QUARTELY ADVANCE OF RESULTS CORRESPONDING TO:

QUARTER: **FIRST** YEAR: **2006**

1-) GENERAL INFORMATION

COMPANY NAME

VISCOFAN SA,

MAIN OFFICE:

C/ITURRAMA 23, ENTREPLANTA 31007 PAMPLONA NAVARRA

NIF : A-31065501

Those persons who assume responsability, for this information and their respective positions

D. JOSE ANTONIO CANALES GARCÍA (INDUSTRIAL GENERAL MANAGER)

2-)QUATERLY BALANCE OF RESULTS

Thousand Euros

	INDIVIDUAL		CONSOLIDATED (IAS ADOPTED)	
	PRESENT BUSINESS YEAR	PREVIOUS BUSINESS YEAR	PRESENT BUSINESS YEAR	PREVIOUS BUSINESS YEAR
NET TURNOVER	30.807	24.771	120.286	81.585
RESULT BEFORE TAX/ RESULT BEFORE TAX OF CONTINUOUS ACTIVITIES	6.854	3.576	13.780	2.872
RESULT OF CONTINUOUS ACTIVITIES			7.947	1.077
RESULT AFTER TAX	6.354	2.776	7.947	1.077
Result attributable to Minority Interests			0	0
RESULT ATTRIBUTABLE TO THE PARENT COMPANY			7.947	1.077
SHARE CAPITAL	14.388	14.504		
AVERAGE NUMBER OF EMPLOYEES	576	572	3.968	2.960

3-) BUSINESS PERFORMANCE

1.- Introduction and Summary

The most important difference between the first quarter of this year and the first quarter of 2005 is the inclusion in the consolidation perimeter of the turnover of Teepak Norteamérica and of the Serbian company Koteksprodukt.

Sales reached a figure of 120.29 million euros, a rise of 47.4% over the quarter. With the same consolidation perimeter as in the first quarter of 2005, sales also improved by 18.61% to 96.77 million euros. Cross-sales for these newly purchased companies are still not significant.

By divisions, the casings division grew by 56.8%, with sales of 120.93 million euros (with the same perimeter as the first quarter of 2005, sales of casings increased by 21.01 % to a total of 79.42 million euros). Sales of preserved foods for the quarter were up 8.7 % to 17.35 million euros.

The general trend for demand is good and is benefiting from a better dollar exchange rate than in the first quarter of 2005 although a worse performance can be seen at the beginning of the second quarter. Energy prices, on the other hand, have had a negative impact on profits, as it has not yet been possible to transfer all the price increase to the customer and the transfer still continues.

The EBITDA came to 23.81 million euros, a rise of 122.52% on the first quarter of 2005. With the same consolidation perimeter as the first quarter of 2005, the EBITDA reach 15.2 million euros, 41.8% higher than the same period of 2005. It is convenient to remark that during 2006, the actual consolidation perimeter is bearing expenses corresponding to 2005 acquisitions.

This figure includes a profit of 11.76 million euros achieved under the agreement reached with the Trade Unions at the Teepak plant in Danville, which enabled us to reduce our commitments on post-retirement benefits for the employees of this plant with a single payment which will be made this financial year. 11.76 million euros was the net figure achieved with the reduction of these liabilities minus the costs incurred in the process. The agreement we reached will release the company from April next year of annual costs for this item which averaged more than a million dollars a year.

The EBITDA figure also includes the restructuring costs incurred to date, in USA and México, which come to 0.8 million euros.

As a percentage of the sales figure, the EBITDA margin is 19.8% (13.9% in the first quarter of 2005). With the same consolidation perimeter as the first quarter 2005, this percentage is 15.7%.

Net financial costs were -2.1 million euros (-0.41 million in the first quarter of 2005). The increase in financial costs is a result of the increase in debt from the purchases made in financial year 2005 and of the rise in interest rates.

The group obtained pre-tax profits of 13.78 million euros, a rise of 380% on the figure of 2.87 million obtained in the first quarter of 2005. With the same consolidation perimeter as the first quarter 2005, the pre-tax profit is 6.03 million euros, 110% higher than the same period of last year.

The after-tax profit cames to 7.95 million euros, 637,88% more than the 1.08 million euros obtained in the first quarter of 2005. With similar consolidation perimeter as the corresponding period of last year, the after-tax profit comes to 4.86 million euros, 351,44% higher than the same period of 2005.

Net debt (excluding pension commitments) came to 123.4 million euros, a rise of 45.3 million euros over the quarter.

This increase was due mainly to the use of the credit facilities at the beginning of financial year 2006 that had been arranged at the close of financial year 2005 to pay for the purchase of Teepak Norteamérica. A dividend on the results for financial year 2005 (3.7 million euros) has also been paid.

With these amounts financial leverage reached 48% of equity.

The most significant events of this quarter include:

- The installation in Koteks (Serbia) of most of the imported machinery from Tripasin which will bring improvements in quality and production at this plant. The improvements made in the processes have begun to bear fruit with better, increased production in quantity and quality at the factory in Novi Sad.
- The restructuring of productive centres in the United States with the agreed closure of the centre in North Kansas City which will take place in the middle of this year, the cost of which was mentioned above.
- The agreement reached with the Unions at the Danville plant which by means of a single payment has enabled us to reduce our liabilities for post-retirement benefits, producing a gain of 11.76 million euros. This figure was the net figure achieved with the reduction of these liabilities minus the costs incurred in the process.
- Extension of the collected agreement of the Danville plant until March 2010 with an agreement of increasing the hour cost in 0.25 US$ / hour year, lower than the expected inflation.
- The plan for restructuring the operations of our plants in Mexico is being implemented and improvements in efficiency and productivity have already been made.
- In preserved foods, we have continued with our advertising campaign to introduce a new line of refrigerated vegetables.

4-)DISTRIBUTION OF DIVIDENDS DURING THE PERIOD

	% Par Value	euros per Share	Amount Thousand Euros
1. ORDINARY SHARES	26	0.078	3.732
2. PREFERENCE SHARES	0	0	0
3.NON-VOTING SHARES	0	0	0

In January 27th 2006, a dividend of 0,078 euros per share was paid, against 2005 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

On second January 2006, the company informed Spain's National Securities Market Commission (*Comisión Nacional del Mercado de Valores* – CNMV) that had reached an agreement for the acquisition of the Teepak NA business. This agreement has been materialize in 2006. As a consecuence of that relevant even we have included in the consolidation perimeter the following companies: Teepak LLC (USA), Teepak Inc (Canada), Teepak Holding de México S. de R.l. de C.V. (México), Teepak de México S. de R.L. de C.V., Zacapú Power S. de R.L. de C.V. y Teepak servicios de México S. de R.L. de C.V.