QUARTELY ADVANCE OF RESULTS CORRESPONDING TO:

QUARTER: **3º** YEAR: **2001**

1-) GENERAL INFORMATION

COMPANY NAME

VISCOFAN SA, INDUSTRIA NAVARRA DE ENVOLTURAS CELULOSICAS

MAIN OFFICE:

C/ITURRAMA 23, ENTREPLANTA 31007 PAMPLONA NAVARRA

NIF : A-31/06550-1

Those persons who assume responsability, for this information and their respective positions

D. JUAN IGNACIO VILLEGAS DIAZ (CHIEF EXECUTIVE OFFICER)

2-)QUATERLY BALANCE OF RESULTS

Milions Ptas

	INDIVIDUAL		CONSOLIDATED	
	PRESENT BUSINESS YEAR	PREVIOUS BUSINESS YEAR	PRESENT BUSINESS YEAR	PREVIOUS BUSINESS YEAR
NET TURNOVER	13.364	13.087	48.602	49.388
RESULT BEFORE TAX	1.021	1.926	1.603	2.312
RESULT AFTER TAX	1.020	1.826	1.397	1.940
Result attributable to Minority Interests			-1	-1
RESULT ATTRIBUTABLE TO THE PARENT COMPANY			1.396	1.939
SHARE CAPITAL	2.438	2.438		
AVERAGE NUMBER OF EMPLOYEES	579	625	3.305	3.562

3-) BUSINESS PERFORMANCE

On 4 July, a final dividend of 8 pesetas per share was paid on the basis of the earnings for the 2000 financial year, which, along with the interim dividend paid in January, comes to a total gross dividend of 16 pesetas per share.

The net turnover consolidated in the third quarter of the year has climbed to 16,592 million pesetas, a number that is equal to the 16,421 million pesetas of the third quarter of the year 2000. The accumulated earnings of the first nine months of the year are 48,602 million pesetas, which represents a 1.6% drop from the first nine months of 2000.

Compared with the previous quarter, the third quarter shows slightly lower sales: a 2.4% drop, due to the fact that, cyclically, it is a quarter with less activity, both by us and by our casings clients.

Total sales of casings at the end of the third quarter have dropped by 3% in comparison with the number reached last year during the same period. However, this figure is positive (1.2%) if we compare only the quarter.

In terms of companies, the sales situation may be summarised as follows:

Sales by the parent company have totalled 13,364 million pesetas in the nine months of the year, compared with 13,075 of the previous year. With respect to the quarter, the 4,492 million pesetas earned compare positively with the 4,092 million pesetas earned in the third quarter of 2000.

The three main products sold by the parent company – cellulose casings, collagen casings and electrical energy – show a positive evolution, considering the habitual seasonality of sales in the third quarter.

Due to changes in consumer habits brought on by Bovine Spongiform Encephalopathy (BSE), Naturin has seen a drop in sales on its domestic market, although the impact of this problem is gradually decreasing. To counteract this effect, its exports continue to grow, both through the companies of the group and through direct exports.

Viscofan of Brazil maintains a good level of activity and sales, in terms of its own products as well as in terms of its sales of the products of the rest of the group. However, this increase is not reflected in the results, because of the devaluation of local currency against the US dollar. This factor of currency exchange variation will condition the short-term earnings of this subsidiary until the situation stabilises.

Viscofan USA has continued the improvement announced in the last quarterly report, and is still showing positive, though modest, earnings in the third quarter of this year.

After suffering from a particularly difficult first quarter, the tinned vegetables division has showed a 3% increase in sales at the end of the third quarter, thanks to a higher level of activity in this quarter pertaining to the campaigns carried out at this time of the year, which have been successful in lowering the stock in storage.

The prices of major raw materials, which rose significantly in the first half of the year, are now decreasing thanks to better supply policies and the diversification of suppliers. Only the prices of caustic soda and cellulose remain high.

Consolidated gross earnings (EBITDA) have reached 2,850 million pesetas in the third quarter, which is a 5.5% improvement over the second quarter earnings. However, the accumulated earnings of the first nine months of the year – 8,053 million pesetas – are still 9% less that those of the first nine months of the year 2000, having been unable to counteract the negative difference of the first semester.

Third quarter net earnings (EBIT) have reached 1,535 million pesetas, which is a 22% improvement over the previous quarter earnings. However, the accumulated earnings of the nine months – 3,755 million pesetas – are still 19% lower than those of the first nine months of the year 2000, due to the lag in the first half of the year.

Financial expenses are down from the second quarter, and are practically the same as those of the third quarter of 2000. The year's accumulation is still higher than that of the 9 months of 2000.

The trend toward debt decreasing as a consequence of investment containment and better handling of circulation should continue in this quarter. This, along with the reduction of interest rates, will result in the continued decrease of financial expenses for the rest of the year.

Consolidated before-tax earnings for the third quarter has risen to 725. million pesetas, an improvement over the 607 million of the second quarter, the 271 million of the first quarter, and the 389 million of the third quarter of the year 2000. Accumulated earnings are situated at 1,603 million pesetas, which reduces their difference from the accumulated earnings of the previous year by 30.7%, from the 54.4% difference between the first semester of 2000 and that of 2001.

Third-quarter consolidated final earnings total 647 million pesetas, against 536 in the second quarter, with accumulated earnings of 1,396 million in 9 months, which is a 28% reduction in the difference with the year 2000, from -51% in the first semester of 2001.

Third quarter earnings by the parent company have risen to 340 million pesetas, which is a 26.8% decrease from the 424 million earned in the third quarter of the 2000 financial year, due to reduced collection of dividends from subsidiaries.

In conclusion, the third quarter earnings confirm the impression expressed in the two previous quarterly reports: a gradually improving quarterly evolution of earnings, which, save exceptional circumstances, we hope will continue and be confirmed in the fourth quarter.

4-)DISTRIBUTION OF DIVIDENDS DURING THE PERIOD

	% Par Value	Pesetas perr Share	Amount MILIONS/PTS
1. ORDINARY SHARES	32	16	778
2. PREFERENCE SHARES	0	0	0
3.NON-VOTING SHARES	0	0	0

In January 29TH 2001 , a dividend of 8 ptas per share was paid, againts 2000 profits, this was followed on 4th july by payment of 8 ptas per share

5-) KEY EVENTS

		YES	NO
1. Acquisitions or transmissions of investments in the capital of companis quotes on the stock-exchange determine the obligation of communication dealt with art. 53 of the LMV.	3200		X
2.Acquisition of treasury stock determine the obligation of communication according to 1st additional provision of the L.S.A.	3210	X	
3. Other significant increases or decreases of fixed and other non current asset (holdings greater than 10% in unquoted companies, relevant material investments or disinvestments, etc...)	3220		X
4. Increases or reductions of capital stock or of security value.	3230		X
5. Emissions, reimbursements or cancellations of debet securities.	3240		X
6. Changes of Administrators or of the Administration Council	3250	X	
7. Modification to the carters (statutes)	3260	X	
8. Transformations, fusions or brek-ups.	3270		X
9. Changes in the institutional regulation of the sector with signifi-cant incidence with regards the economic or financial situation.	3280		X
10. Lawsuits, litgations or contentiouses which may significantly affect the hereditary situation of the Association or the Group	3290		X
11.Competitive situatins, temporary recieverships.	3310		X
12. Special limitation agreements, cession or reliquisment, total or patial, of the political and economic rights of the shares.	3320		X
13. Strategic agreements with national or international groups (interchange of share packets, etc.)	3330		X
14. Other key events	3340		X

Point 2- The company's acquisition of its own shares

The company's Board of Directors, using the authorisation granted by the General Meeting of Company Shareholders, decided to purchase some of its own shares on the market. On 30 September, the company had 512.575 of its own bonds.

Points 6 and 7 – Changes in Directors or the Board of Directors and Modification of Statutes.

The significant events that have occurred in these nine months with respect to these two points were reported to the Securities and Investment Board in writing on 30 June 2001, incorporating the agreements adopted by the General Meeting of Company Shareholders held on 25 June 2001.