BIANNUAL BALANCE OF RESULT CORRESPONDING TO:

SEMESTER: First **YEAR:** 2002

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 (Thousands of Euros)

	INDIVIDUAL		CONSOLIDATED	
	PRESENT	**PREVIOUS**	**PRESENT**	**PREVIOUS**
ACTIVITY				
Artificial casing	58.214	51.375	158.952	144.489
Vegetable	0	0	47.420	46.312
Energy	1.823	1.166	1.823	1.166
Other	577	781	209	415
TOTAL	**60.614**	**53.322**	**208.404**	**192.382**

III- AVERAGE NUMBER OF EMPLOYEES IN THIS PERIOD

	INDIVIDUAL		CONSOLIDATED	
	PRESENT	**PREVIOUS**	**PRESENT**	**PREVIOUS**
AVERAGE NUMBER OF EMPLOYEES	**586**	**582**	**3.358**	**3.239**

IV- BUSINESS PERFORMANCE

The consolidated net turnover in the first quarter of 2002 climbed to 208.4 million euros, which is 8.33% higher than that of the first half of 2001 (192.4 million euros).

The synthetic casings business showed a clear recovery over the first half of the year 2001, with a 10.2 % increase in turnover. However, it must be noted that the same period in 2001 did suffer from the effects of BSE (Bovine Spongiform Encephalopathy).

This improvement in the sales of casings took place in three of the four geographical areas in which the group is established: North America, Central Europe, and Western Europe. In the case of South America, the variation in exchange rates led to a reduction of sales measured in euros.

Naturin showed a noticeable improvement in sales and profits. Brazil improved its profits slightly despite the aforementioned drop in sales. It is foreseeable that the instability of the local currency will continue until the clarification of the political situation after the presidential elections. Viscofan USA maintained a good level of activities and profits. The parent company had a high level of activity and showed a significant improvement in profits.

Sale prices did not undergo significant variation, and the price levels of the group's main products also remained stable.

For the tinned vegetables division, the first half of the year was comparatively weaker. As at 30 June, its sales varied by 2.4% as compared to the same period in the year 2001. Nevertheless, the second quarter showed improvement over the first.

During the first half of the year, personnel expenses rose to 52.05 million euros, which is 4.39% more than the first half of 2001. External operating expenses rose to 43.57million euros, which is 1.92% higher than those of the first half of 2001. Both increases are due to a higher level of activity than last year, and both increases are lower than the increase in sales.

Gross earnings (EBITDA) reached 41.3 million euros in the first half of the year, which is 19.8% of sales. In the first half of 2001, this figure was 31.2 million euros, which was 16.3% of sales for that period.

In the first half of the year, net earnings (EBIT) reached 19.94 million euros, which is 9.57% of sales. In the first half of 2001, this figure, was 13.34 million euros, which was 6.93% of sales for that period.

Financial expenses continued the gradual improvement that they had shown in every quarter throughout the past year and at the beginning of 2002, thanks to the decrease in the debt and the lowering of interest rates.

The differences in exchange rates came as a result of the rapid drop in the US dollar against the euro, as well as the progress of the Brazilian real.

Consolidated before-tax earnings for the first half of the year rose to 15.23 million euros.

Net second-quarter profits were 7.46 million euros. With this, the group has now shown six straight quarters of uninterrupted increases in profits. However, due to the cyclical nature of sales and the weakening of the US dollar, this improvement will not be permanent.

Net earnings totalled 12.89 million euros, as compared to 4.5 million euros last year. The figure obtained during the first half of this year was close to 13.59 the million euros of net profit for the entire year 2001.

The balance sheet as at 30 June 2002 shows that, during the first half of the year, the total debt was reduced by 26.7 million euros and the net debt was reduced by 27.7 million euros. Compared with the data from 30 June 2001, the reduction in total debt was 40.9 million euros and the net debt was reduced by 42.5 million euros.

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. The final dividend, for an amount of 0.054 gross euros per share, was paid on 4 July.

In sum, the trend of improvement shown by the quarterly results throughout the year 2001 was maintained during the first half of 2002. It is foreseeable that the general improvement will continue for the rest of the business year, although it will be affected by the evolution of currency exchange and will adopt to the group's annual business cycle. Regarding the three scenarios proposed at the beginning of this business year, we hope that the results of this year will be somewhere between the basic scenario and the optimistic scenario.

The major reduction in debt throughout the first half of the year (which was greater than what we had planned for 2002) has allowed us to consider several additional investments in addition to those initially planned. These investments will involve spending during the second half of the 2002 business year and the beginning of 2003. However, we do not foresee that this will involve an increase in indebtedness, but rather a reduction in debt, albeit at a slower pace than we have seen to date.

V-DISTRIBUTION OF DIVIDENDS DURING THE PERIOD

	% per Value	Euro per share	Amount Thousands of Euros
1. ORDINARY SHARES	16	0.048	4.951
2. PREFERENCE SHARES			
3. NON-VOTING SHARES			

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

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

VII. VISCOFAN GROUP CONSOLIDATED PROFIT AND LOSS

(Thousands of Euros)

		CURREN		PREVIOUS	
		Amount	%	Amount	%
Net Turnover +	1800	208,404	100,00%	192,382	100,00%
Other Operating Income +	1810	779	0.37%	739	0.38%
Variation in stocks of Finished Products and Work-in-Progress +/-	1820	-1,830	-0.88%	1,890	0.98%
TOTAL PRODUCTION VALUE =	1830	**207,353**	**99.50%**	**195,011**	**101.37%**
Net purchases -	1840	-61,564	-29.54%	-75,621	-39.31%
Variation in Stocks of Stock in Trade, Raw Materials and Other Consumables +/-	1850	-8,863	-4.25%	4,488	2.33%
Consumptions From Other Companies and Other Operating Charges -	1860	-43,575	-20.91%	-42,754	-22,22%
ADJUSTED ADDED VALUE =	1870	**93,351**	**44.79%**	**81,124**	**42.17%**
Other Expenses and Income +/-	1880	0	0.00%	0	0.00%
Personnel expenses -	1890	-52,051	-24.98%	-49,860	-25.92%
GROSS OPERATING RESULT =	1900	**41.300**	**19.82%**	**31,264**	**16.25%**
Depreciation of Fixed Assets and Amortisation of Intangible Assets -	1910	-18,423	-8.84%	-17,594	-9.15%
Provisioning to Reversion Fund -	1915	0	0.00%	0	0.00%
Changes in Trade Provisions -	1920	-2,938	-1.41%	-329	-0.17%
NET OPERATING RESULT =	1930	**19,939**	**9.57%**	**13,341**	**6.93%**
Financial Income +	1940	530	0.25%	270	0.14%
Financial Expenses -	1950	-4,379	-2.10%	-6,527	-3.39%
Capitalized Exchange Rate Differences and Interests +	1960	1,519	0.73%	1,142	0.59%
Funds for Depreciation and Financial Forecast -	1970	-3,369	-1.62%	-3,869	-2.01%
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	-0.02%	-96	-0.05%
Reversal of Adverse Consolidation Differences +	2010	0	0.00%	0	0.00%
ORDINARY ACTIVITIES RESULT =	2020	**14,208**	**6.82%**	**4,261**	**2.21%**
Results on Intangible, Tangible and Investments assets +/-	2021	32	0,02%	401	0.21%
Changes in Intangible, Tangible and Investments assets Provisions -	2023	3	0.00%	0	0.00%
Results on operations with Parent Company shares +/-	2025	790	0.38%	0	0.00%
Previous year results +/-	2026	0	0.00%	0	0.00%
Other extraordinary results +/-	2030	195	0.09%	616	0.32%
CONSOLIDATED RESULT BEFORE TAXES =	2040	**15,228**	**7.31%**	**5,278**	**2.74%**
Income Tax +/-	2042	-2,338	-1.12%	-771	-0.40%
CONSOLIDATED RESULT =	2044	**12,890**	**6.19%**	**4,507**	**2.34%**
Result Attrlbutable to Minority Interests +/-	2050	3	0.00%	-4	0.00%
RESULT ATTRIBUTABLE TO THE PARENT COMPANY =	2060	**12,893**	**6.19%**	**4,503**	**2.34%**

VIII. VISCOFAN GROUP CONSOLIDATED BALANCE SHEET

(Expressed in thousands of Euros)

ASSETS		CURRENT YEAR	PREVIOUS YEAR
A) SUSCRIBED CAPITAL CALLED BUT NOT PAID AND NOT DUE	**1200**	**0**	**0**
I. Start-Up Costs	**1210**	1,041	1,979
II. Intangible Assets	**1220**	3,482	5,563
II.1 Rights over leased assets	***1221***	*88*	*87*
II.2 Other Intangible assets	***1222***	*3,394*	*5,476*
III. Tangible Assets	**1230**	224,556	241,462
IV. Investments	**1240**	963	1,018
V. Long-term Shares of the Parent Company	**1250**	0	0
VI. Long-term Trade Debtors	**1255**	7,850	5,897
B) FIXED ASSETS	**1260**	**237,892**	**255,919**
C) GOODWILL ON CONSOLIDATION	**1270**	**210**	**338**
D) DEFERRED EXPENSES	**1280**	**21**	**2**
I. Subscribed Capital Called but not Paid	**1290**	0	0
II. Stocks	**1300**	118,166	129,728
III. Debtors	**1310**	82,499	88,847
IV. Short-term Investments	**1320**	61	87
V. Short-term Own Shares	**1330**	2,012	2,147
VI. Cash in Hand and Banks	**1340**	10,401	8,667
VII. Prepayments	**1350**	3,992	4,144
E) CURRENT ASSETS	**1360**	**217,131**	**233,620**
TOTAL ASSETS (A+B+C+D+E)	**1370**	**455,254**	**489,879**

LIABILITIES AND STOCKHOLDERS´ EQUITY		CURRENT YEAR	PREVIOUS YEAR
I. Share Capital	1500	14,650	14,650
II. Parent Company Reserves	1510	171,971	164,361
III. Reserves in Fully Consolidated Companies	1520	13,716	12,686
IV. Conversion Differences	1530	-735	10,384
V. Results attributable to the Parent Company	1540	12,893	4,503
VI. Interim Dividends	1550	0	0
A) SHAREHOLDERS´ EQUITY	1560	**212,495**	**206,584**
B) MINORITY INTEREST	1570	**108**	**100**
C) ADVERSE CONSOLIDATION BALANCE	1580	**0**	**0**
D) DEFERRED INCOME	1590	**2,520**	**5,247**
E) PROVISIONS FOR CHARGES AND LIABILITIES	1600	**22,351**	**22,803**
I. Bonds and Other Marketable Securities	1610	0	0
II. Loans	1615	85,603	111,640
III. Long-Term Trade Creditors	1625	0	0
IV. Other Long-Term Creditors	1630	10,714	8,812
F) LONG-TERM DEBT	1640	**96,317**	**120,452**
I. Bonds and Other Marketable Securities	1650	0	0
II. Loans	1655	55,494	70,365
III. Trade Creditors	1665	34,839	33,638
IV. Other Short-Term Creditors	1670	20,031	19,336
V. Accruals	1680	306	2,176
G) CURRENT LIABILITIES	1690	**110,670**	**125,515**
H) PROVISIONS FOR SHORT-TERM CHARGES AND LIABILITIES	1695	**10,793**	**9,178**
TOTAL LIABILITIES AND STOCKHOLDERS´ EQUITY(A+B+C+D+E+F+G)	1700	**455,254**	**489,879**