

## PRESS RELEASE

### **VIDRALA, S.A. 2015 BUSINESS PERFORMANCE**

#### **Main Figures**

	<b>FY 2015</b>	<b>FY 2014</b>	<b>Change %</b>
Sales (EUR million)	<b>802.6</b>	468.4	+71.4%
EBITDA (EUR million)	<b>161.3</b>	108.5	+48.6%
Earnings per share (EUR)	<b>2.46</b>	2.08	+18.0%
Free cash flow (EUR million)	<b>88.2</b>	72.3	+22.0%

*Financial information related to 2015 includes the full consolidation of Encirc Ltd, acquired at the start of the year.*

- ✓ Sales reported for the full year 2015 increased by 71.4% to EUR 802.6 million. On a comparable structure basis, sales grew 5.0% over the same period of the previous year.
- ✓ Operating profit, EBITDA, was EUR 161.3 million representing an operating margin of 20.1%.
- ✓ Earnings per share rose 18.0% over the same period last year reaching EUR 2.46.
- ✓ Free cash flow generated during the year accumulated EUR 88.2 million. As a result, net debt was reduced down to EUR 404.3 million or 2.51 times last twelve months EBITDA.

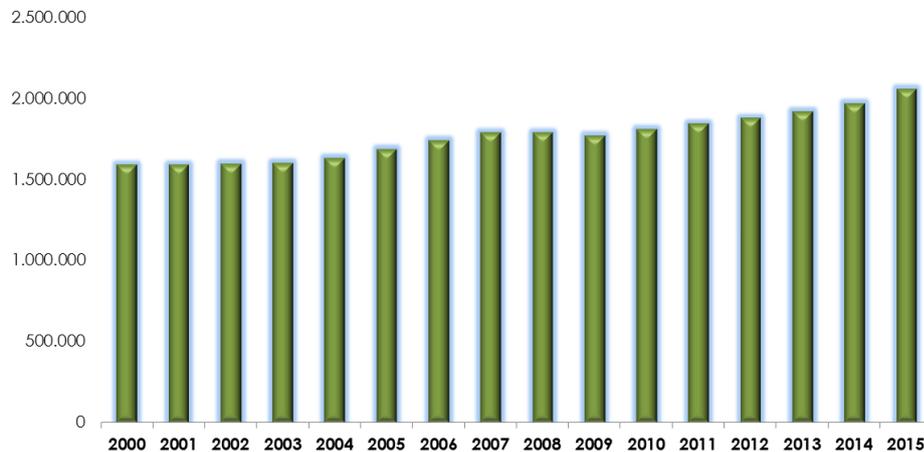


## Market review

Global demand for food and beverage packaged products progressed steadily. This is explained by the gradual evolution of consumption habits, the development of modern trading patterns and the general sociodemographic progress.

Globally, estimated annual growth of food products contained in rigid packaging was 4%, representing nearly 5% of global GDP. These figures prove the consistency of sustained growth.

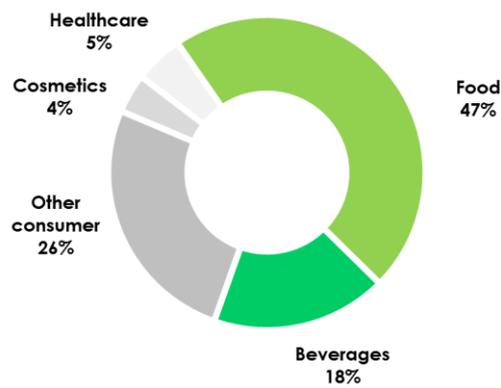
**WORLDWIDE SALES OF PRODUCTS SOLD IN RIGID CONTAINERS**  
EVOLUTION IN ANNUAL MILLION UNITS



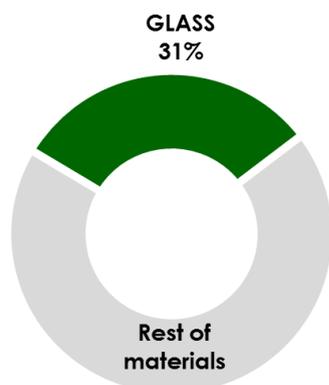
Globalisation of trading systems and the development of consumption habits make packaging play an essential role. The rapid expansion of food and beverage trading is partially sustained on the existence of a sustainable chain of product packaging, preservation and distribution. In fact, there is a gradual trend of consuming packaged products versus products in bulk. It is the result of the efforts implemented to develop efficient distribution channels, to reduce loss of perishable products and to guarantee final consumption in the best possible conditions.

Amidst this progress, glass is perceived as the preferred packaging material. Consumers worldwide increasingly demand healthy packaging solutions, able to preserve the product, environmentally friendly, able to show it through an attractive design and to improve the consumption experience. Research on food matters proves glass to be the healthiest material. Glass guarantees the best packaging conditions, preserving the product fresh and healthy, minimizing expiration and reducing waste from spoilage. From an environmental point of view glass is a unique material, fully recyclable an unlimited number of times. Furthermore, glass packaging helps the brand owner to promote its products, inform end users of the content and boost its image.

GLOBAL PACKAGING INDUSTRY  
PACKAGING END-USES  
YEAR 2015

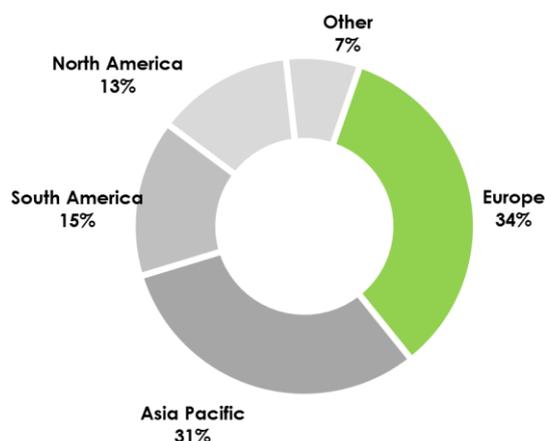


RIGID PACKAGING FOR FOOD AND BEVERAGES  
GLASS SHARE  
YEAR 2015

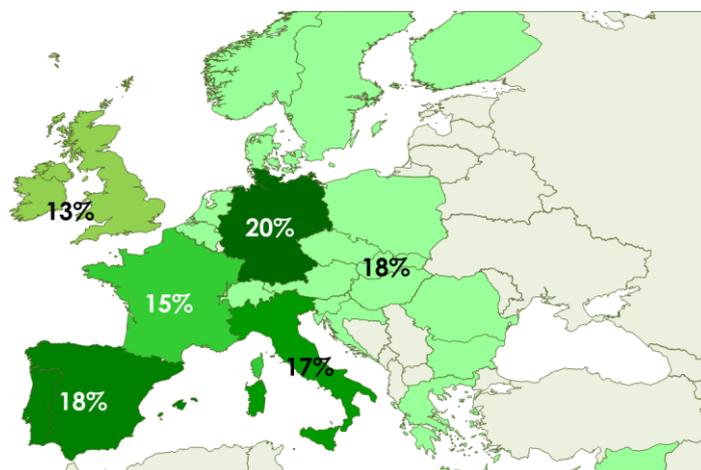


Geographically, Western Europe remains the biggest area for consumption of glass containers globally. Western Europe is a region represented by largely developed economies where demographic and social features increasingly address consumption preferences towards premium products, individually packaged. Furthermore, Europe concentrates, due to its special cultural features, on different areas of production, packaging and subsequent export of products increasingly demanded by consumers worldwide.

GLOBAL GLASS PACKAGING INDUSTRY  
FOR FOOD AND BEVERAGES  
BREAKDOWN BY GEOGRAPHIC REGION

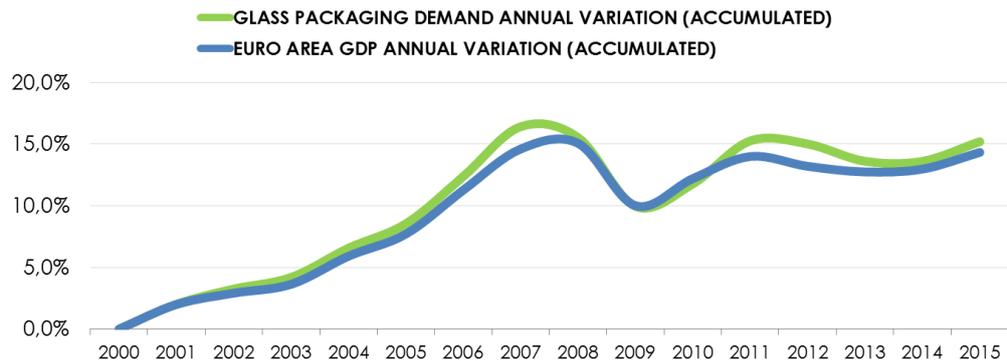


EUROPEAN GLASS PACKAGING MARKET  
FOR FOOD AND BEVERAGES  
BREAKDOWN BY COUNTRY



Under the general economic context and the consumption trends observed during 2015, glass packaging demand for food and beverage products in Europe remained stable, showing modest signs of recovery.

**EVOLUTION OF DEMAND FOR GLASS PACKAGING IN WESTERN EUROPE**  
IN PERCENTAGE TERMS SINCE 2000



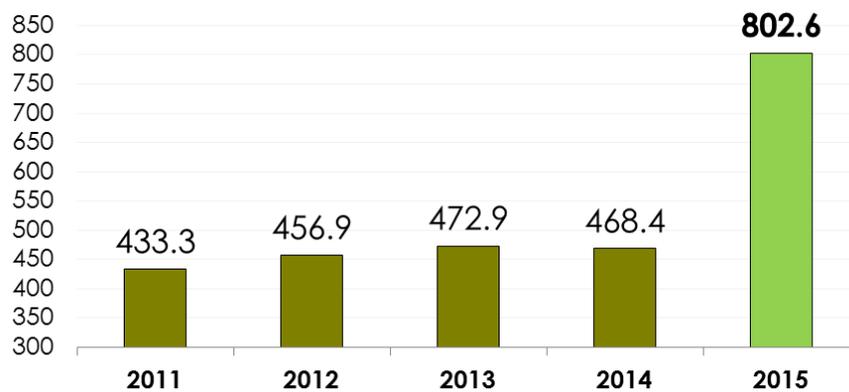
All mentioned above proves the solid market fundamentals in which Vidrala develops its activity. On a long-term perspective, demand for glass containers will remain conditioned by aspects such as demographic evolution and social development, private consumption growth and progressive development of consumption habits towards premium products. In this context, Vidrala's commercial positioning is based on its international footprint, its diversification between economically stable regions, and primarily the solid internal priority towards consolidating current commercial relationships and delivering the customer a first class service.



## 2015 overview

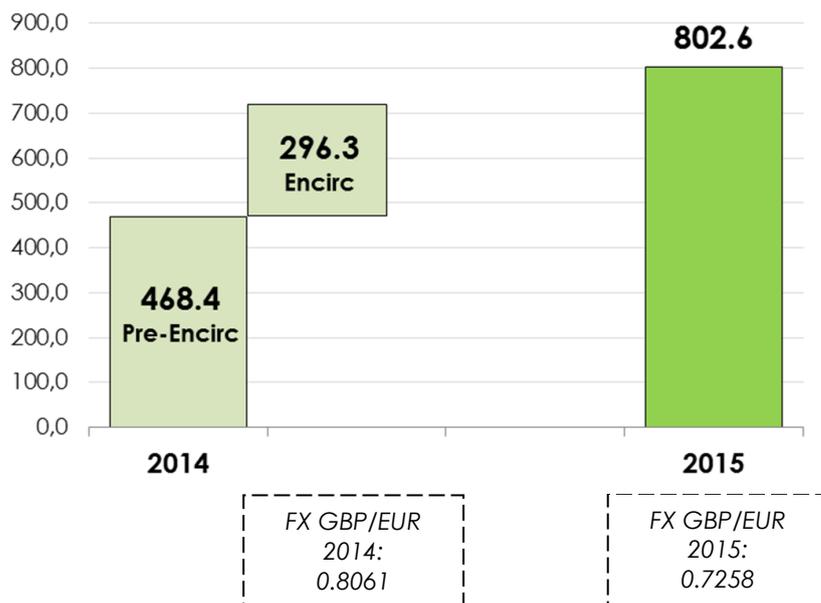
Net sales registered by Vidrala during the year 2015 amounted to EUR 802.6 million, representing an increase of 71.4% over the previous year.

**SALES**  
**ANNUAL ACCUMULATED SINCE 2011**  
EUR in millions

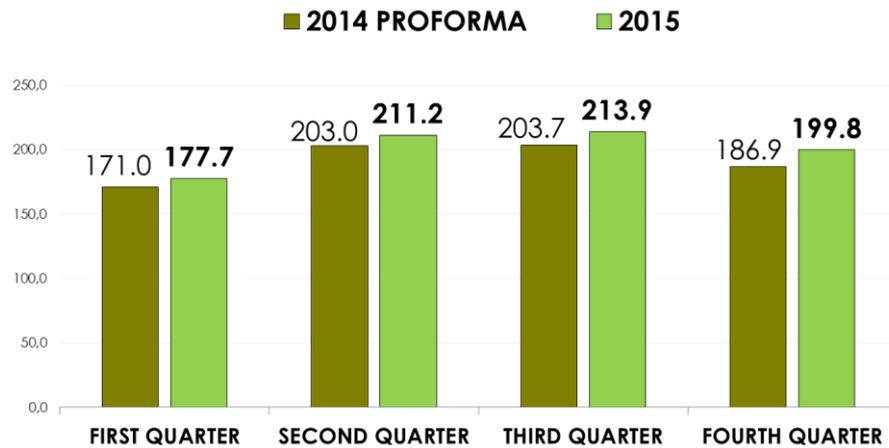


On a comparable structure basis, including Encirc figures within the previous year, sales grew 5.0% annually thanks to a favorable currency translation effect and to increased sales volumes.

**SALES**  
**YEAR OVER YEAR CHANGE**  
EUR in millions

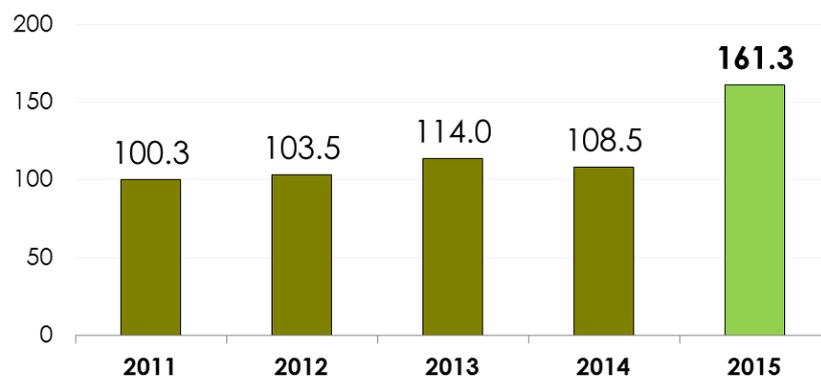


**SALES**  
**QUARTER BY QUARTER 2014 proforma vs 2015**  
 EUR in millions



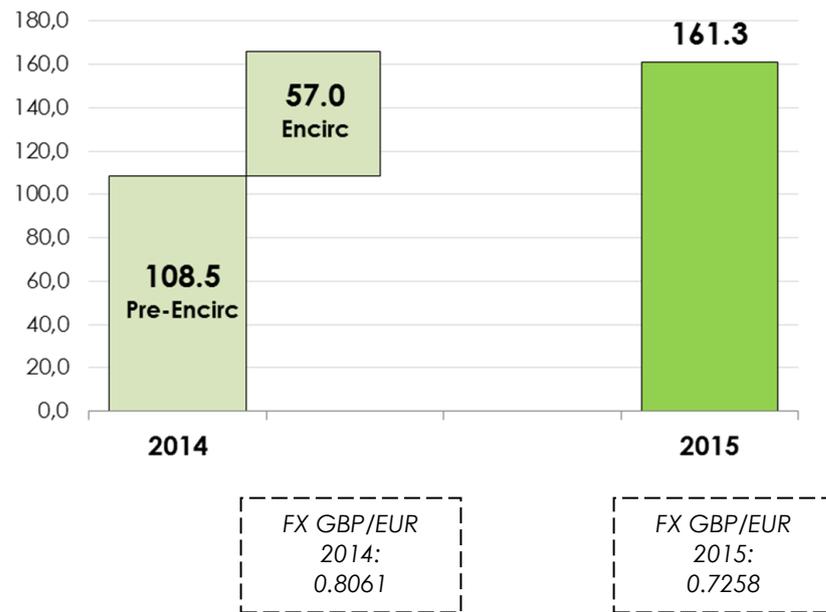
Operating profit, EBITDA, generated during the period reached EUR 161.3 million, representing a margin over sales of 20.1%.

**EBITDA**  
**ANNUAL ACCUMULATED SINCE 2011**  
 EUR in millions



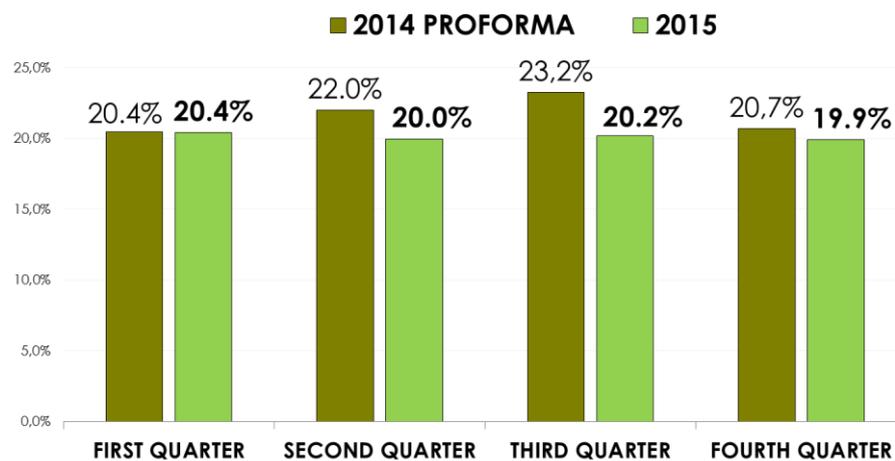
## EBITDA YEAR OVER YEAR CHANGE

EUR in millions



## OPERATING MARGINS (EBITDA) QUARTER BY QUARTER 2014 proforma vs 2015

As percentage of sales



EUR in millions (except margins as a % of sales)	2015	2014
<b>SALES</b>	<b>802.6</b>	<b>468.4</b>
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>161.3</b>	<b>108.5</b>
<b>EBITDA MARGIN</b>	<b>20.1%</b>	<b>23.2%</b>
<b>OPERATING PROFIT (EBIT)</b>	<b>86.3</b>	<b>69.6</b>
<b>EBIT MARGIN</b>	<b>10.8%</b>	<b>14.9%</b>

Net profit during the year 2015 reached EUR 60.9 million. This incorporates an effective annual cost of debt of 1.3% of sales and a tax rate of 19.5%.

As a result, earnings per share over 2015 amounted to EUR 2.46. This represents an increase of 18.0% over the previous year.

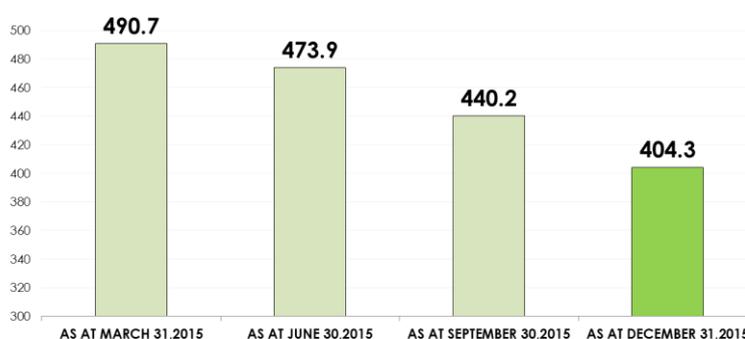
EUR in millions (except EPS in EUR/share)	2015	2014
<b>OPERATING PROFIT (EBIT)</b>	<b>86.3</b>	<b>69.6</b>
<b>PROFIT BEFORE TAX</b>	<b>75.6</b>	<b>66.2</b>
<b>NET PROFIT</b>	<b>60.9</b>	<b>51.6</b>
<b>EPS</b>	<b>2.46</b>	<b>2.08</b>

The free cash flow generated during 2015, excluding the payment for the acquisition of Encirc, amounted to EUR 88.2 million (11% of sales). This represents an increase of 22% over the previous year or a cash conversion ratio of 145%. It is the result of a disciplined long-term capex plan execution and a progressive optimisation of working capital requirements.

The cash generated was mainly allocated to reducing net debt which was reduced down to EUR 404.3 million, equivalent to 2.5 times accumulated EBITDA.

## DEBT QUARTERLY EVOLUTION 2015

EUR in millions



DEBT/EBITDA	2.94x	2.87x	2.72x	2.51x
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## Conclusions

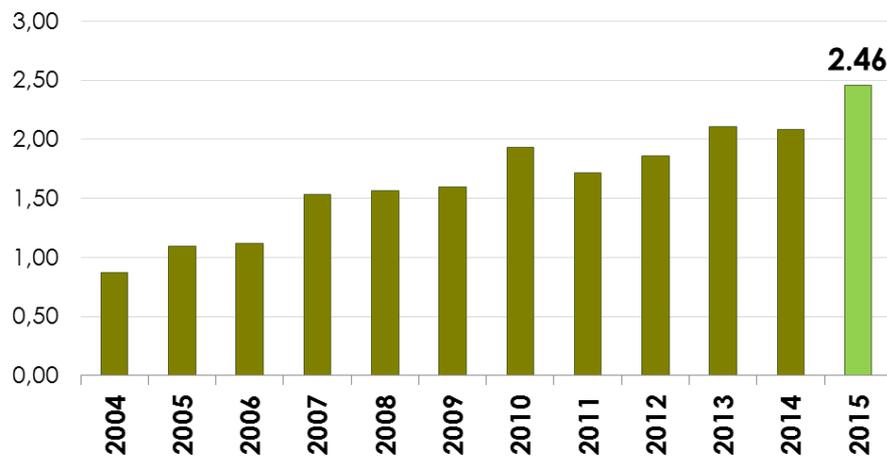
In the context of a particularly tough year due to pressured operating margins and the financial leverage assumed for the acquisition of Encirc, earnings per share growth proved the solid business profile and the accretive value of the new perimeter.

At the same time, organic cash generation allowed the strengthening of business solvency ratios.

As a result, during 2015 Vidrala widened its footprint in the European glass packaging market, as a broader company, multinational, strategically diversified, supplier of reference within the packaging industry and with an endorsed vocation towards developing long term customer relationships. Full year 2015 results confirm the solid business structure and should be considered as the starting point of the future to come.

### EARNINGS PER SHARE (ADJUSTED) SINCE 2004

EUR per share



## Outlook

Consumption of food and drinks products show general signs of recovery which should continue in 2016 regarding growth prospects along main European regions. In this context, demand for glass containers should keep on increasing benefited by a growing preference for this material by packagers and final consumers. Vidrala's sales evolution will reflect the market environment sustained on the previously proven solid business profile.

Operationally, margins throughout the packaging industry remain affected under a context in which increasing competition is pressurising sales prices downwards. The gradual normalisation of previous levels should be a priority. In this context, Vidrala will keep on implementing internal actions focused on ensuring cost competitiveness, targeted levels of quality and customer service and reinforcing business operating profitability.

In any case, long-term priorities will remain firmly focused on the strategic targets of customer service, cost competitiveness and cash generation, as an undeniable source of value creation.



## Relevant information for shareholders

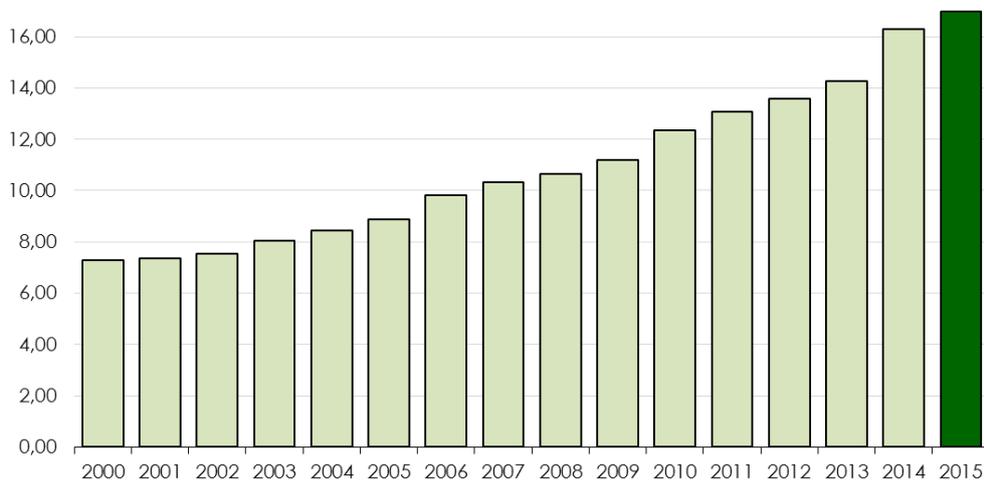
### Shareholder remuneration policy

The shareholder remuneration policy implemented by Vidrala is based on the gradual growth in cash dividends as the main way of distributing benefits. Annual payments are typically increased by attendance bonuses to the shareholders' annual general meeting. In addition, Vidrala develops complementary remuneration measures considered efficient and coherent with the business fundamentals.

Consistent with that policy, cash dividends and attendance bonuses paid during the year 2015 amounted to EUR 68.46 cents per share, increased by 5.0% over the previous year, considering all shares offered in the bonus share issue executed at the end of 2014 were entitled to receive these economic rights.

Regarding 2016 shareholder remuneration, Vidrala announced a results distribution proposal that implies a 10% increase on its dividend versus the previous year. This first interim payment was paid on February 15, 2016.

CASH DIVIDENDS (INCLUDES AGM ATTENDANCE BONUSES)  
EUR in millions. Since 2000.



## The share

Vidrala's share price at the end of 2015 stood at EUR 46.55 euros, equivalent to a market cap of EUR 1,154 million. This represents an increase, not considering dividends, of 22.5% for the year 2015.

A total of 4.3 million shares were traded on the stock exchange during the year which was equivalent to EUR 188.0 million.

### Share price. Compared in percentage terms. Since 2007

