



Barcelona, 13 de marzo de 2007

Muy señores nuestros:

Adjunto les remitimos la Presentación que tendrá lugar hoy, día 13 de marzo de 2007, a las 15:30 horas, en el Hotel Arts Barcelona, calle Marina, nº 19-21, 08005 Barcelona, organizada por Citigroup con inversores.

Les saludamos muy atentamente,

MIQUEL Y COSTAS & MIQUEL, S.A.

**Javier Basañez
Secretario General**

MIQUEL Y COSTAS GROUP



CITIGROUP

March, 13 2007



THE GROUP



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)





ACTIVITIES

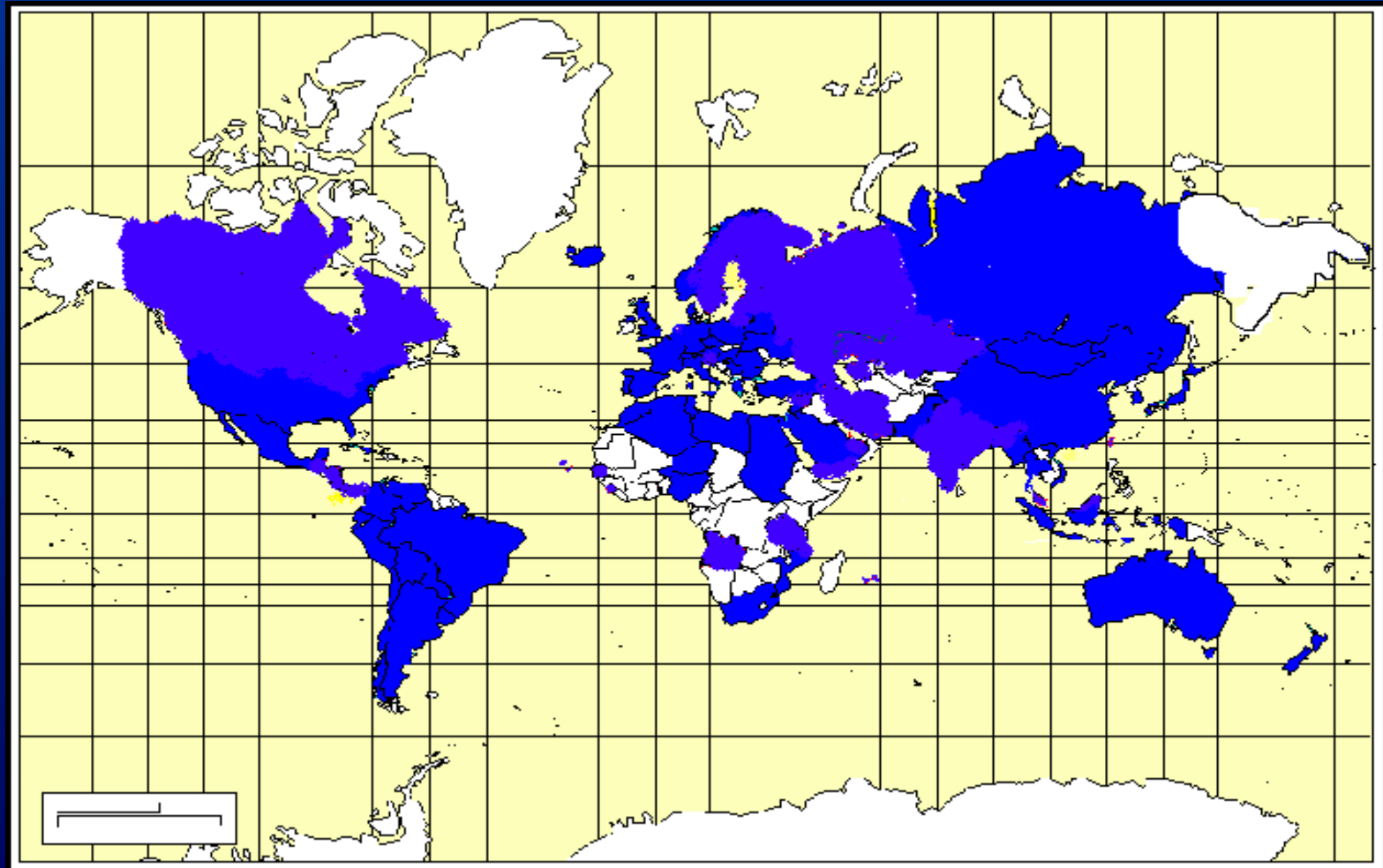
DISTRIBUTION OF NET TURNOVER ACCORDING TO TYPE OF BUSINESS



€'000

	2005		2006	
Tobacco Industry	122.723	78%	121.277	77%
Industrial Products	20.070	13%	19.756	13%
Others	15.108	9%	15.400	10%
TOTAL	157.901	100%	156.433	100%

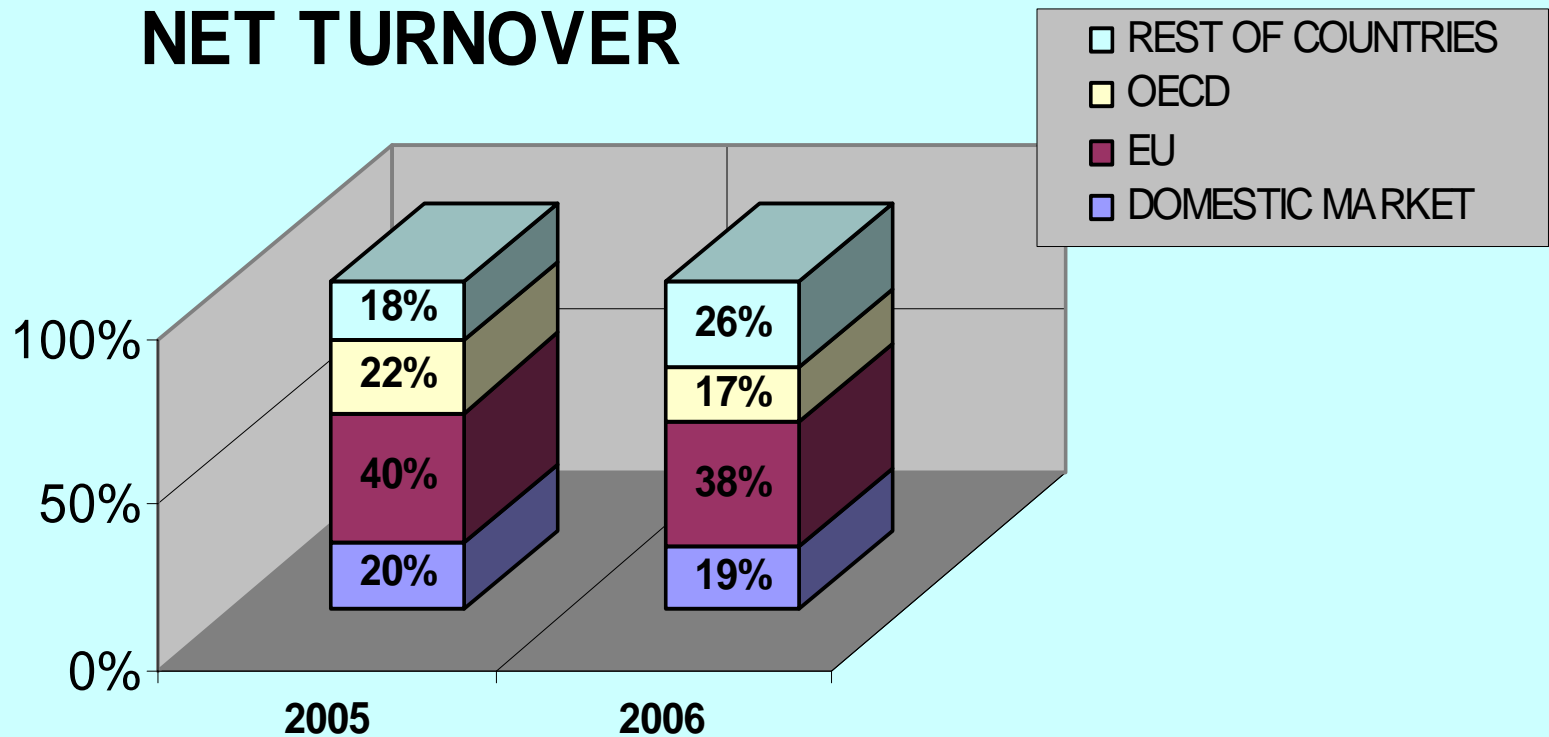
INTERNATIONALISATION



DISTRIBUTION OF NET TURNOVER



NET TURNOVER



INDUSTRIAL PRODUCTION



TONS

	2004		2005		2006	
Tobacco Industry	40.522	64%	40.906	66%	41.198	68%
Industrial Products	12.557	20%	10.023	16%	10.112	17%
Others	10.168	16%	10.749	18%	9.329	15%
TOTAL	63.247	100%	61.678	100%	60.639	100%
TOTAL EMPLOYEES (Average number during the period)	913		877		850	



FINANCIAL HIGHLIGHTS

BALANCE SHEET

€'000



ASSETS	31/12/2005	31/12/2006
Non current assets	112.976	115.501
Stocks	33.984	36.973
Trade Debtors	27.511	28.178
Other Current Assets	1.994	1.686
Cash and Cash Equivalents	3.373	656
TOTAL	179.838	182.994

LIABILITIES AND EQUITY

Equity	126.213	130.850
Non-Current Liabilities to Financial Institutions	6.888	5.126
Other Non-Current Liabilities	3.700	2.704
Current Liabilities to Financial Institutions	7.912	12.273
Trade Creditors and Other Accounts Payable	24.161	24.936
Other Current Liabilities	10.964	7.105
TOTAL	179.838	182.994



PROFIT EVOLUTION

€'000

	2005	2006	06/05
Operating Profit	24.453	16.251	-33,54%
Earnings before tax	23.725	15.976	-32,66%
Profit Tax Expenses			
%	29,59%	28,12%	-4,97%
quantity	7.021	4.493	-36,01%
Earnings after tax	16.704	11.483	-31,26%
Depreciation	11.565	11.955	3,37%
Cash-flow after tax	28.269	23.438	-17,09%

PROGRESS OF THE PROFIT TAX RATE



2004	2005	2006
31,4%	29,6%	28,1%

INVESTMENTS

€ M



	2004	2005	2006
M.C.M. y P.M.	9,32	10,28	8,52
CELESA	5,56	4,36	3,22
MB	2,59	1,70	3,58
OTHERS	3,42	1,87	0,26
ADJUST. CONS.	0,23	-0,21	-0,34
TOTAL	21,11	17,99	15,24



MCM SHARE

MAIN DATA FOR SHAREHOLDERS (I)



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

MAIN DATA FOR SHAREHOLDERS (II)



	2004	2005
PAY OUT*	22,23%	27,53%
YIELD*	1,30%	1,96%

* Accrued dividend/profit per year

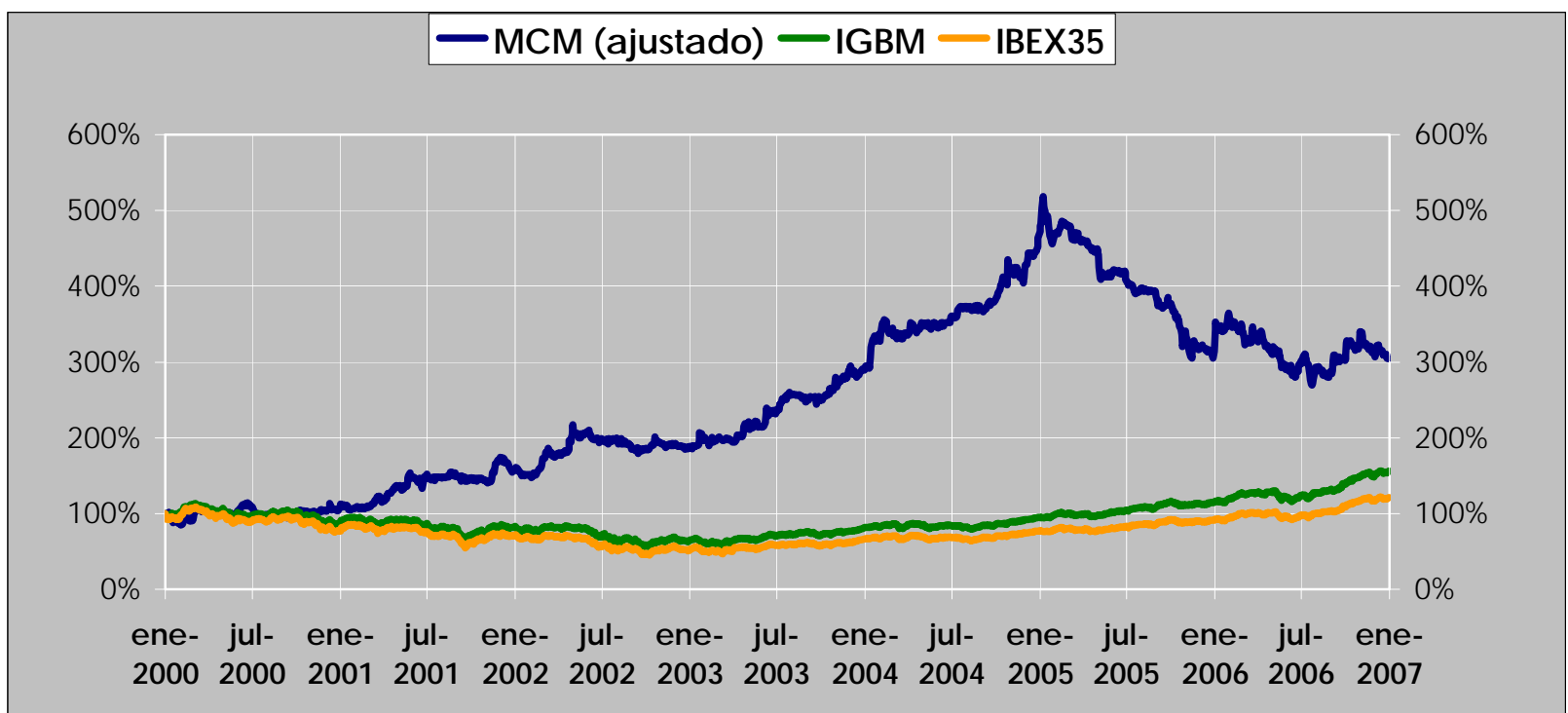


STOCK MARKET EVOLUTION

BASE 100

IBEX 35, IGBM AND MCM
(adjusted share price)

EVOLUCIÓN COMPARATIVA EN BASE 100: IBEX35, IGBM Y MCM (precio ajustado de la acción)



BASE 100: COTIZACIONES DE FECHA 03/01/2000



TRADE STOCK MARKET VOLUME

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

OWN SHARES PORTFOLIO



	N° OF SHARES	COST (€ M)	PRICE (€/share)
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
TOTAL	64.943	1,537	23,66



SHORT TERM

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

- **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

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

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

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