

Financial supplement

2004



NPM/CNP

**COMPAGNIE NATIONALE À PORTEFEUILLE
NATIONALE PORTEFEUILLEMAATSCHAPPIJ**

CONSOLIDATED ANNUAL ACCOUNTS

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COMPAGNIE NATIONALE A PORTEFEUILLE SA

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR
ENDED DECEMBER 31, 2004 TO THE SHAREHOLDERS' MEETING

To the Shareholders

In accordance with the legal and statutory requirements, we are pleased to report to you on our audit assignment which you have entrusted to us.

We have audited the consolidated statements as of and for the year ended December 31, 2004, which have been prepared under the responsibility of the Board of Directors and which show a balance sheet total of 9,221.9 million EUR and an income statement resulting in a profit for the year, Group's share of 298.8 million EUR. Financial statements of certain subsidiaries included in the consolidation have been audited by other auditors; we relied on their opinion. We have also examined the consolidated directors' report.

Unqualified audit opinion on the consolidated financial statements

We conducted our audit in accordance with the standards of the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement taking into account the legal and statutory requirements applicable to consolidated statements in Belgium.

In accordance with these standards, we considered the group's administrative and accounting organization as well as its internal control procedures. We have obtained explanation and information required for our audit. An audit includes examining, on a test basis, evidence supporting the amounts in the consolidated financial statements. An audit also includes assessing accounting policies used, the basis for consolidation and significant estimates made by management as well as evaluating the overall consolidated financial statements presentation. We believe that our audit and the work performed by other auditors who have audited certain subsidiaries included in the consolidation, provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements of Compagnie Nationale à Portefeuille give a fair and true view of the group's consolidated assets, liabilities, consolidated financial position and cash flows as of December 31, 2004, and the consolidated results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed in the European Union and the information given in the notes to the financial statements is adequate. Those consolidated financial statements also comply with the legal and regulatory requirements applicable in Belgium to consolidated financial statements and related notes.

Additional certifications and informations

We supplement our report with the following certifications and informations which do not modify our audit opinion on the financial statements:

- The consolidated directors' report contains the information required by the Company Law and is consistent with the consolidated financial statements.
- As mentioned in the notes to the financial statements and in accordance with the regulation (EC) N° 1606/2002, the Company has anticipated the adoption of the following standards as of January 1, 2003:
 - IFRS 2 «Share-based Payment »,
 - IFRS 3 « Business Combinations »,
 - IFRS 5 « Non-current assets held for sale and discontinued operations »,
 - the revised version of IAS 36 « Impairment of Assets »,
 - the revised version of IAS 38 « Intangible assets »,
 - the 15 International Accounting Standards revised in December 2003.

April 4, 2005

The Statutory Auditor



DELOITTE & TOUCHE Reviseurs d'Entreprises
SC s.f.d. SCRL
Represented by Michel Denayer

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

,000 EUR	Note	2003	2004
Revenue	2	7,582,479	9,229,144
Other operating income	4	105,500	90,662
Changes in inventories		26,494	53,360
Raw materials, goods for resale and consumables used		(6,170,708)	(7,740,882)
Staff costs	5, 26	(539,592)	(565,559)
Depreciation expenses	14	(113,942)	(121,954)
Amortization expenses	11	(6,624)	(6,816)
Gains/losses and impairments on sharholdings and activities	7, 12, 13	22,005	2,358
Other operating expenses	4, 6, 9	(637,910)	(625,373)
Results of operating activities		267,702	314,940
Dividends and interests from long-term investments	8	133,700	173,844
Dividends from current assets held for trading		1,167	2,060
Interest income from current assets		30,590	25,974
Interest expenses		(94,276)	(72,539)
Gains/(losses) on trading activities (including derivatives)		6,196	8,655
Other financial income/(expenses)		2,212	3,853
Net finance income/(expenses)		79,589	141,847
Profit/(loss) from operations after net finance income/(expenses)		347,291	456,787
Income tax	10	(64,788)	(83,912)
Income from associates	15	99,528	131,665
Net profit/(loss) from continuing operations		382,031	504,540
Net profit/(loss) from discontinued operations	2	1,250	67,942
Net profit/(loss) for the period		383,281	572,482
attributable to minority interests		170,979	273,725
attributable to shareholders of NPM/CNP (group share)		212,302	298,757
Weighted average number of ordinary shares (,000 shares)	32	19,316	18,188
Diluted weighted average number of ordinary shares (,000 shares)	32	19,316	18,316
Basic earnings per share (EUR/share)	32	10.99	16.43
from continuing operations		10.93	12.69
from discontinued operations		0.06	3.74
Diluted earnings per share (EUR/share)	32	10.99	16.31
from continuing operations		10.93	12.60
from discontinued operations		0.06	3.71

CONSOLIDATED BALANCE SHEET

As at 31 December

,000 EUR	Note	2003	2004
ASSETS			
Non-current assets		6,189,788	6,656,712
Intangible assets	11, 12	117,251	114,219
Goodwill	13	520,507	514,290
Property, plant and equipment	14	1,070,628	1,068,102
Investments in associates	15	1,027,835	1,134,259
Long-term advances		306	264
Available-for-sale investments	16	3,372,187	3,745,299
Deferred tax assets	10	49,897	55,323
Other non-current assets	17, 26	31,177	24,956
Current assets		2,318,533	2,565,171
Inventories	18	523,733	543,036
Trade and notes receivable	19	668,741	767,983
Interest bearing advances	20	98,566	112,609
Financial assets held for trading	16	59,665	169,899
Cash and cash equivalents	21	709,044	804,463
Assets from discontinued operations	2	65,565	0
Other current assets	22, 26, 31	193,219	167,181
TOTAL ASSETS		8,508,321	9,221,883

,000 EUR		2003	2004
EQUITY AND LIABILITIES			
Total equity		5,763,063	6,541,947
Shareholders' equity		3,014,912	3,438,393
Share capital	23	126,500	126,500
Share premium	24	1,052,870	1,052,870
Treasury shares (-)		(176,810)	(182,070)
Revaluation reserve (available-for-sale investments)		491,670	687,997
Hedging reserve		(3,675)	(3,224)
Translation reserve		(9,545)	(21,593)
Accumulated profit		1,533,902	1,777,913
Other reserves		0	0
Minority shareholders' equity		2,748,151	3,103,554
Non-current liabilities		1,139,968	1,138,071
Provisions	25	144,657	106,674
Employee retirement and post-employment benefit obligations	26	100,092	96,649
Deferred tax liabilities	10	57,259	75,991
Obligations under finance lease	27	20,144	25,520
Other long-term interest bearing borrowings	28	811,835	817,521
Other non-current liabilities		5,981	15,716
Current liabilities		1,605,290	1,541,865
Provisions	25	12,668	21,646
Trade and notes payable		557,660	717,077
Income taxes payable and accrued		63,937	48,429
Current portion of obligations under finance lease	27	2,919	3,278
Current portion of long-term borrowings, short-term borrowings and overdrafts	28	728,230	496,042
Other financial liabilities	28, 29	27,342	39,609
Liabilities from discontinued operations	2	37,195	0
Other current liabilities	26, 30	175,339	215,784
TOTAL EQUITY AND LIABILITIES		8,508,321	9,221,883

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December

<i>.000 EUR</i>	2003	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continued operations before income taxes and minority	446,819	588,452
Adjustments for:		
(Income from associates)	(99,528)	(131,665)
Dividends received from associates	31,550	30,058
(Gain)/loss on disposal of property, plant and equipment	3,390	(4,425)
(Gain)/loss on disposal of intangible assets	(18)	401
(Gain)/loss on disposal of available-for-sale investments	(66,668)	(14,892)
(Gain)/loss on disposal of subsidiaries	6,744	(10,382)
Depreciation, amortization and impairments	163,382	166,716
Miscellaneous profit and loss elements without any cash effect	0	3,301
(Interest income)	(27,787)	(24,419)
Interest expense	94,276	71,742
Operating cash flow before working capital changes	552,160	674,887
Changes in working capital		
Decrease/(increase) in other non-current assets	37,677	6,956
Decrease/(increase) in inventories	(26,246)	(51,013)
Decrease/(increase) in trade and notes receivable	102,468	(115,763)
Decrease/(increase) in interest bearing advances	131,418	(3,259)
Decrease/(increase) in financial assets held for trading	19,116	(66,666)
Decrease/(increase) in other current assets	(66,005)	22,317
Increase/(decrease) in employee retirement and post-employment benefit obligations	(9,819)	(609)
Increase/(decrease) in provisions	(51,321)	(42,781)
Increase/(decrease) in other non-current liabilities	(631)	(487)
Increase/(decrease) in trade and notes payable	30,625	160,940
Increase/(decrease) in other current liabilities	(68,285)	42,145
Cash provided by operations	651,157	626,667
Income taxes received/(paid)	(38,011)	(97,358)
Operating cash flows from continuing operations	613,146	529,309
Operating cash flows from discontinued operations	2,691	0
<i>.000 EUR</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
(Acquisition)/disposal of subsidiaries, net of cash	(110,938)	(17,369)
(Acquisition)/disposal of investment in an associate, net of cash	733	(413)
(Acquisition)/disposal of intangible assets (including patents and trade marks)	(31,745)	(2,602)
(Acquisition)/disposal of tangible assets	(81,964)	(135,767)
(Acquisition)/disposal of available-for-sale investments	318,652	23,228
Investment grants received and others	(658)	2,025
Investing cash flows from continuing operations	94,080	(130,898)
Investing cash flows from discontinued operations	0	98,982

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December

<i>,000 EUR</i>	2003	2004
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity or stock options	0	2,820
Proceeds from capital increases by minority shareholders	34,646	13,951
Sale of treasury shares	0	0
Proceeds from non current financial borrowings	81,122	164,442
Proceeds from current financial borrowings	0	15,440
Proceeds from shareholders' advances	0	0
Proceeds from minority shareholders' advances	464	745
Interests received	29,631	25,539
(Interests paid)	(101,344)	(75,321)
(Acquisition of treasury shares)	(137,760)	(5,260)
(Dividends paid by the parent company to equity shareholders)	(63,516)	(61,933)
(Dividends paid to minority shareholders)	(77,049)	(85,221)
(Repayment of non current borrowings, finance lease (including current portion))	(326,665)	(268,994)
(Repayment of current borrowings)	(562,597)	(36,902)
(Repayment of other current financial liabilities)	(3,461)	(80,859)
(Repayment of minority shareholders' advances)	0	0
Financing cash flows from continuing activities	(1,126,529)	(391,553)
Net effect of currency translation on cash and cash equivalents	(24,435)	(10,421)
Net change in cash and cash equivalents	(441,047)	95,419
Cash and cash equivalents at beginning of year	1,150,091	709,044
Cash and cash equivalents at end of year	709,044	804,463

STATEMENT OF CHANGES IN EQUITY

<i>,000 EUR</i>	Share capital and premium	Treasury shares (-)	Revaluation and hedging reserve	Translation reserve	Accumulated profit	Total NPM/CNP shareholders	Minority interest	Total equity
At 31 December 2002	1,179,370	(39,050)	274,675	0	1,385,077	2,800,072	2,704,916	5,504,988
Net profit for the year	0	0	0	0	212,302	212,302	170,979	383,281
Dividend paid	0	0	0	0	(63,516)	(63,516)	(77,049)	(140,565)
(Acquisition)/sale of treasury shares	0	(137,760)	0	0	0	(137,760)	0	(137,760)
Change in fair value	0	0	212,056	0	0	212,056	(41,002)	171,054
Share-based payment	0	0	0	0	39	39	0	39
Others	0	0	1,264	(9,545)	0	(8,281)	(9,693)	(17,974)
At 31 December 2003	1,179,370	(176,810)	487,995	(9,545)	1,533,902	3,014,912	2,748,151	5,763,063
Net profit for the year	0	0	0	0	298,757	298,757	273,725	572,482
Dividend paid	0	0	0	0	(61,933)	(61,933)	(85,221)	(147,154)
(Acquisition)/sale of treasury shares	0	(5,260)	0	0	0	(5,260)	0	(5,260)
Change in fair value	0	0	196,327	0	0	196,327	188,751	385,078
Share-based payment	0	0	0	0	7,187	7,187	0	7,187
Others	0	0	451	(12,048)	0	(11,597)	(21,852)	(33,449)
At 31 December 2004	1,179,370	(182,070)	684,773	(21,593)	1,777,913	3,438,393	3,103,554	6,541,947

EQUITY AND RESULT RECONCILIATION FOR THE YEAR 2003 (Belgian GAAPs - IFRS)

The reconciliation between Belgian generally accepted accounting principles and IFRS for the 2003 financial year is as follows:

,000 EUR	Equity	Result of the	Dividend	Others	Equity
	NPM/CNP				NPM/CNP
	shareholders	period	paid		shareholders
	01.01.2003				31.12.2003
According to Belgian GAAP	2,546,791	166,643	(68,000)	(20,582)	2,624,852
Dividend distribution	64,800	0	3,200	0	68,000
Elimination of dividend on treasury shares	0	(1,284)	1,284	0	0
Elimination of treasury shares	(39,050)	0	0	(137,760)	(176,810)
IAS 39 on available for sale investments	279,614	0	0	212,056	491,670
Impairment losses on FEM/ENTREMONT	(21,269)	21,269	0	0	0
Discontinuation of goodwill amortization	0	42,220	0	0	42,220
TOTAL exchangeable bond	9,003	(9,003)	0	0	0
IMERYS pension fund	(13,800)	0	0	0	(13,800)
Other	(26,017)	(7,543)	0	12,340	(21,220)
According to IFRS	2,800,072	212,302	(63,516)	66,054	3,014,912

The most significant reconciling items regarding the equity as of 01.01.2003 and net profit for the year 2003 are the following:

- Presentation of the IFRS accounts before profit allocation; the dividend payable from the 2002 profit declared in April 2003 is added back to the opening balance of equity and deducted when declared in 2003 ; the same applies mutadis mutandis at the end of 2003.
- Cancellation of own treasury shares (deducted from equity under IFRS while considered as a short-term investment under Belgian GAAPs) and resulting cancellation of dividends on own treasury shares held.
- Presentation of financial investments and instruments at fair value under IAS 39;
- Replacement of goodwill depreciation by annual impairment test;
- Breakdown of bond exchangeable for TOTAL shares in its two components: an ordinary bond and a call option on TOTAL shares; the market interest rate on the former is spread over the life of the bond while the latter is presented at fair value at each closing date.
- IAS 19 adoption on IMERYS pension schemes.

,000 EUR	Minority	Result of the	Dividend	Others	Minority
	interests on				interests on
	01.01.2003	period	paid		31.12.2003
Minority equity according to Belgian GAAP	0	0	0	0	0
Effect of full and proportional consolidation of subsidiaries	2,704,916	170,979	(77,049)	(50,695)	2,748,151
Minority equity according to IFRS	2,704,916	170,979	(77,049)	(50,695)	2,748,151

- The change from equity accounting to proportional (for joint ventures) or global (for industrial and commercial subsidiaries) consolidation results in very significant minority shareholders' equity in the IFRS consolidated accounts.
- The valuation of available for sale investments under IAS 39 explains most (41,002) of the negative fluctuation presented under "others" in 2003.

NOTE 1 - ACCOUNTING PRINCIPLES AND POLICIES

NPM/CNP SA ('the Company') is a holding company domiciled and incorporated in Belgium. The consolidated financial statements of the Company for the financial years ended 31 December 2003 and 31 December 2004 comprise the Company and its subsidiaries (together referred to as "the Group") and the Group's interests in joint ventures and associates. The consolidated financial statements were authorized for issue by the Board of Directors on 18 March 2005.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS formerly named IAS) issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

NPM/CNP adopts International Financial Reporting Standards for the first time in 2004; all standards effective as of 31.12.2004 are applied; the Group also opted for the early application of the following standards:

- The 15 International Accounting Standards revised on December 2003
- IFRS 2 – Share-based Payment
- IFRS 3 – Business Combinations and, consequently the revised versions of IAS 36 and IAS 38,
- IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, retrospectively as of 01.01.2003

First time adoption of IFRS

According to IFRS 1, the date of transition to IFRS is January 1, 2003.

NPM/CNP has elected to use the following exemptions granted by IFRS 1:

- not to apply IFRS 3 retrospectively to past business combinations considered as effective prior to 31 December 2002;
- as far as employee benefits (IAS 19) are concerned, to recognize against equity all cumulative actuarial gains and losses at the date of transition to IFRS;
- to consider that the cumulative translation differences for all foreign operations as zero at the date of transition to IFRS;
- to consider the fair value of certain real estate assets and the BACCARAT brand owned by TAITTINGER/LOUVRE as of transition date as their deemed cost (impact: increase of EUR 9 million of equity at NPM/CNP level and corresponding decrease of goodwill). In addition, several other assets in other subsidiaries were revalued that same way, with no significant impact on the opening equity for NPM/CNP;
- to adjust for stock option plans only if launched after 7 November 2002 and if the corresponding rights were not vested as of date of transition.

Basis of preparation

The financial statements are presented in thousands of euros (the euro being the functional currency of the Group). They are prepared on the historical cost basis except for derivative financial instruments, investments held for trading and investments available-for-sale which are stated at fair value. Recognized assets and liabilities that are hedged are stated at fair value in respect of the risk that is hedged.

The accounting policies have been applied in a comparable and consistent manner throughout the Group.

The consolidated financial statements are prepared as of and for the periods ending 31 December 2003 and 31 December 2004 and they are presented before the effect of the profit appropriation of the parent company proposed to the general assembly of shareholders.

A reconciliation of the opening equity as of 01.01.2003 and profit and loss for the year ended 31.12.2003 between accounts prepared according to Belgian GAAP and those prepared according to IFRS is provided on page 8.

Consolidation principles

The consolidated financial statements include all entities that are controlled, jointly controlled and significantly influenced by the Group. Intercompany transactions, balances and unrealized gains and losses on transactions between group companies have been eliminated.

NOTE 1 - ACCOUNTING PRINCIPLES AND POLICIES

(1) Subsidiaries

Subsidiaries are those entities that the Group controls (i.e. power to govern the financial and operating policies of the entity so to obtain benefits from its activities). Control is presumed when the Group owns directly or indirectly more than one half of the voting power. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(2) Interests in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control. Joint venture arrangements which involve the establishment of a separate entity are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation – the Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

(3) Associates

An associate is an enterprise over which the Group is in a position to exercise significant influence, through participation in the financial and operating policy decisions of the investee but does not have control or joint control over those policies. This is generally evidenced by ownership of 20% or more but less than 50% of the voting rights. Investments in associates are accounted for using the equity method from the date that significant influence commences until the date that significant influence ceases. The carrying amount of such investments is reduced to recognize any decline in the value of individual investments.

A list of the company's significant subsidiaries, joint ventures and associates is set out in footnote 41 .

Goodwill

(1) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognized as an asset and is not amortized. It is tested for impairment annually, at year-end (or earlier, should there be an indication that the value of the goodwill is impaired). Goodwill arising on the acquisition of an associate is included within the carrying amount of the associate. Goodwill arising on the acquisition of subsidiaries and jointly controlled entities is presented separately on the balance sheet.

On disposal of a subsidiary, associate or jointly controlled entity, the carrying amount of goodwill is included in the determination of the profit or loss on disposal.

(2) Negative goodwill

Negative goodwill represents the excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition over the cost of acquisition. After reassessment of the identification and measurement of the related assets, liabilities and contingent liabilities, the remaining part is recognized in profit and loss.

Foreign currencies

In the financial statements of NPM/CNP and each subsidiary, jointly controlled entity and associate, transactions in currencies other than their functional currency of the subsidiary are initially recorded at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the exchange rate prevailing at the balance sheet date (closing rate). Exchange differences arising on the settlement or translation of monetary items at rates different than the rate prevailing on initial recognition are recognized in the income statement of the entity in the period in which they arise. On consolidation, the assets and liabilities of the Group's foreign subsidiaries are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity in the translation reserve. Such translation differences are recognized as income or as expenses in the period in which the operation is disposed of.

NOTE 1 - ACCOUNTING PRINCIPLES AND POLICIES

The following exchange rates have been used in preparing the financial statements:

1 euro is equal to :	Closing exchange rate for the year		Average exchange rate for the year	
	2003	2004	2003	2004
USD	1.2630	1.3621	1.1312	1.2439
CHF	1.5579	1.5429	1.5212	1.5438
GBP	0.7048	0.7050	0.6920	0.6787

Intangible assets

Intangible assets are stated at cost less accumulated amortization (when applicable) and accumulated impairment losses.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is expensed as incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if, and only if, the product or process is technically and commercially feasible and the company has sufficient resources to complete the development. The expenditure capitalized includes all directly attributable costs necessary to create, produce and prepare the assets to be capable of operating in the manner intended by management.

Expenditure on internally generated goodwill, brands, customer lists and items similar in substance is expensed as incurred.

Regarding intangible assets with finite useful life:

amortization is provided using the straight-line method over the estimated useful lives. A different method may be used only if it better reflects the pattern of economic benefits associated with the asset considered. Intangible assets are not measured at their revalued amount. When the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the impairment.

The estimated useful lives are as follows :

Software	1 - 5 years
Patents, licences and concessions	5 – 8.5 years
Other intangible assets with finite useful life	10 years

Regarding intangible assets with indefinite useful life:

Intangible assets with indefinite useful life are not amortized but tested for impairment annually, at year-end (or earlier, should there be an indication that the value of the intangible asset is impaired). When the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the impairment.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided using the straight-line method over estimated useful lives. A different method may be used only if it better reflects the pattern of economic benefits associated with the asset considered. When the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect its impairment.

The estimated useful lives are as follows:

Buildings	20 - 50 years
Machinery, equipment, furniture and vehicles	3 - 20 years
Other tangible fixed assets	5 - 10 years

Land is not depreciated as it is deemed to have an infinite life.

NOTE 1 - ACCOUNTING PRINCIPLES AND POLICIES

Leases

Leases are classified as **finance leases** whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Assets held under finance leases are recognized as assets of the Group (initially at their fair value, or, if lower, at the present value of the minimum lease payments). The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the value of the leased asset on initial recognition, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic interest rate on the remaining balance of the obligations for each accounting period. Rentals payable under **operating leases** are charged to income on a straight-line basis over the term of the relevant lease.

Impairment

Goodwill and intangible assets with indefinite useful lives are not amortized but tested for impairment annually and whenever there is an indication of impairment.

In addition, the Group reviews, at each balance sheet date, the carrying amounts of its investments in associates, tangible and intangible assets with finite useful lives to determine whether there is an indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the higher of fair value less costs to sell and its value in use. The value in use is the present value of expected future cash flows associated with the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the difference is recognized immediately in the income statement as an impairment loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognized as income immediately. An impairment loss on goodwill shall never be reversed in a subsequent period.

Investments in securities

Investments in securities are recognized on a trade-date basis and are initially measured at fair value, i.e, in most instances, their acquisition cost.

- **Available-for-sale securities:** available-for-sale securities are measured at subsequent reporting dates at fair value. Unrealized gains and losses are recognized directly in equity until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the net profit or loss for the period.
- **Held-to-maturity investments:** at subsequent reporting dates, debt securities that the Group has the positive intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortized cost, less any impairment loss recognized to reflect irrecoverable amounts. The annual amortization of any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognized in each period represents a constant yield on the investment.
- **Held for trading securities :** held for trading securities are measured at subsequent reporting dates at fair value. Unrealized gains and losses are included in net profit or loss for the period.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. When specific identification is not used, cost is calculated using the weighted average cost method. Net realizable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and the estimated costs necessary to make the sale. The amount of any write-down of inventories to net realisable value is recognized as an expense in the period.

NOTE 1 - ACCOUNTING PRINCIPLES AND POLICIES

Financial instruments

Financial assets and financial liabilities are recognized on the Group's balance sheet when the Group has become a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are stated at their nominal value less appropriate allowances for estimated irrecoverable amounts. An estimate is made for doubtful receivables after a review of all outstanding amounts at each balance sheet date. This review is based on the expected future cash flows of the receivables. Bad debts are written off during the period in which they are identified.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits, short-term (less than 3 months) deposits and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Share capital

(1) Costs of issuing equity instruments

The incremental costs directly attributable to an equity transaction are accounted for as a deduction from equity.

(2) Treasury shares

Treasury shares (i.e. own shares) are presented as a deduction of equity and reported in the statement of changes in equity. No gain or loss is recognized in the income statement on the sale, issuance or cancellation of treasury shares.

(3) Dividends

Dividends are recognized as a liability in the period in which they are declared.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issuance costs. Transaction costs, premiums payable on settlement or redemption, are accounted for using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Convertible and exchangeable loan notes

Convertible loan notes (redeemable in shares of the issuer at the option of the subscriber) and exchangeable loan notes (redeemable in shares other than those of the issuer at the option of the subscriber) are regarded as compound instruments, consisting of a debt component and a derivative component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible (or non-exchangeable) debt. The difference between the proceeds of issuance of the convertible or exchangeable loan notes and the fair value assigned to the debt component, representing the embedded option to convert (or to exchange) the debt into shares, is included in equity (for convertible loan notes) or presented as a financial liability (for exchangeable loan notes). The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible (or non-exchangeable) debt to the instrument. The difference between this amount and the interest paid is added to the carrying value of the convertible (or exchangeable) loan note.

NOTE 1 - ACCOUNTING PRINCIPLES AND POLICIES

Trade payables

Trade payables are stated at their fair value, i.e., in most instances, their nominal value.

Derivative financial instruments

Derivative financial instruments are recognized initially at fair value, i.e., in most instances, their acquisition cost and are remeasured to fair value at subsequent reporting dates. The accounting treatment depends upon the qualification of the potential instrument as a hedging instrument and on the type of hedging. A hedging relationship qualifies for hedge accounting if, and only if, all the following conditions are met :

- at the inception of the hedge, there is a formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge;
- the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk;
- the effectiveness of the hedge can be reliably measured;
- the hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

(1) Cash flow hedges

Where a derivative financial instrument hedges the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability, a firm commitment or a highly probable forecasted transaction, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity. The ineffective portion of the gain or loss on the hedging instrument is recognized in the income statement immediately. Any gain or loss arising from the time value of the derivative financial instrument is recognized in the income statement.

When the firm commitment or the forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognized directly in equity, are reclassified into income statement in the same period or periods during which the asset acquired or liability assumed affects income statement.

When a hedging instrument or hedge relationship is terminated but the hedged transaction still is expected to occur, the cumulative gain or loss at that point remains in equity and is recognized in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss recognized in equity is recognized in the income statement immediately.

For other cash-flow hedges, amounts previously recorded in equity are included in the profit and loss statement when the originally forecasted hedged transaction is recorded.

(2) Fair value hedges

Where a derivative financial instrument hedges the exposure to changes in fair value of a recognized asset or liability or unrecognized firm commitment, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk, any resulting gain or loss on the hedging instrument is recognized in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognized in the income statement.

(3) Hedge of a net investment in a foreign operation

Where a foreign currency liability hedges a net investment in a foreign operation, foreign exchange differences that are determined to be an effective hedge arising on translation of the liability to euro are recognized directly in equity.

Where a derivative financial instrument hedges a net investment in a foreign operation, the portion of the gain or the loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity, and the ineffective portion is reported in the income statement.

The gain or loss on the hedging instrument related to the efficient portion of the hedge that was directly recorded in equity affects the profit and loss account when the foreign operation is disposed of.

(4) Derivative financial instruments not qualifying as hedging instruments

Any derivative which does not qualify as a hedging instrument is accounted for as a trading instrument.

Government grants

Government grants are recognized on the balance sheet as deferred income (included in 'other non-current liabilities' or 'other current liabilities') when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. They are recognized as income over the periods necessary to match them with the related costs (e.g. consistently with the estimated useful life of the related asset).

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Provisions for restructuring are recognized when the Group has a detailed formal restructuring plan which has been notified to affected parties.

Employee retirement benefits

(1) *Defined contribution plans*

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

(2) *Defined benefit plans*

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses which exceed 10 per cent of the greater of the present value of the Group's pension obligations and the fair value of plan assets are amortized over the expected average remaining working lives of the participating employees.

Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the amended benefits become vested.

The amount recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of refunds available to the Group and reductions in future contributions to the plan.

Employee stock option plans

The fair value of stock options granted to employees is expensed against equity over the vesting period (if any) based on the best available estimate of the number of options expected to vest. That estimate is revised at each balance sheet date.

The fair value of stock options granted to employees is measured at grant date based on Black & Scholes model. In case the terms and the conditions on which the equity instruments are granted, are modified, the incremental fair value of stock options is expensed over the remaining vesting period (if any).

Revenue recognition

Sales of goods are recognized when risks and rewards have been transferred to the buyer, which is generally the case when goods are delivered and title has passed. Sales of financial instruments are recognized when the Group loses the rights to benefits associated with the instrument. Interest income is accrued on a time basis using the effective interest rate method. Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time, more than a full financial year, to get ready for its intended use or sale. Borrowing costs may include interest on bank overdrafts and short-term and long-term borrowings, amortization of discounts or premiums relating to borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

NOTE 1 - ACCOUNTING PRINCIPLES AND POLICIES

Taxation

Current tax is the amount of income taxes payable (or recoverable) in respect of the taxable profit (or tax loss) for the financial year. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are substantially enacted and expected to apply to the period when the asset is realized or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle on a net basis.

Discontinued operations

A discontinued operation is a (group of) cash generating unit(s) that either has been disposed of, or that is held for sale. It is disclosed as a single amount on the face of the income statement and its assets and liabilities are shown separately from other assets and other liabilities in the balance sheet.

Segment reporting

The NPM/CNP group, being a non-integrated holding company, owns shareholdings which do not have significant commercial and industrial relationships between each other. Those shareholdings are acquired, managed and disposed of with the objective of maximizing shareholders' value. In this respect, the management philosophy of the Group is based on individual assessment of each shareholding, regardless of its sector of activity. Consequently, as far as segment reporting is concerned, primary segment reporting format is based upon businesses, each significant shareholding being considered as a segment. The activities of the holding companies jointly controlled and managed directly by NPM/CNP have been presented separately as one specific segment (restricted consolidation perimeter). Secondary segment reporting format is based upon geographical location.

Segment reporting as described here above is presented in footnote 2.

NOTE 2 - SEGMENT REPORTING

Financial information per business segment

Total cost incurred during the period to acquire segment assets (property, plant and equipment and intangible assets):

,000 EUR	2003	%	2004	%
PARGESA GROUP	60,745	45.3%	104,260	62.4%
FEM/ENTREMONT	26,585	19.8%	27,491	16.5%
SLOANE/JOSEPH	3,026	2.3%	1,562	0.9%
TRANSCOR	440	0.3%	1,697	1.0%
IJSBOERKE	1,497	1.1%	3,024	1.8%
RASPAIL/CHEVAL BLANC	607	0.5%	391	0.2%
DISTRIPAR	30,134	22.5%	6,343	3.8%
RIEUSSEC	701	0.5%	1,342	0.8%
QUICK	9,892	7.4%	20,233	12.1%
Other	561	0.3%	642	0.5%
Total	134,188	100.0%	166,985	100.0%

Financial information per geographical segment

<i>Sales of the Group per geographical location of customers in ,000 EUR</i>	Europe	North America	Others	Total
2003 - Revenue	3,999,637	1,996,215	1,586,627	7,582,479
2004 - Revenue	4,069,452	4,097,906	1,061,786	9,229,144

Total carrying amount of segment assets by geographical location of assets :

<i>Figures for the year ended 31 December 2003 in ,000 EUR</i>	Europe	North America	Others	Total
Non-current assets	5,674,851	352,178	162,759	6,189,788
Intangible assets	113,055	3,452	744	117,251
Goodwill	418,760	73,890	27,857	520,507
Property, plant and equipment	699,551	246,750	124,327	1,070,628
Investments in associates	1,027,091	0	744	1,027,835
Long-term advances	306	0	0	306
Available-for-sale investments	3,369,907	1,208	1,072	3,372,187
Deferred tax assets	17,009	26,001	6,887	49,897
Other non-current assets	29,172	877	1,128	31,177
Current assets	1,907,605	284,874	126,054	2,318,533
Inventories	422,180	82,999	18,554	523,733
Trade and notes receivable	455,688	130,861	82,192	668,741
Interest bearing advances	98,566	0	0	98,566
Financial assets held for trading	59,665	0	0	59,665
Cash and cash equivalents	662,176	31,907	14,961	709,044
Assets from discontinued operations	65,565	0	0	65,565
Other current assets	143,765	39,107	10,347	193,219
TOTAL ASSETS	7,582,456	637,052	288,813	8,508,321

<i>Figures for the year ended 31 December 2004 in ,000 EUR</i>	Europe	North America	Others	Total
Non-current assets	6,156,914	332,323	167,475	6,656,712
Intangible assets	111,242	2,315	662	114,219
Goodwill	421,139	68,536	24,615	514,290
Property, plant and equipment	712,968	228,755	126,379	1,068,102
Investments in associates	1,133,238	307	714	1,134,259
Long-term advances	264	0	0	264
Available-for-sale investments	3,743,453	956	890	3,745,299
Deferred tax assets	21,913	27,151	6,259	55,323
Other non-current assets	12,697	4,303	7,956	24,956
Current assets	1,932,666	427,100	205,405	2,565,171
Inventories	352,605	156,486	33,945	543,036
Trade and notes receivable	472,591	155,766	139,626	767,983
Interest bearing advances	112,609	0	0	112,609
Financial assets held for trading	169,899	0	0	169,899
Cash and cash equivalents	695,878	89,961	18,624	804,463
Assets from discontinued operations	0	0	0	0
Other current assets	129,084	24,887	13,210	167,181
TOTAL ASSETS	8,089,580	759,423	372,880	9,221,883

Total cost incurred during the period to acquire segment assets (property, plant and equipment and intangible assets):

,000 EUR	2003	%	2004	%
Europe	111,313	83.0%	125,684	75.3%
North America	14,439	10.8%	21,459	12.9%
Others	8,436	6.2%	19,842	11.8%
Total	134,188	100.0%	166,985	100.0%

NOTE 2 - SEGMENT REPORTING

Primary segment reporting information is presented as follows :

BALANCE SHEET AS AT 31 DECEMBER 2003

, 000 EUR	Restricted consolidation Belgian GAAP	reclass.	own shares and profit allocation	IAS 19 and IFRS 2	Application of IAS 39 on restr. perimeter	Introduction of minority interests on restr perimeter	PARGESA GROUP	
							Imerys	other Pargesa
ASSETS								
Non-current assets	1,776,614	-	-	201	352,823	12,823	977,719	2,948,845
Intangible assets	-	-	-	-	-	-	15,213	759
Goodwill	-	-	-	-	-	-	236,152	40,161
Property, plant and equipment	10,446	-	-	-	-	96	671,628	56,410
Investments in associates	772,529	-	-	-	-	10,250	13,076	748,529
Long-term advances to shareholdings	87,069	-	-	-	-	2,287	-	306
Available-for-sale investments	906,569	-	-	-	352,823	190	4,769	2,096,435
Deferred tax assets	-	-	-	-	-	-	25,640	2,731
Other non-current assets	1	-	-	201	-	-	11,239	3,514
Current assets	629,000	-	(176,810)	-	52	8,428	505,221	308,475
Inventories	-	-	(176,810)	-	-	-	175,378	10,814
Trade and notes receivable	972	-	-	-	-	-	209,974	9,819
Interest bearing advances	101,290	-	-	-	-	1,966	-	140
Own shares	176,810	-	(176,810)	-	-	-	-	-
Financial assets held for trading purposes	17,901	-	-	-	52	-	27,681	14,028
Cash and cash equivalents	296,496	-	-	-	-	5,863	30,015	251,050
Assets from discontinued operations	-	-	-	-	-	-	-	-
Other current assets	35,531	-	-	-	-	599	62,174	22,624
TOTAL ASSETS	2,405,614	-	(176,810)	201	352,875	21,251	1,482,941	3,257,321
SHAREHOLDERS' EQUITY AND LIABILITIES								
Total equity	2,104,263	-	(108,810)	1,166	352,965	67,836	564,157	2,961,022
Shareholders' equity	2,104,263	-	(108,810)	1,166	352,965	-	225,095	1,490,917
Minority shareholders' equity	-	-	-	-	-	67,836	339,062	1,470,105
Non-current liabilities	81,405	-	-	(965)	-	7,521	552,526	65,736
Long term shareholders' advances	-	-	-	-	-	-	-	-
Provisions	71,390	-	-	-	-	-	62,039	4,306
Employee retirement and post-employment benefit obligations	2,093	-	-	(965)	-	-	90,607	(0)
Deferred tax liabilities	-	-	-	-	-	-	39,147	3,737
Obligations under finance lease	-	-	-	-	-	-	4,728	0
Other long-term interest bearing borrowings	7,922	-	-	-	-	7,521	353,091	57,599
Other non-current liabilities	-	-	-	-	-	-	2,915	94
Current liabilities	219,946	-	(68,000)	-	(90)	(54,106)	366,258	230,563
Provisions	-	-	-	-	-	-	9	17
Trade and notes payable	2,260	-	-	-	-	6	117,145	8,834
Income tax payable and accrued	5,680	-	-	-	-	21	17,163	11,301
Current portion of obligations under finance lease	-	-	-	-	-	-	-	-
Current portion of long term borrowings, bank short-term borrowings and overdrafts	78,460	-	-	-	-	-	143,870	193,618
Other financial liabilities	56,193	-	-	-	-	(54,980)	4,659	3,674
Liabilities from discontinued operations	-	-	-	-	-	-	-	-
Other current liabilities	77,353	-	(68,000)	-	(90)	847	83,412	13,118
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,405,614	-	(176,810)	201	352,875	21,251	1,482,941	3,257,321

RECONCILIATION OF MINORITY INTERESTS

Consolidated percentage shown in the consolidated accounts	1	44.8%	44.8%
Portion of consolidation percentage belonging to NPM/CNP	2	21.7%	54.1%
Percentage of company equity belonging to NPM/CNP	3 = 1 x 2	9.7%	24.2%
Minority interests in subsidiary	-	103,331	684,416
Minority interests from subsidiary	67,836	339,062	1,470,105
Elimination entry	-	-	-
Minority shareholders' equity	67,836	442,393	2,154,521

INDUSTRIAL AND COMMERCIAL SHAREHOLDINGS										Consolidation eliminating entries	Consolidation IFRS
FEM/Entremont	Sloane/Joseph	Transcor	Dupuis (discontinued)	Ijsboerke	Raspail/Cn. Bic	Distripar	Rieussec	Quick	Taittinger/Louvre		
299,094	120,596	2,059	19,442	13,688	62,768	63,883	21,242	142,638	259,322	(883,970)	6,189,788
37,057	741	64	3,772	254	7	27,377	9	35,770		(3,772)	117,251
117,412	98,299		8,728	-	-	15,320		5,556		(1,121)	520,507
113,277	21,036	1,062	5,984	12,936	62,759	11,359	19,337	90,281		(5,984)	1,070,628
2,592	197		1				1,891	2,226	259,322	(782,780)	1,027,835
										(89,356)	306
11,397							5			-	3,372,187
14,858	323	442	388	481		500		4,922		(388)	49,897
2,501		491	569	17	2	9,327		3,883		(569)	31,177
389,531	28,113	448,473	37,903	18,285	6,399	47,335	5,041	43,010	-	20,076	2,318,533
184,297	15,776	102,749	9,237	4,855	2,467	19,163	2,465	5,769		(9,237)	523,733
168,957	5,915	241,939	20,650	3,637	429	12,915	214	13,970		(20,650)	668,741
898										(5,728)	98,566
										-	-
3										-	59,665
8,479	1,020	77,275	5,688	9,222	3,191	7,138	2,226	17,069		(5,688)	709,044
										65,565	65,565
26,897	5,402	26,510	2,328	571	312	8,119	136	6,202		(4,186)	193,219
688,625	148,709	450,532	57,345	31,973	69,167	111,218	26,283	185,648	259,322	(863,894)	8,508,321
5,121	51,982	96,036	20,150	22,642	5,101	8,598	19,363	90,026	259,322	(757,876)	5,763,063
1,090	51,351	96,036	20,150	22,642	5,101	8,598	19,363	84,165	259,322	(1,618,501)	3,014,912
4,031	631	-	-	-	-	-	-	5,861	-	860,625	2,748,151
296,937	75,377	1,723	5,815	3,173	59,678	44,215	3,049	42,358	-	(98,581)	1,139,968
47,495	-	-	-	-	27,713	12,222	3,049	-	-	(90,479)	-
			40	673		989		5,260		(40)	144,657
6,526			530	130		1,180		521		(530)	100,092
9,926	17	1,723	1,522	1,470		1,239				(1,522)	57,259
8,504						70		6,842		-	20,144
221,693	75,360		1,900	900	31,985	28,509		29,562		(4,187)	811,835
2,793			1,823			6		173		(1,823)	5,981
386,567	21,350	352,773	31,380	6,158	4,388	58,405	3,871	53,264	-	(7,437)	1,605,290
12,160		460		22						-	12,668
141,956	8,983	230,294	16,161	3,005	3,217	13,528	3,017	25,414		(16,161)	557,660
3,834	2,325	8,841	1,019	174	273	1,808	306	12,211		(1,019)	63,937
1,639								1,280		-	2,919
170,178	1,297	99,521	6,794	240	87	35,447	15	11,225		(12,522)	728,230
17,496								300		-	27,342
										37,195	37,195
39,304	8,745	13,657	7,406	2,717	811	7,622	533	2,834		(14,930)	175,339
688,625	148,709	450,532	57,345	31,973	69,167	111,218	26,283	185,648	259,322	(863,894)	8,508,321

100.0%	100.0%	100.0%	100.0%	100.0%	50.0%	100.0%	50.0%	50.0%	25.0% and 16.1%
75.0%	57.6%	80.5%	100.0%	100.0%	80.0%	100.0%	100.0%	58.9%	100.0%
75.0%	57.6%	80.5%	100.0%	100.0%	40.0%	100.0%	50.0%	28.9%	25.0% and 16.1%

1,280	27,192	18,747	-	-	1,020	-	-	35,455	-	(871,441)	-
4,031	631	-	-	-	-	-	-	5,861	-	860,624	2,748,151
440		(8,725)	-	-	(1,524)	-	-	-	-	9,809	-
5,751	27,823	10,022	-	-	(504)	-	-	41,316	-	-	2,748,151

NOTE 2 - SEGMENT REPORTING

BALANCE SHEET AS AT 31 DECEMBER 2004

, 000 EUR

	Restricted consolidation Belgian GAAP	reclass.	own shares and profit allocation	IAS 19 and IFRS 2	Application of IAS 39 on restr. perimeter	Introduction of minority interests on restr perimeter	PARGESA GROUP	
							Imerys	other Pargesa
ASSETS								
Non-current assets	1,693,042	-	-	1,123	474,486	12,037	1,003,108	3,294,237
Intangible assets							12,997	817
Goodwill							250,746	45,082
Property, plant and equipment	10,756					96	675,017	53,229
Investments in associates	737,341					9,464	11,588	842,570
Long-term advances to shareholdings	42,984					2,287	-	264
Available-for-sale investments	901,961				474,486	190	4,165	2,349,829
Deferred tax assets							32,468	1,834
Other non-current assets				1,123			16,125	611
Current assets	854,815	-	(182,070)	-	1,688	(7,538)	542,505	225,397
Inventories							178,868	10,024
Trade and notes receivable	814					(4)	221,407	9,285
Interest bearing advances	134,899					(15,337)	-	184
Own shares	182,070		(182,070)				-	-
Financial assets held for trading purposes	71,354				1,688		71,165	25,689
Cash and cash equivalents	437,141					9,150	29,795	161,726
Assets from discontinued operations							-	-
Other current assets	28,537					(1,347)	41,270	18,489
TOTAL ASSETS	2,547,857	-	(182,070)	1,123	476,174	4,499	1,545,613	3,519,634
SHAREHOLDERS' EQUITY AND LIABILITIES								
Total equity	2,190,027	-	(110,670)	4,177	476,174	69,843	607,610	3,403,288
Shareholders' equity	2,190,027		(110,670)	4,177	476,174	-	242,037	1,717,073
Minority shareholders' equity	-		-	-	-	69,843	365,573	1,686,215
Non-current liabilities	40,077	-	-	(233)	-	-	643,307	77,727
Long term shareholders' advances	-						-	-
Provisions	39,367						67,172	2,413
Employee retirement and post-employment benefit obligations	710			(233)			87,585	0
Deferred tax liabilities							56,637	3,510
Obligations under finance lease							4,856	0
Other long-term interest bearing borrowings							416,240	71,770
Other non-current liabilities							10,817	34
Current liabilities	317,753	-	(71,400)	(2,821)	-	(65,344)	294,697	38,618
Provisions							5,370	174
Trade and notes payable	1,216					(9)	122,534	9,756
Income tax payable and accrued	1,867					50	4,480	1,656
Current portion of obligations under finance lease							-	-
Current portion of long-term borrowings, bank short-term borrowings and overdrafts	136,784					6,517	75,001	14,106
Other financial liabilities	89,199					(71,644)	2,966	3,806
Liabilities from discontinued operations							-	-
Other current liabilities	88,687		(71,400)	(2,821)		(258)	84,346	9,122
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,547,857	-	(182,070)	1,123	476,174	4,499	1,545,613	3,519,634

RECONCILIATION OF MINORITY INTERESTS

Consolidated percentage shown in the consolidated accounts	1		44.8%	44.8%
Portion of consolidation percentage belonging to NPM/CNP	2		21.6%	54.1%
Percentage of company equity belonging to NPM/CNP	3 = 1 x 2		9.7%	24.1%
Minority interests in subsidiary			-	111,501
Minority interests from subsidiary			69,843	365,573
Elimination entry			-	-
Minority shareholders' equity			69,843	477,074
				2,477,233

INDUSTRIAL AND COMMERCIAL SHAREHOLDINGS										Consolidation	Consolidation
FEM/Entremont	Sloane/Joseph	Transcor	Dupuis (discontinued)	Ijsboerke	Raspail/Ch. Blic	Distripar	Rieussec	Quick	Taittinger/Louvre	eliminating entries	IFRS
249,403	118,851	12,848	-	13,354	62,836	68,657	22,054	143,295	268,999	(781,616)	6,656,712
35,957	406	272	-	254	7	25,721	9	37,779	-	-	114,219
88,174	98,264	-	-	-	-	15,549	-	6,017	-	10,458	514,290
107,399	19,603	1,738	-	13,068	62,827	12,421	20,272	91,676	-	-	1,068,102
6,763	179	-	-	-	-	-	1,770	2,388	268,999	(746,803)	1,134,259
-	-	-	-	-	-	-	-	-	-	(45,271)	264
379	-	-	-	-	-	14,289	-	-	-	-	3,745,299
9,569	399	8,007	-	14	-	530	-	2,501	-	-	55,323
1,162	-	2,831	-	18	2	147	3	2,934	-	-	24,956
334,993	30,563	668,285	-	15,095	8,380	40,293	3,448	39,045	-	(9,729)	2,565,171
135,500	17,176	167,457	-	5,377	2,186	19,020	2,258	5,170	-	-	543,036
161,206	6,150	334,065	-	4,227	3,560	12,324	76	14,874	-	-	767,983
863	-	-	-	-	-	-	-	-	-	(8,000)	112,609
-	-	-	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-	-	169,899
5,019	2,126	131,903	-	4,823	2,412	6,526	967	12,874	-	-	804,463
-	-	-	-	-	-	-	-	-	-	-	-
32,402	5,111	34,860	-	668	222	2,423	147	6,127	-	(1,729)	167,181
584,396	149,414	681,133	-	28,449	71,216	108,950	25,502	182,340	268,999	(791,345)	9,221,883
(14,168)	51,186	122,040	-	17,019	7,067	14,756	19,846	86,001	268,999	(671,248)	6,541,947
(15,794)	50,535	122,040	-	17,019	7,067	14,756	19,846	86,001	268,999	(1,650,894)	3,438,393
1,626	651	-	-	-	-	-	-	-	-	979,646	3,103,554
264,793	69,767	290	-	4,309	59,678	32,013	3,049	47,958	-	(104,663)	1,138,071
49,792	-	-	-	-	27,713	12,222	3,049	-	-	(92,776)	-
-	-	-	-	651	-	1,046	-	5,625	-	(9,600)	106,674
6,751	-	-	-	114	-	1,208	-	514	-	-	96,649
9,569	17	290	-	1,386	-	1,875	-	2,707	-	-	75,991
13,433	-	-	-	-	-	13	-	7,218	-	-	25,520
180,494	69,750	-	-	2,158	31,965	15,643	-	31,788	-	(2,287)	817,521
4,754	-	-	-	-	-	6	-	106	-	-	15,716
333,771	28,461	558,803	-	7,121	4,471	62,181	2,607	48,381	-	(15,434)	1,541,865
15,439	-	641	-	22	-	-	-	-	-	-	21,646
137,382	7,612	384,730	-	3,606	3,657	15,501	2,173	28,919	-	-	717,077
3,473	1,919	20,104	-	133	247	2,544	-	11,957	-	-	48,429
2,050	-	-	-	-	-	-	-	1,228	-	-	3,278
121,443	7,167	100,733	-	687	-	36,685	14	4,905	-	(8,000)	496,042
15,055	-	-	-	-	-	-	-	228	-	-	39,609
-	-	-	-	-	-	-	-	-	-	-	-
38,929	11,763	52,595	-	2,673	567	7,451	420	1,144	-	(7,434)	215,784
584,396	149,414	681,133	-	28,449	71,216	108,950	25,502	182,340	268,999	(791,345)	9,221,883

100.0%	100.0%	100.0%	-	100.0%	50.0%	100.0%	50.0%	50.0%	25.0% and 15.6%	-	-
100.0%	57.6%	82.3%	-	100.0%	80.0%	97.0%	100.0%	57.9%	100.0%	(989,106)	-
100.0%	57.6%	82.3%	-	100.0%	40.0%	97.0%	50.0%	28.9%	25.0% and 15.6%	979,647	3,103,554
-	26,844	21,662	-	-	1,413	443	-	36,224	-	9,459	-
1,626	651	-	-	-	-	-	-	-	-	-	-
-	-	(7,935)	-	-	(1,524)	-	-	-	-	-	-
1,626	27,495	13,727	-	-	(111)	443	-	36,224	-	-	3,103,554

NOTE 2 - SEGMENT REPORTING

INCOME STATEMENT AS AT 31 DECEMBER 2003

. 000 EUR

INCOME STATEMENT

	Restricted consolidation Belgian GAAP	reclass.	cancellation of own shares	IAS 19 and IFRS 2	Application of IAS 39 on restr. perimeter	Introduction of minority interests on restr perimeter	PARGESA GROUP	
							Imerys	other Pargesa
Revenue	1,453	-	-	-	-	10	1,221,893	88,882
Other operating income	20,865	-	-	-	-	1	74,867	1,406
Changes in inventories	-	-	-	-	-	-	1,043	319
Raw materials, goods for resale and consumables used	-	-	-	-	-	-	(449,875)	(50,994)
Staff costs	(6,825)	75	-	1,166	-	(85)	(254,953)	(22,555)
Depreciation expenses	(379)	-	-	-	-	(7)	(60,860)	(5,199)
Amortization expenses	-	-	-	-	-	-	(3,640)	(56)
Gains/(losses) on disposals of (and impairments on) shareholdings and activities	14,441	-	-	-	(964)	-	(9,357)	(27,704)
Other operating expenses	(5,539)	(75)	-	-	-	59	(379,984)	(14,032)
Results of operating activities	24,016	-	-	1,166	(964)	(22)	139,135	(29,931)
Dividends and interests from long-term investments	82,556	-	-	-	-	1,326	274	93,571
Dividends from current assets held for trading	331	-	-	-	-	-	814	21
Dividends on own shares	1,284	-	(1,284)	-	-	-	-	-
Interest income from current assets	17,087	-	-	-	-	275	-	8,786
Interests expenses	(9,700)	-	-	-	(9,003)	1,765	(26,401)	(15,326)
Gains/(losses) on trading activities (including derivatives)	6,156	723	-	-	(539)	-	-	(393)
Other financial income/(expenses)	1,576	(723)	-	-	-	4	3,291	(349)
Net finance income/(expenses)	99,290	-	(1,284)	-	(9,542)	3,370	(22,022)	86,310
Profit/(loss) from operating activities after net finance income/(expenses)	123,306	-	(1,284)	1,166	(10,506)	3,348	117,113	56,379
Income tax	1,820	-	-	-	-	21	(46,357)	(1,156)
Income from associates	-	-	-	-	-	-	1,469	84,634
Net profit/(loss) from continuing operation:	125,126	-	(1,284)	1,166	(10,506)	3,369	72,226	139,857
Net profit/loss from discontinued operations	-	-	-	-	-	-	-	-
Net profit/(loss)	125,126	-	(1,284)	1,166	(10,506)	3,369	72,226	139,857
attributable to								
- Minority interests	-	-	-	-	-	3,369	43,522	72,185
- NPM/CNP Shareholders	125,126	-	(1,284)	1,166	(10,506)	-	28,704	67,671

RECONCILIATION OF MINORITY INTERESTS IN INCOME STATEMENT¹

Consolidation percentage shown in the above column	1	44.8%	44.8%
Portion of income shown attributable to NPM/CNP	2	21.7%	54.1%
Portion of company income attributable to NPM/CNP	3 = 1 x 2	9.7%	24.2%
Minority interests in subsidiary		-	13,174
Minority interests from subsidiary		3,369	43,522
Elimination entry		-	-
Total minority interests in net profit		3,369	56,696

INCOME STATEMENT AS AT 31 DECEMBER 2004

. 000 EUR

INCOME STATEMENT

	Restricted consolidation Belgian GAAP	reclass.	cancellation of own shares	IAS 19 and IFRS 2	Application of IAS 39 on restr. perimeter	Introduction of minority interests on restr perimeter	PARGESA GROUP	
							Imerys	other Pargesa
Revenue	1,356	-	-	-	-	19	1,285,140	89,190
Other operating income	43,206	-	-	-	-	(11)	39,279	1,046
Changes in inventories	-	-	-	-	-	-	6,076	(660)
Raw materials, goods for resale and consumables used	-	-	-	-	-	-	(462,436)	(60,107)
Staff costs	(7,570)	-	-	(3,110)	-	(61)	(254,365)	(22,622)
Depreciation expenses	(381)	6	-	-	-	(5)	(69,912)	(4,808)
Amortization expenses	(12)	-	-	-	-	-	(2,928)	(62)
Gains/(losses) on disposals of (and impairments on) shareholdings and activities	2,897	-	-	-	-	-	(2,614)	16,480
Other operating expenses	(4,055)	(6)	-	-	-	40	(369,609)	(18,428)
Results of operating activities	35,441	-	-	(3,110)	-	(18)	168,631	10,030
Dividends and interests from long-term investments	100,553	-	-	-	-	1,437	1,197	113,178
Dividends from current assets held for trading	903	-	-	-	-	-	963	194
Dividends on own shares	6,067	-	(6,067)	-	-	-	-	-
Interest income from current assets	19,203	-	-	-	-	164	-	3,099
Interests expenses	(13,558)	-	-	-	-	907	(24,083)	(3,566)
Gains/(losses) on trading activities (including derivatives)	5,435	738	-	-	1,545	-	-	961
Other financial income/(expenses)	1,229	(738)	-	-	-	20	4,266	(282)
Net finance income/(expenses)	119,832	-	(6,067)	-	1,545	2,528	(17,658)	113,585
Profit/(loss) from operating activities after net finance income/(expenses)	155,273	-	(6,067)	(3,110)	1,545	2,510	150,972	123,614
Income tax	1,891	-	-	-	-	(57)	(44,953)	(1,374)
Income from associates	-	-	-	-	-	-	1,495	115,997
Net profit/(loss) from continuing operation:	157,164	-	(6,067)	(3,110)	1,545	2,453	107,515	238,237
Net profit/loss from discontinued operations	-	-	-	-	-	-	-	-
Net profit/(loss)	157,164	-	(6,067)	(3,110)	1,545	2,453	107,515	238,237
attributable to								
- Minority interests	-	-	-	-	-	2,453	64,889	118,709
- NPM/CNP Shareholders	157,164	-	(6,067)	(3,110)	1,545	-	42,626	119,528

RECONCILIATION OF MINORITY INTERESTS IN INCOME STATEMENT¹

Consolidation percentage shown in the above column	1	44.8%	44.8%
Portion of income shown attributable to NPM/CNP	2	21.6%	54.1%
Portion of company income attributable to NPM/CNP	3 = 1 x 2	9.7%	24.1%
Minority interests in subsidiary		-	19,637
Minority interests from subsidiary		2,453	64,889
Elimination entry		-	-
Total minority interests in net profit		2,453	84,526

INDUSTRIAL AND COMMERCIAL SHAREHOLDINGS										Consolidation	Consolidation
FEM/Entremont	Sloane/Joseph	Transcor	Dupuis (discontinued)	Ijsboerke	Raspail/Ch. Blic	Distripar	Rieussec	Quick	Taittinger/Louvre	eliminating	IFRS
										entries	
1,134,739	98,896	4,594,894	66,927	47,571	6,218	143,958	2,260	241,704	-	(66,927)	7,582,479
3,963	4,001	461	1,922	500	160	922	1,136	-	-	(4,705)	105,500
(6,881)	(17)	32,476	(551)	198	220	(797)	(430)	363	-	551	26,494
(810,529)	(43,407)	(4,555,153)	(16,121)	(17,405)	(194)	(77,205)	(242)	(165,703)	-	16,121	(6,170,708)
(119,849)	(18,870)	(28,399)	(15,212)	(14,965)	(744)	(26,211)	(653)	(46,725)	-	15,212	(539,592)
(22,876)	(4,468)	(493)	(1,592)	(2,648)	(288)	(3,791)	(364)	(12,568)	-	1,592	(113,942)
(1,764)	(293)	-	(2,544)	-	-	(872)	-	-	-	2,544	(6,624)
-	-	-	-	589	-	-	-	-	-	45,000	22,005
(162,834)	(26,074)	(7,128)	(30,567)	(9,962)	(1,017)	(28,920)	(660)	(2,655)	-	31,478	(637,910)
13,969	9,768	36,658	2,262	3,878	4,355	7,084	1,047	14,416	-	40,866	267,702
42	-	-	-	-	-	-	-	-	-	(44,070)	133,700
-	-	-	-	-	-	-	-	-	-	-	1,167
-	-	-	-	-	-	-	-	-	-	-	-
609	30	1,923	581	70	181	1,064	46	519	-	(581)	30,590
(23,915)	(4,986)	(3,914)	(999)	(16)	(2,077)	(2,414)	(164)	(4,523)	-	7,397	(94,276)
249	-	-	-	-	-	-	-	-	-	-	6,196
276	-	(924)	-	(104)	-	572	-	-	-	(1,406)	2,212
(22,739)	(4,956)	(2,915)	(418)	(50)	(1,896)	(778)	(118)	(4,004)	-	(38,660)	79,589
(6,770)	4,812	33,743	1,844	3,828	2,459	6,306	929	10,412	-	2,206	347,291
1,578	(2,711)	(10,200)	(594)	(946)	(886)	(2,012)	(305)	(3,634)	-	594	(64,788)
(16)	251	-	-	-	-	-	64	(56)	13,182	-	99,528
(7,208)	2,352	23,543	1,250	2,882	1,573	4,294	688	6,722	13,182	2,800	382,031
-	-	-	-	-	-	-	-	-	-	-	1,250
(7,208)	2,352	23,543	1,250	2,882	1,573	4,294	688	6,722	13,182	4,050	383,281
383	340	-	-	-	-	-	-	762	-	50,418	170,979
(7,591)	2,012	23,543	1,250	2,882	1,573	4,294	688	5,960	13,182	(46,368)	212,302

100.0%	100.0%	100.0%	100.0%	100.0%	50.0%	100.0%	50.0%	50.0%	25.0% and 16.1%
75.0%	57.6%	80.5%	100.0%	100.0%	80.0%	100.0%	100.0%	58.9%	100.0%
75.0%	57.6%	80.5%	100.0%	100.0%	40.0%	100.0%	50.0%	28.9%	25.0% and 16.1%
(1,898)	1,434	4,597	-	-	315	-	-	2,510	-
383	340	-	-	-	-	-	-	762	-
440	-	(1,211)	-	-	-	-	-	-	-
(1,075)	1,774	3,386	-	-	315	-	-	3,272	-

INDUSTRIAL AND COMMERCIAL SHAREHOLDINGS										Consolidation	Consolidation
FEM/Entremont	Sloane/Joseph	Transcor	Dupuis (discontinued)	Ijsboerke	Raspail/Ch. Blic	Distripar	Rieussec	Quick	Taittinger/Louvre	eliminating	IFRS
										entries	
1,060,924	102,260	6,239,240	14,826	49,083	7,100	144,703	4,156	245,973	-	(14,826)	9,229,144
3,331	3,530	102	557	418	245	1,040	1,381	-	-	(3,462)	90,662
(17,019)	1,460	64,708	-	679	(331)	241	(1,241)	(553)	-	-	53,360
(739,840)	(44,098)	(6,183,313)	(3,715)	(18,419)	(166)	(76,983)	(348)	(165,173)	-	3,715	(7,740,882)
(116,460)	(19,191)	(50,716)	(3,215)	(15,364)	(817)	(26,747)	(682)	(47,854)	-	3,215	(565,559)
(22,934)	(2,248)	(680)	2	(2,731)	(323)	(4,202)	(380)	(13,356)	-	(2)	(121,954)
(1,763)	(404)	-	(615)	-	-	(1,647)	-	-	-	615	(6,816)
(23,508)	-	-	-	-	-	-	-	(234)	-	9,338	2,358
(157,619)	(25,396)	(7,538)	(6,363)	(10,655)	(815)	(29,276)	(776)	(3,104)	-	8,227	(625,373)
(14,888)	15,913	61,803	1,477	3,011	4,893	7,129	2,110	15,699	-	6,820	314,940
71	-	-	-	-	-	-	-	-	-	(42,592)	173,844
-	-	-	-	-	-	-	-	-	-	-	2,060
-	-	-	-	-	-	-	-	-	-	-	-
621	43	1,610	39	58	55	654	23	444	-	(39)	25,974
(21,585)	(5,275)	(3,355)	(151)	(105)	(1,849)	(2,122)	(140)	(3,033)	-	5,377	(72,538)
(24)	-	-	-	-	-	-	-	-	-	-	8,655
75	-	908	-	(166)	-	144	-	-	-	(1,603)	3,853
(20,842)	(5,232)	(837)	(112)	(213)	(1,794)	(1,324)	(117)	(2,589)	-	(38,857)	141,847
(35,730)	10,681	60,966	1,365	2,798	3,099	5,805	1,993	13,110	-	(32,037)	456,787
(6,044)	(3,719)	(18,676)	(439)	(454)	(1,133)	(2,626)	(690)	(6,077)	-	439	(83,912)
1,579	225	-	-	-	-	-	(119)	466	12,021	-	131,665
(40,195)	7,187	42,290	926	2,344	1,966	3,179	1,184	7,499	12,021	(31,598)	504,540
-	-	-	-	-	-	-	-	-	-	-	67,942
(40,195)	7,187	42,290	926	2,344	1,966	3,179	1,184	7,499	12,021	36,344	572,482
(316)	468	-	-	-	-	-	-	180	-	87,342	273,725
(39,879)	6,719	42,290	926	2,344	1,966	3,179	1,184	7,319	12,021	(50,998)	298,757

100.0%	100.0%	100.0%	100.0%	100.0%	50.0%	100.0%	50.0%	50.0%	25.0% and 15.6%
75.0-100.0%	57.6%	82.3%	100.0%	100.0%	80.0%	97.0-100.0%	100.0%	57.9%	100.0%
75.0-100.0%	57.6%	82.3%	100.0%	100.0%	40.0%	97.0-100.0%	50.0%	28.9%	25.0% and 15.6%
(552)	3,467	7,506	-	-	393	73	-	3,083	-
(316)	468	-	-	-	-	-	-	180	-
-	-	(1,329)	-	-	-	-	-	-	-
(868)	3,935	6,177	-	-	393	73	-	3,263	-

NOTE 3 - ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND JOINT VENTURES

Acquisitions of subsidiaries and jointly controlled entities

<i>,000 EUR</i>	2003	2004
Non-current assets	404	9,546
Current assets	89	8,665
Non-current liabilities	131	4,318
Current liabilities	362	5,767
Estimated market value of contingent liabilities	0	2,561
Net worth	0	5,565
Consolidation difference (goodwill)	0	17,338
Total cost of the combination	0	22,903
Satisfied by		
Cash	0	22,903
Deferred consideration	0	0
Net cash outflow on acquisition		
Cash	0	22,903
Bank balances and cash acquired	0	1,169

Major acquisitions conducted during the 2004 financial year are:

Acquisition by IMERYS of 100% of IKF HUNGARY on 27 February 2004.

The acquisition cost is 14,737 in the consolidated accounts of NPM/CNP.

This company has been included in consolidation by IMERYS since March 1; in 2004, it contributed to the turnover for an amount of 9,412 and to the net profit for an amount of 1,142. The goodwill generated on this acquisition amounts to 12,055 in NPM/CNP's consolidated accounts.

Provisions are booked for contingent liabilities upon acquisitions of subsidiaries or jointly controlled entities for amounts corresponding to the fair value of contingent liabilities; for associates, a corresponding amount is deducted from the carrying value of the related associate.

Disposals of subsidiaries and jointly controlled entities

<i>,000 EUR</i>	2003	2004
Non-current assets	45	44,000
Current assets	38	57,016
Non-current liabilities	0	8,017
Current liabilities	0	42,727
Net worth	83	50,272
Gain/(loss) on disposal	0	72,210
Total consideration received	83	122,482
Satisfied by		
Cash	0	115,134
Deferred consideration	83	7,348
Net cash inflow on disposal		
Cash	0	115,134
Bank balances and cash disposed of	36	345

Major disposals of Group companies during the 2004 financial year are as follows:

During the 2nd quarter of 2004, the Group disposed of 100% of EDITIONS DUPUIS.

This generated a capital gain of 67,016.

The effective disposal date is June 25, 2004 and the company was consolidated until March 31, 2004.

The profit of DUPUIS which was consolidated by NPM/CNP amounts to 926 for the first 3 months of 2004 (1,250 for the full 2003 financial year).

During the third quarter of 2004, ENTREMONT disposed of its 88% subsidiary PARMAREGGIO.

This disposal resulted in a net capital gain of 4,323.

The effective disposal date is August 31, 2004, date until which it was consolidated..

The net profit realised during those 8 months by PARMAREGGIO amounts to 1,155.

NOTE 4 - OTHER OPERATING EXPENSES AND INCOME

<i>,000 EUR</i>	2003	2004
Taxes other than income taxes	(32,396)	(32,528)
Research and development expenditure	(8,253)	(10,163)
Maintenance expenses	(45,447)	(43,248)
Advertising and promotion	(18,061)	(20,895)
Rent costs	(43,015)	(47,073)
Energy costs	(34,818)	(36,544)
Insurance expenses	(15,299)	(13,554)
Other operating expenses and income, net	(335,122)	(330,706)
Total	(532,410)	(534,711)
of which other operating charges	(637,910)	(625,373)
of which other operating income	105,500	90,662

NOTE 5 - STAFF COSTS

<i>,000 EUR</i>	2003	2004
Wages, salaries and bonuses	(407,916)	(435,156)
Social security contribution	(108,263)	(100,181)
Defined contribution plans costs and defined benefit plans costs	(18,630)	(20,039)
Others	(4,784)	(10,183)
Total	(539,592)	(565,559)

Average number of full-time equivalents

	2003	2004
Employees and management	6,522	6,577
Workers	7,364	7,101
Total headcount	13,886	13,678

The above-mentioned figures only relate to globally and proportionally consolidated companies.

NOTE 6 - RESTRUCTURING COSTS

Breakdown of the costs incurred by major category :

<i>,000 EUR</i>	2003	2004
Personnel costs	(3,112)	(5,217)
Fixed assets impairment	(559)	(459)
Inventory write-offs	0	0
Relocation costs	0	0
Others	(7,555)	(7,945)
Total restructuring costs	(11,226)	(13,621)

NOTE 7 - IMPAIRMENT ON ASSETS

According to IAS 36 (Impairment of Assets), the Group booked in 2004 an impairment on the goodwill of FEM on ENTREMONT.

The recoverable amount of the goodwill was computed based upon discounted future cash flows.

The cash generating units considered for ENTREMONT are cheese on the one side and serum on the other.

The cash flows have been projected based upon a 5-year plan elaborated by ENTREMONT's management and discounted at a 7.75% weighted average cost of capital.

The impairment test resulted in an impairment of 29,274.

The residual goodwill on ENTREMONT at FEM allocated to those cash generating units amounted to 29,464 at 31 December 2004 (58,738 at 31 December 2003).

NOTE 8 - DIVIDENDS AND INTERESTS FROM LONG-TERM INVESTMENTS

<i>,000 EUR</i>	2003	2004
Dividend TOTAL at NPM/CNP	32,005	56,015
Dividend TOTAL at GBL	36,668	63,396
Dividend SUEZ at GBL	27,848	19,610
Dividend BERTELSMANN at GBL	27,310	29,012
Dividend ELECTRABEL	1,902	1,973
Dividend FCC	5,473	0
Others	2,494	3,838
Total	133,700	173,844

NOTE 9 - OPERATING LEASE

<i>,000 EUR</i>	2003	2004
Total lease payments under operating leases recognized in the income statement of the year	(24,587)	(28,400)

Operating lease expenses mainly results from QUICK's activities (14,607 in 2004 and 13,751 in 2003) and PROJECT SLOANE/JOSEPH's (8,660 in 2004 and 9,192 in 2003).

Amounts payable under operating lease (obligations not recognized on the balance sheet) :

<i>,000 EUR</i>	2003	2004
Within one year	35,836	47,630
In the second to fifth year inclusive	88,389	95,456
After five years	123,807	117,474
Total of future lease payments under non-cancellable operating leases	248,032	260,560

1. Component of the tax charge in the income statement

,000 EUR	2003	2004
Current taxes related to current year	(50,946)	(83,173)
Current taxes related to prior years	1,582	824
Total current taxes	(49,364)	(82,349)
Deferred taxes relating to origination or reversal of temporary differences	(15,235)	7,732
Tax effect of changes in the nominal tax rates on deferred taxes	0	(71)
Recognition (use) of deferred tax assets resulting from loss of the (previous) period(s)	(338)	(9,037)
Other deferred tax income (expense)	149	(187)
Total deferred taxes	(15,424)	(1,563)
Total tax income/(expense)	(64,788)	(83,912)

2. Source of deferred tax income/(expense)

,000 EUR	2003	2004
Intangible assets	(631)	1,387
Property, plant and equipment	(133)	1,547
Financial long-term assets	45	(803)
Employee benefit liabilities	(166)	(2,271)
Inventories, receivables, payables and provisions	94	1,621
Unused tax losses and tax credits	3,346	(11,816)
Change in the nominal tax rates	0	1,578
Others	(17,979)	7,194
Total deferred tax income/(expense)	(15,424)	(1,563)

3. Source of deferred tax assets/liabilities

,000 EUR	Deferred tax assets		Deferred tax liabilities	
	2003	2004	2003	2004
Intangible assets	(1,577)	790	4,209	4,752
Property, plant and equipment	8,487	9,340	74,299	84,548
Financial long-term assets	1,685	1,465	5,864	5,823
Employee benefit liabilities	29,964	27,292	0	(66)
Inventories, receivables, payables and provisions	21,524	21,080	10,903	4,902
Unused tax losses and tax credits	24,257	18,658	919	(335)
Offsets and others	(34,443)	(23,302)	(38,935)	(23,633)
Total deferred taxes shown in the balance sheet	49,897	55,323	57,259	75,991

4. Reconciliation of the income tax expense from the profit before tax

,000 EUR	2003	2004
Profit before tax from continuing activities	446,819	588,452
(Income from associates)	(99,528)	(131,665)
Profit before tax from continuing activities and before income from associates	347,291	456,787
Nominal tax rate of the parent company	33.99%	33.99%
Tax charge of the group entities computed on the basis of the parent company nominal tax rate	(118,044)	(155,262)
Effect of different tax rates in foreign countries	2,468	2,175
Tax effect of tax-exempt revenues	86,516	94,820
Tax effect of non-deductible expenses	(34,554)	(18,925)
Tax effect of changes in tax rates	0	(71)
Tax effect of adjustments related to prior years or previously unrecognized deferred tax assets	(1,438)	3,908
Tax effect of withholding tax on dividends paid by subsidiaries (associates)	(278)	(258)
Others	542	(10,299)
Total tax income/(expense)	(64,788)	(83,912)

NOTE 10 - INCOME TAX

5. Effective tax rate

<i>,000 EUR</i>	2003	2004
Profit before tax from continuing activities	446,819	588,452
Income from associates (-)	(99,528)	(131,665)
Profit before tax from continuing activities and before income from associates	347,291	456,787
Total income tax expense	(64,788)	(83,912)
Effective tax rate (%)	18.66%	18.37%

6. Tax losses carried forwards and tax credits maturity for which no deferred tax asset is recognized

<i>,000 EUR</i>	Tax losses		Tax credits	
	2003	2004	2003	2004
In 2005	3,278	912	0	535
In 2006	0	421	0	9
In 2007	4,668	4,495	62	0
In 2008	0	713	0	0
In 2009 or later	10,471	6,806	559	615
No expiry date	70,300	66,966	9,517	19,089
Total	88,717	80,313	10,138	20,248

7. Tax losses carried forwards and tax credits maturity for which a deferred tax asset is recognized

<i>,000 EUR</i>	Tax losses (base)		Tax credits (base)		Resulting deferred tax asset	
	2003	2004	2003	2004	2003	2004
In 2005	8,539	7,398	0	0	2,903	2,515
In 2006	5,643	335	0	0	1,762	168
In 2007	2,454	0	0	0	834	0
In 2008	0	0	0	0	0	0
In 2009 or later	218	0	0	0	0	348
No expiry date	57,417	43,068	3,809	2,762	18,758	15,627
Total	74,271	50,801	3,809	2,762	24,257	18,658

8. Tax expense related to discontinued operations

<i>,000 EUR</i>	2003	2004
Tax expense on gain or loss on discontinuance	0	0
Tax expense on profit/(loss) from the ordinary activities of the discontinued operations	(594)	(439)
Total	(594)	(439)

The tax expense related to discontinued operations is originated by EDITIONS DUPUIS.

NOTE 11 - INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

,000 EUR	Development costs	Computer software	Patents, licences and concessions	Others	Total
Gross carrying amount					
At 31 December 2002	627	19,026	35,810	15,740	71,203
Currency translation differences	(82)	(1,322)	(155)	(1,753)	(3,312)
Additions	45	4,575	27,569	1,653	33,842
Perimeter changes	3	68	1,529	14,572	16,172
Disposals and others	117	1,267	(1,792)	(14,734)	(15,142)
At 31 December 2003	710	23,614	62,961	15,478	102,763
Currency translation differences	5	(425)	7	(52)	(465)
Additions	1	2,099	115	1,455	3,670
Perimeter changes	0	103	26	229	358
Disposals and others	(558)	536	(1,736)	(4,847)	(6,605)
At 31 December 2004	158	25,927	61,373	12,263	99,721
Accumulated amortization					
At 31 December 2002	(442)	(9,105)	(25,843)	(6,906)	(42,296)
Currency translation differences	51	328	12	567	958
Amortization	(15)	(3,267)	(1,658)	(1,684)	(6,624)
Disposals and others	(81)	(55)	632	(674)	(178)
At 31 December 2003	(487)	(12,099)	(26,857)	(8,697)	(48,140)
Currency translation differences	(3)	252	(6)	71	314
Amortization	(3)	(4,276)	(2,343)	(194)	(6,816)
Disposals and others	336	886	1,245	2,057	4,524
At 31 December 2004	(157)	(15,237)	(27,961)	(6,763)	(50,118)
Net carrying amount					
At 31 December 2003	223	11,515	36,104	6,781	54,623
At 31 December 2004	1	10,690	33,412	5,500	49,603

NOTE 12 - INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE

,000 EUR	Patents and trademarks	Others	Total
Gross carrying amount			
At 31 December 2002	11	81,946	81,957
Currency translation differences	0	0	0
Additions	0	1,673	1,673
Acquisitions through business combination	0	0	0
Disposals and others	0	(933)	(933)
At 31 December 2003	11	82,686	82,697
Currency translation differences	0	0	0
Additions	0	2,358	2,358
Acquisitions through business combination	0	331	331
Disposals and others	0	(291)	(291)
At 31 December 2004	11	85,084	85,095
Accumulated impairment losses			
At 31 December 2002	(4)	(20,186)	(20,190)
Currency translation differences	0	0	0
Impairment losses recognized (reversed)	0	0	0
Disposals and others	0	121	121
At 31 December 2003	(4)	(20,065)	(20,069)
Currency translation differences	0	0	0
Impairment losses recognized (reversed)	0	0	0
Disposals and others	0	(410)	(410)
At 31 December 2004	(4)	(20,475)	(20,479)
Net carrying amount			
At 31 December 2003	7	62,621	62,628
At 31 December 2004	7	64,609	64,616

NOTE 13 - GOODWILL

,000 EUR	Positive	Negative	Total
Gross carrying amount (1)			
At 31 December 2002	589,810	0	589,810
Currency translation differences	(34,876)	0	(34,876)
Acquisitions through business combination	6,143	0	6,143
Disposals and others	13,114	0	13,114
At 31 December 2003	574,191	0	574,191
Currency translation differences	(5,244)	0	(5,244)
Acquisitions through business combination	17,832	0	17,832
Disposals and others	9,980	0	9,980
At 31 December 2004	596,759	0	596,759
Accumulated impairment losses (2)			
At 31 December 2002	(44,869)	0	(44,869)
Currency translation differences	1,685	0	1,685
Impairment losses for the year	(13,044)	0	(13,044)
Disposals and others	2,544	0	2,544
At 31 December 2003	(53,684)	0	(53,684)
Currency translation differences	21	0	21
Impairment losses for the year	(31,672)	0	(31,672)
Disposals and others	2,866	0	2,866
At 31 December 2004	(82,469)	0	(82,469)
Net carrying amount			
At 31 December 2003	520,507	0	520,507
At 31 December 2004	514,290	0	514,290

(1) Acquisition cost less depreciation expenses and impairments booked before 2003.

(2) After 01.01.2003.

The most significant goodwills as at 31 December 2004 are derived from :

- IMERYS (250,746)
- PROJECT SLOANE/JOSEPH (98,264)
- FEM (88,174)

Impairment tests have been conducted on goodwill as of the date of transition as well as at each closing date (December 31, 2003 and 2004).

Results from these impairment tests are presented in note 7.

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

,000 EUR	Land, vineyards, constructions and mining reserves	Furniture, fixtures, production and transportation equipment	Fixed assets under construction	Land and buildings held as investment property	Other PP&E	Total
Gross carrying amount						
At 31 December 2002	983,556	1,498,029	19,803	15,111	57,382	2,573,881
Additions	17,061	52,393	12,505	451	16,262	98,672
Acquisitions through business combination	0	0	0	0	0	0
Currency translation differences	(67,690)	(96,952)	(1,928)	(124)	(3,451)	(170,145)
Disposals and others	(31,842)	(28,293)	(8,626)	862	(8,522)	(76,421)
At 31 December 2003	901,085	1,425,177	21,754	16,300	61,671	2,425,987
Additions	21,644	59,600	51,063	3	25,661	157,971
Acquisitions through business combination	2,850	8,669	17	2,694	(2,300)	11,930
Currency translation differences	(19,560)	(22,095)	(1,129)	14	(89)	(42,859)
Disposals and others	(4,689)	(75,802)	(27,759)	478	(30,531)	(138,303)
At 31 December 2004	901,330	1,395,549	43,946	19,489	54,412	2,414,726
Accumulated depreciation and impairments						
At 31 December 2002	(315,642)	(1,041,788)	28	(1,635)	(18,948)	(1,377,985)
Depreciation charge for the year	(28,224)	(79,495)	57	(911)	(5,369)	(113,942)
Impairment losses recognized/(reversed)	173	(1,600)	0	(260)	23	(1,664)
Currency translation differences	17,062	60,864	0	0	656	78,582
Disposals and others	17,409	38,841	(27)	(1,012)	4,439	59,650
At 31 December 2003	(309,222)	(1,023,178)	58	(3,818)	(19,199)	(1,355,359)
Depreciation charge for the year	(36,689)	(82,096)	(75)	(806)	(2,288)	(121,954)
Impairment losses recognized/(reversed)	187	370	0	17	26	600
Currency translation differences	6,342	12,101	0	(5)	203	18,641
Disposals and others	(4,889)	116,083	0	10	244	111,448
At 31 December 2004	(344,271)	(976,720)	(17)	(4,602)	(21,014)	(1,346,624)
Net carrying amount						
At 31 December 2003	591,863	401,999	21,812	12,482	42,472	1,070,628
At 31 December 2004	557,059	418,829	43,929	14,887	33,398	1,068,102

The net carrying amount as of December 31, 2004 of property, plant and equipment acquired under finance lease amounts to 21,357 including 14,410 for constructions and 6,644 for furniture, fixtures, production and transportation equipment.

The net carrying amounts of property, plant and equipment pledged as of December 31, 2004 is 40,088.

NOTE 15 - INVESTMENTS IN ASSOCIATES

<i>,000 EUR</i>	Carrying amount		Amount of goodwill included in the carrying amount	
	2003	2004	2003	2004
Equity-accounted investments				
Fair value at 1 January	1,023,046	1,027,835	94,121	94,262
Disposed of during the year (-)	(10,250)	(29,369)	0	0
Acquired during the year	24,326	25,271	141	0
Results	99,528	131,665	0	0
Dividend paid (-)	(26,712)	(25,642)	0	0
Impairment of goodwill (-)	0	0	0	0
Others	(82,103)	4,499	0	1,113
Fair value at 31 December	1,027,835	1,134,259	94,262	95,375

Analytical breakdown of investments in associates

<i>,000 EUR</i>	2003	2004
Carrying amount at 31 December	1,027,835	1,134,259
BERTELSMANN	749,094	845,416
TAITTINGER/LOUVRE	259,322	268,999
Others	19,419	19,844

Analytical breakdown of income from associates

<i>,000 EUR</i>	2003	2004
Contribution to income from associates for the financial year ending 31 December	99,528	131,665
BERTELSMANN	82,809	115,890
TAITTINGER/LOUVRE	13,182	12,021
Others	3,537	3,754

NOTE 16 - INVESTMENT SECURITIES

Available-for-sale investments ,000 EUR	Equity instruments				Non-equity instruments	Total
	TOTAL	SUEZ	FCC	Others		
Fair value at 31 December 2002	2,548,771	536,581	257,121	101,747	0	3,444,220
Acquisitions	295	0	0	754	5	1,054
Disposals (-) at acquisition cost	0	0	(233,961)	(14,571)	0	(248,532)
Impairments (-)	0	0	0	(24,877)	0	(24,877)
Changes in fair value	211,582	(19,789)	(23,160)	2,421	0	171,054
Currency translation differences	0	0	0	(1,041)	0	(1,041)
Others	0	0	0	30,309	0	30,309
Fair value at 31 December 2003	2,760,648	516,792	0	94,742	5	3,372,187
Acquisitions	0	0	0	25,094	0	25,094
Disposals (-) at acquisition cost	0	0	0	(38,451)	(2)	(38,453)
Impairments (-)	0	0	0	(623)	0	(623)
Changes in fair value	249,076	119,673	0	16,329	0	385,078
Currency translation differences	0	0	0	(168)	0	(168)
Others	0	0	0	2,184	0	2,184
Fair value at 31 December 2004	3,009,724	636,465	0	99,107	3	3,745,299

Financial assets held for trading

,000 EUR	Equity instruments	Non-equity instruments	Total
	Fair value at 31 December 2002	87,747	0
Acquisitions	5,153	0	5,153
Disposals (-)	(31,399)	0	(31,399)
Changes in fair value recognized in P&L	4,710	0	4,710
Currency translation differences	(20)	0	(20)
Others	(30,443)	23,917	(6,526)
Fair value at 31 December 2003	35,748	23,917	59,665
Acquisitions	114,797	2,176	116,973
Disposals (-)	(8,731)	0	(8,731)
Changes in fair value recognized in P&L	(208)	685	477
Currency translation differences	0	1	1
Others	0	1,514	1,514
Fair value at 31 December 2004	141,606	28,293	169,899

NOTE 17 - OTHER NON-CURRENT ASSETS

,000 EUR	2003	2004
Long-term receivables, advances, loans and deposits	17,741	6,962
Long-term trade receivables	9,156	0
Long-term interest bearing advances, loans and deposits	8,585	6,962
Other long-term assets	13,436	17,994
Pension or post-retirement benefit assets	201	1,123
Guarantees and other deposits	3,605	5,448
Others	9,630	11,423
Total other non-current assets	31,177	24,956

The fair value of the other non-current assets does not significantly differ from their carrying amount.

Repayment schedule of long term receivables, advances, loans and deposits

,000 EUR	Between 1 and 2 year	In the 3rd to the 5th year inclusive	> 5 years	Total
Long-term trade receivables	0	0	0	0
Long-term interest bearing advances	0	0	0	0
Long-term loans and deposits	1,783	503	4,676	6,962
Total long-term receivables, advances, loans and deposits	1,783	503	4,676	6,962

NOTE 18 - INVENTORIES

<i>,000 EUR</i>	2003	2004
Raw material, consumables and spare parts	88,277	164,596
Work-in-progress	20,249	35,452
Finished goods and goods purchased for resale	428,133	357,725
Others	501	413
Total inventories at cost	537,160	558,186
Write-downs on inventories:	(13,427)	(15,150)
Raw material, consumables and spare parts	(1,931)	(3,860)
Work-in-progress	(124)	(64)
Finished goods and goods purchased for resale	(11,372)	(11,226)
Net total inventories	523,733	543,036

The increase of inventories between 2003 and 2004 is mainly due to a "processing deal" concluded between TRANSCOR and a refinery.

NOTE 19 - TRADE AND NOTES RECEIVABLE

<i>,000 EUR</i>	2003	2004
Trade receivables	684,128	778,773
Notes receivable	0	0
Total trade and notes receivable at nominal value	684,128	778,773
Allowance for doubtful amounts (-)	(15,387)	(10,790)
Net total trade and notes receivable	668,741	767,983

<i>,000 EUR</i>	2003	2004
Amount of receivables covered by credit insurance	202,969	170,183
Part of the carrying amount subject to pledges	30,000	96,349

Considering that the Group's activities are diversified, credit risk and bad debt policies and management are fully decentralized and are conducted independently by each industrial and commercial group in the manner which is most suited to the situation.

NOTE 20 - INTEREST BEARING ADVANCES

<i>,000 EUR</i>	2003	2004
Advances to companies linked to other shareholders of Centre de Coordination de Charleroi	97,528	111,562
Advances to associates	0	0
Other short-term advances	1,038	1,047
Total interest bearing advances	98,566	112,609

Most of these amounts are lent by CENTRE DE COORDINATION DE CHARLEROI (CCC) to companies of the FRERE-BOURGEOIS group, which is a shareholder of CCC. This is due to the cash pooling function exercised by CCC. The above-mentioned amounts do not significantly differ from the amounts invested by the FRERE-BOURGEOIS Group in CCC increased by excess cash of this Group.

NOTE 21 - CASH AND CASH EQUIVALENTS

<i>,000 EUR</i>	2003	2004
Cash at bank and in hand	344,213	349,822
Short-term bank deposits < 3 months	364,831	454,641
Total cash and cash equivalents	709,044	804,463

A deposit of 27,161 by GIB is pledged, as of December 31, 2004, in the context of a guarantee given to a third party.

NOTE 22 - OTHER CURRENT ASSETS

<i>,000 EUR</i>	2003	2004
VAT and taxes other than income taxes	51,157	45,930
Income taxes	23,233	16,248
Prepaid expenses, accrued income and deferred charges	22,901	25,718
Receivables from sale of securities	32,315	28,305
Mark to market on open positions at TRANSCOR	2,420	13,754
Others	61,193	37,226
Total	193,219	167,181

NOTE 23 - SHARE CAPITAL

The issued capital amounts to 126,500 and is divided into 20,000,000 shares fully paid-up. Each share is entitled to the same gross dividend and is entitled to one vote at the Shareholders' meetings.

At December 31, 2004, the Group owned 1,836,703 own shares:
SLP owned 1,053,765 NPM/CNP shares, COMPAGNIE IMMOBILIÈRE DE ROUMONT, 700,000 NPM/CNP shares and NPM/CNP itself 82,938 own shares.

662,100 of these treasury shares are intended to cover the employee stock option plan. None of these options has been exercised as of December 31, 2004. For more detailed information, please refer to note 37.

	2003	2004
Number of shares issued at 1st January	20,000,000	20,000,000
(Treasury shares held)	(370,825)	(1,794,647)
Number of shares representing the IFRS equity at 1st January	19,629,175	18,205,353
(Acquisition of treasury shares during the period)	(1,423,822)	(42,056)
Number of shares representing the IFRS equity at 31st December	18,205,353	18,163,297

NOTE 24 - SHARE PREMIUM

,000 EUR	2003	2004
Share premium at 1 January	1,052,870	1,052,870
Premium arising on issue of equity shares	0	0
Expenses on issue of equity shares	0	0
Share premium at 31 December	1,052,870	1,052,870

NOTE 25 - PROVISIONS

For the year ended 31 December 2003

,000 EUR	Pending litigation	Environmental provisions	Restructuring provisions	Guarantees given on disposals of shareholdings or activities (1)	Others	Total
At 1 January 2003	28,261	20,157	38,245	83,623	40,543	210,829
Additional provisions in the period	11,479	2,878	8,473	0	11,965	34,795
Utilisations of provision	(20,079)	(2,955)	(16,668)	0	(19,488)	(59,190)
Provisions released	(315)	0	(2,498)	(16,142)	(5,526)	(24,481)
Acquisitions through business combination	(365)	478	610	0	(979)	(256)
Effect of discounting factor	0	0	0	0	(10)	(10)
Currency translation difference	(293)	(793)	(7,201)	0	1,330	(6,957)
Others	2,371	3,850	(3,245)	0	(381)	2,595
At 31 December 2003	21,059	23,615	17,716	67,481	27,454	157,325
of which included in current liabilities	9,524	0	1,297	0	1,847	12,668
of which included in non-current liabilities	11,535	23,615	16,419	67,481	25,607	144,657

For the year ended 31 December 2004

,000 EUR	Pending litigation	Environmental provisions	Restructuring provisions	Guarantees given on disposals of shareholdings or activities (1)	Others	Total
At 31 December 2003	21,059	23,615	17,716	67,481	27,454	157,325
Additional provisions in the period	10,603	12,398	11,553	0	15,677	50,231
Utilisations of provision	(4,333)	(5,950)	(9,183)	0	(10,788)	(30,254)
Provisions released	(1,412)	(1,169)	(1,515)	(38,083)	(5,284)	(47,463)
Acquisitions through business combination	178	0	206	0	706	1,090
Effect of discounting factor	0	1,396	0	0	0	1,396
Currency translation difference	(406)	(199)	(180)	0	(671)	(1,456)
Others	(201)	1,952	(2,784)	0	(1,516)	(2,549)
At 31 December 2004	25,488	32,043	15,813	29,398	25,578	128,320
of which included in current liabilities	9,427	4,144	5,215	0	2,860	21,646
of which included in non-current liabilities	16,061	27,899	10,598	29,398	22,718	106,674

(1) These provisions are mainly related to guarantees given in the past by GIB on disposals of subsidiaries and activities. Please refer to note 35 for more detailed information.

NOTE 26 - EMPLOYEE RETIREMENT AND POST-EMPLOYMENT BENEFITS

1. Description of retirement and post-employment benefits plan:

A. Defined contributions plans :

As far as defined contributions plans are concerned, the Group pays contributions to an insurance company or a fund and has no further obligation; payments are expensed in the period in which they are due.

Total defined contributions expenses amounted to 9,587 in 2004 and 6,540 in 2003.

B. Defined benefits plans :

Defined benefits plans may be funded through insurance companies, pension funds or separate entities.

Obligations under the various plans are reviewed once a year by independent experts.

At 31 December 2004, the net provisions liabilities for pension commitments amounted to 94,935 (99,315 as of 31 December 2003).

Such plans are set up in accordance with local practices.

2. Key assumptions used in computation of defined benefits plans:

In % at the end of the period	2003	2004
Discount rate	4.0% - 5.6%	4.0% - 5.4%
Expected return on plan assets	4.0% - 6.6%	4.0% - 6.7%
Expected rate of salary increases	2.0% - 8.0%	2.0% - 8.0%
Expected rate of increase of retirement benefits	0.0%	0.0%
Expected inflation rate	2.0% - 2.5%	2.0% - 2.5%
Expected rate of increase of medical costs	0.0% - 11.7%	0.0% - 8.4%

3. Net asset/(liability) booked in the balance sheet

,000 EUR	2003	2004
Present value of wholly or partly funded defined benefits obligations	(367,758)	(387,702)
Fair value of plan assets at the end of the period	306,825	328,596
Deficit in funded plans	(60,933)	(59,106)
Present value of wholly unfunded defined benefits obligations	(37,403)	(36,591)
Deficit in funding defined benefits obligations	(98,336)	(95,697)
Unrecognized actuarial (losses)/gains	1,530	3,797
Unrecognized past service costs	(331)	(242)
Amount not recognized as asset due to asset ceiling	(2,177)	(2,793)
(Net liability)/net asset recognized in the balance sheet	(99,315)	(94,935)
as non-current liability	(98,835)	(96,058)
as current liability	(681)	0
as non-current assets	201	1,123
as current assets	0	0

As far as defined benefits plans are concerned, no such plan had invested in NPM/CNP shares nor in any property used by an entity of the Group in the course of its business.

4. Movement of (net liabilities)/plans assets booked on the balance sheet

,000 EUR	2003	2004
Opening net (liability)/asset at 1st January	(96,793)	(99,315)
Expense recognized in the income statement	(12,090)	(10,452)
Contributions paid by the company	13,066	14,601
Impact of acquisitions/disposals	(224)	985
Currency translation differences	(1,969)	1,074
Others	(1,305)	(1,828)
Closing net (liability)/asset at 31st December	(99,315)	(94,935)

NOTE 26 - EMPLOYEE RETIREMENT AND POST-EMPLOYMENT BENEFITS

5. Amount recognized in income statement and related analysis

<i>,000 EUR</i>	2003	2004
Current service cost	(9,778)	(11,231)
Interest cost on obligation	(19,817)	(23,044)
Expected return on plan assets	19,074	23,162
Net actuarial gain/(loss) recognized during the year	(3,707)	(862)
Past service costs	(2,367)	45
Gain/(loss) on curtailments or settlements	4,505	1,478
Net expense recognized in the income statement	(12,090)	(10,452)

The expense related to defined benefits plans is recorded as payroll expense and amounts to 10,452 in 2004 (12,090 in 2003).

6. Actual return on plans assets

<i>,000 EUR</i>	2003	2004
Expected return on plans assets	17,928	22,805
Actuarial gain/(loss) on plans assets	1,146	357
Actual return on plans assets	19,074	23,162

NOTE 27 - OBLIGATIONS UNDER FINANCE LEASE

<i>,000 EUR</i>	2003	2004
Within one year	2,919	3,278
After one year	20,144	25,520
Total	23,063	28,798

Obligations under finance lease mainly result from FEM/ENTREMONT and QUICK for buildings and from IMERYYS for furniture, fixture, production and transportation equipment.

Breakdown of lease obligations per asset categories :

<i>,000 EUR</i>	2003	2004
Buildings	17,976	24,331
Furniture, fixture, production and transportation equipment	5,087	4,467
Total	23,063	28,798

NOTE 28 - BORROWINGS AND OVERDRAFTS

Non-current financial liabilities

,000 EUR	2003	2004
Long-term obligations under finance lease	20,144	25,520
Other long-term interest bearing borrowings :	811,835	817,521
Bank loans	484,290	406,189
Bonds issued	316,933	402,683
Convertible loans	-	-
Exchangeable loans	-	-
Minority shareholders' advances	6,965	6,965
Others	3,647	1,684
Total	831,979	843,041

Most of the Group's long term debt is located at IMERYS and ENTREMONT.
The fair value of non-current financial liabilities does not significantly differ from the carrying value.

Current financial liabilities

,000 EUR	2003	2004
Current portion of long-term obligations under finance lease	2,919	3,278
Current portion of long-term borrowings, short-term borrowings and overdrafts:	728,230	496,042
Bank short-term borrowings	195,494	65,070
Bank overdrafts	424,209	340,894
Current portion of other long-term borrowings	108,527	90,078
Other current financial liabilities	27,342	39,609
Total	758,491	538,929

Payment schedule of financial liabilities

,000 EUR	2003			
	On demand < 1 year	In the 2nd to the 5th year	> 5th year	Total after 1 year
Long-term obligations under finance lease	0	15,005	5,139	20,144
Other long-term interest bearing borrowings	0	691,397	120,438	811,835
Current portion of long-term obligations under finance lease	2,919	0	0	0
Current portion of long-term borrowings, short-term borrowings and overdrafts	728,230	0	0	0
Other current financial liabilities	27,342	0	0	0
Total	758,491	706,402	125,577	831,979

,000 EUR	2004			
	On demand < 1 year	In the 2nd to the 5th year	> 5th year	Total after 1 year
Long-term obligations under finance lease	0	16,357	9,163	25,520
Other long-term interest bearing borrowings	0	450,539	366,982	817,521
Current portion of long-term obligations under finance lease	3,278	0	0	0
Current portion of long-term borrowings, short-term borrowings and overdrafts	496,042	0	0	0
Other current financial liabilities	39,609	0	0	0
Total	538,929	466,896	376,145	843,041

NOTE 28 - BORROWINGS AND OVERDRAFTS

Analysis of borrowings and overdrafts per currency

,000 EUR	2003				
	EUR	CHF	GBP	USD	Others
Long-term obligations under finance lease	17,288	0	2,473	383	0
Other long-term interest bearing borrowings	572,787	49,342	75,360	91,155	23,191
Current portion of long-term obligations under finance lease	2,143	0	301	475	0
Borrowings reimbursable within one year and overdrafts	361,027	59,561	38,843	267,671	1,128
Other current financial liabilities	25,750	0	0	1,565	27
Total	978,995	108,903	116,977	361,249	24,346

,000 EUR	2004				
	EUR	CHF	GBP	USD	Others
Long-term obligations under finance lease	22,629	0	2,504	387	0
Other long-term interest bearing borrowings	588,715	64,025	69,750	69,187	25,845
Current portion of long-term obligations under finance lease	2,329	0	368	581	0
Borrowings reimbursable within one year and overdrafts	248,304	29,876	44,416	172,475	971
Other current financial liabilities	38,002	0	0	1,580	27
Total	899,979	93,901	117,038	244,210	26,843

All group segments have their own bank credit lines in the context of their own activity on a stand-alone basis. Each segment is in charge of its own credit management to suit its own specific needs. Most significant available credits lines are as follows as of December 31, 20004:

- PARGESA Group (247,719)
- TRANSCOR Group (456,247)
- FEM Group (50,579)
- NPM/CNP holding companies under restricted consolidation (175,000)

NOTE 29 - OTHER CURRENT FINANCIAL LIABILITIES

,000 EUR	2003	2004
Derivative financial liabilities	23,232	18,738
Other financial liabilities	4,110	20,871
Total	27,342	39,609

NOTE 30 - OTHER CURRENT LIABILITIES

,000 EUR	2003	2004
Social debtors	88,596	76,766
Accrued charges and deferred income	14,652	10,144
Taxes payable other than income tax	11,061	4,086
Other amounts payable	61,030	124,788
Total	175,339	215,784

NOTE 31 - DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivatives to hedge its activities against risks related to interest rates, currency exchange rates and market value of raw materials.

The different business segments (shareholdings) of the Group are very diversified; treasury management and management of risks associated with the conduct of the various businesses are decentralized and taken care of by each segment. Any instrument non qualifying as a hedging instrument is accounted for as a trading instrument.

The notional amounts of derivatives are as follows at year end: :

,000 EUR	2003	2004
Fair value hedges		
Currency forwards, futures and swaps		
Asset component	0	0
Liability component	(43,838)	(56,303)
Interest rate swaps		
Asset component	265,313	329,067
Liability component	0	0
Commodity options		
Asset component	0	0
Liability component	(5,873)	(5,918)
Cash flow hedges		
Currency forwards, futures and swaps		
Asset component	16,990	30,500
Liability component	0	0
Interest rate swaps		
Asset component	0	44,771
Liability component	(179,582)	(179,582)
Interest rate and currency swaps		
Asset component	17,500	17,500
Liability component	(17,500)	(17,500)
Trading		
Currency derivatives	9,362	9,651
Interest derivatives	530,835	164,906
Commodity derivatives	363,667	1,664,850
Total derivative financial instruments	956,874	2,001,942

The fair value of derivatives is accounted for based on the principles described on page 14.

Management of exchange risk

Each shareholding (i.e. each segment) manages its own currency risk in the manner it considers appropriate considering the specificities of its business and its own functional currency.

In function of this, NPM/CNP as a shareholder, determines its own hedging policy which, at its level, is based either on future cash flow (dividends) and/or on hedging the value of the shareholding; in this context, NPM/CNP contacted bank borrowings denominated in USD and GBP to cover the value of its investments in TRANSCOR and PROJECT SLOANE/JOSEPH.

Management of interest rate risk

The management of interest rate risk consists in covering (totally or partially) fluctuation risks of interest rates on debt by a fixed interest rate or by contracting interest rates swaps or options. The group entities cover the interest rate risk in the way that is the most appropriate to their specific situation.

At 31 December 2004, most of the interest rate hedging is related to the debt of FEM/ENTREMONT, of which an amount of 179,500 is covered by several interest rate swaps, and to the debt of IMERYYS (329,059 in NPM/CNP's consolidated accounts).

Credit risk management

Credit risk consists in third parties contracting with entities of the Group not willing or not being able to respect their commitment towards these entities.

Each shareholding (i.e. each segment) is responsible for the management of the credit risk associated with its activities in the manner that management considers the most appropriate.

Fair value

The fair value of an asset/(liability) is the amount of cash for which this asset/(liability) can be exchanged/(settled), between well informed and willing to contract parties, under normal competitive circumstances.

When an entity records a financial instrument for the first time in its books, it is recorded at fair value.

This value includes the acquisition cost and the related transaction costs for assets which are not restated at fair value through the profit and loss account. After initial recognition, financial assets and liabilities (including derivatives) are stated at fair value.

The fair value of equity instruments of listed companies is based upon their stock market price at closing date.

If there is no active market for a financial instrument, the Group determines its fair value through valuation techniques based upon prevailing market conditions.

NOTE 32 - BASIC AND DILUTED EARNINGS PER SHARE

From continuing and discontinued operations

	2003	2004
Weighted average number of ordinary shares for the purpose of basic earnings per share	19,316	18,188
Effect of dilutive potential ordinary shares:		
• Share options	0	128
• Convertible loan notes	0	0
• Others	0	0
Weighted average number of ordinary shares for the purpose of diluted earnings per share	19,316	18,316

,000 EUR

	2003	2004
Net profit (Group share) basic	212,302	298,757
Effect of dilutive potential ordinary shares:		
• Interest on convertible loan notes (net of tax)	0	0
• Others	0	0
Net profit (group share) diluted	212,302	298,757

EUR/share

	2003	2004
Earnings per share - basic	10.99	16.43
Earnings per share - diluted	10.99	16.31

From continuing operations

	2003	2004
Net profit attributable to equity holders of the parent	212,302	298,757
Adjustment to exclude net result for the period from discontinued operations	(1,250)	(67,942)
Basic net profit attributable to equity holders of the parent from continuing operations	211,052	230,815
Effect of dilutive potential ordinary shares	0	0
Diluted net profit attributable to equity holders of the parent from continuing operations	211,052	230,815

EUR/share

	2003	2004
Earnings per share from continuing operations - basic	10.93	12.69
Earnings per share from continuing operations - diluted	10.93	12.60

NOTE 33 - DIVIDENDS

Amounts recognized as distribution to equity holders during the year

,000 EUR	2003	2004
Dividend declared during the financial year (EUR 3,24 per share in 2003 and EUR 3,40 per share in 2004)	64,800	68,000
Reduced by dividend on treasury shares	(1,284)	(6,067)
Dividend paid during the year (excl. dividend on treasury shares)	63,516	61,933
Proposed final dividend for the year ended 31 December 2004 (payable in 2005) (EUR 3,57 per share)		71,400

A dividend of EUR 3.57 per share will be proposed to the Annual General Meeting of Shareholders on April 21, 2005; the corresponding liability (71,400) was not reflected in the consolidated financial statements as of December 31, 2004.

NOTE 34 - CAPITAL COMMITMENTS

To the best of our knowledge, the major capital commitments of the Group at December 31, 2004 are as follows :
purchase commitments of property, plant and equipment amounting to 4,700 (including 3,400 at FEM/ENTREMONT).

In 2003, the holding companies included in the restricted consolidation perimeter had committed to invest 29,500 in VIVENTURES;
this commitment was cancelled in 2004.

NOTE 35 - MAIN OFF BALANCE SHEET RIGHTS AND COMMITMENTS

1. NPM/CNP and its subsidiaries have granted to (or obtained from) third parties, under specific circumstances, tag-along rights, preemptive rights, rights to buy or to sell some shareholdings.

In particular, within the framework of the 1990 agreement - renewed in 1996 - between the FRERE-BOURGEOIS-NPM/CNP and POWER Groups with respect to the joint control of PARGESA HOLDING S.A., the partners acknowledged the following mutual rights and commitments:

in case of the loss of control by the FRERE-BOURGEOIS-NPM/CNP Group or by the POWER Group of PARJOINTCO N.V. or, should that company be liquidated, of the companies to which ownership of the PARGESA shares will be transferred, subject to settlement by arbitration, the defaulting Group will grant an option to the other Group to acquire the shareholding in PARGESA held by PARJOINTCO N.V. or by companies of the defaulting Group, at the stock market price at the time of arbitration settlement for PARGESA shares and at the issue price for any other PARGESA security.

In addition, NPM/CNP and MARKAS HOLDING (company controlled by Mr Bernard ARNAULT) acquired through a joint subsidiary, CARSPORT, CHÂTEAU CHEVAL BLANC, the famous Saint-Emilion estate; regarding this shareholding, the partners granted each other reciprocal rights to sell or to purchase CARSPORT shares in case of changes in the controlling shareholders' structure.

2. In the context of the disposal of several shareholdings, NPM/CNP had to make some representations and give some warranties to buyers, mainly in terms of net assets of companies that were sold; these warranties are capped as follows: 1,500 for PALAIS DU VIN (until 2005), 4,000 for HÉLIO CHARLEROI (until 2008) and the net proceeds of the sale (101,154) for DUPUIS (until 2010).

Upon printing this document, the Company had not been informed of any significant claim that could result in a cash outflow for the Company. Depending on the occurrence of some future events, the NPM/CNP Group might cash, in 2005 or later, additional amounts on some shareholdings sold during previous financial years ; the Company does not expect these amounts to be significant.

3. Following the purchase of 50% of the GIB group, the NPM/CNP Group has taken over 50% of GIB's off balance sheet commitments, which can be summarized as follows (expressed as NPM/CNP's share):

- warranties given on sale of BRICO : 26,500 (until 2007)
- warranties on sale of INNO: unlimited amounts for tax liabilities (until 2007)

A provision amounting to 28,801 in the accounts as of 31 December 2004 is intended to cover those risks.

4. At 31 December 2004, a subsidiary of the TRANSCOR Group had the right to buy a refinery located near Houston (Texas) for an amount of USD 42.5 million.

NOTE 36 - GOVERNMENT GRANTS

At the end of 2004, the Group's accounts included investment grants to be released to income in future periods amounting to 6,068 (3,652 in 2003) coming from FEM/ENTREMONT (4,754) and IMERYS (1,314).

They are included in the balance sheet as "other current liabilities" and are released to income as "other operating income".

NOTE 37 - SHARE BASED PAYMENT

,000 EUR	2003		2004	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning of period	0	0.00	0	0.00
Granted during the period	0	0.00	662,100	100.00
Forfeited during the period	0	0.00	0	0.00
Exercised during the period	0	0.00	0	0.00
Expired during the period	0	0.00	0	0.00
Outstanding at the end of the period	0	0.00	662,100	100.00

The assumptions used in the option pricing model are as follows :

,000 EUR	2004
Personnel turnover	0.00%
Expected volatility	20.00%
Expected dividends	5.00%
Risk free rate	4.50%

Outstanding share options at the end of the period

	Number	Exercise price (EUR)	Maturity	Beginning of exercise period
NPM/CNP	165,525	100.00	03/12/2013	01/01/2007
NPM/CNP	165,525	100.00	03/12/2013	30/06/2007
NPM/CNP	331,050	100.00	03/12/2013	30/06/2009
Total	662,100			

The Group's total payroll expenses related to employee stock option plans amounts to 3,537 for the year 2004, the most significant part of it (3,300) is related to the NPM/CNP plan described hereabove.

In accordance with IFRS 2, the fair value of the stock options are expensed over the vesting period.

Other stock option plans are in place at PARGESA, GBL, QUICK and TAITTINGER/LOUVRE but do not have a significant effect on NPM/CNP's consolidated accounts.

NOTE 38 - INTERESTS IN JOINT VENTURES

<i>,000 EUR</i>	2003	2004
Assets held in joint ventures (as shown on the face of the balance sheet):	5,036,906	5,360,863
Non-current assets	4,158,813	4,525,530
Current assets	878,093	835,333
Liabilities held in joint ventures (as shown on the face of the balance sheet):	1,442,453	1,241,913
Non-current liabilities	764,770	831,429
Current liabilities	677,683	410,484
Profit and loss held in joint ventures (as shown on the face of the income statement):	240,380	400,961
Income	1,855,648	1,984,050
Expense	(1,615,268)	(1,583,089)
Cash flow held in joint ventures arising from:	(156,039)	(83,668)
Operating activities	246,517	323,627
Investing activities	(77,560)	(105,519)
Financing activities	(324,996)	(301,776)

Shareholdings in joint-ventures mainly relate to PARGESA, RASPAIL, RIEUSSEC, QUICK, AGESCA and GIB.

NOTE 39 - CHANGES IN ACCOUNTING METHODS AND ESTIMATES

During the financial years 2003 and 2004, the Group did not change its accounting methods.

Upon printing this document, the Company is not aware of any accounting estimate used in the preparation of these consolidated accounts that should have an impact on the financial statements of the future years; it should however be kept in mind that an impairment was booked by FEM on the goodwill this company has recorded on ENTREMONT; as described in note 7, this impairment has been determined based upon future cash flows included in a medium-term plan elaborated by the management of ENTREMONT.

This plan relies on future estimates and significant deviations from this plan could have a material impact on consolidated accounts of future periods. At FEM, the residual value of the goodwill on ENTREMONT amounts to 29,464 at 31 December 2004.

In addition, ENTREMONT has recorded goodwill upon some of its subsidiaries (58,710 at 31 December 2004) which did not result in the booking of any impairment under the assumptions of the management plan mentioned above.

NOTE 40 - EVENTS AFTER THE BALANCE SHEET DATE

In January 2005, a subsidiary of the TRANSCOR group bought a refinery located near HOUSTON (Texas) for an amount of USD 42.5 million.

NOTE 41 - LIST OF CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

1. Fully consolidated subsidiaries

Companies	Country	Consolidation percentage	Transitive ownership percentage in capital	Percentage of voting rights controlled	Main activity
COMPAGNIE NATIONALE À PORTEFEUILLE	Belgium	100.0%	Parent	Parent	Holding company
BSS INVESTMENTS	Belgium	100.0%	80.0%	80.0%	Holding company
CARPAR	Belgium	100.0%	100.0%	100.0%	Holding company
CENTRE DE COORDINATION DE CHARLEROI	Belgium	100.0%	96.7%	96.7%	Treasury pooling
COMPAGNIE IMMOBILIERE DE ROUMONT	Belgium	100.0%	100.0%	100.0%	Services for the Group
GROUPE JEAN DUPUIS	Belgium	100.0%	100.0%	100.0%	Holding company
ERBE FINANCE	Luxemburg	100.0%	100.0%	100.0%	Holding company
FIBELPAR	Belgium	100.0%	100.0%	100.0%	Holding company
FINIMPRESS	Belgium	100.0%	100.0%	100.0%	Holding company
INVESTOR	Belgium	100.0%	100.0%	100.0%	Holding company
KERMADEC	Luxemburg	100.0%	100.0%	100.0%	Holding company
NEWCOR	Belgium	100.0%	55.7%	55.7%	Holding company
NEWTRANS TRADING (1)	Belgium	100.0%	55.7%	100.0%	Holding company
PAM	Netherlands	100.0%	100.0%	100.0%	Holding company
SLP	Belgium	100.0%	100.0%	100.0%	Holding company
SWIFIN	Luxemburg	100.0%	100.0%	100.0%	Holding company
SWILUX	Luxemburg	100.0%	100.0%	100.0%	Holding company
HELIO CHARLEROI FINANCE	Luxemburg	100.0%	100.0%	100.0%	Holding company
DISTRIPAR	Belgium	100.0%	97.0%	100.0%	Retailing
FEM/ENTREMONT	France	100.0%	100.0%	100.0%	Cheese
IJSBOERKE/STARCO	Belgium	100.0%	100.0%	100.0%	Ice cream
PROJECT SLOANE/JOSEPH	United Kingdom	100.0%	57.6%	57.6%	Clothes / retailing
TRANSCOR	Belgium	100.0%	82.3%	100.0%	Oil trading

(1) 100% held by NEWCOR

2. Proportionally consolidated joint-ventures

Companies	Country	Consolidation percentage	Transitive ownership percentage in capital	Percentage of voting rights controlled	Main activity
AGESCA NEDERLAND	Netherlands	89.5%	89.5%	(1)	Holding company
GIB	Belgium	50.0%	50.0%	50.0%	Holding company
PARJOINTCO	Netherlands	44.8%	44.8%	(2)	Holding company
CARSPORT	Belgium	50.0%	40.0%	50.0%	Holding company
ORILUX	Luxemburg	50.0%	40.0%	50.0%	Holding company
PARGESA	Switzerland	44.8%	24.1%	(3)	Holding company
GROUPE BRUXELLES LAMBERT	Belgium	44.8%	12.1%	(4)	Holding company
IMERYS	France	44.8%	9.7%	(4)	Minerals
ORIOR	Switzerland	44.8%	24.1%	(4)	Food
CHÂTEAU RIEUSSEC	France	50.0%	50.0%	50.0%	Wine
RASPAIL /CHEVAL BLANC	France	50.0%	40.0%	50.0%	Wine
QUICK RESTAURANTS	Belgium	50.0%	28.9%	(5)	Fast food restaurants

(1) Joint-control agreement, although NPM/CNP only holds 49% of the voting rights;

(2) 50% held by AGESCA NEDERLAND, 89.5% (proportionally consolidated); jointly controlled with POWER CORPORATION DU CANADA;

(3) 54.1% held by PARJOINTCO, which controls more than 61% of the voting rights;

(4) Companies controlled by PARGESA, which controls respectively 50.2% (GBL), 53.5% (IMERYS) et 100% (ORIOR) of the voting rights;

(5) Jointly controlled with ACKERMANS & VAN HAAREN through GIB, which owns and controls 57.9%.

3. Equity-accounted companies

Companies	Country	Equity accounting percentage	Transitive ownership percentage in capital	Percentage of voting rights controlled	Main activity
BERTELSMANN	Germany	11.2%	3.0%	(1)	Media
GROUPE TAITTINGER	France	25.0%	25.0%	(2)	Champagne, hotels and luxury goods
SOCIÉTÉ DU LOUVRE	France	15.6%	15.6% (3)	15.6%	luxury goods

(1) 25.0% of voting rights controlled by GROUPE BRUXELLES LAMBERT

(2) 3.1% held as non voting certificates;

(3) Disregarding the 44% shareholding held by GROUPE TAITTINGER and after cancellation of own shares held by SOCIÉTÉ DU LOUVRE

NOTE 42 - LIST OF NON-CONSOLIDATED SUBSIDIARIES

<i>Companies</i>	Country	Percentage held in the capital	Percentage of voting rights controlled	Main activity	Reason for non-consolidation
MOLIGNÉE ENERGIE	Belgium	75.0%	75.0%	Wind energy	Size
INNO FUND	Belgium	67.0%	67.0%	EDP services	Size
CHEVAL DES ANDES	France	20.0%	25.0%	Wine	Size

NOTE 43 - RELATED PARTY DISCLOSURES

Salaries and directors' fees paid to directors

During the financial year 2004 (,000 EUR)	by NPM/CNP and its proportionally and fully consolidated subsidiaries (1)	by associates (2)	by other companies
Amounts of gross salaries and directors' fees granted to Directors of the Parent Company, regardless of the consolidation percentages			
- executive directors	1,214	311	24
- non-executive directors	<u>136</u>	<u>0</u>	<u>0</u>
	1,350	311	24
considering the consolidation percentage			
- executive directors	1,103	59	0
- non-executive directors	<u>136</u>	<u>0</u>	<u>0</u>
	1,239	59	0
Loans granted to Directors	174	0	0

(1) The NPM/CNP Group also paid an amount of 300 for services rendered by representatives of the FRÈRE-BOURGEOIS Group and 41 for services rendered by representatives of SOCIÉTÉ DES QUATRE CHEMINS (linked to Mr SAMYN).

(2) Does not include amounts, if any, paid to non-executive directors of the Parent Company for positions held in Group companies independently from their function of Director at NPM/CNP.

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NOTICE

In accordance with article 105 of Companies Code, the non-consolidated accounts presented in this chapter are an abridged version of the Parent Company accounts; these include neither all the notes and information required by law nor the full report of the Statutory Auditors, who have provided an unqualified opinion.

The comprehensive version of the company accounts, the Board of Directors' report and the Auditors' report will be filed at the NATIONAL BANK OF BELGIUM and are also available at the Company's head office and on its web site (www.npm-cnp.be).

NON-CONSOLIDATED ANNUAL ACCOUNTS

BALANCE SHEETS

		,000 EUR	
		2003	2004
NON-CURRENT ASSETS		2,543,876	2,377,454
III.	Tangible fixed assets	2,017	2,054
	A. Lands and buildings	101	101
	C. Furniture and vehicles	35	50
	E. Other	1,881	1,903
IV.	Long-term investments	2,541,859	2,375,400
	A. Subsidiaries		
	1. Shareholdings	2,541,858	2,374,499
	B. Related companies		
	1. Shareholdings	-	900
	C. Other investments		
	1. Shareholdings	1	1
CURRENT ASSETS		387,974	259,332
V.	Long-term receivables	272	224
	B. Other receivables	272	224
VII.	Amounts receivable within one year	328,983	209,554
	A. Trade receivables	534	450
	B. Other receivables	328,449	209,104
VIII.	Short-term investments	3,796	29,056
	A. Own shares	3,791	9,051
	B. Other short-term investments	5	20,005
IX.	Cash and cash equivalents	53,628	19,155
X.	Deferred expenses and accrued income	1,295	1,343
TOTAL ASSETS		2,931,850	2,636,786
EQUITY		2,493,962	2,449,456
I.	Capital	126,500	126,500
	A. Issued capital	126,500	126,500
II.	Share premium	1,052,870	1,052,870
IV.	Reserves	16,446	21,706
	A. Legal reserve	12,650	12,650
	B. Unavailable reserve		
	1. Own shares	3,791	9,051
	2. Other	5	5
	C. Tax-free reserve	-	-
	D. Distributable reserves	-	-
V.	Profit carried forward	1,298,146	1,248,380
PROVISIONS AND DEFERRED TAXATION		248	-
VII.	A. Provisions for liabilities and charges	248	-
	4. Other liabilities and charges	248	-
LIABILITIES		437,640	187,330
IX.	Amounts payable within one year	435,590	185,528
	B. Financial debts		
	2. Other loans	364,481	111,999
	C. Trade payables		
	1. Suppliers	695	680
	E. Taxes, salaries and social charges payable		
	1. Taxes	1,917	737
	2. Salaries and social charges	46	114
	F. Other liabilities	68,451	71,998
X.	Accrued expenses and deferred income	2,050	1,802
TOTAL LIABILITIES AND EQUITY		2,931,850	2,636,786

NON-CONSOLIDATED ANNUAL ACCOUNTS
PROFIT AND LOSS STATEMENTS AND APPROPRIATION OF PROFIT

,000 EUR	2003	2004
EXPENSES		
II. Operating expenses	5,000	4,239
B. Outside goods and services	4,097	3,752
C. Payroll expenses	954	575
D. Depreciation and amortisation	89	100
E. Amounts written off /(back) on receivables	(150)	48
F. Provisions for liabilities and charges and (releases)	-	(248)
G. Other operating expenses	10	12
V. Financial expenses	7,787	8,871
A. Interest expenses	7,221	8,446
B. Write-downs and (reversals) on current investments	(195)	-
C. Other financial expenses	761	425
VIII. Exceptional expenses	8,668	68,403
B. Write-downs on non-current investments	8,159	68,403
D. Losses on disposals of non-current assets	509	-
X. Income tax expenses	4	-
XI. Net profit	158,253	26,894
TOTAL EXPENSES	179,712	108,407
INCOME		
I. Revenue	862	1,240
D. Other operating income	862	1,240
IV. Financial income	139,853	37,252
A. Income from non-current investments	134,917	27,062
B. Income from current investments	3,507	8,617
C. Other financial income	1,429	1,573
VII. Exceptional income	38,960	69,805
B. Reversals of write-downs on non-current investments	-	1
D. Gains on disposals of non-current assets	38,960	68,728
E. Other exceptional income	-	1,076
X. Income tax adjustments and release of income tax provisions	37	110
TOTAL INCOME	179,712	108,407
APPROPRIATION OF PROFITS		
A1. Profit for the year available for appropriation	158,253	26,894
A2. Profit brought forward from the previous year	1,210,337	1,298,146
PROFIT AVAILABLE FOR APPROPRIATION	1,368,590	1,325,040
C3. Transfer to the reserve for own shares	(2,444)	(5,260)
D1. Profit carried forward	(1,298,146)	(1,248,380)
F1. Dividend distribution	(68,000)	(71,400)
APPROPRIATION OF PROFIT AVAILABLE	(1,368,590)	(1,325,040)

GENERAL INFORMATION

ABOUT THE COMPANY

Name, registered and administration offices

NATIONALE PORTEFEUILLEMAATSCHAPPIJ N.V. / COMPAGNIE NATIONALE À PORTEFEUILLE S.A., abbreviated to NPM/CNP.

The registered office of the Company is at 6280 Loverval (Gerpinnes), rue de la Blanche Borne, 12. It may be transferred to any place in the Walloon or Brussels region by a Board of Directors' resolution.

Date of incorporation and duration

The Company was incorporated for an unlimited duration on 20 November 1906 under the name « LE GAZ RICHE » as a public company with limited liability (« société anonyme »), by public deed executed by Maître Émile LEFÈBVRE, public Notary in Antwerp, published in the annex to the Belgian « Official Gazette » dated 3-4 December 1906, under number 6133.

The last time the articles of incorporation were amended was by public deed executed by Maître Hubert MICHEL, public Notary in Charleroi, on 15 April 2004.

Objects of the Company

According to Article 3 of the statutes:

«The objects of the Company are the purchase, the sale, the assignment, the exchange and the management of any securities, shares, bonds, government bonds or any other financial or non financial assets or rights; the acquisition of interests under any form, in any company or business in the production and/or distribution of energy, or in industry, commerce, finance, real estate or other, existing or to be incorporated.

Among other things, NPM/CNP may acquire through purchase, exchange, contribution, subscription, underwriting, option or any other means, any securities, assets, receivables or intangible assets; participate in any association or merger; manage or enhance the value of its securities and shareholdings portfolio; realise or liquidate such assets by assignment, sale or any other means.

NPM/CNP may conduct any financial, commercial, industrial or real estate operations or transactions directly or indirectly related to its objects or designed to realise such objects.»

Company registration

The Company is registered in Charleroi under nr 0404.676.971.

Places of consultation of public documents

The co-ordinated articles of incorporation of NPM/CNP may be consulted at the Commercial Court in Charleroi and in the registered office of NPM/CNP and on the website (www.npm-cnp.be).

The annual accounts are filed with the NATIONAL BANK OF BELGIUM. All appointments and dismissals of the representatives of NPM/CNP are published in the annex to the Belgian « Official Gazette ».

Financial notices are published in the financial press and on the website. The other documents available to the public and which may be mentioned in a prospectus may be consulted at the registered office of NPM/CNP or on the website.

The annual reports are sent to the registered shareholders and to anyone who requested them from the Company.

Issued capital

The fully paid share capital of the Company amounts to EUR 126,500,000. It is represented by 20,000,000 shares with no designated nominal value.

The rights attached to the shares are the following:

a. *Right to vote at General Meetings*

Each share carries one vote.

b. *Preferential rights in the event of capital increases*

In the event of a capital increase by cash subscription, the new shares must be offered in the first instance to existing shareholders pro rata to the number of shares held on the day of issue, as prescribed by law.

The General Meeting nonetheless has the right to cancel or to limit the preferential subscription rights in the interest of the Company to the extent permitted by the applicable laws or to suspend the preferential subscription rights for a limited period.

Any proposal by the Board of Directors to limit or to suspend the preferential subscription rights must be justified in a detailed report, which covers in particular the issue price and the financial consequences for the shareholders. A report is also made up by the Auditors, in which they state that the financial information and the accounts contained in the report by the Board are correct. These reports are filed with the Commercial Court.

In the event of a capital increase by cash subscription, the holders of convertible bonds, of bonds redeemable in shares, of subscription rights or of other securities, may convert their bonds or exercise their subscription rights and thus participate in the new issue to the extent that this right is granted to existing shareholders.

The Board of Directors always has the right to conclude agreements, under conditions which it deems appropriate, with any third party in order to ensure the subscription of all or part of the issued shares.

- c. *Appropriation of profits*
 Net profits are allocated as follows:
1. A minimum of 5% is transferred to a legal reserve fund as stipulated by law until this reaches 10% of share capital.
 2. The remaining amount is allocated as decided upon by the General Meeting following a proposal by the Board of Directors.
- The Board of Directors may, within the conditions laid down by law, distribute advances on the dividend for the year.
- d. *Dissolution / liquidation*
 Except in the event of contributions or mergers remunerated by shares, the net assets, after payment of all debts, charges and liquidation costs, will be used in the first instance to reimburse the paid-up portion of share capital, in cash or in shares. The remaining balance will be distributed equally over all shares.

Authorised share capital

By decision of the Shareholders' Extraordinary General Meeting of 15 April 2004, the Board of Directors was authorised, for a period of five years starting on 14 May 2004, to increase the share capital by up to EUR 50,000,000 in one or more steps. The method used to increase the share capital is to be determined by the Board. This authorisation may be renewed in accordance with the relevant laws. The increase in share capital decided on with regard to this authorisation may consist in contributions in cash or in kind, in transfer from available or unavailable reserves or from the share premium account, with or without creation of new shares, preferred or not, with or without voting right, with or without preferential subscription right.

The Board of Directors is expressly authorised to proceed with share capital increases under the conditions laid down by the applicable laws, in the case of a take-over bid on the shares of the Company and provided that notice to this effect is given to the BANKING FINANCE AND INSURANCE COMMISSION within 3 years of the Extraordinary General Meeting of 15 April 2004. In the event where the Board of Directors decides, in the framework of the authorisation, to increase the share capital by the issue of shares subscribed in cash, of convertible bonds, of bonds redeemable in shares, of subscription rights or other financial instruments attached or not to bonds or to other securities, it may, in the interest of the Company and under the conditions laid down by the applicable laws, limit or cancel the preferential subscription rights of existing shareholders in favour of one or several specific person(s), even if these persons are not staff members of the Company or its subsidiaries.

Under the same conditions and in accordance with the applicable laws, the Board of Directors is also authorised to proceed with the issue of convertible bonds or bonds redeemable in shares (whether subordinated or non-subordinated), of subscription rights or other financial instruments (whether or not attached to bonds), or other securities which could lead to an increase in share capital of up to EUR 50,000,000.

Shares not representing the capital

There are no such shares.

Conditions for changes to the capital and to the rights of the various categories of shares

The statutes of the Company do not include provisions regarding capital and rights modifications which would be more restrictive than the legal provisions.

Shareholders holding at least 3% of the capital

The reporting level related to the Shareholders Disclosure Law is fixed in the bylaws at 3%. At 31 December 2004, based upon reporting received or information available, the capital of the Company was held as follows:

Shareholders	Number of shares	Percentage (1)	Date
NPM/CNP	82,938	0.41	31.12.04
COMPAGNIE IMMOBILIÈRE DE ROUMONT	700,000	3.50	31.12.04
SLP	1,053,765	5.27	31.12.04
<i>NPM/ CNP sub-group</i>	<i>1,836,703</i>	<i>9.18</i>	<i>31.12.04</i>
ERBE	8,526,581	42.63	31.12.04
FINGEN	3,569,171	17.85	31.12.04
FRÈRE-BOURGEOIS, associated companies and concerted parties	13,932,455	69.66	31.12.04
P&V ASSURANCES	941,255	4.71	11.06.98
P&V RÉASSURANCES	80,000	0.40	11.06.98
P&V Group	1,021,255	5.11	11.06.98

(1) percentages computed based upon the number of shares outstanding as at 31 December 2004, i.e. 20,000,000.

GENERAL INFORMATION

ABOUT THE COMPANY

Own shares

Subject to approval by the General Shareholders' Meeting of 21 April 2005, the Board of Directors is authorised, for a period of 18 months, to acquire up to 2,000,000 shares of the Company, at a price not more than 20% lower than the lowest closing market price during the 20 trading days preceding the transaction nor more than 20% higher than the highest closing market price during the 20 trading days preceding the transaction and the subsidiaries of the Company are also authorised (according to article 627 of Companies Code) to acquire shares of the Company under the same conditions.

The Board of Directors may dispose of Company shares, on the stock market or in any other manner provided for under the law, without the prior authorisation of the General Meeting.

The Board of Directors was authorised, in compliance with the law, for a period of three years starting on 14 May 2004, to acquire and dispose of Company shares in the cases provided for in article 622 § 2.2 of Companies Code for the purpose of preventing serious and imminent danger to the Company.

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