BIANNUAL BALANCE OF RESULT CORRESPONDING TO:

SEMESTER: FIRST **YEAR:** 2004

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 2004	PREVIOUS 2003	PRESENT 2004	PREVIOUS 2005
ACTIVITY				
Artificial casing	55.560	55.536	139.354	142.339
Vegetable	0	0	33.951	45.245
Energy	1.026	1.206	1.026	1.206
Other	7.220	697	29	396
TOTAL	**63.806**	**57.439**	**174.360**	**189.186**

III- AVERAGE NUMBER OF EMPLOYEES IN THIS PERIOD

	INDIVIDUAL		CONSOLIDATED	
	PRESENT	PREVIOUS	PRESENT	PREVIOUS
AVERAGE NUMBER OF EMPLOYEES	**569**	**608**	**2.880**	**3.020**

IV- BUSINESS PERFORMANCE

1. Introduction and Summary

The Viscofan Group presents quarterly results of 5.88 million euros, representing 10.43 million over the half-year period, in a climate of fierce competition and unfavourable exchange rates. The results presented show the Group's ability to compensate for most of the negative effects of both factors, with increased volumes and improved efficiency.

2. Analysis of Results

In casings, the half-year period showed an increase in volume of more than 5% in the main ranges of products, as well as irregular prices (in local currency) depending on product and geographical area.

The Group's sales totalled € 91.2 billion in the quarter and € 174.3 billion in the half-year period, figures which were 7.1% and 7.8% lower than their corresponding periods in 2003. A foreign exchange scenario like that of the first half of 2003 and the same consolidation perimeter (not including the effect of the sale of the marmalade business) would have resulted in an increase of 1.3% in total half-yearly sales, with an estimated 2.2% growth in casings and 1.5% drop in tinned products.

As the appreciation of the euro compared to the US dollar in 2003 intensified over the course of the year, it is foreseeable that, in the coming quarters, there will be a reduction in the difference between the quarterly exchange rate averages compared with the same periods last year.

Analysing the Group's activities in the different geographical areas, we find that the subsidiaries operating in the US dollar area are those which are most acutely suffering from the currency exchange effect when converting their sales into euros. Nevertheless, the operations of the subsidiaries in Canada, the USA and South America are evolving very positively, showing continued growth and improved profitability. The new subsidiary in Mexico contributed only expenses, as it had only token sales at the end of the second quarter. The subsidiaries operating in Europe are suffering from the currency exchange effect on their exports in US dollars.

The Group's EBITDA margin remained constant at 17.5% in half-year terms (influenced partially by the lighter relative weight of the tinned products business), despite payment of the General Meeting of Shareholders attendance premium, the exchange rates and prices, and the expenses resulting from the projects in Mexico and Brazil (which have not yet generated income).

In absolute terms, the EBITDA dropped by 8.6% during the quarter and by 8.2% during the half-year period, for the reasons outlined above.

The 15% improvement of the half-yearly financial results was due to reduced net financial expenses (- 11%) and lower negative results generated by currency exchange differences (- 40%).

The sales earnings of the IAN Group dropped as a consequence of the transfer of the tinned fruit business. The profitability of its activities has still not begun to reflect the effects of the restructuring implemented in 2003. We expect the second half of the year to be better than the first.

The Group's ordinary profits were 15% lower than those of the first half of 2003. The reduced contribution of extraordinary earnings and the lower effective tax rate in the half-year period (13%, due to the negative effect of the parent company’s financial provisions as regards the progress of the Brazilian real) resulted in a net profit of € 10.43 billion, which is 12.3% lower than that of the same period in 2003. In quarterly terms, this is a 8.5% reduction.

3. Balance Sheet

Net debt increased by € 1.2 billion in the last quarter as a consequence of disbursements associated with the major investments of the year, totalling € 84.07 billion. Over the last 12 months, net debt has been reduced by € 16 billion.

Financial leverage was maintained at 34%. Net working capital increased by 2% thanks to the corresponding increase in the casings business (3.6 %) and the reduction in the tinned products business (1.9 %).

4. Investments

The new subsidiary in Mexico is already operating. Its first sales were billed at the end of June, and production began in July, and will grow during the rest of the business year.

The expansion of capacity in Brazil is progressing as planned, and is expected to be operating by the fourth quarter of this year.

As announced in the first quarter of the year, Viscofan Centroamérica Comercial was incorporated in San José, Costa Rica in the second quarter. Viscofan Centroamérica Comercial is a commercial subsidiary intended to develop our business in Central America.

5. Events Subsequent to the End of the Period

As agreed at the General Meeting of Shareholders on 14 June 2004, the return of the share issue premium (0.102 euros per share) was paid on 5 July 2004.

V-DISTRIBUTION OF DIVIDENDS DURING THE PERIOD

	% per Value	Euro per share	Amount Thousands of Euro
1. ORDINARY SHARES	26%	0.078	3.773
2. PREFERENCE SHARES			
3. NON-VOTING SHARES			

Additional information on the distribution of dividends(on account, complementary..)
In January 29th 2004 a dividend of 0,078 Euro per share was paid, against 2003 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 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. As agreed at the General Meeting of Shareholders of Viscofan SA held on 14 June 2004, Articles 23 and 24 of the company statutes have been changed to include the possibility of voting or delegating votes via electronic correspondence or any other distance communications tool, pursuant to Law 26/2003.

8. On 11 May 2004, at the General Meeting of Shareholders of IAN SA and Comaro SA (both 100% owned by the Viscofan Group), the proposal to merge Sociedades Industrias Alimentarias de Navarra SA and Comaro SA was approved.

VII. VISCOFAN GROUP CONSOLIDATED PROFIT AND LOSS

(Thousands of Euros)

		CURRENT		PREVIOUS	
		Amount	%	Amount	%
		2004		2003	
Net Turnover +	1800	174.360	100.00%	189.186	100.00%
Other Operating Income +	1810	529	0.30%	873	0.46%
Variation in stocks of Finished Products and Work-in-Progress +/-	1820	1.200	0.69%	956	0.51%
TOTAL PRODUCTION VALUE =	1830	**176.089**	**100.99%**	**191.015**	**100.97%**
Net purchases -	1840	-51.654	-29.62%	-59.377	-31.39%
Variation in Stocks of Stock in Trade, Raw Materials and Other Consumables +/-	1850	-2.756	-1.58%	-4.582	-2.42%
Consumptions From Other Companies and Other Operating Charges -	1860	-41.931	-24.05%	-43.570	-23.03%
ADJUSTED ADDED VALUE =	1870	**79.748**	**45.74%**	**83.486**	**44.13%**
Other Expenses and Income +/-	1880	0	0.00%	0	0.00%
Personnel expenses -	1890	-49.313	-28.28%	-50.323	-26.60%
GROSS OPERATING RESULT =	1900	**30.435**	**17.46%**	**33.163**	**17.53%**
Depreciation of Fixed Assets and Amortisation of Intangible Assets -	1910	-15.171	-8.70%	-14.830	-7.84%
Provisioning to Reversion Fund -	1915	0	0.00%	0	0.00%
Changes in Trade Provisions -	1920	-1.180	-0.68%	-1.664	-0.88%
NET OPERATING RESULT =	1930	**14.084**	**8.08%**	**16.669**	**8.81%**
Financial Income +	1940	394	0.23%	536	0.28%
Financial Expenses -	1950	-2.538	-1.46%	-2.951	-1.56%
Capitalized Exchange Rate Differences and Interests +	1960	1.586	0.91%	1.587	0.84%
Funds for Depreciation and Financial Forecast -	1970	-1.813	-1.04%	-1.969	-1.04%
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	0	0.00%	-4	0.00%
Reversal of Adverse Consolidation Differences +	2010	0	0.00%	0	0.00%
ORDINARY ACTIVITIES RESULT =	2020	**11.713**	**6.72%**	**13.868**	**7.33%**
Results on Intangible, Tangible and Investments assets +/-	2021	-25	-0.01%	270	0.14%
Changes in Intangible, Tangible and Investments assets Provisions -	2023	0	0.00%	0	0.00%
Results on operations with Parent Company shares +/-	2025	0	0.00%	0	0.00%
Previous year results +/-	2026	0	0.00%	0	0.00%
Other extraordinary results +/-	2030	318	0.18%	330	0.17%
CONSOLIDATED RESULT BEFORE TAXES =	2040	**12.006**	**6.89%**	**14.468**	**7.65%**
Income Tax +/-	2042	-1.576	-0.90%	-2.570	-1.36%
CONSOLIDATED RESULT =	2044	**10.430**	**5.98%**	**11.898**	**6.29%**
Result Attributable to Minority Interests +/-	2050	0	0.00%	0	0.00%
RESULT ATTRIBUTABLE TO THE PARENT COMPANY =	2060	**10.430**	**5.98%**	**11.898**	**6.29%**

VIII. VISCOFAN GROUP CONSOLIDATED BALANCE SHEET

(Expressed in thousands of Euro)

ASSETS		Year 2004 CURRENT YEAR	Year 2003 PREVIOUS YEAR
A) SUSCRIBED CAPITAL CALLED BUT NOT PAID AND NOT DUE	**1200**	**0**	**0**
I. Start-Up Costs	**1210**	168	544
II. Intangible Assets	**1220**	3.942	4.983
II.1 Rights over leased assets	***1221***	*62*	*62*
II.2 Other Intangible assets	***1222***	*3.880*	*4.921*
III. Tangible Assets	**1230**	219.523	220.468
IV. Investments	**1240**	950	985
V. Long-term Shares of the Parent Company	**1250**	0	0
VI. Long-term Trade Debtors	**1255**	13.591	5.210
B) FIXED ASSETS	**1260**	**238.174**	**232.190**
C) GOODWILL ON CONSOLIDATION	**1270**	**0**	**4**
D) DEFERRED EXPENSES	**1280**	**166**	**27**
I. Subscribed Capital called but not paid	**1290**	0	0
II. Stocks	**1300**	103.596	112.081
III. Debtors	**1310**	82.111	77.003
IV. Short-term Investments	**1320**	42	54
V. Short-term Own Shares	**1330**	3.022	2.148
VI. Cash in Hand and Banks	**1340**	5.841	7.299
VII. Prepayments	**1350**	4.376	3.904
E) CURRENT ASSETS	**1360**	**198.988**	**202.489**
TOTAL ASSETS (A+B+C+D+E)	**1370**	**437.328**	**434.710**

LIABILITIES AND STOCKHOLDERS´ EQUITY		CURRENT YEAR	PREVIOUS YEAR
		Year 2004	Year 2003
I. Share Capital	1500	14.650	14,650
II. Parent Company Reserves	1510	193.325	176.042
III. Reserves in Fully Consolidated Companies	1520	40.862	31.188
IV. Conversion Differences	1530	-12.736	-7.691
V. Results attributable to the Parent Company	1540	10.430	11.898
VI. Interim Dividends	1550	0	0
A) SHAREHOLDERS´ EQUITY	1560	**246.531**	**226.087**
B) MINORITY INTEREST	1570	**0**	**0**
C) ADVERSE CONSOLIDATION BALANCE	1580	**0**	**0**
D) DEFERRED INCOME	1590	**3.047**	**2.121**
E) PROVISIONS FOR CHARGES AND LIABILITIES	1600	**23.683**	**22.300**
I. Bonds and Other Marketable Securities	1610	0	0
II. Loans	1615	40.276	46.403
III. Long-Term Trade Creditors	1625	0	0
IV. Other Long-Term Creditors	1630	11.395	10.687
F) LONG-TERM DEBT	1640	**51.671**	**57.090**
I. Bonds and Other Marketable Securities	1650	0	0
II. Loans	1655	52.703	63.142
III. Trade Creditors	1665	31.415	32.538
IV. Other Short-Term Creditors	1670	16.865	19.329
V. Accruals	1680	6	47
G) CURRENT LIABILITIES	1690	**100.989**	**115.056**
H) PROVISIONS FOR SHORT-TERM CHARGES AND LIABILITIES	1695	**11.407**	**12.056**
TOTAL LIABILITIES AND STOCKHOLDERS´ EQUITY (A+B+C+D+E+F+G+H)	1700	**437.328**	**434.710**

VII. VISCOFAN S.A. PROFIT AND LOSS ACCOUNT

(Thousands of Euros)

		CURRENT 2004		PREVIOUS 2003	
		Amount	%	Amount	%
Net Turnover +	0800	63.806	100.00%	57.439	100.00%
Other Operating Income +	0810	220	0.34%	432	0.75%
Variation in stocks of Finished Products and Work-in-Progress +/-	0820	-1.626	-2.55%	865	1.51
TOTAL PRODUCTION VALUE =	0830	**62.400**	**97.80%**	**58.736**	**102.26%**
Net purchases -	0840	-27.978	-43.85%	-22.299	-38.82%
Variation in Stocks of Stock in Trade, Raw Materials and Other Consumables +/-	0850	-1.149	-1.80%	561	0.98%
Consumptions From Other Companies and Other Operating Charges -	0860	-9.917	-15.54%	-10.542	-18.35%
ADJUSTED ADDED VALUE =	0870	**23.356**	**36.60%**	**26.456**	**46.06%**
Other Expenses and Income +/-	0880	0	0.00%	0	0.00%
Personnel expenses -	0890	-12.503	-19.60%	-12.454	-21.68%
GROSS OPERATING RESULT =	0900	**10.853**	**17.01%**	**14.002**	**24.38%**
Depreciation of Fixed Assets and Amortisation of Intangible Assets -	0910	-5.883	-9.22%	-6.246	-10.87%
Provisioning to Reversion Fund -	0915	0	0.00%	0	0.00%
Changes in Trade Provisions -	0920	-827	-1.30%	-1.863	-3.24%
NET OPERATING RESULT =	0930	**4.143**	**6.49%**	**5.893**	**10.26%**
Financial Income +	0940	1.408	2.21%	1.549	2.70%
Financial Expenses -	0950	-642	-1.01%	-743	-1.29%
Capitalized Exchange Rate Differences and Interests +	0960	796	1.25%	986	1.72%
Funds for Depreciation and Financial Forecast -	0970	-755	-1.18%	-1.183	-2.06%
ORDINARY ACTIVITIES RESULT =	1020	**4.950**	**7.76%**	**6.502**	**11.32%**
Results on Intangible, Tangible and Investments assets +/-	1021	30	0.05%	1	0.00%
Changes in Intangible, Tangible and Investments assets Provisions -	1023	1.953	3.06%	7.832	-13.64%
Results on operations with Parent Company shares +/-	1025	0	0.00%	0	0.00%
Previous year results +/-	1026	0	0.00%	0	0.00%
Other extraordinary results +/-	1030	83	0.13%	185	0.32%
RESULT BEFORE TAXES =	1040	**7.016**	**11.00%**	**14.520**	**25.28%**
Income Tax +/-	1042	-561	-0.88%	-436	-0.76%
FINAL RESULT =	1044	**6.455**	**10.12%**	**14.084**	**24.52%**

VIII. VISCOFAN S.A. BALANCE SHEET

(Expressed in thousands of Euro)

ASSETS		Year 2004 CURRENT YEAR	Year 2003 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**	1.871	2.245
II.1 Rights over leased assets	***0221***	*0*	*0*
II.2 Other Intangible assets	***0222***	*1.871*	*2.245*
III. Tangible Assets	**0230**	52.547	56.017
IV. Investments	**0240**	169.918	167.856
V. Long-term Shares of the Parent Company	**0250**	0	0
VI. Long-term Trade Debtors	**0255**	0	0
B) FIXED ASSETS	**0260**	**224.336**	**226.118**
C) DEFERRED EXPENSES	**0280**	**0**	**1**
I. Subscribed Capital called but not paid	**0290**	0	0
II. Stocks	**0300**	12.925	16.372
III. Debtors	**0310**	37.947	34.056
IV. Short-term Investments	**0320**	12	249
V. Short-term Own Shares	**0330**	3.023	2.148
VI. Cash in Hand and Banks	**0340**	160	149
VII. Prepayments	**0350**	563	520
D) CURRENT ASSETS	**0360**	**54.630**	**53.494**
TOTAL ASSETS (A+B+C+D)	**0370**	**278.966**	**279.613**

LIABILITIES AND STOCKHOLDERS´ EQUITY		CURRENT YEAR	PREVIOUS YEAR
		2004	2003
I. Share Capital	0500	14,650	14.650
II. Reserves	0510	193.325	176.042
III. Previous year profit	0520	0	0
IV. Profit for the year	0530	6.455	14.084
V. Interim Dividends	0550	0	0
A) SHAREHOLDERS´ EQUITY	0560	**214.430**	**204.776**
B) DEFERRED INCOME	0590	**228**	**150**
C) PROVISIONS FOR CHARGES AND LIABILITIES	0600	**0**	**0**
I. Bonds and Other Marketable Securities	0610	0	0
II. Loans	0615	25.299	29.111
III. long-term Trade Creditors	0625	0	0
IV. Other long-term Creditors	0630	4.765	3.274
D) LONG-TERM DEBT	0640	**30.064**	**32.385**
I. Bonds and Other Marketable Securities	0650	0	0
II. Loans	0655	11.072	21.086
III. Group companies	0660	9.083	7.024
IV. Trade creditors	0665	7.796	6.941
V. Other short-term Creditors	0670	5.388	6.008
VI. Accruals	0680	-44	-4
E) CURRENT LIABILITIES	0690	**33.295**	**41.055**
F) PROVISIONS FOR SHORT-TERM CHARGES AND LIABILITIES	0695	**949**	**1.247**
TOTAL LIABILITIES AND STOCKHOLDERS´ EQUITY (A+B+C+D+E+F)	0700	**278.966**	**279.613**