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Auditors' Report on the Consolidated Annual Accounts

(Translation from the original in Spanish)

To the Shareholders of
Viscofan, S.A.

We have audited the consolidated annual accounts of Viscofan, S.A. (the Company) and subsidiaries (the Group), which comprise the consolidated balance sheet at 31 December 2004, the related statement of profit and loss for the year then ended and the notes thereto, the preparation of which is the responsibility of the Company's board of directors. Our responsibility is to express an opinion on the consolidated annual accounts taken as a whole, based on our examination which was conducted in accordance with generally accepted auditing standards in Spain, which require examining, on a test basis, evidence supporting the amounts in the consolidated annual accounts and assessing the appropriateness of their presentation, of the accounting principles applied and of the estimates employed. Our work did not include examining the annual accounts of certain Group companies identified in Appendix I of note 2 to the 2004 annual accounts, the assets and net accumulated losses of which amount to Euros 139,215,000 and Euros (3,486,000), respectively. The aforementioned annual accounts have been examined by the auditors indicated in this appendix. Our opinion on the consolidated annual accounts of Viscofan, S.A. and subsidiaries is based in so far as it relates to the companies listed in Appendix I, solely on the report of other auditors.

In accordance with prevailing Spanish legislation, these consolidated annual accounts for 2004 also include, for each individual caption in the consolidated balance sheet and consolidated statement of profit and loss, comparative figures for the previous year. We express our opinion solely on the consolidated annual accounts for 2004. On 31 March 2004 we issued our unqualified audit report on the 2003 consolidated annual accounts.

In our opinion, based on our audit and the audit carried out by the auditors mentioned in Appendix I, the consolidated annual accounts for 2004 present fairly, in all material respects, the consolidated shareholders' equity and consolidated financial position of Viscofan, S.A. and subsidiaries at 31 December 2004 and the consolidated results of their operations for the year then ended, and contain sufficient information necessary for their adequate interpretation and understanding, in accordance with generally accepted accounting principles in Spain applied on a basis consistent with that of the preceding year.

The accompanying directors' report for 2004 contains such explanations as the directors consider relevant to the situation of the Group, the evolution of its business and other matters, but does not form an integral part of the consolidated annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the consolidated annual accounts for 2004. Our work as auditors is limited to the verification of the directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of the companies comprising the Viscofan Group.

Signed: KPMG AUDITORES, S.L.

Juan José Llorente
29 March 2005

VISCOFAN, S.A. AND SUBSIDIARIES

Consolidated Annual Accounts and Directors' Report

31 December 2004

(Translation from the original in Spanish)

(1) Nature and Principal Activities

Viscofan, S.A. (hereinafter the Company or the Parent Company) was incorporated with limited liability on 17 October 1975 as Viscofan, Industria Navarra de Envolturas Celulósicas, S.A. At their meeting held on 17 June 2002 the shareholders agreed to change the name of the Company to the current one.

Its statutory and principal activity consists of the manufacture of cellulose or artificial casings, mainly for use in the meat industry, as well as the generation of electricity by any technical means, both for own consumption and for sale to third parties. Its industrial installations are located in Cáseda and Urdiain (Navarra). The registered head offices of the Company are located in Pamplona.

Viscofan, S.A. is the parent of a group of companies (the Viscofan Group) which carry out their activities mainly in the food and plastic and collagen casing sectors, as explained in more detail in Appendix I, which forms an integral part of note 2 to the consolidated annual accounts.

(2) Viscofan Group

Details of the subsidiaries and associated companies comprising the Viscofan Group, as well as certain additional information, are shown in Appendix I, which forms an integral part of this note.

Changes in the Viscofan Group in 2004 have been as follows:

- Absorption of Comaro, S.A. by Industrias Alimentarias de Navarra, S.A. with effect for accounting purposes as of 1 January 2004.

- Incorporation of Viscofan Centro América with an initial share capital of Euros 166,000, subscribed and fully paid by the Parent company.

Because the majority of consolidated companies are registered abroad, the directors of the Parent Company consider that the disclosure of certain financial data relating to these subsidiaries would not, in most cases, provide additional information which would facilitate understanding of the financial and economic situation of the Group. Consequently, the Company has opted to omit this information.

(3) Basis of Presentation

The accompanying consolidated annual accounts have been prepared by the directors of the Company to present fairly the shareholders' equity, consolidated financial position and consolidated results of operations for 2004.

These consolidated annual accounts have been prepared on the basis of the accounting records of the Parent Company, which are expressed in Euros, and the annual accounts or financial statements of its subsidiaries, expressed in Euros and other currencies harmonised with Group valuation criteria and presented in the format required by Royal Decree 1815 of 20 December 1991.

The directors of the Parent Company consider that the consolidated annual accounts for 2004 will be approved by the shareholders without significant changes. As required by Spanish accounting principles, the consolidated balance sheet at 31 December 2004 and the consolidated statement of profit and loss for the year then ended include comparative figures for 2003, which formed a part of the consolidated annual accounts approved by the shareholders at their annual general meeting held on 14 June 2004. As permitted by such principles, the Parent company has opted to omit comparative data for 2003 and the consolidated statement of source and application of funds for 2004 and 2003 from the notes to the accounts for 2004.

(4) Consolidation Principles

The consolidation process has been carried out on the basis of the following full consolidation criteria:

- The annual accounts or financial statements of foreign subsidiaries have been translated into Euros at year-end rates of exchange for assets and liabilities, at historic rates of exchange for share capital and reserves, and at the year average rates of exchange for income and expenses. Conversion differences arising from the application of this criterion are recorded under the shareholders' equity heading conversion differences of fully consolidated companies in the accompanying consolidated balance sheet.

- Goodwill arising between the cost of investments in subsidiaries acquired after 1 January 1991 and the proportional value of the interest in the net equity of these companies at the time of purchase, adjusted where appropriate for latent underlying goodwill, has been recorded under goodwill on consolidation. Goodwill arising on consolidation is amortised on a straight line basis over ten years, which is the average period in which investments are expected to be recovered.

- All significant balances, transactions and unrealised profits on the purchase and sale of stocks or fixed assets between consolidated companies have been eliminated on consolidation.

Tripasin AB has not been equity accounted and is stated at cost of acquisition as the effect on the accompanying consolidated annual accounts would not be significant.

The financial year of all subsidiaries coincides with the calendar year.

(5) Significant Accounting Principles

These consolidated annual accounts have been prepared in accordance with accounting principles established in the Spanish General Chart of Accounts, the most significant of which are as follows:

(a) Establishment costs

Establishment costs are stated at cost and amortised over a period of five years.

(b) Intangible assets

Intangible assets are stated as follows:

- Research and development projects are recorded at cost or at the established price in the case of projects presented to official entities responsible for the promotion of R&D activities. Amortisation is provided using the sum of digits method on conclusion of projects over a maximum of five years from the date costs are recorded. Costs are capitalised when technical success has been achieved and are otherwise expensed.

- Trademarks are stated at cost and amortised on a straight line basis over the ten-year period they are estimated to provide revenues to the Company.

- Software is stated at cost and amortised on a straight line basis over the five-year period of expected use. Software maintenance costs are expensed when incurred.

- The rights to use and the option to purchase tangible assets contracted through lease financing are recorded at the cash value of the asset at the time of acquisition. These rights are amortised on a straight line basis over the useful lives of the leased assets. The total lease instalments and the amount of the purchase option are recorded as a liability. The initial difference between the total debt and the cash value of the asset, equivalent to the financial cost of the operation, is recorded under deferred expenses and expensed over the term of the contract using the interest method. When the purchase option is exercised, the cost and accumulated depreciation of these goods is transferred to the corresponding tangible asset category.

(c) Tangible assets

Tangible assets are stated at cost, less accumulated depreciation, revalued in 1996 in the case of Spanish companies, as permitted by legislation prevailing at that time. Where applicable, cost includes financial expenses incurred until the start-up of tangible assets.

Cost includes additional expenses incurred until the asset enters service.

Depreciation is provided on a straight line basis over the estimated useful lives of the related assets as follows:

Buildings	30 to 50
Plant and machinery	8 to 15
Other installations, equipment and furniture	8 to 15
Other tangible assets	4 to 15

Repairs and maintenance costs which do not improve the related assets or extend their useful lives are expensed when incurred.

(d) Investments

Variable income securities are stated at cost, which includes cost of acquisition.

Provisions for decline in value of investments are made where circumstances so dictate. In the case of share capital holdings, provision is made where cost exceeds the underlying net book value, adjusted to take into account any latent unrecorded goodwill at year end.

(e) Stocks

Stocks are stated at the lower of cost and market value. The cost of stocks is determined as follows:

- Raw materials and other supplies and goods for resale are stated at weighted average cost, including costs incurred until delivery to factories or warehouses.

- Finished and semi-finished products are stated at weighted average cost of raw and other materials and includes direct and indirect labour, other manufacturing overheads and depreciation of fixed assets at factories.

Provision is made for stocks where cost exceeds market value or when circumstances indicate doubtful recovery of such costs.

(f) Debtors and notes receivable

In accordance with common business practice in Spain, a part of the Group's sales are collected by means of accepted or unaccepted notes. Notes receivable are generally discounted at banks with full recourse and are included in the accompanying balance sheet under trade debtors with an equivalent credit balance under short-term loans (see notes 11 and 15).

Discounting costs are expensed when incurred and are not deferred over the discount period, as the effect of such deferral would be immaterial to results.

Provision is made to cover possible losses arising on the settlement of balances receivable. The Group makes provision for doubtful accounts in respect of overdue balances and when circumstances indicate doubtful collection.

A portion of balances receivable from sales are transferred without recourse to banks which undertake all related risks. Costs deriving from the transfer of credit balances are reflected in full upon transfer.

(g) Foreign currency transactions

Foreign currency transactions are accounted for in the different local currencies at the rates of exchange prevailing at the transaction date. Exchange gains or losses arising on settlement of balances are taken to profit or loss when they arise.

Balances receivable and payable in foreign currency at year end are expressed at the rates of exchange prevailing at 31 December. Unrealised foreign exchange losses are charged to expenses, while unrealised exchange gains are deferred.

Balances subject to exchange rate insurance are stated at the insured rates of exchange.

(h) Current/long-term

Assets and liabilities are classified as current if maturing within twelve months and long-term if maturing more than twelve months from the balance sheet date.

(i) Compensation for termination of employment

Except in the case of justifiable cause, companies registered in Spain and certain foreign subsidiaries are liable to pay indemnities to employees whose services are discontinued. Indemnity payments, if they arise, are expensed when the decision to terminate employment is taken.

(j) Capital grants

Capital grants are initially recorded as deferred income in the accompanying consolidated balance sheet. Income from capital grants is taken to profit and loss on a straight line basis over the useful lives of the fixed assets for which the grants have been received.

(k) Pension obligations

Retirement bonuses and other commitments relate mainly to a group company in Germany and are recorded on the basis of actuarial studies carried out in accordance with the specific legislation of that country (see note 14).

The Parent Company has commitments with its employees for early retirement and seniority bonuses. To cover these obligations the Company has externalised these commitments through insurance policies and premiums paid are recorded under personnel expenses.

(l) Income tax

Income taxes are calculated based on the profit reported for accounting purposes, adjusted for permanent differences with fiscal criteria and taking into consideration any applicable credits and deductions. The effects of timing differences, where applicable, are included in deferred tax assets or liabilities. Nonetheless, following prudent criteria, the Group only recognises deferred tax assets in respect of timing differences when future recovery is reasonably assured.

Tax credits in respect of loss carryforwards and deductions pending application are recognised as deferred tax assets when they comply with established requirements and to the extent of forecast reversals within the carryforward period.

(m) Environmental issues

Long-term assets used by the Company to minimise the environmental impact of its activity and protect and improve the environment are recorded as tangible assets at their cost of acquisition or production, as appropriate. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as detailed in note 4 (c).

Costs incurred in managing the environmental effects of the Company's activities and any obligations derived therefrom are treated as environmental expenses and included under other operating expenses in the accompanying consolidated statement of profit and loss.

Provision is made for environmental expenses which at year end are considered likely or certain to be incurred although the exact amount or the date they will materialise is undetermined. Consequently, these provisions are best estimates made on the basis of the information available at the closing date.

(n) Financial instruments

It is the policy of certain Group companies to hedge against interest rate fluctuations and mitigate the risk of certain financial operations.

Interest receivable or payable is calculated following the interest method in line with interest payable on hedged items, and the resulting net amount is charged to financial expense.

(o) Own shares

Own shares are stated at average cost of acquisition, which is the lower of the total balance paid on purchase and market value. As these shares were acquired without prior approval by the shareholders at their annual general meeting to reduce share capital, it is understood that they could be subsequently disposed of or, alternatively used to reduce share capital. Consequently, their market value is considered to be the lower of the average quotation of the last quarter of the year, the closing quotation, or the underlying net book value. Provision is made for the difference between the cost of acquisition and the lower of the closing quotation or the average quotation for the last quarter of the year with a charge to profit and loss and for the difference between the quotation and underlying net book value with a charge to reserves.

(p) Income and expense

Income and expenses are recognised on an accruals basis, irrespective of collections and payments.

Nevertheless, in accordance with prudent criteria, the Group only records realised gains at year end, while expected liabilities and estimated losses are recognised as soon as they become known.

(6) Establishment Costs

Details and movement in 2004 are as follows:

	Thousands of Euros
Balance 31 December 2003	328
Conversion differences	5
Amortisation	(331)
Balance at 31 December 2004	2

(7) Intangible Assets

Details and movement in 2004 are as follows:

	Thousands of Euros					
	31.12.03	Conversion differences	Additions	Disposals	Transfers	31.12.04
Cost						
Research and development costs	15,600	-	11	-	-	15,611
Software	8,445	51	489	(4)	4	8,985
Concessions, patents and licences	165	-	-	-	-	165
Rights over leased assets	61	-	-	-	(36)	25
	24,271	51	500	(4)	(32)	24,786
Accumulated amortisation						
Research and development costs	(14,632)	-	(419)	1	-	(15,050)
Software	(4,531)	(21)	(1,281)	10	-	(5,823)
Concessions, patents and licences	(91)	-	(13)	-	-	(104)
Rights over leased assets	(35)	-	(10)	-	32	(13)
	(19,289)	(21)	(1,723)	11	32	(20,990)
Provisions	(551)	-	-	276	-	(275)
	4,431	30	(1,223)	283	-	3,521

At 31 December 2004 fully amortised intangible assets amount to Euros 15,569,000.

(8) Tangible Assets

Details of the revalued cost of tangible assets and restated accumulated depreciation at 31 December 2004 and movement for the year are as follows:

	Thousands of Euros					
	31.12.03	Conversion differences	Additions	Disposals	Transfers	31.12.04
Revalued cost						
Land and buildings	131,350	362	4,433	(326)	2,824	138,643
Plant and machinery	310,167	(67)	8,501	(9,205)	10,610	320,006
Other installations, equipment and furniture	59,585	333	2,083	(2,128)	6,202	66,075
Other tangible assets	20,067	788	732	(344)	(4,244)	16,999
Advances and assets in progress	7,093	84	18,369	(6)	(15,359)	10,181
	528,262	1,500	34,118	(12,009)	33	551,904
Restated accumulated depreciation						
Buildings	(48,455)	(78)	(3,518)	-	(87)	(52,138)
Plant and machinery	(214,172)	(311)	(18,565)	7,395	85	(225,568)
Other installations, equipment and furniture	(35,309)	(6)	(4,450)	1,795	13	(37,957)
Other tangible assets	(16,443)	395	(1,125)	271	(44)	(16,946)
	(314,379)	-	(27,658)	9,461	(33)	(332,609)
Provisions	(444)	-	(327)	76	-	(695)
	213,439	1,500	6,133	(2,472)	-	218,600

As permitted by relevant legislation, in 1996 the Parent Company and its subsidiary, Industrias Alimentarias de Navarra, S.A., revalued their tangible fixed assets for a total of Euros 9,282,000 and Euros 1,055,000, respectively (see note 13 (d)), as permitted by Navarra Regional Law 23/1996. At 31 December 2004 the net book value of the revalued assets is Euros 1,503,000 and the related depreciation charge for the year Euros 294,000.

Details of fully depreciated tangible assets in service at 31 December 2004 are as follows:

	Thousands of Euros
Buildings	6,375
Plant and machinery	101,439
Other installations, equipment and furniture	15,427
Other tangible assets	7,749
	130,990

Tangible assets include assets used for research and development projects (see note 7), as follows:

	Thousands of Euros
Cost	11,281
Accumulated depreciation	(9,366)
	1,915

Details of tangible assets used in environmental activities are included in note 26.

Tangible assets amounting to Euros 330,860,000 with accumulated depreciation of Euros 184,557,000 are located outside of Spain.

(9) Investments

Details and movement in 2004 are as follows:

	Thousands of Euros					
	31.12.03	Conversion differences	Additions	Disposals	Transfers	31.12.04
Investment in associated companies	780	-	-	-	-	780
Long-term securities portfolio	42	-	-	-	-	42
Other loans	10,000	-	-	-	(5,000)	5,000
Guarantee deposits	165	(39)	56	(5)	(41)	136
Public entities, long term	-	-	10,826	-	3,301	14,127
	10,987	(39)	10,882	(5)	(1,740)	20,085
Provisions	-	-	(75)	-	-	(75)
	10,987	(39)	10,807	(5)	(1,740)	20,010

Guarantee deposits include balances in US Dollars for Euros 131,000.

Long-term public entities reflect tax credits in respect of loss carryforwards and rights for deductions in respect of investment and job creation applicable at 31 December 2004, as well as deferred tax assets which are expected to be reversed in the long term (see note 19).

At 31 December 2004 other loans reflect the outstanding long-term balance of the loan arising on the sale in 2003 of fixed assets from a line of its business in 2003 by the Group company Industrias Alimentarias de Navarra, S.A. This balance falls due in 2006.

(10) Stocks

Details at 31 December 2004 are as follows:

	Thousands of Euros
Goods for resale	24,576
Raw materials and other supplies	37,093
Semi-finished products	16,388
Finished products	34,898
Advances to suppliers	777
	113,732
Provisions	(7,921)
	105,811

Materials consumed and other external expenses for the year have amounted to Euros 112,035,000 and include net purchases in foreign currency for Euros 33,626,000.

(11) Debtors

Details at 31 December 2004 are as follows:

	Thousands of Euros
Trade debtors	63,160
Sundry debtors	6,137
Personnel	123
Public entities	7,714
	77,134
Provisions for doubtful debts	(2,246)
	74,888

Trade debtors include discounted notes pending maturity and advances on exports for approximately Euros 5,419,000 (see note 15).

At 31 December 2004 debtors include balances in foreign currencies equivalent to approximately Euros 41,344,000.

(12) Shareholders' Equity

Details of Shareholders' equity and movement for the year ended 31 December 2004 are shown in Appendix II, which forms an integral part of this note.

(a) Share capital

At their Annual General Meeting held on 14 June 2004 the shareholders agreed to reduce the Parent company's share capital by Euros 146,505 in order to redeem 488,349 Parent company own shares.

Consequently, at 31 December 2004 the share capital of the Parent Company is represented by 48,346,579 bearer shares of Euros 0.30 par value each, subscribed and fully paid. All shares have the same voting and profit sharing rights, except own shares.

All of the Parent Company's shares are listed on the Spanish Stock Exchange.

At 31 December 2004 QMC Development Capital Fund, Plc held a 5.018% interest in the share capital of the Parent company. The Parent company is not aware of the existence of any other shareholder holding an interest in excess of 5% at that date.

At their general meeting held on 22 June 2000 the Parent Company's shareholders authorised the board of directors to increase share capital within 5 years to a maximum of 50% of the share capital at that date, as permitted by article 151 3.b. of the Spanish Companies Act.

(b) Share premium

This reserve is freely distributable, subject to the same restrictions as the voluntary reserves of the Parent Company.

(c) Legal reserve

Companies registered in Spain are obliged to transfer 10% of the profits for the year to a legal reserve until such reserve reaches an amount equal to 20% of the share capital. This reserve may only be used to offset losses if no other reserves are available. At 31 December 2004 the Parent Company had appropriated to this reserve the minimum amount required by law.

(d) Revaluation reserve Navarra Regional Law 23/1996

As permitted by legislation prevailing at that time, in 1996 the Parent Company revalued its tangible fixed assets by Euros 9,282,000 (see note 8). The resulting revaluation reserve, net of a 3% tax charge, amounts to Euros 9,003,000.

During 1999 this revaluation was inspected by the tax authorities and, accordingly, can be applied, free of tax, to:

- Offset prior years' losses.
- Increase share capital.
- Increase distributable reserves after 31 December 2006 to the extent that gains have been realised, that is, when the related assets have been depreciated, disposed of or otherwise written off.

(e) Own shares reserve

At 31 December 2004 the Parent Company holds 58,065 own shares for which a reserve has been made equal to the book value of these shares. This reserve is not distributable unless the shares are disposed of or redeemed by the Company.

Details of movement in own shares during 2004 are as follows:

	Number of shares	Thousands of Euros
Balance 31 December 2003	435,491	2,616
Acquisitions	116,826	872
Disposals	(5,903)	(36)
Amortisation	(488,349)	(3,022)
Provisions made	-	(180)
Balance 31 December 2004	58,065	250

(f) Merger reserves

These reserves derive from the merger by absorption of Inversiones Legazpi, S.A. by the Parent Company in 2002 and are subject to the same restrictions as voluntary reserves. Details of this operation are included in the consolidated annual accounts for the year the operation was carried out.

(g) Voluntary reserves

These reserves are freely distributable, except for an amount of Euros 276,000 representing unamortised research and development costs of the Parent Company at 31 December 2004.

(h) Reserves and conversion differences in fully consolidated companies

The directors of the Parent Company consider that the inclusion of a breakdown by individual companies of these captions of the consolidated balance sheet could disclose sensitive information to third parties and that such information is not relevant to the adequate understanding of the consolidated annual accounts. Accordingly, the directors have opted to omit such information.

(13) Deferred Income

Details and movement in 2004 are as follows:

	Thousands of Euros					
	31.12.03	Conversion differences	Additions	Disposals	Taken to profit and loss	31.12.04
Capital grants	1,482	-	1,922	(17)	(482)	2,905
Other deferred income	825	3	84	(323)	-	589
	2,307	3	2,006	(340)	(482)	3,494

Other deferred income mainly reflects unrealised exchange gains and Euros 300,000 of implicit deferred interest on loans receivable on the sale of fixed assets (see note 9).

(14) Provisions for Liabilities and Charges

Details and movement are as follows:

	Thousands of Euros				
	31.12.03	Conversion differences	Allowances	Applications	31.12.04
Provisions for pensions	16,056	-	2	(40)	16,018
Provisions for taxes	5	-	259	(47)	217
Other provisions	7,223	(94)	1,464	(571)	8,022
	23,284	(94)	1,725	(658)	24,257

The provisions for pensions have been made following the criteria described in note 5(k). Virtually the entire amount relates to a subsidiary registered in Germany.

Other provisions comprise those made to cover possible or certain contingent liabilities deriving from pending obligations and debts of undetermined amounts, which are calculated based on the Group's best estimates.

(15) Short and Long-Term Loans

Details at 31 December 2004 are as follows:

	Thousands of Euros	
	Long term	Short term
Loans and credit facilities	39,692	31,499
Discounted notes and advances on exports (note 11)	-	5,419
Short-term maturities on long-term loans	-	9,520
Accrued interest payable	-	154
	39,692	46,592

The long-term maturities of loans at 31 December 2004 are as follows:

Maturity	Thousands of Euros
2006	14,428
2007	16,642
2008	5,526
2009	956
Thereafter	2,140
	39,692

Loans and other credit facilities accrue interest at variable market rates.

The Group has credit and discount facilities with a total limit of Euros 86,467,000.

The above figures include long and short-term balances in foreign currency for Euros 9,111,000 and Euros 10,536,000, respectively.

The Parent company contracts financial derivatives mainly to eliminate or significantly reduce interest rate risks, which are therefore considered hedging operations. At 31 December 2004 the Company has contracted mainly interest rate swap agreements. Details are as follows:

	I.R.S. (Interest rate Swap)	
Notional amount (thousands of Euros)	5,000	23,611
Date of contract	03.02.03	02.05.03
Start date	03.02.03	06.05.03
Expiry	03.02.06	30.06.08
Interest rate paid by the Company	2.95%	3.00%
Interest rate collected by the Company	Euribor at 3 months	Euribor at 3 months

(16) Other Long-Term Creditors

Details of other creditors at 31 December 2004 are as follows:

	Thousands of Euros
Loans	4,912
Other creditors	7,516
	12,428

Loans mainly reflect amounts received by the Parent Company from the CDTI, the Government of Navarra and Ministry of Science and Technology to finance research and development projects. The majority of these loans are interest free and guarantees have been extended to financial entities in relation thereto (see note 24).

Long-term maturities of other creditors are as follows:

	Thousands of Euros
2006	1,119
2007	1,188
2008	819
2009	696
Thereafter	8,606
	12,428

(17) Trade Creditors

Trade creditors comprise balances in foreign currency equivalent to Euros 7,361,000.

(18) Other Creditors

Details of other creditors at 31 December 2004 are as follows:

	Thousands of Euros
Public entities	4,338
Other debts	9,687
Salaries payable	3,356
	17,381

Public entities include Euros 1,536,000 relating to income tax payable (see note 19).

Other creditors include balances in foreign currency equivalent to Euros 3,584,000.

(19) Taxation

The Parent Company and subsidiaries present annual income tax returns or the equivalent in their respective countries. Profits, determined in accordance with tax legislation prevailing in the respective countries, are taxed at standard rates, reduced by certain credits.

Due to the treatment permitted by fiscal legislation for certain transactions, the accounting profit differs from the profit for fiscal purposes. A reconciliation of accounting profit for the year with the aggregate taxable income is as follows:

	Thousands of Euros
Consolidated accounting income, before income tax	12,780
Permanent differences	
Adjustments to the accounting profit of group companies	9,263
Loss carryforwards of the Group	(8,935)
Accounting income	13,108
Timing differences	
Adjustments to the accounting profit of group companies	(1,636)
Consolidation adjustments	5,351
Taxable income	16,823
Tax at 35% of the Group companies in Spain	4,830
Other taxes of foreign group companies	1,739
Total tax	6,569
Deductions	(5,033)
Income tax payable and provision for income tax (note 18)	1,536

The consolidated income tax income for 2004 has been calculated as follows:

	Thousands of Euros
Accounting income at the different rates of taxation	3,281
Deductions	(5,033)
Rights over deductions pending application	(4,541)
Tax credits for loss carryforwards	(2,888)
Difference in 2003 income tax	18
	(9,163)

During 2003 the Group company Industrias Alimentarias de Navarra, S.A. availed of tax relief and reduced taxable income by Euros 10,118,000, as the company undertook to reinvest Euros 15,000,000 in tangible and intangible assets prior to 21 July 2006. At 31 December 2004 this company has made investments in fixed assets that can be classified as reinvestments, for Euros 8,647,000. The directors estimate that all investment commitments will be complied with prior to 21 July 2006.

Group companies registered in Spain have credits for investment, research and development and other items available as follows:

Year of origin	Maturity	Thousands of Euros
1999	2009	1,834
2000	2010	199
2001	2011	209
2002	2012	356
2003	2013	779
2004 (estimated)	2014	1,164
		4,541

The Company is obliged to maintain fixed assets for which credits have been taken for a period of five years.

In accordance with current legislation, taxes cannot be considered definitive until they have been inspected and agreed by the tax authorities or before the inspection period has elapsed. At 31 December 2004 the Parent Company and subsidiaries in Spain have open to inspection by the tax authorities all applicable taxes since 1 January 2001 (1 January 2000 for income tax). The situation of foreign companies depends on the legislation prevailing in each country. The directors of the Parent Company do not expect that significant additional liabilities would arise in the event of inspection.

(20) Net Sales

Details of net sales for 2004 are as follows:

	Thousands of Euros
By geographical market	
European Union	160,185
Abroad	189,033
	349,218
By product	
Artificial casings	276,820
Tinned and bottled vegetables	70,263
Others	2,135
	349,218

(21) Personnel Expenses

Details of personnel expenses for the Group are as follows:

	Thousands of Euros
Wages and salaries	77,706
Social charges	21,632
	99,338

The average number of group employees in 2004 by category is as follows:

Management	62
Technicians and department heads	447
Administrative staff	223
Specialised personnel	752
Other employees	1,437
	2,921

Group employee remuneration is not linked to the performance of Parent Company shares on the stock exchange.

(22) Extraordinary expenses and losses

This caption includes Euros 5,550,000 corresponding to restructuring costs of Nuturin GmbH & Co.

(23) Information on the Board of Directors

The board of directors of the Parent company only accrue the remuneration established in articles 27 and 30 of the Company's articles of association, equivalent to 1.5% of profit before income tax for the board directors, which amounted to Euros 70,883 for 2004, and another 1.5% of profit before income tax for the executive board, which amounted to Euros 70,883 for that year. In accordance with the aforementioned articles, the board of directors and the executive committee decide on the distribution of this remuneration among the members of these bodies. In both cases it was unanimously agreed that remuneration would be distributed equally among the members.

The Group has not given any advances or loans to the members of the board of directors of the Parent Company, and has no pension or life insurance commitments with the directors. The Group has extended no guarantees to any of the directors. There is no stock-indexed remuneration system.

During 2004 the members of the board of directors have not carried out operations with the Group other than ordinary operations under market conditions.

The directors of the Company hold no shares or, except for the matter mentioned below, any management positions in companies with identical, similar or complementary activities to the Company. Nevertheless, the members of the board of directors hold management or related positions in other companies within the Group, in which no non-Group partners and shareholders hold direct or indirect interests. Details of these positions have not been included in this note, as such involvement does not impair the directors' diligence or loyalty or give rise to a possible conflict of interest, as defined by Law 26 of 17 July 2003, which modifies Law 24 of 28 July 1988 governing the securities market, and the Revised Spanish Companies' Act, approved by Royal Decree-Law 1564 of 22 December 1989.

(25) Guarantees, Commitments and Contingent Liabilities

a) At 31 December 2004 the Group has extended bank guarantees of approximately Euros 5,841,000, mainly for loans received from the CDTI, the Government of Navarra and the Ministry of Science and Technology (see note 16).

b) The Parent Company has contracted exchange rate insurance of US Dollars 15,615,000 and Pounds Sterling 46,000, Canadian Dollars 2,630,000, Japanese Yen 39,456,000 and Polish Zlotys 1,530,000 for sales collected in 2004.

(26) Subsequent Events

On 27 January 2005, as agreed by the directors of the Parent Company at their meeting held on 11 January 2005, a gross interim dividend on account of Euros 0.078 per share was distributed for all shares comprising the share capital of the Parent Company.

The mandatory cash flow statement prepared by the directors of the Parent Company for the distribution of the dividend on account of 2004 profits, which includes own shares, is as follows:

	Thousands of Euros
Net profit of the Parent Company for the year ended 31 December 2004	8,451
Less, mandatory appropriations to the legal and statutory reserves	-
Maximum distributable profits	8,451
Dividend on account agreed by directors of the Parent Company	3,762
Forecast cash and cash equivalents	
Cash and cash equivalents at 11 January 2005	774
Projected collections for one year	125,930
Projected payments for one year, including dividend on account	(126,550)
Projected cash and cash equivalents at 12 January 2006	154

(26) Environment

The Parent company has certain tangible assets involved in environmental projects, the cost and accumulated depreciation of which total Euros 9,354,000 and Euros 2,644,000, respectively, at 31 December 2004.

During 2004 the Parent Company has incurred expenses on environmental protection and improvements amounting to approximately Euros 1,156,000.

The directors of the Parent Company consider that no additional provisions are required to cover the possible expenses or risks derived from environmental activities.

(27) Other Information

KPMG Auditores, S.L., the auditors of the annual accounts of the Company and other related companies as defined in the fourteenth additional disposition of legislation governing the reform of the financial system have invoiced the Group fees and expenses for professional services for the year ended 30 December 2004 as follows:

	Euros
Audit services	85,639
Other services	820
	86,459

These amounts include the total fees for 2004, irrespective of when they were invoiced.

During 2004 other companies associated with KPMG International have invoiced Group subsidiaries as follows:

	Euros
Audit services	110,355
Other services	20,696
	131,051

(28) Matters Derived from the Transition to IFRS in the consolidated annual accounts

In accordance with European Regulation 1606 of 19 July 2002 and final provision 11 of Law 62 of 30 December 2003 on Tax, Administrative and Social Measures, the Viscofan Group is required to prepare its consolidated annual accounts for each financial year starting on or after 1 January 2005 in conformity with the International Financial Reporting Standards (IFRS) adopted by the European Union, since the Parent company's shares are traded on a member state's stock exchange.

Furthermore, in accordance with IAS 1 governing "Presentation of Financial Statements", adopted in European Regulation (EC) 1725/2003 dated 29 September 2003 and subsequent amendments, groups subject to the legislation mentioned in the preceding paragraph are required to present certain comparative information that will affect, inter alia, the balance sheet and the income statement.

The Group is currently in the advanced stages of a transition project to adopt IFRS under the new accounting legislation framework. This transition project includes, inter alia, an analysis of the differences between the accounting and valuation principles outlined in note 3 to the consolidated annual accounts and the accounting criteria resulting from the application of IFRS, as well as an analysis of the modifications which will be required in the Group's financial information procedures and systems in order to adapt to the new valuation and disclosure requirements at international level.

At the date of these consolidated annual accounts, the European Commission has yet to conclude the process of adopting all IRFS issued by the International Accounting Standard Board (IASB). In any event, the accounting principles, valuation options and presentation and disclosure criteria the directors intend to implement at Group level cannot be considered definitive until the date of preparation of the annual accounts for the year ended 31 December 2005.

1. Business Performance and Situation of the Viscofan Group

Group sales are down 5.9% .

This drop is due to a combination of factors: the appreciation of the Euro against other currencies, the sale of the fruit preserves business in mid-2003 and the continued pressure on prices in the artificial casing sector, where performance in local currency varied for different products and geographical areas.

Notwithstanding the above and despite the sector difficulties facing the Company, artificial casing sales are up 5% in the main product families.

Artificial casing sales totalled Euros 278.96 million, and fruit preserve sales were Euros 70.26 million, down 2.4% and 17.9% on 2003, respectively. The decrease in fruit preserves sales is largely due to the aforementioned sale of the business.

Had both the value of the Euro and the consolidated group remained the same as in 2003, and excluding the effect of the sale of the fruit preserves business, profits would have been up 0.6% with an estimated increase of 1.8% in casings and a 3.7% decrease in preserves.

The adjusted added value generated by Group companies amounted to Euros 150.4 million, which is 6.5% lower than in 2003.

The Group's EBITDA dropped 14.6% as a percentage of sales in accumulated terms mainly due to foreign currency exchange rates, prices and expenses incurred in new projects completed during the year, namely the new stretching and shirring plant in Mexico and new machinery in Brazil. As both of these projects were completed in the second half of the year, their contribution to the year was limited.

In 2004 financial expenses were again reduced, leading to a 33% improvement in the financial position compared to 2003. This improvement is due to the drop in both net financial expenses (-16%) and exchange losses (-83%).

The Naturin and IAN restructuring projects have given rise to a loss of Euros 7.4 million, of which Euros 5.5 million have been booked as extraordinary expenses. Tax credits, amounting to Euros 8.4 million, were also recorded.

Ordinary profit of the Viscofan Group was 29% less than in 2003. Net profit was Euros 21.94 million, down 28.6% on the previous year given that the 2003 figure included extraordinary income on the sale of the fruit preserves business.

Net borrowings decreased by Euros 3.1 million, although it should be considered that Euros 3 million as been utilised for redemption of own shares.

Business evolution and most significant events concerning the main subsidiaries were as follows:

A) Naturin

Naturin continues to focus on the production of different types of collagen and on research and development activities.

Naturin's individual contribution to sales and profits has been negatively affected by the effects of the Euro changeover.

In keeping with its focus on collagen products and with a view to improving its overall profitability, the board of directors approved a project to transfer the plastic extrusion and finishing activity from Germany to the Czech Republic and Brazil and a restructuring plan for its remaining activities.

The project was commenced in the last quarter of 2004 and will continue throughout 2005 and 2006.

Based on current production volumes, total investments and annual production savings will amount to Euros 6 million and Euros 6.5 million, respectively, upon completion of the projects, which is expected to be in 2006.

In addition to this investment, restructuring expenses for the Weinheim plant are estimated at Euros 7 million.

B) Viscofan do Brasil

The most relevant event in Brazil in 2004 was the opening of an additional cellulose casing production unit which will reduce the cost of supplying to foreign countries.

The effect of this investment will be better seen in 2005 as impact was limited in 2004 due to the date of opening and the training and initial tuning period which any new investment requires.

C) United States

The US-subsidiary, which has a considerable local market share in the cellulose sector, has continued to contribute significant sales figures to the Group both in cellulose and collagen products.

D) Czech Republic

Growth in activities in the Czech Republic is consistent with Naturin's increased number of physical units and with the transfer of additional activities from the Weinheim plant.

E) Viscofan de México

Stretching and shirring activities at the new San Luis Potosí centre commenced in mid-2004 and, to date, are in line with budgeted costs and the local sales increases projected.

F) New commercial subsidiaries: Poland and Costa Rica

In both cases the local presence has improved sales in the area. Viscofan intends to continue promoting this sales growth.

G) IAN. Preserves division.

The olive business in the preserves division was affected by exchange rate fluctuations, which were partly mitigated by improvements to the plant. Asparagus and tomato sales evolved favourably during the year and a structural reduction was carried out following the sale of the fruit preserves line in 2003.

The most important milestone in this division in 2004 was the investment in a new line of ready-made meals, which was launched in the first quarter of 2005. This strategic change in direction aimed to focus the division's activity on the fastest-growing market segments in the sectors with the most added value.

2. Significant events

The most significant events influencing Group activity in 2004 are as follows:

- The appreciation of the Euro against the Dollar and other currencies, which has seriously affected sales and Group operating profits.

  This is particularly relevant when bearing in mind that the largest competitors in certain key lines of business, such as cellulose casings, are US-based companies. The appreciation of the Euro against the Dollar for the second consecutive year and the resulting exchange rate alone have caused costs in Euros to more than double in the period. This makes the Group's difficulties in increasing its market share especially relevant.

- Cost savings, supplies, operating costs and better financial management have partially offset the strong appreciation of the Euro.

- The continued efficiency improvement drive in different Group plants.

- The opening of the artificial casing stretching and shirring plant in San Luis Potosí (Mexico) overseeing sales and technical assistance in this market.

- Increases in cellulose casing production capacity in Viscofan do Brasil.

3. Outlook for Viscofan Group Companies

a) Artificial casings

- Sales

The Group aims to continue growth in sales in terms of physical units. The market share obtained in some lines make such an increase difficult and therefore emphasis will be placed on product lines where market growth is possible.

The Group intends to improve sales prices to the fullest extent possible to bring levels in line with production costs. Nevertheless, competitors' activity will at times make such aims difficult. We consider that price pressure has lead to a significant drop in profitability in the sector.

- Efficiency

Significant improvements in efficiency are planned for the Group's main plants in Germany, Spain, the United States, the Czech Republic and Brazil.

These improvements will reduce costs and in some cases add additional production capacity with little investment.

- Exchange rates

The Company has continued its policy of hedging exchange rates to minimise exchange differences and stay in line with the spot value of each currency. Accordingly, short and medium term insurance is taken out on sales based on the corresponding collection terms.

- Investments

The Group proposes a Euros 24 million investment for the year for the same consolidated companies.

This figure will allow the Group to consider a number of acquisitions to further the Group's interest. The Group will be on the lookout for opportunities to purchase other companies whose results or potential are attractive.

b) Vegetable conserves

The key objectives within the vegetable conserves area for 2005 are improved profitability to offset the effects of the unfavourable currency exchange rates, especially against the Dollar, the consolidation of Carretilla as a leader in the asparagus market and especially the launch of a new line of vegetable-based ready-made meals in the first quarter of 2005.

These objectives aim to shift the Group's focus to the faster growing market segments while continuing to offer a high-quality product line under the Carretilla brand in line with current consumer habits.

c) Consolidated profit

The board expects to be able to offset, at least partially, the effects of the appreciation of the Euro against other currencies through volume and efficiency improvements.

4. Research and Development Activities

The Group places considerable emphasis on research and development activities as a means of differentiation from competitors and a source of potential productivity gains.

These activities receive all necessary funding and investment.

The launch of a new line of ready-made meals and new artificial casing products are a direct consequence of these R&D activities.

5. Acquisition of Own Shares

In accordance with the authorisation granted by the shareholders at their annual general meeting, the Parent company acquired own shares in 2004 and in the months to date in 2005.

At the date of this report the Company holds 361,076 own shares (0.747% of share capital). The board of directors will propose the redemption of own shares at the next shareholders' annual general meeting.

6. Operations of Directors, or persons acting on their behalf, carried out during 2004, with the quoted company or a Group company when operations are different to the Company's ordinary activity or are not carried out in normal market conditions.

The Directors have not participated in any operations other than the ordinary activity of the Company or Group companies or carried out in abnormal market conditions.

7. Interests held by the board of directors in the share capital of companies with statutory activities identical, similar or complementary to those of the Company, positions held, duties and activities performed in these companies.

The directors of Viscofan, S.A. hold no shares and perform no functions in companies with an identical, similar or complementary statutory activity to that of the Company.

Pamplona, 28 March 2005

The accompanying notes form an integral part of the consolidated annual accounts for 2004.

VISCOFAN, S.A. AND SUBSIDIARIES

Consolidated Statements of Profit and Loss
for the years ended
31 December 2004 and 2003
(Expressed in Euros)
(Translation from the original in Spanish)

Expenses	2004	2003
Operating expenses		
Decrease in stocks of finished products and work in progress	4,376,204	8,961,933
Materials consumed and other external expenses (note 10)	112,035,045	116,896,018
Personnel expenses (note 21)	99,337,629	99,881,664
Amortisation and depreciation (notes 6, 7 and 8)	29,712,334	29,609,894
Changes in trade provisions	(736,838)	(280,649)
Other operating expenses	83,876,113	86,343,545
	328,600,487	341,412,405
Operating profit	22,100,520	31,652,621
Financial expenses		
Financial expenses	4,586,504	5,483,589
Changes in provisions for short-term investments	155,411	(7,342)
Exchange losses	3,221,887	4,853,330
	7,963,802	10,329,577
Amortisation of goodwill on consolidation	-	7,530
Profit on ordinary activities	18,264,236	25,883,426
Extraordinary losses and expenses		
Losses on fixed assets	1,243,598	947,167
Changes in provisions for tangible and intangible assets and investments (notes 7, 8 and 9)	50,091	(345,518)
Gastos y pérdidas extraordinarios (nota 22)	6,065,401	4,370,339
	7,359,090	4,971,988
Net extraordinary income	-	8,352,195
Consolidated profit before income tax	12,780,393	34,235,621
Income tax (note 19)	(9,162,812)	3,502,155
Consolidated profit for the year	21,943,205	30,733,466
Profit for the year attributable to the Parent company	21,943,205	30,733,466

Income	2004	2003
Operating income		
Net turnover (note 20)	349,218,263	371,307,837
Self-constructed assets	267,512	151,255
Other operating income	1,215,232	1,605,934
	350,701,007	373,065,026
Financial income		
Other financial income	1,159,901	1,228,366
Exchange gains	2,967,617	3,339,546
	4,127,518	4,567,912
Net financial expense	3,836,284	5,761,665
Extraordinary profit and income		
Profit on fixed assets	45,533	11,262,373
Extraordinary profit and income	1,347,985	1,734,215
Capital grants taken to income (note 13)	481,729	327,595
	1,875,247	13,324,183
Net extraordinary expense	5,483,843	-

The accompanying notes form an integral part of the consolidated annual accounts for 2004.

VISCOFAN, S.A. AND SUBSIDIARIES

Consolidated Balance Sheets

31 December 2004 and 2003

(Expressed in Euros)
(Translation from the original in Spanish)

Assets	2004	2003
Fixed assets		
Establishment costs (note 6)	1,676	328,105
Intangible assets (note 7)	3,521,213	4,430,892
Tangible assets (note 8)	218,599,639	213,438,902
Investments (note 9)	20,009,971	10,987,120
Long-term debtors	-	3,300,638
	242,132,499	232,485,657
		-
Deferred expenses	170,682	11,508
Current assets		
Stocks (note 10)	105,811,148	103,183,425
Debtors (note 11)	74,887,580	75,147,915
Short-term investments	41,865	54,365
Own shares (note 12 (e))	250,378	2,615,967
Cash in hand and at banks	10,379,673	5,970,063
Prepayments	1,738,029	1,128,755
	193,108,673	188,100,490
	435,411,854	420,597,655

Shareholders' Equity and Liabilities	2004	2003
Shareholders' equity (note 12)		
Share capital	14,503,974	14,650,478
Share premium	59,546,328	64,477,679
Other parent company reserves	125,790,788	111,563,934
Reserves in fully consolidated companies	40,862,442	31,188,035
Conversion differences in fully consolidated companies	(12,851,853)	(12,234,206)
Profit for the year attributable to the parent company	21,943,205	30,733,466
	249,794,884	240,379,386
Deferred income (note 13)	3,494,000	2,307,046
Provision for liabilities and charges (note 14)	24,256,853	23,284,018
Long-term creditors		
Loans (note 15)	39,692,417	42,660,212
Other creditors (note 16)	12,428,406	10,923,460
	52,120,823	53,583,672
Current liabilities		
Loans (note 15)	46,591,993	44,781,990
Trade creditors (note 17)	30,348,681	31,716,723
Other creditors (note 18)	17,381,181	17,269,286
Trade provisions	11,399,316	7,275,534
Accruals	24,123	-
	105,745,294	101,043,533
	435,411,854	420,597,655

The accompanying notes form an integral part of the consolidated annual accounts for 2004.

Appendix I

VISCOFAN, S.A. AND SUBSIDIARIES
Details of Viscofan Group
31 December 2004
Translation from the original in Spanish)

Group companies		Percentage ownership Direct	Indirect	Activity	Registered offices
Industrias Alimentarias de Navarra, S.A.		99.90%	0.10%	Manufacture and marketing of tinned vegetables	Villafranca (Navarra)
Naturin GmbH & Co	(i)	100.00%	-	Manufacture and marketing of artificial casings	Weinheim (Germany)
Naturin Inc Delaware		100.00%	-	Financial activities	Dover (USA)
Naturin Verwaltungs GmbH	(i)	100.00%	-	Financial activities	Weinheim (Germany)
Viscofan do Brasil		100.00%	-	Manufacture and marketing of artificial casings	Sao Paulo (Brazil)
Viscofan Poland Sp.z.o.o		100.00%	-	Commercial activities	Cracovia (Poland)
Viscofan, S.A.		-	-	Brining, bottling and marketing of olives	Casas del Monte (Cáceres)
Gamex, C.B.		100.00%	-	Manufacture and marketing of artificial casings	Ceske Budejovice (Czech Republic)
Viscofán USA Inc.		100.00%	-	Manufacture and marketing of artificial casings	Montgomery, Alabama (USA)
Naturin LTD	(iii)	100.00%	-	Commercial activities	Seven Oaks (UK)
Viscofan CZ		100.00%	-	Manufacture and marketing of artificial casings	Ceske Budejovice (Czech Republic)
IAN Perú, S.A.		-	100.00%	Asparagus production	Cañete (Peru)
Naturin Canadá Vertriebs GmbH	(i) y (ii)	-	100.00%	Commercial activities	Weinheim (Germany)
Stephan & Hoffmann A.G.	(i)	-	100.00%	Holding company	Weinheim (Germany)
Viscofan de México S.R.L.c.v.		99.99%	0.01%	Manufacture and marketing of artificial casings	San Luis de Potosí (Mexico)
Viscofan Centroamérica Comercial, S.A.		100.00%	-	Commercial activities	Lagunilla Heredia (Costa Rica)
Associated companies					
Tripasin A.B.		40.00%	-	Manufacture and marketing of artificial casings	Malmoe (Sweden)

(*) company taken over by Industrias Alimentarias de Navarra, S.A effective 1 January 2004.
This Appendix forms an integral part of note 2 to the consolidated annual accounts for 2004, in conjunction with which it should be read.
(i) Companies audited by Ernst &Young
(ii) Company audited by BDO Dunwoody LLP
(iii) Company audited by Perrys Chartered Accountants

VISCOFAN, S.A. AND SUBSIDIARIES

Detail and Movement in Shareholders' Equity

31 December 2004

(Expressed in thousands of Euros)

(Translation from the original in Spanish)

		Other Parent company reserves										
	Share capital	Share premium	Legal reserve	Own shares reserve	Special reserve	Merger reserves	Voluntary reserves	1996 Revaluation reserve	Reserves in fully consolidated companies	Conversion differences	Profit for the year	Total
Balances at 31 December 2003	14,650	64,478	2,935	2,616	25	119	96,874	8,995	31,188	(12,234)	30,733	240,379
Distribution of 2003 profit												
Reserves	-	-	-	-	-	-	17,286	-	9,674	-	(26,960)	-
• Dividend on account and share premium	-	(4,932)	-	-	-	-	-	-	-	-	(3,773)	(8,705)
Share capital reduction	(146)	-	-	(3,022)	-	-	146	-	-	-	-	(3,022)
Release of revaluation reserve	-	-	-	-	-	-	-	(4)	-	-	-	(4)
Transfer to own shares reserves												
Creation	-	-	-	872	-	-	37	-	-	-	-	909
Write-back	-	-	-	(37)	-	-	(872)	-	-	-	-	(909)
Provision for own shares	-	-	-	(179)	-	-	-	-	-	-	-	(179)
Conversion differences	-	-	-	-	-	-	-	-	-	(618)	-	(618)
Consolidated profit for 2004	-	-	-	-	-	-	-	-	-	-	21,943	21,943
Balances at 31 December 2004	14,504	59,546	2,935	250	25	119	113,471	8,991	40,862	(12,852)	21,943	249,794

This Appendix forms an integral part of note 13 to the consolidated annual accounts for 2004, in conjunction with which it should be read.