



vidrala

Company Presentation

FEBRUARY 2009

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- *Introduction*

- General Overview
- Business Performance
- Objectives

vidrala:

- ✓ A leading manufacturer of glass containers with **international projection** and a strategy focused on **growth, value creation** and **business specialisation**.
- ✓ Supplier of glass containers for a **wide variety** of products in the beverages and food industry. Vidrala produces **more than 3 billion of bottles and jars** a year obtaining **annual revenues above EUR 350 Million** (2007).
- ✓ Western Europe's **fourth manufacturer** through **six complementary sites** geographically located towards our strategic areas of sales.



- ✓ Southern Europe's leading company in glass containers.
- ✓ Focused on strategic areas of sales through an optimal productive structure and complementary geographical organization.
- ✓ Wide customer base through a balanced relationship between multinationals and small customers through a profitable selected product mix and well positioned commercial strategy.
- ✓ Management expertise and industrial know-how: strong track record in organic growth and acquisitions.
- ✓ High improvement potential under the current process of integration of the recent acquisitions.
- ✓ Stable and sustainable dividend policy.



Brief History



ORGANIC GROWTH

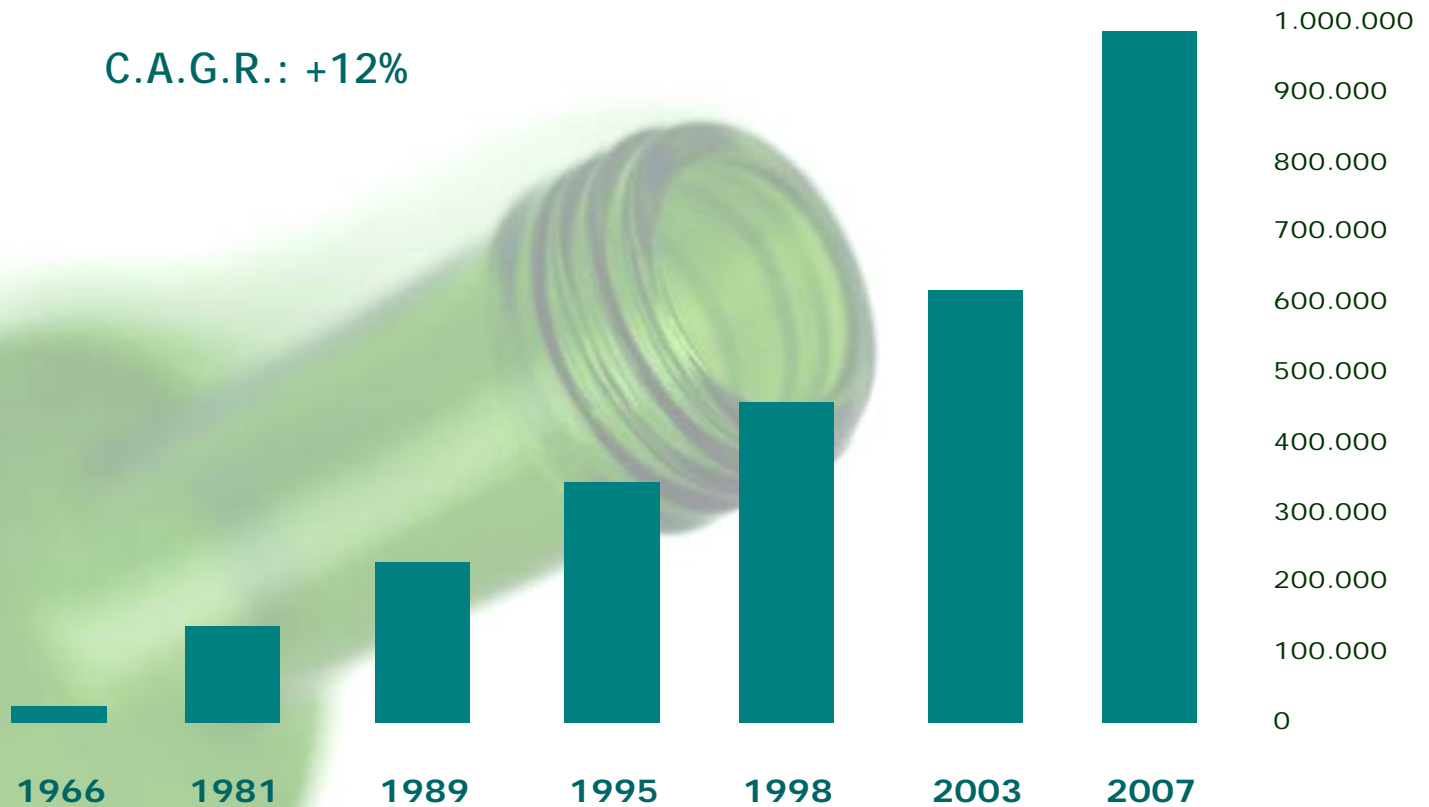
ACQUISITIONS

1965	Establishment of Vidrerías de Alava S.A.
1969	2nd Furnace set up
1981	Industrial development and energy rationalization
1985	Vidrala goes public
1989	Subsidiary CRISNOVA, S.A. set up
1995	Vidrala: 3rd Furnace set up
1998	Crisnova: 2nd Furnace set up
2001	New Strategic Plan Definition
2003	Acquisition: Gallo Vidro (Portugal)
2005	Acquisitions: Corsico (Italy), Castellar (Spain)
2007	Acquisition: La Manufacture du Verre (Belgium)

A History of Growth

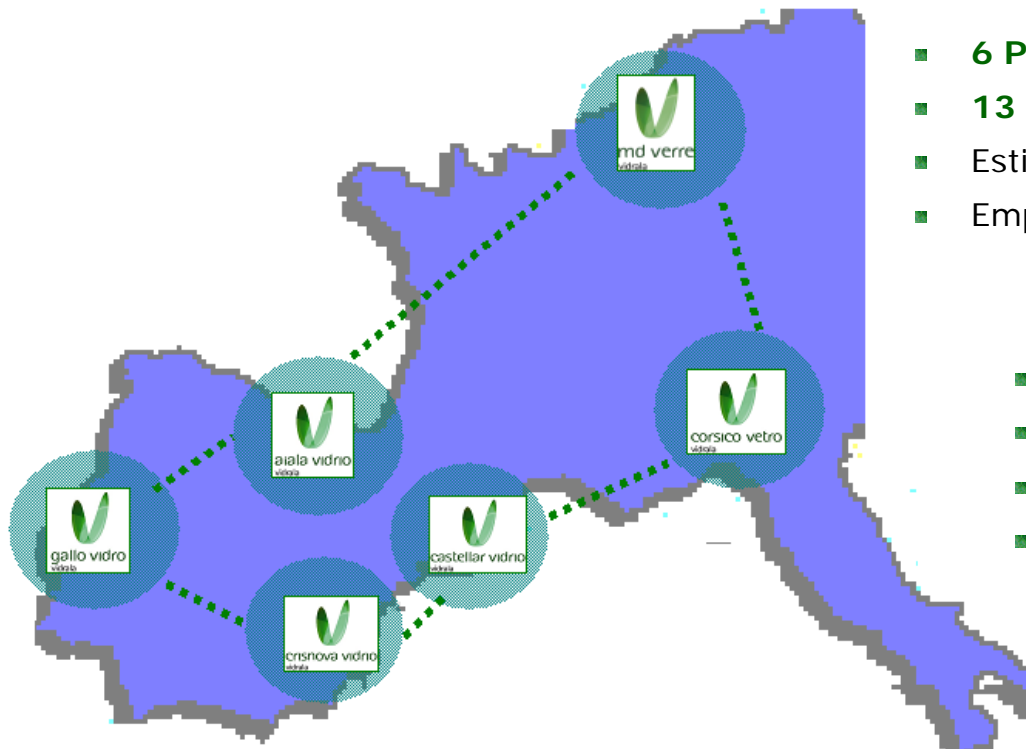
PRODUCTION (VOLUME IN TONS OF GLASS)

C.A.G.R.: +12%



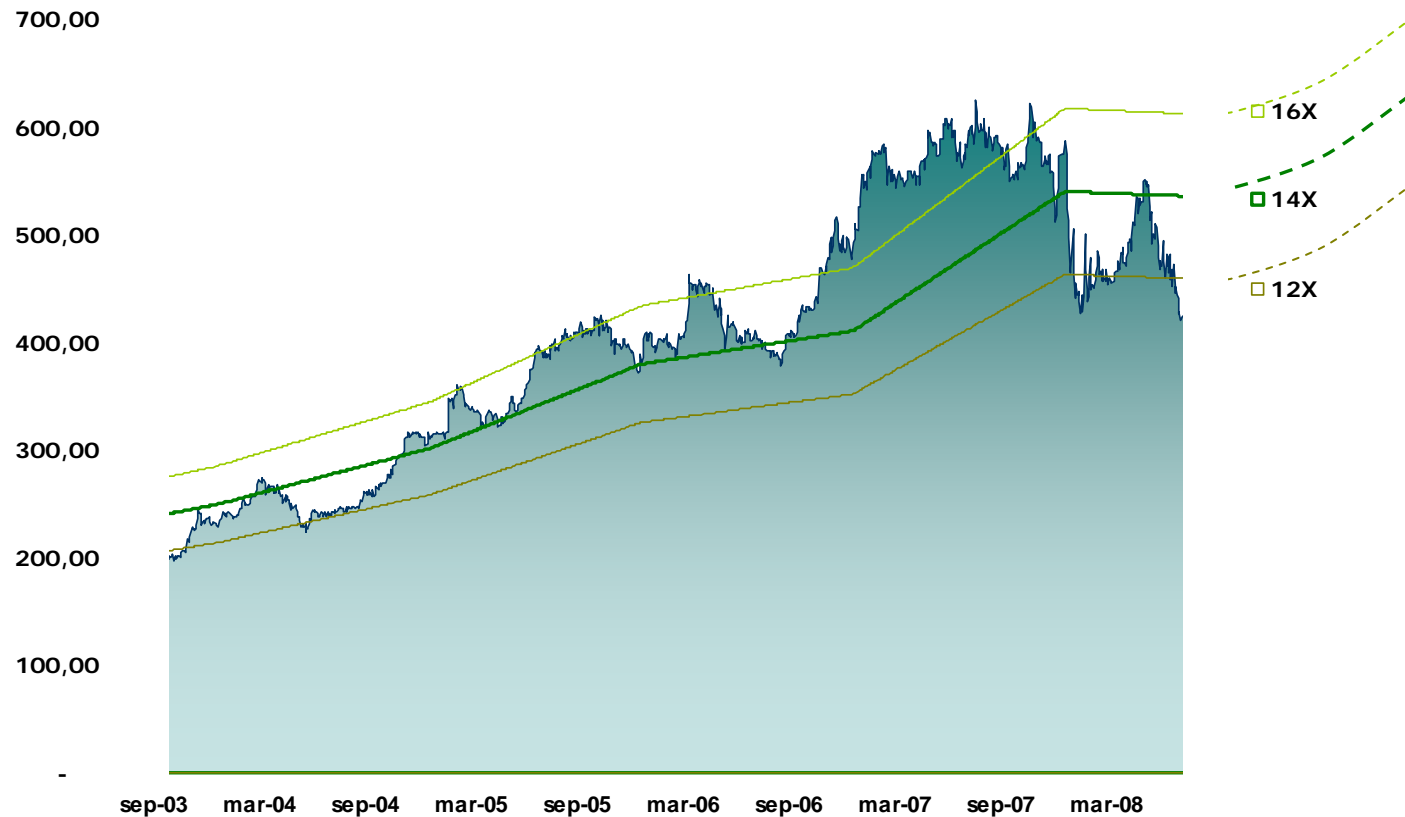
PRODUCTIVE STRUCTURE: A COMPLEMENTARY NETWORK

- **6 Plants** en 4 countries.
- **13 Furnaces**, 40 production lines
- Estimated Capacity: **1,125,000 tons/year**
- Employing more than **1,800 people**



- Market share in Iberia: 27%
- Market share in France: 6%
- Market share in Italy: 4%
- Market share in W. Europe: 8%

SHARE PRICE PERFORMANCE MARKET CAP (in EUR millions, left) and P/E* RANGE LINES



* Source: Reuters Consensus

2000-2007 share price performance: reflection of earnings progression

- Introduction

- ***General Overview***

- Business Performance

- Objectives

WE BELIEVE:

- ✓ **IN THE PRODUCT**
- ✓ **IN THE MARKET**
- ✓ **IN OUR INDUSTRY**
- ✓ **IN OUR PROJECT**



Glass is identified with the concepts of health (safety, purity, inertity), convenience (flexibility, versatility), sustainability (respect to the environment) and premium image.



✓ **Quality:** Glass is natural, transparent, impermeable, nonporous, sanitary and completely inert. Safeguards against moisture and oxygen invasion. Is resistant, can be used to process foods and other products at high temperatures. It does not deteriorate, corrode, stain or fade maintaining the taste and quality of the original products.

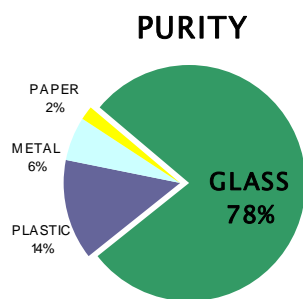
✓ **Image:** Glass is attractive, providing a image of quality for products. Can be labeled, colored and formed into various sizes and shapes enabling high product differentiation. More than 70% of consumers believe that glass packaging suggest quality.

✓ **Ecological:** Glass has intrinsic and unique features that make it **the only fully and infinitely recyclable packaging material**. A used bottle can be employed to make a new bottle again and again without any loss in quality or quantity. Glass recycling saves energy, reduces emissions and helps to preserve natural resources also extending furnace life and reducing manufacturing costs.

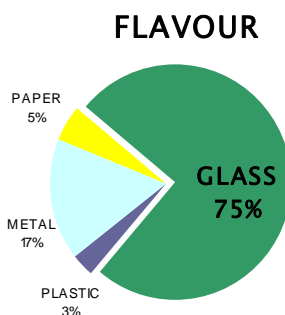
Glass, the preferred packaging material:

- Results of the "Consumer Preferences in Packaging Materials Survey 2006" (USA):

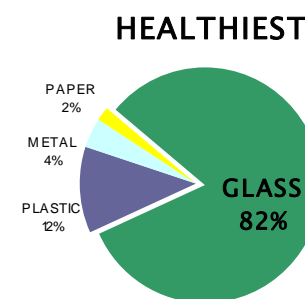
Summary: "Glass packaging is the overwhelming first choice of consumers for preserving quality, purity, and taste. It is also seen as the all around most healthy form of packaging. When it comes to the "organic consumers," the preference for glass packaging increases significantly. Respondents' preference for glass does not alter by age, sex, or income."



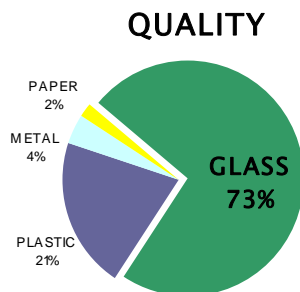
Preserves the purity of the product inside



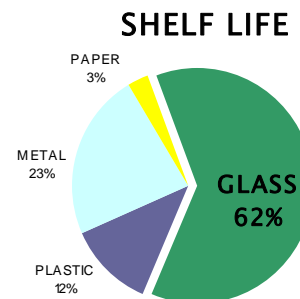
Presents the true flavour of the product



Keeps food in its healthiest form



Preserves the quality of the product inside



Increases the shelf life of a product

Glass, the preferred packaging material:

- **Study by Graz University of Technology and PAGO (Austria):** *“Glass is the best packaging material for fruit juices. A study co-financed by the Trade and Industry Research Fund and Pago, shows that glass remains the best packaging material for fruit juices. Regardless of the storage time involved, the natural fruit aromas change at a markedly slower rate in a glass bottle than in a composite container”*

- **Study by Instituto Perfiles (Spain):** *“Glass is the packaging material that best responds to consumer requirements. Characteristics like purity, transparency, preservation and its total recyclability enable it to be perceived as the most healthy form of packaging”*

COMPARISON OF ATTRIBUTES

	GLASS	PET	CAN
INSULATING QUALITIES	↑	↓	↑
TRANSPARENCY	↑	↑	↓
HOT PACKAGING CAPACITY	↑	↓	↑
RECYCLABILITY	↑	↓	↑
FLEXIBILITY AND VERSATILITY	↑	↑	↓
WEIGHT AND RESISTANCE	↓	↑	↑



OPTIMAL



ACCEPTABLE



DEFICIENT

... and more:

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.



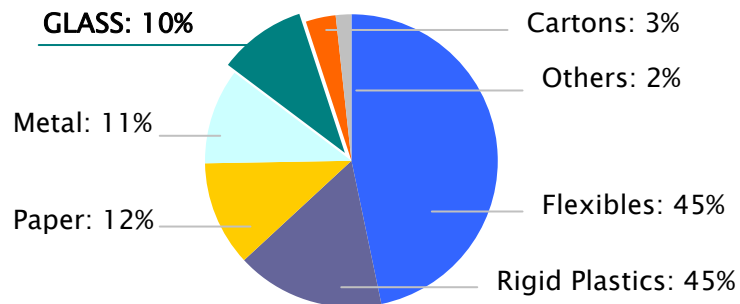
The Glass Packaging Industry: a mature and stable market

Forecasts indicate that GLOBAL demand for glass containers will remain stable, growing at annual rates close to 3%, extending the trend of the last decade

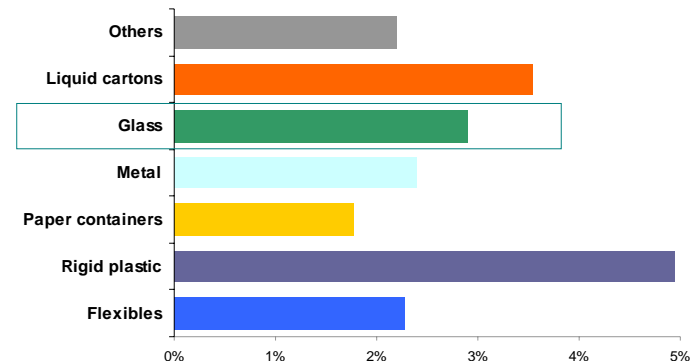
Global Packaging Market by Materials
Past and forecasted sales by materials

Millions of units	2003	Share 2003	2008	Share 2008	CAGR 03-08
Flexibles	1.485.658	47%	1.663.231	45%	2,3%
Rigid plastic	525.528	16%	669.024	18%	4,9%
Paper containers	371.282	12%	405.474	11%	1,8%
Metal	341.201	11%	384.001	10%	2,4%
Glass	306.190	10%	353.234	10%	2,9%
Liquid cartons	110.214	3%	131.178	4%	3,5%
Others	49.436	2%	55.116	2%	2,2%
Total	3.189.509	100%	3.661.258	100%	2,8%

Share by material



Growth 2003-2008e

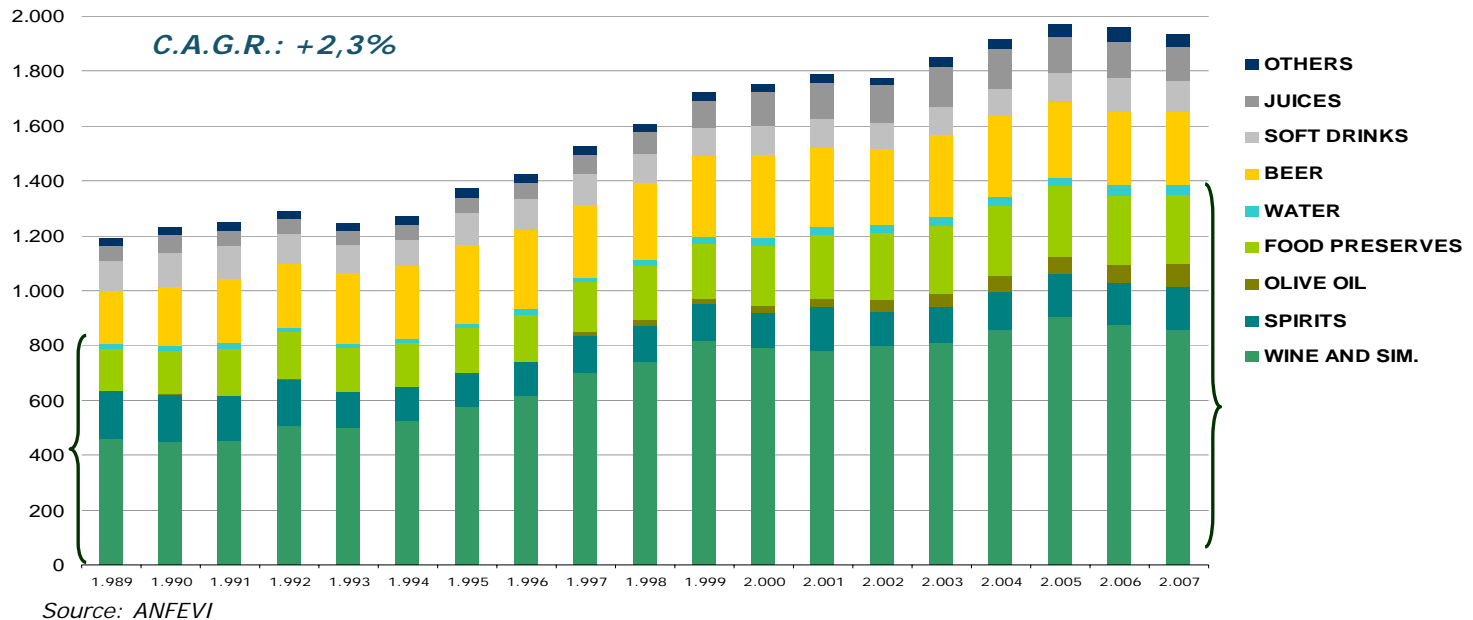


Source: EUROMONITOR

Includes packages made of plastic, glass, metal, paper, carton and wood in the categories of food, beverages, pharma,,healthcare and others.

Our Natural Markets: situation differs by regions and products

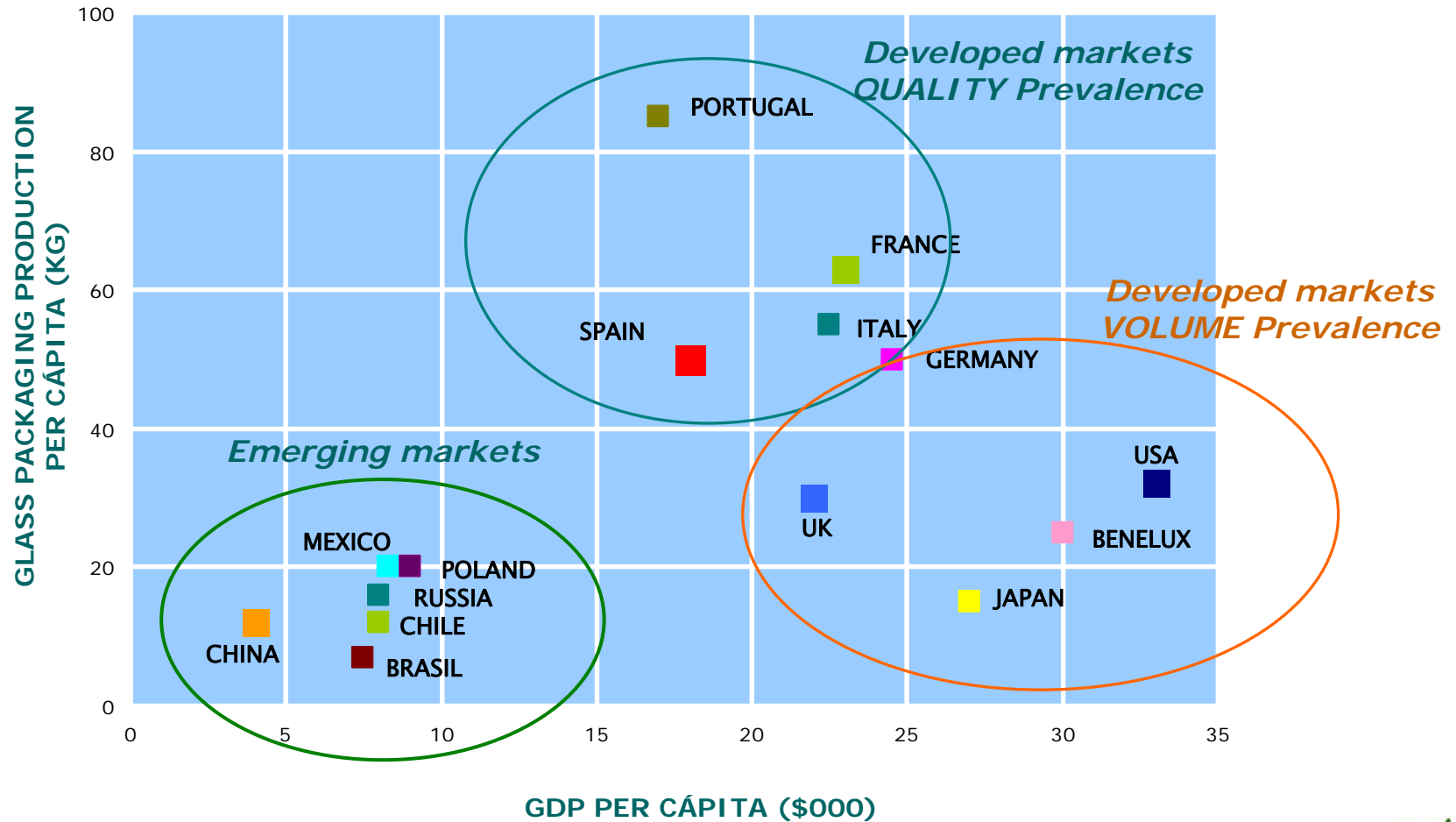
The Spanish glass containers market. Sales performance by segment in tons 89-07. Quality segments drive growth under a mature and stable market



Spain is the fourth producer of glass containers in Europe, behind France, Germany and Italy. Quality segments like Wine and Cava (+3% annual growth rate since 1989) and more specialized products like Olive Oils (+20% CAGR since 1989) lead demand growth in a market performing above European averages. Glass packaging is enjoying a healthy momentum in our natural markets on the back of rising energy prices affecting relatively more to other packaging materials, growing environmental regulations, and the beverage industry's growing interest in marketing its products with better-quality containers.

OUR NATURAL MARKETS, OUR STRATEGIC MARKETS

GLASS PACKAGING PRODUCTION PER CÁPITA



INDUSTRY CHARACTERISTICS

Strengths:

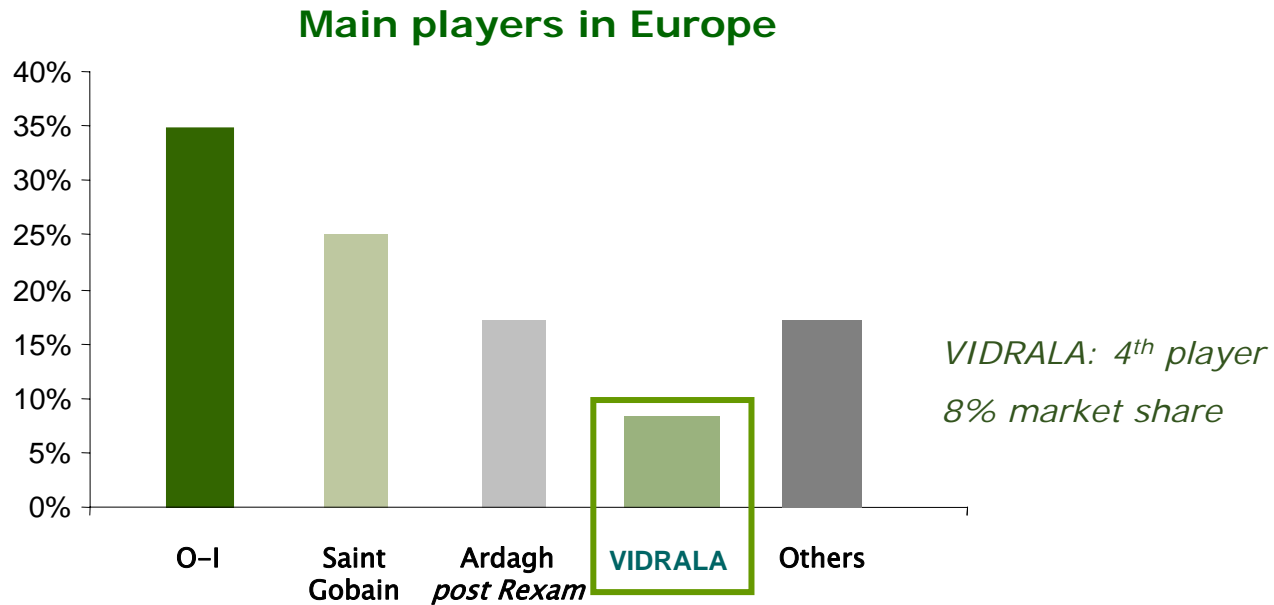
- ↑ Natural barriers to entry: local and highly capital intensive business. Plant locations are crucial.
- ↑ Stable Markets.
- ↑ Unique environmental commitment.
- ↑ Close to market needs. Flexibility and versatility.
- ↑ High technological development. Margin for further technological advances in both processes and products.
- ↑ Image and quality of glass against substitutive materials.

Weaknesses:

- ↓ Mature markets with moderate growth.
- ↓ Capital and cost intensive industry:
 - Implementation costs
 - Maintenance costs
- ↓ Small competitors relative to other sectors.
- ↓ High dependence on energy and transportation costs.
- ↓ Development of substitutive products.

The European sector:

4 groups concentrate 80% of the European market



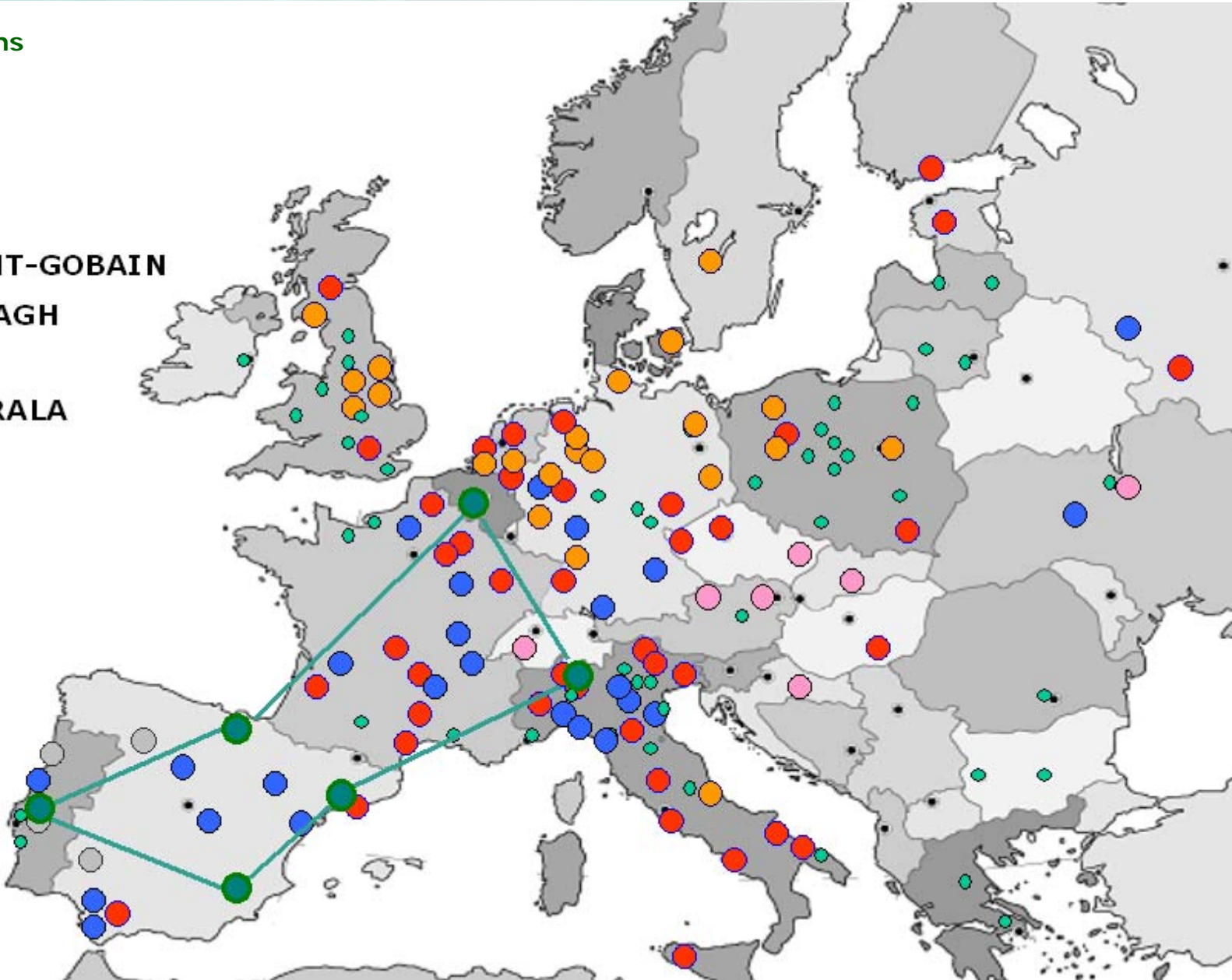
European market: EU15's + Switzerland + Turkey

Source: Vidrala

The European Industry

Plants locations

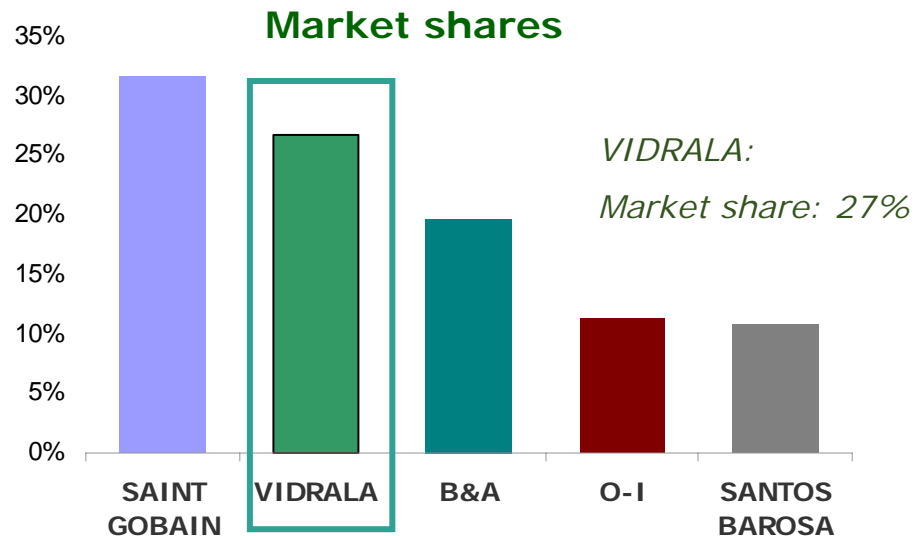
- O-I
- SAINT-GOBAIN
- ARDAGH
- VIDRALA



The Iberian market, under a process of consolidation

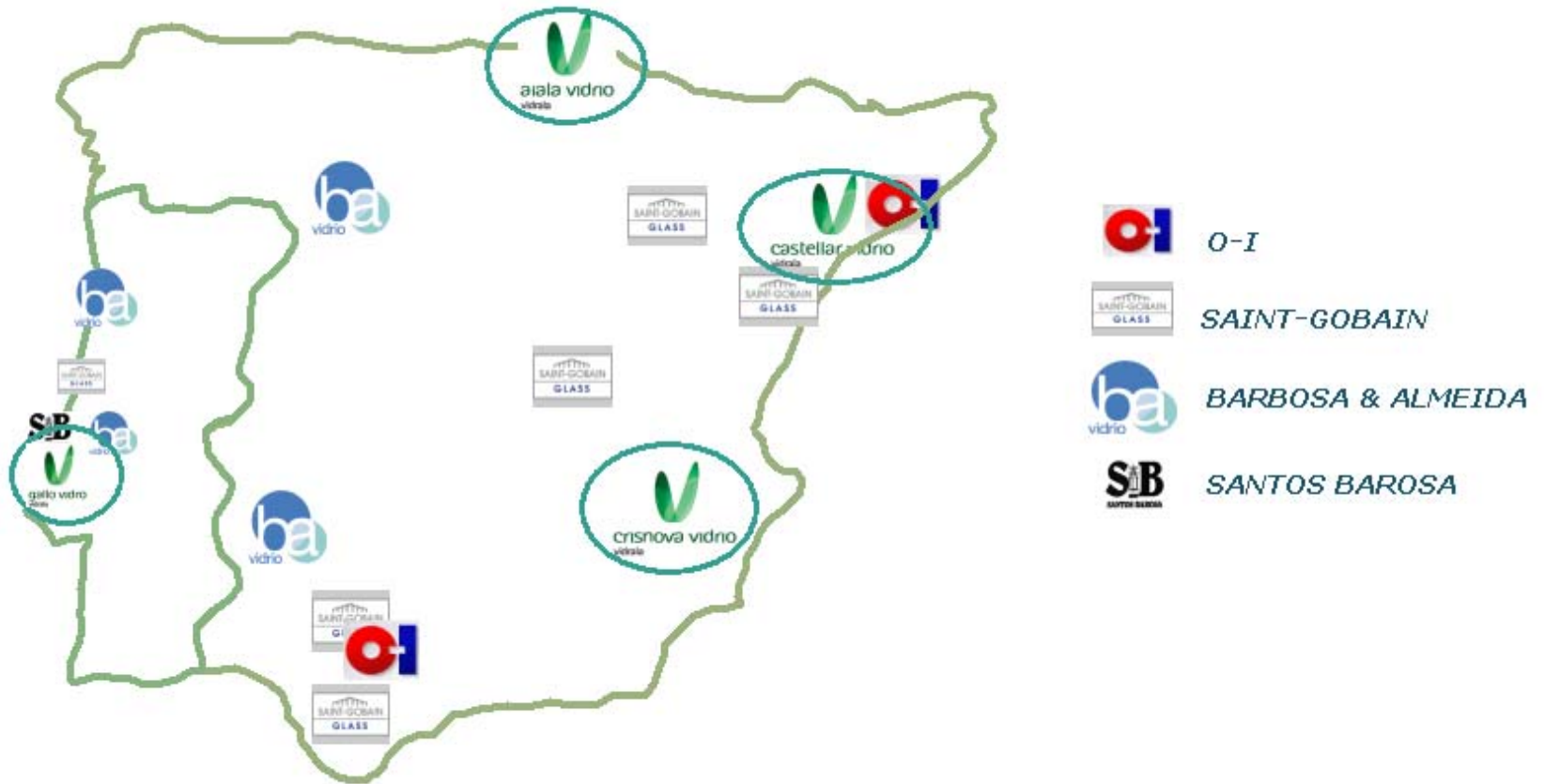
Vidrala, the independent leader

PRODUCTIVE STRUCTURE IN THE IBERIAN MARKET			
SAINT GOBAIN	7 PLANTS	1.005.000 ton	31,6%
VIDRALA	4 PLANTS	850.000 ton	26,7%
B&A	4 PLANTS	625.000 ton	19,7%
O-I	2 PLANTS	360.000 ton	11,3%
SANTOS BAROSA	1 PLANT	340.000 ton	10,7%
	18 PLANTS	3.180.000 ton	



Source: Vidrala

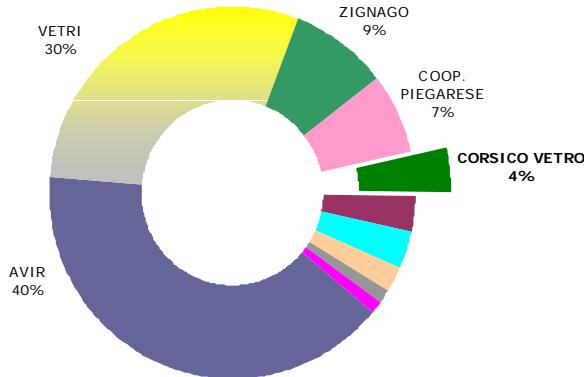
Plants locations:



Source: Vidrala

ITALY: A fragmented market

PRODUCTIVE STRUCTURE IN ITALY			
COMPAÑÍA	PARENT	PLANTS	aprox. EST. CAPACITY
AVIR	O-I	12 PLANTS	1.500.000 tons
VETRI	Saint Gobain	6 PLANTS	1.100.000 tons
ZIGNAGO	Indep.	2 PLANTS	320.000 tons
COOP. PIEGARESE	Indep.	2 PLANTS	260.000 tons
CORSICO VETRO	VIDRALA	1 PLANT	140.000 tons
VETRI SPECIALI	O-I & Zignago	3 PLANTS	120.000 tons
BORMIOLI	Indep.	1 PLANTS	120.000 tons
ABRUZZO VETRO	Ardagh	1 PLANT	80.000 tons
VETRERIA ETRUSCA	Indep.	2 PLANTS	45.000 tons
BALSAMO	Indep.	1 PLANT	40.000 tons
			3.725.000 tons



The Italian Industry

Plants locations:



AVIR - O-I



VETRI - Saint-Gobain



ZIGNAGO VETRO



COOP. PIEGARESE



ABRUZZO VETRO



VETRERIA ETRUSCA

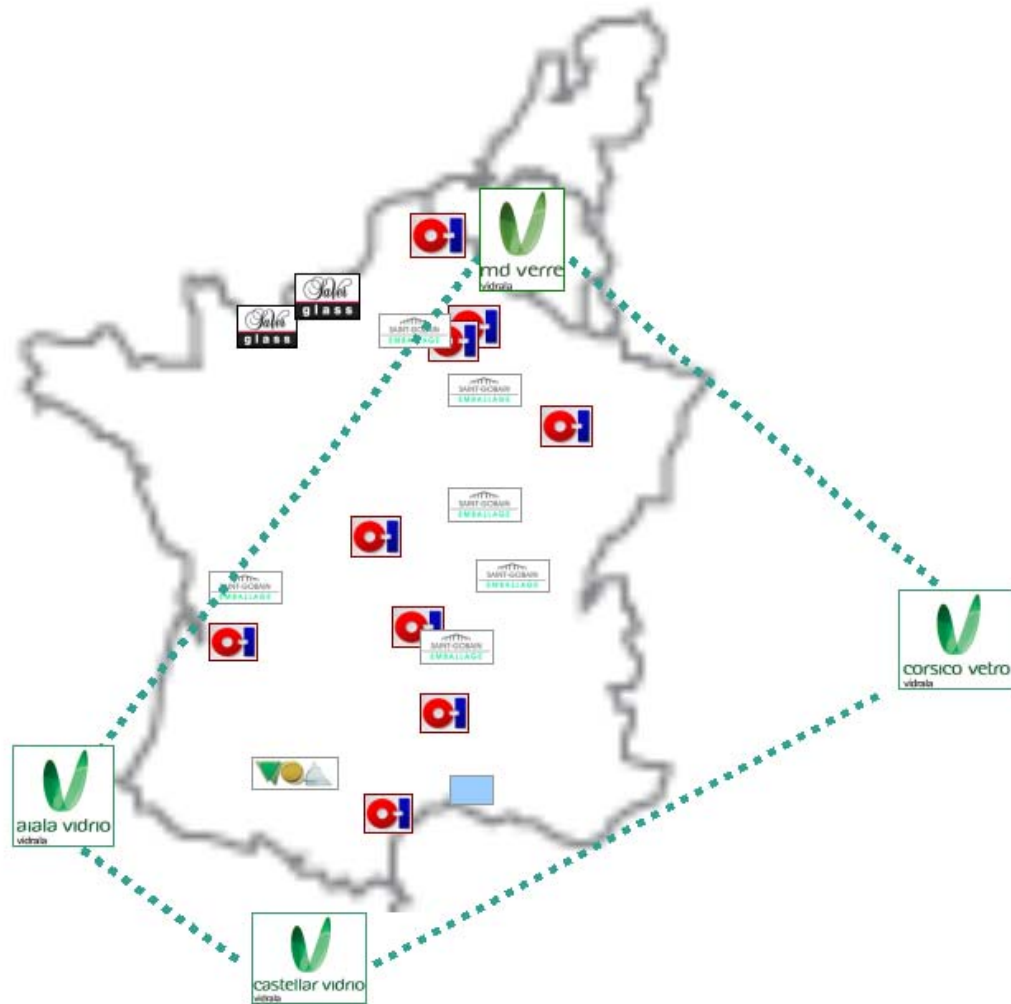


VETRI SPECIALI



BORMIOLI

Plants locations:

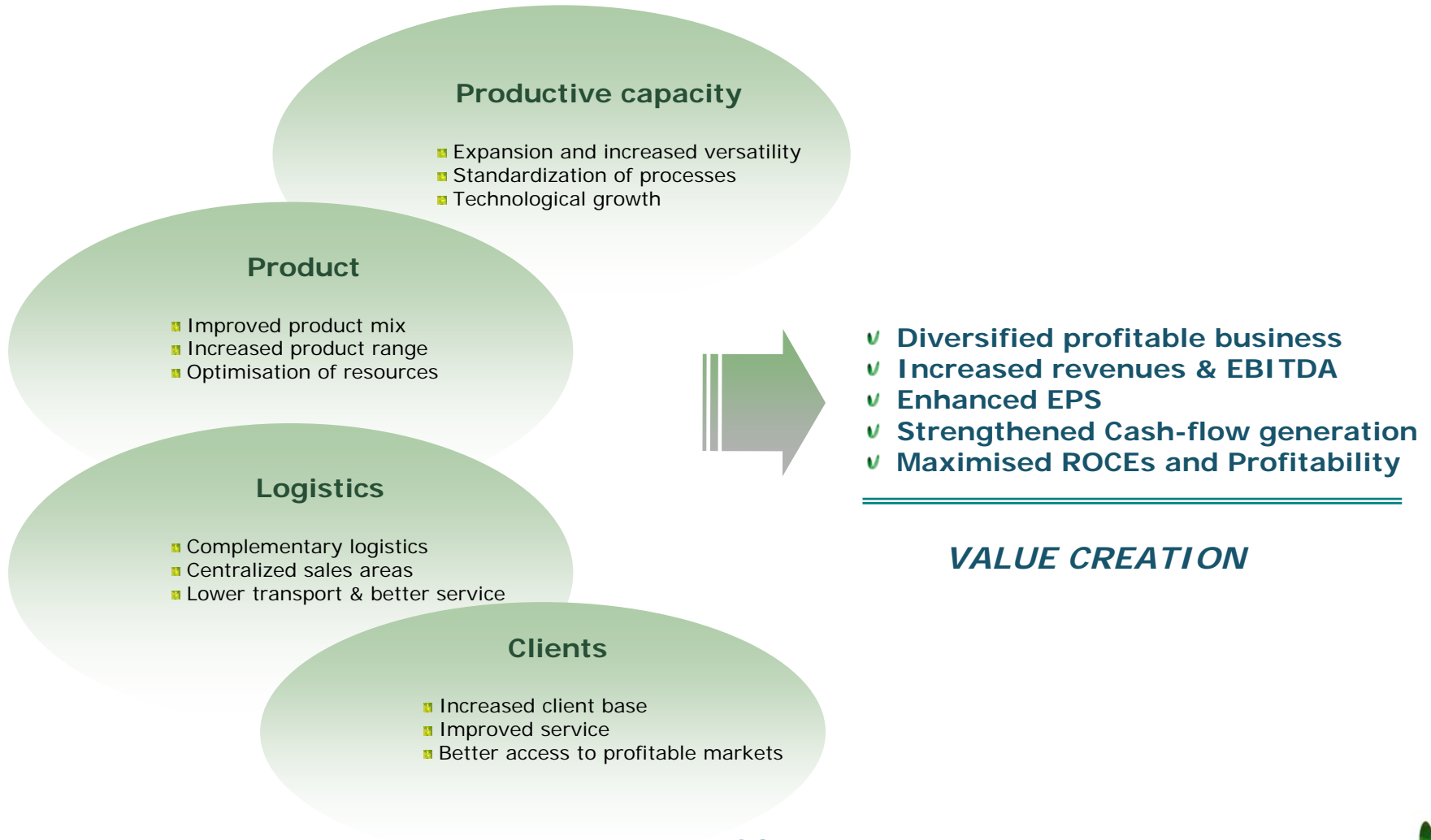


Our AIMS, Corporate Responsibility:

- ✓ TO CREATE WEALTH
- ✓ TO CREATE FUTURE
- ✓ TO BE ETHICAL



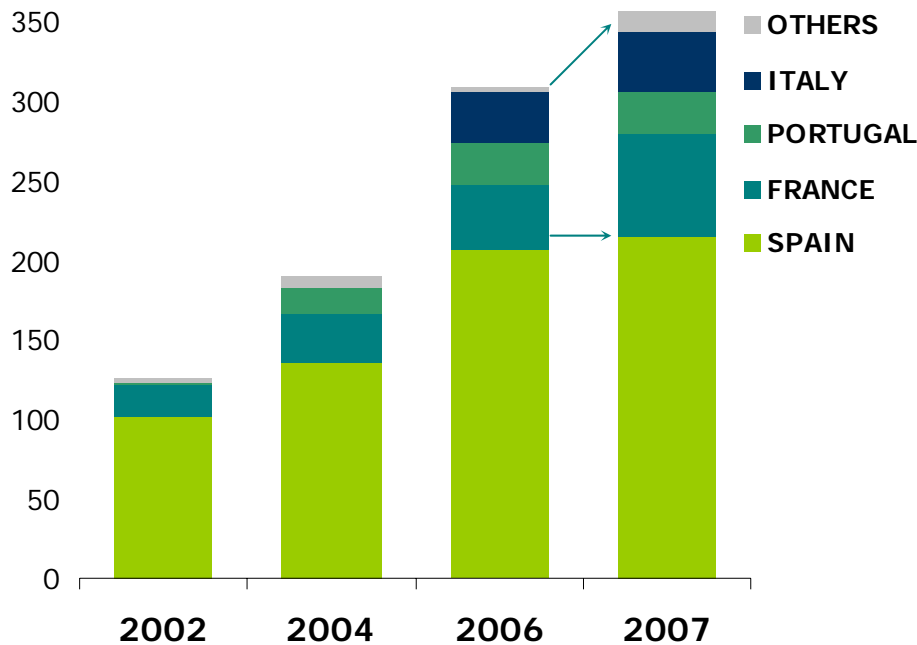
Rationale for Growth: Contribution of new plants



Rationale for Growth: Business Expansion

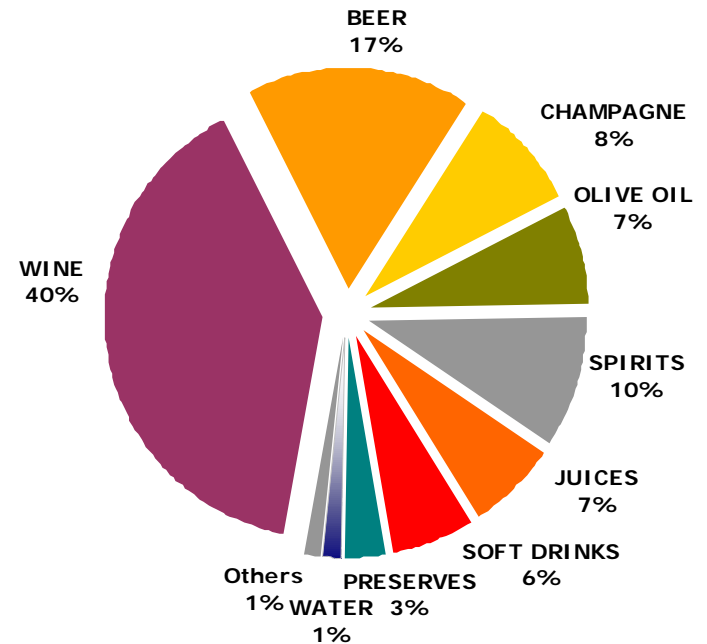
Towards an international projection....

SALES BREAKDOWN BY COUNTRY (IN EUR THOUSANDS)



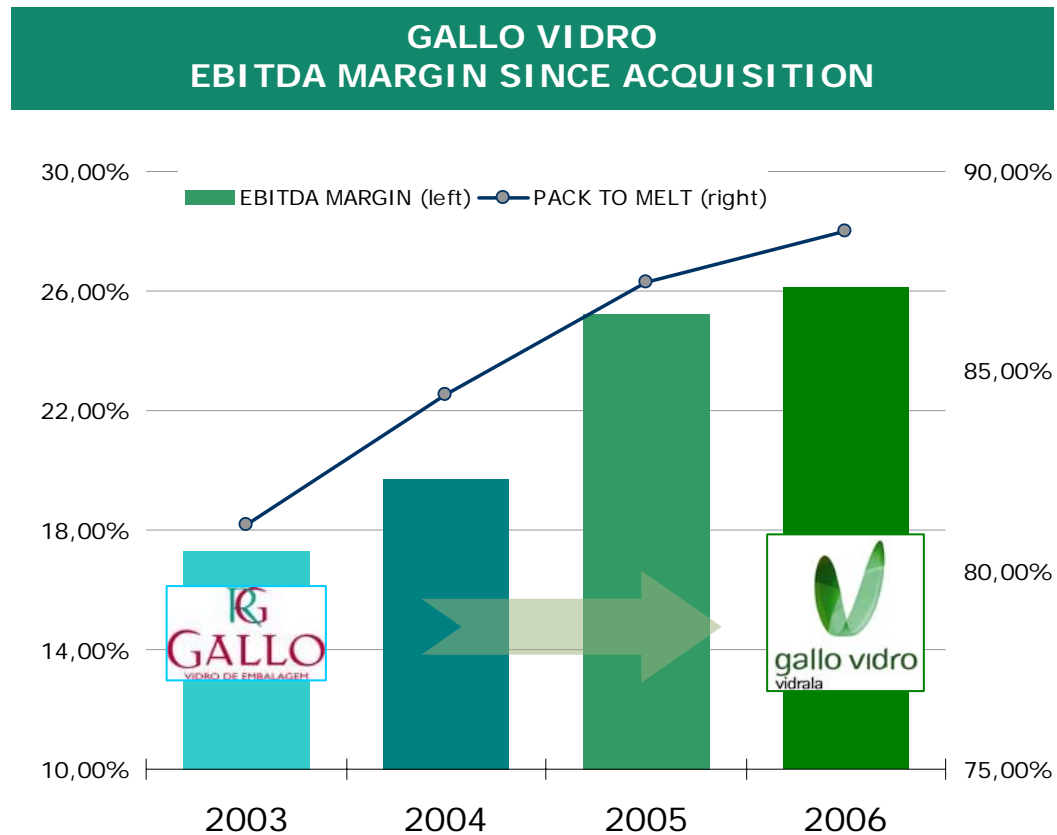
... optimizing the product mix

SALES BREAKDOWN BY PRODUCT



Rationale for Growth: The example of Gallo

The example of the first acquisition (made in 2003): success in the process of integration:

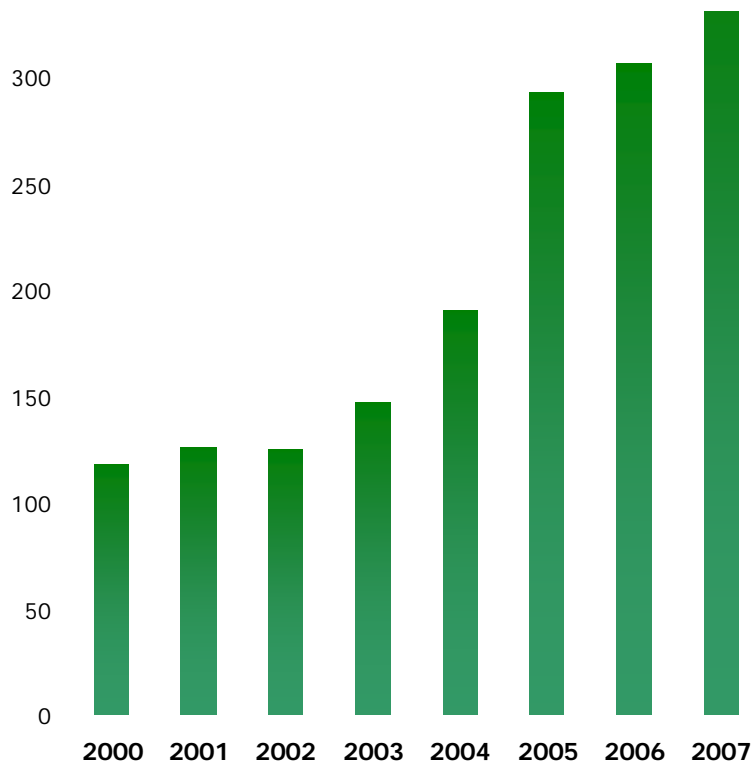


- Introduction
- General Overview
- ***Business Performance***
- Objectives

2000 – 2007: solid growth

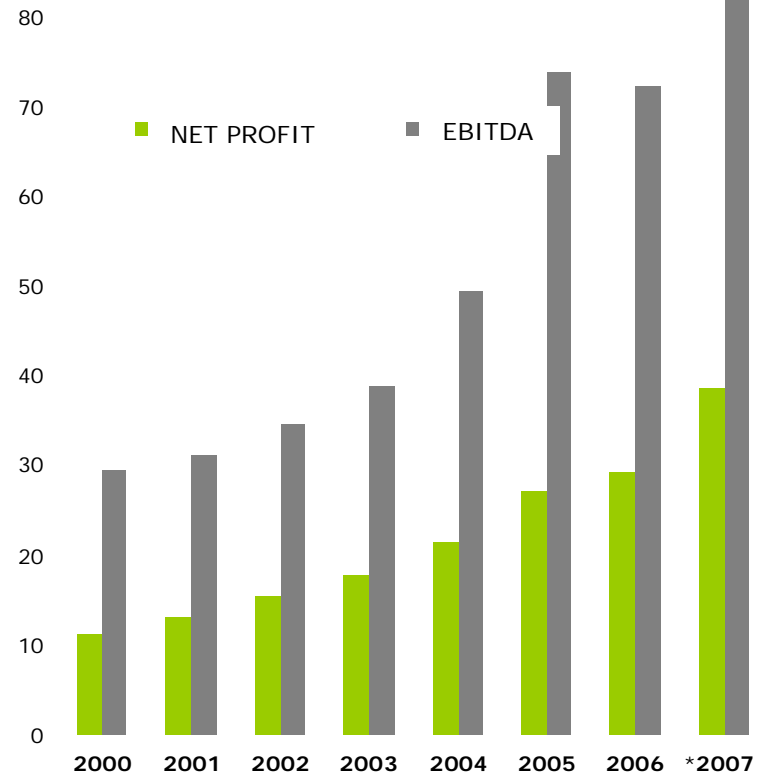
SALES

Eur millions



EBITDA, NET PROFIT

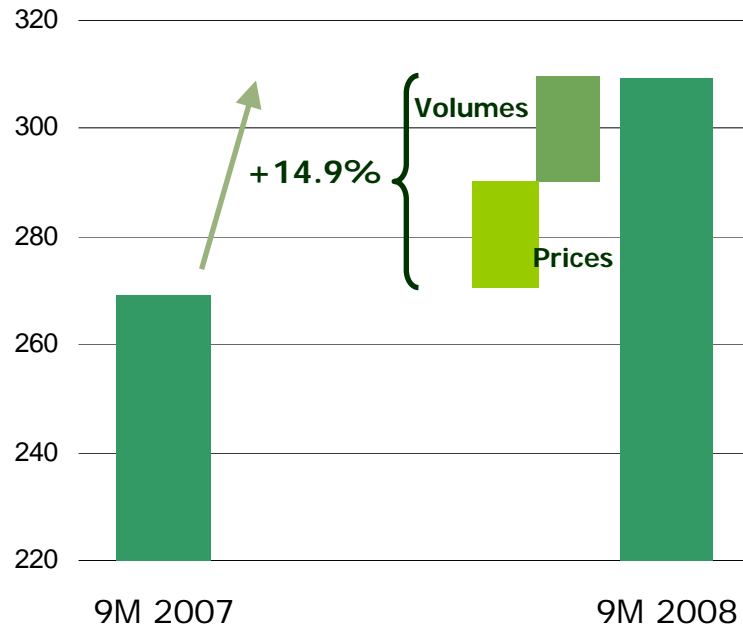
Eur millions



2008: Solid Performance

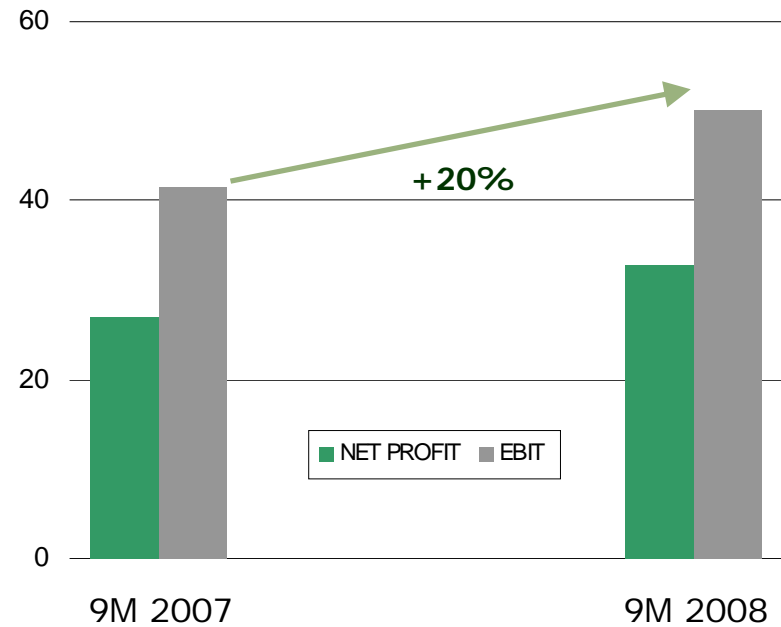
SALES

Eur millions



EBIT, NET PROFIT

Eur millions



NINE MONTHS 2008, business growth and margin expansion:

- ✓ Strong Net Sales growth of +14,9%
- ✓ Operating Margins expands to 16%

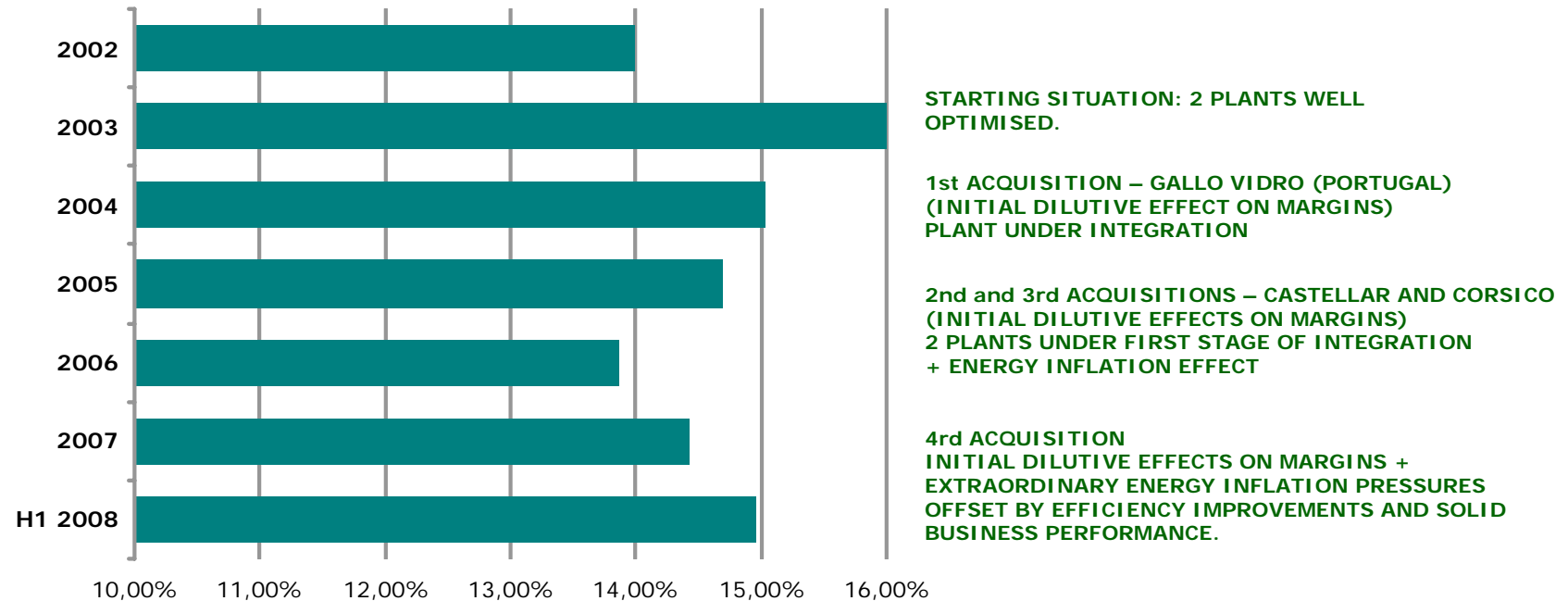
Our Aim: To maintain our Strengths

OUR STRATEGIC OBJECTIVE:

TO GROWTH WITHOUT OVERLAPING OUR EFFICIENCY ADVANTAGES

HISTORICAL OPERATING MARGINS 2002 -2007

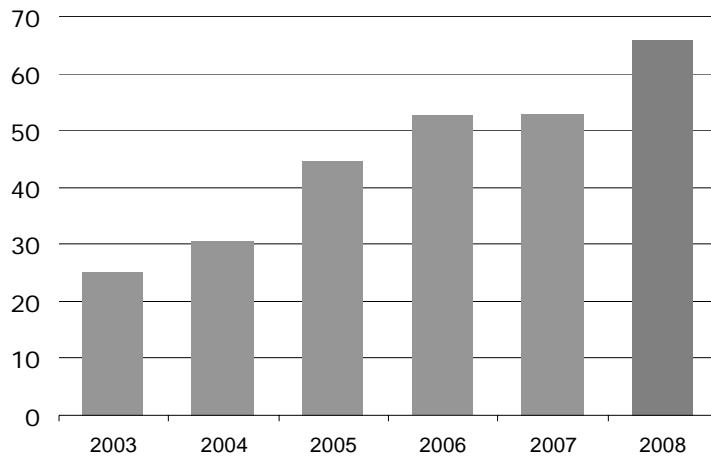
EBIT MARGINS SINCE THE INITIATION OF THE EXTERNAL GROWTH STRATEGY



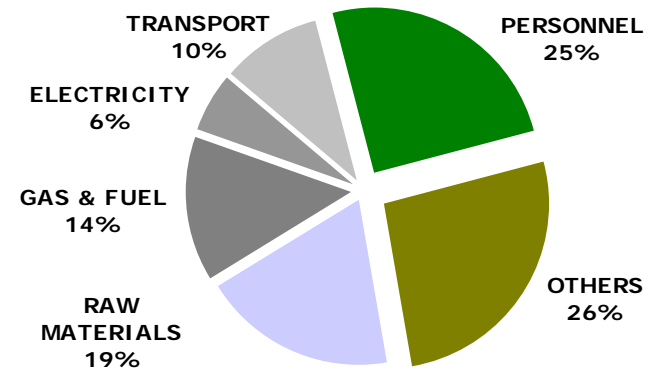
The challenge: To Improve Efficiency

ENERGY COSTS – Brent Prices in euros

Yearly averages



OPERATING COSTS BREAKDOWN



MANAGEMENT PRIORITIES:

- ✓ INCREASE SALES PROFITABILITY
- ✓ ADVANCE IN THE PROCESSES OF INTEGRATION OF RECENTLY ACQUIRED PLANTS
- ✓ IMPROVE PRODUCTIVITY AND OPTIMISE SINERGIES

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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*

1. PRODUCT

vidrala is Glass

RENEWED BET ON
R& D
to achieve a
NEW STEP IN
DIFFERENTIATION

OPTIMAL AND INTEGRATED
PRODUCTION PROCESSES

VIDRALA'S PRODUCT:

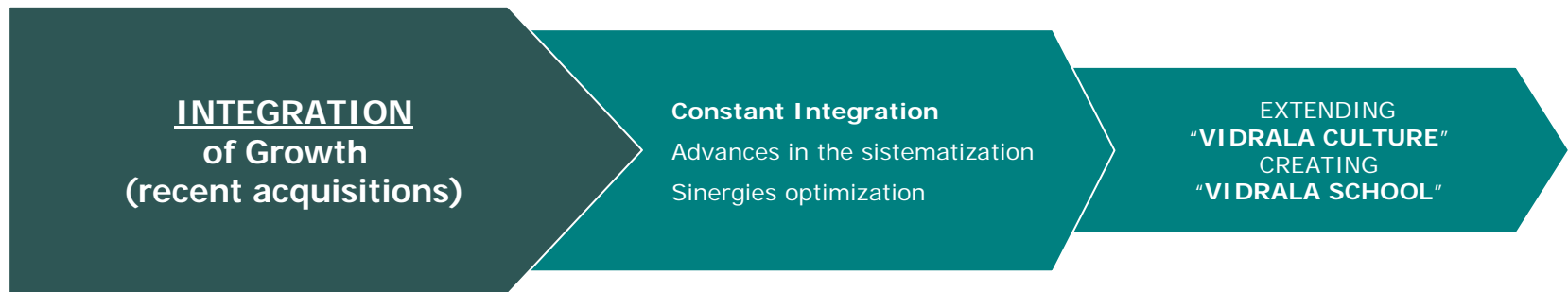
- WEIGHT, + RESISTANCE
- COSTS
- + QUALITY
- + DESIGN
- + MARKETING

Actions:

- ✓ **Focused on Glass:** The material imitated and to imitate.
- ✓ Strengthening **Marketing policies.**
- ✓ New advances in **Environmental advantages.**
- ✓ **Boosting** the Glass: costs reductions, advances in its natural advantages and getting closer to customer needs.
- ✓ **Defending** glass against alternative materials: active participation in glass associations (FEVE, ANFEVI, ASOVETRO y AIVE).

2. ORGANIZATION

vidrala An integrated Group



Actions:

- ✓ **Productive Efficiency:**
 - Improvements in facilities and production processes
 - Optimized productive capacity
- ✓ **Vidrala Know-How = Differentiation:**
 - Products and processes Knowledge
 - Customer needs Knowledge
 - Differentiation against competitors and substitutive materials
- ✓ **VIDRALA CULTURE:**
 - Developing the "Vidrala´s success model"
 - Multidirectional culture, as a group, as an action

3. MARKET (I)

vidrala a Growth Company

**PROGRESSIVE
REALIGNMENT**

- Toward most-**FAVORABLE SEGMENTS** for GLASS (profitable and with future)
- Toward **LOYAL CUSTOMERS**

**ATTENTION TO
MARKET OPPORTUNITIES**

**ANALYSIS OF OPPORTUNITIES
AND DEFINITION OF
"ENTRY MODEL"**

Strengthening the position
in our **NATURAL MARKETS**

Prospective entry in
POTENTIAL MARKETS

3. MARKET (II)

vidrala a Growth Company

Actions:

✓ Focused by segments:

- Segments profitable and with future
- Segments faithful to Glass
- Vidrala: vocation of leadership in these segments

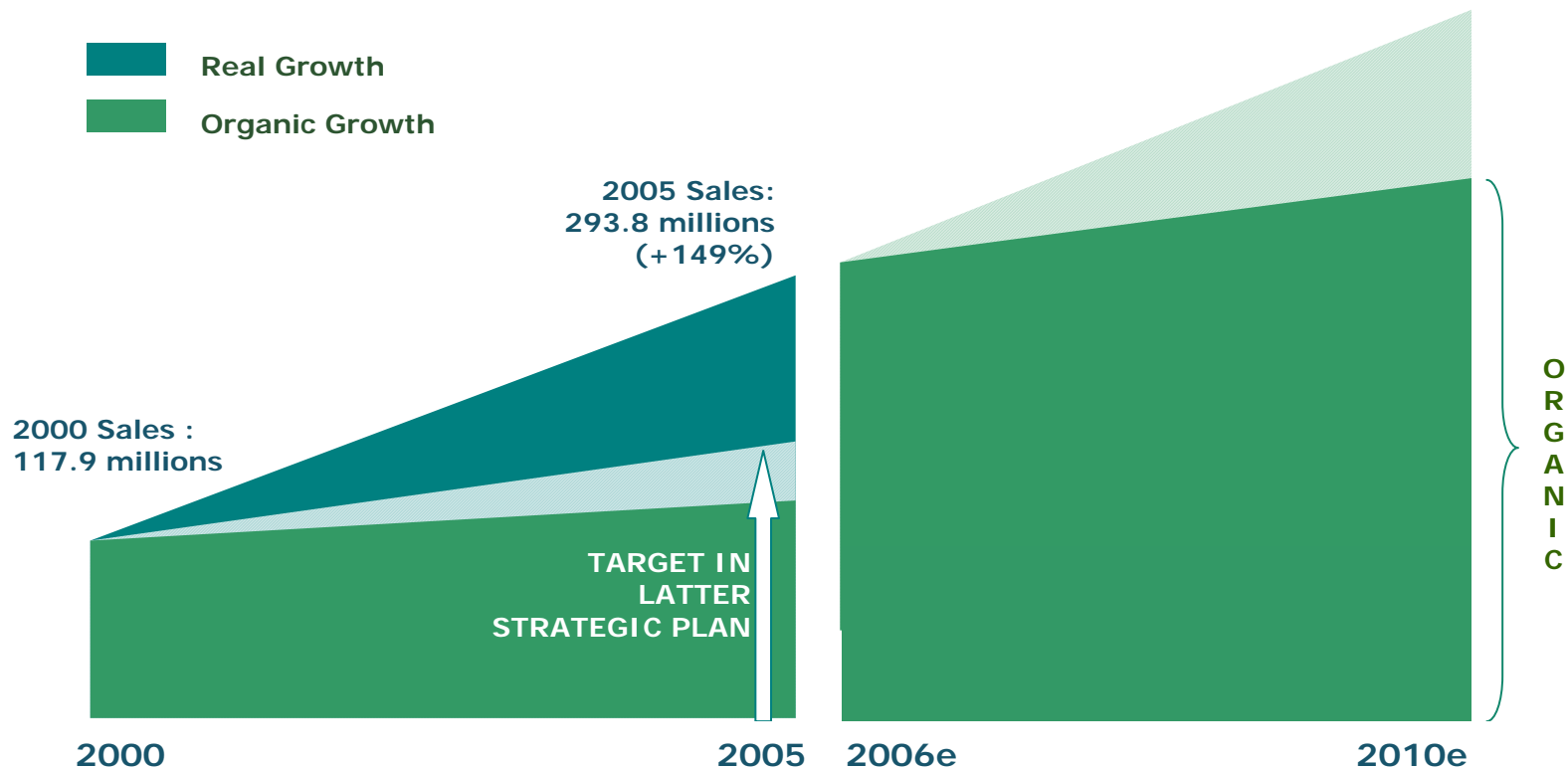
✓ Interesting Markets:

- Priority: To strength the position in our natural markets
- Interesting markets: growth markets in our target segments
- Interesting markets: markets compatible with our strengths

OBJECTIVES

Sales Growth:

- Real Growth
- Organic Growth



Total Growth of sales 2005/2000: +149%, CAGR: + 20%
 Organic Growth of sales 2005/2000: +5% CAGR.

**ANNEX: CORPORATE
SOCIAL RESPONSIBILITY**

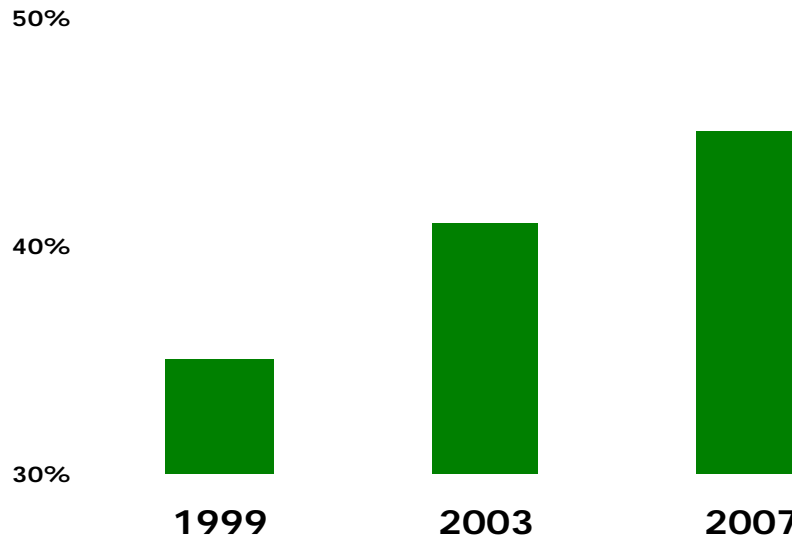
vidrala Environmental Commitment

Glass, a unique material with unique eco-friendly attributes:

INTEGRAL RECYCLABILITY: 1 RECYCLED BOTTLE = 1 NEW BOTTLE
100% unlimited

MULTIPLIER EFFECT: Recycling helps to preserve natural resources, reduces emissions, reduces costs

A continuous commitment
VIDRALA CULLET RATIO PERFORMANCE
RECYCLED GLASS / TOTAL RAW MATERIALS



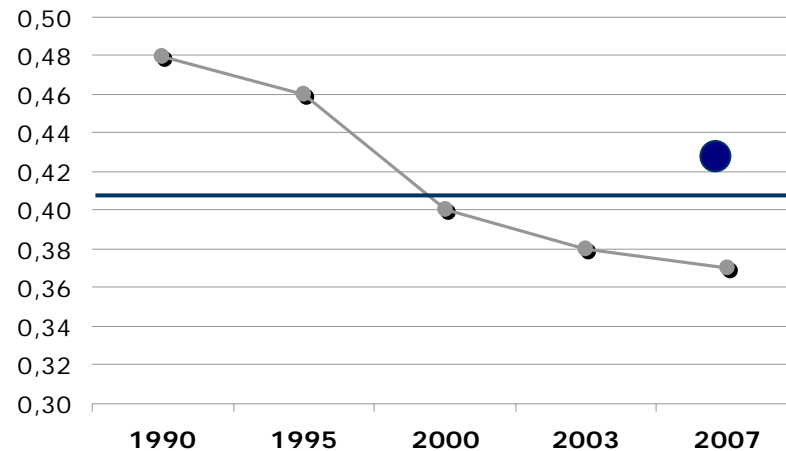
vidrala Environmental Commitment

OUR AIM: A CONTINUOUS COMMITMENT



- We use more than 1,300 tons of recycled glass everyday

EMISSIONS. INDICATOR PERFORMANCE
TONS OF CO2 PER TON OF GLASS PRODUCED



● SECTOR 2007
— REGULATORY TARGET
— VIDRALA

A recognised way of doing business

vidrala A recognised Corporate Responsibility policy

VIDRALA HAS BEEN INCLUDED IN THE RECENTLY CREATED
“FTSE4GOOD IBEX” ETHICAL INDEX.



FTSE4Good

“The FTSE4Good Index Series has been designed to measure the performance of companies that meet globally recognised corporate responsibility standards, and to facilitate investment in those companies. Transparent management and criteria alongside the FTSE brand make FTSE4Good the index of choice for the creation of Responsible Investment products”



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