BIANNUAL BALANCE OF RESULT CORRESPONDING TO:

SEMESTER: Second **YEAR:** 2001

I-GENERAL INFORMATION

COMPANY NAME

VISCOFAN SA,

MAIN OFFICE

C/ITURRAMA 23, ENTREPLANTA 31007 PAMPLONA NAVARRA

NIF:A-31/06550-1

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

D. JUAN IGNACIO VILLEGAS DIAZ (CHIEF EXECUTIVE OFICER)

II- NET TURNOVER - DISTRIBUTION BY ACTIVITIES

	INDIVIDUAL		CONSOLIDATED	
	PRESENT	**PREVIOUS**	**PRESENT**	**PREVIOUS**
ACTIVITY				
Artificial casing	16.981	16.082	49.372	50.105
Vegetable	0	0	15.667	15.632
Energy	487	444	487	444
Other	364	636	124	194
TOTAL	**17.832**	**17.162**	**65.650**	**66.375**

III- AVERAGE NUMBER OF EMPLOYEES IN THIS PERIOD

	INDIVIDUAL		CONSOLIDATED	
	PRESENT	**PREVIOUS**	**PRESENT**	**PREVIOUS**
AVERAGE NUMBER OF EMPLOYEES	**579**	**620**	**3.631**	**3.740**

IV- BUSINESS PERFORMANCE

These are the results for the fourth quarter of the year 2001, a year in which the performance of the artificial casings market has been influenced by the effects of Bovine Spongiform Encephalopathy (BSE), which caused a fall in the consumption of meat products and an increase in provision costs of the raw materials necessary for producing collagen.

Over the year these negative effects have gradually eased which together with the measures taken, allows us to present a positive balance in terms of profits and a fourth quarter with the best results of the year.

However, it must be borne in mind that this tough market situation has caused very serious problems for our main competitors in the casings industry. Some of them are effectively in a situation where they cannot pay outstanding debts, and one of them has had to sell its cellulose casing business because of the losses it was making.
Tinned foods are also having to face a tough market situation and price competition.

The consolidated net turnover for the fourth quarter of the year 2001 was 102,46 million euros (17,048 million pesetas), similar to the figure for the fourth quarter of the year 2000.

The total for the year was 394.57 million euros (65,650 million pesetas), a fall of 1.1% on the sales for the year 2000.

The fourth quarter showed slightly higher sales than the third, up 2.75%, as business in casings recovered a little (+3.57%). In tinned foods sales were slightly weaker (-0.23%). This means that casings finished the year with sales down 1.46% on the year 2000, although there was an improvement on the accumulated sales total at the end of the third quarter (–3% compared with the same date in the year 2000). For their part, turnover in tinned products slightly increased in 2001: up 0.23% on the figures for the year 2000 as the fourth quarter was down slightly on the fourth quarter of the year 2000.

Sales performance by company was as follows:

The parent company had sales in this year of 107.17 million euros (17,832 million pesetas), an improvement of 3.9% on the year 2000, when total sales to September 2001 were lower than sales to September 2000.

Naturin has continued its progressive recovery in sales from the weak position at the beginning of the year. It finished the year with a fall of 2% in sales, less than the figures shown in the first half of the year.

Viscofan de Brasil's exports have been hit by the crisis in Argentina. However, the effect of the variations in the exchange rates which had a negative effect on the results in previous quarters had less impact on the last quarter of the year 2001.

Viscofan USA confirmed the upswing in business, both in sales and results, which have continued to move up. The effects on results of the move of the casing finishing plant from Michigan to Alabama would seem to have finished.

The tinned vegetables division has on the other hand had a comparatively weak fourth quarter, finishing the year with practically the same figures for accumulated sales as in 2000.

As for the main items of consumption, the prices of soda and cellulose remained high, but in the fourth quarter the price of the other main items fell. This trend towards a drop in the price of cellulose continues at the beginning of 2002.

Personnel costs over the year reached a total of 98.89 million euros (16,452 million pesetas), a reduction of 3.4 million euros (566 million pesetas) (3.33%). External operating costs were also reduced by 3.34% to 89.80 million euros (14,940 million pesetas), over the whole of 2001, as a result of the cost control policy applied over the year.

The gross operating results (EBITDA) for the fourth quarter were 21.1 million euros (3,512million pesetas). This figure was 23.18% higher than the third quarter. The accumulated total at the year close, 69.51 million euros (11,565 million pesetas), is however, 7.9% worse than in the year 2000, above all because of business performance in the first half of the year, which was more affected by BSE, and as a result of the increase in the prices of cellulose and soda over the whole year.

Net operating results for the year were 32.72 million euros (5,444 million pesetas), a fall of 6.64% compared to the previous year.

The negative financial results continue to improve quarter by quarter as has been shown over the year, with a total of 15.92. million euros (2,648 million pesetas). This cost is 17.74% lower than in the year 2000. Firstly, the net financial costs (costs minus financial income) improved by 2.9%, and secondly, the negative differences in rates (net of negatives minus positives), are 40.54% lower than in the year 2001. In the fourth quarter of the year the net differences were positive.

The consolidated pre-tax results for the fourth quarter were 6.29 million euros (1,047 million pesetas), and continued the upward trend of previous quarters. The accumulated total for the year was 15.93 million euros (2,650 million pesetas), 12.6% up on the results for 2000.

The results attributable to the main company in the fourth quarter were 5.20 million euros (865 million pesetas), the best results of the year, with a year total of 13.59 million euros (2,261 million pesetas), up 11.1 % on the year 2000.

In the parent company, the results for the year were 12.57 million euros (2,091 million pesetas), up 153.15% on the year 2000.

In the balance sheet, the fourth quarter shows that the total debt has been reduced again with a fall of 2.4 million euros (396 million pesetas), and the net debt has fallen by 5.36 million euros (892.51 million pesetas). Over the whole year the total debt reduction came to 5.84 million euros (972 million pesetas), and we have managed to reduce the net debt by 11.6 million euros (1,924 million pesetas).

On the 29th January a dividend was paid on the results for the year 2001 for a gross amount of 0.048 euros per share.

As a summary of the results at the close of the financial year 2001, it must be said that the upward path shown in the quarterly results this year has been maintained in the fourth quarter, and that in each quarter sales, margins and profit levels have been slightly higher than in the previous quarter. The Board expects, with the figures available today, that this trend towards improvement will continue in the year 2002, although there may not be such marked quarterly progress as last year.

V-DISTRIBUTION OF DIVIDENDS DURING THE PERIOD

	% par Value	Pesetas per share	Amount MILION/PTS
1. ORDINARY SHARES	32,00	16,00	778,00
2. PREFERENCE SHARES			
3. NON-VOTING SHARES			

Additional information on the distribution of dividends(on account, complementary..)

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

VI- KEY EVENTS

	YES	NO
1. Acquisitions or transmissions of investments in the capital of companies quotes on the stock-exchange determine the obligation of communication dealt with art. 53 of the LMV.		X
2.Acquisition of treasury stock determine the obligation of communication according to 1st additional provision of the L.S.A.	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...)		X
4. Increases or reductions of capital stock or of security value.		X
5. Emissions, reimbursements or cancellations of debet securities.		X
6. Changes of Administrators or of the Administration Council	X	
7. Modification to the carters (statutes)	X	
8. Transformations, fusions or break-ups.		X
9. Changes in the institutional regulation of the sector with signifi-cant incidence with regards the economic or financial situation.		X
10. Lawsuits, litigations or contentiouses which may significantly affect the hereditary situation of the Association or the Group		X
11.Competitive situations, temporary recieverships.		X
12. Special limitation agreements, cession or reliquisment, total or partial, of the political and economic rights of the shares.		X
13. Strategic agreements with national or international groups (interchange of share packets, etc.)		X
14. Other key events		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 616.392 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 2001 year with respect to these two points were reported to the Securities and Investment Board (CNMV) in writing on 30 June 2001, incorporating the agreements adopted by the General Meeting of Company Shareholders held on 25 June 2001.

VII. VISCOFAN GROUP CONSOLIDATED PROFIT AND LOSS

		CURRENT 2001		PREVIOUS 2000	
		Amount	%	Amount	%
Net Turnover +	1800	65.650	100,00%	66.375	100,00%
Other Operating Income +	1810	337	0.51%	655	0.99%
Variation in stocks of Finished Products and Work-in-Progress +/-	1820	-4	-0,01%	1.741	2.62%
TOTAL PRODUCTION VALUE =	1830	**65.983**	**100.51%**	**68.771**	**103.61%**
Net purchases -	1840	-22.691	-34,56%	-24.557	-37.00%
Variation in Stocks of Stock in Trade, Raw Materials and Other Consumables +/-	1850	-335	-0.51%	823	1.24%
Consumptions From Other Companies and Other Operating Charges -	1860	-14.940	-22.76%	15.457	-23.29%
ADJUSTED ADDED VALUE =	1870	**28.017**	**42.68%**	**29.580**	**44.56%**
Other Expenses and Income +/-	1880	0	0.00%	0	0.00%
Personnel expenses -	1890	-16.452	-25.06%	-17.018	-25.64%
GROSS OPERATING RESULT =	1900	**11.565**	**17.62%**	**12.562**	**18.93%**
Depreciation of Fixed Assets and Amortisation of Intangible Assets -	1910	-5.744	-8.75%	-5.608	-8.45%
Provisioning to Reversion Fund -	1915	0	0.00%	0	0.00%
Changes in Trade Provisions -	1920	-377	-0.57%	-1.124	-1.69%
NET OPERATING RESULT =	1930	**5.444**	**8.29%**	**5.830**	**8.78%**
Financial Income +	1940	117	0.18%	152	0.23%
Financial Expenses -	1950	-2.010	-3.06%	-2.101	-3.17%
Capitalized Exchange Rate Differences and Interests +	1960	390	0.59%	629	0.95%
Funds for Depreciation and Financial Forecast -	1970	-1.113	-1.70%	-1.845	-2.78%
Conversion Result +/-	1980	0	0.00%	0	0.00%
Participation in Results of Equity Method Companies +/-	1990	0	0.00%	0	0.00%
Depreciation of Goodwill on Consolidation -	2000	-32	-0.05%	-54	-0.08%
Reversal of Adverse Consolidation Differences +	2010	0	0.00%	0	0.00%
ORDINARY ACTIVITIES RESULT =	2020	**2.796**	**4.26%**	**2.611**	**3.93%**
Results on Intangible, Tangible and Investments assets +/-	2021	-83	-0,13%	-265	-0.40%
Changes in Intangible, Tangible and Investments assets Provisions -	2023	0	0.00%	0	0.00%
Results on operations with Parent Company shares +/-	2025	0	0.00%	0	0.00%
Previous year results +/-	2026	0	0.00%	0	0.00%
Other extraordinary results +/-	2030	-63	-0.10%	5	0.01%
CONSOLIDATED RESULT BEFORE TAXES =	2040	**2.650**	**4.04%**	**2.351**	**3.54%**
Income Tax +/-	2042	-388	-0.59%	-317	-0.48%
CONSOLIDATED RESULT =	2044	**2.262**	**3.45%**	**2.034**	**3.06%**
Result Attributable to Minority Interests +/-	2050	-1	0.00%	1	0.00%
RESULT ATTRIBUTABLE TO THE PARENT COMPANY =	2060	**2.261**	**3.44%**	**2.035**	**3.07%**

VIII. VISCOFAN GROUP CONSOLIDATED BALANCE SHEET

(Expressed in millions of pesetas)

ASSETS		CURRENT YEAR	PREVIOUS YEAR
A) SUSCRIBED CAPITAL CALLED BUT NOT PAID AND NOT DUE	**1200**	**0**	**0**
I. Start-Up Costs	**1210**	260	391
II. Intangible Assets	**1220**	657	970
II.1 Rights over leased assets	***1221***	*17*	*14*
II.2 Other Intangible assets	***1222***	*640*	*956*
III. Tangible Assets	**1230**	39,541	42,168
IV. Investments	**1240**	169	165
V. Long-term Shares of the Parent Company	**1250**	0	0
VI. Long-term Trade Debtors	**1255**	877	981
B) FIXED ASSETS	**1260**	**41,504**	**44,675**
C) GOODWILL ON CONSOLIDATION	**1270**	**40**	**72**
D) DEFERRED EXPENSES	**1280**	**0**	**1**
I. Subscribed Capital Called but not Paid	**1290**	0	0
II. Stocks	**1300**	21,929	22,160
III. Debtors	**1310**	14,565	13,480
IV. Short-term Investments	**1320**	132	15
V. Short-term Own Shares	**1330**	500	142
VI. Cash in Hand and Banks	**1340**	1,266	790
VII. Prepayments	**1350**	289	266
E) CURRENT ASSETS	**1360**	**38,681**	**36,853**
TOTAL ASSETS (A+B+C+D+E)	**1370**	**80,225**	**81,601**

LIABILITIES AND STOCKHOLDERS´ EQUITY		CURRENT YEAR	PREVIOUS YEAR
I. Share Capital	1500	2,438	2,438
II. Parent Company Reserves	1510	27,347	27,299
III. Reserves in Fully Consolidated Companies	1520	2,111	443
IV. Conversion Differences	1530	2,421	2,876
V. Results attributable to the Parent Company	1540	2,261	2,035
VI. Interim Dividends	1550	0	0
A) SHAREHOLDERS´ EQUITY	1560	**36,578**	**35,091**
B) MINORITY INTEREST	1570	**16**	**14**
C) ADVERSE CONSOLIDATION BALANCE	1580	**0**	**0**
D) DEFERRED INCOME	1590	**712**	**694**
E) PROVISIONS FOR CHARGES AND LIABILITIES	1600	**3,706**	**3,605**
I. Bonds and Other Marketable Securities	1610	0	0
II. Loans	1615	15,793	16,412
III. Long-Term Trade Creditors	1625	0	0
IV. Other Long-Term Creditors	1630	1,261	1,354
F) LONG-TERM DEBT	1640	**17,054**	**17,766**
I. Bonds and Other Marketable Securities	1650	0	0
II. Loans	1655	12,119	12,473
III. Trade Creditors	1665	6,132	7,691
IV. Other Short-Term Creditors	1670	3,004	3,417
V. Accruals	1680	45	32
G) CURRENT LIABILITIES	1690	**21,300**	**23,613**
H) PROVISIONS FOR SHORT-TERM CHARGES AND LIABILITIES	1695	**859**	**818**
TOTAL LIABILITIES AND STOCKHOLDERS´ EQUITY(A+B+C+D+E+F+G)	1700	**80,225**	**81,601**