QUARTELY ADVANCE OF RESULTS CORRESPONDING TO:

QUARTER: **THIRD** YEAR: **2002**

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

Thousand Euros

	INDIVIDUAL		CONSOLIDATED	
	PRESENT BUSINESS YEAR	PREVIOUS BUSINESS YEAR	PRESENT BUSINESS YEAR	PREVIOUS BUSINESS YEAR
NET TURNOVER	89.704	80.321	307.768	292.104
RESULT BEFORE TAX	6.747	6.136	21.611	9.628
RESULT AFTER TAX	6.747	6.129	18.791	8.390
Result attributable to Minority Interests			0	-4
RESULT ATTRIBUTABLE TO THE PARENT COMPANY			18.791	8.386
SHARE CAPITAL	14.650	14.650		
AVERAGE NUMBER OF EMPLOYEES	596	579	3.346	3.305

3-) BUSINESS PERFORMANCE

The net turnover consolidated at the end of the third quarter of 2002 has climbed to 307.77 million euros, a number that is 5.37% higher than that of the same period in the year 2001 (292.10 million euros).

Sales of casings in the third quarter were almost the same as those in the third quarter of last year: 75.78 million euros (0.15%), compensating, in physical units, for the

lower euro value of foreign currencies. Nevertheless, the accumulation up to September demonstrates an improvement of 6.77% over 2001.

For the tinned vegetables division, the third quarter was weaker, with sales shrinking by 1.85%, which brings its specific accumulation to a 0.96% increase in sales in the first nine months of the year.

Sales of casings have improved in the four geographical areas in which the group is established: North America,South America, Central Europe, and Western Europe. Nevertheless In South America, the variation in exchange rates of the Brazilian real, has led to a reduction of sales measured in euros.

By company, we must note the effect of the devaluation of the Brazilian real on the individual results of the parent company. This devaluation reached minimum levels at the end of the quarter, and obliged us to make the corresponding prevision and tax adjustments. In the consolidated accounts, this is reflected in the consolidation reserves that are part of our own consolidated resources. Aside from this factor, the activity and operative results of the parent company continue a clear improvement over the year 2001.

Naturin continues to improve in sales and profits. Brazil is improving its local results despite the aforementioned effect of the devaluation of the real. Viscofan USA maintains a good level of activities and profits.

Over the last nine months, personnel expenses have risen to 77.24 million euros, which is 4.18% more than in the first nine months of 2001, and which is due to an increase in activity. External operating expenses have risen to 65.55 million euros, which is 0.25 % lower than that of the first nine months of 2001.

Gross earnings (EBITDA) in the nine months covered here reached 57.90 million euros, representing 18.81% of sales. During the same period in 2001, gross earnings were 48.39 million euros, which represented 16.57% of sales for that period.

Over the last nine months, net earnings (EBIT) reached 28.94 million euros, which is 9.41% of sales. In the same period of 2001, this figure was 22.57 million euros, which was 7.73% of sales.

Financial expenses have continued the gradual improvement that they had shown throughout the past year and during 2002, thanks to a decrease in the debt and a lowering of interest rates. The group achieved a 35.87% reduction in these expenses in the third quarter, totalling 1.89 million

euros. The accumulated reduction was of 37.65% over the nine months, to reach 5.74 million euros.

The differences in exchange rates are fundamentally the result of the progress of the Brazilian real, which has reached its minimum level in the latest 12 months at the end of the quarter.

Consolidated before-tax earnings for the third quarter have grown to 6.38 million euros. After-tax earnings are 5.9 million euros, which is an improvement of 51.89% over the third quarter of 2001. Despite showing a significant improvement over the earnings of the year 2001, it reflects the traditional cyclicality of the casings business, with a third quarter that tends to be weaker than the other quarters in terms of sales and profits.

Consolidated net earnings up to September were 18.79 million euros, as compared to 8.39 million euros last year.

The balance sheet as at 30 September 2002 shows that the total debt was reduced by 9.9 million euros and the net debt was reduced by 13.93 million euros during this quarter. Compared with the data from 30 September 2001, the reduction in total debt totalled 38.95 million euros and the net debt was reduced by 47.02 million.

On 29 January an interim dividend was paid for the results of the 2001 business year, at a gross amount of 0.048 euros per share, this was followed on 4 July by payment of 0.054 euros per share.

As a summary of the progress of the business year, we highlight the continued improvement of quarterly results, considering the habitual seasonality of sales of casings. The improvement of sales in physical units compensates for the devaluation of foreign currencies in comparison with the euro. Finally, the reductions in financial expenses and exchange rates differences, make an important contribution to the presentation of results for the quarter, which exceed by 51.89% those of the third quarter of 2001 and accumulated after-tax profits that are 124% higher than those of the first nine months of the previous business year.

With this, the group of companies has managed to exceed the expectations formulated at the beginning of the business year as a basic scenario. At the end of the business year we achieved and even exceeded the optimistic scenario.

We continue to reduce the debt at a fast rate despite the increase in real investments over prospective investments. These investments will generate payments to be collected in the fourth quarter and in early 2003, but we do not think

they will mean an increase in debt, but rather a more moderate debt reduction.

4-)DISTRIBUTION OF DIVIDENDS DURING THE PERIOD

	% Par Value	euros per Share	Amount Thousand Euros
1. ORDINARY SHARES	34	0.102	4.951
2. PREFERENCE SHARES	0	0	0
3.NON-VOTING SHARES	0	0	0

In January 29th, a dividend of 0,048 euros per share was paid, against 2001 profits, this was followed on 4th july by payment of 0,054 euro 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	

6.- At its meeting on 22 July 2002, Viscofan's Board of Directors accepted Mr. Sixto Jiménez Muniain's resignation from his position as Member of the Board of Directors of the Company.

8.- The Board of Directors of Viscofan SA and Inversiones Legazpi SA met on 22 July 2002, where they drew up and

signed a draft agreement for merger by takeover. The objective of the merger is Viscofan SA's takeover of Inversiones Legazpi SA (a company that holds 31.94% of the share capital of Viscofan SA). As a consequence of the proposed merger, Inversiones Legazpi SA will be extinguished and the block of its assets transferred to Viscofan SA.

The reason for this merger is that it is advisable to legally and corporately disconnect the shareholders who, through Inversiones Legazpi SA, make up the controlling group for Viscofan SA, and to avoid any management difficulties. This will result in greater liquidity of the security.

This merger was approved at the Extraordinary General shareholders Meeting held in Pamplona on 15 October.

14.1 A new company has been created, located in Poland and called Viscofan Poland Sp z o.o. Its purpose is to market and distribute the products manufactured by the Group within the area included in this market.

14.2 The Ordinary General Meeting held on 17 June agreed to modify the name of the company. From now on it will be called "Viscofan, Sociedad Anónima" [*Viscofan, Public Limited Company*] instead of "Viscofan, Industria Navarra de Envolturas Celulósicas, Sociedad Anónima" [*Viscofan, Navarran Industry of Cellulose Casings, Public Limited Company*].