

Company Presentation

FEBRUARY 2014



vidrala

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Overview

vidrala :

- ✓ **Vidrala is Western Europe's fourth glass container manufacturer** through six complementary sites located in four countries.
- ✓ **Vidrala supplies** glass containers for a **wide variety** of products in the beverages and food industry, selling **more than 4.0 billion bottles and jars per year among more than 1,500 clients** and managing an **annual turnover of more than EUR 470 million** (EUR 473 million in FY 2013).
- ✓ Vidrala is a **public company listed in the Spanish Stock Exchange.**



Brief history



ORGANIC GROWTH

1965

Establishment of **Vidrerías de Alava S.A.**

1981

Industrial process innovation

1985

Vidrala goes public

1989

Subsidiary **CRISNOVA, S.A.** set up

2001

2001-2005 Strategic Plan

2003

Acquisition: GALLO VIDRO (Portugal)

2005

Acquisitions: VIDRALA ITALIA (Italy), **CASTELLAR** (Spain)

2007

Acquisition: MD VERRE (Belgium)

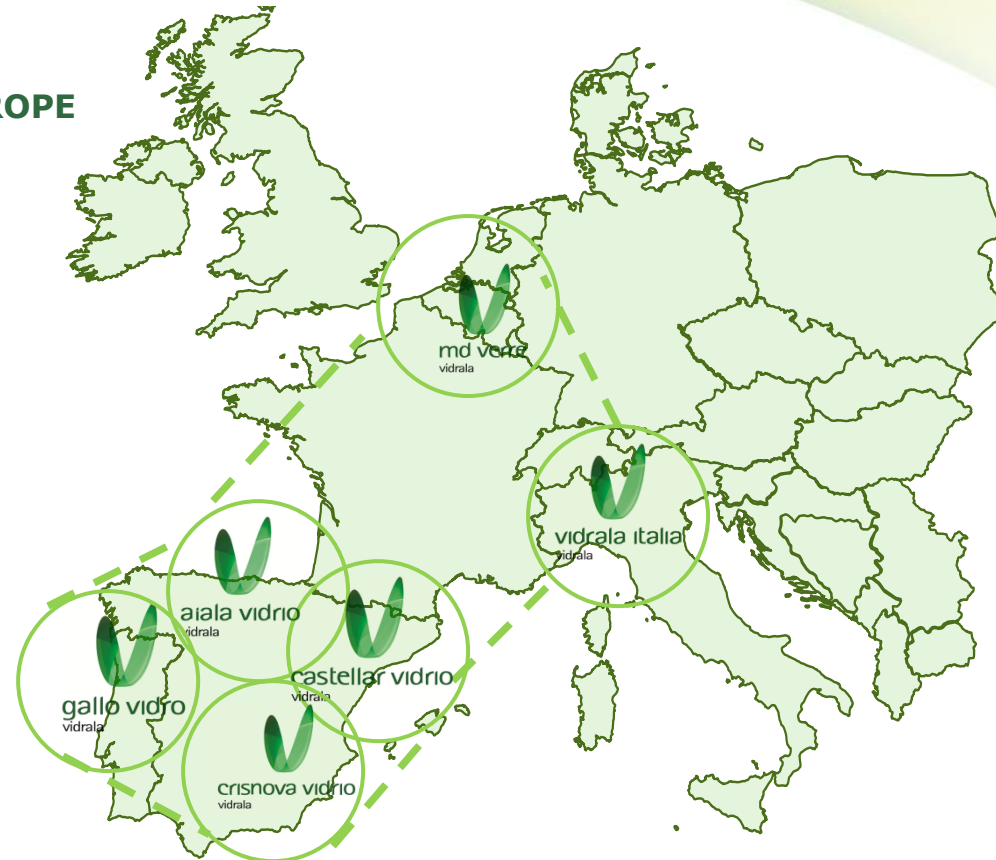
2011

2011-2015 Strategic Plan

A focus on strategic growth

A complementary footprint, a strategic positioning

- ✓ **FOURTH MANUFACTURER IN WESTERN EUROPE**
- ✓ **4 BILLION UNITS PER YEAR**
- ✓ **6 PLANTS IN 4 COUNTRIES**
- ✓ **TURNOVER: EUR 473 MILLION IN FY 2013**
- ✓ **MORE THAN 1,500 CUSTOMERS**
- ✓ **MARKET CAP: >EUR 900 MILLION**
- ✓ **MARKET SHARE IN WESTERN EUROPE: 7%**



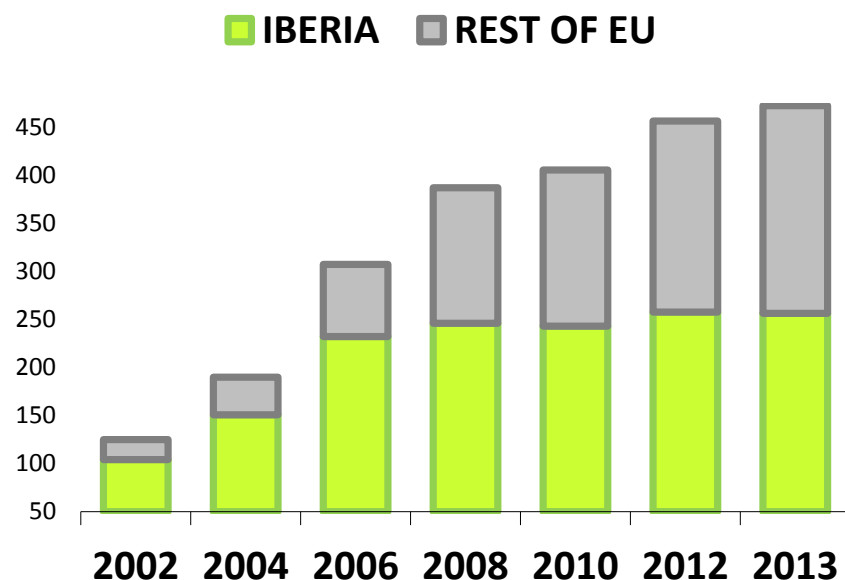
Business Structure

vidrala Strategic Growth, Well-ordered business diversification

Towards an international projection....

SALES BREAKDOWN BY COUNTRY

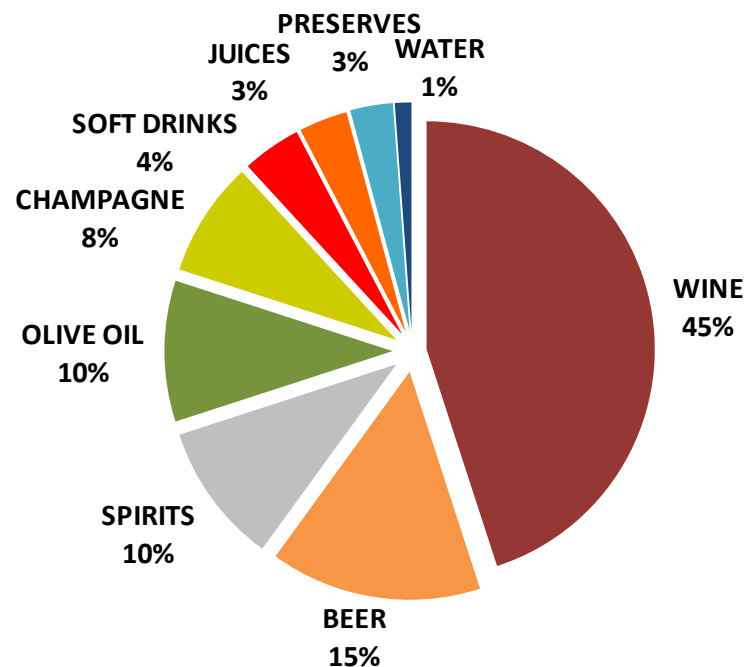
2002-2013. EUR Millions.



... Optimizing the product mix

SALES BREAKDOWN BY PRODUCT

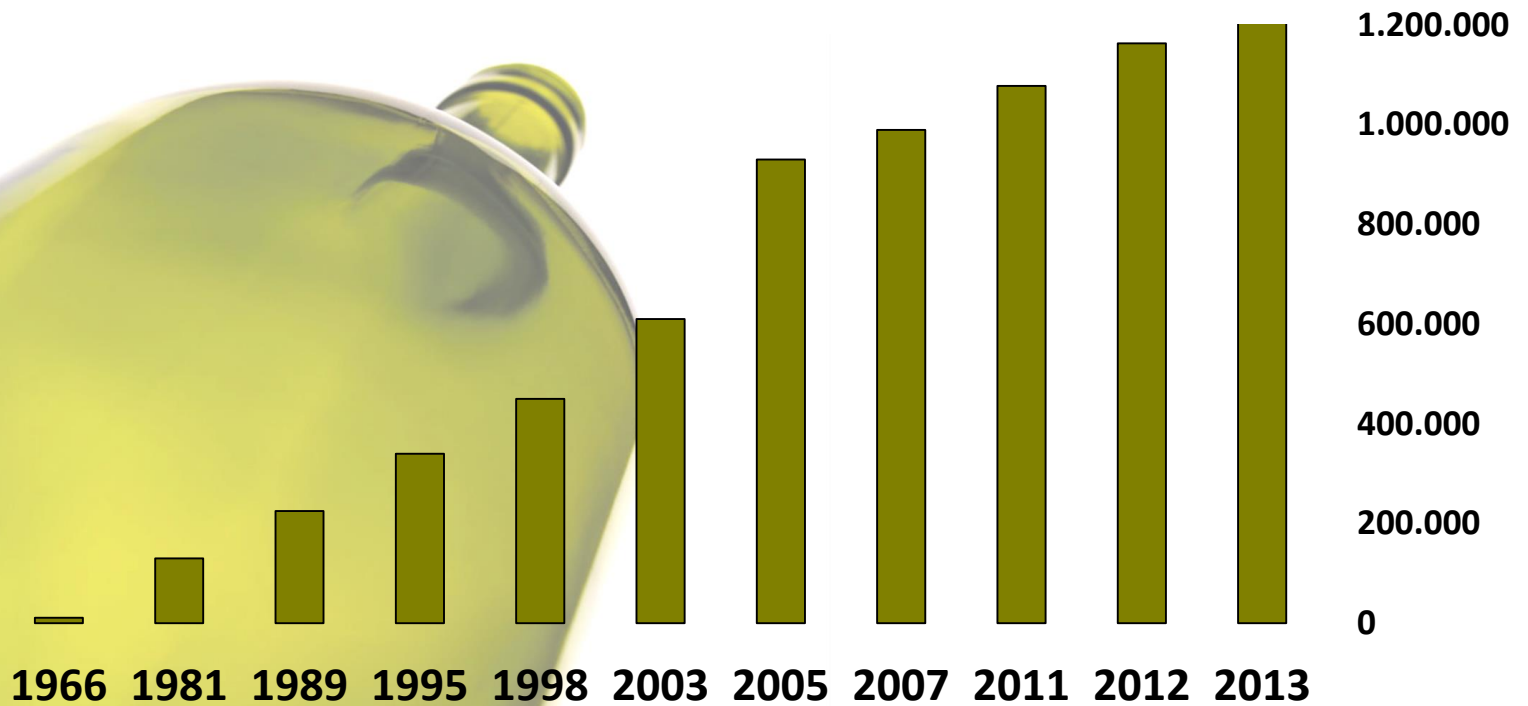
5 years average. As a percentage of sales



A history of growth

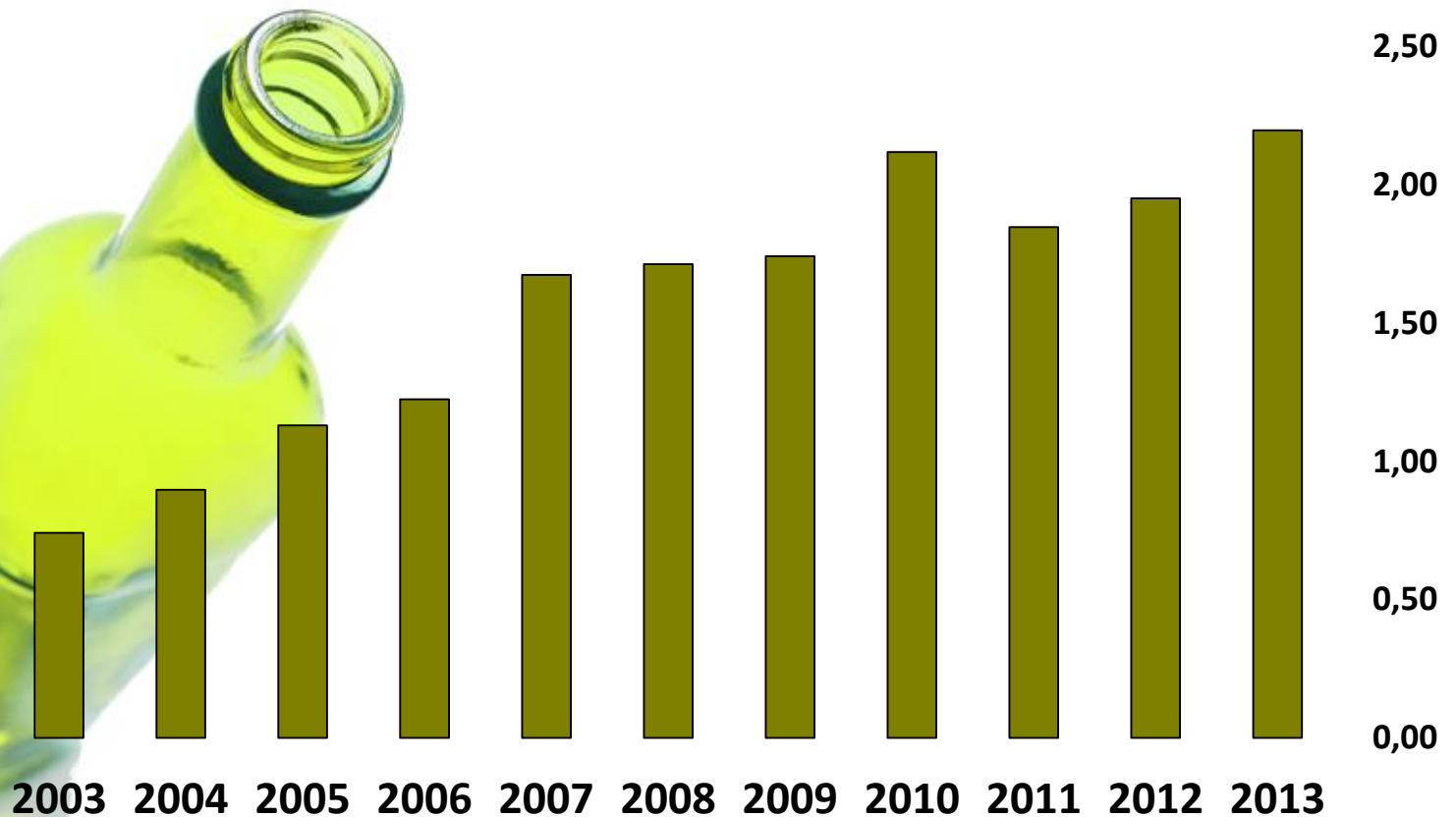
**PRODUCTION
(TONS OF GLASS)**

C.A.G.R.: +11%



An aim of value creation

EARNINGS PER SHARE EUR PER SHARE



Industry Fundamentals

Glass packaging SECTOR: a competitively solid sector.

GLASS PACKAGING SECTOR: LOCAL NATURE

- ✓ **GLASS CONTAINER CHARACTERISTICS LIMIT ITS FREIGHT.**
- ✓ **OUR CUSTOMERS' PACKAGING ACTIVITY DEMAND SERVICE QUALITY AND SUPPLY FLEXIBILITY.**
- ✓ **THUS, OUR BUSINESS IS GLOBAL BUT OF LOCAL NATURE: BEING NEAR TO THE SUPPLY AREA DETERMINES CUSTOMERS' LOYALTY.**

GLASS MANUFACTURING ACTIVITY: ENTRY BARRIERS

- ✓ **GLASS CONTAINERS ARE MANUFACTURED THROUGH MELTING FURNACES IN A CONTINUOUS PROCESS: FACILITIES MUST BE PERIODICALLY REFURBISHED.**
- ✓ **CONSTANT ADAPTATION TO TECHNOLOGICAL DEVELOPMENTS AND INNOVATION ALONG WITH THE KNOW-HOW AND THE INDUSTRIAL EXPERIENCE ARE A MUST FOR ASSURING PRODUCTIVITY.**
- ✓ **THUS, GLASS CONTAINERS MANUFACTURING ACTIVITY IS HIGHLY INTENSIVE IN CAPITAL (SPECIFIC AND MAINTENANCE CAPEX ARE HIGH).**
- ✓ **THEREFORE NEW COMPETITORS ENTRANCE IS LIMITED.**

VIDRALA.

REFERENCE SUPPLIERS IN OUR STRATEGIC MARKETS THROUGH A COMPLEMENTARY FOOTPRINT.



VIDRALA. BET FOR INNOVATION AS A GUARANTEE OF COMPETITIVENESS .

VIDRALA GROUP TODAY



6 PLANTS
13 MELTING FURNACES
43 MANUFACTURING LINES

VIDRALA HAS INVESTED DURING THE LAST 6 YEARS MORE THAN EUR300 MILLION IN FACILITIES REFURBISHMENTS (EXCLUDING ACQUISITIONS).

OUR STRATEGIC AIM IS TO CONSOLIDATE OUR TECHNOLOGICAL ADAPTATION LEVEL AND ESTABLISH AN OPTIMUM STRUCTURE IN ORDER TO GUARANTEE OUR COMPETITIVENESS IN THE LONG-TERM.

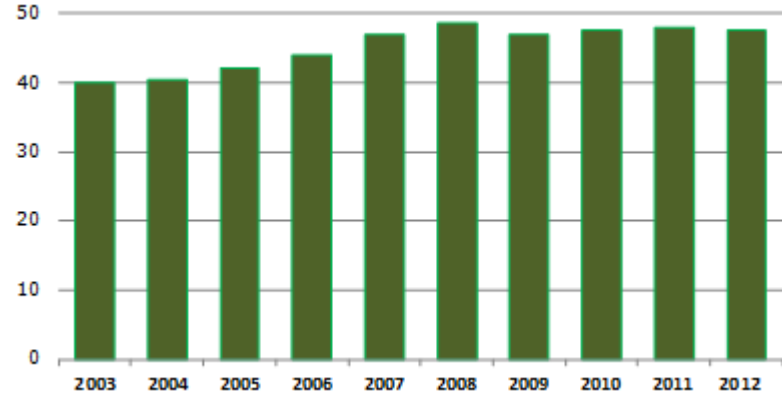
Market Fundamentals

Glass packaging MARKET: a mature and stable market.

SOLID MARKET

✓ **THE GLASS CONTAINER MARKET IS A MATURE AND STABLE MARKET. LINKED TO CONSUMPTION PRODUCTS, IT SHOWS LOW VOLATILITY IN TERMS OF ORGANIC DEMAND VARIATION.**

Demand for food and beverage packaging in WE (2003-2012)
In thousands of million euros. Source: Datamonitor

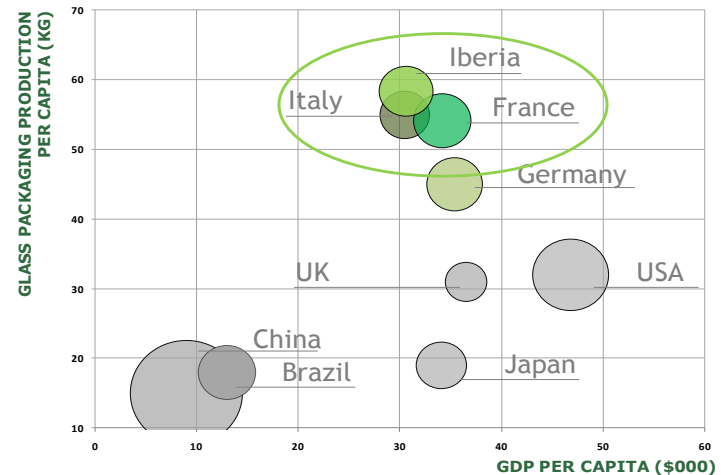


GEOGRAPHICAL OPTIMIZATION

✓ **OUR NATURAL MARKETS, SPAIN, FRANCE, ITALY, PORTUGAL, ARE ALSO OUR STRATEGIC MARKETS. PREMIUM CONSUMPTION PRODUCTS FOSTER GLASS AS PREFERRED PACKAGING MATERIAL.**

Market fundamentals per country.

Glass packaging production per capita VS GDP per capita.



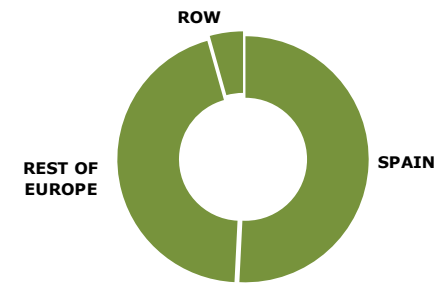
VIDRALA Fundamentals

Vidrala POSITIONING: stable and diversified.

STABLE MARKET:
Glass containers demand, mature market, less cyclical

✓ **GLASS PACKAGING MARKET: A MATURE AND FEWLY DIFFERENTIATED MARKET, BUT STABLE AND MORE DEFENSIVE. VIDRALA MARKET: GEOGRAPHICAL DIFFERENTIATION TOWARDS STRATEGIC HIGH VALUE SEGMENTS.**

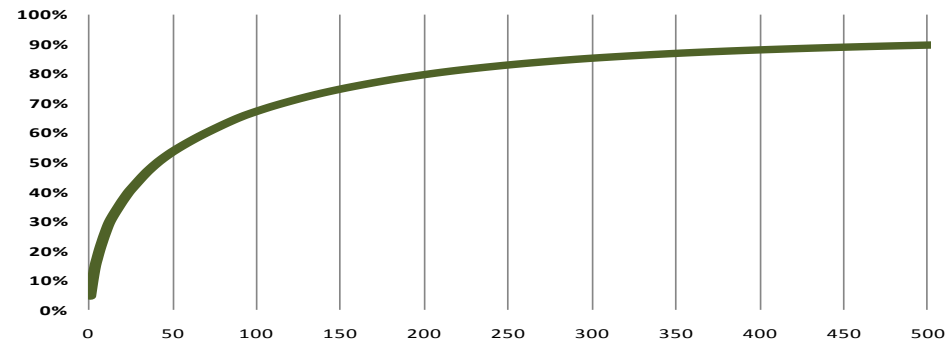
VIDRALA: 2013 SALES BREAKDOWN BY MARKET



DIVERSIFIED DEMAND:
Glass containers demand, mature market, less cyclical

✓ **MORE THAN 1,500 ACTIVE CUSTOMERS. TOP 10 CUSTOMERS STAND FOR 25% OF SALES. TOP 50 CLIENTS STAND FOR 50% OF SALES.**

2013 SALES BY CUSTOMER

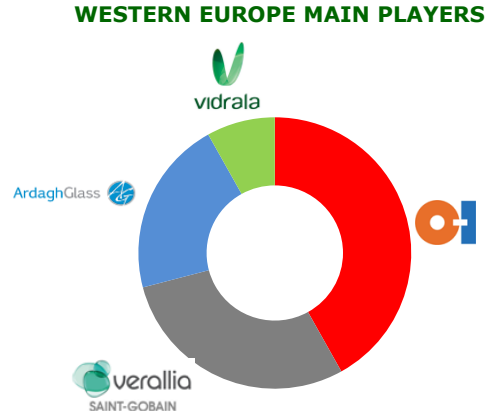


Credit Fundamentals

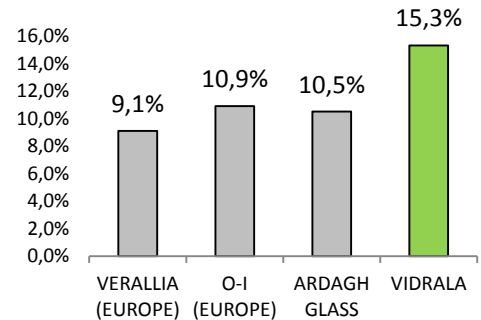
Vidrala BUSINESS STRUCTURE: competitive and solid.

COMPETITIVE POSITIONING:
reference player in a stable market

VIDRALA: SECOND MANUFACTURER OF IBERIAN PENINSULA, FOURTH OF WESTERN EUROPE IN GLASS PACKAGING INDUSTRY, STABLE SECTOR WITH HIGH ENTRY BARRIERS (INTENSIVE CAPEX).



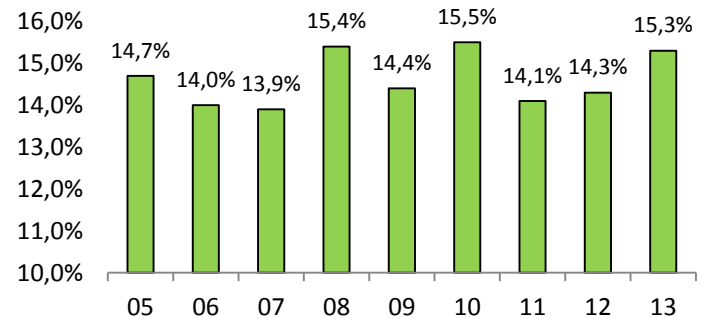
2013 OPERATING MARGIN (EBIT) MAIN PLAYERS



OPERATING STRENGTH:
History of efficiency and competitive advantage

VIDRALA: STABLE OPERATING MARGINS AND CONTINUOUSLY HIGHER THAN MAIN COMPETITORS DESPITE NEW ACQUISITIONS AND CURRENT HIGHLY INFLATIONARY ENVIRONMENTS.

VIDRALA: OPERATING MARGINS (EBIT) 2005-2013



STANDARD DEVIATION: 60 bp

The Product

Glass: the preferred packaging material

- ✓ **SUSTAINABILITY** Pure and natural, 100% recyclable endlessly
- ✓ **HEALTH** Inert and impermeable, safe, no chemicals, no interference
- ✓ **QUALITY** Warranty of product preservation
- ✓ **IMAGE** Modern, attractive, versatile, premium.

ITS UNIQUE CHARACTERISTICS IN IMAGE, TRANSPARENCY, ATTRACTIVE SHAPES AND COLOURS, VERSATILITY AND FLEXIBILITY HAVE BOOSTED GLASS AS A KEY MARKETING INSTRUMENT. GLASS PACKAGING IS PART OF MODERN LIFE.

CONSUMERS PREFER GLASS

RESULTS OF THE 'EUROPEAN PACKAGING SURVEY'

Favorability packaging materials



Business performance FY 2013

RELEVANT BUSINESS FIGURES

EUR millions	AS AT DECEMBER 2013	AS AT DECEMBER 2012
SALES	472.9	456.9
GROSS OPERATING PROFIT (EBITDA)	114.0	103.5
OPERATING PROFIT (EBIT)	72.4	65.3
PROFIT BEFORE TAX	67.5	59.2
NET PROFIT	52.3	46.5
NON-CURRENT ASSETS	443.8	456.4
SHAREHOLDERS' EQUITY	374.5	338.5
DEBT	117.9	159.6
EBITDA MARGIN	24.1%	22.6%
EBIT MARGIN	15.3%	14.3%
DEBT/EBITDA	1.0x	1.5x
GEARING	31%	47%
FREE CASH FLOW	56.7	49.9
ROCE	11.4%	10.3%
EPS (EUR/share)	2.20	1.94

Our Project

A solid industrial project:

- ✓ **Based on clear business and market definitions,**
- ✓ **with a vocation to customers service,**
- ✓ **supported by an optimal financial structure,**
- ✓ **and a strategy focused on our Shareholders interests.**

We Know and understand:

- ✓ *The industry*
- ✓ *The packaging market*
- ✓ *The glass sector*
- ✓ *Our natural markets*
- ✓ *Our competitors*
- ✓ *Our customers*



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