BIANNUAL BALANCE OF RESULT CORRESPONDING TO:

SEMESTER: Second **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 2002	PREVIOUS 2001	PRESENT 2002	PREVIOUS 2001
ACTIVITY				
Artificial casing	114.066	102.058	310.731	296.731
Vegetable	0	0	96.513	94.163
Energy	3.238	2.927	3.238	2.927
Other	2.056	2.189	285	746
TOTAL	**119.360**	**107.174**	**410.767**	**394.567**

III- AVERAGE NUMBER OF EMPLOYEES IN THIS PERIOD

	INDIVIDUAL		CONSOLIDATED	
	PRESENT	PREVIOUS	PRESENT	PREVIOUS
AVERAGE NUMBER OF EMPLOYEES	**596**	**579**	**3.573**	**3.631**

IV- BUSINESS PERFORMANCE

1.- Introduction and Summary

The Viscofan Group presents results from the 2002 business year, which have exceeded the optimistic version of the profit objective established at the beginning of the year. The most relevant aspects are:

- We exceeded 2001 sales by 4.1 %.
- The sales EBITDA improved, reaching 19,2% compared to 17,6% in 2001.
- Net results totalled 30.10 million euros, which is an increase of 121%.
- The bank debt was reduced by 55.56 million euros
- We reduced the need for the circulating medium by 33 million euros, despite the aforementioned increase in sales.

There was gradual improvement during the year: each quarter exceeded the results of the previous business year.

The improvement in the sales of physical units during the fourth quarter compensated for the appreciation of the euro compared to other currencies, especially compared to the US dollar. Comparing this December with December 2001, the revaluation of the euro compared to the US dollar was 13.57%, which shows the significance of the improvement obtained during the business year.

2.- Analysis of Consolidated Results

By companies, we must note the effect that the devaluation of the Brazilian real had on the individual results of the parent company, which obliged us to make the corresponding provision, and which was 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 continued a clear improvement over the year 2001.

Naturin continued to improve in sales and profits. Brazil improved its domestic results and recovered part of what was lost by the Brazilian real during the first nine months of the year, since the currency partially recovered in the last three months of the business year. Viscofan USA maintained a good level of activity, obtaining clearly positive results. It seems to have left behind the years in which its contribution to consolidated earnings was negative.

The IAN Group improved its sales and ordinary result. Nevertheless, its before-tax profits were negative, as a consequence of the extraordinary provision made to cover the restructuring of activities, which will allow it to improve its results starting in the current business year.

3.- Balance Sheet

The balance sheet as at 31 December 2002 shows a new reduction of total debt and net debt. Compared with the information as at 31 December 2001, the reduction of total debt in the entire business year increased to 55.56 million euros and the net debt was reduced by more than 53 million euros during this period.

4.- Investments

During 2002, we approved investments totalling 30.5 million euros, intended to improve the efficiency of our production plants and to increase production capacity for the products that are most in demand.

5.- Facts Subsequent to Year-end Closing

The Board of Directors agreed to make a dividend payment on the 2002 results, for a gross amount of 0.078 euros per share, on 29 January. This is a 62.5% increase over the dividend payment on the previous year – an increase that was deemed in accordance with the better progress of the year's results.

6.- Modification of the Consolidation Perimeter

The Group has included, in its consolidation perimeter, the Polish company Viscofan Poland Sp. z o. o. – the company that distributes the Group's products in Poland.

The Brechteen LL.p. companies from the USA and the companies Naturin US Besitzgesellschaft mbH and Naturin US Verwaltungsgesellschaft mbH have left the consolidation perimeter. These companies ceased activities when the production and distribution of the products in the USA were transferred to Viscofan USA Inc., and we believe it advisable to cut ties with them in order to simplify the Group.

7.- Perspective for 2003

With these results, which have shown great progress as compared to 2001, we are beginning the 2003 business year in a solid position, in commercial and manufacturing terms as well as in terms of the balance sheet.

The initial investment plan has been approved and the forecast of results (subject to the effect of the US dollar) indicates that there will be a later reduction of the Group's debt in 2003. This reduction will not be as great as that obtained in 2002, since it is not reasonable to expect a similar reduction of the circulating element in the business year that has just begun.

We have made investments in capacity increases and in plans for improvement, striving to minimise the effect that the weakening of the US dollar against the euro will have on our results, since we are an export company and our major production centres are located in euro countries.

All this leads us to believe that, despite external factors, we will be able to continue posting satisfactory results in 2003, which correspond, to the Group’s potential in its various activities.

V-DISTRIBUTION OF DIVIDENDS DURING THE PERIOD

	% per Value	Euro per share	Amount Thousands of Euro
1. ORDINARY SHARES	34%	0.102	4.951
2. PREFERENCE SHARES			
3. NON-VOTING SHARES			

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

In January 29th 2003 a dividend of 0,078 Euro per share was paid, against 2002 profits,
In July the 4th 2002, a complementary dividend of 0,054 Euros per share was paid, against 2001 profits.

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 significant 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

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 take-over. The objective of the merger is Viscofan SA's take-over of Inversiones Legazpi SA (a company that holds 31.94% of the share capital of Viscofan SA). As a consequence of the merger, Inversiones Legazpi SA is extinguished and the block of its assets transferred to Viscofan SA.

This merger was approved at the Extraordinary General shareholders Meeting held in Pamplona on 15 October and it was registered at the Commercial Register of Navarra.

VII. VISCOFAN GROUP CONSOLIDATED PROFIT AND LOSS

(Thousands of Euros)

		CURRENT		PREVIOUS	
		Amount	%	Amount	%
		2002		2001	
Net Turnover +	1800	410.767	100.00%	394.567	100.00%
Other Operating Income +	1810	1.279	0.31%	2.024	0.51%
Variation in stocks of Finished Products and Work-in-Progress +/-	1820	-10.381	-2.53%	-3.215	-0.81%
TOTAL PRODUCTION VALUE =	1830	**401.665**	**97.78%**	**393.376**	**99.70%**
Net purchases -	1840	-128.298	-31.23%	-136.386	-34.57%
Variation in Stocks of Stock in Trade, Raw Materials and Other Consumables +/-	1850	-996	-0.24%	992	0.25%
Consumptions From Other Companies and Other Operating Charges -	1860	-91.076	-22.17%	-89.771	-22.75%
ADJUSTED ADDED VALUE =	1870	**181.295**	**44.14%**	**168.211**	**42.63%**
Other Expenses and Income +/-	1880	0	0.00%	0	0.00%
Personnel expenses -	1890	-102.350	-24.92%	-98.895	-25.06%
GROSS OPERATING RESULT =	1900	**78.945**	**19.22%**	**69.316**	**17.57%**
Depreciation of Fixed Assets and Amortisation of Intangible Assets -	1910	-34.416	-8.38%	-34.539	-8.75%
Provisioning to Reversion Fund -	1915	0	0.00%	0	0.00%
Changes in Trade Provisions -	1920	-2.091	-0.51%	-2.267	-0.57%
NET OPERATING RESULT =	1930	**42.438**	**10.33%**	**32.510**	**8.24%**
Financial Income +	1940	1.084	0.26%	703	0.18%
Financial Expenses -	1950	-8.349	-2.03%	-12.070	-3.06%
Capitalized Exchange Rate Differences and Interests +	1960	4.624	1.13%	2.347	0.59%
Funds for Depreciation and Financial Forecast -	1970	-7.882	-1.92%	-6.696	-1.70%
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	-8	0.00%	-192	-0.05%
Reversal of Adverse Consolidation Differences +	2010	0	0.00%	0	0.00%
ORDINARY ACTIVITIES RESULT =	2020	**31.907**	**7.77%**	**16.602**	**4.21%**
Results on Intangible, Tangible and Investments assets +/-	2021	1.478	0.36%	-497	-0.13%
Changes in Intangible, Tangible and Investments assets Provisions -	2023	348	0.08%	-794	-0.20%
Results on operations with Parent Company shares +/-	2025	819	0.20%	0	0.00%
Previous year results +/-	2026	0	0.00%	0	0.00%
Other extraordinary results +/-	2030	-1.484	-0.36%	432	0.11%
CONSOLIDATED RESULT BEFORE TAXES =	2040	**33.068**	**8.05%**	**15.743**	**3.99%**
Income Tax +/-	2042	-2.966	-0.72%	-2.156	-0.55%
CONSOLIDATED RESULT =	2044	**30.102**	**7.33%**	**13.587**	**3.44%**
Result Attributable to Minority Interests +/-	2050	0	0.00%	3	0.00%
RESULT ATTRIBUTABLE TO THE PARENT COMPANY =	2060	**30.102**	**7.33%**	**13.590**	**3.44%**

VIII. VISCOFAN GROUP CONSOLIDATED BALANCE SHEET

(Expressed in thousands of Euro)

ASSETS		Year 2002 CURRENT YEAR	Year 2001 PREVIOUS YEAR
A) SUSCRIBED CAPITAL CALLED BUT NOT PAID AND NOT DUE	**1200**	**0**	**0**
I. Start-Up Costs	**1210**	752	1,510
II. Intangible Assets	**1220**	4,546	3,940
II.1 Rights over leased assets	***1221***	*62*	*103*
II.2 Other Intangible assets	***1222***	*4,484*	*3,837*
III. Tangible Assets	**1230**	218,992	237,719
IV. Investments	**1240**	906	1,015
V. Long-term Shares of the Parent Company	**1250**	0	0
VI. Long-term Trade Debtors	**1255**	5,122	7,850
B) FIXED ASSETS	**1260**	**230,318**	**252,034**
C) GOODWILL ON CONSOLIDATION	**1270**	**7**	**242**
D) DEFERRED EXPENSES	**1280**	**2**	**2**
I. Subscribed Capital called but not paid	**1290**	0	0
II. Stocks	**1300**	114,743	131,689
III. Debtors	**1310**	74,603	87,105
IV. Short-term Investments	**1320**	64	791
V. Short-term Own Shares	**1330**	2,180	3,008
VI. Cash in Hand and Banks	**1340**	7,450	7,596
VII. Prepayments	**1350**	1,484	1,743
E) CURRENT ASSETS	**1360**	**200.524**	**231,932**
TOTAL ASSETS (A+B+C+D+E)	**1370**	**430,851**	**484,210**

LIABILITIES AND STOCKHOLDERS´ EQUITY		CURRENT YEAR	PREVIOUS YEAR
		Year 2002	Year 2001
I. Share Capital	1500	14,650	14,650
II. Parent Company Reserves	1510	172,129	164,357
III. Reserves in Fully Consolidated Companies	1520	13,724	12,686
IV. Conversion Differences	1530	-10,346	14,548
V. Results attributable to the Parent Company	1540	30,102	13,590
VI. Interim Dividends	1550	0	0
A) SHAREHOLDERS´ EQUITY	**1560**	**220,259**	**219,831**
B) MINORITY INTEREST	**1570**	**0**	**99**
C) ADVERSE CONSOLIDATION BALANCE	**1580**	**0**	**0**
D) DEFERRED INCOME	**1590**	**1,871**	**4,277**
E) PROVISIONS FOR CHARGES AND LIABILITIES	**1600**	**22,893**	**22,277**
I. Bonds and Other Marketable Securities	1610	0	0
II. Loans	1615	49,755	93,502
III. Long-Term Trade Creditors	1625	0	0
IV. Other Long-Term Creditors	1630	9,243	10,154
F) LONG-TERM DEBT	**1640**	**58,998**	**103,656**
I. Bonds and Other Marketable Securities	1650	0	0
II. Loans	1655	62,575	74,390
III. Trade Creditors	1665	38,442	36,754
IV. Other Short-Term Creditors	1670	18,640	17,421
V. Accruals	1680	120	274
G) CURRENT LIABILITIES	**1690**	**119,777**	**128,839**
H) PROVISIONS FOR SHORT-TERM CHARGES AND LIABILITIES	**1695**	**7,053**	**5,231**
TOTAL LIABILITIES AND STOCKHOLDERS´ EQUITY (A+B+C+D+E+F+G+H)	**1700**	**430,851**	**484,210**

VII. VISCOFAN S.A. PROFIT AND LOSS ACCOUNT

(Thousands of Euros)

		CURRENT		PREVIOUS	
		Amount	%	Amount	%
		2002		2001	
Net Turnover +	0800	119.360	100.00%	107.174	100.00%
Other Operating Income +	0810	390	0.33%	768	0.72%
Variation in stocks of Finished Products and Work-in-Progress +/-	0820	605	0.51%	-282	-0.26%
TOTAL PRODUCTION VALUE =	0830	**120.355**	**100.83%**	**107.660**	**100.45%**
Net purchases -	0840	-45.754	-38.33%	-40.942	-38.20%
Variation in Stocks of Stock in Trade, Raw Materials and Other Consumables +/-	0850	-242	-0.20%	596	0.56%
Consumptions From Other Companies and Other Operating Charges -	0860	-19.435	-16.28%	-17.235	-16.08%
ADJUSTED ADDED VALUE =	0870	**54.924**	**46.02%**	**50.079**	**46.73%**
Other Expenses and Income +/-	0880	0	0.00%	0	0.00%
Personnel expenses -	0890	-25.746	-21.57%	-22.421	-20.92%
GROSS OPERATING RESULT =	0900	**29.178**	**24.45%**	**27.658**	**25.81%**
Depreciation of Fixed Assets and Amortisation of Intangible Assets -	0910	-12.867	-10.78%	-12.232	-11.41%
Provisioning to Reversion Fund -	0915	0	0.00%	0	0.00%
Changes in Trade Provisions -	0920	-587	-0.49%	-276	-0.26%
NET OPERATING RESULT =	0930	**15.724**	**13.17%**	**15.150**	**14.14%**
Financial Income +	0940	19.282	16.15%	4.876	4.55%
Financial Expenses -	0950	-2.699	-2.26%	-4.639	-4.33%
Capitalized Exchange Rate Differences and Interests +	0960	1.940	1.63%	797	0.74%
Funds for Depreciation and Financial Forecast -	0970	-2.941	-2.46%	-4.025	-3.76%
ORDINARY ACTIVITIES RESULT =	1020	**31.306**	**26.23%**	**12.159**	**11.35%**
Results on Intangible, Tangible and Investments assets +/-	1021	164	0.14%	1.063	0.99%
Changes in Intangible, Tangible and Investments assets Provisions -	1023	-20.205	-16.93%	-937	-0.87%
Results on operations with Parent Company shares +/-	1025	819	0.69%	0	0.00%
Previous year results +/-	1026	0	0.00%	45	0.04%
Other extraordinary results +/-	1030	554	0.46%	242	0.23%
RESULT BEFORE TAXES =	1040	**12.638**	**10.59%**	**12.572**	**11.73%**
Income Tax +/-	1042	0	0.00%	-7	-0.01%
FINAL RESULT =	1044	**12.638**	**10.59%**	**12.565**	**11.72%**

VIII. VISCOFAN S.A. BALANCE SHEET

(Expressed in thousands of Euro)

ASSETS

		Year 2002 CURRENT YEAR	Year 2001 PREVIOUS YEAR
A) SUSCRIBED CAPITAL CALLED BUT NOT PAID AND NOT DUE	**0200**	**0**	**0**
I. Start-Up Costs	**0210**	0	0
II. Intangible Assets	**0220**	2,162	1,742
II.1 Rights over leased assets	***0221***	*0*	*0*
II.2 Other Intangible assets	***0222***	*2,162*	*1,742*
III. Tangible Assets	**0230**	57,830	61,375
IV. Investments	**0240**	153,700	174,229
V. Long-term Shares of the Parent Company	**0250**	0	0
VI. Long-term Trade Debtors	**0255**	0	0
B) FIXED ASSETS	**0260**	**213,692**	**237,346**
C) DEFERRED EXPENSES	**0280**	**2**	**2**
I. Subscribed Capital called but not paid	**0290**	0	0
II. Stocks	**0300**	16,297	16,237
III. Debtors	**0310**	34,505	33,659
IV. Short-term Investments	**0320**	134	62
V. Short-term Own Shares	**0330**	2,180	3,008
VI. Cash in Hand and Banks	**0340**	1,509	1,559
VII. Prepayments	**0350**	108	99
D) CURRENT ASSETS	**0360**	**54,733**	**54,624**
TOTAL ASSETS (A+B+C+D)	**0370**	**268,427**	**291,972**

LIABILITIES AND STOCKHOLDERS´ EQUITY		CURRENT YEAR	PREVIOUS YEAR
		2002	2001
I. Share Capital	0500	14,650	14,650
II. Reserves	0510	172,130	164,358
III. Previous year profit	0520	0	0
IV. Profit for the year	0530	12,638	12,565
V. Interim Dividends	0550	0	0
A) SHAREHOLDERS´ EQUITY	0560	**199,418**	**191,573**
B) DEFERRED INCOME	0590	**158**	**284**
C) PROVISIONS FOR CHARGES AND LIABILITIES	0600	**0**	**0**
I. Bonds and Other Marketable Securities	0610	0	0
II. Loans	0615	27,667	63,004
III. long-term Trade Creditors	0625	0	0
IV. Other long-term Creditors	0630	2,987	2,057
D) LONG-TERM DEBT	0640	**30,654**	**65,061**
I. Bonds and Other Marketable Securities	0650	0	0
II. Loans	0655	17,651	19,258
III. Group companies	0660	7,384	7,468
IV. Trade creditors	0665	7,627	4,710
V. Other short-term Creditors	0670	5,058	3,608
VI. Accruals	0680	0	0
E) CURRENT LIABILITIES	0690	**37,720**	**35,044**
F) PROVISIONS FOR SHORT-TERM CHARGES AND LIABILITIES	0695	**477**	**10**
TOTAL LIABILITIES AND STOCKHOLDERS´ EQUITY (A+B+C+D+E+F)	0700	**268,427**	**291,972**