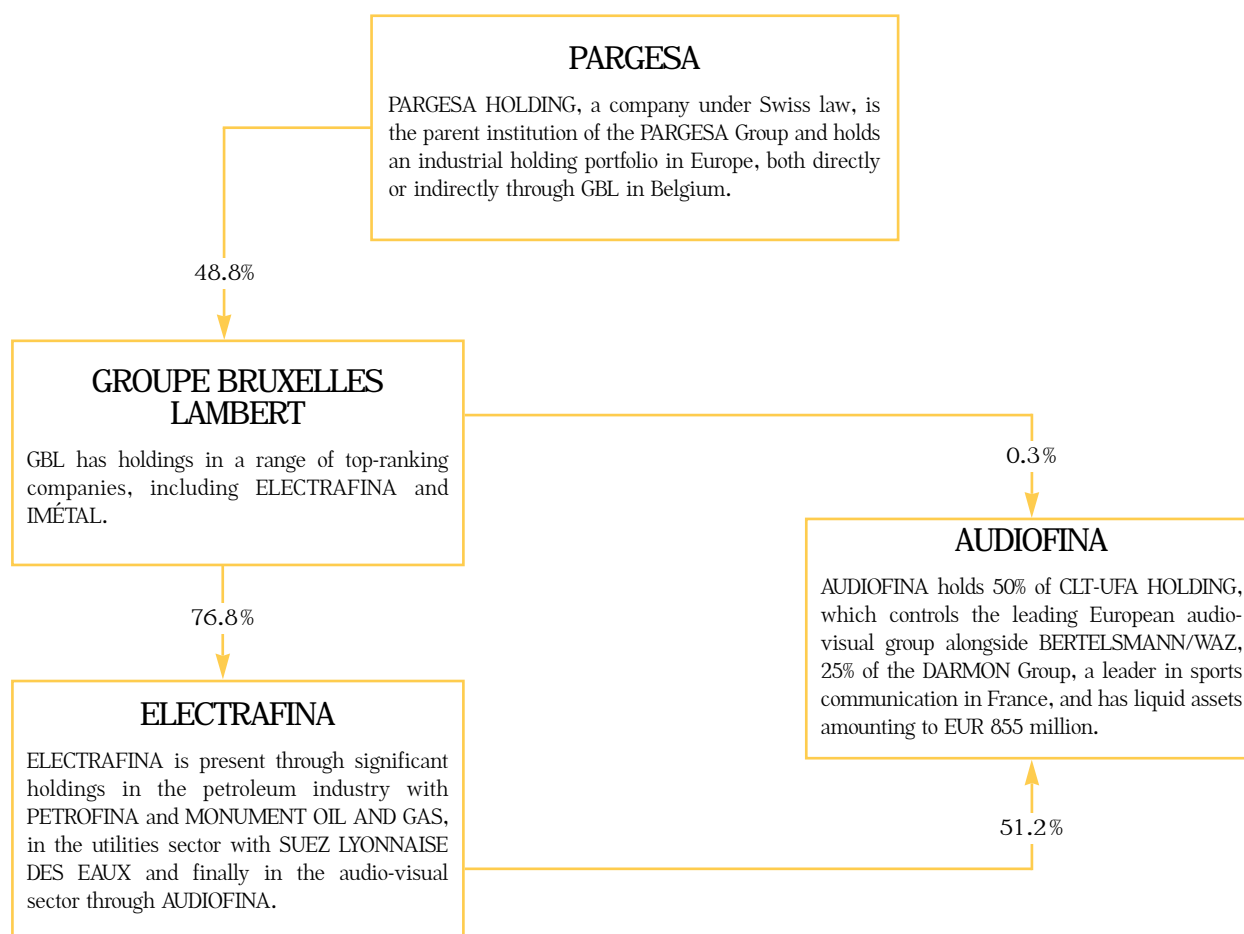


# Controlling holding companies

# PARGESA GROUP



PARFINANCE, the Group's intervention holding in France, has merged with IMÉTAL with effect from 30 June 1998. This operation was preceded by the sale of the PARFINANCE interests in AXA-UAP and PARIBAS as well as by an exceptional distribution of FRF 2.4 billion, with PARGESA's share amounting to CHF 271 million. PARGESA, which held 47.6% of PARFINANCE at the end of 1997, became a direct shareholder of IMÉTAL with a holding of 26.3% on 31 December 1998. Taking into account GBL's 26.1% shareholding, the PARGESA/GBL entity holds a 52.4% stake in IMÉTAL.

The net consolidated profit of the last financial year settled at CHF 845.8 million compared with CHF 730.7 million the previous year. Just as in 1997, the net profit includes an important share of capital gains on operations realised during the financial year. It includes, in particular the sale by GBL of ROYALE VENDÔME, as well as the sale by PARFINANCE of its positions in AXA-UAP and PARIBAS.

The Board of Directors will propose to the General Meeting the payment of a dividend of CHF 73 per share, compared with CHF 72 during the 1997 financial year.

## Contribution to :

	Restricted consolidation		Consolidation (transitive)	
	Mio EUR	EUR/share	Mio EUR	EUR/share
Operating result 1998	17.7	0.74	-	-
Estimated value at 31.12.1998	838.8	36.47	-	-

## Consolidated key figures (CHF million)

	1995	1996	1997	1998
Pargesa				
Equity	2,498	2,790	3,259	3,975
Net profit (Group share)	168	272	731	846
Net profit per share (CHF)	103.3	165.7	442.0	508.9
Gross dividend per share (CHF)	70.0	71.0	72.0	73.0
Estimated value per share (CHF)	1,934	2,497	2,814	3,376

# PARGESA GROUP

## Groupe Bruxelles Lambert

During the 1998 financial year, GBL's consolidated profit rose to EUR 882 million, from EUR 786 million the previous year, which represents an increase of 12.2%; the current result achieved stands at EUR 171 million.

In May 1998, GBL sold 25.1% of ROYALE VENDÔME. Half of this operation was remunerated in the form of shares and an AXA-UAP guaranteed value certificate and the other half in cash, amounting to EUR 392 million.

On 10 June 1998, alongside NPM/CNP and ROYALE BELGE, GBL sold 40.5% of the capital of BERNHEIM-COMOFI for EUR 84 million to the American SECURITY CAPITAL GLOBAL REALTY Group. A public purchase offer was then launched with the same conditions on the balance of the capital of BERNHEIM-COMOFI.

On 12 June 1998, GBL acquired 9.8% of its own shares from AXA-UAP representing an investment of EUR 374 million. These shares were used on the one hand to cover the bond loan of DEM 502.8 million (EUR 257 million) launched in July 1998 destined to institutional investors and on the other hand were allocated to warrant holders that had exercised their right in June or in December 1998.

In June 1998, GBL increased its holding in ELECTRAFINA mainly thanks to the acquisition of 24.4% of the shares of the company held by VIVENDI. The holding of GBL in ELECTRAFINA amounted to 76.8% on 31 December 1998. These acquisitions represent a total investment of EUR 1,220 million.

On 30 June 1998, PARFINANCE, the French holding of the PARGESA/GBL Group, merged with IMÉTAL. Following this operation, GBL held 23.4% of the capital of IMÉTAL. On 31 December 1998, the holding rate stood at 26.1%.

In November, GBL sold several non listed holdings to NPM/CNP, namely: TRANSCOR, GROUPE JEAN DUPUIS and DISTRIPAR, generating liquidities of EUR 86 million.

The ING shares issued by the Public Exchange Offer on BBL in 1997 as well as the AXA-UAP shares generated by the sale of ROYALE VENDÔME in May 1998 have been sold.

In 1998, the exercise of 1,324,911 warrants was covered by allocating shares resulting from the repurchase of own shares from AXA-UAP, and 132,085 warrants through newly issued shares.

On 31 December 1998, the estimated value of the GBL share stood at EUR 239.64. On this date, the market price was EUR 173.53, presenting a discount of 27.6%.

### Consolidated key figures (EUR million)

GBL	1995	1996	1997	1998
Equity	1,874	2,198	2,908	3,600
Net profit (Group share)	164	419	786	882
Net profit per share (EUR)	6.97	17.80	32.90	36.30
Gross dividend per share (EUR)	4.84	4.96	5.21	5.35
Estimated value per share (EUR)	122.9	144.7	182.6	239.6

# PARGESA GROUP

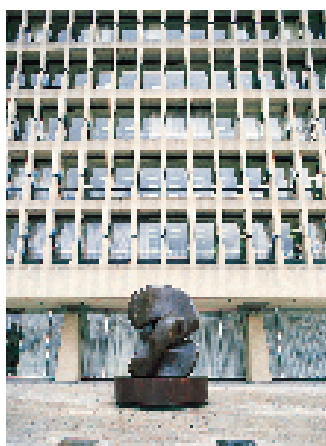
## Electrafina

ELECTRAFINA's 1998 financial year closed with a consolidated profit (Group share) of EUR 135 million, compared with EUR 261 million in 1997. The current result stands at EUR 153 million, up by 4% compared with the previous financial year.

In March 1998, ELECTRAFINA sold its holding of 12.7% in FIBELPAR to the FRÈRE-BOURGEOIS Group for an amount of EUR 114 million, generating a capital gain of EUR 22 million.

In May 1998, ELECTRAFINA took a 28.6% stake in the capital increase of MONUMENT OIL & GAS, bringing its holding in the latter to 26.2%. This operation represents an investment of EUR 42 million.

During the year, ELECTRAFINA invested around EUR 248 million in SUEZ LYONNAISE DES EAUX, on the one hand through acquisitions on the stock market and on the other by bringing the SOCIÉTÉ GÉNÉRALE DE BELGIQUE shares that it held to the public exchange offer launched by SUEZ LYONNAISE DES EAUX on its subsidiary. On 31 December 1998, ELECTRAFINA held 10.7% of the capital of SUEZ LYONNAISE DES EAUX and 12.4% of the voting rights.



At the end of the year, ELECTRAFINA approved the principle of a merger between PETROFINA and TOTAL allowing the creation of TOTAL FINA, the fifth largest petroleum group in the world and third largest in Europe. With this aim, ELECTRAFINA in partnership with the main shareholders of PETROFINA,

contributed its holding to TOTAL in exchange for shares in this new company. At the close of this operation and the public exchange offer that TOTAL will launch on the balance of the capital, ELECTRAFINA should hold 6.8% of the capital of the new TOTAL FINA Group.

On 31 December 1998, the three main holdings of ELECTRAFINA, namely SUEZ LYONNAISE DES EAUX, PETROFINA, and AUDIOFINA, represented around 45.5%, 34.0% and 20.3% respectively of the estimated value. The market price of ELECTRAFINA which stood at EUR 111.55 on 31 December 1998, presented a discount of

27.2% compared with the estimated value of the share, or EUR 153.23 on the same date.

## Audiofina

The current result of AUDIOFINA (excluding CLT-UFA) is estimated at EUR 35 million, up by 32% compared with 1997.

During 1998, the exceptional result of AUDIOFINA marked a significant drop compared with the 1997 financial year during which the merger between CLT and UFA gave rise to capital gains of some EUR 530 million. In 1998, the exceptional result of EUR 37 million comes from the capital gains realised on the sale of the holding in HAVAS.



The net result of AUDIOFINA (excluding CLT-UFA) thus stands at EUR 72 million compared with EUR 502 million in 1997.

The consolidated result (non audited) amounts to EUR 62 million, taking into account the EUR 10 million loss share of CLT-UFA.

On 31 December 1998, the consolidated liquidities of AUDIOFINA stood at EUR 855 million. On this date, AUDIOFINA also held 25% of the capital of the Jean-Claude DARMON Group and 1.2% of the capital of CANAL+.

### Consolidated key figures (EUR million)

Electrafina	1995	1996	1997	1998
Equity	1,913	3,000	3,167	3,285
Net profit (Group share)	131	602	261	135
Net profit per share (EUR)	4.41	17.95	7.01	3.59
Gross dividend per share (EUR)	3.47	3.52	3.59	3.59
Estimated value per share (EUR)	95.3	100.2	123.4	153.2

### Consolidated key figures (EUR million)

Audiofina	1995	1996	1997	1998 <sup>(1)</sup>
Equity (before distribution)	565	637	1,129	1,161
Net profit (Group share)	80.1	82.0	501.6	62.1
Net profit per share (EUR)	1.31	1.34	8.15	0.99
Gross dividend per share (EUR)	0.52	0.55	0.55	n.a.

(1) provisional figures

# Energy and Utilities

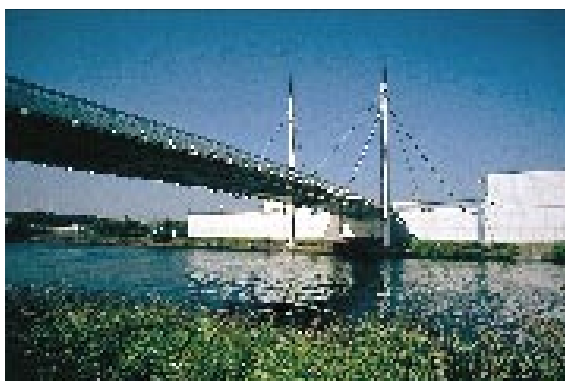
# Petrofina

*PETROFINA is an integrated international petroleum and chemical group whose activities cover all sectors of the petroleum industry: exploration, production, transport, refining, petrochemicals, marketing of petroleum and chemical products and research. The Group is also active in the field of paints and oleo-chemicals.*

The current profit (Group share) rose in 1998 to EUR 573 million compared to EUR 568 million in 1997. Over the same period, the net profit of the Group reached EUR 466 million compared with EUR 547 million in 1997. It was negatively influenced by reductions in the value of stocks for a post tax amount of EUR 208 million and by accelerated depreciations of a value of EUR 60 million, partially compensated by capital gains on the sale of assets of EUR 78 million as well as by other non current profits.

The PETROFINA share in the cash flow reached EUR 1,407 million compared with EUR 1,365 million in 1997. Investments rose to EUR 1,256 million. As far as exploration-production is concerned, most of the effort focused on the redevelopment of EKOFISK and on other developments in the British North Sea and in the United States. As for downstream operations, particular attention had been granted to the extension and the modernisation of the FINA network in Europe. In the chemical sector, activity centred around the plans for the expansion of the polymer branch, particularly in the United States.

During the year, in Europe, the production of the refineries increased by 6.6% beating its previous record and the sales of the FINA network rose by 6.4%. These operational performances were achieved in a macroeconomic context characterised by the collapse of the price of crude oil by 33%, by a reduction of almost 20% in the price of American natural gas, by a stabilisation of the rate of the dollar and by a contrasted evolution of the refining margins, slightly up in Europe and considerably down in the United States.



The results of the upstream sector have decreased drastically, following the drop in the prices of crude oil and natural gas and due to production problems that took place during the launch of EKOFISK II in the Norwegian North Sea.

The results of the downstream sector stabilised compared with 1997, the rise of 27% recorded in Europe having been compensated by the effects of the fall in the refining margins in the United States. The results of the chemical sector, though slightly down, have however resisted the general reduction in margins thanks to an increase of 7% in the quantities of monomers produced as well as to the quality of the supply of products and services in the polymer sector.

On 5 August 1998, the merger between PETROFINA and FINA Inc, its American subsidiary, entered into force, simplifying the structures of the Group and allowing it to bring its growth into a transatlantic context.

On 1<sup>st</sup> December 1998, five PETROFINA shareholders announced their intention to bring all of their PETROFINA shares, i.e. 41% of the capital, to TOTAL in order to create the TOTAL FINA Group which would rank third among European petroleum companies and fifth at international level. On 14 January 1999, the Mixed General Assembly of TOTAL Shareholders approved these contributions as well as the principle of a Public Exchange Offer relating to all of the PETROFINA shares at a rate of nine TOTAL shares for two PETROFINA shares. This project, approved by the European and American authorities, should become operational in the second half of 1999.

Contribution to :

	Restricted consolidation		Consolidation (transitive)	
	Mio EUR	EUR/share	Mio EUR	EUR/share
Operating result 1998	17.1	0.71	37.7	1.57
Estimated value at 31.12.1998	586.1	25.48	772.3	33.58

Consolidated key figures (EUR million)

	1995	1996	1997	1998
Equity (before distribution)	3,052	3,347	3,865	3,981
Turnover	13,850	15,423	18,023	17,049
Net profit (Group share)	293	395	547	466
Net profit per share (EUR)	12.6	17.0	23.4	19.9
Gross dividend per share (EUR)	8.7	9.9	11.4	11.4

# Suez Lyonnaise des eaux

*A Franco-Belgian industrial group present in 120 countries, SUEZ LYONNAISE DES EAUX focuses on 4 areas of expertise: energy, water, cleaning and communication.*

During 1998, SUEZ LYONNAISE DES EAUX pursued the implementation of its strategy: internationalisation of the core areas of expertise, simplification of the structures and improvements in profits. By refocusing on the growth areas, SUEZ LYONNAISE DES EAUX is positioning itself as a leading global player in the local services sector.

Energy is the top area of expertise within the Group, which can boast a know-how that covers all of the energy sectors: production, transport and distribution of electricity, transport and distribution of gas - maintenance of installations, heating networks, co-generation and exploitation of waste for its energetic value. The year was marked by the acquisition of co-generation stations in Massachusetts, New Jersey and in California (640 MW), the inauguration of a tri-generation station on the site of the World Exhibition in Lisbon and the acquisition of a 68% share in the Brazilian electricity company GÉRASUL (4800 MW).

With over 77 million drinking water customers throughout the world and 52 million people using its sanitation services, SUEZ LYONNAISE DES EAUX is the world number one when it comes to the water sector. The successes notched up in 1998-99 illustrate the leading position of the Group. Among the most recent: the contract to treat Cairo's waste water (Egypt), the contract for the production and distribution of drinking water (20 years) in Atlanta (United States), water and sanitation contracts (25 years) in Arrezo (Italy) and in Amman (Jordan).



SUEZ LYONNAISE DES EAUX has become the number one in Europe when it comes to waste management and number three in the world after the acquisition of the BROWNING FERRIS INDUSTRIES' assets outside North America. Present in all of the sanitation sectors - collection, sorting, recycling, biological and energetic valorisation and storage of household and industrial waste - the Group is preparing itself for the new challenges: the galloping rate of urbanisation, the increase in the number of megalopolis and the management and the treatment of household and industrial waste. The Group has been able to pursue its international development: already leader in South America, it has strengthened and extended its sites in the Asia-Pacific region (Hong Kong, Australia, New-Zealand).

SUEZ LYONNAISE DES EAUX has a very strong foothold in the communication sector from its Franco-Belgian base. Its aim is to become the top multimedia provider on cable thanks to digitalisation and the liberalisation of the telecommunications market. LYONNAISE CÂBLE, the leading cable operator in France, as well as CODITEL and ELECTRABEL have a key position in Belgium with more than 2.8 million subscribers. The Group also plays an active role in both radio-relayed television through M6 and in satellite television with TPS. The year was characterised by the launch of its fixed telephone services on cable in France (LYONNAISE CÂBLE), the performance of M6 which became the most profitable channel in the French audiovisual sector and the success of TPS, which was confirmed by the 650,000th subscription in January 1999.

Contribution to :

	Restricted consolidation		Consolidation (transitive)	
	Mio EUR	EUR/share	Mio EUR	EUR/share
Operating result 1998	-	-	1.8	0.08
Estimated value at 31.12.1998	-	-	248.9	10.82

Consolidated key figures (EUR million)

	1996 <sup>(1)</sup>	1996 <sup>(2)</sup>	1997	1998
Equity (before distribution)	2,810	6,923	7,516	8,931
Turnover	13,967	26,406	29,028	31,092
Net profit (Group share)	206	302	612	1,006
Net profit per share (EUR)	3.76	2.42	4.92	7.41
Dividend per share (EUR)	1.83	1.83	2.29	2.70

(1) LYONNAISE DES EAUX  
(2) pro forma merged entity

# Elf aquitaine

*The ELF Group, present in 80 countries, is one of the 10 leading petroleum groups in the world. Since its privatisation in 1994, ELF has refocused on its basic areas of interest which are Hydrocarbons, Chemistry (ELF ATOCHEM) and Health (SANOFI), has carried out a cost-reducing policy aiming to increase its profitability and is pursuing its development on the emerging markets.*

In 1998, the turnover stood at EUR 32.3 billion, down by 16.8%. The net current operating profit of the Group is EUR 1,686 million, down 12% compared with 1997. This can be explained by the reduction in the Upstream contribution, linked to the joint effects of the reduction in the production of hydrocarbons and the drop of more than 33% in the price of Brent, which settled at around US\$10/barrel at the end of 1998. The good results generated by other activities and the increased productivity made it possible to partially compensate for the impact of the unfavourable elements.

The cash flow stands at EUR 4,611 million, down by 9% compared with 1997. The investments reached EUR 4,355 million, including EUR 491 million of exploration expenditure. The sales of assets stood at EUR 391 million compared with EUR 864 million in 1997. The Group continued in 1998 its repurchase of shares for a total amount of EUR 305 million compared with EUR 507 million in 1997. The net debt settled at EUR 5,086 million at the end of 1998, the debt ratio standing at 34%, against 32% at the end of 1997.

In this difficult context, the drop in the current net profit has been limited to

21% to be posted at EUR 1,222 million or EUR 4.79 per share. An exceptional net loss of EUR 683 million has been taken in the accounts. It is due, on the one hand, to exceptional depreciations linked to the drop in the prices of the oil barrel and, on the other hand, to an exceptional profit resulting from the sale of a stake in an Upstream subsidiary holding interests in the North Sea. After taking these exceptional elements in to account, the net result of the Group settled at EUR 540 million.

In December 1998, the Boards of Directors of ELF and of SANOFI approved the project to merge SANOFI with SYNTHÉLABO, a pharmaceutical subsidiary of L'ORÉAL. The merger-absorption project of SANOFI and SYNTHÉLABO by a new company known as SANOFI-SYNTHÉLABO will be subjected on 18 May 1999 to the approval of the Extraordinary General Assemblies of the Shareholders of the two companies. At the conclusion of the operations, ELF and L'ORÉAL will hold 35.1% and 19.4% respectively of SANOFI-SYNTHÉLABO. SANOFI has sold its Beauty activity begin 1999.

The Board of Directors shall propose to the Annual General Meeting the renewal of the net dividend at EUR 2.29 per share.



Contribution to :

	Restricted consolidation		Consolidation (transitive)	
	Mio EUR	EUR/share	Mio EUR	EUR/share
Operating result 1998	2.9	0.12	2.9	0.12
Estimated value at 31.12.1998	98,5	4.28	98,5	4.28

Consolidated key figures (EUR million)

	1995	1996	1997	1998
Equity	11,993	12,206	12,804	12,246
Turnover	31,754	35,476	38,769	32,251
Net profit (Group share)	768	1,064	854	540
Net profit per share (EUR)	2.88	3.96	3.33	2.12
Dividend per share (EUR)	1.98	2.13	2.29	2.29

# Transcor

*The TRANSCOR Group is active in the distribution and trading of energy products (coal, petrol and more recently gas and electricity) and coke.*

The ASTRA Group, traditionally active in the petrol trading business, has generated a positive contribution to the Group's results. This contribution is, however, down on the 1997 financial year because of heightened competition on the European markets and on the Eastern coast of the USA. The development of the gas and electricity trading activities on the North American market continued, if prudently, because of the extreme volatility of the markets.

TRANSCOR AG, which carries out coal trading activities on the European and North American markets, has maintained its profit levels in a market nevertheless characterised by an acute drop in the prices of raw materials. Its American subsidiary (TRANSCOR CORPORATION) has confirmed its commercial potential by significantly increasing the volumes traded.

TRANSCOR ENERGY, a Belgian subsidiary in the distribution of energy products, witnessed an increase in both the turnover and the operating margin of its trading and marketing activity in gas oil. In order to come closer to the end user, a new subsidiary (TRANSCOR MINERALÖL GmbH) has been set up in order to carry out ex tank sales of gasoil and diesel on the German market.

In 1998, TRANSCOR ENERGIEHANDEL, responsible for the trading of solid fuels on the German market, came face to face with supply difficulties leading to a reduction in the trading margins and a negative result. The necessary changes made to the commercial structure should allow an improvement in profitability in the future.

In view of a difficult and volatile energy product market on the whole, the net profit of the Group is down but remains, nevertheless, high compared with that of the competition.

Contribution to :

	<i>Restricted consolidation</i>		<i>Consolidation (transitive)</i>	
	Mio EUR	EUR/share	Mio EUR	EUR/share
Operating result 1998	2.4	0.10	2.0	0.08
Estimated value at 31.12.1998	35.5	1.54	35.5	1.54

Consolidated key figures (EUR million)

	1995	1996	1997	1998
Equity	29.8	31.9	35.5	37.3
Turnover	826	1,042	1,216	1,317
Net profit (Group share)	1.1	4.3	5.4	3.7
Dividends	1.2	3.6	5.0	-

# Industry

*The IMÉTAL Group enjoys leading positions in two sectors :*

- *the transformation of minerals (construction materials, white pigments, refractory clays, ceramics and specialities), represents almost 64% of its activity;*
- *the transformation of metals covers two very specific sectors: special tubes and bimetallic products.*

In 1998, IMÉTAL continued with its dynamic external growth. The turnover settled at EUR 1,869 million, up by 11% (1% with constant perimeter and exchange rates). The evolution took place as follows per activity:

- in the minerals transformation sector:
  - the turnover earned from Construction Materials amounted to EUR 443 million, up by 4.7%, which expresses the sustained efforts to achieve internal growth, in particular in the tiles activities and the trading sector, as well as the positive economic situation in the construction industry in France;
  - the turnover earned from Industrial Minerals was up by 16.9% to EUR 785 million. The effect of the variations in the perimeter is mainly the result of the integration of the acquisitions made by KPCL in Germany (ceramic pastes), of the acquisition of AMERICAN MINERALS by C-E MINERALS, INC (basic refractors) and the developments of the PLIBRICO Group, especially in South Africa (monolithic refractors). On a constant perimeter and exchange rates basis, the turnover was up by 3.6% despite the slowing down of sales destined for the paper and refractory sectors;
- in the metal transformation sector, the turnover generated was EUR 641 million, up by 8.7% in current terms. The increase in the perimeter is the result of the consolidation of the tube activity acquired in Canada in 1997. On a constant perimeter and exchange rates basis, the turnover was down by 5.5% due to the effect of a one-off drop in the

volume of bimetallic products, of stock decumulation which took place among some tube distributors in North America and the reorganisation of the structural tubes which took place following the acquisition of COPPERWELD Canada.

The operational result notched up an increase of 12% at EUR 205 million. The net current profit (Group share) is EUR 113 million, up by 12% compared with 1997. In view of an exceptional result of EUR (6.9) million, including EUR 7.3 million for the depreciation of goodwill, the net profit (Group share) comes to EUR 106 million compared to EUR 95 million in 1997.

In June 1998, the shareholders of PARFINANCE and IMÉTAL approved the merger by absorption of PARFINANCE by IMÉTAL. This operation made it possible to strengthen IMÉTAL's equity by EUR 152 million. The PARGESA/GBL Group remains the majority shareholder while, thanks to an increase of 7% in the number of IMÉTAL shares, the free float increases.

At the next Annual General Meeting, a proposal will be made to pay a net dividend of EUR 2.82 per share against EUR 2.67 in 1997, or a total distribution of EUR 45 million.

In accordance with its strategy of external growth in the mineral transformation sector, IMÉTAL announced in January 1999 a take-over bid for ENGLISH CHINA CLAYS PLC (ECC), a company listed on the London Stock Exchange. The ECC shares will be acquired at 250 pence, valuing of the Company's equity at EUR 1,067 million. This bid, recommended by the ECC Board of Directors, is subject to the approval of the relevant authorities in North America and Europe.



Contribution to :

	Restricted consolidation		Consolidation (transitive)	
	Mio EUR	EUR/share	Mio EUR	EUR/share
Operating result 1998	-	-	9.6	0.40
Estimated value at 31.12.1998	-	-	128.3	5.58

Consolidated key figures (EUR million)

	1995	1996	1997	1998
Equity	812	892	1,002	1,177
Turnover	1,179	1,235	1,685	1,869
Net profit (Group share)	90.9	93.6	94.5	106.1
Net profit per share (EUR)	6.14	6.30	6.34	6.86
Dividend per share (EUR)	2.21	2.44	2.67	2.82

# ACP

*ACP is the leading supplier of carbon dioxide in all its various forms (bulk, cylinders and dry ice) in the Belgian market, and also runs operations in bordering countries. ACP owns 100% of ANTWERP GAS TERMINAL (AGT), a company operating a gas loading, storage and distribution terminal in the port of Antwerp.*

As far as the CO<sub>2</sub> activity is concerned, 1998 witnessed the launch of the CARBODOUR production unit located in Tertre (Hainaut). This new supply source allowed the Group to increase its autonomy, to consider calmly its long term growth and, in the meantime, to conclude large supply contracts with colleagues, the first pick-ups taking place in the course of the year.

Bulk sales to direct customers grew satisfactorily despite a dismal summer that influenced the drop in the consumption of fizzy drinks.

The Carboglace®-activity continues its growth with a favourable influence on the profitability of the Group.

Following the implementation of a strategic plan that aimed to reactivate the market for bottled CO<sub>2</sub>, there was a clear

increase in the volumes sold, a development that should be reinforced in 1999 by the purchase of the activity from a competitor.

AGT is contributing considerably towards the profitability of the Group (profit of EUR 3.6 million). Influenced by the mild winter and a slowing down in the use of certain products by the petrochemical industry, the volumes transited in 1998 are below those of 1997. AGT is currently negotiating certain contracts which, in the event of realisation, should allow a tangible increase in its activity.

Confident in the development of its two main activities, the Company will propose the payment of a global dividend of BEF 100 million (EUR 2.5 million) at its next Annual General Meeting.

Contribution to :

	<i>Restricted consolidation</i>		<i>Consolidation (transitive)</i>	
	Mio EUR	EUR/share	Mio EUR	EUR/share
Operating result 1998	0.7	0.03	1.5	0.06
Estimated value at 31.12.1998	14.4	0.63	14.4	0.63

Consolidated key figures (EUR million)

	1995	1996	1997	1998
Equity	30.8	33.0	37.0	39.8
Turnover	26.6	26.8	27.3	28.5
Net profit (Group share)	3.3	5.0	6.7	5.7
Dividends	36.7	2.5	2.5	2.5

# Hélio Charleroi

*The HÉLIO CHARLEROI Group is active in the magazine, catalogue and advertising brochure printing business. Alongside HÉLIO COLOR, ROTOCALCO and HÉLIO CORBEIL, which belong to the HACHETTE Group, its production unit forms part of a group of four graver printing companies operating throughout Europe. HÉLIO CHARLEROI is 50% owned by the NPM/CNP Group and 50 % by E2G, the industrial arm of the HACHETTE FILIPACCHI MEDIA Group.*

After an exceptional year in 1997, HÉLIO CHARLEROI maintained a very high level of production in 1998 in all its workshops, which allowed it to achieve a before tax cash flow comparable to that of the previous year. However, the end of the accelerated depreciation possibilities, as well as the disappearance of the recoverable losses caused an increase in taxes from EUR 0.5 million to EUR 2.3 million, bringing the after tax profit from EUR 4.1 million in 1997 to EUR 3.1 million in 1998.

This year witnessed the renegotiation and the renewal of large contracts, as well as the allocation of new orders that will have to be subcontracted due to a lack of sufficient production capacities.

The saturation of the production capacity, the good performances and the prospect of new contracts led the Board of Directors to decide on an investment in a new rotary press measuring 2m45 that will enter into operation at the end of 1999. The investment will cost around EUR 30 million and the Group will be able to take advantage of an allowance from the Walloon Region amounting to EUR 4.3 million. After the decommissioning of the 2m rotary press constructed in 1974, the HÉLIO CHARLEROI Group will be able to count on three high quality rotary presses that will guarantee a high level of service and reliability to its customers.

On the short term, the depreciation and financing costs of this investment should be a burden on the HÉLIO CHARLEROI profit margin.

Contribution to :

	Restricted consolidation		Consolidation (transitive)	
	Mio EUR	EUR/share	Mio EUR	EUR/share
Operating result 1998	0.1	0.01	1.0	0.04
Estimated value at 31.12.1998	10.7	0.47	10.7	0.47

Consolidated key figures (EUR million)

	1995	1996	1997	1998
Equity	5.7	8.2	11.1	14.0
Turnover	55.3	50.0	53.0	60.3
Net profit (Group share)	1.2	2.0	4.1	3.1
Dividends	-	-	-	-

# Specialised distribution and Luxury products

# Distripar

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*DISTRIPAR is the development pole of NPM/CNP in the fields of luxury products and their distribution. This Group carries out its activities in the duty free trade, the selective distribution of perfumes as well as in the sale and production of wines.*

BELGIAN SKY SHOPS (in which DISTRIPAR has a 100% stake) runs 25 duty free points of sale in the Airports of Brussels and Antwerp. An airport agent since 1958, it markets today around 45,000 products to the 18.6 million passengers that pass through these airports every year. The main products sold are, for the time being, perfumes and cosmetics, cigarettes, alcohol, textile, leather goods, jewellery as well as sweets and chocolate. As far as this sector is concerned, BELGIAN SKY SHOPS is the leading point of sale for chocolate in the world with around 700 tonnes sold every year. The Company has strengthened its strategic partnership with the company that runs the airport (BIAC) by means of an agreement that allows the continuation of the distribution activity regardless of the evolution of the legislation regarding duty free trade. During 1998, turnover rose to some EUR 125 million, up by 14% on 1997.

The DISTRIPAR Group also holds a 50% stake in the shops CLOQUET and PLANET PARFUM that earn a turnover of around EUR 40 million in duty paid perfumes. These have witnessed a rapid expansion over the last two years, increasing the points of sale from 15 to more than 40. In view of the considerable investments made within this framework, this sector does not make a significant contribution to the profitability of the DISTRIPAR Group for the time being.



The PALAIS DU VIN Group was acquired by DISTRIPAR in November 1998. PALAIS DU VIN carries out a traditional sales, marketing and distribution activity in the wine sector aimed at wholesalers, distributors, restaurateurs, companies or collectivities and individuals through the entities PALAIS DU VIN, TAMINES and NAUD RULLENS; these enjoy a commercial independence with specific sales teams that do however share the administrative and logistical services; they earn a global turnover of EUR 24 million.

LE CLOS DU RENARD, a 70% subsidiary of PALAIS DU VIN, carries out a bottling activity (19 million bottles of wine in 1998) and provides logistical services for supermarkets. The turnover earned in 1998 amounted to more than EUR 150 million.

DISTRIPAR also holds a stake in the following vineyards:  
• 50% of CHÂTEAU CHEVAL BLANC, acquired equally with the Group of Mr Bernard ARNAULT. The estate, created in 1832, has been exploited since then by the FOURCAUD-LAUSSAC family and its descendants, who have been able to develop it and give it a privileged status among the greatest

wines on the planet. It covers over 40 Ha, 36 Ha of which are vines and produces the Saint-Émilion 1<sup>st</sup> Grand Cru Classé A, as well as a second wine known as PETIT CHEVAL. The blend of

# Distripar

vines consists mainly of CABERNET FRANC (around 60%) and of MERLOT (40%), whose combination serves to give CHEVAL BLANC a unique identity that is powerful, rounded and fresh. In 1998, CHEVAL BLANC generated a turnover slightly exceeding EUR 7 million and a profit (before tax) of EUR 5 million.

- alongside the DOMAINES BARONS DE ROTHSCHILD, 40% of SOCIÉTÉ DU CHÂTEAU RIEUSSEC who owns the vineyard of the same name, that of CHÂTEAU L'ÉVANGILE and 50% of QUINTA DO CARMO. The CHÂTEAU RIEUSSEC vineyard covers 73 Ha, producing, in addition to the Grand Cru Classé Sauternes CHÂTEAU RIEUSSEC, a second quality wine, CLOS LABERE, and a dry white wine R de RIEUSSEC; from a vineyard of 25 Ha located in Casseuil, the Company also produces a white and a red Bordeaux known as PARADIS CASSEUIL. CHÂTEAU L'ÉVANGILE, great wine of Pomerol, is produced in a vineyard of 14 Ha located in this "appellation"; the second wine is

BLASON DE L'ÉVANGILE. QUINTA DO CARMO is an estate situated to the South East of Lisbon, whose 135 Ha vineyard produces one of the best wines (white and red) in Portugal. The estate also grows olive trees and cork oak. SOCIÉTÉ DU CHÂTEAU RIEUSSEC generated a consolidated turnover of EUR 4,7 million in 1998 and a net profit of EUR 1.2 million.

The PALAIS DU VIN and RIEUSSEC Groups have been acquired from ERBE (NPM/CNP's parent company) for a global price of EUR 27.3 million, backed up by a fairness opinion of the BANQUE DEGROOF during November 1998. Therefore, these stakes will only contribute to the consolidated result of DISTRIPAR as of 1999. The same is true of the 50% of CHÂTEAU CHEVAL BLANC, acquired at the end of November 1998 for EUR 68.8 million (including acquisition costs).

The DISTRIPAR Group is currently examining several investment or partnership options that will allow it to develop within the framework of or around its current activities.



Contribution to :

	<i>Restricted consolidation</i>		<i>Consolidation (transitive)</i>	
	Mio EUR	EUR/share	Mio EUR	EUR/share
Operating result 1998	-	-	4.2	0.18
Estimated value at 31.12.1998	64.4	2.80	64.4	2.80

Consolidated key figures (EUR million)

	1995	1996	1997	1998
Equity	29.9	30.1	30.2	61.9
Turnover	84.1	94.1	120.3	147.7
Net Profit (Group share)	6.1	9.8	9.0	44.2
Dividends	5.4	9.6	9.0	12.5

# Agri-food

# Orior Holding

*The ORIOR Group has completed its transformation from a general holding company to become an industrial company and is today set up on the basis of two main assets:*

- *interests in the food industry (ORIOR FOOD), the dominant asset, made up of companies that enjoy a top-ranking position on the Swiss market;*
- *the STERN Group, active in the top of the range watch component industry.*

Within ORIOR FOOD, the past year allowed the continued integration of the food companies purchased over the past few years, as well as the development of operational synergies. The new RAPELLI production site in Tessin has been inaugurated and has already entered into operation. The 1998 financial year was the first full year in operation of the FRESICO chicken processing factory in China and of the own distribution platform LINEAFRESCA in Switzerland.

ORIOR FOOD's turnover amounted to CHF 272.2 million compared with CHF 273.2 million in 1997. The net operating result settled at CHF 8.8 million compared with CHF 8.0 million in 1997, which means an increase of 10%.

Sales were up in sectors such as patés/terrines, chicken-based products and catering and witnessed a slight drop in the cold meats and fresh pasta sectors. The results suffered due to the continued high price of pork over the first half of the year and the setting up costs incurred by the new RAPELLI factory, as well as due to the launch of the new activity developed in China over the first months of the year.

The ORIOR FOOD Group increased its holding in FREDAG from 88% to 92%. Furthermore, ORIOR HOLDING sold 2.6% of its holding in ORIOR FOOD to the managers of this very same group as part of an employee profit-sharing scheme.



The turnover of the STERN Group rose to CHF 42.1 million from CHF 40.6 million in 1997. This development reflects STERN's capacity to confront the evolutions in the luxury watch-making industry, leading to an increase in volume and a deterioration of the mix-product within STERN.

The consolidated net operating results of STERN CREATIONS stands at CHF 1.6 million compared with CHF 1.1 million the previous year.

The contribution of the STERN Group to the net operating results (Group share: 0) takes into account the financial charges of the acquisition holding (STERN COMPAGNIE) created as part of the LMBO set up to purchase STERN CREATIONS.

The ORIOR subsidiaries have interesting development perspectives and will need capital in order to finance their growth. Under these conditions, it is only logical to adopt a distribution policy that maintains their self-financing capacity and to align the pay-out rates of the Group with that of comparable industrial companies, i.e. around 40% of the net operating result. A proposal will be made to the General Meeting to pay a dividend of CHF 16 per share compared with CHF 33 per share the previous year. In future, the ORIOR dividend will

take up its rate of progress again in accordance with that of the profitability of the industrial subsidiaries.

Contribution to :

	Restricted consolidation		Consolidation (transitive)	
	Mio EUR	EUR/share	Mio EUR	EUR/share
Operating result 1998	-	-	0.5	0.02
Estimated value at 31.12.1998	-	-	19.9	0.87

Consolidated key figures (CHF million)

	1995	1996	1997	1998
Equity capital	178.5	178.1	172.6	170.1
Net profit (Group share)	12.4	6.8	1.6	4.2
Net profit per share (CHF)	57.4	31.4	7.3	19.6
Gross dividend per share (CHF)	33.0	33.0	33.0	16.0

*IJSBOERKE is a joint leader on the Belgian ice-cream market.  
The Group's activities encompass the production of the IJSBOERKE brand,  
mainly destined for the domestic market, and of private label products for export.*

On the Belgian market, the Group stands out principally thanks to its fleet of around 170 trucks that travel the length and breadth of the country selling the IJSBOERKE products directly to 300,000 customers door to door. Furthermore, IJSBOERKE is heightening its presence in the retail market.

The IJSBOERKE products enjoy an excellent image among its customers in terms of quality and very good value for money.

Since the beginning of 1998, the first steps of the Company's restructuring plan have been taken. Management has been strengthened with the integration of certain members of the management teams of the Group's companies as well as with some external recruitings at the level of the Management Committee.

The Company is carrying out a reorganisation of its promotional expenditure and a reactivation of the sales network thanks to a better customer follow-through. In concrete terms, this means the creation, in April 1999, of a database managed proactively by the Client Service Management team. The aim is to increase the number of home vending clients by 10% by means of a more targeted canvassing.

IJSBOERKE also intends to heighten the presence of its brand in the retail, super and hypermarket channels and to expand the number of references. The Company should also open its first impulse point of sale.

The range of products will be reviewed and will be given a boost by the addition of impulse products early in 1999 that are largely complementary to the current range. These new products come mainly from the new extrusion line that has been installed in the Tielen factory, which represents an industrial investment of EUR 3 million.

Turnover is down by 7% and stands at EUR 43.5 million, mainly due to the bad climatic conditions that adversely affected sales this summer. The sales recovered at the end of 1998 and the results obtained over the first months of 1999 are positive.

The net result of EUR 0.7 million is reached after the elimination through consolidation of capital gains towards NPM/CNP

following the restructuring of the IJSBOERKE Group, and after taking into account restructuring costs of EUR 0.7 million. The industrial cash flow, is up by 38% compared with 1997 at EUR 5.5 million.



Contribution to :

	Restricted consolidation		Consolidation (transitive)	
	Mio EUR	EUR/share	Mio EUR	EUR/share
Operating result 1998	-	-	0.7	0.03
Estimated value at 31.12.1998	51.7	2.25	51.7	2.25

Consolidated key figures (EUR million)

	1995	1996	1997	1998
Equity	4.7	5.2	5.2	21.6
Turnover	50.0	44.5	45.1	43.5
Net profit (Group share)	0.9	0.6	0.0	0.7 <sup>(1)</sup>
Dividends	-	-	-	-

(1) after elimination of restructuring capital gains

*The SUZY Group is one of the largest Belgian players in the waffle, biscuit and industrial confectionery sector, both under its own brand name and through private label products.*

The SUZY Group is active within three entities :

- SUZY (Buizingen, Belgium), the only brand with a very high degree of recognition in the waffle sector, has a market share of around 20%. SUZY offers one of the widest ranges in the waffle and confectionery markets ;
- DESOBRY (Tournai, Belgium) produces biscuit assortments for supermarkets and is one of the main players on this market. Its field of activity is mainly directed towards export, with a high turnover generated in France, the United States and in Canada ;
- DRIEHOEK (Alkmaar, the Netherlands) produces various types of industrial confectionery, mainly destined for supermarkets.

In May 1998, SUZY launched a complete range of confectionery products : frangipani pastries, cakes, etc.

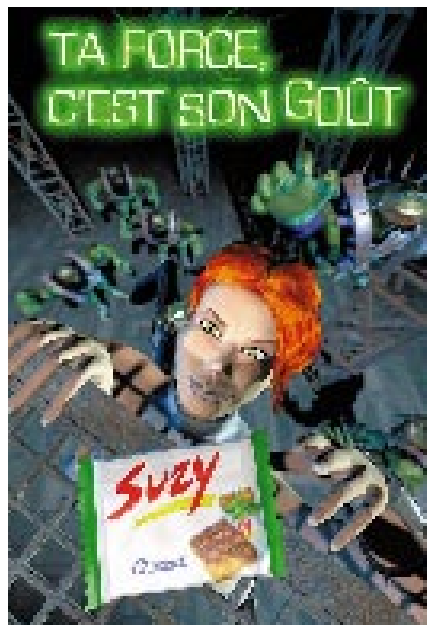
In 1998, SUZY and MILCAMPS FOOD, one of its main competitors, created a joint venture, INTERWAFFLES, with the intention of bringing all the private label waffle production and commercial activities of the two Groups under one roof.

The 1998 result covers an accounting year of 15 months with the aim of harmonising the closing dates. This element aside, the profit over the first 12 months reflects the recovery of the companies. The cash flow rose from EUR 1.8 million to EUR 3.3 million over the 15 months of this financial year, the last three months representing EUR 1.05 million.

In March 1999, SUZY will launch a large advertising campaign (bus shelters, television and cinema) in the whole country. The image of the campaign wants to be in line with the target: teenagers. A sample of 600,000 waffles will be distributed in schools and universities throughout the country. The aim is to highlight the presence and therefore the market share of SUZY in the snack sector.

SUZY will also turn towards innovation in its basic business, which is the waffle sector and will extend its sphere of activity towards confectionery and biscuits.

In April 1999, SUZY, in collaboration with DUPUIS, will launch two products under the PAPHYRUS name, thus heightening the attractiveness of the brand.



Contribution to :

	Restricted consolidation		Consolidation (transitive)	
	Mio EUR	EUR/share	Mio EUR	EUR/share
Operating result 1998	0.2	0.01	0.6	0.03
Estimated value at 31.12.1998	6.9	0.30	6.9	0.30

Consolidated key figures (EUR million)

	1995	1996	1997	1998
Equity	n.s.	n.s.	1.9	3.1
Turnover	n.s.	n.s.	39.0	53.7
Net profit (Group share)	n.s.	n.s.	0.6	1.1
Dividends	-	-	-	-

# Media and publishing

# CLT-UFA

*CLT-UFA, 98% of which is jointly held by AUDIOFINA and BERTELSMANN/WAZ, is the top-ranking European radio and television group, controlling 40 radio stations and television channels in Europe, as well as interests in production activities and the distribution of audio-visual rights.*

The reduction in the losses of CLT-UFA in 1998 compared with 1997 are mainly due to:

- a significant growth in the profitability of the traditional operations (television channels: RTL TELEVISION in Germany, M6 in France, HMG in the Netherlands, RTL-TVI in Belgium, RTL RADIO in France and German radio stations);
- the transition of several operations from a loss-making situation to a profit-making situation (the television channels RTL 2 in Germany and RTL 9 in France, radio RTL 2 in France);
- the reduction of 40% in the losses of the developing and start-up companies (the television channels SUPER RTL and VOX in Germany, CHANNEL 5 in Great Britain);
- the sale of the sources of the losses: CLT-UFA has sold its direct holding of 20% in TPS and now holds an indirect stake of 10% through M6. This operation generated a capital gain before tax of EUR 55 million in the 1998 accounts. CLT-UFA has also sold its holding in TALK RADIO.

On the German television market, RTL TELEVISION has confirmed its top position among its target audience (14-49 year) for its sixth consecutive year and has increased its profit by more than 40%. RTL 2 has achieved a balance, mainly thanks to the programme supply contract concluded with RTL TELEVISION.

Large investments have also been pumped into the digital domain in the form of the pay TV channel PREMIERE. But the negative decision of the European Commission and the feeling of insecurity of the spectators as regards the future of pay TV have led to a drop in demand. As a

result, PREMIERE has not achieved the goals in terms of number of subscribers and within the framework of its consolidation policy, CLT-UFA has reduced its holding from 50% to 5% begin 1999, cashing in an amount of EUR 800 million.

The other commercial television channels of CLT-UFA have also strengthened their position. M6 is now ranked second on the French advertising market and has witnessed a 29% increase in its net result. On the Dutch market, CLT-UFA has strengthened its presence by acquiring the shares of VNU and PHILIPS in HOLLAND MEDIA GROEP, thus increasing its holding from 39.5% to 65%. HMG has tripled its net result in comparison with 1997.

As far as radio is concerned, 1998 has made it possible to consolidate the existing portfolio while pursuing the restructuring strategy, in particular through the strengthening of the French radiophone pole of the Group around RTL, who has confirmed its leading position for the 17<sup>th</sup> consecutive year and has increased not only its revenues but also its profits. For the first time, RTL 2 met with a positive net result thanks to its growing success.

As a result of the improved profitability of its basic sectors, whose net profit has increased by 90%, and the reduction of the net losses of its start-up projects in commercial radio and television and thanks to exceptional elements, CLT-UFA is expecting a reduced net loss of EUR 20 million for 1998, which represents a positive difference of EUR 51 million compared with the result of EUR (71) million recorded in 1997.



Contribution to :

	Restricted consolidation		Consolidation (transitive)	
	Mio EUR	EUR/share	Mio EUR	EUR/share
Operating result 1998	-	-	(0.9)	(0.04)
Estimated value at 31.12.1998	-	-	80.6	3.50

Consolidated key figures (EUR million)

	1995	1996	1997	1998
Equity capital (before distribution)	447	582	476	n.a.
Turnover	2,261	2,300	2,828	n.a.
Net profit (Group share)	83	84	(71)	(20) <sup>(1)</sup>
Dividends	36	36	-	n.a.

(1) provisional figure

*ÉDITIONS DUPUIS is the world leader in French-language cartoon strip books with annual sales of around 11 million albums. Using this business as a platform, the company has developed peripheral activities in audio-visual, licensing, the sale of publishing rights, direct marketing and the commercialisation of products from other publishers. DUPUIS also publishes the last major cartoon strip weekly, the Journal de Spirou.*

After a relatively slow start, 1998 finally generated a growth in turnover (+7% on a constant perimeter basis) thanks to a second semester that was rich in new developments and marketing campaigns, making it possible to confirm the high level of profitability achieved in 1997.

The 1998 year witnessed the launch of a new concept in the low price cartoon strips sector, which made it possible to attract new readers and to find an additional means of exploiting its catalogue; 400,000 copies of these products were sold on the French and Dutch markets.

Operation "PAPYRUS" met a remarkable success: the series of cartoons broadcast on TF1, RTBF and 20 foreign channels exceeded expectations with exceptional audience figures, and this notoriety made it possible to double sales of this new comic strips and to launch new product ranges targeting a younger

public. An Internet site specific to PAPYRUS has been launched and also shows excellent audience figures. Taking advantage of this success, a new serie of 26 episodes is currently being produced.

As for MEDIATOON (a 100% subsidiary of DUPUIS), it is currently concentrating on the redefinition of its mission within ÉDITIONS DUPUIS.

The direct marketing activity also developed further with the magazine SPIROU and the various Clubs (SPIP, SPIROU and BD CLUB) attracting very large numbers of new subscribers.

The publishing house specialising in books for young people "DE BALLON" located in Malle, in which ÉDITIONS DUPUIS have increased their stake from 33% to 50%, has also shown a very good performance and is confirming its inroad into the French market.

## Contribution to :

	Restricted consolidation		Consolidation (transitive)	
	Mio EUR	EUR/share	Mio EUR	EUR/share
Operating result 1998	1.0	0.04	1.2	0.05
Estimated value at 31.12.1998	32.5	1.41	32.5	1.41

## Consolidated key figures (EUR million)

	1995	1996	1997	1998
Equity (before distribution)	17.2	18.9	19.4	19.7
Turnover	41.5	44.6	53.9	63.3
Net profits (Group share)	1.5	1.9	2.4	2.3
Dividends	0.9	1.9	2.1	2.2

# Venture capital

# Inno.com

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INNO.COM is a company that serves as a consultant and provider of information technology services. Set up in March 1998, this young and innovating company currently has around thirty dynamic employees on the payroll, all motivated by a considerable share in the company profits. It works in close and pragmatic collaboration with the Belgian universities, a co-operation which allows

it to not only benefit from an independent and permanently updated knowledge-base but also to gain access to a considerable breeding ground of consultants. The presence of renowned shareholders (NPM/CNP for 40% and FLV FUND for 20% beside the management) contributes towards the credibility of INNO.COM among customers such as ALCATEL, DHL, PHILIPS, TOYOTA or ROTHMANS.



# Viventures

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VIVENTURES is a venture capital fund, present in both the United States and Europe. Launched by VIVENDI, it brings together European and Northern American investors. The fund, which is not yet closed, should manage between EUR 92 and 100 million. VIVENTURES invests in companies that are developing innovating projects linked to the Internet and telecommunications, whether in the start-up or development phase. The fund makes capital contributions and accompanies these young companies in order to encourage their sustainable development, the aim being valorisation.

On 31 December 1998, committed subscriptions amounted to EUR 78.5 million and VIVENTURES had already made three investments amounting to a global figure of EUR 2.8 million in companies such as IMEDIATION (France), LIGHTLOGIC and CYRAS (USA). Since then, the Fund has also contributed capital to SOLSOFT (France), ADAUCTION (USA) and to QXL (UK). Finally, VIVENTURES also has a strategic interest in the American fund TELESOFT, based in San Francisco (USA).



# Win

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WIN is an Internet and Intranet operator that carries out the promotion, marketing and the management of IP services in Wallonia and in Brussels. In doing so, WIN takes on responsibility for the extension, the maintenance, the technical support and the management of the network of 1,300 km of optic fibres placed by the Ministry for Facilities and

Transport of the Walloon Region. This network, which has a band ranging from 155 to 622 Megabits/second at present and of several Gigabits/second in future, is the first in Europe to take advantage of the CISCO TAG SWITCHING® technology that makes it possible to considerably reduce the latent period and to support applications with a high added value.

