

# DIRECTORS' REPORT

Dear Shareholder, Sir or Madam

It is our great pleasure to present to you the annual report on the activities of your Company and the Group over the past financial year, and to submit the accounts as at 31 December 2001 for your approval.

## The main events in 2001 and the first months of 2002

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### PRIVATE EQUITY

#### DISTRIPAR AND WINE-PRODUCING ASSETS

Following the split of DISTRIPAR, with retroactive effect from 1 January 2001, the NPM/CNP Group now directly owns all of its wine-producing businesses (RASPAIL INVESTISSEMENT/CHEVAL BLANC, RIEUSSEC/L'ÉVANGILE AND PALAIS DU VIN/CLOS DU RENARD); the new DISTRIPAR created includes BELGIAN SKY SHOPS, CLOQUET/PLANET PARFUM and VAN-PARYS. No restricted consolidated or consolidated profit was made on this internal reorganisation operation.

#### SAINT LOUIS SUCRE

Inveparco (in which NPM/CNP has a 49% holding) has sold its 51% stake IN FINANCIÈRE FRANKLIN ROOSEVELT, the parent company of SAINT LOUIS SUCRE, to RAFFINERIE TIR-LEMONTAISE, a subsidiary of the SÜDZUCKER Group. This sale generates a capital gain of EUR 45.1 million in NPM/CNP's restricted consolidated accounts for 2001; in consolidated terms, taking into account profits accounted for under the equity method since the purchase (EUR 9.1 million), the capital gain comes to EUR 36 million.

#### HÉLIO CHARLEROI

In the context of strategic reorientation, the HACHETTE Group, NPM/CNP's partner in HÉLIO CHARLEROI, has decided to sell all of its printing business to QUEBECOR WORLD.

he NPM/CNP Group has agreed to contribute its 50% holding in HÉLIO CHARLEROI to the formation of the new entity by selling it to QUEBECOR WORLD. The transfer of ownership will take place after a three-year period during which NPM/CNP will continue to have limited involvement in management.

NPM/CNP's 2002 results will show a capital gain of some EUR 18 million in restricted consolidation and over EUR 13 million in consolidation.

#### DAL-TILE

In the middle of 2001 NPM/CNP sold its shares in the American company DAL-TILE, which it acquired at the time of the takeover of FIBELPAR in mid-1998.

A capital gain of EUR 4.9 million was made as a result of the transaction.

#### METRO

At the end of November 2001, NPM/CNP sold its 33.3% holding in MASS TRANSIT MEDIA to REGIONALE UITGEVERSGROEP; the media company publishes the free daily newspaper, METRO.

#### IJSBOERKE

Following IJSBOERKE's disappointing commercial and financial performance, the Board of Directors of NPM/CNP has examined the need to write down this holding, which was acquired in 1997. The Directors felt it prudent to record a write-down of EUR 26 million (restricted consolidation), representing some 50% of the amount invested, (consolidated, a goodwill depreciation of EUR 15.5 million was booked).

#### INTERWAFFLES

In March 2002, NPM/CNP transferred its 50% stake in Interwaffles to LOTUS BAKERIES in exchange for a 6.5% holding in that group.

## VALUE INVESTING

### TAITTINGER/LE LOUVRE

In 2001, NPM/CNP acquired a 15.3% holding in TAITTINGER and a 19.2% stake in SOCIÉTÉ DU LOUVRE (with 8.8% and 7.7% of the voting rights respectively), for a total investment of some EUR 252 million. Valued at the market rate as at the end of 2001, these holdings showed a capital loss of EUR 37 million against their purchase value; the Board of Directors does not feel that this is a permanent capital loss, and no write-down has been posted as a result of it.

TAITTINGER S.A., which owns TAITTINGER champagne, has a controlling stake in SOCIÉTÉ DU LOUVRE. The latter, which operates in the luxury hotel sector (through the CONCORDE Group, which includes the CRILLON, MARTINEZ and LUTETIA hotels) and the budget hotel sector (through the ENVERGURE Group, including the CAMPANILE, FORMULE 1 and KYRIAD chains), also owns controlling stakes in BACCARAT and ANNICK GOUTAL.

### PARGESA/GBL

#### GBL/ELECTRAFINA MERGER

On 26 April 2001, GBL and ELECTRAFINA merged; the entity formed as a result is called GBL and is 48%-owned by PARGESA (50% of voting rights, excluding own shares).

#### BERTELSMANN

At the beginning of July 2001, GBL transferred its 30% holding in RTL GROUP to BERTELSMANN A.G., a world leader in the media sector, in exchange for a 25.1% stake (0.1% of which without voting rights) in the company. NPM/CNP's

share in the capital gain made by GBL from the operation comes to some EUR 54 million.

At the end of 2001, BERTELSMANN concluded an agreement with the PEARSON Group on the purchase of the 22% holding that the latter held in RTL GROUP for the sum of around EUR 1.5 billion.

#### SALE OF INTEREST IN LASMO

The GBL Group contributed its 7.3% stake in LASMO to the takeover bid made on the company by ENI; NPM/CNP's share in the capital gain made by GBL on this operation exceeds to EUR 11 million.

## OWN SHARES OPERATIONS

As at 31 December 2000, the NPM/CNP Group held 903,145 own shares. The shareholders gathered at the Extraordinary General Meeting of 19 April 2001 cancelled 740,647 own shares, reducing the number of shares representing the share capital to 20,000,000.

The Group acquired 113,094 own shares during 2001 through SLP, an indirect subsidiary of NPM/CNP, and held 275,592 own shares at the end of 2001, shown as treasury stock for a book value amount of EUR 29 million (EUR 33 million at market value). At the end of 2001, NPM/CNP itself held 15,852 own shares, with the remainder being held by SLP.

## TREASURY MANAGEMENT

After deduction of the cancelled own shares mentioned above, the NPM/CNP Group's cash position (i.e. NPM/CNP, its financial branch in Geneva and its subsidiaries included within the scope of the restricted consolidation) at the start of this financial year stood at some EUR 90 million; this figure is of course net of the exchangeable bonds in the amount of EUR 500 million.

Following the investments made during the 2001 financial year in TAITTINGER/LE LOUVRE worth over EUR 250 million, the sales recorded (mainly SAINT LOUIS SUCRE/INVEPARCO for EUR 125 million), the restricted consolidated operating profit achieved (approximately EUR 85 million, principally the collection of income from the holdings) and the dividends distributed to the shareholders (EUR 58 million), the NPM/CNP Group's cash position at the end of 2001 was virtu-

ally in equilibrium (+EUR 13 million, including EUR 33 million for own shares, about which no decision on cancellation has yet been made); if the cash resulting from the exchangeable bonds is incorporated into this amount, it must of course be increased by EUR 500 million.

This is a static situation that does not take into account investment or disinvestment commitments (see off-balance sheet receivables and commitments set out in the financial supplement); similarly, the debts of the holdings accounted for under the equity method (the PARGESA Group, companies involved in industrial or commercial activities and specific acquisition vehicles that are integrated into the latter) are not considered here. The balance sheet in accordance with IFRS accounting standards to be published for the first time in the spring will give the fully consolidated picture.

## Estimated value, adjusted net assets and Total Performance for Shareholders

Your Company's estimated value amounted, at the end of 2001, to EUR 3,602 million (equivalent to EUR 180.08 per share) – after the payment in April 2001 of gross dividends totalling EUR 58.8 million (EUR 2.94 per share) – compared to EUR 3,601 million (EUR 180.04 per share) a year earlier.

One of the short-comings of the estimated value, which was issued by the Group up to the end of March 2001, was that it included a valuation based on conventional values for almost a quarter of NPM/CNP's assets (BERTELSMANN and the private equity stakes). Even the term “estimated value” could itself give rise to the impression that it was an assessment made by NPM/CNP of the value of its assets.

It was considered appropriate to define a new reference, particularly in the context of the introduction of IFRS standards; the term “adjusted net assets” was decided upon; the absence of any reference to the word “value” underlines the extent to which, in our opinion, it is up to the analyst, on this base, to replace the amounts at which the various assets that are shown at book value (BERTELSMANN and the private equity stakes) by the value he/she attributes to them.

As it now has been provided with the figures of BERTELSMANN's equity, according to IFRS standards, GBL has decided that the equity value will be used as a valuation method for this Group in accordance with the new standards; this amount will therefore be subject to change in the future, depending on BERTELSMANN's accounts.

On 27 March 2002, the adjusted net assets amounted to EUR 185.10 per share (compared to an estimated value of EUR 192.60 at the same date).

THE CRITERIA USED BY NPM/CNP IN THESE COMPUTATIONS ARE AS FOLLOWS:

TYPE OF ASSETS	Estimated value (up to end March 2002)	Adjusted net assets (from April 2002)
<b>FINANCIAL FIXED ASSETS</b>		
<b>PARGESA and GBL</b>	Own estimated value calculated in accordance with the same criteria as those applied by NPM/CNP	Own estimated value calculated in accordance with the same criteria as those applied by NPM/CNP
<b>Other listed companies</b>	Stock market price	Stock market price
<b>Unlisted companies</b>	Equity value or cost (less any amounts written off, where applicable), whichever is higher. The 25.1% in BERTELSMANN is included in GBL's accounts at a value of EUR 3,607 million, i.e. the stockmarket price of the RTL GROUP shares on the day of their transfer to BERTELSMANN.	Equity value or cost (less any amounts written off, where applicable), whichever is higher. The 25.1% in BERTELSMANN is included in GBL's accounts at its equity value (EUR 2,276 million based on IFRS-defined Shareholders' Equity at 31.12.2001).
<b>OTHER ASSETS</b>		
<b>Own shares</b>	Stock market price	Stock market price
<b>Other listed assets</b>	Stock market price	Stock market price
<b>Other unlisted assets</b>	Accounting valuation	Accounting valuation

From the month of April 2002, this adjusted net assets figure will be published weekly in the Saturday edition of two Belgian financial newspapers (L'ÉCHO and DE FINANCIËL ECONOMISCHE TIJD); it will also be available on the Company's website ([www.npm-cnp.be](http://www.npm-cnp.be)) from Friday evening. This weekly adjusted net assets figure is calculated based on the criteria described above, although certain simplifying assumptions are used: some changes in the portfolio or in

the shareholders' equity of unlisted companies since they last published accounts may not be taken into account; the impact of this simplification should not exceed 2% of the adjusted net assets.

As the information contained on pages 18 to 21 relates to periods ending on 31 December 2001, it is based entirely on data expressed in terms of the estimated value and are comparable with each other.

## VALUE CREATION AND TOTAL PERFORMANCE FOR THE SHAREHOLDERS IN 2001

### ESTIMATED VALUE (IN MILLION EUR)

	31-Dec-00			variation			31-Dec-01		
	criteria (1)	breakdown (2)	%	shareholders (3)	value (4)	interest (5)	criteria (1)	breakdown (6)	%
<b>ASSETS</b>									
<b>Pargesa</b> .....	ev	1 412.6	39.2%		(84.4)	-	ev	1 328.2	36.9%
<b>Value investing</b> .....		1 543.6	42.9%		16.2	251.7		1 811.5	50.3%
TotalFinaElf.....	sm	1 300.9	36.1%		16.4	-	sm	1 317.3	36.6%
FCC.....	sm	242.7	6.7%		36.6	-	sm	279.3	7.8%
Taittinger/Le Louvre.....	-	-	0.0%		(36.8)	251.7	sm	214.9	6.0%
Other shareholdings .....	-	-	0.0%		-	-		-	0.0%
<b>Private Equity</b> .....		525.4	14.6%		(11.2)	(75.7)		438.5	12.2%
Project Sloane/Joseph .....	bv	61.1	1.7%		-	31.7	bv	92.8	2.6%
FEM/Entremont .....	bv	89.1	2.5%		-	-	bv	89.1	2.5%
Transcor.....	se	54.3	1.5%		14.2	0.1	se	68.6	1.9%
Raspail/Château Cheval Blanc.....	-	-	0.0%		-	33.8	bv	33.8	0.9%
Editions Dupuis.....	se, bv	32,5	0.9%		0.3	-	se, bv	32.8	0.9%
Distripar .....	se, bv	109.9	3.1%		-	(84.2)	se, bv	25.7	0.7%
Ijsboerke.....	bv	52.0	1.4%		(26.0)	(0.3)	bv	25.7	0.7%
Château Rieussec .....	-	-	0.0%		-	22.3	bv	22.3	0.6%
ACP.....	se	15.1	0.4%		0.1	-	se	15.2	0.4%
Helio Charleroi.....	se	12.4	0.3%		0.4	-	se	12.8	0.4%
Palais du Vin.....	-	-	0.0%		1.0	7.9	se	8.9	0.2%
Inveparco/Saint Louis Sucre .....	bv	80.0	2.2%		-	(78.5)	bv	1.5	0.0%
Other shareholdings .....	se, bv	19.0	0.5%		(1.2)	(8.5)	se, bv	9.3	0.3%
Tangible fixed assets .....	bv	10.7	0.3%			(0.2)	bv	10.5	0.3%
<b>Long-term assets</b>		3 492.3	97.0%		(79.4)	175.8		3 588.7	99.6%
Deposits, cash and debt.....	bv	(19.6)	-0.5%	(58.8)	133.1	(185.9)	bv	(131.2)	-3.6%
Shares and bonds .....	sm	111.4	3.1%	-	1.7	(1.7)	sm	111.4	3.1%
Own shares .....	sm	16.8	0.5%	-	4.0	11.8	sm	32.6	0.9%
<b>Net cash Position</b>		108.6	3.0%	(58.8)	138.8	(175.8)		12.8	0.4%
<b>Estimated value</b>		3 600.9		(58.8)	59.4	(0.0)		3 601.5	
<b>Estimated value (EUR/share)</b>		180.04						180.08	

1) valuation criteria.

- (a) ev : estimated value.
- (b) sm : stock market price.
- (c) se : shareholders' equity.
- (d) bv : book value.

(2) estimated value at 31.12.2000.

(3) flows with the shareholders : dividends only in 2001.

(4) value creation without effect on the profit & loss account.

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

(6) estimated value at 31.12.2001 = (2) + (3) + (4) + (5).

## RESTRICTED CONSOLIDATED PROFIT

with effect on value		without effect	Total		Total value creation	TPS
operating	capital	capital		ASSETS	(11)	(12)
(7)	(8)	(9)	(10)			
19.8	-	-	19.8	Pargesa.....	(64.6)	-4.6%
36.1	-	-	36.1	Value investing.....	52.3	3.4%
28.0	-	-	28.0	TotalFinaElf.....	44.4	3.4%
4.8	-	-	4.8	FCC.....	41.4	17.1%
3.3	-	-	3.3	Taittinger/Le Louvre.....	(33.5)	-13.3%
-	-	-	-	Other shareholdings.....	-	-
20.6	48.0	(24.9)	43.7	Private Equity.....	57.4	10.9%
7.4	-	-	7.4	Project Sloane/Joseph.....	7.4	12.1%
2.7	-	-	2.7	FEM/Entremont.....	2.7	3.0%
3.7	-	-	3.7	Transcor.....	17.9	33.0%
1.3	-	-	1.3	Raspail/Château Cheval Blanc.....	1.3	3.8%
2.4	-	-	2.4	Editions Dupuis <sup>(13)</sup> .....	2.7	8.3%
0.7	-	-	0.7	Distripa <sup>(13)</sup> .....	0.7	0.6%
-	-	(26.0)	(26.0)	Ijsboerke.....	(26.0)	-50.0%
1.0	-	-	1.0	Château Rieussec.....	1.0	4.5%
0.7	-	-	0.7	ACP.....	0.8	5.3%
0.3	-	-	0.3	Helio Charleroi.....	0.7	5.6%
0.2	-	-	0.2	Palais du Vin.....	1.2	12.4%
-	45.1	-	45.1	Inveparco/Saint Louis Sucre.....	45.1	56.4%
0.2	2.9	1.1	4.2	Other shareholdings.....	1.9	10.0%
-	-	-	-	Tangible fixed assets.....	-	n.s.
76.5	48.0	(24.9)	99.6	Long-term assets	45.1	1.3%
10.4	-	-	10.4	Deposits, cash and debt.....	10.4	-
3.3	-	-	3.3	Shares and bonds.....	5.0	-
0.5	-	-	0.5	Own shares.....	4.5	-
14.2	-	-	14.2	Net cash Position	19.9	n.s.
(5.7)	0.1	-	(5.6)	Other revenues / (costs).....	(5.6)	-
133.1		(24.9)	108.2	Restricted consolidated profit.....	59.4	1.6%
				Anti-dilution effect of restructuring operations		0.0%
				After the anti-dilution effect of restructuring operations		1.6%

(7) value creation with effect on the profit & loss account : dividends, interests and profits and losses on short-term investments.

(8) value creation with effect on the profit & loss account : capital gains and losses.

(9) result without additional effect on the estimated value : write-downs and reversals of write-downs.

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

(11) total value created : (4) + (7) + (8).

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

(13) valuation criteria distinct per acquired lot.

## VALUE CREATION AND TOTAL PERFORMANCE FOR THE SHAREHOLDERS FROM 1988 TO 2001

### ESTIMATED VALUE (IN MILLION EUR)

	1-April-88			variation			31-Dec-01		
	criteria (1)	breakdown (2)	%	shareholders (3)	value (4)	interest (5)	criteria (1)	breakdown (6)	%
<b>ASSETS</b>									
<b>Pargesa</b> .....	-	-	<b>0.0%</b>	<b>982.1</b>	<b>346.1</b>		<b>ev</b>	<b>1 328.2</b>	<b>36.9%</b>
<b>Value investing</b> .....		<b>22.8</b>	<b>55.2%</b>	<b>300.4</b>	<b>1 488.3</b>			<b>1 811.5</b>	<b>50.3%</b>
TotalFinaElf .....	sm	13.2	32.0%	337.7	966.4		sm	1 317.3	36.6%
FCC .....	sm	-	0.0%	45.3	234.0		sm	279.3	7.8%
Taittinger/Le Louvre .....	-	-	0.0%	(36.8)	251.7		sm	214.9	6.0%
Other shareholdings .....	sm	9.6	23.2%	(45.8)	36.2		-	-	0.0%
<b>Private Equity</b> .....		<b>14.0</b>	<b>33.9%</b>	<b>30.7</b>	<b>393.8</b>			<b>438.5</b>	<b>12.2%</b>
Project Sloane/Joseph .....	-	-	0.0%	-	92.8		bv	92.8	2.6%
FEM/Entremont .....	-	-	0.0%	-	89.1		bv	89.1	2.5%
Transcor .....	-	-	0.0%	47.0	21.6		se	68.6	1.9%
Raspail/Château Cheval Blanc .....	-	-	0.0%	-	33.8		bv	33.8	0.9%
Editions Dupuis (13) .....	-	-	0.0%	4.7	28.1		se, bv	32.8	0.9%
Distripar (13) .....	-	-	0.0%	13.5	12.2		se, bv	25.7	0.7%
Ijsboerke .....	-	-	0.0%	(26.0)	51.7		bv	25.7	0.7%
Château Rieussec .....	-	-	0.0%	-	22.3		bv	22.3	0.6%
ACP .....	-	-	0.0%	0.8	14.4		se	15.2	0.4%
Helio Charleroi .....	-	-	0.0%	5.9	6.9		se	12.8	0.4%
Palais du Vin .....	-	-	0.0%	1.0	7.9		se	8.9	0.2%
Inveparco/Saint Louis Sucre .....	-	-	0.0%	-	1.5		bv	1.5	0.0%
Other shareholdings .....	se, bv	14.0	33.9%	(16.2)	11.5		se, bv	9.3	0.3%
Tangible fixed assets .....	bv	-	0.0%	-	10.5		bv	10.5	0.3%
<b>Long-term assets</b> .....		<b>36.8</b>	<b>89.1%</b>	<b>1 313.2</b>	<b>2 238.7</b>			<b>3 588.7</b>	<b>99.6%</b>
Deposits, cash and debt .....	bv	4.5	10.9%	244.5	1 993.3	(2 373.5)	bv	(131.2)	-3.6%
Shares and bonds .....	sm	-	0.0%	-	5.2	106.2	sm	111.4	3.1%
Own shares .....	sm	-	0.0%	-	4.0	28.6	sm	32.6	0.9%
<b>Net cash Position</b> .....		<b>4.5</b>	<b>10.9%</b>	<b>244.5</b>	<b>2 002.5</b>	<b>(2 238.7)</b>		<b>12.8</b>	<b>0.4%</b>
<b>Estimated value</b> .....		<b>41.3</b>		<b>244.5</b>	<b>3 315.7</b>	<b>-</b>		<b>3 601.5</b>	
<b>Estimated value (EUR/share)</b> .....		<b>53.83</b>						<b>180.08</b>	

(1) valuation criteria.

(a) ev : estimated value

(b) sm : stock market price

(c) se : shareholders' equity

(d) bv : book value

(2) estimated value at 01.04.1988.

(3) flows with the shareholders : net capital increases (EUR 916.1 million), less dividends (EUR 671.6 million).

(4) value creation without effect on the profit & loss account.

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

(6) estimated value at 31.12.2001 = (2) + (3) + (4) + (5).

(7) value creation with effect on the profit & loss account : dividends, interests and profits and losses on short-term investments.

(8) value creation with effect on the profit & loss account : capital gains and losses.

(9) result without additional effect on the estimated value : write-downs and reversals of write-downs.

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

(11) total value created : (4) + (7) + (8).

(12) Total Performance for the Shareholders over the period.

(13) valuation criteria distinct per acquired lot.

## RESTRICTED CONSOLIDATED PROFIT

with effect on value		without effect	Total		Total value creation	TPS
operating	capital	capital		ASSETS	(11)	(12)
(7)	(8)	(9)	(10)			
192.1	1.0	-	193.1	<b>Pargesa</b> .....	1 175.2	14.9%
371.9	962.8	(15.3)	1 319.4	<b>Value investing</b> .....	1 635.1	11.4%
234.5	496.7	-	731.2	TotalFinaElf .....	1 068.9	10.7%
5.5	-	-	5.5	FCC .....	50.8	14.1%
3.3	-	-	3.3	Taittinger/Le Louvre .....	(33.5)	-13.3%
128.6	466.1	(15.3)	579.4	Other shareholdings .....	548.9	13.1%
85.2	115.3	(27.2)	173.3	<b>Private Equity</b> .....	231.2	13.0%
13.3	-	-	13.3	Project Sloane/Joseph .....	13.3	8.8%
5.6	-	-	5.6	FEM/Entremont .....	5.6	2.6%
19.0	2.7	-	21.7	Transcor .....	68.7	24.5%
1.3	-	-	1.3	Raspail/Château Cheval Blanc .....	1.3	3.8%
10.0	-	-	10.0	Editions Dupuis <sup>(13)</sup> .....	14.7	11.1%
14.7	-	-	14.7	Distripar <sup>(13)</sup> .....	28.2	12.2%
-	-	(26.0)	(26.0)	Ijsboerke .....	(26.0)	-15.4%
1.0	-	-	1.0	Château Rieussec .....	1.0	4.5%
4.7	10.3	-	15.0	ACP .....	15.8	9.6%
1.4	-	-	1.4	Helio Charleroi .....	7.3	15.9%
0.2	-	-	0.2	Palais du Vin .....	1.2	12.4%
0.1	45.1	-	45.2	Inveparco/Saint Louis Sucre .....	45.2	34.5%
13.9	57.2	(1.2)	69.9	Other shareholdings .....	54.9	15.4%
-	-	-	-	Tangible fixed assets .....	-	n.s.
649.2	1 079.1	(42.5)	1 685.8	<b>Long-term assets</b> .....	3 041.5	12.5%
135.4	-	-	135.4	Deposits, cash and debt .....	135.4	-
197.6	-	-	197.6	Shares and bonds .....	202.8	-
3.3	20.7	-	24.0	Own shares .....	28.0	-
336.3	20.7	-	357.0	<b>Net cash Position</b> .....	366.2	n.s.
(52.4)	(39.6)	-	(92.0)	Other revenues / (costs) .....	(92.0)	-
1 993.3		(42.5)	1 950.8	<b>Restricted consolidated profit</b> .....	3 315.7	12.2%
				<b>Anti-dilution effect of restructuring operations</b> .....		1.2%
				<b>After the anti-dilution effect of restructuring operations</b> .....		13.4%

## OPINION OF THE STATUTORY AUDITORS ON THE ESTIMATED VALUE

To the shareholders of COMPAGNIE NATIONALE À PORTEFEUILLE / NATIONALE PORTFEUILLEMAATSCHAPPIJ,

We have examined the calculation of the estimated value per share of NPM/CNP as of 31 December 2001. This calculation was made by NPM/CNP based on its shareholders' equity, that of the holding companies controlled alone or jointly, and the assets held in their respective portfolios, the latter being valued according to the criteria described on page 17.

In conclusion, we confirm that the use of these criteria produces a value of EUR 180,08 per NPM/CNP share cum dividend at 31 December 2001.

25 March 2002

The Statutory Auditors

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

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

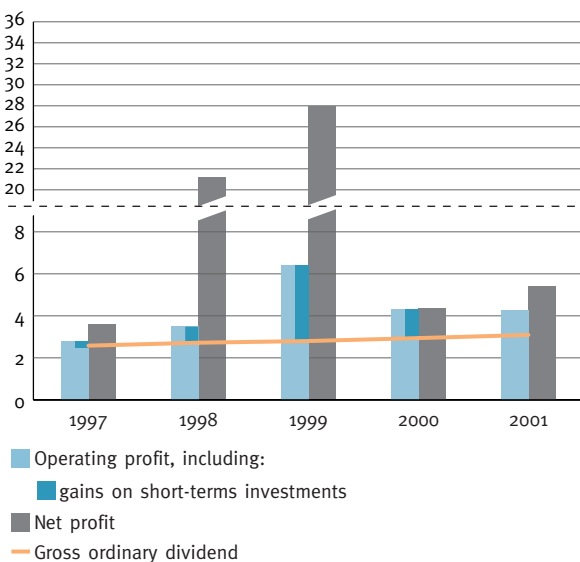
## Highlights

The **restricted consolidated profit** comes to EUR 108.2 million (EUR 5.41 per share) for 2001, compared with EUR 88.2 million (EUR 4.36 per share) in the previous financial year.

The **consolidated profit** comes to EUR 169.1 million (EUR 8.46 per share), against EUR 145.3 million (EUR 7.18 per share) in 2000.

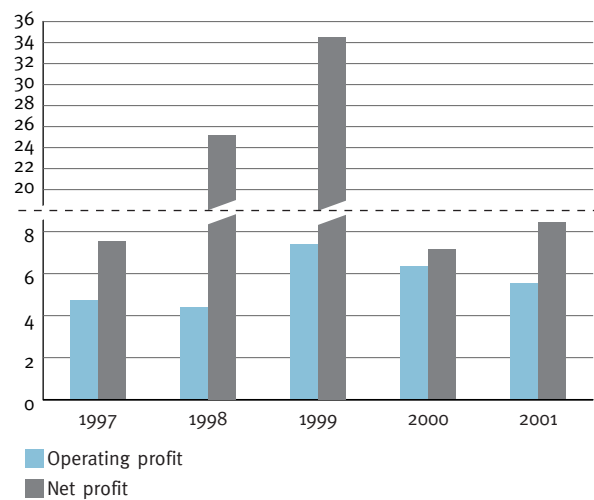
### RESTRICTED CONSOLIDATED PROFIT

(in EUR/share)



### CONSOLIDATED PROFIT

(in EUR/share)



As announced, the **restricted consolidated operating profit** is slightly down for 2001 (EUR 85.0 million, compared with EUR 87.1 million for 2000); per share, this translates as a drop of just 1.3% (EUR 4.25 compared with EUR 4.31).

This drop is the result of two conflicting phenomena: firstly, the significant increase in income from long-term investments (EUR 76.5 million against EUR 56.8 million for 2000, due to the investments made over the last two years – in particular in FOMENTO DE CONSTRUCCIONES Y CONTRATAS and TAITTINGER/LE LOUVRE – and the increase in dividends

from the main existing holdings), and secondly, the drop in the other financial profits (EUR 14.2 million compared with EUR 35.5 million for the previous year). With regard to the latter, the advantage afforded by the reduced-rate financing (1.27%) procured through the TOTALFINAELF convertible bonds issued in June 2000, from which the company had a full year's benefit in 2001, was not sufficient to compensate for the disappointing results in share trading (net capital gains were virtually nil in 2001, compared with EUR 21.0 million in 2000) and the decline in the average level of cash available during the financial year.

The **consolidated operating profit** (EUR 111.0 million or EUR 5.55 per share for 2001 against EUR 128.2 million or EUR 6.34 per share in 2000) is significantly down, due to the particularly turbulent end to the year following the

events of the 11th of September. The companies accounted for under the equity method saw contrasting performance, as can be seen from the table below:

CONTRIBUTION TO THE OPERATING PROFIT AT 31 DECEMBER 2001 (IN EUR THOUSANDS)

	Restricted consolidated <sup>(i)</sup>			Consolidated <sup>(i)</sup> (transitive breakdown)		
	1999	2000	2001	1999	2000	2001
Dividends and interest on long-term investments						
ACP .....	702	708	708	<b>2 418</b>	<b>1 920</b>	<b>833</b>
BERTELSMANN .....	-	-	-	-	-	<b>-9 240</b>
DISTRIPAR new.....			649			<b>3 394</b>
wine assets.....	11 464	2 553	2 530	<b>10 011</b>	<b>9 535</b>	<b>4 160</b>
DUPOIS .....	2 211	2 274	2 385	<b>2 900</b>	<b>3 819</b>	<b>2 413</b>
ENTREMONT (FEM) .....	583	2 319	2 744	<b>3 074</b>	<b>-447</b>	<b>935</b>
FCC .....	-	665	4 825	-	665	4 825
HELIO CHARLEROI .....	245	245	245	<b>682</b>	<b>763</b>	<b>969</b>
IJSBOERKE .....	-	-	-	<b>321</b>	<b>-2 323</b>	<b>-3 741</b>
IMERY'S .....	-	-	-	<b>12 272</b>	<b>14 096</b>	<b>14 099</b>
JOSEPH (PROJECT SLOANE) .....	231	5 645	7 413	<b>1 828</b>	<b>6 088</b>	<b>8 663</b>
PARGESA .....	18 408	19 233	19 840	-	-	-
RTL GROUP .....	-	-	-	<b>3 017</b>	<b>5 964</b>	<b>1 490</b>
SAINT LOUIS SUCRE (INVEPARCO) .....	-	-	-	-	<b>7 994</b>	<b>11 451</b>
SUEZ .....	-	-	-	4 154	5 003	7 716
SUZY INTERWAFFLES .....	163	9	-	<b>-1 059</b>	<b>-417</b>	<b>-709</b>
TAITTINGER/LE LOUVRE .....	-	-	3 266	-	-	3 266
TOTALFINAELF (including ELF AQUITAINE) .....	18 886	22 581	28 013	23 311	28 297	35 625
TRANSCOR .....	-	-	3 689	<b>8 631</b>	<b>10 975</b>	<b>15 155</b>
Other equity-accounted companies .....	-	-	-	<b>346</b>	<b>2 034</b>	<b>2 033</b>
Other companies .....	77	561	185	887	1 705	1 406
Other operating income and expenses .....	87 585	30 340	8 528	90 046	32 493	6 273
OPERATING PROFIT .....	140 555	87 133	85 020	162 839	111 016	111 016
<b>of which arising from equity-accounted companies .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44 441</b>	<b>51 905</b>	<b>51 905</b>

(i) The restricted consolidated income, apart from the profits of consolidated financial companies (own holdings), only includes the dividends from PARGESA and companies accounted using the equity method. In the consolidated accounts, the dividends are eliminated and replaced by the results of PARGESA, broken down transitively into its various components, and of companies accounted using the equity method.

The negative contribution from Bertelsmann to operating profits has to be noticed; the badwill recorded by GBL at the moment of the transfer of its holding in RTL GROUP to BERTELSMANN has however partially offset the negative operating results – anticipated from the start of the operation – made by Bertelsmann during the second half of 2001.

It must be remembered that NPM/CNP only takes its share in the ordinary activities of the companies accounted for under the equity method as the operating profit of these companies; the effect of sales of holdings or activities and, for holding companies, goodwill amortisation and extraordinary profits, are not included in the operating profit.

The total profits for 2001 were also favourably influenced by the **non-operating profits** in the amount of EUR 23.2 million

**in restricted consolidation** and EUR 58.1 million in **consolidation**:

(IN EUR THOUSANDS)

	Restricted consolidation	Consolidation (transitive)
Capital gain on transfer of RTL GROUP to BERTELSMANN .....	-	53 685
Capital gain on sale of SAINT LOUIS SUCRE .....	45 120	35 964
Capital gain on sale of LASMO .....	-	11 563
Write-down on RHODIA .....	-	(9 957)
Write-down or goodwill amortisation on IJSBOERKE .....	(26 000)	(15 501)
Other goodwill amortisations .....	-	(22 517)
Miscellaneous, net .....	4 033	4 874
<b>Non-operating profit</b> .....	<b>23 153</b>	<b>58 111</b>

NPM/CNP will make available at the General Meeting of 18 April 2002 (and on its web site at [www.npm-cnp.be](http://www.npm-cnp.be)) an analysis of the economic operating contribution, comprising, in addition to the consolidated operating profit, NPM/CNP's transitive

share in the operating profit of the companies not accounted for under the equity method (mainly TOTALFINAELF, SUEZ, FOMENTO DE CONSTRUCCIONES Y CONTRATAS AND TAITTINGER/LE LOUVRE) instead of its share in the dividends received.

## Prospects

For the 2002 financial year, the information available at the time of going to press suggests that barring any major detrimental event, we can anticipate a restricted consolidated operating profit allowing for an increase in the dividend per share comparable to that of 2001; with regard to consolidated

profits, it would be premature to express an opinion on the economic situation that might prevail in the sectors in which NPM/CNP is represented through its holdings accounted for under the equity method.

## Appropriation of profit

At the end of the 2001 financial year, the balance available for appropriation comes to EUR 1,091,838,882.25, i.e. the profits from the financial year to be appropriated of 93,397,891.73 increased by the retained earnings of EUR 998,440,990.52; the latter comes from the profit carried forward at the end of the previous finan-

cial year in the amount of EUR 1,080,452,832.83, reduced by a transfer to reserves for own shares of EUR 82,011,842.31, the latter having been cancelled on 19 April 2001 on the cancellation of 740,647 NPM/CNP shares.

The Board of Directors proposes the following appropriation of profits:

(IN EUR)	
Gross dividend of EUR 3.09 per share paid on 20,000,000 shares .....	61 800 000,00
Profits carried forward .....	1 030 038 882.25
	<b>1 091 838 882.25</b>

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

Subject to approval by the Ordinary General Meeting of Shareholders of 18 April 2002, the dividend of an amount of:

- EUR 2.3175 net par share (25% withholding tax);
- EUR 2.6265 net par share presented with a VVPR strip (15% withholding tax)

will be made payable from 25 April 2002, on presentation of coupon nr 51 at the registered office of the company or at the following financial institutions:

In Belgium	In Luxemburg
BANQUE ARTESIA	BNP PARIBAS LUXEMBOURG
BANQUE BRUXELLES LAMBERT	
BANQUE DEGROOF	
FORTIS BANQUE	

## Donations and Art

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- In 2000, the NPM/CNP Group took part in the creation of the FONDATION CHARLES-ALBERT FRÈRE, an association formed to help the physically and mentally disabled, the socially disadvantaged and victims of poverty. The General Meeting of Shareholders of 19 April 2001 welcomed the initiative. As was announced at the meeting, a sum of EUR 250,000 was donated in 2001 and an identical contribution will be made in 2002.

- The NPM/CNP Group purchased contemporary artworks worth EUR 314,000 during 2001 in the context of the formation of its own art collection.

## Composition of the Board of Directors

At the close of the General Meeting on 18 April 2002, and subject to approval of the proposed appointment, the Board will comprise 14 Directors. The longer term objective is, however, to bring their number down to 12, while respecting the current balance. There are no specific rules in the statutes concerning the appointment and renewal of Directors' mandates. Terms of office for Directors last for

3 years (6 years before 2001) and are renewable. The age limit has been set at 72 by the Appointments and Remunerations Committee. Exercising the function of Director is not governed by any internal regulations. Directors are selected by the Appointments and Remunerations Committee for their skills and qualities.

### CORPORATE GOVERNANCE

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

(1) The Directors are classified on the basis of the nomenclature decided by the Appointments and Remunerations Committee.

(2) At the time of his appointment, Thierry de RUDDER represented GBL, which was an indirect shareholder of NPM/CNP via its holding in FIBELPAR. Although Thierry de RUDDER is Managing Director of GBL, a subsidiary of NPM/CNP, it was decided not to include him in the Executive Directors since GBL is not included in the restricted consolidation perimeter of NPM/CNP.

(3) The mandate of Jacques FOREST expires at the end of the Ordinary Shareholders' Meeting of 18 April 2002, which will have to deliberate on the renewal of this mandate.

## Functioning of the Board of Directors

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### COMPETENCE OF THE BOARD

The Board of Directors organises the management and control of the Company. It draws up strategic choices, decisions on investments, disposals and long-term financing and, periodically, the Company accounts.

The Board appoints a Managing Director within its ranks and delegates to him the daily management of the Company, as well as special mandates. The Managing Director reports regularly to the Board of Directors on management issues and in particular on performances of the shareholdings, monitoring of subsidiaries and the management of treasury funds.

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

### FREQUENCY OF MEETINGS AND DECISION-MAKING MECHANISMS

The Board of Directors meets at least four times a year. It may also be convened in the event of an emergency or for major operations. The most important subjects discussed are:

- strategy, at the proposal of the Managing Director,
- decisions on and approval of investments and disposals, at the proposal of the Managing Director,
- monitoring of long-term investments,
- reports of the Managing Director,
- reports from the various committees,
- examination and approval of the accounts (annual, half-yearly and quarterly),
- budget forecasts,
- preparation of General Meetings.

Suitable documentation is made available to the Board concerning the different items on the agenda and the subjects for deliberation at least two working days before such meetings.

For the discussions of the Board to be valid, more than half of the members of the Board must be present or represented. All decisions are taken by a simple majority vote. In the cases authorised by the law or the statutes, decisions may be adopted by the unanimous approval of the Directors expressed in writing. There was no occasion for this procedure to be used during the year 2001.

In compliance with the legal provisions, the Board acts in a collegiate manner, in the interests of the Company, without any one category of Directors exercising a dominant role over any other.

In the event of conflicts of interest of a Director or a dominant shareholder with the Company, it is necessary to proceed in accordance with Articles 523 and 524 of the Code of Companies. There was no occasion for this procedure to be applied during the year 2001.

There is no specific internal procedure in the Company allowing a Director to make a request to the Board for the advice of an independent expert; if such a request was to be made by a member, it would be put into effect. In the event of any conflict of interests, the Board calls on the services of independent experts. The Board Committees call on the services of external experts where appropriate.

During 2001, the Board of Directors met nine times, with an attendance rate of Directors at meetings of 60.1%.

## REPRESENTATION OF THE COMPANY

According to the statutes, the Company is validly represented by the signature of two Directors or the signature of the Managing Director alone in the context of daily management.

The Company has delegated representation mainly to the two Executive Directors or, where appropriate, to the Chairman of the Board of Directors. The Board of Directors has also delegated special limited powers to selected persons external to its ranks.

## POLICY ON DIRECTORS' REMUNERATION

The Appointments and Remuneration Committee (see page 30) deals with and sets Directors' remuneration and determines the pay policy for all the Company's employees.

The level of remuneration is benchmarked periodically with the assistance of an external consultant.

Remuneration of executive Directors is made up of a fixed portion based on market criteria and a variable portion, which is left to the discretion of the Appointments and Remuneration Committee, taking account of NPM/CNP's consolidated performance.

The long-term motivation of executive Directors and all employees is assured by their holding of an indirect stake in NPM/CNP through LOVERFIN (see page 32); there is currently no stock option plan operating in the Company.

The limited extent of NPM/CNP's operational management structure does not justify the existence of an Executive Committee or any other management organ with responsibility for day-to-day management; this task is delegated to the Managing Director who carries it out together with the "Charleroi team".

The information contained below relates to the Board of Directors, with a distinction between executive and non-executive Directors.

Gross remuneration and benefits in kind awarded to members of the Board of Directors in respect of the 2001 financial year are as follows:

(IN THOUSAND EUR)

	Executive directors	Non-executive directors
Fixed remuneration .....	944 <sup>(1)</sup>	153 <sup>(2)</sup>
Variable remuneration .....	183	-
Total remuneration .....	1 127 <sup>(1)</sup>	153 <sup>(2)</sup>

(1) of which 199 (thousand EUR) through associate companies; the executive Directors also receive minor benefits in kind, the amount of which is estimated at 3 (thousand EUR).

(2) of which 52 (thousand EUR) in respect of special functions (Chairman or members of particular Committees).

The two Executive Directors also benefit from a pension scheme, granting them, at the age of 62 and after 28 years of service, a capital equivalent to a yearly payment equal to 75% of the highest fixed remuneration earned before the age of 57.

## Committees set up by the Board of Directors

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### APPOINTMENTS AND REMUNERATIONS COMMITTEE

#### Role of the Committee:

The role of the Appointments and Remunerations Committee is to propose candidates for appointment to the functions of Director and to express opinions on those presented to it. The Committee selects candidates in the interest of the Company. It ensures that the Board is composed according to the following rules:

- majority of non-executive Directors,
- sufficient number of independent Directors,
- majority of Directors representing the dominant shareholders. It is also consulted by the Board of Directors to assist it in the matter of remunerations for the company managers.

#### Functioning of the Committee:

The Committee meets prior to each Board of Directors meeting that has to take a decision on one of these issues. As part of its task, it periodically resorts to outside consultants for objective overviews of remunerations to bring them into line with the market and, in particular, with other financial companies.

During 2001, this Committee met 2 times to analyse and make proposals on the composition of the Board of Directors and to review the remunerations of the company management.

#### Composition of the Committee:

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

### AUDIT COMMITTEE

#### Role of the Committee:

The Audit Committee assists the Board of Directors with internal control, periodic financial information required by the law, the appointment of company auditors and relations with them, as well as operations that involve companies in the NPM/CNP Group (restricted consolidated) and its shareholders.

#### Functioning of the Committee:

The Committee meets prior to each Board of Directors meeting that has to take a decision on any of these issues. Part of its task is to meet regularly with the company auditors.

During 2001, the Committee met 5 times.

#### Composition of the Committee:

Philippe HUSTACHE, Chairman  
 Henry MESTDAGH  
 Jacques FOREST.

## Daily management and administration

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The daily management and general administration is provided by Gilles SAMYN with the support of a small, solid team of qualified and motivated professionals.

The Managing Director is granted a considerable degree of independence by the Board of Directors and, to this end, is in possession of special mandates, particularly with regard to the purchase and sale of securities.

In addition, the Managing Director analyses, prepares and makes proposals to the Board of Directors concerning strategic choices, investments, disposals and long-term financing operations of the Company and the Group which fall within the exclusive competence of the Board of Directors.

## Auditing accounts

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Auditors' mandates are for 3 years and are renewable.

The auditors appointed are:

### **KLYNVELD PEAT MARWICK GOERDELER**

Revisers d'Entreprises S.C.C.,

Represented by Karel M. VAN OOSTVELDT

(as the mandate expires in 2002, a proposal will be made to the Meeting to renew it)

### **DELOITTE & TOUCHE**

Revisers d'Entreprises S.C.C.,

Represented by Michel DENAYER

(the mandate, renewed in 2001, expires in 2004)

NPM/CNP has opted, for many years now, to appoint a team of two auditors to perform its statutory audit.

One of these, KPMG, has historically been NPM/CNP's auditor; the other, DELOITTE & TOUCHE, is the auditor of the full chain of holding companies, from FRÈRE-BOURGEOIS at the top right down to GBL, as well as most of the industrial or commercial subsidiaries.

Within NPM/CNP, the two auditors divide up the auditing tasks, one focusing on the statutory accounts; the other, with its view of the Group as a whole, concentrating on the consolidated accounts.

This situation also offers the possibility of being able to call, where necessary, on two highly professional organisations, each with its own specialities and particular sensitivities. This is more important than ever today, notably with the introduction of IFRS in Europe. The complexity of these regulations means that we may need to call for more support from our auditors, with their closer involvement in determining the format of the accounts that will be presented to you and in the advance analysis of alternatives.

The auditors are also at the disposal of the Audit Committee to carry out any additional work it considers useful.

The auditors' remuneration is based on a fixed fee, the amount of which is approved by the Annual General Meeting, and which is dependent on the workload planned to enable them perform their role while respecting their professional standards.

Additional remuneration is paid for any services provided above and beyond their basic role, where appropriate; the amount of the remuneration is indicated each year in the section headed "Legal notice" (see page 33).

## Profit distribution policy

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The dividend policy of NPM/CNP is to achieve a reasonable dividend growth per share, backed by a flow of recurring restricted consolidated operating income.

## Relations with dominant shareholders

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No shareholders' agreement concerning NPM/CNP shares has been brought to the knowledge of the Board of Directors of NPM/CNP. The Board has however been informed of the existence of agreements between the shareholders of the companies ERBE and FINGEN, establishing exclusive control of NPM/CNP by the FRÈRE-BOURGEOIS Group. All transactions falling within the competence of the Board of Directors between the NPM/CNP Group and the dominant shareholders are checked by the Company Auditors and the Audit Committee. In the event of a conflict of interest, the operations or decisions are subject to the regulations in Articles 523 and 524 of the Code of Companies.

# PERSONNEL AND ORGANISATION



*From left to right:*

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

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

## MANAGING DIRECTOR

Gilles SAMYN

## COMPANY SECRETARY

Victor DELLOYE

## SHAREHOLDINGS AND FINANCIAL INFORMATION

Roland BORRES  
Mathieu DEMARÉ  
Jean-Pierre IACOPETTA  
Maximilien de LIMBURG STIRUM  
Frédéric POUCHAIN

## MARKETS

Michel LOIR  
Étienne COUGNON  
Jean-Pierre IACOPETTA

## GENERAL SERVICES

Jean-Charles d'ASPREMONT LYNDEN  
Pascal CLAUSE  
Mathieu DEMARÉ  
Jean-Marie LABRASSINE  
Jacques LAMBEAUX

## LUXEMBURG

Geneviève PISCAGLIA  
Valérie BARTHOL

## NETHERLANDS

Ernst COOIMAN  
Pieter SCHWENCKE

## SWITZERLAND

Georges BETTERMANN  
Cyril DUMITRU  
Fabienne RUDAZ  
Gaël BALLERY

## Employee stock ownership plan

NPM/CNP wished to motivate its staff by aligning their interests with the company objective of value creation. Staff members have therefore made a long-term commitment by establishing a company (LOVERFIN) which has acquired, with the aid of a bank loan, 700,000 NPM/CNP

shares (3.5% of the capital). LOVERFIN has given an undertaking to hold this stock for a period of at least five years from October 1998. LOVERFIN has granted an NPM/CNP subsidiary a right of pre-emption over these NPM/CNP shares.

# LEGAL NOTICE

## **1. Application of Article 134 of the Code of Companies relating to special fees paid to the Auditors.**

The Board of Directors informs you that, in 2001, DELOITTE & TOUCHE, Company auditor, received a special fee amounting to EUR 6,197 for special tasks carried out in the context of the certification of the estimated value and for various consultations.

## **2. Application of Article 624 of the Code of Companies relating to the Company's own shares acquired by the Company and its subsidiaries.**

On 31 December 2000, the Group held 903,145 own shares. On the occasion of the General Meeting of Shareholders of 19 April 2001, Shareholders jointly decided of the cancellation of 740,647 own shares, reducing the total number of shares representing the share capital to 20 million.

During the year 2001, the Group acquired, through SLP, indirect subsidiary of NPM/CNP, 113,094 own shares at an average price of EUR 109.08 per share. Thereby, the Company owned at 31 December 2001, 275,592 own treasury shares (representing 1.38% of Company's capital) for a total book value of EUR 29 million (market value of EUR 33 million). At the end 15,852 own shares were held by the Company itself, the balance being held by SLP.