

Viscofan on the stock market

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Stock markets

In 2018, the world experienced a slowdown in economic growth compared to 2017, especially in the second half of the year, a trend that is expected to continue in 2019. According to estimates from the International Monetary Fund (IMF), global GDP will grow by + 3.7% in 2018 and + 3.5% in 2019, down from 3.8% in 2017. The worsening in the performance and outlook is due to the uncertainty caused by commercial tensions, particularly between the USA and China, the economic slowdown in Europe and the instability experienced in several emerging countries. This context has coexisted with a high volatility of the currency market, as well as the price of oil.

Given this adverse context, the main global equity indices closed the year with declines. Of note in Europe is the Euro Stoxx 600, which closed 2018 with a decline of -13.2%, in Spain the Ibex 35 with -15.0%, the German DAX -18.3% and the French CAC with -11.0%. In the United States, the S&P 500 index recorded a depreciation of -6.2%.

Viscofan shares

Viscofan shares are listed on the Spanish stock markets of Madrid, Barcelona and Bilbao. In addition, the shares traded on the continuous market since its flotation in December 1986, belong to the Ibex 35 index, the Madrid Stock Exchange General Index (IGBM) and form part of the Consumer Goods segment of the food subsector, as well as the Euro Stoxx Food & Beverage index and the Eurostoxx 600 index.

In the first nine months of the year, Viscofan shares maintained a positive trend, marking a new record high of €66.20 per share in September. However, the announcement in the 3Q18 results publication of the non-compliance of the initial growth targets expected for the year caused shares to fall, reversing this trend. Viscofan shares closed 2018 with a securities listing of €48.12, registering an interannual decrease of -12.5% and -9.7% after including the dividends paid during the year.

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Creating shareholder value

Throughout the different strategic plans, the Viscofan Group has built a sound and flexible business model. This characteristic entails the creation of cash flows that allow investment projects to be carried out in order to improve value creation, which is shared with shareholders in cash and at the same time maintaining a sound balance sheet structure.

In this respect, the stock market continues to recognise the Viscofan Group's value creation, and is combined with the Group's commitment to shareholder remuneration. Thus, in the last ten years the average annual return has been 13% and 15%, taking into account shareholder remuneration. Analysing the creation of value over time, this is greater for shareholders who have held shares in Viscofan for a longer period of time. For example:



The investment of a shareholder who invested 1,000 euros in Viscofan shares at the end of December 2008, and held them at 31 December 2018, was worth 3,417 euros, and in these 10 years this individual also received 803 euros in dividends, a combined return of 322%.

The Viscofan Group is immersed in the strategic plan known as MORE TO BE, which covers the period between 2016 and 2020, looking ahead in its value creation proposal that entails the objective of leading the main packaging markets in service, technology and cost. An ambitious and investment-intensive target, with €265 million earmarked for investments between 2016 and 2018 but without requiring additional efforts from shareholders while maintaining a sound balance sheet.

Alongside this, the financial and operational strength of the company allows for a further increase in shareholder remuneration. As such, the ordinary dividend proposed by the Board of Directors for 2018 amounts to €1.60 per share. The payment of an extraordinary dividend must be added to this payment, charged to the non-

recurring results from the compensation for patent infringement of €0.13 per share. This joint proposal increases total remuneration by 11.6% as compared to the total of 1.55 euros per share approved for the previous year.

In terms of profitability, the total dividend proposed for 2018 is 3.1% of the average share price during the year.

Likewise, during the year, the company acquired 103,682 shares at a cost of €5.3 million. Subsequently, in January 2019, the Board approved the execution of a capital reduction for a nominal amount of €72,577.40, through the redemption of the 103,682 existing shares.

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Viscofan, its shareholders and investors

One of Viscofan's objectives, through its Department of Investor and Shareholder Relations, is to create value for the investor community by improving accessibility, the transparency of information and providing shareholders with relevant information in order to gain a better understanding of the company itself and its results, strategy and operations.

Viscofan return vs. Ibex 35

Buy (31/12)		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TSR
2008	Viscofan	26.3%	101.7%	103.8%	204.5%	194.1%	213.4%	295.7%	233.2%	291.3%	242.2%	13.1%
2008	Ibex 35	29.8%	7.2%	-6.8%	-11.2%	7.8%	11.8%	3.8%	1.7%	9.2%	-7.1%	-0.7%
2009	Viscofan		59.7%	61.4%	141.0%	132.8%	148.1%	213.3%	163.8%	209.7%	170.9%	11.7%
2009	Ibex 35		-17.4%	-28.3%	-31.6%	-16.9%	-13.9%	-20.1%	-21.7%	-15.9%	-28.5%	-3.7%
2010	Viscofan			1.1%	51.0%	45.8%	55.4%	96.2%	65.2%	94.0%	69.7%	6.8%
2010	Ibex 35			-13.1%	-17.2%	0.6%	4.3%	-3.2%	-5.1%	1.9%	-13.4%	-1.8%
2011	Viscofan				49.4%	44.3%	53.8%	94.1%	63.5%	91.9%	67.9%	7.7%
2011	Ibex 35				-4.7%	15.8%	20.0%	11.4%	9.2%	17.2%	-0.3%	0.0%
2012	Viscofan					-3.4%	2.9%	30.0%	9.4%	28.5%	12.4%	2.0%
2012	Ibex 35					21.4%	25.9%	16.9%	14.5%	23.0%	4.6%	0.7%
2013	Viscofan						6.6%	34.6%	13.3%	33.0%	16.4%	3.1%
2013	Ibex 35						3.7%	-3.8%	-5.7%	1.3%	-13.9%	-2.9%
2014	Viscofan							26.3%	6.3%	24.8%	9.2%	2.2%
2014	Ibex 35							-7.2%	-9.0%	-2.3%	-16.9%	-4.5%
2015	Viscofan								-15.8%	-1.1%	-13.5%	-4.7%
2015	Ibex 35								-2.0%	5.2%	-10.5%	-3.6%
2016	Viscofan									17.4%	2.7%	1.3%
2016	Ibex 35									7.4%	-8.7%	-4.4%
2017	Viscofan										-12.5%	-12.5%
2017	Ibex 35										-15.0%	-15.0%

Communication channels

Viscofan provides the investment community with a multitude of communication channels: presentations at seminars and events organised by the financial community, road shows with institutional investors, whether they be promoted by the company or by brokers, earnings presentations, the General Meeting of Shareholders, organised visits to Viscofan's head office, telephone calls to a dedicated investor and shareholder helpline, a special e-mail address, the notifications and regular public information submitted to the CNMV (Spanish National Securities Market Commission), as well as the information published on the website www.viscofan.com, especially in the Investor Relations section in which Viscofan makes the latest news, relevant facts, reports and quarterly presentations of results, annual report, share price performance, etc. available to the public.

The communication effort carried out throughout all these years has been recognised by the investment community. Institutional Investor in its "All European Executive Team" awarded Viscofan in 2016 the 1st CEO for Sell-Side and 2nd Best CEO combined, and 3rd IR for Sell-Side of the Paper & Packaging sector. Also in previous years, in 2015 the 2nd Best IR for Sell-Side and in 2012 the 1st Best IR professional for the Sell-Side in the packaging and food sector.

Bidirectional communication is important, since the questions and concerns of the Financial Community are taken into account and transmitted within the company, making it possible to have a better overall view of it. In 2018, the most frequent questions were related to the development of the MORE TO BE strategic plan, the increase in sales prices, the decrease in sales in China and other countries of the Asian continent in the third quarter, the price inflation of the raw materials (caustic soda and glycerine), shareholder remuneration, the impact of exchange rate variations, investments made, especially in fibrous and plastic technologies, and the acquisitions of Supralon, Transform Pack and Globus.

Viscofan maintains fluid communication with the financial markets, so that in 2018 a total of 15 analysis companies, Spanish and international alike, covered Viscofan on a recurring basis.

At the same time, in 2018 Viscofan held 210 face-to-face meetings with investors, both shareholders and non-shareholders interested in the company, in 2017 there were 257. These meetings were held in 6 different countries.

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Communication with shareholders



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Stock exchange highlights

	Strategy MORE TO BE 2016-2020			Strategy Be MORE Period				Strategy Be One Period		
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Share price €	48.12	55.01	46.85	55.64	44.07	41.35	42.81	28.66	28.36	17.76
Year-end price	48.12	55.01	46.85	55.64	44.07	41.35	42.81	28.66	28.36	17.76
Year high	66.20	56.33	56.06	60.93	48.36	43.70	42.81	30.59	29.65	18.20
Year low	46.20	46.75	41.84	43.04	36.24	35.65	28.45	22.51	17.64	12.81

Viscofan in the stock market evolution	Year end 2018	Year end 2017	Year end 2016	Year end 2015	Year end 2014	Year end 2013	Year end 2012	Year end 2011	Year end 2010	Year end 2019
% annual change Viscofan	-12.5%	17.4%	-15.8%	26.3%	6.6%	-3.4%	49.4%	1.1%	59.7%	26.3%
% annual change IGBM	-15.0%	7.6%	-2.2%	-7.4%	3.0%	22.7%	-3.8%	-14.6%	-19.2%	27.2%
% annual change IBEX 35	-15.0%	7.4%	-2.0%	-7.2%	3.7%	21.4%	-4.7%	-13.1%	-17.4%	29.8%
% annual change Euro STOXX 600	-13.2%	7.7%	-1.2%	6.8%	4.4%	17.4%	14.4%	-11.3%	8.6%	28.0%
% annual change Medium Cap	-13.7%	4.0%	-6.6%	13.7%	-1.8%	52.0%	13.8%	-20.7%	-5.6%	13.8%
% annual change Sub sector Food and beverages IGBM	-8.4%	5.2%	-5.4%	26.4%	-5.2%	4.7%	25.0%	-6.3%	25.3%	7.0%

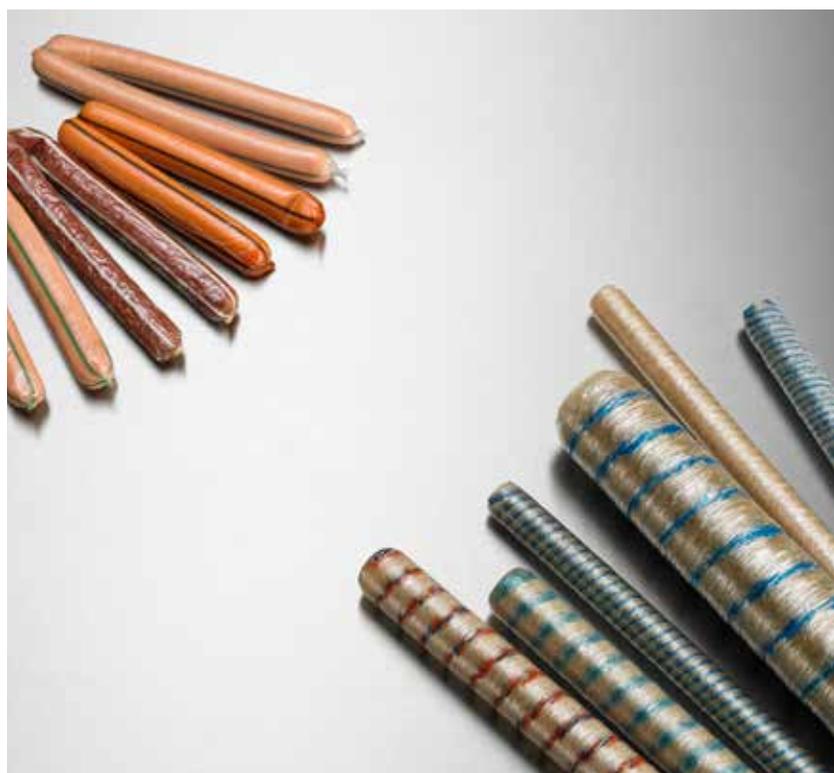
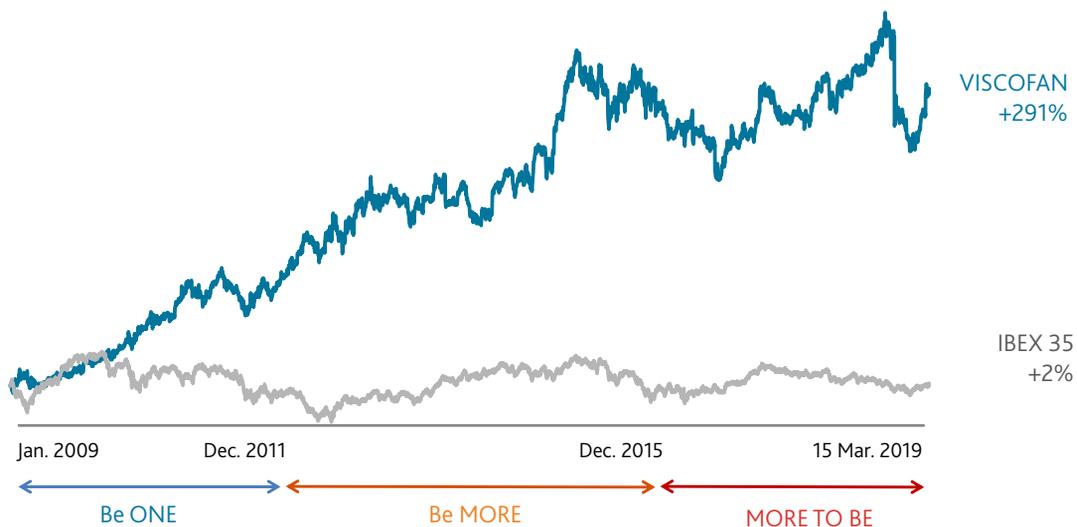
Stock market trading data	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Market capitalization at year-end (million of €)	2,242.6	2,563.7	2,183.4	2,593.0	2,053.6	1,927.1	1,995.1	1,335.7	1,321.7	827.7
Traded volume (million of €)	1,669.1	1,995.2	2,707.1	3,179.9	3,233.0	2,506.4	1,426.9	1,274.1	925.4	663.1
Daily average trading volume (million of €)	6.5	7.8	10.5	12.3	12.6	9.8	5.6	5.0	3.6	2.6
Traded shares	29,807,220	38,658,041	54,701,597	58,329,352	78,062,343	63,212,344	41,360,939	47,049,517	41,668,063	42,112,723
Daily average of traded shares	116,891	151,600	212,022	225,210	304,931	247,892	161,566	183,787	162,766	165,798

Share ratios	Year end 2018	Year end 2017	Year end 2016	Year end 2015	Year end 2014	Year end 2013	Year end 2012	Year end 2011	Year end 2010	Year end 2019
Listed shares	46,603,682	46,603,682	46,603,682	46,603,682	46,603,682	46,603,682	46,603,682	46,603,682	46,603,682	46,603,682
Earnings per share ⁽¹⁾	2.658	2.620	2.684	2.575	2.284	2.178	2.254	2.172	1.745	1.379
Remuneration per share ⁽²⁾	1.600	1.550	1.450	1.350	1.180	1.120	1.100	1.000	0.800	0.623

(1) Net earnings per share is calculated by dividing net profit by the average weighted number of ordinary shares in circulation during the year, excluding treasury stock

(2) Includes: dividends, capital reimbursement, refund of issue premium and bonus for attending the General Meeting

Annual evolution Viscofan vs. Ibex 35



Point of contact for report-related queries

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