PRESS RELEASE

VIDRALA, S.A.
2011 BUSINESS PERFORMANCE

Main Figures

Accumulated
(EUR in million)

	FY 2011	FY 2010	CHANGE %
Net Sales	**433.3**	405.9	+6.7%
EBITDA	**100.3**	100.5	-0.2%
Operating profit (EBIT)	**61.0**	62.9	-3.0%
Net profit	**43.7**	49.6	-11.9%

- **During 2011, accumulated sales advanced 6.7% from previous year reaching EUR 433.3 million.**
- **Group operating profit amounted to EUR 61.0 million, equivalent to an operating margin of 14.1%.**
- **Net profit for the year reached EUR 43.7 million, meaning a decrease of 12.0% with regard to 2010.**
- **Solid cash flow generation during the year entailed a 13.5% decrease in net debt.**

HIGHLIGHTS

The following are the main topics of the business performance during 2011:

- Strengthening of the Group commercial positioning consolidating market shares in Europe.
- Stringent product inventory management adapting their value in terms of quantity and quality.
- Solid cash flow generation supported both on the decrease of working capital requirements and on the discipline regarding capex management.
- Net debt reduction and consolidation of the Group financial soundness.
- Improvement on both product quality and customer satisfaction indicators.
- Completion of environmental certification plan for the whole production sites that make up Vidrala Group.
- Settlement of the internal pillars towards 2015 business plan.

Sales

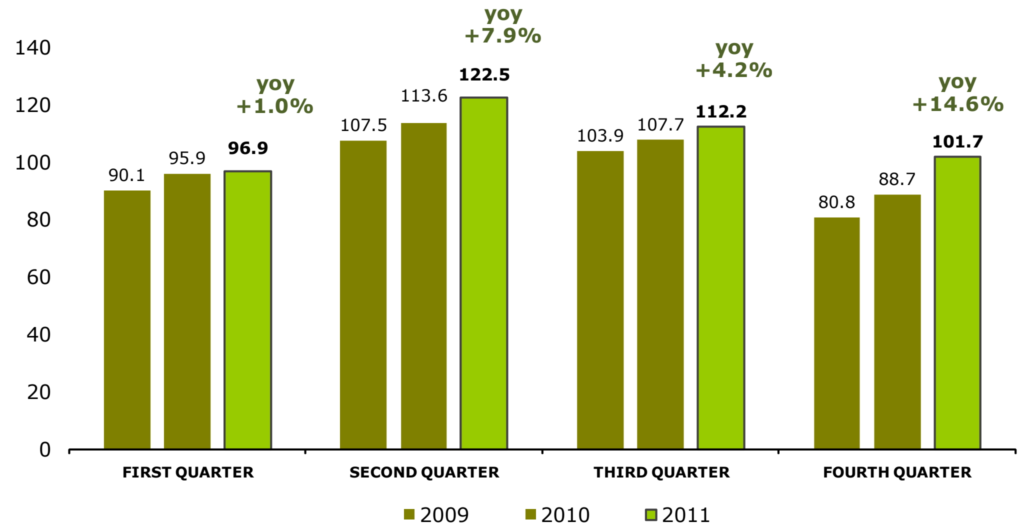
Turnover for 2011 increased by 6.7% compared to the previous year, amounting to EUR 433.3 million.

The business expansion is based on the solid positioning attained within the European regions of geographical influence. The consolidation of market shares along strategic segments and customers, consequence of the internationalization strategy implemented by Vidrala during the last years, have proven their benefits during 2011 business period.

As a reference, the increase of sales beyond the Iberian Peninsula has contributed with two thirds of the turnover total growth.

The market conditions throughout 2011 showed signs of stability within all the areas of influence. Thus, volumes have contributed to the growth of the turnover in a greater proportion than prices. During 2011 sales have reached the record figure of 3.3 billion units.

NET SALES
QUARTERLY FIGURES SINCE 2009
EUR in million



Industrial Activity

During 2011 capacity utilization rates were limited to an average level of roughly 90%. As a whole, the group registered lower than expected production efficiencies during the year.

Moreover, in the first quarter one of the glass melting furnaces in the facility of Gallo Vidro, in Portugal, was temporarily stopped for its scheduled refurbishment works.

Consequently, the increase of production was lower than that of sales. As a result, inventory levels were tight in certain periods to attend growing demand and Vidrala has incurred additional costs within the supply chain.

Results

The benefits derived from the positioning developed by Vidrala have enabled an increase in the volumes of sales during 2011 higher than the organic demand growth.

Nevertheless, cost inflation has overcome expectations as a result of the increase in energy, raw materials and general consumer price indicators linked to fixed costs.

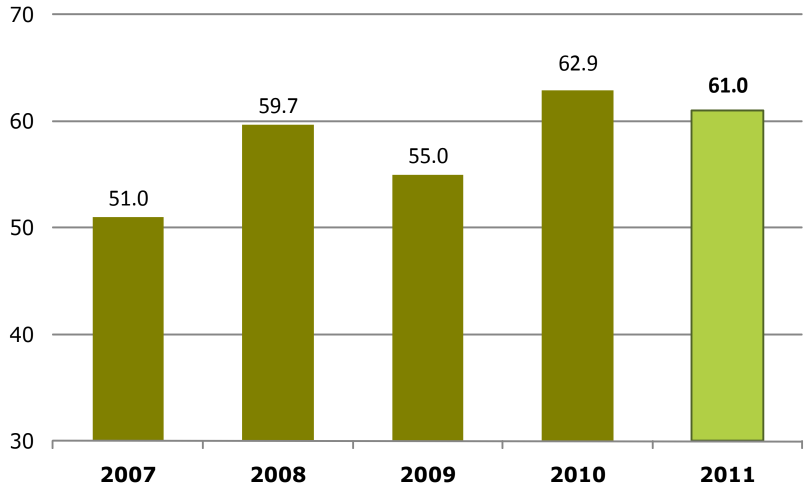
Along the year, capacity utilization rates have been broadly constrained below optimal levels. As a result, and no recurrently, the business was unable to realize the operating leverage foreseeable from higher sales and production figures.

Consequently, the low utilization of capacity, the reduction of inventories and the effect of higher production costs not proportionate with sales prices have negatively affected operating margins.

All in all, gross operating profit, EBITDA, was broadly unchanged from previous year, reaching EUR 100.3 million.

Regarding net operating profit, EBIT, it amounted to EUR 61.0 million, which represents a margin over sales of 14.1%.

OPERATING PROFIT (EBIT)
ANNUAL ACCUMULATED SINCE 2007
EUR in million



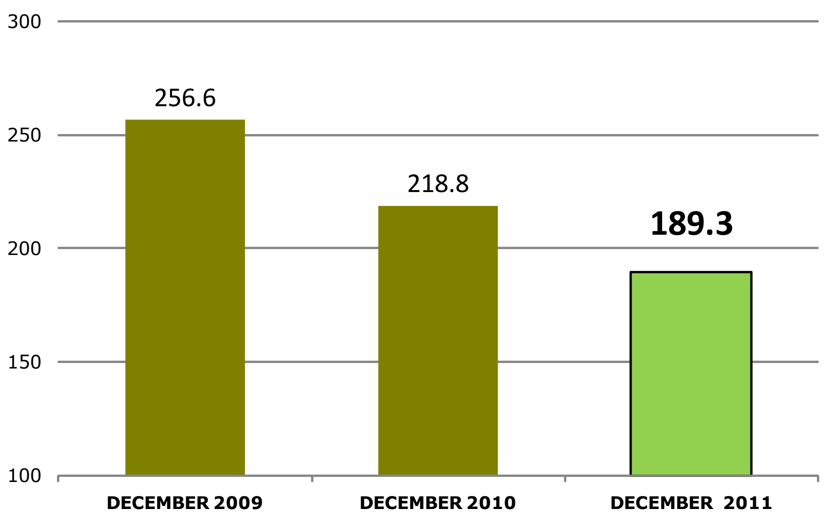
Finally, Vidrala reported a net profit of EUR 43.7 million, 11.9% lower than that of 2010.

With regard to the balance sheet, the Company reported a total net debt at December 2011 of EUR 189.3 million which meant a reduction of 13.5% compared to the previous year.

The strengthening of the financial position is a consequence of a free cash flow generation, before dividends and share buybacks, up to EUR 48.8 million.

Thus, despite a lower than expected operating result, the free cash flow generated during the year equals 11.1% of sales.

NET DEBT
EUR in million. Since 2009.



Financial soundness ratios	as at 31 December 2011
Net debt / LTM EBITDA	**1.89x**
Gearing (Net Debt / Shareholders´equity)	**0.61x**

Summary and business outlook

The recent trends must be a sign that demand for glass packaging products in Europe is likely to remain steady during 2012. Expectations reflect the inherent characteristics of the food and beverage products supplied by the industry, whose demand is generally non discretionary and less affected by the economic cycle.

However, the sector is not completely immune to the economic context. The acknowledged macroeconomic conditions and the consequences of the fiscal discipline measures carried out throughout the European Union will determine in the short term the recovery pattern of consumption rates.

Therefore, the prospects for demand growth should be solid but moderate. Understanding the fundamentals of demand for some products supplied by the European glass packaging industry, it will be relevant the capacity to maintain the upward trend seen in final exports along key segments of sales. Besides, it will be important to evidence the improvement in tourism indicators along Southern Europe.

Operationally, production costs within the packaging industry remain pressured by unexpected high inflation rates that are damaging the sector competitiveness. The prices of energy and certain raw materials stay at record levels. Consequently, it must be a priority to adapt sales prices to the ongoing context of production costs.

Group´s capacity utilization rates will remain broadly tight, aligned proportionately to increased demand requirements. Potentially positive effects of the operating leverage will have to be completed with improved operational efficiency levels and progresses in the optimization of the less efficient production sites.

The result of the aforementioned, combined with sales prices more suitably adapted to costs, allows to expect higher operating margins during 2012 compared to the previous year.

At the same time, the business management will be focused on optimizing cash generation as an axle of value creation. This way, capex for the year will not be higher than amortizations. The result of that, combined with higher operating results and a disciplined control of working capital shall end up in a greater free cash flow generation that will be mainly dedicated to reduce net debt and reinforce the financial position.

Additional information for shareholders

Remuneration policy

Dividends and AGM´s attendance bonus paid during the year 2011 amounted to EUR 57.01 cents gross per share, representing a total distribution to shareholders 10% higher than that of the previous year, taking into account that all outstanding shares have been entailed to receiving it, including the ones freely allocated during the bonus share issue carried out in November 2010.

Additionally, during the year the company cancelled 550,000 shares, representing a 2.3% of the share capital. The redemption of treasury stock is considered as an indirect and additional method of shareholder remuneration that increases its participation share on the company results for free. The figure equivalent to the share buybacks for cancellation increases the shareholder remuneration in an additional 70% to the cash dividend.

Finally, during November 2011 the company carried out a bonus share issue of 1 new share per 20 existing shares, allocated freely among all shareholders.

The remuneration policy developed by Vidrala during 2011 proves the logic in the implementation of the mentioned remuneration management, based on the maintained improvement of the reward and the combination of alternatives considered efficient in every period.