BIANNUAL BALANCE OF RESULT CORRESPONDING TO:

SEMESTER: SECOND **YEAR:** 2004

I-GENERAL INFORMATION

COMPANY NAME

VISCOFAN SA.

MAIN OFFICE

C/ITURRAMA 23, ENTREPLANTA 31007 PAMPLONA NAVARRA

NIF:A3106550-1

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	105.577	108.586	276.821	282.669
Vegetable	0	0	70.263	85.608
Energy	2.058	2.456	2.058	2.456
Other	8.222	1.300	76	575
TOTAL	**115.857**	**112.342**	**349.218**	**371.308**

III- AVERAGE NUMBER OF EMPLOYEES IN THIS PERIOD

	INDIVIDUAL		CONSOLIDATED	
	PRESENT	PREVIOUS	PRESENT	PREVIOUS
AVERAGE NUMBER OF EMPLOYEES	**576**	**594**	**2.921**	**3.027**

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IV- BUSINESS PERFORMANCE

1,- Introduction and Summary

During financial year 2004, the Viscofan Group made an after-tax profit of 21.94 million euros. Profits were seriously affected by the appreciation of the euro against other currencies, the price situation, restructuring plans and extraordinary tax results arising from the adaptation of the balance sheet to the IFRS.

The most important figures for financial year 2004 can be summarised as follows:

- Sales were down 5.9% mainly as a result of the exchange rate effect, the sale of the jam business and pressure on prices.
- The effect of exchange rates on sales came to 12 million euros.
- The EBITDA on sales was 14.6%.
- Financial results improved by 33.5%
- Net profits came to 21.94 million euros down 28.6% on results for 2003.
- Bank debt was reduced by 1 million euros during this financial year and the leverage figure was 30%. Net debt was reduced by 3.1million euros over the last 12 months, after the amortisation of 3 million euros of the capital held by the company in its own shares.

2,- Comments on financial year 2004

The first point to highlight is that sales volumes of casings have increased by over 5% in the main product families. Prices have not behaved in a uniform way and have varied depending on the particular product or geographical area.

Consolidated sales reached 349.22 million euros, 5.9% less than in 2003. This figure can be broken down as follows: 278.96 million euros in sales of casings (2.4% less than in 2003), and 70.26 million euros in sales of tinned vegetables, a fall of 17.9%, due mainly to the sale of the jams business.

If there had been a currency situation similar to that prevailing in the first nine months of 2003 and the same consolidation parameters had applied, (i.e. excluding the effect of the sale of the jams business), there would have been an increase of 0.6%, with an estimated growth in casings of 1.8 % and a fall of 3.7% in tinned vegatebles.

Analysing the results company by company, the subsidiaries in the dollar area improved their local results and their sales, although they suffer from the exchange rate effect when their results figures are converted into euros.

The contributions of Naturin and Viscofan to sales and to profits were also affected by the strengthening of the euro.

The IAN Group has finished its restructuring operation after the sale of the jam tinned business and has made the investments necessary for the launch of its new line of refrigerated meals, which will be on sale in the first quarter of 2005.

The Group's EBITDA margin fell by 16.4% to 14.6%, a fall of almost 2 percentage points for the reasons outlined above.

Net results improved by 33.5%, due to the fact that net financial costs fell by 15.7 % and exchange rate differences improved by 83%.

Ordinary profits came to 18.26 million euros, 29.4% down on the previous year. This figure would have been 25.17 million euros (2.8% less than the previous year) if there had been an exchange rate scenario similar to that prevailing in 2003 and if the same consolidation parameters had applied.

Extraordinary results include a charge of 7.4 million euros for restructuring costs of the subsidiary company, Naturin. The tax figures include a positive effect of 8.4 million euros for adapting the balance sheet to the IFRS.

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Balance Sheet.

The balance sheet as at 31 December showed a reduction in net debt of 3.1 million euros to a total of 75.7 million euros. Bank debt fell by 1 million euros.

The share capital was reduced in July 2004 by the amortisation of 1% of the capital that the company holds in its own shares.

Events following financial year-end.

On 27th January, the Governing Board decided to pay a dividend on the results for financial year 2004 for a gross amount of 0.078 euros per share, the same amount as was paid last year.

Perspectives for 2005.

During 2005 we will continue with the restructuring of Naturin which began in 2004 and which will cover this year and all of 2006.

The investments made in Mexico and Brazil in 2004 should operate at "cruising speed" throughout this financial year.

IAN will launch its range of refrigerated vegetable dishes, although the launch costs will mean that their contribution to 2005 results will be minimal.

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..)

As a dividend, In January 29th 2004 a dividend of 0,078 Euro per share was paid against 2003 profits.

In July 5th a refund of the issue premium of 0,102 euros per share was paid. During this month we paid 0,01 euros per share for the attendance to the Shareholders General Meeting.

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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	

4. Increases or reductions of capital stock or of security value.

The Shareholders General Meeting held on 14th June decided to reduce the Company's share capital in order to buy back 488,349 shares in the company with a total value of 146,504.70 euros. As a result the share capital now comes to 14,503,973.70 euros represented by 48,346,579 shares with a nominal value of 0.30 euros each.

7. Modification to the Articles of Association.

The Shareholders General Meeting held on 14th June agreed on the following amendments to the Articles of Association.

1. Amendment of Articles 23 and 24 of the Articles of Association to include the possibility of voting or delegating voting rights by electronic mail or any other means of long-distance communication in compliance with Law 26/2003.
This modification was registered at the Company Register on 17th July and the CNMV (Spanish Stock Exchange Commission) was informed thereof on 14th June.

2. Amendment of Article 5 of the Articles of Association to change the figure for the share capital, because of the reduction made by buying back shares in the company. This modification was registered at the Company Register on 16th September and the CNMV (Spanish Stock Exchange Commission) was informed thereof on 14th June.

14. Other key events

The investment portfolio management company Nmas1 acting on behalf of the company QMC Development Capital Fund PLC informed the CMNV on 10th March 2004 that said company had acquired a stake in the share capital of Viscofan SA of 2,450,637 shares equivalent to 5.018% of the share capital.

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VII. VISCOFAN GROUP CONSOLIDATED PROFIT AND LOSS

(Thousands of Euros)

		CURRENT		PREVIOUS	
		Amount	%	Amount	%
		2004		2003	
Net Turnover +	1800	349.218	100.00%	371.308	100.00%
Other Operating Income +	1810	1.483	0.42%	1.757	0.47%
Variation in stocks of Finished Products and Work-in-Progress +/-	1820	1.710	0.49%	-8.962	-2.41%
TOTAL PRODUCTION VALUE =	1830	**352.411**	**100.91%**	**364.103**	**98.06%**
Net purchases -	1840	-120.631	-34.54%	-120.861	-32.55%
Variation in Stocks of Stock in Trade, Raw Materials and Other Consumables +/-	1850	2.562	0.73%	3.966	1.07%
Consumptions From Other Companies and Other Operating Charges -	1860	-83.915	-24.03%	-86.344	-23.25%
ADJUSTED ADDED VALUE =	1870	**150.427**	**43.08%**	**160.864**	**43.32%**
Other Expenses and Income +/-	1880	0	0.00%	0	0.00%
Personnel expenses -	1890	-99.338	-28.45%	-99.882	-26.90%
GROSS OPERATING RESULT =	1900	**51.089**	**14.63%**	**60.982**	**16.42%**
Depreciation of Fixed Assets and Amortisation of Intangible Assets -	1910	-29.725	-8.51%	-29.610	-7.97%
Provisioning to Reversion Fund -	1915	0	0.00%	0	0.00%
Changes in Trade Provisions -	1920	737	0.21%	281	0.08%
NET OPERATING RESULT =	1930	**22.101**	**6.33%**	**31.653**	**8.52%**
Financial Income +	1940	1.160	0.33%	1.228	0.33%
Financial Expenses -	1950	-4.743	-1.36%	-5.476	-1.47%
Capitalized Exchange Rate Differences and Interests +	1960	2.968	0.85%	3.340	0.90%
Funds for Depreciation and Financial Forecast -	1970	-3.222	-0.92%	-4.853	-1.31%
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%	-7	0.00%
Reversal of Adverse Consolidation Differences +	2010	0	0.00%	0	0.00%
ORDINARY ACTIVITIES RESULT =	2020	**18.264**	**5.23%**	**25.885**	**6.97%**
Results on Intangible, Tangible and Investments assets +-	2021	-1.198	-0.34%	10.315	1.96%
Changes in Intangible, Tangible and Investments assets Provisions -	2023	450	0.13%	345	0.09%
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	-4.736	-1.36%	-2.310	0.19%
CONSOLIDATED RESULT BEFORE TAXES =	2040	**12.780**	**3.66%**	**34.235**	**9.22%**
Income Tax +/-	2042	9.163	2.62%	-3.502	-0.94%
CONSOLIDATED RESULT =	2044	**21.943**	**6.28%**	**30.733**	**8.28%**
Result Attributable to Minority Interests +/-	2050	0	0.00%	0	0.00%
RESULT ATTRIBUTABLE TO THE PARENT COMPANY =	2060	**21.943**	**6.28%**	**30.733**	**8.28%**

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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**	2	328
II. Intangible Assets	**1220**	3.518	4.431
II.1 Rights over leased assets	***1221***	*26*	*62*
II.2 Other Intangible assets	***1222***	*3.492*	*4.369*
III. Tangible Assets	**1230**	218.603	213.439
IV. Investments	**1240**	883	987
V. Long-term Shares of the Parent Company	**1250**	0	0
VI. Long-term Trade Debtors	**1255**	15.689	13.301
B) FIXED ASSETS	**1260**	**238.695**	**232.486**
C) GOODWILL ON CONSOLIDATION	**1270**	**0**	**0**
D) DEFERRED EXPENSES	**1280**	**171**	**12**
I. Subscribed Capital called but not paid	**1290**	0	0
II. Stocks	**1300**	105.744	102.540
III. Debtors	**1310**	78.720	75.629
IV. Short-term Investments	**1320**	42	54
V. Short-term Own Shares	**1330**	250	2.616
VI. Cash in Hand and Banks	**1340**	10.380	5.970
VII. Prepayments	**1350**	1.631	903
E) CURRENT ASSETS	**1360**	**196.767**	**187.712**
TOTAL ASSETS (A+B+C+D+E)	**1370**	**435.633**	**420.210**

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LIABILITIES AND STOCKHOLDERS´ EQUITY		CURRENT YEAR	PREVIOUS YEAR
		Year 2004	Year 2003
I. Share Capital	1500	14.504	14,650
II. Parent Company Reserves	1510	185.337	176.042
III. Reserves in Fully Consolidated Companies	1520	40.862	31.188
IV. Conversion Differences	1530	-12.851	-12.234
V. Results attributable to the Parent Company	1540	21.943	30.733
VI. Interim Dividends	1550	0	0
A) SHAREHOLDERS´ EQUITY	1560	**249.795**	**240.379**
B) MINORITY INTEREST	1570	**0**	**0**
C) ADVERSE CONSOLIDATION BALANCE	1580	**0**	**0**
D) DEFERRED INCOME	1590	**3.494**	**2.307**
E) PROVISIONS FOR CHARGES AND LIABILITIES	1600	**24.257**	**23.284**
I. Bonds and Other Marketable Securities	1610	0	0
II. Loans	1615	29.658	42.660
III. Long-Term Trade Creditors	1625	0	0
IV. Other Long-Term Creditors	1630	12.428	10.924
F) LONG-TERM DEBT	1640	**42.086**	**53.584**
I. Bonds and Other Marketable Securities	1650	0	0
II. Loans	1655	56.737	44.782
III. Trade Creditors	1665	31.657	31.167
IV. Other Short-Term Creditors	1670	16.184	17.467
V. Accruals	1680	24	-36
G) CURRENT LIABILITIES	1690	**104.602**	**93.380**
H) PROVISIONS FOR SHORT-TERM CHARGES AND LIABILITIES	1695	**11.399**	**7.276**
TOTAL LIABILITIES AND STOCKHOLDERS´ EQUITY (A+B+C+D+E+F+G+H)	1700	**435.633**	**420.210**

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VII. VISCOFAN S.A. PROFIT AND LOSS ACCOUNT

(Thousands of Euros)

		CURRENT		PREVIOUS	
		Amount	%	Amount	%
		2004		**2003**	
Net Turnover +	**0800**	115.857	100.00%	112.342	100.00%
Other Operating Income +	**0810**	412	0.36%	1.083	0.96%
Variation in stocks of Finished Products and Work-in-Progress +/-	**0820**	-1.864	-1.61%	-853	-0.76%
TOTAL PRODUCTION VALUE =	**0830**	**114.405**	**98.75%**	**112.572**	**100.20%**
Net purchases -	**0840**	-51.080	-44.09%	-45.658	-40.64%
Variation in Stocks of Stock in Trade, Raw Materials and Other Consumables +/-	**0850**	-1.106	-0.95%	1.583	1.41%
Consumptions From Other Companies and Other Operating Charges -	**0860**	-19.183	-16.56%	-20.418	-18.17%
ADJUSTED ADDED VALUE =	**0870**	**43.036**	**37.15%**	**48.079**	**42.80%**
Other Expenses and Income +/-	**0880**	0	0.00%	0	0.00%
Personnel expenses -	**0890**	-25.140	-21.70%	-24.632	-21.93%
GROSS OPERATING RESULT =	**0900**	**17.896**	**15.45%**	**23.447**	**20.87%**
Depreciation of Fixed Assets and Amortisation of Intangible Assets -	**0910**	-11.448	-9.88%	-11.961	-10.65%
Provisioning to Reversion Fund -	**0915**	0	0.00%	0	0.00%
Changes in Trade Provisions -	**0920**	732	0.63%	-617	-0.55%
NET OPERATING RESULT =	**0930**	**7.180**	**6.20%**	**10.869**	**9.67%**
Financial Income +	**0940**	7.138	6.16%	8.016	7.14%
Financial Expenses -	**0950**	-1.171	-1.01%	-1.503	-1.34%
Capitalized Exchange Rate Differences and Interests +	**0960**	1.355	1.17%	1.968	1.75%
Funds for Depreciation and Financial Forecast -	**0970**	-1.601	-1.38%	-2.304	-2.05%
ORDINARY ACTIVITIES RESULT =	**1020**	**12.901**	**11.14%**	**17.046**	**15.17%**
Results on Intangible, Tangible and Investments assets +/-	**1021**	14	0.01%	1	0.00%
Changes in Intangible, Tangible and Investments assets Provisions -	**1023**	-8.481	-7.32%	3.766	3.35%
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**	150	0.13%	246	0.22%
RESULT BEFORE TAXES =	**1040**	**4.584**	**3.96%**	**21.059**	**18.75%**
Income Tax +/-	**1042**	3.867	3.34%	0	0.00%
FINAL RESULT =	**1044**	**8.451**	**7.29%**	**21.059**	**18.75%**

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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**	1.832	2.137
II.1 Rights over leased assets	***0221***	*0*	*0*
II.2 Other Intangible assets	***0222***	*1.832*	*2.137*
III. Tangible Assets	**0230**	50.176	55.227
IV. Investments	**0240**	161.063	165.340
V. Long-term Shares of the Parent Company	**0250**	0	0
VI. Long-term Trade Debtors	**0255**	0	0
B) FIXED ASSETS	**0260**	**213.071**	**222.704**
C) DEFERRED EXPENSES	**0280**	**0**	**0**
I. Subscribed Capital called but not paid	**0290**	0	0
II. Stocks	**0300**	13.218	15.627
III. Debtors	**0310**	37.202	33.228
IV. Short-term Investments	**0320**	12	25
V. Short-term Own Shares	**0330**	250	2.616
VI. Cash in Hand and Banks	**0340**	70	723
VII. Prepayments	**0350**	105	73
D) CURRENT ASSETS	**0360**	**50.857**	**52.292**
TOTAL ASSETS (A+B+C+D)	**0370**	**263.928**	**274.996**

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LIABILITIES AND STOCKHOLDERS´ EQUITY		CURRENT YEAR	PREVIOUS YEAR
		2004	2003
I. Share Capital	0500	14.504	14.650
II. Reserves	0510	185.337	176.042
III. Previous year profit	0520	0	0
IV. Profit for the year	0530	8.451	21.059
V. Interim Dividends	0550	0	0
A) SHAREHOLDERS´ EQUITY	0560	**208.292**	**211.751**
B) DEFERRED INCOME	0590	**189**	**262**
C) PROVISIONS FOR CHARGES AND LIABILITIES	0600	**0**	**0**
I. Bonds and Other Marketable Securities	0610	0	0
II. Loans	0615	17.157	28.797
III. long-term Trade Creditors	0625	0	0
IV. Other long-term Creditors	0630	4.503	4.537
D) LONG-TERM DEBT	0640	**21.660**	**33.334**
I. Bonds and Other Marketable Securities	0650	0	0
II. Loans	0655	15.067	9.457
III. Group companies	0660	7.557	8.206
IV. Trade creditors	0665	7.195	7.116
V. Other short-term Creditors	0670	3.571	4.569
VI. Accruals	0680	352	274
E) CURRENT LIABILITIES	0690	**33.742**	**29.622**
F) PROVISIONS FOR SHORT-TERM CHARGES AND LIABILITIES	0695	**45**	**27**
TOTAL LIABILITIES AND STOCKHOLDERS´ EQUITY (A+B+C+D+E+F)	0700	**263.928**	**274.996**

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