



Results | 1H16

2016, 29th July

1H16 Sharp rise in quarterly Net profit despite revenue weakness

Selected financial data (MM €)

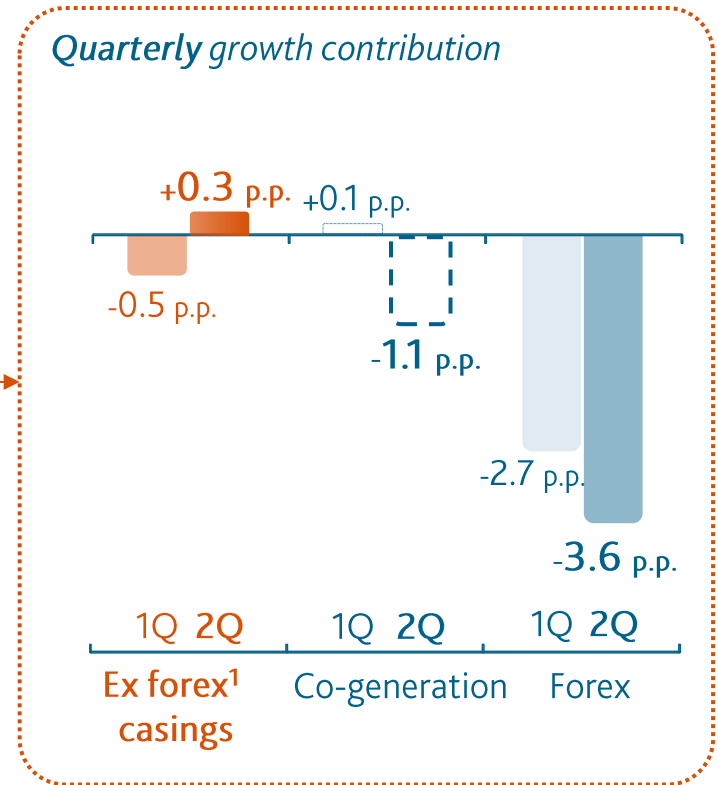
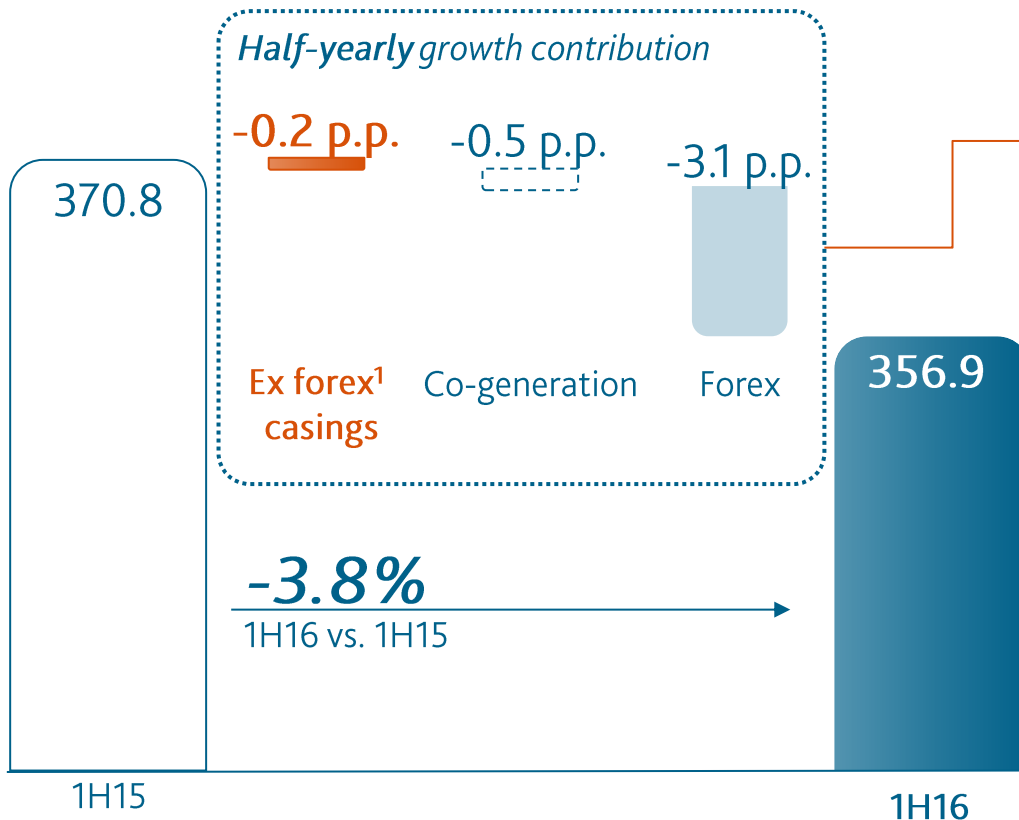
	2Q16	% y-o-y	% y-o-y Like-for-like ¹	1H16	% y-o-y	% y-o-y Like-for-like ¹
Revenue	182.4	-4.4%	-0.6%	356.9	-3.8%	-0.5%
EBITDA	51.5	-4.6%	-0.1%	100.7	-6.7%	+0.6%
<i>EBITDA margin</i>	28.2%	-0.1 p.p.	+0.1 p.p. ✓	28.2%	-0.9 p.p.	+0.3 p.p. ✓
EBIT	39.4	-3.1%		76.4	-6.2%	
Net profit from continuing ops.	32.6	+8.6%	✓	59.9	-0.3%	+2.3% recurring ² ✓

¹ For comparative purposes, like-for-like growth excludes the impact of the different exchange rates and non-cash profit recorded in 2015 due to the outsourcing of pension plans in the US.

² Exclude non-cash profit recorded in 2015 due to the outsourcing of pension plans in the US.

1H16 A slight recovery in casings, but not enough to offset the forex and co-generation environment.

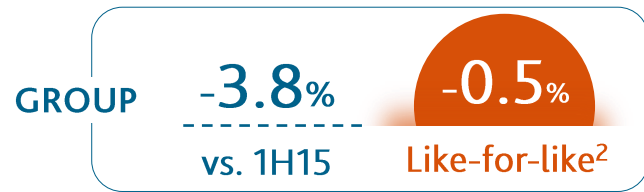
Group Revenue (MM€)



¹For comparative purposes, like-for-like growth excludes the impact of the different exchange rates.

1H16 Volume strength in North America and Europe and Asia offset the weakness of Brazil's backdrop.

Revenue breakdown by geographical area¹ (MM €)



EUROPE AND ASIA



+0.2%

vs. 1H15

+1.1%

Like-for-like²

NORTH AMERICA



-1.2%

vs. 1H15

+3.0%

Like-for-like²

LATAM

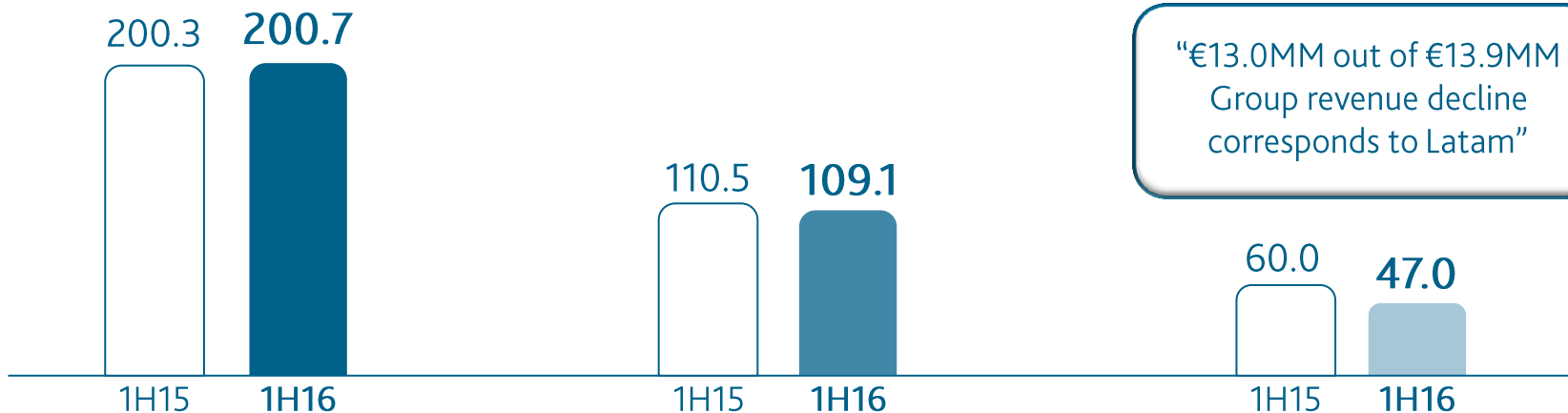


-21.6%

vs. 1H15

-12.5%

Like-for-like²

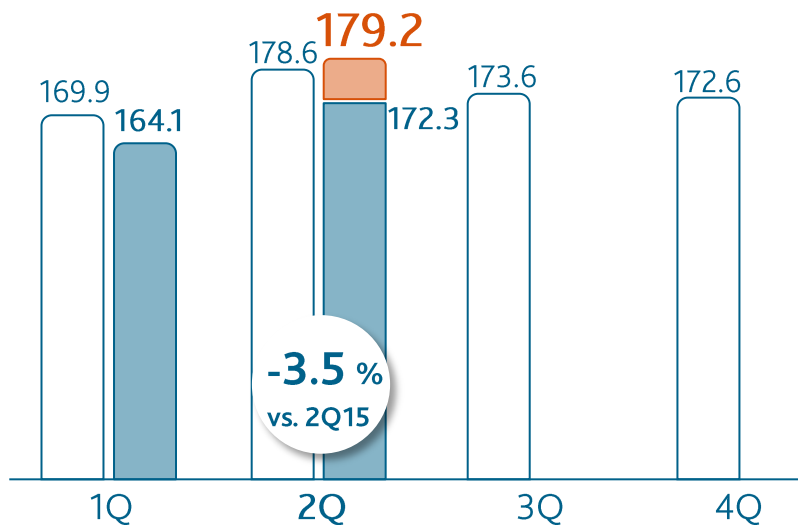


“€13.0MM out of €13.9MM Group revenue decline corresponds to Latam”

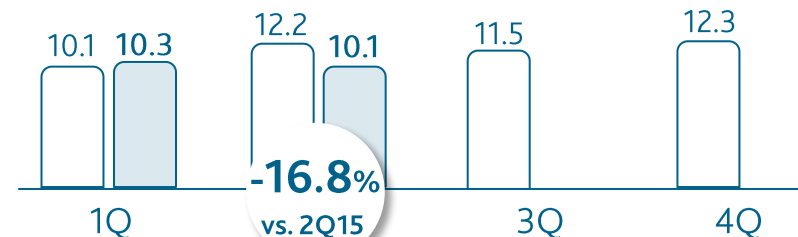
¹ Revenue per origin of sales.

² In comparative terms, organic growth excludes the impact of the variation of different types of exchange rates.

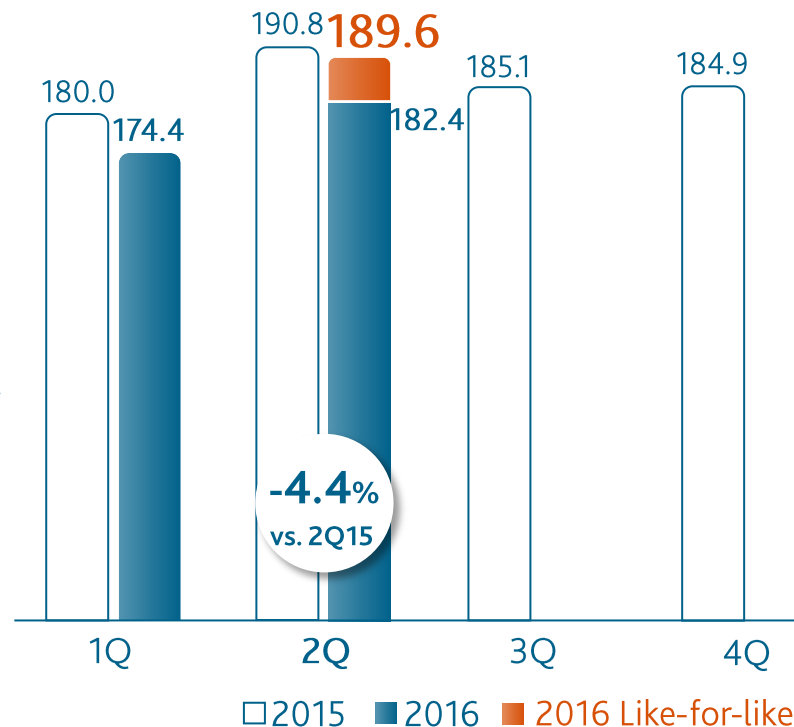
Casings sales (MM €)



Co-generation revenue (MM €)



Viscofan Group revenue (MM €)

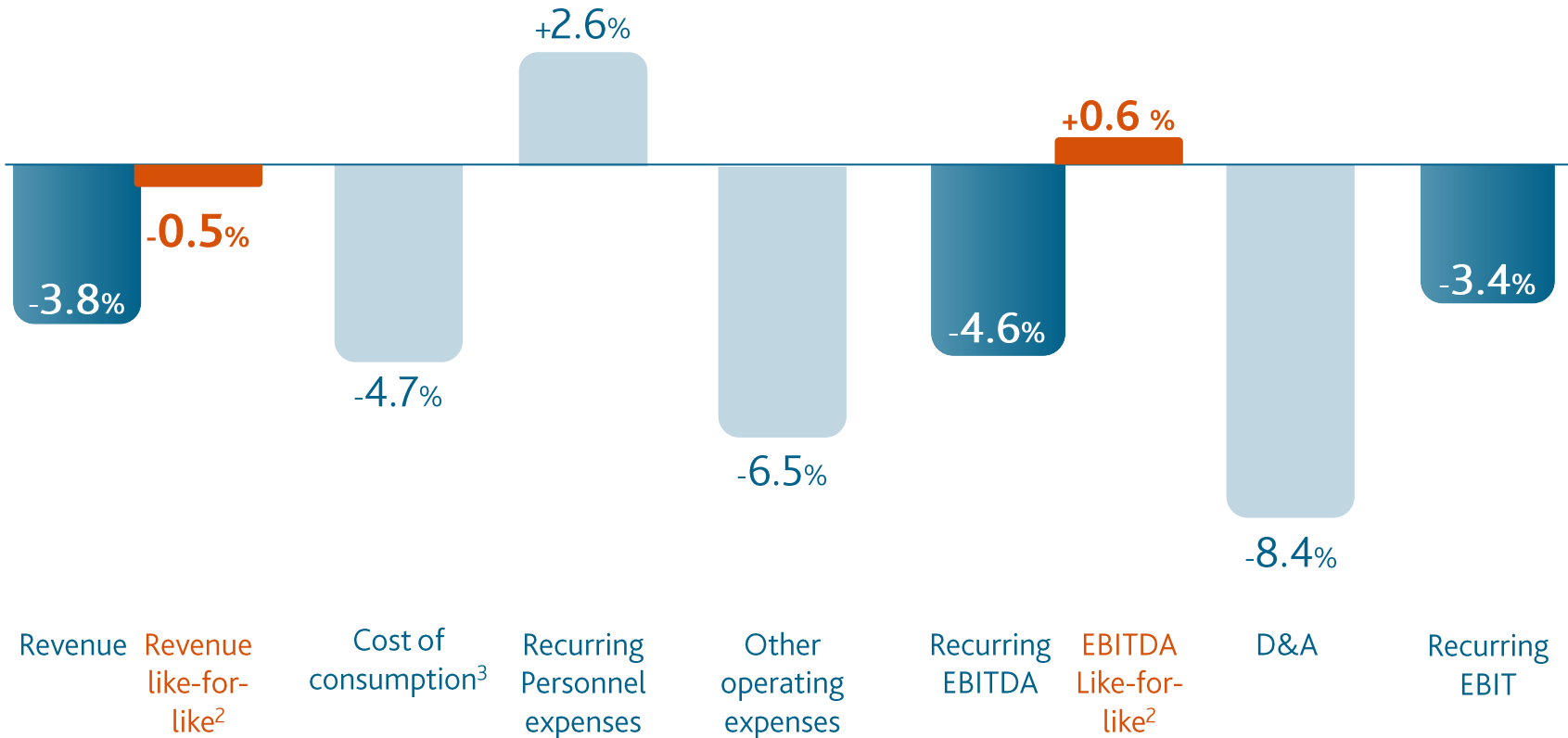


¹ For comparative purposes, like-for-like growth excludes the impact of the different exchange rates.



1H16 We keep on combining cost control and improvement and growth plans with a solid commercial discipline.

1H16 Recurring¹. Year-on-year change



¹ Exclude a positive non-cash profit of €2.4MM recorded in 2015 in personnel costs due to the outsourcing of pensions plans in the US.

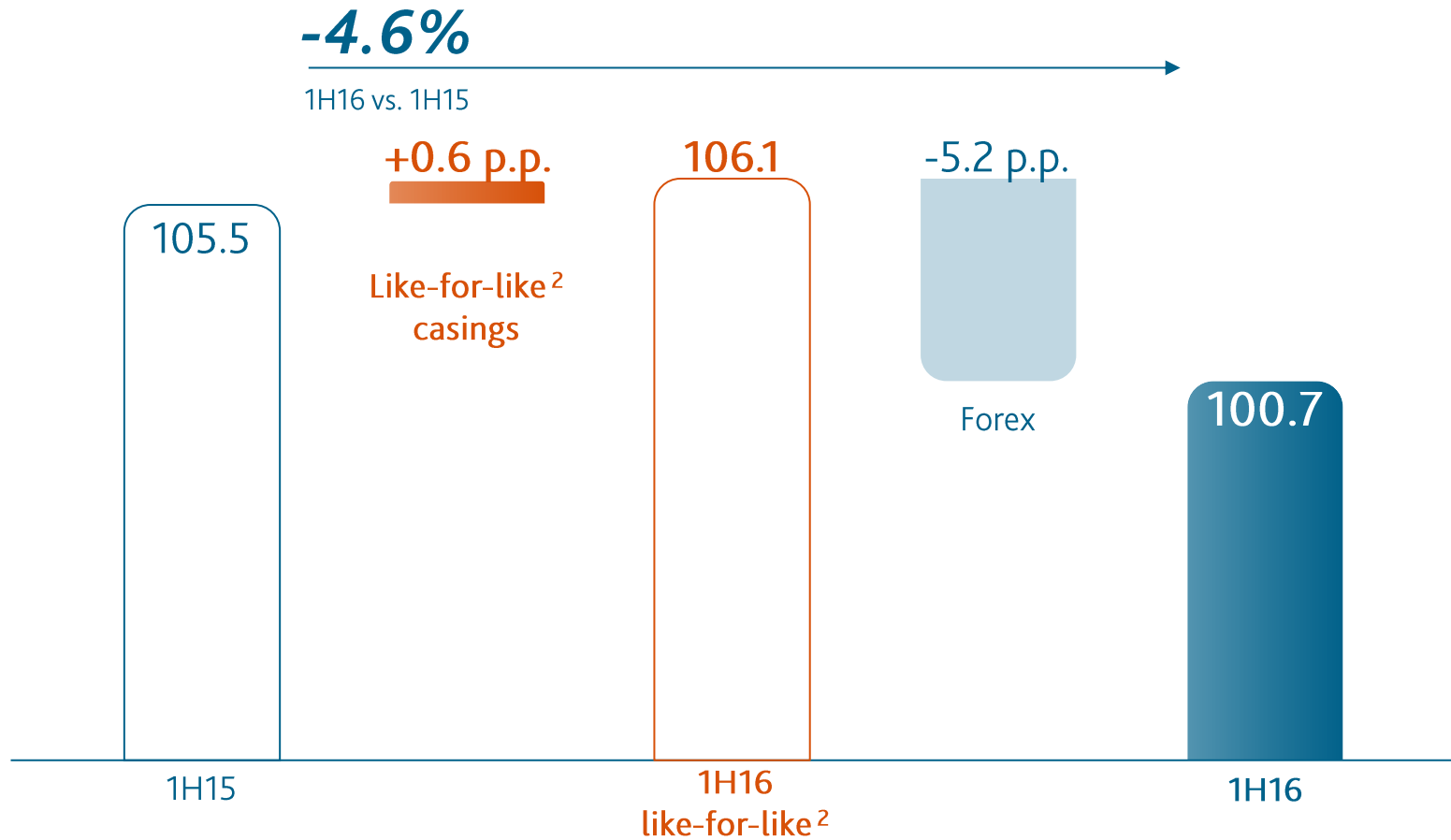
² For comparative purposes, like-for-like growth excludes the impact of the different exchange rates.

³ Cost of consumption= Net purchases +/- Changes in inventory.



1H16 Forex environment dwarfs like-for-like improvement in operating results.

Recurring ¹ EBITDA (MM€) and growth contribution (p.p.)



¹ Exclude non-cash profit recorded in 2015 due to the outsourcing of pension plans in the US.

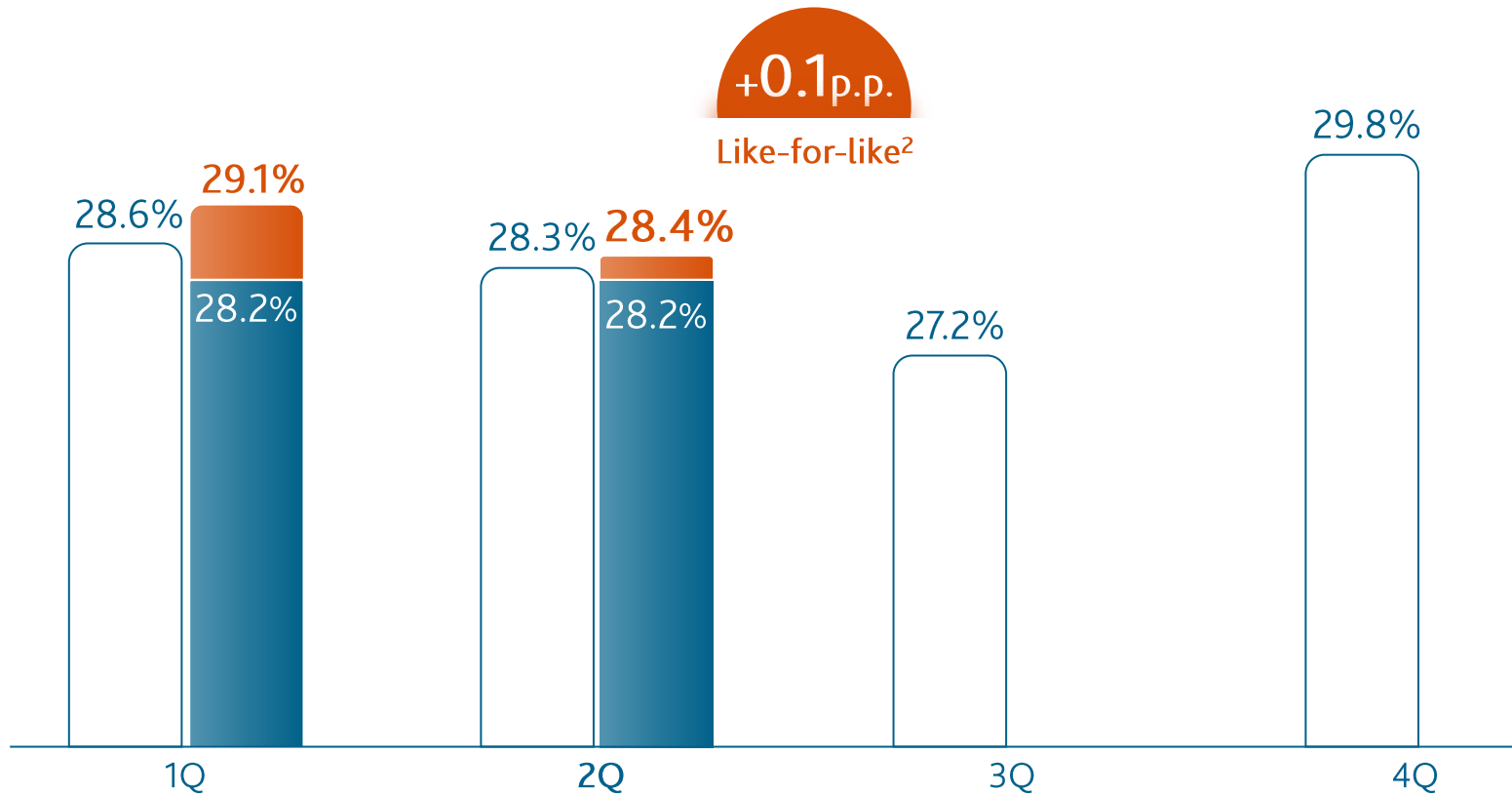
² For comparative purposes, like-for-like growth excludes the impact of the different exchange rates.



1H16 Strong like-for-like margin driven by operational improvements and cost savings despite lower operational leverage from volume...

Quarterly recurring¹ EBITDA margin (%)

□ 2015 ■ 2016 ■ 2016 like-for-like²



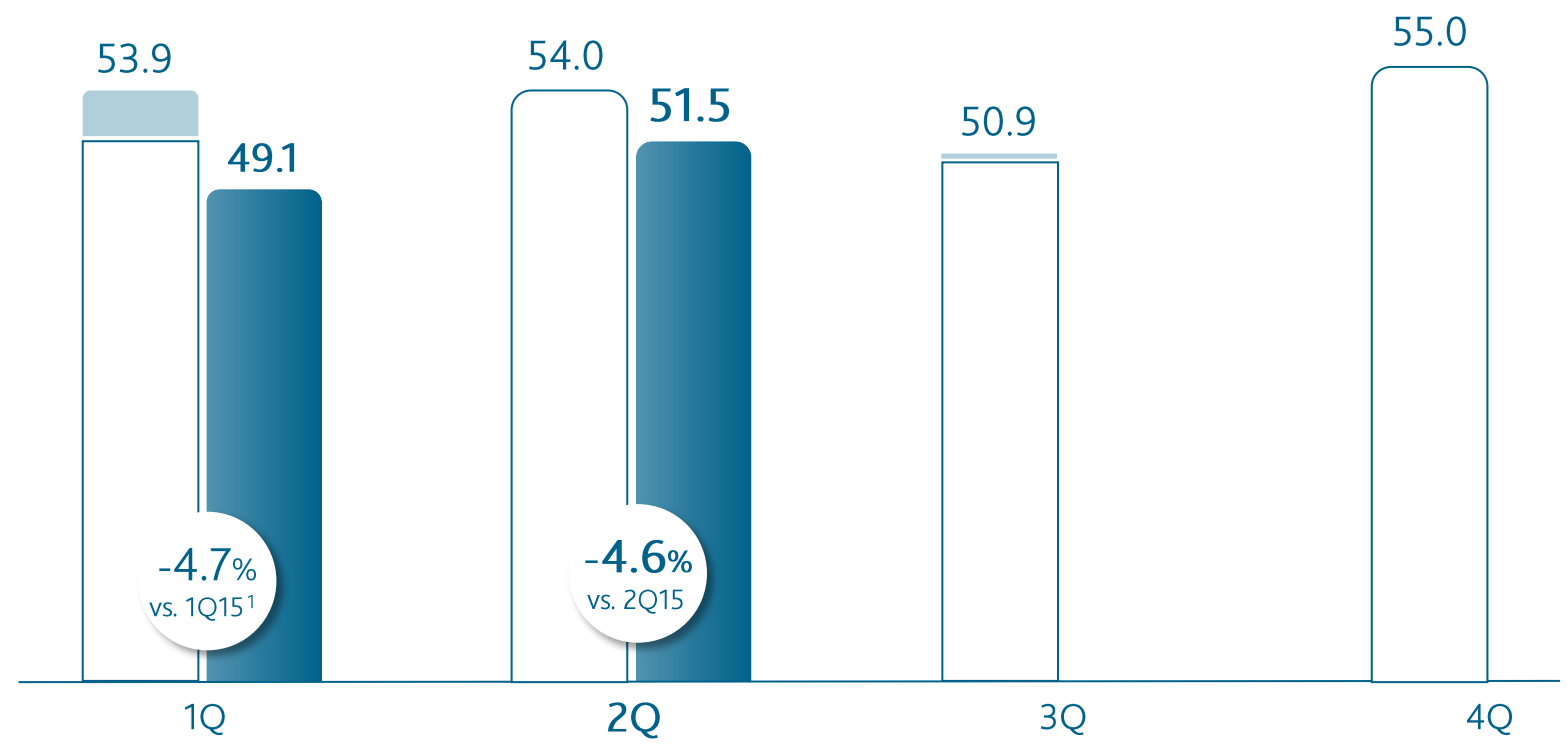
¹ Exclude non-cash profit recorded in 2015 due to the outsourcing of pension plans in the US.

² For comparative purposes, like-for-like growth excludes the impact of the different exchange rates.

1H16 ... but still not enough to reach quarterly EBITDA growth.

Quarterly EBITDA (MM€)

□ 2015¹ ■ Non recurring impact ■ 2016

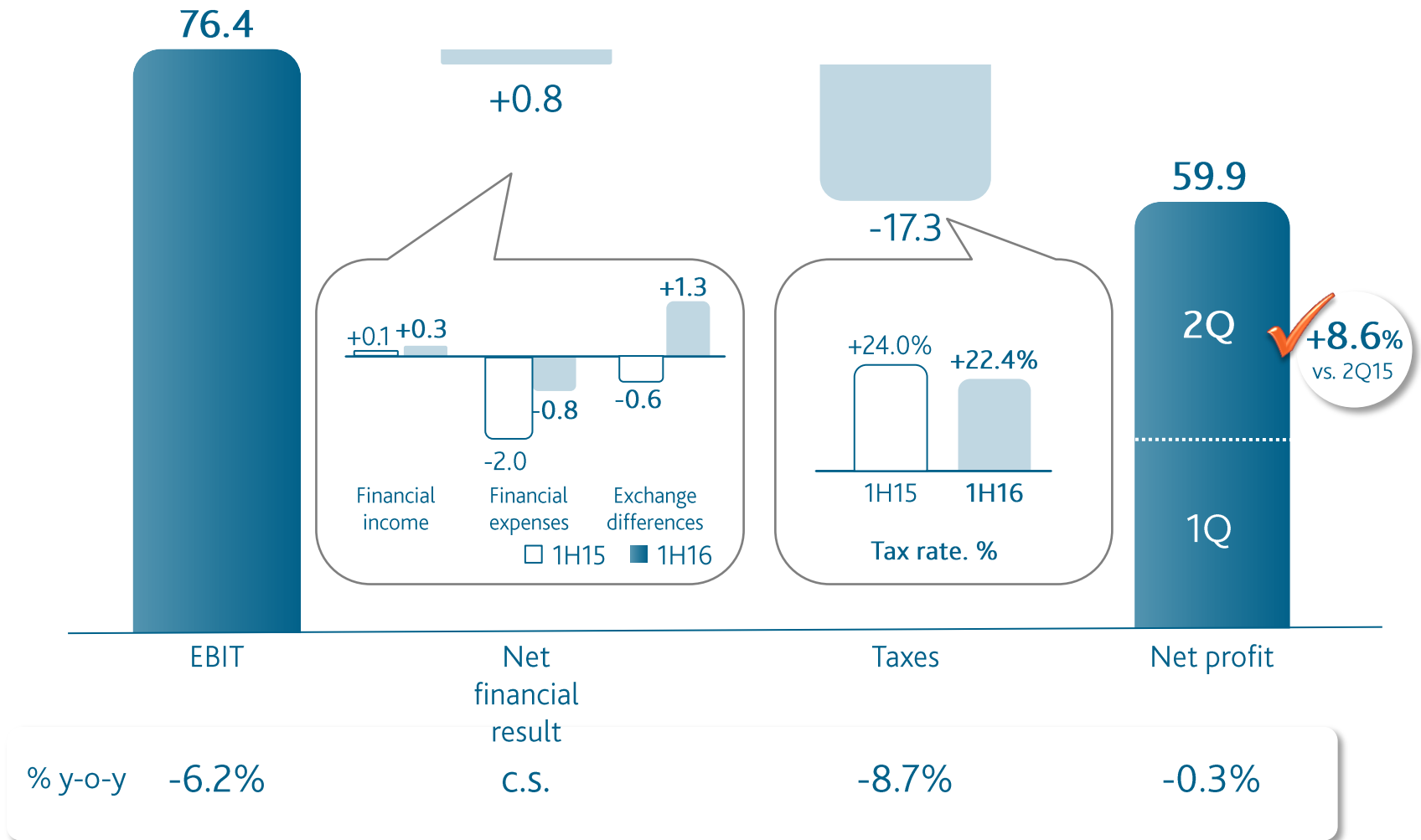


¹ Exclude non-cash profit recorded in 2015 due to the outsourcing of pension plans in the US.



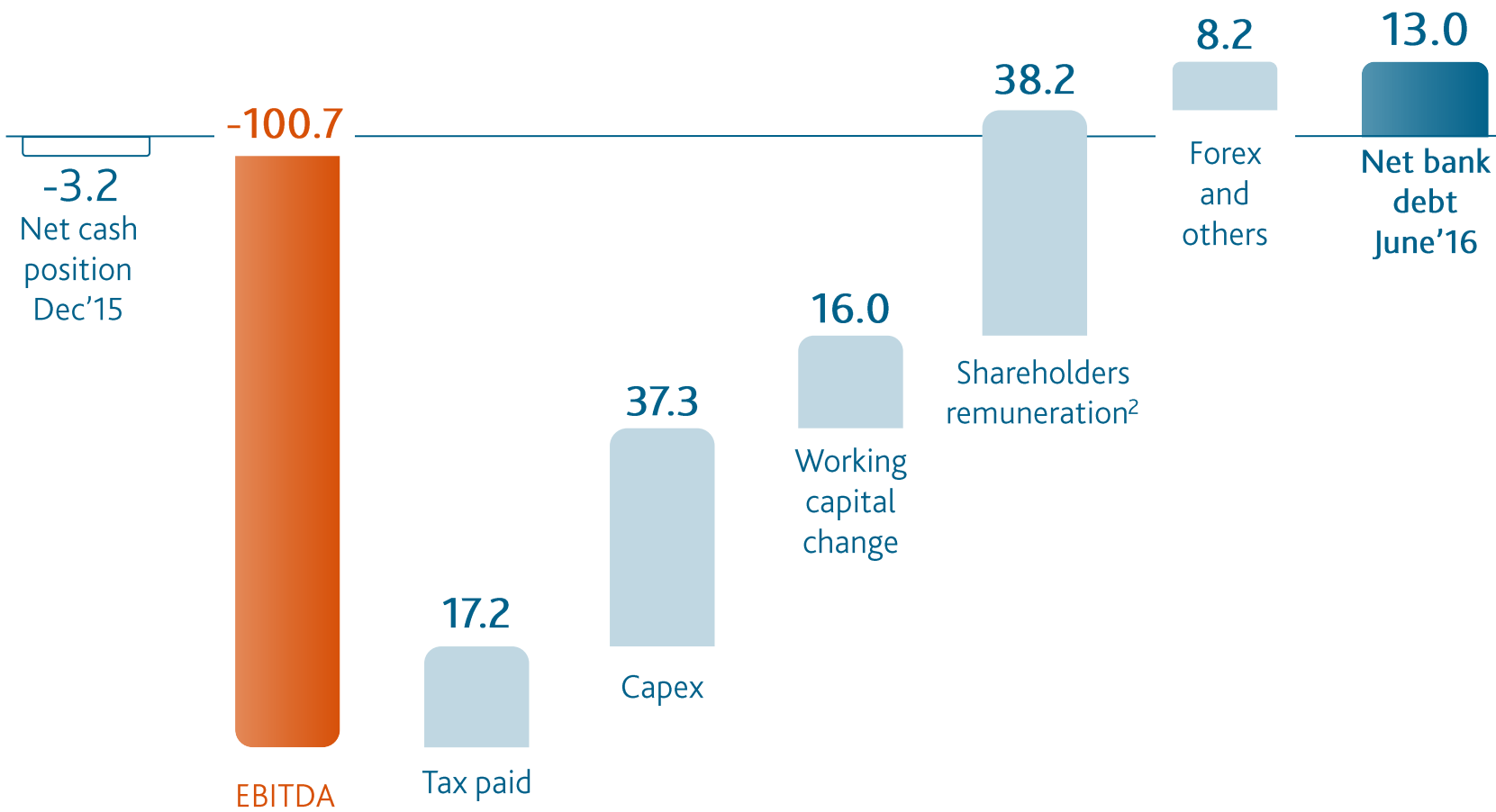
1H16 Lower financial expenses, positive exchange differences and better tax rate contribute to Net profit performance.

Half-yearly EBIT - Net Profit bridge (MM €)



1H16 Net bank debt evolution.

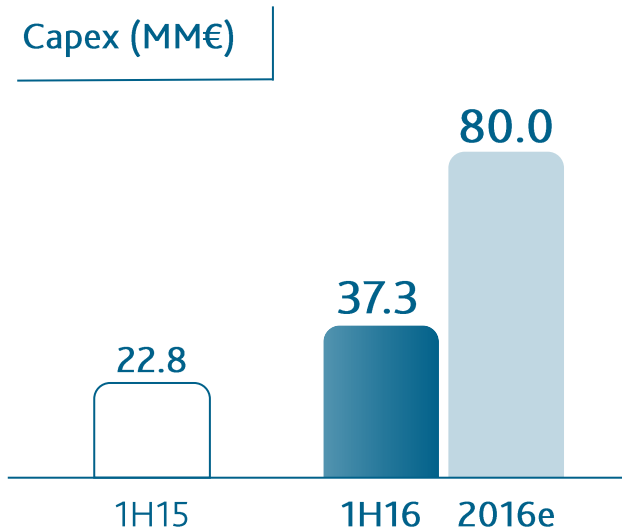
Net bank debt¹ evolution (MM €)



¹ Net bank debt = Non-current bank borrowings + Current bank borrowings – Cash and equivalents.

² Includes 0.82€ final dividend paid in June 2016.

1H16 Growth drivers remain solid in the medium and long term...



... and that is why we have many projects to further improve the value proposition to the market

- ✓ Construction of the fibrous plant in Cáteda
- ✓ Construction of the plastics plant in Cáteda
- ✓ New collagen capacity in Uruguay
- ✓ Asia: Operational progress in efficiency and portfolio development
- ✓ North America: Operational improvement, R&D and portfolio

	Guidance 2016		New Guidance
Revenue	+2%/4%	X →	-1%/+1%
EBITDA	+4%/6%	X →	+0%/2%
Net profit from continuing Ops.	+6%/8%	✓ →	+6%/8%

“Weakness in Latam and forex context reduce growth forecasts in Revenue and EBITDA targets while the high single growth target in Net Income is maintained”

To wrap up

- ✓ Like-for-like revenue **growth** driven by volumes in **North America, Europe and Asia** against the sharp **decline** in volumes and currency in **Latam**.
- ✓ The combination of **cost control** and **operational improvement** projects **shore up our positioning** to take advantage of future expected growth in coming years.
- ✓ Higher-than-expected weakness in Latam is adjusted in our forecasts, nevertheless, **our growth potential in Net profit remains intact**.
- ✓ Carrying out **capex according to plan** (80 million € in the year) aiming to reinforce our leadership in the market in line with “**MORE TO BE**” strategy plan.

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