

PARGESA

GBL

BERTELSMANN

SUEZ

IMERYS

TOTALFINAELF

FOMENTO DE CONSTRUCCIONES Y CONTRATAS

TAITTINGER

SOCIÉTÉ DU LOUVRE

QUICK

JOSEPH

ENTREMONT

TRANSCOR

CHEVAL BLANC

RIEUSSEC

DUPUIS

IJSBOERKE

DISTRIPAR

ANNUAL REPORT 2002



NPM/CNP

COMPAGNIE NATIONALE À PORTEFEUILLE
NATIONALE PORTEFEUILLEMAATSCHAPPIJ

NPM/CNP : A HOLDING COMPANY, A PROFESSIONAL SHAREHOLDER

What is NPM/CNP?

COMPAGNIE NATIONALE À PORTEFEUILLE / NATIONALE PORTEFEUILLEMAATSCHAPPIJ is a holding company

governed by Belgian law, listed on Euronext Brussels and controlled by the FRÈRE family.

Mission

NPM/CNP's mission is to act as a family company. Its long-term aim is the balanced growth of the value of the assets that its shareholders have entrusted it and the dividend distributed to

them, with a low-risk profile. This value creation results from the generation of a net operating profit (NOPAT) that is greater than the weighted average cost of the capital invested.

Aim and strategy

NPM/CNP has broad ambitions and intends to act and win the respect of investors and its peers as a value processor contributing to the creation of Corporate Europe. In strategic terms, this aim is enforced through a portfolio of assets split into three categories:

- **THE PARGESA/GBL GROUP**, controlled jointly by NPM/CNP and the POWER Group (Canada), which has large or controlling holdings in international companies (BERTELSMANN, SUEZ, TOTALFINAELF and IMERYS);
- **"VALUE INVESTING"***, direct investments by NPM/CNP in assets that it feels have significant appreciation potential; these principally include NPM/CNP's direct holding in

TOTALFINAELF and its stakes in FOMENTO DE CONSTRUCCIONES Y CONTRATAS and TAITTINGER/LE LOUVRE;

- **"PRIVATE EQUITY"***, which is made up of holdings, preferably controlling, in unlisted companies in a limited number of sectors (including the food industry, the wine-producing sector, power, publishing, selective retail and luxury products); these medium-sized companies must however have reached a level of maturity that guarantees their independence in terms of day-to-day management and are encouraged to develop, through internal growth, acquisitions or partnerships, in their core business or by branching out around it.

Management philosophy

Our simple strategy is organisational and practical and hinges on a set of processes and projects, based on sufficiently detailed plans to capture the most realistic scenario and grasp any opportunity that might arise. This project-based organisation is implemented by a multidisciplinary team led by the Managing Director, who provides guidance, consistency, coordination and motivation with respect for individual entrepreneurship.

The holding company's small, tightly knit management team applies this Process Based Value Management to the structures themselves and to the shareholdings that they own.

With regard to the companies it controls, NPM/CNP aims to limit its role to carrying out the core tasks of its activities as a professional shareholder:

- strategic choices and directions, including asset arbitrage, investments and disinvestments (based on the net operating profit on capital invested);
- the selection and motivation of directors;

- financial engineering and management of sources of financing (optimisation of the weighted average cost of capital).

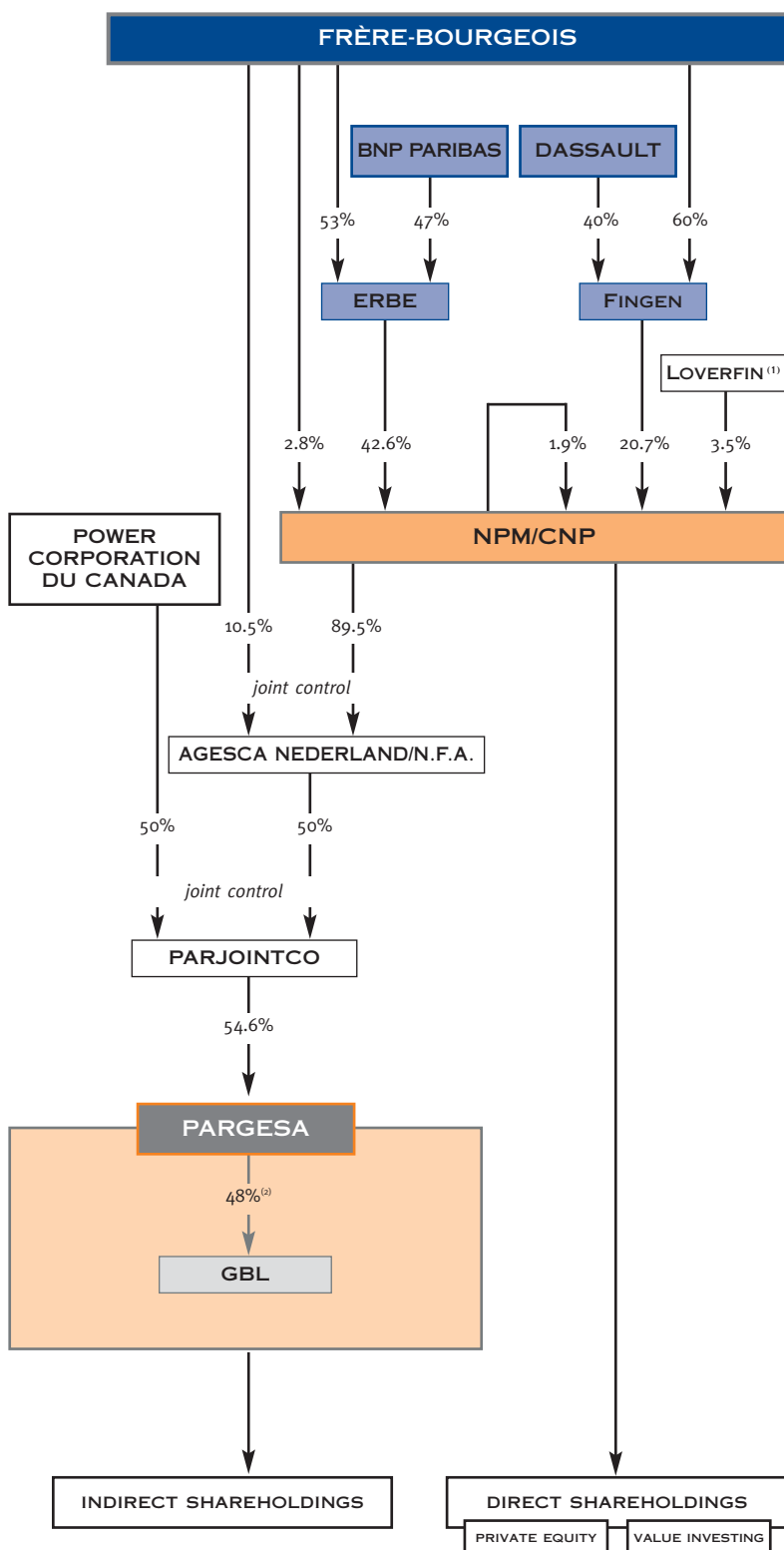
By positioning itself as a value, volatility and risk manager, NPM/CNP strives to collaborate effectively with the managers of operational subsidiaries in order to anticipate these different aspects; this dialogue is achieved in particular through reporting, with the emphasis on the monitoring of key value drivers, enabling NPM/CNP to follow developments in business, assess the risks and opportunities and, with the support of a strategic monitoring process, control the timing of major decisions.

Shareholders and managers therefore have different roles; the manager is in charge of operational management and has a large degree of independence to this end, ensuring flexibility and reactivity. However, trust does not exclude control, and the representatives of NPM/CNP reconcile the role of supporting management with the role of acting as a counterbalance to it in the context of mutual Corporate Governance.

* these concepts are simplistic in terms of the content that we give them, but are the closest to market parlance.

GROUP STRUCTURE AND SHAREHOLDERS

This organisation chart, presented here as at 31 December 2002, is regularly updated on the NPM/CNP website (www.npm-cnp.be).



NPM/CNP is the listed entity of the Group commonly known as the “Groupe de Charleroi”. Controlled by Baron FRÈRE and his family, it consists of three levels:

- FRÈRE-BOURGEOIS, the parent company, whose capital is owned by the FRÈRE family;
- partnerships with leading Groups: ERBE with BNP PARIBAS and FINGEN with the DASSAULT Group;
- NPM/CNP, the interface with major institutional investors and the market.

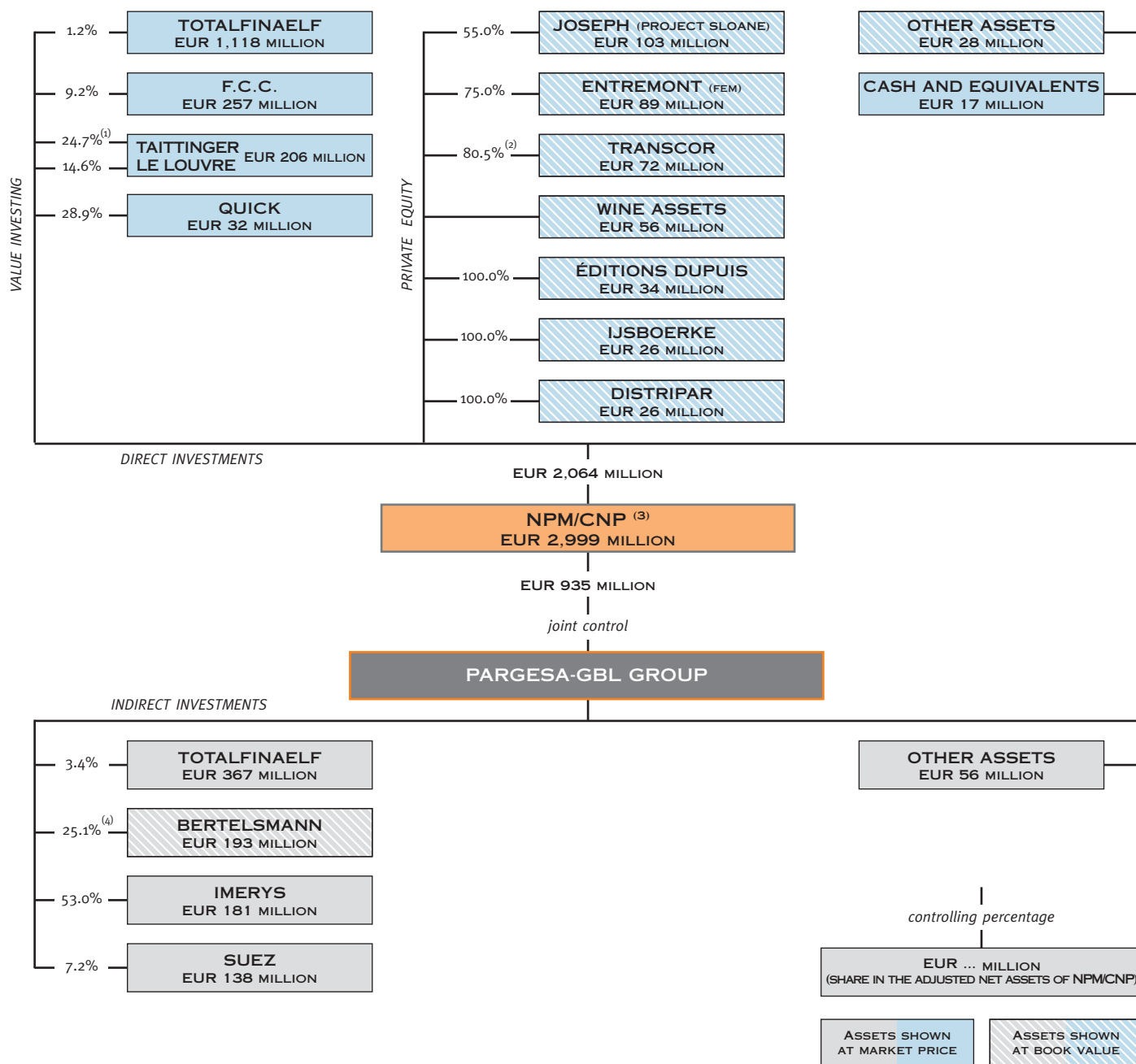
Apart from its direct investment activities, the NPM/CNP Group also pursues an investment activity through PARJOINTCO/PARGESA/GBL and the companies within their Group. PARJOINTCO, set up in 1990, was used by the Group to unite its participation in PARGESA with that of POWER CORPORATION DU CANADA, a Group controlled by Mr Paul DESMARAIS Sr. and his family. This alliance is governed by an agreement binding the partners until 2014. This covers PARGESA, its subsidiaries and its strategic interests.

(1) Company owned by the personnel and management of NPM/CNP.
 (2) 50% of voting rights, after cancellation of own shares.

GROUP ASSETS

AS AT 31 DECEMBER 2002

This organisation chart is regularly updated on the NPM/CNP website www.npm-cnp.be.



(1) Including investment certificates without voting rights for 3.1%.
 (2) Potentially 100%.

(3) NPM/CNP and its holding subsidiaries included in the restricted consolidation perimeter.
 (4) Of which 0.1% without voting rights.

Report submitted to the Ordinary General Meeting of 17 April 2003.

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On 2 April 2003, the BANKING AND FINANCE COMMISSION authorised the use of this annual report as a reference document for any public offer which may be made by COMPAGNIE NATIONALE À PORTEFEUILLE/NATIONALE PORTEFEUILLEMAATSCHAPPIJ, until the publication of its next annual report, in accordance with the provisions of Title II of Royal Decree no. 185 of 9 July 1935, under the dissociated information procedure.

Under this procedure, this annual report must be accompanied by a transaction memorandum in order to form a prospectus in accordance with article 29 of the aforementioned Royal Decree no. 185 of 9 July 1935. This prospectus will be subject to the approval of the Banking and Finance Commission in accordance with article 29ter, §1, para. 1 of Royal Decree no. 185 of 9 July 1935 and the provisions of the Royal Decree of 13 February 1996.

FINANCIAL HIGHLIGHTS: VALUE

GLOBAL DATA (EUR MILLION)

| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| equity (restricted consolidation) ⁽¹⁾ | 1,106 | 1,282 | 1,273 | 1,304 | 1,329 | 1,626 | 2,001 | 2,031 | 2,011 | 2,046 |
| (consolidation) ⁽¹⁾ | 1,097 | 1,264 | 1,253 | 1,326 | 1,458 | 1,845 | 2,431 | 2,520 | 2,568 | 2,547 |
| adjusted net assets | 1,424 | 1,487 | 1,508 | 1,740 | 2,172 | 2,514 | 3,186 | 3,601 | 3,452 | 2,999 |
| annual TPS ⁽²⁾ | 36.0% | -3.8% | 5.7% | 19.6% | 28.4% | 24.9% | 36.5% | 16.9% | -2.5% | -11.3% |
| annual cumulative TPS since 1988 ⁽²⁾ | 7.3% | 5.3% | 5.3% | 7.0% | 9.2% | 10.8% | 12.7% | 13.0% | 11.9% | 10.5% |

NUMBER OF SHARES (,000)

| | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|-----------------------|--------|--------|
| existing shares (non diluted) | 22,125 | 25,340 | 25,340 | 25,340 | 25,340 | 23,000 | 20,741 | 20,000 ⁽³⁾ | 20,000 | 20,000 |
| unexercised warrants | 200 | 1,700 | 1,700 | 1,700 | 1,700 | - | - | - | - | - |
| potential shares (fully diluted) | 22,325 | 27,040 | 27,040 | 27,040 | 27,040 | 23,000 | 20,741 | 20,000 ⁽³⁾ | 20,000 | 20,000 |

DATA PER SHARE (EUR)

| | | | | | | | | | | |
|---|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|
| adjusted net assets (non-diluted) | 64.38 | 58.68 | 59.52 | 68.69 | 85.70 | 109.30 | 153.62 | 180.04 | 172.58 | 149.97 |
| adjusted net assets (fully diluted) | 64.18 | 58.55 | 59.32 | 67.92 | 83.86 | 109.30 | 153.62 | 180.04 | 172.58 | 149.97 |
| annual TPS ⁽²⁾ | 34.8% | -5.1% | 5.5% | 18.7% | 27.2% | 33.4% | 43.0% | 19.0% | -2.5% | -11.3% |
| annual cumulative TPS since 1988 ⁽²⁾ | 7.3% | 5.3% | 5.3% | 7.0% | 9.2% | 11.6% | 14.0% | 14.4% | 13.1% | 11.3% |
| stock market price (ordinary share)(high) | 54.29 | 54.78 | 50.07 | 50.20 | 71.15 | 92.96 | 95.00 | 118.90 | 127.80 | 133.00 |
| (low) | 43.13 | 46.11 | 43.88 | 43.38 | 48.09 | 58.25 | 72.00 | 85.00 | 91.00 | 92.00 |
| (close) | 52.55 | 49.70 | 47.10 | 49.58 | 60.49 | 74.37 | 93.00 | 103.40 | 118.40 | 106.00 |

(1) Ex-dividend.

(2) TPS = Total Performance for the Shareholders, taking into account dividends and changes in the adjusted net assets.

(3) Anticipating the cancellation of 740,647 own shares decided during the Extraordinary General Meeting of 19/04/2001.

FINANCIAL HIGHLIGHTS: RESULTS

GLOBAL DATA (EUR MILLION)

| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| restricted consolidated profit | | | | | | | | | | |
| operating profit ⁽¹⁾ | 59.52 | 59.64 | 64.18 | 64.85 | 70.65 | 83.58 | 140.56 | 87.13 | 85.02 | 77.07 |
| net profit | 60.21 | 69.66 | 52.06 | 94.84 | 90.65 | 508.17 | 615.56 | 88.22 | 108.17 | 99.87 |
| consolidated profit | | | | | | | | | | |
| operating profit ⁽¹⁾ | 78.46 | 80.29 | 89.34 | 97.56 | 119.87 | 105.50 | 162.84 | 128.16 | 111.02 | 104.08 |
| net profit | 68.49 | 83.99 | 58.60 | 126.00 | 190.85 | 603.13 | 759.15 | 145.28 | 169.13 | 61.88 |
| dividends | | | | | | | | | | |
| total dividends | 52.65 | 61.63 | 63.26 | 64.08 | 65.32 | 62.56 | 58.12 | 58.80 | 61.80 | 64.80 |
| number of shares (,000) | | | | | | | | | | |
| average number | 22,125 | 25,340 | 25,340 | 25,340 | 25,340 | 23,949 | 21,997 | 20,223 | 20,000 | 20,000 |
| shares entitled to dividend | 22,125 | 25,340 | 25,340 | 25,340 | 25,340 | 23,000 | 20,741 | 20,000 | 20,000 | 20,000 |

ADJUSTED DATA PER SHARE ⁽²⁾ (EUR)

| | | | | | | | | | | |
|---------------------------------------|------|------|------|------|------|-------|-------|------|------|------|
| restricted consolidated profit | | | | | | | | | | |
| operating profit..... | 2.63 | 2.35 | 2.53 | 2.56 | 2.79 | 3.49 | 6.39 | 4.31 | 4.25 | 3.85 |
| net profit..... | 2.66 | 2.75 | 2.05 | 3.74 | 3.58 | 21.22 | 27.98 | 4.36 | 5.41 | 4.99 |
| consolidated profit | | | | | | | | | | |
| operating profit..... | 3.47 | 3.17 | 3.53 | 3.85 | 4.73 | 4.40 | 7.40 | 6.34 | 5.55 | 5.20 |
| net profit..... | 3.03 | 3.31 | 2.31 | 4.97 | 7.53 | 25.18 | 34.51 | 7.18 | 8.46 | 3.09 |
| dividend | | | | | | | | | | |
| gross ordinary dividend | 2.33 | 2.43 | 2.48 | 2.53 | 2.58 | 2.72 | 2.80 | 2.94 | 3.09 | 3.24 |

(1) Includes the headings mentioned on page 12 of the financial supplement.

(2) The data per share have been adjusted using coefficients determined on the basis of the adjusted net assets. These coefficients are set out on page 53 of the financial supplement.

MINIMUM INFORMATION REQUIRED BY THE BANKING AND FINANCE COMMISSION

Circular D2/F/99/5 dated December 1999 requires all holding companies listed on Euronext Brussels to provide minimum standardised information.

This information is set out on page 7 of the financial supplement to this report. For clear understanding of

the performance achieved by NPM/CNP, in parallel with this minimum information, we also publish detailed analytical information in accordance with the framework applied for many years.

STOCK MARKET DATA AND SHAREHOLDERS' CALENDAR

FINANCIAL INSTRUMENTS LISTED ON EURONEXT BRUSSELS

- Ordinary shares
- VVPR Strips (reduced withholding tax strips)

AVERAGE DAILY VOLUMES TRADED (EURONEXT BRUSSELS) (NUMBER OF SHARES)

| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---------------------------------------|--------------|---------------|--------------|--------------|---------------|---------------|---------------|--------------|--------------|--------------|
| Ordinary shares | 2,539 | 4,152 | 1,756 | 2,720 | 4,243 | 14,760 | 20,739 | 6,296 | 5,230 | 2,886 |
| VVPR Shares..... | - | 80 | 187 | 190 | 237 | 225 | 1,498 | - | - | - |
| VVPR Strips..... | - | - | - | - | - | - | 1,204 | 1,584 | 814 | 633 |
| Warrants | - | 7,433 | 2,274 | 3,389 | 19,168 | 15,942 | 11,906 | - | - | - |
| Total (excluding strips) | 2,539 | 11,665 | 4,217 | 6,299 | 23,648 | 30,927 | 34,143 | 6,296 | 5,230 | 2,886 |

MARKET PRICE AND ADJUSTED NET ASSETS PER SHARE (UNADJUSTED DATA PER SHARE)

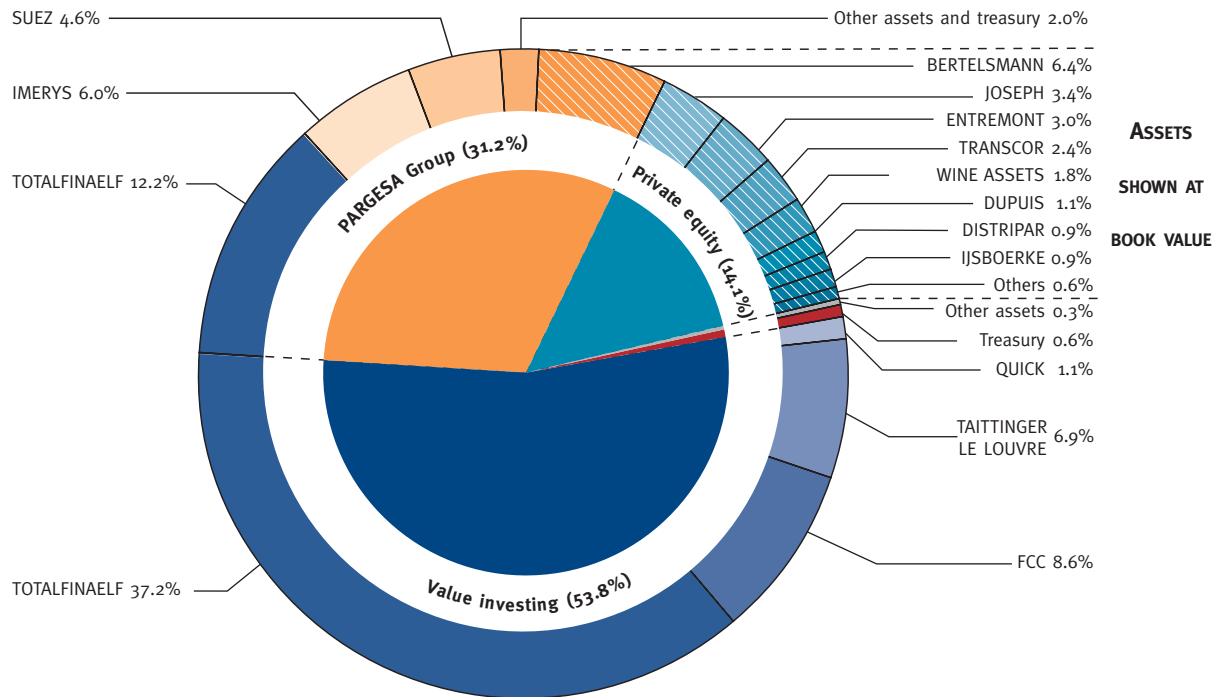


SHAREHOLDERS' CALENDAR

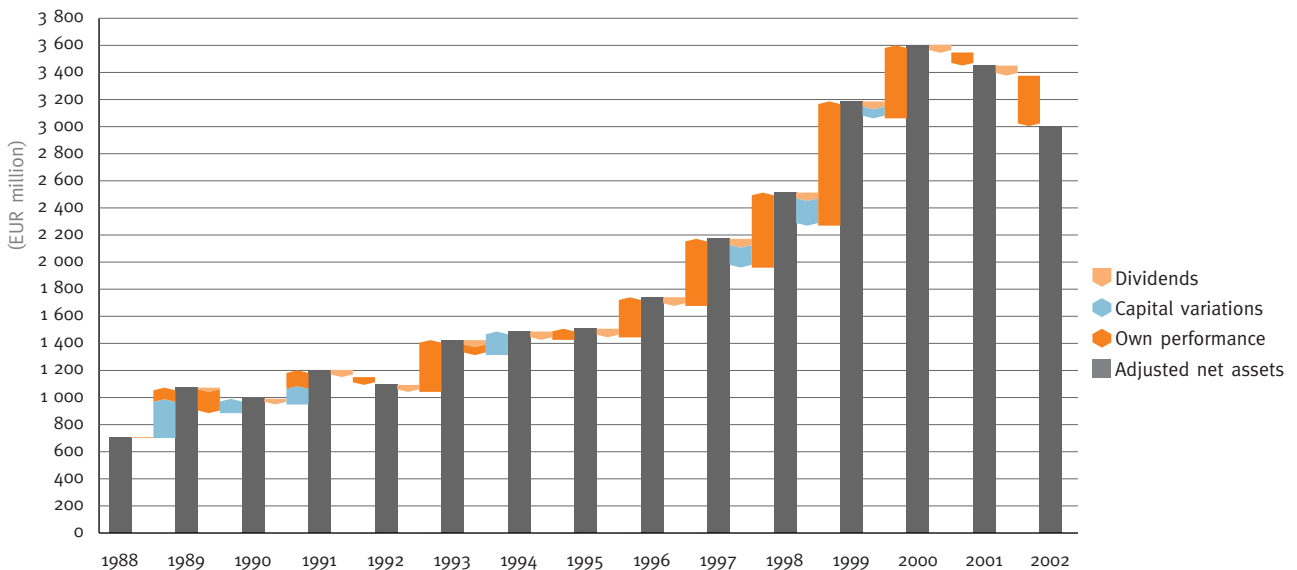
- 17.04.2003 **Ordinary General Meeting of Shareholders** at the registered office at 10 a.m.
- 24.04.2003 Subject to approval by the Ordinary General Meeting, **payment of dividends** (EUR 3.24 gross per share).
- 08.05.2003 Publication of restricted consolidated and consolidated accounts as at 31.03.2003.
- 05.09.2003 Publication of restricted consolidated and consolidated accounts as at 30.06.2003.
- 21.11.2003 Publication of restricted consolidated and consolidated accounts as at 30.09.2003.

ADJUSTED NET ASSETS AND BREAKDOWN

TRANSITIVE BREAKDOWN OF ADJUSTED NET ASSETS (AS AT 31 DECEMBER 2002)



EVOLUTION OF THE ADJUSTED NET ASSETS



MESSAGE TO THE SHAREHOLDERS

Dear Shareholder, Sir or Madam

2002 was a difficult year.

The climate in general was unstable and the economic context for most of the sectors in which our holdings operate was uncertain.

With regard to our restricted consolidation (that is, NPM/CNP itself and its financial subsidiaries), it was mainly share trading operations that were affected, with the entire advantage of the reduced-rate financing generated by our TOTALFINAELF exchangeable bonds being absorbed by the losses recorded on these cash management activities.

In parallel, our net adjusted assets per share dropped by 11.3%; whilst it is true that this is less than most stock market indexes, it is our most disappointing performance since 1990.

However, our confidence in the future, fuelled by the quality of our portfolio of holdings, means that we are still proposing a 5% growth in the dividend per share this year. It goes without saying that our restricted consolidated operating profit (based on the dividend income from our holdings) easily allows for the distribution of the dividend, without prejudicing the group's cash position.

For many years, the inside cover of our annual report has contained a summary of our mission, strategy and management philosophy. Readers will have noticed that the description of these terms has been adapted this year.

Be that as it may, it seems appropriate to give you a report on the 2002 financial year, linking performance and major events to these concepts.

Firstly, our **mission**. During 2002, the adjusted net assets per share fell by 11.3%. We could argue that this drop was significantly less than the reduction in the main European indexes (Eurostoxx 50: -37.3%, CAC 40: -33.1%, Eurotop 100: -32.4%, Bel 20: -25.8%). However, this does not change our analysis in any way. At the very most, it allows us to point out that, beyond this performance, any assessment of the return must take into account the diversification of your assets (even if they are largely invested in TOTALFINAELF), the risks specific to each of the holdings and last but not least, the financial stability of NPM/CNP, characterised by a net cash position that is currently unleveraged.

As mentioned above, our operating performance means that we will be able once again to increase the dividend and safely predict, barring unforeseen circumstances, the continuation of the dividend policy.

With regard to NPM/CNP, the instrument used to measure performance is adjusted net assets per share, even though this only values private equity holdings at book value, in the long term, potential capital gains on these are realised and are therefore reflected in performance.

As you know, we focus our attention on the long term, and are pleased to report that what applies for our relative performance in 2002 is also confirmed over longer periods.

For example, since April 1988, when NPM/CNP was taken over by the FRÈRE Group, we have seen an 11.3% compound annual rate of return in terms of adjusted net assets per share. This achievement must be compared to the 9.9% return expected by the market at the beginning of the period. Compared to this expectation, the return was, in relative terms, 14% higher; in other words, NPM/CNP has created 1.4% extra value per year. It goes without saying that in addition to an initial investment in April 1988, these calculations take into account the subsequent capital increases, which were frequent until 1994.

It is useful to compare NPM/CNP's performance (11.3%) with that of the "Total Return Datastream Europe" index over the same period (10.7%). Over the last ten years, for which more indexes reflecting the progress of the European stock markets are available, these show returns of between 7.5% and 10.9%; NPM/CNP's is over 15%.

We are a company controlled by a family group, and our mission reflects this. These respectable results are certainly largely due to the importance we place on cash and our risk profile.

It is important to remember that a significant part of our total performance is distributed in the form of dividends, which also reduces the risk. Recent studies have shown that, in general, companies that distribute proportionately high dividends historically show a higher overall return for shareholders than companies that distribute small dividends or none at all; NPM/CNP illustrates this assertion.

To sum up, we are disappointed with 2002, but our resolution to create value for Shareholders is unchanged.

Some of you might feel that we are purposely not mentioning our consolidated results, suspecting that we want to dodge non-operating losses that have impacted the consolidated profit in 2002. This is of course not the case, even though the significant nature of the consolidated accounts is relative. For a holding company that prioritises cash revenue, dividend and adjusted net assets per

Since 1988, return has been, in relative terms, 14% higher than market expectations; in other words, NPM/CNP has created 1.4% extra value per year.

share as measuring instruments, the consolidated accounts are not representative; this is why 13 years ago NPM/CNP was the first company to introduce the concept of restricted consolidation, which places the emphasis on dividend flows from the holdings. Furthermore, the holdings that contributed to NPM/CNP's consolidated profit for 2002 through the direct or indirect equity-accounting of their results only represent 27% of the adjusted net assets, which means that the remaining 73% are only taken into account in terms of the dividends they bring us.

However, the change in this consolidated operating results from one year to the next, expressed with a constant consolidation perimeter, is meaningful. There is an analysis of the 2001 and 2002 results on pages 22 to 24 of this report. This contains full details of the various data; excluding extraordinary results, our equity accounted companies' transitive contribution comes to EUR 53.6 million for 2002, compared with EUR 51.9 million in 2001; with a constant consolidation perimeter, that is, correcting the effect of the recent divestments (see below), the comparison shows an increase of 38% (22% if the analysis is extended to include all long-term investments). Considering non-operating results, the total profit from the equity accounted companies has dropped from EUR 90.5 million to EUR 4.7 million. This fall is – largely – due to the non-operating results of the PARGESA/GBL group, which suffered from the impact of the extraordinary results and

write-offs recorded by BERTELSMANN in 2002, mainly linked to a put option granted by this group in the early 90s to its partner in ZOMBA, which exercised its right of sale in 2002.

Next, **strategy**. Although it is true, as we said last year, that the group in the broadest sense, i.e. including PARGESA/GBL and its holdings, largely avoided the traps set by the financial markets in the late 90s and early 2000s, our companies and holdings have nonetheless sometimes made ill-advised investments or paid inflated purchase prices. Fortunately, as can be seen from the first section of this message, the impact of this on your assets is limited, but we cannot conceal it.

With regard to the drop in the value of some of our blue chips, especially in 2002 and early 2003, we interpret this as the result of a reassessment by the markets and possibly a sign that they are returning to normal.

This trend has clearly affected our value investing lines, although FOMENTO DE CONSTRUCCIONES Y CONTRATAS is obviously an exception to this.

At the end of 2002, the book value of our shareholdings in GROUPE TAITTINGER and SOCIÉTÉ DU LOUVRE was some EUR 47 millions above market value; the Board of Directors, based upon the various analyses conducted, however decided not to book any write-down on these long-term investments.

With regard to private equity, we have continued along the planned path and, following the disinvestments made or initiated in 2001 (mainly SAINT LOUIS SUCRE), 2002 saw the sale of minor uncontrolled holdings or holdings that had reached maturity (HÉLIO CHARLEROI, INTERWAFFLES, ACP, PALAIS DU VIN / CLOS DU RENARD). These sales generated relatively significant capital gains, together with favourable internal rates of return (ranging from a compound annual internal rate of 11% for PALAIS DU VIN and ACP to over 20% for the SUZY / INTERWAFFLES Group and 27% for HÉLIO CHARLEROI); the associated risks and the fact that these investments were fully financed from equity, without leverage, must be taken into account when assessing this performance.

...“fishing nets” in a changing environment, synonymous with an aptitude for flexibility, which is a major constraint in modern management.

The management time freed up as a result of these sales enabled us to concentrate on our core businesses and grasp a number of opportunities directly at NPM/CNP or through our holdings. Our partnership with ACKERMANS & van HAAREN in its takeover of GIB was highly successful, with the operation completed in less than three months (squeeze-out period included); however, the true success of the takeover will only be measured in the long term through the realisation of capital gains over the coming years. One

notable consequence of this operation was the acquisition of joint control of QUICK. Although it is a listed company, NPM/CNP, in conjunction with ACKERMANS & VAN HAAREN, will exercise its role as a professional shareholder to an extent that is generally the case for private equity holdings.

Finally, **management philosophy**. From the point of view of the exercise of our role as a professional shareholder, 2002 was a turning point for the Charleroi team in that, as part of the first phase of what we have called “Process Based Value Management”, we implemented some processes that we feel are fundamental for value creation in a company like NPM/CNP:

Firstly, two network processes:

- the creation and development of a relational network within our activities

in general and each of our holdings in particular. This aspect encompasses concepts such as strategic monitoring and “co-opetition” (please refer to the book by NALEBUFF en BRANDENBURGER), and sometimes even verges on public relations, which are sometimes very useful in changing, troubled or chaotic environments;

- a true network of operational and financial hypotheses, linked to the main determiners of value both for NPM/CNP and its holdings. This notion covers the concepts of flex-

ible budgets and key value drivers, and extends to the application of asset valuation models.

From a conceptual perspective, we feel that these two networks create genuine “fishing nets” in a changing environment, synonymous with an aptitude for flexibility, which is a major constraint in modern management. Our obsession with tightening the mesh of this net to enable us to capture the scenario that will reflect the reality of the moment and grasp any opportunity that arises gives NPM/CNP a competitive advantage.

Secondly, two processes that might seem contradictory:

- the management of each of our holdings “as if we were going to own it for ever”. At least one member of the team devotes its body and soul to the long-term future of one holding and professionally carries out our main roles in the strategic context of “perpetual” ownership.
- the investigation by NPM/CNP of any possibility to sell a holding if a third party offers it a target price that exceeds the value attributed to it by NPM/CNP.

These two approaches coexist and the people in charge of the shareholdings at NPM/CNP’s level, together with the

management of the companies we own, are fully aware of this apparent contradiction. As recent experience has shown, to some extent, this makes the implementation of a sale process easier and less stressful.

Of course, the specific sets of processes we have described above are just two of the methods by which our team works. Others include openness and consideration of any opportunity that arises, with the aim of realising a transaction, but often simply for the intellectual stimulation that these real-life case studies present for our continuous training scheme and the network that we are striving to expand.

As a partner to companies and other shareholders, in the context of performing our duties as board or committee members, we have developed over the years our own corporate governance principles, which are also applied to our subsidiaries and holdings.

This is based on two fundamental concepts: firstly the right – not to say the obligation – to open dissent, and secondly true value management.

The most vital asset is being able to count on truly responsible directors who act as a body within the companies on

*...the right
– not to say
the obligation –
to open dissent...*

whose boards they sit. The ability to contradict without being obstinate, to contribute to discussions factually and constructively by providing relevant, balanced information, and even to sow constructive chaos, is a guarantee of good corporate governance.

The people who make up the bodies and management of the companies must be responsible independent thinkers and honour their ultimate contract with the company, namely managing value. To do this, over time the different forces in charge of the company have to be of the same mind as to its value in order to be able to manage it. The entire corporate body, i.e. staff, managers, directors and shareholders and, in some extreme cases, its creditors, must agree on the value attributed to the company in which they are all stakeholders in one way or another.

Although value management is the cornerstone of corporate governance, it is no longer in itself a distinguishing feature in terms of corporate strategy – it has become an obligation. Furthermore, it has a corollary. The shareholders, directors and managers have to eliminate agency costs resulting from conflicting interests between the shareholders and the other stakeholders. In other words, the shareholders' aims

must be completely transparent; the directors and the managers must be paid based upon the realisation of those objectives.

Harmonising management and shareholder aims is an important responsibility for remuneration committees. This can be achieved through remuneration systems that involve,

for top management, a base salary and a variable salary together with, for the long-term, stock option schemes or, even better, a financial incentive based on the generation of operational value within the company. From this point of view, it is essential that consideration is given to the specific activities of the individual companies.

For example, at TRANSCOR, the managers have base salaries at the low end of the market range, but bonuses or

variable salaries that can be very high; moreover, the directors and top managers own 20%, soon to be 25%, of the share capital. The mutual transparency of each party's aims and the need to eliminate agency costs were considered, reconsidered and examined so thoroughly that it took seven years to set up this pay structure. Bearing in mind that trading companies are always exposed to risk, we see in this method a clear link with the exceptional value generated by TRANSCOR's management team for many years.

*...the need to eliminate
agency costs...*

Your Company's Appointments and Remunerations Committee and those in the other holding companies of the Group have examined which remuneration system is most appropriate for your top management and has come to the conclusion that, given the specific nature of our mission, which, by its very essence, is part of a long-term picture, the division of executive directors' salaries into basic and variable parts that has been in place until now, and which is vital and objective in commercial or industrial companies, is arbitrary and could give rise to dysfunctions for a holding company. Furthermore, the success of a company like ours relies on the whole team, for each of our holdings, regardless of the individual working on the processes (see above) relating to it.

In 2002, as it has done several times before, the Committee commissioned an external expert to evaluate the jobs of each member of the team and the average remuneration for them on the market. The average determined in this way includes the basic and variable salaries observed on the market. In 2003, the salaries of the Charleroi team will immediately or in the near future be set at these average levels, with no variable component.

The long-term incentive to bring the managers' aims in line with yours lies in the staff members' indirect holding of part of the capital in NPM/CNP through an ad hoc structure.

The annual report that follows contains specific commentary about the events of the 2002 financial year. We would like to pinpoint the three major events and the three best and most disappointing performances that, in our eyes, have marked 2002.

The major events that spring to mind include our partnership with the TAITTINGER family in the control of the eponymous group, the success of the takeover of GIB and the disposal of several small or uncontrolled holdings and holdings that had reached maturity. As we stand on the threshold of the 2003 financial year, which will once again be extremely unstable, particularly in the hotel and luxury products sector, we would remind you that our investments in TAITTINGER pre-date the events of September 2001 and that our partnership with the TAITTINGER family was formed without any additional investment on our part in 2002. Nonetheless, the challenge ahead is considerable.

The three most disappointing performances, although they are more the result of external developments than strategic or managerial weaknesses, came in NPM/CNP's share trading activities and, where our shareholdings are concerned, at ENTREMONT, which has suffered from the impact of low industrial product prices (butter and milk powder) and DISTRIPAR, where Brussels Airport business has been badly affected by the collapse of SABENA.

To end on an optimistic note, the positive elements that marked 2002 were the upturn in business at IJSBOERKE (where we made some wise structural decisions, which unfortunately do not reduce the main challenge of the future, namely the recovery of home sales), the wine-producing holdings' results (which reflect the positive impact of sales of the 2000 vintage) and, above all, the success of TRANSCOR (which achieved yet another record-high profit last year, even at a time when it was extending its structure to develop several new trading niches). Good performance levels never make us lose sight of the fact that when a company is doing well, or even very well, the risk of seeing profits fall is increased tenfold.

What does 2003 have in store?

At the moment, we just can't say, and we feel sure that you will forgive us if we make no comment. We are driven by one certainty: work, work, and more work, along with unfailing professionalism, the courage to commit, information sharing and a united, motivated team will remain the keys to good performance.

May we send out our warmest thanks to our colleagues in Charleroi and within the companies that make up our portfolio for their flawless dedication.

Gilles Samyn
Managing Director



Gérald Frère
Chairman



DIRECTORS' REPORT

Dear Shareholder, Sir or Madam

It is our great pleasure to present to you the annual report on the activities of your Company and the Group over the past financial year, and to submit the accounts as at 31 December 2002 for your approval.

Main events of the 2002 financial year and the first months of 2003

PRIVATE EQUITY

Continuing with the refocusing of its private equity portfolio on larger controlling holdings (joint, if applicable), the Group made the following disinvestments in 2002:

HÉLIO CHARLEROI

Following the lifting in March 2002 of the suspensive conditions to the agreement made with QUEBECOR in September 2001, the NPM/CNP Group concluded the forward sale (transfer of ownership in September 2004) of its 50% holding in HÉLIO CHARLEROI; NPM/CNP has made a restricted consolidated capital gain of EUR 18.0 million and a consolidated capital gain of EUR 13.6 million on this sale, which corresponds to a compound annual internal rate of return of 27.5% over the 9-year holding period.

INTERWAFFLES / LOTUS BAKERIES

In Spring 2002, as part of the logic of NPM/CNP's contribution in 2001 of its holding in INTERWAFFLES to LOTUS BAKERIES, NPM/CNP sold the 6.5% holding in this company that it had thereby obtained. This operation brought a final end to the investment made 5 years previously in the SUZY/DESOBRY/DRIEHOEK Group, which overall generated capital gains of almost EUR 7 million in restricted

consolidation (over EUR 4 million in consolidation) during successive sales, giving an annual compound rate of return of around 20% over the holding period.

ACIDE CARBONIQUE PUR (ACP)

At the end of June 2002, NPM/CNP sold its 28.3% holding in ACP to a company controlled by the de MURGA family, and made an annual compound rate of return of 11.2% on the holding purchased in 1990, with a capital gain of over EUR 7 million.

PALAIS DU VIN

At the end of September 2002, the entire share capital in the PALAIS DU VIN Group was sold to the PHD France – BERTRAND DE TAVERNAY Group, controlled by Mr Philippe DUMAS. This holding, purchased at the end of 1998 from ERBE, generated an annual compound rate of return of 11.3% and a consolidated capital gain of EUR 1.7 million (EUR 3.0 million in restricted consolidation).

The internal rates of return made on these sales vary quite considerably, mainly in accordance with the risk profile (higher for the SUZY Group, lower for ACP and PALAIS DU VIN), the holding period and the amount of capital invested initially (relatively low for HÉLIO CHARLEROI which, in 1993, was just coming out of a difficult period).

Alongside these disinvestments, NPM/CNP invested EUR 500,000 and obtained 76% of the share capital of MESA, a company that aims to promote the use of wind power in the Walloon region with a view to environmental integration.

VALUE INVESTING

TAITTINGER/LE LOUVRE

In June 2002 the TAITTINGER family and NPM/CNP entered into a collaboration agreement with the aim of furthering the development of the TAITTINGER and SOCIÉTÉ DU LOUVRE Groups, in which NPM/CNP had holdings of 15.3% and 19.3% respectively. This agreement, implemented over the following months, allowed for structural simplification (the merging of COMPAGNIE FINANCIÈRE TAITTINGER and TAITTINGER, the elimination of reciprocal holdings, simplification of the structure of the capital of SOCIÉTÉ DU LOUVRE, etc.) and NPM/CNP representation on a number of GROUPE TAITTINGER's statutory bodies, allowing it to exercise its role as a professional shareholder. Following the operations set out in the agreement, the NPM/CNP Group has a 24.7% stake in GROUPE TAITTINGER (3.1% of which is in the form of certificates without voting rights) and a 14.6% holding in SOCIÉTÉ DU LOUVRE.

GIB

Following its acquisition in September 2002 of an 11.85% holding in GIB, the Group entered into an agreement with ACKERMANS & van HAAREN under which the two groups shared out the capital of GIB equally following the takeover and squeeze-out on GIB. NPM/CNP now owns 50% of the capital, and integrates the group proportionately into its consolidated accounts; GIB owns in particular a holding in QUICK (28.9% for NPM/CNP's share); it is reminded that only GIB Group's holding companies are included in NPM/CNP's restricted consolidated accounts. This acquisition has had

virtually no impact on NPM/CNP's restricted consolidated accounts for 2002, as the financial costs linked to the investment – EUR 594 million – paid by NPM/CNP were offset by the income generated by the cash position of the GIB Group. In terms of the balance sheet, the positive difference between NPM/CNP's share of the equity in GIB and the price paid has been transferred to a provision for liabilities and charges. Taking into account the provision already included in GIB's accounts, NPM/CNP had, as at 31 December 2002, a provision in the amount of EUR 84 million to cover certain risks – that have not materialised to date – linked to GIB's commitments, mainly entered into in the context of the sale by GIB of certain holdings. This reasonably cautious approach was taken with the Auditors' agreement, as it was felt that the difference between the net assets of GIB, which are almost entirely made up of cash, and the price actually paid was the best estimate of the current value of the risk. The commitments mentioned above extend to 2007 and will be re-assessed each time the accounts are closed.

The adjusted net assets per NPM/CNP share, published each week, apply the same logic, and the provision mentioned above is deducted (as are all of the liabilities and provisions) at its book value when the adjusted net assets are calculated.

There is further specific information about this on page 17 of this document (adjusted net assets) and on page 2 (introductory notes) and page 21 (off-balance sheet rights and commitments) of the financial supplement. The Auditors' opinion (page 23 of the financial supplement) also draws the reader's attention to this point.

PARGESA/GBL GROUP

After an eventful 2001 marked by the merger between GBL and ELECTRAFINA and the acquisition of a holding in BERTELSMANN, the PARGESA/GBL Group continued its portfolio management in 2002; the portfolio is focused on four main holdings (BERTELSMANN, TOTALFINAELF, SUEZ and IMERYS).

OPERATIONS ON OWN SHARES

In 2002 the Group acquired 95,233 own shares through SLP, an indirect subsidiary of NPM/CNP; at the end of 2002 it held 370,825 shares worth a total of EUR 39 million. At the end of 2002, NPM/CNP itself held 15,852 own shares, with the remainder being held by SLP. Readers are reminded that although no formal decision has been made to cancel these own shares by the general meeting, they are not held with a view to resale, and it is intended that they be cancelled in the future.

CASH POSITION

At the beginning of the financial year, the net cash position of the NPM/CNP Group (i.e. NPM/CNP, its Geneva-based financial branch and its subsidiaries included in the restricted consolidation) came to EUR 13 million before the appropriation of profits; this amount was negative by EUR 20 million after deduction of own shares held for EUR 33 million. At 31 December 2002, this situation was practically unchanged (EUR 17 million or minus EUR 22 million after deduction of own shares). The various transactions carried out over the year (investments, disinvestments, income received and dividends distributed) almost fully offset each

other. These amounts are of course given net of financial debt, in particular the EUR 500 million bond exchangeable for 2,500,000 TOTALFINAELF shares that reaches maturity in May 2003; in this regard, readers are reminded that the NPM/CNP Group recently acquired for EUR 210,000 an identical number of call options with the same characteristics, thus economically covering its commitment.

The cash situation shown above includes all of the current assets (cash and cash equivalents) after deduction of all debts (including non-financial debts) and provisions (in particular the EUR 84 million GIB provision for liabilities and charges discussed on page 15).

This is a static situation that does not take into account investment or disinvestment commitments (see off-balance sheet rights and commitments set out on page 21 of the financial supplement); similarly, the debts of the equity-accounted holdings (the PARGESA GROUP, the companies involved in industrial or commercial activities and the acquisition vehicles that are financially integrated into the latter) are not considered here. The proforma balance sheet based on IFRS accounting standards (taking into account anticipated changes), which was published for information purpose for the first time in spring 2002 (the same information as of 31 December 2002 will be available in June 2003), gives the fully consolidated picture.

It must also be pointed out that the activities of the Geneva-based branch, from which certain cash management and financing operations were carried out until the end of 2002, will now be reduced and focused on coordination and relations with the significant shareholding formed by PARGESA.

Adjusted net assets and Total Performance for Shareholders

The Company's adjusted net assets at the end of 2002 came to EUR 2,999 million (which corresponds to EUR 149.97 per share) after the payment in April 2002 of gross dividends in the amount of EUR 61.8 million (EUR 3.09 per share), compared with EUR 3,452 million (EUR 172.58 per share) in the previous year. The lack of reference, in the wording "adjusted net assets", to the term "value" highlights the extent to which it is up to the analyst to replace the amounts for which the various assets shown at book value (BERTELSMANN and private equity)

appear within this valuation base by the value that he intends to attribute to them.

The reader's attention must also be drawn to the fact that, in application of the criteria set out below, the provision of EUR 84 million (EUR 4.2 per share) mentioned on pages 15 of this report and 2 of the financial supplement is, like all of the debts and provisions, deducted at its book value in the calculation of the adjusted net assets; the reader is reminded that this provision, resulting from GIB's consolidation into NPM/CNP's accounts, is intended to cover certain risks – that have not materialised to date – linked to GIB's commitments, mainly entered into in the context of the sale of certain holdings.

At 25 March 2003, the adjusted net assets come to EUR 137 per share.

THE CRITERIA USED BY NPM/CNP TO CALCULATE THE ADJUSTED NET ASSETS ARE AS FOLLOWS:

| | |
|--|--|
| PARGESA and GBL | Own adjusted net assets determined on the basis of the same criteria as those applied by NPM/CNP |
| Other listed companies | Stock market price. |
| Unlisted companies | Equity valuation or purchase price (minus any write-offs) if this is greater; the 25.1% in BERTELSMANN are taken over by GBL at their equity valuation (EUR 1,678 million based on IFRS equity). |
| OTHER ASSETS AND LIABILITIES | |
| Own shares | Stock market price |
| Other listed assets | Stock market price |
| Other unlisted assets and liabilities | Book value |

Data mentioned on pages 18 and 19 hereafter for the year 2002 use, as starting point, adjusted net assets amounting to EUR 172.58 per share as of 31 December 2002. This figure differs from the estimated value per share (EUR 180.08) published last year by the value considered for BERSTELMANN (see 2001 Annual Report on page 17).

The adjusted net assets are published on a weekly basis in the Saturday issue of two Belgian financial newspapers (L'ÉCHO and DE FINANCIËEL ECONOMISCHE TIJD); they

are also available on the Company's web site (www.npm-cnp.be) from the Friday evening. The information published each week is calculated using the criteria set out above, with, however, some simplification in that certain changes made to the portfolio or private equity of the unlisted companies since the last closure of the accounts published may not be taken into account; the influence of this simplification should not be greater than 2% of the adjusted net assets.

EVOLUTION OF THE ADJUSTED NET ASSETS IN 2002

ADJUSTED NET ASSETS (EUR MILLION)

| ASSETS | 31-Dec-01 | | | variation | | | 31-Dec-02 | | |
|---|-----------------|-------------------------------|--------------|---------------------|----------------|-----------------|-----------------|-------------------------------|--------------|
| | criteria (1) | adjusted net assets (2) | % | shareholders (3) | value (4) | interest (5) | criteria (1) | adjusted net assets (6) | % |
| Pargesa | ana | 1,178.3 | 34.1% | - | (254.0) | 11.1 | ana | 935.4 | 31.2% |
| Value investing | | 1,811.5 | 52.5% | - | (226.8) | 27.7 | | 1,612.4 | 53.8% |
| TotalFinaElf..... | sm | 1,317.3 | 38.2% | - | (199.6) | - | sm | 1,117.7 | 37.1% |
| FCC..... | sm | 279.3 | 8.1% | - | (22.2) | - | sm | 257.1 | 8.6% |
| Taittinger/Le Louvre..... | sm | 214.9 | 6.2% | - | (10.1) | 1.0 | sm | 205.8 | 6.8% |
| Other shareholdings..... | | - | 0.0% | - | 5.1 | 26.7 | sm | 31.8 | 1.1% |
| Private equity | | 438.5 | 12.7% | - | (5.1) | (8.9) | | 424.5 | 14.1% |
| Project Sloane/Joseph..... | bv | 92.8 | 2.7% | - | - | 10.3 | bv | 103.1 | 3.4% |
| FEM/Entremont..... | bv | 89.1 | 2.6% | - | - | - | bv | 89.1 | 3.0% |
| Transcor..... | se | 68.6 | 2.0% | - | 3.7 | 0.1 | se | 72.4 | 2.4% |
| Éditions Dupuis..... | se, bv | 32.8 | 1.0% | - | 0.1 | 1.1 | se, bv | 34.0 | 1.1% |
| Raspail/Château Cheval Blanc..... | bv | 33.8 | 1.0% | - | - | - | bv | 33.8 | 1.1% |
| Distripar..... | se, bv | 25.7 | 0.7% | - | - | - | se, bv | 25.7 | 0.9% |
| Ijsboerke..... | bv | 25.7 | 0.7% | - | - | - | bv | 25.7 | 0.9% |
| Château Rieussec..... | bv | 22.3 | 0.6% | - | - | - | bv | 22.3 | 0.7% |
| ACP..... | se | 15.2 | 0.4% | - | (0.8) | (14.4) | | - | 0.0% |
| Hélio Charleroi..... | se | 12.8 | 0.4% | - | (5.3) | (7.5) | | - | 0.0% |
| Palais du Vin..... | se | 8.9 | 0.3% | - | (1.0) | (7.9) | | - | 0.0% |
| Inveparco/Saint Louis Sucre..... | bv | 1.5 | 0.0% | - | - | (1.5) | bv | - | 0.0% |
| Other shareholdings..... | se, bv | 9.3 | 0.3% | - | (1.8) | 10.9 | se, bv | 18.4 | 0.6% |
| Tangible fixed assets | bv | 10.5 | 0.3% | - | | (0.3) | bv | 10.2 | 0.3% |
| Long-term assets | | 3,438.8 | 99.6% | - | (485.9) | 29.6 | | 2,982.5 | 99.4% |
| Deposits, cash and debt..... | bv | (131.2) | -3.8% | (61.8) | 114.4 | (8.1) | bv | (86.7) | -2.9% |
| Shares and bonds..... | sm | 111.4 | 3.2% | - | (15.7) | (31.4) | sm | 64.3 | 2.1% |
| Own shares..... | sm | 32.6 | 0.9% | - | (3.2) | 9.9 | sm | 39.3 | 1.3% |
| Net cash Position | | 12.8 | 0.4% | (61.8) | 95.5 | (29.6) | | 16.9 | 0.6% |
| Adjusted net assets | | 3,451.6 | | (61.8) | (390.4) | - | | 2,999.4 | |
| Adjusted net assets (EUR/action) | | 172.58 | | | | | | 149.97 | |

(1) valuation criteria.

(a) ana: adjusted net assets.

(b) sm: stock market price.

(c) se: shareholders' equity.

(d) bv: book value.

(2) adjusted net assets at 31.12.2001

(3) flows with the shareholders: only dividends in 2002

(4) value creation

(5) internal allocation of funds: investments and (divestments) at book value

(6) adjusted net assets at 31.12.2002 = (2) + (3) + (4) + (5).

RESTRICTED CONSOLIDATED PROFIT (GROUP SHARE)

| with cash effect | | without cash | Total | ASSETS | Performance for the Shareholders | |
|------------------|----------------------|---------------|--------------|---|----------------------------------|---------------|
| operating (7) | non operating (8) | effect (9) | (10) | | Total (11) | % (12) |
| 22.6 | - | - | 22.6 | Pargesa | (231.4) | -19.6% |
| 41.1 | - | - | 41.1 | Value investing | (185.7) | -10.3% |
| 31.9 | - | - | 31.9 | TotalFinaElf..... | (167.7) | -12.7% |
| 5.4 | - | - | 5.4 | FCC..... | (16.8) | -6.0% |
| 3.8 | - | - | 3.8 | Taittinger/Le Louvre..... | (6.3) | -13.3% |
| - | - | - | - | Other shareholdings..... | 5.1 | n.s. |
| 20.7 | 29.7 | (1.7) | 48.7 | Private equity | 45.3 | 10.3% |
| 7.7 | - | - | 7.7 | Project Sloane/Joseph..... | 7.7 | 8.3% |
| 2.5 | - | - | 2.5 | FEM/Entremont..... | 2.5 | 2.8% |
| 4.0 | - | - | 4.0 | Transcor..... | 7.7 | 11.2% |
| 2.5 | - | - | 2.5 | Éditions Dupuis (13)..... | 2.6 | 7.9% |
| 1.3 | - | - | 1.3 | Raspail/Château Cheval Blanc..... | 1.3 | 3.8% |
| 0.4 | - | - | 0.4 | Distripar (13)..... | 0.4 | 1.6% |
| - | - | - | - | Ijsboerke..... | - | 0.0% |
| 1.2 | - | - | 1.2 | Château Rieussec..... | 1.2 | 5.4% |
| 0.7 | 7.7 | - | 8.4 | ACP..... | 7.6 | 50.0% |
| - | 18.0 | - | 18.0 | Hélio Charleroi..... | 12.7 | 99.2% |
| 0.4 | 3.0 | - | 3.4 | Palais du Vin..... | 2.4 | 27.0% |
| - | 0.4 | - | 0.4 | Inveparco/Saint Louis Sucre..... | 0.4 | 26.7% |
| - | 0.6 | (1.7) | (1.1) | Other shareholdings..... | (1.2) | -12.9% |
| - | - | - | - | Tangible fixed assets | - | n.s. |
| 84.4 | 29.7 | (1.7) | 112.4 | Long term fixed asset | (371.8) | -10.8% |
| 6.6 | - | - | 6.6 | Deposits, cash and debt..... | 6.6 | |
| 5.0 | - | (12.8) | (7.8) | Shares and bonds..... | (10.7) | |
| 0.9 | - | - | 0.9 | Own shares..... | (2.3) | |
| 12.5 | - | (12.8) | (0.3) | Net cash Position | (6.4) | n.s. |
| (6.9) | (5.3) | - | (12.2) | Other revenues / (costs)..... | (12.2) | |
| 114.4 | (14.5) | 99.9 | 99.9 | Restricted consolidated profit | (390.4) | -11.3% |
| | | | | Anti-dilution effect of restructuring operations | | 0.0% |
| | | | | After the anti-dilution effect of restructuring operations | | -11.3% |

(7) restricted consolidation operating profit (before write-downs)

(8) restricted consolidation non-operating profit (before write-downs)

(9) write-downs (operating and non-operating)

(10) total restricted consolidated result (part of the Group): (7) + (8) + (9)

(11) Total Performance for the Shareholders over the period: (4) + (7) + (8)

(12) Total Performance for the Shareholders over the period: (11)/(2).

(13) valuation criteria distinct per acquired lot.

EVOLUTION OF THE ADJUSTED NET ASSETS BETWEEN 1988 AND 2002

ADJUSTED NET ASSETS (EUR MILLION)

| ASSETS | 1-April-88 | | | variation | | | 31-Dec-02 | | |
|--|-----------------|-------------------------------|--------------|---------------------|----------------|------------------|-----------------|-------------------------------|--------------|
| | criteria (1) | adjusted net assets (2) | % | shareholders (3) | value (4) | interest (5) | criteria (1) | adjusted net assets (6) | % |
| Pargesa | | - | 0.0% | | 578.2 | 357.2 | ana | 935.4 | 31.2% |
| Value investing | | 22.8 | 55.2% | | 73.6 | 1,516.0 | | 1,612.4 | 53.8% |
| TotalFinaElf..... | sm | 13.2 | 32.0% | | 138.1 | 966.4 | sm | 1,117.7 | 37.1% |
| FCC..... | sm | - | 0.0% | | 23.1 | 234.0 | sm | 257.1 | 8.6% |
| Taittinger/Le Louvre..... | sm | - | 0.0% | | (46.9) | 252.7 | sm | 205.8 | 6.8% |
| Other shareholdings..... | sm | 9.6 | 23.2% | | (40.7) | 62.9 | sm | 31.8 | 1.1% |
| Private equity | | 14.0 | 33.9% | | 25.0 | 385.5 | | 424.5 | 14.1% |
| Project Sloane/Joseph..... | bv | - | 0.0% | | - | 103.1 | bv | 103.1 | 3.4% |
| FEM/Entremont..... | bv | - | 0.0% | | - | 89.1 | bv | 89.1 | 3.0% |
| Transcor..... | se | - | 0.0% | | 50.7 | 21.7 | se | 72.4 | 2.4% |
| Éditions Dupuis (13)..... | se, bv | - | 0.0% | | 4.8 | 29.2 | se, bv | 34.0 | 1.1% |
| Raspail/Château Cheval Blanc..... | bv | - | 0.0% | | - | 33.8 | bv | 33.8 | 1.1% |
| Distripar (13)..... | se, bv | - | 0.0% | | 13.5 | 12.2 | se, bv | 25.7 | 0.9% |
| Ijsboerke..... | bv | - | 0.0% | | (26.0) | 51.7 | bv | 25.7 | 0.9% |
| Château Rieussec..... | bv | - | 0.0% | | - | 22.3 | bv | 22.3 | 0.7% |
| ACP..... | se | - | 0.0% | | - | - | | - | 0.0% |
| Hélio Charleroi..... | se | - | 0.0% | | - | - | | - | 0.0% |
| Palais du Vin..... | se | - | 0.0% | | - | - | | - | 0.0% |
| Inveparco/Saint Louis Sucre..... | bv | - | 0.0% | | - | - | | - | 0.0% |
| Other shareholdings..... | se, bv | 14.0 | 33.9% | | (18.0) | 22.4 | se, bv | 18.4 | 0.6% |
| Tangible fixed assets | bv | - | 0.0% | | - | 10.2 | bv | 10.2 | 0.3% |
| Long-term assets | | 36.8 | 89.1% | | 676.8 | 2,268.9 | | 2,982.5 | 99.4% |
| Deposits, cash and debt..... | bv | 4.5 | 10.9% | 182.7 | 2,107.7 | (2,381.6) | bv | (86.7) | -2.9% |
| Shares and bonds..... | sm | - | 0.0% | - | (9.9) | 74.2 | sm | 64.3 | 2.1% |
| Own shares..... | sm | - | 0.0% | - | 0.8 | 38.5 | sm | 39.3 | 1.3% |
| Net cash Position | | 4.5 | 10.9% | 182.7 | 2,098.6 | (2,268.9) | | 16.9 | 0.6% |
| Adjusted net assets | | 41.3 | | 182.7 | 2,775.4 | - | | 2,994.7 | |
| Adjusted net assets (EUR/share) | | 53.83 | | | | | | 149.97 | |

(1) valuation criteria.

(a) ana: adjusted net assets.

(b) sm: stock market price.

(c) se: shareholders' equity.

(d) bv: book value.

(2) adjusted net assets at 01.04.1988

(3) flows with the shareholders: net capital increases (EUR 916.1 million), less dividends (EUR 733.4 million).

(4) value creation

(5) internal allocation of funds: investments and (divestments) at book value.

(6) adjusted net assets at 31.12.2002: (2) + (3) + (4) + (5)

(7) restricted consolidation operating profit (before write-downs)

(8) restricted consolidation non-operating profit (before write-downs)

(9) write-downs (operating and non-operating)

(10) total restricted consolidated result (Group): (7) + (8) + (9).

(11) total Performance for the Shareholders over the period: (4) + (7) + (8)

(12) total Performance for the Shareholders (compound annual rate of return)

(13) valuation criteria distinct per acquired lot.

RESTRICTED CONSOLIDATED PROFIT (GROUP SHARE)

| with cash effect | | without cash | Total | ASSETS | Performance for the Shareholders | |
|------------------|----------------------|---------------|----------------|---|----------------------------------|--------------|
| operating (7) | non operating (8) | effect (9) | (10) | | Total (11) | % (12) |
| 214.7 | 1.0 | - | 215.7 | Pargesa | 793.9 | 10.8% |
| 413.0 | 962.8 | (15.3) | 1 360.5 | Value investing | 1,449.4 | 10.3% |
| 266.4 | 496.7 | - | 763.1 | TotalFinaElf..... | 901.2 | 9.0% |
| 10.9 | - | - | 10.9 | FCC..... | 34.0 | 5.7% |
| 7.1 | - | - | 7.1 | Taittinger/Le Louvre..... | (39.8) | -11.0% |
| 128.6 | 466.1 | (15.3) | 579.4 | Other shareholdings..... | 554.0 | 13.3% |
| 105.9 | 145.0 | (28.9) | 222.0 | Private equity | 276.5 | 12.9% |
| 21.0 | - | - | 21.0 | Project Sloane/Joseph..... | 21.0 | 8.6% |
| 8.1 | - | - | 8.1 | FEM/Entremont..... | 8.1 | 2.7% |
| 23.0 | 2.7 | - | 25.7 | Transcor..... | 76.4 | 23.7% |
| 12.5 | - | - | 12.5 | Éditions Dupuis (13)..... | 17.3 | 10.6% |
| 2.6 | - | - | 2.6 | Raspail/Château Cheval Blanc..... | 2.6 | 3.9% |
| 15.1 | - | - | 15.1 | Distripar (13)..... | 28.6 | 11.4% |
| - | - | (26.0) | (26.0) | Ijsboerke..... | (26.0) | -12.6% |
| 2.2 | - | - | 2.2 | Château Rieussec..... | 2.2 | 5.1% |
| 5.4 | 18.0 | - | 23.4 | ACP..... | 23.4 | 11.2% |
| 1.4 | 18.0 | - | 19.4 | Hélio Charleroi..... | 20.0 | 27.5% |
| 0.6 | 3.0 | - | 3.6 | Palais du Vin..... | 3.6 | 11.3% |
| 0.1 | 45.5 | - | 45.6 | Inveparco/Saint Louis Sucre..... | 45.6 | 34.8% |
| 13.9 | 57.8 | (2.9) | 68.8 | Other shareholdings..... | 53.7 | 15.1% |
| - | - | - | - | Tangible fixed assets | - | n.s. |
| 733.6 | 1 108.8 | (44.2) | 1 798.2 | Long-term assets | 2,519.8 | 10.8% |
| 142.0 | - | - | 142.0 | Deposits, cash and debt..... | 142.0 | |
| 202.6 | - | (12.8) | 189.8 | Shares and bonds..... | 192.1 | |
| 4.2 | 20.7 | - | 24.9 | Own shares..... | 25.7 | |
| 348.8 | 20.7 | (12.8) | 356.7 | Net cash Position | 359.8 | n.s. |
| | (59.3) | (44.9) | (104.2) | Other revenues / (costs)..... | (104.2) | |
| 2,107.7 | | (57.0) | 2,050.7 | Restricted consolidated profit | 2,790.6 | 10.5% |
| | | | | Anti-dilution effect of restructuring operations | | 0.8% |
| | | | | After the anti-dilution effect of restructuring operations | | 11.3% |

OPINION OF THE STATUTORY AUDITORS ON THE ADJUSTED NET ASSETS

To the shareholders of COMPAGNIE NATIONALE À PORTEFEUILLE / NATIONALE PORTFEUILLEMAATSCHAPPIJ,
We have examined the calculation of the adjusted net assets per share of NPM/CNP as of 31 December 2002.
This calculation was made by NPM/CNP based on its shareholders' equity, that of the holding companies controlled alone or jointly, and the assets held in their respective shareholdings, the latter being valued according to the criteria described on page 17.

In conclusion, we confirm that the use of these criteria produces a value of EUR 149.97 per NPM/CNP share cum dividend at 31 December 2002.

25 March 2003

The Statutory Auditors

KPMG
Reviseurs d'Entreprises S.C.C.
Represented by Karel M. VAN OOSTVELDT

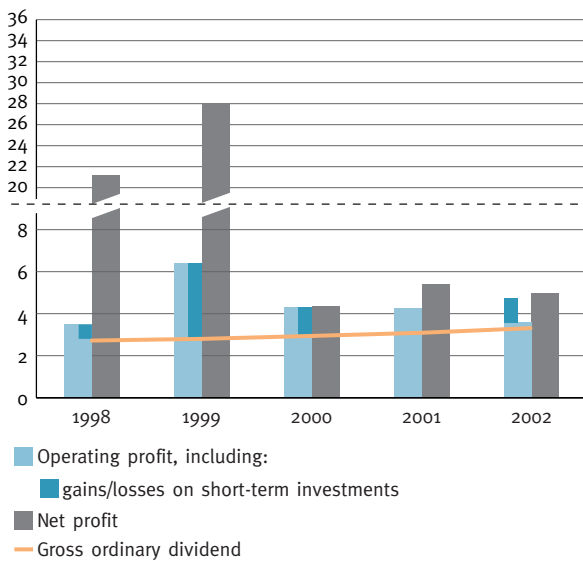
DELOITTE & TOUCHE
Reviseurs d'Entreprises S.C.C.
Represented by Michel DENAYER

Results

The **restricted consolidated profit** comes to EUR 99.9 million (EUR 4.99 per share) for 2002, compared with EUR 108.2 million (EUR 5.41 per share) in the previous financial year.

RESTRICTED CONSOLIDATED PROFIT

(EUR/share)

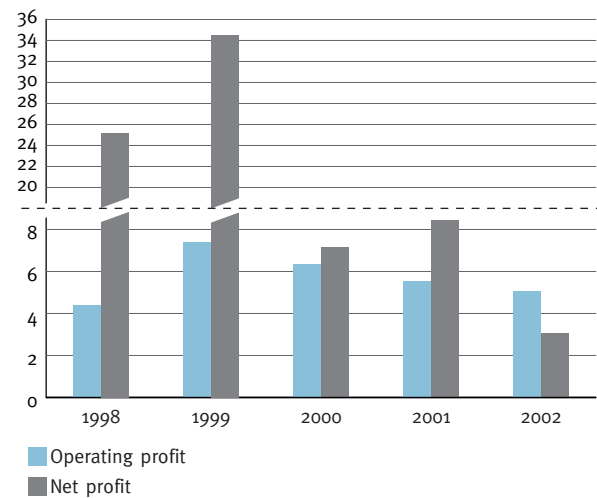


The **restricted consolidated operating profit** is down 9.4% to EUR 77.1 million (EUR 3.85 per share); this drop is the result of two opposing phenomena; firstly, the significant increase (EUR 84.4 million, up 10.3%) in income from long-term investments due to the good level of dividend flows from shareholdings, and secondly, the drop in other financial operating income

The **consolidated profit** comes to EUR 61.9 million (EUR 3.09 per share), against EUR 169.1 million (EUR 8.46 per share) in 2001.

CONSOLIDATED PROFIT

(EUR/share)



(showing a loss of EUR 0.4 million, whereas a profit of EUR 14.2 million was recorded under this heading in 2001) due to poor performance (a loss amounting to EUR 11.8 million) on the share trading portfolio, which completely absorbed the benefit of the reduced-rate financing (1.27%) obtained through the EUR 500 million bonds exchangeable for TOTALFINAELF shares.

The **consolidated operating profit** (EUR 104.1 million or EUR 5.20 per share in 2002 compared with EUR 111.0 million or EUR 5.55 per share in 2001) takes into account the

changes in the results of the equity-accounted companies; detailed commentary for each company is given on pages 38 to 60 of this report:

CONTRIBUTION TO THE OPERATING PROFIT AT 31 DECEMBER 2002 (EUR ,000)

| | Restricted consolidated ⁽¹⁾ | | | Consolidated ⁽¹⁾ (transitive breakdown) | | |
|--|--|--------|--------|---|---------------|---------------|
| | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 |
| Dividends and interest income from long-term investments | 56,793 | 76,492 | 84,351 | 95,671 | 104,743 | 111,451 |
| ACP | 708 | 708 | 708 | 1,920 | 833 | 184 |
| BERTELSMANN | - | - | - | - | -9,240 | -2,204 |
| DISTRIPAR new..... | - | 649 | 430 | - | 3,394 | 1,088 |
| wine-production activities..... | 2,553 | 2,530 | 2,864 | 9,535 | 4,160 | 4,335 |
| DUPUIS | 2,274 | 2,385 | 2,474 | 3,819 | 2,413 | 2,768 |
| ENTREMONT (FEM) | 2,319 | 2,744 | 2,469 | -447 | 935 | 5,059 |
| FCC..... | 665 | 4,825 | 5,355 | 665 | 4,825 | 5,355 |
| HÉLIO CHARLEROI | 245 | 245 | - | 763 | 969 | - |
| IJSBOERKE | - | - | - | -2,323 | -3,741 | 300 |
| IMERYS | - | - | - | 14,096 | 14,099 | 16,108 |
| JOSEPH (PROJECT SLOANE) | 5,645 | 7,413 | 7,678 | 6,088 | 8,663 | 6,828 |
| PARGESA | 19,233 | 19,840 | 22,595 | - | - | - |
| RTL GROUP | - | - | - | 5,964 | 1,490 | - |
| SAINT LOUIS SUCRE (INVEPARCO) | - | - | - | 7,994 | 11,451 | - |
| SUEZ | - | - | - | 5,003 | 7,716 | 7,236 |
| TAITTINGER/LE LOUVRE | - | 3,266 | 3,847 | - | 3,266 | 3,847 |
| TOTALFINAELF..... | 22,581 | 28,013 | 31,895 | 28,297 | 35,625 | 40,653 |
| TRANSCOR | - | 3,689 | 4,025 | 10,975 | 15,155 | 17,690 |
| Other equity-accounted companies | - | - | - | 1,617 | 1,324 | 1,470 |
| Other non-equity accounted companies..... | 570 | 185 | 11 | 1,705 | 1,406 | 734 |
| Other net operating profit..... | 30,340 | 8,528 | -7,285 | 32,493 | 6,273 | -7,368 |
| OPERATING PROFIT..... | 87,133 | 85,020 | 77,066 | 128,164 | 111,016 | 104,083 |
| of which from equity-accounted companies | - | - | - | 60,001 | 51,905 | 53,626 |

(1) The restricted consolidated income, apart from the profits of consolidated financial companies (own holding companies), includes the dividends from PARGESA and companies in which NPM/CNP has a stake of 20% or more. In the consolidated accounts, those dividends are eliminated and replaced by the results of PARGESA, broken down here transitively into its various components, and of companies accounted for using the equity method.

Consolidated, the transitive contribution of long-term investments to the operating income is up to 6% (EUR 111.5 million); with a constant consolidation perimeter (i.e.

correcting the effect of the recent divestments: SAINT LOUIS SUCRE, HÉLIO CHARLEROI, ACP, PALAIS DU VIN), the increase is 22%.

Non-operating profit (EUR 22.8 million in restricted consolidation and minus EUR 42,2 million in consolidation) is made

up of the following items:

| (EUR ,000) | Restricted consolidated | Consolidated (transitive breakdown) |
|---|-------------------------|-------------------------------------|
| Capital gain on HÉLIO CHARLEROI..... | 17,993 | 13,612 |
| Capital gain on ACP..... | 7,717 | 7,556 |
| Capital gain on PALAIS DU VIN..... | 3,026 | 1,666 |
| Other capital gains..... | 1,001 | 1,001 |
| Write-down on RHODIA..... | - | -1,201 |
| Impairments recorded by BERTELSMANN (net of capital gains)..... | - | -43,835 |
| Other write-offs..... | -1,680 | -1,927 |
| Goodwill amortisation..... | - | -12,046 |
| Pension fund..... | -5,452 | -5,452 |
| Others, net..... | 200 | -1,580 |
| Non-operating profit | 22,805 | -42,206 |

Following the success of the takeover and squeeze-out carried out together with ACKERMANS & van HAAREN on GIB, NPM/CNP now owns 50% of this group (only the GIB Group holding companies are incorporated into the restricted consolidated accounts). This acquisition has had no impact on the NPM/CNP Group's non-operating profit for 2002; the positive difference between NPM/CNP's share in the equity of GIB and the price paid has been transferred to a provision for liabilities and charges (see pages 15 of this report and 2 of the financial supplement).

Moreover, NPM/CNP carried out a valuation of all of the holdings in its portfolio at the end of the year. The Board of Directors examined in particular the holdings in TAITTINGER/LE LOUVRE, the market value of which at

31 December represented an unrealised loss of EUR 47 million compared with their purchase price. In view of the results of the analysis, the Board concluded that no write-downs were necessary at the end of the financial year.

NPM/CNP will make available at the General Meeting of 17 April 2003 (and on its web site at www.npm-cnp.be) an analysis of the economic operating contribution, comprising, in addition to the consolidated operating profit, NPM/CNP's transitive share in the operating profit of the non-equity accounted companies (mainly TOTALFINAELF, SUEZ, FOMENTO DE CONSTRUCCIONES Y CONTRATAS and TAITTINGER/LE LOUVRE) instead of the dividends collected from them.

Prospects

For 2003, it is of course premature to predict a trend for consolidated results, as this depends fundamentally on a global upturn in the economy, the prospects for which remain uncertain, and an end to the uncertainties regarding the international situation.

With regard to restricted consolidation, despite the fact that the Group will only have the benefit of the reduced interest rate provided by the exchangeable bonds that matures in May 2003 for five months, the anticipated recurring profit should, barring any unforeseen circumstances, allow the Company to continue its dividend policy.

Appropriation of profit

At the end of the 2002 financial year, the balance available for appropriation comes to EUR 1,275,136,961.22, i.e. the profits for the financial year to be appropriated of EUR 245,098,078.97 plus the retained earnings of EUR 1,030,038,882.25.

The Board of Directors proposes the following appropriation of profits:

(IN EUROS)

| | |
|--|-------------------------|
| Gross dividend per share of EUR 3.24 paid on 20,000,000 shares | 64,800,000.00 |
| Profits carried forward | 1,210,336,961.22 |
| | 1,275,136,961.22 |

This proposed distribution represents a 5% increase in the dividend per share.

Subject to approval by the Ordinary General Meeting of Shareholders of 17 April 2003, the dividend made payable will be:

- EUR 2.43 net per share (withholding tax at 25%)
- EUR 2.754 net per share accompanied by a VVPR strip (Reduced Withholding Tax strip - withholding tax at 15%).

The dividend will be made payable from 24 April 2003, on presentation of coupon nr 52 at the Registered Office or at the following financial institutions:

| in Belgium | in Luxembourg |
|--------------------------------|------------------------|
| BANQUE DEGROOF | BNP PARIBAS LUXEMBOURG |
| DEXIA BANQUE | |
| FORTIS BANQUE | |
| ING (BANQUE BRUXELLES LAMBERT) | |

Donations and Art



- Since 2000, the NPM/CNP Group has contributed to the efforts of the Fondation CHARLES-ALBERT FRÈRE, an association formed to help the physically and mentally disabled, the socially disadvantaged and victims of poverty. NPM/CNP continued to support this association in 2002 with a donation of EUR 250,000 and has decided to extend this yearly contribution until 2005.

- As opportunities arise, the NPM/CNP Group is forming its own contemporary art collection to be displayed in its head office; no investments in art were made in 2002.

Composition of the Board of Directors

Following the General Meeting of 17 April 2003, and subject to approval of the proposed appointment, the Board will be composed of 14 Directors. The long-term aim, however, is to reduce their number to 12, whilst maintaining the current balanced distribution of Directors' terms of office.

There are no specific statutory rules relating to the appointment and renewal of tenures. The terms of office last for

3 years (6 years prior to 2001) and are renewable. The Appointments and Remuneration Committee has set an age limit of 72.

There are no internal regulations relating to the exercising of a Director's duties.

The Directors are selected by the Appointments and Remuneration Committee for their skills and qualities.

BOARD OF DIRECTORS

| DIRECTORS ⁽¹⁾ | First mandate | Last renewal | Term ends | Main mandate or function |
|---|---------------|--------------|-----------|--|
| Executive Directors | | | | |
| Gilles SAMYN, Deputy Chairman | 1988 | 1999 | 2005 | Managing Director |
| Victor DELLOYE | 1994 | 2000 | 2006 | Director and General Counsel |
| Non-executive directors representing dominant shareholders | | | | |
| Gérald FRÈRE, Chairman | 1988 | 2001 | 2004 | Managing Director of FRÈRE-BOURGEOIS |
| Jean CLAMON | 1988 | 2000 | 2006 | Member of the Management Committee of BNP PARIBAS |
| Laurent DASSAULT | 1999 | - | 2005 | President of DASSAULT BELGIQUE AVIATION |
| Thierry DORMEUIL | 1994 | 2001 | 2004 | Manager of Corporate Finance Department of BNP PARIBAS |
| Ségolène FRÈRE | 1998 | 2000 | 2006 | Director of ERBE |
| Philippe HUSTACHE | 1995 | 2001 | 2004 | Advisor to the President of GROUPE DASSAULT |
| Thierry de RUDDER ⁽²⁾ | 1988 | 2000 | 2006 | Managing Director of GROUPE BRUXELLES LAMBERT |
| Pierre VAN OMMESLAGHE | 1999 | - | 2005 | Barrister at the Court of Cassation (Belgium) |
| Non-executive independent directors | | | | |
| Pierre-Alain DE SMEDT ⁽³⁾ | 1997 | 2003 | 2006 | Deputy Managing Director of the RENAULT Group |
| Jacques FOREST | 1992 | 2002 | 2005 | Chairman of the Executive Committee of P&V ASSURANCES |
| Henry MESTDAGH | 1999 | - | 2005 | President of the Board of the MESTDAGH Group |
| Philippe WILMES | 1988 | 2000 | 2006 | Company director |

(1) The Directors are categorised on the basis of the nomenclature produced by the Appointments and Remuneration Committee.

(2) When he was appointed, Thierry de Rudder represented GBL, which was an indirect shareholder in NPM/CNP through its holding in Fibelpar. Although Thierry de Rudder is the Managing Director of GBL, a subsidiary of NPM/CNP, it was decided that he would not be listed amongst the Executive Directors in that GBL is not included in the restricted consolidation perimeter of NPM/CNP.

(3) Pierre-Alain DE SMEDT's term of office expires at the end of the Ordinary General Meeting of Shareholders of 17 April 2003; the meeting will have to decide whether to re-elect him.

Operation of the Board of Directors

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors organises the management and control of the Company. It makes strategic choices, investment, disinvestment and long-term financing decisions and, periodically, closes the Company's financial statements.

The Managing Director is appointed from amongst the Board of Directors; he is delegated the day-to-day management of the Company and is also granted specific powers. The

Managing Director regularly reports to the Board of Directors on his management and in particular the situation of the shareholdings, monitoring of the subsidiaries and management of treasury funds.

The Board of Directors appoints the members of the Board Committees (Audit Committee and Appointments and Remuneration Committee), to which it delegates specific tasks.

FREQUENCY OF MEETINGS AND DECISION-MAKING

The Board of Directors meets at least 4 times a year. It can also be convened in an emergency or for major operations. The most important subjects discussed are as follows:

- strategy, at the proposal of the Managing Director,
- selection and approval of investments and disinvestments, at the proposal of the Managing Director,
- monitoring of the shareholdings,
- reports from the Managing Director,
- reports from the various committees,
- examination and approval of the accounts (annual, half-yearly and quarterly),
- budget forecasts,
- preparation for General Meetings.

The relevant documentation is made available to the Board about the various points on the agenda to be discussed, at least two working days before each meeting.

For the Board's decisions to be valid, more than half of its members must be present or represented; all decisions are taken on a simple majority.

In the situations permitted by the law and articles of incorporation, decisions can be made by written unanimous agreement of the Directors. This option was not used in 2002.

In accordance with the legal regulations, the Board acts together as a body, in the interests of the Company, and no category of Director has precedence over another.

If a Director or dominant shareholder has a conflict of interests with the Company, the regulations set out by articles 523 and 524 of the Belgian Companies Code are implemented. This procedure was not applied during 2002.

There is no formal internal procedure specific to the Company that enables a Director to ask the Board for an independent expert opinion; it goes without saying that if a member made such a request, it would be granted. So, on request of the Audit Committee, an information meeting on the subject of IFRS accounting standards has been organised, to which all the members of the Board of Directors have been invited. In the event of a conflict of interests, the Board generally calls on independent experts. If necessary, the Committees of the Board call on outside advisors.

During 2002, the Board of Directors met 7 times, with a 68% attendance rate by the Directors.

REPRESENTATION OF THE COMPANY

In accordance with the articles of incorporation, the Company is validly bound by the signature of two Directors or the signature of the Managing Director alone in the context of his day-to-day management.

The Company has delegated this duty of representation mainly to the two executive Directors or, if necessary, the Chairman of the Board of Directors. The Board of Directors has also delegated special, limited powers to persons chosen from outside the Board.

REMUNERATION OF DIRECTORS

The Appointments and Remuneration Committee (see page 30) handles and sets the Directors' remuneration. With regard to the pay policy for Executive Directors, readers should refer to page 34.

Non-executive Directors each receive a fixed base annual remuneration of EUR 7,437; directors given special duties or members of the Committees of the Board receive an additional payment identical to the base remuneration.

The total gross remuneration and benefits in kind paid to the Members of the Board of Directors for the 2002 financial year are as follows:

| (EUR ,000) | Executive Directors | Non-executive Directors |
|----------------------------|------------------------|----------------------------|
| Fixed remuneration | 1,156 ⁽¹⁾ | 141 ⁽²⁾ |
| Variable remuneration..... | 635 | - |
| Total remuneration | 1,791 ⁽¹⁾ | 141 ⁽²⁾ |

(1) including 218 through equity-accounted companies; executive Directors also receive minor benefits in kind, the value of which is estimated to some thousands EUR.

(2) including 52 for special duties (Chairman or Members of specific Committees).

Committees set up by the Board of Directors

APPOINTMENTS AND REMUNERATION COMMITTEE

Role:

The Appointments and Remuneration Committee has the task of proposing candidates for Director's positions and giving its opinion on candidates presented to it. The Committee selects candidates in the Company's interests. It ensures that the Board is made up in accordance with the following rules:

- a majority of non-executive Directors,
- a sufficient number of independent Directors,
- a majority of Directors representing the dominant shareholders.

The Board of Directors also calls upon the Committee to provide it with information about the remuneration of the management team of the Company.

Operation:

The Committee meets prior to each meeting of the Board of Directors at which one of these subjects will be discussed. As part of its mission, it periodically uses external consultants in order to set out all of the salaries and bring them in line with the market and other financial companies in particular.

During 2002, the Committee met one single time to analyse and make proposals on the composition of the Board of Directors and review the remuneration of the Company's management.

Composition:

Gérald FRÈRE, Chairman
 Pierre-Alain DE SMEDT
 Philippe WILMES.

AUDIT COMMITTEE

Role:

The Audit Committee assists the Board of Directors in matters of internal controls, periodical financial information and legally required accounts, the appointment of the Auditors and relationships with them, and, if necessary, with regard to operations involving NPM/CNP Group companies (restricted consolidation) and the Group's shareholders.

Operation:

The Committee meets prior to each meeting of the Board of Directors at which one of these subjects will be discussed. As part of its mission, it periodically meets with the Auditors.

The Committee met 5 times in 2002.

Composition:

Philippe HUSTACHE, Chairman (until 27.03.2003)
 Thierry DORMEUIL (from 27.03.2003)
 Henry MESTDAGH
 Jacques FOREST.

Day-to-day management and General Management

Day-to-day management and General Management are provided by Gilles SAMYN, supported by small, tightly knit group of qualified, motivated professionals.

The Managing Director is given a great deal of independence by the Board of Directors, and has been given specific powers to this end, particularly with regard to the purchase and sale of securities.

Furthermore, the Managing Director analyses, prepares and submits to the Board of Directors the strategic decisions, investments, disinvestments, and long-term financing of the Company and Group that fall within the sole authority of the Board of Directors.

Auditors

The Company Auditors have a renewable 3-year term of office.

The following Company Auditors have been appointed:

KLYNVELD PEAT MARWICK GOERDELER

Reviseurs d'Entreprises S.C.C.,
Represented by Karel M. Van Oostveldt
(term ends in 2005)

DELOITTE & TOUCHE

Reviseurs d'Entreprises S.C.C.,
Represented by Michel Denayer
(term ends in 2004)

For many years NPM/CNP has chosen to have its accounts audited by a Board made up of two Company Auditors.

One, KPMG, is the historical Auditor of NPM/CNP; the other, DELOITTE & TOUCHE, is the Auditor for the entire set of holding companies, from FRÈRE-BOURGEOIS down to GBL, as well as of most of the industrial and commercial subsidiaries. Within NPM/CNP, the two Company Auditors share out the auditing tasks; KPMG focuses on the corporate financial statements and DELOITTE & TOUCHE, with its overview of the Group, handles the consolidated accounts.

This situation also has the benefit that, if necessary, NPM/CNP can call on two highly professional organisations, each with specific skills and sensitivities. This is now essential, particularly in the context of the introduction of a new regulatory accounting framework in Europe. The complexity of the new rules means that our Auditors will have to be more involved, making a greater contribution to establishing the format of the accounts that will be presented to you and to the prior analysis of a number of alternatives. The Auditors are also at the disposal of the Audit Committee to carry out any additional work that it feels necessary.

Payment of the Auditors is based on fixed fees, the amount of which is approved by the General Meeting, for the work required for them to comply with the standards of their profession.

With regard to any services outside the scope of their mission of certification, additional payments are made as applicable; you are informed of the amount of these each year under the "Legal notices" section (see page 35).

Profit appropriation policy

NPM/CNP's dividend policy consists of reasonable growth of the dividend per share, supported by recurring restricted consolidated operating profit.

Relations with the dominant shareholders

The Board of Directors of NPM/CNP has not been made aware of any shareholders' agreement relating to NPM/CNP shares. The Board has however been informed that agreements exist between the shareholders of ERBE and FINGEN, thus establishing sole control of NPM/CNP by the FRÈRE-BOURGEOIS Group.

All transactions between the companies in the NPM/CNP Group and the dominant shareholders that come within the authority of the Board of Directors are audited by the Company Auditors and the Audit Committee. In the event of a conflict of interests, transactions or decisions are subject to the rules set out by articles 523 and 524 of the Belgian Companies Code.

STAFF AND ORGANISATION



From left to right:

*Back: Roland BORRES, Maximilien de LIMBURG STIRUM,
Pascal CLAUSE, Frédéric POUCHAIN, Gilles SAMYN,
Jean-Charles d'ASPREMONT LYNDEN, Victor DELLOYE,
Jean-Pierre IACOPETTA, Michel LOIR.*

*Front: Mathieu DEMARÉ, Jacques LAMBEAUX,
Jean-Marie LABRASSINE, Etienne COUGNON*

MANAGING DIRECTOR

Gilles SAMYN

GENERAL COUNSEL

Victor DELLOYE

SHAREHOLDINGS AND FINANCIAL INFORMATION

Roland BORRES

Mathieu DEMARÉ

Jean-Pierre IACOPETTA

Maximilien de LIMBURG STIRUM

Frédéric POUCHAIN

MARKETS

Michel LOIR

Étienne COUGNON

Jean-Pierre IACOPETTA

GENERAL SERVICES

Jean-Charles d'ASPREMONT LYNDEN

Pascal CLAUSE

Mathieu DEMARÉ

Jean-Marie LABRASSINE

Jacques LAMBEAUX

LUXEMBOURG

Geneviève PISCAGLIA

Valérie BARTHOL

THE NETHERLANDS

Ernst COOIMAN

Pieter SCHWENCKE

SWITZERLAND

Georges BETTERMANN

Cyril DUMITRU

Fabienne RUDAZ

Gaël BALLERY

Policy on Remuneration

The Appointments and Remuneration Committee (see page 30) handles and sets the remuneration of the Directors and decides on the pay policy for the Company as a whole. The policy implemented consists of paying the Executive Directors, the managers and employees in accordance with the prevailing market conditions for equivalent offices and positions.

To this end, periodic benchmarking of the level of pay is carried out by an independent expert; the last benchmarking took place in autumn 2002. The aim is to retain quality employees and to motivate them on criteria that are fully in line with the shareholders' aims based on long-term value creation.

The small size of the operational management structure of NPM/CNP does not justify the existence of an Executive Committee or a specific management body in charge of day-to-day management; this task is the responsibility of the Managing Director, who carries it out with the entire "Charleroi team". In 2002, the remuneration of the Executive Directors is made up of a fixed part determined on the basis of market criteria, plus a variable part, left to the discretion of the Appointments and Remuneration Committee, in light of the consolidated performance of NPM/CNP. For 2002, the Executive Directors' pay was broken down as follows (EUR ,000):

| | |
|------------------------|-------|
| Fixed remuneration: | 1,156 |
| Variable remuneration: | 635 |
| Total remuneration: | 1,791 |

The amounts given above are gross amounts paid by the consolidated companies; they do not include a number of minor, normal benefits in kind (in the order of a few thousand euros); they include the salaries paid to the two executive directors by equity-accounted companies, which came to 218 (EUR ,000) in 2002.

The payment of other members of staff is based solely on fixed remuneration.

From 2003, the payment of Executive Directors will be based solely on fixed remuneration (see Message to Shareholders, p. 12)

The two Executive Directors and some members of management are also part of a pension scheme that will guarantee them, at age 62 and after a 28-year career, a capital providing an annuity equal to 75% of the highest fixed annual remuneration paid before the age of 57. For the other members of staff, the capital is based on a graded percentage (from 75% to 50%) in brackets and is formed on a 35-year career.

The long-term motivation of the Executive Directors and the staff as a whole is provided by their owning an indirect holding in NPM/CNP through Loverfin (see below); the Company does not currently operate a stock option scheme.

Staff shareholding plan

NPM/CNP wished to motivate its staff members by aligning their interests on the Company's value creation aims. The staff demonstrated their long-term commitment by forming a Company (LOVERFIN), which purchased, with the help of bank financing, 700,000 NPM/CNP shares (3.5% of the cap-

ital). LOVERFIN undertook to hold these shares for a period of at least 5 years from October 1998. LOVERFIN has granted a right of pre-emption on these NPM/CNP shares to a subsidiary of NPM/CNP.

LEGAL NOTICES

1. In application of article 134 of the Companies Code relating to special Auditors' fees.

The Board of Directors informs you that in 2002 DELOITTE & TOUCHE, Company Auditor, received fees in the amount of EUR 48,780 for specific tasks performed mainly in relation to the auditing of the adjusted net assets and the planned transition to IFRS accounting standards, and for a variety of special tasks and consultations.

2. In Application of article 624 of the Companies Code relating to the Company's own shares purchased by the Company and by its direct and indirect subsidiaries

At 31 December 2001 the NPM/CNP Group held 275,592 own shares; during the 2002 financial year it purchased 95,233 own shares for an average price of EUR 103.4 per share through its indirect subsidiary SLP, and at 31 December 2002 held 370,825 own shares (representing 1.85% of the company's share capital) worth EUR 39 million.

At the end of 2002, NPM/CNP itself held 15,852 own shares, with the remainder being held by SLP.

It is intended that these shares be cancelled in the future.

Major Shareholdings

MAJOR SHAREHOLDINGS

This table, shown here as at 31 December 2002, is updated periodically on the NPM/CNP web site (www.npm-cnp.be).

The percentages shown below only relate to long-term investments.

| SHAREHOLDINGS OF | NPM/CNP | PARJOINTCO ⁽¹⁾ | PARGESA | GBL | transitive percentage ⁽²⁾ | page |
|---------------------------------|-----------------------|---------------------------|----------------------|-------|--------------------------------------|------|
| IN | | | | | | |
| PARGESA Group | | | | | | |
| PARGESA | | 53.8% | | | 24.1% | 39 |
| GBL | | | 48.0% ⁽³⁾ | | 11.6% | 40 |
| BERTELSMANN | | | | 25.1% | 2.9% | 41 |
| SUEZ | | | | 7.2% | 0.8% | 42 |
| IMERYS | | | 26.7% | 26.3% | 9.5% | 43 |
| TOTALFINAELF | | | | 3.4% | 0.4% | 46 |
| Listed direct holdings | | | | | | |
| TOTALFINAELF | 1.2% | | | | 1.2% | 46 |
| FCC | 9.2% | | | | 9.2% | 47 |
| GRUPE TAITTINGER | 24.7 % ⁽⁴⁾ | | | | 24.7% | 48 |
| SOCIÉTÉ DU LOUVRE | 14.6 % | | | | 14.6% | 49 |
| Unlisted direct holdings | | | | | | |
| JOSEPH | 55.0% | | | | 55.0% | 52 |
| ENTREMONT | 75.0% | | | | 75.0% | 53 |
| TRANSCOR | 80.5% | | | | 80.5% | 54 |
| CHÂTEAU CHEVAL BLANC | 40.0% ⁽⁵⁾ | | | | 40.0% | 55 |
| CHÂTEAU RIEUSSEC | 50.0% | | | | 50.0% | 56 |
| ÉDITIONS DUPUIS | 100.0% | | | | 100.0% | 57 |
| IJSBOERKE | 100.0% | | | | 100.0% | 58 |
| DISTRIPAR..... | 100.0% | | | | 100.0% | 59 |
| VIVENTURES | n.a. | | | | n.a. | 60 |
| INNO.COM | 40.0% | | | | 40.0% | 60 |
| MESA | 76.0% | | | | 76.0% | 60 |

(1) Parjointco is 50% owned by the AGESCA NEDERLAND/NFA Group, which is in turn 89.5% owned by NPM/CNP.

(2) Transitive holding including NPM/CNP's share in the controlling holdings incorporated by the PARGESA/GBL Group.

(3) Over 50% of the voting rights, taking into account own shares.

(4) Of which 3.1% in the form of certificates without voting rights.

(5) 50% held through an 80%-owned company.

Pargesa Group

38

39 PARGESA

40 GBL

41 BERTELSMANN

42 SUEZ

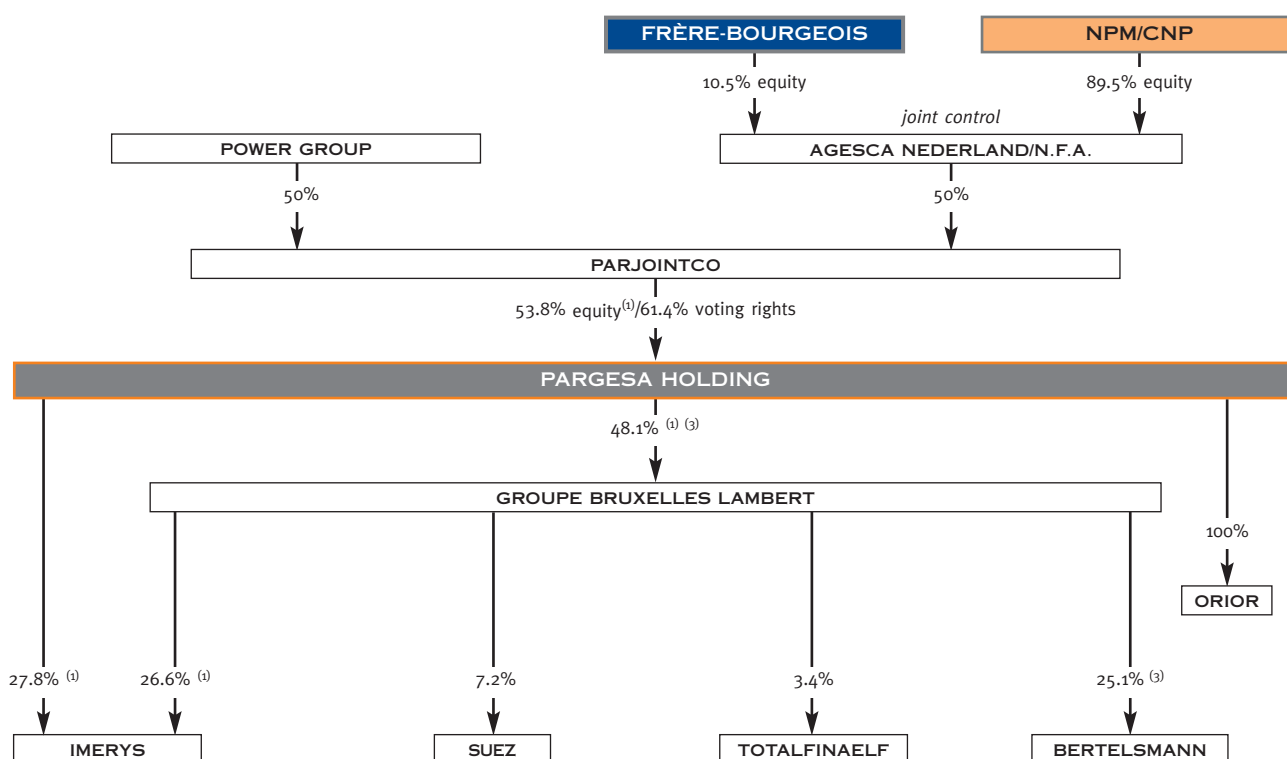
43 IMERYS

44 TOTALFINAELF

PARGESA HOLDING S.A., a company under Swiss law, is the mother company of the PARGESA Group and has a portfolio of industrial holdings in Europe both directly and indirectly through GBL.

PARGESA

www.pargesa.ch



(1) total holding percentage, slightly higher than consolidation percentage.
 (2) of which 0.1% without voting rights.
 (3) 50.2% of the voting rights, after cancellation of own shares.

In a difficult economic climate, the financial year was marked by a 26% increase in economic operating result.

However, the net result shows an extraordinary loss of CHF 133 million, compared with a profit of CHF 406

million in 2001; this loss is linked to the extraordinary impairments at BERTELSMANN (CHF 278 million, Pargesa share).

At the General Meeting the Board of Directors will propose the payment of a

dividend of CHF 86 per bearer share, compared with CHF 80 for the 2001 financial year.

At 31 December 2002, Pargesa's adjusted net assets came to CHF 3,345.

CONTRIBUTION TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | 22.6 | 1.13 | - | - |
| Adjusted net assets on 31.12.2002 | 935.4 | 46.77 | - | - |

KEY CONSOLIDATED FIGURES (CHF MILLION)

| | 2000 | 2001 | 2002 |
|----------------------------------|-------|-------|-------|
| Equity | 5,096 | 6,729 | 4,892 |
| Net result (Group share)..... | 425 | 406 | (133) |
| Net result/share (CHF) | 254 | 242 | (79) |
| Gross dividend/share (CHF) | 75 | 80 | 86 |
| Adjusted net assets (CHF) | 5,331 | 4,325 | 3,345 |

GBL is a holding company that owns shareholdings in a variety of sectors focused on a small number of first-rate companies towards which it can act as a professional shareholder. GBL's portfolio contains four major holdings – BERTELSMANN, TOTALFINAELF, SUEZ and IMERYS.

GBL

www.gbl.be

Operating profit comes to EUR 161 million compared with EUR 68 million in 2001. This significant increase is due to the combined effect of the drop in net operating losses from the equity accounted companies and the increase in cash earnings (operating income that generates cash flows for GBL and its 100%-owned subsidiaries), which have risen considerably since last year (EUR 302 million in 2002 compared with EUR 200 million in 2001) due to the significant growth in dividends from most of the holdings.

GBL's share in the operating result of BERTELSMANN comes to a loss EUR 82 million, offset by EUR 63 million for the part of the preferential dividend of EUR 135 million collected by GBL in 2002 that was not eliminated on consolidation, giving a negative net contribution of EUR 19 million (compared with EUR 142 million in 2001).



Imerys, which saw a 15.6% rise in operating profit in 2002, contributed EUR 42 million to GBL's operating profit.

The increase of the dividends collected on the non-equity accounted portfolio

and the income generated by the buying back of options issued also contributed to the significant improvement in operating profit, which has risen from EUR 0.51 to EUR 1.21 per share.

The net result for the financial year shows a loss of EUR 238 million. This loss mainly reflects the taking on of EUR 397 million (without any cash impact), GBL share, in the impairments recorded by BERTELSMANN (net of capital gains), mainly following the acquisition of ZOMBA, and an additional write-down (EUR 10 million) on Rhodia.

At 31 December 2002, GBL's adjusted net assets per share came to EUR 50.9.

It will be put to the Annual General Meeting of Shareholders that the dividend should be increased by 7.6% to EUR 1.42 per share.

KEY CONSOLIDATED FIGURES (EUR MILLION)

| IFRS DATA | 2000 | 2001 | 2002 |
|--------------------------------------|-------|-------|--------|
| Equity..... | 5,112 | 8,526 | 6,156 |
| Net result (Group share)..... | 477 | 483 | (238) |
| Net profit/share (EUR)..... | 4.14 | 3.62 | (1.79) |
| Gross dividend/share (EUR)..... | 1.20 | 1.32 | 1.42 |
| Adjusted net assets/share (EUR)..... | 82.0 | 67.8 | 50.9 |

BERTELSMANN, a media and entertainment company, commands globally leading positions in the major markets. Its core business is the creation of first-class media content. The company strives to inspire people's daily lives all over the world with its products and services.

BERTELSMANN

www.bertelsmann.com



On August 5, 2002 Gunter THIELEN took over as Chairman & CEO

RTL GROUP, Europe's nr 1 in television, radio and TV production had revenues of EUR 4.4 billion in 2002 (previous year: EUR 4.1 billion). Despite the crisis in advertising, the company achieved operating EBITA of EUR 465 million, a significant increase over the previous year, when operating EBITA amounted to EUR 385 million.

RANDOM HOUSE, the world's leading trade book publisher, achieved stable turnover, at EUR 2.0 billion, due primarily to the weak dollar. Operating EBITA reached EUR 168 million for 2002 (previous year: EUR 33 million).

GRUNER + JAHR, Europe's biggest magazine publisher (STERN, GEO, CAPITAL, FEMME ACTUELLE, FAMILY CIRCLE, PARENTS), generated revenues of EUR 2.8 billion in 2002 (previous year: EUR 3.0 billion). Operating EBITA amounted to EUR 226 million (previous year: EUR 198 million).

Following extensive restructuring and strategic realignment, the BERTELSMANN MUSIC GROUP (BMG) delivered a year of strong chart performances, increasing market shares (from 8 to roughly 10%) and expansion through acquisition. Against the backdrop of globally depressed music sales, increasing product piracy and the weak dollar, revenues were reduced to EUR 2.7 billion (previous year: EUR 3.0 billion). However, 2002 operating EBITA reached EUR 125 million (previous year: loss of EUR 79 million). BMG acquired the world's biggest independent music company, ZOMBA, for USD 2.7 billion. ZOMBA includes top acts such as Britney Spears. Given the projected development of the music market, a review of ZOMBA's value became necessary and resulted in an impairment of EUR 1.3 billion.

In 2002, the media services provider ARVATO achieved revenues of EUR 3.7 billion (previous year: EUR 3.5 billion) and operating EBITA of EUR 217 million (EUR 167 million in 2001).

DIRECTGROUP, which comprises book clubs, music clubs and e-commerce activities in 20 countries, generated revenues of EUR 2.7 billion (previous year: EUR 3.1 billion) with its direct-to-customer businesses in 2002. Taking the Internet losses for 2001 into account, the operating EBITA has improved by EUR 310 million to reach EUR 150 million.

The specialist-publishing division BERTELSMANNSPRINGER, achieved revenues of EUR 731 million in 2002 (previous year: EUR 748 million) with operating EBITA improving to EUR 71 million (+20% on previous year).

Globally, EBITA increased significantly in 2002 to EUR 936 million from EUR 573 million in 2001; mainly due to lower capital gains (EUR 2.9 billion in 2002 vs EUR 5.5 billion in 2001) and to the impairment on ZOMBA, net income (Group share) decreased from EUR 1,235 million to EUR 928 million.

CONTRIBUTION TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | - | - | (2.2) | (0.11) |
| Adjusted net assets on 31.12.2002 | - | - | 193.0 | 9.65 |

KEY CONSOLIDATED FIGURES (EUR MILLION)

| | 2000 | 2001 | 2002 |
|--------------------------------|------|--------|--------|
| Equity | n.a. | 6,303 | 6,685 |
| Turnover | n.a. | 18,979 | 18,312 |
| Net result (Group share) | n.a. | 1,235 | 928 |
| Dividend | n.a. | 300 | n.a. |

SUEZ is an international service group that provides innovative power and environmental solutions to companies, individuals and public authorities. The Group has 200,000 employees in over 100 countries; its turnover for 2002 came to EUR 40.2 billion (excluding power trading activities), 88% of which was achieved in Europe and North America.

SUEZ

www.suez.com

The world economic situation declined in 2002. SUEZ is strong and flexible and has the necessary resources to get through a difficult period, in the form of essential core businesses with potential for growth, a new simplified and more efficient structure and a rigorous action plan. In an environment marked by financial market volatility and increased wariness with regard to debt, SUEZ has adopted a strategy of consolidation and refocusing, formalised by its 2003-2004 action plan. Its goals are profitability and soundness.

In 2002 SUEZ saw its sixth consecutive year of organic growth, which at 5.7% demonstrates the group's dynamism and competitiveness. These results prove that despite the global economic problems, the Group remains structurally sound due to the critical size it has reached over the past five years as a result of a strategy that combines a clear view of the long-term challenges and an ability to adapt to short-term constraints.

Protected, enhanced profitability

As an extension of this strategy, in September 2002 the Group announced new priorities that were formalised in



January 2003 in the form of a two-year action plan. The plan is based on the approach SUEZ has taken since it was incorporated, i.e. to ensure profitability to protect growth drivers and consolidate the long-term existence of the Group.

The goals are clear: improve the profitability of the businesses and strengthen the financial stability whilst giving priority to organic growth through five priorities for 2003 and 2004:

1. continuation of the asset sale programme;
2. the reduction of operating costs and the termination of a number of contracts that are not sufficiently profitable and cannot be improved;

3. implementation of a more operational, integrated structure based on four operational business groups and a single head-office split between Paris and Brussels;
4. the reduction of annual investments from EUR 8 billion in 2002 to an average of EUR 4 billion for the 2003-2005 period;
5. reduction of risk exposure and concentration on the most stable markets (Europe and North America).

In light of its strategic objectives, 2003 should be a year of consolidation for SUEZ based upon increased soundness and greater flexibility.

Sale of assets: profitability is the priority

In 2002 SUEZ embarked on a significant programme for the sale of non-strategic assets. The transactions already completed represent over EUR 4 billion, and include TPS, SAGEM, ARCELOR, CHATEAUD'EAU and cogeneration in Thailand, together with the sale of shares in SCOTTISH POWER. For Power and the Environment, now is the time to refocus on activities with optimum profitability-risk ratios and the biggest cash-generating capacity.

CONTRIBUTION TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|-----------------------------|-----------|-------------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | - | - | 7.2 | 0.36 |
| Adjusted net assets on 31.12.2002 | - | - | 137.8 | 6.89 |

KEY CONSOLIDATED FIGURES (EUR MILLION)

| | 2000 | 2001 | 2002 |
|--|--------|--------|--------|
| Equity..... | 13,134 | 14,397 | 10,578 |
| Turnover | 34,617 | 42,360 | 46,090 |
| Net result (Group share) | 1,919 | 2,087 | (863) |
| Operating profit/share (EUR) | 1.92 | 2.08 | (0.86) |
| Dividend excluding tax credit/share (EUR) .. | 0.66 | 0.71 | 0.71 |

IMERYS is one of the world's leading Mineral Processing companies. Since 1 January 2003, the Group's activities have been reorganised into four size-comparable operational business groups – Specialty Minerals (29% of the Group's 2002 turnover), Pigments for Paper (28%), Building Materials (21%) and Refractories & Abrasives (22%).

IMERYS

www.imerys.com



Like 2001, 2002 was marked by a difficult economic climate, which continued to have a negative effect on the Group's sales volumes. Nevertheless, its profitability grew once again.

Turnover comes to EUR 2,863 million for 2002, down 1.2% compared with 2001. At similar consolidation perimeter and exchange rates, it was stable over the year as a whole with a 3.5% drop in the 1st half, followed by a 3.7% increase in the 2nd half (compared with a particularly low 2001 basis). Low volumes were offset by favourable evolution of the product mix.

Specialty Minerals turnover was stable at EUR 829.0 million. This includes the impact of the acquisitions made in 2001 and 2002 (K-T, an American group that produces kaolin, clays and feldspar, acquired on 1 April 2001; small strategic operations in 2002). At similar consolidation perimeter and exchange rates, sales increased by 1.3% despite business still being difficult on some markets.

Pigments for Paper turnover, at EUR 802.9 million, is down 1.2%

(+2.0% with a constant consolidation perimeter and exchange rates). After a significant drop in 2001, demand for printing and writing paper remained low. Overall, sales volumes for the business group are up slightly and the effort put into higher added value pigments is resulting in an increase in the average sale price.

Building Materials turnover comes to EUR 620.8 million, up 2.0%. At similar consolidation perimeter, turnover is almost stable (-0.5%), as the development of the brick business unit through new products, the buoyancy of the mix and sale prices have practically offset the impact of the end of the effects of the storm in late 1999 on the roofing repair market.

Refractories & Abrasives turnover increased by 4.0% to EUR 635.4 million. At similar consolidation perimeter and

exchange rates, the drop comes to -2.7%, which reflects the weakness of major end markets (steel industry, cement, building, car manufacturers and electronics).

Operating income grew by 5.1% to EUR 361.5 million. This growth was achieved despite the drop in sales volumes, and is a result of the reduction in production costs in all of the business groups – particularly in Pigments for Paper – and the increase in the added value of the product portfolio.

The net operating profit is up 15.6% at EUR 197.5 million compared with EUR 171 million in 2001, due to a substantial reduction in debt and financial charges.

The net profit, Group share, is up significantly at EUR 143.5 million compared with EUR 79.0 million in 2001. It must be remembered that the net profit for 2001 included a negative extraordinary result of EUR 60 million, mainly related to the intensification of the Group's measures to improve industrial efficiency.

CONTRIBUTION TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | - | - | 16.1 | 0.80 |
| Adjusted net assets on 31.12.2002 | - | - | 181.0 | 9.05 |

KEY CONSOLIDATED FIGURES (EUR MILLION)

| | 2000 | 2001 | 2002 |
|---|-------|-------|-------|
| Equity..... | 1,508 | 1,549 | 1,460 |
| Turnover..... | 2,805 | 2,898 | 2,863 |
| Net result (Group share) | 140.4 | 79.0 | 143.5 |
| Operating profit/share (EUR) | 10.42 | 10.75 | 12.45 |
| Dividend excluding tax credit/share (EUR) | 3.60 | 3.70 | 4.30 |

PARGESA/GBL's other main assets are:

TOTALFINAELF

Please refer to page 46.

ORIOR HOLDING

www.orior.ch

The ORIOR Group, which is fully owned by PARGESA, is active only in the food industry through its subsidiary ORIOR FOOD SA.

ORIOR FOOD SA achieves a turnover in

excess of CHF 300 million through its three divisions, Cold Meats (salami, ham and salted meat), Refrigerated Products (pâtés, terrines, fresh pasta and ready meals) and Poultry and Organic (poultry-based products). It

owns strong brands and is a leader on the Swiss market both in retail and distribution and on traditional markets for high added value elaborated refrigerated products.

Value Investing

45

TOTALFINAELF 46

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GROUPE TAITTINGER 48

SOCIÉTÉ DU LOUVRE 49

QUICK 50

TOTALFINAELF, an international petroleum and gas group and a major player in the chemicals sector, was formed by the merger of PETROFINA, TOTAL and ELF AQUITAINE and is active on the entire petroleum production chain from Upstream (exploration and production) through Downstream (refining, international trade and distribution) to Chemicals.

TOTALFINAELF

www.totalfinaelf.com



In a less favourable overall environment than 2001, in 2002 TOTALFINAELF successfully limited the drop in its profits, mainly through a 10% growth in hydrocarbon production and the implementation of synergy and productivity programmes.

In the **Upstream sector**, operating profit excluding non-recurring items comes to EUR 9,309 million for 2002, a 3% increase compared with 2001. The positive impact of the strong growth in production and the rise in crude oil prices were attenuated by the effect of the depreciation of the dollar against the euro and the drop in gas prices. For the whole of 2002, hydrocarbon production came to 2.416 million barrels oil equivalent (Mboe) per day, a 10% rise on 2001. Excluding the impact of the reduction in OPEC quotas, there was an 11.5% increase in production. Continued exploration/evaluation efforts enabled TOTALFINAELF to sustain the growth in proven hydrocarbon reserves. These total 11,203 Mboe, compared with 10,978 Mboe in 2001, a 2% increase. At the current production rate, the lifetime of the reserves is 12.7 years. The reserves replacement ratio for the consolidated subsidiaries comes to 151% for the period 2000-2002, which is a very competitive level amongst the major producers.

The **Downstream sector** operating profit excluding non-recurring items saw a sig-

nificant drop of 70% to EUR 909 million. The drop in demand for petroleum products in OECD countries, linked to weak economic growth and exceptionally mild weather in 2002 led to a sharp decline in Downstream activities; European refining margins were down 48% and distribution margins were under pressure in the context of high crude oil prices. Internal synergy/productivity efforts had a positive effect of around EUR 0.2 billion on the Downstream operating profit, but only partly attenuated the negative impact of the environment and refinery stoppages. Over 2002 as a whole, the volume of refined products dropped by 5% to 2.349 Mb/d. 2002 has been marked by an usually high rate of large refinery stoppages which resulted in improvements to industrial equipment by increasing the reliability of units, operational safety and conversion and desulphurisation rates.

In the **Chemicals sector**, the operating profit excluding non-recurring items for 2002 was down 29% at EUR 777 million compared with EUR 1,095 million in 2001. Basic chemicals and long polymers operating profit was affected by a particularly subdued climate in the ethylene/polyethylene and chlorine sectors. Intermediate products remained steady in a difficult economic climate, and Specialities performance improved. The main events of 2002 for Basic chemicals and long polymers included the signing

of a letter of intent with SAMSUNG to enable TOTALFINAELF to take a 50% share in the assets of the Daesan petrochemicals complex in South Korea, the start of production at a new polypropylene unit in Feluy, Belgium, and the purchase of ENICHEM's share in QAPCO in Qatar.

Over 2002 as a whole, investments came to EUR 8,657 million compared with EUR 10,566 million in 2001. Disinvestments in 2002, valued at the sale price, came to EUR 2,313 million, which mainly corresponds to sales of shares (SANOFI-SYNTHELABO and financial holdings), as well as the reimbursement of long-term advances.

The net profit, Group share, excluding non-recurring items, comes to EUR 6,260 million compared with EUR 7,518 million in 2001, a drop of 17%. For 2002 as a whole, the net profit per share, excluding non-recurring items, comes to EUR 9.40 compared with EUR 10.85 in 2001, a drop limited to 13%, mainly through the anti-dilution effect of the significant share repurchase programme carried out by the Group.

CONTRIBUTION TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | 31.9 | 1.59 | 40.6 | 2.03 |
| Adjusted net assets on 31.12.2002 | 1,117.7 | 55.89 | 1,485.4 | 74.27 |

KEY CONSOLIDATED FIGURES (EUR BILLION)

| | 2000 | 2001 | 2002 |
|--|--------|--------|--------|
| Equity | 32.40 | 33.93 | 32.15 |
| Turnover | 114.56 | 105.32 | 102.54 |
| Net profit, Group share* | 7.64 | 7.52 | 6.26 |
| Dividend excluding tax credit/share (EUR)..... | 3.30 | 3.80 | 4.10 |

* excluding non-recurring items.

FOMENTO DE CONSTRUCCIONES Y CONTRATAS is the leading Spanish company on the environmental management, waste collection and treatment and integrated water management market. FCC is also a major player in the construction and cement industry in Spain, as well as in the street furniture, handling and passenger transport sectors.

FOMENTO DE CONSTRUCCIONES Y CONTRATAS

www.fcc.es

Consolidated turnover in 2002 reached EUR 5,497.2 million, a 6.3% increase compared with the previous financial year, due to the positive development of the three strategic segments: Services, Construction and Cement. Orders currently stand at EUR 15,299.2 million, 11.5% up on 2001. Operating income before tax increased by 5.3% to EUR 741.3 million.

The **Services** segment includes such diverse activities as waste collection, transport and processing, street cleaning and green space maintenance, integrated water management, industrial waste processing, car parks, vehicle inspection, urban and interurban transport, advertising billboards and airport handling.

Sales in this segment rose by 4.4% to EUR 1,911.1 million, with an unprecedented order value (EUR 11,620.7 million). Industrial cash flow before tax reached EUR 312.1 million, which is 42.1% of the Group's figure.

Other events in this segment include the creation of FLIGHTCARE, a company that groups together handling activities

in Spain and elsewhere, in particular Belgium, where FCC has become the market leader. In addition, as part of the international expansion of the Street Furniture division, operations started in Brazil and Italy.

The **Construction** segment showed steady growth of 9.1% to EUR 2,613.1 million. The main reason for this is the increase in sales on the domestic market, linked to the implementation of the National Infrastructure Plan. The international market is smaller for FCC, but growth was also strong (13.1%). The 8.4% increase in gross operating profit to EUR 123.6 million is in line with the increase in turnover.

In the **Cement** segment, the main event of the year was the merger by absorption of PORTLAND VALDERRIVAS into FCC. Following this financial operation, FCC now has direct control of 58.8% of CEMENTOS PORTLAND, the second largest company on the Spanish cement market. It also has significant presence on the American market through GIANT CEMENT.



Furthermore, FCC now directly controls 80% of TORRE PICASSO (EUR 15.9 million in turnover), the most symbolic office building in Madrid, with an average occupancy rate of 94.25% in 2002. Cement continued to make a strong contribution to both the Group's sales (EUR 831.4 million) and operating profit (EUR 272.1 million), with growth of 5.0% and 6.7% respectively.

With regard to the shareholder remuneration policy, the 2002 interim dividend, paid on 7 January, came to EUR 0.297 per share, up 5.9% on the previous year.

CONTRIBUTION TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | 5.4 | 0.27 | 5.4 | 0.27 |
| Adjusted net assets on 31.12.2002 | 257.1 | 12.86 | 257.1 | 12.86 |

KEY CONSOLIDATED FIGURES (EUR MILLION)

| | 2000 | 2001 | 2002 |
|-------------------------------------|-------|-------|-------|
| Equity | 1,202 | 1,291 | 1,645 |
| Net sales | 4,468 | 5,173 | 5,497 |
| Net income | 215.6 | 241.0 | 273.0 |
| Gross dividend per share (EUR)..... | 0.469 | 0.524 | n.a. |

GROUPE TAITTINGER is the new holding company of the eponymous group. The company owns two assets, a wine-producing business developed on the basis of the internationally famous TAITTINGER Champagne brand, and a holding of over 40% in SOCIÉTÉ DU LOUVRE, which operates in hotels and luxury products (see next page).

GROUPE TAITTINGER

www.taittinger.fr

2002 was marked by a thorough reorganisation of the capital structure of the TAITTINGER Group.

At the end of June 2002, NPM/CNP and the TAITTINGER family entered into a shareholders' agreement with the aim of consolidating control of the group and formalising dialogue between the main shareholders.

Further to the agreement, the group undertook a series of operations to simplify its legal structure and make its financial organisation chart clearer. In November, TAITTINGER merged with the family-owned holding COMPAGNIE FINANCIÈRE TAITTINGER. Almost the entire reciprocal shareholding in TAITTINGER was then eliminated through share exchange and capital reduction operations by TAITTINGER and SOCIÉTÉ DU LOUVRE. A public offer of exchange initiated by TAITTINGER on SOCIÉTÉ DU LOUVRE investment certificates allowed for the simplification of most of the capital in SOCIÉTÉ DU LOUVRE and an increase in the number of shares in circulation. At the end of December, TAITTINGER's wine-producing operations were transferred to a separate company, COMPAGNIE COMMERCIALE ET VITICOLE CHAMPENOISE, a 100%-owned subsidiary of TAITTINGER.



Finally, the company adopted the new company name "GROUPE TAITTINGER". The wine-producing division groups together three main businesses, Champagne, the CARNEROS estate in the Napa Valley in the United States and BOUVET LADUBAY, a sparkling wine producer in the Saumur region. In the Champagne business, the TAITTINGER vineyard covers almost 280 hectares, which gives the brand a self-supply rate of over 50% of its sales, one of the highest in the industry. A highly satisfactory 2.7 thousand tonnes were harvested in 2002, which is equivalent to 2.3 million bottles.

TAITTINGER Champagne has stocks equivalent to 19.5 million bottles, which covers over 4 years' sales.

The volume of champagne shipments came to 4.4 million bottles, up 1.6% on 2001. 52% of sales were for export, with the United States forming the largest foreign market.

In the United States, the CARNEROS estate produces sparkling and still wines on an estate that currently stands at 80 hectares. Vine planting underway will increase the size of the vineyard to over 120 hectares. CARNEROS shipped 513,000 bottles in 2002, a 28% increase on 2001.

In the Val de Loire region, BOUVET LADUBAY, the most prestigious of the Saumur houses, increased sales by 1.6% to almost 2.8 million bottles in 2002.

For the GROUPE TAITTINGER as a whole, consolidated turnover for the 2002 financial year came to EUR 788.7 million, up 1.2% on the previous year. This turnover breaks down into EUR 96.9 million for the wine-producing businesses, up 4.4%, and EUR 691.8 million for the businesses of SOCIÉTÉ DU LOUVRE. For a constant consolidation perimeter and exchange rates, consolidated turnover is stable.

CONTRIBUTION TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | 1.2 | 0.06 | 1.2 | 0.06 |
| Adjusted net assets on 31.12.2002 | 95.1 | 4.75 | 95.0 | 4.75 |

KEY CONSOLIDATED FIGURES (EUR MILLION)

| | 2000 | 2001 | 2002 |
|--|-------|-------|-------|
| Equity | 288.5 | 310.8 | 328.7 |
| Turnover | 816.0 | 779.3 | 788.7 |
| Net result (Group share) | 35.9 | 26.3 | 27.8 |
| Dividend excluding tax credit/share (EUR)... | 2.32 | 2.45 | 2.53 |

SOCIÉTÉ DU LOUVRE operates in two areas of business, hotels and luxury products. In the hotel business, the Group is the second largest hotel operator in Europe through the ENVERGURE Group for budget hotels and the CONCORDE Group for luxury hotels. In luxury products, SOCIÉTÉ DU LOUVRE owns the internationally renowned BACCARAT brand, together with Parfums ANNICK GOUTAL.

SOCIÉTÉ DU LOUVRE

www.societedulouvre.fr



CONCORDE Group operates 11 hotels in France and Belgium and leads an international network of 92 hotels located in most major business and tourist destinations worldwide.

The exceptional locations and quality of service provided make each hotel unique. The hotels operated by CONCORDE are concentrated in the two biggest tourist destinations in the world –

Paris, where it has 6 hotels including the CRILLON and the LUTÉZIA, and the Côte d'Azur, where it has the MARTINEZ in Cannes and is soon to open the doors of the PALAIS DE LA MÉDITERRANÉE in Nice.

In 2002, the division was affected by the decline in the international business and leisure travel markets. The CONCORDE Group's turnover in 2002 came to EUR 238.8 million, down 4.8%.

BACCARAT is the world's leading purveyor of luxury crystal gifts. By expanding its fields of design and developing a worldwide chain of exclusive boutiques, BACCARAT has become a major international luxury brand, with notable credibility in the decora-

tion and jewellery sectors.

Despite the unfavourable economic climate for the luxury sector, consolidated turnover for BACCARAT increased by 2.4% (with constant exchange rates) to EUR 126.8 million.

Parfums ANNICK GOUTAL saw its turnover (EUR 9.9 million) increase by 4.7% (7.1% with constant exchange rates). The company expanded its chain of outlets at the end of 2002 with the purchase of two new boutiques in Lyon and Nice.

Overall, in an unfavourable economic climate for the international tourism industry, consolidated turnover came to EUR 692.1 million in 2002, a 0.8% rise. For a constant consolidation perimeter and exchange rates, turnover was down 0.6%.

Net profit increased significantly (EUR 76.2 million compared with EUR 44.2 million in 2001) as it includes the net capital gains on the sale of TAITTINGER shares for EUR 35.5 million as part of the restructuring of the Group. Excluding these sales, the profit per share is down 7% to EUR 3.38.

With 840 hotels and restaurants and a total of almost 50,000 rooms, the ENVERGURE Group is the European number two in budget hotels. The hotels are operated under three brand names, CAMPANILE, PREMIÈRE CLASSE and KYRIAD. Almost 29% of the total room space is fully owned. This division is experiencing steady growth through the opening of new hotels in France and the neighbouring countries. The success of the business is supported by three key values, namely the chain effect, the quality of the hotels and a competent, professional staff. Turnover for this division in 2002 came to EUR 307.5 million, up 6.3%. In the luxury hotel business, the

CONTRIBUTION TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | 2.7 | 0.13 | 2.7 | 0.13 |
| Adjusted net assets on 31.12.2002 | 110.7 | 5.53 | 110.7 | 5.53 |

KEY CONSOLIDATED FIGURES (EUR MILLION)

| | 2000 | 2001 | 2002 |
|--|-------|-------|-------|
| Equity | 416.2 | 454.9 | 468.4 |
| Turnover | 721.8 | 686.7 | 692.1 |
| Net result (Group share) | 65.5 | 44.2 | 76.2 |
| Dividend excluding tax credit/share (EUR) .. | 1.24 | 1.30 | 1.34 |

With over 400 restaurants, 300 of which are franchised, QUICK is leader of the fast-food market in Belgium and number 2 in France.

QUICK

www.quick-restaurants.com

After several years of crisis, 2002 was a year of clarification for QUICK; the company is back on the rails and confirms its operational recovery.

CLARIFICATION OF STRATEGIC POSITIONING

QUICK has chosen to focus in future on what differentiates it most from its competitors in consumers' eyes, i.e. taste. The company intends to enhance this specific profile further, in particular by refocusing on the gilt-edged products that are the Giant, Big Bacon, Quick 'N Toast, Double Swiss, Long Chicken and King Fish.

QUICK has also invested in a customer and employee awareness campaign about the company's quality philosophy. A poster campaign in restaurants, tablemats and a brochure back up this significant step in the context of successive food safety crises.

CLARIFICATION OF DEVELOPMENT POLICY

QUICK is to continue with the rationalization of its restaurants by closing those that are structurally unprofitable. This strategy was successfully imple-

mented in Belgium in 2002 and will be extended to France.

In addition, the expansion policy will be more controlled and opportunistic than in the past in Belgium and France, QUICK's two reference markets. The restaurant stock currently totals 411 restaurants, most of which are franchised.

CLARIFICATION OF GEOGRAPHICAL PRESENCE

QUICK has completed its withdrawal from Hungary and Slovenia. From now on, development outside Belgium and France will be solely through Master Franchises, which do not require any capital investment by QUICK.

FIRST SIGNS OF RECOVERY

These clarifications contributed considerably to the company's improved operational performance in 2002.

Despite a sluggish economic situation, sales under the name QUICK (EUR 679 million) were up 0.8% in Belgium and in France (which accounts for 80% of the total), under a constant perimeter.

Operating income (EBIT) increased considerably (EUR 17.4 million com-



pared with EUR 2.1 million in 2001) and the net profit before extraordinary provisions amounts to EUR 6.7 million.

The net result shows a loss amounting to EUR 9.2 million, after EUR 15.5 million restructuring costs.

Keywords for the future are:

- consolidation of the network depending on opportunities to take over restaurants;
- increase in average turnover per restaurant;
- investment in the quality of the restaurants through the implementation of a far-reaching renovation and modernisation programme;
- continued improvement in profitability, in particular through optimisation of the restaurants and acceleration of the general cost reduction plan.

CONTRIBUTION TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | - | - | - | - |
| Adjusted net assets on 31.12.2002 | 31.8 | 1.59 | 31.8 | 1.59 |

KEY CONSOLIDATED FIGURES (EUR MILLION)

| | 2000 | 2001 | 2002 |
|----------------------------------|-------|--------|-------|
| Equity | 129.6 | 84.4 | 75.1 |
| Turnover* | 275.8 | 261.9 | 256.7 |
| Net result (Group share) | 0.2 | (45.2) | (9.2) |
| Gross dividend/share (EUR) | 0.83 | - | - |

* own sales and franchise income

Private Equity

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The JOSEPH Group, which has its head office in London, designs and produces innovative luxury ready-to-wear clothes and accessories and distributes them via a worldwide network of specialist retailers and 62 own points of sale in Europe, Asia and the United States.

JOSEPH

www.joseph.co.uk



Group's parent company. Fashion designer Joseph ETTEGUI founded JOSEPH in 1971 and owns 18% of the share capital with his brother Franklin. The other partners in the group are LVMH (through L.V. CAPITAL), the family-owned DESMARAIS Group (through POWER FINANCIAL EUROPE) and the company's management.

famous Notting Hill district, the design and layout of which are the new benchmark in the sector.

Turnover for the nine months ending 31 December 2002 increased by 5% to GBP 45.7 million. Over the same period, the Group's profitability was sustained with stable operating income and a slight increase in cash flow (2.6%).

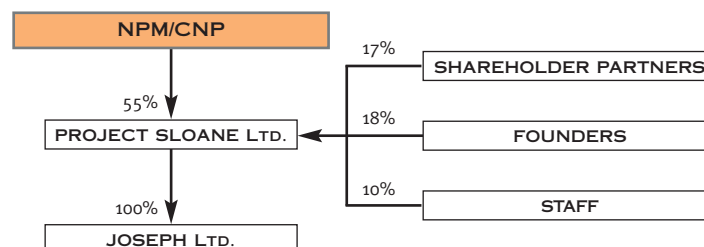
The JOSEPH Group sets trends in British top of the range ready-to-wear on the world market through luxurious collections combining classic wearability and contemporary style, which maintain a cost-effective approach.

In 2001/2002 the Group's turnover increased by 6.3% to GBP 60.9 million.

Over the financial year, JOSEPH developed its retail business by opening 12 new points of sale, including corners in prestigious Japanese department stores and a boutique in London's

Efficient management of existing business combined with flexibility and reactivity in a relatively turbulent environment will guarantee continued good performance. JOSEPH constantly aims to improve its organisational structure and develop its market share in the countries in which it is present (mainly the United Kingdom, France, the United States and Japan).

NPM/CNP has a 55% holding in PROJECT SLOANE Ltd, the JOSEPH



CONTRIBUTION FROM PROJECT SLOANE TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | 7.7 | 0.38 | 6.8 | 0.34 |
| Adjusted net assets on 31.12.2002 | 103.1 | 5.15 | 103.1 | 5.15 |

KEY CONSOLIDATED FIGURES (GBP MILLION)

| JOSEPH GROUP | 03/1999 | 03/2000 | 03/2001 |
|--------------------------------|---------|---------|---------|
| Equity | 15.6 | 17.0 | 15.8 |
| Turnover | 55.3 | 57.3 | 60.9 |
| Net result (Group share) | 8.2 | 9.2 | 8.8 |
| Dividend | 6.1 | 7.9 | 10.0 |

The ENTREMONT Group is the world leader in hard pressed cheeses such as Emmental, Comté, Beaufort and Parmesan.

ENTREMONT

www.entremont.fr



The most striking event of 2002 was the collapse in industrial product prices (butter and milk powder), which dragged milk prices in France (-3.1%) and Germany (-8%) down with them, but to a lesser extent. This had a negative impact on the profitability of ENTREMONT, which has structural milk surpluses that have to be converted into industrial products.

Despite this background, as part of its new value added focused strategy, ENTREMONT chose to maintain good product valuation at the expense of some loss in volume and increased stock. For the brands as well, the struggle to curb the upward drift in discounts led to several partial delistings by some distributors, which had a negative impact on the Emmental mar-

ket share. However, the Group improved its position on the Comté market.

This policy, combined with the drop in milk prices, nevertheless enabled Entremont to improve the profitability of its cheese-making business, which more than offset the collapse in the price of industrial products. This resulted in an increase in operating income from EUR 35.5 million to EUR 36.3 million and a net profit of EUR 9.6 million compared with EUR 4.9 million in 2001.

The improved results are also due to EUROSERUM, which, for its first full year within the Group, benefited both from the growth in the world demineralised serum market and the internal synergies implemented since the acquisition.

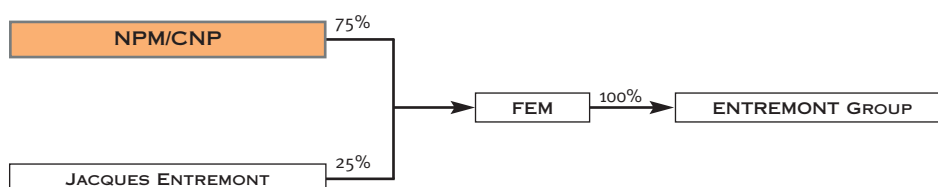
The main projects undertaken in 2002 were:

- the development of a strategic plan

aimed at reducing costs and making the company less vulnerable to industrial products. The implementation of the plan started with the closure in December of the Görisried (Germany) site and the decision to close the Yffiniac (France) plant in the 1st half of 2003;

- the entry of EUROSERUM into Poland with a project of leasing and operating an efficient drying plant in Wregrow;
- the launch of an administrative and commercial optimisation plan;
- work for approval of the future cheese factory in Montauban in the context of increasingly strict environmental protection requirements in Brittany.

The priority for 2003 will be to develop the brands in France and the rest of Europe in a difficult international context that should have a negative effect on demand and product pricing.



CONTRIBUTION FROM FEM TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | 2.5 | 0.12 | 5.1 | 0.25 |
| Adjusted net assets on 31.12.2002 | 89.1 | 4.45 | 89.1 | 4.45 |

KEY CONSOLIDATED FIGURES (EUR MILLION)

| ENTREMONT Group | 2000 | 2001 | 2002 |
|--------------------------------|---------|---------|---------|
| Equity | 138.7 | 131.6 | 129.2 |
| Turnover | 1,026.7 | 1,217.8 | 1,219.7 |
| Net result (Group share) | 3.5 | 4.9 | 9.6 |
| Dividend | 12.0 | 12.0 | n.a. |

The TRANSCOR Group distributes and trades in fuel and power products including coal and coke, petroleum products and gas.

TRANSCOR

The power markets have been extremely volatile, mainly as a result of the international uncertainty that characterised 2002. Despite this difficult context, the TRANSCOR Group successfully continued to implement its marketing strategy of specialising in markets on which it can take advantage of the specific expertise of the trading teams already in place. This policy requires constant re-assessment of the various markets, which entails abandoning those that have reached maturity and developing new niches.

The ASTRA OIL TRADING subsidiary, which mainly deals in intercontinental trade in petroleum products, continued to increase the presence of its sales teams from its European office and its various sites in North America and Asia. This expansion strategy has been highly successful, resulting in another increase in the subsidiary's contribution to the group's profits. These results demonstrate the team's

ability to adapt to a difficult, constantly changing environment.

TRANSCOR ENERGY's gas oil trading activities, although highly profitable and the main business of this Belgian subsidiary, generated lower profits than last year due to less favourable market conditions for storage operations. The distribution of fuel oil in Belgium and distillates in France continued to expand. To allow for this expansion and in order to take better advantage of results, on 1 January 2003 these distribution activities were transferred to a new Group subsidiary, TRANSCOR OIL SERVICES.

TRANSCOR AG, which trades in solid fuel in its own name and through its



British and American subsidiaries, successfully continued to import coal into Western Europe, and also made a positive contribution to the Group's profits.

As a result of the various divisions' excellent performance, the TRANSCOR Group made a net profit of EUR 22.0 million in 2002, its best result to date.

CONTRIBUTION TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | 4.0 | 0.20 | 17.7 | 0.88 |
| Adjusted net assets on 31.12.2002 | 72.4 | 3.62 | 72.4 | 3.62 |

KEY CONSOLIDATED FIGURES (EUR MILLION)

| | 2000 | 2001 | 2002 |
|--------------------------------|-------|-------|-------|
| Equity | 67.9 | 85.5 | 90.0 |
| Turnover | 3,019 | 3,154 | 3,903 |
| Net result (Group share) | 13.7 | 18.9 | 22.0 |
| Dividend | - | 4.6 | 5.0 |

EDITIONS DUPUIS is the world's leading publisher of French and Dutch language comic books, with annual sales exceeding 12.5 million units.

Around its core business in publishing comic strip weeklies and books, the Company has developed a "Universe Management" know-how, embracing a whole range of competences in publishing, marketing, mail orders, the audio-visual sector, licensing and the Internet.

DUPUIS

www.editions-dupuis.com

2001 and 2002 were years of significant investment for DUPUIS, in line with its "Universe Management" strategy.

Around its core business as a publisher of comic books, the Company has developed a whole range of competences in order to enhance the value of its rights, exploiting them in all possible areas. To maximize opportunities and to coordinate the operations, DUPUIS has established a flexible organisation based on this new approach. The result is a coherent and synergetic business system, enabling the Company to reach a far wider audience and to generate new revenues. This approach should also facilitate the penetration of foreign markets in which comic strips are not yet recognised and exploited as a mass entertainment medium.

Thanks to this diversification, CÉDRIC's universe experienced a significant step change in 2002, notably through the

sale of 1.3 million comic strip books (+73% on 2001) and the conclusion of a large number of licence agreements.

2002 was also marked by:

- the successful integration of DE STRIPUITGEVERIJ (now called UITGEVERIJ DUPUIS), acquired at the end of 2000, which publishes the JOMMEKE series, a spearhead on the Dutch speaking markets;
- the first significant results from the new international TV distribution and licencing structure;
- significant investment in advertising to increase awareness of priority titles such as CÉDRIC, KID PADDLE, LE PETIT SPIROU, LARGO WINCH, etc.;
- increased investment in mail-order sales through kids clubs (CLUB SPIROU, CLUB SPIP, etc.), which are generating strong growth on the Belgian and French markets, and promising prospects in Switzerland, Holland and Germany;
- the production (20%) of a cartoon series KID PADDLE consisting of

52 thirteen-minute episodes and the start of work on a second cartoon series CÉDRIC of 52 thirteen-minute episodes.

Consolidated turnover comes to EUR 70.6 million, significantly lower than in 2001. If the impact on 2001 of the extraordinary closure of three major audiovisual productions is excluded, this represents 10% growth compared with last year.

The consolidated net profit for the year comes to EUR 2.9 million, an increase of 16% on 2001.



CONTRIBUTION TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | 2.5 | 0.12 | 2.8 | 0.14 |
| Adjusted net assets on 31.12.2002 | 34.0 | 1.70 | 34.0 | 1.70 |

KEY CONSOLIDATED FIGURES (EUR MILLION)

| | 2000 | 2001 | 2002 |
|--------------------------------|------|------|------|
| Equity | 20.4 | 20.9 | 20.9 |
| Turnover | 65.2 | 81.1 | 70.6 |
| Net result (Group share) | 3.1 | 2.5 | 2.9 |
| Dividend | 2.4 | 2.5 | 2.7 |

CHÂTEAU CHEVAL BLANC, which is jointly controlled by NPM/CNP and Mr Bernard ARNAULT, produces the world famous Saint-Émilion of the same name.

CHÂTEAU CHEVAL BLANC

www.chateau-chevalblanc.com

The Cheval Blanc vineyard covers approximately 37 hectares in the Saint-Emilion wine-growing region. In addition to CHÂTEAU CHEVAL BLANC, an A-grade Saint-Émilion Premier Grand Cru, the estate produces a second wine known as PETIT CHEVAL.

The current shareholders purchased the estate at the end of 1998, and they are naturally continuing the high-quality wine growing and production methods put in place by the founders of the estate, the Fourcaud-Laussac family. Their ambition is to sustain and develop their philosophy.

In this context, they deemed it prudent to hold back a certain quantity when selling their wines, in order to provide the château with a stock of previous vintages to compensate for any lack of production in years when the wine produced does not meet the high qual-



ity targets that the estate has set itself.

2002 was marked by the following events at CHEVAL BLANC:

- at the beginning of the year, the blending of the product of the 2001 harvest produced a high quality wine, at the cost however of a small-

er quantity of new wine (approximately 80,000 bottles compared with 108,000 the previous year), linked to the harvesting of some of the crop over the summer before the bunches were ripe in order to ensure quality for remaining grapes;

- in the spring, CHÂTEAU CHEVAL BLANC 2001 was sold "en primeur" at a price of EUR 130 (compared with EUR 160 for the symbolic 2000 vintage);

- the weather conditions that prevailed during September 2002 meant that the grapes harvested have the potential to produce high quality wine, although the uneven flowering in the spring and the rainy summer led to heavy sacrifices in terms of yield.

The 2002 results, which reflect deliveries of a significant portion of the 2000 vintage, closed at a before tax profit of EUR 8.6 million, compared with EUR 7.6 million in 2001.

CHÂTEAU CHEVAL BLANC is owned by the NPM/CNP Group through a structure as shown in the diagram below, which calls on bank support of EUR 50 million through RASPAIL INVESTISSEMENTS.



CONTRIBUTION FROM RASPAIL INVESTISSEMENTS TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | 1.3 | 0.06 | 2.1 | 0.10 |
| Adjusted net assets on 31.12.2002 | 33.8 | 1.69 | 33.8 | 1.69 |

KEY CONSOLIDATED FIGURES (EUR MILLION)

| CHÂTEAU CHEVAL BLANC | 2000 | 2001 | 2002 |
|----------------------|------|------|------|
| Equity | 8.4 | 9.3 | 10.3 |
| Turnover | 8.9 | 10.0 | 11.2 |
| Net result | 6.7 | 7.6 | 8.6 |
| Dividend | 5.7 | 6.7 | 7.6 |

CHÂTEAU RIEUSSEC is owned in equal shares by NPM/CNP and DOMAINES BARONS DE ROTHSCHILD (LAFITE); the Company, which operates the RIEUSSEC vineyard, a Sauternes premier grand cru, also fully owns CHÂTEAU L'ÉVANGILE (Pomerol) and 55% of QUINTA DO CARMO, one of the leading Portuguese vineyards.

CHÂTEAU RIEUSSEC



CHÂTEAU RIEUSSEC produces its famous premier grand cru and a second wine, CLOS LABÈRE, from its 90-hectare vineyard in the Sauternes appellation. The spring 2002 "Primeur" campaign (2001 vintage) took place in ideal conditions, combining very high quality, particularly plentiful quantities and a significantly higher price (EUR 30 per bottle compared with EUR 25 for the previous vintage). The 2002 harvest should

produce a good vintage, despite the relatively high yield.

CHÂTEAU L'ÉVANGILE, which has a 14-hectare vineyard in the Pomerol appellation, produces a first wine, L'ÉVANGILE, and a second wine under the name of BLASON DE L'ÉVANGILE. The vineyard is entering the final phase of a restructuring programme to guarantee its long-term

future; in addition, new wine production facilities are being built that will better meet the estate's strict quality requirements. The 2001 vintage of L'ÉVANGILE was sold "en primeur" in the spring at a price of EUR 85, down 29% on the symbolic 2000 vintage. The 2002 harvest took place in good conditions, with significantly lower yield (down 25%).

The QUINTA DO CARMO vineyard is

reaching its final configuration (150 hectares) and is an incontestable success in terms of quality. This fine wine is not yet fully recognised at an international level, and efforts have been made to rectify this.

CHÂTEAU RIEUSSEC's consolidated profit comes to EUR 3.5 million for the 2002 financial year (compared with EUR 1.7 million in the previous year), after a return on the Shareholders' participating capital loan in the amount of EUR 0.4 million. This significant increase in profits takes into account the delivery of the 2000 vintage of L'ÉVANGILE, which was sold at a record price of EUR 120. It must be remembered that for wine-making estates, profits are posted when the wine is physically available; the time lag between "Primeur" sales and entry into the accounts is one financial year for L'ÉVANGILE and two financial years for RIEUSSEC. Relative to the harvest, the gap is a year longer in both cases.

CONTRIBUTION TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | 1.2 | 0.06 | 1.9 | 0.10 |
| Adjusted net assets on 31.12.2002 | 22.3 | 1.11 | 22.3 | 1.11 |

KEY CONSOLIDATED FIGURES (EUR MILLION)

| | 2000 | 2001 | 2002 |
|--------------------------------|------|------|------|
| Equity | 36.5 | 36.6 | 38.0 |
| Turnover | 5.9 | 5.4 | 8.6 |
| Net result (Group share) | 2.4 | 1.7 | 3.5 |
| Dividend | 1.6 | 2.1 | 0.7 |

IJSBOERKE leads the Belgian market for home sales of ice cream, and is the challenger on the supermarket sales market.

IJSBOERKE

www.ijsboerke.be



the shops of the main retailers in Belgium and by 130 vans that operate throughout Belgium and Luxembourg each day making deliveries to private individuals (200,000 active customers), hotels, restaurants and catering companies (7,000 establishments);

- the production of private label ice cream, mainly for export.

After two years of losses, IJSBOERKE has seen a net profit of EUR 0.3 million, an improvement of EUR 5 million compared with 2001.

This improvement is the result of a new marketing policy and a reduction in costs at all levels, without compromising the future of the company. In 2002, IJSBOERKE obtained HACCP and BRC quality certificates.

This progress is the result of fundamental changes and adjustments:

- the restructuring of distribution rounds, which have been reduced from 150 to 130 through computerisation;
- a new pay system for sales representatives/delivery drivers based on performance in sales to private individuals;
- the reduction of the company's management costs;
- direct delivery to mini-market chains' logistics centres (F2/F3);
- the elimination of deliveries to non or low profitable customers;
- the winding-up of loss-making business in the Netherlands.

These improvements should be consolidated during 2003. The company forecasts progress at all levels, including operating income, cash flow, gross margin and turnover.

IJSBOERKE's activities include:

- the production of IJSBOERKE brand ice cream and its distribution through

CONTRIBUTION TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | - | - | 0.3 | 0.02 |
| Adjusted net assets on 31.12.2002 | 25.7 | 1.29 | 25.7 | 1.29 |

KEY CONSOLIDATED FIGURES (EUR MILLION)

| | 2000 | 2001 | 2002 |
|------------------|-------|-------|------|
| Equity | 19.6 | 14.8 | 15.0 |
| Turnover | 44.4 | 44.4 | 42.7 |
| Net result | (2.3) | (4.9) | 0.3 |
| Dividend | - | - | - |

DISTRIPAR operates airport shops through its subsidiary BELGIAN SKY SHOPS and has a 70% holding in VANPARYS, a chocolate producer/distributor, and a 50% stake in PLANET PARFUM, a selective perfume and cosmetics retail company.

DISTRIPAR



BELGIAN SKY SHOPS

Following the bankruptcy of SABENA, the number of passengers at Brussels airport dropped by 26% over the 2002 financial year as a whole compared with 2001, which had already been partly affected by the events of September the 11th.

Good sales performance (turnover per passenger up 12%) meant that the drop in total turnover was limited to 17%.

During the year, the company finalised the replacement of its central computer system, which will allow for

improved cost control. It also opened 2,500 square meters of new sales area in the new terminal at Brussels airport. This enabled it to increase the quality of the offering to passengers and sustain sales performance.

The opening of two shops at Charleroi airport also boosted sales.

For 2003, as business is directly influenced by the number of passengers, an upturn in growth will depend largely on the international situation.

VANPARYS

VANPARYS manufactures pralines on behalf of third parties and also distributes its products under its own CORNÉ PORT-ROYAL brand through a network of 35 exclusive points of sale.

In 2002 VANPARYS achieved a turnover of EUR 9.2 million, a 14% increase on 2001, following a 17% increase the previous year.

2002 was marked by the consolidation of existing commercial relationships and a reduction in the company's debt level.

CLOQUET

The CLOQUET PARFUMERIE and PLANET PARFUM brands strengthened their positions in Belgium during 2002. The 61 points of sale throughout the country achieved a turnover of around EUR 69.1 million (up more than 15%) in duty paid perfume sales.

In consolidation, the DISTRIPAR Group benefited from the complementary nature of its different businesses and, despite an extremely difficult year for BELGIAN SKY SHOPS, nevertheless ended the financial year positively in terms of net operating profit (EUR 0.7 million).

CONTRIBUTION TO:

| | RESTRICTED CONSOLIDATION | | CONSOLIDATION (TRANSITIVE) | |
|-----------------------------------|--------------------------|-----------|----------------------------|-----------|
| | Mio EUR | EUR/share | Mio EUR | EUR/share |
| 2002 operating result..... | 0.4 | 0.02 | 1.1 | 0.05 |
| Adjusted net assets on 31.12.2002 | 25.7 | 1.29 | 25.7 | 1.29 |

KEY CONSOLIDATED FIGURES (EUR MILLION)

| | 2000 ⁽¹⁾ | 2001 | 2002 |
|--------------------------------|---------------------|-------|-------|
| Equity | 5.4 | 5.7 | 3.2 |
| Turnover | 147.9 | 145.3 | 134.2 |
| Net result (Group share) | 2.5 | 0.3 | (2.5) |
| Dividend | - | - | - |

(1) pro forma figures after restructuring.

VIVENTURES

www.viventures.com



VIVENTURES was launched at the end of 1998 and quickly established itself as one of the leading players in European technology venture capital.

Its major original feature is that it brought together international industrial (equipment manufacturers, telecommunications operators, media companies) and financial operators, which form a unique source of expertise, as investors in its VIVENTURES 1 (EUR 118 million invested) and VIVENTURES 2 (EUR 300 million invested) funds. This dual

approach increases the strength and valuation of new companies, with the aim of greater profitability for the investors.

To date, VIVENTURES 1 has financed over sixty start-ups in around ten countries. Approximately ten of these have already been floated on the stock exchange, either on a European market or on the NASDAQ, or have been taken over by industrial operators. These issues have generated impressive performance, enabling the partners to recover all of the funds invested.

NPM/CNP committed to investing EUR 40 million in VIVENTURES 2 (of which EUR 10 million was paid up at the end of 2002), thus becoming one of the main investors in the fund.

Based in Paris and present in the United States since its formation in June 1998, the VIVENTURES team is made up of six senior investors with recognised experience in the information technology sectors (semi-conductors, network equipment, software, telecommunications operators and corporate information system services).

With the structuring of the information technology industry, new investment opportunities are opening up (listed companies, spin-offs from large groups, etc.); VIVENTURES has adapted its investment strategy to respond to this and diversify its portfolio of shareholdings.

INNO.COM

www.inno.com



The specialist information technology consultancy INNO.COM was founded in March 1998.

The core competencies of INNO.COM, reinforced by its unique close collaboration with the academic world, are grouped around areas of expertise based on the new information technologies. The company's numerous brilliant achievements clearly show the creative spirit and efficiency that have become its main characteristics. 2002 was marked by continued growth on

the Belgian market (+25%), with important projects at Toyota Europe, KBC and for the public authorities. International business dropped, although a new project was launched in France.

Turnover is almost unchanged (EUR 6.2 million), with a slowdown in growth in the second half of the year, which had a negative impact on profits.

MESA



MESA (MOLIGNÉE ÉNERGIE S.A.) is an investment company that aims to promote wind power in the Walloon Region and

more specifically in the Mollignée area. At the end of August 2002, NPM/CNP invested EUR 500,000 through capital increase, thus obtaining a 76% holding in MESA.

In the long term, MESA plans to set up wind farms on several sites located in the Mollignée area.

This project will make a significant contribution to the Walloon Region's initiatives to meet the quotas set by the Kyoto agreement, which aims to reduce the emission of greenhouse gases. The development of renewable energies, which include wind power, will allow for a reduction in fossil fuel consumption (petrol, gas, coal, etc.).

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GLOSSARY

Restricted consolidation

Consolidation perimeter including NPM/CNP, the parent company and its subsidiary holding companies integrated globally or proportionally (see page 15 of financial supplement).

Under restricted consolidation, shareholdings appear on the balance sheet at their acquisition price and contribute to earnings by the amount of the dividends paid to the NPM/CNP Group.

Consolidation

Perimeter in which, unlike restricted consolidation, companies in which there is a holding of at least 20% are valued using the equity method; these companies are therefore posted in the consolidated accounts for an amount equal to NPM/CNP's share in their equity (consolidated balance sheet) and in their earnings (consolidated income statement).

Operating profit

The portion of the earnings including the operating profit generated by shareholdings (dividends and interests under restricted consolidation and, where applicable, earnings of companies accounted for using the equity method in the consolidated accounts), commissions and directors' fees received and net treasury income after deduction of operating costs and taxes.

Non operating profit

The portion of the earnings of companies consolidated or valued using the equity method consisting of capital gains or losses and write-offs on long-term financial investments, effects of sale or discontinuation of activities, and, for holding companies, depreciation of goodwill and other exceptional income and expenses.

Direct analysis

Analysis taking into account the PARGESA Group as a single shareholding and therefore not extending to its component parts.

Transitive analysis

Analysis decomposing the PARGESA Group into its component parts.

Adjusted net assets per share

Net assets value computed and adjusted as described on page 17.

It is clearly no estimation of the value per share as only the listed assets are marked-to-market; it is up to the analysts to determine the market value of the non-listed assets (BERTELSMANN and the Private Equity) in order to determine the estimated value per share.

Total Performance for the Shareholders

Internal annual cumulated rate of return for the shareholders in the form of both the dividend and the appreciation in the adjusted net assets value of the NPM/CNP share. This provides an instrument for measuring internal performance (see pages 17 to 21).

Non-diluted data

Data solely relating to issued shares and excluding the potential effect of the exercise of warrants; after 1998, there is no difference any longer between non-diluted and fully diluted data.

Fully diluted data

Data taking into account the effect of the exercise of outstanding warrants; after 1998, there is no difference any longer between non-diluted and fully diluted data.

NPM/CNP

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