ALTERNATIVE PERFORMANCE MEASURES (APM)

Vidrala publishes this information in order to promote comparability and interpretation of its financial information and in compliance with the Directive of the European Securities and Markets Authority (ESMA) on Alternative Performance Measures (APM).

Vidrala presents its financial statements in accordance with international financial reporting standards (IFRS). Additionally, Vidrala publishes in its earnings releases some Alternative Performance Measures (APM) considering that they provide additional information that is useful when evaluating business performance. Detailed information will be provided as annex when this information is published, in order to clearly understand definition, basis of calculation and reconciliation with financial statements of these Alternative Performance Measures.

See on the next page, the alternative performance measures used by Vidrala, as well as a definition of its basis of calculation and the reasons why the Company find them useful.

Alternative Performance Measures (APM)

EBITDA

Definition. Vidrala identifies EBITDA as the gross operating result.

Basis of calculation. Vidrala calculates EBITDA as earnings before interest, taxes, depreciation and amortization (as reported in the consolidated income statement).

Usefulness. Vidrala considers that EBITDA provides an analysis of the operating results that represent cash movements in the short term. EBITDA is, therefore, a useful approximation to the origin of expected cash generation before changes working capital, taxes and financials. EBITDA is considered as a useful indicator, commonly accepted and widely used when evaluating businesses, comparing performance or evaluating the level of solvency through the use of net debt to EBIDTA ratio.

Coherence. The criteria used by Vidrala to calculate EBITDA has not changed with respect to the previous year.

Consolidated net debt

Definition. Vidrala identifies net debt as financial debts with third parties, net of existing cash.

Basis of calculation. Vidrala calculates consolidated net debt as the sum of all long-term liabilities and short-term obligations, and then subtracting cash and cash equivalents (as reported in the consolidated balance sheet).

Usefulness. Vidrala considers that consolidated net debt is an appropriate measure to determine a business's overall financial situation at a specific date. It is an indicator that is used by investors, analysts, rating agencies, creditors and other agents of interest when determining the financial position, solvency or liquidity of the company.

Coherence. The criterion used by Vidrala to calculate consolidated net debt has not changed with respect to the previous year.

Free cash flow

Definition. Vidrala identifies free cash flow as the net cash generation obtained in a period after changes in working capital, capex, taxes and financial outflows.

Basis of calculation. Vidrala calculates free cash flow by adding –to the real variation in net debt balances (as reported in the consolidated balance sheet)– payments during the period dedicated to dividends and net treasury stock purchases (as reported in the consolidated statement of cash flows).

Usefulness. Free cash flow provides a useful explanation of debt evolution and cash conversion of the accounting results reported in the financial statements. It refers to the available cash flow, before deciding its allocation to dividends, treasury stock and/or debt reduction. Therefore, it allows for a more complete understanding of the sources and uses of the company's cash. In the event of extraordinary out- or inflows arising from acquisitions or disposals of other businesses, Vidrala will try to separately report organic free flow generation, before these extraordinary effects.

Coherence. The criteria used by Vidrala to calculate free cash flow has not changed with respect to the previous year.