1,577	-1,065	48.1%
Cash flows from investing activities	**-118,038**	**-78,163**	**51.0%**
Investment payments	**-120,353**	**-79,637**	**51.1%**
Group companies, associated & business units	-8,792	1,110	c.s.
Acquisition of property, plant and equipment and intangible assets	-111,561	-80,747	38.2%
Other financial assets	0	0	n.s.
Other assets	0	0	n.s.
Cash from disposals	**1,619**	**678**	**138.8%**
Group companies, associated & business units	0	0	n.s.
Disposal of property, plant and equipment and intangible assets	1,619	678	138.8%
Other financial assets	0	0	n.s.
Other assets	0	0	n.s.
Other cash flows from investing activities	**696**	**796**	**-12.6%**
Dividends received	0	0	n.s.
Interest received	696	796	-12.6%
Proceeds/(Payments) from interrupted operations	0	0	n.s.
Cash flows from financing activities	**-55,099**	**-62,200**	**-11.4%**
Proceeds and payments from equity instruments	**0**	**0**	**n.s.**
Proceeds from issue of stock	0	0	n.s.
Cancellation and payments	0	0	n.s.
Acquisition	0	0	n.s.
Disposal	0	0	n.s.
Proceeds and payments from financial liabilities instruments	**16,829**	**1,171**	**1337.1%**
Proceeds from issue of financial liabilities instruments	28,211	26,532	6.3%
Refund, cancellation and payments	-11,382	-25,361	-55.1%
Dividends paid and others payments from others equities instruments	**-69,439**	**-64,779**	**7.2%**
Others cash flows from financing activities	**-2,489**	**1,408**	**c.s.**
Interest paid	-1,836	-1,708	7.5%
Others proceeds /(payments) from financing activities	-653	3,116	c.s.
Effect of foreign exchange rate changes on collections and payments	**-1,062**	**445**	**c.s.**
Net increase (decrease) in cash and cash equivalents	**-16,911**	**601**	**c.s.**
Cash and cash equivalents at the begining of the period	**45,054**	**44,453**	**1.4%**
Cash and cash equivalent at the end of the period	**28,143**	**45,054**	**-37.5%**

Reporting exchange rates (Currency/€)

Average exchange rates (Currency/€)

	2017	2016	% Change
Euro	1.000	1.000	0.0%
US Dollar	1.129	1.107	2.0%
Canadian Dollar	1.464	1.467	-0.2%
Mexican Peso	21.329	20.655	3.3%
Brazilian real	3.606	3.863	-6.7%
Czech crown	26.327	27.034	-2.6%
British Pound	0.876	0.819	7.0%
Serbian Dinar	121.413	123.100	-1.4%
Chinesse yuan remminbi	7.624	7.324	4.1%
Uruguayan Peso	32.397	33.260	-2.6%

End year (Currency/€)

	Dec 17	Dec 16	% Change
Euro	1.000	1.000	0.0%
US Dollar	1.199	1.054	13.8%
Canadian Dollar	1.504	1.419	6.0%
Mexican Peso	23.661	21.772	8.7%
Brazilian real	3.967	3.435	15.5%
Czech crown	25.535	27.021	-5.5%
British Pound	0.887	0.856	3.6%
Serbian Dinar	118.473	123.472	-4.0%
Chinesse yuan remminbi	7.802	7.307	6.8%
Uruguayan Peso	34.548	30.927	11.7%

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