QUARTELY ADVANCE OF RESULTS CORRESPONDING TO:

QUARTER: **FIRST** 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	28.883	24.400	98.988	90.161
RESULT BEFORE TAX	3.295	2.071	6.426	1.625
RESULT AFTER TAX	2.669	2.071	5.431	1.274
Result attributable to Minority Interests			0	5
RESULT ATTRIBUTABLE TO THE PARENT COMPANY			5.431	1.279
SHARE CAPITAL	14.650	14.650		
AVERAGE NUMBER OF EMPLOYEES	566	587	3.049	3.174

3-) BUSINESS PERFORMANCE

The net consolidated turnover for the first quarter of 2002 was 99 million euros, up by 9.8% on the first quarter of 2001 (90.16 million euros).

The trend in the artificial casings business shows a clear recovery compared with the first months of 2001, although it must be remembered that in the first quarter of 2001 demand was badly hit by the appearance of cases of Bovine Spongiform Encephalopathy (BSE), commonly known as “mad cows disease”.

There was an increase in sales of casings for sausage type meat products of 13.3% with respect to the first quarter of 2001.

The tinned vegetables division on the other hand has had a comparatively weak first quarter, with accumulated sales down by 1.2% on the same period of 2001. These have suffered slightly from the fact that Easter was early this year, and seem to be recovering in April.

Although the comparison with the first quarter of 2001 is distorted by the effects of BSE referred to above, the level of business also compares favourably with the end of the financial year 2001 given the traditional seasonal profile of Viscofan's business, in which there are usually bigger sales in the fourth quarter than in the first.

It would seem therefore that casings are reaching what should be their quarterly "cruising speed", after the devastating effects of BSE especially in the first part of 2001.

This improvement in casings sales has been a general feature of all the geographical areas in which the group has industrial sites: North America, South America, Central Europe and Western Europe, with sales increases in all these markets.

This generalised increase in sales has also been helped by the fact that meat consumption in Germany has practically returned to normal. In Brazil, the stability of the currency on foreign exchange markets has also had a positive influence. Viscofan USA continues to improve its business, both in terms of sales and results. The parent company for its part has a higher level of business than in the previous year which is also reflected in the results.

As for the main raw materials, in quite a few products prices have remained stable or have even dropped, as compared with 2001.

Personnel costs for the quarter were 26.22 million euros, an increase of 1.46 million (+ 5.86%) as a result of increased business activity. External operating costs were 20.51 million euros (0.48 million euros more than for the first quarter of 2001) for the same reason.

The gross operating earnings (EBITDA) for the first quarter were 19.03 million euros. This figure was 26.6% higher (15.04 million euros) than the first quarter 2001

The net operating earnings (EBIT) for the quarter were 7.55 million euros, with an increase of 30.7% on the 5.78 million euros obtained in the first quarter of last year.

The financial results have maintained the gradual quarterly improvement shown over the course of last year. On the one hand, net financial costs (financial costs minus financial income) were reduced by 37.7% to a total of 1.93 million euros. On the other hand, differentials in exchange rates (positives minus negatives), were positive over the quarter with a total of 0.31 million euros.

The consolidated pre-tax earnings for the first quarter were 6.43 million euros, so continuing along the upward course of previous quarters.

The earnings for the main company in the first quarter were 5.43 million euros, 324.6% up on the first quarter of 2001. This comparison with the same period of the last year is not entirely significant as this was the period most affected by the negative impact of BSE on the demand for meat products. However, it must be pointed out that the upward trend throughout the year 2001 has been continued and we are now reaching levels which are closer to what group earnings should be.

In the parent company, the quarterly earnings figure was 2.67 million euros, 28.87% up on the 2.07 first quarter of 2001.

The balance sheet for 31st March 2002 shows a new reduction in total debt of 7.4 million euros and that net debt has fallen by 10 million euros in the first quarter of the year. In comparison with the figures for 31st March 2001, the total debt has been reduced by 28 million euros and the net debt by 33 million euros.

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

In conclusion, in the light of the results for the first quarter of 2002, we would like to stress that the positive trend evident in the quarterly results for the year 2001 has continued in the first quarter of 2002. As a Group we are now reaching important earnings levels and the rate at which profits are increasing, and will adapt to the sales profile and quarterly results which the Viscofan Group normally achieves.

Given the performance of earnings in the year 2001, the most relevant comparison of profits for the purposes of measuring Group performance would be to compare the first quarter of 2001 with the last quarter, or with the average earnings for 2001, and in both cases this comparison is positive.

Furthermore, we expect the reduction of the debt to continue over the course of this year, although the rate of reduction may not be so pronounced as that achieved in the first quarter.

4-)DISTRIBUTION OF DIVIDENDS DURING THE PERIOD

	% Par Value	euros per Share	Amount Thousand Euros
1. ORDINARY SHARES	0.096	0.048	2.314
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, againts 2001 profits.

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