BIANNUAL BALANCE OF RESULT CORRESPONDING TO:

SEMESTER: FIRST **YEAR:** 2003

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 2003	PREVIOUS 2002	PRESENT 2003	PREVIOUS 2002
ACTIVITY				
Artificial casing	55.536	58.214	142.339	158.952
Vegetable	0	0	45.245	47.420
Energy	1.206	1.823	1.206	1.823
Other	697	577	396	209
TOTAL	**57.439**	**60.614**	**189.186**	**208.404**

III- AVERAGE NUMBER OF EMPLOYEES IN THIS PERIOD

	INDIVIDUAL		CONSOLIDATED	
	PRESENT	PREVIOUS	PRESENT	PREVIOUS
AVERAGE NUMBER OF EMPLOYEES	**608**	**586**	**3.020**	**3.358**

IV- BUSINESS PERFORMANCE

1. Introduction and Summary

The present figures have been affected by the intense revaluation of the euro against other currencies, especially the US dollar. In this case, the depreciation of the US dollar against the euro in the first half of 2003 as compared to the first half of last year was 18.8%.

The most relevant aspects of the results of the Viscofan Group for the first half of 2003 are:

- Sales reached 189.19 million euros, 9.2% less than the first half of 2002.
- The EBITDA margin on sales was 17.5%, which is 2.3 points lower than the figures for the same period in 2002.
- Net results totalled 11.90 million euros, which is a 7.7% decrease.
- In the last quarter, net debt was reduced by 2.9 million euros despite the 4.9 million euros paid as returns of issue premium

A foreign exchange scenario similar to that of the first six months of 2002 would have meant sales that were equal to sales for the first half of 2002, with an estimated growth of 1.1% in casings (volume improvement and increase in market share in most of the branch of products) and a 3.9% drop in tinned products. Net profit would have been outstandingly higher that the same period last year.

2. Comments on the Results

Progress in the sale of casings (measured in euros) in the four geographical areas in which the group is established, reflects the impact of the US dollar's lowered value. The decrease in sales experienced by subsidiaries in North and South America is totally attributable to this effect. Sales dropped by 3.7% at the subsidiaries in Central Europe and 11.7% at the subsidiaries in Western Europe – also reflecting the currency effect on sales to third parties in US dollars.

Sale prices are still experiencing pressure from the actual situation of the competition, and the price levels of the group's main products that represent principal consumptions remain stable.

Progress by company: due to its nature as an exporter, German subsidiary Naturin clearly reflected the effect of the lower value of the US dollar. Viscofan Brazil and Viscofan USA improved their results in local currency, maintaining a good level of activity and operations. The Parent Company was also very active, although like Naturin, it did reflect the impact of the lowered value of the US dollar.

The tinned vegetables division showed lower sales but was able to exceed the ordinary results (+5.6%) and before-tax profits (+8.6%) of the first half of 2002.

In sum, the results show an improvement over the first quarter of 2003, but also demonstrate the continued downward trend of the main currencies against the euro.

Despite having been reported as a relevant fact on 25 April 2003, the financial statements for the first half of the year did not include the effects of the sale of the IAN Group's marmalade business, since it was approved by the Competition Defence Service on 17 July 2003.

As regards the foreseeable impact of the operation in the accounts for the third quarter, there have been no variations from what we reported on 25 April 2003. In other words, the sale price is 15 million euros, plus the value of the inventories at the date of closure of the operation (3.3 million euros). The estimated surplus value for The Group is some 7 million euros.

Regarding the rest of the 2003 business year, the second half of the year will be affected by the progress of currencies and will adapt to the group's annual business cycle. Supposing a scenario where the US dollar remains around current levels for the rest of the business period, and taking into account the impact of the surplus resulting from the sale of the marmalade business, we expect that, as regards the three scenarios proposed at the beginning, the net profits for the period will be in the optimistic scenario .

Isolating the positive effect of this operation on extraordinary results, and looking at the foreseeable progress of the ordinary result, with the same hypothesis on the progress of the US dollar for the rest of

the year, we hope that it will be somewhere between the basic scenario and the pessimistic scenario presented at the beginning of the period, despite the fact that the hypothesis of US dollar has performed worse than expected by the pessimistic scenario.

On 4 June 2003, shareholders were paid 0.102 euros per share, charged to the "Share Premium" account. With this, the total amount divided between shareholders this year totals 0.18 euros per share – an increase of 76.5% over the remuneration charged to the results of the 2001 business year, in line with the progress of profits in the 2002 business year.

3. Balance Sheet

The balance sheet as at 30 June 2003 showed a new reduction in the total debt by 2.4 million euros and in the net debt by 2.9 million euros in the second quarter. Compared with the data from 30 June 2002, total debt has been reduced by 31.6 million euros and net debt has been reduced by 28.5 million euros.

4. Investments

We have continued to carry out the investment plan, totalling some 30 million euros throughout the period. As usual, we should note that the Group will analyse all investment opportunities that may arise, and will probably decide to undertake investment not included in the plan, during this period – which will have an effect on the current as well as the next period.

5. Events Subsequent to the End of the Half-year Period

Approval by the Competition Defence Service (mentioned above) for the sale of the IAN group's marmalade business.

V-DISTRIBUTION OF DIVIDENDS DURING THE PERIOD

	% per Value	Euro per share	Amount Thousands of Euro
1. ORDINARY SHARES	26%	0.078	3.782
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,
This was followed on 4th June by payment of 0,102 Euros per share as a refund of the share issue premium.

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 articles of the company (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

7.-It was approved at the General shareholders´ meeting held in Pamplona on 5th may 2003 the modification of the article 30 of the article of the company in order to adapt them to article 47 of the "measures for the modification act 44/2002 of the financial system act" (Ley de Medidas de Reforma del Sistema Financiero) with the incorporation of an auditing committee (comité o comisión de auditoria).

This agreement was notified to the CNMV as a key event on 5th May 2003.

VII. VISCOFAN GROUP CONSOLIDATED PROFIT AND LOSS

(Thousands of Euros)

		CURRENT		PREVIOUS	
		Amount	%	Amount	%
		2003		2002	
Net Turnover +	1800	189.186	100.00%	208.404	100.00%
Other Operating Income +	1810	876	0.46%	779	0.37%
Variation in stocks of Finished Products and Work-in-Progress +/-	1820	956	0.51%	-1.830	-0.88%
TOTAL PRODUCTION VALUE =	1830	**191.015**	**100.97%**	**207.353**	**99.50%**
Net purchases -	1840	-59.377	-31.39%	-61.564	-29.54%
Variation in Stocks of Stock in Trade, Raw Materials and Other Consumables +/-	1850	-4.582	-2.42%	-8.863	-4.25%
Consumptions From Other Companies and Other Operating Charges -	1860	-43.570	-23.03%	-43.575	-20.91%
ADJUSTED ADDED VALUE =	1870	**83.486**	**44.13%**	**93.351**	**44.79%**
Other Expenses and Income +/-	1880	0	0.00%	0	0.00%
Personnel expenses -	1890	-50.323	-26.60%	-52.051	-24.98%
GROSS OPERATING RESULT =	1900	**33.163**	**17.53%**	**41.300**	**19.82%**
Depreciation of Fixed Assets and Amortisation of Intangible Assets -	1910	-14.830	-7.84%	-18.423	-8.84%
Provisioning to Reversion Fund -	1915	0	0.00%	0	0.00%
Changes in Trade Provisions -	1920	-1.664	-0.88%	-2.938	-1.41%
NET OPERATING RESULT =	1930	**16.669**	**8.81%**	**19.939**	**9.57%**
Financial Income +	1940	536	0.28%	530	0.25%
Financial Expenses -	1950	-2.951	-1.56%	-4.379	-2.10%
Capitalized Exchange Rate Differences and Interests +	1960	1.587	0.84%	1.519	0.73%
Funds for Depreciation and Financial Forecast -	1970	-1.969	-1.04%	-3.369	-1.62%
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	-4	0.00%	-32	-0.02%
Reversal of Adverse Consolidation Differences +	2010	0	0.00%	0	0.00%
ORDINARY ACTIVITIES RESULT =	2020	**13.868**	**7.33%**	**14.208**	**6.82%**
Results on Intangible, Tangible and Investments assets +/-	2021	270	0.14%	32	0.02%
Changes in Intangible, Tangible and Investments assets Provisions -	2023	0	0.00%	3	0.00%
Results on operations with Parent Company shares +/-	2025	0	0.00%	790	0.38%
Previous year results +/-	2026	0	0.00%	0	0.00%
Other extraordinary results +/-	2030	330	0.17%	195	0.09%
CONSOLIDATED RESULT BEFORE TAXES =	2040	**14.468**	**7.65%**	**15.228**	**7.31%**
Income Tax +/-	2042	-2.570	-1.36%	-2.338	-1.12%
CONSOLIDATED RESULT =	2044	**11.898**	**6.29%**	**12.890**	**6.19%**
Result Attributable to Minority Interests +/-	2050	0	0.00%	3	0.00%
RESULT ATTRIBUTABLE TO THE PARENT COMPANY =	2060	**11.898**	**6.29%**	**12.893**	**6.19%**

VIII. VISCOFAN GROUP CONSOLIDATED BALANCE SHEET

(Expressed in thousands of Euro)

ASSETS		Year 2003 CURRENT YEAR	Year 2002 PREVIOUS YEAR
A) SUSCRIBED CAPITAL CALLED BUT NOT PAID AND NOT DUE	**1200**	**0**	**0**
I. Start-Up Costs	**1210**	544	1,041
II. Intangible Assets	**1220**	4,983	3,482
II.1 Rights over leased assets	***1221***	*62*	*88*
II.2 Other Intangible assets	***1222***	*4,921*	*3.394*
III. Tangible Assets	**1230**	220,468	224,556
IV. Investments	**1240**	985	963
V. Long-term Shares of the Parent Company	**1250**	0	0
VI. Long-term Trade Debtors	**1255**	5,210	7,850
B) FIXED ASSETS	**1260**	**232,190**	**237,892**
C) GOODWILL ON CONSOLIDATION	**1270**	**4**	**210**
D) DEFERRED EXPENSES	**1280**	**27**	**21**
I. Subscribed Capital called but not paid	**1290**	0	0
II. Stocks	**1300**	112,081	118,166
III. Debtors	**1310**	77,003	82,499
IV. Short-term Investments	**1320**	54	61
V. Short-term Own Shares	**1330**	2,148	2,012
VI. Cash in Hand and Banks	**1340**	7,299	10,401
VII. Prepayments	**1350**	3,904	3,992
E) CURRENT ASSETS	**1360**	**202,489**	**217,131**
TOTAL ASSETS (A+B+C+D+E)	**1370**	**434,710**	**455,254**

LIABILITIES AND STOCKHOLDERS´ EQUITY		CURRENT YEAR	PREVIOUS YEAR
		Year 2003	Year 2002
I. Share Capital	1500	14,650	14,650
II. Parent Company Reserves	1510	176,042	171,971
III. Reserves in Fully Consolidated Companies	1520	31,188	13,716
IV. Conversion Differences	1530	-7,691	-735
V. Results attributable to the Parent Company	1540	11,898	12,893
VI. Interim Dividends	1550	0	0
A) SHAREHOLDERS´ EQUITY	1560	**226,087**	**212,495**
B) MINORITY INTEREST	1570	**0**	**108**
C) ADVERSE CONSOLIDATION BALANCE	1580	**0**	**0**
D) DEFERRED INCOME	1590	**2,121**	**2,520**
E) PROVISIONS FOR CHARGES AND LIABILITIES	1600	**22,300**	**22,351**
I. Bonds and Other Marketable Securities	1610	0	0
II. Loans	1615	46,403	85,603
III. Long-Term Trade Creditors	1625	0	0
IV. Other Long-Term Creditors	1630	10,687	10,714
F) LONG-TERM DEBT	1640	**57,090**	**96,317**
I. Bonds and Other Marketable Securities	1650	0	0
II. Loans	1655	63,142	55,494
III. Trade Creditors	1665	32,538	34,839
IV. Other Short-Term Creditors	1670	19,329	20,031
V. Accruals	1680	47	306
G) CURRENT LIABILITIES	1690	**115.056**	**110,670**
H) PROVISIONS FOR SHORT-TERM CHARGES AND LIABILITIES	1695	**12,056**	**10,793**
TOTAL LIABILITIES AND STOCKHOLDERS´ EQUITY (A+B+C+D+E+F+G+H)	1700	**434,710**	**455,254**

VII. VISCOFAN S.A. PROFIT AND LOSS ACCOUNT

(Thousands of Euros)

		CURRENT		PREVIOUS	
		Amount	%	Amount	%
		2003		**2002**	
Net Turnover +	**0800**	57.439	100.00%	60.614	100.00%
Other Operating Income +	**0810**	432	0.75%	163	0.27%
Variation in stocks of Finished Products and Work-in-Progress +/-	**0820**	865	1.51%	-287	-0.47%
TOTAL PRODUCTION VALUE =	**0830**	**58.736**	**102.26%**	**60.490**	**99.80%**
Net purchases -	**0840**	-22.299	-38.82%	-22.766	-37.56%
Variation in Stocks of Stock in Trade, Raw Materials and Other Consumables +/-	**0850**	561	0.98%	65	0.11%
Consumptions From Other Companies and Other Operating Charges -	**0860**	-10.542	-18.35%	-9.480	-15.64%
ADJUSTED ADDED VALUE =	**0870**	**26.456**	**46.06%**	**28.309**	**46.70%**
Other Expenses and Income +/-	**0880**	0	0.00%	0	0.00%
Personnel expenses -	**0890**	-12.454	-21.68%	-12.846	-21.19%
GROSS OPERATING RESULT =	**0900**	**14.002**	**24.38%**	**15.463**	**25.51%**
Depreciation of Fixed Assets and Amortisation of Intangible Assets -	**0910**	-6.246	-10.87%	-6.471	-10.68%
Provisioning to Reversion Fund -	**0915**	0	0.00%	0	0.00%
Changes in Trade Provisions -	**0920**	-1.863	-3.24%	-1.083	-1.79%
NET OPERATING RESULT =	**0930**	**5.893**	**10.26%**	**7.909**	**13.05%**
Financial Income +	**0940**	1.549	2.70%	981	1.62%
Financial Expenses -	**0950**	-743	-1.29%	-1.383	-2.28%
Capitalized Exchange Rate Differences and Interests +	**0960**	986	1.72%	676	1.12%
Funds for Depreciation and Financial Forecast -	**0970**	-1.183	-2.06%	-985	-1.63%
ORDINARY ACTIVITIES RESULT =	**1020**	**6.502**	**11.32%**	**7.198**	**11.88%**
Results on Intangible, Tangible and Investments assets +/-	**1021**	1	0.00%	157	0.26%
Changes in Intangible, Tangible and Investments assets Provisions -	**1023**	7.832	-13.64%	0	0.00%
Results on operations with Parent Company shares +/-	**1025**	0	0.00%	790	1.30%
Previous year results +/-	**1026**	0	0.00%	0	0.00%
Other extraordinary results +/-	**1030**	185	0.32%	64	0.11%
RESULT BEFORE TAXES =	**1040**	**14.520**	**25.28%**	**8.209**	**13.54%**
Income Tax +/-	**1042**	-436	-0.76%	-1.560	-2.57%
FINAL RESULT =	**1044**	**14.084**	**24.52%**	**6.649**	**10.97%**

VIII. VISCOFAN S.A. BALANCE SHEET

(Expressed in thousands of Euro)

ASSETS		Year 2003 CURRENT YEAR	Year 2002 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**	2.245	1.380
II.1 Rights over leased assets	***0221***	*0*	*0*
II.2 Other Intangible assets	***0222***	*2.245*	*1.380*
III. Tangible Assets	**0230**	56.017	60.490
IV. Investments	**0240**	167.856	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**	**226.118**	**236.099**
C) DEFERRED EXPENSES	**0280**	**1**	**3**
I. Subscribed Capital called but not paid	**0290**	0	0
II. Stocks	**0300**	16.372	15.773
III. Debtors	**0310**	34.056	38.426
IV. Short-term Investments	**0320**	249	33
V. Short-term Own Shares	**0330**	2.148	2.012
VI. Cash in Hand and Banks	**0340**	149	1.820
VII. Prepayments	**0350**	520	383
D) CURRENT ASSETS	**0360**	**53.494**	**58.447**
TOTAL ASSETS (A+B+C+D)	**0370**	**279.613**	**294.549**

LIABILITIES AND STOCKHOLDERS´ EQUITY		CURRENT YEAR	PREVIOUS YEAR
		2003	2002
I. Share Capital	0500	14,650	14.650
II. Reserves	0510	176.042	171.972
III. Previous year profit	0520	0	0
IV. Profit for the year	0530	14.084	6.649
V. Interim Dividends	0550	0	0
A) SHAREHOLDERS´ EQUITY	0560	**204.776**	**193.271**
B) DEFERRED INCOME	0590	**150**	**236**
C) PROVISIONS FOR CHARGES AND LIABILITIES	0600	**0**	**0**
I. Bonds and Other Marketable Securities	0610	0	0
II. Loans	0615	29.111	55.540
III. long-term Trade Creditors	0625	0	0
IV. Other long-term Creditors	0630	3.274	2.644
D) LONG-TERM DEBT	0640	**32.385**	**58.184**
I. Bonds and Other Marketable Securities	0650	0	0
II. Loans	0655	21.086	15.017
III. Group companies	0660	7.024	8.119
IV. Trade creditors	0665	6.941	7.650
V. Other short-term Creditors	0670	6.008	10.731
VI. Accruals	0680	-4	265
E) CURRENT LIABILITIES	0690	**41.055**	**41.782**
F) PROVISIONS FOR SHORT-TERM CHARGES AND LIABILITIES	0695	**1.247**	**1.076**
TOTAL LIABILITIES AND STOCKHOLDERS´ EQUITY (A+B+C+D+E+F)	0700	**279.613**	**294.549**