**PRESS RELEASE**

# VIDRALA, S.A.
# 2010 BUSINESS PERFORMANCE

## Main Figures
(EUR M)

| | FY 2010 | FY 2009 | CHANGE % |
|---|---|---|---|
| Net Sales | **405.9** | 382.4 | +6.1% |
| Operating Profit (EBIT) | **62.9** | 55.0 | +14.5% |
| Net Profit | **49.6** | 40.9 | +21.1% |

- **During 2010, accumulated sales advanced 6.1% to EUR 405.9 million.**
- **Group operating profit increased 14.5% to EUR 62.9 million, operating margins widened to 15.5% of sales.**
- **Net profit for the year reached EUR 49.6 million posting an annual growth of 21.1%.**
- **Solid cash flow generation reinforced cash resources and financial structure entailing a 15% decrease in net debt.**

## HIGHLIGHTS

The following are the main topics of the business performance during 2010:

- Business expansion helped by the improvement of sales volumes on strengthened market shares in Europe.
- Control over capacity utilization rates, limited to 85%, enabling more optimal stock levels.
- Improvement in industrial productivity indicators.
- Operational normalization of the Belgian subsidiary after the process of restructuration.
- Expansion of operating margins, reaching the highest levels in 5 years.
- Solid cash flow generation employed to reinforce the financial structure.

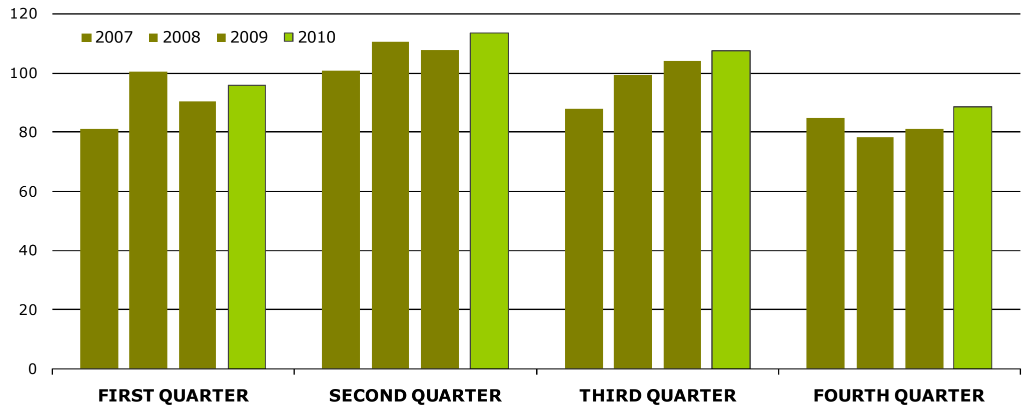
## Sales

The performance of the European glass containers markets during 2010 proved its progressive trend of normalization after a previous period characterized by demand weakness.

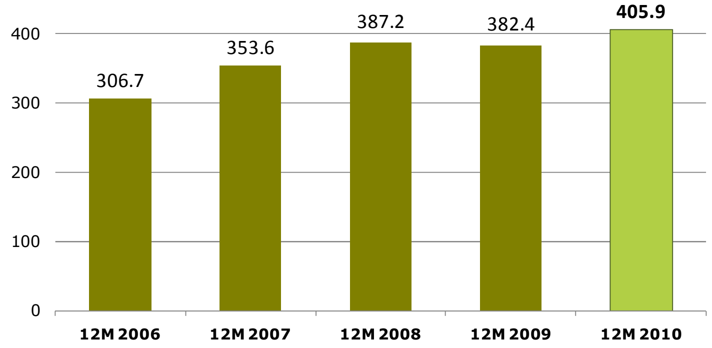
In this context, Vidrala's turnover for 2010 increased by 6.15% compared to the previous year, reaching EUR 405.9 million. Sales growth has been built on the recovery of volumes under conditions of sales prices moderation in accordance to the average costs inflation rates.

The business expansion exhibited is a consequence of the strategy of internationalization implemented by the Compnay during the last years supported by improved trading conditions that demonstrated signs of recovery in every regions of sales.

**NET SALES**
**QUARTERLY FIGURES SINCE 2007**
EUR millions




**NET SALES**
**ACCUMULATED FOR THE TWELVE MONTHS SINCE 2006**
EUR millions



## Industrial Activity

Industrial activity during 2010 has been influenced by the less than optimal rate of capacity utilization, limited to 85%. The underutilization of capacity overstated the proportional charge of fixed costs negatively affecting operating margins.

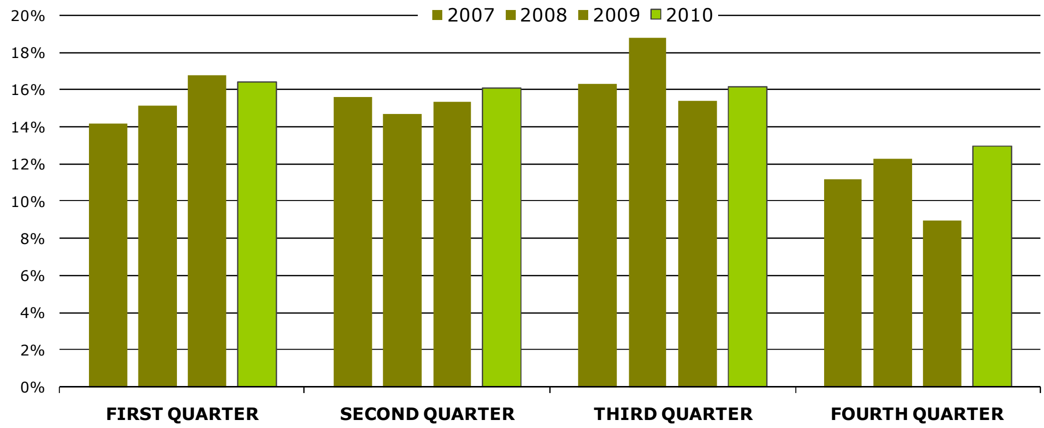
In addition to the above, inversely from 2009, production costs –after its moderation at the beginning of the year- progressively deteriorated mainly as a consequence of the increase in energy prices.

Nonetheless, 2010 has confirmed significant improvements in the group's industrial efficiency, enabling production increases close to 5% over 2009.

This resulted in an improvement of our operating margins, reaching their highest levels in the last 5 years.

Finally, during 2010, one of the glass melting furnaces in the facilities of Aiala Vidrio in Llodio has been refurbished as scheduled. The investment has introduced new state-of-the-art technologies focused on reducing energy consumption and optimizing environmental management.

**OPERATING MARGINS**
**QUARTERLY FIGURES SINCE 2007**
EBIT as a percentage of sales

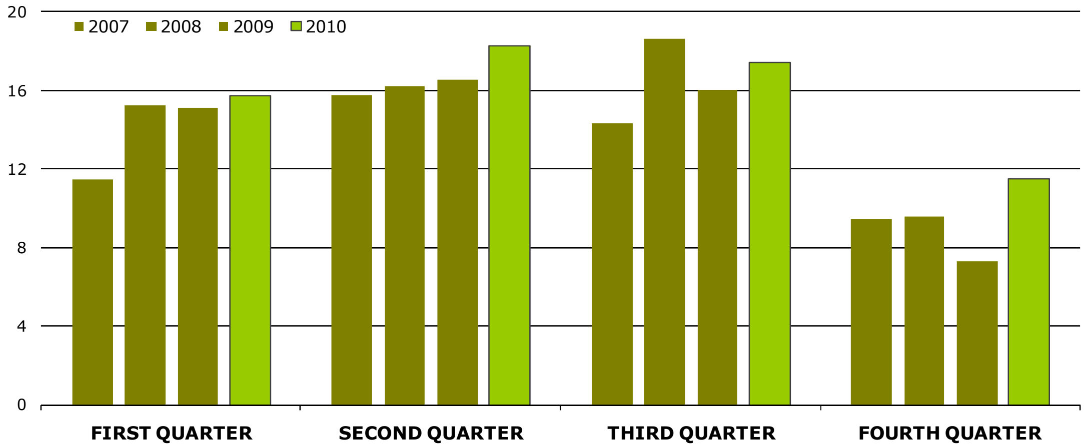


## Results

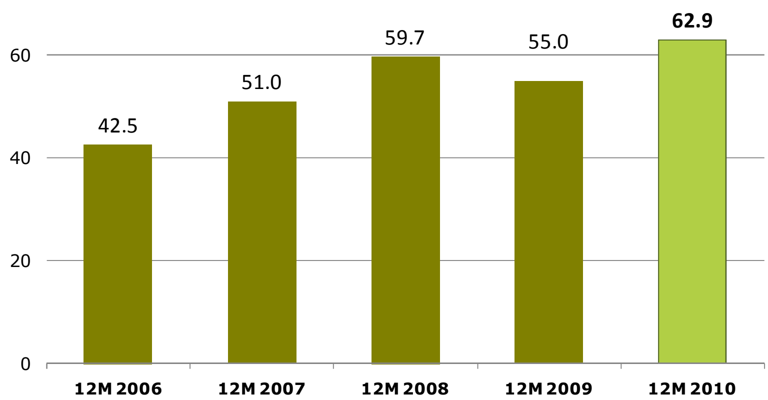
The benefits of the group´s commercial strategy focused on internationalization enabled a business expansion above the rate of organic demand growth. At the same time, industrial efficiency progressed and productivity increased. As a combined result of the above, business management offset the preliminary negative effect of a non optimal use of productive capacity.

Hence, operating profit, EBIT, increased by 14.5% reaching EUR 62.9 million. This represents a margin over sales of 15.5%, more than 100 basis points higher than 2009.

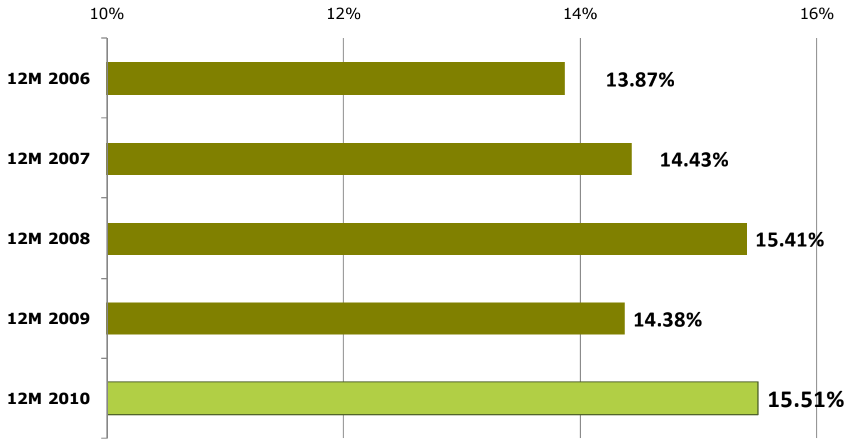
**OPERATING PROFIT (EBIT)**
**QUARTERLY FIGURES SINCE 2007**
EUR millions




**OPERATING PROFIT (EBIT)**
**ACCUMULATED FOR THE TWELVE MONTHS SINCE 2006**
EUR millions



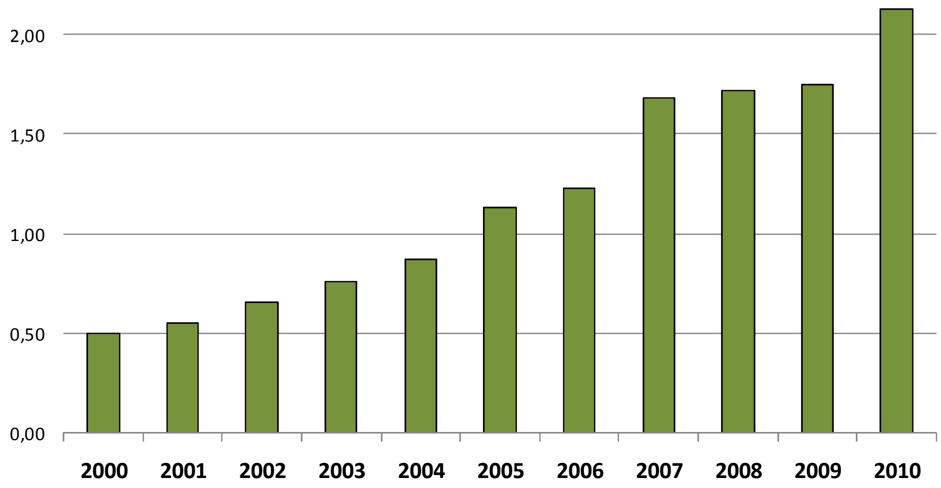
**OPERATING MARGINS**
**YEARLY SINCE 2006**
EBIT as a percentage of sales




The above mentioned operating income additionally enhanced by decreases in financial expenses resulted in a profit before taxes that reached EUR 59.1 million, 26.3% higher than 2009.

Finally, tax efficiency enabled a net profit of EUR 49.6 million, 21.1% above the previous year.

**EARNINGS PER SHARE (ADJUSTED)**
**SINCE 2000**
Euros per share

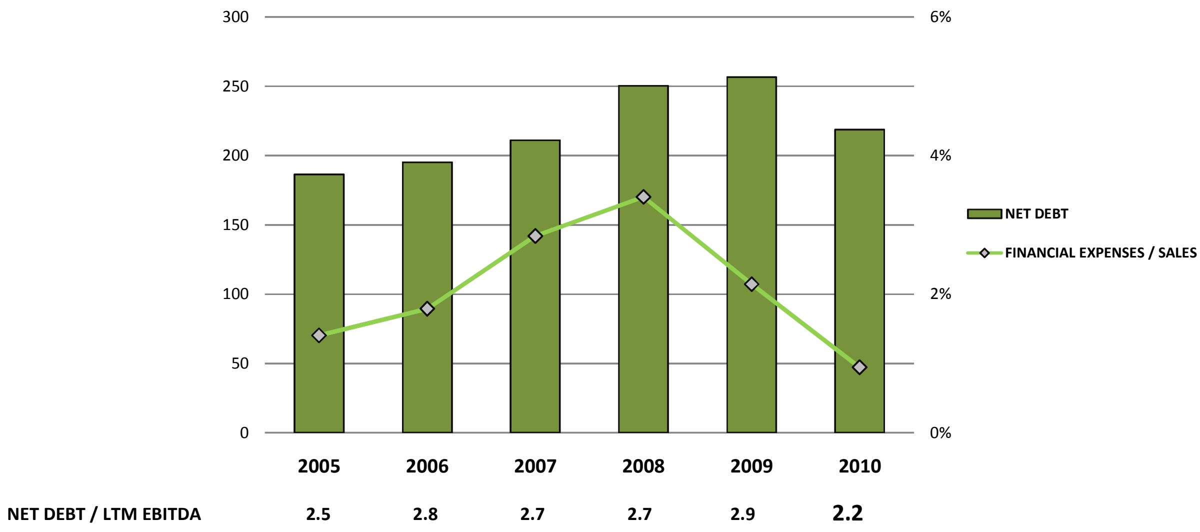


## Financials

The Company reported total net debt of EUR 218.8 million at December 2010 decreased by 15% from year-end 2009.

Such strengthening of the financial structure is a consequence of the solid free cash flow generation during the year that amounted to EUR 50.8 million representing 12,5% of sales.

**NET DEBT** Eur millions
**FINANCIAL EXPENSES / SALES** Percentage
Since 2005




| | As at dec. 2010 |
|---|---|
| Net Debt / LTM EBITDA | 2.18 X |
| Gearing (Net Debt / Sahreholders' Equity) | 0.76 X |

## Summary and business outlook

Macroeconomic outlook for 2011 anticipates growth in all Vidrala's areas of influence.

In this sense, the consolidation of the demand organic recovery pattern experienced in the previous year should advance for the Company improvements in the volumes of sales for 2011, which will be reinforced by the commercial positioning reached during the last years.

Consequently, it can also be forecasted proportional increases in the capacity utilization rates that should positively impact operational efficiency.

However, recently intensified inflation pressures, with potential impacts mainly over energy, labor, and raw materials costs, will overlap the capacity to raise the underlying value of the current group structure.

In this context, and in order to ensure the demanding competitive levels within the industry, it will be necessary to adapt sales prices in coherence to the prevailing costs environment.

In any event, the progressive expansion of sales based on solid operating margins; an adequate management of working capital needs; and a level of investments normalized to depreciations, shall enable the business to confirm its current solid cash flow generation capacity.

## Additional information for shareholders

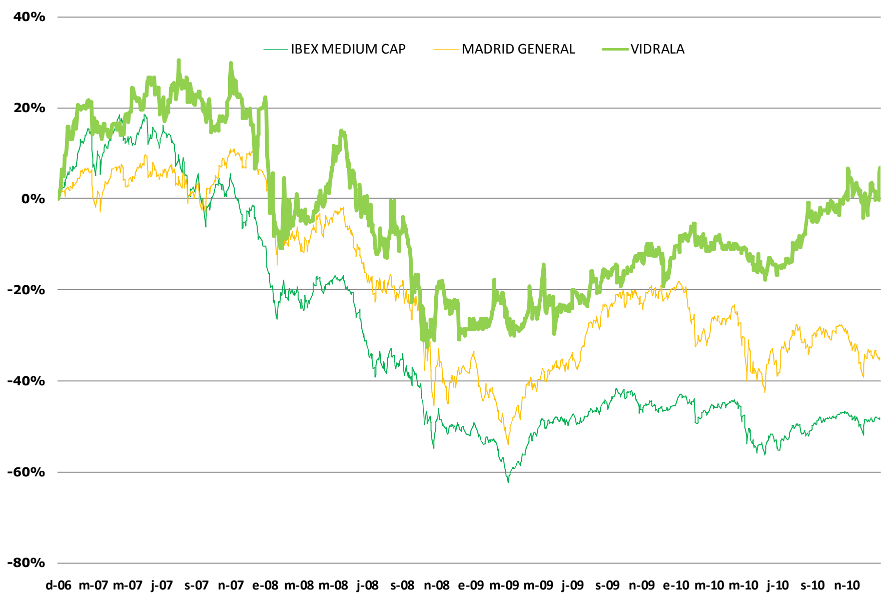
### The share

The share price closed the year at EUR 21.40, representing a market cap of 511.6 million Euros, standing for an increase during the period of 19.20%. During the same period, Stoxx Europe 600 increased by 10.85%, IGMB (Madrid Stock Exchange General Index) decreased by 18.24% and Ibex Medium Cap decreased by 5.06%.

Considering both dividends and attendance bonus payments of EUR 54.42 per share, total return for the shareholder amounted to 22.09% in the year.

During 2010 trading volumes amounted to 4,002,193 shares equal to EUR 77.9 million, 25.5% above the previous year.

**Share Price performance. Percentage.**
**Since 2007**



## Remuneration policy

Dividends and AGM's attendance bonus paid during the year amounted to EUR 54.42 cents gross per share representing a total distribution to shareholders 5% higher than the previous year.

Additionally, the company carried out in November 2010 a bonus share issue of 1 new share per 20 existing shares, allocated freely among all shareholders.

Consequently, the company confirms its bet for a solid and increasing dividend policy, which has combined additional measures to optimize shareholders' remuneration.

In addition to the above, the Board of Directors, in its meeting held on December 21, 2010, approved a first interim dividend against 2010 results of EUR 39.73 cents per share already paid last February, 15. All outstanding shares benefitted from the dividends –including the shares allocated to the shareholders in the free share capital increase executed in November 2010. As a result, the first interim dividend against 2010 results has been increased by ten per cent as per last year's.