

Press release

VIDRALA, S.A.
FIRST HALF 2012 RESULTS.

Main Figures
(EUR M)

	SIX MONTHS ENDED JUNE, 30 2012	SIX MONTHS ENDED JUNE, 30 2011	Change
Sales	235.0	219.4	+7.1%
Operating profit (EBIT)	32.9	29.6	+11.1%
Net profit	23.8	21.5	+10.7%

- ✓ **Sales for the six months grew 7.1% to EUR 235.0 million.**
- ✓ **Operating profit reached EUR 32.9 million.**
- ✓ **Net profit for the period amounted to EUR 23.8 million.**
- ✓ **Financial position improved as net debt reduced by 10%.**



Sales

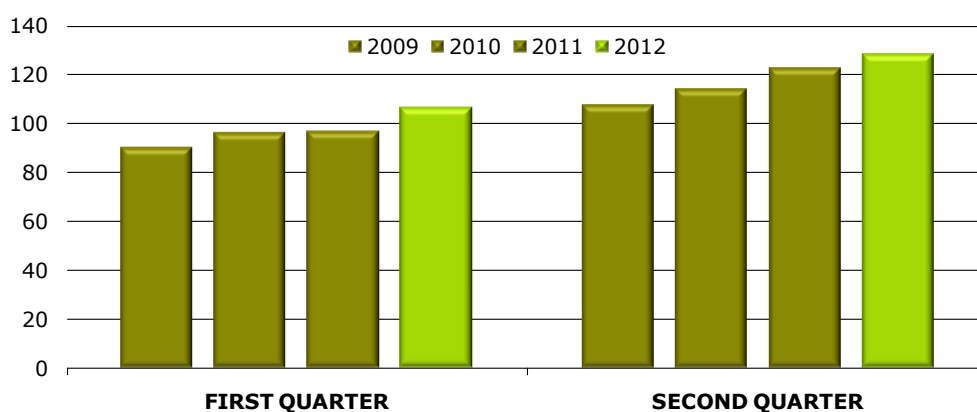
Net revenue for the six months increased 7.1% from the prior year to EUR 235 million.

Higher pricing and favorable mix effects contributed to sales growth in a similar proportion to increased trading volumes.

The business expansion is primarily due to the strong commercial positioning developed by Vidrala that was materialized in a wider geographical diversification and market share gains throughout strategic customers.

Overall, demand for packaging products within the main European markets shows modest performances reflecting prevailing macroeconomic conditions.

SALES
QUARTERLY FIGURES SINCE 2009
EUR million



Operations

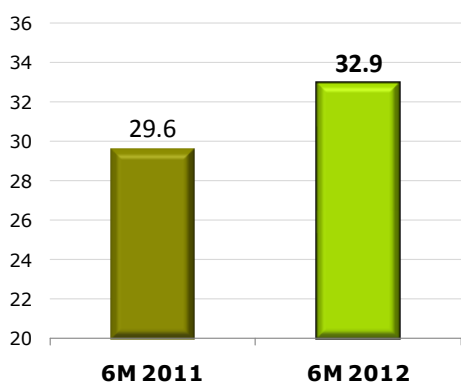
Manufacturing activity within the packaging industry remains widely conditioned by the rise in input costs. Increased pressures, especially relevant in energy and certain raw materials extended its inflationary trend during the first half of the year affecting margins all over the industry.

Thus, the operational performance reported by the group is primarily supported by internal improvements reflected in efficiency indicators. All productive sites showed progresses compared to the prior year. Manufacturing performance was particularly strong in those sites that were below their target.

As a result, operating profit, EBIT, amounted to EUR 32.9 million, 11.1% higher than the previous year. This represents a margin on sales of 14%.

OPERATING PROFIT (EBIT) FIRST HALF 2012 vs 2011. ABSOLUTE FIGURES AND MARGINS.

EUR million



EBIT/Sales



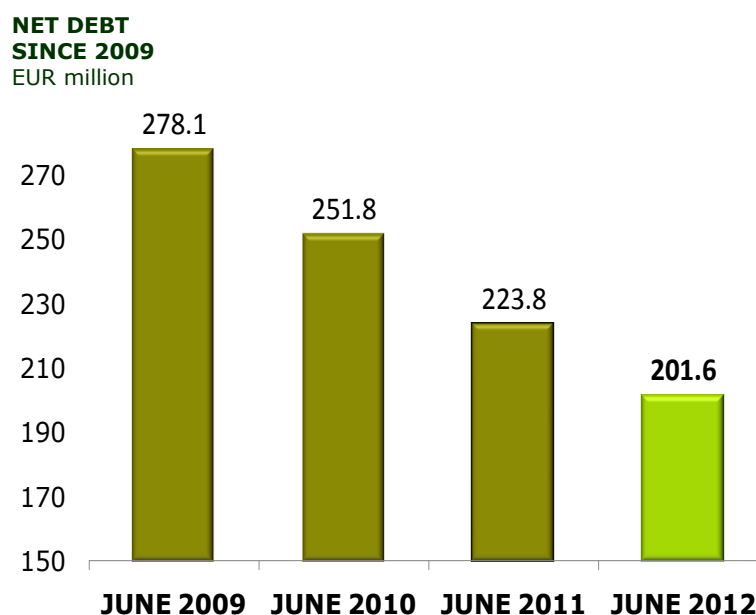
Results

Net profit for the period reached EUR 23.8 million, representing an increase of 10.7% over the same period in the prior year.

Regarding working capital, stocks continued widely unchanged on 20% of last twelve months sales, verifying that management remains focused on adapting capacity utilization rates to prevailing sales conditions and on optimizing working capital requirements.

Financial position of the group strengthened as a result of a net debt reduced by 10%, compared to June 2011, down to EUR 201.6 million that represents 1.9x last twelve months EBITDA.

The reported debt reduction results from a free cash flow generation of EUR 44.9 million during the last twelve months. Cash sources have been mainly dedicated to debt reduction, after addressing EUR 13.7 million to dividends as well as EUR 9.1 million to share buy-backs.



Outlook

The economic outlook remains volatile. Uncertainties surrounding the economies in southern Europe limit the visibility of market trends enforcing to keep a close market monitoring to match capacity with demand conditions. Nonetheless, the commercial positioning achieved by Vidrala should enable the Group to consolidate, during the second half of the year, improvements in the volumes of sales, proving the benefits of the strategy of diversification implemented in geographical areas, products and customers of solid fundamentals.

With regards to the industrial activity, high inflation rates in input costs remain surpassing expectations. In this context, prices are not yet adapted to real manufacturing costs.

The aforementioned business environment enhances competitiveness requirements. Therefore, internal measures towards costs controls remain a priority.

Under an operational perspective, latest productive progresses in all sites of the Group allow to preview higher efficiency ratios compared to last year.

Consequently, following the trend showed in previous reports, 2012 full year results are expected to be higher than the prior year.

In any case, management will remain focused on cash generation and return on capital employed. These priorities will be based on a tight control of working capital and capex discipline. As a result, free cash flow generation for the full year is expected to be higher than 2011. Cash sources will be primarily used to reduce debt. Consequently, return on capital employed will improve towards defined targets.

RELEVANT BUSINESS FIGURES

EUR million	AS AT JUNE 2012	AS AT JUNE 2011
Sales	235.0	219.4
Operating result (EBIT)	32.9	29.6
Profit before tax	29.8	26.8
Net Profit	23.8	21.5
Non-current assets	460.6	474.2
Equity	328.5	304.6
Net debt	201.6	223.8
Working capital	129.3	136.0
EBIT margin	14.0%	13.5%
Net debt/Ebitda	1.9x	2.3x
Net debt/Equity	61%	73%
ROCE	9.9%	9.4%



Relevant information for Shareholders

The Annual General Meeting of Vidrala was held last June 21.

Among the resolutions therein adopted, which are fully available at the web site of the company -www.vidrala.com-, it should be highlighted the approval of the distribution of a complementary dividend from 2011 results of a gross amount of EUR 0.1448 per share which was paid last July 13.

This second payment is complementary to the one satisfied last February. All outstanding shares were entitled to its perception, including the shares resulting from the bonus share issue executed in November 2011. All in, total dividend payment from 2011 results has been increased by 5% compared to the prior year.

All the above is coherent with the policy developed by the company towards the stability and continuous improvement of the shareholder's remuneration.

