

VIDRALA, S.A. BUSINESS PERFORMANCE FIRST NINE MONTHS 2017

Main Figures

NINE MONTHS ENDED

	SEPTEMBER 2017	SEPTEMBER 2016	Change %	Change. Comparable currency basis %
Sales (EUR million)	612.2	592.2	+3.4%	+6.8%
EBITDA (EUR million)	146.1	129.5	+12.8%	+15.9%
Earnings per share (EUR)	2.79	2.17	+28.4%	
Net debt (EUR million)	255.4	345.1	-26.0%	

- ✓ Sales during the first nine months amounted to EUR 612.2 million, showing an organic growth of 6.8%.
- ✓ Operating profit, EBITDA, was EUR 146.1 million representing an operating margin of 23.9%.
- ✓ Net debt at September 30, 2017 stood at EUR 255.4 showing a reduction of 26% over the last twelve months.

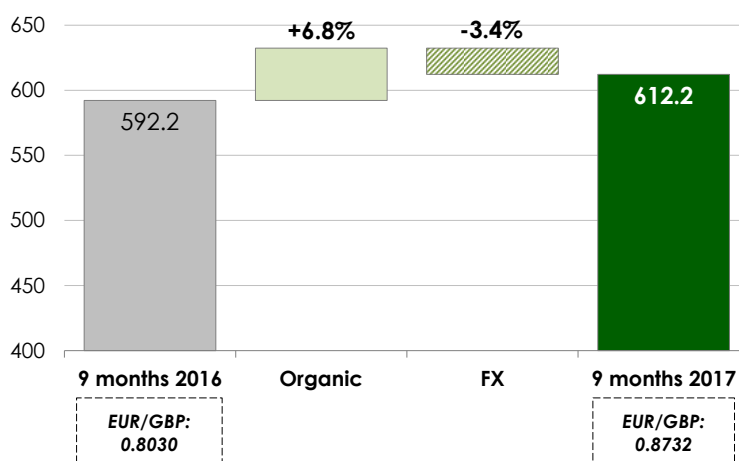


Sales

Net sales registered by Vidrala during the first nine months of 2017 amounted to EUR 612.2 million, representing an increase of 3.4% over the previous year. On a constant currency basis, organic sales growth was 6.8%.

SALES YEAR OVER YEAR CHANGE

EUR million



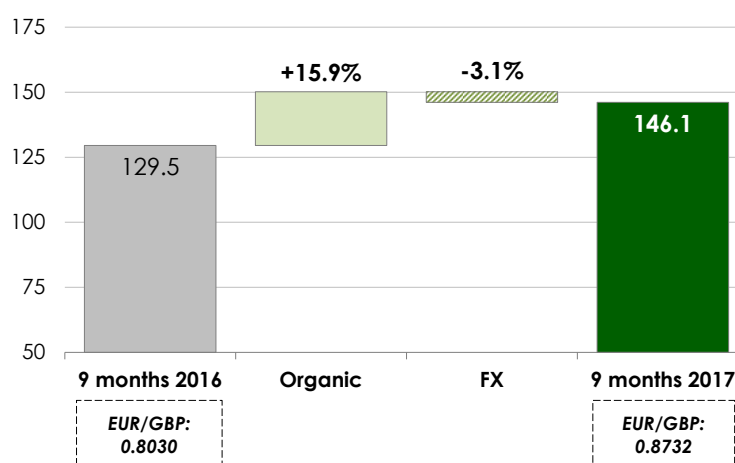
Operations

Operating profit –EBITDA– generated over the first nine months reached EUR 146.1 million. It represents an increase of 12.8% over the figure reported last year reflecting an organic growth, on a constant currency basis, of 15.9%.

Over sales, EBITDA reached an operating margin of 23.9%.

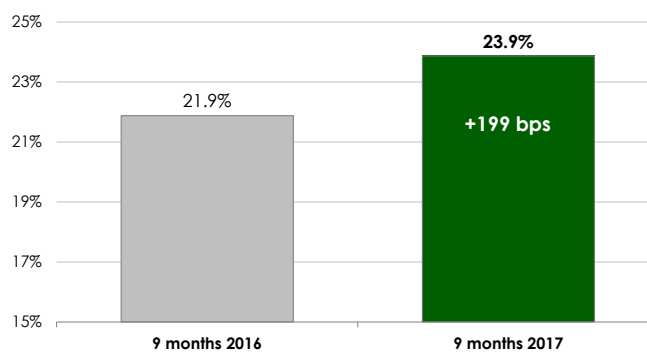
EBITDA YEAR OVER YEAR CHANGE

EUR million



OPERATING MARGINS (EBITDA) YEAR OVER YEAR CHANGE

As percentage of sales

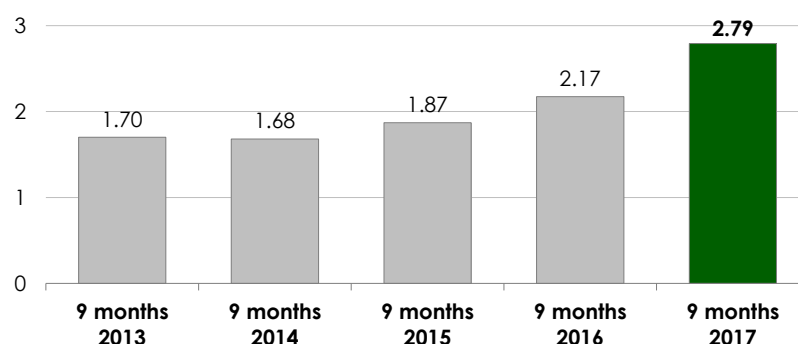


Results and financial position

Net profit obtained during the first nine months amounted to EUR 69.0 million. As a result, earnings per share during the period reached EUR 2.79. This represents an increase of 28.4% over the previous period.

EARNINGS PER SHARE FIRST NINE MONTHS SINCE 2013

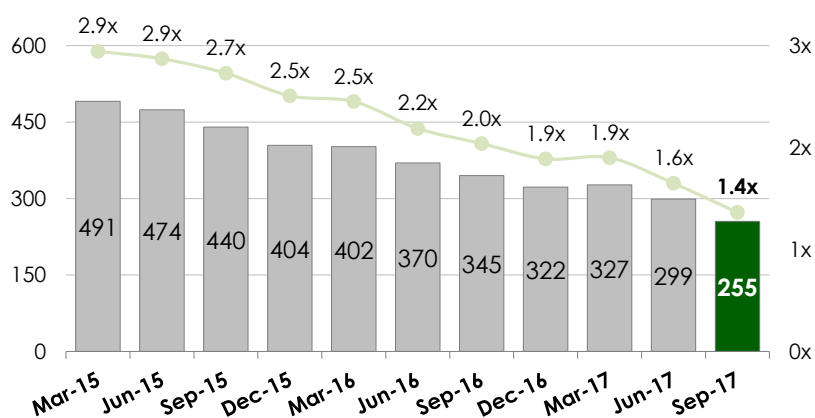
EUR per share



Net debt at September 30, 2017 stood at EUR 255.4 million. Leverage ratio stood at 1.4 times twelve months EBITDA.

NET DEBT YEAR OVER YEAR CHANGE

EUR million and times EBITDA



Significant events after the end of the period

On October 13, 2017, Vidrala completed the acquisition of the entire share capital of the Portuguese company Santos Barosa Vidros, S.A.

Santos Barosa manufactures and sells glass containers through a major production facility located in Marinha Grande, Portugal. The company produces more than 400,000 tons of glass per year and obtained an operating result, EBITDA last twelve months at September 2017, of EUR 32.8 million, equivalent to a margin of 25.1% over sales.

The deal, completed in an all-cash transaction, implies an enterprise value of EUR 252.7 million. The resulting leverage ratio of the Vidrala Group, following the financing issued to fund the transaction, is preserved at 2.3 times last twelve months proforma EBITDA.

Vidrala's board of directors and its management team have long admired Santos Barosa's business, founded on outstanding manufacturing facilities and strong commercial relationships in the attractive Iberian glass packaging market. Vidrala has proven capabilities in the integration of acquisitions, fostering their respective positioning, promoting customer satisfaction and contributing to their futures through its expertise in the packaging industry. Adding this complementary business to our footprint will result in compelling benefits to customers, employees and shareholders.



Outlook

Demand in the main European markets for glass containers remains stable, continuing to show overall growth trends. This is consistent with the prevailing economic environment, its corresponding materialization in the rhythm of the private consumption in these geographical areas, and the growing preference of packers and consumers towards glass, the preferred material for the packaging of food and beverages.

Under this context, Vidrala's business performance will continue to be backed by the solid and diversified business profile, which will be boosted by the incorporation of Santos Barosa as of the fourth quarter of this year. The integration of Santos Barosa expands turnover by more than 15%, being EPS accretive in the first year after closing.

Relevant information for shareholder

The Annual General Meeting of Vidrala was held on May 30, 2017. Among the resolutions therein adopted, which are fully available on the company website (www.vidrala.com), was the distribution of a complementary cash dividend from 2016 results.

A gross amount of EUR 22.10 cents per share was paid on July 14, 2017, representing an increase of 15% over the same payment of the prior year. Overall, cash dividends received by the Shareholders during 2017, including AGM attendance bonus, amounted to EUR 83.16 cents per share.

This is consistent with the dividend policy defined in Vidrala, focusing on the long term stability and the target of a sustained growth in the annual remuneration coherent with prevailing business conditions.