



**miquel y costas & miquel, s. a.**

Barcelona, 7 de febrero de 2007

Muy señores nuestros:

Adjunto les remitimos la Presentación que tendrá lugar hoy, día 7 de febrero de 2007, a las 11:30 horas, en el Hotel Villamagna, Paseo de la Castellana, nº 22, Madrid, organizada por el Grupo Santander.

Les saludamos muy atentamente,

**MIQUEL Y COSTAS & MIQUEL, S.A.**

**Javier Basañez  
Secretario General**

# MIQUEL Y COSTAS GROUP



## XIII IBERIAN SMALL & MID CAP CONFERENCE



February 7-8, 2007



# *THE GROUP*

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# MIQUEL Y COSTAS GROUP

Manufacturing	Miquel y Costas & Miquel, S.A. <i>(parent company)</i>	Miquel y Costas Argentina, S.A.	MB Papeles Especiales S.A.	Celulosa de Levante, S.A.
Services		Miquel y Costas Tecnologías S.A.	Desvi, S.A.	
Commercial		Papeles Anoia, S.A.	Sociedad Española Zig Zag, S.A.	

# MANUFACTURING CENTERS



11.000 Km. from Barcelona

**AVELLANEDA**  
(Buenos Aires,  
Argentina)

Rolling papers

**MIQUEL Y COSTAS**  
**ARGENTINA (MCA)**

60 Km. from Barcelona

**TORT**  
(La Pobla de  
Claramunt, Barcelona)

Special papers

**MB PAPELES**  
**ESPECIALES (MB)**

60 Km. from Barcelona

**FORTUGÓS**  
(Capellades, Barcelona)

Rolling papers

**MIQUEL Y COSTAS &**  
**MIQUEL (MCM)**

350 Km. from Barcelona

**MISLATA**  
(Mislata, Valencia)

Papers involved in the cigarette  
industry and Printing papers

**MIQUEL Y COSTAS &**  
**MIQUEL (MCM)**

**BESÓS (Barcelona)**

Cigarette papers

**MIQUEL Y COSTAS**  
**& MIQUEL (MCM)**

175 Km. from Barcelona

**TORTOSA**  
(Tortosa, Tarragona)

Special pulps

**CELULOSA DE**  
**LEVANTE S.A.**  
**(CELESA)**



# *ACTIVITIES*

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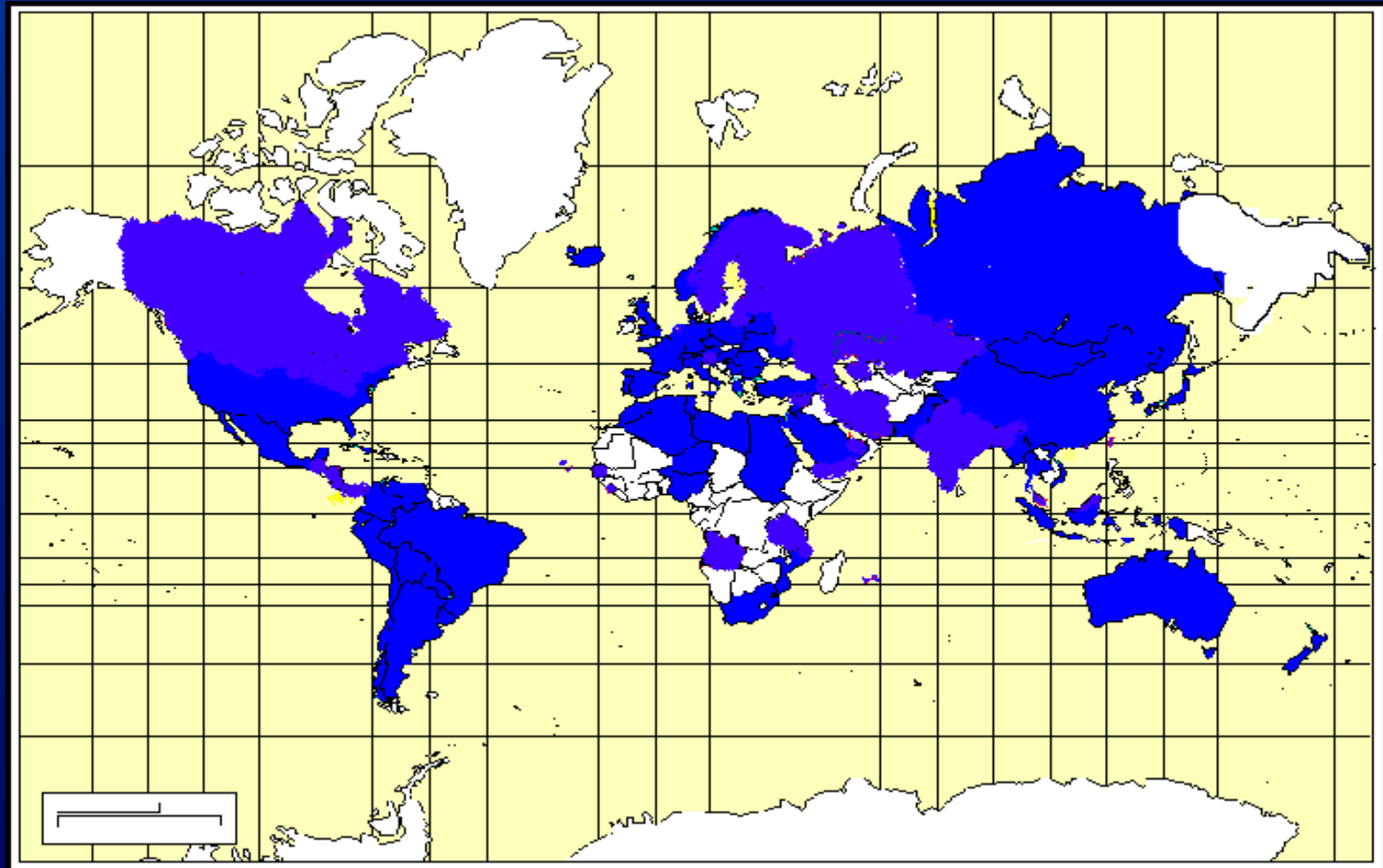
# ***DISTRIBUTION OF NET TURNOVER ACCORDING TO TYPE OF BUSINESS***



€'000

	2005		3RD QUARTER 2006	
<b>Tobacco Industry</b>	122.723	78%	92.070	77%
<b>Industrial Products</b>	20.070	13%	15.291	13%
<b>Others</b>	15.108	9%	11.687	10%
<b>TOTAL</b>	<b>157.901</b>	<b>100%</b>	<b>119.049</b>	<b>100%</b>

# ***INTERNATIONALISATION***

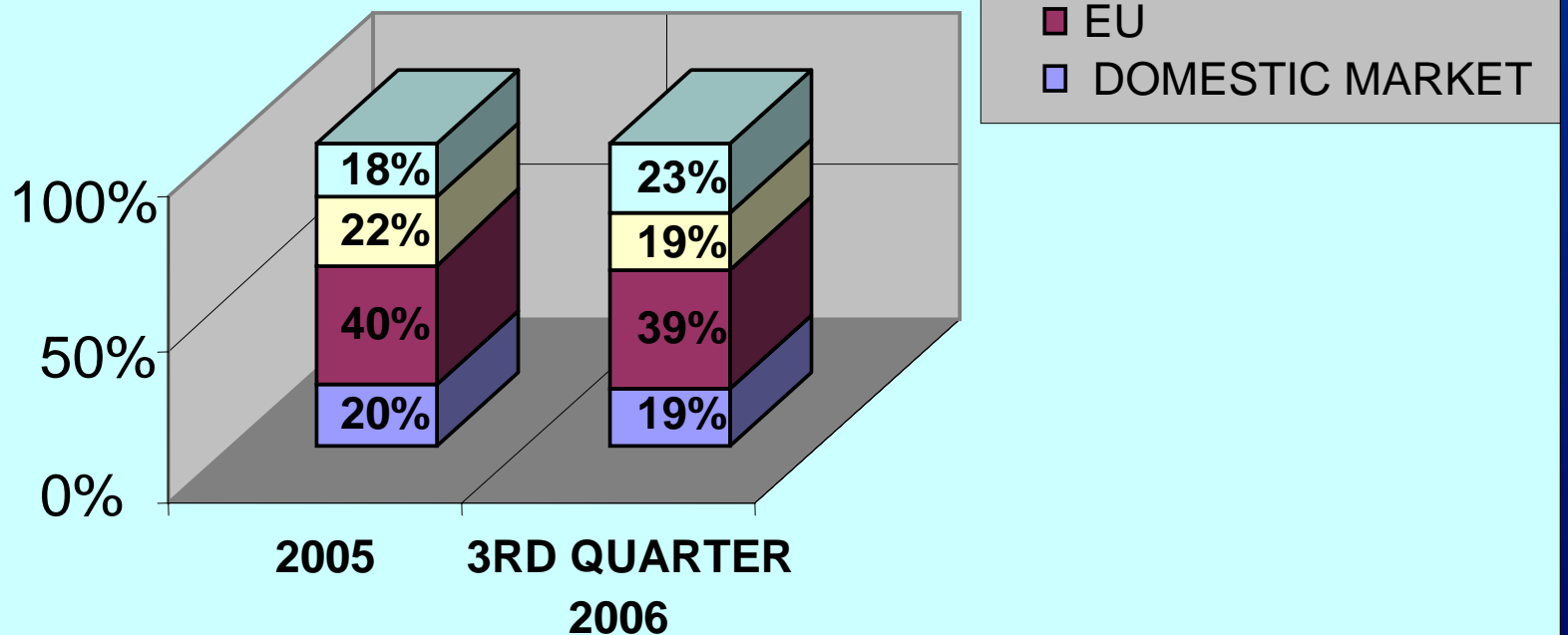




# ***DISTRIBUTION OF NET TURNOVER***



## **Net Turnover**



# INDUSTRIAL PRODUCTION



TONS

	2004		2005		3RD QUARTER 2006	
Tobacco Industry	40.522	64%	40.906	66%	31.082	68%
Industrial Products	12.557	20%	10.023	16%	7.356	16%
Others	10.168	16%	10.749	18%	7.097	16%
<b>TOTAL</b>	<b>63.247</b>	<b>100%</b>	<b>61.678</b>	<b>100%</b>	<b>45.535</b>	<b>100%</b>
<b>TOTAL EMPLOYEES</b> (Average number during the period)	<b>913</b>		<b>877</b>		<b>841</b>	



# ***FINANCIAL HIGHLIGHTS***

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# BALANCE SHEET

€'000



## ASSETS

31/12/2005 30/09/2006

Non current assets	112.976	113.207
Stocks	33.984	35.281
Trade Debtors	27.511	29.425
Other Current Assets	1.994	1.232
Cash and Cash Equivalents	3.373	607
<b>TOTAL</b>	<b>179.838</b>	<b>179.752</b>

## LIABILITIES AND EQUITY

Equity	126.213	130.173
Non-Current Liabilities to Financial Institutions	6.888	6.725
Other Non-Current Liabilities	1.633	2.386
Current Liabilities to Financial Institutions	7.912	9.626
Trade Creditors and Other Accounts Payable	24.161	20.625
Other Current Liabilities	13.031	10.217
<b>TOTAL</b>	<b>179.838</b>	<b>179.752</b>



# PROFIT EVOLUTION

€'000

	3RD. QUARTER 2005	3RD. QUARTER 2006	06/05
<b>Operating Profit</b>	18.678	11.575	-38,03%
<b>Earnings before tax</b>	18.267	11.519	-36,94%
<b>Profit Tax Expenses</b>			
% quantity	30,59%	29,78%	-2,64%
quantity	5.587	3.430	-38,61%
<b>Earnings after tax</b>	12.680	8.089	-36,21%
<b>Depreciation</b>	8.252	9.552	15,76%
<b>Cash-flow after tax</b>	20.932	17.641	-15,72%

# ***PROGRESS OF THE PROFIT TAX RATE***



2004	2005	PREV. 2006
<b>31,4%</b>	<b>29,6%</b>	<b>28,1%</b>

# INVESTMENTS

€ M



	2004	2005	PREV. 2006
M.C.M. y P.M.	9,32	10,28	7,30
CELESA	5,56	4,36	2,91
MB	2,59	1,70	1,15
OTHERS	3,42	1,87	0,12
ADJUST. CONS.	0,23	-0,21	0,00
<b>TOTAL</b>	<b>21,11</b>	<b>17,99</b>	<b>11,49</b>



# ***MCM SHARE***

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# MAIN DATA FOR SHAREHOLDERS (I)



<i>€/share</i>	2004		2005		2006		06/05 %
	NOM.	ADJUST.	NOM.	ADJUST.	NOM.	ADJUST.	ADJUST.
<b>PAID DIVIDEND PER SHARE</b>	0,6362	<b>0,4241</b>	0,4601	<b>0,4601</b>	0,4718	<b>0,4718</b>	<b>2,54</b>
<b>RETURN OF SHAREHOLDERS CONTRIBUTIONS</b>	0,1500	<b>0,1000</b>	0,1000	<b>0,1000</b>	0,1200	<b>0,1200</b>	<b>20,00</b>
<b>TOTAL SHAREHOLDERS REMUNERATION</b>	0,7862	<b>0,5241</b>	0,5601	<b>0,5601</b>	0,5918	<b>0,5918</b>	<b>5,66</b>

# ***MAIN DATA FOR SHAREHOLDERS (II)***



	2004	2005
<b>PAY OUT*</b>	<b>22,23%</b>	<b>27,53%</b>
<b>YIELD*</b>	<b>1,30%</b>	<b>1,96%</b>

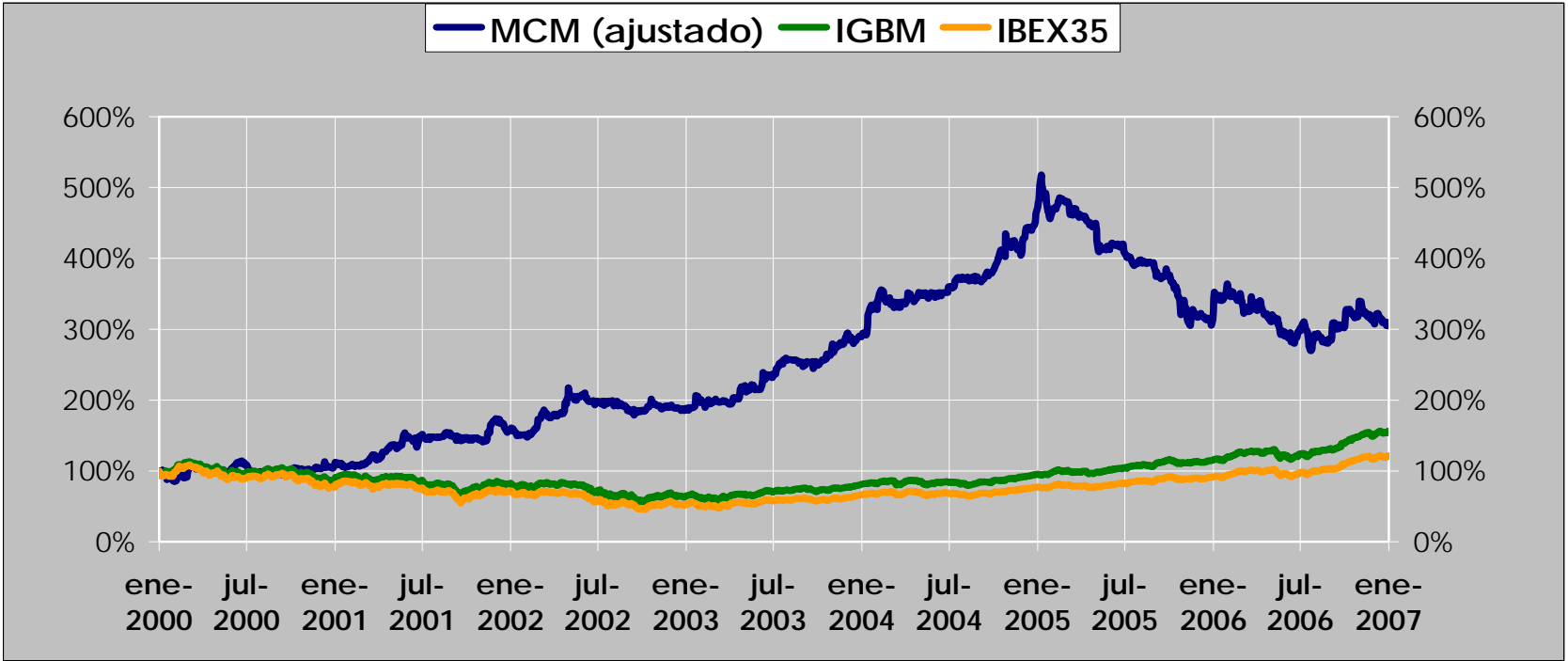
\* Accrued dividend/profit per year



# STOCK MARKET EVOLUTION

BASE 100

IBEX 35, IGBM AND MCM  
(adjusted share price)



BASE 100: COTIZACIONES DE FECHA 03/01/2000



# ***TRADE STOCK MARKET VOLUME***

	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Number of shares</b> ( '000 shares )	<b>1.174</b>	<b>3.853</b>	<b>3.593</b>
<b>Value</b> ( €M)	<b>48,71</b>	<b>116,87</b>	<b>89,80</b>

# ***OWN SHARES PORTFOLIO***



	<b>N° OF SHARES</b>	<b>COST (€ M)</b>	<b>PRICE (€/share)</b>
31 – XII – 2004	10.500	0,274	26,09
31 – XII – 2005	19.500	0,480	24,62
31 – XII – 2006	34.943	0,783	22,40
<b>TOTAL</b>	<b>64.943</b>	<b>1,537</b>	<b>23,66</b>



# *SHORT TERM*

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# ***COMPETITION : 2007 EXPECTATIONS***



## **Europe and America:**

- **It is expected a worst trend in the Special pulps business unit this year, due to lower profitability of our customers also affected by US dollar depreciation.**
- **The competitive landscape will presumably allow us improve our situation both in the papers for Tobacco Industry and special papers for Printing Industry.**
- **Industrial Products: Industrial assets along whit distribution network are ready to allow us higher profits than last year.**

# *COMPETITION : 2007 EXPECTATIONS*



## Asia-Pacific:

- Tobacco Industry business unit: We will have a better competitive position this year.
- Special pulps business unit: We are in better conditions than our competitors:
  - ✓ Higher quality although we have to reinforce its acknowledgement.
  - ✓ Production plant: The only one worldwide in its sector that fulfils the current environmental requirements.



# TARGET



Miquel y Costas expects a group profit after tax for the last quarter of 2007 of 4-5 million euros. If forecast is accomplished:

- ✓ We would have fulfilled our targets for 2007.
- ✓ We would have recovered our track rate of results.

# *THREATS*

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- **Exchange rates.**

**Forecast information have been prepared assuming an EUR/USD exchange rate of 1,30.**

- **Market concentration.**

- **Sector evolution involved with Government regulations.**



# ***MEDIUM TERM***

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# ***POLICIES (I)***

## ➤ Shareholder's remuneration:

Current policy will continue until 2009, when is planned a revision.

## ➤ CAPEX:

- We will keep current level of investment, between 13 and 14 million euros.
- Priority of the investments:
  - ✓ Environmental (Celesa).
  - ✓ Infrastructures (Mislata).
- New products: LIP.



# ***POLICIES (II)***

- ✓ Our strong balance sheet along with the perspectives of a lower investment rate allow us to consider organic as well as inorganic growth opportunities.
- ✓ Potential production capacity allows growth in volume of at least a 10% with small asset investment.
- ✓ We will not take any other decision until recovering the stability of profits (historical profits).



# ***STRENGTHS***

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- ✓ **Our leadership on research and development guaranties high quality products.**
- ✓ **Proved solvent customers.**
- ✓ **Vertical integration.**
- ✓ **Diversification.**
- ✓ **High financial solvency.**

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