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**NOTICE**

*In accordance with article 80bis of the Co-ordinated Laws on Commercial Companies, the statutory accounts presented in this chapter are an abridged version of the Parent Company accounts, and they include neither all the notes and information required by law nor the report of the Statutory Auditors, who have provided an unqualified opinion. The complete accounts will be deposited at the NATIONAL BANK OF BELGIUM and will also be available at the Company's head office.*

# NON-CONSOLIDATED ACCOUNTS

## BALANCE SHEETS

<b>ASSETS (BEF thousand)</b>		<b>1997</b>	<b>1996</b>	<b>1995</b>
<b>FIXED ASSETS</b>		<b>52,973,161</b>	<b>48,326,675</b>	<b>48,281,150</b>
<b>III.</b>	<b>Tangible fixed assets</b>	<b>96,749</b>	<b>1,718</b>	<b>4,547</b>
	A. Lands and buildings	4,078	-	-
	C. Furniture and vehicles	3,583	1,718	4,547
	E. Assets under construction and advance payments	89,088	-	-
<b>IV.</b>	<b>Investments</b>	<b>52,876,412</b>	<b>48,324,957</b>	<b>48,276,603</b>
	A. Subsidiaries			
	1. Shareholdings	28,431,269	25,060,164	22,973,042
	B. Related companies			
	1. Shareholdings	15,342,469	15,342,469	18,995,785
	2. Receivables	-	-	1,772,996
	C. Other investments			
	1. Stocks and shares	9,102,674	7,922,324	4,534,780
<b>CURRENT ASSETS</b>		<b>16,115,778</b>	<b>16,401,285</b>	<b>19,146,808</b>
<b>VII.</b>	<b>Amounts receivables within one year</b>	<b>6,305,355</b>	<b>7,841,266</b>	<b>12,565,431</b>
	B. Other receivables	6,305,355	7,841,266	12,565,431
<b>VIII.</b>	<b>Short-term investments</b>	<b>6,503,957</b>	<b>5,356,005</b>	<b>4,118,532</b>
	A. Own shares	-	28,396	-
	B. Other investments	6,503,957	5,327,609	4,118,532
<b>IX.</b>	<b>Cash at bank and in hand</b>	<b>3,207,265</b>	<b>3,080,752</b>	<b>2,250,780</b>
<b>X.</b>	<b>Deferred expenses and accrued income</b>	<b>99,201</b>	<b>123,262</b>	<b>212,065</b>
<b>TOTAL ASSETS</b>		<b>69,088,939</b>	<b>64,727,960</b>	<b>67,427,958</b>

## NON-CONSOLIDATED ACCOUNTS

## BALANCE SHEETS

<b>LIABILITIES AND EQUITY (BEF thousand)</b>		<b>1997</b>	<b>1996</b>	<b>1995</b>
<b>EQUITY</b>		<b>55,427,857</b>	<b>53,741,840</b>	<b>51,416,304</b>
<b>I. Capital</b>		<b>4,751,250</b>	<b>4,751,250</b>	<b>4,751,250</b>
A. Issued capital	4,751,250	4,751,250	4,751,250	4,751,250
<b>II. Share premium account</b>		<b>42,824,428</b>	<b>42,824,428</b>	<b>42,824,428</b>
<b>IV. Reserves</b>		<b>1,591,909</b>	<b>1,129,203</b>	<b>766,408</b>
A. Legal reserve	475,125	475,125	475,125	475,125
B. Non-distributable reserves				
1. Own shares	825,501	362,795	-	-
2. Others	215	215	215	215
C. Tax-free reserves	221,068	221,068	221,068	221,068
D. Distributable reserves	70,000	70,000	70,000	70,000
<b>V. Profit carried forward</b>		<b>6,260,270</b>	<b>5,036,959</b>	<b>3,074,218</b>
<b>PROVISIONS AND DEFERRED TAXATION</b>		<b>4,000</b>	<b>23,500</b>	<b>142,410</b>
<b>VII. A. Provisions for liabilities and charges</b>		<b>4,000</b>	<b>23,500</b>	<b>142,410</b>
4. Other liabilities and charges	4,000	23,500	142,410	
<b>LIABILITIES</b>		<b>13,657,082</b>	<b>10,962,620</b>	<b>15,869,244</b>
<b>VIII. Amounts payable after more than one year</b>		<b>3,273,750</b>	<b>3,273,750</b>	<b>3,273,750</b>
A. Financial liabilities				
2. Non-subordinated debentures	3,273,750	3,273,750	3,273,750	3,273,750
<b>IX. Amounts payable within one year</b>		<b>10,065,945</b>	<b>7,190,344</b>	<b>12,320,565</b>
B. Financial debts				
1. Amounts due to financial institutions	1,220,973	1,019,941	995,612	
2. Other loans	6,050,000	3,500,000		
C. Trade payables				
1. Suppliers	19,636	2,065	1,098	
E. Taxes, salaries and social charges payable				
1. Taxes	80,845	77,064	48,186	
2. Salaries and social charges	-	176	176	
F. Other liabilities	2,694,491	2,591,098	11,275,493	
<b>X. Accrued expenses and deferred income</b>		<b>317,387</b>	<b>498,526</b>	<b>274,929</b>
<b>LIABILITIES AND EQUITY</b>		<b>69,088,939</b>	<b>64,727,960</b>	<b>67,427,958</b>

# NON-CONSOLIDATED ACCOUNTS

## PROFIT AND LOSS STATEMENTS

<b>EXPENSES</b> (BEF thousand)	<b>1997</b>	<b>1996</b>	<b>1995</b>
A. Interest expense	357,400	395,844	487,591
B. Other financial expense	85,913	143,179	82,611
C. Miscellaneous goods and services	68,083	311,465	48,293
D. Payroll expenses	27,181	34,532	38,432
E. Miscellaneous operating expenses	19,232	140	184
F. Depreciation and write-off of formation expenses, tangible and intangible assets	3,913	2,560	3,351
G. Write-off on	114,520	234	1,021,627
1. investments	-	-	941,174
2. current assets	114,520	234	80,453
H. Provisions for liabilities and charges	4,000	3,500	6,410
I. Losses on disposal of	4,614	650	179,773
1. tangible and intangible fixed assets	88	-	293
2. investments	90	16	168,530
3. current assets	4,436	634	10,950
J. Exceptional expenses	-	25,987	136,000
L. Taxes	37,216	55,716	29,020
M. Profit for the year	4,321,377	4,910,216	2,393,518
<b>TOTAL EXPENSES</b>	<b>5,043,449</b>	<b>5,884,023</b>	<b>4,426,810</b>

O. Profit for the year available for appropriation	4,321,377	4,910,216	3,673,341
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<b>PROFIT APPROPRIATION</b> (BEF thousand)	<b>1997</b>	<b>1996</b>	<b>1995</b>
C. Transfer to reserves	462,706	362,795	-
2. to the legal reserve	-	-	-
3. to other reserves	462,706	362,795	-
D. Profit carried forward	6,260,270	5,036,959	3,074,218
1. Profit carried forward	6,260,270	5,036,959	3,074,218
F. Profit to be distributed	2,635,360	2,584,680	2,552,188
1. Dividends to shareholders	2,635,360	2,584,680	2,552,188
	<b>9,358,336</b>	<b>7,984,434</b>	<b>5,626,406</b>

## NON-CONSOLIDATED ACCOUNTS

## PROFIT AND LOSS STATEMENTS

<b>REVENUE (BEF thousand)</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>
A. Revenue from investments	1,308,283	2,697,893	2,163,936
1. Dividends	1,308,283	2,697,893	2,163,936
2. Interests	-	34,144	73,906
B. Revenue from current assets	660,041	722,403	890,163
C. Other financial revenue	252,573	93,528	66,387
E. Other operating revenue	38,486	34,050	31,566
G. Write-back on	847,452	64,670	84,316
1. investments	843,909	10,091	-
2. current assets	3,543	54,579	84,316
H. Reversals of provisions for liabilities and charges	23,500	142,410	2,500
I. Profits on disposal of	1,910,616	2,089,104	1,102,255
1. tangible and intangible fixed assets	574	108	-
2. investments	1,302,824	1,901,008	706,762
3. current assets	607,218	187,988	395,493
J. Extraordinary revenue	6	60	-
L. Adjustment of income taxes and write-back of tax provisions	2,492	5,761	11,781
<b>TOTAL REVENUE</b>	<b>5,043,449</b>	<b>5,884,023</b>	<b>4,426,810</b>
N. Transfer from tax-free reserves	-	-	1,279,823
<b>PROFIT APPROPRIATION (BEF thousand)</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>
A. Profit available for appropriation	9,358,336	7,984,434	5,626,406
1. Profit for the year available for appropriation	4,321,377	4,910,216	3,673,341
2. Profit brought forward from the previous year	5,036,959	3,074,218	1,953,065
	<b>9,358,336</b>	<b>7,984,434</b>	<b>5,626,406</b>

NON-CONSOLIDATED ACCOUNTS

EXTRACT FROM THE NOTES

VIII. Statement of capital

A. Share capital	In BEF thousand	Number of shares
1. Issued capital		
- opening balance	4,751,250	25,340,000
- changes during the year	-	-
- closing balance	4,751,250	25,340,000
2. Description of capital		
2.1. Types of shares		
- ordinary	4,651,281	24,806,830
- AFV 1	9,075	48,400
- AFV 2	144	770
- AFV 3	45,375	242,000
- AFV 4	45,375	242,000
2.2. Registered or bearer shares		
- registered		17,932,201
- bearer		7,407,799
<b>D. Commitments to issue shares</b>		
2. Subscription rights		
- number of subscription rights in issue		
- until 1999, at BEF 1,696 per share		200,000
- until 1999, at BEF 2,365 per share		1,500,000
- capital to be subscribed	318,750	
- maximum number of shares to be issued		1,700,000
<b>E. Capital authorised but not issued</b>	<b>2,000,000</b>	

G. Shareholding structure (law of 2 March 1989)

At 31 December 1997, based on declarations received by that date :

Shareholders	Number of shares held	Number of warrants	Percentages		Date of declaration
			non diluted	fully diluted	
INVESTOR	91,202	1,500	0.36	0.35	30.06.97
CARPAR	286,917	-	1.13	1.06	30.06.97
NPM/CNP	-	299	-	-	30.06.97
<i>Sub-Group NPM/CNP</i>	<i>378,119</i>	<i>1,799</i>	<i>1.49</i>	<i>1.41</i>	<i>30.06.97</i>
FIBELPAR	11,393,967	-	44.97	42.14	30.06.97
PAM N.V.	2,210,070	-	8.72	8.17	30.06.97
ERBE FINANCE	-	103,750	-	0.38	30.06.97
BELGIAN SKY SHOPS	670,930 (1)	-	2.65	2.48	30.06.97
IMMOBILIÈRE BERNHEIM-OUTREMER	71,001 (1)	-	0.28	0.26	30.06.97
<b>FIBELPAR Group and associated companies</b>	<b>14,724,087</b>	<b>105,549</b>	<b>58.11</b>	<b>54.84</b>	<b>30.06.97</b>
UAP VIE	1,261,066	-	4.98	4.66	21.03.94
ROYALE BELGE	1,149,382	-	4.54	4.25	21.03.94
URBAINE UAP (2)	266,666	-	1.05	0.99	21.03.94
LLOYD BELGE (2)	69,595	-	0.27	0.26	21.03.94
L'ASSURANCE LIEGEOISE (2)	42,000	-	0.17	0.16	21.03.94
FOYER BELGE (2)	10,666	-	0.04	0.04	21.03.94
<b>UAP (now AXA-UAP) and ROYALE BELGE Groups</b>	<b>2,799,375</b>	<b>-</b>	<b>11.05</b>	<b>10.35</b>	<b>21.03.94</b>

(1) early April 1998, BELGIAN SKY SHOPS owned 87,449 NPM/CNP shares, representing 0.35 % and 0.32 % of the non diluted and fully diluted capital of the Company and IMMOBILIÈRE BERNHEIM-OUTREMER did not hold any share any longer

(2) the shares held by those companies were subsequently bought by ROYALE BELGE 1994

**XX. Accounting policies****1. Formation expenses**

Formation expenses are written off by at least 20 % per annum. The issue costs of borrowed capital, discounts and premiums on loans are written off over the loan period.

In any event, the Board of Directors can decide to write off the formation expenses in the year in which they were incurred.

**2. Tangible fixed assets**

Tangible fixed assets are recorded at cost or at the contributed value.

The straight line depreciation method is used and the following annual rates are applied :

- real estate rights	2 % (duration of the rights)
- vehicles	25 %
- furniture and office equipment	20 %
- computer equipment	33 %
- telephone facilities	33 %

**3. Investments****a) Shareholdings and other securities**

Shareholdings and other securities are recorded at cost, taking account of any adjustments to the value which may be necessary, excluding incidental costs which are written off in the year in which they are incurred.

**Shareholdings**

Shareholdings value is estimated at the end of each financial year, based primarily on a prudent assessment of the underlying net assets, taking into account latent gains and losses which are considered to be of a permanent nature in view of the circumstances, profitability and known prospects of the Company.

The value of shareholdings is reduced to the extent that there has been a permanent impairment in value.

However, as provided for in article 34 of the Royal Decree of 8 October 1976, the Board may decide to take permanent increases in the value of investments directly to section III of the balance sheet without passing through the income statement.

**Other securities**

Shares quoted on the stock exchange or in public sale are valued at the market price, if significant.

Unquoted shares, and shares in which there is not considered to be significant trading, are valued in the same way as shareholdings.

The carrying value is reduced where there has been a permanent impairment in value.

**b) Other investments**

These are recorded at their cost or nominal value. The carrying value is reduced where there has been a permanent impairment in value.

**c) Receivables and guarantees**

Receivables, including fixed interest bonds, included in investments, are written down where repayment at maturity, in whole or in part, is uncertain or otherwise compromised.

**4. Amounts receivable after more than one year**

These are valued in the same way as receivables included in other investments.

**5. Amounts receivable within one year**

These are valued in the same way as receivables included in other investments but without considering the permanent nature of impairments in value.

**6. Short-term investments**

These are recorded at cost excluding incidental expenses which are charged to the income statement.

In general, shares quoted on the stock exchange or in public sale are valued in the same way as other securities included in investments. However, write-downs are recorded, whether or not they are considered to be permanent.

**7. Provisions for liabilities and charges**

At the end of each financial year, the Board of Directors examines previous provisions and considers new provisions required to cover possible liabilities or charges.

**8. Commitments and recourse against third parties**

The Board of Directors values commitments and recourse against third parties at the nominal value of the legal commitment referred to in the contract ; if there is no nominal value or in borderline cases, they will be noted for the record only.

**9. Assets and liabilities recorded in foreign currencies**

These are translated at the buying rate on the last day of the financial year.

**10. Cost Association <sup>(1)</sup>**

The Company is a member of a cost association (Association de frais), set up as an autonomous grouping with no legal personality, by a number of related companies, with the aim of rationalising and reducing their administrative costs by combining their staff, offices, property, equipment and, in general, all the expenses incurred in managing their operations.

The allocation of expenses and costs incurred by the association is carried out in accordance with the following rules :

- Expenses and costs - mainly payroll and miscellaneous costs - relating to operations and particular events occurring during the financial year and involving one or more of the members of the association are charged directly to the member or members concerned on an actual or lump sum basis depending on the circumstances, and on the basis of appropriate documentation.
- The balance of the expenses and charges is allocated proportionally among the members of the association in accordance with a formula based primarily on estimated net assets, annual movement in net assets and gross operating income.

A statement of costs is drawn up at the end of each financial year indicating, by income statement item, the share allocated to each member of the association.

(1) NPM/CNP is also charged, based on actual services rendered, with invoices from CENTRE DE COORDINATION DE CHARLEROI (accounting, treasury, personnel and administration services) and by COMPAGNIE IMMOBILIÈRE DE ROUMONT (management of the building and of the shareholdings).